Pinal County, Arizona

Comprehensive Annual Financial Report

For the Fiscal Year Ended
June 30, 2006

Prepared by:

Pinal County Finance Department

Victoria Prins, CPA, MPA, CGFM
Chief Financial Officer

PINAL COUNTY
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2006

Table of Contents

Page

INTRODUCTORY SECTION

Letter of Transmittal v
GFOA Certificate of Achievement ix
Organizational Chart x
List of Elected and Appointed Officials xi

FINANCIAL SECTION

Independent Auditors' Report 1

Management's Discussion and Analysis 3

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Assets 17
Statement of Activities 18

Fund Financial Statements:

Balance Sheet – Governmental Funds 19

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets 20

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 21

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 22

Statement of Net Assets – Proprietary Funds 23

Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds 24

Statement of Cash Flows – Proprietary Funds 25

Statement of Fiduciary Net Assets – Fiduciary Funds 27

Statement of Changes in Fiduciary Net Assets – Fiduciary Funds 28

Notes to the Financial Statements:

(1) Summary of Significant Accounting Policies 29
(2) Beginning Balances Restated 35
(3) Stewardship, Compliance, and Accountability 36
(4) Deposits and Investments 36
(5) Capital Assets 40
(6) Short-Term Debt 41
(7) Long-Term Liabilities 42
(8) Risk Management 46
(9) Retirement Plans 47
(10) Interfund Balances and Activity 50
(11) County Treasurer's Investment Pool 52

PINAL COUNTY
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2006

Table of Contents

Page

(12) Related Party Transactions 53
(13) Subsequent Events 53

Required Supplementary Information (other than MD&A):

Schedule of Agent Retirement Plans' Funding Progress 55
Budgetary Comparison Schedule – General Fund 57
Budgetary Comparison Schedule – Public Works Highway Fund 59
Budgetary Comparison Schedule – Public Works/Gantzel Road 60
Required Supplementary Information – Notes to Budgetary Comparison Schedules 61

Combining Statements and Individual Fund Schedules:

Nonmajor Governmental Funds:
Combining Balance Sheet – Nonmajor Governmental Funds 63
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds 64
Combining Balance Sheet – Nonmajor Special Revenue Funds 65
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds 76
Combining Balance Sheet – Nonmajor Capital Projects Fund 87
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Projects Fund 88
Combining Balance Sheet – Nonmajor Debt Service Funds 89
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Debt Service Funds 90
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual

Nonmajor Special Revenue Funds:
Adult Probation 91
Airport Economic Development 92
Air Quality 93
Animal Control 94
Attorney 95
Clerk of Courts 96
Old Courthouse Preservation 97
Detention Expansion 98
Courts 99
Health Services 100
Justice Courts 101
Juvenile Probation 102
Local Transport Assist Grant 103
Library Grants 104
Health Grants 105
Public Defender 106
Public Works Roadways 107
Public Works Services 108

PINAL COUNTY
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2006

Table of Contents

Page

Road Tax Districts 109
Sheriff 110
Treasurer 111
Housing Grants 112
Flood Control District 113
Library District 114
Lighting Special Districts 115
Miscellaneous Fees 116
Desert Vista Sanitation District 117
Queen Creek Domestic Water Improvement District 118

Capital Projects Funds:

Adult/Juvenile Detention Construction 119
Capital Projects Miscellaneous 120

Nonmajor Debt Service Funds:

Debt Service 121
Maricopa Rd Debit Service 122

Nonmajor Enterprise Funds:

Combining Statement of Net Assets – Nonmajor Enterprise Funds 123
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Nonmajor Enterprise Funds 124
Combining Statement of Cash Flows – Nonmajor Enterprise Funds 125

Trust and Agency Funds:

Combining Statement of Fiduciary Net Assets – Investment Trust Funds 127
Combining Statement of Fiduciary Net Assets – Agency Funds 128
Combining Statement of Changes in Fiduciary Net Assets – Investment Trust Funds 129
Combining Statement of Changes in Assets and Liabilities – Agency Funds 130

STATISTICAL SECTION

Net Assets by Component 131
Changes in Net Assets 132
Fund Balances of Governmental Funds 134
Changes in Fund Balances of Governmental Funds 135
Assessed and Estimated Actual Value of Taxable Property 136
Taxable Assessed Value and Estimated Actual Value of Property 137
Direct Property Tax Rates 138
Principal Property Taxpayers 139
Property Tax Levies and Collections 140
Ratios of Outstanding Debt by Type 141
Legal Debt Margin Information 142
Pledged-Revenue Coverage 143
Demographic and Economic Statistics 144
Principal Employers 145
Employees by Function 146

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

June 15, 2007

To the Members of the Board of Supervisors and Citizens of
Pinal County, Arizona:

We are pleased to provide you with the Comprehensive Annual Financial Report of Pinal County for the fiscal year ended June 30, 2006.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The State's Auditor General's Office has issued an unqualified ("clean") opinion on Pinal County's financial statements for the fiscal year ended June 30, 2006. The independent auditor's report is located at the front of the financial section of this report.

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

Profile of the Government

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, 2006 population of the County was estimated to be 247,000. 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. 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 governing body of Pinal County is the Board of Supervisors, which sets policy for the administration of the County. The Board of Supervisors comprises three board members that are elected for a four-year term by the voters of the district in which each member resides. The Board of Supervisors appoints a County Manager to act as the administrative head of the County. The County Manager serves at the pleasure of the Board of Supervisors, carries out the policies established by the Board of Supervisors,

directs business and administrative procedures, and recommends officers and personnel to be appointed by the Board of Supervisors.

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.

The financial reporting entity includes all the funds of the primary government (Pinal County), as well as its component units. Component units are legally separate entities for which the primary government is financially accountable. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the Pinal County Flood Control District, Library District, Various Street Lighting Districts, Desert Vista Sanitary District, Queen Creek Domestic Water Improvement District, Pinal County Municipal Property Corporation, Central Arizona Public Facility Corporation, and the Maricopa Road Public Improvement Corporation are reported as part of the primary government. Additional information can be found in the notes to the financial statements (See Note I.A).

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.

Information Useful in Assessing the Government's Economic Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Local economy. 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.

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 largest employer, with approximately 3,006 employees.

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 it 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 have kept the property tax rate stable.

Long – Term Financial Planning. The County's responsiveness to emerging economic challenges and its careful long-range planning have been key factors in Pinal County's fiscal health. Fiscal conservatism, a streamlined budget, and operating efficiencies have resulted in a solid financial position for the County at the close of FY 2005-2006.

Relevant Financial Policies. Pinal County financial policies include the following:

- General Obligation bonds will not be used for long-term debt. Long term projects are budgeted using Certificates of Participation. If revenues are not available, projects will be postponed or resources will be re-appropriated to cover debt service.
- A five year Public Works capital improvement plan (CIP) will be developed and updated annually, including anticipated funding sources.
- Fund Balance coverage for the General Fund will be maintained at a minimum of 5% of General Fund revenue.

Major Initiatives. During FY 2005-2006 Pinal County continued to invest in basic government service programs and amenities. These program and amenities will assist in maintaining Pinal County as a "livable" community for future generations.

Initiatives to shape and maintain Pinal County as a sustainable community include:

- Continued review of existing operations to ensure County government is effective and efficient.
- Effective and Prudent Planning and Growth for Land Development.
- Ensuring competitive employee compensation – salaries and benefits.
- Expansion of Adult Detention Facility and construction of a new Juvenile Detention facility.
- Widening and extension of the Ironwood /Gantzel Road.

Awards and Acknowledgements

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, 2005. [This was the 10th 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 generally accepted accounting principles and applicable legal requirements.

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

In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its 2005-2006 annual budget document. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, financial plan, an operations guide, and a communications device.

Acknowledgments

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department, the assistance of administrative personnel in the various departments, and through the competent service of our independent auditors. I also wish to express my sincere appreciation to the members of the Board of Supervisors, the County Manager, and the Assistant County Manager for Administrative Services for their interest and support in planning and conducting the financial affairs of the County in a responsible and progressive manner.

Respectfully submitted,

Victoria Prins, CPA, MPA, CGFM
Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Pinal County
Arizona

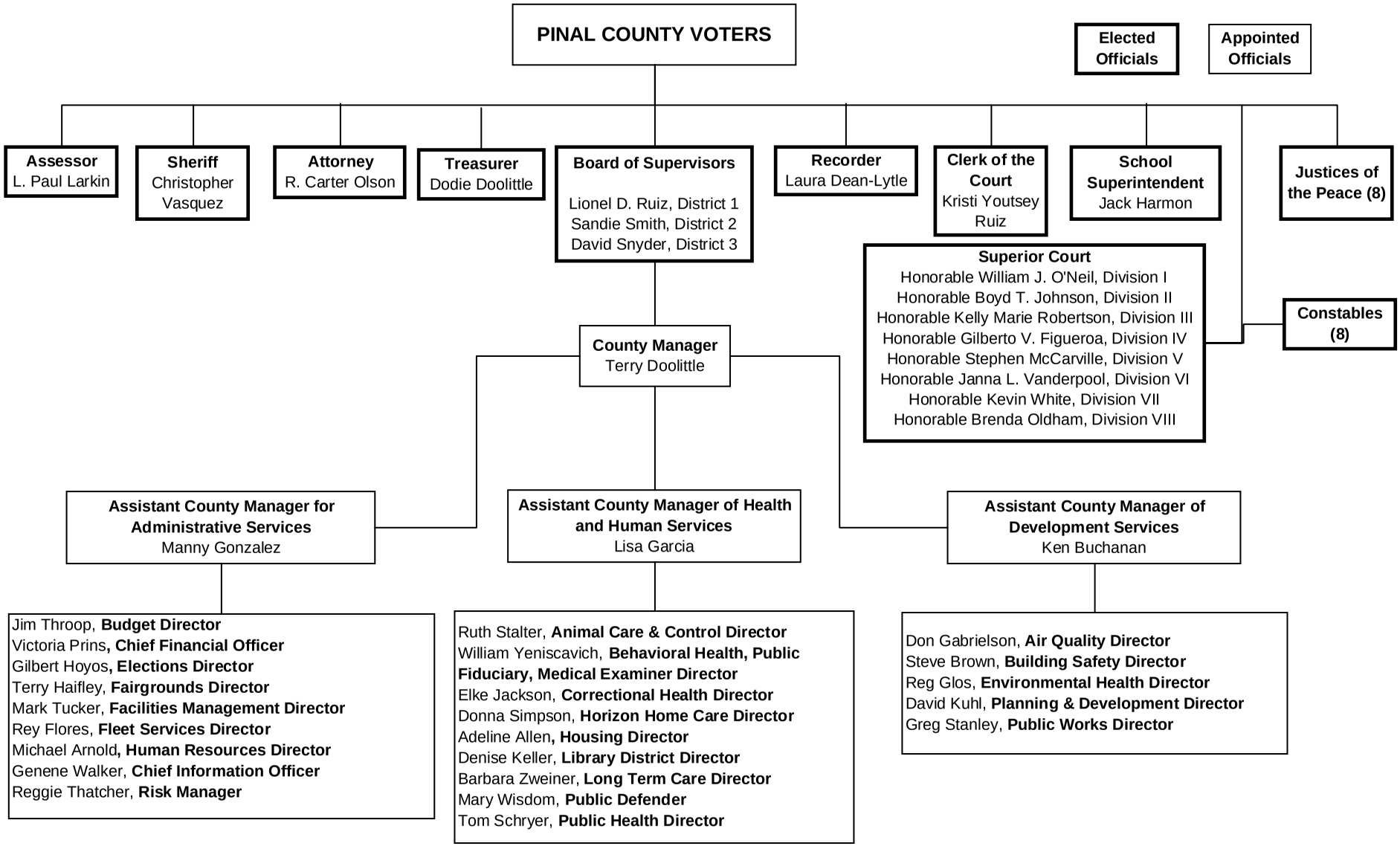
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2005

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, 2006
County Officials

Elected Officials

Supervisor, District 1	Lionel D. Ruiz
Supervisor, District 2	Sandie Smith
Supervisor, District 3	David Snyder
Assessor	L. Paul Larkin
Attorney	R. Carter Olson
Clerk of Superior Court	Kristi Youtsey Ruiz
Recorder	Laura Dean-Lytle
School Superintendent	Jack Harmon
Sheriff	Chris Vasquez
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 Rudy Georgini
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
Superior Court Judge, Division VII	Honorable Kevin White
Superior Court Judge, Division VIII	Honorable Brenda Oldham
Treasurer	Dodie Doolittle
Justices of the Peace (8) and Constables (8)	Various

Appointed Officials

County Manager	Terry Doolittle
Assistant County Manager, Administration	Manuel Gonzalez
Assistant County Manager, Health & Human Services	Lisa Garcia
Assistant County Manager, Development Services	Ken Buchanan
Chief Financial Officer	Victoria Prins
Public Works Director	Greg Stanley
Planning & Development Director	David Kuhl
Public Defender	Mary Wisdom
Library District	Denise Keller
Budget & Research Director	James Throop
Building Safety	Steve Brown
Elections	Gilberto Hoyos
Facilities Management	Mark Tucker
Fairgrounds and Parks	Terry Haifley
Fleet Services	Rey Flores
Human Resources Director	Michael Arnold
Chief Information Officer	Genene Walker
Long-Term Care	Barbara Zwiener
Risk Management	Reggie Thatcher
Air Quality Control	Donald Gabrielson
Animal Control	Ruth Stalter
Horizon Home Care	Donna Simpson
Housing	Adeline Allen
Public Fiduciary, Medical Examiner, Behavioral Health	William Yeniscavich
Public Health	Thomas Schryer
Correctional Health	Elke Jackson
Environmental Health	Reg Glos

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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, 2006, 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 Fund, which is both a major fund and 80 percent and 89 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 Fund, is based 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, 2006, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

As described in Note 1, the County retroactively reported all major general infrastructure assets as part of the phased implementation requirements of GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. In addition, as described in Notes 1 and 2, the County increased its capitalization threshold for capital assets of its Governmental Activities, which is considered a change in the application of an accounting principle.

