Pinal County, Arizona

Comprehensive Annual Financial Report

For the Fiscal Year Ended
June 30, 2004

Prepared by:

Pinal County Finance Department

Maureen Arnold, CPA, CGFM, CPFO,
Chief Financial Officer

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Introductory Section

PINAL COUNTY FINANCE DEPARTMENT

31 N. PINAL ST. BLDG A P.O. BOX 1348 FLORENCE, ARIZONA 85232 Phone (520) 866-6250 Fax (520) 866-6944

December 14, 2004

Board of Supervisors and Citizens
Pinal County, Arizona

I am pleased to submit the County's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2004. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the County. To the best of my knowledge and belief, this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position, changes in financial position, and cash flows of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included. All dollar amounts are expressed in thousands unless otherwise stated.

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial, and Statistical.

- The *Introductory Section* includes a list of principal officials, the County's organization chart, the Certificate of Achievement for Excellence in Financial Reporting, and this transmittal letter.

- The *Financial Section* includes the audited basic financial statements, notes to the financial statements, required supplementary information, supporting statements and schedules necessary to fairly present the financial position and the results of operations of the County in conformity with U.S. generally accepted accounting principles, and the independent auditors report on the basic financial statements. Also, included is the narrative introduction, overview and analysis found in management's discussion and analysis (MD&A). The MD&A can be found immediately following the independent auditors' report (page 3).

- The *Statistical Section* includes selected financial and demographic information, generally presented on a multi-year basis.

This report includes all funds of the County. The County provides a full range of services, including law enforcement and public safety, health care, sanitation, welfare programs, construction and maintenance of highways, streets and related infrastructure, recreational services and cultural activities, and education.

Profile of Pinal County

Pinal County was founded in 1875 and is located in the south-central part of the State of Arizona, bordered on the north by Maricopa County and on the south by Pima County. This location, approximately halfway between Phoenix to the north and Tucson to the south, the two largest cities in Arizona, presents some unique problems to Pinal County. Generally rural in nature, Pinal County has a smaller tax base than either Maricopa or Pima counties, yet proximity to these major metropolitan areas keeps labor and supply costs high.

Pinal County encompasses approximately 5,344 square miles. Privately owned land represents 26 percent of the total land while 74 percent is under governmental control. The principal geographic features consist of mountains with elevations to 6,000 feet in the eastern portion and low desert valleys in the western portion of the County.

The June 30, 2004, population of the County was estimated to be 201,565. Located within Pinal County are the towns of Florence, Superior, Mammoth, and Kearny, and the cities of Casa Grande, Apache Junction, Coolidge and Eloy. Florence is the County seat. Apache Junction and Casa Grande are the two largest cities. Apache Junction borders on Maricopa County in the northeastern part of Pinal County. Casa Grande is located approximately halfway between Phoenix and Tucson on Interstate Highway 10 on the western side of Pinal County. Interstate 8 from California intersects Interstate 10 southeast of Casa Grande. Maricopa Road, linking Interstate 10 with Interstate 8, provides a quicker route for travelers going to and from California on Interstate 8 by bypassing the Casa Grande area. Maricopa Road runs from State Route 84 near Interstate 8 at Stanfield to the Queen Creek exit off Interstate 10, a distance of almost 29 miles. No interstate highways run through the middle and eastern portions of the County. Growth in these areas has been much slower than in the more accessible western portions of the County.

The major **economic activities** within Pinal County include mining, farming, and tourism. **Copper mining** is the chief economic activity in the eastern portion of Pinal County. BHP Copper Inc., headquartered in Tucson, has mines located in San Manuel and Superior (Pinal County) and in Miami and Pinto Valley (Gila County). ASARCO Inc., headquartered in Hayden (Gila County), has a mine in Ray (Pinal County), as well as one in Hayden at the headquarters. Both ASARCO and BHP have ceased much of their mining operations due to the low price of copper.

Irrigated **farming** is prevalent in the low desert valleys of the western portion of Pinal County. Principal crops grown in the area include cotton, alfalfa and grain while plantings of specialty crops, including pecans, almonds, pistachio nuts, and vineyards, have been increasing. Cattle comprise the major livestock population, with sheep being the second-largest livestock population. In addition, horses and horse-related events are popular activities in the western-oriented life style of the County.

Tourism also impacts the local economy as a mild climate and several points of interest attract tourists and winter visitors. Attractions include the Casa Grande Valley Historical Museum, the Lost Dutchman State Park, the Casa Grande Ruins National Monument near Coolidge, and the Boyce Thompson Southwestern Arboretum, located just outside Superior. Additional tourist spots include the Superstition Mountains Wilderness Area, which offers hiking and exploring for visitors in search of the Lost Dutchman's gold mine; Picacho Peak State Park, offering hiking, camping and picnic areas; and the Pinal Pioneer Parkway and the Apache Trail, two scenic drives with a variety of desert vegetation. For those tourists with a desire for more action, Eloy is an international location for skydiving. These attractions together generated more than 270,000 visitors in the fiscal year ended June 30, 2004.

A major factor in employment in the County is the **prisons**, both governmental and private. The State of Arizona operates three prison locations in Pinal County, including the State's maximum-security prison in Florence. Corrections Corporation of America (CCA) operates two private prisons, one in Florence and one in Eloy. Also, there is a Federal Immigration Services facility in Florence. The State is the County's largest employer, with approximately 2,950 employees. CCA now employs approximately 1,300 employees at its two locations.

Population growth increases the demand for County services in such key areas as transportation, law enforcement, and health and human services. Trying to minimize the tax burden on Pinal County residents is hard, however, as the County is a political subdivision of the State and therefore cannot completely control its own destiny. State legislative action such as unfunded mandates in the area of health care and reductions in centrally assessed property values and assessment ratios continues to negatively impact the County’s budget. Increases in assessed value due to population growth in recent years has kept the property tax rate stable.

Major Initiatives

The County is in the process of obtaining financing for an expansion project on the Sheriff's Adult Detention Facility and construction of a new Juvenile Detention Facility. The County is expecting to issue certificates of participation in the amount of $74 million to finance these much needed projects.

The new Superior Court Judicial Facility was opened at the beginning of the fiscal year. The County is in the process of remodeling the old Superior Court building which will be occupied by the County Assessor's Office and the County Treasurer's Office. This move will vacate the old courthouse that was constructed in 1891. Plans are currently underway to restore this building and make it a historic site.

Financial Management

Management of the County is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft, or misuse, and for ensuring that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with U.S. generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates and judgements by management.

Single Audit: The State Auditor General, as provided by state law, audits the County annually. Also, as a recipient of federal and state financial assistance, the County is required to have an annual audit under the Office of Management and Budget (OMB) Circular A-133, *Audits of State and Local Governments and Non-Profit Organizations*. OMB requirements also address the establishment and maintenance of an adequate internal control structure to ensure compliance with applicable laws and regulations related to those programs. Tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as determining that the County has materially complied with applicable laws and regulations.

Budgeting Controls: In addition, the County maintains budgetary controls, the objective of which is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Supervisors. Activities of the General Fund, certain Special Revenue Funds, Debt Service Fund, and Capital Projects Fund are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is the department level within each fund. Management further controls budgets by not allowing personnel savings to be reprogrammed to supplies and services within a department. Budgets for the Enterprise Funds and Internal Service Fund are set for management purposes only.

Awards and Acknowledgements

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Pinal County for its comprehensive annual financial report for the fiscal year ended June 30, 2003. [This was the 8th consecutive year that the government has achieved this prestigious award]. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both U.S. generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

This Comprehensive Annual Financial Report is always a team project for the Finance Department. The many hours of work by the staff on this task is greatly appreciated. In addition, the staff of the Office of the State Auditor General provided excellent support and technical advice. I would also like to thank the members of the Board of Supervisors, the County Manager, and the Deputy County Manager for their interest and support in planning and conducting the financial affairs of the County in a responsible and progressive manner.

Sincerely,

Maureen Arnold, CPA, CGFM, CPFO
Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Pinal County, Arizona

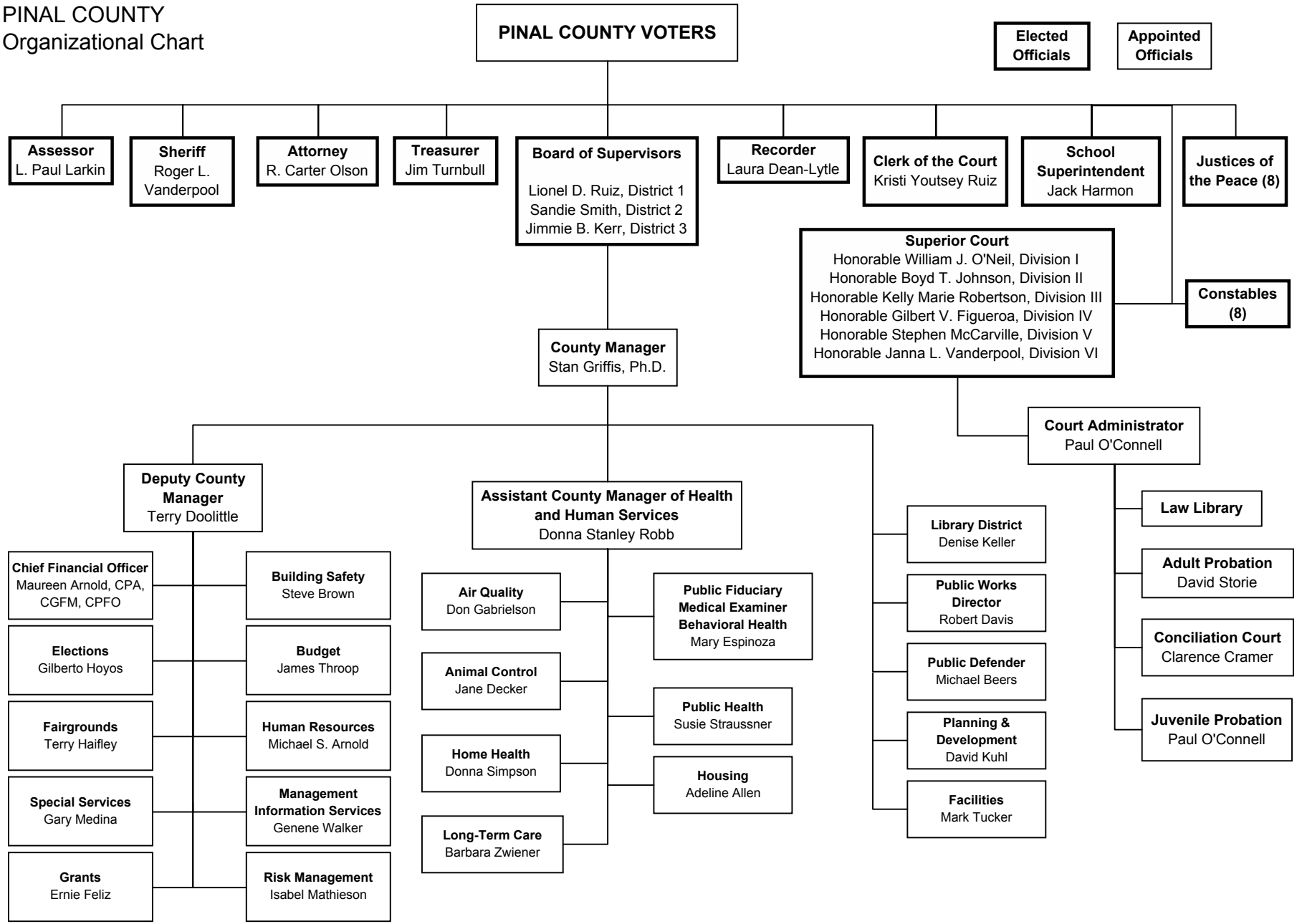
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2003

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

President

Executive Director

PINAL COUNTY
Organizational Chart



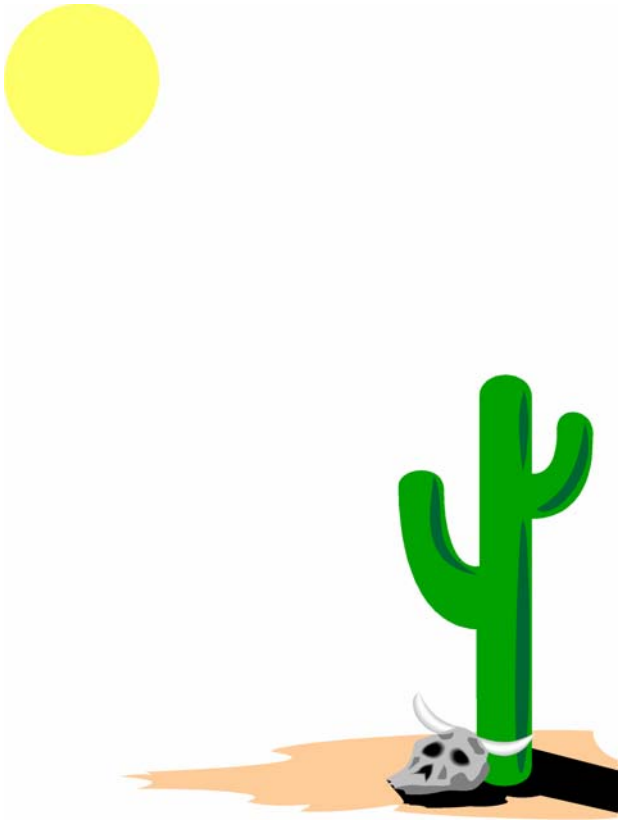
PINAL COUNTY
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2004
County Officials

Elected Officials

Supervisor, District 1	Lionel D. Ruiz
Supervisor, District 2	Sandie Smith
Supervisor, District 3	Jimmie B. Kerr
Assessor	L. Paul Larkin
Attorney	R. Carter Olson
Clerk of Superior Court	Kristi Youtsey Ruiz
Recorder	Laura Dean-Lytle
School Superintendent	Jack Harmon
Sheriff	Roger L. Vanderpool
Superior Court Judge, Division I	Honorable William J. O'Neil
Superior Court Judge, Division II	Honorable Boyd T. Johnson
Superior Court Judge, Division III	Honorable Kelly Marie Robertson
Superior Court Judge, Division IV	Honorable Gilberto V. Figueroa
Superior Court Judge, Division V	Honorable Stephen McCarville
Superior Court Judge, Division VI	Honorable Janna L. Vanderpool
Treasurer	Jim Turnbull
Justices of the Peace (8) and Constables (8)	Various

Appointed Officials

County Manager	Stan Griffis
Deputy County Manager	Terry Doolittle
Assistant County Manager, Health & Human Services	Donna Robb
Chief Financial Officer	Maureen Arnold
Facilities Management	Mark Tucker
Public Works Director	Robert Davis
Planning & Development Director	David Kuhl
Public Defender	Michael Beers
Library District	Denise Keller
Budget Director	James Throop
Building Safety	Steve Brown
Elections	Giberto Hoyos
Fairgrounds and Parks	Terry Haifley
Human Resources Director	Michael Arnold
Management Information Services	Genene Walker
Long-Term Care	Barbara Zwiener
Risk Management	Isabel Mathieson
Air Quality Control	Donald Gabrielson
Animal Control	Jane Decker
Horizon Home Care	Donna Simpson
Housing	Adeline Allen
Public Fiduciary, Medical Examiner, Behavioral Health	Mary Espinoza
Public Health	Susie Straussner



Financial Section

DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

Independent Auditors' Report

Members of the Arizona State Legislature

The Board of Supervisors of
Pinal County, Arizona

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and aggregate remaining fund information of Pinal County as of and for the year ended June 30, 2004, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Long Term Care Enterprise Fund. The Fund also represents 86 percent and 90 percent, respectively, of the assets and revenues of the County's business-type activities. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Long Term Care Enterprise Fund, is based solely on the report of the other auditors.

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

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and aggregate remaining fund information of Pinal County as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

The Management's Discussion and Analysis on pages 3 through 14, the Schedule of Agent Retirement Plans' Funding Progress on page 47, and the Budgetary Comparison Schedules on pages 48 through 54 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The information included in the introductory and statistical sections listed in the table of contents has not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on such information.

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

Debbie Davenport
Auditor General

December 14, 2004

Management's Discussion and Analysis

This section of Pinal County's (County) comprehensive annual financial report presents a discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2004. Please read it in conjunction with the transmittal letter at the front of this report and the County's basic financial statements following this section. All dollar amounts are expressed in thousands unless otherwise indicated.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded liabilities at the close of the 2003-2004 fiscal year by $94,836 (*net assets)*. Of this amount, $21,987 (*unrestricted net assets)* may be used to meet ongoing obligations to citizens and creditors, $30,829 is restricted for specific purposes (*restricted net assets*), and $42,020 is invested in capital assets, net of related debt.

- The County's total net assets increased by $24,102. Approximately 35% of this increase is attributable to an increase in the County's investment in capital assets.

- As of June 30, 2004, the County governmental funds reported combined fund balances of $57,619 an increase of $2,672 in comparison with the prior year, as restated. Approximately 93% of the combined fund balances, or $53,821, is available to meet the County's current and future needs (*unreserved fund balance).*

- At the end of the fiscal year, unreserved fund balance for the general fund was $25,618, or 29% of total general fund expenditures. This entire amount is budgeted to be spent in the next fiscal year.

- The County's total long-term debt as of June 30, 2004, was $53,793. Special assessment bonds and certificates of participation represent 74% of the total. The final payments on the bonds and certificates of participation are due in fiscal years 2007 and 2021, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of three components: 1) **Government-wide** financial statements; 2) **Fund** financial statements and 3) **Notes** to the basic 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 assets* presents information on all County assets and liabilities, with the difference between the two reported as *net assets.* Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities)* from other functions that are intended to recover all or part of their costs through user fees and

charges (*business-type activities).* The governmental activities of the County include general government, public safety, highways and streets, sanitation, health, welfare, culture and recreation, and education. The business-type activities of the County include the Sheriff Inmate Services, Horizon Home Care (Home Health), Adult Day Care, Long Term Care, and the Fairgrounds.

The government-wide financial statements can be found on pages 15-16 of this report.

Fund Financial Statements. Funds 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. All of the funds of the County can be divided into three categories: *governmental funds, proprietary funds,* and *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 funds financial statements focus on *near-term inflows* and *outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a 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 funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances include a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The County maintains 21 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 Fund, Public Works Highway Fund, Public Works Roadways Fund, Superior Court/Sheriff Construction Fund, and Debt Service Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The basic governmental fund financial statements can be found on pages 17-20 of this report.

Proprietary funds include two types. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for the Sheriff Inmate Services, Horizon Home Care (Home Health), Adult Day Care, Long Term Care, and the Fairgrounds. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses an internal service fund to account for its central services. Because these services predominantly benefit governmental rather than business-type activities, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. Pinal County Long Term Care operations are considered to be a major fund of the County. The County's internal service fund is presented separately in the proprietary fund financial statements.

The proprietary funds financial statements can be found on pages 21-24 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements can be found on pages 25-26 of this report.

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 27-45 of this report.

Required Supplementary Information presents budgetary comparison schedules, for the General Fund and major Special Revenue Funds of the County. It also includes a schedule of agent retirement plans' funding progress. Required supplementary information can be found on pages 47-54 of this report.

The combining statements and individual fund schedules referred to earlier provide information for nonmajor governmental, enterprise, and fiduciary funds and are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 55-142 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The County's assets exceeded liabilities by $94,836 at the close of the fiscal year.

Statement of Net Assets
June 30, 2004 and 2003

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Current and other assets	$ 68,226	$ 60,117	$ 8,113	$ 7,872	$ 76,339	$ 67,989
Capital assets	83,487	65,026	442	93	83,929	65,119
Total assets	151,713	125,143	8,555	7,965	160,268	133,108
Current and other liabilities	7,371	7,742	4,268	293	11,639	8,035
Long-term liabilities	53,677	56,674	116	4,109	53,793	60,783
Total liabilities	61,048	64,416	4,384	4,402	65,432	68,818
Net assets:						
Invested in capital assets, net of related debt	41,578	33,615	442	93	42,020	33,708
Restricted net assets	28,679	20,917	2,150	2,208	30,829	23,125
Unrestricted net assets	20,408	6,195	1,579	1,262	21,987	7,457
Total net assets	$ 90,665	$ 60,727	$ 4,171	$ 3,563	$ 94,836	$ 64,290

The largest portion of the County's net assets represents its investment in capital assets (i.e. land, buildings, infrastructure, and equipment) less any related outstanding debt used to acquire those assets. The County uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets (i.e., 33%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (i.e., $21,987) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County reported positive balances in all three categories of net assets, both for the County as a whole, as well as for its separate governmental activities and business-type activities.

The County's net assets increased by $24,102 during the current fiscal year. Thirty-five percent of this increase is attributable to the increase in the County's investment in capital assets. The remainder of this growth in both restricted and unrestricted net assets reflects increases in tax, licenses and permits, and contributions revenues which were unspent as of fiscal year end.

The County's capital assets increased by twenty nine percent over the prior fiscal year mainly due to increases in infrastructure assets and construction in progress on the new Superior Court building.

Governmental activities increased the County's net assets by $23,494, thereby accounting for ninety-seven percent of the total growth in net assets of the County.

Management's Discussion and Analysis

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

Statement of Activities
Years Ended June 30, 2004 and 2003

	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
Revenues						
Program revenues:						
Charges for services	$ 24,375	$ 19,354	$ 40,656	$ 36,797	$ 65,031	$ 56,151
Operating grants and contributions	40,233	36,668	40	33	40,273	36,701
Capital grants and contributions	6,143	1,265	-	-	6,143	1,265
General revenues:						
Property taxes	65,725	52,533	-	-	65,725	52,533
Other taxes	15,014	18,742	-	-	15,014	18,742
Investment income	493	101	72	91	565	192
Miscellaneous	1,579	3,747	205	177	1,784	3,924
Total revenues	153,562	132,410	40,973	37,098	194,535	169,508
Expenses						
General government	44,020	36,822	-	-	44,020	36,822
Public safety	37,958	37,732	-	-	37,958	37,732
Highways and streets	14,590	13,398	-	-	14,590	13,398
Sanitation	854	673	-	-	854	673
Health	20,202	19,574	-	-	20,202	19,574
Welfare	4,836	4,880	-	-	4,836	4,880
Culture and recreation	613	552	-	-	613	552
Education	7,235	6,327	-	-	7,235	6,327
Interest on long-term debt	183	221	-	-	183	221
Sheriff/Inmate Services	-	-	151	130	151	130
Home Health	-	-	3,565	2,961	3,565	2,961
Long Term Care	-	-	35,611	32,570	35,611	32,570
Adult Day Care	-	-	29	-	29	-
Fairgrounds	-	-	586	556	586	556
Total expenses	130,491	120,179	39,942	36,217	170,433	156,396
Change in net assets before transfers	23,071	12,231	1,031	881	24,102	13,112
Transfers	423	295	(423)	(295)	-	-
Change in net assets	23,494	12,526	608	586	24,102	13,112
Net assets - beginning, as restated	67,171	48,201	3,563	2,977	70,734	51,178
Net assets - ending	$ 90,665	$ 60,727	$ 4,171	$ 3,563	$ 94,836	$ 64,290

The Governmental Activities beginning net assets for fiscal year 2004 were restated for corrections of errors (see Note 11 to the financial statements for clarification). However, the fiscal year 2003 activity and net assets were not restated on the schedule above.

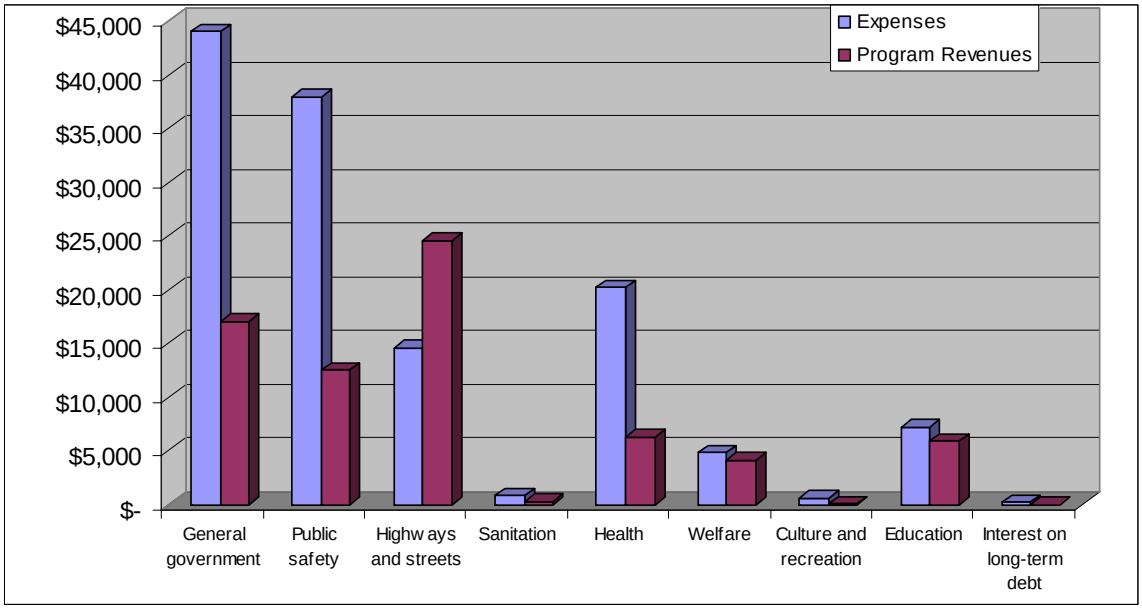
Governmental Activities. Key elements of the increase in net assets of $23,494 are as follows:

- Property taxes increased by $13,192 (25 percent) during the year. This increase is due to increases in assessed property values and not a raise in tax rates.

