

2024

Annual Comprehensive Financial Report



PIMA COUNTY

For the Fiscal Year Ended June 30, 2024 • Pima County, Arizona

**PIMA COUNTY, ARIZONA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

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Jan Leshner

Prepared by the Department of Finance and Risk Management

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Deputy Director

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FINANCIAL REPORT

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INTRODUCTORY SECTION

- Letter of Transmittal
- Certificate of Achievement for Excellence in Financial Reporting
- Organizational Chart

FINANCIAL SECTION

STATISTICAL SECTION



INTRODUCTORY SECTION

The purpose of the Introductory Section in an Annual Comprehensive Financial Report (ACFR) is to familiarize readers with the organizational structure of the government, the nature and scope of the services it provides, and the specifics of its legal operating environment.



COUNTY ADMINISTRATOR'S OFFICE

PIMA COUNTY GOVERNMENTAL CENTER
115 N. CHURCH AVE., 2nd FLOOR, Suite 231, TUCSON, AZ 85701-1317
520-724-8661, FAX 520-724-8171

JAN LESHER
County Administrator

December 20, 2024

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

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of Pima County for the fiscal year ended June 30, 2024. This report presents comprehensive financial and operating information about the County's activities for the fiscal year.

We believe that the financial information, as presented, is accurate in all material aspects; that it is presented in a manner designed to openly disclose the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The Arizona Auditor General is required to audit financial transactions and accounts kept by counties. The Auditor General has issued an unmodified ("clean") opinion on the Pima County financial statements for the year ended June 30, 2024. The Auditor General's report is located at the front of the financial section of this report.

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

Pima County Profile

Covering an area of approximately 9,200 square miles, Pima County is one of the oldest continuously inhabited areas of the United States. It is situated in the southern part of Arizona with a portion of its southern boundary bordering Mexico. Created in 1864, Pima County includes a large portion of southern Arizona acquired from Mexico by the Gadsden Purchase of 1854. Pima County has purchased thousands of acres of open space and ranches to preserve and protect the stunning landscapes and historic and cultural sites. The County's population has grown from 395 in 1820 to an estimated population of 1,087,948 in 2024, according to the Arizona Office of Economic Opportunity. The County has a vibrant multicultural diversity. A major commercial and academic hub, Pima County is home to Tucson, the second largest city in Arizona. Although the County has five incorporated cities and towns, more than a third of the population lives outside of any incorporated cities or towns.

A five-member Board of Supervisors is responsible for implementing the County's governmental and administrative affairs. Each member is elected from a designated district to serve a four-year term. The chairman is selected by the

Board from among its members. The Board is responsible for establishing the policies of the County, which provide guidance to the various County constitutional officers and departments. The Board has the legal authority and responsibility to establish spending limits and approve the budgets of all County departments, and also sets the amount of taxes to be levied. The Board appoints a County Administrator who is responsible for the general administrative and overall operations of the various departments of the County. The County has several other elected officials including the Assessor, County Attorney, Recorder, Sheriff, Clerk of the Superior Court, the Constables, Superintendent of Schools, Treasurer, and Judges for the Superior Courts, Juvenile Courts, and Justice Courts.

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

Pima County offers a wide variety of governmental services that are organized into the following functional areas for fiscal year 2024-2025:

- *General Government Services* primarily provides internal administrative and support services to County departments directly serving the public. The departments comprising this function include Assessor; Board of Supervisors; Clerk of the Board; County Administrator; Economic Development; Elections; Facilities Management; Finance & Risk Management; Fleet Services; Human Resources; Information Technology; Office of Digital Inclusion; Office of Emergency Management & Homeland Security; Procurement; Recorder; Rocking K South Community Facilities District; Treasurer; Wildflower Community Facilities District and Wireless Integrated Network.
- *Community Resources* provides educational, cultural, social, economic development and recreational programs to the public. The departments in this functional area are Attractions & Tourism; Communications Office; Community & Workforce Development; County Free Library; Grants Management & Innovation; School Superintendent; and the Stadium District - Kino Sports Complex.
- *Health Services* provides various public health, death investigation, and animal control services, as well as medical assistance to indigents. The component departments are Behavioral Health; Health; Medical Examiner and Pima Animal Care Center.
- *Justice and Law Enforcement* provides public safety, felony and misdemeanor investigation, and prosecution services for victims, witnesses, and those needing fiduciary assistance. Services are also provided in the areas of indigent defense, civil representation, correctional housing, and juvenile detention. Judicial services include jury selection, adjudication of trials, sentencing, and probation supervision. The child support services include Title IV-D and non-Title IV-D administrative functions such as maintaining child support, spousal maintenance, and special paternity case information; processing court orders; preparing and serving wage assignments; and receiving and processing court ordered payments. The departments within this area are the Clerk of the Superior Court; Constables; County Attorney; Justice Court Ajo; Justice Court Green Valley; Justice Court Tucson; Justice Services; Juvenile Court; Public Defense Services; Sheriff; and Superior Court.
- *Public Works* provides construction, operations, and maintenance services related to the County infrastructure and related planning and environmental issues. The departments within this area are Capital Projects; Conservation Lands and Resources; Development Services; Environmental Quality; Parks and Recreation; Project Design and Construction; Real Property Services; Regional Flood Control District; Regional Wastewater Reclamation; and Transportation.

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

The County's component units include the following:

- The *Pima County Stadium District*, the *Regional Flood Control District*, the *Library District*, the *Community Facilities Districts*, and the *Improvement and Other Districts* are reported as blended component units in special revenue funds in the accompanying financial statements.
- The *Southwestern Fair Commission* is reported as a separate component unit (discrete presentation) in the accompanying financial statements.

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

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

Following receipt of the County Administrator’s Recommended Budget and public discussion of the Recommended Budget, the Board of Supervisors historically adopts a budget in June. An annual balanced budget must be adopted on or before the first Monday in August. The Adopted Budget sets a ceiling on expenditures that may be incurred for the County as a whole. On an annual basis, each governmental and proprietary fund is appropriated, in addition to the County Administrator’s office preparing a five-year Capital Improvement Plan, which includes a one-year Capital Improvement Budget. This annual budget serves as the foundation for the County’s financial planning and control. The County has adopted a program-based approach to presenting its budget, where each program represents a set of closely related activities and services managed by a department. For instance, the Regional Wastewater Reclamation Department budget is organized into four distinct programs: Administration, Conveyance System, Technical Services & Engineering, and Treatment Operations. All departments are budgeted on a cost unit/object line-item basis. Departments may modify line-item amounts within their own budgets provided the total department budget amount at the fund level remains unchanged. Changes to the adopted budget that require a transfer between funds are evaluated by the County Administrator prior to recommendation of approval to the Board of Supervisors. Should the County Administrator recommend the change to the Board of Supervisors, the recommendation will be considered at a regularly scheduled, open meeting of the Board.

The County’s annual Adopted Budget can be found at:

[County Budget | Pima County, AZ](#)

Economic Outlook

Pima County’s major employers are Raytheon, University of Arizona, Banner – University Medical Center, Davis-Monthan Air Force Base, Pima County Government, Tucson Unified School District and Tucson Medical Center. Major manufacturers include Ventana Medical Systems, IBM, Caterpillar, and several aerospace and aircraft companies including Raytheon, Bombardier Aerospace, Sargent Aerospace and Defense, and Honeywell Aerospace. Employment by industry is led by government; trade, transportation and utilities; educational and health services; professional and business services; and leisure and hospitality. The average Pima County unemployment rate for 2023 was unchanged at 3.8% as the job market remained strong despite the Federal Reserve continuing to keep interest rates high to cool the economy. Nearly half of Pima County’s population is in the prime working age range of 18 to 54.

A sunny, mild, dry climate with an average temperature of 71°F and a unique desert location help promote travel and tourism as a major industry in Pima County. Spending by visitors generates sales in lodging, food services, recreation, transportation, and retail businesses. These sales support jobs for Pima County residents and contribute tax revenues to local and state governments. According to recent research data released by the Arizona Office of Tourism, Pima County direct travel spending generated approximately \$3.46 billion (11.8% of Arizona direct travel spending) in 2023. This direct travel spending generated 23,000 direct jobs, \$894 million in direct earnings and \$227 million in local and state tax revenues. These amounts exceeded the results from 2022 as the travel industry continued to grow

at a healthy pace. Unlike other industries, taxes generated by travel industry spending are paid by visitors rather than residents. These visitors bring new money into Pima County's economy and generate revenue in the County. Some of the best world-class attractions in Arizona are found in Pima County, such as the Arizona-Sonora Desert Museum and the Pima Air and Space Museum.

Economic trends over the last year include the following:

- The most significant change in the Pima County housing market during the last 12 months is the increase in permit activity for single-family residences. Per data from the Tucson-Southern Arizona Housing Market Letter, the number of permits issued increased from 2,825 during FY 2022/23 to 4,260 for the first 11 months of FY 2023/24. The increase in permit activity has already influenced the marketplace with new home sales during the first five months of 2024, up 8.5% over the first five months of 2023, and the median new home price in May 2024 is down 5.4% from the median price a year earlier. While new home sales have picked up, resales of existing homes remain anemic with continuing reduced supply due to homeowners with low-interest rate mortgages choosing to remain in their current homes. Existing home sales during the first five months of 2024 were down 5.4% from the first five months of 2023 and the median sales prices of existing homes was up 1.4% from a year earlier.
- State-shared sales tax revenue increased to a record \$184M in FY2023/24 as continued high levels of employment statewide encouraged more consumer spending in spite of higher prices. Pima County is budgeting \$182M in state-shared sales tax revenue for FY 2024/25 based on forecasting provided by the County Supervisors Association and continued optimistic predictions of retail sales by the UofA Economic Business and Research Center. This level of sales tax revenue could be negatively affected if the country enters into a recession.

Please refer to the MD&A beginning on page 14 for additional information regarding the County's economic outlook.

Long-term Financial Planning

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

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

Capital Improvement Plan

The Adopted Budget for fiscal year 2024-2025 includes \$208.4 million for the Capital Improvement Plan (CIP). Under this plan, five departments comprise 81% of the total CIP budget as follows:

- Facilities Management, with a budget of \$62.0 million
- Regional Flood Control District, with a budget of \$22.8 million
- Regional Wastewater Reclamation, with a budget of \$55.9 million
- Transportation, with a budget of \$19.9 million

Facilities Management – The Facilities Management Department has active projects with a total fiscal year 2024-2025 budget of \$62.0 million. Major projects include:

- Northwest County Service Center project is budgeted for \$19.3 million
- 130 W. Congress Building Improvement project is budgeted for \$14.8 million
- Richard Elias Mission Library Expansion project is budgeted for \$6.0 million
- Superior Court Improvement project is budgeted for \$4.8 million

Regional Flood Control District – The Regional Flood Control District has active projects with a total budget of \$22.8 million. Major projects include:

- Santa Cruz River Pedestrian Bridge project for \$3.6 million
- Santa Cruz Cortaro Narrows Training Structure project for \$3.3 million
- Santa Cruz River Wildlife Ramp project for \$2.5 million
- Flood Prone Land Acquisitions budgeted for \$2.0 million

Regional Wastewater Reclamation – The Regional Wastewater Reclamation Department (RWR) projects are predominantly funded by Sewer Revenue Obligations. RWR has a total fiscal year 2024-2025 budget of \$55.9 million. Major projects include:

- Tres Rios Class A Biosolids project is budgeted for \$21.3 million
- System-wide Pipe Rehabilitation Program is budgeted for \$10.0 million
- System-wide Treatment Rehabilitation Program is budgeted for \$8.0 million
- Canoa Ranch Sewer Extension project is budgeted for \$3.5 million

Transportation – The Department of Transportation projects are funded by highway user revenues, vehicle license tax revenues and from funding received from the Pima County Regional Transportation Authority, a taxing entity distinct from Pima County. Transportation has a total fiscal year 2024-2025 budget of \$19.9 million. Major projects include:

- Houghton Road I-10 to Golf Links project is budgeted for \$4.2 million
- Valencia Road Mission Road to Camino de la Tierra project is budgeted for \$3.3 million
- Sunrise Drive at Esperero Wash project is budgeted for \$2.6 million

Debt Management

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

Pima County continues to utilize debt authorized by Pima County voters November 4, 1997, for Street and Highway Revenue Bonds. On June 30, 2024, \$16.4 million of the Street and Highway authorization remains unissued. The County issues Certificates of Participation for building construction and Sewer Revenue Obligations to fund the construction and improvement of the County's wastewater conveyance systems and treatment facilities.

Debt issuances anticipated for fiscal year 2024-2025 include \$45.5 million of Sewer Revenue Obligations, \$16.7 million of Sewer Revenue Refunding Obligations, \$27 million of Certificates of Participation and \$18 million of Refunding Certificates of Participation.

The County's conservative debt management principles play a critical role in the decision regarding when to issue new debt. The County has set an aggressive debt repayment schedule, with 100 percent retired at or before 15 years.

The state constitution sets a cap on general obligation debt at 15 percent of the County’s net secondary assessed valuation. In fiscal year 2023-2024, the constitutional debt limit was \$1.97 billion. The actual general obligation bonded indebtedness at year end was \$44.6 million, far below the constitutional debt limit.

Please refer to the MD&A beginning on page 14 and Note 7 beginning on page 65 for specific details on debt issuances, defeasances, and refundings.

Expenditure Limitation

Pima County, like all counties and cities in Arizona, is subject to numerous budgetary and related legal requirements. Article 9, Section 20, of the Arizona Constitution sets limits on the County’s legal budget capacity. In general, the Board of Supervisors, as the governing body of the County, cannot authorize expenditures from local revenues in excess of the expenditure limitation determined annually for Pima County by the Arizona Economic Estimates Commission. The expenditure limitation is determined each year by adjusting the amount of actual payments of local revenues received by the County during fiscal year 1979-1980 to reflect inflation and subsequent population growth for the County. Not subject to this limitation are items such as bond proceeds, related debt service, interest earnings, special voter approved districts, certain highway user revenue funds, federal grant and aid funds, monies received pursuant to intergovernmental agreements, and state grants which are to be used for specific purposes. As in previous years, the County’s expenditures for fiscal year 2023-2024 are expected to be under the limit of \$712 million.

Single Audit

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

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

A complete Single Audit report for the fiscal year ended June 30, 2023, can be found at:

[Audited Financial Reports | Pima County, AZ](#)

The Single Audit for Pima County for the fiscal year ended June 30, 2024, was not complete at the time of publication of this ACFR.

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Pima County, Arizona, for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2023. Pima County has received this prestigious award for thirty-eight years from fiscal years ended June 30, 1984 through 2023, except for fiscal years ended June 30, 1990 and June 30, 1999, due to missing the filing deadline. In order to be awarded a Certificate of Achievement, the County had to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program’s requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Pima County also received the GFOA's Distinguished Budget Presentation Award for its fiscal year 2023-2024 budget document. This was the twenty-fifth consecutive year that Pima County has achieved this award. To qualify for the Distinguished Budget Presentation Award, Pima County's budget had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

Acknowledgments

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

Respectfully submitted,



Jan Lesher
County Administrator



Ellen Moulton
Director, Department of Finance and Risk Management



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Pima County
Arizona**

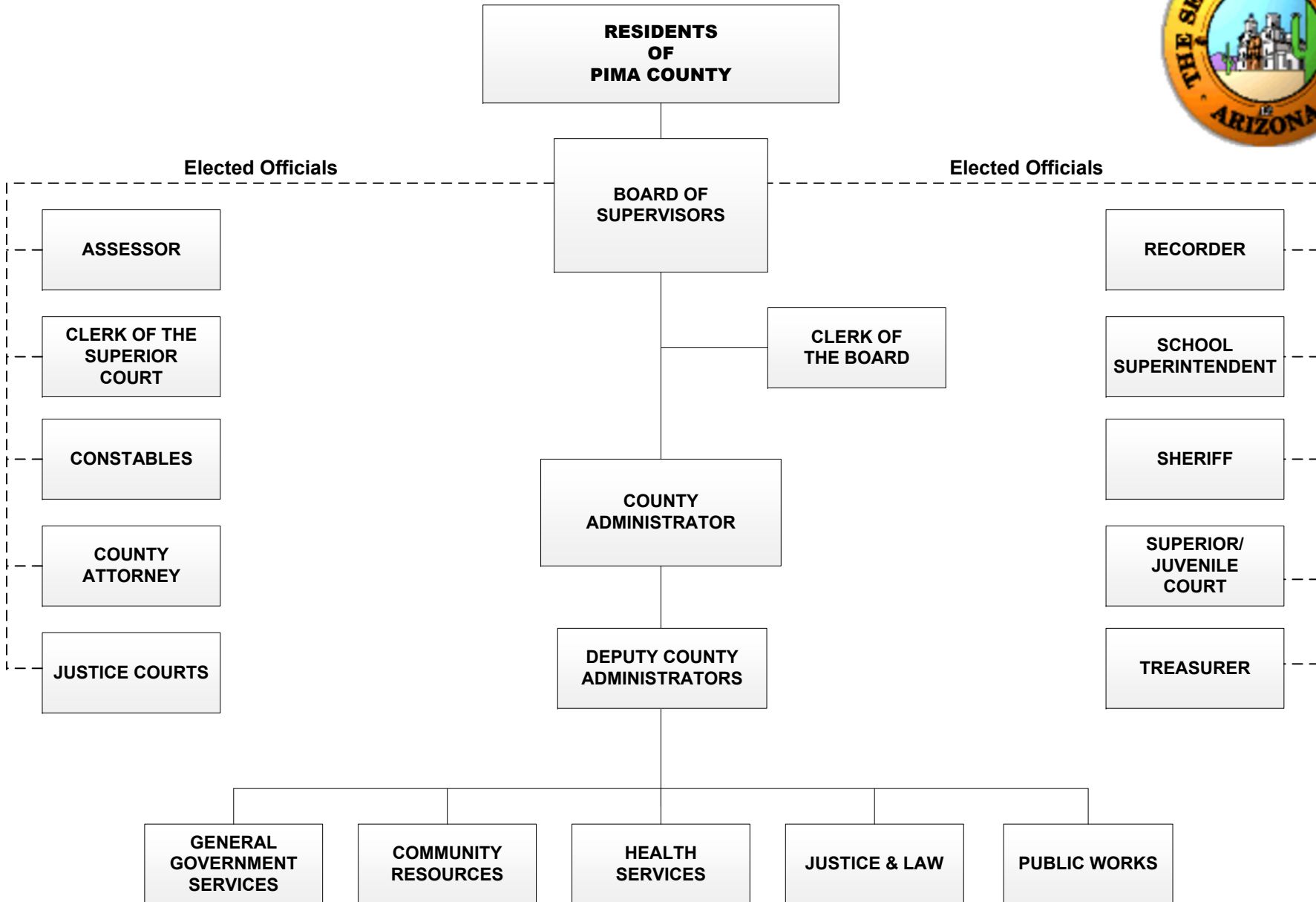
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

PIMA COUNTY ORGANIZATIONAL CHART



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2024

Annual Comprehensive
FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2024 • Pima County, Arizona

INTRODUCTORY SECTION

FINANCIAL SECTION

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

STATISTICAL SECTION

FINANCIAL SECTION

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



LINDSEY A. PERRY
AUDITOR GENERAL

ARIZONA
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

Independent auditors' report

Members of the Arizona State Legislature

The Board of Supervisors of
Pima County, Arizona

Report on the audit of the financial statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, discretely presented component unit, each major fund, and aggregate remaining fund information of Pima County as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, discretely presented component unit, each major fund, and aggregate remaining fund information of the County as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

We did not audit the financial statements of certain departments and funds and the discretely presented component unit, which account for the following percentages of the assets and deferred outflows, liabilities and deferred inflows, revenues, and expenses or expenditures of the opinion units as of June 30, 2024.

Opinion unit/department, fund, or component unit	Assets and deferred outflows	Liabilities and deferred inflows	Revenues	Expenses/ expenditures
<u>Government-wide statements</u>				
Governmental activities:				
Stadium District	2.32%	0.27%	0.95%	1.33%
School Reserve	0.17%	0.08%	1.24%	1.23%
Wireless Integrated Network	0.14%	0.02%	0.33%	0.28%
Self-Insurance Trust	2.68%	1.85%	1.54%	1.48%
Health Benefits Trust	1.17%	0.53%	8.01%	7.64%
Business-type activities:				
Regional Wastewater Reclamation	96.83%	98.30%	93.59%	93.86%
Development Services	2.12%	1.83%	5.38%	4.53%
Discretely presented component unit:				
Southwestern Fair Commission	100.00%	100.00%	100.00%	100.00%

Opinion unit/department, fund, or component unit	Assets and deferred outflows	Liabilities and deferred inflows	Revenues	Expenses/ expenditures
<u>Fund statements</u>				
Major enterprise fund:				
Regional Wastewater Reclamation	100.00%	100.00%	100.00%	100.00%
Aggregate remaining fund information:				
Stadium District	0.37%	0.70%	2.54%	2.74%
School Reserve	0.40%	0.07%	3.57%	3.30%
Wireless Integrated Network	0.37%	0.37%	0.93%	0.76%
Development Services	2.56%	7.36%	2.76%	1.95%
Self-Insurance Trust	6.89%	31.01%	4.39%	3.97%
Health Benefits Trust	3.00%	8.97%	22.85%	20.41%

Those statements were audited by other auditors, whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for those entities, are based solely on the other auditors' reports.

Basis for opinions

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 U.S. Comptroller General. Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Other matters

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

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

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

Management's responsibilities for the financial statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' responsibilities for the audit of the financial statements

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

In performing an audit in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required supplementary information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 14 through 31, budgetary comparison schedules on pages 98 through 101, schedule of the County's proportionate share of the net pension liability—cost-sharing pension plans on page 102, schedule of changes in the County's net pension liability and related ratios—agent pension plans on pages 103 and 104, schedule of County pension contributions on page 105, and notes to pension plan schedules on pages 106 and 107 be presented to supplement the basic financial statements. Such information is management's responsibility and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any

assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not required parts of the basic financial statements. Such information is management's responsibility and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards by us and the other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the accompanying combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance on the other information.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other reporting required by Government Auditing Standards

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

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

December 20, 2024



2024

Annual Comprehensive
FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2024 • Pima County, Arizona



MANAGEMENT'S DISCUSSION AND ANALYSIS

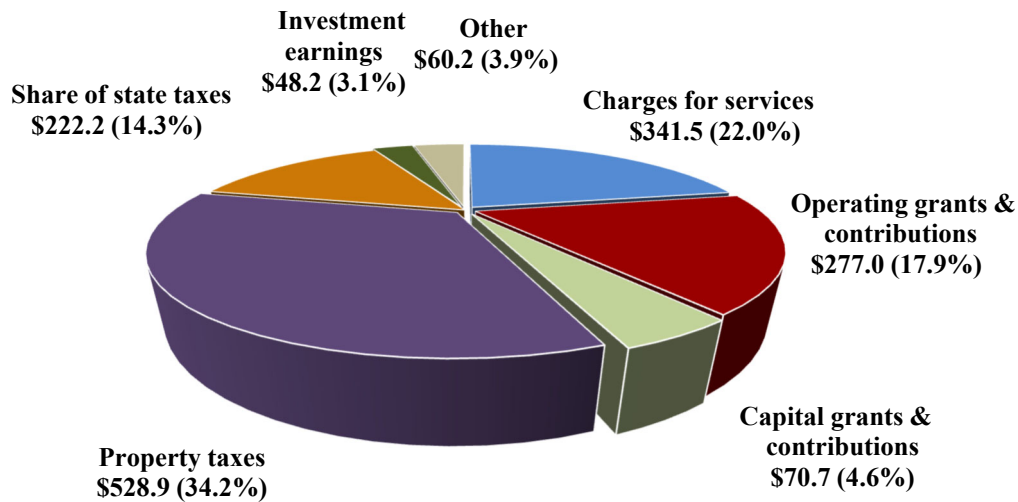
**Pima County, Arizona
Management’s Discussion and Analysis
For the Year Ended June 30, 2024**

Our discussion and analysis of the County’s financial performance provides an overview of the County’s financial activities for the year ended June 30, 2024. Please read it in conjunction with the transmittal letter, which begins on page 1 and the County’s basic financial statements, which begin on page 32. All dollar amounts are expressed in thousands (000’s) unless otherwise noted.

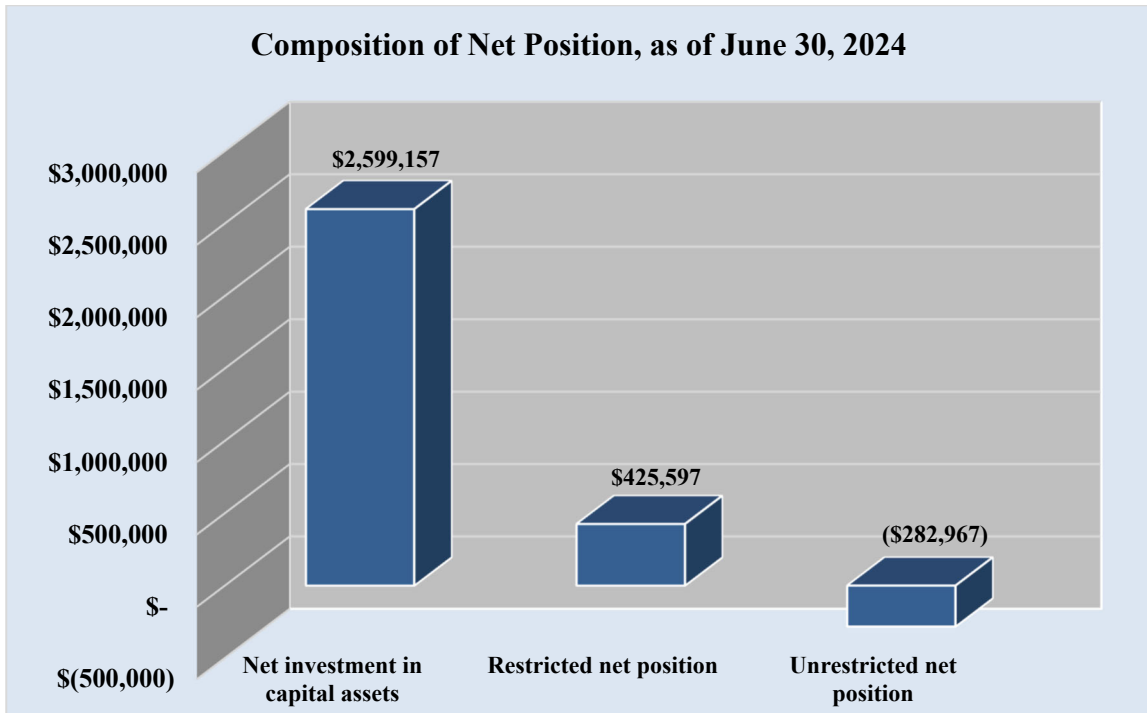
Financial Highlights

- The County’s total liabilities decreased by \$198,245 from \$2,042,648 to \$1,844,403, a 9.7% reduction compared to the prior year. This decrease was primarily driven by a \$108,599 reduction in unearned revenue, largely due to the recognition of revenue as funds from the American Rescue Plan Act (ARPA) and Emergency Rental Assistance grants were spent down.
- The County issued \$39,070 in Certificates of Participation (COPs) to fund various facilities management projects and upgrades to the County’s Enterprise Resource Planning (ERP) system, \$42,350 in Sewer Revenue Obligations to fund the construction, expansion, and improvement of sewer treatment facilities and conveyance systems and \$1,675 in General Obligations Bonds to fund the Rocking K South Community Facilities Districts related to public infrastructure.
- The County’s total net position increased by \$254,282 from \$2,487,505 to \$2,741,787, a 10.2% increase when compared to the prior year.
- The County’s primary sources of revenue come from property taxes, charges for services, state shared taxes, and grants and contributions as displayed below:

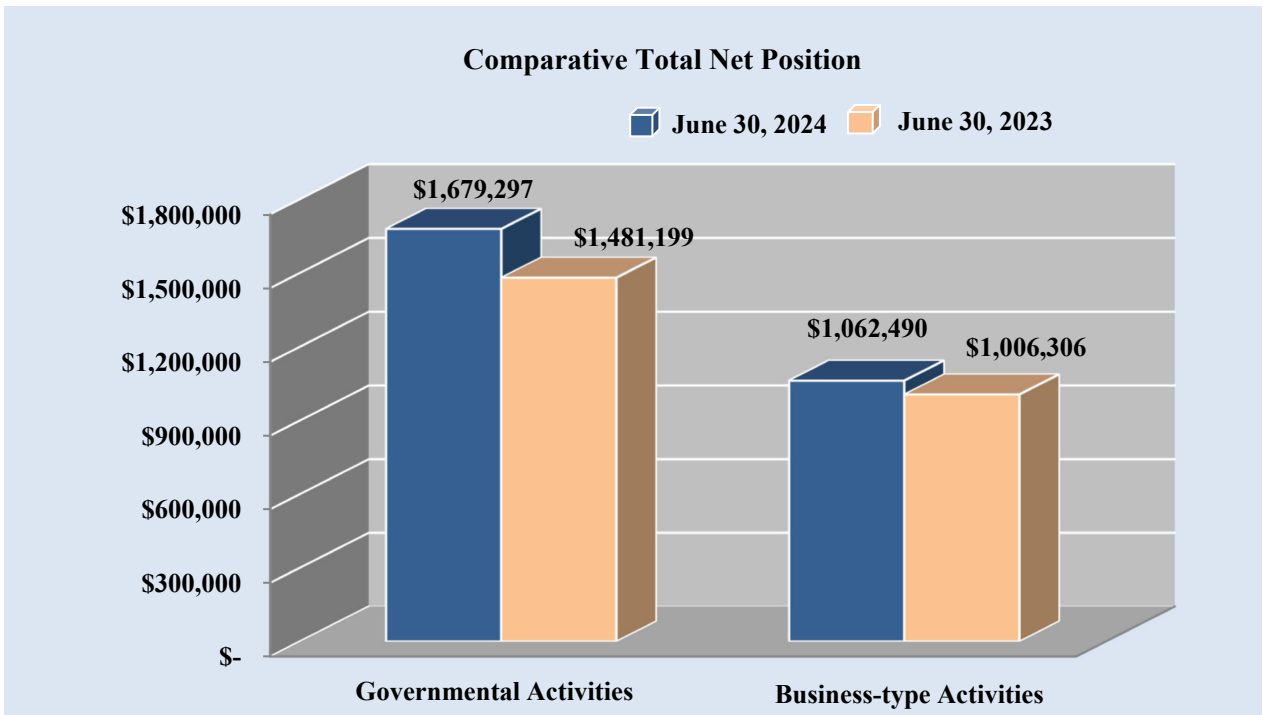
**Revenue Sources
(in millions)**



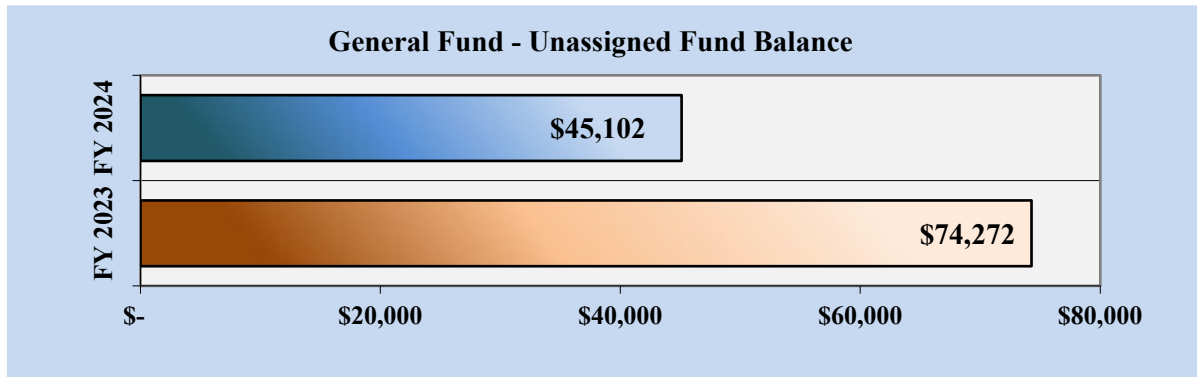
- The composition of the County's total net position on June 30, 2024, of \$2,741,787 is illustrated in the following chart.



- Governmental activities total net position on June 30, 2024, is \$1,679,297, representing an increase of \$198,098 (13.4%) from the prior fiscal year's net position, due to an increase in general government revenues of \$75,022, specifically for charges for services related to the County's share of opioid litigation settlements and due to a reduction in the highways and streets function expenses of \$71,216 for reduced road construction activity. Business-type activities total net position of \$1,062,490, increased by \$56,184 (5.6%) in the current fiscal year, primarily due to a decrease of \$24,684 in outstanding liabilities for sewer revenue obligations from debt payments made during the year and a higher volume of capital contributions from developments that totaled \$25,771 in the Regional Wastewater Reclamation (RWR) enterprise fund.



- The General Fund's unassigned fund balance for the current fiscal year is \$45,102, a decrease of \$29,170 (39.3%) from \$74,272 in the previous fiscal year. This decline is primarily due to a \$14,428 increase in transfers out, mainly to the Debt Service Fund to cover increased payments on the Pledged Revenue Obligations issued in fiscal year 2021 to address the unfunded actuarial accrued liabilities for the Public Safety Personnel Retirement System (PSPRS) and the Correction Officer Retirement Plan (CORP). The unassigned fund balance comprises 25.6% of the total fund balance of \$176,027. Refer to the analysis of the General Fund provided on page 26 for additional details about the fund's financial activities during the year.



Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of three components: (1) Government-wide Statements, (2) Fund Statements, and (3) Notes to the Financial Statements. Required supplementary information is included in addition to the basic financial statements.

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

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

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

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

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

The government-wide financial statements can be found on pages 32-34.

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

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

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

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

The governmental fund financial statements can be found on pages 35-38. The combining statements for non-major governmental funds can be found on pages 108-111.

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

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

The proprietary fund financial statements can be found on pages 39-42. The combining statements for other enterprise and internal service funds can be found on pages 125-132.

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

The fiduciary fund financial statements can be found on pages 43-44.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages **45-97**.

Required Supplementary Information (RSI) is presented concerning the County's General Fund, Grants Fund and Other Special Revenue Fund budgetary schedules and the schedule of the County's Proportionate Share of the Net Pension Liability for Cost Sharing Pension Plans, the Schedule of Changes in the County's Net Pension Liability and Related Ratios for Agent Pension Plans, and the Schedule of County Pension Contributions. Required supplementary information can be found on pages **98-107**.

Combining Statements and Other Schedules referred to earlier provide information for non-major governmental, enterprise, internal service, and fiduciary funds and are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages **108-136**.

Government-Wide Financial Analysis

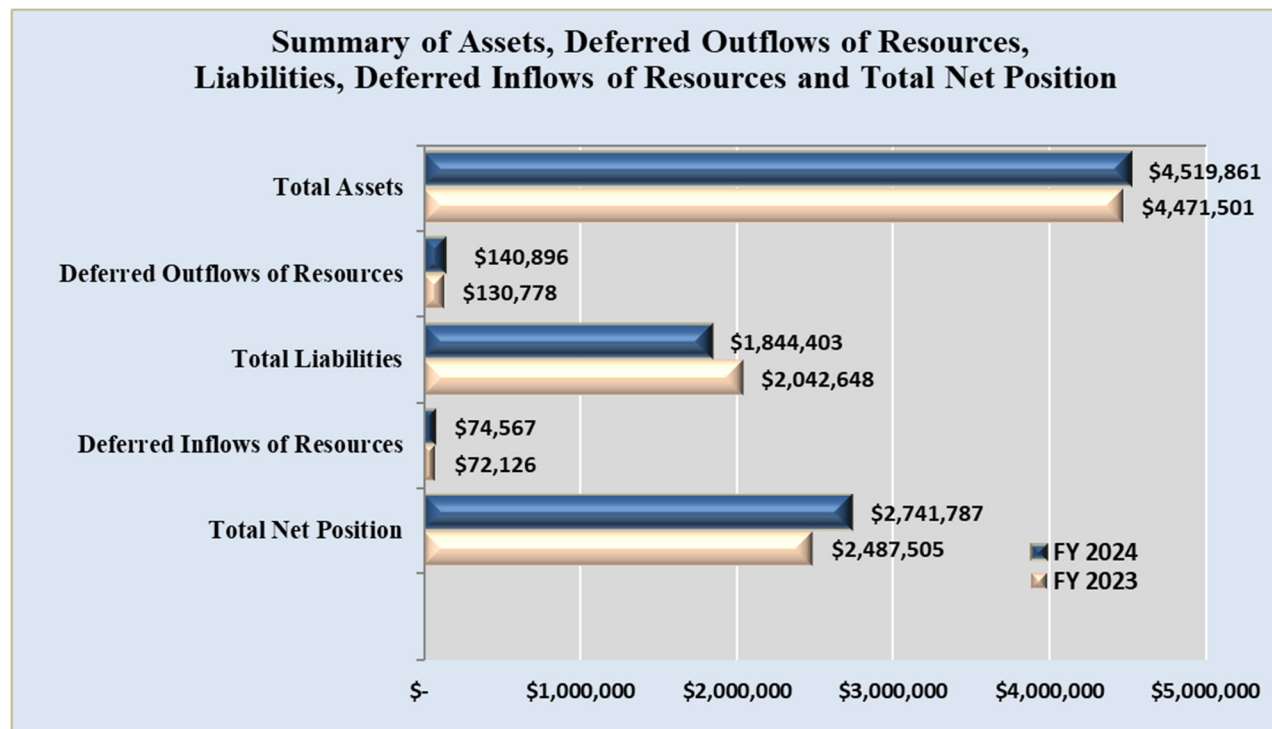
As noted earlier, net position may serve as a useful indicator of a government's financial position over time. An analysis of the results of operations is also useful. The schedule below identifies variances in the results of operations.

Schedule of Results of Operations and Net Position For the Years Ended June 30, 2024 and 2023			
	2024	2023	Variance
Charges for services	\$ 341,487	\$ 260,094	\$ 81,393
Operating grants and contributions	276,996	274,746	2,250
Capital grants and contributions	70,725	33,511	37,214
Total program revenues	689,208	568,351	120,857
Total general revenues and transfers	859,420	813,426	45,994
Total program and general revenues	1,548,628	1,381,777	166,851
Total expenses	1,294,346	1,344,461	(50,115)
Change in net position	\$ 254,282	\$ 37,316	\$ 216,966

Total program revenues grew by \$120,857 (21.3%), largely due to an \$81,393 increase in charges for services, primarily driven by funds from the opioid litigation settlements. Total expenses decreased by \$50,115 (3.7%), including a \$71,216 reduction in the highways and streets function. This decrease was due to reduced road construction activity following the conclusion of \$150,000 in Pavement Preservation Program funding, which had been advanced in \$50,000 increments from fiscal years 2021 through 2023. Combined with a \$45,994 (5.7%) increase in total general revenues and transfers, these changes led to a \$216,966 (581.4%) rise in the change in net position, bringing it to \$254,282.

An explanation of each of these changes is discussed further in the following governmental and business-type activities sections.

The graph presented below illustrates at a summary level the changes in the elements of the Statement of Net Position for the County on June 30, 2024, and June 30, 2023.



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

The total of County assets on June 30, 2024, was \$4,519,861, an increase of \$48,360 (1.1%) from the prior year, while total liabilities decreased by \$198,245 (9.7%) from the prior year, ending at a balance of \$1,844,403. Deferred outflows of resources increased by \$10,118 (7.7%) from the prior year, ending at a balance of \$140,896 and deferred inflows of resources increased by \$2,441 (3.4%) from the prior year, ending at a balance of \$74,567.

The result of these changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources was an increase in net position of \$254,282 (10.2%), to \$2,741,787 in the current fiscal year, from \$2,487,505 in the prior fiscal year.

The largest portion of the County’s net position is reflected in its net investment in capital assets (i.e., land, buildings, infrastructure, and equipment) less any related outstanding debt used to acquire those assets. On June 30, 2024, net investment in capital assets totaled \$2,599,157, an increase of \$109,570 (4.4%) from the prior year, due to the increase of \$75,439 (4.6%) for governmental activities and an increase of \$34,131 (4.0%) for business-type activities. The County uses a portion of these capital assets to provide services to its citizens, with the other portion available to its citizens for use; consequently, these assets are not available for future spending. Although the County’s investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Resources subject to external restrictions on how they may be used comprise the restricted net position of \$425,597, which is an increase of \$145,252 (51.8%) from the prior year and represents approximately 15.5% of total net position.

The following schedule presents, on a comparative basis, both governmental activities and business-type activities within the Statement of Net Position.