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The Management's Discussion and Analysis on pages 3 through 15, the Schedule of Agent Retirement Plans' Funding Progress on page 55, and the Budgetary Comparison Schedules on pages 57 through 61 are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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

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

Debbie Davenport
Auditor General

June 15, 2007

Management's Discussion and Analysis

As management of Pinal County (County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2006. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages v – viii of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded liabilities at the close of the 2005-2006 fiscal year by $287,808 (*net assets)*. Of this amount, $37,250 (*unrestricted net assets)* may be used to meet ongoing obligations to citizens and creditors.

- The County's total net assets increased by $168,180. This increase is attributable to an increase in the County's rapid population growth and new construction, as well as a restatement of infrastructure capital assets and land related to infrastructure assets of $129,041.

- As of June 30, 2006, the County governmental funds reported combined fund balances of $164,160, an increase of $39,189 in comparison with the prior year. Approximately 99% of the combined fund balances, or $163,299, is available for spending at the County's discretion (*unreserved fund balance).* Most of the increase is attributable to Gantzel loan proceeds not spent during the year.

- At the end of the current fiscal year, unreserved fund balance for the general fund was $45,614, or 42% 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, 2006, was $185,533. Certificates of participation and loan payable represent 89% of the total. The final payments on the certificates of participation are due in fiscal years 2009, 2021, and 2030.

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

Government-wide Financial Statements. The *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 of the County's 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 the County's 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 the 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 a significant portion of their costs through user fees and charges (*business-type activities).* The governmental activities of the County include general government, public safety, highways and streets, sanitation, health, welfare, culture and recreation, and education. 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 17-18 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: *governmental funds, proprietary funds,* and *fiduciary funds*.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows* and *outflows of 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 government'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 uses 169 individual governmental funds to satisfy legal and operating requirements. Some of these funds are combined according to their functional basis for financial reporting purposes. 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 Gantzel Road Fund, and Adult/Juvenile Detention Construction Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for its general fund and other governmental funds. A budgetary comparison schedule has been provided for the General Fund and major Special Revenue Funds to demonstrate compliance with this budget. These statements can be found on pages 57-60.

The basic governmental fund financial statements can be found on pages 19-22 of this report.

Proprietary funds. The County maintains two different types of proprietary funds. *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 Print Shop 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 funds 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 fund financial statements can be found on pages 23-26 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements 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 27-28 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-53 of this report.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County's progress in funding its obligation to provide pension benefits to its employees. Budgetary comparison schedules previously discussed are also included in this section. Required supplementary information can be found on pages 55-61 of this report.

Other Information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 63-130 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. In the case of the County, assets exceeded liabilities by $287,808 at the close of the most recent fiscal year.

Statement of Net Assets
June 30, 2006 and 2005

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Current and other assets	$ 183,051	$ 141,151	$ 6,003	$ 7,182	$ 189,054	$ 148,333
Capital assets	301,880	110,747	2,379	949	304,259	111,696
Total assets	484,931	251,898	8,382	8,131	493,313	260,029
Current and other liabilities	15,539	12,348	4,433	4,458	19,972	16,806
Long-term liabilities	185,414	123,487	119	108	185,533	123,595
Total liabilities	200,953	135,835	4,552	4,566	205,505	140,401
Net assets:						
Invested in capital assets, net of related debt	180,340	44,832	2,379	949	182,719	45,781
Restricted net assets	67,584	39,872	255	1,651	67,839	41,523
Unrestricted net assets	36,054	31,359	1,196	965	37,250	32,324
Total net assets	$ 283,978	$ 116,063	$ 3,830	$ 3,565	$ 287,808	$ 119,628

A significant portion of the County's net assets (63 percent) reflects its investment in capital assets (e.g., land, buildings, infrastructure, and equipment) less any related debt used to acquire those assets that is still outstanding. 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 (24 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* ($37,250) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report 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 same situation held true for the prior fiscal year.

The County's net assets increased by $168,180 from net assets reported at June 30, 2005. The increase consisted of $39,139 from current operations and the remainder from implementing infrastructure requirements of GASB Statement No. 34. Additionally, the growth in both restricted and unrestricted net assets reflects increases in taxes, licenses and permits, and contributions revenues which were unspent as of fiscal year end.

Current assets increased by 27% mainly as a result of the influx of cash received from the Gantzel road project loan and long-term liabilities increased by 50% as a result of the loan payable for the Gantzel road project.

The County's capital assets increased by 172% percent over the prior fiscal year, due mainly to the County's compliance with GASB statement #34. Pinal County retroactively reported its Transportation Roadway infrastructure networks that were acquired, or received substantial improvement, subsequent to December 31, 1980 and prior to July 1, 2001. The retroactive capitalization amount at July 1, 2005, was based on historical cost, where applicable, and on estimated historical cost, when determining historical cost was not practical. There is an additional restatement for FY01 through FY05 due to an Infrastructure Capital Threshold change from $5 to $100 in FY06.

Governmental Activities. Key elements of the change in net assets of $38,874, after the restatement of infrastructure assets, are as follows:

- General revenue taxes increased by $20,493 (21 percent) during the year. The increase is due to increases in new construction, assessed property values, increased earnings from state shared revenues and the growth of retail services. Also, the County reclassified some general revenues that were presented as property taxes in the prior year to provide a more detailed presentation of general revenues.

- Charges for services increased $3,288 (11 percent), due to the increased use of County services which is the result of continuing growth in Pinal County.

- Capital grants and contributions increased by $24,383 (227 percent) primarily due to increases in intergovernmental revenues and private capital contributions related to construction projects, and a reclassification of county excise taxes that were presented as general revenues in the prior year.

Business-type activities. Business-type activities increased the County's net assets by $265. This is due to an overall increase in charges for services.

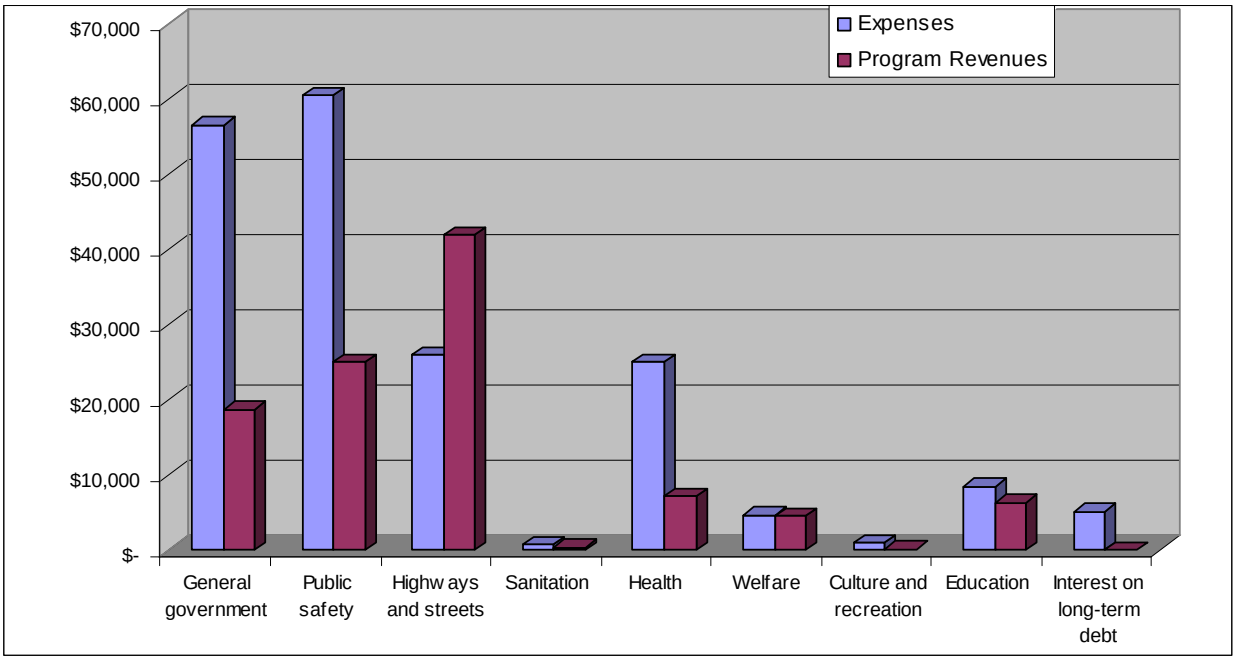
Management's Discussion and Analysis

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

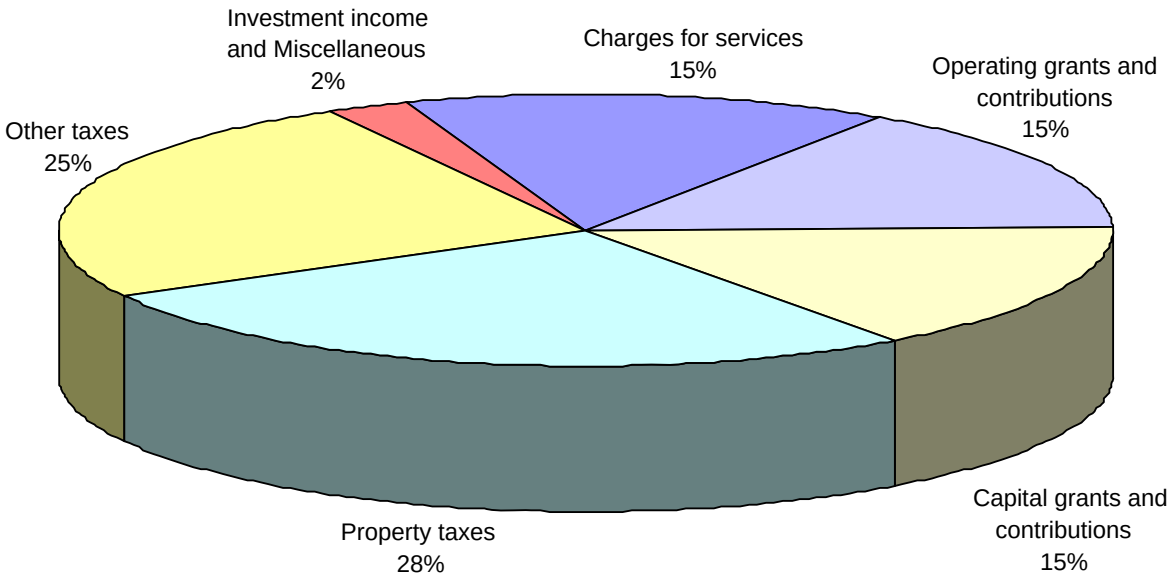
Statement of Activities
Years Ended June 30, 2006 and 2005

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues						
Program revenues:						
Charges for services	$ 34,387	$ 31,099	$ 48,887	$ 44,611	$ 83,274	$ 75,710
Operating grants and contributions	34,611	39,071	39	38	34,650	39,109
Capital grants and contributions	35,146	10,763	17	-	35,163	10,763
General revenues:						
Property taxes	61,354	68,386	-	-	61,354	68,386
Other taxes	57,107	29,582		-	57,107	29,582
Investment income	4,611	1,671	192	124	4,803	1,795
Miscellaneous	989	699	448	269	1,437	968
Total revenues	228,205	181,271	49,583	45,042	277,788	226,313
Expenses						
General government	56,542	48,091	-	-	56,542	48,091
Public safety	60,481	46,396	-	-	60,481	46,396
Highways and streets	25,978	18,206	-	-	25,978	18,206
Sanitation	645	640	-	-	645	640
Health	24,982	22,846	-	-	24,982	22,846
Welfare	4,670	5,207	-	-	4,670	5,207
Culture and recreation	860	714	-	-	860	714
Education	8,379	7,571	-	-	8,379	7,571
Interest on long-term debt	5,134	141	-	-	5,134	141
Sheriff/Inmate Services	-	-	182	176	182	176
Home Health	-	-	4,438	3,920	4,438	3,920
Long Term Care	-	-	45,629	40,597	45,629	40,597
Adult Day Care	-	-	37	28	37	28
Fairgrounds	-	-	692	651	692	651
Total expenses	187,671	149,812	50,978	45,372	238,649	195,184
Increase/decrease in net assets before transfers	40,534	31,459	(1,395)	(330)	39,139	31,129
Transfers	(1,660)	276	1,660	(276)	-	-
Change in net assets	38,874	31,735	265	(606)	39,139	31,129
Net assets - beginning, as restated	245,104	84,328	3,565	4,171	248,669	88,499
Net assets - ending	$ 283,978	$ 116,063	$ 3,830	$ 3,565	$ 287,808	$ 119,628