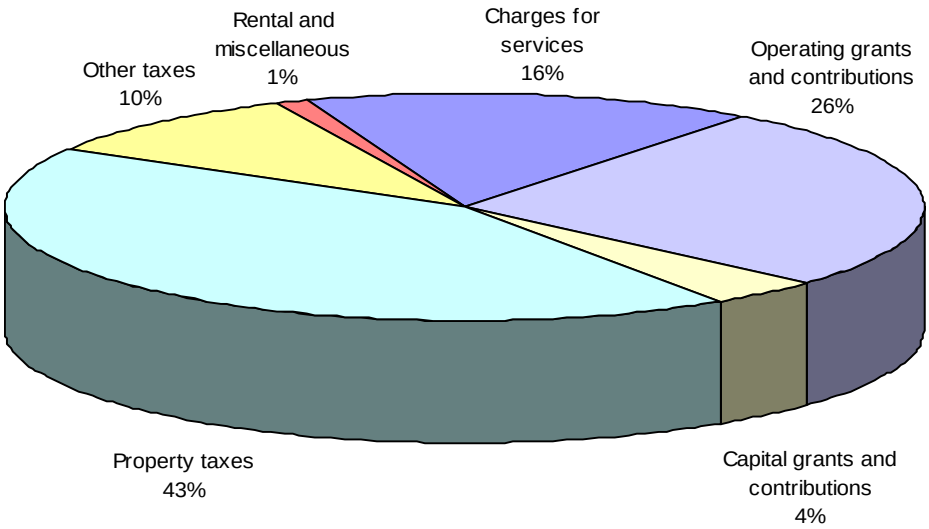
- Charges for services increased $5,021 (26 percent), due to increased use of County services caused by the rapid growth in Pinal County.

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services. One noteworthy exception however, was the County's general government function. A portion of the increase in expenses of $7,198 (70%) is due to an increase in personal services expenditures. This was due to an increase in the Arizona State Retirement System contribution rate from 2.49% to 5.7% on July 1, 2003. Additionally, the Board of Supervisors approved a cost of living adjustment to cover this increase for all affected employees.

Expenses and Program Revenues – Governmental Activities

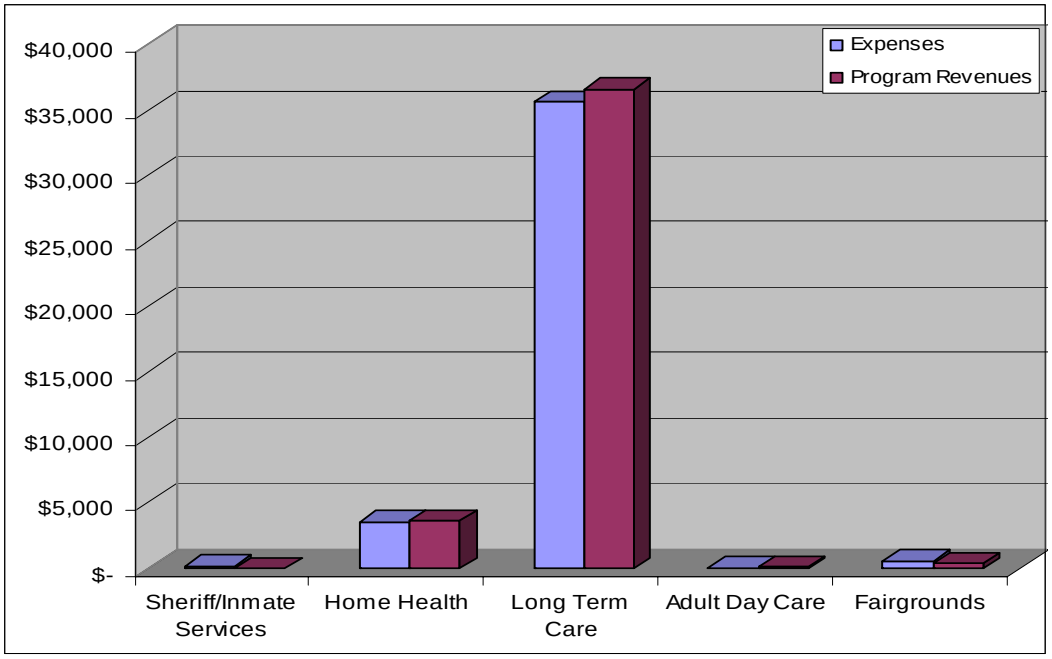


Revenues by Source – Governmental Activities

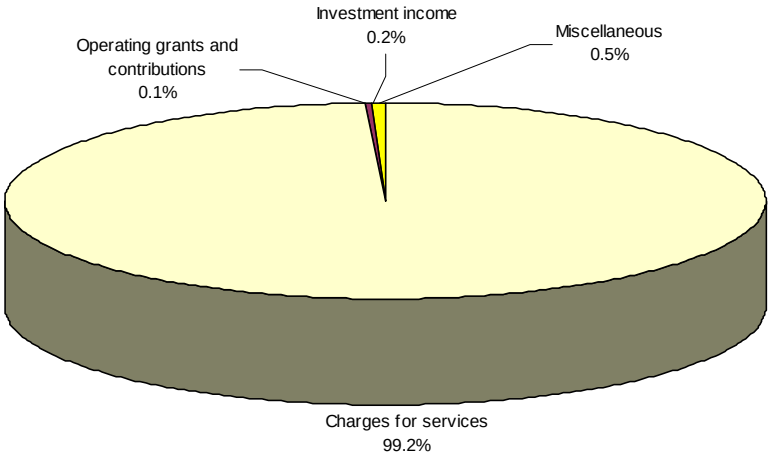


Business-type activities. Business-type activities increased the County's net assets by $608. This is due to an overall increase in revenues being collected through charges for services as a result of rapid population growth in the County.

Expenses and Program Revenues – Business-type Activities



Revenues by Source – Business-type Activities



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses ***fund accounting*** to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds*.* The governmental activities are accounted for in the General, Special Revenue, Debt Service, and Capital Projects Funds. Included in these funds are the special districts governed by the Board of Supervisors. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2004, the County's governmental funds reported combined fund balances of $57,619, an increase of $2,672 in comparison with the prior year, as restated. Approximately 93% of the combined fund balances, $53,821, constitutes *unreserved fund balance,* which is available to meet the County's current and future needs. The remainder of fund balance is *reserved*, indicating that it is *not* available for new spending because it has been committed: 1) to pay debt service ($1,356); 2) to reflect inventories and prepaid items that do not represent available spendable resources ($813); and 3) for construction of the new Superior Court and Sheriff's building ($1,629).

The General Fund is the chief operating fund of the County. At June 30, 2004, the unreserved fund balance of the General Fund was $25,618 while total fund balance was $27,306. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 29 percent of total General Fund expenditures, while total fund balance represents 31 percent of that same amount.

The fund balance of the County's General Fund increased by $7,841 during the fiscal year. A key factor in this growth was an increase in property tax revenue of $7,262 which was due to increased assessed property values.

Revenues for the Public Works Highway Fund increased by $1,066 over the prior year due to increased funding from the State for highway construction and maintenance projects. Expenditures also increased by $2,183 due in part to the increase in funding available. A significant portion of the increase in expenditures is due to a $1,092 purchase of heavy equipment to aid in the increased construction and maintenance of roads due to rapid population growth. The decrease in fund balance of $98 was insignificant in comparison to total expenditures.

The Public Works Roadways Fund has been reported as a major fund for FY 04 due to an increase in contributions from private developers to be used for subdivision street maintenance.

The fund balance of the Superior Court/Sheriff Construction Fund decreased by $11,111 or 87 percent during the fiscal year. This was mainly due to expenditures totaling $11,254 for the construction of the new Superior Court and Sheriff Administration buildings from monies accumulated in prior years. As of fiscal year end, the project was approximately 98 percent complete.

The Debt Service Fund has a fund balance of $170 which is reserved for the debt service payments on the County's special assessment bonds. Fund balance increased by $63 due to the property tax revenues exceeding the debt service payment.

Revenues for governmental funds totaled $154,174 in fiscal year 2003-2004, which represents an increase of 17% from fiscal year 2002-2003.

The following table presents the amount of revenues from various sources as well as increases or decreases from the prior year. The County reclassified $1,572 of rental and miscellaneous revenues of fiscal year 2003 as contributions revenue for comparison purposes, however, the reclassified fiscal year 2003 amount was not audited.

Governmental Funds
Revenues Classified by Source

	FY 2004		FY 2003		Increase/(Decrease)	
Revenues by Source	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Taxes	$ 62,057	40.25%	$ 53,217	40.33%	$ 8,840	16.61%
Licenses and permits	9,629	6.25%	6,313	4.78%	3,316	52.53%
Intergovernmental	60,807	39.44%	55,536	42.09%	5,271	9.49%
Charges for services	12,350	8.01%	10,400	7.88%	1,950	18.75%
Fines and forfeits	2,396	1.55%	2,641	2.00%	(245)	(9.28%)
Investment income	493	0.32%	101	0.08%	392	388.12%
Contributuions	4,863	3.15%	1,572	1.19%	3,291	209.35%
Rental and miscellaneous	1,579	1.03%	2,175	1.65%	(596)	(27.40%)
Total	$ 154,174	100.00%	$ 131,955	100.00%	$ 22,219	16.84%

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

- Taxes – the increase of $8,840 was primarily due to an increase in property tax revenue collected. This increase resulted from an increase in assessed property values of 11% or $215,869 more than the previous year.

- Licenses and permits – General Fund licenses and permits revenue increased by $2,550 or 59% due to an increase in the number of building permits sold. Licenses and permits increased in the Public Works Roadways Fund by $582 or 39% over fiscal year 2002-2003 due to an increase in the number of right-of-way use permits sold.

- Charges for services – General Fund charges for services increased by $689 or 9%, and Public Works Roadways Fund charges for services increased by $776 or 278%. This was due to an increase in planning, building, and recording fees.

- Investment income - The increase in investment income of 388% is due to lower than normal income in the prior year caused by a loss on investments held in the State Treasurer's investment pool. As there was no loss for the current fiscal year, investment income is now higher.

- Contributions – Public Works Roadways fund private contributions increased from $1,572 to $4,863 in the current fiscal year. The majority of these contributions came from developers for road construction in new subdivisions.

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

Governmental Funds
Expenditures Classified by Function

	FY 2004		FY 2003		Increase/(Decrease)	
Expenditures by Function	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
General government	$ 46,973	30.26%	$ 39,187	27.17%	$ 7,786	19.87%
Public safety	37,297	24.02%	37,071	25.70%	226	0.61%
Highways and streets	24,661	15.88%	18,246	12.65%	6,415	35.16%
Sanitation	887	0.57%	805	0.56%	82	10.19%
Health	20,228	13.03%	19,477	13.51%	751	3.86%
Welfare	4,898	3.15%	4,877	3.38%	21	0.43%
Culture and recreation	600	0.39%	547	0.39%	53	9.69%
Education	7,235	4.66%	6,324	4.38%	911	14.41%
Capital outlay	11,254	7.25%	16,472	11.42%	(5,218)	(31.68%)
Principal retirement	1,040	0.67%	1,000	0.69%	40	4.00%
Interest and fiscal charges	183	0.12%	221	0.15%	(38)	(17.19%)
Total	$ 155,256	100.00%	$ 144,227	100.00%	$ 11,029	7.65%

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

- General government – expenditures for general government increased primarily due to the increase in the Arizona State Retirement contribution rate on July 1, 2003 (see explanation on page 8). Additionally, employee medical insurance premiums increased by approximately $1.4 million for the fiscal year.

- Highways and streets – the increase in highways and streets expenditures is related to an increase in demand for road construction and maintenance projects due to the rapid population growth of the County. Additionally, the Public Works Highway Department purchased $1,092 in heavy equipment in order to keep up with the demand.

- Capital outlay – capital outlay expenditures decreased by 32% due to a decrease in expenditures on the Superior Court and Sheriff Administration buildings. The Sheriff Administration building was completed during the fiscal year and the Superior Court building was near completion as of fiscal year end.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Long Term Care Fund at the end of the year totaled $762, and those for the other nonmajor enterprise funds (Sheriff Inmate Services, Home Health, Fairgrounds, and Adult Day Care) totaled $817. Other factors concerning the finances of these funds have already been addressed in the discussion of the County's business-type activities.

The following table shows actual revenues, expenses, and changes in net assets for the enterprise funds for the current fiscal year:

	Major Fund	Nonmajor Funds				
	Long Term Care	Sheriff Inmate Services	Home Health	Fairgrounds	Adult Day Care	Total
Operating revenues	$ 36,580	$ 196	$ 3,634	$ 328	$ 118	$ 40,856
Operating expenses	35,611	151	3,565	586	29	39,942
Operating income (loss)	969	45	69	(258)	89	914
Non operating revenues, net	66	6	4	34	6	116
Net income (loss) before contributions and transfers	1,035	51	73	(224)	95	1,030
Contributions and transfers	(746)	-	1	323	-	(422)
Net income	$ 289	$ 51	$ 74	$ 99	$ 95	$ 608

The net income of the enterprise funds of $608 resulted primarily from an overall increase in revenues being collected through charges for services as a result of rapid population growth in the County.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2004, amounted to $42,020 (net of related debt and accumulated depreciation). This investment in capital assets includes land and easements, infrastructure, buildings and improvements, equipment, and construction in progress. The increase in the County's investment in capital assets for the current period was 25 percent. Major capital asset events during the current fiscal year included the following:

- Construction in progress increased by $13,298 mainly due to the construction of the new Superior Court and Sheriff Administration buildings ($9,041) and infrastructure assets ($3,584).

- Infrastructure assets of $9,072 were added during the year, all of which are part of the road network.

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

Capital Assets
(net of accumulated depreciation)

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Land	$ 2,608	$ 2,592	$ -	$ -	$ 2,608	$ 2,592
Buildings and improvements	26,422	25,836	-	-	26,422	25,836
Equipment	7,970	7,652	442	93	8,412	7,745
Infrastructure	16,719	7,899	-	-	16,719	7,899
Construction in progress	29,768	21,047	-	-	29,768	21,047
Total	$ 83,487	$ 65,026	$ 442	$ 93	$ 83,929	$ 65,119

The County's infrastructure assets are recorded at historical cost in the government-wide financial statements as required by GASB Statement No. 34. The Statement also requires the retroactive reporting of all infrastructure assets acquired prior to July 1, 2001, to be reported by the fiscal year ended June 30, 2006. The acquisition of new infrastructure assets is reported as capital outlay expenditures within the Public Works Highway, Public Works Roadways, Highways and Streets, and Flood Control Funds.

Additional information on the County's capital assets can be found in note 4 on page 35 of this report.

Long-term debt

At June 30, 2004, the County had total long-term debt outstanding of $39,740 as compared to $43,080 in the prior year. This amount was comprised of $36,375 of certificates of participation and $3,365 of special assessment bonds. The decrease from the prior year is due entirely to debt service payments.

Outstanding Debt

	Governmental Activities		Percentage
	2004	2003	Change
Special assessment bonds with governmental commitment	$ 3,365	$ 4,405	(23.6%)
Certificates of participation	36,375	38,675	(5.95%)
Total	$ 39,740	$ 43,080	(7.75%)

Additional information on the County's long-term debt can be found in note 5 on page 36 of this report.

Economic Factors

- The State's employee retirement contribution is expected to increase by 49% (5.2% to 7.75%) for fiscal year 2006. This will cost the County upwards of $3.2 million.

- The County was able to maintain its medical costs through tighter controls and more employee education, thus resulting in only a 4.1% increase in medical insurance costs. This is far below the industry average.

- The unemployment rate for Pinal County was approximately 5.9% at fiscal year end. With the increase in population in the county, new businesses are emerging, thus unemployment levels should decrease.

- Housing starts in the county have continued to break records. Last fiscal year over 7,000 building permits were issued. For FY 04-05, the county expects to issue over 10,000 building permits.

Request for Information

This financial report is designed to provide a general overview of the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Pinal County Finance Department, P.O. Box 1348, Florence, AZ, 85232.

Basic Financial Statements

PINAL COUNTY
Statement of Net Assets
June 30, 2004
(Amounts expressed in thousands)

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	$ 48,990	$ 5,183	$ 54,173
Cash and investments held by trustees	5,319	-	5,319
Receivables (net):			
Property taxes	2,325	-	2,325
Accounts	428	-	428
Due from other governments	10,318	1,740	12,058
Inventories	518	34	552
Prepaid items	328	-	328
Restricted assets:			
Cash and cash equivalents	-	1,156	1,156
Capital assets:			
Nondepreciable	32,376	-	32,376
Depreciable (net)	51,111	442	51,553
Total assets	151,713	8,555	160,268
Liabilities			
Accounts payable	3,844	35	3,879
Estimated liabilities for claims and judgements	-	3,681	3,681
Due to other governments	73	-	73
Accrued payroll and employee benefits	2,197	511	2,708
Deposits held for others	126	41	167
Matured special assessment bonds with governmental commitment payable	1,040	-	1,040
Bond interest payable	91	-	91
Noncurrent liabilities:			
Due within one year	8,183	-	8,183
Due beyond one year	45,494	116	45,610
Total liabilities	61,048	4,384	65,432
Net Assets			
Invested in capital assets, net of related debt	41,578	442	42,020
Restricted for:			
Highways and streets	20,249	-	20,249
Education	2,069	-	2,069
Debt service	247	-	247
Public safety	3,141	-	3,141
Other purposes	1,766	-	1,766
Health	1,207	2,150	3,357
Unrestricted	20,408	1,579	21,987
Total net assets	$ 90,665	$ 4,171	$ 94,836

The notes to the financial statements are an integral part of this statement

PINAL COUNTY
Statement of Activities
Year Ended June 30, 2004
(Amounts expressed in thousands)

		Program Revenues			Net (Expense) Revenues and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs							
Governmental activities							
General government	$ 44,020	$ 12,109	$ 4,973	$ -	$ (26,938)	$ -	$ (26,938)
Public safety	37,958	7,115	5,402	-	(25,441)	-	(25,441)
Highways and streets	14,590	3,213	15,183	6,143	9,949	-	9,949
Sanitation	854	8	309	-	(537)	-	(537)
Health	20,202	1,533	4,787	-	(13,882)	-	(13,882)
Welfare	4,836	131	3,957	-	(748)	-	(748)
Culture and recreation	613	-	24	-	(589)	-	(589)
Education	7,235	266	5,598	-	(1,371)	-	(1,371)
Interest on long-term debt	183	-	-	-	(183)	-	(183)
Total governmental activities	130,491	24,375	40,233	6,143	(59,740)	-	(59,740)
Business-type activities							
Long Term Care	35,611	36,576	-	-	-	965	965
Sheriff/Inmate Services	151	-	-	-	-	(151)	(151)
Home Health	3,565	3,634	-	-	-	69	69
Fairgrounds	586	328	34	-	-	(224)	(224)
Adult Day Care	29	118	6	-	-	95	95
Total business-type activities	39,942	40,656	40	-	-	754	754
Total primary government	$ 170,433	$ 65,031	$ 40,273	$ 6,143	(59,740)	754	(58,986)
General revenues:							
Taxes:							
Property taxes					65,725	-	65,725
Share of State sales taxes					15,014	-	15,014
Interest on investments					493	72	565
Rental and miscellaneous					1,579	205	1,784
Transfers					423	(423)	-
Total general revenues and transfers					83,234	(146)	83,088
Changes in net assets					23,494	608	24,102
Net assets - July 1, 2003					67,171	3,563	70,734
Net assets - June 30, 2004					$ 90,665	$ 4,171	$ 94,836

The notes to the financial statements are an integral part of this statement

PINAL COUNTY
Balance Sheet
Governmental Funds
June 30, 2004
(Amounts expressed in thousands)

	Major Funds						
	General Fund	Public Works Highway	Public Works Roadways	Superior Court/Sheriff Construction	Debt Service	Other Governmental Funds	Total
Assets							
Cash and cash equivalents	$ 20,740	$ 1,471	$ 6,903	$ 17	$ 1,296	$ 18,545	$ 48,972
Cash and investments held by trustees	1,087	-	-	4,232	-	-	5,319
Receivables (net of allowances for uncollectible)							
Property taxes	2,138	-	-	-	82	105	2,325
Accounts	251	-	-	-	-	177	428
Due from other funds	1,362	-	-	-	-	352	1,714
Due from other governments	6,112	2,466	-	-	-	1,740	10,318
Inventories	220	163	-	-	-	102	485
Prepaid items	282	4	-	-	-	42	328
Total assets	$ 32,192	$ 4,104	$ 6,903	$ 4,249	$ 1,378	$ 21,063	$ 69,889
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	$ 581	$ 203	$ 46	$ 2,620	$ -	$ 394	$ 3,844
Accrued payroll and employee benefits	1,441	280	14	-	-	459	2,194
Due to other funds	-	-	-	-	-	1,714	1,714
Due to other governments	-	-	-	-	-	73	73
Deposits held for others	88	-	-	-	-	38	126
Special assessment bonds with governmenta commitment payable	-	-	-	-	1,040	-	1,040
Bond interest payable	-	-	-	-	91	-	91
Deferred revenue	2,776	-	-	-	77	335	3,188
Total liabilities	4,886	483	60	2,620	1,208	3,013	12,270
Fund Balances:							
Reserved for:							
Inventories	220	163	-	-	-	102	485
Prepaid items	282	4	-	-	-	42	328
Debt service	1,186	-	-	-	170	-	1,356
Construction	-	-	-	1,629	-	-	1,629
Unreserved, reported in:							
General fund:							
Designated	4,045	-	-	-	-	-	4,045
Undesignated	21,573	-	-	-	-		21,573
Special revenue funds	-	3,454	6,843	-	-	17,846	28,143
Capital projects funds	-	-	-	-	-	60	60
Total fund balances	27,306	3,621	6,843	1,629	170	18,050	57,619
Total liabilities and fund balances	$ 32,192	$ 4,104	$ 6,903	$ 4,249	$ 1,378	$ 21,063	$ 69,889

The notes to the financial statements are an integral part of this statement

PINAL COUNTY
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets
June 30, 2004
(Amounts expressed in thousands)

Total fund balances - governmental funds (page 17)		$ 57,619
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is $132,900 and the accumulated depreciation is $49,425.		83,475
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.		3,188
Internal Service Funds are used by management to charge the costs of central services. The assets and liabilities of the Internal Service Fund are included in governmental activities in the statement of net assets.		44
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Obligations under capital leases	$ (4,215)	
Compensated absences	(8,623)	
Special assessment bonds with governmental commitment	(3,365)	
Certificates of participation	(36,375)	
Estimated liabilities for claims and judgments	(1,083)	(53,661)
Net assets of governmental activities (page 15)		$ 90,665

The notes to the financial statements are an integral part of this statement

PINAL COUNTY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2004
(Amounts expressed in thousands)

	Major Funds						
	General Fund	Public Works Highway	Public Works Roadways	Superior Court/Sheriff Construction	Debt Service	Other Governmental Funds	Total
Revenues							
Taxes	$ 52,751	$ -	$ -	$ -	$ 1,280	$ 8,026	$ 62,057
Licenses and permits	6,843	-	2,085	-	-	701	9,629
Intergovernmental	23,003	14,984	-	-	-	22,820	60,807
Charges for services	8,389	71	1,056	-	-	2,834	12,350
Fines and forfeits	1,358	-	-	-	-	1,038	2,396
Interest on investments	176	13	38	120	6	140	493
Contributions	-	-	4,863			-	4,863
Rental and miscellaneous	418	-	-	-	-	1,161	1,579
Total revenues	92,938	15,068	8,042	120	1,286	36,720	154,174
Expenditures							
Current:							
General government	42,646	-	-	-	-	4,327	46,973
Public safety	30,557	-	-	-	-	6,740	37,297
Highways and streets	-	15,366	4,298	-	-	4,997	24,661
Sanitation	508	-	-	-	-	379	887
Health	13,761	-	-	-	-	6,467	20,228
Welfare	726	-	-	-	-	4,172	4,898
Culture and recreation	113	-	-	-	-	487	600
Education	-	-	-	-	-	7,235	7,235
Capital outlay	-	-	-	11,254	-	-	11,254
Debt service:							
Principal retirement	-	-	-	-	1,040	-	1,040
Interest and fiscal charges	-	-	-	-	183	-	183
Total expenditures	88,311	15,366	4,298	11,254	1,223	34,804	155,256
Excess (deficiency) of revenues over expenditures	4,627	(298)	3,744	(11,134)	63	1,916	(1,082)
Other financing sources (uses):							
Transfers in	3,000	110	56	23	-	3,281	6,470
Transfers out	(1,617)	(1,247)	(100)	-	-	(3,083)	(6,047)
Proceeds from sale of capital assets	86	245	-	-	-	127	458
Proceeds from capital leases	1,745	1,092	-	-	-	36	2,873
Total other financing sources (uses)	3,214	200	(44)	23	-	361	3,754
Net change in fund balances	7,841	(98)	3,700	(11,111)	63	2,277	2,672
Fund balances, July 1, 2003, as restated	19,465	3,719	3,143	12,740	107	15,773	54,947
Fund balances, June 30, 2004	$ 27,306	$ 3,621	$ 6,843	$ 1,629	$ 170	$ 18,050	$ 57,619

The notes to the financial statements are an integral part of this statement

PINAL COUNTY
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2004
(Amounts expressed in thousands)