**Schedule of Assets, Deferred Outflows of Resources,
Liabilities, Deferred Inflows of Resources and Net Position
At June 30, 2024 and 2023**

	Governmental Activities			Business-type Activities			Total		
	FY 2024	FY 2023	Variance	FY 2024	FY 2023	Variance	FY 2024	FY 2023	Variance
Current and other assets	\$ 960,754	\$ 1,000,328	\$ (39,574)	\$ 227,979	\$ 222,966	\$ 5,013	\$ 1,188,733	\$ 1,223,294	\$ (34,561)
Capital assets (net):									
Land, buildings, equipment, infrastructure & other assets	2,078,900	2,009,344	69,556	1,252,228	1,238,863	13,365	3,331,128	3,248,207	82,921
Total assets	3,039,654	3,009,672	29,982	1,480,207	1,461,829	18,378	4,519,861	4,471,501	48,360
Deferred outflows of resources									
Pensions/OPEB	130,051	116,946	13,105	4,216	5,141	(925)	134,267	122,087	12,180
Deferred charge on debt refunding	201	515	(314)	1,921	3,650	(1,729)	2,122	4,165	(2,043)
Asset retirement obligations				4,507	4,526	(19)	4,507	4,526	(19)
Total deferred outflows of resources	130,252	117,461	12,791	10,644	13,317	(2,673)	140,896	130,778	10,118
Current and other liabilities	159,885	288,303	(128,418)	15,595	21,794	(6,199)	175,480	310,097	(134,617)
Long-term liabilities	1,258,136	1,287,947	(29,811)	410,787	444,604	(33,817)	1,668,923	1,732,551	(63,628)
Total liabilities	1,418,021	1,576,250	(158,229)	426,382	466,398	(40,016)	1,844,403	2,042,648	(198,245)
Deferred inflows of resources									
Pensions/OPEB	41,336	35,120	6,216	1,979	2,442	(463)	43,315	37,562	5,753
Leases and public-private partnerships	31,252	34,564	(3,312)				31,252	34,564	(3,312)
Total deferred inflows of resources	72,588	69,684	2,904	1,979	2,442	(463)	74,567	72,126	2,441
Net position:									
Net investment in capital assets	1,707,493	1,632,054	75,439	891,664	857,533	34,131	2,599,157	2,489,587	109,570
Restricted	362,513	215,071	147,442	63,084	65,274	(2,190)	425,597	280,345	145,252
Unrestricted (deficit)	(390,709)	(365,926)	(24,783)	107,742	83,499	24,243	(282,967)	(282,427)	(540)
Total net position	\$ 1,679,297	\$ 1,481,199	\$ 198,098	\$ 1,062,490	\$ 1,006,306	\$ 56,184	\$ 2,741,787	\$ 2,487,505	\$ 254,282

Analysis of Net Position for Governmental Activities

The current and other assets total of \$960,754 in the current fiscal year is a decrease of \$39,574 (4.0%) under the prior year total of \$1,000,328. This decrease is primarily due to the decrease of \$68,979 in cash and cash equivalents and an increase in accounts receivable of \$50,793. The decrease in cash & cash equivalents is primarily due to the spend-down of American Rescue Plan Act (ARPA) grant monies, which included funding for facilities management capital projects. The increase in accounts receivable is primarily from the County recognizing the associated receivables for the opioid litigation settlements.

Total liabilities decreased by \$158,229 (10.0%) to \$1,418,021, primarily due to a \$128,418 reduction in current and other liabilities. This reduction was largely driven by the spend-down of grant funding, which resulted in a corresponding decrease in unearned revenues. Governmental activities' unearned revenues decreased by \$108,785 as funds from the American Rescue Plan Act (ARPA) and Emergency Rental Assistance grants were recognized. Long-term liabilities also declined by \$29,811, mainly due to \$83,517 in debt service principal payments, partially offset by \$40,745 in new debt issuances for General Obligation (GO) bonds, Highway User Revenue Fund (HURF) bonds, Certificates of Participation (COPs), and Pledged Revenue Obligations (PRO) debt.

The increase of \$12,791 (10.9%) in deferred outflows of resources and \$2,904 (4.2%) in deferred inflows of resources is due to the deferred outflows and inflows in pensions and OPEB. These variances are due to the changes of assumptions in actuarial estimates related to the net pension and OPEB liabilities.

These changes resulted in an overall increase of \$198,098 (13.4%) in the current year's governmental activities total net position to \$1,679,297.

Analysis of Net Position for Business-type Activities

Total assets of \$1,480,207 in the current fiscal year increased by \$18,378 (1.3%) from the prior year total of \$1,461,829, resulting from a \$5,013 (2.2%) increase in current and other assets and a \$13,365 (1.1%) increase in capital assets. The rise in current and other assets is mainly driven by a \$8,075 increase in total cash and cash equivalents, with a \$3,135 increase in the Regional Wastewater Reclamation enterprise fund and a \$4,940 increase in the other nonmajor enterprise funds. The growth in capital assets is the result of a higher volume of capital contributions from developments and construction projects that were completed in the current year for sewage conveyance system assets.

Total liabilities decreased \$40,016 (8.6%) in the current year to \$426,382, primarily due to a decrease of \$29,931 in outstanding sewer revenue obligations in the Regional Wastewater Reclamation enterprise fund.

The total deferred outflows of resources for the current year amounted to \$10,644, marking a decrease of \$2,673 (20.1%). This decline can be mainly attributed to a \$925 decrease in deferred outflows for pensions and OPEB, along with a \$1,729 decrease in deferred outflows associated with deferred charges on refunding, resulting from refundings completed in prior years. Total deferred inflows decreased by \$463 (19.0%) due to the changes of assumptions in actuarial estimates related to the net pension and OPEB liabilities.

The changes in total assets, liabilities, deferred outflows, and deferred inflows of resources resulted in a total net position of \$1,062,490, an increase of \$56,184 (5.6%).

Governmental Activities

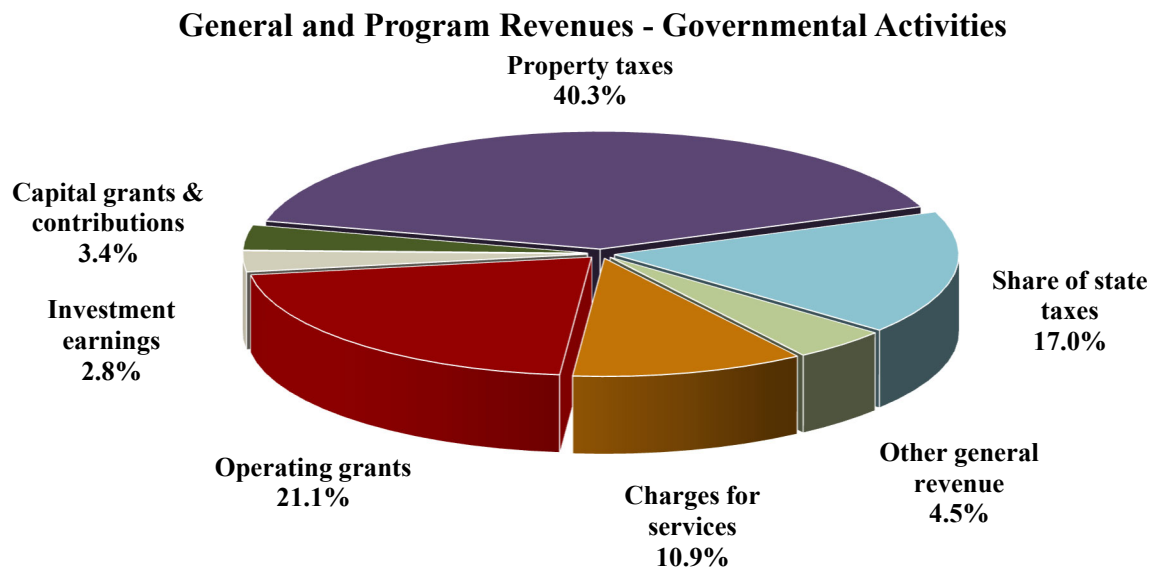
The following table shows details of the changes in net position for governmental activities:

Governmental Activities				
Schedule of Revenues, Expenses, and Changes in Net Position				
For the Years Ended June 30, 2024 and 2023				
	FY 2024	FY 2023	Variance	
			Amount	Percent
Program revenues:				
Charges for services	\$ 143,251	\$ 68,229	\$ 75,022	110.0%
Operating grants and contributions	276,996	274,746	2,250	0.8%
Capital grants and contributions	44,954	19,472	25,482	130.9%
Total program revenues	465,201	362,447	102,754	28.4%
General revenues:				
Property taxes	528,867	508,823	20,044	3.9%
Share of state taxes	222,224	215,756	6,468	3.0%
Investment earnings	37,041	24,108	12,933	53.6%
Other general revenues	59,005	56,043	2,962	5.3%
Total general revenues	847,137	804,730	42,407	5.3%
Total revenues	1,312,338	1,167,177	145,161	12.4%
Expenses:				
General government	399,737	394,954	4,783	1.2%
Public safety	243,311	224,987	18,324	8.1%
Highways and streets	109,617	180,833	(71,216)	-39.4%
Sanitation	3,446	9,834	(6,388)	-65.0%
Health	65,711	62,601	3,110	5.0%
Welfare	118,828	114,851	3,977	3.5%
Culture and recreation	87,339	84,999	2,340	2.8%
Education and economic opportunity	71,525	88,979	(17,454)	-19.6%
Interest and amortization on long-term debt	19,343	17,253	2,090	12.1%
Total expenses	1,118,857	1,179,291	(60,434)	-5.1%
Excess before transfers	193,481	(12,114)	205,595	-1697.2%
Transfers in	4,617	4,990	(373)	-7.5%
Change in net position	198,098	(7,124)	205,222	-2880.7%
Net position, July 1, 2023	1,481,199	1,488,323	(7,124)	-0.5%
Net position, June 30, 2024	\$ 1,679,297	\$ 1,481,199	\$ 198,098	13.4%

Revenues

Total revenues of \$1,312,338 increased \$145,161 (12.4%) from the prior year, primarily due to an increase of \$75,022 (110.0%) in program revenues from increased charges for services. This increase is attributed to the opioid litigation settlements. Total general revenues increased \$42,407 (5.3%) because of an increase of \$20,044 (3.9%) in property tax revenues and \$12,933 (53.6%) in investment earnings compared to the prior year. Property tax revenues increased due to increased net assessed valuations of taxable property in the County and the \$0.0396 per \$100 increase in the combined property tax rate, while investment earnings increased due to the increased investment yield compared to the prior fiscal year.

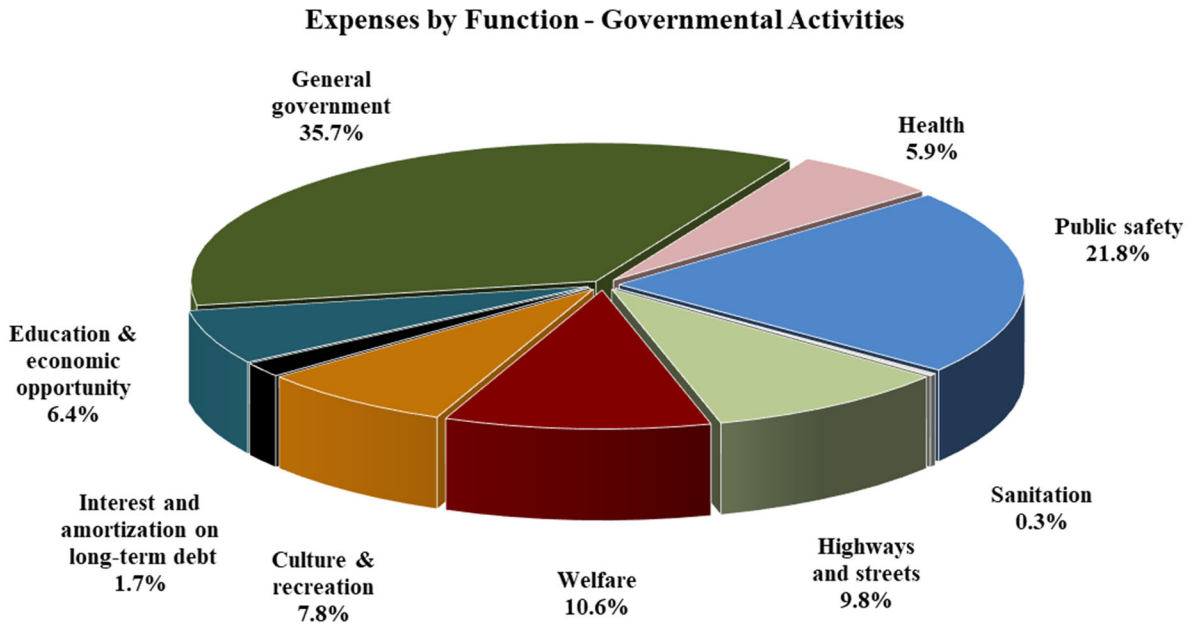
The chart below presents general and program revenues, as a percentage of total revenues. The amount provided from each revenue source for governmental activities, as a percentage of total revenue for governmental activities, has not changed significantly from the prior fiscal year. Property taxes, operating grants, and state-shared taxes account for approximately 78.4% of the County's revenues.



Expenses

Total expenses decreased \$60,434 (5.1%) from the prior year, primarily due to a decrease of \$71,216 (39.4%) in highways and streets expenses. The decrease in highways and streets was the result of decreased activity in road construction to coincide with the reduction in funding for the Pavement Preservation Program due to the previously mentioned advanced funding that ended. The program has primarily been funded by Certificates of Participation (COPs), the Highway User Revenue Fund, and Vehicle License Tax revenues.

The following chart presents expenses by function as a percentage of total expenses. The amount of each expense by function as a percentage to total expenses, has not changed significantly from the prior fiscal year. General government and public safety account for over half of the County's total expenses with a total of 57.5%.



Business-type Activities

Business-type activities, which are composed exclusively of enterprise funds, are intended to recover all or a significant portion of their costs through user fees and charges. The following schedule shows changes in the net position for business-type activities.

Business-type Activities				
Schedule of Revenues, Expenses, and Changes in Net Position				
For the Years Ended June 30, 2024 and 2023				
	FY 2024	FY 2023	Variance	
			Amount	Percent
Program revenues:				
Charges for services	\$ 198,236	\$ 191,865	\$ 6,371	3.3%
Capital grants and contributions	25,771	14,039	11,732	83.6%
Total program revenues	224,007	205,904	18,103	8.8%
General revenues:				
Investment earnings	11,112	6,758	4,354	64.4%
Other general revenues	1,171	1,938	(767)	-39.6%
Total general revenues	12,283	8,696	3,587	41.2%
Total revenues	236,290	214,600	21,690	10.1%
Expenses:				
Regional Wastewater Reclamation	164,710	155,405	9,305	6.0%
Development Services	7,950	6,918	1,032	14.9%
Parking Garages	2,829	2,847	(18)	-0.6%
Total expenses	175,489	165,170	10,319	6.2%
Excess before transfers	60,801	49,430	11,371	23.0%
Transfers out	(4,617)	(4,990)	373	-7.5%
Change in net position	56,184	44,440	11,744	26.4%
Beginning net position	1,006,306	961,866	44,440	4.6%
Ending net position	\$ 1,062,490	\$ 1,006,306	\$ 56,184	5.6%

Revenues

Total program revenues for business-type activities increased by \$18,103 (8.8%) primarily due to increases of \$6,371 (3.3%) in charges for services and \$11,732 (83.6%) in capital grants and contributions. The increases are due to the previously described increases in developer capital contributions and the associated sewer connection permits. Total general revenues increased by \$3,587 (41.2%) primarily due to an increase of \$4,354 (64.4%) in investment earnings due to the increased investment yield and cash balance.

Expenses

Total expenses for the business-type activities increased \$10,319 (6.2%), primarily due to an increase of \$9,305 (6.0%) in the Regional Wastewater Reclamation enterprise fund, along with smaller increases observed in the Development Services and Parking Garages funds. The net amount of transfers out decreased by \$373 (7.5%), primarily due to a decrease of transfers out of the Regional Wastewater Reclamation enterprise fund and into the Capital Projects Fund for contributions to the Ina Road Landfill project in the prior year.

Financial Analysis of the County's Funds

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

Governmental Funds

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

Major Governmental Funds

General Fund

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

Property tax revenues for the General Fund increased \$35,520 (9.0%), reflecting the net impact of higher property valuations. Miscellaneous revenues increased \$4,576 (28.9%), primarily due to an increase in the State Fiscal Year 2023 Long Term Care County Contribution refund calculated pursuant to A.R.S. § 11-292. Overall, revenues for the General Fund increased by \$44,216 (6.3%) and totaled \$745,564 for the current year.

General Fund expenditures totaled \$652,109, an increase of \$17,273 (2.7%) from the prior year. The significant change for the fiscal year was from the implementation of the countywide classification and compensation study in September 2023. The study and implementation of the results are the continuation of the County's commitment to being an employer of choice. During the fiscal year the County allocated \$19,000 in contingency funds to General Fund departments in response to the increase in salaries & wages.

Transfers out totaled \$119,307, an increase of \$14,428 (13.8%) compared to the prior year. This increase was primarily due to \$25,959 in transfers out to the Debt Service Fund for the annual debt service of the Pledged Revenue Obligations Series 2021. The Pledged Revenue Obligations were issued in 2021 to fund the unfunded actuarial accrued liability for CORP and PSPRS.

Transfers in totaled \$3,857, a decrease of \$4,125 (51.7%) from the prior year, primarily due to a \$3,000 transfer in from the Grants Fund consisting of ARPA funding for lost revenues in the prior year.

The \$44,216 increase in revenues, the \$17,273 increase in expenditures, and a total net decrease of \$40,939 in other financing uses yielded a net decrease in fund balance of \$20,089, which ended the year at \$176,027.

Budget and Actual Comparison for the General Fund

Overall, actual revenues were higher than budgeted revenues by \$30,254, primarily due to the higher than budgeted Miscellaneous revenue for the same reasons mentioned above, and actual expenditures were less than budgeted expenditures by \$104,847. Actual expenditures for the General Fund were below the budgeted amount, mainly because the County did not use \$90,863 budgeted for contingencies within the General Government – Finance Non-Departmental category. This amount reflects the revised budget after reallocating contingency funds to General Fund departments to support salary and wage increases from the countywide classification and compensation study, as well as adjustments for persistent inflation.

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

Capital Projects Fund

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

Total revenues of \$21,150 for the Capital Projects Fund represent an increase of \$5,944 (39.1%) from the prior year, primarily due to a large increase from developers for impact fees.

Total capital outlay expenditures of \$143,532 in the current year is an increase of \$44,816 (45.4%) from the prior year, due mostly to the construction of the Office of the Medical Examiner and the Northwest Service Center as well as the replacement of the County's ERP system.

The Capital Projects Fund's other financing sources of \$40,000 represents the issuance of Certificates of Participation (COPs), Series 2023 to fund various capital projects for Facilities Maintenance and the Sheriff's Department.

Transfers out totaled \$10,785, a decrease of \$44,814 (80.6%) from the prior year, mainly due to decreased transfers to the Transportation department's pavement preservation program.

Transfers in totaled \$89,466, an increase of \$29,837 (50.0%) compared to the prior year's total of \$59,629. The increase is directly related to funding the increase of capital expenditures for Facilities Management, Regional Flood Control, and Stadium District projects for the year.

The above detailed financial activities yielded a decrease of \$3,701 in the Capital Projects Fund's net change in fund balance, which ended the year at \$99,943.

Debt Service Fund

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

Revenues for the Debt Service Fund decreased by \$8,680 (26.1%), as a result of the decrease in the secondary property tax levy driven by the Board of Supervisors policy D 22.12 for the pay-as-you-go (PAYGO) program that transitions from voter-authorized general obligation bond funding of capital improvement projects to primary property tax revenues from the General Fund.

Expenditures for the Debt Service Fund increased \$2,377 (2.4%) primarily due to an increase in principal payments for the Pledged Revenue Obligations partially offset by the decrease in principal and interest payments for GO Bonds Series 2016.

The \$8,680 decrease in revenues, the \$2,377 increase in expenditures, and \$14,837 increase in transfers in yielded an overall increase in fund balance of \$4,321, which ended the year at \$6,400.

Grants Fund

This major fund accounts for Federal and State grants received by the County not required to be accounted for in a separate fund. Each grant has a specific program objective, and the grant funds must be used for a stated purpose. Revenues and other financing sources are primarily from intergovernmental revenues and transfers in.

Total revenues of \$175,791 for the Grants Fund represents a decrease of \$1,977 (1.1%) from the prior year, primarily due to a decrease in State revenues from the Arizona Department of Economic Security, which consists of a significant amount for the Low Income Home Energy Assistance Program Grant.

Grant Fund expenditures totaled \$134,778, a decrease of \$28,194 (17.3%) from the prior year, primarily due to a decrease of \$30,062 in education and economic opportunity. This decrease was driven by lower expenditures within the County's mortgage and rental assistance programs.

Transfers in totaled \$4,032, a decrease of \$2,098 (34.2%) over the prior year, primarily due to decreases within the General Fund for FEMA Public Assistance expenditures and vaccination and testing transfers along with increases in Sheriff Department COPS hiring programs.

Transfers out totaled \$41,659, an increase of \$28,782 (223.5%) over the prior year, primarily due to the increases of transfers of grant funding to the Capital Projects Fund for the Facilities Management Northwest Service Center project, the Office of the Medical Examiner Facility Upgrade project, and the Pima County Drexel Congregate Facility project.

The \$1,977 decrease in revenues, the \$28,194 decrease in expenditures, and a total net decrease of \$30,880 in other financing uses yielded a \$3,386 net change in fund balance, which ended the year at a deficit of \$13,379.

Other Special Revenue Fund

This major fund accounts for resources specifically identified to be expended for a particular purpose, program, or activity. The revenues collected are restricted or assigned to these purposes and tracked separately within this fund. These include various probation programs, consumer protection programs, family support, antiracketeering programs, law library, etc. Revenues are provided by fines, intergovernmental revenues, fees and forfeits, and charges for services.

Total revenues of \$72,897 for the Other Special Revenue Fund represents an increase of \$14,826 (25.5%) from the prior year, primarily due to an increase in opioid litigation settlement funds and investment earnings from higher interest rates.

Other Special Revenue Fund expenditures totaled \$54,687, an increase of \$3,488 (6.8%) from the prior year, primarily due to increases of \$2,683 in education and economic opportunity and \$1,414 in public safety, mainly due to increased expenditures in low-income housing units and public safety food supplies. This was offset by a decrease of \$2,342 in general government mainly due to lower subscription-based information technology arrangements.

Transfers in totaled \$15,162, an increase of \$8,336 (122.1%) over the prior year, primarily due to increases for Natural Resources Parks and Recreation renewal projects, the Library District project funding, and PAYGO project funding. Increases in transfers from the General Fund are due to funding for the affordable housing initiatives.

Transfers out totaled \$3,594, a decrease of \$3,112 (46.4%) over the prior year, primarily due to the decrease within the Capital Projects Fund for PAYGO facilities renewal projects that occurred in the prior year.

The \$14,826 increase in revenues, the \$3,488 increase in expenditures, and a total net increase of \$9,897 in other financing uses yielded a \$29,778 net change in fund balance, which ended the year at a surplus of \$95,353.

Major Proprietary Fund

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

Significant changes in the Fund's net position during the fiscal year include an increase in capital contributions of \$11,860 which was the result of more new housing developments being completed compared to the prior year. Increases in operating expenses including an increase in employee compensation of \$2,282 from the County wide classification and compensation study implementation also contributed to changes in the Fund's net position.

Aside from the increases mentioned above, the activity of the RWR Fund remained relatively stable as total operating revenues only decreased slightly. The change in net position of \$52,546 was an increase of \$10,835 (26.0%) over the prior year, which resulted in a net position of \$1,022,458 at the fiscal year-end.

Capital Assets and Debt Administration

Capital Assets

The County's investment in capital assets consists of land, buildings and improvements, sewage conveyance systems, infrastructure, equipment, construction in progress and intangible assets, including right-to-use lease and subscription assets.

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

**Governmental and Business-type Activities
Capital Assets
As of June 30, 2024 and 2023**

	Governmental Activities			Business-type Activities			Total		
	FY 2024	FY 2023	Variance	FY 2024	FY 2023	Variance	FY 2024	FY 2023	Variance
Land	\$ 596,265	\$ 589,571	\$ 6,694	\$ 16,622	\$ 16,471	151	\$ 612,887	\$ 606,042	\$ 6,845
Construction in progress	174,286	77,989	96,297	95,800	94,594	1,206	270,086	172,583	97,503
Buildings and improvements	569,350	592,757	(23,407)	414,997	438,621	(23,624)	984,347	1,031,378	(47,031)
Infrastructure	590,155	615,999	(25,844)				590,155	615,999	(25,844)
Sewage conveyance systems				660,621	616,134	44,487	660,621	616,134	44,487
Equipment	95,463	93,958	1,505	58,027	65,878	(7,851)	153,490	159,836	(6,346)
Intangibles	53,381	39,070	14,311	6,161	7,165	(1,004)	59,542	46,235	13,307
Total	\$ 2,078,900	\$ 2,009,344	\$ 69,556	\$ 1,252,228	\$ 1,238,863	\$ 13,365	\$ 3,331,128	\$ 3,248,207	\$ 82,921

The County's capital assets total is \$3,331,128 in the current year, an increase of \$82,921 (2.6%) from the prior year's total of \$3,248,207. Significant changes in capital assets of Governmental Activities and Business-type Activities are discussed in further detail in the following sections.

Governmental Activities

The current year's total assets of \$2,078,900 is a net increase of \$69,556 (3.5%) from the prior year. Construction of the Office of the Medical Examiner and the Northwest Service Center as well as the continued work during the year for the County's ERP system replacement resulted in an increase of \$96,297 (123.5%) for amounts in Construction in progress. Subscription-Based Information Technology Arrangements (SBITAs) increased the Intangibles asset category by \$14,311 (36.6%) to a balance of \$53,381.

The \$6,694 increase in land is due to \$1,542 in contributions and \$5,887 from the following project capitalizations:

- Flood Control District acquiring flood prone lands for \$1,331
- Parks & Recreation Open Space Projects for \$3,415
- Facilities building and land acquired for operation of humanitarian respite services, in which the land was valued at \$1,003
- The remaining amounts represent land donations for developer contributions for the Department of Transportation

Business-type Activities

Capital assets of business-type activities increased by \$13,365 (1.1%), due to increases of \$44,487 in sewage conveyance systems. These increases were offset by decreases in buildings and improvements of \$23,624 and in equipment of \$7,851. The increase in sewage conveyance systems was due to sewage conveyance systems projects being completed and capitalized in the current fiscal year. The decrease in buildings and improvements was the result of annual depreciation on existing assets. These increases and decreases were almost entirely from activity within the RWR Fund.

Additional information regarding capital assets activity can be found in Note 5 of the financial statements, Capital Assets, on pages 60-62.

Long-term Debt

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

Long-Term Debt Issued Within Fiscal Year For the Years Ended June 30, 2024 and 2023		
	FY 2024	FY 2023
Certificates of Participation (COPs)	\$ 39,070	\$ 88,445
Sewer System Revenue Obligations	42,350	68,225
General Obligation Bonds	1,675	1,670
Total	\$ 83,095	\$ 158,340

During the year, the County issued COPs Series 2023A in the amount of \$23,915 to fund various Facilities Management projects such as the Office of the Medical Examiner Building and the San Xavier Substation for the Sheriff's Department and Series 2023B in the amount of \$15,155 to fund upgrades to the County's ERP system

In addition, the County issued Sewer System Revenue Obligations Series 2023 in the amount of \$42,350 to provide funding for the acquisition, construction and improvement of the County's sewer treatment facilities and conveyance systems.

The County also issued GO bonds Series 2024A in the amount of \$1,675 to fund Rocking K South Community Facilities District projects related to public infrastructure.

The most recent ratings for Pima County's bonds, COPs, and obligations are:

Credit Ratings				
	Standard & Poor's		Fitch Ratings	
	Rating	Date	Rating	Date
Certificates of Participation (COPs)	AA-	September-2024	AA	September-2024
General Obligation Bonds	AA	September-2024	AAA	August-2024
Pledged Revenue Obligations	AA+	March-2021	AA+	August-2024
Transportation Revenue Bonds	AA	November-2020	AA	August-2024
Sewer System Revenue Obligations	AA	September-2024	AA	September-2024

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

The State of Arizona Constitution limits the amount of general obligation debt a governmental entity may issue to 6.0% of its net assessed valuation without voter approval. However, Pima County has voter approval for general obligation debt up to 15.0%. The County's outstanding general obligation bonds amount of \$47,907 at the end of the current fiscal year is significantly below the current debt limitation of \$1,970,568.

Additional information regarding the County's debt can be found in Note 7 of the financial statements, Long-term Liabilities, on pages 65-74.

Economic Factors and Next Year's Budget

The current fiscal year 2024-25 budget is based largely on the County's response to a set of unique challenges from a variety of outside sources. Primary among these is the decision by the Arizona Legislature to balance the State Budget by continuing to transfer \$121.3 million of fiscal year 2024-25 state costs to Pima County. These additional costs imposed by the state continue to cause significant uncertainties in the development of the County budget and impact all of Pima County's existing service priorities and programs, including law enforcement, healthcare and economic development. Recognizing this, the budget that was adopted by the Board of Supervisors for fiscal year 2024-25 is

primarily a “maintenance of effort” budget, which will sustain the County’s existing service priorities. The following discussion identifies other significant activities that are expected to impact the County in fiscal year 2024-25.

State Budget Cost Shifts

In attempts to balance the State Budget, the Governor and Legislature continue to transfer significant amounts of state costs to the 15 counties throughout the state. The total of these cost transfers to Pima County is \$121.3 million for fiscal year 2024-25, or 26.8% of Pima County’s primary property tax levy.

Property Taxes

The fiscal year 2024-25 Adopted Budget includes an increase of \$0.0888 in the County’s primary property tax rate for General Government Revenues, a \$0.0950 decrease in the County Debt Service secondary property tax rate, a \$0.0018 increase in the Regional Flood Control District secondary property tax rate and a \$0.0044 increase in the County Library District secondary property tax rate from the fiscal year 2023-24 rates. The total property tax rate for Pima County (excluding the State mandated Fire District Assistance Tax) remained unchanged at \$5.1048 per \$100 of net taxable value.

State Shared Revenues

In fiscal year 2023-24, the amount of State shared sales tax revenue collected exceeded the budgeted amount of \$180.0 million by \$4.3 million. In response to this, the fiscal year 2024-25 budgeted amount has been increased by \$2.0 million to \$182.0 million, as taxable sales are expected to remain stable across the region.

Employee Benefits Costs

Over the years, Pima County has continued to change and upgrade its benefits package for employees. Over time, the cost to provide these benefits has steadily increased. As a comparison, the actual cost to the County for employee benefits in fiscal year 2003-04 totaled \$65 million whereas the budgeted benefit costs in fiscal year 2023-24 total \$188 million resulting in an increase that is nearly triple the fiscal year 2003-04 amount. The most significant increases were in the County’s health insurance premiums which increased by \$12 million and higher claims expenses than in prior years.

Employee Medical Insurance Benefits Costs

Prior to fiscal year 2013-14, Pima County purchased medical insurance for its employees from an independent provider. Over the five years prior to fiscal year 2013-14, the County’s employee medical insurance premiums increased by an average of 15 to 20 percent yearly. In order to control the rate of increase of employee medical insurance costs, the County moved to a self-insured medical plan run by a third-party administrator starting in fiscal year 2013-14. Under this new model, year-to-year medical insurance costs have increased in the range of 5 to 10 percent annually until the last year when they increased at a higher rate. For fiscal year 2024-25, employer medical premium costs will increase by just over 20 percent from fiscal year 2023-24.

Rainy Day Funds

Maintaining a budget reserve has given the County a favorable bond rating, which in turn has yielded substantial savings from lower interest payments on County debt. The reserve has also enabled the County to minimize the negative fiscal impacts of a variety of unforeseen events over which the County has had little or no control. The fiscal year 2024-25 adopted budget General Fund Reserve totals \$97.95 million. This reserve represents 17% of the General Fund audited operating expenditures for fiscal year 2022-23. The reserve is in the middle of the range of reserves recommended by the Government Finance Officers Association. If this reserve is not spent, it will represent the base ending fund balance for fiscal year 2024-25.

Requests for Information

This financial report is designed to provide a general overview of the County’s finances. Any questions concerning the information provided in this report or requests for additional financial information should be addressed to the Department of Finance and Risk Management, 33 N. Stone, 6th Floor, Tucson, AZ, 85701.



2024

Annual Comprehensive
FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2024 • Pima County, Arizona



BASIC FINANCIAL STATEMENTS

PIMA COUNTY, ARIZONA

Exhibit A - 1

Statement of Net Position

June 30, 2024

(in thousands)

	Primary Government			Component Unit SW Fair Commission
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 703,337	\$ 117,906	\$ 821,243	\$ 7,959
Property taxes receivable (net)	7,793		7,793	
Interest receivable	2,576	626	3,202	2
Internal balances	(26)	26		
Due from other governments	77,145	4	77,149	
Accounts receivable (net)	96,842	17,629	114,471	11
Leases and public-private partnership receivable	37,270		37,270	196
Inventories	2,924	3,685	6,609	53
Prepays	9,278	545	9,823	81
Restricted assets:				
Cash and investments held by trustee(s) - restricted	45	86,514	86,559	
Loans receivable	5,743		5,743	
Net OPEB asset	17,827	1,044	18,871	
Capital assets not being depreciated/amortized:				
Land	596,265	16,622	612,887	
Construction in progress	174,286	95,800	270,086	45
Capital assets being depreciated/amortized (net):				
Buildings and improvements	569,350	414,997	984,347	4,142
Sewage conveyance system		660,621	660,621	
Equipment	95,463	58,027	153,490	935
Infrastructure	590,155		590,155	
Intangibles	53,381	6,161	59,542	
Total assets	3,039,654	1,480,207	4,519,861	13,424
Deferred outflows of resources				
Pension/OPEB	130,051	4,216	134,267	
Deferred charge on debt refunding	201	1,921	2,122	
Asset retirement obligations		4,507	4,507	
Total deferred outflows of resources	130,252	10,644	140,896	0
Liabilities				
Accounts payable	65,084	13,778	78,862	445
Employee compensation	4,885	11	4,896	
Contract retentions	6,210		6,210	
Interest payable	1,231		1,231	
Due to other governments	6,899	9	6,908	
Deposits and rebates	404	1,162	1,566	21
Unearned revenue	75,172	635	75,807	3
Noncurrent liabilities:				
Due within one year	134,592	72,593	207,185	
Due in more than one year	1,123,544	338,194	1,461,738	7
Total liabilities	1,418,021	426,382	1,844,403	476
Deferred inflows of resources				
Pension/OPEB	41,336	1,979	43,315	
Deferred inflows related to leases and public-private partnerships	31,252		31,252	181
Total deferred inflows of resources	72,588	1,979	74,567	181
Net position				
Net investment in capital assets	1,707,493	891,664	2,599,157	5,122
Restricted for:				
Facilities, justice, library, community development, and tax stabilization	254,251		254,251	
Highways and streets	12,039		12,039	
Debt service		37,599	37,599	
Capital projects	49,187		49,187	
Regional wastewater		24,466	24,466	
Healthcare	29,460		29,460	
Net other post employment benefits	17,576	1,019	18,595	
Unrestricted (deficit)	(390,709)	107,742	(282,967)	7,645
Total net position	\$ 1,679,297	\$ 1,062,490	\$ 2,741,787	\$ 12,767

See accompanying notes to financial statements

PIMA COUNTY, ARIZONA
Statement of Activities
For the Year Ended June 30, 2024
(in thousands)

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 399,737	\$ 97,485	\$ 113,111	\$ 27,883
Public safety	243,311	14,177	8,694	2,341
Highways and streets	109,617	14,834	78,557	13,590
Sanitation	3,446		1,513	
Health	65,711	11,532	30,311	297
Welfare	118,828	153	(1,675)	
Culture and recreation	87,339	4,397	(900)	66
Education and economic opportunity	71,525	673	47,385	777
Interest and amortization on long-term debt	19,343			
Total governmental activities	<u>1,118,857</u>	<u>143,251</u>	<u>276,996</u>	<u>44,954</u>
Business-type activities:				
Regional Wastewater Reclamation	164,710	184,438		25,771
Development Services	7,950	11,413		
Parking Garages	2,829	2,385		
Total business-type activities	<u>175,489</u>	<u>198,236</u>		<u>25,771</u>
Total primary government	<u>\$ 1,294,346</u>	<u>\$ 341,487</u>	<u>\$ 276,996</u>	<u>\$ 70,725</u>
Component unit:				
Southwestern Fair Commission	9,111	8,871	1,534	
Total component unit	<u>\$ 9,111</u>	<u>\$ 8,871</u>	<u>\$ 1,534</u>	
General revenues:				
Property taxes, levied for general purposes				
Property taxes, levied for regional flood control district				
Property taxes, levied for library district				
Property taxes, levied for debt service				
Property taxes, levied for improvement and other districts				
Hotel/motel taxes, levied for sports facility and tourism				
Other taxes, levied for stadium district				
Unrestricted share of state sales tax				
Unrestricted share of state vehicle license tax				
Grants and contributions not restricted to specific programs				
Interest and penalties on delinquent taxes				
Investment earnings				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, July 1, 2023				
Net position, June 30, 2024				

See accompanying notes to financial statements

**Net (Expense) Revenue and
Changes in Net Position**

Primary Government			Component Unit SW Fair Commission
Governmental Activities	Business-type Activities	Total	
\$ (161,258)		\$ (161,258)	
(218,099)		(218,099)	
(2,636)		(2,636)	
(1,933)		(1,933)	
(23,571)		(23,571)	
(120,350)		(120,350)	
(83,776)		(83,776)	
(22,690)		(22,690)	
(19,343)		(19,343)	
(653,656)		(653,656)	
	\$ 45,499	45,499	
	3,463	3,463	
	(444)	(444)	
	48,518	48,518	
(653,656)	48,518	(605,138)	
			1,294
			\$ 1,294
417,778		417,778	
30,787		30,787	
57,216		57,216	
22,575		22,575	
511		511	
10,412		10,412	
1,286		1,286	
187,032		187,032	
35,192		35,192	
5,458		5,458	
6,430		6,430	
37,041	11,112	48,153	204
35,419	1,171	36,590	263
4,617	(4,617)		
851,754	7,666	859,420	467
198,098	56,184	254,282	1,761
1,481,199	1,006,306	2,487,505	11,006
\$ 1,679,297	\$ 1,062,490	\$ 2,741,787	\$ 12,767

Functions/Programs

Primary government:

Governmental activities:

- General government
- Public safety
- Highways and streets
- Sanitation
- Health
- Welfare
- Culture and recreation
- Education and economic opportunity
- Interest and amortization on long-term debt

Total governmental activities

Business-type activities:

- Regional Wastewater Reclamation
- Development Services
- Parking Garages
- Total business-type activities

Total primary government

Component unit:

- Southwestern Fair Commission

Total component unit

General revenues:

- Property taxes, levied for general purposes
- Property taxes, levied for regional flood control district
- Property taxes, levied for library district
- Property taxes, levied for debt service
- Property taxes, levied for improvement and other districts
- Hotel/motel taxes, levied for sports facility and tourism
- Other taxes, levied for stadium district
- Unrestricted share of state sales tax
- Unrestricted share of state vehicle license tax
- Grants and contributions not restricted to specific programs
- Interest and penalties on delinquent taxes
- Investment earnings
- Miscellaneous

Transfers

- Total general revenues and transfers

Change in net position

Net position, July 1, 2023

Net position, June 30, 2024

PIMA COUNTY, ARIZONA
Balance Sheet - Governmental Funds
June 30, 2024
(in thousands)

Exhibit A - 3

	General	Capital Projects	Debt Service	Grants	Other Special Revenue	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 178,072	\$ 116,090	\$ 6,200	\$ 69,202	\$ 92,528	\$ 79,639	\$ 541,731
Property taxes receivable (net)	6,139		350			1,304	7,793
Interest receivable	767	358	119	400	353	296	2,293
Due from other funds	1,612	9,219		520	544	489	12,384
Due from other governments	30,499	163		38,348	361	7,737	77,108
Accounts receivable	2,454	53		707	89,904	1,157	94,275
Leases receivable	10,581				26,586	103	37,270
Inventory						1,763	1,763
Prepaid expenditures	3,758			455	198	676	5,087
Loans receivable	4,737					1,006	5,743
Restricted cash and cash equivalents						45	45
Total assets	<u>\$ 238,619</u>	<u>\$ 125,883</u>	<u>\$ 6,669</u>	<u>\$ 109,632</u>	<u>\$ 210,474</u>	<u>\$ 94,215</u>	<u>\$ 785,492</u>
Liabilities, deferred inflows of resources and fund balances							
Liabilities							
Accounts payable	\$ 21,585	\$ 13,548	\$ 1	\$ 13,511	\$ 3,259	\$ 7,564	\$ 59,468
Employee compensation	4,793				4	79	4,876
Contract retentions		5,470		67	34	536	6,107
Due to other funds	4,745	1		7,306	166	192	12,410
Due to other governments	3	6,879		2	1	6	6,891
Deposits and rebates	401				1	2	404
Unearned revenue	345			73,397	1,130	300	75,172
Total liabilities	<u>31,872</u>	<u>25,898</u>	<u>1</u>	<u>94,283</u>	<u>4,595</u>	<u>8,679</u>	<u>165,328</u>
Deferred inflows of resources							
Unavailable revenue - intergovernmental	14,538	42		27,143	135	1,026	42,884
Unavailable revenue - property taxes	4,662		268			994	5,924
Unavailable revenue - settlements					85,753		85,753
Unavailable revenue - other	4,747			1,585	272	721	7,325
Deferred inflows related to leases and public-private partnerships	6,773				24,366	93	31,232
Total deferred inflows of resources	<u>30,720</u>	<u>42</u>	<u>268</u>	<u>28,728</u>	<u>110,526</u>	<u>2,834</u>	<u>173,118</u>
Total liabilities and deferred inflows of resources	<u>62,592</u>	<u>25,940</u>	<u>269</u>	<u>123,011</u>	<u>115,121</u>	<u>11,513</u>	<u>338,446</u>
Fund balances							
Nonspendable	3,758			455	198	2,484	6,895
Restricted		64,749			57,370	70,081	192,200
Committed	126,819				3,209	508	130,536
Assigned	348	35,194	6,400		34,576	9,629	86,147
Unassigned	45,102			(13,834)			31,268
Total fund balances (deficit)	<u>176,027</u>	<u>99,943</u>	<u>6,400</u>	<u>(13,379)</u>	<u>95,353</u>	<u>82,702</u>	<u>447,046</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 238,619</u>	<u>\$ 125,883</u>	<u>\$ 6,669</u>	<u>\$ 109,632</u>	<u>\$ 210,474</u>	<u>\$ 94,215</u>	<u>\$ 785,492</u>

See accompanying notes to financial statements

PIMA COUNTY, ARIZONA
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2024
(in thousands)

Exhibit A - 4

Fund balances - total governmental funds \$ 447,046

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

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

Governmental activities capital assets	\$ 3,619,031	
Less accumulated depreciation/amortization	<u>(1,623,253)</u>	1,995,778

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

Bonds payable	(102,573)	
Certificates of participation payable	(252,838)	
Financed purchases	(107)	
Leases and SBITA payable	(22,112)	
Pledged revenue obligations	(269,130)	
Pollution remediation	(30)	
Landfill closure liability	(11,411)	
Net pension/OPEB liability	(486,882)	
Compensated absences liability	<u>(50,310)</u>	(1,195,393)

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

Net OPEB asset	<u>17,457</u>	17,457
----------------	---------------	--------

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

Deferred outflows of resources related to pensions/OPEB	128,551	
Deferred inflows of resources related to pensions/OPEB	(40,632)	
Accrued interest	(345)	
Deferred inflows related to leases and public-private partnerships	(20)	
Deferred outflows for bond debt refunding	<u>201</u>	87,755

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

Intergovernmental	42,884	
Property taxes	5,924	
Settlements	85,753	
Other	<u>7,325</u>	141,886

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

184,768

Net position of governmental activities \$ 1,679,297

See accompanying notes to financial statements

PIMA COUNTY, ARIZONA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024
(in thousands)

Exhibit A - 5

	General	Capital Projects	Debt Service	Grants	Other Special Revenue	Other Governmental Funds	Total Governmental Funds
Revenues:							
Property taxes	\$ 431,039		\$ 23,445			\$ 90,029	\$ 544,513
Licenses and permits	3,519				\$ 1	6,219	9,739
Intergovernmental	236,234	\$ 1,007	5	\$ 167,559	28,663	97,540	531,008
Charges for services	43,523	13,921			12,873	11,029	81,346
Fines and forfeits	2,442				19,539	68	22,049
Investment earnings	8,376	6,078	1,151	5,722	3,803	3,928	29,058
Miscellaneous	20,431	144		2,510	8,018	1,646	32,749
Total revenues	745,564	21,150	24,601	175,791	72,897	210,459	1,250,462
Expenditures:							
Current:							
General government	296,222			73,450	35,855	286	405,813
Public safety	174,780			5,490	9,298	19,503	209,071
Highways and streets				27		60,406	60,433
Sanitation	1,388					1,406	2,794
Health	17,305			21,619	828	24,125	63,877
Welfare	118,321			482			118,803
Culture and recreation	20,924			247	3,193	53,900	78,264
Education and economic opportunity	16,993			33,463	5,149	15,359	70,964
Debt service:							
Principal	5,213		83,430		326	272	89,241
Interest	963		19,428		38	113	20,542
Miscellaneous			436			131	567
Capital outlay		143,532					143,532
Total expenditures	652,109	143,532	103,294	134,778	54,687	175,501	1,263,901
Excess (deficiency) of revenues over (under) expenditures	93,455	(122,382)	(78,693)	41,013	18,210	34,958	(13,439)
Other financing sources (uses):							
Premium on bonds		930	419				1,349
Face amount of long-term debt issued		39,070				1,675	40,745
Lease agreements	148						148
Subscription-based information technology agreements	1,758						1,758
Transfers in	3,857	89,466	82,595	4,032	15,162	52,625	247,737
Transfers (out)	(119,307)	(10,785)		(41,659)	(3,594)	(75,453)	(250,798)
Total other financing sources (uses)	(113,544)	118,681	83,014	(37,627)	11,568	(21,153)	40,939
Net change in fund balances	(20,089)	(3,701)	4,321	3,386	29,778	13,805	27,500
Fund balances (deficit), July 1, 2023	196,116	103,644	2,079	(16,765)	65,575	68,898	419,547
Changes in nonspendable resources:							
Change in prepaids						(1)	(1)
Fund balances (deficit), June 30, 2024	\$ 176,027	\$ 99,943	\$ 6,400	\$ (13,379)	\$ 95,353	\$ 82,702	\$ 447,046

See accompanying notes to financial statements

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2024
(in thousands)**

Net change in fund balances - total governmental funds \$ 27,500

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/amortization expense.