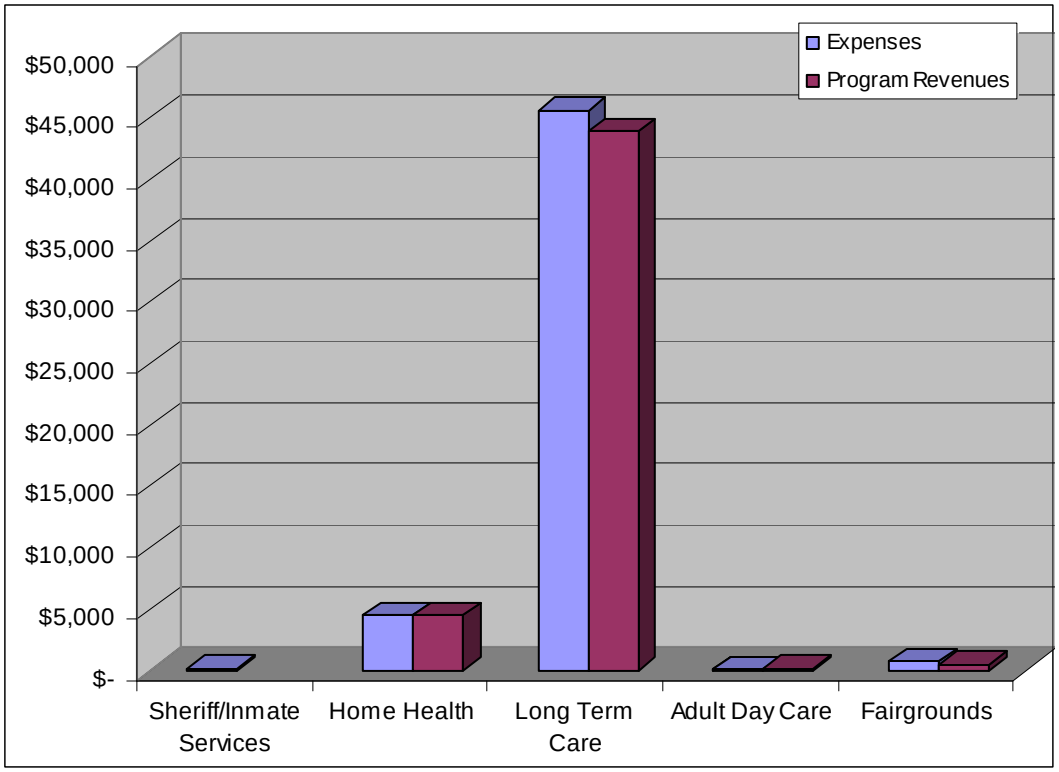
Expenses and Program Revenues – Governmental Activities



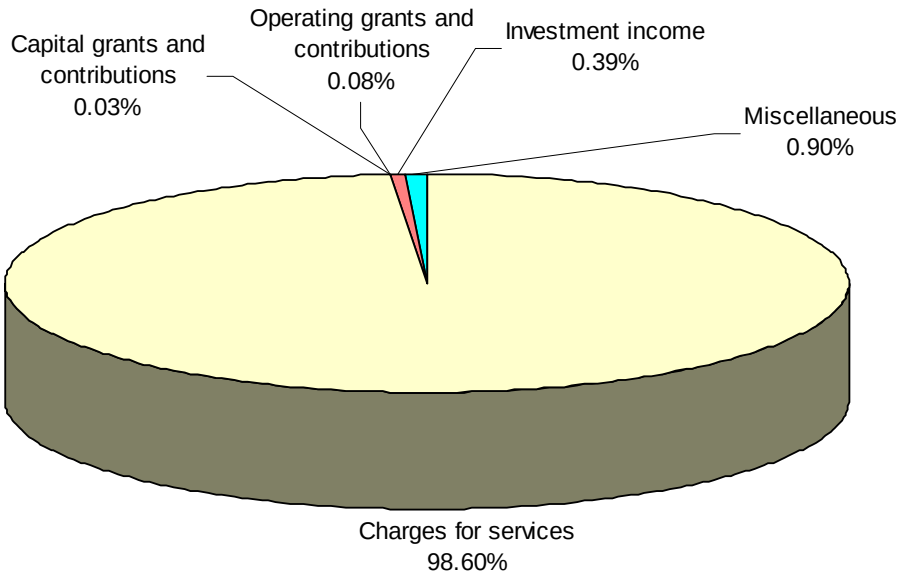
Revenues by Source - Governmental Activities



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 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, 2006, the County's governmental funds reported combined fund balances of $164,160, an increase of $39,189 in comparison with the prior year. Approximately 99% of the combined fund balances, $163,299, constitutes *unreserved fund balance,* which is available for spending at the County's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to reflect inventories and prepaid items that do not represent available spendable resources ($861).

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the General Fund was $45,614 while total fund balance reached $46,096. 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 42 percent of total General Fund expenditures, while total fund balance represents 43 percent of that same amount.

The fund balance of the County's General Fund increased during the fiscal year by $12,897. A key factor in this growth was an increase in property tax revenue of $6,759 which was due to increased assessed property values. Remaining changes were due to the reclassification of several funds.

The Public Works Highway Fund balance increased over the prior year by $2,853. A key factor in this growth was an increase of intergovernmental revenues of $2,787 over the prior year due to increased funding from the State for highway construction and maintenance projects.

The Gantzel Road Fund is a new major fund in FY05-06. The fund was created to account for the construction of the Gantzel roadway. The majority of the construction is being financed through a long term loan from the Greater Arizona Development Authority.

The Adult/Juvenile Detention Construction Fund fund balance decreased over the prior year by $42,923. A key factor in this reduction was an increase in expenses of $23,099 over the prior year due to the project nearing completion.

The Debt Service Fund is no longer reported as a major fund.

Revenues for governmental funds totaled $219,686 in fiscal year 2005-2006, which represents an increase of 22 percent from fiscal year 2004-2005.

Management's Discussion and Analysis

The following table presents the amount of revenues from various sources as well as increases or decreases from the prior year.

Governmental Funds
Revenues Classified by Source

	FY 2006		FY 2005		Increase/(Decrease)	
Revenues by Source	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Taxes	$ 85,688	39.00%	$ 70,407	38.97%	$ 15,281	21.70%
License and permits	12,094	5.51%	12,769	7.07%	(675)	(5.29%)
Intergovernmental	82,964	37.76%	67,226	37.21%	15,738	23.41%
Charges for services	19,370	8.82%	14,637	8.10%	4,733	32.34%
Fines and forfeits	2,586	1.18%	3,032	1.68%	(446)	(14.71%)
Investment income	4,611	2.10%	1,671	0.92%	2,940	175.94%
Contributions	10,846	4.93%	9,571	5.30%	1,275	13.32%
Rentals	740	0.33%	661	0.36%	79	11.95%
Miscellaneous	787	0.37%	699	0.39%	88	12.59%
Total	$ 219,686	100.00%	$ 180,673	100.00%	$ 39,013	21.59%

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

- Taxes – the increase of $15,281 was primarily due to an increase in property tax revenue collected as primary net assessed values increased by 14.3% from the previous year.

- Licenses and permits – General fund licenses and permits revenue decreased of $1,647 or 16% primarily due to a decrease in the number of building permits.

- Intergovernmental – General fund state shared revenues and intergovernmental agreement revenues increased by $5,698, and $4,569 respectively. Highway Fund HURF and transportation grant revenues increased by $2,060. Other governmental fund revenues increased by $3,254 primarily due to increases in various state grants.

- Charges for services – the increase of $4,733 or 32% was due to an increase in planning, building, and recording fees.

- Investment income - The increase in investment income of $2,940 or 176% is due to increased amounts invested and higher yields from investing certificates of participation and loan proceeds.

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

Governmental Funds
Expenditures Classified by Function

	FY 2006		FY 2005		Increase/(Decrease)	
Expenditures by Function	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
General government	$ 48,842	19.73%	$ 55,602	29.57%	$ (6,760)	(12.16%)
Public safety	57,111	23.08%	43,783	23.27%	13,328	30.44%
Highways and streets	27,712	11.20%	27,677	14.72%	35	0.13%
Sanitation	583	0.24%	568	0.30%	15	2.64%
Health	24,606	9.94%	23,180	12.34%	1,426	6.15%
Welfare	4,636	1.87%	5,192	2.76%	(556)	(10.70%)
Culture and recreation	823	0.33%	825	0.45%	(2)	(0.24%)
Education	8,379	3.39%	7,571	4.03%	808	10.67%
Capital outlay	62,471	25.24%	22,422	11.92%	40,049	178.61%
Debt Service:						
Principal retirement	5,890	2.38%	1,075	0.57%	4,815	447.91%
Interest	5,134	2.07%	141	0.07%	4,993	3,541.13%
Other	1,316	0.53%	-	-	1,316	
Total	$247,503	100.00%	$188,036	100.00%	$ 59,467	31.63%

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

- General government – expenditures for general government decreased primarily due to the reclassification of functional expenditures from General Government to Public Safety.

- Public Safety – expenditures in public safety increased due to the reclassification of functional expenditures from General Government to Public Safety as well as the need for additional personnel, equipment purchases, and overtime because of the County's population growth.

- Capital outlay – capital outlay expenditures increased by 179% due to an increase in the expenditures on the Adult/Juvenile Detention Center buildings and the construction of the Gantzel Road project.

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

Restricted net assets of the Long Term Care Fund at the end of the year totaled $255. Unrestricted net assets for the other non-major enterprise funds (Sheriff Inmate Services, Home Health, Fairgrounds, and Adult Day Care) totaled $1,196. 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	$ 44,101	$ 232	$ 4,482	$ 416	$ 114	$49,345
Operating expenses	44,764	182	4,438	692	37	50,113
Operating income (loss)	(663)	50	44	(276)	77	(768)
Nonoperating revenues (expenses), net	(721)	15	24	24	14	(644)
Net income (loss) before contributions and transfers	(1,384)	65	68	(252)	91	(1,412)
Contributions and transfers	1,445	-	(10)	242	-	1,677
Net income (loss)	$ 61	$ 65	$ 58	$ (10)	$ 91	$ 265

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund revenues exceeded the budget by $14,898 or 13%, due to the following reasons:

- Property taxes assessed and collected exceeded expectations as a result of the recent growth in new home construction.
- Intergovernmental revenues increased primarily due to a correctional services intergovernmental agreement between the County and the U.S. Marshal, for an amount of $4,569 that was not included in budget. Also, the county's share of state shared revenues exceeded budgeted amounts by $2,868 due to the general growth of economic activity in the State.

General Fund Sheriff's expenditures increased primarily due to a correctional services agreement between the County and Corrections Corporation of America, for an amount of $4,569 that was not included in budget.

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, 2006, amounted to $304,259 (net of accumulated depreciation). This investment in capital assets includes land and easements, infrastructure, buildings and improvements, machinery and equipment, and construction in progress. The total increase in the County's investment in capital assets for the current fiscal year was 172 percent (a 173 percent increase for governmental activities and a 151 percent increase for business-type activities).

Major capital asset events during the current fiscal year included the following:

- Construction in progress increased $47,223 with the addition of the Gantzel road project and the Adult Juvenile Detention Center facility.

- Infrastructure assets were restated during the current year to comply with GASB 34 requirements, and together with additions of $17,331 increased by a total of $83,456.

Capital Assets
(net of accumulated depreciation)

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Land	$ 65,737	$ 4,950	$ -	$ -	$ 65,737	$ 4,950
Buildings and improvements	47,433	50,725	1,443	-	48,876	50,725
Machinery and equipment	14,159	11,200	936	949	15,095	12,149
Infrastructure	97,172	13,716			97,172	13,716
Construction in progress	77,379	30,156			77,379	30,156
Total	$ 301,880	$ 110,747	$2,379	$ 949	$304,259	$111,696

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 Highways and Streets expenditures within the Public Works Highway, Public Works Roadways, and Flood Control Funds.