Net change in fund balances - total governmental funds (page 19)		$ 2,672
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for general capital assets, infrastructure, and other related capital assets.	$ 26,555	
Less: current year depreciation	(8,097)	18,458
Capital assets acquired by capital leases are shown as an expenditure and other financing source in the governmental funds. The other financing source must be removed from the statement of activities since principal payments are applied to the lease liability.		(2,873)
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Change in compensated absences	(718)	
Change in estimated liabilities for claims and judgments	2,956	2,238
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Principal repayments:		
Certificates of participation	2,300	
Special assessment bonds with governmental commitment	1,040	
Obligations under capital leases	289	3,629
Collections of deferred revenues in the governmental funds exceeded revenues reported in the Statement of Activities		(612)
Internal service funds are used by the County to charge the costs of central services. The net expense of the internal service funds is reported with governmental activities.		(18)
Change in net assets of governmental activities (page 16)		$ 23,494

The notes to the financial statements are an integral part of this statement

PINAL COUNTY
Statement of Net Assets
Proprietary Funds
June 30, 2004
(Amounts expressed in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Fund
	Long Term Care	Other Enterprise Funds	Total	
Assets				
Current assets:				
Cash and cash equivalents	$ 4,093	$ 1,090	$ 5,183	$ 18
Due from other governments	1,740	-	1,740	-
Inventories	-	34	34	33
Total current assets	5,833	1,124	6,957	51
Noncurrent assets:				
Restricted cash and cash equivalents	1,156	-	1,156	-
Capital assets:				
Buildings and improvements	-	376	376	-
Equipment	535	289	824	203
Less accumulated depreciation	(154)	(604)	(758)	(191)
Net capital assets	381	61	442	12
Total noncurrent assets	1,537	61	1,598	12
Total assets	7,370	1,185	8,555	63
Liabilities				
Current liabilities:				
Accounts payable	-	35	35	-
Accrued payroll and employee benefits	396	115	511	3
Estimated liabilities for claims and judgments	3,681	-	3,681	-
Deposits held for others	-	41	41	-
Total current liabilities	4,077	191	4,268	3
Noncurrent liabilities:				
Compensated absences	-	116	116	16
Total noncurrent liabilities	-	116	116	16
Total liabilities	4,077	307	4,384	19
Net Assets				
Invested in capital assets, net of related debt	381	61	442	12
Restricted for health	2,150	-	2,150	-
Unrestricted	762	817	1,579	32
Total net assets	$ 3,293	$ 878	$ 4,171	$ 44

The notes to the financial statements are an integral part of this statement

PINAL COUNTY
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
Year Ended June 30, 2004
(Amounts expressed in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Fund
	Long Term Care	Other Enterprise Funds	Total	
Operating revenues				
Charges for services	$ 36,576	$ 4,080	$ 40,656	$ 348
Rental and miscellaneous	4	196	200	-
Total operating revenues	36,580	4,276	40,856	348
Operating expenses				
Long-term health care	31,972	-	31,972	-
Personal services	2,951	3,716	6,667	128
Supplies	72	137	209	201
Depreciation	25	15	40	6
Insurance	58	37	95	-
Repairs and maintenance	5	33	38	29
Communication	66	31	97	-
Professional services	421	184	605	2
Public utility service	4	73	77	-
Miscellaneous	37	105	142	-
Total operating expenses	35,611	4,331	39,942	366
Operating income (loss)	969	(55)	914	(18)
Nonoperating revenues				
Intergovernmental	-	40	40	-
Interest on investments	66	6	72	-
Gain on sale of capital assets	-	4	4	-
Total nonoperating revenues	66	50	116	-
Income (loss) before contributions and transfers	1,035	(5)	1,030	(18)
Capital contributions	-	1	1	-
Transfers in	-	323	323	-
Transfers out	(746)	-	(746)	-
Change in net assets	289	319	608	(18)
Net assets, July 1, 2003	3,004	559	3,563	62
Net assets, June 30, 2004	$ 3,293	$ 878	$ 4,171	$ 44

The notes to the financial statements are an integral part of this statement

PINAL COUNTY
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2004
(Amounts expressed in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Fund
	Long Term Care	Other Enterprise Funds	Total	
Cash flows from operating activities				
Receipts from customers	$ 35,516	$ 4,286	$ 39,802	$ 15
Receipts from interfund services provided	-	-	-	333
Payments to suppliers	(32,954)	(586)	(33,540)	(248)
Payments to employees	(2,717)	(3,666)	(6,383)	(127)
Payments to other funds	-	(103)	(103)	-
Net cash used for operating activities	(155)	(69)	(224)	(27)
Cash flows from noncapital financing activities				
Receipts from federal and local agencies	-	40	40	-
Cash transfers from other funds	-	323	323	-
Cash transfer to other funds	(746)	-	(746)	-
Net cash provided by (used for) noncapital financing activities	(746)	363	(383)	-
Cash flows from capital and related financing activities				
Proceeds from the sale of capital assets	-	4	4	-
Purchases of capital assets	(352)	(37)	(389)	(9)
Principal paid on capital leases	-	-	-	(3)
Net cash used for capital and related financing activities	(352)	(34)	(386)	(12)
Cash flows from investing activities				
Investment income received	66	6	72	-
Net cash provided by investing activities	66	6	72	-
Net increase (decrease) in cash and cash equivalents	(1,187)	266	(921)	(39)
Cash and cash equivalents, July 1, 2003	6,436	823	7,259	57
Cash and cash equivalents, June 30, 2004	$ 5,249	$ 1,089	$ 6,338	$ 18

(Continued)

The notes to the financial statements are an integral part of this statement

PINAL COUNTY
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2004
(Continued)
(Amounts expressed in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Fund
	Long Term Care	Other Enterprise Funds	Total	
Reconciliation of operating income (loss) to net cash used for operating activities:				
Operating income (loss)	$ 969	$ (55)	$ 914	$ (18)
Adjustments to reconcile operating income (loss) to net cash used for operating activities:				
Depreciation expense	25	15	40	6
Changes in:				
Accounts receivable	-	10	10	-
Due from other funds	10	-	10	-
Due from other governments	(1,074)	-	(1,074)	-
Inventories	-	(3)	(3)	(8)
Accounts payable	-	17	17	(8)
Accrued payroll and employee benefits	234	43	277	1
Compensated absences	-	7	7	-
Due to other funds	-	(103)	(103)	-
Estimated liabilities for claims and judgments	(319)	-	(319)	-
Total adjustments	(1,124)	(14)	(1,138)	(9)
Net cash used for operating activities	$ (155)	$ (69)	$ (224)	$ (27)
Noncash investing, capital, and noncapital financing activities:				
Sale of equipment	$ -	$ (34)	$ (34)	$ -
Elimination of accumulated depreciation related to sold equipment	-	34	34	-

The notes to the financial statements are an integral part of this statement

PINAL COUNTY
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2004
(Amounts expressed in thousands)

	Investment Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	$ 81,122	$ 3,909
Cash and investments held by trustees	-	3,894
Interest receivable	59	-
Total assets	81,181	$ 7,803
Liabilities		
Deposits held for others	-	$ 7,803
Total liabilities	-	$ 7,803
Net Assets		
Held in trust for investment trust participants	$ 81,181	

The notes to the financial statements are an integral part of this statement

PINAL COUNTY
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Year Ended June 30, 2004
(Amounts expressed in thousands)

	Investment Trust Funds
Additions	
Contributions by participants	$ 349,799
Interest on investments	1,255
Total additions	351,054
Deductions	
Distributions to participants	351,691
Total deductions	351,691
Change in net assets	(637)
Net assets, July 1, 2003	81,818
Net assets, June 30, 2004	$ 81,181

The notes to the financial statements are an integral part of this statement

Note 1 - Summary of Significant Accounting Policies

The accounting policies of Pinal County conform to generally accepted accounting principles applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB). A summary of the County's more significant accounting policies follows.

A. Reporting Entity

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

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

The following table describes the County's component units:

Component Unit	Description; Criteria for Inclusion	Reporting Method	For Separate Financial Statements
Pinal County Flood Control District	A tax-levying district that provides flood control systems; County board of supervisors serves as board of directors	Blended	Not available
Pinal County Library District	Provides and maintains library services for County's residents; County board of supervisors serves as board of directors	Blended	Not available
Various Street Lighting Districts	Operates and maintains street lighting in areas outside local city jurisdictions; County board of supervisors serves as board of directors	Blended	Not available
Desert Vista Sanitary District	Operates and maintains sanitation services in areas outside local city jurisdictions; County Board of Supervisors serves as board of directors	Blended	Not available

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

Related Organizations

The Pinal County Municipal Property Corporation, the Central Arizona Public Facility Corporation, and the Maricopa Road Public Improvement Corporation were formed to finance various construction projects including the new Superior Court facility and Sheriff's Administration facility. Because the County Board of Supervisors serves as the Board of Directors of each of these corporations, they are reported as blended component units of the County. These corporations issue certificates of participation that evidence undivided proportionate interests in rent payments to be made under a lease agreement, with an option to purchase, between Pinal County and the corporations. The corporations have no assets or operating activities to report and no individual financial statements have been issued. The corporations' liabilities resulting from these certificates of participation are reported in the government-wide statement of net assets.

B. Basis of Presentation

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

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

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

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

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

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

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

Proprietary fund revenues are classified as either operating or non-operating. Operating revenues, such as charges for services, result from transactions associated with the fund's principal activity in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from transactions in which the parties do not exchange equal values. Revenues generated by ancillary activities are also reported as nonoperating revenues. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets.

The County reports the following major governmental funds:

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

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

The Public Works Roadways Fund—accounts for monies from specific revenue sources that are restricted for plan review, permit inspection, transportation development, and subdivision street maintenance.

The Superior Court/Sheriff Construction Fund—accounts for construction of the new Superior Court Facility and Sheriff's Administration Facility.

The Debt Service Fund—accounts for resources accumulated and used for the payment of general long-term debt principal, interest, and related costs of borrowing used for the Maricopa Road Project.

The County reports the following major enterprise fund:

The Long Term Care Fund—accounts for health services to elderly and physically disabled clients enrolled in the State's AHCCCS (Arizona Health Care Cost Containment System) Long-Term Care program.

The County reports the following fund types:

The internal service fund—accounts for print shop operations provided to County departments or to other governments on a cost-reimbursement basis.

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

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

C. Basis of Accounting

The government-wide, proprietary fund, and fiduciary fund financial statements are presented using the economic resources measurement focus 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.

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 measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they are due and payable. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of general long-term debt and acquisitions under capital lease agreements are reported as other financing sources.

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

The County's business-type activities and enterprise funds follow FASB Statements and Interpretations issued on or before November 30, 1989; Accounting Principles Board Opinions; and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements. The county has also chosen to follow FASB statements and Interpretations issued after November 30, 1989.

D. Cash and Investments

For purposes of its statement of cash flows, the County considers only those highly liquid investments with a maturity of 3 months or less when purchased to be cash equivalents.

Nonparticipating interest-earning investment contracts are stated at cost. Money market investments and participating interest-earning investment contracts with a remaining maturity of 1 year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value.

E. Inventories

Inventories of the governmental funds consist of expendable supplies held for consumption and are recorded as expenditures at the time of purchase. Amounts on hand at year-end are shown on the balance sheet as an asset for informational purposes only and are offset by a fund balance reserve to indicate that they do not constitute "available spendable resources." These inventories are stated at cost using the first-in, first-out method.

Inventories of the proprietary funds are recorded as assets when purchased and expensed when consumed. These inventories are stated at cost using the lower of cost (first-in, first-out method) or market.

F. Property Tax Calendar

The County levies real 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.

During the year, the County also levies various personal property taxes that are due the second Monday of the month following receipt of the tax notice and become delinquent 30 days later.

A lien assessed against real and personal property attaches on the first day of January preceding assessment and levy.

G. Capital Assets

Capital assets are reported at actual cost. Donated assets are reported at estimated fair value at the time received.

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

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	All	N/A	N/A
Construction in Progress	$ 5	N/A	N/A
Buildings	$ 5	Straight line	10-40 years
Equipment	$ 1	Straight line	3-21 years
Infrastructure	$ 5	Straight line	50 years

The County currently has one network of infrastructure assets made up of the County's roads. Only infrastructure assets acquired since July 1, 2001, are reported on the government-wide financial statements.

H. Investment Income

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

I. Compensated Absences

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

Employees may accumulate up to 360 hours of vacation, but any vacation hours in excess of the maximum amount that are unused at September 30 are forfeited. Upon termination of employment, all unused and unforfeited vacation benefits are paid to employees. Accordingly, vacation benefits are accrued as a liability in the financial statements.

Employees may accumulate an unlimited number of sick leave hours. Generally, sick leave benefits provide for ordinary sick pay and are cumulative but are forfeited upon termination of employment. Because sick leave benefits do not vest with employees, a liability for sick leave benefits is not accrued in the financial statements. However, a certain percentage of sick leave can be converted to vacation leave upon retirement after an employee has worked 5 years, and is accrued as a long-term liability.

Note 2 – Stewardship, Compliance, and Accountability

At June 30, 2004, the following funds reported deficits in fund balances.

Fund	Deficit
Governmental Funds:	
Attorney/IV-D Child Support	$ 240
Clerk of the Court/IV-D Child Support	407
Air Quality Grants	2
Sheriff/Drug Smuggling	6
Attorney/Drug Prosecution	39
Sheriff/Traffic Safety	2
Juvenile Probation/Juvenile Justice Program	11
Landfill/ADEQ Waste Tire Grant	105
Community Development Block Grant	47

These deficits resulted from operations during the year, but are expected to be corrected through normal operations in fiscal year 2004-2005.

Note 3 – Deposits and Investments

Arizona Revised Statutes authorize the County to invest public monies in the State Treasurer's investment pool; U.S. Treasury obligations; specified state and local government bonds; and interest-earning investments such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories. The statutes require collateral for demand deposits, certificates of deposit, and repurchase agreements at 101 percent of all deposits not covered by federal depository insurance.

County Treasurer's Investment Pool—Arizona Revised Statutes (A.R.S.) require community colleges, school districts, and other local governments to deposit certain public monies with the County Treasurer. Those monies are pooled with County monies for investment purposes.

Deposits—At June 30, 2004, the investment pool had cash on hand of $8. The carrying amount of the investment pool's total cash in bank was ($6,701) because the County invested available cash relating to outstanding checks in a cash sweep investment account, which consists of shares in U.S. government securities money market fund, and the bank balance was $1,706. Of the bank balance, $164 was covered by federal depository insurance or by collateral held by the County or its agent in the County's name and $1,542 was covered by collateral held by the pledging financial institution's trust department or agent in the County's name.

Investments —The State Board of Investment provides oversight for the State Treasurer's pools, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the Treasurer. The fair value of a participant's position in the pool approximates the value of that participant's pool shares.

The investment pool's investments at June 30, 2004, are categorized below to give an indication of the level of risk the County assumed at year-end.

Category 1—insured or registered in the County's name, or securities held by the County or its agent in the County's name.

Category 2—uninsured and unregistered with securities held by the counterparty's trust department or agent in the County's name.

Category 3—uninsured and unregistered with securities held by the counterparty, or by its trust department or agent but not in the County's name.

	Category			Fair
	1	2	3	Value
Repurchase agreements		$ 111,486	$ 32,457	$ 143,943

Other deposits—At June 30, 2004, the total nonpooled cash on hand was $3. The carrying amount of the County's total nonpooled cash in bank was $5,490, and the bank balance was $5,668. Of the bank balance, $5,614 was covered by federal depository insurance or by collateral held by the County or its agent in the County's name and $54 was uninsured and uncollateralized.

Other investments—The County's nonpooled investments at June 30, 2004, are categorized below to give an indication of the level of risk assumed by the County at year end.

	Category			Fair
	1	2	3	Value
U.S. government securities			$ 1,087	$ 1,087
Investments not subject to categorization:				
State Treasurer's investment pool				5,743
Total				$ 6,830

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

Cash and investments:

	County Treasurer's Investment Pool	Other	Total
Cash on hand	$ 8	$ 3	$ 11
Carrying amount of deposits	(6,701)	5,490	(1,211)
Reported amount of investments	143,943	6,830	150,773
Total	$ 137,250	$ 12,323	$ 149,573

Statement of Net Assets:

	Total Primary Government	Total Fiduciary Funds	Total
Cash and cash equivalents	$ 55,329	$ 85,031	$ 140,360
Cash and investments held by trustees	5,319	3,894	9,213
Total	$ 60,648	$ 88,925	$ 149,573

Note 4 – Capital Assets

Capital asset activity for the year ended June 30, 2004 was as follows:

	Balance July 1, 2003	Increases	Decreases	Balance June 30, 2004
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 2,592	$ 16	$ -	$ 2,608
Construction in progress (estimated cost to complete $690)	21,047	13,298	4,577	29,768
Total capital assets not being depreciated	23,639	13,314	4,577	32,376
Capital assets being depreciated:				
Buildings	40,339	1,913	-	42,252
Equipment	37,078	6,842	2,572	41,348
Infrastructure	8,055	9,072	-	17,127
Total capital assets being depreciated	85,472	17,827	2,572	100,727
Less accumulated depreciation for:				
Buildings	14,503	1,327	-	15,830
Equipment	29,426	6,524	2,572	33,378
Infrastructure	156	252	-	408
Total	44,085	8,103	2,572	49,616
Total capital assets being depreciated, net	41,387	9,724	-	51,111
Governmental activities capital assets, net	$ 65,026	$ 23,038	$ 4,577	$ 83,487
Business-type activities:				
Capital assets being depreciated:				
Buildings	$ 376	$ -	$ -	$ 376
Equipment	464	394	34	824
Total	840	394	34	1,200
Less accumulated depreciation for:				
Buildings	376	-	-	376
Equipment	371	45	34	382
Total	747	45	34	758
Total capital assets being depreciated, net	93	349	-	442
Business-type activities capital assets, net	$ 93	$ 349	$ -	$ 442

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	$ 4,604
Public safety	1,298
Highways and streets	1,753
Sanitation	73
Health	320
Welfare	33
Culture and recreation	16
Internal service fund	6
Total governmental activities depreciation expense	$ 8,103

Business-type activities:	
Long Term Care	$ 25
Inmate Services	1
Home Health	9
Fairgrounds	5
Total business-type activities depreciation expense	$ 40

Note 5 – Long-term Liabilities

The following schedule details the County's long-term liability and obligation activity for the year ended June 30, 2004.

	Balance July 1, 2003 (as adjusted)	Additions	Reductions	Balance June 30, 2004	Due within 1 year
Governmental activities					
Obligations under capital leases	$ 1,634	$ 2,873	$ 292	$ 4,215	$ 1,057
Compensated absences	7,921	718	-	8,639	3,651
Special assessment bonds with governmental commitment	4,405	-	1,040	3,365	1,075
Certificates of participation	38,675	-	2,300	36,375	2,400
Estimated liabilities for claims and judgments	4,039	-	2,956	1,083	-
Governmental activities long-term liabilities	$ 56,674	$ 3,591	$ 6,588	$ 53,677	$ 8,183
Business-type activities					
Compensated absences	$ 109	$ 7	$ -	$ 116	$ -
Business-type activities long-term liabilities	$ 109	$ 7	$ -	$ 116	$ -

The $4,000 recorded at June 30, 2003 as business-type activities estimated liabilities for claims and judgments was reclassified as a current liability at July 1, 2003.

Bonds

The County's bonded debt consists of one issue of special assessment bonds with governmental commitment.

Special assessment bonds are secured by pledges of revenues from special assessments levied against the benefiting property owners. The proceeds of the 1999 bond issue were used to refund portions of the 1990 and 1994 bond issues, which have been defeased. These bonds are generally callable with interest payable semiannually. All originally authorized bonds have been issued. The County is not legally liable for the payment of the bonds, however, the bonds are payable from an unlimited tax that is levied against the property within the boundaries of the district. The County raises the tax levy in the district to cover any delinquencies from the prior year if necessary.

The following special assessment district had bonds outstanding at June 30, 2004:

Description	Original Amount	Maturity Ranges	Interest Rates	Outstanding Principal
Maricopa Rural Road Improvement District Refunding Bonds Series 1999	$ 7,780	2005-2007	4.1%-4.25%	$ 3,365

The following schedule details debt service requirements to maturity for the County's bonds payable at June 30, 2004.

Year Ending June 30	Governmental Activities	
	Principal	Interest
2005	$ 1,075	$ 140
2006	1,125	96
2007	1,165	49
Total	$ 3,365	$ 285

Certificates of Participation

On December 1, 1998, the Pinal County Municipal Property Corporation issued certificates of participation totaling $11,640. The certificates evidence undivided proportionate interests in lease payments to be made under a lease agreement, with an option to purchase, between Pinal County and the Pinal County Municipal Property Corporation. The proceeds of the certificates were used by the County for the refinancing of the Series 1994 certificates of participation. The refunded debt is considered defeased and related liabilities are not included in the County's financial statements. The indenture provides for the establishment and maintenance of a Reserve Fund. The County has deposited the required monies, which shall be used only for the purpose of making up deficiencies in the Rent Payment Fund for principal and interest payments. The certificates are generally noncallable with interest rates from 4 to 4.5 percent, payable semiannually on June 1 and December 1 of each year through the year 2009.

On August 1, 2001, the Pinal County Municipal Property Corporation issued certificates of participation totaling $30,800. The certificates evidence undivided proportionate interests in lease payments to be made under a lease agreement, with an option to purchase, between Pinal County and the Pinal County Municipal Property Corporation. The proceeds of the certificates are being used by the County to serve as the primary source of funding for construction of the buildings and improvements which consist of a Superior Court Judicial Facility and a Sheriff's Administration Facility. The certificates are generally noncallable with interest rates from 3.6 to 5.125 percent, payable semiannually on June 1 and December 1 of each year through 2021.

Certificates outstanding at June 30, 2004 were as follows:

Description	Original Amount	Maturity Ranges	Interest Rates	Outstanding Principal
Pinal County Municipal Property Corporation 1998	$ 11,640	2005-2009	4% to 4.5%	$ 7,790
Pinal County Municipal Property Corporation 2001	30,800	2005-2021	3.6%-5.125%	28,585
				$ 36,375

The following schedule details debt service requirements to maturity for the County's certificates of participation payable at June 30, 2004

	Governmental Activities	
Year Ending June 30	Principal	Interest
2005	$ 2,400	$ 1,656
2006	2,495	1,562
2007	2,595	1,461
2008	2,695	1,353
2009	3,900	1,237
2010-14	7,750	4,731
2015-19	9,850	2,641
2020-21	4,690	305
Total	$ 36,375	$ 14,946

Capital leases

The County has acquired buildings, heavy machinery, and other machinery and equipment under the provisions of various long-term lease agreements classified as capital leases for accounting purposes because they provide for a bargain purchase option or a transfer of ownership by the end of the lease term.

The assets acquired through capital leases are as follows:

	Governmental Activities
Buildings	$ 1,170
Equipment	3,962
Subtotal	5,132
Less: accumulated depreciation	1,449
Carrying value	$ 3,683

The following schedule details debt service requirements to maturity for the County's capital leases payable at June 30, 2004.

Year Ending June 30	Governmental Activities
2005	$ 1,057
2006	1,061
2007	1,038
2008	599
2009	603
2010-14	509
Total minimum lease payments	4,867
Less amount representing interest	652
Present value of net minimum lease payments	$ 4,215

Landfill closure and postclosure care costs

The County has contracted with an outside agency to provide operations for its solid waste facilities. The contract requires the outside agency to reserve funds in accordance with the closure plan for closure and postclosure care costs. In the event of termination of the contract, the required reserve funds are to be remitted to the Arizona Department of Environmental Quality. Consequently, no liability for landfill closure and postclosure care costs has been recorded on the basic financial statements.

Compensated absences and claims and judgments

Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs. Claims and judgments are generally paid from the fund that accounts for the activity that gave rise to the claim. During fiscal year 2004, the County paid for compensated absences as follows: 74 percent from the General Fund, 20 percent from Highway Fund, and 6 percent from other funds. The County paid for claims and judgments from the General Fund.

Note 6 – Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters; but was unable to obtain insurance at a cost it considered to be economically justifiable. Therefore, the County joined and is covered by three public entity risk pools: the Arizona Counties Property and Casualty Pool, the Arizona Counties Workers' Compensation Pool, and the Pinal County Employee Benefit Trust, which are described below.

The Arizona Counties Property and Casualty Pool is a public entity risk pool currently composed of 11 member counties. The pool provides member counties catastrophic loss coverage for risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters; and provides risk management services. Such coverage includes all defense costs as well as the amount of any judgment or settlement. The County is responsible for paying a premium based on its exposure in relation to the exposure of the other participants, and a deductible of $10 per occurrence for property claims and $50 per occurrence for liability claims. The County is also responsible for any payments in excess of the maximum coverage of $100 million per occurrence for property claims and $15 million per occurrence for liability claims. A county must participate in the pool at least 3 years after becoming a member; however, it may withdraw after the initial 3-year period. If the pool were to become insolvent, the County would be assessed an additional contribution.

The Arizona Counties Workers' Compensation Pool is a public entity risk pool currently composed of 11 member counties. The pool provides member counties with workers' compensation coverage, as required by law, and risk management services. The County is responsible for paying a premium, based on an experience rating formula, that allocates pool expenditures and liabilities among the members.

The Arizona Counties Property and Casualty Pool and the Arizona Counties Workers' Compensation Pool receive independent audits annually and an audit by the Arizona Department of Insurance triennially. Both pools accrue liabilities for losses that have been incurred but not reported. These liabilities are determined annually based on an independent actuarial valuation.