Expenditures for capital assets	\$ 131,070	
Less current year depreciation/amortization	(93,163)	37,907

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

Face amount of long-term debt issued	(40,745)	
Premium on bonds	(1,349)	
Leases incurred	(2,240)	
Subscription-based information technology arrangements incurred	(1,425)	
Debt service - principal payments	89,241	
Amortization of premiums/discounts	3,003	
Accrued interest payable	(345)	
Amortization of deferred charge on refunding	29	46,169

Some revenues reported in the Statement of Activities and accrued on the Statement of Net Position do not represent the collection of current financial resources and therefore, are not reported as revenues but are deferred inflows of resources until earned in the governmental funds. Also, the collection of some revenues in the governmental funds exceeded revenues reported in the Statement of Activities.

Donations of capital assets	13,355	
Intergovernmental	6,808	
Property tax revenues	(9,216)	
Settlements	47,010	
Other	48	58,005

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

Change in compensated absences	(7,256)	
Change in landfill liability	(264)	
Change in pollution remediation liability	34	
Net book value of capital asset disposals	(2,682)	
Other change in reserve for prepaids, School Reserve	(1)	(10,169)

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

Pension/OPEB contributions	68,999	
Pension/OPEB expense	(54,465)	14,534

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

		24,152
Change in net position of governmental activities	\$	198,098

See accompanying notes to financial statements

PIMA COUNTY, ARIZONA
Statement of Net Position - Proprietary Funds
June 30, 2024
(in thousands)

Exhibit A - 7

	Business-type Activities Enterprise Funds			Governmental Activities- Internal Service Funds
	Regional Wastewater Reclamation	Other Enterprise Funds	Total Enterprise Funds	
Assets				
Current assets:				
Cash and cash equivalents	\$ 86,599	\$ 31,307	\$ 117,906	\$ 161,606
Restricted cash and cash equivalents	33,954		33,954	
Interest receivable	514	112	626	283
Due from other funds		64	64	
Due from other governments	3	1	4	37
Accounts receivable	17,539	90	17,629	2,567
Inventory	3,685		3,685	1,161
Prepaid expense	508	37	545	4,191
Total current assets	142,802	31,611	174,413	169,845
Noncurrent assets:				
Restricted cash and cash equivalents	52,560		52,560	
Net OPEB asset	893	151	1,044	370
Capital assets:				
Land	14,853	1,769	16,622	459
Buildings and improvements	758,813	27,608	786,421	22,753
Sewage conveyance system	1,102,076		1,102,076	
Equipment	187,800	2,243	190,043	97,919
Intangibles	18,732		18,732	28,846
Less accumulated depreciation/amortization	(940,808)	(16,658)	(957,466)	(70,513)
Construction in progress	95,800		95,800	3,659
Total capital assets (net)	1,237,266	14,962	1,252,228	83,123
Total noncurrent assets	1,290,719	15,113	1,305,832	83,493
Total assets	1,433,521	46,724	1,480,245	253,338
Deferred outflows of resources				
Pension/OPEB	3,604	612	4,216	1,500
Deferred charge on refunding	1,921		1,921	
Asset retirement obligations	4,507		4,507	
Total deferred outflows of resources	10,032	612	10,644	1,500
Liabilities				
Current liabilities:				
Accounts payable	13,185	593	13,778	5,616
Employee compensation	11		11	9
Contract retentions				103
Interest payable				886
Due to other funds	33	5	38	
Due to other governments	9		9	8
Deposits and rebates		1,162	1,162	
Unearned revenue	631	4	635	
Compensated absences payable	1,832	322	2,154	728
Sewer revenue obligations payable	70,439		70,439	
Reported but unpaid losses				4,718
Incurred but not reported losses				7,537
Subscriptions liability				3,467
Total current liabilities	86,140	2,086	88,226	23,072
Noncurrent liabilities:				
Compensated absences payable	1,896	429	2,325	486
Lease payable				15,688
Contracts and notes payable	1,249		1,249	
Sewer revenue obligations payable	296,494		296,494	
Reported but unpaid losses				11,159
Incurred but not reported losses				7,921
Net pension/OPEB liability	26,547	4,502	31,049	11,040
Asset retirement obligations	7,077		7,077	
Total noncurrent liabilities	333,263	4,931	338,194	46,294
Total liabilities	419,403	7,017	426,420	69,366
Deferred inflows of resources				
Pension/OPEB	1,692	287	1,979	704
Total deferred inflows of resources	1,692	287	1,979	704
Net position				
Net investment in capital assets	876,702	14,962	891,664	83,123
Restricted for:				
Debt service	37,599		37,599	
Healthcare				29,005
Regional wastewater reclamation	24,466		24,466	
Unrestricted	83,691	25,070	108,761	72,640
Total net position	\$ 1,022,458	\$ 40,032	\$ 1,062,490	\$ 184,768

See accompanying notes to financial statements

PIMA COUNTY, ARIZONA

Exhibit A - 8

Statement of Revenues, Expenses and Changes in Fund Net Position
 Proprietary Funds
 For the Year Ended June 30, 2024
 (in thousands)

	Business-type Activities			Governmental Activities- Internal Service Funds
	Enterprise Funds			
	Regional Wastewater Reclamation	Other Enterprise Funds	Total Enterprise Funds	
Operating revenues:				
Charges for services	\$ 161,249	\$ 13,798	\$ 175,047	\$ 155,576
Other	6,101	33	6,134	8,545
Total operating revenues	<u>167,350</u>	<u>13,831</u>	<u>181,181</u>	<u>164,121</u>
Operating expenses:				
Employee compensation	31,689	6,198	37,887	14,302
Operating supplies and services	12,591	212	12,803	12,217
Utilities	8,900		8,900	
Sludge and refuse disposal	2,626		2,626	
Repairs and maintenance	10,722	103	10,825	3,534
Incurred losses				77,720
Insurance premiums				14,272
General and administrative	13,763	3,047	16,810	5,387
Consultants and professional services	15,100	453	15,553	11,006
Depreciation/amortization	57,396	766	58,162	16,332
Total operating expenses	<u>152,787</u>	<u>10,779</u>	<u>163,566</u>	<u>154,770</u>
Operating income	<u>14,563</u>	<u>3,052</u>	<u>17,615</u>	<u>9,351</u>
Nonoperating revenues (expenses):				
Investment earnings	9,799	1,313	11,112	7,983
Sewer connection fees	18,226		18,226	
Interest expense	(11,062)		(11,062)	(923)
Debt issuance cost	(432)		(432)	
Loss on disposal of capital assets	(402)		(402)	(50)
Loss on debt defeasance	(27)		(27)	
Total nonoperating revenues	<u>16,102</u>	<u>1,313</u>	<u>17,415</u>	<u>7,010</u>
Income before contributions and transfers	30,665	4,365	35,030	16,361
Capital contributions	25,771		25,771	113
Transfers in		145	145	8,004
Transfers (out)	<u>(3,890)</u>	<u>(872)</u>	<u>(4,762)</u>	<u>(326)</u>
Change in net position	52,546	3,638	56,184	24,152
Net position, July 1, 2023	<u>969,912</u>	<u>36,394</u>	<u>1,006,306</u>	<u>160,616</u>
Net position, June 30, 2024	<u>\$ 1,022,458</u>	<u>\$ 40,032</u>	<u>\$ 1,062,490</u>	<u>\$ 184,768</u>

See accompanying notes to financial statements

PIMA COUNTY, ARIZONA
Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2024
(in thousands)

Exhibit A - 9

	Business-Type Activities			Governmental Activities- Internal Service Funds
	Regional Wastewater Reclamation	Other Enterprise Funds	Total Enterprise Funds	
Cash flows from operating activities:				
Cash receipts from other funds for goods and services provided				\$ 155,576
Cash receipts from customers for goods and services provided	\$ 165,752	\$ 14,421	\$ 180,173	
Cash receipts from miscellaneous operations	1,139		1,139	7,759
Cash payments to suppliers for goods and services	(50,052)	(2,262)	(52,314)	(39,560)
Cash payments to other funds for goods and services	(14,017)	(1,385)	(15,402)	(4,907)
Cash payments for incurred losses				(78,928)
Cash payments to employees for services	(33,775)	(6,365)	(40,140)	(14,476)
Net cash provided by operating activities	<u>69,047</u>	<u>4,409</u>	<u>73,456</u>	<u>25,464</u>
Cash flows from noncapital financing activities:				
Cash transfers in from other funds		145	145	8,004
Cash transfers out to other funds	(3,890)	(872)	(4,762)	(379)
Loans with other funds	(66)	(29)	(95)	18
Net cash provided by (used for) noncapital financing activities	<u>(3,956)</u>	<u>(756)</u>	<u>(4,712)</u>	<u>7,643</u>
Cash flows from capital and related financing activities:				
Principal paid on sewer revenue obligations and loans			(67,034)	
Interest paid on sewer revenue obligations and loans			(17,672)	
Proceeds from issuance of sewer revenue obligations, including premium	44,983		44,983	
Sewer connection fees	18,239		18,239	
Proceeds from sale of capital assets	5		5	573
Purchase and construction of capital assets	(54,051)	(1)	(54,052)	(21,213)
Net cash used for capital and related financing activities	<u>(75,530)</u>	<u>(1)</u>	<u>(75,531)</u>	<u>(20,640)</u>
Cash flows from investing activities:				
Interest received on investments	9,772	1,288	11,060	7,862
Net cash provided by investing activities	<u>9,772</u>	<u>1,288</u>	<u>11,060</u>	<u>7,862</u>
Net increase (decrease) in cash and cash equivalents	(667)	4,940	4,273	20,329
Cash and cash equivalents, July 1, 2023	173,780	26,367	200,147	141,277
Cash and cash equivalents, June 30, 2024	<u>\$ 173,113</u>	<u>\$ 31,307</u>	<u>\$ 204,420</u>	<u>\$ 161,606</u>

(continued)

See accompanying notes to financial statements

PIMA COUNTY, ARIZONA
Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2024
(in thousands)

Exhibit A - 9.1

(continued)

Reconciliation of operating income to net cash provided by operating activities:	Business-Type Activities Enterprise Funds			Governmental Activities- Internal Service Funds
	Regional Wastewater Reclamation	Other Enterprise Funds	Total Enterprise Funds	
Operating income	\$ 14,563	\$ 3,052	\$ 17,615	\$ 9,351
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation/amortization	57,396	766	58,162	16,332
Changes in assets and deferred outflows of resources:				
Decrease (increase) in assets:				
Accounts receivable	(588)	(17)	(605)	(747)
Due from other governments	128		128	(6)
Inventory and other assets	(33)		(33)	(51)
Prepaid expense	(179)	4	(175)	1,860
Net OPEB asset	81	11	92	9
Decrease (increase) in deferred outflows of resources:				
Pension/OPEB	805	120	925	213
Asset retirement obligations	19		19	
Changes in liabilities and deferred inflows of resources:				
Increase (decrease) in liabilities:				
Accounts payable	(428)	164	(264)	(716)
Interest payable				850
Due to other governments	6		6	6
Reported but unpaid losses				632
Incurred but not reported losses				(1,840)
Net pension/OPEB liability	(1,711)	(184)	(1,895)	47
Asset retirement obligations	249		249	
Other liabilities	(859)	554	(305)	(367)
Decrease in deferred inflows of resources:				
Pension/OPEB	(402)	(61)	(463)	(109)
Net cash provided by operating activities	\$ 69,047	\$ 4,409	\$ 73,456	\$ 25,464

Noncash investing, capital, and noncapital financing activities during the year ended June 30, 2024:

Regional Wastewater Reclamation Enterprise Fund received developer-built conveyance systems with an estimated fair value of \$25,771. These contributions were recorded as an increase in capital assets and capital contributions.

Regional Wastewater Reclamation Enterprise Fund disposed of capital assets with a net book value of \$407.

Regional Wastewater Reclamation Enterprise Fund issued Sewer Revenue and Refunding Obligations Series 2023 for \$42,350 to finance the capital improvement programs.

Internal Service Funds disposed of capital assets with a net book value of \$623.

See accompanying notes to financial statements

PIMA COUNTY, ARIZONA
Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2024
(in thousands)

Exhibit A - 10

	Custodial Funds		
	Private-Purpose Trust Funds	External Investment Pool	Other
Assets			
Cash and cash equivalents	\$ 5,795	\$ 457,422	\$ 348,638
Property tax receivable			22,288
Interest receivable		1,893	3
Due from other governments			1,479
Total assets	5,795	459,315	372,408
Net position			
Restricted for:			
Pool participants		459,315	
Individuals, organizations, and other governments	5,795		372,408
Total net position	\$ 5,795	\$ 459,315	\$ 372,408

See accompanying notes to financial statements

PIMA COUNTY, ARIZONA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024
(in thousands)

Exhibit A - 11

	Private-Purpose Trust Funds	Custodial Funds	
		External Investment Pool	Other
Additions:			
Contributions from pool participants		\$ 2,688,764	
Contributions from other governments			\$ 324,879
Property tax collections for other governments			1,379,258
Fines and fees collected for other governments			8,047
Investment earnings		21,262	8,623
Inmate collections			2,088
Other	\$ 7,194		35,856
Total additions	<u>7,194</u>	<u>2,710,026</u>	<u>1,758,751</u>
Deductions:			
Distributions to pool participants		2,603,055	
Distributions to other governments			110,011
Property tax distributions to other governments			1,395,363
Interest expense			474
Fines and fees distributions to other governments			8,039
Payments to inmates			2,109
Other	8,104		37,812
Total deductions	<u>8,104</u>	<u>2,603,055</u>	<u>1,553,808</u>
Net increase (decrease) in fiduciary net position	(910)	106,971	204,943
Net position, July 1, 2023	<u>6,705</u>	<u>352,344</u>	<u>167,465</u>
Net position, June 30, 2024	<u>\$ 5,795</u>	<u>\$ 459,315</u>	<u>\$ 372,408</u>

See accompanying notes to financial statements

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PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 1: Summary of Significant Accounting Policies

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

For the year ended June 30, 2024, the County implemented the provisions of GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. This statement enhances the accounting and financial reporting requirements for changes in accounting principles, changes in accounting estimates, changes to the financial reporting entity, and error corrections to improve the transparency, consistency, and comparability of financial statements. Under GASB 100, changes in accounting principles and error corrections are applied retrospectively to restate prior periods unless it is impracticable to do so. Changes in accounting estimates are accounted for prospectively in the current period and future periods. Any adjustments resulting from changes to the financial reporting entity are reflected as a restatement of the beginning balances for the earliest period presented. As part of implementing GASB 100, the County evaluated all applicable accounting changes, error corrections, and adjustments to the financial reporting entity and found no impact on the County's fiscal year 2023-24 financial statements.

A. Reporting Entity

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

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

The following describes the County's component units:

The Pima County Stadium District, a legally separate entity, was created in 1991 when the Board of Supervisors adopted a resolution to create the Stadium District to manage Kino Sports Complex. The District is a tax-levying, public improvement district and political taxing subdivision of the state of Arizona. The Stadium District, in conjunction with Pima County government, maintains the fiscal resources of the entire complex including facilities, grounds, personnel and the various services provided at the venue. Kino Sports Complex, which covers 330 acres, is the largest professional sports and entertainment venue of its kind in Pima County. The facility hosts youth athletics, amateur and professional sports, concerts and community events on its fields. The County Board of Supervisors serves as the Board of Directors and has operational responsibility for the District. Acting in the capacity of the Board of Directors, the Pima County Board of Supervisors is able to impose its will on the District. The Board of Directors levies the car rental surcharge rates and the recreation vehicle (RV) park tax for the District. The District is reported as a special revenue fund (blended component unit) in these financial statements. Complete financial statements for the District can be obtained from the Pima County Department of Finance and Risk Management located at 97 East Congress Street, Tucson, Arizona 85701.

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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 1: Summary of Significant Accounting Policies (continued)

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

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

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

The Southwestern Fair Commission, Inc. (SFC) is a nonprofit corporation which manages and maintains the fairgrounds owned by the County and conducts an annual fair and other events at the fairgrounds. The Commission's members are appointed and can be removed at any time by the Pima County Board of Supervisors. Based on these factors, and because SFC does not provide services entirely, or almost entirely to the County, but rather to the general citizenry, SFC is reported as a separate component unit (discrete presentation) in these financial statements. Complete financial statements for SFC can be obtained from the Pima County Department of Finance and Risk Management located at 97 East Congress Street, Tucson, Arizona 85701.

Related Organization

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

B. Basis of Presentation

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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 1: Summary of Significant Accounting Policies (continued)

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

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

- Charges to customers or applicants for goods, services, or privileges provided.
- Operating grants and contributions.
- Capital grants and contributions, including special assessments.

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

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

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

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

The County reports the following major governmental funds:

The General Fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The General Fund revenues are primarily from property taxes and intergovernmental revenues.

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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 1: Summary of Significant Accounting Policies (continued)

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

The Grants Fund accounts for Federal and State grants received by the County not required to be accounted for in a separate fund. Each grant has a specific project objective, and the grant funds must be used for a stated purpose. Revenues and other financing sources are primarily from intergovernmental and transfers in.

The Other Special Revenue Fund accounts for resources specifically identified to be expended for the various other programs of the County. Revenues are provided by fines, intergovernmental revenues, fees and forfeitures, and charges for services.

The County reports the following major enterprise fund:

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

The County also reports the following fund types:

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

Fiduciary Funds consists of private-purpose trust funds, which account for assets the County's Public Fiduciary holds in trust for the benefit of various parties; and custodial funds, which account for other fiduciary activities, including pooled and non-pooled assets the County Treasurer holds and invests on behalf of other governmental entities that are not held in trust and the County Treasurer's receipt and distribution of taxes for other governmental entities.

C. Basis of Accounting

The government-wide, proprietary fund and fiduciary fund financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Grants and donations are recognized as revenue as soon as all eligibility requirements the provider imposed have been met.

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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 1: Summary of Significant Accounting Policies (continued)

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

D. Cash and Investments

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

E. Inventories and Prepays

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

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

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

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

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

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

F. Property Tax Calendar

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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 1: Summary of Significant Accounting Policies (continued)

G. Capital Assets

Capital assets are reported at actual cost or estimated historical cost if historical records are not available. Donated assets are reported at acquisition value.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation/amortization methods, and estimated useful lives of capital assets are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation/Amortization Method</u>	<u>Estimated Useful Life</u>
Land	All	Not applicable	Not applicable
Land improvements (Reported in buildings and improvements)	All	Straight Line	20 - 30 Years
Buildings and improvements	\$100	Straight Line	10 - 50 Years
Equipment	\$5	Straight Line	4 - 25 Years
Infrastructure/Sewer conveyance systems	\$100	Straight Line	10 - 50 Years
Intangibles:			
Right-to-use subscription assets	\$1,000	Straight Line	Varies
Right-to-use lease assets	\$100	Straight Line	Varies

Intangible right-to-use lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the County is reasonably certain of being exercised—then the lease asset is amortized over the useful life of the underlying asset.

Intangible right-to-use subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying IT assets.

Discretely presented component unit:

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

H. Postemployment Benefits

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

I. Fund Balance Classifications

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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 1: Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

J. Investment Earnings

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

K. Compensated Absences

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

Employees may accumulate up to 320 hours of annual leave depending upon years of service. If an employee has accumulated annual leave in excess of 320 hours by their anniversary date, the excess hours are converted to sick leave. Upon termination of employment, all unused annual leave benefits are paid to employees. Accordingly, annual leave benefits are accrued as a liability in the government-wide and proprietary funds' financial statements. A liability for these amounts is reported in the governmental funds' financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal year-end.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 1: Summary of Significant Accounting Policies (continued)

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

L. Leases and Subscription-Based Information Technology Arrangements

Leases

As lessee, the County recognizes lease liabilities with an initial, individual value of \$100 or more. The County uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The County's estimated incremental borrowing rate is based on the future year's COPs issuance estimate.

As lessor, the County recognizes lease receivables with an initial, individual value of \$100 or more. If there is no stated rate in the lease contract (or if the stated rate is not the rate the County charges the lessee) and the implicit rate cannot be determined, the County uses its own estimated incremental borrowing rate as the discount rate to measure lease receivables. The County's estimated incremental borrowing rate is calculated as described above.

Subscription-based information technology arrangements

The County recognizes subscription liabilities with an initial, individual value of \$1,000 or more. The County uses its estimated incremental borrowing rate to measure subscription liabilities unless it can readily determine the interest rate implicit in the arrangement. The County's estimated incremental borrowing rate is calculated as described above.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 2: Fund Balance Classifications of the Governmental Funds

The table below details the fund balance categories and classifications:

	General	Capital Projects	Debt Service	Grants	Other Special Revenue	Other Governmental	Total
Fund Balance:							
Nonspendable:							
Inventory						\$ 1,763	\$ 1,763
Prepaid expenditures	\$ 3,758			\$ 455	\$ 198	676	5,087
Permanent fund principal						45	45
Total nonspendable	<u>3,758</u>			<u>455</u>	<u>198</u>	<u>2,484</u>	<u>6,895</u>
Restricted for:							
Community and economic development					563	285	848
Flood Control District		\$ 4,868				9,277	14,145
Health						6,447	6,447
Judicial activities					20,598		20,598
Law enforcement					7,934	3,955	11,889
Library District		15,044				37,759	52,803
Parks and recreation					1,529		1,529
Pima animal care					3,176		3,176
Sanitation		458				1,400	1,858
School reserve						2,021	2,021
Streets and highways		44,379				8,937	53,316
Other purposes					23,570		23,570
Total restricted		<u>64,749</u>			<u>57,370</u>	<u>70,081</u>	<u>192,200</u>
Committed to:							
Law enforcement	18,872						18,872
Municipal facilities					342		342
Parks and recreation					2,867		2,867
School Reserve						508	508
Other purposes	107,947						107,947
Total committed	<u>126,819</u>				<u>3,209</u>	<u>508</u>	<u>130,536</u>
Assigned to:							
Community and economic development					12,822		12,822
Debt service reserve			\$ 6,400				6,400
Health						3,320	3,320
Judicial activities					311		311
Law enforcement	346	2,909					3,255
Municipal facilities		11,317			16,357		27,674
Parks and recreation	2	2,529			4,175		6,706
School reserve						2,311	2,311
Sports promotion (Stadium)						3,998	3,998
Other purposes		18,439			911		19,350
Total assigned	<u>348</u>	<u>35,194</u>	<u>6,400</u>		<u>34,576</u>	<u>9,629</u>	<u>86,147</u>
Unassigned:	45,102			(13,834)			31,268
Total fund balances (deficit)	<u>\$ 176,027</u>	<u>\$ 99,943</u>	<u>\$ 6,400</u>	<u>\$ (13,379)</u>	<u>\$ 95,353</u>	<u>\$ 82,702</u>	<u>\$ 447,046</u>

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 3: Cash and Investments

Primary Government

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

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

1. Commercial paper must be of prime quality and be rated within the top two ratings by a nationally recognized rating agency.
2. Specified bonds, debentures, notes and other evidence of indebtedness that are denominated in United States dollars must be rated "A" or better by at least two nationally recognized rating agencies at the time of purchase.
3. Fixed income securities must carry one of the two highest ratings by Moody's Investors Service and Standard and Poor's rating service. If only one of these services rates the security, it must carry the highest rating of that service.

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

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

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

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

Deposits—At June 30, 2024, the carrying amount of the County's deposits was \$147,761, and the bank balance was \$142,237.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 3: Cash and Investments (continued)

Custodial credit risk—Custodial credit risk is the risk that the County will not be able to recover its deposits if a financial institution fails. The County does not have a formal policy with respect to custodial credit risk. As of June 30, 2024, \$419 of the County’s bank balance was exposed to custodial credit risk because it was uninsured and uncollateralized.

Investments—At June 30, 2024, the County’s investments consisted of \$830,647 invested in marketable securities and \$741,214 invested in the State Treasurer’s Investment Pool. The State Board of Investment provides oversight for the State Treasurer’s pools.

Credit risk—Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The County does not have a formal investment policy with respect to credit risk.

At June 30, 2024, credit risk for the County’s investments was as follows:

Investment type	Fair value	Standard & Poor’s/Moody’s Rating			
		Not rated	AAA/Aaa	AA/Aa	A/A
Certificates of Deposit	\$ 57,555	\$ 57,555			
Corporate bonds	53,131		\$ 4,989	\$ 8,598	\$ 39,544
Federal agency securities	503,860			503,860	
Municipal bonds	1,663	1,663			
Money market mutual fund	213,671		213,671		
State Treasurer's Investment Pool 5	283,632		283,632		
State Treasurer's Investment Pool 500	153,399			153,399	
State Treasurer's Investment Pool 7	304,183		304,183		
Total	\$ 1,571,094	\$ 59,218	\$ 806,475	\$ 665,857	\$ 39,544

Custodial credit risk—For an investment, custodial risk is the risk that, in the event of the counterparty’s failure, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County has no formal policy with respect to custodial credit risk. Of the County’s \$1,571,861 of investments, \$558,654 consisting of the corporate bonds, municipal bonds, Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association is uninsured and held by a counterparty in the County’s name in book entry form.

Concentration of credit risk—The County has no formal policy with respect to limiting the amount the Treasurer may invest in any one issuer. The County had investments at June 30, 2024, of 5% or more in Federal Home Loan Bank and Federal Home Loan Mortgage Corporation. These investments were 18% and 8%, respectively, of the County’s total investments.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 3: Cash and Investments (continued)

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

As of June 30, 2024, the County had the following investments:

Investment type	Amount	Weighted average maturity (years)
State Treasurer’s Investment Pool 5	\$ 283,632	0.09
State Treasurer’s Investment Pool 500	153,399	2.12
State Treasurer’s Investment Pool 7	304,183	0.08
Certificates of Deposit	57,555	1.46
Corporate bonds	53,131	1.17
Municipal bonds	1,663	0.89
Federal Farm Credit Bank	39,977	2.15
Federal Home Loan Bank	284,824	1.64
Federal Home Loan Mortgage Corporation	128,976	0.71
Federal National Mortgage Association	50,083	2.12
U.S. Treasury Notes	767	3.05
Money market mutual fund	213,671	0.11
	\$ 1,571,861	

Fair value measurement—The County’s investments at June 30, 2024, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

Investment by fair value level	Amount	Fair value measurement using	
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)
Corporate bonds	\$ 53,131	\$ 38,131	\$ 15,000
Municipal bonds	1,663		1,663
Federal Farm Credit Bank	39,977	15,034	24,943
Federal Home Loan Bank	284,824	14,841	269,983
Federal Home Loan Mortgage Corporation	128,976		128,976
Federal National Mortgage Association	50,083		50,083
U.S. Treasury Notes	767	767	
Money market mutual fund	213,671	213,671	
Certificates of Deposit	57,555		57,555
Total investments by fair value level	\$ 830,647	\$ 282,444	\$ 548,203

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

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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 3: Cash and Investments (continued)

The County also had investments of \$741,214 in the State Treasurer's investment pools measured at fair value. Investments in the State Treasurer's investment pools are valued at the pool's share price multiplied by the number of shares the County held. The fair value of a participant's position in the pools approximates the value of that participant's pool shares.

A reconciliation of cash, deposits, and investments to amounts shown on the statements of net position follows:

	Cash on hand	Amounts of deposits	Amounts of investments			
Cash, deposits, and investments:	\$ 35	\$ 147,761	\$ 1,571,861	\$ 1,719,657		
	Governmental activities	Business-type activities	Private-purpose trust funds	Custodial funds		
				External investment pool	Other	Total
Statement of net position:						
Cash and cash equivalents	\$ 703,337	\$ 117,906	\$ 5,795	\$ 457,422	\$ 348,638	\$ 1,633,098
Restricted cash and cash equivalents	45	86,514				86,559
Total	<u>\$ 703,382</u>	<u>\$ 204,420</u>	<u>\$ 5,795</u>	<u>\$ 457,422</u>	<u>\$ 348,638</u>	<u>\$ 1,719,657</u>

County Treasurer's investment pool—Arizona Revised Statutes require community colleges, school districts, and other local governments to deposit certain public monies with the County Treasurer. The County Treasurer has a fiduciary responsibility to administer those and the County monies under their stewardship. The County Treasurer invests, on a pool basis, all monies not specifically invested for a fund or program. In addition, the County Treasurer determines the fair value of those pooled investments annually at June 30. The County Treasurer's investment pool is not registered with the Securities and Exchange Commission as an investment company and there is no regulatory oversight of its operations. The structure of the pool does not provide for shares and the County has not provided or obtained any legally binding guarantees to support the value of the participants' investments. The County Treasurer allocates interest earnings to each of the pool's participants. The County's deposits and investments are included in the County Treasurer's investment pool, except for \$35 of cash on hand, \$39,750 of deposits, and \$521,387 of investments primarily in the State Treasurer's Investment Pool. Therefore, the deposit and investment risks of the Treasurer's investment pool are substantially the same as the County's deposit and investment risks disclosed above.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 3: Cash and Investments (continued)

The pool's assets consist of the following:

Investment type	Principal	Interest rates	Maturities	Fair value
Corporate bonds	53,609	0.60-5.49%	09/24-12/26	53,131
Municipal bonds	1,630	2.66%	07/24-01/26	1,663
Federal Farm Credit Bank	40,000	3.09-4.88%	10/25-05/27	39,977
Federal Home Loan Bank	287,325	0.92-5.75%	08/24-05/27	284,824
Federal Home Loan Mortgage Corporation	148,250	3.00-5.80%	08/24-04/27	128,976
Federal National Mortgage Association	50,000	4.97-5.30%	12/24-12/27	50,083
Certificates of Deposit	58,297	0.80-5.10%	07/24-01/28	57,555
Money Market Mutual Fund	181,879	VARIABLE	N/A	181,879
State Treasurer Investment Pool 5	250,490	N/A	N/A	250,490
Deposits	108,011	N/A	N/A	108,011
Interest receivable	1,896	N/A	N/A	1,896
Total assets				<u>\$ 1,158,485</u>

A condensed statement of the investment pool's net position and changes in net position follows:

Statement of fiduciary net position

Assets held for:	
Internal participants	\$ 699,170
External participants	459,315
Total assets	<u>1,158,485</u>
Total net position	<u>\$ 1,158,485</u>

Statement of changes in fiduciary net position

Total additions	\$ 6,840,868
Total deductions	<u>(6,783,690)</u>
Net increase	57,178
Net position:	
July 1, 2023	1,101,307
June 30, 2024	<u>\$ 1,158,485</u>

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 4: Public-Private and Public-Public Partnerships

The County has public-private and public-public partnership agreements as the transferor of properties that provide recreational services to the public. The County has an agreement with Southern Arizona Kart Club, Inc. to operate the Pima Motorsports Park Facility as a public recreational facility, an agreement with Arizona Aerospace Foundation to operate the Titan Missile Museum as a public museum, and an agreement with Old Tucson Entertainment LLC to operate Old Tucson Studios as a public recreational facility. All properties are existing assets that are currently in use, with operator commitments to make improvements over the life of each contract. At June 30, 2024, the County recognized \$878 in receivables and \$864 in deferred inflows related to public-private and public-public partnership agreements. The County uses its estimated incremental borrowing rate to measure the receivable unless it can readily determine the interest rate implicit in the agreement. The County's estimated incremental borrowing rate is based on the future year's COPs issuance estimate.

For the County's public-private and public-public partnership agreements the exclusive right to operate the properties is granted to the operators in accordance with permitted activities under public recreational facilities established by the County. The County maintains ownership of the properties, including any improvements made to the properties. In accordance with the public-private and public-public partnership agreements the operators are beholden to maintenance, repair, and replacement obligations.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 5: Capital Assets

Capital asset activity for the year ended June 30, 2024, was as follows:

	<u>Balance July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2024</u>
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 589,571	\$ 7,492	\$ (798)	\$ 596,265
Construction in progress	77,989	135,161	(38,864)	174,286
Total capital assets not being depreciated/amortized	<u>667,560</u>	<u>142,653</u>	<u>(39,662)</u>	<u>770,551</u>
Capital assets being depreciated/amortized:				
Buildings and improvements	1,042,793	10,165	(1,493)	1,051,465
Equipment	242,103	21,593	(18,786)	244,910
Infrastructure	1,598,328	17,944	(98)	1,616,174
Intangibles:				
Software	30,542		(5,855)	24,687
Right-to-use subscription assets	31,889	26,928	(333)	58,484
Right-to-use lease assets:				
Buildings and other improvements	4,126	2,269		6,395
Total capital assets being depreciated/amortized	<u>2,949,781</u>	<u>78,899</u>	<u>(26,565)</u>	<u>3,002,115</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	(450,036)	(33,043)	964	(482,115)
Equipment	(148,145)	(19,147)	17,845	(149,447)
Infrastructure	(982,329)	(43,788)	98	(1,026,019)
Intangibles:				
Software	(20,365)	(1,587)	4,819	(17,133)
Right-to-use subscription assets	(5,392)	(11,056)		(16,448)
Right-to-use lease assets:				
Buildings and other improvements	(1,730)	(874)		(2,604)
Total accumulated depreciation/amortization	<u>(1,607,997)</u>	<u>(109,495)</u>	<u>23,726</u>	<u>(1,693,766)</u>
Total capital assets being depreciated/amortized, net	<u>1,341,784</u>	<u>(30,596)</u>	<u>(2,839)</u>	<u>1,308,349</u>
Governmental activities capital assets, net	<u>\$ 2,009,344</u>	<u>\$ 112,057</u>	<u>\$ (42,501)</u>	<u>\$ 2,078,900</u>

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 5: Capital Assets (continued)

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Business-type activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 16,471	\$ 151		\$ 16,622
Construction in progress	94,594	44,883	\$ (43,677)	95,800
Total capital assets not being depreciated/amortized	111,065	45,034	(43,677)	112,422
Capital assets being depreciated/amortized:				
Buildings and improvements	786,172	249		786,421
Equipment	186,179	4,312	(448)	190,043
Intangibles:				
Software	19,072		(340)	18,732
Sewage conveyance systems	1,036,736	66,015	(675)	1,102,076
Total capital assets being depreciated/amortized	2,028,159	70,576	(1,463)	2,097,272
Less accumulated depreciation/amortization for:				
Buildings and improvements	(347,551)	(23,873)		(371,424)
Equipment	(120,301)	(12,013)	298	(132,016)
Intangibles:				
Software	(11,907)	(1,005)	341	(12,571)
Sewage conveyance systems	(420,602)	(21,271)	418	(441,455)
Total accumulated depreciation/amortization	(900,361)	(58,162)	1,057	(957,466)
Total capital assets being depreciated/amortized, net	1,127,798	12,414	(406)	1,139,806
Business-type activities capital assets, net	\$ 1,238,863	\$ 57,448	\$ (44,083)	\$ 1,252,228

Depreciation/amortization expense was charged to functions as follows:

Governmental activities:	
General government	\$ 23,719
Public safety	15,065
Highway and streets	41,176
Sanitation	371
Health	1,531
Welfare	43
Culture and recreation	10,165
Education and economic opportunity	1,093
Internal service funds	16,332
Total governmental activities depreciation/amortization expense	\$ 109,495
 Business-type activities:	
Development Services	\$ 2
Parking Garages	764
Regional Wastewater Reclamation Department	57,396
Total business-type activities depreciation/amortization expense	\$ 58,162

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 5: Capital Assets (continued)

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Discretely presented component unit:				
Southwestern Fair Commission (SFC):				
Capital assets not being depreciated:				
Construction in progress	\$ 22	\$ 317	\$ (294)	\$ 45
Total capital assets not being depreciated	<u>22</u>	<u>317</u>	<u>(294)</u>	<u>45</u>
Capital assets being depreciated:				
Buildings and improvements	10,939	520	(116)	11,343
Equipment	3,015	379	(280)	3,114
Total capital assets being depreciated	<u>13,954</u>	<u>899</u>	<u>(396)</u>	<u>14,457</u>
Less accumulated depreciation for:				
Buildings and improvements	(6,819)	(498)	116	(7,201)
Equipment	(2,294)	(165)	280	(2,179)
Total accumulated depreciation	<u>(9,113)</u>	<u>(663)</u>	<u>396</u>	<u>(9,380)</u>
Total capital assets being depreciated, net	<u>4,841</u>	<u>236</u>	<u></u>	<u>5,077</u>
SFC capital assets, net	<u>\$ 4,863</u>	<u>\$ 553</u>	<u>\$ (294)</u>	<u>\$ 5,122</u>

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 6: Claims, Judgments and Risk Management

Self-Insurance Trust Fund (SIT Fund)

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

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

At June 30, 2024, claims liabilities for each insurable category are as follows:

Automobile liability	\$	455
General liability		8,342
Workers' compensation		14,638
Environmental liability		1,500
		\$ 24,935

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

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

Year	Balance July 1	Current-Year Claims and Changes in Estimates	Claims Payments	Balance June 30
2022-23	\$ 31,975	\$ 9	\$ (6,341)	\$ 25,643
2023-24	\$ 25,643	\$ 4,345	\$ (5,053)	\$ 24,935

Health Benefits Trust Fund (HBT Fund)

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

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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 6: Claims, Judgments and Risk Management (continued)

Claim liabilities are computed using a variety of actuarial methods and techniques including the exposure approach and completion factors. Accrued actuarial liabilities for the HBT Fund at June 30, 2024, for the HDHP plans are as follows:

High-Deductible Health Plan:	
Medical	\$ 4,416
Pharmacy	<u>1,984</u>
	<u>\$ 6,400</u>

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

Year	Balance July 1	Current-Year Claims and Changes in Estimates	Claims Payments	Balance June 30
2022-23	\$ 6,000	\$ 76,341	\$ (75,441)	\$ 6,900
2023-24	\$ 6,900	\$ 73,375	\$ (73,875)	\$ 6,400

Litigation

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

Pollution Remediation

The County has estimated and reported an environmental liability of \$30 in the government-wide financial statements for governmental activities (in noncurrent liabilities) under the Arizona Water Quality Assurance Revolving Fund state statutes in Article 5, Chapter 2, of Title 49 and regulations in Chapter 16 of Title 18. Remediation efforts are currently underway at one County site: El Camino del Cerro.