Additional information on the County's capital assets can be found in note 5 on pages 40-41 of this report.

Long-term Debt. At the end of the current fiscal year, the County had total long-term debt outstanding of $168,981 as compared to $109,428 in the prior year. This amount was comprised primarily of $102,930 of certificates of participation including unamortized premium and $64,886 payable on the Gantzel road project loan including a premium. The decrease in the amount of special assessment bonds from the prior year is due entirely to debt service payments.

Outstanding Debt

	Governmental Activities		Percentage
	2006	2005	Change
Special assessment bonds with governmental commitment payable	$ 1,165	$ 2,290	(49%)
Loan payable	64,886		
Certificates of participation	102,930	107,138	(4%)
Total	$ 168,981	$ 109,428	

Additional information on the County's long-term debt can be found in note 7 on pages 42-46 of this report.

Management's Discussion and Analysis

Economic Factors and Next Year's Budgets

- The unemployment rate for Pinal County is currently 5.0% which is a decrease from a rate of 5.5% a year ago.

- The County's medical insurance costs increased by 12% in FY 2006, while claims paid and prescription costs increased by 18% compared to the prior year.

- Housing starts in the county have slowed. For FY 05-06 7,345 new single family residence building permits were issued, a decrease of 2,832 from the prior fiscal year. For FY 06-07, the county expects to issue just under 5,000 building permits.

All of these factors were considered in preparing the County's budget for the FY 2006-07. The adopted fiscal year 2006-07 budget is $404,000 (up 13% from 2005-06), including a $375,122 operating budget (an increase of 12% from 2005-06) and a $15,606 capital outlay budget (up $57% from 2005-06). The fiscal year 2006-07 budget includes $12,000 contingency appropriation to cover emergency expenses or revenue shortages.

Request for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government'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.

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Basic Financial Statements

PINAL COUNTY
Statement of Net Assets
June 30, 2006
(Amounts expressed in thousands)

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	$ 95,016	$ 1,509	$ 96,525
Cash and investments held by trustees	18,364	-	18,364
Investments	46,842	-	46,842
Receivables (net):			
Property taxes	2,807	-	2,807
Accounts	1,754	237	1,991
Due from other governments	17,366	3,194	20,560
Internal balances	1	(1)	-
Inventories	562	40	602
Prepaid items	339	66	405
Restricted assets:			
Cash and cash equivalents	-	958	958
Capital assets:			
Nondepreciable	143,116	-	143,116
Depreciable (net)	158,764	2,379	161,143
Total assets	484,931	8,382	493,313
Liabilities			
Accounts payable	7,219	276	7,495
Retainage payable	2,929		2,929
Estimated liabilities for claims and judgements	-	3,944	3,944
Due to other governments	32	-	32
Accrued payroll and employee benefits	3,455	169	3,624
Deposits held for others	731	44	775
Matured special assessment bonds with governmental commitment payable	1,125	-	1,125
Bond interest payable	48	-	48
Noncurrent liabilities:			
Due within one year	12,961	-	12,961
Due beyond one year	172,453	119	172,572
Total liabilities	200,953	4,552	205,505
Net Assets			
Invested in capital assets, net of related debt	180,340	2,379	182,719
Restricted for:			
Highways and streets	42,964	-	42,964
Education	2,748	-	2,748
Debt service	8,698	-	8,698
Public safety	6,233	-	6,233
Other purposes	5,084	-	5,084
Health	1,857	255	2,112
Unrestricted	36,054	1,196	37,250
Total net assets	$ 283,978	$ 3,830	$ 287,808

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

PINAL COUNTY
Statement of Activities
Year Ended June 30, 2006
(Amounts expressed in thousands)

		Program Revenues			Net (Expense) Revenue 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	$ 56,542	$ 17,708	$ 761	$ 154	$ (37,919)	$ -	$ (37,919)
Public safety	60,481	9,846	15,132	46	(35,457)	-	(35,457)
Highways and streets	25,978	3,825	3,886	34,514	16,247	-	16,247
Sanitation	645	12	350	-	(283)	-	(283)
Health	24,982	2,274	4,714	131	(17,863)	-	(17,863)
Welfare	4,670	470	3,779	244	(177)	-	(177)
Culture and recreation	860	-	23	57	(780)	-	(780)
Education	8,379	252	5,966	-	(2,161)	-	(2,161)
Interest on long-term debt	5,134	-	-	-	(5,134)	-	(5,134)
Total governmental activities	187,671	34,387	34,611	35,146	(83,527)	-	(83,527)
Business-type activities							
Long Term Care	45,629	43,875	-	-	-	(1,754)	(1,754)
Sheriff Inmate Services	182	-	-	-	-	(182)	(182)
Home Health	4,438	4,482	-	-	-	44	44
Fairgrounds	692	416	34	17	-	(225)	(225)
Adult Day Care	37	114	5	-	-	82	82
Total business-type activities	50,978	48,887	39	17	-	(2,035)	(2,035)
Total primary government	$ 238,649	$ 83,274	$ 34,650	$ 35,163	(83,527)	(2,035)	(85,562)

General revenues:			
Taxes:			
Property taxes, levied for general purposes	56,591		56,591
Property taxes, levied for educational purposes	1,903		1,903
Property taxes, levied for debt service	1,188		1,188
Property taxes, levied for flood control	936		936
Property taxes, levied for library district	736		736
General county sales tax	17,540		17,540
Road improvement tax	7,260		7,260
Unrestricted share of state sales taxes	21,868		21,868
Unrestricted share of vehicle license tax	6,404		6,404
Payments in lieu of taxes	3,072		3,072
Franschise taxes	402		402
Share of State lottery	561		561
Investment earnings	4,611	192	4,803
Miscellaneous	787	448	1,235
Other	202		202
Transfers	(1,660)	1,660	-
Total general revenues and transfers	122,401	2,300	124,701
Changes in net assets	38,874	265	39,139
Net assets - July 1, 2005 as restated	245,104	3,565	248,669
Net assets - June 30, 2006	$ 283,978	$ 3,830	$ 287,808

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

PINAL COUNTY
Balance Sheet
Governmental Funds
June 30, 2006
(Amounts expressed in thousands)

	Major Funds					
	General Fund	Public Works Highway Fund	Adult/Juvenile Detention Construction Fund	Public Works Gantzel Rd Fund	Other Governmental Funds	Total
Assets						
Cash and cash equivalents	$ 37,346	$ 5,264	$ -	$ 14,077	$ 38,316	$ 95,003
Cash and investments held by trustees	-	-	9,629	-	8,735	18,364
Investments				46,842		46,842
Receivables (net of allowances for uncollectibles):						
Property taxes	2,603	-	-	-	204	2,807
Accounts	648	33	1	172	854	1,708
Due from other funds	2,122	5	-	2	94	2,223
Due from other governments	10,434	3,653	-	-	3,279	17,366
Inventories	225	201	-	-	96	522
Prepaid items	257	2	-	-	80	339
Total assets	$ 53,635	$ 9,158	$ 9,630	$ 61,093	$ 51,658	$ 185,174
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	$ 2,927	$ 347	$ 1,543	$ 978	$ 1,414	$ 7,209
Accrued payroll and employee benefits	2,307	288	7	-	848	3,450
Retainage payable	-	-	2,929	-	-	2,929
Due to other funds	55	1	229	-	1,839	2,124
Due to other governments	-	-	-	-	32	32
Deposits held for others	168	-	-	-	563	731
Special assessment bonds with governmental commitment payable	-	-	-	-	1,125	1,125
Bond interest payable	-	-	-	-	48	48
Deferred revenue	2,082	-	-	-	1,284	3,366
Total liabilities	7,539	636	4,708	978	7,153	21,014
Fund Balances:						
Reserved for:						
Inventories	225	201	-	-	96	522
Prepaid items	257	2	-	-	80	339
Unreserved, reported in:						
General fund:	45,614	-	-		-	45,614
Special revenue funds	-	8,319	-	-	34,873	43,192
Capital projects funds	-	-	4,922	60,115	816	65,853
Debt service funds		-	-	-	8,640	8,640
Total fund balances	46,096	8,522	4,922	60,115	44,505	164,160
Total liabilities and fund balances	$ 53,635	$ 9,158	$ 9,630	$ 61,093	$ 51,658	$ 185,174

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, 2006
(Amounts expressed in thousands)

Total fund balances - governmental funds (page 19)		$ 164,160
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 $380,717 and the accumulated depreciation is $78,879.		301,838
Other assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.		3,366
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.		(26)
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	$ (4,287)	
Compensated absences	(8,541)	
Special assessment bonds with governmental commitment	(1,165)	
Certificates of participation	(101,480)	
Premium on certificates of participation	(1,450)	
Payable on loan	(63,220)	
Premium on loan	(1,666)	
Estimated liabilities for claims and judgments	(3,551)	(185,360)
Net assets of governmental activities (page 17)		$ 283,978

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, 2006
(Amounts expressed in thousands)

	Major Funds					
	General Fund	Public Works Highway Fund	Adult/Juvenile Detention Construction Fund	Public Works Gantzel Rd Fund	Other Governmental Funds	Total
Revenues						
Taxes	$ 72,857	$ -	$ -	$ -	$ 12,831	$ 85,688
Licenses and permits	8,359	1	-	-	3,734	12,094
Intergovernmental	37,223	19,310	-	-	26,431	82,964
Charges for services	11,753	-	-	-	7,617	19,370
Fines and forfeits	1,764	-	-	-	822	2,586
Investment earnings	1,452	120	1,171	210	1,658	4,611
Contributions	1	-	-	7,878	2,967	10,846
Rentals	29	-	-	-	711	740
Miscellaneous	351	19	-	-	417	787
Total revenues	133,789	19,450	1,171	8,088	57,188	219,686
Expenditures						
Current:						
General government	46,712	-	-	-	2,130	48,842
Public safety	41,954	-	-	-	15,157	57,111
Highways and streets	-	17,046	-	-	10,666	27,712
Sanitation	351	-	-	-	232	583
Health	17,542	-	-	-	7,064	24,606
Welfare	816	-	-	-	3,820	4,636
Culture and recreation	123	-	-	-	700	823
Education	663	-	-	-	7,716	8,379
Debt service:						
Principal retirement	-	-	-	-	5,890	5,890
Interest	-	-	-	-	5,134	5,134
Costs of issuance	-	-	-	965	298	1,263
Miscellaneous	-	-	-	-	53	53
Capital outlay	-	-	44,094	16,481	1,896	62,471
Total expenditures	108,161	17,046	44,094	17,446	60,756	247,503
Excess (deficiency) of revenues over expenditures	25,628	2,404	(42,923)	(9,358)	(3,568)	(27,817)
Other financing sources (uses):						
Transfers in	1,340	48	107	7,032	16,810	25,337
Transfers out	(14,230)	(810)	(107)	-	(10,372)	(25,519)
Proceeds from sale of capital assets	159	115	-	-	47	321
Capital lease agreements	-	1,096	-	-	-	1,096
Loan issued	-	-	-	60,775	2,445	63,220
Premium on new debt issued	-	-	-	1,666	-	1,666
Total other financing sources (uses)	(12,731)	449	-	69,473	8,930	66,121
Net change in fund balances	12,897	2,853	(42,923)	60,115	5,362	38,304
Fund balances, July 1, 2005, as restated	33,199	5,669	47,845	-	39,143	125,856
Fund balances, June 30, 2006	$ 46,096	$ 8,522	$ 4,922	$ 60,115	$ 44,505	$ 164,160

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, 2006
(Amounts expressed in thousands)

Net change in fund balances - total governmental funds (page 21)		$ 38,304
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.	$ 80,484	
Less: current year depreciation	(10,544)	69,940
In the statement of activities, only the gain/loss on the sale of capital assets is reported whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the book value of the capital assets sold.		
Gain on the retirement of capital assets	202	
Proceeds from the sale of capital assets	(321)	(119)
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.		(1,096)
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	(807)	
Change in estimated liabilities for claims and judgments	(1,574)	
Amortization of COPS premium	98	
Capital assets transferred to business type activities	(1,445)	
Annexation of infrastructure by other governmental entities	(6,260)	(9,988)
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	4,110	
Special assessment bonds with governmental commitment	1,125	
Obligations under capital leases	1,096	6,331
The governmental funds report loans issued as an other financing source, instead of increases to the long-term liabilities in the statement of net assets. Also, governmental funds report the effect of premiums, discounts, and similar items when first issued, whereas these amounts are deferred and amortized in the statement of activities.		(64,886)
Collections of deferred revenues in the governmental funds exceeded revenues reported in the statement of activities.		465
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 in the statement of activities.		(77)
Change in net assets of governmental activities (page 18)		$ 38,874