Pursuant to A.R.S. §11–952, the County has established the Pinal County Employee Benefit Trust, which covers medical, dental, vision, short-term disability, employee life and accidental disability, and dependent life claims. The County is not liable for medical, dental, vision, short-term disability, employee life and accidental liability, and dependent life insurance claims of the Trust. However, the County is responsible for paying a premium to the Trust. The Trust and its insurance company are liable for claims up to $1,000 for each covered employee. Settled claims have not exceeded coverage provided in any of the past three fiscal years.

As provided by A.R.S. §23-750, the State, its political subdivisions, and any instrumentality, agency, or board of the State or political subdivision, have two options for satisfying unemployment compensation obligations: 1) direct quarterly payments to the unemployment fund administered by the Arizona Department of Economic Security (ADES) based on a computed contribution rate assigned to the employer by ADES or 2) the government may elect to be liable for any unemployment compensation obligations. Pinal County has elected to be responsible for its unemployment obligations. The County does not accumulate and reserve monies for its workforce.

Note 7 – Retirement Plans

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

The *Arizona State Retirement System* (ASRS) administers a cost-sharing multiple-employer defined benefit pension plan that covers general employees of the County. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

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

The *Corrections Officer Retirement Plan* (CORP) is an agent multiple-employer defined benefit pension plan that covers certain employees of the State of Arizona, Departments of Corrections and Juvenile Corrections, and County employees whose primary duties require direct inmate contact. The CORP is governed by The Fund Manager of PSPRS and the participating local boards according to the provisions of A.R.S. Title 38, Chapter 5, Article 6.

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

ASRS	**PSPRS and CORP**
3300 N. Central Ave. P.O. Box 33910 Phoenix, AZ 85067-3910 (602) 240-2000 or (800) 621-3778	1020 E. Missouri Ave. Phoenix, AZ 85014 (602) 255-5575

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

Cost-sharing plans—For the year ended June 30, 2004, active ASRS members and the County were each required by statute to contribute at the actuarially determined rate of 5.7 percent (5.2 percent retirement and 0.5 percent long-term disability) of the members' annual covered payroll. The County's contributions to ASRS for the years ended June 30, 2004, 2003, and 2002 were $2,828, $1,144, and $901, respectively, which were equal to the required contributions for the year.

Agent plans—For the year ended June 30, 2004, active PSPRS members were required by statute to contribute 7.65 percent of the members' annual covered payroll, and the County was required to contribute at the actuarially determined rate of 8.52 percent. Active CORP members (detention officers) were required by statute to contribute 8.5 percent of the members' annual covered payroll, and the County was required to contribute at the actuarially determined rate of 2.76 percent. Active CORP members (dispatchers) were required by statute to contribute 8.5 percent of the members'

annual covered payroll, and the County was required to contribute at the actuarially determined rate of 5.55 percent.

Annual Pension Cost—The County's pension cost for the two agent plans for the year ended June 30, 2004 and related information follows.

	PSPRS	CORP	
		Detention Officers	Dispatchers
Contribution rates:			
County	8.52%	2.76%	5.55%
Plan members	7.65%	8.5%	8.5%
Annual pension cost	$550	$104	$27
Contributions made	$550	$104	$27

The current-year annual required contributions for the PSPRS and CORP were determined as part of their June 30, 2001, actuarial valuations using the entry-age actuarial cost method. The actuarial assumptions included (a) 9 percent investment rate of return and (b) projected salary increases ranging from 6.5 percent to 9.5 percent per year. Both (a) and (b) included an inflation component of 5.5 percent. The assumptions did not include cost-of-living adjustments. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a 4-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2002, was 20 years.

Trend Information—Annual pension cost information for the current and two preceding years follows for each of the agent plans.

Plan	Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PSPRS	2004	$ 550	100%	$ 0
	2003	267	100%	0
	2002	228	100%	0
CORP				
Detention officers	2004	$ 104	100%	$ 0
	2003	128	100%	0
Dispatchers	2004	$ 27	100%	$ 0
	2003	28	100%	$ 0

Employees first became members of the CORP during fiscal year 2003, therefore only data for the current fiscal year and one preceding year is presented.

Note 8 – Interfund Balances and Activity

Interfund receivables and payables—interfund balances at June 30, 2004, were as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 1,362
Nonmajor Governmental Funds	Nonmajor Governmental Funds	352
Total		$ 1,714

All interfund balances are expected to be repaid within one year from the date of the financial statements. All remaining balances resulted from cash deficits in individual funds or cash transfers that had not occurred at June 30, 2004.

Interfund transfers—interfund transfers for the year ended June 30, 2004, were as follows:

Transfer From	Transfer To	Amount
General Fund	Public Works Highway Fund	$ 10
	Nonmajor Governmental Funds	1,284
	Nonmajor Enterprise Funds	323
		1,617
Public Works Highway Fund	General Fund	975
	Public Works Roadways Fund	21
	Nonmajor Governmental Funds	251
		1,247
Public Works Roadways Fund	Public Works Highway Fund	100
Nonmajor Governmental Funds	General Fund	1,490
	Public Works Roadways Fund	35
	Superior Court/Sheriff Construction Fund	23
	Nonmajor Governmental Funds	1,535
		3,083
Long-Term Care Fund	General Fund	535
	Nonmajor Governmental Funds	211
		746
Total		$ 6,793

The principal purpose of interfund transfers was to provide funds to cover debt service payments, provide grant matches, provide subsidies to cover operating expenses, and to provide funds to pay for capital outlay. All significant interfund transfers were routine and consistent with the activities of the fund making the transfer.

Note 9 – Condensed Financial Statements of County Treasurer's Investment Pool

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

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

Details of each major investment classification follow.

Investment Type	Principal	Interest Rates	Maturities	Fair Value
Repurchase agreements	$143,943	0.9 –1.2%	Daily	$143,943

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

Statement of Net Assets	
Assets	$ 137,309
Liabilities	0
Net assets	$ 137,309
Net assets held in trust for:	
Internal participants	$ 57,641
External participants	79,668
Total net assets held in trust	$ 137,309
Statement of Changes in Net Assets	
Total additions	$ 574,393
Total deductions	562,992
Net increase	11,401
Net assets held in trust:	
July 1, 2003	125,908
June 30, 2004	$ 137,309

Note 10 – Related Party Transactions

Due to a lack of providers within Pinal County, the Pinal County Long-Term Care Health Plan (Plan) contracts for services with other County operations. These operations providing medically-related services include the Pinal County Horizon Home Care and Palm Villa Day Care, which provide adult day health care. For the year ended June 30, 2004 the Plan paid these operations $3,269 for services and has claims payable to them of $337.

In addition to medical and medically-related services, the Plan contracts with Pinal County for certain other services. During the year, the Plan paid the County $258 for rent, legal, finance, and other administrative services. The Plan's employees are employees of the County and are subject to all rules and regulations of Pinal County. The Plan's liability insurance is provided as part of the County's coverage.

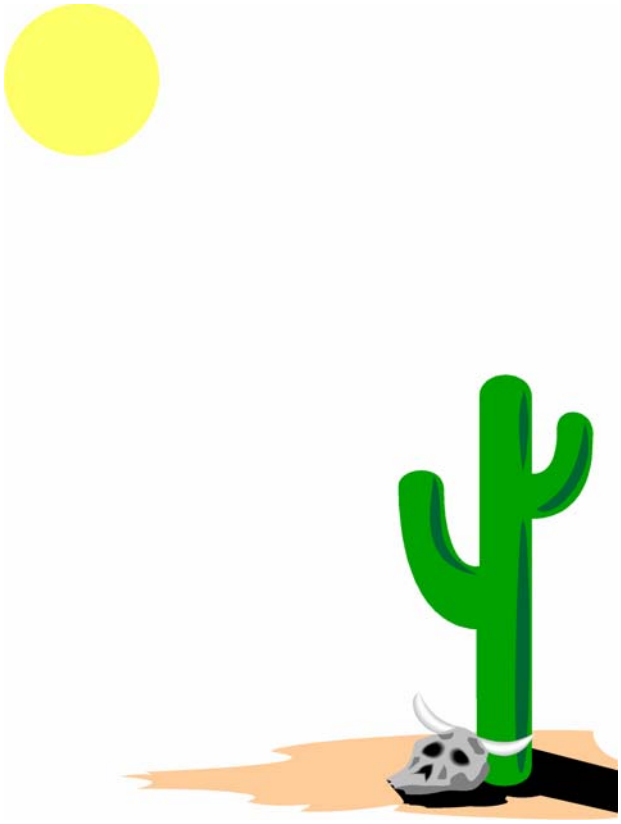
Note 11 – Restatement of Beginning Balances

As a result of correction of errors in the General Fund, Highway Fund, and Other Governmental Funds, fund balance as of June 30, 2003, as previously reported, and the net assets as of July 1, 2003, reported in the government-wide Statement of Activities have been restated as follows:

	General Fund	Highway Fund	Other Governmental Funds	Governmental Activities
Fund balances/net assets as of June 30, 2003	$ 14,914	$ 2,523	$ 18,219	$ 60,727
Correction of understatement of taxes revenues	1,480	-	-	1,480
Correction of understatement of intergovernmental revenues	3,071	1,196	697	4,964
Reclassification of Roadways Fund to a major fund	-	-	(3,143)	-
Fund balances/net assets as of July 1, 2003, as restated	$ 19,465	$ 3,719	$ 15,773	$ 67,171

Note 12 – Subsequent Events

Pinal County, Arizona, plans to issue $74 million of certificates of participation in December 2004. The county will use the net proceeds to pay for the expansion of the Sheriff's Adult Detention Facility and the construction of a new Juvenile Detention Facility. The County has awarded a contract contingent on the issuance of the certificates of participation, in the amount of $43,858,000, for the Sheriff's Adult Detention Facility expansion.



Required Supplemental Information

Pinal County
Required Supplementary Information
Schedule of Agent Retirement Plans' Funding Progress
June 30, 2004
(Amounts expressed in thousands)

Public Safety Personnel Retirement System

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (b)	Funding (Liability) Excess (a-b)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded Liability as Percentage of Covered Payroll ([a-b]/c)
6/30/04	$ 22,963	$ 24,643	$ (1,680)	93%	$ 6,512	(26%)
6/30/03	22,946	22,001	945	104%	6,259	N/A
6/30/02	22,226	18,310	3,916	121%	5,296	N/A

Corrections Officer Retirement Plan

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (b)	Funding (Liability) Excess (a-b)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded Liability as Percentage of Covered Payroll ([a-b]/c)
Detention Officers						
6/30/04	$ 4,574	$ 5,337	$ (763)	86%	$ 3,753	(20%)
6/30/03	3,696	4,112	(416)	90%	3,785	(11%)
6/30/02	-	2,985	(2,985)	0%	3,259	(92%)
Dispatchers						
6/30/04	$ 771	$ 712	$ 59	108%	$ 423	N/A
6/30/03	663	624	39	106%	311	N/A
6/30/02	-	756	(756)	0%	399	(189%)

PINAL COUNTY
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2004
(Amounts expressed in thousands)

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget-Positive (Negative)
Revenues			
Taxes	$ 50,700	$ 52,751	$ 2,051
Licenses and permits	4,059	6,843	2,784
Intergovernmental	21,579	23,003	1,424
Charges for services	6,175	8,389	2,214
Fines and forfeits	1,203	1,358	155
Investment income	181	176	(5)
Rental and miscellaneous	565	418	(147)
Total revenues	84,462	92,938	8,476
Expenditures			
Culture and Recreation			
Parks and Ground Maintenance	110	113	(3)
Total Culture and Recreation	110	113	(3)
General Government			
Adult Detention	-	28	(28)
Assessor	1,767	1,742	25
Assistant County Manager-Development	-	21	(21)
Assistant County Manager-Health	285	253	32
Board of Supervisors	367	364	3
Building Safety	904	1,004	(100)
Cable Office	12	3	9
Capital Equipment Projects	2,710	4,344	(1,634)
Clerk of the Court	2,183	2,003	180
Conciliation Court	287	290	(3)
Contingencies	300	914	(614)
Contractual Services	310	477	(167)
Contributions	126	139	(13)
County Manager	400	490	(90)
Deputy County Manager	1,482	1,080	402
Economic Development	-	59	(59)
Elections	538	292	246
Employee Benefits	12,406	10,441	1,965
Facilities	3,609	3,839	(230)
Finance	892	807	85
Grant Matches	100	-	100
Hearing Officer	37	38	(1)
Hospital	3	3	-

(Continued)

The notes to the budgetary comparison schedules are an integral part of this schedule

PINAL COUNTY
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2004
(Continued)
(Amounts expressed in thousands)

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Human Resources	$ 442	$ 417	$ 25
Interest/Registered Warrants	-	6	(6)
Law Library	100	93	7
Management Information Services	1,764	1,877	(113)
Medical Examiner	365	419	(54)
Pinal County Employee Wellness	15	14	1
Planning & Development	1,198	1,184	14
Recorder	700	702	(2)
Risk Management	133	125	8
Risk Management Settlements	1,122	1,132	(10)
San Tan Park	200	-	200
School Superintendent	533	544	(11)
Sheriff's Posse	25	-	25
Telecommunications	946	924	22
Treasurer	970	902	68
Tuition Reimbursement	50	122	(72)
County-wide Computer Project	600	1,092	(492)
Debt Service	4,762	4,323	439
Health Information Management	239	71	168
Bioterrorism Grant	43	43	-
Recorder Micrographic Maps	18	25	(7)
Total General Government	42,943	42,646	297
Health			
Adult Day Care	97	102	(5)
AHCCCS Contributions	9,380	9,663	(283)
Air Quality	119	122	(3)
Health	2,907	2,948	(41)
Indigent Medical	-	8	(8)
Mental Health Care	708	918	(210)
Total Health	13,211	13,761	(550)

(Continued)

The notes to the budgetary comparison schedules are an integral part of this schedule

PINAL COUNTY
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2004
(Continued)
(Amounts expressed in thousands)

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget-Positive (Negative)
Public Safety			
Adult Probation	$ 544	$ 524	$ 20
Attorney	4,371	4,065	306
Court Administration	1,409	1,019	390
Court Contractual Services Adult	1,458	2,225	(767)
Court Contractual Services Juvenile	650	732	(82)
Court Psychiatric Services	350	306	44
Justice of the Peace-Apache Junction	352	356	(4)
Justice of the Peace-Casa Grande	414	421	(7)
Justice of the Peace-Eloy	331	332	(1)
Justice of the Peace-Florence	254	221	33
Justice of the Peace-Mammoth	172	164	8
Justice of the Peace-Maricopa	185	167	18
Justice of the Peace-Oracle	276	221	55
Justice of the Peace-Superior	193	198	(5)
Juvenile Detention	1,135	1,136	(1)
Juvenile Probation	698	659	39
Public Defender	1,405	1,405	-
Sheriff	15,145	15,485	(340)
Superior Court	1,006	921	85
Total Public Safety	30,348	30,557	(209)
Sanitation			
Solid Waste	235	508	(273)
Total Sanitation	235	508	(273)
Welfare			
Public Fiduciary	582	559	23
Housing Administration	168	167	1
Total Welfare	750	726	24
Total general fund expenditures	87,597	88,311	(714)
Excess (deficiency) of revenues over expenditures	(3,135)	4,627	7,762

(Continued)

The notes to the budgetary comparison schedules are an integral part of this schedule

PINAL COUNTY
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2004
(Continued)
(Amounts expressed in thousands)

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Other financing sources (uses):			
Transfers in	$ 7,199	$ 3,000	$ (4,199)
Transfers out	(5,632)	(1,617)	4,015
Proceeds from sale of capital assets	112	86	(26)
Proceeds from capital leases	1,200	1,745	545
Total other financing sources (uses)	2,879	3,214	335
Net change in fund balances	(256)	7,841	8,097
Fund balances, July 1, 2003, as restated	256	19,465	19,209
Fund balances, June 30, 2004	$ -	$ 27,306	$ 27,306

The notes to the budgetary comparison schedules are an integral part of this schedule

PINAL COUNTY
Required Supplementary Information
Budgetary Comparison Schedule
Public Works Highway Fund
Year Ended June 30, 2004
(Amounts expressed in thousands)

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues			
Intergovernmental	$ 13,086	$ 14,984	$ 1,898
Charges for services	-	71	71
Investment income	25	13	(12)
Total revenues	13,111	15,068	1,957
Expenditures			
Current:			
Highways and streets	12,609	15,366	(2,757)
Total expenditures	12,609	15,366	(2,757)
Excess (deficiency) of revenues over expenditures	502	(298)	(800)
Other financing sources (uses):			
Transfers in	-	110	110
Transfers out	(1,029)	(1,247)	(218)
Proceeds from sale of capital assets	300	245	(55)
Proceeds from capital leases	-	1,092	1,092
Total other financing sources (uses)	(729)	200	929
Net change in fund balances	(227)	(98)	129
Fund balances, July 1, 2003, as restated	227	3,718	3,491
Fund balances, June 30, 2004	$ -	$ 3,620	$ 3,620

The notes to the budgetary comparison schedules are an integral part of this schedule

PINAL COUNTY
Required Supplementary Information
Budgetary Comparison Schedule
Public Works Roadways Fund
Year Ended June 30, 2004
(Amounts expressed in thousands)

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues			
Licenses and permits	$ 895	$ 2,085	$ 1,190
Charges for services	205	1,056	851
Investment income	-	38	38
Contributions	-	4,863	4,863
Rental and miscellaneous	448	-	(448)
Total revenues	1,548	8,042	6,494
Expenditures			
Current:			
Highways and streets	1,909	4,298	(2,389)
Total expenditures	1,909	4,298	(2,389)
Excess (deficiency) of revenues over expenditures	(361)	3,744	4,105
Other financing sources (uses):			
Transfers in	-	56	56
Transfers out	-	(100)	(100)
Total other financing sources (uses)	-	(44)	(44)
Net change in fund balances	(361)	3,700	4,061
Fund balances, July 1, 2003	361	3,143	2,782
Fund balances, June 30, 2004	$ -	$ 6,843	$ 6,843

The notes to the budgetary comparison schedules are an integral part of this schedule

Pinal County
Required Supplementary Information
Notes to Budgetary Comparison Schedules
June 30, 2004

Note 1 – Budgetary Basis of Accounting

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

Expenditures may not legally exceed appropriations at the department level. Currently, only the General Fund includes multiple departments, each of which has its own adopted budget. Expenditures exceeding final budget amounts at the department level (the legal level of budgetary control) are presented on the Budgetary Comparison Schedule – General Fund. In certain instances, transfers of appropriations between departments or from the contingency account to a department may be made upon the Board of Supervisors' approval.

The County's budget is prepared on a basis consistent with generally accepted accounting principles, except for debt issuance transactions.

Note 2 – Expenditures in Excess of Appropriations

For the year ended June 30, 2004, expenditures exceeded final budget amounts at the department level (the legal level of budgetary control) as follows:

Fund/Department	Excess
General Fund:	
AHCCCS Contributions	$ 283
Building Safety	100
Capital Equipment Projects	1,634
Contingencies	614
Contractual Services	167
County Manager	90
County-wide Computer Project	492
Court Contractual Services Adult	767
Court Contractual Services Juvenile	82
Economic Development	59
Facilities	230
Management Information Services	113
Medical Examiner	54
Mental Health Care	210
Sheriff	340
Solid Waste	273
Tuition Reimbursement	72
Other	177
Public Works Highway Fund	2,757
Public Works Roadways Fund	2,389

The excess expenditures were primarily the result of unexpected and/or additional unanticipated revenues.

Combining Statements and Individual Fund Schedules

PINAL COUNTY
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2004
(Amounts expressed in thousands)

	Special Revenue Funds	Capital Projects Funds	Total
Assets			
Cash and cash equivalents	$ 18,485	$ 60	$ 18,545
Receivables (net):			
Property taxes	105	-	105
Accounts	177	-	177
Due from other funds	352	-	352
Due from other governments	1,740	-	1,740
Inventories	102	-	102
Prepaid items	42	-	42
Total assets	$ 21,003	$ 60	$ 21,063
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	$ 394	$ -	$ 394
Accrued payroll and employee benefits	459	-	459
Due to other funds	1,714	-	1,714
Due to other governments	73	-	73
Deposits held for others	38	-	38
Deferred revenue	335	-	335
Total liabilities	3,013	-	3,013
Fund Balances:			
Reserved for:			
Inventories	102	-	102
Prepaid items	42	-	42
Unreserved	17,846	60	17,906
Total fund balances	17,990	60	18,050
Total liabilities and fund balances	$ 21,003	$ 60	$ 21,063

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2004
(Amounts expressed in thousands)

	Special Revenue Funds	Capital Projects Funds	Total
Revenues			
Taxes	$ 8,026	$ -	$ 8,026
License and permits	701	-	701
Intergovernmental	22,820	-	22,820
Charges for services	2,834	-	2,834
Fines and forfeits	1,038	-	1,038
Interest on investments	140	-	140
Rental and miscellaneous	1,161	-	1,161
Total revenues	36,720	-	36,720
Expenditures			
Current:			
General government	4,327	-	4,327
Public safety	6,740	-	6,740
Highways and streets	4,997	-	4,997
Sanitation	379	-	379
Health	6,467	-	6,467
Welfare	4,172	-	4,172
Culture and recreation	487	-	487
Education	7,235	-	7,235
Capital outlay	-	-	-
Total expenditures	34,804	-	34,804
Excess (deficiency) of revenues over expenditures	1,916	-	1,916
Other financing sources (uses):			
Transfers in	3,281	-	3,281
Transfers out	(3,083)	-	(3,083)
Sale of capital assets	127	-	127
Proceeds from capital leases	36	-	36
Total other financing sources (uses)	361	-	361
Net change in fund balance	2,277	-	2,277
Fund balances, July 1, 2003, as restated	15,713	60	15,773
Fund balances, June 30, 2004	$ 17,990	$ 60	$ 18,050

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2004
(Amounts expressed in thousands)

	General Government	Health	Highways and Streets	Public Safety	Sanitation	Welfare
Assets						
Cash and cash equivalents	$ 1,869	$ 1,162	$ 7,710	$ 3,572	$ 14	$ 166
Receivables (net):						
Property taxes	-	21	-	-	-	-
Accounts	-	-	-	-	-	177
Due from other funds	4	7	-	341	-	
Due from other governments	422	211	714	362	-	31
Inventories	-	81	-	-	-	21
Prepaid items	5	16	-	2	-	19
Total assets	$ 2,300	$ 1,498	$ 8,424	$ 4,277	$ 14	$ 414
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	$ 10	$ 75	$ 39	$ 64	$ 2	$ 8
Accrued payroll and employee benefits	85	178	16	138	2	31
Due to other funds	976	16	-	515	115	92
Due to other governments	-	-	-	2	-	71
Deposits held for others	-	22	-	-	-	16
Deferred revenue	115	85	-	60	-	-
Total liabilities	1,186	376	55	779	119	218
Fund Balances:						
Reserved for:						
Inventories	-	81	-	-	-	21
Prepaid items	5	16	-	2	-	19
Unreserved	1,109	1,025	8,369	3,496	(105)	156
Total fund balances (deficit)	1,114	1,122	8,369	3,498	(105)	196
Total liabilities and fund balances	$ 2,300	$ 1,498	$ 8,424	$ 4,277	$ 14	$ 414

Flood Control District	Library District	Cottonwood Garden Lighting District	Desert Vista Lighting District	Villa Grande Lighting District	Desert Vista Sanitation District	Queen Creek Domestic Water Imprvmnt District	Accom-modation School	Total
$ 1,516	$ 375	$ 2	$ 4	$ 4	$ 39	$ 16	$ 2,036	$ 18,485
26	22	-	-	-	2	1	33	105
-	-	-	-	-	-	-	-	177
-	-	-	-	-	-	-	-	352
-	-	-	-	-	-	-	-	1,740
-	-	-	-	-	-	-	-	102
-	-	-	-	-	-	-	-	42
$ 1,542	$ 397	$ 2	$ 4	$ 4	$ 41	$ 17	$ 2,069	$ 21,003
$ 195	$ 1	$ -	$ -	$ -	$ -	$ -	$ -	$ 394
1	8	-	-	-	-	-	-	459
-	-	-	-	-	-	-	-	1,714
-	-	-	-	-	-	-	-	73
-	-	-	-	-	-	-	-	38
23	19	-	-	-	2	1	30	335
219	28	-	-	-	2	1	30	3,013
-	-	-	-	-	-	-	-	102
-	-	-	-	-	-	-	-	42
1,323	369	2	4	4	39	16	2,039	17,846
1,323	369	2	4	4	39	16	2,039	17,990
$ 1,542	$ 397	$ 2	$ 4	$ 4	$ 41	$ 17	$ 2,069	$ 21,003

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2004
(Amounts expressed in thousands)

	Culture and Recreation	General Government	Health	Highways and Streets	Public Safety	Sanitation	Welfare
Revenues							
Taxes	$ -	$ -	$ 586	$ 4,480	$ -	$ -	$ -
License and permits	-	-	701	-	-	-	-
Intergovernmental	24	2,792	4,772	97	5,254	198	3,957
Charges for services		1,204	154	-	1,202	8	-
Fines and forfeits	-	-	35	-	1,003	-	-
Interest on investments		15	4	61	25	-	1
Rental and miscellaneous	-	394	127	265	60	-	295
Total revenues	24	4,405	6,379	4,903	7,544	206	4,253
Expenditures							
Current:							
General government	-	4,311	-	-	-	-	-
Public safety	-	-	-	-	6,740	-	-
Highways and streets	-	-	-	4,095	-	-	-
Sanitation	-	-	-	-	-	360	-
Health	-	-	6,467	-	-	-	-
Welfare	-	-	-	-	-	-	4,172
Culture and recreation	24	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Total expenditures	24	4,311	6,467	4,095	6,740	360	4,172
Excess (deficiency) of revenues over expenditures	-	94	(88)	808	804	(154)	81
Other financing sources (uses):							
Transfers in	-	1,161	316	576	1,223	-	5
Transfers out	-	(989)	(180)	(386)	(1,434)	(21)	(12)
Sale of capital assets	-	-	6	-	117	3	-
Proceeds from capital leases	-	23	13	-	-	-	-
Total other financing sources (uses)	-	195	155	190	(94)	(18)	(7)
Net change in fund balance	-	289	67	998	710	(172)	74
Fund balances, July 1, 2003, as restated	-	825	1,055	7,371	2,788	67	122
Fund balances (deficit), June 30, 2004	$ -	$ 1,114	$ 1,122	$ 8,369	$ 3,498	$ (105)	$ 196