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

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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 7: Long-Term Liabilities

The following schedule details the County's long-term liability and obligation activities for the year ended June 30, 2024.

	<u>Balance July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2024</u>	<u>Due within 1 year</u>
Governmental activities:					
General obligation bonds	\$ 64,805		\$ 20,215	\$ 44,590	\$ 13,630
Bonds from direct placement	1,729	1,675	87	3,317	158
Unamortized premium/discount	1,122		584	538	311
Total general obligation bonds	<u>67,656</u>	<u>1,675</u>	<u>20,886</u>	<u>48,445</u>	<u>14,099</u>
Transportation revenue bonds	61,175		9,280	51,895	6,505
Unamortized premium/discount	2,837		604	2,233	512
Total transportation revenue bonds	<u>64,012</u>		<u>9,884</u>	<u>54,128</u>	<u>7,017</u>
Certificates of participation	237,600	39,070	33,065	243,605	41,990
Unamortized premium/discount	9,699	1,349	1,815	9,233	1,688
Total certificates of participation	<u>247,299</u>	<u>40,419</u>	<u>34,880</u>	<u>252,838</u>	<u>43,678</u>
Pledged revenue obligations	290,000		20,870	269,130	22,540
Financed purchases	247		140	107	107
Leases payable	2,517	2,240	806	3,951	734
Subscriptions liability	23,262	20,913	6,859	37,316	7,538
Net pension/OPEB liabilities (Note 10)	505,068	27,550	34,697	497,921	
Reported but unpaid losses (Note 6)	15,245	1,073	441	15,877	4,718
Incurred but not reported losses (Note 6)	17,298	446	2,286	15,458	7,537
Landfill closure and post-closure care costs (Note 8)	11,147	264		11,411	
Pollution remediation (Note 6)	64		34	30	
Compensated absences payable	44,132	34,472	27,080	51,524	26,624
Total governmental activities long-term liabilities	<u>\$ 1,287,947</u>	<u>\$ 129,052</u>	<u>\$ 158,863</u>	<u>\$ 1,258,136</u>	<u>\$ 134,592</u>
Business-type activities:					
Sewer revenue obligations	\$ 300,480	\$ 42,350	\$ 59,075	\$ 283,755	\$ 55,940
Obligations from direct borrowing	68,044		7,959	60,085	8,115
Unamortized premium/discount	28,340	3,065	8,312	23,093	6,384
Total revenue obligations payable	<u>396,864</u>	<u>45,415</u>	<u>75,346</u>	<u>366,933</u>	<u>70,439</u>
Net pension/OPEB liabilities (Note 10)	32,944	6	1,901	31,049	
Contracts and notes	4,052	933	3,736	1,249	
Compensated absences payable	3,916	2,789	2,226	4,479	2,154
Asset retirement obligations	6,828	249		7,077	
Total business-type activities long-term liabilities	<u>\$ 444,604</u>	<u>\$ 49,392</u>	<u>\$83,209</u>	<u>\$ 410,787</u>	<u>\$ 72,593</u>

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 7: Long-Term Liabilities (continued)

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

GENERAL OBLIGATION BONDS

Governmental Activities

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

General obligation bonds payable at June 30, 2024, consisted of the outstanding general obligation bonds presented below.

On May 23, 2024, the Rocking K South Community Facilities District issued General Obligation Bonds via direct placement, Tax-Exempt Series 2024A in the amount of \$1,675 to fund certain projects related to public infrastructure. The District will use the proceeds of an ad valorem tax levy to make the debt service payments on the 2024A Bonds. Direct Placements were deemed the most cost-effective method for these initial issues of the Community Facility District General Obligation Bonds due to the relatively low dollar amount of the offerings.

The following table presents amounts outstanding by issue.

<u>Issue</u>	<u>Issue Amount</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Call Date</u>	<u>Outstanding June 30, 2024</u>
Series of 2012A	60,000	3.25 – 4.00%	2025-27	July 1, 2022	\$ 12,200
Series of 2013A	50,000	3.00 – 4.00%	2025-28	July 1, 2023	15,420
Series of 2014	10,000	3.00 – 3.38%	2025-28	July 1, 2023	3,295
Series of 2015	15,000	2.75 – 3.50%	2025-29	July 1, 2025	4,615
Series of 2016 Refunding	122,070	4.00%	2025-26		9,060
Subtotal					<u>44,590</u>
Series of 2020A Direct Placement	138	4.50%	2025-36		117
Series of 2023A Direct Placement	1,670	4.66%	2025-37		1,525
Series of 2024A Direct Placement	1,675	5.65%	2025-38		1,675
GO bonds outstanding					47,907
Plus unamortized premium/discount:					538
			Total G.O. bonds outstanding		<u>\$ 48,445</u>

The following schedule details general obligation bond debt service requirements to maturity at June 30, 2024.

<u>Year Ending June 30,</u>	<u>GO Bonds</u>		<u>Bonds from Direct Placement</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 13,630	\$ 1,693	\$ 158	\$ 181
2026	14,160	1,164	178	163
2027	9,910	609	188	154
2028	5,905	256	194	144
2029	985	30	204	134
2030-2034			1,191	504
2035-2038			1,204	164
Total	<u>\$ 44,590</u>	<u>\$ 3,752</u>	<u>\$ 3,317</u>	<u>\$ 1,444</u>

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 7: Long-Term Liabilities (continued)

TRANSPORTATION BONDS

Governmental Activities

(Payments made from street and highway revenues)

Pima County transportation revenue bonds were issued to provide monies to construct improvements to the County's streets and highways. Of the total amount originally authorized, \$16,375 from the November 4, 1997, bond election remains unissued.

The following table presents amounts outstanding by issue.

<u>Issue</u>	<u>Issue Amount</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Call Date</u>	<u>Outstanding June 30, 2024</u>
Series of 2012	\$ 18,425	3.00 – 4.00%	2025-27	July 1, 2022	\$ 4,545
Series of 2014	16,000	3.00 – 3.38%	2025-28	July 1, 2023	5,550
Series of 2018	11,000	5.00%	2025-33	July 1, 2028	6,840
Series of 2019	25,000	4.00%	2025-33	July 1, 2028	18,535
Series of 2020	21,000	2.00%	2025-35	July 1, 2030	16,425
Transportation bonds outstanding					51,895
Plus unamortized premium/discount:					2,233
		Total transportation bonds outstanding			<u>\$ 54,128</u>

The following schedule details transportation bond debt service requirements to maturity at June 30, 2024.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 6,505	\$ 1,742
2026	6,730	1,516
2027	6,955	1,293
2028	5,580	1,062
2029	4,265	868
2030-2034	20,215	1,996
2035	1,645	33
Total	<u>\$ 51,895</u>	<u>\$ 8,510</u>

Pima County has pledged future street and highway revenues to repay \$51,895 in transportation revenue bonds issued between 2012 and 2020. Proceeds from the bonds provide financing for construction of various highways and streets within Pima County. The bonds are payable from transportation revenues and are payable through 2035. Total principal and interest remaining to be paid on the bonds is \$60,405. It is expected that approximately 7 percent of total future revenues will be used to pay annual principal and interest on the bonds. Prior year street and highway revenues are required to be greater than two times the maximum annual debt service payment. Principal and interest paid for bonds in the current year, and total current year street and highway revenues were \$11,292 and \$77,323, respectively.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 7: Long-Term Liabilities (continued)

CERTIFICATES OF PARTICIPATION

Governmental Activities

(Payments made from General Fund revenues)

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

On November 9, 2023, the County issued Certificates of Participation, Series 2023A and Series 2023B for a combined amount of \$39,070. Certificates of Participation Tax-Exempt Series 2023A was issued in the amount of \$23,915 with the proceeds to be used to fund various Facilities Management projects along with the San Xavier Substation for the Sheriff's Department. Certificates of Participation Taxable Series 2023B was issued in the amount of \$15,155 with proceeds to be used to fund upgrades to the County's enterprise resource planning computer system.

The following schedule details outstanding Certificates of Participation payable at June 30, 2024.

<u>Issue</u>	<u>Issue</u> <u>Amount</u>	<u>Interest</u> <u>Rates</u>	<u>Maturities</u>	<u>Call Date</u>	<u>Outstanding</u> <u>June 30, 2024</u>
Series of 2014	\$ 52,160	5.00%	2025-29	December 1, 2023	\$ 22,125
Series of 2016B	15,185	2.99 – 4.04%	2025-31	June 1, 2026	8,050
Series of 2019	20,940	5.00%	2025-34	December 1, 2028	15,885
Series of 2019A	12,975	5.00%	2025-34	December 1, 2029	11,315
Series of 2020B	15,720	5.00%	2025-36	December 1, 2030	13,440
Series of 2020C	50,390	0.66 – 1.06%	2025-26		20,380
Series of 2021	50,000	1.07%	2025-27		30,345
Series of 2022A	27,930	5.00%	2025-37	December 1, 2032	26,515
Series of 2022B	60,515	5.05 – 5.38%	2025-28		56,480
Series of 2023A	23,915	5.00%	2025-38	December 1, 2033	23,915
Series of 2023B	15,155	5.78 – 6.33%	2025-34		15,155
Certificates of participation outstanding					243,605
Plus unamortized premium/discount:					9,233
				Total certificates of participation outstanding	\$ 252,838

The following schedule details debt service requirements to maturity for the County's Certificates of Participation payable at June 30, 2024.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 41,990	\$ 9,751
2026	42,115	8,435
2027	37,265	7,021
2028	37,710	5,282
2029	14,160	3,941
2030-2034	50,210	11,648
2035-2038	20,155	1,725
Total	\$ 243,605	\$ 47,803

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 7: Long-Term Liabilities (continued)

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

											<u>COPS Issuance</u>	<u>Building Collateral</u>
2014	2016B	2019	2019A	2020B	2020C	2021	2022A	2022B	2023A	2023B	Adult Detention Facility	
2014	2016B	2019	2019A	2020B	2020C	2021	2022A	2022B	2023A	2023B	Public Works Building and Parking Garage	
2014	2016B	2019	2019A	2020B	2020C	2021	2022A	2022B	2023A	2023B	Legal Services Building	
2014	2016B	2019	2019A	2020B	2020C	2021	2022A	2022B	2023A	2023B	Public Service Center Office Tower and Parking Garage	
		2019	2019A	2020B	2020C	2021	2022A	2022B	2023A	2023B	Justice Building	

PLEGGED REVENUE OBLIGATIONS
Governmental Activities

Pledged revenue obligations were issued to pay down the unfunded actuarial liabilities in the County's Public Safety Personnel Retirement System and the Corrections Officers Retirement Plans.

The following table presents amounts outstanding by issue.

<u>Issue</u>	<u>Issue Amount</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Call Date</u>	<u>Outstanding June 30, 2024</u>
Series of 2021	\$ 300,000	0.52 – 2.51%	2025-36		\$ 269,130
Pledged revenue obligations outstanding					269,130
Plus unamortized premium/discount:					
			Total pledged revenue obligations outstanding		<u>\$ 269,130</u>

The following schedule details pledged revenue obligations debt service requirements to maturity at June 30, 2024.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 22,540	\$ 4,979
2026	23,190	4,776
2027	24,065	4,514
2028	24,340	4,173
2029	24,040	3,786
2030-2034	112,085	12,084
2035-2036	38,870	1,435
Total	<u>\$ 269,130</u>	<u>\$ 35,747</u>

The County has pledged future State-shared sales tax revenues, State vehicle license tax revenues, County excise tax revenues, and payments in lieu of property tax revenues to repay \$269,130 in pledged revenue obligations issued in 2021. Proceeds from the obligations were used to pay down the unfunded actuarial liabilities for the Public Safety Personnel Retirement System and the Corrections Officers Retirement Plan. The obligations are payable from the various revenues mentioned above and are payable through 2036. Total principal and interest remaining to be paid on the obligations is \$304,877. It is expected that approximately 15 percent of total future revenues will be used to pay annual principal and interest on the obligations. Prior year pledged revenues are required to be greater than two times the maximum annual debt service payment. Principal and interest paid for these obligations in the current year, and total current year pledged revenues were \$25,958 and \$172,612, respectively.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 7: Long-Term Liabilities (continued)

FINANCED PURCHASES
Governmental Activities

The County has acquired equipment under contract agreements at a total purchase price of \$725.

The following schedule details debt service requirements to maturity for the County's financed purchases at June 30, 2024.

<u>Year Ending June 30,</u>	<u>Installment Notes</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 107	\$ 1
Total	<u>\$ 107</u>	<u>\$ 1</u>

The financed purchases are collateralized by the acquired assets, which consist of computer equipment.

LEASES
Governmental Activities

The County has obtained the right to use buildings and other improvements under the provisions of various lease agreements.

The total amount of lease assets and the related amortization are as follows:

Total intangible right-to-use lease assets:	\$ 6,395
Less: accumulated amortization	<u>(2,604)</u>
Carrying value	\$ 3,791

The following schedule details minimum lease payments to maturity for the County's leases payable at June 30, 2024:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 734	\$ 165
2026	581	134
2027	361	113
2028	349	96
2029	380	78
2030-2034	794	207
2035-2039	236	123
2040-2044	138	92
2045-2049	188	59
2050-2053	<u>190</u>	<u>16</u>
Total	<u>\$ 3,951</u>	<u>\$ 1,083</u>

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 7: Long-Term Liabilities (continued)

SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS
Governmental Activities

The County has obtained the right to use software as a service from Axon Enterprise, Inc. primarily for storing and managing data from the Sheriff department's body cameras, various software as a service under software value added reseller SHI International, Corp, and other right to use cloud-based software under the provisions of various subscription-based information technology arrangements.

The total amount of subscription assets and the related amortization are as follows:

Total intangible right-to-use subscription assets:	\$ 58,484
Less: accumulated amortization	<u>(16,448)</u>
Carrying value	\$ 42,036

The following schedule details minimum subscription payments to maturity for the County's subscriptions liability at June 30, 2024:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 7,538	\$ 1,498
2026	7,286	1,145
2027	6,157	830
2028	5,846	541
2029	6,128	249
2030-2032	<u>4,361</u>	<u>220</u>
Total	<u>\$ 37,316</u>	<u>\$ 4,483</u>

SEWER REVENUE OBLIGATIONS

Business-Type Activities

(Payments made from user charges received in the RWR)

Pima County sewer revenue obligations were issued to provide monies to construct improvements to the County's Regional Wastewater Reclamation system.

On November 9, 2023, the County issued Sewer System Revenue Obligations, Series 2023 in the amount of \$42,350. The proceeds will be used to fund treatment and conveyance projects within the Regional Wastewater Reclamation Fund's Capital Improvement Program. The Series 2023 obligations are projected to be paid in full by fiscal year 2033-34 from the revenues received in the Regional Wastewater Reclamation Fund.

During the year ended June 30, 2024, the County defeased \$18,820 of Sewer Revenue Obligations, Series 2016 with existing resources to reduce the debt service costs and help eliminate the need for future sewer rate increases. Accordingly, the related liabilities are not included in the County's financial statements. The County placed \$19,753 of existing cash in an irrevocable trust to provide resources for the future debt service payments of \$20,179.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 7: Long-Term Liabilities (continued)

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

<u>Issue</u>	<u>Issue Amount</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Call Date</u>	<u>Outstanding June 30, 2024</u>
Series of 2014	48,500	5.00%	2025-28	July 1, 2023	\$ 17,330
Series of 2016 Refunding	211,595	5.00%	2025-26		51,190
Series of 2018	38,205	5.00%	2026-33	July 1, 2028	38,205
Series of 2019	21,245	5.00%	2025-32	July 1, 2029	14,155
Series of 2020A	35,295	5.00%	2025-27		10,295
Series of 2020B	45,715	5.00%	2025-31	July 1, 2030	42,005
Series of 2022	68,225	5.00%	2025-33	July 1, 2032	68,225
Series of 2023	42,350	5.00%	2025-34	July 1, 2033	42,350
Subtotal					<u>283,755</u>
Series of 2017 Direct Placement	45,000	2.77%	2025-31		24,645
Series of 2021 Direct Placement	45,000	1.27%	2025-31		35,440
Subtotal					<u>60,085</u>
Sewer Revenue Obligations outstanding					343,840
Plus unamortized premium/discount:					23,093
					<u>\$ 366,933</u>

Total sewer revenue obligations outstanding

The following schedule details sewer revenue obligation debt service requirements to maturity at June 30, 2024.

<u>Year Ending June 30,</u>	<u>Sewer Obligation Debt Service</u>		<u>Obligations from Direct Placement</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 55,940	\$ 14,187	\$ 8,115	\$ 1,133
2026	53,125	11,391	8,265	981
2027	37,965	8,735	8,420	826
2028	26,030	6,836	8,575	668
2029	23,325	5,535	8,740	506
2030-2034	87,370	10,744	17,970	514
Total	<u>\$ 283,755</u>	<u>\$ 57,428</u>	<u>\$ 60,085</u>	<u>\$ 4,628</u>

All sewer revenue obligations, including direct placements, were issued with a first lien on the pledge of the RWR net revenues and have restrictive covenants, primarily related to minimum utility rates and limitations on future bond issues. The bond covenants also require the RWR to maintain in the Bond Reserve Account monies in amounts set by each debt issue. At June 30, 2024, the RWR met the requirements of the debt covenants. The County is also authorized to issue for the RWR additional parity bonds or revenue obligations if certain conditions are met, primarily that net revenues for parity bonds and pledged revenues for revenue obligations for the fiscal year immediately preceding issuance of the new debt exceed 120 percent of the maximum annual debt service requirements immediately after such issuance.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 7: Long-Term Liabilities (continued)

Pima County has pledged future user charges, net of specified operating expenses, to repay \$283,755 in sewer obligations and \$60,085 in sewer obligations from direct placement issued between 2014 and 2024. Proceeds from the obligations and direct placement provided financing for construction of various treatment facilities and sewer infrastructure within Pima County. The obligations and direct placement are payable from total customer net revenues and are payable through fiscal year 2034. It is expected that approximately 21 percent of total future customer net revenues will be used to pay annual principal and interest payments on the obligations and direct placement. Total principal and interest remaining to be paid on the obligations and direct placement are \$341,183 and \$64,713 respectively. Principal and interest paid in the current year on revenue obligations and direct placement totaled \$55,702, and principal and interest paid on the direct borrowing totaled \$9,241. Total customer net revenues in the current year were \$98,583.

ASSET RETIREMENT OBLIGATION
Business-Type Activities

Pima County's asset retirement obligation is a legally enforceable liability associated with the retirement and clean closure of a wastewater treatment facility as required by State laws and regulations. The estimates used in calculating this liability are based on actual historical clean-up costs associated with the retirement and clean closure of a recently closed wastewater treatment facility. The clean closure costs estimate is adjusted annually using an inflation factor. The estimated remaining useful lives of the associated wastewater treatment facilities range between 1 to 21 years.

CONTRACTS AND NOTES
Business-Type Activities

(Payments made from restricted assets in the RWR)

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

COMPENSATED ABSENCES

Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs. During the fiscal year 2024, the County paid for compensated absences from governmental funds with 74 percent from the General Fund, 14 percent from Other Special Revenue funds, 5 percent from Grants Special Revenue fund, 4 percent from the Other Special Revenue fund, and 3 percent from internal service funds. The County also paid compensated absences from business-type activity funds with 86 percent from the Regional Wastewater Reclamation fund and 14 percent from other enterprise funds.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 7: Long-Term Liabilities (continued)

**LEGAL DEBT MARGIN
County General Obligation Bonds**

General obligation debt may not exceed 6 percent of the value of the County's taxable property as of the latest assessment. However, with voter approval, debt may be incurred up to 15 percent of the value of taxable property. Pima County has received voter approval for all general obligation debt. The legal debt margin at June 30, 2024, is as follows:

Net assessed valuation		\$ 13,137,117
Debt limit (15% of net assessed valuation):		1,970,568
Less amount of debt applicable to debt limit:		
General obligation bonds outstanding	\$ 47,907	
Less general obligation bonds outstanding for the Rocking K South CFD	(3,317)	44,590
Legal debt margin available		<u>\$ 1,925,978</u>

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 8: Landfill Liabilities

Solid Waste Landfill Closure and Post-Closure Care Costs

State and Federal laws and regulations require the County to place a final cover on its solid waste landfill sites when these sites stop accepting waste and to perform certain maintenance and monitoring functions at the sites for thirty years after their closure. Although closure and post-closure care costs will not be paid until near or after the date the landfills stop accepting waste, the County records a portion of these closure and post-closure care costs as a long-term liability at fiscal year-end. The \$11,411 reported as landfill closure and post-closure care long-term liability within the governmental activities represents the cumulative amount reported to date, based on the percentage used of each landfill's total estimated capacity. The County will recognize the remaining estimated cost of closure and post-closure care of \$4,636 as the remaining estimated capacities are used. These amounts are based on what it would cost to perform all closure and post-closure care in the fiscal year ended June 30, 2024; actual costs may change due to inflation, changes in technology, or changes in regulations.

Landfill Site	Capacity Used June 30, 2024	Estimated Remaining Service Life
Ajo	81%	23 Years
Sahuarita*	59%	24 Years
Tangerine	100%	Closed

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

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

According to State and Federal laws and regulations, the County must comply with the local government financial test requirements that ensure the County can meet the costs of landfill closure, post-closure, and corrective action when needed. The County is in compliance with these requirements. The County closed its Ina Road Landfill facility during fiscal year ended June 30, 2020. This facility is not subject to the closure and post-closure cost requirements referred to above. The County estimates that the total closure costs of the landfill will be \$1,581 and has currently paid \$7,602 of these closure costs. The remaining closure costs will primarily be funded with General Fund monies.

On September 29, 2022, Waste Management of Arizona, Inc. was contracted to operate the Landfill and Transfer Station operations on behalf of Pima County in an agency capacity. The closure and post closure costs remain the liability of Pima County.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 9: Interfund Transactions

A. Interfund Assets/Liabilities

Due from/Due to other funds for the year ended June 30, 2024, were as follows:

Amounts recorded as due to:

Amounts recorded as due from:	<u>General</u>	<u>Capital Projects</u>	<u>Grants</u>	<u>Other Special Revenue</u>	<u>Other Governmental</u>	<u>Regional Wastewater Reclamation</u>	<u>Other Enterprise</u>	<u>Total</u>
General			\$ 1,481	\$ 127	\$ 2	\$ 2		\$ 1,612
Capital Projects	\$ 3,651		5,568					9,219
Grants	324			34	162			520
Other Special Revenue	460		79				\$ 5	544
Other Governmental	310	\$ 1	178					489
Other Enterprise				5	28	31		64
Total	<u>\$ 4,745</u>	<u>\$ 1</u>	<u>\$ 7,306</u>	<u>\$ 166</u>	<u>\$ 192</u>	<u>\$ 33</u>	<u>\$ 5</u>	<u>\$ 12,448</u>

Due from/Due to other funds are used to record short-term loans or unpaid transfers between funds. Outstanding due to/due from amounts represent cash transfers that had not occurred at the end of the year. All due to/due from amounts are expected to be paid in one year.

The due to the General Fund from the Grants Fund, represents transfers for various indirect charges. The majority of these were in either the Health or Community & Workforce Development departments. The due to the Capital Projects Fund from the Grants Fund represents transfers for various developments primarily from federal aid reimbursements. The due to the Capital Projects Fund from the General Fund represents transfers for the replacement of the County's ERP system.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 9: Interfund Transactions (continued)

B. Interfund Transfers

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

Interfund transfers for the year ended June 30, 2024, were as follows:

Amounts recorded as transfers out:

Amounts recorded as transfers in:

	General	Capital Projects	Grants	Other Special Revenue	Other Governmental	Regional Wastewater Reclamation	Other Enterprise	Internal Service	Total
General			\$ 2,970	\$ 720		\$ 165		\$ 2	\$ 3,857
Capital Projects	\$ 23,562		30,099	2,463	\$ 30,032	3,100	\$ 210		89,466
Debt Service	35,332	\$ 3,040		4	42,835	500	662	222	82,595
Grants	2,777			309	946				4,032
Other Special Revenue	5,945	7,280	400		1,415	80		42	15,162
Other Governmental	51,473	465	264	93	225	45		60	52,625
Other Enterprise	140			5					145
Internal Service	78		7,926						8,004
Total	<u>\$ 119,307</u>	<u>\$ 10,785</u>	<u>\$ 41,659</u>	<u>\$ 3,594</u>	<u>\$ 75,453</u>	<u>\$ 3,890</u>	<u>\$ 872</u>	<u>\$ 326</u>	<u>\$ 255,886</u>

The following is a summary of the significant transfer activity for the fiscal year ended June 30, 2024:

The transfers out of the General Fund were made to the Other Governmental Funds, to support Transportation's Certificates of Participation debt service payments, to support Health Fund operations, and to support Stadium District Fund operations, such as subsidizing debt service obligations and ballfield maintenance costs in connection with the Kino Sports Complex.

The transfers out from the General Fund were made to the Capital Projects Fund, to support ongoing library expansion projects at various branches and to support Transportation Fund pay-as-you-go payments for this year.

The transfers out from the General Fund were made to the Debt Service Fund, to support the Certificates of Participation debt service payments and CORP/PSPRS pension debt.

The transfers out from the Capital Projects Fund were made to the Other Special Revenue Fund to support parks and recreation renewal projects.

The transfers out of the Grants Fund were made to the Capital Projects Fund, to support various County infrastructure and facility upgrade projects in addition to the construction of a congregate facility.

The transfers out of the Other Governmental Funds were made to the Capital Projects Fund for the support of construction-related activity in connection with projects for the Flood Control District.

The transfers out of the Other Governmental Funds were made to the Debt Service Fund, to support the Certificates of Participation debt service payments.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 10: Pensions and Other Postemployment Benefits

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

At June 30, 2024, the County reported the following aggregate amounts related to pensions and other postemployment benefits (OPEB) for all plans to which it contributes:

Statement of net position and Statement of activities	Governmental activities	Business-type activities	Total
Net OPEB assets	\$ 17,827	\$ 1,044	\$ 18,871
Net pension and OPEB liabilities	497,921	31,049	528,970
Deferred outflows of resources related to pensions and OPEB	130,051	4,216	134,267
Deferred inflows of resources related to pensions and OPEB	41,336	1,979	43,315
Pension and OPEB expense	61,021	2,089	63,110

The County’s accrued payroll and employee benefits includes \$3 of outstanding pension and OPEB contribution amounts payable to all plans for the year ended June 30, 2024. Also, the County reported \$68,999 of pension and OPEB contributions as expenditures in the governmental funds related to all plans to which it contributes.

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

A. Arizona State Retirement System

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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

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

ASRS	Retirement	
	Initial membership date	
	Before July 1, 2011	On or after July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years, age 62 5 years, age 50* any years, age 65	30 years, age 55 25 years, age 60 10 years, age 62 5 years, age 50* any years, age 65
Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

*With actuarially reduced benefits

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

Contributions—In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2024, statute required active ASRS members to contribute at the actuarially determined rate of 12.14 percent for retirement of the members’ annual covered payroll, and statute required the County to contribute at the actuarially determined rate of 12.03 percent for retirement of the active members’ annual covered payroll. In addition, the County was required by statute to contribute at the actuarially determined rate of 9.94 percent for retirement of the annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the ASRS would typically fill.

The County’s total contributions to the pension plan for the year ended June 30, 2024, was \$36,708.

During fiscal year 2024, the County paid for ASRS pension contributions as follows: 63 percent from the General Fund, 17 percent from major funds, and 20 percent from other funds.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

Liability—At June 30, 2024, the County reported the following liability for its proportionate share of the ASRS' net pension liability.

ASRS	Net pension liability
Pension	\$ 339,267

The net liability was measured as of June 30, 2023. The total liability used to calculate the net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2022, to the measurement date of June 30, 2023.

The County's proportion of the net liability was based on the County's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2023. The County's proportions measured as of June 30, 2023, and the change from its proportions measured as of June 30, 2022, were:

ASRS	Proportion June 30, 2023	Decrease from June 30, 2022
Pension	2.10%	(0.01)

Expense—For the year ended June 30, 2024, the County recognized the following pension expense.

ASRS	Pension expense
Pension	\$ 36,845

Deferred outflows/inflows of resources—At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ASRS	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between expected and actual experience	\$ 7,666	
Net difference between projected and actual earnings on pension plan investments		\$ 12,004
Changes in proportion and differences between county contributions and proportionate share of contributions	14	4,015
County contributions subsequent to the measurement date	36,708	
Total	<u>\$ 44,388</u>	<u>\$ 16,019</u>

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

The amounts reported as deferred outflows of resources related to ASRS pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as expenses as follows:

Year ending June 30	Pension
2025	\$ (4,850)
2026	(14,932)
2027	12,936
2028	(1,493)

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

ASRS	
Actuarial valuation date	June 30, 2022
Actuarial roll forward date	June 30, 2023
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9-8.4%
Inflation	2.3%
Permanent benefit increase	Included
Mortality rates	2017 SRA Scale U-MP

Actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2020.

The long-term expected rate of return on ASRS plan investments was determined to be 7.0 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. The target allocation and best-estimates of geometric real rates of return for each major asset class are summarized in the following table:

ASRS	Target	Long-term expected
Asset class	allocation	geometric real rate
		of return
Public equity	44%	3.50%
Credit	23%	5.90%
Real estate	17%	5.90%
Private equity	10%	6.70%
Interest rate sensitive	6%	1.50%
Total	<u>100%</u>	

Discount rate—At June 30, 2023, the discount rate used to measure the ASRS total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County’s proportionate share of the ASRS net pension liability to changes in the discount rate—The following table presents the County’s proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate:

ASRS	1% Decrease (6.0%)	Current discount rate (7.0%)	1% Increase (8.0%)
County’s proportionate share of the net pension liability	\$ 508,172	\$ 339,267	\$ 198,430

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

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

Plan descriptions—County sheriff employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS). The PSPRS administers an agent multiple-employer defined benefit pension plan. A 9-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

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

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

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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

PSPRS	Initial membership date:		
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2017	On or after July 1, 2017
Retirement and disability			
Years of service and age required to receive benefit	20 years of service, any age 15 years of service, age 62	25 years of service or 15 years of credited service, age 52.5	15 years of credited service, age 52.5* 15 or more years of service, age 55
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years	Highest 60 consecutive months of last 15 years
Benefit percent			
Normal retirement	50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5% to 2.5% per year of credited service, not to exceed 80%	
Accidental disability retirement	50% or normal retirement, whichever is greater		
Catastrophic disability retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater		
Ordinary disability retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20		
Survivor Benefit			
Retired members	80% to 100% of retired member's pension benefit		
Active members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job		
*With actuarially reduced benefits			

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

CORP	Initial membership date:		
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2018	AOC probation and surveillance officers: On or after July 1, 2018
Retirement and disability			
Years of service and age required to receive benefit	Sum of years and age equals 80 20 years, any age 10 years, age 62	25 years, age 52.5 10 years, age 62	10 years, age 52.5* 10 or more years, age 55
Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive months of last 10 years	
Benefit percent			
Normal retirement	2.0% to 2.5% per year of credited service, not to exceed 80%	2.5% per year of credited service, not to exceed 80%	1.25 to 2.25% per year of credited service, not to exceed 80%
Accidental disability retirement	50% or normal retirement if more than 20 years of credited service	50% or normal retirement if more than 25 years of credited service	
Total and permanent disability retirement	50% or normal retirement if more than 25 years of credited service		
Ordinary disability retirement	2.5% per year of credited service		
Survivor Benefit			
Retired members	80% of retired member's pension benefit		
Active members	40% of average monthly compensation or 100% of average monthly compensation if death was the result of injuries received on the job. If there is no surviving spouse or eligible children, the beneficiary is entitled to 2 times the member's contributions.		

*With actuarially reduced benefits

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

Employees covered by benefit terms—At June 30, 2024, the following employees were covered by the agent plans' benefit terms:

	PSPRS Sheriff	CORP Detention
Inactive employees or beneficiaries currently receiving benefits	495	273
Inactive employees entitled to but not yet receiving benefits	164	187
Active employees	434	217
Total	1,093	677

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

Contributions—State statutes establish the pension contribution requirements for active PSPRS and CORP employees. In accordance with State statutes, annual actuarial valuations determine employer contribution requirements for PSPRS and CORP pension. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contribution rates for the year ended June 30, 2024, are indicated below. Rates are a percentage of active members’ annual covered payroll.

	Active member - pension	County - pension
PSPRS Sheriff	7.65%	29.26%
CORP Detention	8.41%	9.45%
CORP AOC	8.41% or 9.81%	39.43%

In addition, statute required the County to contribute at the actuarially determined rate indicated below of annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the PSPRS or CORP would typically fill.

	Pension
PSPRS Sheriff	18.70%
CORP Detention	6.00%
CORP AOC	36.31%

The County’s contributions to the plans for the year ended June 30, 2024, were:

	Pension
PSPRS Sheriff	\$ 20,488
CORP Detention	2,563
CORP AOC	6,303

During fiscal year 2024, the County paid for PSPRS and CORP pension contributions as follows: 81 percent from the General Fund and 19 percent from other major funds.

Liability—At June 30, 2024, the County reported the following liabilities:

	Net pension liability
PSPRS Sheriff	\$ 89,575
CORP Detention	20,813
CORP AOC (County’s proportionate share)	48,532

The net pension liabilities were measured as of June 30, 2023, and the total liability used to calculate the net liability was determined by an actuarial valuation as of that date.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

The net pension liabilities increased from the prior year; however, the County made additional pension contributions to the Public Safety Personnel Retirement System (PSPRS) in fiscal year 2024 in the amount of \$10,000, in addition to their required contributions.

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

PSPRS and CORP - Pension	
Actuarial valuation date	June 30, 2023
Actuarial cost method	Entry age normal
Investment rate of return	7.2%
Wage inflation	3.0 – 6.25%
Price Inflation	2.5%
Cost-of-living adjustment	1.85%
Mortality rates	PubS-2010 tables

Actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2021.

The long-term expected rate of return on PSPRS and CORP plan investments was determined to be 7.2 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

PSPRS and CORP	Target allocation	Long-term expected geometric real rate of return
Asset class		
U.S. public equity	24%	3.98%
International public equity	16%	4.49%
Global private equity	20%	7.28%
Other assets (capital appreciation)	7%	4.49%
Core bonds	6%	1.90%
Private credit	20%	6.19%
Diversifying strategies	5%	3.68%
Cash – Mellon	<u>2%</u>	0.69%
Total	<u>100%</u>	

Discount rate—At June 30, 2024, the discount rate used to measure the PSPRS and CORP total pension liabilities was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

Changes in the net pension liability

PSPRS – Sheriff

	Increase (decrease)		
	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (a) – (b)
Balances at June 30, 2023	\$ 476,211	\$ 406,609	\$ 69,602
Changes for the year:			
Service cost	5,770		5,770
Interest on the total liability	33,667		33,667
Differences between expected and actual experience in the measurement of the liability	21,947		21,947
Changes of assumptions or other inputs			
Contributions—employer		8,568	(8,568)
Contributions—employee		2,375	(2,375)
Net investment income		30,656	(30,656)
Benefit payments, including refunds of employee contributions	(28,764)	(28,764)	
Administrative expense		(188)	188
Net changes	32,620	12,647	19,973
Balances at June 30, 2024	\$ 508,831	\$ 419,256	\$ 89,575

CORP – Detention

	Increase (decrease)		
	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (a) – (b)
Balances at June 30, 2023	\$ 160,210	\$ 146,440	\$ 13,770
Changes for the year:			
Service cost	1,744		1,744
Interest on the total liability	11,334		11,334
Differences between expected and actual experience in the measurement of the liability	7,420		7,420
Changes of assumptions or other inputs			
Contributions—employer		1,235	(1,235)
Contributions—employee		1,289	(1,289)
Net investment income		11,079	(11,079)
Benefit payments, including refunds of employee contributions	(9,080)	(9,080)	
Administrative expense		(148)	148
Net changes	11,418	4,375	7,043
Balances at June 30, 2024	\$ 171,628	\$ 150,815	\$ 20,813

PIMA COUNTY, ARIZONA
Notes to Financial Statements
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(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

The County's proportion of the CORP AOC net pension liability was based on the County's actual contributions to the plan relative to the total of all participating counties' actual contributions for the year ended June 30, 2023. The County's proportion measured as of June 30, 2023, and the change from its proportions measured as of June 30, 2022, were:

CORP AOC	Proportion June 30, 2023	Decrease from June 30, 2022
Pension	10.74%	-0.03

Sensitivity of the County's net pension liability to changes in the discount rate—The following table presents the County's net pension liabilities calculated using the discount rate of 7.2 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.2 percent) or 1 percentage point higher (8.2 percent) than the current rate:

	1% Decrease (6.2%)	Current discount rate (7.2%)	1% Increase (8.2%)
PSPRS Sheriff			
Net pension liability	\$ 154,115	\$ 89,574	\$ 36,548
CORP Detention			
Net pension liability	\$ 44,282	\$ 20,813	\$ 1,772
CORP AOC			
County's proportionate share of the net pension liability	\$ 65,037	\$ 48,532	\$ 35,085

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

Pension expense - For the year ended June 30, 2024, the County recognized the following pension expense:

	Pension expense
PSPRS Sheriff	\$ 21,857
CORP Detention	6,892
CORP AOC (County's proportionate share)	5,742

Pension deferred outflows/inflows of resources—At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PSPRS – Sheriff	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 22,426	\$ 874
Changes of assumptions or other inputs	3,020	
Net difference between projected and actual earnings on pension plan investments	11,286	
County contributions subsequent to the measurement date	20,488	
Total	\$ 57,220	\$ 874

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

CORP – Detention	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 5,978	\$ 3,492
Changes of assumptions or other inputs	828	
Net difference between projected and actual earnings on pension plan investments	3,425	
County contributions subsequent to the measurement date	2,563	
Total	\$ 12,794	\$ 3,492

CORP – AOC	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 2,626	\$ 472
Changes of assumptions or other inputs	890	
Net difference between projected and actual earnings on pension plan investments	534	
Changes in proportion and differences between county contributions and proportionate share of contributions	117	972
County contributions subsequent to the measurement date	6,303	
Total	\$ 10,470	\$ 1,444

The amounts reported as deferred outflows of resources related to pensions resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	PSPRS Sheriff	CORP Detention	CORP AOC
Year ending June 30			
2025	\$ 10,390	\$ 2,858	\$ 565
2026	7,058	1,228	(215)
2027	14,426	2,808	2,028
2028	3,984	(155)	345
	\$ 35,858	\$ 6,739	\$ 2,723

C. Elected Officials Retirement Plan

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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
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(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

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

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

*With reduced benefits of 0.25% for each month early retirement precedes the member's normal retirement age, with a maximum reduction of 30%.

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

PIMA COUNTY, ARIZONA
Notes to Financial Statements
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(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

Contributions—State statutes establish active member and employer contribution requirements. Statute also appropriates \$5 million annually through fiscal year 2043 for the EORP from the State of Arizona to supplement the normal cost plus an amount to amortize the unfunded accrued liability and designates a portion of certain court fees for the EORP. For the year ended June 30, 2024, statute required active EORP members to contribute 7 or 13 percent of the members’ annual covered payroll and the County to contribute at the actuarially determined rate of 76.51 percent of all active EORP members' annual covered payroll. Also, statute required the County to contribute 64.37 percent to EORP of the annual covered payroll of elected officials and judges who were ASRS members, in addition to the County’s required contributions to ASRS. In addition, statute required the County to contribute 58.57 percent of annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the EORP would typically fill.

The County’s contributions to the pension plan for the year ended June 30, 2024, were \$5,913.

During fiscal year 2024, the County paid for EORP pension contributions entirely from the General Fund.

Liability—At June 30, 2024, the County reported a liability for its proportionate share of the EORP's net pension liability that reflected a reduction for the County's proportionate share of the State's appropriation for EORP. The amount the County recognized as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the County were as follows:

County’s proportionate share of the EORP net pension liability	\$ 29,293
State’s proportionate share of the EORP net pension liability associated with the County	32,751
Total	\$ 62,044

The net pension liability was measured as of June 30, 2023, and the total liability used to calculate the net liability was determined by an actuarial valuation as of that date.