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

PINAL COUNTY
Statement of Net Assets
Proprietary Funds
June 30, 2006
(Amounts expressed in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Fund
	Long Term Care Fund	Other Enterprise Funds	Total	
Assets				
Current assets:				
Cash and cash equivalents	$ -	$ 1,509	$ 1,509	$ 13
Receivables (net):				
Accounts	95	12	107	46
Due from other governments	3,194	-	3,194	-
Inventories	-	40	40	40
Prepaid items	66	-	66	-
Total current assets	3,355	1,561	4,916	99
Noncurrent assets:				
Restricted cash and cash equivalents	958	-	958	-
Receivables (net):				
Accounts	130		130	
Capital assets:				
Buildings and improvements	1,688	376	2,064	-
Machinery and equipment	1,250	294	1,544	226
Less accumulated depreciation	(655)	(574)	(1,229)	(184)
Net capital assets	2,283	96	2,379	42
Total noncurrent assets	3,371	96	3,467	42
Total assets	6,726	1,657	8,383	141
Liabilities				
Current liabilities:				
Accounts payable	244	32	276	10
Accrued payroll and employee benefits	-	169	169	5
Estimated liabilities for claims and judgments	3,944	-	3,944	-
Due to other funds	-	1	1	98
Deposits held for others	-	44	44	-
Total current liabilities	4,188	246	4,434	113
Noncurrent liabilities:				
Compensated absences	-	119	119	18
Obligations under capital leases	-	-	-	36
Total noncurrent liabilities	-	119	119	54
Total liabilities	4,188	365	4,553	167
Net Assets				
Invested in capital assets, net of related debt	2,283	96	2,379	6
Restricted for health	255	-	255	-
Unrestricted	-	1,196	1,196	(32)
Total net assets	$ 2,538	$ 1,292	$ 3,830	$ (26)

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, 2006
(Amounts expressed in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Fund
	Long Term Care Fund	Other Enterprise Funds	Total	
Operating revenues				
Charges for services	$ 43,875	$ 5,012	$ 48,887	$ 414
Miscellaneous	226	232	458	-
Total operating revenues	44,101	5,244	49,345	414
Operating expenses				
Long-term health care	40,085	-	40,085	-
Personal services	3,579	4,552	8,131	140
Supplies	77	163	240	257
Depreciation	184	47	231	24
Insurance	26	48	74	-
Repairs and maintenance	9	36	45	33
Communication	43	26	69	2
Professional services	726	219	945	3
Public utility service	6	94	100	-
Miscellaneous	29	164	193	-
Total operating expenses	44,764	5,349	50,113	459
Operating loss	(663)	(105)	(768)	(45)
Nonoperating revenues				
Intergovernmental	-	39	39	-
Investment earnings	144	48	192	-
Premium tax	(865)		(865)	
Gain (loss) on sale of capital assets	-	(10)	(10)	1
Total nonoperating revenues (expenses)	(721)	77	(644)	1
Loss before contributions and transfers	(1,384)	(28)	(1,412)	(44)
Capital contributions	-	17	17	-
Transfers in	1,445	225	1,670	-
Transfers out	-	(10)	(10)	(33)
Change in net assets	61	204	265	(77)
Net assets, July 1, 2005	2,477	1,088	3,565	51
Net assets, June 30, 2006	$ 2,538	$ 1,292	$ 3,830	$ (26)

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, 2006
(Amounts expressed in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Fund
	Long Term Care Fund	Other Enterprise Funds	Total	
Cash flows from operating activities				
Receipts from customers	$ 43,055	$ 5,313	$ 48,368	$ -
Receipts from interfund services provided	-	-	-	379
Receipts from other funds		-	-	98
Other receipts from operations	226	-	226	-
Payments to suppliers	(41,700)	(753)	(42,453)	(292)
Payments to employees	(2,993)	(4,513)	(7,506)	(138)
Net cash provided by (used for) operating activities	(1,412)	47	(1,365)	47
Cash flows from noncapital financing activities				
Receipts from federal and local agencies	-	39	39	-
Cash transfers from other funds		225	225	-
Cash transfer to other funds	-	(10)	(10)	(33)
Premium tax payments	(865)		(865)	
Net cash provided by (used for) noncapital financing activities	(865)	254	(611)	(33)
Cash flows from capital and related financing activities				
Proceeds from the sale of capital assets	-	3	3	1
Purchases of capital assets	(196)	(17)	(213)	
Principal paid on capital leases	-	-	-	(9)
Net cash used for capital and related financing activities	(196)	(14)	(210)	(8)
Cash flows from investing activities				
Investment earnings received	144	48	192	-
Net cash provided by investing activities	144	48	192	-
Net increase (decrease) in cash and cash equivalents	(2,329)	335	(1,994)	6
Cash and cash equivalents, July 1, 2005	3,287	1,174	4,461	7
Cash and cash equivalents, June 30, 2006	$ 958	$ 1,509	$ 2,467	$ 13

(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, 2006
(Continued)
(Amounts expressed in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Fund
	Long Term Care Fund	Other Enterprise Funds	Total	
Reconciliation of operating loss to net cash provided by (used for) operating activities:				
Operating loss	$ (663)	$ (105)	$ (768)	$ (45)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:				
Depreciation expense	184	47	231	24
Changes in assets and liabilities:				
Increase in:				
Due from other governments	(853)		(853)	-
Inventories	-	(1)	(1)	(4)
Prepaid items	(64)		(64)	-
Accounts payable				7
Accrued payroll and employee benefits		27	27	-
Compensated absences		11	11	2
Due to other funds		1	1	98
Decrease in:				
Accounts receivable	34	69	103	(35)
Prepaid items		1	1	
Accounts payable		(3)	(3)	
Estimated liabilities for claims and judgments	(50)	-	(50)	-
Total adjustments	(749)	152	(597)	92
Net cash provided by (used for) operating activities	$ (1,412)	$ 47	$ (1,365)	$ 47
Noncash investing, capital, and noncapital financing activities:				
Transfer of equipment from the Governmental Activities, net	$ 1,445		$ 1,445	
Capital contribution of equipment		$ 17	17	

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

PINAL COUNTY
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2006
(Amounts expressed in thousands)

	Investment Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	$ 153,295	$ 4,298
Interest receivable	2,099	-
Total assets	155,394	4,298
Liabilities		
Due to other governments	-	4,298
Total liabilities	-	$ 4,298
Net Assets		
Held in trust for investment trust participants	$ 155,394	

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, 2006
(Amounts expressed in thousands)

	Investment Trust Funds
Additions	
Contributions by participants	$ 534,220
Investment earnings	8,383
Total additions	542,603
Deductions	
Distributions to participants	503,997
Total deductions	503,997
Change in net assets	38,606
Net assets, July 1, 2005	116,788
Net assets, June 30, 2006	$ 155,394

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).

For the year ended June 30, 2006, the County implemented the provisions of GASB Statement No. 34, *Basic Financial Statements—Management's Discussion and Analysis—for State and Local Governments* that requires at the applicable transition date the retroactive capitalization and reporting of all major general infrastructure assets. The effects of retroactive reporting of major general infrastructure assets are described in Note 2.

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 government-wide financial statements to emphasize they are legally separate from the County. Each blended component unit discussed below has a June 30 year-end. The County has no discretely presented component units.

The following table describes the County's component units:

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

Component Unit	Description; Criteria for Inclusion	Reporting Method	For Separate Financial Statements
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
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

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. Since this debt is in substance the County's obligations, these liabilities and resulting assets 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 and expenses are classified as either operating or nonoperating. Operating revenues, such as user charges, and expenses 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 intergovernmental revenues 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. Other expenses, such as premium taxes, are considered to be nonoperating expenses.

The County reports the following major governmental funds:

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

The 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 Adult/Juvenile Detention Construction Fund—accounts for construction of the new Adult/Juvenile Detention Facility.

The Public Works Gantzel Road Fund—accounts for monies received from a loan agreement between the County and the Greater Arizona Development Authority to finance the costs of widening and improving the Ironwood/Gantzel roads.

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

Governmental funds in the fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after fiscal year-end. Property taxes, sales taxes, licenses and permits, and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the government. 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 chosen the option 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 are recorded as assets when purchased and expensed when consumed. Amounts on hand at year-end are shown on the balance sheet as an asset and fund balance is reserved 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 and personal property taxes on or before the third Monday in August that become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May.

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

G. Capital Assets

Capital assets are reported at actual cost, or estimated historical cost if historical records are not available. Donated assets are reported at 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 & improvements	$5	Straight line	10-40 years
Machinery & equipment	$1	Straight line	3-21 years
Infrastructure	$100	Straight line	20-50 years

The County currently has one network of infrastructure assets made up of the County's roads.

H. Investment Earnings

Investment earnings 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. A liability for these amounts is reported in the governmental funds' financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal year end.

Employees may accumulate 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 or more years for the county, and is accrued as a long-term liability.

Note 2 – Beginning Balances Restated

As required by GASB Statement No. 34, net assets on the government-wide Statement of Activities as of July 1, 2005, has been restated for the County's major general infrastructure assets acquired prior to the year ended June 30, 2002, the fiscal year in which the County implemented GASB Statement No. 34, consisting of one network of roads that were purchased or that received substantial improvement subsequent to July 1, 1980. Additionally, the July 1, 2005, governmental activities capital assets were restated for infrastructure as the Funds changed their capitalization threshold for capital assets from $5 to $100 or more. This restatement affected the beginning net assets of the Governmental Activities as follows:

Government-wide Statements

	Governmental Activities
Net assets as of June 30, 2005, as previously reported	$116,063
Land related to infrastructure assets	54,125
General infrastructure assets, net of accumulated depreciation	76,113
Changes in capitalizations threshold	(1,197)
Net assets as of July 1, 2005, as restated	$245,104

Fund Financial Statements

The County reclassified certain activities previously reported as general fund to special revenue funds, capital projects funds, and debt service funds. The General Fund's fund balance was also restated to correct an understatement of $862 in revenues and the Debt Service Fund was restated to correct an overstatement in expenditures during the year ended June 30, 2005. The reconciliation below summarizes the changes in the governmental fund-type fund balances as of June 30, 2005, as previously reported.

	General Fund	Other Governmental Funds
Fund balances, as of June 30, 2005, as previously reported	$38,621	$32,836
Correction of errors from prior years	862	23
Reclassification of Debt Service fund recorded in General Fund	(6,389)	6,389
Reclassification of County Wide Computer Project recorded in General Fund	281	(281)
Reclassification of miscellaneous Capital Projects recorded in General Fund	(176)	176
Fund balances, as of July 1, 2005, as restated	$33,199	$39,143

Note 3 – Stewardship, Compliance, and Accountability

At June 30, 2006, the following funds reported deficits in fund balances, which violates state statutes.

Fund	Deficit
Governmental Funds:	
Animal Control	$ 34
Detention Expansion	91
Health Services	158

These deficits resulted from operations during the year, but are expected to be corrected through normal operations in fiscal year 2006-2007.

Note 4 – Deposits and Investments

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

Credit risk

Statutes have the following requirements for credit risk:

1. Commercial paper must be rated P1 by Moody's investors service or A1 or better by Standard and Poor's rating service.
2. Corporate bonds, debentures, and notes must be rated "A" or better by Moody's investors service or Standard and Poor's rating service.
3. Fixed income securities must carry one of the two highest ratings by Moody's investors service and Standard and Poor's rating service. If only one of the above-mentioned services rates the security, it must carry the highest rating of that service.

Custodial credit risk

Statutes require collateral for demand deposits, certificates of deposit, and repurchase agreements at 101 percent of all deposits not covered by federal depository insurance.

Concentration of credit risk

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

Interest rate risk

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

Foreign currency risk

Statutes do not allow foreign investments.

Deposits—At June 30, 2006, the carrying amount of the County's deposits was ($9,654) 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 funds, and the bank balance was $5,799. The County does not have a formal policy with respect to custodial credit risk.

At June 30, 2006, $230 of the County's bank balance was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$230

Investments—The County's investments at June 30, 2006, were as follows:

Investment Type	Amount
State Treasurer's investment pools	$ 11,479
U.S. Treasury securities	27,925
U.S. agency securities	228,032
Repurchase agreements (explicitly guaranteed)	41,288
Repurchase agreements (implicitly guaranteed)	20,027
Money market funds	1,173
	$329,924

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

Credit Risk—The County does not have a formal investment policy with respect to credit risk. At June 30, 2006, credit risk for the County's investments was as follows:

Investment Type	Rating	Rating Agency	Amount
U.S. agency securities	Aaa	Moody's	$228,032
Repurchase agreements (implicitly guaranteed)	Aaa	Moody's	20,027
State Treasurer's investment pools	Unrated	Not applicable	11,479
Money market funds	Aaa	Moody's	1,173
			$260,711

Custodial credit risk—For an investment, custodial credit risk is the risk that, in the event of the counterparty's failure, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County does not have a formal policy with respect to custodial credit risk. At June 30, 2006, the County had $41,288 of repurchase agreements (explicitly guaranteed), $20,027 of repurchase agreements (implicitly guaranteed), $228,032 of U.S. agency securities, $27,925 of U.S. Treasury securities, $11,479 of investments with the State Treasurer, and $1,173 of money market funds that were uninsured and held by the counterparty not in the County's name.