Flood Control District	Library District	Cottonwood Garden Lighting District	Desert Vista Lighting District	Villa Grande Lighting District	Desert Vista Sanitation District	Queen Creek Domestic Water Imprvmnt District	Accom-modation School	Total
$ 700	$ 580	$ 1	$ 4	$ 6	$ 26	$ 18	$ 1,625	$ 8,026
-	-	-	-	-	-	-	-	701
112	16	-	-	-	-	-	5,598	22,820
-	-	-	-	-	-	-	266	2,834
-	-	-	-	-	-	-	-	1,038
11	3	-	-	-	-	-	20	140
-	-	-	-	-	-	-	20	1,161
823	599	1	4	6	26	18	7,529	36,720
-	-	-	-	-	-	16	-	4,327
-	-	-	-	-	-		-	6,740
891	-	1	4	6	-		-	4,997
-	-	-	-	-	19		-	379
-	-	-	-	-	-		-	6,467
-	-	-	-	-	-		-	4,172
-	463	-	-	-	-		-	487
-	-	-	-	-	-		7,235	7,235
891	463	1	4	6	19	16	7,235	34,804
(68)	136	-	-	-	7	2	294	1,916
-	-	-	-	-	-	-	-	3,281
(35)	(26)	-	-	-	-	-	-	(3,083)
-	1	-	-	-	-	-	-	127
-	-	-	-	-	-	-	-	36
(35)	(25)	-	-	-	-	-	-	361
(103)	111	-	-	-	7	2	294	2,277
1,426	258	2	4	4	32	14	1,745	15,713
$ 1,323	$ 369	$ 2	$ 4	$ 4	$ 39	$ 16	$ 2,039	$ 17,990

PINAL COUNTY
Combining Balance Sheet
Nonmajor Capital Projects Fund
June 30, 2004
(Amounts expressed in thousands)

	Public Works Special Projects
Assets	
Cash and cash equivalents	$ 60
Fund Balance	
Unreserved	$ 60
Total fund balance	$ 60

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Fund
Year Ended June 30, 2004
(Amounts expressed in thousands)

	Public Works Special Projects
Revenues	
Total revenues	-
Expenditures	
Total expenditures	-
Net change in fund balance	-
Fund balances, July 1, 2003	$ 60
Fund balances, June 30, 2004	$ 60

PINAL COUNTY
Superior Court/Sheriff Construction
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Postive (Negative)
Revenues			
Interest on investments	$ -	$ 120	$ 120
Total revenues	-	120	120
Expenditures			
Capital outlay	30,036	11,254	18,782
Total expenditures	30,036	11,254	18,782
Excess (deficiency) of revenues over expenditures	(30,036)	(11,134)	18,902
Other financing sources (uses):			
Transfers in	-	23	23
Proceeds from COPS	15,000	-	(15,000)
Total other financing sources (uses)	15,000	23	(14,977)
Net change in fund balances	(15,036)	(11,111)	3,925
Fund balances, July 1, 2003	15,036	12,740	(2,296)
Fund balances, June 30, 2004	$ -	$ 1,629	$ 1,629

PINAL COUNTY
Debt Service
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Postive (Negative)
Revenues			
Taxes	$ 1,222	$ 1,280	$ 58
Interest on investments	-	6	6
Total revenues	1,222	1,286	64
Expenditures			
Current:			
Principal retirement	1,040	1,040	-
Interest and fiscal charges	182	183	(1)
Total expenditures	1,222	1,223	(1)
Excess (deficiency) of revenues over expenditures	-	63	63
Net change in fund balances	-	63	63
Fund balances, July 1, 2003	-	107	107
Fund balances, June 30, 2004	$ -	$ 170	$ 170

PINAL COUNTY

Special Revenue Funds - Culture and Recreation
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Year Ended June 30, 2004

(Amounts expressed in thousands)

LIBRARY/STATE	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Intergovernmental	$ 23	$ 23	$ -
Total revenues	23	23	-
Expenditures			
Current:			
Culture and recreation	23	23	-
Total expenditures	23	23	-
Net change in fund balance	-	-	-
Fund balances, July 1, 2003	-	-	-
Fund balances, June 30, 2004	$ -	$ -	$ -

PINAL COUNTY

Special Revenue Funds - General Government
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

ATTORNEY/IV-D CHILD SUPPORT	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Intergovernmental	$ 1,910	$ 1,566	$ (344)
Total revenues	1,910	1,566	(344)
Expenditures			
Current:			
General government	1,914	2,003	(89)
Total expenditures	1,914	2,003	(89)
Excess (deficiency) of revenues over expenditures	(4)	(437)	(433)
Other financing sources (uses):			
Transfers in	135	728	593
Transfers out	(131)	(131)	-
Proceeds from capital leases	-	22	22
Total other financing sources (uses)	4	619	615
Net change in fund balance	-	182	182
Fund balances, July 1, 2003	-	(422)	(422)
Fund balances, June 30, 2004	$ -	$ (240)	$ (240)

(Continued)

PINAL COUNTY

Special Revenue Funds - General Government
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

ATTORNEY/IV-D INCENTIVES	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Intergovernmental	$ 62	$ 120	$ 58
Interest on investments	3	-	(3)
Total revenues	65	120	55
Expenditures			
Current:			
General government	39	-	39
Total expenditures	39	-	39
Excess (deficiency) of revenues over expenditures	26	120	94
Other financing sources (uses):			
Transfers out	(26)	(120)	(94)
Total other financing sources (uses)	(26)	(120)	(94)
Net change in fund balance	-	-	-
Fund balances, July 1, 2003	-	6	6
Fund balances, June 30, 2004	$ -	$ 6	$ 6

CLERK OF COURT/IV-D INCENTIVES			
Revenues			
Intergovernmental	$ 4	$ 7	$ 3
Total revenues	4	7	3
Expenditures			
Current:			
General government	4	-	4
Total expenditures	4	-	4
Excess (deficiency) of revenues over expenditures	-	7	7
Net change in fund balance	-	7	7
Fund balances, July 1, 2003	-	25	25
Fund balances, June 30, 2004	$ -	$ 32	$ 32

(Continued)

PINAL COUNTY

Special Revenue Funds - General Government
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

CLERK OF COURT/CONVERSION	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Charges for services	$ 38	$ 40	$ 2
Interest on investments	-	2	2
Total revenues	38	42	4
Expenditures			
Current:			
General government	38	5	33
Total expenditures	38	5	33
Excess (deficiency) of revenues over expenditures	-	37	37
Other financing sources (uses):			
Transfers in	-	1	1
Total other financing sources (uses)	-	1	1
Net change in fund balance	-	38	38
Fund balances, July 1, 2003	-	148	148
Fund balances, June 30, 2004	$ -	$ 186	$ 186

CLERK OF COURT/EXP CHILD SUPP			
Revenues			
Charges for services	$ 9	$ 3	$ (6)
Total revenues	9	3	(6)
Expenditures			
Current:			
General government	9	-	9
Total expenditures	9	-	9
Excess (deficiency) of revenues over expenditures	-	3	3
Net change in fund balance	-	3	3
Fund balances, July 1, 2003	-	69	69
Fund balances, June 30, 2004	$ -	$ 72	$ 72

(Continued)

PINAL COUNTY

Special Revenue Funds - General Government
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

CLERK OF COURT/ENHANCEMENT	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Charges for services	$ 31	$ 33	$ 2
Interest on investments	1	-	(1)
Total revenues	32	33	1
Expenditures			
Current:			
General government	32	-	32
Total expenditures	32	-	32
Excess (deficiency) of revenues over expenditures	-	33	33
Other financing sources (uses):			
Transfers in	-	1	1
Total other financing sources (uses)	-	1	1
Net change in fund balance	-	34	34
Fund balances, July 1, 2003	-	18	18
Fund balances, June 30, 2004	$ -	$ 52	$ 52

RECORDER/STORAGE			
Revenues			
Charges for services	$ 250	$ 375	$ 125
Total revenues	250	375	125
Expenditures			
Current:			
General government	400	244	156
Total expenditures	400	244	156
Excess (deficiency) of revenues over expenditures	(150)	131	281
Other financing sources (uses):			
Transfers out	(65)	(200)	(135)
Total other financing sources (uses)	(65)	(200)	(135)
Net change in fund balance	(215)	(69)	146
Fund balances, July 1, 2003	215	91	(124)
Fund balances, June 30, 2004	$ -	$ 22	$ 22

(Continued)

PINAL COUNTY

Special Revenue Funds - General Government
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

TREASURER/SPECIAL DISTRICT ADM	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Charges for services	$ 20	$ -	$ (20)
Interest on investments	2	-	(2)
Total revenues	22	-	(22)
Expenditures			
Current:			
General government	22	51	(29)
Total expenditures	22	51	(29)
Excess (deficiency) of revenues over expenditures	-	(51)	(51)
Other financing sources (uses):			
Transfers in	-	40	40
Total other financing sources (uses)	-	40	40
Net change in fund balance	-	(11)	(11)
Fund balances, July 1, 2003	-	43	43
Fund balances, June 30, 2004	$ -	$ 32	$ 32

TREASURER/TAXPAYER INFORMATION			
Revenues			
Charges for services	$ 20	$ 28	$ 8
Interest on investments	2	1	(1)
Total revenues	22	29	7
Expenditures			
Current:			
General government	22	13	9
Total expenditures	22	13	9
Excess (deficiency) of revenues over expenditures	-	16	16
Net change in fund balance	-	16	16
Fund balances, July 1, 2003	-	68	68
Fund balances, June 30, 2004	$ -	$ 84	$ 84

(Continued)

PINAL COUNTY

Special Revenue Funds - General Government
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

CRTS/DOMESTIC RELATIONS ED & MED	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Intergovernmental	$ 3	$ 12	$ 9
Charges for services	11	12	1
Interest on investments	1	5	4
Total revenues	15	29	14
Expenditures			
Current:			
General government	53	15	38
Total expenditures	53	15	38
Excess (deficiency) of revenues over expenditures	(38)	14	52
Net change in fund balance	(38)	14	52
Fund balances, July 1, 2003	38	115	77
Fund balances, June 30, 2004	$ -	$ 129	$ 129

COURTS/CHILDREN'S ISSUES ED FUND			
Revenues			
Charges for services	$ 18	$ 23	$ 5
Interest on investments	1	1	-
Total revenues	19	24	5
Expenditures			
Current:			
General government	47	26	21
Total expenditures	47	26	21
Excess (deficiency) of revenues over expenditures	(28)	(2)	26
Other financing sources (uses):			
Transfers in	12	12	-
Total other financing sources (uses)	12	12	-
Net change in fund balance	(16)	10	26
Fund balances, July 1, 2003	16	107	91
Fund balances, June 30, 2004	$ -	$ 117	$ 117

(Continued)

PINAL COUNTY

Special Revenue Funds - General Government
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

CLERK OF COURT/IV-D CHILD SUPP	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Intergovernmental	$ 538	$ 455	$ (83)
Rental and miscellaneous	40	-	(40)
Total revenues	578	455	(123)
Expenditures			
Current:			
General government	578	688	(110)
Total expenditures	578	688	(110)
Excess (deficiency) of revenues over expenditures	-	(233)	(233)
Other financing sources (uses):			
Transfers in	-	40	40
Total other financing sources (uses)	-	40	40
Net change in fund balance	-	(193)	(193)
Fund balances, July 1, 2003	-	(214)	(214)
Fund balances, June 30, 2004	$ -	$ (407)	$ (407)

CLERK OF COURT/DECAS			
Revenues			
Charges for services	$ 34	$ 42	$ 8
Interest on investments	-	1	1
Total revenues	34	43	9
Expenditures			
Current:			
General government	34	23	11
Total expenditures	34	23	11
Excess (deficiency) of revenues over expenditures	-	20	20
Other financing sources (uses):			
Transfers out		(15)	15
Total other financing sources (uses)	-	(15)	15
Net change in fund balance	-	5	5
Fund balances, July 1, 2003	-	127	127
Fund balances, June 30, 2004	$ -	$ 132	$ 132

(Continued)

PINAL COUNTY

Special Revenue Funds - General Government
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

ATY-PRB/STOP VIOLENCE AGAINST WOMEN	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Intergovernmental	$ 213	$ 252	$ 39
Total revenues	213	252	39
Expenditures			
Current:			
General government	287	420	(133)
Total expenditures	287	420	(133)
Excess (deficiency) of revenues over expenditures	(74)	(168)	(94)
Other financing sources (uses):			
Transfers in	74	161	87
Transfers out	-	(87)	(87)
Total other financing sources (uses)	74	74	-
Net change in fund balance	-	(94)	(94)
Fund balances, July 1, 2003		100	100
Fund balances, June 30, 2004	$ -	$ 6	$ 6

ATTORNEY/STATE AID			
Revenues			
Intergovernmental	$ 60	$ 45	$ (15)
Total revenues	60	45	(15)
Expenditures			
Current:			
General government	130	47	83
Total expenditures	130	47	83
Excess (deficiency) of revenues over expenditures	(70)	(2)	68
Other financing sources (uses):			
Transfers in	-	27	27
Total other financing sources (uses)	-	27	27
Net change in fund balance	(70)	25	95
Fund balances, July 1, 2003	70	8	(62)
Fund balances, June 30, 2004	$ -	$ 33	$ 33

(Continued)

PINAL COUNTY

Special Revenue Funds - General Government
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

OLD COURTHOUSE PRESERVATION	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Intergovernmental	$ 100	$ -	$ (100)
Total revenues	100	-	(100)
Expenditures			
Current:			
General government	200	-	200
Total expenditures	200	-	200
Excess (deficiency) of revenues over expenditures	(100)	-	100
Other financing sources (uses):			
Transfers in	100	100	-
Total other financing sources (uses)	100	100	-
Net change in fund balance	-	100	100
Fund balances, July 1, 2003	-	-	-
Fund balances, June 30, 2004	$ -	$ 100	$ 100

PUBLIC-EDUC-GOV ACCESS SUPPORT			
Revenues			
Charges for services	$ 23	$ 26	$ 3
Total revenues	23	26	3
Expenditures			
Current:			
General government	23	33	(10)
Total expenditures	23	33	(10)
Excess (deficiency) of revenues over expenditures	-	(7)	(7)
Net change in fund balance	-	(7)	(7)
Fund balances, July 1, 2003	-	42	42
Fund balances, June 30, 2004	$ -	$ 35	$ 35

(Continued)

PINAL COUNTY

Special Revenue Funds - General Government
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

CLERK/CASE FLOW MANAGEMENT	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Charges for services	$ 84	$ 98	$ 14
Interest on investments	-	1	1
Total revenues	84	99	15
Expenditures			
Current:			
General government	84	69	15
Total expenditures	84	69	15
Excess (deficiency) of revenues over expenditures	-	30	30
Other financing sources (uses):			
Transfers in	-	2	2
Total other financing sources (uses)	-	2	2
Net change in fund balance	-	32	32
Fund balances, July 1, 2003	-	137	137
Fund balances, June 30, 2004	$ -	$ 169	$ 169

ASSESSOR/PROP INFO STRGE-RETR			
Revenues			
Charges for services	$ 500	$ 375	$ (125)
Interest on investments	-	1	1
Total revenues	500	376	(124)
Expenditures			
Current:			
General government	425	114	311
Total expenditures	425	114	311
Excess (deficiency) of revenues over expenditures	75	262	187
Other financing sources (uses):			
Transfers out	(75)	(374)	(299)
Total other financing sources (uses)	(75)	(374)	(299)
Net change in fund balance	-	(112)	(112)
Fund balances, July 1, 2003	-	259	259
Fund balances, June 30, 2004	$ -	$ 147	$ 147

(Continued)

PINAL COUNTY

Special Revenue Funds - General Government
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

AIRPORT ECONOMIC DEVELOPMENT	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Rental and miscellaneous	$ 368	$ 371	$ 3
Total revenues	368	371	3
Expenditures			
Current:			
General government	368	178	190
Total expenditures	368	178	190
Excess (deficiency) of revenues over expenditures	-	193	193
Net change in fund balance	-	193	193
Fund balances, July 1, 2003	-	(101)	(101)
Fund balances, June 30, 2004	$ -	$ 92	$ 92

CLERK/ELECTRONIC DOC MGMT SYSTEM			
Revenues			
Charges for services	$ 48	$ 58	$ 10
Interest on investments	-	1	1
Total revenues	48	59	11
Expenditures			
Current:			
General government	48	29	19
Total expenditures	48	29	19
Excess (deficiency) of revenues over expenditures	-	30	30
Other financing sources (uses):			
Transfers in	-	1	1
Total other financing sources (uses)	-	1	1
Net change in fund balance	-	31	31
Fund balances, July 1, 2003	-	49	49
Fund balances, June 30, 2004	$ -	$ 80	$ 80

(Continued)

PINAL COUNTY

Special Revenue Funds - General Government
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

CLERK/SPOUSAL MAINT ENFORCEMENT	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Charges for services	$ 3	$ 4	$ 1
Total revenues	3	4	1
Expenditures			
Current:			
General government	3	-	3
Total expenditures	3	-	3
Excess (deficiency) of revenues over expenditures	-	4	4
Net change in fund balance	-	4	4
Fund balances, July 1, 2003	-	3	3
Fund balances, June 30, 2004	$ -	$ 7	$ 7

PINAL COUNTY

Special Revenue Funds - Health

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

Year Ended June 30, 2003

(Amounts expressed in thousands)

ANIMAL CONTROL	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Taxes	$ 549	$ 586	$ 37
License and permits	141	108	(33)
Intergovernmental	10	18	8
Charges for services	66	88	22
Fines and forfeits	23	35	12
Interest on investments	3	-	(3)
Rental and miscellaneous	-	1	1
Total revenues	792	836	44
Expenditures			
Current:			
Health	898	1,005	(107)
Total expenditures	898	1,005	(107)
Excess (deficiency) of revenues over expenditures	(106)	(169)	(63)
Other financing sources (uses):			
Transfers in	106	106	-
Transfers out	-	(5)	(5)
Sale of capital assets	-	6	6
Proceeds from capital leases	-	13	13
Total other financing sources (uses)	106	120	14
Net change in fund balance	-	(49)	(49)
Fund balances, July 1, 2003	-	77	77
Fund balances, June 30, 2004	$ -	$ 28	$ 28

(Continued)

PINAL COUNTY

Special Revenue Funds - Health

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

Year Ended June 30, 2003

(Amounts expressed in thousands)

HEALTH/GRANTS	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Intergovernmental	$ 4,201	$ 3,899	$ (302)
Charges for services	63	59	(4)
Rental and miscellaneous	184	122	(62)
Total revenues	4,448	4,080	(368)
Expenditures			
Current:			
Health	4,276	3,926	350
Total expenditures	4,276	3,926	350
Excess (deficiency) of revenues over expenditures	172	154	(18)
Other financing sources (uses):			
Transfers out	(262)	(175)	87
Total other financing sources (uses)	(262)	(175)	87
Net change in fund balance	(90)	(21)	69
Fund balances, July 1, 2003	90	356	266
Fund balances, June 30, 2004	$ -	$ 335	$ 335

(Continued)

PINAL COUNTY

Special Revenue Funds - Health

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

Year Ended June 30, 2003

(Amounts expressed in thousands)

LONG TERM CARE/AAA CASE MGM	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Intergovernmental	$ 244	$ 300	$ 56
Total revenues	244	300	56
Expenditures			
Current:			
Health	449	564	(115)
Total expenditures	449	564	(115)
Excess (deficiency) of revenues over expenditures	(205)	(264)	(59)
Other financing sources (uses):			
Transfers in	205	211	6
Proceeds from capital leases	-	13	13
Total other financing sources (uses)	205	224	19
Net change in fund balance	-	(40)	(40)
Fund balances, July 1, 2003	-	112	112
Fund balances, June 30, 2004	$ -	$ 72	$ 72

(Continued)

PINAL COUNTY

Special Revenue Funds - Health

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

Year Ended June 30, 2003

(Amounts expressed in thousands)

AIR QUALITY/PERMITS	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
License and permits	$ 438	$ 594	$ 156
Rental and miscellaneous	-	1	1
Total revenues	438	595	157
Expenditures			
Current:			
Health	609	562	47
Total expenditures	609	562	47
Excess (deficiency) of revenues over expenditures	(171)	33	204
Net change in fund balance	(171)	33	204
Fund balances, July 1, 2003	171	374	203
Fund balances, June 30, 2004	$ -	$ 407	$ 407

(Continued)

PINAL COUNTY

Special Revenue Funds - Health

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

Year Ended June 30, 2003

(Amounts expressed in thousands)

AIR QUALITY/GRANTS	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Intergovernmental	$ 329	$ 251	$ (78)
Interest on investments	-	1	1
Total revenues	329	252	(77)
Expenditures			
Current:			
Health	333	252	81
Total expenditures	333	252	81
Excess (deficiency) of revenues over expenditures	(4)	-	4
Net change in fund balance	(4)	-	4
Fund balances, July 1, 2003	4	(2)	(6)
Fund balances, June 30, 2004	$ -	$ (2)	$ (2)

HEALTH/RESEARCH & DEVELOPMENT			
Revenues			
Rental and miscellaneous	-	3	3
Total revenues	-	3	3
Expenditures			
Current:			
Health	25	6	19
Total expenditures	25	6	19
Excess (deficiency) of revenues over expenditures	(25)	(3)	22
Net change in fund balance	(25)	(3)	22
Fund balances, July 1, 2003	25	33	8
Fund balances, June 30, 2004	$ -	$ 30	$ 30

(Continued)

PINAL COUNTY

Special Revenue Funds - Health

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

Year Ended June 30, 2003

(Amounts expressed in thousands)

LOCAL TRANSPORT ASSIST GRANT	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Intergovernmental	$ -	$ 303	$ 303
Charges for services	-	5	5
Interest on investments	-	2	2
Total revenues	-	310	310
Expenditures			
Current:			
Health	278	133	145
Total expenditures	278	133	145
Excess (deficiency) of revenues over expenditures	(278)	177	455
Net change in fund balance	(278)	177	455
Fund balances, July 1, 2003	278	88	(190)
Fund balances, June 30, 2004	$ -	$ 265	$ 265

PINAL COUNTY

Special Revenue Funds - Highways and Streets
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

PUBLIC WORKS/ROAD TAX DISTRICT 1	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Taxes	$ 1,200	$ 1,615	$ 415
Intergovernmental	620	-	(620)
Interest on investments	12	15	3
Rental and miscellaneous	10	135	125
Total revenues	1,842	1,765	(77)
Expenditures			
Current:			
Highways and streets	1,816	980	836
Total expenditures	1,816	980	836
Excess (deficiency) of revenues over expenditures	26	785	759
Other financing sources (uses):			
Transfers out	(26)	(26)	-
Total other financing sources (uses)	(26)	(26)	-
Net change in fund balance	-	759	759
Fund balances, July 1, 2003, as restated	-	1,529	1,529
Fund balances, June 30, 2004	$ -	$ 2,288	$ 2,288

(Continued)

PINAL COUNTY

Special Revenue Funds - Highways and Streets
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

PUBLIC WORKS/ROAD TAX DISTRICT 2	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Taxes	$ 900	$ 1,282	$ 382
Intergovernmental	294	-	(294)
Interest on investments	6	10	4
Total revenues	1,200	1,292	92
Expenditures			
Current:			
Highways and streets	1,676	1,717	(41)
Total expenditures	1,676	1,717	(41)
Excess (deficiency) of revenues over expenditures	(476)	(425)	51
Other financing sources (uses):			
Transfers in	54	250	196
Transfers out	-	(10)	(10)
Total other financing sources (uses)	54	240	186
Net change in fund balance	(422)	(185)	237
Fund balances, July 1, 2003, as restated	422	1,462	1,040
Fund balances, June 30, 2004	$ -	$ 1,277	$ 1,277

(Continued)

PINAL COUNTY

Special Revenue Funds - Highways and Streets
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

PUBLIC WORKS/ROAD TAX DISTRICT 3	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Taxes	$ 1,200	$ 1,583	$ 383
Intergovernmental	-	97	97
Interest on investments	15	19	4
Rental and miscellaneous	-	130	130
Total revenues	1,215	1,829	614
Expenditures			
Current:			
Highways and streets	1,241	1,327	(86)
Total expenditures	1,241	1,327	(86)
Excess (deficiency) of revenues over expenditures	(26)	502	528
Other financing sources (uses):			
Transfers in	26	26	-
Total other financing sources (uses)	26	26	-
Net change in fund balance	-	528	528
Fund balances, July 1, 2003, as restated	-	2,313	2,313
Fund balances, June 30, 2004	$ -	$ 2,841	$ 2,841

(Continued)

PINAL COUNTY

Special Revenue Funds - Highways and Streets
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