The County’s proportion of the net pension liability was based on the County’s required contributions to the pension plan relative to the total of all participating employers’ required contributions for the year ended June 30, 2023. The County’s proportion measured as of June 30, 2023, and the change from its proportion measured as of June 30, 2022, were:

EORP	<u>Proportion</u> <u>June 30, 2023</u>	<u>Decrease from</u> <u>June 30, 2022</u>
Pension	4.67%	(4.12)

Expense—For the year ended June 30, 2024, the County recognized pension expense for EORP of \$(11,564) and revenue of \$5,179 for the County's proportionate share of the State's appropriation to EORP and the designated court fees.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

Deferred outflows/inflows of resources—At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

EORP	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 123	
Changes of assumptions or other inputs		
Net difference between projected and actual earnings on pension plan investments		
Changes in proportion and differences between county contributions and proportionate share of contributions		\$ 13,776
County contributions subsequent to the measurement date	5,913	
Total	\$ 6,036	\$ 13,776

The amounts reported as deferred outflows of resources related to EORP pensions resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to EORP pensions will be recognized as expenses as follows:

Year ending June 30	Pension
2025	\$ (13,799)
2026	(160)
2027	333
2028	(27)

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

EORP	
Actuarial valuation date	June 30, 2023
Actuarial cost method	Entry age normal
Investment rate of return	7.2%
Wage inflation	3.25%
Price inflation	2.5%
Cost of living adjustment	1.85%
Mortality rates	PubG-2010 tables

Actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2021.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
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(in thousands)

Note 10: Pensions and Other Postemployment Benefits (continued)

The long-term expected rate of return on EORP plan investments was determined to be 7.2 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

EORP Asset class	Target allocation	Long-term expected geometric real rate of return
U.S. public equity	24%	3.98%
International public equity	16%	4.49%
Global private equity	20%	7.28%
Other assets (capital appreciation)	7%	4.49%
Core bonds	6%	1.90%
Private credit	20%	6.19%
Diversifying strategies	5%	3.68%
Cash - Mellon	<u>2%</u>	0.69%
Total	<u>100%</u>	

Discount rates—At June 30, 2023, the discount rate used to measure the EORP total pension liability was 7.2 percent. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rate, employer contributions will be made at the actuarially determined rates, and State contributions will be made as currently required by statute. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the EORP net pension liability to changes in the discount rate—The following table presents the County’s proportionate share of the net pension liability calculated using the discount rate of 7.2 percent, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.2 percent) or 1 percentage point higher (8.2 percent) than the current rate:

EORP	1% Decrease (6.2%)	Current discount rate (7.2%)	1% Increase (8.2%)
County’s proportionate share of the net pension liability	\$ 33,841	\$ 29,293	\$ 25,393

Plan fiduciary net position—Detailed information about the pension plan’s fiduciary net position is available in the separately issued EORP financial report.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 11: Construction and Other Significant Commitments

At June 30, 2024, Pima County had the following major contractual commitments:

Behavioral Health – The Behavioral Health Department had contractual commitments related to service contracts of \$79,870. Funding for these expenditures will be provided from general fund and grant revenues.

Community & Workforce Development – The Community & Workforce Development Department had contractual commitments related to service contracts of \$24,420. Funding for these expenditures will be provided from reimbursements on intergovernmental grant awards, including federal and state entities.

Facilities Management – The Facilities Management Department had construction contractual commitments of \$46,525 and other contractual commitments related to service contracts of \$9,666. Funding for these expenditures will be provided from Certificates of Participation, general fund and building rental revenues.

Regional Flood Control – The Regional Flood Control District had construction contractual commitments of \$7,889 and other contractual commitments related to service contracts of \$1,841. Funding for these expenditures will be primarily from tax levy revenues.

Regional Wastewater Reclamation – The Regional Wastewater Reclamation enterprise fund had construction contractual commitments of \$21,920 and other contractual commitments related to service contracts of \$13,607. Funding for these expenses will be primarily from Sewer Revenue Obligations and sewer user fees.

Sheriff's Department – The Sheriff's Department had construction contractual commitments of \$5,239 and other contractual commitments related to service contracts of \$1,362. Funding for these expenditures will be provided from Certificates of Participation and the general fund.

Transportation – The Transportation Department had construction contractual commitments of \$9,786 and other contractual commitments related to service contracts of \$3,974. Funding for these expenditures will be primarily provided from Transportation Revenue bonds, impact fees, federal grants, and state Highway User Tax Revenue.

Subscription-based Information Technology Arrangements – The County had contractual commitments related to subscription-based information technology arrangements for which the subscription term had not yet commenced at June 30, 2024, for an integrated enterprise resource planning system. At June 30, 2024, the County had made payments of \$19,690 to the vendors and had remaining contractual commitments of \$49,833 over the entire subscription term. These commitments include the subscription liabilities that will be recognized at the commencement of the subscription terms.

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 12: Receivables

Accounts receivable as of fiscal year-end for the County’s individual major funds and nonmajor funds in the aggregate are shown as follows.

As part of a nationwide legal settlement with opioid manufacturers aimed at mitigating the harm caused by the opioid epidemic, the County has been awarded settlement funds. Consequently, the County has recorded a settlement receivable, net of uncollectible amounts of \$6,657, representing the anticipated remaining payments to be received.

	<u>General</u>	<u>Capital Projects</u>	<u>Grants</u>	<u>Other Special Revenue</u>	<u>Other Governmental</u>	<u>Total</u>
Accounts receivable:						
General	\$ 2,454	\$ 53	\$ 707	\$ 1,059	\$ 1,157	\$ 5,430
Settlements	<u> </u>	<u> </u>	<u> </u>	88,845	<u> </u>	88,845
Total accounts receivable	<u>\$ 2,454</u>	<u>\$ 53</u>	<u>\$ 707</u>	<u>\$ 89,904</u>	<u>\$ 1,157</u>	<u>\$ 94,275</u>

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 13: Due from Other Governments

	<u>General</u>	<u>Capital Projects</u>	<u>Grants</u>	<u>Other Special Revenue</u>	<u>Other Governmental</u>	<u>Internal Service</u>	<u>Total Governmental Activities</u>
Federal government:							
Grants and contributions	\$ 162		\$ 24,578		\$ 41		\$ 24,781
State of Arizona:							
Taxes and shared revenues	29,724			\$ 348	7,534		37,606
Grants and contributions			13,492		128		13,620
Cities:							
Reimbursement for services	569	\$ 145	5	12	4	\$ 23	758
Other governments:							
Reimbursement for services	44	18	273	1	30	14	380
Total due from other governments fund based statements	<u>\$ 30,499</u>	<u>\$ 163</u>	<u>\$ 38,348</u>	<u>\$ 361</u>	<u>\$ 7,737</u>	<u>\$ 37</u>	<u>\$ 77,145</u>

PIMA COUNTY, ARIZONA
Notes to Financial Statements
June 30, 2024
(in thousands)

Note 14: Subsequent Events

Sewer System Revenue Obligations—On July 17, 2024, the County defeased \$17,925 of the Series 2016 Sewer System Revenue Obligations using available cash of the Regional Wastewater Reclamation Fund to reduce the debt service costs and help eliminate the need for future sewer rate increases.

On October 23, 2024, the County issued Sewer System Revenue and Revenue Refunding Obligations Series 2024 in the amount of \$62,255. The proceeds include \$45,525 to be used to fund treatment and conveyance projects within the Regional Wastewater Reclamation Fund's Capital Improvement Program and \$16,730 to be used to refund the remaining maturities of the 2014 Sewer System Revenue Obligations. The Series 2024 obligations are scheduled to be paid in full with sewer system revenues by fiscal year 2034-2035.

Certificates of Participation—On December 19, 2024, the County issued Certificates of Participation, Series 2024 in the amount of \$44,575. The proceeds include \$27,125 to be used to fund Facilities Management and Sheriff's Department projects and \$17,450 to be used to refund the remaining maturities of the 2014 Certificates of Participation. The Series 2024 Certificates of Participation will be repaid within twelve years using General Fund revenues and Department contributions.

Settlements—Under the One Arizona Opioid Settlement Memorandum of Understanding (One Arizona Plan) related to national opioid settlements, Pima County is allocated a portion of settlement monies as the cases are settled. The Arizona Attorney General's Office handles the settlements for all parties in the One Arizona Plan. Six settlement payments have occurred since June 30, 2024, and the County will recognize approximately \$1.6 million in revenues in fiscal year 2025.

Litigation—On September 17, 2024, the Board of Supervisors approved a settlement in the litigation case of Julie Pitz v. Pima County, which was pending as of the fiscal year end in the amount of \$400.

Public-Private Partnership—Pima County has entered into a master developer partnership agreement as part of a public-private partnership with Mosaic Quarter Development and its affiliated entities to have them construct and operate a sports and entertainment complex. The development agreement lasts for 40 years and is structured into three phases that include the construction of sports facilities, hotels, restaurants, public gathering spaces and outdoor entertainment venues.

To begin Phase I of the development, the developer secured a related financing at a fixed rate of interest on October 16, 2024, in the amount of \$425,000 to be repaid over an approximately 30-year period. The underlying agreements for each phase of the project require that debt service payments are made as the priority expense from aggregate cash flows (net of operating expenses) generated from the operations of the sports facilities. The remaining net cash flows after debt service, ground rent, property taxes and operating expenses are paid, will be split with the County receiving 55 percent and the developer receiving 45 percent.

In addition, as part of this partnership the County has assumed a contingent liability, which would require it to make all or a portion of the fixed leased payments equal to the principal and interest of this financing, from the County's own funds through the agreements entered into by the County should the cash flows from operating the development prove insufficient and all development debt service reserves have been exhausted. The exposure to the County would range from approximately \$24,500 in fiscal year 2028 to approximated \$50,100 in fiscal year 2057.

The contingent liability of the County to make all or a portion of these payments is subject to the annual budgeting and appropriation by the County's Board of Supervisors.

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2024

Annual Comprehensive
FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2024 • Pima County, Arizona



REQUIRED SUPPLEMENTARY INFORMATION

Other Than Management's Discussion & Analysis

PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual – General Fund
For the Year Ended June 30, 2024
(in thousands)

Exhibit B - 1

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 429,637	\$ 429,637	\$ 431,039	\$ 1,402
Licenses and permits	3,875	3,875	3,519	(356)
Intergovernmental	230,879	230,879	236,234	5,355
Charges for services	37,440	37,440	43,523	6,083
Fines and forfeits	2,437	2,437	2,442	5
Investment earnings	4,539	4,539	8,376	3,837
Miscellaneous	6,503	6,503	20,431	13,928
Total revenues	715,310	715,310	745,564	30,254
Expenditures:				
General government				
Analytics & Data Governance	3,699	3,740	3,086	654
Assessor	11,889	12,773	12,383	390
Board of Supervisors	2,889	2,922	2,733	189
Clerk of the Board	1,873	1,956	1,786	170
Clerk of the Superior Court	13,038	13,553	12,758	795
Communications	3,468	3,556	3,563	(7)
Constables	1,669	1,708	1,780	(72)
County Administrator	3,928	3,983	3,215	768
County Attorney	26,247	27,989	27,462	527
Elections	6,089	6,141	4,831	1,310
Facilities Management	22,140	23,019	20,965	2,054
Finance	16,523	17,146	14,743	2,403
Finance Non Departmental	131,181	98,336	12,627	85,709
Grants Management & Innovation	5,027	5,171	4,483	688
Human Resources	6,676	6,754	5,821	933
Information Technology	22,328	22,751	19,910	2,841
Justice Courts	9,398	9,654	9,693	(39)
Justice Services	810	821	763	58
Juvenile Courts	21,545	22,519	22,301	218
Office of Sustainability & Conservation	1,789	1,853	1,576	277
Procurement	2,968	3,074	2,921	153
Public Defense Services	36,748	41,389	41,474	(85)
Public Works	3,929	4,089	3,285	804
Recorder	8,293	8,343	7,791	552
Superior Court	45,444	47,019	47,290	(271)
Superior Court Mandated Services	1,840	2,290	2,486	(196)
Treasurer	2,910	3,051	2,738	313
Public safety				
Finance Non Departmental		10,000	10,000	
Sheriff	159,631	167,058	164,065	2,993
Office of Emergency Management & Homeland Security	863	863	715	148
Sanitation				
Environmental Quality	1,440	1,453	1,388	65
Health				
Medical Examiner	5,262	5,470	5,527	(57)
Pima Animal Care Center	12,452	12,611	11,778	833
Welfare				
Finance	15,205	15,205	15,000	205
Behavioral Health	32,680	32,751	30,003	2,748
County Administrator	73,318	73,318	73,318	
Culture and recreation				
Parks & Recreation	21,372	21,960	20,924	1,036
Education and economic opportunity				
Community & Workforce Development	13,429	13,554	11,797	1,757
Economic Development	2,426	2,437	2,307	130
Office of Digital Inclusion			23	(23)
School Superintendent	2,689	2,770	2,718	52
Debt service				
Principal			5,213	(5,213)
Interest			963	(963)
Total expenditures	755,105	755,050	650,203	104,847
Excess (deficiency) of revenues over (under) expenditures	(39,795)	(39,740)	95,361	135,101
Other financing sources (uses):				
Lease agreements			148	148
Subscription-based information technology agreements			1,758	1,758
Proceeds from sale of capital assets				
Transfers in	5,083	5,083	3,857	(1,226)
Transfers (out)	(124,737)	(124,737)	(119,307)	5,430
Total other financing uses	(119,654)	(119,654)	(113,544)	6,110
Net change in fund balance	(159,449)	(159,394)	(18,183)	141,211
Fund balances, July 1, 2023	159,449	159,449	196,116	36,667
Fund balances, June 30, 2024		55	\$ 177,933	\$ 177,878

PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual – Grants Fund
For the Year Ended June 30, 2024
(in thousands)

Exhibit B - 1

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 299,468	\$ 299,468	\$ 167,559	\$ (131,909)
Investment earnings	23	23	5,722	5,699
Miscellaneous	3,542	3,542	2,510	(1,032)
Total revenues	<u>303,033</u>	<u>303,033</u>	<u>175,791</u>	<u>(127,242)</u>
Expenditures:				
General government				
Clerk of the Superior Court	35	35	35	
County Attorney	5,837	5,837	2,897	2,940
Elections	4	4	42	(38)
Facilities Management	578	578		578
Finance Non Departmental	100,000	99,259	542	98,717
Grants Management & Innovation	87,974	87,974	64,869	23,105
Justice Courts	163	163	299	(136)
Justice Services	882	882	1,017	(135)
Juvenile Courts	989	989	676	313
Office of Sustainability & Conservation	500	500	116	384
Public Defense Services	2,140	2,140	2,038	102
Public Works	1,750	1,750	9	1,741
Superior Court	1,269	1,269	910	359
Public safety				
Flood Control	328	328	637	(309)
Sheriff	4,406	4,406	3,844	562
Office of Emergency Management & Homeland Security	1,361	1,361	1,009	352
Highways and streets				
Transportation			27	(27)
Health				
Environmental Quality	946	946	1,054	(108)
Health	27,414	27,414	19,983	7,431
Pima Animal Care Center	1,316	1,316	582	734
Welfare				
Behavioral Health	667	667	482	185
Culture and recreation				
Parks & Recreation	395	395	247	148
Education and economic opportunity				
Community & Workforce Development	37,140	37,140	32,515	4,625
School Superintendent	1,438	1,438	948	490
Total expenditures	<u>277,532</u>	<u>276,791</u>	<u>134,778</u>	<u>142,013</u>
Excess of revenues over expenditures	25,501	26,242	41,013	14,771
Other financing sources (uses):				
Transfers in	6,569	6,569	4,032	(2,537)
Transfers (out)	(36,570)	(36,570)	(41,659)	(5,089)
Total other financing uses	<u>(30,001)</u>	<u>(30,001)</u>	<u>(37,627)</u>	<u>(7,626)</u>
Net change in fund balance	(4,500)	(3,759)	3,386	7,145
Fund balances (deficit), July 1, 2023	<u>(27,350)</u>	<u>(27,350)</u>	<u>(16,765)</u>	<u>10,585</u>
Fund balances (deficit), June 30, 2024	<u>\$ (31,850)</u>	<u>\$ (31,109)</u>	<u>\$ (13,379)</u>	<u>\$ 17,730</u>

PIMA COUNTY, ARIZONA

Exhibit B - 1

Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual – Other Special Revenue Fund
For the Year Ended June 30, 2024
(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Licenses and permits			\$ 1	\$ 1
Intergovernmental	\$ 29,448	\$ 29,448	28,663	(785)
Charges for services	10,654	10,654	12,873	2,219
Fines and forfeits	3,388	3,388	19,539	16,151
Investment earnings	512	512	3,803	3,291
Miscellaneous	7,238	7,238	8,018	780
Total revenues	51,240	51,240	72,897	21,657
Expenditures:				
General government				
Clerk of the Superior Court	1,036	1,036	418	618
County Attorney	9,024	9,024	4,996	4,028
Facilities Management	15,925	15,925	4,621	11,304
Finance	227	227	1	226
Justice Courts	1,945	1,945	1,170	775
Juvenile Courts	6,593	6,593	4,618	1,975
Public Defense Services	1,228	1,228	978	250
Recorder	1,483	1,483	1,378	105
Superior Court	18,117	18,117	17,299	818
Treasurer	398	398	376	22
Public safety				
Sheriff	9,793	9,793	9,298	495
Health				
Medical Examiner	65	65	24	41
Pima Animal Care Center			804	(804)
Culture and recreation				
Parks & Recreation	8,448	8,448	3,193	5,255
Education and economic opportunity				
Community & Workforce Development	10,637	10,637	3,379	7,258
Economic Development	2,077	2,077	1,770	307
Debt service				
Principal	145	145	326	(181)
Interest	9	9	38	(29)
Total expenditures	87,150	87,150	54,687	32,463
Excess (deficiency) of revenues over (under) expenditures	(35,910)	(35,910)	18,210	54,120
Other financing sources (uses):				
Transfers in	15,149	15,149	15,162	13
Transfers (out)	(6,127)	(6,127)	(3,594)	2,533
Total other financing sources	9,022	9,022	11,568	2,546
Net change in fund balance	(26,888)	(26,888)	29,778	56,666
Fund balances, July 1, 2023	42,201	42,201	65,575	23,374
Fund balances, June 30, 2024	15,313	15,313	\$ 95,353	\$ 80,040

Notes to Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual
June 30, 2024
(in thousands)

Note 1: Budgeting and Budgetary Control

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

Expenditures may not legally exceed appropriations at the department level. In certain instances, transfers of appropriations between departments or from the contingency account to a department may be made upon the Board of Supervisors' approval. With the exception of the General Fund, Other Special Revenue, and Other Special Revenue – Grants, each fund includes only one department.

Note 2: Budgetary basis of accounting

The County's budget is prepared on a basis consistent with generally accepted accounting principles, except for the present value of net minimum lease payments unbudgeted item reported as lease agreements, and the present value of net minimum subscription-based information technology arrangements payments unbudgeted item reported as subscription-based information technology arrangements.

	<u>General Fund</u>
Excess of revenues over expenditures	
from the statement of revenues, expenditures, and changes in fund balances	\$ 93,455
Present value of net minimum lease payments	148
Present value of net minimum subscription-based information technology arrangements payments	1,758
Excess of revenues over expenditures from the budgetary comparison schedules	<u>95,361</u>

Note 3: Expenditures in Excess of Appropriations

For the year ended June 30, 2024, expenditures for the following departments in the General, Grants Fund, and Other Special Revenue Fund exceeded final budget amounts at the department level (the legal level of budgetary control) as follows:

Function/Department	Excess
General government:	
Communications - General Fund	\$ 7
Constables - General Fund	72
Elections - Grants Fund	38
Justice Courts - General Fund	39
Justice Courts - Grants Fund	136
Justice Services - Grants Fund	135
Public Defense Services - General Fund	85
Superior Court - General Fund	271
Superior Court Mandated Services - General Fund	196
Total general government	<u>979</u>
Public safety:	
Flood Control - Grants Fund	309
Total public safety	<u>309</u>
Highways and streets:	
Transportation - Grants Fund	27
Total highways and streets	<u>27</u>
Health:	
Environmental Quality - Grants Fund	108
Medical Examiner - General Fund	57
Pima Animal Care Center - Other Special Revenue Fund	804
Total health	<u>969</u>
Education and economic opportunity:	
Office of Digital Inclusion - General Fund	23
Total education and economic opportunity	<u>23</u>
Debt service:	
Principal - General Fund	5,213
Principal - Other Special Revenue Fund	181
Interest - General Fund	963
Interest - Other Special Revenue Fund	29
Total debt service	<u>6,386</u>

The excess expenditures listed above were funded by greater than anticipated revenues and unspent appropriations.

For the Pima Animal Care Center - Other Special Revenue Fund, the excess was due to unallowable payroll costs moved from the Grants Fund, leading to a budget overrun of \$804.

PIMA COUNTY, ARIZONA

Schedule of the County's Proportionate Share of the Net Pension Liability
 Cost-Sharing Pension Plans
 June 30, 2024
 (in thousands)

Arizona State Retirement System

	Reporting Fiscal Year (Measurement Date)									
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
County's proportion of the net pension liability	2.10%	2.11%	2.16%	2.26%	2.28%	2.36%	2.41%	2.44%	2.51%	2.56%
County's proportionate share of the net pension liability	\$ 339,267	\$ 345,381	\$ 283,562	\$ 390,909	\$ 332,203	\$ 328,958	\$ 375,197	\$ 393,174	\$ 391,629	\$ 379,139
County's covered payroll	\$ 274,077	\$ 251,930	\$ 242,422	\$ 246,354	\$ 241,159	\$ 233,929	\$ 235,375	\$ 228,129	\$ 231,570	\$ 229,907
County's proportionate share of the net pension liability as a percentage of its covered payroll	123.79%	137.09%	116.97%	158.68%	137.75%	140.62%	159.40%	172.35%	169.12%	164.91%
Plan fiduciary net position as a percentage of the total pension liability	75.47%	74.26%	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%

**Corrections Officer Retirement Plan —
 Administrative Office of the Courts**

	Reporting Fiscal Year (Measurement Date)									
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
County's proportion of the net pension liability	10.74%	10.77%	10.96%	10.89%	11.44%	11.51%	11.95%	12.42%	12.45%	12.43%
County's proportionate share of the net pension liability	\$ 48,532	\$ 48,071	\$ 40,691	\$ 52,009	\$ 48,276	\$ 41,436	\$ 47,929	\$ 35,046	\$ 30,274	\$ 27,888
County's covered payroll	\$ 13,600	\$ 12,746	\$ 13,074	\$ 13,127	\$ 13,470	\$ 13,346	\$ 13,400	\$ 13,681	\$ 13,857	\$ 13,114
County's proportionate share of the net pension liability as a percentage of its covered payroll	356.85%	377.15%	311.24%	396.20%	358.40%	310.48%	357.68%	256.17%	218.47%	212.66%
Plan fiduciary net position as a percentage of the total pension liability	59.28%	57.52%	62.53%	50.07%	51.99%	53.72%	49.21%	54.81%	57.89%	58.59%

Elected Officials Retirement Plan

	Reporting Fiscal Year (Measurement Date)									
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
County's proportion of the net pension liability	4.67%	8.79%	8.95%	9.10%	9.06%	10.24%	7.42%	7.90%	7.55%	7.64%
County's proportionate share of the net pension liability	\$ 29,293	\$ 59,357	\$ 54,444	\$ 61,427	\$ 60,051	\$ 64,495	\$ 90,478	\$ 74,615	\$ 59,037	\$ 51,259
State's proportionate share of the net pension liability associated with the County	32,751	5,779	5,472	5,838	5,644	11,051	29,292	15,406	18,405	15,717
Total	\$ 62,044	\$ 65,136	\$ 59,916	\$ 67,265	\$ 65,695	\$ 75,546	\$ 119,770	\$ 90,021	\$ 77,442	\$ 66,976
County's covered payroll	\$ 7,309	\$ 7,091	\$ 7,038	\$ 7,252	\$ 7,246	\$ 6,984	\$ 7,050	\$ 6,617	\$ 6,391	\$ 6,932
County's proportionate share of the net pension liability as a percentage of its covered payroll	400.78%	837.08%	773.57%	847.04%	828.75%	923.47%	1283.38%	1127.63%	923.75%	739.45%
Plan fiduciary net position as a percentage of the total pension liability	38.63%	32.01%	36.28%	29.80%	30.14%	30.36%	19.66%	23.42%	28.32%	31.91%

¹In fiscal year 2024, the County identified an error in the calculation of covered payroll and related percentages for Arizona State Retirement System, Corrections Officer Retirement Plan – Administrative Office of the Courts, Elected Officials Retirement Plan reported in prior periods. As a result, the covered payroll amounts and related percentages have been corrected and may differ from the amounts reported in prior years' reports.

PIMA COUNTY, ARIZONA
Schedule of Changes in the County's
Net Pension Liability and Related Ratios
Agent Pension Plans
June 30, 2024

Exhibit B - 2

	Reporting Fiscal Year (Measurement Date)									
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Public Safety Personnel Retirement System — Sheriff										
Total pension liability	\$ 5,770	\$ 5,816	\$ 5,941	\$ 6,136	\$ 5,936	\$ 6,125	\$ 8,078	\$ 6,068	\$ 6,421	\$ 6,346
Service cost										
Interest on the total pension liability	33,667	32,522	31,792	30,453	28,842	27,905	26,186	25,444	24,997	21,060
Changes of benefit terms							4,033	9,540		7,336
Differences between expected and actual experience in the measurement of the pension liability	21,947	5,908	(2,186)	6,619	6,709	(2,730)	(1,177)	(7,713)	(4,579)	(462)
Changes of assumptions or other inputs		5,033			8,572		12,797	12,356		34,338
Benefit payments, including refunds of employee contributions	(28,764)	(25,511)	(25,336)	(24,017)	(21,667)	(21,357)	(20,634)	(22,727)	(19,209)	(17,811)
Net change in total pension liability	32,620	23,768	10,211	19,191	28,392	9,943	29,283	22,968	7,630	50,807
Total pension liability - beginning	476,211	452,443	442,232	423,041	394,649	384,706	355,423	332,455	324,825	274,018
Total pension liability - ending (a)	<u>\$ 508,831</u>	<u>\$ 476,211</u>	<u>\$ 452,443</u>	<u>\$ 442,232</u>	<u>\$ 423,041</u>	<u>\$ 394,649</u>	<u>\$ 384,706</u>	<u>\$ 355,423</u>	<u>\$ 332,455</u>	<u>\$ 324,825</u>
Plan fiduciary net position										
Contributions - employer	\$ 8,568	\$ 208,293	\$ 45,560	\$ 22,601	\$ 20,232	\$ 18,847	\$ 16,871	\$ 15,122	\$ 11,490	\$ 10,627
Contributions - employee	2,375	2,283	1,829	1,848	1,741	2,787	3,900	3,877	3,505	3,415
Net investment income	30,656	(17,085)	47,807	2,144	8,618	10,343	16,189	808	5,053	17,221
Benefit payments, including refunds of employee contributions	(28,764)	(25,511)	(25,336)	(24,017)	(21,667)	(21,357)	(20,634)	(22,727)	(19,209)	(17,811)
Hall/Parker settlement						(4,953)				
Administrative expense	(188)	(306)	(227)	(175)	(151)	(158)	(144)	(117)	(124)	(139)
Other changes			44	21	(57)	(223)	(238)	(397)	(148)	(92)
Net change in plan fiduciary net position	12,647	167,674	69,677	2,422	8,716	5,286	15,944	(3,434)	567	13,221
Plan fiduciary net position - beginning	406,609	238,935	169,258	166,836	158,120	152,923	136,979	140,413	139,846	126,625
Plan fiduciary net position - ending (b)	<u>\$ 419,256</u>	<u>\$ 406,609</u>	<u>\$ 238,935</u>	<u>\$ 169,258</u>	<u>\$ 166,836</u>	<u>\$ 158,209</u>	<u>\$ 152,923</u>	<u>\$ 136,979</u>	<u>\$ 140,413</u>	<u>\$ 139,846</u>
County's net pension liability - ending (a) - (b)	\$ 89,575	\$ 69,602	\$ 213,508	\$ 272,974	\$ 256,205	\$ 236,440	\$ 231,783	\$ 218,444	\$ 192,042	\$ 184,979
Plan fiduciary net position as a percentage of the total pension liability	82.40%	85.38%	52.81%	38.27%	39.44%	40.09%	39.75%	38.54%	42.24%	43.05%
Covered payroll	\$ 34,821	\$ 30,607	\$ 29,027	\$ 30,257	\$ 29,862	\$ 29,261	\$ 32,156	\$ 30,384	\$ 31,515	\$ 31,543
County's net pension liability as a percentage of covered payroll	257.24%	227.41%	735.55%	902.18%	857.96%	808.04%	720.81%	718.94%	609.37%	586.43%

¹In fiscal year 2024, the County identified an error in the calculation of covered payroll and related percentages for the Public Safety Personnel Retirement System – Sheriff reported in prior periods. As a result, the covered payroll amounts and related percentages have been corrected and may differ from the amounts reported in prior years' reports.

See accompanying notes to pension schedules

PIMA COUNTY, ARIZONA
Schedule of Changes in the County's
Net Pension Liability and Related Ratios
Agent Pension Plans
June 30, 2024

Exhibit B - 2

	Reporting Fiscal Year (Measurement Date)									
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Corrections Officer Retirement Plan — Detention										
Total pension liability	\$ 1,744	\$ 2,371	\$ 2,794	\$ 3,003	\$ 3,271	\$ 3,359	\$ 3,235	\$ 2,893	\$ 2,798	\$ 2,852
Service cost										
Interest on the total pension liability	11,334	11,357	11,272	10,471	9,502	9,683	8,091	7,911	7,751	6,623
Changes of benefit terms						(7,525)	15,675	181		1,459
Differences between expected and actual experience										
in the measurement of the pension liability	7,420	(3,784)	(3,999)	5,157	5,306	(2,679)	(1,044)	(1,930)	(2,557)	(609)
Changes of assumptions or other inputs		1,655			4,261		3,566	4,125		10,555
Benefit payments, including refunds of employee contributions	(9,080)	(9,192)	(7,771)	(7,109)	(6,990)	(6,741)	(6,489)	(6,013)	(5,988)	(6,975)
Net change in total pension liability	11,418	2,407	2,296	11,522	15,350	(3,903)	23,034	7,167	2,004	13,905
Total pension liability - beginning	160,210	157,803	155,507	143,985	128,635	132,538	109,504	102,337	100,333	86,428
Total pension liability - ending (a)	\$ 171,628	\$ 160,210	\$ 157,803	\$ 155,507	\$ 143,985	\$ 128,635	\$ 132,538	\$ 109,504	\$ 102,337	\$ 100,333
Plan fiduciary net position										
Contributions - employer	\$ 1,235	\$ 65,098	\$ 14,666	\$ 7,119	\$ 6,721	\$ 5,167	\$ 4,871	\$ 4,634	\$ 3,441	\$ 2,970
Contributions - employee	1,289	1,316	1,585	1,708	1,692	1,771	1,814	1,730	1,737	1,686
Net investment income	11,079	(5,786)	18,869	1,777	3,302	3,970	5,953	302	1,765	6,030
Benefit payments, including refunds of employee contributions	(9,080)	(9,192)	(7,771)	(7,109)	(6,990)	(6,741)	(6,489)	(6,013)	(5,988)	(6,975)
Administrative expense	(148)	(104)	(87)	(68)	(60)	(61)	(52)	(43)	(44)	(48)
Other changes		(31)	(63)	(15)		(76)	(38)	(38)	(69)	11
Net change in plan fiduciary net position	4,375	51,301	27,199	3,412	4,665	4,030	6,059	572	842	3,674
Plan fiduciary net position - beginning	146,440	95,139	67,940	64,528	59,863	55,833	49,774	49,202	48,360	44,686
Plan fiduciary net position - ending (b)	\$ 150,815	\$ 146,440	\$ 95,139	\$ 67,940	\$ 64,528	\$ 59,863	\$ 55,833	\$ 49,774	\$ 49,202	\$ 48,360
County's net pension liability - ending (a) - (b)	\$ 20,813	\$ 13,770	\$ 62,664	\$ 87,567	\$ 79,457	\$ 68,772	\$ 76,705	\$ 59,730	\$ 53,135	\$ 51,973
Plan fiduciary net position as a percentage of the total pension liability	87.87%	91.41%	60.29%	43.69%	44.82%	46.54%	42.13%	45.45%	48.08%	48.20%
Covered payroll	\$ 20,275	\$ 19,978	\$ 21,989	\$ 23,254	\$ 21,342	\$ 20,738	\$ 21,574	\$ 20,263	\$ 20,816	\$ 20,051
County's net pension liability as a percentage of covered payroll	102.65%	68.93%	284.98%	376.57%	372.30%	331.62%	355.55%	294.77%	255.26%	259.20%

¹In fiscal year 2024, the County identified an error in the calculation of covered payroll and related percentages for the Corrections Officer Retirement Plan – Detention reported in prior periods. As a result, the covered payroll amounts and related percentages have been corrected and may differ from the amounts reported in prior years' reports.

See accompanying notes to pension schedules

PIMA COUNTY, ARIZONA
Schedule of County Pension Contributions
June 30, 2024
(in thousands)

Exhibit B - 2

Arizona State Retirement System

	Reporting Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 36,708	\$ 32,630	\$ 30,252	\$ 28,261	\$ 28,242	\$ 26,908	\$ 25,552	\$ 25,320	\$ 24,752	\$ 25,218
County's contributions in relation to the statutorily required contribution	36,708	32,630	30,252	28,261	28,242	26,908	25,552	25,320	24,752	25,218
County's contribution deficiency (excess)										
County's covered payroll	\$ 305,177	\$ 274,077	\$ 251,930	\$ 242,422	\$ 246,354	\$ 241,159	\$ 233,929	\$ 235,375	\$ 228,129	\$ 231,570
County's contributions as a percentage of covered payroll	12.03%	11.91%	12.01%	11.66%	11.46%	11.16%	10.92%	10.76%	10.85%	10.89%

**Corrections Officer Retirement Plan—
Administrative Office of the Courts**

	Reporting Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 6,303	\$ 5,075	\$ 4,554	\$ 4,372	\$ 3,993	\$ 4,258	\$ 3,003	\$ 2,691	\$ 2,613	\$ 2,062
County's contributions in relation to the statutorily required contribution	6,303	5,075	4,554	4,372	3,993	4,258	3,003	2,691	2,613	2,062
County's contribution deficiency (excess)										
County's covered payroll	\$ 15,680	\$ 13,600	\$ 12,746	\$ 13,074	\$ 13,127	\$ 13,470	\$ 13,346	\$ 13,400	\$ 13,681	\$ 13,857
County's contributions as a percentage of covered payroll	40.20%	37.32%	35.73%	33.44%	30.42%	31.61%	22.50%	20.08%	19.10%	14.88%

Elected Officials Retirement Plan

	Reporting Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 5,913	\$ 4,811	\$ 4,045	\$ 4,520	\$ 4,218	\$ 4,168	\$ 1,508	\$ 1,566	\$ 1,555	\$ 1,502
County's contributions in relation to the statutorily required contribution	5,913	4,811	4,045	4,520	4,218	3,204	460	1,566	1,555	1,502
County's contribution deficiency (excess)						\$ 964	\$ 1,048			
County's covered payroll	\$ 8,268	\$ 7,309	\$ 7,091	\$ 7,038	\$ 7,252	\$ 7,246	\$ 6,984	\$ 7,050	\$ 6,617	\$ 6,391
County's contributions as a percentage of covered payroll	71.52%	65.82%	57.04%	64.22%	58.16%	44.22%	6.59%	22.21%	23.50%	23.50%

Public Safety Personnel Retirement System — Sheriff

	Reporting Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 10,488	\$ 7,737	\$ 22,431	\$ 21,673	\$ 21,439	\$ 18,766	\$ 18,771	\$ 16,861	\$ 15,119	\$ 11,490
County's contributions in relation to the actuarially required contribution	20,488	7,737	207,563	44,478	21,439	18,766	14,407	16,861	15,119	11,490
County's contribution deficiency (excess)	(10,000)		\$ (185,132)	\$ (22,805)			\$ 4,364			
County's covered payroll	\$ 36,836	\$ 34,821	\$ 30,607	\$ 29,027	\$ 30,257	\$ 29,862	\$ 29,261	\$ 32,156	\$ 30,384	\$ 31,515
County's contributions as a percentage of covered payroll	55.62%	22.22%	678.16%	153.23%	70.86%	62.84%	49.24%	52.44%	49.76%	36.46%

Corrections Officer Retirement Plan - Detention

	Reporting Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 2,563	\$ 1,575	\$ 7,676	\$ 7,676	\$ 7,261	\$ 6,515	\$ 5,155	\$ 4,872	\$ 4,618	\$ 3,441
County's contributions in relation to the actuarially required contribution	2,563	1,575	65,353	14,872	7,261	6,515	5,155	4,872	4,618	3,441
County's contribution deficiency (excess)			\$ (57,677)	\$ (7,196)						
County's covered payroll	\$ 26,534	\$ 20,275	\$ 19,978	\$ 21,989	\$ 23,254	\$ 21,342	\$ 20,738	\$ 21,574	\$ 20,263	\$ 20,816
County's contributions as a percentage of covered payroll	9.66%	7.77%	327.12%	67.63%	31.22%	30.53%	24.86%	22.58%	22.79%	16.53%

¹In fiscal year 2024, the County identified an error in the calculation of covered payroll and related percentages for Arizona State Retirement System, Corrections Officer Retirement Plan – Administrative Office of the Courts, Elected Officials Retirement Plan, Public Safety Personnel Retirement System – Sheriff, and Corrections Officer Retirement Plan – Detention reported in prior periods. As a result, the covered payroll amounts and related percentages have been corrected and may differ from the amounts reported in prior years' reports.

See accompanying notes to pension schedules

PIMA COUNTY, ARIZONA
Notes to Pension Plan Schedules
June 30, 2024
(in thousands)

Exhibit B - 2

Note 1: Actuarially Determined Contribution Rates

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

Actuarial cost method	Entry age normal
Amortization method	PSPRS members with initial membership date before July 1, 2017, and CORP members with initial membership date before July 1, 2018: Level percent-of-pay, closed. PSPRS members with initial membership on or after July 1, 2017: Level dollar closed.
Remaining amortization period as of the 2022 actuarial valuation	PSPRS members with initial membership date before July 1, 2017, and CORP members with initial membership date before July 1, 2018: 15 years. PSPRS members with initial membership on or after July 1, 2017: 10 years.
Asset valuation method	PSPRS members with initial membership date before July 1, 2017, and CORP members with initial membership date before July 1, 2018: 7-year smoothed market value; 80% / 120% market corridor. PSPRS members with initial membership on or after July 1, 2017: 5-year smoothed market value; 80% / 120% market corridor.
Actuarial assumptions:	
Investment rate of return	PSPRS members with initial membership date before July 1, 2017, and CORP members with initial membership date before July 1, 2018: In the 2022 actuarial valuation, the investment rate of return was decreased from 7.3% to 7.2%. In the 2019 actuarial valuation, the investment rate of return was decreased from 7.4% to 7.3%. In the 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.5%. In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%. PSPRS members with initial membership on or after July 1, 2017: 7%
Projected salary increases	In the 2017 actuarial valuation, projected salary increases were decreased from 4.0%–8.0% to 3.5%–7.5% for PSPRS and from 4.0%–7.25% to 3.5%–6.5% for CORP. In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%–8.5% to 4.0%–8.0% for PSPRS and from 4.5%–7.75% to 4.0%–7.25% for CORP. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%–9.0% to 4.5%–8.5% for PSPRS and from 5.0%–8.25% to 4.5%–7.75% for CORP.
Wage growth	In the 2022 actuarial valuation, wage growth was changed from 3.5% to a range of 3.0 – 6.25% for PSPRS and CORP. In the 2017 actuarial valuation, wage growth was decreased from 4% to 3.5% for PSPRS and CORP. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0% for PSPRS and CORP. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS and CORP.
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.
Mortality	In the 2019 actuarial valuation, changed to PubS-2010 tables. In the 2017 actuarial valuation, changed to RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females).

PIMA COUNTY, ARIZONA
Notes to Pension Plan Schedules
June 30, 2024
(in thousands)

Exhibit B - 2

Note 2: Factors That Affect Trends

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

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

Note 3: Excess Contributions

On May 28, 2021, the County made additional contributions of \$22,805 for the County's Public Safety Personnel Retirement System and \$7,196 for the County's Correction Officers Retirement Plan to pay down its unfunded actuarial liability. On July 9, 2021, the County made additional contributions of \$185,132 for the County's Public Safety Personnel Retirement System and \$57,677 for the County's Correction Officers Retirement Plan to pay down its unfunded actuarial liability. On April 25, 2024, the County made an additional contribution of \$10,000 for the County's Public Safety Personnel Retirement System to pay down its unfunded actuarial liability.



2024

Annual Comprehensive
FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2024 • Pima County, Arizona



COMBINING STATEMENTS AND OTHER SCHEDULES

Other (Nonmajor) Governmental Funds

OTHER GOVERNMENTAL FUNDS (NONMAJOR)

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

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

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

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

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

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

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

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

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

Community Facilities Districts (formerly Rocking K South CFD Fund) — to account for the purchase of eligible infrastructure through the issuance of bonds, and to fund the operation, maintenance and administration of the Districts through the levy of ad valorem tax on property in the Districts.