Concentration of credit risk—The County does not have a formal investment policy with respect to concentration of credit risk. The County had investments at June 30, 2006, of 5 percent or more in the Federal National Mortgage Association, the Federal Home Loan Bank, and the Federal Home Loan Mortgage Corporation. These investments were 29.4 percent, 21 percent, and 14.9 percent, respectively, of the County's total investments.

Interest rate risk—The County does not have a formal investment policy with respect to interest rate risk. At June 30, 2006, the County had the following investments in debt securities.

		Investment Maturities	
Investment Type	**Amount**	**Less than 1 Year**	**1-5 Years**
State Treasurer's investment pool	$ 11,479	$ 11,479	$ -
U.S. Treasury securities	27,925	12,769	15,156
U.S. agency securities	228,032	206,999	21,033
Repurchase agreements (explicitly guaranteed)	41,288	41,288	
Repurchase agreements (implicitly guaranteed)	20,027	20,027	
Money market funds	1,173	1,173	
	$329,924	$293,735	$36,189

As of June 30, 2006, $11,915 or 3.6% of the portfolio for debt securities were considered highly sensitive to interest rate changes:

U.S. Agency securities with coupon tied to LIBOR plus/minus a fixed basis point amount	$6,921
U.S. Agency step-up note securities – where on certain specified dates, the issuer can call the security. If the security is not called, the interest rate is increased by a specified amount. Prevailing interest rates may go up faster than the increases in the coupon interest rate.	4,994
Total	$11,915

Foreign currency risk—The County does not have a formal investment policy with respect to foreign currency risk because State statutes do not allow foreign investments.

All investments of the Adult/Juvenile Detention Construction Fund are invested in the State Treasurer's investment pool by a trustee. The investment risk of the fund is the same as investment risks of the primary government, which is described above. All investments of the Public Works Gantzel Road Fund are the same as the primary government except for concentration of credit risk. The Public Works Gantzel Road Fund had investments at June 30, 2006, of 5 percent or more in the Federal National Mortgage Association, the Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and Federal Agricultural Mortgage Corporation. These investments were 32.9 percent, 37.2 percent, 19.2 percent and 10.7 percent, respectively.

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

Cash, deposits, and investments:	
Cash on hand	$ 12
Amount of deposits	(9,654)
Amount of investments	329,924
Total	$320,282

	Governmental Activities	Business-Type Activities	Investments Trust Funds	Agency Funds	Total
Statement of Net Assets:					
Cash and cash equivalents	$ 95,016	$2,467	$153,295	$4,298	$255,076
Cash and investments held by trustees	18,364				18,364
Investments	46,842				46,842
Total	$160,222	$ 2,467	$153,295	$4,298	$320,282

Note 5 – Capital Assets

Capital asset activity for the year ended June 30, 2006 was as follows:

	Balance July 1, 2005 as restated	Increases	Decreases	Balance June 30, 2006
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 59,075	$ 6,662	$	$ 65,737
Construction in progress	30,156	54,424	7,201	77,379
Total capital assets not being depreciated	89,231	61,086	7,201	143,116
Capital assets being depreciated:				
Buildings & improvements	69,359	1,043	1,747	68,655
Machinery & equipment	44,307	8,225	1,490	51,042
Infrastructure	107,059	17,331	6,260	118,130
Total	220,725	26,599	9,497	237,827
Less accumulated depreciation for:				
Buildings & improvements	18,634	2,830	242	21,222
Machinery & equipment	33,107	5,207	1,431	36,883
Infrastructure	18,427	2,531	-	20,958
Total	70,168	10,568	1,673	79,063
Total capital assets being depreciated, net	150,557	16,031	7,824	158,764
Governmental activities capital assets, net	$ 239,788	$ 77,117	$ 15,025	$ 301,880
Business-type activities:				
Capital assets being depreciated:				
Buildings & improvements	$ 376	$ 1,688	$ -	$ 2,064
Machinery & equipment	1,433	231	120	1,544
Total	1,809	1,919	120	3,608
Less accumulated depreciation for:				
Buildings & improvements	376	245		621
Machinery & equipment	484	231	107	608
Total	860	476	107	1,229
Total capital assets being depreciated, net	949	1,443	13	2,379
Business-type activities capital assets, net	$ 949	$ 1,443	$ 13	$ 2,379

The July 1, 2005, governmental activities capital asset balances were restated to include major general infrastructure assets of the County, as described in Note 2.

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	$ 4,090
Public safety	1,789
Highways and streets	4,156
Sanitation	62
Health	376
Welfare	34
Culture and recreation	37
Internal service fund	24
Total governmental activities depreciation expense	$ 10,568
Business-type activities:	
Long Term Care	$ 184
Sheriff/Inmate Services	12
Home Health	11
Fairgrounds	23
Adult Day Care	1
Total business-type activities depreciation expense	$ 231

Pinal County was engaged in various major construction projects as of June 30, 2006. The projects include widening and improving the Ironwood/Gantzel roads and the construction of the Adult/Juvenile Detention center. At June 30, 2006, the County had remaining contractual commitments of $17,160 and $8,136 for the Ironwood/Gantzel road project and the Adult/Juvenile Detention center, respectively.

Note 6 – Short-term Debt

LINE OF CREDIT

The County maintains a revolving line of credit with JPMorgan Chase Bank, N.A. to meet its short-term cash needs. At June 30, 2006, the County had an outstanding balance of $0. Advances on the line of credit are payable on demand. The credit line is secured by the County's general taxing authority and other non-restricted revenues.

	July 1, 2005 Balance	Draws	Repayments	June 30, 2006 Balance
Line of credit	$0	$16,055	$16,055	$0

Note 7 – Long-term Liabilities

The following schedule details the County's long-term liability and obligation activity for the year ended June 30, 2006.

	Balance July 1, 2005	Additions	Reductions	Balance June 30, 2006	Due within one year
Governmental activities:					
Obligations under capital leases	$ 4,332	$ 1,096	$ 1,105	$ 4,323	$ 1,510
Compensated absences	7,750	5,552	4,743	8,559	4,492
Special assessment bonds with governmental commitment	2,290	-	1,125	1,165	1,165
Loan payable		63,220		63,220	
Premium on loan		1,666		1,666	
Certificates of participation	105,590	-	4,110	101,480	4,280
Premium on COPS	1,548		98	1,450	
Estimated liabilities for claims and judgments	1,977	2,120	546	3,551	1,514
Total governmental activities long-term liabilities	$ 123,487	$73,654	$ 11,727	$185,414	$12,961
Business-type activities					
Compensated absences	$ 108	$ 12	$ 1	$ 119	-
Total business-type activities long-term liabilities	$ 108	$ 12	$ 1	$ 119	-

The Greater Arizona Development Authority Loan

On April 1, 2006, Pinal County entered into a loan agreement with the Greater Arizona Development Authority to provide funds for the construction and improvement of certain highways and streets. Interest will be payable on February 1 and August 1 of each year commencing February 1, 2007, and is calculated based on the principal amount of the loan outstanding during such period. The loan was executed with a first lien pledge on state shared revenues sufficient to make principal and interest payments.

The Greater Arizona Development Authority loan outstanding at June 30, 2006 was as follows:

Description	Original Amount	Maturity Ranges	Interest Rates	Outstanding Principal
The Greater Arizona Development Authority Loan	$ 63,220	2007 - 2026	4.0%-5.0%	$ 63,220

The following schedule details debt service requirements to maturity for the County's loan payable at June 30, 2006.

Year Ending June 30	Governmental Activities Principal	Governmental Activities Interest
2007	$ -	$ 2,240
2008	2,160	2,890
2009	2,245	2,801
2010	2,335	2,710
2011	2,430	2,615
2012-2016	13,840	11,396
2017-2021	17,655	7,580
2022-2026	22,555	2,675
Total	$ 63,220	$ 34,907

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, 2006:

Description	Original Amount	Maturity Ranges	Interest Rates	Outstanding Principal
Maricopa Rural Road Improvement District Refunding Bonds Series 1999	$ 7,780	2007	4.25%	$ 1,165

The following schedule details debt service requirements to maturity for the County's bonds payable at June 30, 2006.

Year Ending June 30	Governmental Activities Principal	Governmental Activities Interest
2007	$ 1,165	$ 48

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 4.2 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 3.7 to 5.125 percent, payable semiannually on June 1 and December 1 of each year through 2021.

On December 1, 2004, the Pinal County Municipal Property Corporation issued certificates of participation totaling $71,615. 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 constructing and equipping an adult detention facility expansion including improvement to an existing adult detention facility, a sheriff's training facility and firing range, and a new juvenile detention facility. The certificates are generally non-callable with interest rates from 4.0 to 5.25 percent, payable semiannually on June 1 and December 1 of each year through 2030.

Certificates outstanding at June 30, 2006 were as follows:

Description	Original Amount	Maturity Ranges	Interest Rates	Outstanding Principal
Pinal County Municipal Property Corporation 1998	$ 11,640	2007-2009	4.2% to 4.5%	$ 5,270
Pinal County Municipal Property Corporation 2001	30,800	2007-2021	3.7% to 5.125%	26,210
Pinal County Municipal Property Corporation 2004	71,615	2007-2030	4.0% to 5.25%	70,000
				$ 101,480

The following schedule details debt service requirements to maturity for the County's certificates of participation payable at June 30, 2006

	Governmental Activities	
Year Ending June 30	**Principal**	**Interest**
2007	4,280	4,751
2008	4,445	4,575
2009	5,720	4,392
2010	3,295	4,175
2011	3,425	4,046
2012-2016	19,515	17,835
2017-2021	24,795	12,552
2022-2026	17,975	6,886
2027-30	18,030	1,859
Total	$ 101,480	$ 61,071

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 and improvements	$ 1,170
Machinery and equipment	6,043
Subtotal	7,213
Less: accumulated depreciation	1,921
Carrying value	$ 5,292

The following schedule details debt service requirements to maturity for the County's capital leases payable at June 30, 2006.

Year Ending June 30	Governmental Activities
2007	$ 1,510
2008	1,074
2009	1,078
2010	750
2011	282
2012-2013	127
Total minimum lease payments	4,821
Less amount representing interest	498
Present value of net minimum lease payments	$ 4,323

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 2006, the County paid for compensated absences as follows: 69 percent from the General Fund, 11 percent from the Public Works Highway Fund, and 20 percent from other governmental funds. The County paid for claims and judgments from the General Fund.

Note 8 – 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 every 5 years. 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. §11–981, 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 9 – 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 participating political subdivisions. The PSPRS, acting as a common investment and administrative agent, is governed by a five-member board, known as The Fund Manager, and the participating local boards according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

The *Corrections Officer Retirement Plan* (CORP) is an agent multiple-employer defined benefit pension plan that covers certain employees of the State of Arizona's Department of Corrections and Department of 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

3300 N. Central Ave.
P.O. Box 33910
Phoenix, AZ 85012
(602) 240-2000 or (800) 621-3778

PSPRS and CORP

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

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

Cost-sharing plans—For the year ended June 30, 2006, active ASRS members and the County were each required by statute to contribute at the actuarially determined rate of 7.4 percent (6.9 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, 2006, 2005, and 2004 were $4,202, $3,105, and $2,828, respectively, which were equal to the required contributions for the year.

Agent plans—For the year ended June 30, 2006, 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 12.97 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 6.18 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 4.00 percent.

Annual Pension Cost—The County's pension cost for the two agent plans for the year ended June 30, 2006, and related information follows.

	PSPRS	CORP	
		Detention Officers	Dispatchers
Contribution rates:			
County	12.97%	6.18%	4.00%
Plan members	7.65%	8.5%	8.5%
Annual pension cost	$1,090	$299	$23
Contributions made	$1,090	$299	$23

The current-year annual required contributions for the PSPRS and CORP were determined as part of their June 30, 2004, actuarial valuations using the entry-age actuarial cost method. The actuarial assumptions included (a) 8.75 percent investment rate of return and (b) projected salary increases ranging from 6.25 percent to 9.25 percent per year. Both (a) and (b) included an inflation component of 5.25 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 7-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, 2004, 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	2006	$ 1,090	100%	$ 0
	2005	755	100%	0
	2004	550	100%	0
CORP				
Detention officers	2006	$ 299	100%	$ 0
	2005	216	100%	0
	2004	104	100%	0
Dispatchers	2006	$ 23	100%	$ 0
	2005	18	100%	0
	2004	27	100%	0

Note 10 – Interfund Balances and Activity

Interfund receivables and payables—interfund balances at June 30, 2006, were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Public Works Highway Fund	$ 1
	Adult/Juvenile Detention Construction Fund	229
	Other Governmental Funds	1,826
	Other Enterprise Funds	1
	Internal Service Fund	65
		2,122
Public Works Highway Fund	Other Governmental Funds	5
Public Works Gantzel Rd Fund	Other Governmental Funds	2
Other Governmental Funds	General Fund	55
	Other Governmental Funds	6
	Internal Service Fund	33
		94
Total		$ 2,223

Interfund balances resulted from cash deficits in individual funds or cash transfers that had not occurred at June 30, 2006, and are expected to be repaid within one year from the date of the financial statements.