PUB WORKS/DISTRICT 1 PROJECTS	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Interest on investments	$ -	$ 15	$ 15
Total revenues	-	15	15
Expenditures			
Current:			
Highways and streets	1,156	-	1,156
Total expenditures	1,156	-	1,156
Excess (deficiency) of revenues over expenditures	(1,156)	15	1,171
Other financing sources (uses):			
Transfers out	(300)	(350)	(50)
Total other financing sources (uses)	(300)	(350)	(50)
Net change in fund balance	(1,456)	(335)	1,121
Fund balances, July 1, 2003	1,456	1,843	387
Fund balances, June 30, 2004	$ -	$ 1,508	$ 1,508

KELVIN BRIDGE			
Revenues			
Interest on investments	$ 1	$ 1	$ -
Total revenues	1	1	-
Expenditures			
Current:			
Highways and streets	301	71	230
Total expenditures	301	71	230
Excess (deficiency) of revenues over expenditures	(300)	(70)	230
Other financing sources (uses):			
Transfers in	300	300	-
Total other financing sources (uses)	300	300	-
Net change in fund balance	-	230	230
Fund balances, July 1, 2003	-	223	223
Fund balances, June 30, 2004	$ -	$ 453	$ 453

PINAL COUNTY

Special Revenue Funds - Public Safety
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

SHERIFF/CJEF-SCAT	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Intergovernmental	$ 66	$ 44	$ (22)
Total revenues	66	44	(22)
Expenditures			
Current:			
Public safety	66	44	22
Total expenditures	66	44	22
Net change in fund balance	-	-	-
Fund balances, July 1, 2003	-	-	-
Fund balances, June 30, 2004	$ -	$ -	$ -

SHERIFF/DRUG TASK FORCE			
Revenues			
Intergovernmental	$ 336	$ 186	$ (150)
Total revenues	336	186	(150)
Expenditures			
Current:			
Public safety	411	240	171
Total expenditures	411	240	171
Excess (deficiency) of revenues over expenditures	(75)	(54)	21
Other financing sources (uses):			
Transfers in	75	60	(15)
Total other financing sources (uses)	75	60	(15)
Net change in fund balance	-	6	6
Fund balances, July 1, 2003	-	(3)	(3)
Fund balances, June 30, 2004	$ -	$ 3	$ 3

(Continued)

PINAL COUNTY

Special Revenue Funds - Public Safety

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

Year Ended June 30, 2004

(Amounts expressed in thousands)

SHERIFF/DRUG SMUGGLING	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Intergovernmental	$ 281	$ 273	$ (8)
Total revenues	281	273	(8)
Expenditures			
Current:			
Public safety	281	273	8
Total expenditures	281	273	8
Other financing sources (uses):			
Transfers in	-	10	10
Sale of capital assets	-	2	2
Total other financing sources (uses)	-	12	12
Net change in fund balance	-	12	12
Fund balances, July 1, 2003	-	(18)	(18)
Fund balances, June 30, 2004	$ -	$ (6)	$ (6)

(Continued)

PINAL COUNTY

Special Revenue Funds - Public Safety
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

SHERIFF/JAIL ENHANCEMENT	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Intergovernmental	$ 95	$ 222	$ 127
Interest on investments	-	1	1
Rental and miscellaneous	-	15	15
Total revenues	95	238	143
Expenditures			
Current:			
Public safety	95	102	(7)
Total expenditures	95	102	(7)
Excess (deficiency) of revenues over expenditures	-	136	136
Other financing sources (uses):			
Transfers in	-	140	140
Transfers out	-	(140)	(140)
Sale of capital assets	-	2	2
Total other financing sources (uses)	-	2	2
Net change in fund balance	-	138	138
Fund balances, July 1, 2003	-	115	115
Fund balances, June 30, 2004	$ -	$ 253	$ 253

(Continued)

PINAL COUNTY

Special Revenue Funds - Public Safety
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

ATTORNEY/DRUG PROSECUTION	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Intergovernmental	$ 157	$ 152	$ (5)
Total revenues	157	152	(5)
Expenditures			
Current:			
Public safety	208	192	16
Total expenditures	208	192	16
Excess (deficiency) of revenues over expenditures	(51)	(40)	11
Other financing sources (uses):			
Transfers in	51	40	(11)
Total other financing sources (uses)	51	40	(11)
Net change in fund balance	-	-	-
Fund balances, July 1, 2003	-	(39)	(39)
Fund balances, June 30, 2004	$ -	$ (39)	$ (39)

COURTS/DRUG ENFORCEMENT			
Revenues			
Intergovernmental	$ 84	$ 82	$ (2)
Total revenues	84	82	(2)
Expenditures			
Current:			
Public safety	84	85	(1)
Total expenditures	84	85	(1)
Excess (deficiency) of revenues over expenditures	-	(3)	(3)
Net change in fund balance	-	(3)	(3)
Fund balances, July 1, 2003	-	13	13
Fund balances, June 30, 2004	$ -	$ 10	$ 10

(Continued)

PINAL COUNTY

Special Revenue Funds - Public Safety
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

JP/ALTERNATIVE DISPUTE RESOLUTION	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Intergovernmental	$ 35	$ -	$ (35)
Total revenues	35	-	(35)
Expenditures			
Current:			
Public safety	35	-	35
Total expenditures	35	-	35
Fund balances, July 1, 2003	-	11	11
Fund balances, June 30, 2004	$ -	$ 11	$ 11

JP/ENHANCEMENT-FLORENCE			
Revenues			
Charges for services	$ 3	$ 3	$ -
Total revenues	3	3	-
Expenditures			
Current:			
Public safety	3	-	3
Total expenditures	3	-	3
Excess (deficiency) of revenues over expenditures	-	3	3
Net change in fund balance	-	3	3
Fund balances, July 1, 2003	-	8	8
Fund balances, June 30, 2004	$ -	$ 11	$ 11

(Continued)

PINAL COUNTY

Special Revenue Funds - Public Safety
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

JP/ENHANCEMENT-CASA GRANDE	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Charges for services	$ 15	$ 18	$ 3
Interest on investments	-	1	1
Total revenues	15	19	4
Expenditures			
Current:			
Public safety	15	-	15
Total expenditures	15	-	15
Excess (deficiency) of revenues over expenditures	-	19	19
Net change in fund balance	-	19	19
Fund balances, July 1, 2003	-	116	116
Fund balances, June 30, 2004	$ -	$ 135	$ 135

JP/ENHANCEMENT-ELOY			
Revenues			
Charges for services	$ 5	$ 6	$ 1
Total revenues	5	6	1
Expenditures			
Current:			
Public safety	5	-	5
Total expenditures	5	-	5
Excess (deficiency) of revenues over expenditures	-	6	6
Net change in fund balance	-	6	6
Fund balances, July 1, 2003	-	31	31
Fund balances, June 30, 2004	$ -	$ 37	$ 37

(Continued)

PINAL COUNTY

Special Revenue Funds - Public Safety
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

JP/ENHANCEMENT-MAMMOTH	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Charges for services	$ 2	$ 3	$ 1
Total revenues	2	3	1
Expenditures			
Current:			
Public safety	2	-	2
Total expenditures	2	-	2
Excess (deficiency) of revenues over expenditures	-	3	3
Net change in fund balance	-	3	3
Fund balances, July 1, 2003	-	11	11
Fund balances, June 30, 2004	$ -	$ 14	$ 14

JP/ENHANCEMENT-ORACLE			
Revenues			
Charges for services	$ 3	$ 2	$ (1)
Total revenues	3	2	(1)
Expenditures			
Current:			
Public safety	3	-	3
Total expenditures	3	-	3
Excess (deficiency) of revenues over expenditures	-	2	2
Net change in fund balance	-	2	2
Fund balances, July 1, 2003	-	17	17
Fund balances, June 30, 2004	$ -	$ 19	$ 19

(Continued)

PINAL COUNTY

Special Revenue Funds - Public Safety
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

JP/ENHANCEMENT-SUPERIOR	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Charges for services	$ 4	$ 4	$ -
Total revenues	4	4	-
Expenditures			
Current:			
Public safety	4	-	4
Total expenditures	4	-	4
Excess (deficiency) of revenues over expenditures	-	4	4
Net change in fund balance	-	4	4
Fund balances, July 1, 2003	-	19	19
Fund balances, June 30, 2004	$ -	$ 23	$ 23

JP/ENHANCEMENT-APACHE JUNCTION			
Revenues			
Charges for services	$ 12	$ 13	$ 1
Interest on investments	-	1	1
Total revenues	12	14	2
Expenditures			
Current:			
Public safety	12	-	12
Total expenditures	12	-	12
Excess (deficiency) of revenues over expenditures	-	14	14
Net change in fund balance	-	14	14
Fund balances, July 1, 2003	-	58	58
Fund balances, June 30, 2004	$ -	$ 72	$ 72

(Continued)

PINAL COUNTY

Special Revenue Funds - Public Safety
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

JP/ENHANCEMENT-MARICOPA	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Charges for services	$ 4	$ 4	$ -
Total revenues	4	4	-
Expenditures			
Current:			
Public safety	4	-	4
Total expenditures	4	-	4
Excess (deficiency) of revenues over expenditures	-	4	4
Net change in fund balance	-	4	4
Fund balances, July 1, 2003	-	29	29
Fund balances, June 30, 2004	$ -	$ 33	$ 33

ADULT PROB/INTENSIVE PROB SERV			
Revenues			
Intergovernmental	$ 284	$ 253	$ (31)
Total revenues	284	253	(31)
Expenditures			
Current:			
Public safety	284	256	28
Total expenditures	284	256	28
Excess (deficiency) of revenues over expenditures	-	(3)	(3)
Net change in fund balance	-	(3)	(3)
Fund balances, July 1, 2003	-	8	8
Fund balances, June 30, 2004	$ -	$ 5	$ 5

(Continued)

PINAL COUNTY

Special Revenue Funds - Public Safety
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

ADULT PROB/STATE ENHANCEMENT	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Intergovernmental	$ 853	$ 882	$ 29
Total revenues	853	882	29
Expenditures			
Current:			
Public safety	853	956	(103)
Total expenditures	853	956	(103)
Excess (deficiency) of revenues over expenditures	-	(74)	(74)
Other financing sources (uses):			
Transfers in	-	228	228
Transfers out	-	(140)	(140)
Total other financing sources (uses)	-	88	88
Net change in fund balance	-	14	14
Fund balances, July 1, 2003	-	(6)	(6)
Fund balances, June 30, 2004	$ -	$ 8	$ 8

(Continued)

PINAL COUNTY

Special Revenue Funds - Public Safety
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

ADULT PROB/COMMUNITY PUNISHMENT	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Intergovernmental	$ 45	$ 92	$ 47
Total revenues	45	92	47
Expenditures			
Current:			
Public safety	45	70	(25)
Total expenditures	45	70	(25)
Excess (deficiency) of revenues over expenditures	-	22	22
Other financing sources (uses):			
Transfers in	-	10	10
Transfers out	-	(21)	(21)
Total other financing sources (uses)	-	(11)	(11)
Net change in fund balance	-	11	11
Fund balances, July 1, 2003	-	9	9
Fund balances, June 30, 2004	$ -	$ 20	$ 20

(Continued)

PINAL COUNTY

Special Revenue Funds - Public Safety
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

ADULT PROB/SUPPORT	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Intergovernmental	$ 415	$ -	$ (415)
Total revenues	415	-	(415)
Expenditures			
Current:			
Public safety	385	316	69
Total expenditures	385	316	69
Excess (deficiency) of revenues over expenditures	30	(316)	(346)
Other financing sources (uses):			
Transfers in	-	462	462
Transfers out	(30)	(119)	(89)
Total other financing sources (uses)	(30)	343	373
Net change in fund balance	-	27	27
Fund balances, July 1, 2003	-	(1)	(1)
Fund balances, June 30, 2004	$ -	$ 26	$ 26

JUVENILE PROB/INTENSIVE			
Revenues			
Intergovernmental	$ 546	$ 503	$ (43)
Total revenues	546	503	(43)
Expenditures			
Current:			
Public safety	546	500	46
Total expenditures	546	500	46
Excess (deficiency) of revenues over expenditures	-	3	3
Net change in fund balance	-	3	3
Fund balances, July 1, 2003	-	9	9
Fund balances, June 30, 2004	$ -	$ 12	$ 12

(Continued)

PINAL COUNTY

Special Revenue Funds - Public Safety
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

JUVENILE PROB/CASA	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Intergovernmental	$ 90	$ 95	$ 5
Total revenues	90	95	5
Expenditures			
Current:			
Public safety	90	94	(4)
Total expenditures	90	94	(4)
Excess (deficiency) of revenues over expenditures	-	1	1
Net change in fund balance	-	1	1
Fund balances, July 1, 2003	-	-	-
Fund balances, June 30, 2004	$ -	$ 1	$ 1

JUVENILE PROB/FAMILY COUNSELING			
Revenues			
Intergovernmental	$ 25	$ 24	$ (1)
Total revenues	25	24	(1)
Expenditures			
Current:			
Public safety	31	29	2
Total expenditures	31	29	2
Excess (deficiency) of revenues over expenditures	(6)	(5)	1
Other financing sources (uses):			
Transfers in	6	5	1
Total other financing sources (uses)	6	5	1
Net change in fund balance	-	-	-
Fund balances, July 1, 2003	-	-	-
Fund balances, June 30, 2004	$ -	$ -	$ -

(Continued)

PINAL COUNTY

Special Revenue Funds - Public Safety
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

JUVENILE PROB/STANDARD PROB	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Intergovernmental	$ 302	$ 286	$ (16)
Total revenues	302	286	(16)
Expenditures			
Current:			
Public safety	302	286	16
Total expenditures	302	286	16
Excess (deficiency) of revenues over expenditures	-	-	-
Net change in fund balance	-	-	-
Fund balances, July 1, 2003	-	2	2
Fund balances, June 30, 2004	$ -	$ 2	$ 2

(Continued)

PINAL COUNTY

Special Revenue Funds - Public Safety
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

JUVENILE PROB/SUPERVISION FEES	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Charges for services	$ 91	$ 103	$ 12
Interest on investments	-	3	3
Total revenues	91	106	15
Expenditures			
Current:			
Public safety	69	119	(50)
Total expenditures	69	119	(50)
Excess (deficiency) of revenues over expenditures	22	(13)	65
Other financing sources (uses):			
Transfers in	-	2	2
Transfers out	(22)	(10)	12
Sale of capital assets	-	1	1
Total other financing sources (uses)	(22)	(7)	15
Net change in fund balance	-	(20)	(20)
Fund balances, July 1, 2003	-	287	287
Fund balances, June 30, 2004	$ -	$ 267	$ 267
JUVENILE PROB/PROB OFF IN SCHOOL			
Revenues			
Intergovernmental	$ 618	$ 612	$ (6)
Total revenues	618	612	(6)
Expenditures			
Current:			
Public safety	618	607	11
Total expenditures	618	607	11
Excess (deficiency) of revenues over expenditures	-	5	5
Net change in fund balance	-	5	5
Fund balances, July 1, 2003	-	16	16
Fund balances, June 30, 2004	$ -	$ 21	$ 21

(Continued)

PINAL COUNTY

Special Revenue Funds - Public Safety
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

PUBLIC DEFENDER/TRAINING	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Intergovernmental	$ 13	$ 19	$ 6
Total revenues	13	19	6
Expenditures			
Current:			
Public safety	13	19	(6)
Total expenditures	13	19	(6)
Excess (deficiency) of revenues over expenditures	-	-	-
Net change in fund balance	-	-	-
Fund balances, July 1, 2003	-	15	15
Fund balances, June 30, 2004	$ -	$ 15	$ 15

SHERIFF/SEARCH & RESCUE			
Revenues			
Intergovernmental	$ 9	$ 19	$ 10
Total revenues	9	19	10
Expenditures			
Current:			
Public safety	9	18	(9)
Total expenditures	9	18	(9)
Excess (deficiency) of revenues over expenditures	-	1	1
Other financing sources (uses):			
Transfers out	-	(2)	(2)
Sale of capital assets	-	2	2
Total other financing sources (uses)	-	-	-
Net change in fund balance	-	1	1
Fund balances, July 1, 2003	-	-	-
Fund balances, June 30, 2004	$ -	$ 1	$ 1

(Continued)

PINAL COUNTY

Special Revenue Funds - Public Safety
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

SHERIFF/COPS GRANTS	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Intergovernmental	$ 85	$ 75	$ (10)
Total revenues	85	75	(10)
Expenditures			
Current:			
Public safety	85	31	54
Total expenditures	85	31	54
Excess (deficiency) of revenues over expenditures	-	44	44
Net change in fund balance	-	44	44
Fund balances, July 1, 2003	-	(37)	(37)
Fund balances, June 30, 2004	$ -	$ 7	$ 7

(Continued)

PINAL COUNTY

Special Revenue Funds - Public Safety
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

ADULT PROB/DTEF & INTERS CASE	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Intergovernmental	$ 65	$ 63	$ (2)
Total revenues	65	63	(2)
Expenditures			
Current:			
Public safety	65	39	26
Total expenditures	65	39	26
Excess (deficiency) of revenues over expenditures	-	24	24
Other financing sources (uses):			
Transfers in	-	13	13
Transfers out	-	(29)	(29)
Total other financing sources (uses)	-	(16)	(16)
Net change in fund balance	-	8	8
Fund balances, July 1, 2003	-	1	1
Fund balances, June 30, 2004	$ -	$ 9	$ 9

JUVENILE PROB/VICTIMS' RIGHTS			
Revenues			
Intergovernmental	$ 25	$ 25	$ -
Total revenues	25	25	-
Expenditures			
Current:			
Public safety	25	25	-
Total expenditures	25	25	-
Excess (deficiency) of revenues over expenditures	-	-	-
Net change in fund balance	-	-	-
Fund balances, July 1, 2003	-	-	-
Fund balances, June 30, 2004	$ -	$ -	$ -

(Continued)

PINAL COUNTY

Special Revenue Funds - Public Safety
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

SHERIFF/RICO DISBURSEMENTS	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Intergovernmental	$ 50	$ -	$ (50)
Total revenues	50	-	(50)
Expenditures			
Current:			
Public safety	46	-	46
Total expenditures	46	-	46
Excess (deficiency) of revenues over expenditures	4	-	(4)
Other financing sources (uses):			
Transfers out	(4)	-	4
Total other financing sources (uses)	(4)	-	4
Net change in fund balance	-	-	-
Fund balances, July 1, 2003	-	8	8
Fund balances, June 30, 2004	$ -	$ 8	$ 8

(Continued)

PINAL COUNTY

Special Revenue Funds - Public Safety
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

SHERIFF/LOCAL LAW ENF BLK GRANT	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Intergovernmental	$ -	$ 46	$ 46
Total revenues	-	46	46
Expenditures			
Current:			
Public safety	4	55	(51)
Total expenditures	4	55	(51)
Excess (deficiency) of revenues over expenditures	(4)	(9)	(5)
Other financing sources (uses):			
Transfers in	4	5	1
Total other financing sources (uses)	4	5	1
Net change in fund balance	-	(4)	(4)
Fund balances, July 1, 2003	-	5	5
Fund balances, June 30, 2004	$ -	$ 1	$ 1

JUVENILE PROB/DIVERSION-INTAKE			
Revenues			
Intergovernmental	$ 319	$ 319	$ -
Total revenues	319	319	-
Expenditures			
Current:			
Public safety	319	319	-
Total expenditures	319	319	-
Excess (deficiency) of revenues over expenditures	-	-	-
Net change in fund balance	-	-	-
Fund balances, July 1, 2003	-	22	22
Fund balances, June 30, 2004	$ -	$ 22	$ 22

(Continued)

PINAL COUNTY

Special Revenue Funds - Public Safety
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

JUV PROB/DIVERSION-CONSEQUENCE	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Intergovernmental	$ 120	$ 128	$ 8
Total revenues	120	128	8
Expenditures			
Current:			
Public safety	120	128	(8)
Total expenditures	120	128	(8)
Excess (deficiency) of revenues over expenditures	-	-	-
Net change in fund balance	-	-	-
Fund balances, July 1, 2003	-	-	-
Fund balances, June 30, 2004	$ -	$ -	$ -

JUVENILE PROB/TREATMENT			
Revenues			
Intergovernmental	$ 241	$ 199	$ (42)
Total revenues	241	199	(42)
Expenditures			
Current:			
Public safety	241	198	43
Total expenditures	241	198	43
Excess (deficiency) of revenues over expenditures	-	1	1
Net change in fund balance	-	1	1
Fund balances, July 1, 2003	-	7	7
Fund balances, June 30, 2004	$ -	$ 8	$ 8

(Continued)

PINAL COUNTY

Special Revenue Funds - Public Safety
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

ATTY/PROS SVCES/COST RECOVERY	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Charges for services	$ 30	$ 45	$ 15
Total revenues	30	45	15
Expenditures			
Current:			
Public safety	30	23	7
Total expenditures	30	23	7
Excess (deficiency) of revenues over expenditures	-	22	22
Net change in fund balance	-	22	22
Fund balances, July 1, 2003	-	8	8
Fund balances, June 30, 2004	$ -	$ 30	$ 30

JUV PROBATION/CRIME REDUCTION			
Revenues			
Intergovernmental	$ 6	$ 6	$ -
Total revenues	6	6	-
Expenditures			
Current:			
Public safety	6	5	1
Total expenditures	6	5	1
Excess (deficiency) of revenues over expenditures	-	1	1
Net change in fund balance	-	1	1
Fund balances, July 1, 2003	-	-	-
Fund balances, June 30, 2004	$ -	$ 1	$ 1

(Continued)

PINAL COUNTY

Special Revenue Funds - Public Safety
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

JUV PROBATION/MISC SOURCES	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Intergovernmental	$ 24	$ 14	$ (10)
Total revenues	24	14	(10)
Expenditures			
Current:			
Public safety	24	5	19
Total expenditures	24	5	19
Excess (deficiency) of revenues over expenditures	-	9	9
Net change in fund balance	-	9	9
Fund balances, July 1, 2003	-	(4)	(4)
Fund balances, June 30, 2004	$ -	$ 5	$ 5

JP/COST RECOVERY			
Revenues			
Charges for services	$ 355	$ 342	$ (13)
Total revenues	355	342	(13)
Expenditures			
Current:			
Public safety	355	259	96
Total expenditures	355	259	96
Excess (deficiency) of revenues over expenditures	-	83	83
Other financing sources (uses):			
Transfers in	-	7	7
Total other financing sources (uses)	-	7	7
Net change in fund balance	-	90	90
Fund balances, July 1, 2003	-	43	43
Fund balances, June 30, 2004	$ -	$ 133	$ 133

(Continued)

PINAL COUNTY

Special Revenue Funds - Public Safety
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

JUV PROB/COURT IMPROVEMENT PROJ	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Intergovernmental	$ 26	$ 32	$ 6
Total revenues	26	32	6
Expenditures			
Current:			
Public safety	26	32	(6)
Total expenditures	26	32	(6)
Excess (deficiency) of revenues over expenditures	-	-	-
Net change in fund balance	-	-	-
Fund balances, July 1, 2003	-	1	1
Fund balances, June 30, 2004	$ -	$ 1	$ 1

JUV PROB/JUVENILE JUSTICE PROG			
Revenues			
Intergovernmental	$ 83	$ 89	$ 6
Total revenues	83	89	6
Expenditures			
Current:			
Public safety	83	86	(3)
Total expenditures	83	86	(3)
Excess (deficiency) of revenues over expenditures	-	3	3
Net change in fund balance	-	3	3
Fund balances, July 1, 2003	-	(14)	(14)
Fund balances, June 30, 2004	$ -	$ (11)	$ (11)

(Continued)

PINAL COUNTY

Special Revenue Funds - Public Safety
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

SHERIFF/PC PEACE OFFICER MEMORIAL	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Interest on investments	$ -	$ 1	$ 1
Rental and miscellaneous	40	7	(33)
Total revenues	40	8	(32)
Expenditures			
Current:			
Public safety	40	-	40
Total expenditures	40	-	40
Excess (deficiency) of revenues over expenditures	-	8	8
Net change in fund balance	-	8	8
Fund balances, July 1, 2003	-	73	73
Fund balances, June 30, 2004	$ -	$ 81	$ 81

(Continued)

PINAL COUNTY

Special Revenue Funds - Public Safety
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

PUBLIC DEFENDER-ATTY/STATE AID	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Intergovernmental	$ 42	$ 58	$ 16
Charges for services	50	-	(50)
Interest on investments	1	1	-
Total revenues	93	59	(34)
Expenditures			
Current:			
Public safety	99	53	46
Total expenditures	99	53	46
Excess (deficiency) of revenues over expenditures	(6)	6	12
Other financing sources (uses):			
Transfers in	-	25	25
Total other financing sources (uses)	-	25	25
Net change in fund balance	(6)	31	37
Fund balances, July 1, 2003	6	163	157
Fund balances, June 30, 2004	$ -	$ 194	$ 194

SHERIFF/TOYS FOR TOTS			
Revenues			
Rental and miscellaneous	$ 25	$ 18	$ (7)
Total revenues	25	18	(7)
Expenditures			
Current:			
Public safety	28	20	8
Total expenditures	28	20	8
Excess (deficiency) of revenues over expenditures	(3)	(2)	1
Net change in fund balance	(3)	(2)	1
Fund balances, July 1, 2003	3	5	2
Fund balances, June 30, 2004	$ -	$ 3	$ 3

(Continued)

PINAL COUNTY

Special Revenue Funds - Public Safety
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