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

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PIMA COUNTY, ARIZONA
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2024
(in thousands)

	Special Revenue Funds				
	Transportation	Health	Regional Flood Control District	Wireless Integrated Network	School Reserve
Assets					
Cash and cash equivalents	\$ 7,375	\$ 3,695	\$ 9,750	\$ 4,126	\$ 4,725
Property taxes receivable (net)			436		
Interest receivable	28	16	30	18	
Due from other funds		76	9		
Due from other governments	6,561	411	2	35	160
Accounts receivable	634	40	12		16
Leases receivable				103	
Inventory	1,616			147	
Prepaid expenditures	26	38	67	125	
Loans receivable	914				
Restricted cash equivalents					
Total assets	<u>\$ 17,154</u>	<u>\$ 4,276</u>	<u>\$ 10,306</u>	<u>\$ 4,554</u>	<u>\$ 4,901</u>
Liabilities, deferred inflows of resources and fund balances					
Liabilities					
Accounts payable	\$ 4,539	\$ 455	\$ 574	\$ 36	\$ 14
Employee compensation	9	20	29	3	18
Contract retentions	536				
Due to other funds	46	128	14		
Due to other governments	5				
Deposits and rebates			2		
Unearned revenue	2		2	178	29
Total liabilities	<u>5,137</u>	<u>603</u>	<u>621</u>	<u>217</u>	<u>61</u>
Deferred inflows of resources					
Unavailable revenue - intergovernmental	914		2	17	
Unavailable revenue - property taxes			330		
Unavailable revenue - other	524	2	9		
Deferred inflows related to leases and public-private partnerships				93	
Total deferred inflows of resources	<u>1,438</u>	<u>2</u>	<u>341</u>	<u>110</u>	<u>0</u>
Total liabilities and deferred inflows of resources	<u>6,575</u>	<u>605</u>	<u>962</u>	<u>327</u>	<u>61</u>
Fund balances					
Nonspendable	1,642	38	67	272	
Restricted	8,937	3,633	9,277	3,955	2,021
Committed					508
Assigned					2,311
Total fund balances	<u>10,579</u>	<u>3,671</u>	<u>9,344</u>	<u>4,227</u>	<u>4,840</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 17,154</u>	<u>\$ 4,276</u>	<u>\$ 10,306</u>	<u>\$ 4,554</u>	<u>\$ 4,901</u>

Special Revenue Funds						Total Other Governmental Funds
Environmental Quality	Waste Tire	Library District	Stadium District	Community Facilities Districts	Improvement & Other Districts	
\$ 5,984	\$ 1,405	\$ 38,343	\$ 3,949	\$ 129	\$ 158	\$ 79,639
		842		1	25	1,304
25	7	153	16	3		296
93		1	310			489
	354	6	208			7,737
54		262	139			1,157
						103
						1,763
		406	3	11		676
		92				1,006
		45				45
<u>\$ 6,156</u>	<u>\$ 1,766</u>	<u>\$ 40,150</u>	<u>\$ 4,625</u>	<u>\$ 144</u>	<u>\$ 183</u>	<u>\$ 94,215</u>
\$ 12	366	\$ 1,185	\$ 376	\$ 1	\$ 6	\$ 7,564
						79
						536
2		2				192
		1				6
						2
<u>0</u>	<u></u>	<u>18</u>	<u>71</u>	<u></u>	<u></u>	<u>300</u>
<u>14</u>	<u>366</u>	<u>1,206</u>	<u>447</u>	<u>1</u>	<u>6</u>	<u>8,679</u>
		2	91			1,026
		640			24	994
8		92	86			721
						93
<u>8</u>	<u>0</u>	<u>734</u>	<u>177</u>	<u>0</u>	<u>24</u>	<u>2,834</u>
<u>22</u>	<u>366</u>	<u>1,940</u>	<u>624</u>	<u>1</u>	<u>30</u>	<u>11,513</u>
		451	3	11		2,484
2,814	1,400	37,759		132	153	70,081
						508
<u>3,320</u>	<u></u>	<u></u>	<u>3,998</u>	<u></u>	<u></u>	<u>9,629</u>
<u>6,134</u>	<u>1,400</u>	<u>38,210</u>	<u>4,001</u>	<u>143</u>	<u>153</u>	<u>82,702</u>
<u>\$ 6,156</u>	<u>\$ 1,766</u>	<u>\$ 40,150</u>	<u>\$ 4,625</u>	<u>\$ 144</u>	<u>\$ 183</u>	<u>\$ 94,215</u>

PIMA COUNTY, ARIZONA
Combining Statement of Revenues, Expenditures and Changes in
Fund Balances - Nonmajor Governmental Funds
For the Year Ended June 30, 2024
(in thousands)

	Special Revenue Funds				
	Transportation	Health	Regional Flood Control District	Wireless Integrated Network	School Reserve
Revenues:					
Property taxes	\$ 1		\$ 31,317		
Licenses and permits	642	\$ 3,134	3		
Intergovernmental	78,058	787	13		\$ 15,801
Charges for services	202	3,383	753	\$ 4,027	465
Fines and forfeits	28		1		
Investment earnings	299	126	448	151	126
Miscellaneous	793	24	76	122	
Total revenues	<u>80,023</u>	<u>7,454</u>	<u>32,611</u>	<u>4,300</u>	<u>16,392</u>
Expenditures:					
Current:					
General government					
Public safety			16,340	3,163	
Highways and streets	60,406				
Sanitation					
Health		20,945			
Culture and recreation					
Education and economic opportunity					13,815
Debt service:					
Principal		127			
Interest		6			
Miscellaneous					
Total expenditures	<u>60,406</u>	<u>21,078</u>	<u>16,340</u>	<u>3,163</u>	<u>13,815</u>
Excess (deficiency) of revenues over (under) expenditures	<u>19,617</u>	<u>(13,624)</u>	<u>16,271</u>	<u>1,137</u>	<u>2,577</u>
Other financing sources (uses):					
Face amount of long-term debt issued					
Transfers in	25,597	17,281	35		33
Transfers (out)	<u>(40,089)</u>	<u>(880)</u>	<u>(19,276)</u>	<u>(5)</u>	<u>33</u>
Total other financing sources (uses)	<u>(14,492)</u>	<u>16,401</u>	<u>(19,241)</u>	<u>(5)</u>	<u>33</u>
Net change in fund balances	5,125	2,777	(2,970)	1,132	2,610
Fund balances, July 1, 2023	5,454	894	12,314	3,095	2,231
Changes in nonspendable resources:					
Change in prepaids					(1)
Fund balances, June 30, 2024	<u>\$ 10,579</u>	<u>\$ 3,671</u>	<u>\$ 9,344</u>	<u>\$ 4,227</u>	<u>\$ 4,840</u>

Special Revenue Funds						Total Other Governmental Funds
Environmental Quality	Waste Tire	Library District	Stadium District	Community Facilities Districts	Improvement & Other Districts	
		\$ 58,178		\$ 232	\$ 301	\$ 90,029
\$ 2,440						6,219
	\$ 1,513	170	\$ 1,198			97,540
		700	1,499			11,029
39						68
266	87	2,235	167	15	8	3,928
4		584	43			1,646
<u>2,749</u>	<u>1,600</u>	<u>61,867</u>	<u>2,907</u>	<u>247</u>	<u>309</u>	<u>210,459</u>
					286	286
						19,503
						60,406
	1,406					1,406
3,180						24,125
		46,202	7,698			53,900
				1,544		15,359
		58		87		272
		27		80		113
				131		131
<u>3,180</u>	<u>1,406</u>	<u>46,287</u>	<u>7,698</u>	<u>1,842</u>	<u>286</u>	<u>175,501</u>
(431)	194	15,580	(4,791)	(1,595)	23	34,958
				1,675		1,675
897		6	8,776			52,625
(33)	(900)	(10,461)	(3,774)		(35)	(75,453)
<u>864</u>	<u>(900)</u>	<u>(10,455)</u>	<u>5,002</u>	<u>1,675</u>	<u>(35)</u>	<u>(21,153)</u>
433	(706)	5,125	211	80	(12)	13,805
5,701	2,106	33,085	3,790	63	165	68,898
						(1)
<u>\$ 6,134</u>	<u>\$ 1,400</u>	<u>\$ 38,210</u>	<u>\$ 4,001</u>	<u>\$ 143</u>	<u>\$ 153</u>	<u>\$ 82,702</u>

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2024

Annual Comprehensive
FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2024 • Pima County, Arizona



COMBINING STATEMENTS AND OTHER SCHEDULES

Schedule of Revenues, Expenditures
and Changes in Fund Balance

Budget and Actual – Other Governmental Funds

PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Capital Projects Fund
For the Year Ended June 30, 2024
(in thousands)

Exhibit C - 3

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 2,676	\$ 1,007	\$ (1,669)
Charges for services	5,485	13,921	8,436
Investment earnings	601	6,078	5,477
Miscellaneous	144	144	144
Total revenues	<u>8,762</u>	<u>21,150</u>	<u>12,388</u>
Expenditures:			
Capital outlay	171,688	143,532	28,156
Total expenditures	<u>171,688</u>	<u>143,532</u>	<u>28,156</u>
Deficiency of revenues under expenditures	<u>(162,926)</u>	<u>(122,382)</u>	<u>40,544</u>
Other financing sources (uses):			
Premium on bonds		930	930
Face amount of long-term debt issued	40,000	39,070	(930)
Transfers in	85,090	89,466	4,376
Transfers (out)	(9,721)	(10,785)	(1,064)
Total other financing sources	<u>115,369</u>	<u>118,681</u>	<u>3,312</u>
Net change in fund balance	(47,557)	(3,701)	43,856
Fund balances, July 1, 2023	<u>96,705</u>	<u>103,644</u>	<u>6,939</u>
Fund balances, June 30, 2024	<u>\$ 49,148</u>	<u>\$ 99,943</u>	<u>\$ 50,795</u>

PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Debt Service Fund
For the Year Ended June 30, 2024
(in thousands)

Exhibit C - 4

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 23,441	\$ 23,445	\$ 4
Intergovernmental		5	5
Investment earnings	113	1,151	1,038
Total revenues	<u>23,554</u>	<u>24,601</u>	<u>1,047</u>
Expenditures:			
Debt service:			
Principal	83,430	83,430	
Interest	19,242	19,428	(186)
Miscellaneous	363	436	(73)
Total expenditures	<u>103,035</u>	<u>103,294</u>	<u>(259)</u>
Deficiency of revenues under expenditures	<u>(79,481)</u>	<u>(78,693)</u>	<u>788</u>
Other financing sources:			
Premium on bonds		419	419
Transfers in	82,335	82,595	260
Total other financing sources	<u>82,335</u>	<u>83,014</u>	<u>679</u>
Net change in fund balance	2,854	4,321	1,467
Fund balances, July 1, 2023	<u>1,805</u>	<u>2,079</u>	<u>274</u>
Fund balances, June 30, 2024	<u>\$ 4,659</u>	<u>\$ 6,400</u>	<u>\$ 1,741</u>

PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Transportation - Special Revenue Fund
For the Year Ended June 30, 2024
(in thousands)

Exhibit C - 5

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Property taxes	\$ 1	\$ 1	
Licenses and permits	880	642	(238)
Intergovernmental	78,425	78,058	(367)
Charges for services	135	202	67
Fines and forfeits		28	28
Investment earnings	170	299	129
Miscellaneous	382	793	411
Total revenues	<u>79,993</u>	<u>80,023</u>	<u>30</u>
Expenditures:			
Highways and streets	65,802	60,406	5,396
Total expenditures	<u>65,802</u>	<u>60,406</u>	<u>5,396</u>
Excess of revenues over expenditures	<u>14,191</u>	<u>19,617</u>	<u>5,426</u>
Other financing sources (uses):			
Proceeds from sale of capital assets			
Transfers in	25,156	25,597	441
Transfers (out)	(39,727)	(40,089)	(362)
Total other financing uses	<u>(14,571)</u>	<u>(14,492)</u>	<u>79</u>
Net change in fund balance	(380)	5,125	5,505
Fund balances, July 1, 2023	<u>(4,324)</u>	<u>5,454</u>	<u>9,778</u>
Fund balances, June 30, 2024	<u>\$ (4,704)</u>	<u>\$ 10,579</u>	<u>\$ 15,283</u>

PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Health - Special Revenue Fund
For the Year Ended June 30, 2024
(in thousands)

Exhibit C - 6

	Budget	Actual	Variance
Revenues:			
Licenses and permits	\$ 2,850	\$ 3,134	\$ 284
Intergovernmental	675	787	112
Charges for services	2,847	3,383	536
Investment earnings		126	126
Miscellaneous	3	24	21
Total revenues	<u>6,375</u>	<u>7,454</u>	<u>1,079</u>
Expenditures:			
Health	25,674	20,945	4,729
Debt service:			
Principal		127	(127)
Interest		6	(6)
Total expenditures	<u>25,674</u>	<u>21,078</u>	<u>4,596</u>
Deficiency of revenues under expenditures	<u>(19,299)</u>	<u>(13,624)</u>	<u>5,675</u>
Other financing sources (uses):			
Transfers in	20,278	17,281	(2,997)
Transfers (out)	<u>(2,892)</u>	<u>(880)</u>	<u>2,012</u>
Total other financing sources	<u>17,386</u>	<u>16,401</u>	<u>(985)</u>
Net change in fund balance	(1,913)	2,777	4,690
Fund balances (deficit), July 1, 2023	<u>(832)</u>	<u>894</u>	<u>1,726</u>
Fund balances, June 30, 2024	<u>\$ (2,745)</u>	<u>\$ 3,671</u>	<u>\$ 6,416</u>

PIMA COUNTY, ARIZONA

Exhibit C - 7

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Regional Flood Control District - Special Revenue Fund
For the Year Ended June 30, 2024
(in thousands)

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Property taxes	\$ 31,152	\$ 31,317	\$ 165
Licenses and permits	6	3	(3)
Intergovernmental	25	13	(12)
Charges for services	795	753	(42)
Fines and forfeits		1	1
Investment earnings	17	448	431
Miscellaneous	97	76	(21)
Total revenues	<u>32,092</u>	<u>32,611</u>	<u>519</u>
Expenditures:			
Public safety	<u>17,284</u>	<u>16,340</u>	<u>944</u>
Total expenditures	<u>17,284</u>	<u>16,340</u>	<u>944</u>
Excess of revenues over expenditures	<u>14,808</u>	<u>16,271</u>	<u>1,463</u>
Other financing sources (uses):			
Proceeds from sale of capital assets	34		(34)
Transfers in	6	35	29
Transfers (out)	<u>(18,389)</u>	<u>(19,276)</u>	<u>(887)</u>
Total other financing uses	<u>(18,349)</u>	<u>(19,241)</u>	<u>(892)</u>
Net change in fund balance	(3,541)	(2,970)	571
Fund balances, July 1, 2023	<u>11,709</u>	<u>12,314</u>	<u>605</u>
Fund balances, June 30, 2024	<u>\$ 8,168</u>	<u>\$ 9,344</u>	<u>\$ 1,176</u>

PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Wireless Integrated Network - Special Revenue Fund
For the Year Ended June 30, 2024
(in thousands)

Exhibit C - 8

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Charges for services	\$ 4,000	\$ 4,027	\$ 27
Investment earnings	85	151	66
Miscellaneous	83	122	39
Total revenues	<u>4,168</u>	<u>4,300</u>	<u>132</u>
Expenditures:			
Public safety	<u>3,383</u>	<u>3,163</u>	<u>220</u>
Total expenditures	<u>3,383</u>	<u>3,163</u>	<u>220</u>
Excess of revenues over expenditures	<u>785</u>	<u>1,137</u>	<u>352</u>
Other financing uses:			
Transfers (out)	<u>(5)</u>	<u>(5)</u>	<u>0</u>
Total other financing uses	<u>(5)</u>	<u>(5)</u>	<u>0</u>
Net change in fund balance	780	1,132	352
Fund balances, July 1, 2023	<u>1,988</u>	<u>3,095</u>	<u>1,107</u>
Fund balances, June 30, 2024	<u>\$ 2,768</u>	<u>\$ 4,227</u>	<u>\$ 1,459</u>

PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
School Reserve - Special Revenue Fund
For the Year Ended June 30, 2024
(in thousands)

Exhibit C - 9

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 1,664	\$ 15,801	\$ 14,137
Charges for services		465	465
Investment earnings		126	126
Total revenues	<u>1,664</u>	<u>16,392</u>	<u>14,728</u>
Expenditures:			
Education and economic opportunity	1,762	13,815	(12,053)
Total expenditures	<u>1,762</u>	<u>13,815</u>	<u>(12,053)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(98)</u>	<u>2,577</u>	<u>2,675</u>
Other financing sources			
Transfers in	40	33	(7)
Total other financing sources	<u>40</u>	<u>33</u>	<u>(7)</u>
Net change in fund balance	(58)	2,610	2,668
Fund balances, July 1, 2023	706	2,231	1,525
Changes in nonspendable resources:			
Change in prepaids		(1)	(1)
Fund balances, June 30, 2024	<u>\$ 648</u>	<u>\$ 4,840</u>	<u>\$ 4,192</u>

PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Environmental Quality - Special Revenue Fund
For the Year Ended June 30, 2024
(in thousands)

Exhibit C - 10

	Budget	Actual	Variance
Revenues:			
Licenses and permits	\$ 2,465	\$ 2,440	\$ (25)
Fines and forfeits		39	39
Investment earnings	135	266	131
Miscellaneous	4	4	
Total revenues	<u>2,604</u>	<u>2,749</u>	<u>145</u>
Expenditures:			
Health	3,183	3,180	3
Total expenditures	<u>3,183</u>	<u>3,180</u>	<u>3</u>
Deficiency of revenues under expenditures	<u>(579)</u>	<u>(431)</u>	<u>148</u>
Other financing sources			
Transfers in	818	897	79
Transfers (out)	(33)	(33)	
Total other financing sources	<u>785</u>	<u>864</u>	<u>79</u>
Net change in fund balance	206	433	227
Fund balances, July 1, 2023	<u>5,513</u>	<u>5,701</u>	<u>188</u>
Fund balances, June 30, 2024	<u>\$ 5,719</u>	<u>\$ 6,134</u>	<u>\$ 415</u>

PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Waste Tire - Special Revenue Fund
For the Year Ended June 30, 2024
(in thousands)

Exhibit C - 11

	Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 1,350	\$ 1,513	\$ 163
Investment earnings	35	87	52
Total revenues	1,385	1,600	215
Expenditures:			
Sanitation	1,438	1,406	32
Total expenditures	1,438	1,406	32
Excess (deficiency) of revenues over (under) expenditures	(53)	194	247
Other financing uses:			
Transfers (out)	(900)	(900)	
Total other financing uses	(900)	(900)	0.00
Net change in fund balance	(953)	(706)	247
Fund balances, July 1, 2023	1,882	2,106	224
Fund balances, June 30, 2024	\$ 929	\$ 1,400	\$ 471

PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Library District - Special Revenue Fund
For the Year Ended June 30, 2024
(in thousands)

Exhibit C - 12

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Property taxes	\$ 58,131	\$ 58,178	\$ 47
Intergovernmental	290	170	(120)
Charges for services	530	700	170
Investment earnings	895	2,235	1,340
Miscellaneous	398	584	186
Total revenues	<u>60,244</u>	<u>61,867</u>	<u>1,623</u>
Expenditures:			
Culture and recreation	46,250	46,202	48
Debt service:			
Principal		58	(58)
Interest		27	(27)
Total expenditures	<u>46,250</u>	<u>46,287</u>	<u>(37)</u>
Excess of revenues over expenditures	<u>13,994</u>	<u>15,580</u>	<u>1,586</u>
Other financing sources (uses):			
Transfers in		6	6
Transfers (out)	(10,423)	(10,461)	(38)
Total other financing uses	<u>(10,423)</u>	<u>(10,455)</u>	<u>(32)</u>
Net change in fund balance	3,571	5,125	1,554
Fund balances, July 1, 2023	<u>30,926</u>	<u>33,085</u>	<u>2,159</u>
Fund balances, June 30, 2024	<u>\$ 34,497</u>	<u>\$ 38,210</u>	<u>\$ 3,713</u>

PIMA COUNTY, ARIZONA
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Stadium District - Special Revenue Fund
For the Year Ended June 30, 2024
(in thousands)

Exhibit C - 13

	Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 1,400	\$ 1,198	\$ (202)
Charges for services	2,256	1,499	(757)
Investment earnings	127	167	40
Miscellaneous	39	43	4
Total revenues	<u>3,822</u>	<u>2,907</u>	<u>(915)</u>
Expenditures:			
Culture and recreation	<u>8,827</u>	<u>7,698</u>	<u>1,129</u>
Total expenditures	<u>8,827</u>	<u>7,698</u>	<u>1,129</u>
Deficiency of revenues under expenditures	<u>(5,005)</u>	<u>(4,791)</u>	<u>214</u>
Other financing sources (uses):			
Transfers in	9,155	8,776	(379)
Transfers (out)	<u>(3,774)</u>	<u>(3,774)</u>	
Total other financing sources	<u>5,381</u>	<u>5,002</u>	<u>(379)</u>
Net change in fund balance	376	211	(165)
Fund balances, July 1, 2023	<u>3,790</u>	<u>3,790</u>	<u>0</u>
Fund balances, June 30, 2024	<u>\$ 4,166</u>	<u>\$ 4,001</u>	<u>\$ (165)</u>

PIMA COUNTY, ARIZONA

Exhibit C - 14

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Community Facilities Districts - Special Revenue Fund
For the Year Ended June 30, 2024
(in thousands)

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 222	\$ 232	\$ 10
Investment earnings	1	15	14
Total revenues	223	247	24
Expenditures:			
Education and economic opportunity	4,607	1,544	3,063
Debt service:			
Principal	7	87	(80)
Interest	165	80	85
Miscellaneous	101	131	(30)
Total expenditures	4,880	1,842	3,038
Deficiency of revenues under expenditures	(4,657)	(1,595)	3,062
Other financing sources:			
Face amount of long-term debt issued	4,000	1,675	(2,325)
Total other financing sources	4,000	1,675	(2,325)
Net change in fund balance	(657)	80	737
Fund balances, July 1, 2023	1,974	63	(1,911)
Fund balances, June 30, 2024	\$ 1,317	\$ 143	\$ (1,174)

PIMA COUNTY, ARIZONA

Exhibit C - 15

Schedule of Revenues, Expenditures and Changes in
 Fund Balance - Budget and Actual
 Improvement & Other Districts - Special Revenue Fund
 For the Year Ended June 30, 2024
 (in thousands)

	Budget	Actual	Variance
Revenues:			
Property taxes	\$ 303	\$ 301	\$ (2)
Investment earnings		8	8
Total revenues	<u>303</u>	<u>309</u>	<u>6</u>
Expenditures:			
General government	<u>319</u>	<u>286</u>	<u>33</u>
Total expenditures	<u>319</u>	<u>286</u>	<u>33</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16)</u>	<u>23</u>	<u>39</u>
Other financing uses:			
Transfers (out)	<u>(35)</u>	<u>(35)</u>	
Total other financing uses	<u>(35)</u>	<u>(35)</u>	
Net change in fund balance	(51)	(12)	39
Fund balances, July 1, 2023	<u>155</u>	<u>165</u>	<u>10</u>
Fund balances, June 30, 2024	<u>\$ 104</u>	<u>\$ 153</u>	<u>\$ 49</u>

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2024

Annual Comprehensive
FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2024 • Pima County, Arizona



COMBINING STATEMENTS AND OTHER SCHEDULES

Other (Nonmajor) Enterprise Funds

OTHER (NONMAJOR) ENTERPRISE FUNDS

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

Parking Garages – to account for the management and operation of seven public parking garages located in downtown Tucson.

PIMA COUNTY, ARIZONA
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2024
(in thousands)

Exhibit C - 16

	Development Services	Parking Garages	Total Nonmajor Enterprise Funds
Assets			
Current assets:			
Cash and cash equivalents	\$ 30,593	\$ 714	\$ 31,307
Interest receivable	109	3	112
Due from other funds	59	5	64
Due from other governments		1	1
Accounts receivable	73	17	90
Prepaid expense	30	7	37
Total current assets	<u>30,864</u>	<u>747</u>	<u>31,611</u>
Noncurrent assets:			
Net OPEB asset	141	10	151
Capital assets:			
Land		1,769	1,769
Buildings and improvements		27,608	27,608
Equipment	8	2,235	2,243
Less accumulated depreciation	(7)	(16,651)	(16,658)
Total capital assets (net)	<u>1</u>	<u>14,961</u>	<u>14,962</u>
Total noncurrent assets	<u>142</u>	<u>14,971</u>	<u>15,113</u>
Total assets	<u>31,006</u>	<u>15,718</u>	<u>46,724</u>
Deferred outflows of resources			
Pension/OPEB	570	42	612
Total deferred outflows of resources	<u>570</u>	<u>42</u>	<u>612</u>
Liabilities			
Current liabilities:			
Accounts payable	196	397	593
Due to other funds		5	5
Deposits and rebates	1,162		1,162
Unearned revenue		4	4
Compensated absences payable	310	12	322
Total current liabilities	<u>1,668</u>	<u>418</u>	<u>2,086</u>
Noncurrent liabilities:			
Compensated absences payable	412	17	429
Net pension/OPEB liability	4,198	304	4,502
Total noncurrent liabilities	<u>4,610</u>	<u>321</u>	<u>4,931</u>
Total liabilities	<u>6,278</u>	<u>739</u>	<u>7,017</u>
Deferred inflows of resources			
Pension/OPEB	268	19	287
Total deferred inflows of resources	<u>268</u>	<u>19</u>	<u>287</u>
Net position			
Net investment in capital assets	1	14,961	14,962
Unrestricted	25,029	41	25,070
Total net position	<u>\$ 25,030</u>	<u>\$ 15,002</u>	<u>\$ 40,032</u>

PIMA COUNTY, ARIZONA
Combining Statement of Revenues, Expenses and
Changes in Fund Net Position
Nonmajor Enterprise Fund
For the Year Ended June 30, 2024
(in thousands)

Exhibit C - 17

	Development Services	Parking Garages	Total Nonmajor Enterprise Funds
Operating revenues:			
Charges for services	\$ 11,413	\$ 2,385	\$ 13,798
Other	15	18	33
Total operating revenues	<u>11,428</u>	<u>2,403</u>	<u>13,831</u>
Operating expenses:			
Employee compensation	5,733	465	6,198
Operating supplies and services	174	38	212
Repairs and maintenance	2	101	103
General and administrative	1,798	1,249	3,047
Consultants and professional services	241	212	453
Depreciation	2	764	766
Total operating expenses	<u>7,950</u>	<u>2,829</u>	<u>10,779</u>
Operating income (loss)	<u>3,478</u>	<u>(426)</u>	<u>3,052</u>
Nonoperating revenues (expenses):			
Investment earnings	1,288	25	1,313
Total nonoperating revenues	<u>1,288</u>	<u>25</u>	<u>1,313</u>
Income (loss) before transfers	4,766	(401)	4,365
Transfers in		145	145
Transfers (out)	(233)	(639)	(872)
Change in net position	4,533	(895)	3,638
Net position, July 1, 2023	<u>20,497</u>	<u>15,897</u>	<u>36,394</u>
Net position, June 30, 2024	<u>\$ 25,030</u>	<u>\$ 15,002</u>	<u>\$ 40,032</u>

PIMA COUNTY, ARIZONA
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2024
(in thousands)

Exhibit C - 18

	Development Services	Parking Garages	Total Nonmajor Enterprise Funds
Cash flows from operating activities:			
Cash receipts from customers for goods and services provided	\$ 12,024	\$ 2,397	\$ 14,421
Cash payments to suppliers for goods and services	(959)	(1,303)	(2,262)
Cash payments to other funds for goods and services	(1,234)	(151)	(1,385)
Cash payments to employees for services	(5,899)	(466)	(6,365)
Net cash provided by operating activities	<u>3,932</u>	<u>477</u>	<u>4,409</u>
Cash flows from for noncapital financing activities:			
Cash transfers in from other funds		145	145
Cash transfers out to other funds	(233)	(639)	(872)
Loans with other funds	(29)		(29)
Net cash used for noncapital financing activities	<u>(262)</u>	<u>(494)</u>	<u>(756)</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets	(1)		(1)
Net cash used for capital and related financing activities	<u>(1)</u>		<u>(1)</u>
Cash flows from investing activities:			
Interest received on investments	1,263	25	1,288
Net cash provided by investing activities	<u>1,263</u>	<u>25</u>	<u>1,288</u>
Net increase in cash and cash equivalents	4,932	8	4,940
Cash and cash equivalents, July 1, 2023	<u>25,661</u>	<u>706</u>	<u>26,367</u>
Cash and cash equivalents, June 30, 2024	<u>\$ 30,593</u>	<u>\$ 714</u>	<u>\$ 31,307</u>

(continued)

PIMA COUNTY, ARIZONA
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2024
(in thousands)

Exhibit C - 18.1

(continued)

Reconciliation of operating income (loss) to net cash provided by operating activities:	Development Services	Parking Garages	Total Nonmajor Enterprise Funds
	\$ 3,478	\$ (426)	\$ 3,052
Operating income (loss)			
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	2	764	766
Changes in assets and deferred outflows of resources:			
Decrease (increase) in assets:			
Accounts receivable	(14)	(3)	(17)
Due from other governments			
Prepaid expense	(5)	9	4
Net OPEB asset	10	1	11
Increase in deferred outflows of resources:			
Pension/OPEB	113	7	120
Changes in liabilities and deferred inflows of resources:			
Increase (decrease) in liabilities:			
Accounts payable	27	137	164
Net pension/OPEB liability	(178)	(6)	(184)
Other liabilities	556	(2)	554
Decrease in deferred inflows of resources:			
Pension/OPEB	(57)	(4)	(61)
Net cash provided by operating activities	\$ 3,932	\$ 477	\$ 4,409



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COMBINING STATEMENTS AND OTHER SCHEDULES

Internal Service Funds

INTERNAL SERVICE FUNDS

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

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

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

Other Internal Service — to account for the provision of technology infrastructure, telecommunication services, and procurement of software and hardware resources utilized by County departments.

PIMA COUNTY, ARIZONA
Combining Statements of Net Position
Internal Service Funds
June 30, 2024
(in thousands)

Exhibit C - 19

	Self- Insurance Trust	Fleet Services	Health Benefits Trust	Other Internal Service	Total Internal Service Funds
Assets					
Current assets:					
Cash and cash equivalents	\$ 83,394	\$ 8,856	\$ 34,459	\$ 34,897	\$ 161,606
Interest receivable	40	37	59	147	283
Due from other governments				37	37
Accounts receivable		327	2,225	15	2,567
Inventory		922		239	1,161
Prepaid expense	986	40	90	3,075	4,191
Total current assets	<u>84,420</u>	<u>10,182</u>	<u>36,833</u>	<u>38,410</u>	<u>169,845</u>
Noncurrent assets:					
Net OPEB asset	36	107	28	199	370
Capital assets:					
Land	459				459
Buildings and improvements		22,753			22,753
Equipment	71	74,435		23,413	97,919
Intangibles		186		28,660	28,846
Less accumulated depreciation/amortization	(71)	(46,887)		(23,555)	(70,513)
Construction in progress		3,659			3,659
Total capital assets (net)	<u>459</u>	<u>54,146</u>	<u>\$0</u>	<u>28,518</u>	<u>83,123</u>
Total noncurrent assets	<u>495</u>	<u>54,253</u>	<u>28</u>	<u>28,717</u>	<u>83,493</u>
Total assets	<u>84,915</u>	<u>64,435</u>	<u>36,861</u>	<u>67,127</u>	<u>253,338</u>
Deferred outflows of resources					
Pension/OPEB	148	433	115	804	1,500
Total deferred outflows of resources	<u>148</u>	<u>433</u>	<u>115</u>	<u>804</u>	<u>1,500</u>
Liabilities					
Current liabilities:					
Accounts payable	1,393	1,849	558	1,816	5,616
Employee compensation				9	9
Contract retentions		103			103
Interest payable				886	886
Due to other governments		8			8
Compensated absences payable	81	207	45	395	728
Reported but unpaid losses	3,768		950		4,718
Incurred but not reported losses	2,151		5,386		7,537
Subscriptions liability				3,467	3,467
Total current liabilities	<u>7,393</u>	<u>2,167</u>	<u>6,939</u>	<u>6,573</u>	<u>23,072</u>
Noncurrent liabilities:					
Compensated absences payable	4	80	67	335	486
Lease payable				15,688	15,688
Reported but unpaid losses	11,149		10		11,159
Incurred but not reported losses	7,867		54		7,921
Net pension/OPEB liability	1,084	3,183	847	5,926	11,040
Total noncurrent liabilities	<u>20,104</u>	<u>3,263</u>	<u>978</u>	<u>21,949</u>	<u>46,294</u>
Total liabilities	<u>27,497</u>	<u>5,430</u>	<u>7,917</u>	<u>28,522</u>	<u>69,366</u>
Deferred inflows of resources					
Pension/OPEB	69	203	54	378	704
Total deferred inflows of resources	<u>69</u>	<u>203</u>	<u>54</u>	<u>378</u>	<u>704</u>
Net position					
Net investment in capital assets	459	54,146		28,518	83,123
Restricted for healthcare			29,005		29,005
Unrestricted	57,038	5,089		10,513	72,640
Total net position	<u>\$ 57,497</u>	<u>\$ 59,235</u>	<u>\$ 29,005</u>	<u>\$ 39,031</u>	<u>\$ 184,768</u>

PIMA COUNTY, ARIZONA
Combining Statement of Revenues, Expenses and
Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2024

Exhibit C - 20

	Self- Insurance Trust	Fleet Services	Health Benefits Trust	Other Internal Service	Total Internal Service Funds
Operating revenues:					
Charges for services	\$ 15,743	\$ 19,009	\$ 87,779	\$ 33,045	\$ 155,576
Other	133	183	7,854	375	8,545
Total operating revenues	<u>15,876</u>	<u>19,192</u>	<u>95,633</u>	<u>33,420</u>	<u>164,121</u>
Operating expenses:					
Employee compensation	1,640	3,962	1,106	7,594	14,302
Operating supplies and services	295	6,135	1	5,786	12,217
Repairs and maintenance	12	1,474		2,048	3,534
Incurred losses	4,345		73,375		77,720
Insurance premiums	6,939	1,022	6,257	54	14,272
General and administrative	795	2,137	722	1,733	5,387
Consultants and professional services	2,464	128	3,882	4,532	11,006
Depreciation/amortization	1	7,174		9,157	16,332
Total operating expenses	<u>16,491</u>	<u>22,032</u>	<u>85,343</u>	<u>30,904</u>	<u>154,770</u>
Operating income (loss)	<u>(615)</u>	<u>(2,840)</u>	<u>10,290</u>	<u>2,516</u>	<u>9,351</u>
Nonoperating revenues (expenses):					
Investment earnings	4,330	738	1,548	1,367	7,983
Interest expense				(923)	(923)
Gain (loss) on disposal of capital assets		429		(479)	(50)
Total nonoperating revenues	<u>4,330</u>	<u>1,167</u>	<u>1,548</u>	<u>(35)</u>	<u>7,010</u>
Income (loss) before contributions and transfers	3,715	(1,673)	11,838	2,481	16,361
Capital contributions		113			113
Transfers in			8,000	4	8,004
Transfers (out)	(119)	(44)	(107)	(56)	(326)
Change in net position	3,596	(1,604)	19,731	2,429	24,152
Net position, July 1, 2023	53,901	60,839	9,274	36,602	160,616
Net position, June 30, 2024	<u>\$ 57,497</u>	<u>\$ 59,235</u>	<u>\$ 29,005</u>	<u>\$ 39,031</u>	<u>\$ 184,768</u>

PIMA COUNTY, ARIZONA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2024
(in thousands)

Exhibit C - 21

	Self- Insurance Trust	Fleet Services	Health Benefits Trust	Other Internal Service	Total Internal Service Funds
Cash flows from operating activities:					
Cash receipts from other funds for goods and services provided	\$ 15,743	\$ 19,009	\$ 87,779	\$ 33,045	\$ 155,576
Cash receipts from miscellaneous operations	133	(1)	7,265	362	7,759
Cash payments to suppliers for goods and services	(9,582)	(10,466)	(10,427)	(9,085)	(39,560)
Cash payments to other funds for goods and services	(739)	(2,211)	(673)	(1,284)	(4,907)
Cash payments for incurred losses	(5,053)		(73,875)		(78,928)
Cash payments to employees for services	(1,943)	(3,913)	(1,157)	(7,463)	(14,476)
Net cash provided by (used for) operating activities	<u>(1,441)</u>	<u>2,418</u>	<u>8,912</u>	<u>15,575</u>	<u>25,464</u>
Cash flows from noncapital financing activities:					
Cash transfers in from other funds			8,000	4	8,004
Cash transfers out to other funds	(172)	(44)	(107)	(56)	(379)
Loans with other funds				18	18
Net cash provided by (used for) noncapital financing activities	<u>(172)</u>	<u>(44)</u>	<u>\$7,893</u>	<u>(34)</u>	<u>7,643</u>
Cash flows from capital and related financing activities:					
Proceeds from sale of capital assets		573			573
Purchase of capital assets	1	(13,179)		(8,035)	(21,213)
Net cash used for capital and related financing activities	<u>1</u>	<u>(12,606)</u>		<u>(8,035)</u>	<u>(20,640)</u>
Cash flows from investing activities:					
Interest received on investments	4,332	716	1,493	1,321	7,862
Net cash provided by investing activities	<u>4,332</u>	<u>716</u>	<u>1,493</u>	<u>1,321</u>	<u>7,862</u>
Net increase (decrease) in cash and cash equivalents	2,720	(9,516)	18,298	8,827	20,329
Cash and cash equivalents, July 1, 2023	<u>80,674</u>	<u>18,372</u>	<u>16,161</u>	<u>26,070</u>	<u>141,277</u>
Cash and cash equivalents, June 30, 2024	<u>\$ 83,394</u>	<u>\$ 8,856</u>	<u>\$ 34,459</u>	<u>\$ 34,897</u>	<u>\$ 161,606</u>

(continued)

PIMA COUNTY, ARIZONA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2024
(in thousands)

Exhibit C - 21.1

(continued)

Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	Self- Insurance Trust	Fleet Services	Health Benefits Trust	Other Internal Service	Total Internal Service Funds
	\$ (615)	\$ (2,840)	\$ 10,290	\$ 2,516	\$ 9,351
Operating income (loss)					
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation/amortization	1	7,174		9,157	16,332
Changes in assets and deferred outflows of resources:					
Decrease (increase) in assets:					
Accounts receivable		(184)	(558)	(5)	(747)
Due from other governments				(6)	(6)
Inventory and other assets		(13)		(38)	(51)
Prepaid expense	(11)	(4)	(37)	1,912	1,860
Net OPEB asset	10	(1)	3	(3)	9
Increase in deferred outflows of resources:					
Pension/OPEB	61	45	24	83	213
Changes in liabilities and deferred inflows of resources:					
Increase (decrease) in liabilities:					
Accounts payable	195	(1,770)	(201)	1,060	(716)
Interest payable				850	850
Due to other governments		6			6
Reported but unpaid losses	707		(75)		632
Incurred but not reported losses	(1,415)		(425)		(1,840)
Net pension/OPEB liability	(260)	116	(49)	240	47
Other liabilities	(84)	(88)	(48)	(147)	(367)
Decrease in deferred inflows of resources:					
Pension/OPEB	(30)	(23)	(12)	(44)	(109)
Net cash provided by (used for) operating activities	\$ (1,441)	\$ 2,418	\$ 8,912	\$ 15,575	\$ 25,464

Noncash investing, capital, and noncapital financing activities during the year ended June 30, 2024:

Fleet Services Fund disposed of capital assets with a net book value of \$460.



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COMBINING STATEMENTS AND OTHER SCHEDULES

Fiduciary Funds

FIDUCIARY FUNDS

Private-Purpose Trust Funds — to account for assets held in trust by the County's Public Fiduciary for those individuals in which the Public Fiduciary serves as a court-appointed guardian, conservator or estate administrator.

Custodial Funds — to account for other fiduciary activities, including the pooled assets the County Treasurer holds and invests on behalf of other governmental entities not held in trust, non-pooled assets that are invested in the State Treasurer's Investment Pool and the County Treasurer's receipt and distribution of taxes for other governmental entities.