Interfund transfers—Interfund transfers for the year ended June 30, 2006, were as follows:

Transfer from	Transfer To	Amount
General Fund	Other Governmental Funds	$ 14,005
	Other Enterprise Funds	225
		14,230
Public Works Highway Fund	General Fund	684
	Other Governmental Funds	126
		810
Adult/Juvenile Detention Construction Fund	Other Governmental Funds	107
Other Governmental Funds	General Fund	646
	Public Works Highway Fund	48
	Adult/Juvenile Detention Construction Fund	107
	Public Works Gantzel Rd Fund	7,032
	Other Governmental Funds	2,539
		10,372
Other Enterprise Funds	General Fund	10
Internal Service Fund	Other Governmental Funds	33
Total		$ 25,562

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. The table above does not include a transfer of capital assets from the governmental activities to the Long Term Care Fund of $1,445, because these transfers are not reported in the governmental funds.

Note 11 – County Treasurer's Investment Pool

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

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

The Treasurer allocates interest earnings to each of the pool's participants. However, for the County's monies in the pool the Board of Supervisors authorized $67 of interest earned in certain other funds to be transferred to the General Fund.

All deposits and investments of the County's primary government are included in the County Treasurer's investment pool, except for $1,893 in deposits, $1,173 of investments in money market funds, $7,115 of U.S. Treasury securities and $11,479 of investments in State Treasurer's Investment Pools. In addition, $46,842 of investments for the Public Works Gantzel Road Fund are separately invested by the County Treasurer. However, the County Treasurer invests the Public Works Gantzel Road Fund monies in similar types of securities as the investment pool. Therefore, the deposit and investment risks of the Treasurer's investment pool are substantially the same as the County's deposit and investment risks exclusive of investments in the State Treasurer's investment pools. See Note 4 for disclosure of the County's deposit and investment risks.

Details of each major investment classification follow.

Investment Type	Principal	Interest Rates	Maturities	Amount
Repurchase agreements (explicitly guaranteed)	$ 41,288	4.875%	Daily	$ 41,288
Repurchase agreements (implicitly guaranteed)	20,027	5.0%	Daily	20,027
U.S. Agency securities	181,190	1.875-6.0%	7/06-9/08	181,190
U.S. Treasury securities	20,810	2.75-4.875%	7/06-5/08	20,810

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

Statement of Net Assets		
Assets	$	253,952
Liabilities		-
Net assets	$	253,952
Net assets held in trust for:		
Internal participants	$	99,889
External participants		154,063
Total net assets held in trust	$	253,952
Statement of Changes in Net Assets		
Total additions	$	850,870
Total deductions		(781,995)
Net increase		68,875
Net assets held in trust:		
July 1, 2005		185,077
June 30, 2006	$	253,952

Note 12 – 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, 2006, the Plan paid these operations $4,104 for services and has claims payable to them of $671.

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 $257 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 13 – Subsequent Events

In August and November 2006 the County awarded contracts for the design and construction of the Ironwood/Gantzel roads for $28.7 million and $18.3 million, respectively. The projects will be financed primarily from loan proceeds recorded in the Public Works Gantzel Road Fund and are expected to be completed in fiscal year 2008.

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Required Supplementary Information

Pinal County
Required Supplementary Information
Schedule of Agent Retirement Plans' Funding Progress
June 30, 2006

(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)
6/30/06	$ 25,237	$ 33,900	$ (8,663)	74%	$ 8,952	(97%)
6/30/05	24,012	29,735	(5,723)	81%	7,103	(81%)
6/30/04	22,963	24,643	(1,680)	93%	6,512	(26%)

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						
6/30/06	$ 7,114	$ 7,478	$ (364)	95%	$ 5,962	(6%)
6/30/05	5,456	6,878	(1,422)	79%	4,352	(33%)
6/30/04	4,574	5,337	(763)	86%	3,753	(20%)
Dispatchers						
6/30/06	$ 949	$ 1,141	$ (192)	83%	$ 635	(30%)
6/30/05	838	1,109	(271)	76%	559	(49%)
6/30/04	771	712	59	108%	423	N/A

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PINAL COUNTY
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2006
(Amounts expressed in thousands)

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Taxes	$ 67,257	$ 72,857	$ 5,600
Licenses and permits	8,501	8,359	(142)
Intergovernmental	29,621	37,223	7,602
Charges for services	11,538	11,753	215
Fines and forfeits	1,406	1,764	358
Investment income	101	1,452	1,351
Contributions	200	1	(199)
Rentals	14	29	15
Miscellaneous	253	351	98
Total revenues	118,891	133,789	14,898
Expenditures			
General Government			
Assessor	2,388	2,389	(1)
Assistant County Manager-Admin	36,371	32,506	3,865
Assistant County Manager-Development	4,603	3,998	605
Assistant County Manager-Health	796	799	(3)
Board of Supervisors	1,082	921	161
Clerk of Superior Court	2,775	2,780	(5)
County Manager	813	807	6
Courts	453	410	43
Recorder	1,040	1,041	(1)
Treasurer	1,061	1,061	-
Total General Government	51,382	46,712	4,670
Public Safety			
Assistant County Manager-Admin	553	551	2
Assistant County Manager-Health	1,545	1,541	4
Attorney	4,910	4,898	12
Courts	13,080	12,502	578
Sheriff	18,066	22,462	(4,396)
Total Public Safety	38,154	41,954	(3,800)

(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, 2006
(Continued)
(Amounts expressed in thousands)

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Sanitation			
Solid Waste	$ 351	$ 351	$ -
Total Sanitation	351	351	-
Health			
Assistant County Manager-Admin	13,219	12,812	407
Assistant County Manager-Development	1,268	1,024	244
Assistant County Manager-Health	4,004	3,706	298
Total Health	18,491	17,542	949
Welfare			
Public Fiduciary	634	634	-
Housing Administration	200	182	18
Total Welfare	834	816	18
Culture and Recreation			
Parks and Ground Maintenance	125	123	2
Total Culture and Recreation	125	123	2
Education			
School Superintendent	663	663	-
Total Education	663	663	-
Total general fund expenditures	110,000	108,161	1,839
Excess of revenues over expenditures	8,891	25,628	16,737
Other financing sources (uses):			
Transfers in	1,271	1,340	69
Transfers out	(11,119)	(14,230)	(3,111)
Proceeds from sale of capital assets	164	159	(5)
Total other financing uses	(9,684)	(12,731)	(3,047)
Net change in fund balances	(793)	12,897	13,690
Fund balances, July 1, 2005, as restated	793	33,199	32,406
Fund balances, June 30, 2006	$ -	$ 46,096	$ 46,096

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, 2006
(Amounts expressed in thousands)

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues			
Licenses and permits	$ -	$ 1	$ 1
Intergovernmental	13,867	19,310	5,443
Investment income	25	120	95
Miscellaneous	-	19	19
Total revenues	13,892	19,450	5,558
Expenditures			
Current:			
Highways and streets	13,317	17,046	(3,729)
Total expenditures	13,317	17,046	(3,729)
Excess revenues over expenditures	575	2,404	1,829
Other financing sources (uses):			
Transfers in	175	48	(127)
Transfers out	(750)	(810)	(60)
Proceeds from sale of capital assets	-	115	115
Capital lease agreements	-	1,096	1,096
Total other financing sources (uses)	(575)	449	1,024
Net change in fund balances	-	2,853	2,853
Fund balances, July 1, 2005	-	5,669	5,669
Fund balances, June 30, 2006	$ -	$ 8,522	$ 8,522

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

PINAL COUNTY
Required Supplementary Information
Budgetary Comparison Schedule
Public Works Gantzel Road Fund
Year Ended June 30, 2006
(Amounts expressed in thousands)

	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Investment earnings	$ -	$ 210	$ 210
Contributions	15,000	7,878	(7,122)
Total revenues	15,000	8,088	(6,912)
Expenditures			
Current:			
Costs of issuance	-	965	(965)
Capital outlay	60,000	16,481	43,519
Total expenditures	60,000	17,446	42,554
Excess (deficiency) of revenues over expenditures	(45,000)	(9,358)	35,642
Other financing sources (uses):			
Transfers in	-	7,032	7,032
Loan issued	45,000	60,775	15,775
Premium on new debt issued	-	1,666	1,666
Total other financing sources	45,000	69,473	24,473
Net change in fund balances	-	60,115	60,115
Fund balances, July 1, 2005	-	-	-
Fund balances, June 30, 2006	$ -	$ 60,115	$ 60,115

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, 2006
(Amounts expressed in thousands)

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. prohibits 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.

Note 2 – Expenditures in Excess of Appropriations

For the year ended June 30, 2006, expenditures exceeded final budget amounts at the department level (the legal level of budgetary control) as follows:

Fund/Department	Excess
General Fund:	
Assessor	$ 1
Assistant County Manager-Health	3
Clerk of Superior Court	5
Recorder	1
Sheriff	4,396
Public Works Highway Fund	3,729

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

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Combining Statements and Individual Fund Schedules

PINAL COUNTY
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2006
(Amounts expressed in thousands)

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total
Assets				
Cash and cash equivalents	$ 35,912	$ 1,055	$ 1,349	$ 38,316
Cash and investments held by trustees	-	291	8,444	8,735
Receivables (net):				
Property taxes	132	-	72	204
Accounts	827	19	8	854
Due from other funds	73	21	-	94
Due from other governments	3,278	1	-	3,279
Inventories	96	-	-	96
Prepaid items	75	5	-	80
Total assets	$ 40,393	$ 1,392	$ 9,873	$ 51,658
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	$ 1,400	$ 14	$ -	$ 1,414
Accrued payroll and employee benefits	843	5	-	848
Due to other funds	1,285	552	2	1,839
Due to other governments	32	-	-	32
Deposits held for others	563	-	-	563
Bonds payable	-	-	1,125	1,125
Interest payable	-	-	48	48
Deferred revenue	1,226	-	58	1,284
Total liabilities	5,349	571	1,233	7,153
Fund Balances:				
Reserved for:				
Inventories	96	-	-	96
Prepaid items	75	5	-	80
Unreserved	34,873	816	8,640	44,329
Total fund balances	35,044	821	8,640	44,505
Total liabilities and fund balances	$ 40,393	$ 1,392	$ 9,873	$ 51,658

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2006
(Amounts expressed in thousands)

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total
Revenues				
Taxes	$ 11,644	$ -	$ 1,187	$ 12,831
License and permits	3,734	-	-	3,734
Intergovernmental	26,338	93	-	26,431
Charges for services	7,617	-	-	7,617
Fines and forfeits	822	-	-	822
Investment earnings	1,412	14	232	1,658
Contributions	2,912	55	-	2,967
Rentals	711	-	-	711
Miscellaneous	168	249	-	417
Total revenues	55,358	411	1,419	57,188
Expenditures				
Current:				
General government	2,130	-	-	2,130
Public safety	15,157	-	-	15,157
Highways and streets	10,666	-	-	10,666
Sanitation	232	-	-	232
Health	7,064	-	-	7,064
Welfare	3,820	-	-	3,820
Culture and recreation	700	-	-	700
Education	7,716	-	-	7,716
Debt Service:				
Principal retirement	-	-	5,890	5,890
Interest	-	-	5,134	5,134
Costs of issuance			298	298
Miscellaneous			53	53
Capital outlay	-	1,896	-	1,896
Total expenditures	47,485	1,896	11,375	60,756
Excess (deficiency) of revenues over expenditures	7,873	(1,485)	(9,956)	(3,568)
Other financing sources (uses):				
Transfers in	4,983	2,114	9,713	16,810
Transfers out	(10,160)	(105)	(107)	(10,372)
Sale of capital assets	47	-	-	47
Proceeds from loan	-	-	2,445	2,445
Total other financing sources (uses)	(5,130)	2,009	12,051	8,930
Net change in fund balances	2,743	524	2,095	5,362
Fund balances, July 1, 2005, as restated	32,301	297	6,545	39,143
Fund balances, June 30, 2006	$ 35,044	$ 821	$ 8,640	$ 44,505

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2006
(Amounts expressed in thousands)