COURTS/LOCAL CRT ASSIST FTG 5%	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Charges for services	$ 135	$ -	$ (135)
Interest on investments	4	2	(2)
Total revenues	139	2	(137)
Expenditures			
Current:			
Public safety	305	172	133
Total expenditures	305	172	133
Excess (deficiency) of revenues over expenditures	(166)	(170)	(4)
Other financing sources (uses):			
Transfers in	-	70	70
Total other financing sources (uses)	-	70	70
Net change in fund balance	(166)	(100)	66
Fund balances, July 1, 2003	166	403	237
Fund balances, June 30, 2004	$ -	$ 303	$ 303

ATTY/CJEF-PROSEC PASS THROUGH			
Revenues			
Intergovernmental	$ 150	$ 111	$ (39)
Total revenues	150	111	(39)
Expenditures			
Current:			
Public safety	150	135	15
Total expenditures	150	135	15
Excess (deficiency) of revenues over expenditures	-	(24)	(24)
Net change in fund balance	-	(24)	(24)
Fund balances, July 1, 2003	-	26	26
Fund balances, June 30, 2004	$ -	$ 2	$ 2

(Continued)

PINAL COUNTY

Special Revenue Funds - Public Safety

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

Year Ended June 30, 2004

(Amounts expressed in thousands)

ATTY/BAD CHECK PROGRAM OPER	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Charges for services	$ 40	$ 43	$ 3
Interest on investments	-	1	1
Total revenues	40	44	4
Expenditures			
Current:			
Public safety	40	26	14
Total expenditures	40	26	14
Excess (deficiency) of revenues over expenditures	-	18	18
Net change in fund balance	-	18	18
Fund balances, July 1, 2003	-	70	70
Fund balances, June 30, 2004	$ -	$ 88	$ 88

(Continued)

PINAL COUNTY

Special Revenue Funds - Public Safety
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

ATTY/ANTI RACKETEERING-STATE	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Fines and forfeits	$ 700	$ 998	$ 298
Interest on investments	10	7	(3)
Rental and miscellaneous	-	8	8
Total revenues	710	1,013	303
Expenditures			
Current:			
Public safety	701	626	75
Total expenditures	701	626	75
Excess (deficiency) of revenues over expenditures	9	387	378
Other financing sources (uses):			
Transfers out	(51)	(94)	(43)
Sale of capital assets	15	109	94
Total other financing sources (uses)	(36)	15	51
Net change in fund balance	(27)	402	429
Fund balances, July 1, 2003	27	625	598
Fund balances, June 30, 2004	$ -	$ 1,027	$ 1,027

(Continued)

PINAL COUNTY

Special Revenue Funds - Public Safety
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

ATTY/ANTI RACKETEERING-FEDERAL	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Fines and forfeits	$ 23	$ 4	$ (19)
Total revenues	23	4	(19)
Expenditures			
Current:			
Public safety	23	-	23
Total expenditures	23	-	23
Excess (deficiency) of revenues over expenditures	-	4	4
Net change in fund balance	-	4	4
Fund balances, July 1, 2003	-	21	21
Fund balances, June 30, 2004	$ -	$ 25	$ 25

ATTY/VICTIM COMPENSATION-STATE			
Revenues			
Intergovernmental	$ 83	$ 96	$ 13
Rental and miscellaneous	12	11	(1)
Total revenues	95	107	12
Expenditures			
Current:			
Public safety	95	96	(1)
Total expenditures	95	96	(1)
Excess (deficiency) of revenues over expenditures	-	11	11
Net change in fund balance	-	11	11
Fund balances, July 1, 2003	-	13	13
Fund balances, June 30, 2004	$ -	$ 24	$ 24

(Continued)

PINAL COUNTY

Special Revenue Funds - Public Safety
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

ATTY/VICTIM COMPENSATION-FEDERAL	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Intergovernmental	$ 19	$ 14	$ (5)
Total revenues	19	14	(5)
Expenditures			
Current:			
Public safety	19	14	5
Total expenditures	19	14	5
Excess (deficiency) of revenues over expenditures	-	-	-
Net change in fund balance	-	-	-
Fund balances, July 1, 2003	-	5	5
Fund balances, June 30, 2004	$ -	$ 5	$ 5

JUV PROB/FEE ASSESSMENT INC			
Revenues			
Charges for services	$ 1	$ 10	$ 9
Total revenues	1	10	9
Expenditures			
Current:			
Public safety	1	-	1
Total expenditures	1	-	1
Excess (deficiency) of revenues over expenditures	-	10	10
Net change in fund balance	-	10	10
Fund balances, July 1, 2003	-	2	2
Fund balances, June 30, 2004	$ -	$ 12	$ 12

PINAL COUNTY

Special Revenue Funds - Sanitation
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

LANDFILL/ADEQ WASTE TIRE GRANT	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Intergovernmental	$ 200	$ 198	$ (2)
Charges for services	10	8	(2)
Interest on investments	1	-	(1)
Total revenues	211	206	(5)
Expenditures			
Current:			
Sanitation	241	359	(118)
Total expenditures	241	359	(118)
Excess (deficiency) of revenues over expenditures	(30)	(153)	(123)
Other financing sources (uses):			
Transfers out	(21)	(21)	-
Sale of capital assets	-	3	3
Total other financing sources (uses)	(21)	(18)	3
Net change in fund balance	(51)	(171)	(120)
Fund balances, July 1, 2003	51	66	15
Fund balances, June 30, 2004	$ -	$ (105)	$ (105)

PINAL COUNTY

Special Revenue Funds - Welfare
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

COMM DEV BLOCK GRANT (CDBG)	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Intergovernmental	$ 307	$ 213	$ (94)
Rental and miscellaneous	-	5	5
Total revenues	307	218	(89)
Expenditures			
Current:			
Welfare	307	244	63
Total expenditures	307	244	63
Excess (deficiency) of revenues over expenditures	-	(26)	(26)
Other financing sources (uses):			
Transfers out		(12)	(12)
Total other financing sources (uses)	-	(12)	(12)
Net change in fund balance	-	(38)	(38)
Fund balances, July 1, 2003	-	(9)	(9)
Fund balances, June 30, 2004	$ -	$ (47)	$ (47)

HOUSING/CONVENTIONAL			
Revenues			
Intergovernmental	$ 810	$ 3,743	$ 2,933
Interest on investments	-	1	1
Rental and miscellaneous	-	294	294
Total revenues	810	4,038	3,228
Expenditures			
Current:			
Welfare	810	3,927	(3,117)
Total expenditures	810	3,927	(3,117)
Excess (deficiency) of revenues over expenditures	-	111	111
Net change in fund balance	-	111	111
Fund balances, July 1, 2003	-	131	131
Fund balances, June 30, 2004	$ -	$ 242	$ 242

PINAL COUNTY

Special Revenue Funds - Flood Control District

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

Year Ended June 30, 2004

(Amounts expressed in thousands)

PUBLIC WORKS/FLOOD MANAGEMENT	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Taxes	$ 499	$ 700	$ 201
Intergovernmental	1	112	111
Interest on investments	10	11	1
Total revenues	510	823	313
Expenditures			
Current:			
Highways and streets	510	891	(381)
Total expenditures	510	891	(381)
Excess (deficiency) of revenues over expenditures	-	(68)	(68)
Other financing sources (uses):			
Transfers out	-	(35)	(35)
Total other financing sources (uses)	-	(35)	(35)
Net change in fund balance	-	(103)	(103)
Fund balances, July 1, 2003	-	1,426	1,426
Fund balances, June 30, 2004	$ -	$ 1,323	$ 1,323

PINAL COUNTY

Special Revenue Funds - Library District

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

Year Ended June 30, 2004

(Amounts expressed in thousands)

LIBRARY DISTRICT	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Taxes	$ 510	$ 580	$ 70
Intergovernmental	9	16	7
Interest on investments	2	3	1
Rental and miscellaneous	20	-	(20)
Total revenues	541	599	58
Expenditures			
Current:			
Culture and recreation	615	463	152
Total expenditures	615	463	152
Excess (deficiency) of revenues over expenditures	(74)	136	210
Other financing sources (uses):			
Transfers out	(26)	(26)	-
Sale of capital assets	-	1	(1)
Total other financing sources (uses)	(26)	(25)	(1)
Net change in fund balance	(100)	111	211
Fund balances, July 1, 2003	100	258	158
Fund balances, June 30, 2004	$ -	$ 369	$ 369

PINAL COUNTY

Special Revenue Funds - Cottonwood Garden Lighting District
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2004

(Amounts expressed in thousands)

COTTONWOOD GARDEN LIGHTING DISTRICT	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Taxes	$ 1	$ 1	$ -
Total revenues	1	1	-
Expenditures			
Current:			
Highway and streets	1	1	-
Total expenditures	1	1	-
Excess (deficiency) of revenues over expenditures	-	-	-
Net change in fund balance	-	-	-
Fund balances, July 1, 2003	-	2	2
Fund balances, June 30, 2004	$ -	$ 2	$ 2

PINAL COUNTY

Special Revenue Funds - Desert Vista Lighting District
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2004

(Amounts expressed in thousands)

DESERT VISTA LIGHTING DISTRICT	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Taxes	$ 4	$ 4	$ -
Total revenues	4	4	-
Expenditures			
Current:			
Highway and streets	4	4	-
Total expenditures	4	4	-
Excess (deficiency) of revenues over expenditures	-	-	-
Net change in fund balance	-	-	-
Fund balances, July 1, 2003	-	4	4
Fund balances, June 30, 2004	$ -	$ 4	$ 4

PINAL COUNTY

Special Revenue Funds - Villa Grande Lighting District
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2004

(Amounts expressed in thousands)

VILLA GRANDE LIGHTING DISTRICT	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Taxes	$ 7	$ 6	$ (1)
Total revenues	7	6	(1)
Expenditures			
Current:			
Highway and streets	7	6	1
Total expenditures	7	6	1
Excess (deficiency) of revenues over expenditures	-	-	-
Net change in fund balance	-	-	-
Fund balances, July 1, 2003	-	4	4
Fund balances, June 30, 2004	$ -	$ 4	$ 4

PINAL COUNTY

Special Revenue Funds - Desert Vista Sanitation District
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2004

(Amounts expressed in thousands)

DESERT VISTA SANITATION DISTRICT	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Taxes	$ 25	$ 26	$ 1
Intergovernmental	65	-	(65)
Total revenues	90	26	(64)
Expenditures			
Current:			
Highway and streets	100	19	81
Total expenditures	100	19	81
Excess (deficiency) of revenues over expenditures	(10)	7	17
Net change in fund balance	(10)	7	17
Fund balances, July 1, 2003	10	32	22
Fund balances, June 30, 2004	$ -	$ 39	$ 39

PINAL COUNTY

Special Revenue Funds - Queen Creek
Domestic Water Improvement District
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

QUEEN CREEK DOMESTIC WATER IMPROVEMENT DISTRICT	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Taxes	$ 17	$ 18	$ 1
Total revenues	17	18	1
Expenditures			
Current:			
General Government	17	16	1
Total expenditures	17	16	1
Excess (deficiency) of revenues over expenditures	-	2	2
Net change in fund balance	-	2	2
Fund balances, July 1, 2003	-	14	14
Fund balances, June 30, 2004	$ -	$ 16	$ 16

PINAL COUNTY

Special Revenue Funds - Skyline
Domestic Water Improvement District
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2004
(Amounts expressed in thousands)

SKYLINE DOMESTIC WATER IMPROVEMENT DISTRICT	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget- Positive (Negative)
Revenues			
Taxes	$ 10	$ -	$ (10)
Total revenues	10	-	(10)
Expenditures			
Current:			
General Government	10	-	10
Total expenditures	10	-	10
Excess (deficiency) of revenues over expenditures	-	-	-
Net change in fund balance	-	-	-
Fund balances, July 1, 2003	-	-	-
Fund balances, June 30, 2004	$ -	$ -	$ -

PINAL COUNTY
Combining Statement of Net Assets
Nonmajor Enterprise Funds
June 30, 2004
(Amounts expressed in thousands)

	Sheriff Inmate Services	Home Health	Fairgrounds	Adult Day Care	Total
Assets					
Current assets:					
Cash and cash equivalents	$ 395	$ 578	$ 21	$ 96	$ 1,090
Inventories	-	22	12	-	34
Total current assets	395	600	33	96	1,124
Noncurrent assets:					
Capital assets:					
Buildings and improvements	-	-	376	-	376
Equipment	18	130	141	-	289
Less accumulated depreciation	(12)	(109)	(483)	-	(604)
Total noncurrent assets	6	21	34	-	61
Total assets	401	621	67	96	1,185
Liabilities					
Current:					
Accounts payable	1	32	1	1	35
Accrued payroll and employee benefits	3	104	8	-	115
Deposits held for others	41	-	-	-	41
Total current liabilities	45	136	9	1	191
Noncurrent liabilities:					
Compensated absences	28	46	42	-	116
Total noncurrent liabilities	28	46	42	-	116
Total liabilities	73	182	51	1	307
Net Assets					
Invested in capital assets, net of related debt	6	21	34	-	61
Unrestricted (deficit)	322	418	(18)	95	817
Total net assets	$ 328	$ 439	$ 16	$ 95	$ 878

PINAL COUNTY
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Nonmajor Enterprise Funds
Year Ended June 30, 2004
(Amounts expressed in thousands)

	Sheriff Inmate Services	Home Health	Fairgrounds	Adult Day Care	Total
Operating revenues					
Charges for services	$ -	$ 3,634	$ 328	$ 118	$ 4,080
Rental and miscellaneous	196	-	-	-	196
Total operating revenues	196	3,634	328	118	4,276
Operating expenses					
Personal services	107	3,299	298	12	3,716
Supplies	27	31	72	7	137
Depreciation	1	9	5	-	15
Insurance	-	37	-	-	37
Repairs and maintenance	1	17	7	8	33
Communication	9	13	8	1	31
Professional services	2	112	69	1	184
Public utility service	-	8	65	-	73
Miscellaneous	4	39	62	-	105
Total operating expenditures	151	3,565	586	29	4,331
Operating Income (loss)	45	69	(258)	89	(55)
Nonoperating revenues (expenses)					
Intergovernmental	-	-	34	6	40
Interest on investments	3	3	-	-	6
Sale of capital assets	3	1	-	-	4
Total nonoperating revenues (expenses)	6	4	34	6	50
Net income (loss) before contributions and transfers	51	73	(224)	95	(5)
Capital contributions	-	1	-	-	1
Transfers in	-	-	323	-	323
Change in net assets	51	74	99	95	319
Net assets (deficit), July 1, 2003	277	365	(83)	-	559
Net assets, June 30, 2004	$ 328	$ 439	$ 16	$ 95	$ 878

PINAL COUNTY
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended June 30, 2004
(Amounts expressed in thousands)

	Sheriff Inmate Services	Home Health	Fair-gounds	Adult Daycare	Total
Cash flows from operating activities					
Receipts from customers	$ 196	$ 3,634	$ 338	$ 118	$ 4,286
Payments to suppliers	(43)	(238)	(289)	(16)	(586)
Payments to employees	(101)	(3,267)	(286)	(12)	(3,666)
Payments to other funds	-	-	(103)	-	(103)
Net cash provided by (used for) operating activities	52	129	(340)	90	(69)
Cash flows from noncapital financing activities					
Receipts from federal and local agencies	-	-	34	6	40
Transfers from other funds	-	-	323	-	323
Net cash provided by noncapital financing activities	-	-	357	6	363
Cash flows from capital and related financing activities					
Proceeds from the sale of capital assets	3	1	-	-	4
Acquisition of capital assets	(7)	(11)	(19)	-	(37)
Net cash used for capital and related financing activities	(4)	(10)	(19)	-	(33)
Cash flows from investing activities					
Interest and investment income received	3	3	-	-	6
Net cash provided by investing activities	3	3	-	-	6
Net increase (decrease) in cash and cash equivalents	51	122	(2)	96	267
Cash and cash equivalents, July 1, 2003	344	456	23	-	823
Cash and cash equivalents, June 30, 2004	$ 395	$ 578	$ 21	$ 96	$ 1,090

(Continued)

PINAL COUNTY
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended June 30, 2004
(Continued)
(Amounts expressed in thousands)

	Sheriff Inmate Services	Home Health	Fair-gounds	Adult Daycare	Total
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	$ 45	$ 69	$ (258)	$ 89	$ (55)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	1	9	5	-	15
Other receivables	-	-	10	-	10
Inventories	-	(1)	(2)	-	(3)
Increase in accounts payable	-	20	(4)	1	17
Accrued payroll and employee benefits	2	38	3	-	43
Compensated absences	4	(6)	9	-	7
Due to other funds	-	-	(103)	-	(103)
Total adjustments	7	60	(82)	1	(14)
Net cash provided by (used for) operating activities	$ 52	$ 129	$ (340)	$ 90	$ (69)
Noncash investing, capital, and financing activities:					
Sale of equipment	$ (13)	$ (5)	$ (16)	$ -	$ (34)
Elimination of accumulated depreciation related to sold equipment	13	5	16	-	34

PINAL COUNTY
Combining Statement of Fiduciary Net Assets
Investment Trust Funds
Year Ended June 30, 2004
(Amounts expressed in thousands)

	Treasurer's Investment Pool	Individual Investment Accounts	Total
Assets			
Cash and cash equivalents	$ 79,611	$ 1,511	$ 81,122
Interest receivable	57	2	59
Total assets	79,668	1,513	81,181
Net Assets			
Held in trust for investment participants	$ 79,668	$ 1,513	$ 81,181

PINAL COUNTY
Combining Statement of Fiduciary Net Assets
Agency Funds
Year Ended June 30, 2004
(Amounts expressed in thousands)

	Special Purpose	Other Agency	Total
Assets			
Cash and cash equivalents	$ 1,525	$ 2,384	$ 3,909
Cash and investments held by trustee	3,894	-	3,894
Total assets	$ 5,419	$ 2,384	$ 7,803
Liabilities			
Deposits held for others	$ 5,419	$ 2,384	$ 7,803

PINAL COUNTY
Combining Statement of Changes in Fiduciary Net Assets
Investment Trust Funds
Year Ended June 30, 2004
(Amounts expressed in thousands)

	Treasurer's Investment Pool	Individual Investment Accounts	Total
Additions			
Contributions by participants	$ 349,799	$ -	$ 349,799
Interest on investments	1,241	14	1,255
Total additions	351,040	14	351,054
Deductions			
Distributions to participants	351,591	100	351,691
Total distributions	351,591	100	351,691
Change in net assets	(551)	(86)	(637)
Net assets, July 1, 2003	80,219	1,599	81,818
Net assets, June 30, 2004	$ 79,668	$ 1,513	$ 81,181

PINAL COUNTY
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended June 30, 2004
(Amounts expressed in thousands)

	Balance July 1, 2003	Additions	Deletions	Balance June 30, 2004
Special Purpose:				
Assets				
Cash and cash equivalents	$ 1,732	$ 1,652	$ 1,859	$ 1,525
Investments held by trustees	3,557	538	201	3,894
Total assets	$ 5,289	$ 2,190	$ 2,060	$ 5,419
Liabilities				
Deposits held for others	$ 5,289	$ 2,190	$ 2,060	$ 5,419
Other Agency:				
Assets				
Cash and cash equivalents	$ 2,033	$ 22,650	$ 22,299	$ 2,384
Liabilities				
Deposits held for others	$ 2,033	$ 22,650	$ 22,299	$ 2,384
Total - All Agency Funds				
Assets				
Cash and cash equivalents	$ 3,765	$ 24,302	$ 24,158	$ 3,909
Investments held by trustees	3,557	538	201	3,894
Total assets	$ 7,322	$ 24,840	$ 24,359	$ 7,803
Liabilities				
Deposits held for others	$ 7,322	$ 24,840	$ 24,359	$ 7,803

PINAL COUNTY
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules by Source
June 30, 2004
(Amounts expressed in thousands)

	2004	2003
Governmental funds capital assets:		
Land	$ 2,608	$ 2,592
Buildings	42,252	40,339
Machinery and equipment	41,145	36,883
Infrastructure	17,127	8,055
Construction in progress	29,768	21,047
Total governmental funds capital assets	$ 132,900	$ 108,916

Investments in governmental funds capital assets by source:		
General Fund	$ 61,826	$ 56,236
Special revenue funds	43,652	34,741
Capital projects funds	27,422	17,939
Total governmental funds capital assets	$ 132,900	$ 108,916

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in the internal service fund are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

PINAL COUNTY
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
June 30, 2004
(Amounts expressed in thousands)

	Construction in Progress	Land	Buildings	Machinery & Equipment	Infrastructure	Total
Board of Supervisors	$ -	$ 2,608	$ 42,204	$ 66	$ -	$ 44,878
Assessor	-	-	-	512	-	512
Attorney	-	-	-	293	-	293
Clerk of the Superior Court	-	-	-	466	-	466
Recorder	-	-	-	800	-	800
Courts	-	-	-	87	-	87
Treasurer	-	-	-	424	-	424
Risk Management	-	-	-	23	-	23
Finance	-	-	-	128	-	128
Human Resources	-	-	-	55	-	55
Telecommunications	-	-	-	1,243	-	1,243
Management Info Services	-	-	-	2,229	-	2,229
Planning & Development	-	-	-	317	-	317
Elections	-	-	-	646	-	646
Internal Audit	-	-	-	2	-	2
County Manager	-	-	-	75	-	75
Deputy County Manager	-	-	-	118	-	118
Assist Mngr Human Servs	-	-	-	66	-	66
Facilities Management	-	-	-	918	-	918
Non-departmental	-	-	-	670	-	670
Airport Economic Development	-	-	48	15	-	63
Assist Cty Manager-Development	-	-	-	70	-	70
Education-School Superintendent	-	-	-	88	-	88
Total General Government	-	2,608	42,252	9,311	-	54,171
Superior Court/Sheriff Constructior	26,120	-	-	-	-	26,120
Sheriff	-	-	-	6,803	-	6,803
Justices of the Peace	-	-	-	291	-	291
Courts	-	-	-	582	-	582
Attorney	23	-	-	655	-	678
Public Defender	-	-	-	107	-	107
Juvenile Probation	-	-	-	461	-	461
Adult Probation	-	-	-	472	-	472
Non-departmental	-	-	-	3	-	3
Total Public Safety	26,143	-	-	9,374	-	35,517
Nondepartmental	3,625	-	-	-	17,127	20,752
Highway	-	-	-	18,620	-	18,620
Emergency Services	-	-	-	311	-	311
Total Highway	3,625	-	-	18,931	17,127	39,683
Solid Waste	-	-	-	369	-	369
Waste Tire Grant	-	-	-	260	-	260
Total Sanitation	-	-	-	629	-	629

(Continued)

PINAL COUNTY
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
June 30, 2004
(Continued)
(Amounts expressed in thousands)

	Construction in Progress	Land	Buildings	Machinery & Equipment	Infrastructure	Total
Adult Day Care	$ -	$ -	$ -	$ 296	$ -	$ 296
Air Quality	-	-	-	445	-	445
Animal Control	-	-	-	232	-	232
Health	-	-	-	817	-	817
Long Term Care AAA Case Mgmt	-	-	-	243	-	243
Mental Health	-	-	-	34	-	34
Total Health	-	-	-	2,067	-	2,067
Housing	-	-	-	362	-	362
Public Fiduciary	-	-	-	53	-	53
Total Welfare	-	-	-	415	-	415
Library	-	-	-	398	-	398
Parks and Grounds Maintenance	-	-	-	20	-	20
Total Culture & Recreation	-	-	-	418	-	418
Total Governmental Funds	$ 29,768	$ 2,608	$ 42,252	$ 41,145	$ 17,127	$ 132,900

PINAL COUNTY
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
Year Ended June 30, 2004
(Amounts expressed in thousands)

	Balance July 1, 2003 (as adjusted)	Additions	Deletions	Transfers	Balance June 30, 2004
Board of Supervisors	$ 43,002	$ 1,908	$ -	$ (32)	$ 44,878
Assessor	432	105	12	(13)	512
Attorney	233	60	-	-	293
Clerk of the Superior Court	365	104	3	-	466
Recorder	773	22	-	5	800
Courts	88	-	1	-	87
Treasurer	375	70	-	(21)	424
Risk Management	4	19	-	-	23
Finance	140	1	13	-	128
Human Resources	53	2	-	-	55
Purchasing	19	-	-	(19)	-
Telecommunications	1,025	21	-	197	1,243
Management Info Services	1,920	310	2	1	2,229
Planning & Development	283	44	28	18	317
Elections	171	475	-	-	646
Internal Audit	2	-	-	-	2
County Manager	51	24	-	-	75
Deputy County Manager	78	51	-	(11)	118
Assist Mngr Human Servs	62	19	15	-	66
Facilities Management	855	101	38	-	918
Non-departmental	478	246	41	(13)	670
Airport Economic Development	15	48	-	-	63
Assist Cty Manager-Development	23	47	-	-	70
Education-School Superintendent	88	-	-	-	88
Total General Government	50,535	3,677	153	112	54,171
Superior Court/Sheriff Construction	17,079	9,529	488	-	26,120
Sheriff	6,112	1,797	1,106	-	6,803
Justices of the Peace	900	193	802	-	291
Courts	528	233	-	(179)	582
Attorney	634	46	2	-	678
Public Defender	92	19	4	-	107
Juvenile Probation	443	30	12	-	461
Adult Probation	477	44	13	(36)	472
Non-departmental	3	-	-	-	3
Total Public Safety	26,268	11,891	2,427	(215)	35,517
Nondepartmental	11,383	12,656	3,287	-	20,752
Highway	17,335	2,372	1,135	48	18,620
Emergency Services	299	35	23	-	311
Total Highway	29,017	15,063	4,445	48	39,683
Solid Waste	263	106	-	-	369
Waste Tire Grant	268	-	8	-	260
Total Sanitation	531	106	8	-	629