PIMA COUNTY, ARIZONA
Combining Statement of Fiduciary Net Position
Private-Purpose Trust Funds
June 30, 2024
(in thousands)

Exhibit C - 22

	Irrevocable Burial Trust	Public Fiduciary Trust Fund	Total Private-Purpose Trust Funds
Assets			
Cash and cash equivalents	\$ 3,535	\$ 2,260	\$ 5,795
Total assets	3,535	2,260	5,795
Net position			
Restricted for			
Individuals, organizations, and other governments	3,535	2,260	5,795
Total net position	\$ 3,535	\$ 2,260	\$ 5,795

PIMA COUNTY, ARIZONA
Combining Statement of Changes in Fiduciary Net Position
Private-Purpose Trust Funds
For the Year Ended June 30, 2024
(in thousands)

Exhibit C - 23

	Irrevocable Burial Trust	Public Fiduciary Trust Fund	Total Private-Purpose Trust Funds
Additions:			
Other	\$ 6,270	\$ 924	\$ 7,194
Total additions	<u>6,270</u>	<u>924</u>	<u>7,194</u>
Deductions:			
Other	7,748	356	8,104
Total deductions	<u>7,748</u>	<u>356</u>	<u>8,104</u>
Increase (decrease) in fiduciary net position	(1,478)	568	(910)
Net position held in trust, July 1, 2023	<u>5,013</u>	<u>1,692</u>	<u>6,705</u>
Net position held in trust, June 30, 2024	<u>\$ 3,535</u>	<u>\$ 2,260</u>	<u>\$ 5,795</u>

PIMA COUNTY, ARIZONA
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2024
(in thousands)

	External Investment Pool					Other		
	School Districts	Fire Districts	Other Governmental Entities	Total External Investment Pool	Treasurer's Clearing	Individual Investment Accounts	Non-County External Bank Accounts	Total Other
Assets								
Cash and cash equivalents	\$ 382,277	\$ 65,358	\$ 9,787	\$ 457,422	\$ 11,566	\$ 330,741	\$ 6,331	\$ 348,638
Property tax receivable					22,288			22,288
Interest receivable	1,550	303	40	1,893	3			3
Due from other governments					1,479			1,479
Total assets	<u>383,827</u>	<u>65,661</u>	<u>9,827</u>	<u>459,315</u>	<u>35,336</u>	<u>330,741</u>	<u>6,331</u>	<u>372,408</u>
Net position								
Restricted for:								
Pool participants	383,827	65,661	9,827	459,315	35,336	330,741	6,331	372,408
Individuals, organizations, and other governments								
Total net position	<u>\$ 383,827</u>	<u>\$ 65,661</u>	<u>\$ 9,827</u>	<u>\$ 459,315</u>	<u>\$ 35,336</u>	<u>\$ 330,741</u>	<u>\$ 6,331</u>	<u>\$ 372,408</u>

PIMA COUNTY, ARIZONA
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2024
(in thousands)

	External Investment Pool				Other			
	School Districts	Fire Districts	Other Governmental Entities	Total External Investment Pool	Treasurer's Clearing	Individual Investment Accounts	Non-County External Bank Accounts	Total Other
Additions:								
Contributions from pool participants	\$ 2,523,806	\$ 142,117	\$ 22,841	\$ 2,688,764	\$ 1,379,258	\$ 324,879	\$	\$ 324,879
Contributions from other governments					8,047			1,379,258
Property tax collections for other governments								8,047
Fines and fees collected for other governments								8,623
Investment earnings	17,455	3,325	482	21,262		8,623		8,623
Inmate collections								2,088
Other					2,639			33,217
Total additions	2,541,261	145,442	23,323	2,710,026	1,389,944	333,502	35,305	1,758,751
Deductions:								
Distributions to pool participants	2,428,814	149,986	24,255	2,603,055		109,931		110,011
Distributions to other governments								1,395,363
Property tax distributions to other governments								474
Interest expense								8,039
Fines and fees distributed to other governments								2,109
Payments to inmates								36,749
Other					1,063			37,812
Total deductions	2,428,814	149,986	24,255	2,603,055	1,405,019	109,931	38,858	1,553,808
Net increase (decrease) in fiduciary net position	112,447	(4,544)	(932)	106,971	(15,075)	223,571	(3,553)	204,943
Net position, July 1, 2023	271,380	70,205	10,759	352,344	50,411	107,170	9,884	167,465
Net position, June 30, 2024	\$ 383,827	\$ 65,661	\$ 9,827	\$ 459,315	\$ 35,336	\$ 330,741	\$ 6,331	\$ 372,408



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INTRODUCTORY SECTION

FINANCIAL SECTION

STATISTICAL SECTION

- Financial Trends Information
- Revenue Capacity Information
- Debt Capacity Information
- Demographic and Economic Information
- Operating Information



STATISTICAL SECTION

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

PIMA COUNTY, ARIZONA
Net Position by Component
Last Ten Fiscal Years
 (in thousands)
 (accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	\$ 1,385,996	\$ 1,376,761	\$ 1,429,607	\$ 1,452,111	\$ 1,517,465	\$ 1,582,181	\$ 1,616,368	\$ 1,633,005	\$ 1,632,054	\$ 1,707,493
Restricted for:										
Facilities, justice, library, tax stabilization and community development	60,285	58,269	66,828	68,636	63,501	102,881	117,584	119,378	172,972	254,251
Highways and streets	8,039	8,269	5,416	28,365	13,337	16,551	28,364	13,727	6,927	12,039
Capital projects	64,612	62,386	76,278	80,619	34,549	34,384	8,134	28,642	25,272	49,187
Healthcare	28,610	34,342	40,686	44,032	39,545	28,720	16,968	13,276	9,900	29,460
Net other post employment benefits	(507,127)	(494,395)	(503,936)	(530,353)	(435,876)	(456,402)	(417,783)	(363,483)	(365,926)	17,576
Unrestricted (deficit)	\$ 1,040,415	\$ 1,045,632	\$ 1,114,879	\$ 1,143,410	\$ 1,232,521	\$ 1,308,315	\$ 1,369,635	\$ 1,444,545	\$ 1,481,199	\$ 1,679,297
Total governmental activities net position										
	\$ 592,351	\$ 636,369	\$ 654,168	\$ 686,418	\$ 717,994	\$ 740,667	\$ 789,501	\$ 826,451	\$ 857,533	\$ 891,664
Business-type activities										
Net investment in capital assets	36,683	3,440	1,667	2,267	6,447	5,963	7,447	10,528	6,868	37,599
Restricted for:										
Debt service	19,419	19,223	19,668	19,351	19,158	19,580	20,083	21,728	23,294	24,466
Capital projects	87,010	88,906	75,231	56,307	55,035	70,486	64,998	70,761	83,499	107,742
Regional wastewater	\$ 743,443	\$ 784,604	\$ 788,981	\$ 804,614	\$ 840,396	\$ 873,601	\$ 913,129	\$ 961,866	\$ 1,006,306	\$ 1,062,490
Net other post employment benefits										
Unrestricted										
Total business-type activities net position	\$ 1,978,347	\$ 2,013,130	\$ 2,083,775	\$ 2,138,529	\$ 2,235,459	\$ 2,322,848	\$ 2,405,869	\$ 2,459,456	\$ 2,489,587	\$ 2,599,157
Primary government										
Net investment in capital assets	60,285	58,269	66,828	68,636	63,103	102,881	117,584	119,378	172,972	254,251
Restricted for:										
Facilities, justice, library, tax stabilization and community development	8,039	8,269	5,416	28,365	13,337	16,551	28,364	13,727	6,927	12,039
Highways and streets	36,683	36,666	38,247	40,271	41,762	36,905	31,100	32,398	35,112	37,599
Debt service	72,592	65,826	77,945	82,886	40,996	40,347	15,581	39,170	32,140	49,187
Capital projects	19,419	19,223	19,668	19,351	19,158	19,580	20,083	21,728	23,294	24,466
Regional wastewater	28,610	34,342	40,686	44,032	39,545	28,720	16,968	13,276	9,900	29,460
Healthcare										
Net other post employment benefits	(420,117)	(405,489)	(428,705)	(474,046)	(380,443)	(385,916)	(352,785)	(292,722)	(282,427)	18,595
Unrestricted (deficit)	\$ 1,783,858	\$ 1,830,236	\$ 1,903,860	\$ 1,948,024	\$ 2,072,917	\$ 2,181,916	\$ 2,282,764	\$ 2,406,411	\$ 2,487,505	\$ 2,741,787
Total primary government net position										
	\$ 1,978,347	\$ 2,013,130	\$ 2,083,775	\$ 2,138,529	\$ 2,235,459	\$ 2,322,848	\$ 2,405,869	\$ 2,459,456	\$ 2,489,587	\$ 2,599,157

Note:

Due to the implementation of GASB Statement No. 83, *Certain Asset Retirement Obligations*, in fiscal year 2019, net position for the year ended June 30, 2018 was restated, however this change is not reflected in this schedule.

Due to the implementation of GASB Statement No. 82, *Pension Issues*, in fiscal year 2016, net position for the year ended June 30, 2015 was restated, however this change is not reflected in this schedule.

Due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, in fiscal year 2015, net position for the year ended June 30, 2014 was restated, however this change is not reflected in this schedule.

Due to the One Arizona Opioid Settlement Memorandum of Understanding (One Arizona Plan) related to national opioid settlements, fiscal year 2022 was restated, however this change was not reflected in this schedule.

In fiscal year 2024, a new category was added to the restricted net position for both governmental and business-type activities to reflect the portion related to net pension/OPPEB assets.

Source:

Prima County Department of Finance & Risk Management

PIMA COUNTY, ARIZONA
 Changes in Net Position
 Last Ten Fiscal Years
 (in thousands)
 (accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
General government	\$ 259,734	\$ 267,658	\$ 260,251	\$ 279,678	\$ 254,241	\$ 329,566	\$ 360,851	\$ 343,493	\$ 394,954	\$ 399,737
Public safety	188,189	201,759	214,648	214,460	199,402	197,857	215,376	204,946	224,987	243,311
Highways and streets	85,618	102,461	86,886	110,159	111,826	118,956	136,405	198,621	180,833	109,617
Sanitation	(4,882)	3,089	5,195	2,683	2,798	4,052	3,295	4,453	9,834	3,446
Health	38,219	38,386	39,454	38,186	39,658	43,389	79,676	60,822	62,601	65,711
Welfare	93,524	88,515	90,013	94,567	95,737	102,033	103,038	100,505	114,851	118,828
Culture and recreation	62,981	65,770	68,350	65,827	62,513	70,275	70,153	69,944	84,999	87,339
Education and economic opportunity	35,051	35,833	36,658	43,492	42,810	39,420	49,623	65,797	88,979	71,525
Amortization-unallocated	(6,237)	(6,862)	(9,348)	(7,806)	(6,551)	(6,909)	(6,870)			
Interest on long-term debt	27,696	27,464	27,066	23,049	21,650	20,146	20,861	14,876	17,253	19,343
Total governmental activities	<u>779,893</u>	<u>824,073</u>	<u>819,173</u>	<u>864,295</u>	<u>824,084</u>	<u>918,785</u>	<u>1,032,408</u>	<u>1,063,457</u>	<u>1,179,291</u>	<u>1,118,857</u>
Business-type activities:										
Regional Wastewater Reclamation	184,884	155,566	155,257	148,405	149,576	151,893	153,265	153,613	155,405	164,710
Development Services	6,888	6,691	6,091	5,523	6,187	6,528	6,370	6,443	6,918	7,950
Parking Garages	1,814	2,350	2,840	2,821	2,963	2,649	2,481	2,619	2,847	2,829
Total business-type activities	<u>193,586</u>	<u>164,607</u>	<u>164,188</u>	<u>156,749</u>	<u>158,726</u>	<u>161,070</u>	<u>162,116</u>	<u>162,675</u>	<u>165,170</u>	<u>175,489</u>
Total primary government	<u>\$ 973,479</u>	<u>\$ 988,680</u>	<u>\$ 983,361</u>	<u>\$ 1,021,044</u>	<u>\$ 982,810</u>	<u>\$ 1,079,855</u>	<u>\$ 1,194,524</u>	<u>\$ 1,226,132</u>	<u>\$ 1,344,461</u>	<u>\$ 1,294,346</u>
Program revenues										
Governmental activities:										
Charges for services										
General government	\$ 27,974	\$ 27,149	\$ 28,331	\$ 27,713	\$ 26,789	\$ 28,754	\$ 33,606	\$ 32,414	\$ 28,284	\$ 97,485
Public safety	12,883	12,733	13,657	13,737	13,975	14,665	18,297	14,171	14,287	14,177
Highways and streets	6,136	5,263	6,696	8,356	7,908	9,236	12,432	13,006	10,080	14,834
Health	12,894	13,437	13,831	13,727	14,576	14,614	15,154	16,097	10,527	11,532
Welfare	200	50		252	289	289	122	51	91	153
Culture and recreation	3,144	2,855	3,876	3,266	3,702	6,907	2,201	3,721	4,416	4,397
Education and economic opportunity	577	545	593	581	577	514	419	565	544	673
Operating grants and contributions	126,862	127,536	130,049	131,222	131,487	175,720	237,401	234,010	274,746	276,996
Capital grants and contributions	42,570	45,579	37,502	26,842	30,361	40,077	35,772	56,606	19,472	44,954
Subtotal governmental activities program revenues	<u>\$ 233,240</u>	<u>\$ 235,147</u>	<u>\$ 234,535</u>	<u>\$ 225,444</u>	<u>\$ 229,627</u>	<u>\$ 290,776</u>	<u>\$ 355,404</u>	<u>\$ 370,641</u>	<u>\$ 362,447</u>	<u>\$ 465,201</u>

(continued)

Source: Pima County Department of Finance & Risk Management

PIMA COUNTY, ARIZONA
Changes in Net Position
Last Ten Fiscal Years
(in thousands)
(accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Program revenues										
Business-type activities:										
Charges for services	\$ 172,597	\$ 167,856	\$ 170,255	\$ 176,108	\$ 180,118	\$ 176,208	\$ 179,727	\$ 181,732	\$ 179,498	\$ 184,438
Regional Wastewater Reclamation										
Pima Health System & Services	6,324	6,212	8,076	8,791	8,859	10,396	13,947	14,010	10,170	11,413
Development Services	2,271	2,209	2,399	2,524	2,605	2,355	1,985	2,321	2,197	2,385
Parking Garages	35	35								
Operating grants and contributions	5,854	7,297	5,119	7,354	10,968	8,531	13,743	14,661	14,039	25,771
Capital grants and contributions	187,081	183,609	185,849	194,777	202,550	197,490	209,402	212,724	205,904	224,007
Total business-type activities program revenues	\$ 420,321	\$ 418,756	\$ 420,384	\$ 420,221	\$ 432,177	\$ 488,266	\$ 564,806	\$ 583,365	\$ 568,351	\$ 689,208
Total primary government program revenues										
Net (expense) revenue										
Governmental activities	(546,653)	(588,926)	(584,638)	(638,851)	(594,457)	(628,009)	(677,004)	(692,816)	(816,844)	(653,656)
Business-type activities	(6,505)	19,002	21,661	38,028	43,824	36,420	47,286	50,049	40,734	48,518
Total governmental activities net expense	(553,158)	(569,924)	(562,977)	(600,823)	(550,633)	(591,589)	(629,718)	(642,767)	(776,110)	(605,138)
General revenues and other changes in net position										
Governmental activities:										
Taxes										
Property taxes	\$ 423,538	\$ 444,194	\$ 453,004	\$ 476,365	\$ 463,547	\$ 482,079	\$ 485,886	\$ 500,619	\$ 508,823	\$ 528,867
Hotel/motel taxes	6,155	6,620	6,885	6,569	7,192	5,539	5,816	8,876	15,065	10,412
Other taxes levied for sports facilities and tourism	1,536	1,614	1,590	1,612	1,544	1,270	954	1,162	1,245	1,286
Shared sales tax	105,522	107,966	111,922	118,702	124,999	131,125	152,512	171,839	181,133	187,032
Shared vehicle licenses	24,976	26,302	27,761	28,933	30,282	30,747	35,296	33,485	34,623	35,192
Unrestricted grants and contributions	4,562	4,199	4,550	4,733	4,877	5,890	4,892	7,289	4,796	5,458
Interest and penalties on delinquent taxes	6,164	5,590	6,504	5,157	5,624	5,286	5,886	5,247	5,074	6,430
Investment earnings	1,931	3,268	3,297	5,549	12,328	11,927	3,812	(665)	24,108	37,041
Miscellaneous	16,889	15,712	17,731	18,381	21,320	22,019	33,832	38,421	29,863	35,419
Transfers	(17,133)	(20,190)	20,146	25,393	11,855	7,921	9,438	1,453	4,990	4,617
Total governmental activities	574,140	595,275	653,390	691,394	683,568	703,803	738,324	767,726	809,720	851,754
Business-type activities:										
Investment earnings	903	1,291	1,512	2,228	4,224	4,045	1,110	(530)	6,758	11,112
Miscellaneous	549	678	1,350	763	1,038	661	570	671	1,938	1,171
Transfers	17,133	20,190	(20,146)	(25,393)	(11,855)	(7,921)	(9,438)	(1,453)	(4,990)	(4,617)
Total business-type activities	18,585	22,159	(17,284)	(22,402)	(6,593)	(3,215)	(7,758)	(1,312)	3,706	7,666
Total primary government	\$ 592,725	\$ 617,434	\$ 636,106	\$ 668,992	\$ 676,975	\$ 700,588	\$ 730,566	\$ 766,414	\$ 813,426	\$ 859,420
Change in net position:										
Governmental activities	27,487	6,349	68,752	52,543	89,111	75,794	61,320	74,910	(7,124)	198,098
Business-type activities	12,080	41,161	4,377	15,626	37,231	33,205	39,528	48,737	44,440	56,184
Total primary government	\$ 39,567	\$ 47,510	\$ 73,129	\$ 68,169	\$ 126,342	\$ 108,999	\$ 100,848	\$ 123,647	\$ 37,316	\$ 254,282

Source:
Pima County Department of Finance & Risk Management

PIMA COUNTY, ARIZONA
Fund Balance - Governmental Funds
Last Ten Fiscal Years
 (in thousands)
 (modified accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable	\$ 4,053	\$ 2,931	\$ 4,318	\$ 4,566	\$ 7,287	\$ 7,487	\$ 5,659	\$ 2,292	\$ 3,724	\$ 3,758
Restricted							10,000	25,000	117,864	126,819
Committed	194	201	80	101	121	135	163	160	256	348
Assigned	47,878	77,550	97,638	108,825	101,990	97,974	418,030	174,757	74,272	45,102
Unassigned	\$ 52,125	\$ 80,682	\$ 102,036	\$ 113,492	\$ 109,398	\$ 105,596	\$ 433,852	\$ 202,209	\$ 196,116	\$ 176,027
Total General Fund										
All other governmental funds										
Reserved										
Unreserved, reported in:										
Special Revenue Funds										
Nonspendable	\$ 2,515	\$ 2,323	\$ 2,496	\$ 2,676	\$ 2,540	\$ 2,400	\$ 2,928	\$ 2,662	\$ 2,916	\$ 2,484
Restricted	53,155	57,141	62,263	90,924	77,122	80,990	108,368	98,730	58,380	70,081
Committed	6,320	6,962	2,821	1,972	3,993	18,422	17,803	17,826		508
Assigned	3,769	3,289	9,421	4,747	9,836	14,558	15,992	11,758	7,602	9,629
Unassigned	(4,770)	(9,097)	(7,006)	(7,690)	(4,370)		(279)	(6,219)		
Capital Projects Funds										
Nonspendable	126,827	104,274	96,228	136,889	78,107	72,010	66,658	49,051	52,833	64,749
Restricted	3,065	1,508								
Committed		195	209	9,492	41,234	45,776	21,957	44,073	50,811	35,194
Assigned	(57)									
Debt Service: Assigned	8,424	6,656	3,127	5,004	6,845	5,143	4,466	1,538	2,079	6,400
Grants Fund										
Nonspendable										
Unassigned					180	(2,346)	29	243	626	455
Other Special Revenue Fund										
Nonspendable										
Restricted										
Committed										
Assigned										
Unassigned										
Total other governmental funds	\$ 199,248	\$ 173,251	\$ 169,559	\$ 244,014	\$ 215,307	\$ 237,133	\$ 210,324	\$ 194,605	\$ 223,431	\$ 271,019

Note: The Grants Fund met GASB Statement 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, major fund criteria in fiscal year 2020. The Other Special Revenue met GASB Statement 34, major fund criteria in fiscal year 2023. In prior fiscal years, they were reported under Special revenue funds.

Source: Pima County Department of Finance & Risk Management

PIMA COUNTY, ARIZONA
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(in thousands)
(modified accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes	\$ 431,371	\$ 450,054	\$ 460,312	\$ 481,222	\$ 469,605	\$ 486,074	\$ 491,028	\$ 502,370	\$ 512,667	\$ 544,513
Special assessments	8,456	8,824	9,305	9,906	10,261	9,856	11,126	9,941	9,711	9,739
Licenses and permits	296,628	314,918	308,555	302,668	326,678	364,610	435,628	481,572	523,097	531,008
Intergovernmental	60,222	62,258	66,852	63,917	61,171	68,435	76,232	76,232	72,647	81,346
Charges for services	9,509	8,420	8,110	7,526	7,004	6,062	7,022	7,535	9,288	22,049
Fines and forfeits	1,155	1,812	2,257	4,022	7,564	7,417	3,074	1,622	20,500	29,058
Investment earnings	15,680	16,835	17,908	19,941	20,980	21,272	25,543	44,764	30,218	32,749
Miscellaneous	823,021	863,121	873,299	889,202	903,263	963,726	1,048,760	1,124,036	1,178,128	1,250,462
Total revenues										
Expenditures										
General government	256,331	255,639	258,350	257,511	269,391	318,476	347,492	337,570	399,181	405,813
Public safety	161,484	169,292	174,105	172,696	173,195	158,046	210,390	435,338	208,766	209,071
Highways and streets	39,664	45,625	41,523	42,038	39,953	63,254	89,690	130,298	122,605	60,433
Sanitation	2,403	2,237	2,343	2,314	2,405	2,511	2,239	2,414	2,422	2,794
Health	37,787	38,390	39,263	39,182	42,909	42,141	77,417	63,194	61,139	63,877
Welfare	93,418	88,436	89,915	94,594	95,907	102,043	103,029	100,550	114,894	118,803
Culture and recreation	68,987	58,710	64,725	62,070	64,003	64,731	65,820	72,247	76,616	78,264
Education and economic opportunity	34,280	35,121	35,872	40,102	42,345	38,583	48,026	66,554	88,182	70,964
Debt service:										
Principal	81,933	86,957	101,579	97,574	129,512	90,018	102,692	90,454	85,395	89,241
Interest	26,439	26,279	23,920	20,244	18,730	17,630	16,526	18,767	18,963	20,542
Miscellaneous	863	488	1,376	729	620	622	2,805	247	898	567
Capital outlay	100,788	70,473	73,922	78,370	118,275	118,016	94,003	108,296	98,716	143,532
Total expenditures	904,377	877,647	906,893	907,424	997,645	1,016,071	1,160,129	1,425,929	1,277,777	1,263,901
Deficiency of revenues under expenditures	(81,356)	(14,526)	(33,594)	(18,222)	(94,382)	(52,345)	(111,369)	(301,893)	(99,649)	(13,439)
Other financing sources (uses):										
Issuance of refunding debt	13,685	9,640	150,385							1,349
Premium on bonds	5,949	2,552	17,661	2,621	6,709	5,588	5,603		2,309	
Payments to escrow agent	(15,250)	(11,010)	(166,816)							
Financed purchases	11,500	149	1,700		170	679				
Face amount of long-term debt	72,025	34,295	25,680	73,660	45,940	56,020	387,248	50,000	90,115	40,745
Lease agreements								3,451	726	148
Subscription-based information technology agreements									24,146	1,758
Proceeds from sale of capital assets	119	89	246	566	1,676	268	5	470	1,021	
Transfers in	121,497	114,358	110,044	121,810	169,544	170,977	191,771	227,287	252,102	247,737
Transfers (out)	(148,744)	(132,865)	(87,640)	(94,524)	(162,458)	(163,167)	(171,810)	(226,675)	(248,037)	(250,798)
Total other financing sources	60,781	17,208	51,260	104,133	61,581	70,365	412,817	54,533	122,382	40,939
Change in reserves - net										
Net change in fund balances	\$ (20,575)	\$ 2,682	\$ 17,666	\$ 85,911	\$ (32,801)	\$ 18,024	\$ 301,447	\$ (247,362)	\$ 22,733	\$ 27,499
Debt service as a percentage of noncapital expenditures	13.51%	13.41%	14.94%	13.74%	16.11%	11.55%	11.10%	8.08%	8.68%	9.69%

Source: Pima County Department of Finance & Risk Management

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STATISTICAL SECTION

REVENUE CAPACITY:

The revenue capacity information is intended to assist users to understand and assess the factors affecting a government's ability to generate its own-source revenues. The presentation here is not limited to property tax revenues, but certain other revenues are presented to comply with debt disclosure requirements, e.g., hotel taxes, car rental taxes, and street and highway revenues.

PIMA COUNTY, ARIZONA
Taxable Assessed Value and Estimated Actual Value of Property
Last Ten Tax Years
(in thousands)

Tax Year	Commercial Property		Residential Property		Vacant Land		Other		Taxable Assessed Value		Total Direct Tax Rate		Estimated Limited Value		Assessed Value as a Percentage of Limited Value	
	Property		Property		Land				Value		Tax Rate		Value		Value	of Limited Value
2015	2,230,175		4,952,757		385,043		52,386		7,620,361		5.9632		76,489,654		9.96%	
2016	2,246,501		5,172,564		345,099		52,536		7,816,700		5.8852		78,911,345		9.91%	
2017	2,323,580		5,374,744		321,022		55,611		8,074,958		6.0243		80,459,900		10.04%	
2018	2,316,227		5,634,554		323,278		59,834		8,333,893		5.6525		82,745,384		10.07%	
2019	2,408,207		5,948,604		311,735		61,418		8,729,964		5.6014		86,441,657		10.10%	
2020	2,462,342		6,311,194		304,548		62,341		9,140,425		5.3524		90,656,154		10.08%	
2021	2,650,189		6,667,859		309,971		68,132		9,696,151		5.2346		95,585,663		10.14%	
2022	2,737,633		7,008,385		312,905		73,701		10,132,624		5.1036		100,257,796		10.11%	
2023	2,812,753		7,448,243		312,228		73,670		10,646,894		5.1424		106,146,379		10.03%	
2024	2,909,747		7,962,191		307,083		75,490		11,254,511		5.1413		112,786,493		9.98%	

Notes:

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

Source:
Pima County Department of Finance & Risk Management

PIMA COUNTY, ARIZONA
Direct and Overlapping Property Tax Rates
 (per \$100 of assessed value)

Tax Year	County Direct Rates										Total
	County Primary		County Secondary		Flood Control District ¹		County Library District		Fire District Assistance		
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
2015	4.3877	0.7000	0.3135	0.5153	0.0467	5.9632					
2016	4.2896	0.7000	0.3335	0.5153	0.0468	5.8852					
2017	4.4596	0.7000	0.3135	0.5053	0.0459	6.0243					
2018	4.0696	0.6900	0.3335	0.5153	0.0441	5.6525					
2019	3.9996	0.6900	0.3335	0.5353	0.0430	5.6014					
2020	3.9220	0.5200	0.3335	0.5353	0.0416	5.3524					
2021	3.8764	0.4500	0.3335	0.5353	0.0394	5.2346					
2022	3.8764	0.3200	0.3235	0.5453	0.0384	5.1036					
2023	4.0102	0.2200	0.3253	0.5493	0.0376	5.1424					
2024	4.0990	0.1250	0.3271	0.5537	0.0365	5.1413					

Overlapping Rates

Tax Year	Central AZ										Cortaro-Marana				Gladden Farms		Vanderbilt Farms		Quail Creek		Gladden Farms		Saguaro Springs																		
	Water Conservation District		Flowing Wells Irrigation District ²		Silverbell Irrigation District ³		Irrigation District ⁴		Irrigation District ⁴		Mobile Home Relocation District ⁴		Community Facilities District		Community Facilities District		Community Facilities District		Community Facilities District		Community Facilities District																				
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
2015	0.0000	0.5054	1.3689	1.5960	1.3810	1.3758	1.3573	1.2733	1.2802	1.2530	1.0345	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
2016	0.0000	0.5010	1.3733	1.5982	1.3810	1.3758	1.3573	1.2733	1.2802	1.2530	1.0345	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
2017	0.0000	0.4875	1.3890	1.4342	1.3890	1.4342	1.3890	1.4342	1.3890	1.4342	1.3890	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
2018	0.0000	0.4741	1.3983	1.4819	1.3810	1.3758	1.3573	1.2733	1.2802	1.2530	1.0345	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
2019	0.0000	0.4566	1.3758	1.3810	1.3810	1.3758	1.3573	1.2733	1.2802	1.2530	1.0345	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
2020	0.0000	0.4426	1.3359	1.3573	1.3123	1.3123	1.2733	1.2733	1.2802	1.2530	1.0345	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
2021	0.0000	0.4263	1.2733	1.3123	1.3123	1.3123	1.2733	1.2733	1.2802	1.2530	1.0345	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
2022	0.0000	0.4000	1.2878	1.4292	1.2878	1.4292	1.2878	1.4292	1.2878	1.4292	1.2878	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
2023	0.0000	0.4000	1.2802	1.0501	1.2802	1.0501	1.2802	1.0501	1.2802	1.0501	1.0345	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
2024	0.0000	0.4000	1.2530	1.0345	1.2530	1.0345	1.2530	1.0345	1.2530	1.0345	1.0345	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000

Notes:

Primary and secondary tax rates (per \$100 of net assessed value) are set by the County Board of Supervisors or the governing boards of other taxing jurisdictions. The Towns of Marana, Oro Valley and Sahuarita do not currently levy a property tax. The Tucson Business Improvement District levy (on a per-business basis) is not shown.

¹The Pima County Flood Control District tax levy applies only to real property.

²Irrigation Districts' tax rates shown are levied on a per acre basis.

³Mobile Home Relocation levy applies only to unsecured mobile homes.

⁴Vanderbilt Farms Community Facilities District was dissolved in fiscal year 2020.

Source:

Pima County Department of Finance & Risk Management

PIMA COUNTY, ARIZONA
Direct and Overlapping Property Tax Rates - School Districts
Last Ten Tax Years
(per \$100 of assessed value)

School District	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Tucson Unified (#1)	7.3425	7.1258	6.9218	6.5554	6.3328	6.1243	6.1032	5.9173	5.5372	5.7053
Marana Unified (#6)	6.3370	6.3871	6.2334	6.0840	5.8650	5.7594	5.9491	5.4689	5.6906	5.5504
Flowing Wells Unified (#8)	6.6292	6.8971	6.7539	6.8860	6.8539	6.6839	6.4855	6.5638	6.2262	6.4926
Amphitheater Unified (#10)	5.6725	5.4917	5.6311	5.4919	5.4507	5.4522	5.1034	5.1627	5.0082	4.8271
Sunnyside Unified (#12)	3.9987	5.5498	5.7009	5.6636	5.3009	5.1530	4.6605	4.3087	4.2858	6.6228
Tanque Verde Unified (#13)	5.3069	5.2329	5.7574	5.4150	5.3974	5.2384	5.2731	5.0445	4.9680	4.7742
Ajo Unified (#15)	4.5540	4.7673	4.7107	4.5585	4.3771	4.2246	4.1276	4.0710	3.9341	3.7488
Catalina Foothills Unified (#16)	4.9985	5.9893	5.6661	5.4212	4.9943	5.5878	5.1980	5.0599	4.9318	4.7555
Vail Elementary (#20)	7.0189	7.0523	7.2630	7.1643	7.4759	7.1640	7.1497	6.8087	6.8116	6.3777
Sahuarita Unified (#30)	7.2847	7.3670	9.0399	8.4240	7.8712	7.4213	7.3042	7.1594	6.7020	6.3160
San Fernando Elementary (#35)	5.9538	4.4826	4.5003	4.3145	2.3087	1.9243	1.9959	1.9510	2.0313	2.8885
Empire Elementary (#37)	1.7677	2.4363	5.4021	6.4884	3.7643	2.4307	3.6087	3.4754	3.3344	3.2168
Continental Elementary (#39)	2.6512	2.4626	2.4991	2.5037	2.3785	2.3249	2.2488	2.1400	2.4825	1.6155
Redington Elementary (#44)	4.5901	8.9614	8.6853	8.6853	7.3742	7.3742	7.3742	7.3742	8.2011	7.7497
Altar Valley Elementary (#51)	7.6184	5.9857	5.7738	5.9852	5.5805	5.6522	6.7208	5.1139	5.2321	5.1939
Unorganized ¹	2.0977	2.0793	2.0234	1.9679	1.8954	1.8371	1.7694	1.7133	1.6549	1.5930

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

Source:
Pima County Department of Finance & Risk Management

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

Taxpayer	2015			2016			2017			2018			2019		
	Estimated Assessed Value ¹	Rank	Percent of Total Assessed Value	Estimated Assessed Value	Rank	Percent of Total Assessed Value	Estimated Assessed Value	Rank	Percent of Total Assessed Value	Estimated Assessed Value	Rank	Percent of Total Assessed Value	Estimated Assessed Value	Rank	Percent of Total Assessed Value
Unisource/Tucson Electric Power Co.	\$ 200,344	1	2.4%	\$ 188,366	1	2.2%	\$ 215,359	1	2.5%	\$ 217,657	1	2.4%	\$ 217,567	1	2.3%
Southwest Gas Corporation	70,297	3	0.9%	36,696	4	0.4%	75,306	3	0.9%	85,118	2	0.9%	92,375	2	1.0%
Phelps Dodge Corporation - Sierrita Mine	93,847	2	1.1%	81,988	2	1.0%	84,212	2	1.0%	70,987	3	0.8%	71,722	3	0.7%
HSL Properties															
Sierrita Gas Pipeline, LLC							30769	7	0.4%	29,920	7	0.3%	28,751	7	0.3%
ASARCO, LLC - Mission Mine	48,496	4	0.6%	42,290	3	0.5%	43,258	4	0.5%	40,280	4	0.4%	36,335	4	0.4%
Northwest Hospital, LLC	17,058	7	0.2%	16,858	8	0.2%	31,995	6	0.4%	32,521	6	0.4%	33,047	6	0.3%
Raytheon	14,703	9	0.2%												
Amazon															
SMSJ Tucson Holdings, LLC				17,471	7	0.2%	23,629	8	0.3%	29,729	8	0.3%	25,005	8	0.3%
Qwest Corporation	37,877	5	0.5%	33,114	5	0.4%	35,990	5	0.4%	34,964	5	0.4%	35,335	5	0.4%
Wal-Mart Stores, Inc.	18,494	6	0.2%	18,211	6	0.2%	21,809	10	0.3%	22,472	10	0.2%	23,020	10	0.2%
DND Neffson, Co. (Tucson Mall)	15,695	8	0.2%	15,668	9	0.2%	22,561	9	0.3%	22,667	9	0.3%	23,150	9	0.2%
DDR Tucson Spectrum II, LLC				12,499	10	0.1%									
Trico Electric Co-Op, Inc.	14,131	10	0.2%												
Total Top Ten	\$ 530,942		6.5%	\$ 463,161		5.4%	\$ 584,888		7.0%	\$ 586,315		6.4%	\$ 586,307		6.4%

Notes:
¹Secondary Assessed Valuation for Tax Year \$ 7,906,190 \$ 8,262,665 \$ 8,508,990 \$ 9,030,169 \$ 9,645,865
 Source: Pima County Assessor's Office (continued)
 Arizona Department of Revenue

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

(continued)

Taxpayer	2020			2021			2022			2023			2024		
	Estimated Assessed Value	Rank	Percent of Total Assessed Value	Estimated Assessed Value	Rank	Percent of Total Assessed Value	Estimated Assessed Value	Rank	Percent of Total Assessed Value	Estimated Assessed Value	Rank	Percent of Total Assessed Value	Estimated Assessed Value	Rank	Percent of Total Assessed Value
Unisource/Tucson Electric Power Co.	\$ 228,198	1	2.2%	\$ 240,775	1	2.2%	\$ 273,438	1	2.4%	\$ 295,764	1	2.3%	\$ 311,493	1	2.0%
Southwest Gas Corporation	102,442	2	1.0%	119,687	2	1.1%	136,933	2	1.2%	156,447	2	1.2%	158,584	2	1.0%
Phelps Dodge Corporation - Sierrita Mine	89,998	3	0.9%	101,453	3	0.9%	86,436	3	0.8%	115,867	3	0.9%	120,473	3	0.8%
HSL Properties															
Sierrita Gas Pipeline, LLC	32,825	7	0.3%	40,427	4	0.4%	46,647	4	0.4%	51,554	4	0.4%	50,894	5	0.3%
ASARCO, LLC - Mission Mine	42,110	4	0.4%	38,540	5	0.4%	34,044	5	0.3%	36,216	7	0.3%	45,218	6	0.3%
Northwest Hospital, LLC	33,729	6	0.3%	31,175	7	0.3%	33,149	7	0.3%	36,958	5	0.3%	42,000	7	0.3%
Raytheon	26,237	8	0.3%	32,155	6	0.3%	34,026	6	0.3%	36,848	6	0.3%	38,352	8	0.2%
Amazon										25,916	9	0.2%	30,956	9	0.2%
SMSJ Tucson Holdings, LLC	26,006	9	0.3%	24,579	9	0.2%	25,946	9	0.2%	27,134	8	0.2%	26,973	10	0.2%
Qwest Corporation	33,754	5	0.3%	30,935	8	0.3%	28,283	8	0.2%	25,729	10	0.2%			
Wal-Mart Stores, Inc.							24,973	10	0.2%						
DND Neffson, Co. (Tucson Mall)	23,377	10	0.2%	23,978	10	0.2%									
DDR Tucson Spectrum II, LLC															
Trico Electric Co-Op, Inc.															
Total Top Ten	\$ 638,676		6.2%	\$ 683,704		6.3%	\$ 723,875		6.3%	\$ 808,433		6.3%	\$ 901,758		5.8%

Notes:

'Secondary Assessed Valuation for Tax Year

Source:
Pima County Assessor's Office
Arizona Department of Revenue

\$ 10,836,343

\$ 11,355,659

\$ 13,137,117

\$ 15,776,061

PIMA COUNTY, ARIZONA
Real Property Tax Levies and Collections
Last Ten Fiscal Years
(in thousands)

Fiscal Year	Primary Property Tax Levy and Secondary Property Tax Levy for Debt Service		Secondary Property Tax Levy for Flood Control and Library District ^{3,4,5}		Original Real Property Tax Levy		Tax Roll Corrections		Real Property Tax Levy (Adjusted)		Collected to End of Tax Fiscal Year ¹		Collected to June 30, 2024 ¹	
					Original Real Property Tax Levy			Real Property Tax Levy (Adjusted)	Amount	Percent of Original Levy	Collections in Subsequent Years	Amount	Percent of Adjusted Levy	Delinquent Taxes Receivable ²
2014-15		359,298	52,186	411,484	411,484		411,484	397,670	96.64%	12,543	410,213	99.69%	1,271	
2015-16		374,101	59,448	433,549	433,549		433,549	418,716	96.58%	13,645	432,361	99.73%	1,188	
2016-17		378,249	62,645	440,894	440,894		440,894	430,628	97.67%	8,853	439,481	99.68%	1,413	
2017-18		382,611	81,772	464,383	464,383		464,383	453,822	97.73%	9,443	463,265	99.76%	1,118	
2018-19		383,920	67,031	450,951	450,951		450,951	441,154	97.83%	3,354	444,508	98.57%	6,443	
2019-20		397,391	72,146	469,537	469,537		469,537	458,509	97.65%		458,509	97.65%	11,028	
2020-21		396,965	76,329	473,294	473,294		473,294	462,317	97.68%		462,317	97.68%	10,977	
2021-22		408,140	80,602	488,742	488,742		488,742	475,664	97.32%		475,664	97.32%	13,078	
2022-23		411,794	83,960	495,754	495,754		495,754	480,909	97.01%		480,909	97.01%	14,845	
2023-24		435,277	88,867	524,144	524,144		522,525	513,932	98.05%		513,932	98.36%	8,593	
								(1,619)						

Note:

¹ Amounts collected are on a cash basis rather than the modified accrual basis used in the financial statements.

² Represents the difference between the adjusted levy and collected to June 30, 2024.

³ Fiscal Year 2017-18 includes Transportation road property.

⁴ Fiscal Year 2018-19 includes Improvement & Other Districts.

⁵ Fiscal Year 2019-20 includes Community Facilities Districts.

Source:

Pima County Department of Finance & Risk Management
Pima County Treasurer's Office

PIMA COUNTY, ARIZONA
Assessed, Limited and Full Cash (Secondary) Value of Taxable Property
Last Ten Fiscal Years
(in thousands)

Fiscal Year	Net Assessed Value	Limited and Full Cash Value ¹	Ratio of Net Assessed to Full Cash Value
2014-15 Primary	7,518,482	74,402,882	10.11%
2014-15 Secondary	7,579,899	75,389,155	10.05%
2015-16 Primary	7,620,361	76,489,654	9.96%
2015-16 Secondary	7,906,190	79,550,159	9.94%
2016-17 Primary	7,816,700	78,911,345	9.91%
2016-17 Secondary	8,262,665	83,520,548	9.89%
2017-18 Primary	8,074,958	80,459,900	10.04%
2017-18 Secondary	8,508,990	84,772,588	10.04%
2018-19 Primary	8,333,893	82,745,384	10.07%
2018-19 Secondary	9,030,169	89,027,208	10.14%
2019-20 Primary	8,729,964	86,441,657	10.10%
2019-20 Secondary	9,645,865	95,293,696	10.12%
2020-21 Primary	9,140,425	90,656,154	10.08%
2020-21 Secondary	10,226,395	101,016,359	10.12%
2021-22 Primary	9,696,151	95,585,663	10.14%
2021-22 Secondary	10,836,343	106,405,925	10.18%
2022-23 Primary	10,132,624	100,257,796	10.11%
2022-23 Secondary	11,355,659	111,988,323	10.14%
2023-24 Primary	10,646,894	106,146,379	10.03%
2023-24 Secondary	13,137,117	130,775,723	10.05%

Notes:

¹Limited value is the basis for primary taxes and annual changes therein are restricted by statute;
Full Cash Value or Secondary Value approximates market value.

Source:

Pima County Department of Finance & Risk Management

PIMA COUNTY, ARIZONA
Comparative Net Valuations and Tax Rates
(per \$100 assessed value)
(in thousands)

Jurisdiction	FY 2023-24 (Tax Year 2023)		FY 2024-25 (Tax Year 2024)	
	Valuation	Rate	Valuation	Rate
<u>State of Arizona</u>	\$ 10,646,894	0.0000	\$ 11,254,511	0.0000
<u>Pima County</u>				
General Fund - Primary	10,646,894	4.0102	11,254,511	4.0990
Debt Service - Secondary	10,646,894	0.2200	11,254,511	0.1250
Free Library - Secondary	10,646,894	0.5493	11,254,511	0.5537
Total County - Primary	10,646,894	4.0102	11,254,511	4.0990
Total County - Secondary		0.7693		0.6787
Grand Total		<u>4.7795</u>		<u>4.7777</u>
<u>Education Assistance</u>	10,646,894	0.0000	11,254,511	0.0000
<u>Flood Control District - Secondary</u>	9,624,839	0.3253	10,248,198	0.3271
<u>Fire District Assistance - Secondary</u>	10,646,894	0.0376	11,254,511	0.0365
<u>Pima Community College District</u>				
Primary	10,646,894	1.2802	11,254,511	1.2530
Total		<u>1.2802</u>		<u>1.2530</u>
<u>Central Arizona Water Conservation District</u>				
Secondary	10,646,894	0.1400	11,254,511	0.1400
<u>Cities & Towns</u>				
City of Tucson				
Primary	4,332,449	0.4461	4,542,971	0.4311
Secondary	4,332,449	0.6040	4,542,971	0.6034
Total		<u>1.0501</u>		<u>1.0345</u>
City of South Tucson				
Primary	26,988	0.2232	28,226	0.2192
Total		<u>0.2232</u>		<u>0.2192</u>
<u>School Districts</u>				
Unorganized - Primary	17,390	1.6549	19,968	1.5930
Tucson Unified (District #1)				
Primary	4,072,680	3.5970	4,274,794	3.4252
Secondary	4,072,680	1.9402	4,274,794	2.2801
Total		<u>5.5372</u>		<u>5.7053</u>

Source:

Pima County Department of Finance & Risk Management

(continued)

PIMA COUNTY, ARIZONA
Comparative Net Valuations and Tax Rates
(per \$100 assessed value)
(in thousands)

(continued)

Jurisdiction	FY 2023-24 (Tax Year 2023)		FY 2024-25 (Tax Year 2024)	
	Valuation	Rate	Valuation	Rate
Marana Unified (District #6)				
Primary	\$ 1,178,850	3.4787	\$ 1,293,504	3.3477
Secondary	1,178,850	2.2119	1,293,504	2.2027
Total		<u>5.6906</u>		<u>5.5504</u>
Flowing Wells Unified (District #8)				
Primary	233,327	3.3533	240,553	3.2282
Secondary	233,327	2.8729	240,553	3.2644
Total		<u>6.2262</u>		<u>6.4926</u>
Amphitheater Unified (District #10)				
Primary	1,883,370	3.4587	1,968,042	3.3402
Secondary	1,883,370	1.5495	1,968,042	1.4869
Total		<u>5.0082</u>		<u>4.8271</u>
Sunnyside Unified (District #12)				
Primary	593,796	3.4961	615,677	3.4122
Secondary	593,796	0.7897	615,677	3.2106
Total		<u>4.2858</u>		<u>6.6228</u>
Tanque Verde Unified (District #13)				
Primary	230,541	3.3968	242,714	3.2566
Secondary	230,541	1.5712	242,714	1.5176
Total		<u>4.9680</u>		<u>4.7742</u>
Ajo Unified (District #15)				
Primary	18,541	3.9341	19,478	3.7488
Total		<u>3.9341</u>		<u>3.7488</u>
Catalina Foothills Unified (District #16)				
Primary	714,755	3.3576	750,403	3.2193
Secondary	714,755	1.5742	750,403	1.5362
Total		<u>4.9318</u>		<u>4.7555</u>
Vail Elementary (District #20)				
Primary	746,457	3.7820	812,920	3.4074
Secondary	746,457	3.0296	812,920	2.9703
Total		<u>6.8116</u>		<u>6.3777</u>

Source:

Pima County Department of Finance & Risk Management

(continued)

PIMA COUNTY, ARIZONA
 Comparative Net Valuations and Tax Rates
 (per \$100 assessed value)
 (in thousands)

(continued)

Jurisdiction	FY 2023-24 (Tax Year 2023)		FY 2024-25 (Tax Year 2024)	
	Valuation	Rate	Valuation	Rate
Sahuarita Unified (District #30)				
Primary	\$ 426,830	3.5668	\$ 460,343	3.3763
Secondary	426,830	3.1352	460,343	2.9397
Total		<u>6.7020</u>		<u>6.3160</u>
San Fernando Elementary (District #35)				
Primary	12,438	2.0313	11,292	2.8885
Total		<u>2.0313</u>		<u>2.8885</u>
Empire Elementary (District #37)				
Primary	7,752	3.3344	8,017	3.2168
Total		<u>3.3344</u>		<u>3.2168</u>
Continental Elementary (District #39)				
Primary	447,381	2.1046	475,965	1.2350
Secondary	447,381	0.3779	475,965	0.3805
Total		<u>2.4825</u>		<u>1.6155</u>
Baboquivari Unified School (District #40)				
Primary	2,055	0.0000	2,132	0.0000
Total		<u>0.0000</u>		<u>0.0000</u>
Redington Elementary (District #44)				
Primary	1,534	8.2011	1,571	7.7497
Total		<u>8.2011</u>		<u>7.7497</u>
Altar Valley Elementary (District #51)				
Primary	59,197	4.3793	57,139	4.3420
Secondary	59,197	0.8528	57,139	0.8519
Total		<u>5.2321</u>		<u>5.1939</u>

Source:

Pima County Department of Finance & Risk Management

PIMA COUNTY, ARIZONA
 Historical Collections - Hotel Excise Tax
 Car Rental Surcharge and Recreational Vehicle Tax
 Last Ten Fiscal Years
 (in thousands)

Fiscal Year	Hotel Excise Tax ¹	Car Rental Surcharges ²	Recreational Vehicle Tax ^{3,4}
2014-15	6,105	1,384	137
2015-16	6,534	1,468	146
2016-17	6,958	1,446	161
2017-18	6,345	1,530	71
2018-19	7,196	1,507	
2019-20	5,750	1,361	
2020-21	5,354	925	
2021-22	8,919	1,164	
2022-23	14,702	1,330	
2023-24	10,891	1,198	

Notes:

¹ Tax increased from 1% to 2% January 1, 1997; the additional 1% can only be used for County sports facilities. In January of 2006, the tax increased from 2% to 6%, of which only 34% can be used for sports facilities.

² Car rental surcharges increased from \$2.50 to \$3.50 per rental contract July 1, 1996. Usage is restricted to County sports facilities.

³ Recreational vehicle taxes apply at the rate of \$0.50 per vehicle per night and became effective July 1, 1997. Usage of this tax is limited to athletic activities.

⁴ Recreational vehicle taxes expired on December 31, 2017

Source:

Pima County Department of Finance & Risk Management

PIMA COUNTY, ARIZONA
Streets and Highways Revenues
Last Ten Fiscal Years
(in thousands)

Fiscal Year	Amount	Highway User Revenue	Vehicle License Tax
2014-15	53,212	40,762	12,450
2015-16	56,006	42,543	13,463
2016-17	59,443	45,356	14,087
2017-18	61,552	46,553	14,999
2018-19	65,564	49,718	15,846
2019-20	64,812	48,759	16,053
2020-21	70,647	52,118	18,529
2021-22	73,691	55,522	18,169
2022-23	74,822	55,834	18,988
2023-24	77,323	57,608	19,715

Source:

Pima County Department of Finance & Risk Management

STATISTICAL SECTION

DEBT CAPACITY:

The debt capacity information is intended to assist users to understand and assess a government's debt burden and ability to issue debt. Debt capacity information is cited as being very useful for assessing economic condition as frequently as revenue or tax capacity. Five of the schedules presented provide ten-year comparisons.

Certain schedules, for example, leases, lease-purchase installment notes payable, and purchase agreements, are provided to comply with debt disclosure requirements.

PIMA COUNTY, ARIZONA
Ratios of Outstanding Debt by Type to Personal Income and Per Capita
Last Ten Fiscal Years
(in thousands)

Fiscal Year	Governmental activities					Business-type activities						
	General Obligation Bonds	Transportation Revenue Bonds	Certificates of Participation	Capital Leases	Financed Purchase	Leases	Subscriptions	Sewer Revenue Bonds	Sewer Revenue Obligations	Wastewater Loans Payable	Contracts and Notes	Total Primary Government
2014-15	\$ 391,298	\$ 118,770	\$ 177,771		\$ 11,912			\$ 120,361	\$ 510,763	\$ 18,145	\$ 1,098	\$ 1,350,118
2015-16	350,135	103,961	179,054	136	8,733			104,153	481,027	16,563	1,577	1,245,339
2016-17	336,954	89,689	141,194	88	3,597			20,535	574,486	4,630	1,564	1,172,737
2017-18	288,182	85,508	166,617	38	2,078			2,863	565,708	3,555	763	1,115,312
2018-19	236,572	96,916	124,567		724				526,031	2,998	887	988,695
2019-20	181,428	80,899	161,063		749				496,944		2,120	923,203
2020-21	138,191	88,258	180,417		562				468,671		2,236	878,335
2021-22	95,961	73,731	196,338		384	2,757			433,310		2,883	805,364
2022-23	67,656	64,012	247,299		247	2,517	23,262		396,864		4,052	805,909
2023-24	48,445	54,128	252,838		107	3,951	37,316		366,933		1,249	764,967

Fiscal Year	Total Primary Government	Personal Income ¹	Percentage of Personal Income at July 1 ¹	Debt per Capita
2014-15	\$ 1,350,118	\$ 39,106,000	3.45%	\$ 1,321
2015-16	1,245,339	40,359,300	3.09%	1,225
2016-17	1,172,737	41,349,550	2.84%	1,144
2017-18	1,115,312	43,223,000	2.58%	1,079
2018-19	988,695	46,497,700	2.13%	948
2019-20	923,203	49,961,000	1.85%	878
2020-21	878,335	55,047,000	1.60%	829
2021-22	805,364	55,396,200	1.45%	754
2022-23	805,909	59,539,400	1.35%	746
2023-24	764,967	63,810,800	1.20%	703

Notes:
 Details regarding outstanding debt can be found in Note 7 to the Financial Statements, pages 65-74.
¹Personal income and population statistics are based on calendar year. Prior years' statistics updated based on current data.
²Debt per Capita is shown in actual dollars and not in thousands.

Source:
 Pima County Department of Finance & Risk Management
 UA Economic and Business Research Center, Eller College of Management

PIMA COUNTY, ARIZONA

Exhibit D - 14

Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years
(in thousands)

Fiscal Year	General Obligation Bond Debt	Debt Service Funds Available for		Net General Bond Debt	Secondary Net Assessed Value	Percent Net General Bond Debt to Assessed Value		Population at July 1 ¹	Net General Bond Debt per Capita ²
		Principal				Value	Value		
2014-15	\$ 391,298	\$ 6,037		\$ 385,261	\$ 7,579,899	5.08%		1,022,079	\$ 377
2015-16	350,135	5,606		344,529	7,906,190	4.36%		1,016,743	339
2016-17	336,954	2,793		334,161	8,262,665	4.04%		1,025,044	326
2017-18	288,182	2,911		285,271	8,508,990	3.35%		1,033,781	276
2018-19	236,572	2,639		233,933	9,030,169	2.59%		1,042,475	224
2019-20	181,428	2,545		178,883	9,645,865	1.85%		1,050,906	170
2020-21	138,191	3,038		135,153	10,226,395	1.32%		1,059,218	128
2021-22	95,961			95,961	10,836,343	0.89%		1,067,441	90
2022-23	67,656			67,656	11,355,659	0.60%		1,079,998	63
2023-24	48,445			48,445	13,137,117	0.37%		1,087,948	45

Notes:

Details regarding outstanding debt can be found in Note 7 to the Financial Statements, pages 65-74.

¹Population statistics are based on calendar year. Prior years' statistics updated to reflect current data.

²Debt per Capita is shown in actual dollars and not in thousands.

Source:

Pima County Department of Finance & Risk Management

UA Economic and Business Research Center, Eller College of Management

PIMA COUNTY, ARIZONA
Ratio of Direct and Overlapping Debt to Property Values and Per Capita
Last Ten Fiscal Years
 (dollar amounts in thousands)

Fiscal Year	Total Overlapping Debt	Secondary Net Assessed Value	Percentage of Assessed Value	Population at July 1 ¹	Debt per Capita ²
2014-15	1,501,691	7,579,899	19.81%	1,022,079	1,469
2015-16	1,445,104	7,906,190	18.28%	1,016,743	1,421
2016-17	1,393,757	8,262,665	16.87%	1,025,044	1,360
2017-18	1,337,556	8,508,990	15.72%	1,033,781	1,294
2018-19	1,325,724	9,030,169	14.68%	1,042,475	1,272
2019-20	1,250,116	9,645,865	12.96%	1,050,906	1,190
2020-21	1,194,283	10,226,395	11.68%	1,059,218	1,128
2021-22	1,037,063 ³	10,836,343	9.57% ³	1,067,441	972 ³
2022-23	1,057,562	11,355,659	9.31%	1,079,998	979
2023-24	1,201,318	13,137,117	9.14%	1,087,948	1,104

Notes:

Overlapping governments are those that coincide (at least in part), with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Pima County. When considering the County's ability to issue and repay long-term debt, the process should recognize the entire debt burden borne by the residents and businesses therein. However, this does not imply that every taxpayer is a resident and is responsible for the repayment of debt of each overlapping government.

¹Population statistics are based on calendar year.

²Debt per Capita is shown in actual dollars and not in thousands.

³Updated from the FY 2021-22 ACFR, the previous presentation included all debts for the City of Tucson, not solely those repaid through property taxes.

Source:

Pima County Department of Finance & Risk Management
 Office of Economic Opportunity

PIMA COUNTY, ARIZONA
 Computation of Direct and Overlapping
 Governmental Activities Debt Outstanding
 At June 30, 2024
 (in thousands)

Exhibit D - 15

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Amount Overlapping</u>
Debt repaid with property tax:		
School Districts	\$ 745,617	\$ 745,617
Pima Community College	1,041	1,041
City of Tucson	57,875	<u>57,875</u>
Total overlapping		<u>\$ 804,533</u>
Debt repaid with property tax		
Direct:		
Pima County*	\$ 48,445	<u>\$ 48,445</u>
Total direct repaid with property tax		<u>\$ 48,445</u>
Other Debt:		
Certificates of participation	\$ 252,838	\$ 252,838
Financed purchase	107	107
Leases	3,951	3,951
Subscriptions	37,316	37,316
Transportation bonds	54,128	<u>54,128</u>
Total other debt		<u>\$ 348,340</u>
Total direct		<u>\$ 396,785</u>
Total direct and overlapping debt		<u><u>\$ 1,201,318</u></u>

Notes:

Overlapping governments are those that coincide with the geographic boundaries of the County. All overlapping governments are 100% within the County's boundaries. This schedule estimates the portion of the outstanding debt borne by the residents and businesses of Pima County. When considering the County's ability to issue and repay long-term debt, the process should recognize the entire debt burden borne by the residents and businesses therein. However, this does not imply that every taxpayer is a resident of each government and is responsible for the repayment of debt of each overlapping government.

*Excludes improvement districts.

Source:

Pima County Department of Finance & Risk Management
 City of Tucson Finance Department
 Pima Community College District Finance Office

PIMA COUNTY, ARIZONA
 Legal Debt Margin
 Last Ten Fiscal Years
 (dollar amounts in thousands)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Full Cash Net Assessed Value	\$ 7,579,899	\$ 7,906,190	\$ 8,262,665	\$ 8,508,990	\$ 9,030,169	\$ 9,645,865	10,226,395	\$ 10,836,343	\$ 11,355,659	\$ 13,137,117
Legal Debt Margin										
Debt limit (15% of assessed value)	1,136,985	1,185,929	1,239,400	1,276,349	1,354,525	1,446,880	1,533,959	1,625,451	1,703,349	1,970,568
Debt applicable to limit:										
General obligation bonds	383,935	344,620	321,285	275,990	227,335	174,910	134,103	93,615	66,534	47,907
Less: Net assets reserved for repayment of general obligation debt	(6,037)	(5,606)	(2,793)	(2,911)	(2,639)	(2,545)	(3,038)	0	(1,729)	(3,317)
Total net debt applicable to the limit	377,898	339,014	318,492	273,079	224,696	172,365	131,065	93,615	64,805	44,590
Legal debt margin	\$ 759,087	\$ 846,915	\$ 920,908	\$ 1,003,270	\$ 1,129,829	\$ 1,274,515	1,402,894	\$ 1,531,836	\$ 1,638,544	\$ 1,925,978
Total net debt applicable to the limit as a percentage of debt limit.	33.24%	28.59%	25.70%	21.40%	16.59%	11.91%	8.54%	5.76%	3.80%	2.26%

Please see Note 7 to the Financial Statements, page 74 for additional details on calculation of the legal debt margin for the current year.

Source:
 Pima County Department of Finance & Risk Management

PIMA COUNTY, ARIZONA
Regional Wastewater Reclamation Pledged Sewer Revenue Debt Coverage
 Last Ten Fiscal Years
 (dollar amounts in thousands)

Fiscal Year	Sewer User Revenues ¹	Less: Operating Expense ²	Available Net Revenue	Plus: Ending cash Balances of Prior Fiscal Year (unrestricted)	Pledged Revenues ³	Debt Service ⁶		Coverage Ratio ^{4,5}
						Principal	Interest	
2014-15	\$ 173,977	\$ 84,492	\$ 89,485	\$ 121,426	\$ 210,911	\$ 41,026	\$ 30,306	2.96
2015-16	169,730	83,423	86,307	110,741	197,048	40,320	28,529	2.86
2016-17	173,058	80,165	92,893	110,451	203,344	47,951	26,621	2.73
2017-18	178,933	79,208	99,725	89,316	189,041	44,434	25,371	2.71
2018-19	185,142	78,957	106,185	78,192	184,377	45,142	24,395	2.65
2019-20	180,593	81,357	99,236	66,724	165,960	39,200	22,364	2.70
2020-21	181,281	80,276	101,005	82,883	183,888	43,855	22,181	2.78
2021-22	181,862	84,410	97,452	73,230	170,682	48,825	19,791	2.49
2022-23	187,433	90,070	97,363	72,908	170,271	47,920	17,176	2.62
2023-24	195,379	96,796	98,583	83,464	182,047	48,215	16,729	2.80

Notes:

- ¹Includes sewer connection fees.
- ²Excludes grants, depreciation, interest expense and amortization.
- ³Pledged revenues defined by BOS Resolution 2010-50.
- ⁴Sewer revenue debt rate covenants require minimum coverage of 120%.
- ⁵Debt service requirements include principal and interest payable during the Bond Fiscal Year. Per the bond resolution, Bond Fiscal Year is defined as 7/2/20XX to 7/1/20XX.

Source:
 Pima County Department of Finance & Risk Management

PIMA COUNTY, ARIZONA
Transportation Revenue Bonds - Pledged Revenue Bond Coverage
Last Ten Fiscal Years
 (dollar amounts in thousands)

Fiscal Year	Transportation Revenue	Operating Expense	Available Net Revenue	Debt Service ¹		Coverage Ratio
				Principal	Interest	
2014-15	\$ 55,466	\$ 39,022	\$ 16,444	\$ 13,210	\$ 4,711	0.92
2015-16	57,976	39,798	18,178	14,585	4,146	0.97
2016-17	61,217	40,780	20,437	15,105	3,598	1.09
2017-18	63,604	41,801	21,803	14,820	3,354	1.20
2018-19	68,366	39,925	28,441	14,405	3,686	1.57
2019-20	68,088	63,234	4,854	12,755	3,016	0.31
2020-21	73,408	89,673	(16,265)	13,465	2,856	(1.00)
2021-22	75,814	130,298	(54,484)	9,025	2,265	(4.83)
2022-23	77,192	122,448	(45,256)	9,280	2,012	(4.01)
2023-24	80,023	60,406	19,617	6,505	1,742	2.38

Notes:

Details regarding outstanding debt can be found in Note 7 to the Financial Statements, pages 65-74.

Operating expenditures do not include interest, depreciation or amortization.

¹Debt Service requirements include principal and interest payable in the 12 months following each fiscal year.

Source:

Pima County Department of Finance & Risk Management

PIMA COUNTY, ARIZONA
Historic Pledged Revenue Collections
(dollar amounts in thousands)

	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
County Excise Revenues	\$ 17,813	\$ 17,296	\$ 16,922	\$ 20,220	\$ 23,392	\$ 20,802	\$ 17,847	\$ 20,052
Gross State Shared Sales Tax Revenues ^(a)	111,443	115,777	127,899	131,541	151,796	169,855	181,581	184,320
Less: ALTCS contribution ^(b)	(41,862)	(43,631)	(43,333)	(46,805)	(47,416)	(44,073)	(54,351)	(56,397)
Less: AHCCCS contribution ^(c)	(14,952)	(14,952)	(14,952)	(14,952)	(14,952)	(14,952)	(14,952)	(14,952)
Net State Shared Sales Tax Revenue ^(d)	54,629	57,194	69,614	69,784	89,428	110,830	112,278	112,971
Vehicle License Tax Revenues ^(d)	27,761	28,933	30,282	30,747	35,296	33,484	34,624	35,192
PILT revenues	3,680	3,682	3,615	3,795	3,788	3,874	4,120	4,397
Total Pledged Revenues	\$ 103,883	\$ 107,105	\$ 120,433	\$ 124,546	\$ 151,904	\$ 168,990	\$ 168,869	\$ 172,612

Notes:

- ^(a) Does not include amounts allocated from the Education Tax described under "State Shared Revenues" above.
- ^(b) Pursuant to Section 11-292, Arizona Revised Statutes, the Treasurer of the State withholds an amount of the State Shared Sales Tax Revenues sufficient to meet the County's portion of the non-federal costs of providing the long-term care system in the State ("ALTCS") from moneys otherwise payable to the County in accordance with the State's distribution of the State Shared Sales Tax Revenues. The County's contribution is based on a fixed State formula. In the event that the State Shared Sales Tax Revenues withheld from the County by the Treasurer of the State are insufficient to meet the funding requirement of ALTCS, the Treasurer of the State may withhold any other moneys payable to the County from any available State funding source.
- ^(c) Pursuant to Section 11-292, Arizona Revised Statutes, the Treasurer of the State withholds an amount of the State Shared Sales Tax Revenues determined by statutory formula for the administrative costs of implementing certain provisions of the Arizona Health Care Cost Containment System ("AHCCCS"). If the County does not make required contributions to the AHCCCS fund, which is used to offset certain indigent and related health care costs, the Treasurer of the State may withhold any amounts owed, plus interest retroactive to the first date the funding was due, from the County's State Shared Sales Tax Revenues.
- ^(d) The distribution of State Shared Sales Tax Revenues and Vehicle License Tax Revenues is subject to change by the State Legislature, and the distribution of PILT Revenues is subject to change by the federal government.

Source:
Pima County Department of Finance & Risk Management

PIMA COUNTY, ARIZONA
 Lease, Lease-Purchase, Installment Note Payable and Purchase Agreements
 Scheduled Payments
 (dollar amounts in thousands)

Function/Department	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Clerk of Superior Court - Equipment	\$ 96	\$ 73	\$ 51	\$ 38	\$ 55	\$ 57	\$ 45		\$ 140	\$ 107
Superior Court - Equipment						130	133	137		
Jail ¹										
Sheriff - Equipment	160	160								
Solid Waste - Equipment	3,625	2,722	3,289	1,565	567					
County Administration - Culture & Recreation	\$ 3,881	\$ 2,955	\$ 3,340	\$ 1,603	\$ 622	\$ 187	\$ 178	\$ 137	\$ 140	\$ 107

Notes:

¹Funds derived from a sale/leaseback of the County's Adult Corrections Facility provided funding for construction of Kino Veteran's Memorial SportsPark & Tucson Electric Park Stadium.

Source:
 Pima County Department of Finance & Risk Management

PIMA COUNTY, ARIZONA
Ratio of Annual Debt Service Expenditures for
General Bonded Debt to Total General Expenditures
Last Ten Fiscal Years
(dollar amounts in thousands)

Exhibit D - 19

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures*	Ratio of Debt Service To General Expenditures
2014-15	\$ 81,705.0	\$ 26,424.0	\$ 108,129.0	\$ 803,590.0	13.5%
2015-16	83,765	25,515	109,280	807,174	13.5%
2016-17	94,695	23,354	118,049	832,971	14.2%
2017-18	96,005	20,133	116,138	829,054	14.0%
2018-19	128,350	18,674	147,024	879,370	16.7%
2019-20	89,365	17,620	106,985	898,055	11.9%
2020-21	102,505	16,504	119,009	1,066,126	11.2%
2021-22	89,575	18,628	108,203	1,317,633	8.2%
2022-23	81,720	18,425	100,145	1,179,061	8.5%
2023-24	83,430	19,428	102,858	1,120,369	9.2%

*Includes General, Special Revenue and Debt Service Funds, while excluding Capital Projects Fund.

Source:

Pima County Department of Finance & Risk Management

STATISTICAL SECTION

DEMOGRAPHIC AND ECONOMIC INFORMATION:

The dual objectives of the demographic and economic information are to assist users in understanding certain aspects of the environment in which a government operates and to provide information that facilitates the comparisons of financial statement data over time and across governments.

Information of this type can help readers assess a government's condition by providing information about community expansion, average age increases or decreases and changes in personal income and unemployment. This type of data is important to readers in assessing economic condition.

PIMA COUNTY, ARIZONA
Demographic and Economic Statistics
Last Ten Years

Exhibit D - 20

Calendar Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2015	1,022,079	39,106,000	38,261	5.6%
2016	1,016,743	40,359,300	39,695	5.0%
2017	1,025,044	41,349,550	40,339	4.5%
2018	1,033,781	43,223,000	41,811	4.3%
2019	1,042,475	46,497,700	44,603	4.7%
2020	1,050,906	49,961,000	47,541	8.0%
2021	1,059,218	55,047,000	51,969	6.9%
2022	1,067,441	55,396,200	51,896	3.5%
2023	1,079,998	59,539,400	55,129	3.5%
2024	1,087,948	63,810,800	58,652	3.3%

Sources:

Arizona Department of Administration, Office of Employment & Population Statistics
 UA Economic and Business Research Center, Eller College of Management
 Bureau of Labor Statistics

PIMA COUNTY, ARIZONA
Principal Employers
Current Year and Nine Years Ago

Employer	2015			2016			2017			2018			2019		
	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment
University of Arizona	11,235	1	2.4%	11,251	1	2.4%	10,846	1	2.3%	12,531	1	2.6%	16,217	1	3.2%
Raytheon	9,600	2	2.1%	9,600	2	2.1%	10,300	2	2.2%	11,471	3	2.4%	11,295	2	2.3%
Tucson Unified School District	7,134	5	1.5%	6,770	6	1.4%	7,688	5	1.6%	6,879	5	1.4%	6,872	5	1.4%
Banner Healthcare - UMC	6,542	7	1.4%	6,272	7	1.3%				6,476	6	1.3%	6,499	7	1.3%
Pima County Government	7,023	6	1.5%	7,023	5	1.5%	6,076	9	1.3%	5,921	7	1.2%	7,697	3	1.5%
Davis-Monthan AFB	8,335	4	1.8%	8,406	4	1.8%	9,100	3	1.9%	11,769	2	2.4%	7,211	4	1.5%
State of Arizona	8,524	3	1.8%	8,580	3	1.8%	8,807	4	1.8%	8,585	4	1.8%	6,654	6	1.3%
Tucson Medical Center										4,051	10	0.8%	3,987	10	0.8%
City of Tucson										4,093	9	0.8%	4,093	9	0.8%
Wal-Mart Stores, Inc.	5,400	10	1.2%	5,500	10	1.2%	7,450	6	1.6%	4,341	8	0.9%	4,414	8	0.9%
U.S. Customs & Border Protection	6,470	8	1.4%	5,739	8	1.2%	6,500	7	1.4%						
UA Healthcare Network							6,099	8	1.3%						
Freeport-McMoran Inc	5,800	9	1.2%	5,530	9	1.2%	5,463	10	1.1%						
Total	76,063		16.3%	74,671		16.0%	78,329		16.4%	76,117		15.8%	74,939		15.0%
Total Work Force			467,438			467,438		477,017			481,835				500,018

Sources:
The University of Arizona Interactive Fact Book and University Analytics & Institutional Research (UAIR)
Pima Association of Governments (PAG) - 2024
UA Economic and Business Research Center, Eller College of Management

PIMA COUNTY, ARIZONA
Principal Employers
Current Year and Nine Years Ago

Employer	2020			2021			2022			2023			2024		
	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment
University of Arizona	12,517	2	2.5%	12,517	2	2.5%	14,160	1	2.9%	16,407	1	3.3%	19,866	1	4.0%
Raytheon	12,606	1	2.6%	13,305	1	2.7%	13,201	2	2.7%	13,381	2	2.7%	14,039	2	2.8%
Tucson Unified School District	6,872	6	1.4%	6,532	6	1.3%	7,703	4	1.6%	8,125	3	1.6%	8,125	3	1.6%
Banner Healthcare - UMC	7,500	3	1.5%	7,703	3	1.5%	7,831	3	1.6%	7,691	4	1.6%	7,964	4	1.6%
Pima County Government	6,937	5	1.4%	7,412	5	1.5%	7,412	5	1.5%	7,295	5	1.5%	7,295	5	1.5%
Davis-Monthan AFB	7,211	4	1.5%	7,648	4	1.5%	6,532	6	1.4%	6,157	7	1.2%	6,157	6	1.2%
State of Arizona	6,538	7	1.3%	4,817	7	1.0%	5,488	7	1.1%	5,609	8	1.1%	5,526	7	1.1%
Tucson Medical Center	4,482	9	0.9%	4,453	9	0.9%	4,530	9	0.9%	6,724	6	1.4%	5,278	8	1.1%
City of Tucson	4,025	10	0.8%	4,356	10	0.9%	4,453	10	0.9%	4,624	9	0.9%	4,916	9	1.0%
Wal-Mart Stores, Inc.	4,564	8	0.9%	4,773	8	1.0%	4,676	8	1.0%	4,337	10	0.9%	4,301	10	0.9%
U.S. Customs & Border Protection															
UA Healthcare Network															
Freepport-McMoran Inc.															
Total	73,252		14.8%	73,516		14.8%	75,986		15.7%	80,350		16.2%	83,467		16.7%
Total County Work Force	494,119			497,659			483,045			495,789			500,578		

Sources:
The University of Arizona Interactive Fact Book and University Analytics & Institutional Research (UAIR)
Pima Association of Governments (PAG) - 2024
UA Economic and Business Research Center, Eller College of Management

PIMA COUNTY, ARIZONA
Population and Employment
Last Ten Calendar Years

Exhibit D - 22

Year	Population	Civilian Labor Force	Total Unemployment Rate	EMPLOYMENT					
				Mining	Construction	Manufacturing	Transportation & Utilities	Financial Activities	
2015	1,022,079	467,438	5.6%	2,300	14,600	22,600	60,600	17,600	
2016	1,016,743	476,578	5.0%	2,200	14,300	23,500	60,700	19,600	
2017	1,025,044	477,017	4.6%	1,600	14,900	23,600	59,300	17,600	
2018	1,033,781	481,835	4.3%	1,700	16,700	24,600	61,100	17,700	
2019	1,042,475	496,584	4.7%	1,900	17,500	26,300	59,300	18,300	
2020	1,050,906	501,343	8.0%	1,900	18,000	27,200	62,600	16,900	
2021	1,059,218	498,822	6.9%	1,900	18,400	27,500	68,000	18,000	
2022	1,067,441	486,565	3.5%	1,800	18,000	28,300	70,200	18,400	
2023	1,079,998	496,484	3.5%	2,100	19,700	29,000	69,000	19,700	
2024	1,087,948	499,222	3.3%	2,600	20,900	28,900	70,700	18,600	

Notes:

All Employment data presented is not seasonally adjusted. Labor Force, Unemployment and Sector Employment for 2024 represent the average through July.

Sources:

UA Economic and Business Research Center, Eller College of Management
Office of Economic Opportunity (for population data only)

PIMA COUNTY, ARIZONA
 Transportation and Real Estate
 Last Ten Fiscal Years

Fiscal Year	Transportation				Real Estate		
	Aircraft Movements	No. of Air Passengers	Bus Ridership	Riders Per Mile	Residential Bldg. Permits	Units Sold	Sales Volume (In thousands)
2015	141,422	3,181,901	19,657,931	2.06	3,250	13,692	2,856,957
2016	139,555	3,228,389	15,743,501	1.84	2,428	13,795	3,313,078
2017	132,867	3,413,451	16,388,315	1.71	2,466	15,172	3,488,123
2018	131,169	3,551,159	15,205,419	1.55	4,495	15,416	3,823,877
2019	131,416	3,783,535	14,262,758	1.73	4,404	15,468	4,042,995
2020	122,631	2,283,777	12,346,810	1.50	4,313	15,582	4,959,200
2021	140,182	2,257,581	10,894,760	1.38	4,958	17,856	5,839,650
2022	137,373	3,317,494	13,042,145	1.73	6,075	16,956	7,025,600
2023	155,654	3,653,233	14,615,275	1.99	5,714	12,394	7,614,742
2024	129,316	3,869,422	15,792,573	2.16	5,255	13,625	5,534,300

Note:

Tucson International Airport follows the Federal fiscal calendar.
 Beginning with calendar year 2020, Tucson Association of Realtors report the Sales Volume under Median Sales Prices. Prior to fiscal year 2020, the sales volume was based on monthly actual sales data.

Sources:

- UA Economic and Business Research Center, Eller College of Management
- Tucson Airport Authority
- Pima Association of Governments
- Tucson Association of Realtors, Multiple Listing Service, Inc.

PIMA COUNTY, ARIZONA
Economic Indicators by Calendar Year
Last Ten Years
(dollar amounts in thousands)

Exhibit D - 24

Fiscal Year	Retail Sales ¹	No. of Dwelling Units Awarded ²	Change in Real Estate Sales Volume	Commercial Bank Deposits
2015	\$ 12,555,553	3,250	7%	\$ 13,760,260
2016	8,443,626	2,428	14%	14,654,142
2017	8,558,572	2,466	5%	15,226,977
2018	8,851,127	4,495	9%	15,716,917
2019	9,319,711	4,404	5%	15,573,516
2020	9,826,576	4,313	5%	18,684,759
2021	10,176,236	4,958	30%	20,558,194
2022	11,961,070	6,075	16%	22,954,811
2023	12,539,187	5,714	19%	20,394,339
2024	12,919,955	5,255	-27%	19,192,934

Notes:

¹Prior to FY 2016, Retail Sales statistics were calculated in the aggregate, which included total taxable sales from the following categories: Retail, Restaurant & Bar, Food and Gasoline. As of FY 2016, only retail sales (not including food and fuel) are shown.

²Beginning with calendar year 2011, the number of dwelling units awarded includes both single family and multiple family unit structures combined.

Sources:

UA Economic and Business Research Center, Eller College of Management
Tucson Association of Realtors, Multiple Listing Service, Inc.
Federal Deposit Insurance Corporation

PIMA COUNTY, ARIZONA
Population Statistics
June 30, 2024

Exhibit D - 25

ESTIMATED POPULATION BY AGE

<u>Age Group</u>	<u>Population</u>
0-4	52,333
5-9	58,821
10-14	62,783
15-19	75,866
20-24	92,396
25-29	75,754
30-34	63,974
35-39	61,844
40-44	64,804
45-49	58,972
50-54	58,919
55-59	58,115
60-64	66,155
65-69	67,600
70-74	61,503
75+	108,109
Total	<u><u>1,087,948</u></u>

POPULATION PROJECTIONS

<u>Year</u>	<u>Projected Population</u>
2025	1,095,834
2030	1,129,414
2040	1,195,070
2050	1,249,828

Source:
Arizona Department of Administration,
Office of Employment & Population Statistics

PIMA COUNTY, ARIZONA
Average Annual Jail Population
Last Ten Fiscal Years

Exhibit D - 26

<u>Fiscal Year</u>	<u>Average Jail Population</u>
2015	1,863
2016	1,862
2017	1,863
2018	1,868
2019	1,853
2020	1,781
2021	1,531
2022	1,681
2023	1,776
2024	1,731

Source:

Pima County Sheriff's Department, Corrections Bureau

STATISTICAL SECTION

OPERATING INFORMATION:

The objective of the operating information is to provide contextual information about a government's operations and resources to assist users in using financial information to understand and assess a government's economic condition. Two types of information are considered important:

1. Basic information about infrastructure assets, utilities, and public works; in essence, the capital resources at the government's disposal. Examples include miles of streets and sewers and wastewater treatment volume.
2. Descriptive service information, which would help to evaluate the size of the government. This would include types of services, the related demand and volume, and the non-financial resources employed to provide the services.

PIMA COUNTY, ARIZONA

Employees by Function
Last Ten Fiscal Years

Exhibit D - 27

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
General government	2,832	2,753	3,164	3,011	3,213	2,931	3,086	3,213	4,093	5,333
Public safety	1,387	1,418	1,431	1,335	1,443	1,400	1,410	1,464	1,784	2,042
Highways and streets	248	253	262	229	214	175	177	271	217	223
Sanitation	33	32	35	35	44	35	35	35	53	69
Health	282	322	237	223	225	235	346	245	509	444
Welfare	7	9	22	15	17	22	24	22		37
Culture and recreation	434	453	526	447	493	458	486	536	823	896
Education and economic opportunity	111	116	136	130	139	141	134	138	33	193
Total governmental activities	5,334	5,356	5,813	5,425	5,788	5,397	5,698	5,924	7,512	9,237
Business-type activities:										
Regional Wastewater Reclamation	387	406	474	433	455	372	397	477	488	562
Development Services	56	52	67	58	44	44	51	68	70	90
Parking Garages	5	4	4	5	3	3	7	4	6	7
Total business-type activities	448	462	545	496	502	419	455	549	564	659
Total	5,782	5,818	6,358	5,921	6,290	5,816	6,153	6,473	8,076	9,896

PIMA COUNTY, ARIZONA
Operating Indicators by Program
Last Ten Fiscal Years

Exhibit D - 28

Program:	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Sheriff										
Physical arrests	21,233	21,627	16,134	15,944	12,821	11,894	9,712	9,847	12,804	11,818
Traffic violations/citations										
Criminal	8,743	9,026	7,508	7,468	4,551	3,971	3,481	2,888	3,432	2,884
Civil	30,656	24,855	23,725	27,346	24,316	19,950	17,659	15,068	16,726	16,220
Total violations/citations	39,399	33,881	31,233	34,814	28,867	23,921	21,140	17,956	20,158	19,104
Regional Wastewater Reclamation										
Average daily sewage treated (MGD) ¹	60.3	59.5	59.0	57.0	57.5	58.0	56.9	58.7	59.3	58.3
New connections	1,427	1,986	2,887	2,411	2,798	2,992	3,666	2,921	2,055	3,585
Long-term storage credits (acre feet)										
<i>Estimated value of LTSCs. CAP rates</i>										
<i>Estimated value of LTSCs. CAGR rates</i>										
Culture and Recreation										
Soccer attendance	41,259	40,804	76,437	93,144	102,204	122,312	54,928	321,049	116,166	102,067
Parks and Recreation										
Athletic field permits issued ²	280	267	276	648	4,885	599	599	599	599	599
Community center admissions	318,524	303,293	302,821	282,616	275,936	182,937	68,076	179,027	189,417	293,350
Volunteer hours	12,108	10,512	11,094	9,483	8,616	8,277	76,611	8,927	11,058	9,121
Library District										
Volumes in collection ³	1,139,730	1,237,281	1,167,135	1,230,771	1,947,628	1,194,147	1,116,211	1,136,388	1,168,559	1,068,480
Total volumes borrowed	5,484,961	6,131,049	4,808,467	5,592,306	6,068,832	5,408,548	3,881,675	4,220,116	4,729,103	5,329,784
Number of cardholders	379,631	385,945	374,293	383,777	349,999	343,406	320,486	272,600	300,649	278,252
Capital Projects										
Land	\$ 10,746,469	\$ 4,230,852	\$ 2,062,882	\$ 1,299,047	\$ 5,472,097	\$ 348,655	\$ 1,251,708	\$ 3,977,003	\$ 3,614,809	\$ 5,949,517
Buildings	107,899,620	6,367,369	17,107,423	24,749,318	14,780,541	9,461,317	30,193,194	18,900,842	270,348	6,901,957
Improvements	3,763,811	25,101,285	9,964,116	10,124,651	7,119,819	35,157,824	8,871,339	6,255,954	4,185,372	3,263,364
Infrastructure	41,041,250	58,338,363	19,323,191	61,677,576	20,196,789	13,120,104	47,010,744	7,935,065	53,594,274	6,482,555
Total completed	\$ 163,451,150	\$ 94,037,869	\$ 48,457,612	\$ 97,850,592	\$ 47,569,246	\$ 58,087,900	\$ 87,326,985	\$ 37,068,864	\$ 61,664,803	\$ 22,597,393

Notes:

¹MGD: Millions of Gallons per Day.

²Prior to fiscal year 2019, the permit tracking system grouped multiple fields on one long-term permit for each league/organization team. New system creates a permit for each field.

³Volumes include physical and digital copies.

PIMA COUNTY, ARIZONA
Capital Assets & Infrastructure by Program
Last Ten Fiscal Years

Exhibit D - 29

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Program:										
Sheriff										
Stations	7	7	7	7	7	7	7	8	8	8
Zone offices	2	2	2	2	2	2	2	2	2	3
Patrol units	371	362	344	354	365	383	362	394	395	416
Transportation (streets and highways)										
Streets (miles) ¹	1,854	1,870	1,866	1,891	1,904	1,907	1,926	1,926	1,946	1,950
Pothole repair	\$ 2,715,481	\$ 2,340,060	\$ 2,505,042	\$ 3,159,973	\$ 2,790,674	\$ 2,162,890	\$ 2,162,630	\$ 1,427,886	\$ 1,368,658	\$ 1,057,820
Flood Control										
Bank protection (miles)	195	200	201	202	204	102	207	207	120	203
Flood plain / drainage way (acres) ²	16,806	26,000	26,832	31,738	32,468	31,095	31,690	32,115	32,503	32,586
Parks and Recreation										
Urban parks (acres)	3,489	3,736	5,825	5,831	5,831	5,835	5,835	5,835	5,835	5,835
Playgrounds	38	37	38	41	41	41	42	42	42	42
Baseball/softball diamonds	91	94	94	71	71	71	104	104	104	104
Soccer/football fields	21	24	24	34	34	34	34	34	34	34
Community centers	11	11	11	11	11	11	11	11	11	11
Swimming pools / Splashpads	10	10	10	11	11	11	11	11	11	11
Regional Wastewater Reclamation										
Sanitary sewers (miles)	3,466	3,470	3,487	3,500	3,500	3,500	3,542	3,564	3,571	3,595
Treatment capacity (MGD) ³	95.03	95.04	92.00	95.00	95.00	95.00	94.74	94.74	94.74	94.72
Libraries										
County	27	27	27	27	27	27	27	27	27	27
Open Space Acquisitions										
Properties added	2	3	1							
Acres	389	676	95							
Cumulative acreage	61,014	61,690	61,785	61,785	61,785	61,785	61,785	61,785	61,785	61,785
Total properties	106	109	110	110	110	110	110	110	110	110

Notes:

¹ Annexation by other jurisdictions resulted in a decrease of Transportation (Streets and Highways).

² Regional Flood Control District maintained acreage only.

³ MMGD: Millions of Gallons per Day.

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PIMA COUNTY

Board of Supervisors

Adelita S. Grijalva, *Chair*, District 5

Rex Scott, *Vice Chair*, District 1

Dr. Matt Heinz, District 2

Dr. Sylvia M. Lee, District 3

Steve Christy, District 4

Pima County Administrator

Jan Leshner