(Continued)

PINAL COUNTY

Capital Assets Used in the Operation of Governmental Funds

Schedule of Changes by Function and Activity

Year Ended June 30, 2004

(Continued)

(Amounts expressed in thousands)

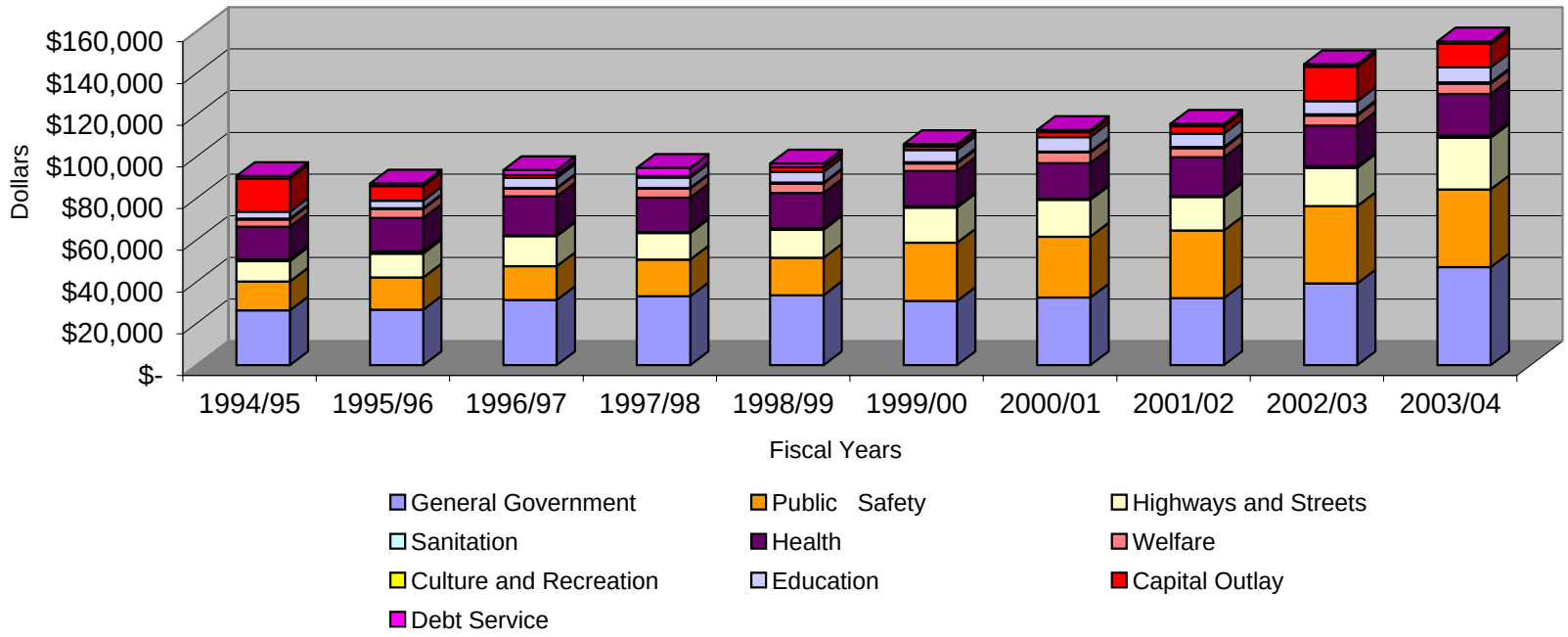
	Balance July 1, 2003 (as adjusted)	Additions	Deletions	Transfers	Balance June 30, 2004
Adult Day Care	$ 212	$ 114	$ 30	$ -	$ 296
Air Quality	389	43	-	13	445
Animal Control	198	53	19	-	232
Health	712	127	18	(4)	817
Long Term Care AAA Case Mgmt	243	-	-	-	243
Mental Health	34	-	-	-	34
Total Health	1,788	337	67	9	2,067
Housing	303	44	26	41	362
Public Fiduciary	43	10	-	-	53
Total Welfare	346	54	26	41	415
Library	411	3	16	-	398
Parks and Grounds Maintenance	20	-	-	-	20
Total Culture & Recreation	431	3	16	-	418
Total Governmental Funds	$ 108,916	$ 31,131	$ 7,142	$ (5)	$ 132,900

* Beginning balances were adjusted to reflect the proper function of that department.

Statistical Section

PINAL COUNTY
General Governmental Expenditures by Function
Last Ten Fiscal Years
(Amounts expressed in thousands)

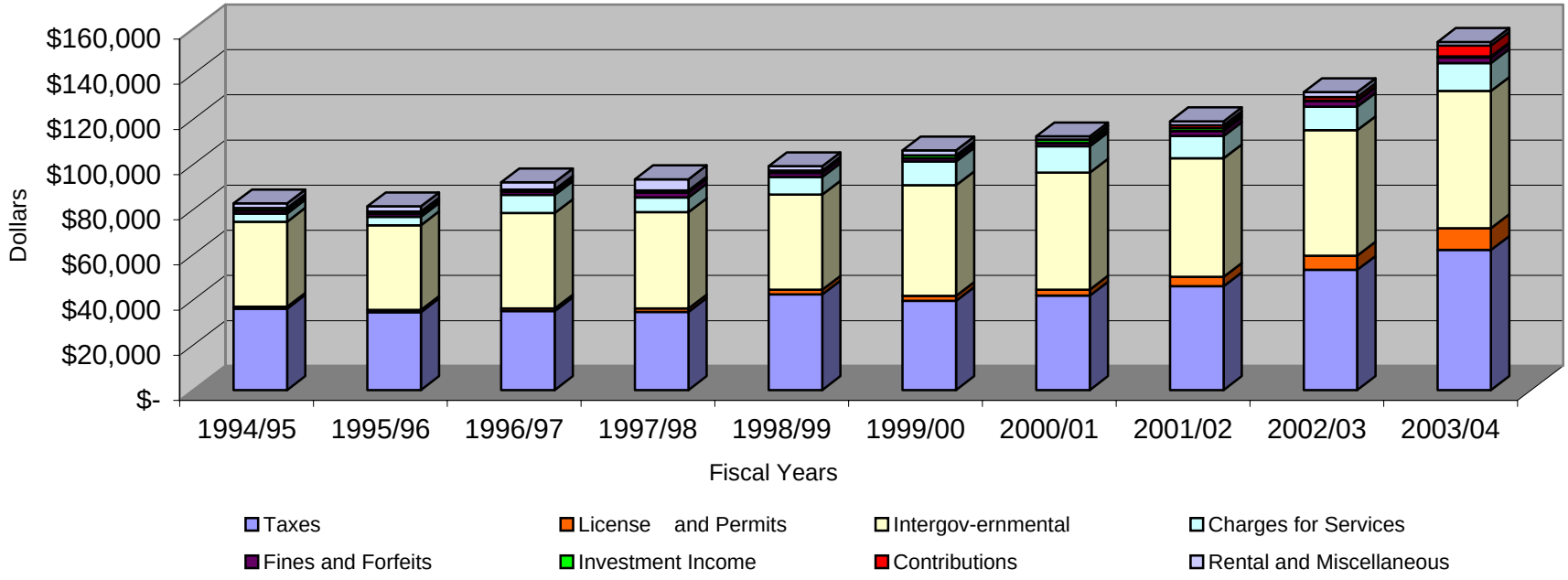
Fiscal Year	General Government	Public Safety	Highways and Streets	Sanitation	Health	Welfare	Culture and Recreation	Education	Capital Outlay	Debt Service	Total
1994/95	$ 26,256	$ 13,752	$ 9,880	$ 870	$ 15,540	$ 3,527	$ 359	$ 3,299	$ 15,922	$ 1,236	$ 90,641
1995/96	26,560	15,391	11,550	992	16,055	4,297	297	3,726	6,977	1,229	87,074
1996/97	31,243	16,131	14,453	375	18,664	3,742	356	4,730	1,396	2,481	93,571
1997/98	33,022	17,606	12,666	475	16,493	4,391	269	4,969	744	3,872	94,507
1998/99	33,524	17,956	13,434	711	16,868	4,636	324	5,237	2,151	1,762	96,603
1999/00	30,724	27,980	16,874	476	17,016	3,638	523	5,940	1,725	1,089	105,985
2000/01	32,428	29,182	17,639	446	17,173	4,989	545	6,940	2,324	1,093	112,759
2001/02	32,064	32,449	16,125	495	18,558	4,400	526	6,391	3,576	1,088	115,672
2002/03	39,187	37,071	18,246	805	19,477	4,877	547	6,324	16,472	1,221	144,227
2003/04	46,973	37,297	24,661	887	20,228	4,898	600	7,235	11,254	1,223	155,256



PINAL COUNTY
General Governmental Revenues by Source
Last Ten Fiscal Years

(Amounts expressed in thousands)

Fiscal Year	Taxes	License and Permits	Intergov-ernmental	Charges for Services	Fines and Forfeits	Investment Income	Contributions	Rental and Miscellaneous	Total
1994/95	$ 36,042	$ 817	$ 37,694	$ 3,616	$ 1,233	$ 1,209	$ -	$ 2,007	$ 82,618
1995/96	34,491	924	37,598	3,657	1,307	1,082	-	2,271	81,330
1996/97	34,961	1,148	42,254	8,032	1,465	878	-	3,292	92,030
1997/98	34,612	1,491	42,646	6,490	2,206	940	-	4,983	93,368
1998/99	42,315	2,130	42,114	7,740	1,886	1,021	-	1,917	99,123
1999/00	39,477	2,176	49,081	10,473	1,473	1,244	-	2,205	106,129
2000/01	41,835	2,648	51,778	11,653	1,472	1,451	79	1,444	112,360
2001/02	45,983	4,139	52,491	9,889	2,228	1,267	1,281	1,779	119,057
2002/03	53,217	6,313	55,536	10,400	2,641	101	1,572	2,175	131,955
2003/04	62,057	9,629	60,807	12,350	2,396	493	4,863	1,579	154,174



PINAL COUNTY
Property Tax Levies and Collections
Last Ten Fiscal Years
(Amounts expressed in thousands)

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Collections as Percentage of Total Tax Levy
1994/95	$ 23,168	$ 20,854	90.01%	$ 1,416	$ 22,270	96.12%
1995/96	24,421	22,638	92.70%	1,206	23,844	97.64%
1996/97	25,208	22,438	89.01%	1,425	23,863	94.66%
1997/98	26,987	23,150	85.78%	1,147	24,297	90.03%
1998/99	25,778	22,568	87.55%	1,393	23,961	92.95%
1999/00	29,432	24,620	83.65%	1,095	25,715	87.37%
2000/01	30,365	26,255	86.46%	1,357	27,612	90.93%
2001/02	32,214	29,223	90.72%	1,661	30,884	95.87%
2002/03	38,659	32,805	84.86%	1,478	34,283	88.68%
2003/04	43,845	39,052	89.07%	1,415	40,467	92.30%

Source: County financial records

PINAL COUNTY
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Amounts expressed in thousands)

Fiscal Year	Type	Assessed Value	Estimated Actual Value	Percent of Assessed Value to Estimated Actual Value
1994/95	Primary	$ 564,820	$ 3,257,525	17.3%
	Secondary	573,273	3,306,271	17.3%
1995/96	Primary	570,577	3,542,745	16.1%
	Secondary	574,616	3,572,832	16.1%
1996/97	Primary	568,158	3,598,124	15.8%
	Secondary	576,217	3,653,645	15.8%
1997/98	Primary	582,077	3,986,092	14.6%
	Secondary	587,671	4,024,673	14.6%
1998/99	Primary	582,220	4,418,579	13.2%
	Secondary	587,977	4,461,518	13.2%
1999/00	Primary	639,663	4,470,359	14.3%
	Secondary	671,060	4,702,204	14.3%
2000/01	Primary	701,712	4,945,907	14.2%
	Secondary	738,563	5,222,710	14.1%
2001/02	Primary	816,900	5,965,000	13.7%
	Secondary	863,865	6,313,770	13.7%
2002/03	Primary	951,824	6,982,254	13.6%
	Secondary	1,021,719	7,454,482	13.7%
2003/04	Primary	1,128,263	8,269,359	13.6%
	Secondary	1,061,149	7,813,933	13.6%

Source: County assessment records

PINAL COUNTY
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	Type	County	Cities and Towns	School Districts	Special Districts	State	Total
1994/95	Primary	4.1637	8.5143	69.2409	-	3.3600	85.2789
	Secondary	0.1470	0.3873	22.1549	65.7856	-	88.4748
	Total	4.3107	8.9016	91.3958	65.7856	3.3600	173.7537
1995/96	Primary	4.1637	10.4719	70.4744	-	3.3600	88.4700
	Secondary	0.1470	0.3604	24.2368	68.4224	-	93.1666
	Total	4.3107	10.8323	94.7112	68.4224	3.3600	181.6366
1996/97	Primary	4.1637	13.6340	73.3399	-	2.7300	93.8676
	Secondary	0.1470	0.3651	24.4707	67.6145	-	92.5973
	Total	4.3107	13.9991	97.8106	67.6145	2.7300	186.4649
1997/98	Primary	4.4532	16.1543	71.8948	-	2.7300	95.2323
	Secondary	0.1470	0.3194	25.8286	79.0232	-	105.3182
	Total	4.6002	16.4737	97.7234	79.0232	2.7300	200.5505
1998/99	Primary	4.1416	17.5868	70.3120	-	3.2300	95.2704
	Secondary	0.1477	0.0030	29.7048	61.4624	-	91.3179
	Total	4.2893	17.5898	100.0168	61.4624	3.2300	186.5883
1999/00	Primary	4.4532	17.3758	70.6139	-	3.1871	95.6300
	Secondary	0.1470	0.0256	28.4242	63.1983	-	91.7951
	Total	4.6002	17.4014	99.0381	63.1983	3.1871	187.4251
2000/01	Primary	4.4532	17.2831	69.5377	-	3.1388	94.4128
	Secondary	0.1470	0.0223	36.3400	64.8957	-	101.4050
	Total	4.6002	17.3054	105.8777	64.8957	3.1388	195.8178
2001/02	Primary	4.4532	17.2301	66.7009	-	2.5621	90.9463
	Secondary	0.1470	-	35.8172	67.0045	-	102.9687
	Total	4.6002	17.2301	102.5181	67.0045	2.5621	193.9150
2002/03	Primary	4.4532	17.5872	70.1675	0.1300	3.0185	95.3564
	Secondary	0.1470	-	33.1512	67.2914	-	100.5896
	Total	4.6002	17.5872	103.3187	67.4214	3.0185	195.9460
2003/04	Primary	4.4532	17.9718	64.6973	0.1200	2.9300	90.1723
	Secondary	0.1470	-	30.8269	72.9857	-	103.9596
	Total	4.6002	17.9718	95.5242	73.1057	2.9300	194.1319

Source: County tax records

Note: All tax rates are per $100 assessed valuation

PINAL COUNTY
Principal Taxpayers
June 30, 2004
(Amounts expressed in thousands)

Taxpayer	Assessed Value	Percent of Total Value
Arizona Public Service Company (T&D)	$ 44,513	4.19%
PPL Sundance Energy LLC	19,969	1.88%
Qwest Corporation	18,962	1.79%
ASARCO Inc. (Groupo Mexico)	13,523	1.27%
CCA Properties of Arizona LLC	13,104	1.23%
El Paso Natural Gas Co.	11,455	1.08%
Southwest Gas Corp.	9,334	0.88%
Arizona Water Co.	8,987	0.85%
BHP Copper Inc.	6,500	0.61%
Wal-Mart Stores East, LP	6,286	0.59%
Total	$ 152,633	14.38%
Total Assessed Value	$1,061,149	

Source: County Tax Records

PINAL COUNTY
Special Assessment Billings and Collections
Last Ten Fiscal Years
(Amounts expressed in thousands)

Fiscal Year	Current Assessments Due	Assessments Collected	Ratio of Collections to Amount Due	Total Outstanding Assessments
1994/95	$ 1,024	$ 1,020	99.6%	$ 244
1995/96	1,044	1,066	102.1%	222
1996/97	1,125	947	84.2%	232
1997/98	990	810	81.8%	187
1998/99	955	881	92.3%	201
1999/00	955	869	91.0%	218
2000/01	1,024	1,008	98.4%	104
2001/02	1,095	930	84.9%	81
2002/03	1,163	1,139	97.9%	122
2003/04	1,222	1,294	105.9%	95

Source: County financial and tax records

PINAL COUNTY
Computation of Legal Debt Margin
Year Ended June 30, 2004
(Amounts expressed in thousands)

Assessed Valuation	
Value of taxable property	$ 1,187,672
Less exempt property	126,523
Assessed Valuation	$ 1,061,149
Special Improvement Legal Debt Margin	
Debt limit 20% of assessed value	$ 212,230
Amount of debt applicable to debt limit:	
Total bonded debt	3,365
Legal debt margin, available for special projects	$ 208,865
General Legal Debt Limit	
Debt limit 6% of assessed valuation	$ 63,669
Amount of debt applicable to debt limit:	
Total bonded debt	-
Legal debt margin, available for other projects	$ 63,669

PINAL COUNTY
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years
(Amounts expressed in thousands)

Fiscal Year	Population	Assessed Value	Gross Bonded Debt	Less Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1994/95	139	$ 573,273	$ 9,710	$ 254	$ 9,456	1.65	$ 68.03
1995/96	141 *	576,476	9,203	232	8,971	1.56	63.62
1996/97	144 *	574,586	8,222	597	7,625	1.33	52.95
1997/98	150 *	587,671	7,710	194	7,516	1.28	50.11
1998/99	158 *	587,977	7,780	241	7,539	1.28	47.72
1999/00	180	671,060	7,050	164	6,886	1.03	38.26
2000/01	189 *	738,563	6,240	247	5,993	0.81	31.71
2001/02	192 *	863,865	5,405	180	5,225	0.60	27.21
2002/03	192 *	1,021,719	4,405	107	4,298	0.42	22.39
2003/04	202 *	1,061,149	3,365	170	3,195	0.30	15.82

* Estimated

Source: Arizona Department of Economic Security Population Statistics Department, County assessment records, and Audited Financial Statements/Notes to Financial Statements

PINAL COUNTY
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Governmental Expenditures
Last Ten Fiscal Years
(Amounts expressed in thousands)

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures	Ratio of Debt Service to General Expenditures
1994/95	$ -	$ 1,236	$ 1,236	$ 90,641	1.36
1995/96	482	746	1,228	87,074	1.41
1996/97	1,498	983	2,481	93,571	2.65
1997/98	3,012	859	3,871	94,507	4.10
1998/99	530	314	844	96,603	0.87
1999/00	730	359	1,089	105,985	1.03
2000/01	810	283	1,093	112,759	0.97
2001/02	835	253	1,088	115,672	0.94
2002/03	1,000	221	1,221	144,227	0.85
2003/04	1,040	183	1,223	155,256	0.79

Source: County financial records

PINAL COUNTY
Computation of Overlapping Debt
June 30, 2004
(Amounts expressed in thousands)

	Net Debt Outstanding	Percentage Applicable to Pinal County	Amount Applicable to Pinal County
Cities and Towns:	$ -	0%	$ -
Primary School Districts:			
Elementary School Districts	$ 20,030		
Union High School Districts	19,545		
Unified School Districts	58,025		
Pinal County Community College Districts	35		
Total School Districts	$ 97,635	100%	$ 97,635
Special Assessment Districts:			
Irrigation Districts	$ 20,138		
Maricopa Rural Road Improvement	4,405		
Sanitary Districts	164		
Total Special Assessment Districts	$ 24,707	100%	$ 24,707
Total overlapping general obligation bonded debt	$ 122,342		

PINAL COUNTY
Demographic Statistics
Last Ten Fiscal Years
(Amounts expressed in thousands)

Fiscal Year	Population	Per Capita Income	School Enrollment	Unemployment Rate
1994/95	139	$ 15	24	5.0%
1995/96	141	15	26	5.3%
1996/97	144	15	N/A	5.0%
1997/98	150	16	N/A	4.3%
1998/99	158	16	N/A	3.8%
1999/00	180	16	25	3.6%
2000/01	189	15	25	4.1%
2001/02	192	N/A	26	5.1%
2002/03	192	N/A	25	7.3%
2003/04	202	19	25	5.9%

Source: Arizona Department of Economic Security Population Statistics Department

PINAL COUNTY
Construction, Bank Deposits, and Property Value Statistics
Last Ten Fiscal Years
(Amounts expressed in thousands)

Fiscal Year	Nonresidential Construction[1]		Residential Construction[1]		Bank Deposits[2]	Property Values[3]		
	# of Permits	Value	# of Units	Value	Value	Commercial	Residential	Nontaxable
1994/95	170	$ 28,465	677	$ 53,199	$ 532,824	$ 1,769,359	$ 1,754,089	$ 485,850
1995/96	29	13,840	660	53,973	549,496	2,061,857	1,876,207	172,178
1996/97	126	16,294	964	87,007	478,760	2,045,232	2,002,867	180,970
1997/98	232	17,333	1,034	117,875	522,172	2,110,386	2,163,865	134,042
1998/99	360	74,895	1,709	180,093	635,868	2,385,922	2,549,044	183,817
1999/00	401	19,660	1,536	182,199	613,035	2,308,371	2,924,088	175,416
2000/01	422	29,354	1,679	192,583	675,065	2,445,616	3,320,306	177,972
2001/02	518	34,700	2,719	294,070	566,747	2,509,342	4,265,604	146,684
2002/03	590	56,050	4,240	473,401	704,272	3,218,182	4,853,291	192,413
2003/04	1,111	53,211	6,930	830,571	785,834	2,843,816	4,763,280	257,843

Source: 1) County building records; 2) Arizona Bankers Association; and 3) County Assessor's Office

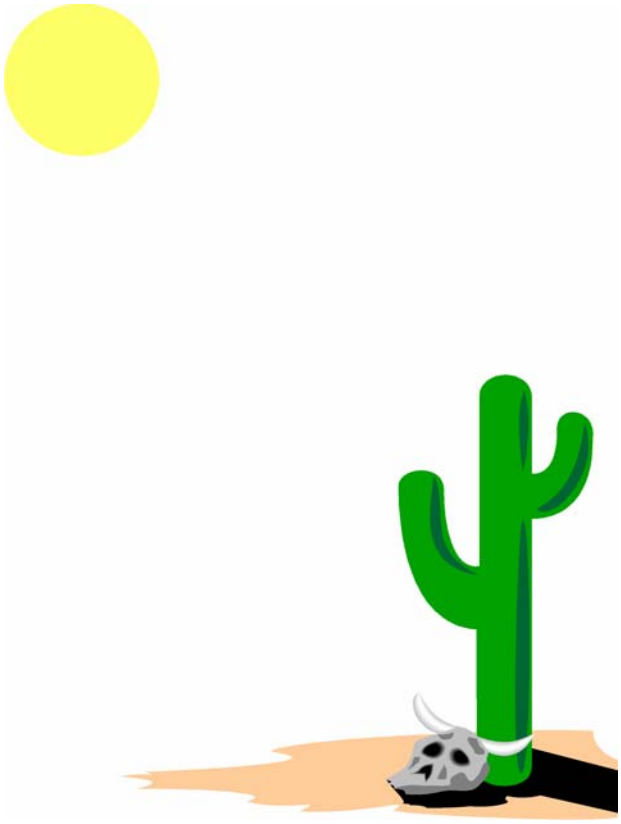
PINAL COUNTY
Major Employers
June 30, 2004

Name	Business or Service	Employees[1]
State of Arizona	State Prison	2,950
Pinal County	Local Government	1,848
TRW Inc.	Manufacturing airbags	1,700
Corrections Corporation of America	Private prison	1,300
ASARCO (Groupo Mexico)	Mining	1,240
Casa Grande Regional Hospital	Hospital and health care	790
Casa Grande Elementary School District	Education	625
Desert Valley Care Center	Hospital and health care	520
Frito Lay Inc.	Snack foods	450
Arch Chemicals	Chemicals	400
Abbot Laboratories/Ross Products	Infant formula	425
Hexcel Corporation	Aerospace manufacturing	350
Mobile Mini	Storage units	300
Casa Grande High School District	Education	240
City of Casa Grande	Local Government	240
Eloy Elementary School District	Education	230
BhP Copper	Smelting and refining copper	218
Mulay Plastics, Inc.	Plastic products	200
Palm Harbor Homes	Manufactured homes	200
City of Apache Junction	Local Government	190
Casa Grande Valley Newspapers, Inc.	Newspapers and publishing	140
Westile, Inc	Concrete roof tiles	120
City of Eloy	Local Government	115
Flying J. Truck stop	Truck Stop - Restaurant	100
K-Mart	Retail shopping	100
PDM Strocal, Inc.	Fabricates and erects structural steel	100
Truck stop of America	Truck Stop	100

[1]Estimated number of full-time equivalent employees

Source: The Arizona Department of Commerce and the various chambers of commerce and economic development agencies located within the County

PINAL COUNTY
Non-Agricultural Employment Structure
June 30, 2004

Type of Employment	No. of Employees	Percent of Total
Construction	1,450	3.8%
Educational & Health Services	3,700	9.6%
Financial Activities	850	2.2%
Government	16,125	41.9%
Leisure & Hospitality	3,000	7.8%
Manufacturing	2,575	6.7%
Natural Resources & Mining	875	2.3%
Professional & Business Services	2,975	7.7%
Trade, Transportation & Utilities	6,925	18.0%
Total	38,475	100%

Source: Arizona Department of Commerce