	Adult Probation	Airport Ecomomic Development
Assets		
Cash and cash equivalents	$ 248	$ 605
Receivables (net):		
Property taxes	-	-
Accounts	1	3
Due from other funds	1	-
Due from other governments	21	-
Inventories	-	-
Prepaid items	-	-
Total assets	$ 271	$ 608
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	$ 32	$ 38
Accrued payroll and employee benefits	73	4
Due to other funds	2	-
Due to other governments	-	-
Deposits held for others	-	-
Deferred revenue	-	-
Total liabilities	107	42
Fund Balances:		
Reserved for:		
Inventories	-	-
Prepaid items	-	-
Unreserved	164	566
Total fund balances (deficit)	164	566
Total liabilities and fund balances	$ 271	$ 608

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2006
(Amounts expressed in thousands)

	Air Quality	Animal Control	Attorney
Assets			
Cash and cash equivalents	$ 1,178	$ 78	$ 1,617
Receivables (net):			
Property taxes	-	26	-
Accounts	2	1	16
Due from other funds	-	-	2
Due from other governments	-	-	483
Inventories	-	-	-
Prepaid items	-	-	19
Total assets	$ 1,180	$ 105	$ 2,137
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	$ 5	$ 11	$ 136
Accrued payroll and employee benefits	29	30	95
Due to other funds	-	-	186
Due to other governments	-	-	-
Deposits held for others	-	3	-
Deferred revenue	78	95	-
Total liabilities	112	139	417
Fund Balances:			
Reserved for:			
Inventories	-	-	-
Prepaid items	-	-	19
Unreserved	1,068	(34)	1,701
Total fund balances (deficit)	1,068	(34)	1,720
Total liabilities and fund balances	$ 1,180	$ 105	$ 2,137

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2006
(Amounts expressed in thousands)

	Clerk of Courts	Old Courthouse Preservation	Detention Expansion
Assets			
Cash and cash equivalents	$ 1,343	$ 176	$ 1
Receivables (net):			
Property taxes	-	-	-
Accounts	10	-	-
Due from other funds	37	-	-
Due from other governments	84	-	-
Inventories	-	-	-
Prepaid items	-	-	-
Total assets	$ 1,474	$ 176	$ 1
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	$ 4	$ 1	$ 12
Accrued payroll and employee benefits	22	-	80
Due to other funds	22	-	-
Due to other governments	-	-	-
Deposits held for others	-	-	-
Deferred revenue	-	-	-
Total liabilities	48	1	92
Fund Balances:			
Reserved for:			
Inventories	-	-	-
Prepaid items	-	-	-
Unreserved	1,426	175	(91)
Total fund balances (deficit)	1,426	175	(91)
Total liabilities and fund balances	$ 1,474	$ 176	$ 1

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2006
(Amounts expressed in thousands)

	Courts	Health Services	Justice Courts
Assets			
Cash and cash equivalents	$ 1,002	$ 39	$ 1,418
Receivables (net):			
Property taxes	-	-	-
Accounts	7	5	35
Due from other funds	1	-	-
Due from other governments	104	86	-
Inventories	-	-	-
Prepaid items	-	-	-
Total assets	$ 1,114	$ 130	$ 1,453
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	$ 20	$ 7	$ 1
Accrued payroll and employee benefits	19	21	-
Due to other funds	87	260	2
Due to other governments	-	-	-
Deposits held for others	-	-	-
Deferred revenue	-	-	-
Total liabilities	126	288	3
Fund Balances:			
Reserved for:			
Inventories	-	-	-
Prepaid items	-	-	-
Unreserved	988	(158)	1,450
Total fund balances (deficit)	988	(158)	1,450
Total liabilities and fund balances	$ 1,114	$ 130	$ 1,453

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2006
(Amounts expressed in thousands)

	Juvenile Probation	Local Transport Assist Grant	Library Grants
Assets			
Cash and cash equivalents	$ 650	$ 269	$ -
Receivables (net):			
Property taxes	-	-	-
Accounts	3	3	-
Due from other funds	-	-	-
Due from other governments	103	-	-
Inventories	-	-	-
Prepaid items	2	2	-
Total assets	$ 758	$ 274	$ -
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	$ 75	$ 4	$ -
Accrued payroll and employee benefits	88	3	-
Due to other funds	14	-	-
Due to other governments	32	-	-
Deposits held for others	-	-	-
Deferred revenue	26	262	-
Total liabilities	235	269	-
Fund Balances:			
Reserved for:			
Inventories	-	-	-
Prepaid items	2	2	-
Unreserved	521	3	-
Total fund balances (deficit)	523	5	-
Total liabilities and fund balances	$ 758	$ 274	$ -

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2006
(Amounts expressed in thousands)

	Health Grants	Miscellaneous Grants	Public Defender
Assets			
Cash and cash equivalents	$ 502	$ 28	$ 307
Receivables (net):			
Property taxes	-	-	-
Accounts	-	-	26
Due from other funds	9	-	-
Due from other governments	189	-	8
Inventories	68	-	-
Prepaid items	1	-	-
Total assets	$ 769	$ 28	$ 341
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	$ 46	$ -	$ 47
Accrued payroll and employee benefits	158	-	-
Due to other funds	-	-	-
Due to other governments	-	-	-
Deposits held for others	24	-	-
Deferred revenue	297	28	24
Total liabilities	525	28	71
Fund Balances:			
Reserved for:			
Inventories	68	-	-
Prepaid items	1	-	-
Unreserved	175	-	270
Total fund balances (deficit)	244	-	270
Total liabilities and fund balances	$ 769	$ 28	$ 341

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2006
(Amounts expressed in thousands)

	Public Works Roadways	Public Works Services	Road Tax Districts
Assets			
Cash and cash equivalents	$ 6,308	$ 2,179	$ 10,034
Receivables (net):			
Property taxes	-	-	-
Accounts	422	14	71
Due from other funds	-	14	-
Due from other governments	-	-	1,337
Inventories	-	-	-
Prepaid items	-	-	-
Total assets	$ 6,730	$ 2,207	$ 11,442
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	$ 178	$ 19	$ 250
Accrued payroll and employee benefits	42	4	29
Due to other funds	5	-	-
Due to other governments	-	-	-
Deposits held for others	516	-	-
Deferred revenue	-	-	-
Total liabilities	741	23	279
Fund Balances:			
Reserved for:			
Inventories		-	-
Prepaid items		-	-
Unreserved	5,989	2,184	11,163
Total fund balances (deficit)	5,989	2,184	11,163
Total liabilities and fund balances	$ 6,730	$ 2,207	$ 11,442

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2006
(Amounts expressed in thousands)

	Sheriff	Treasurer	Housing Grants
Assets			
Cash and cash equivalents	$ 892	$ 156	$ 692
Receivables (net):			
Property taxes	-	-	-
Accounts	9	1	151
Due from other funds	9	-	
Due from other governments	789	-	74
Inventories	-	-	28
Prepaid items	3	-	47
Total assets	$ 1,702	$ 157	$ 992
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	$ 126	$ -	$ 15
Accrued payroll and employee benefits	79	-	37
Due to other funds	632	-	75
Due to other governments	-	-	-
Deposits held for others	-	-	20
Deferred revenue	296	-	29
Total liabilities	1,133	-	176
Fund Balances:			
Reserved for:			
Inventories	-	-	28
Prepaid items	3	-	47
Unreserved	566	157	741
Total fund balances (deficit)	569	157	816
Total liabilities and fund balances	$ 1,702	$ 157	$ 992

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2006
(Amounts expressed in thousands)

	Flood Control District	Library Special District	Lighting Special Districts
Assets			
Cash and cash equivalents	$ 2,038	$ 527	$ 8
Receivables (net):			
Property taxes	33	27	1
Accounts	18	5	-
Due from other funds	-	-	-
Due from other governments	-	-	-
Inventories	-	-	-
Prepaid items	-	-	-
Total assets	$ 2,089	$ 559	$ 9
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	$ 259	$ 12	$ 1
Accrued payroll and employee benefits	5	12	-
Due to other funds	-	-	-
Due to other governments	-	-	-
Deposits held for others	-	-	-
Deferred revenue	25	21	1
Total liabilities	289	45	2
Fund Balances:			
Reserved for:			
Inventories	-	-	-
Prepaid items	-	-	-
Unreserved	1,800	514	7
Total fund balances (deficit)	1,800	514	7
Total liabilities and fund balances	$ 2,089	$ 559	$ 9

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2006
(Amounts expressed in thousands)

	Miscellaneous Fees	Desert Vista Sanitation District	Queen Creek Domestic Water Imprvmnt District
Assets			
Cash and cash equivalents	$ 854	$ 48	$ 9
Receivables (net):			
Property taxes	-	2	1
Accounts	24	-	-
Due from other funds	-	-	-
Due from other governments	-	-	-
Inventories	-	-	-
Prepaid items	1	-	-
Total assets	$ 879	$ 50	$ 10
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	$ 99	$ 2	$ -
Accrued payroll and employee benefits	13	-	-
Due to other funds	-	-	-
Due to other governments	-	-	-
Deposits held for others	-	-	-
Deferred revenue	-	1	1
Total liabilities	112	3	1
Fund Balances:			
Reserved for:			
Inventories	-	-	-
Prepaid items	1	-	-
Unreserved	766	47	9
Total fund balances (deficit)	767	47	9
Total liabilities and fund balances	$ 879	$ 50	$ 10

PINAL COUNTY
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2006
(Amounts expressed in thousands)

	Accom-modation School	Total
Assets		
Cash and cash equivalents	$ 2,706	$ 35,912
Receivables (net):		
Property taxes	42	132
Accounts	-	827
Due from other funds	-	73
Due from other governments	-	3,278
Inventories	-	96
Prepaid items	-	75
Total assets	$ 2,748	$ 40,393
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	$ -	$ 1,400
Accrued payroll and employee benefits	-	843
Due to other funds	-	1,285
Due to other governments	-	32
Deposits held for others	-	563
Deferred revenue	42	1,226
Total liabilities	42	5,349
Fund Balances:		
Reserved for:		
Inventories	-	96
Prepaid items	-	75
Unreserved	2,706	34,873
Total fund balances (deficit)	2,706	35,044
Total liabilities and fund balances	$ 2,748	$ 40,393

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2006
(Amounts Expressed in thousands)

	Adult Probation	Airport Economic Development
Revenues		
Taxes	$ -	$ -
License and permits	-	-
Intergovernmental	1,788	-
Charges for services	473	-
Fines and forfeits	-	-
Investment earnings	10	17
Contributions	-	-
Rentals	-	390
Miscellaneous	-	6
Total revenues	2,271	413
Expenditures		
Current:		
General government	-	421
Public safety	2,371	-
Highways and streets	-	-
Sanitation	-	-
Health	-	-
Welfare	-	-
Culture and recreation	-	-
Education	-	-
Total expenditures	2,371	421
Excess (deficiency) of revenues over expenditures	(100)	(8)
Other financing sources (uses):		
Transfers in	34	-
Transfers out	(38)	-
Sale of capital assets	-	-
Total other financing sources (uses)	(4)	-
Net change in fund balances	(104)	(8)
Fund balances, July 1, 2005	268	574
Fund balances (deficit), June 30, 2006	$ 164	$ 566

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2006
(Amounts Expressed in thousands)

	Air Quality	Animal Control	Attorney
Revenues			
Taxes	$ -	$ 759	$ -
License and permits	1,191	120	-
Intergovernmental	130	60	3,026
Charges for services	-	147	185
Fines and forfeits	-	55	767
Investment earnings	4	3	70
Contributions	-	-	37
Rentals	-	-	-
Miscellaneous	-	7	9
Total revenues	1,325	1,151	4,094
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	4,309
Highways and streets	-	-	-
Sanitation	-	-	-
Health	948	1,381	-
Welfare	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Total expenditures	948	1,381	4,309
Excess (deficiency) of revenues over expenditures	377	(230)	(215)
Other financing sources (uses):			
Transfers in	-	812	579
Transfers out	-	(11)	(4)
Sale of capital assets	-	2	40
Total other financing sources (uses)	-	803	615
Net change in fund balances	377	573	400
Fund balances, July 1, 2005	691	(607)	1,320
Fund balances (deficit), June 30, 2006	$ 1,068	$ (34)	$ 1,720

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2006
(Amounts Expressed in thousands)

	Clerk of Courts	Old Courthouse Preservation	Detention Expansion
Revenues			
Taxes	$ -	$ -	$ -
License and permits	-	-	-
Intergovernmental	415	55	-
Charges for services	463	-	-
Fines and forfeits	-	-	-
Investment earnings	41	-	-
Contributions	-	10	-
Rentals	-	-	-
Miscellaneous	1	-	-
Total revenues	920	65	-
Expenditures			
Current:			
General government	583	113	
Public safety	-	-	921
Highways and streets	-	-	
Sanitation	-	-	
Health	-	-	
Welfare	-	-	
Culture and recreation	-	-	
Education	-	-	
Total expenditures	583	113	921
Excess (deficiency) of revenues over expenditures	337	(48)	(921)
Other financing sources (uses):			
Transfers in	450	100	830
Transfers out	(104)	-	-
Sale of capital assets	-	-	-
Total other financing sources (uses)	346	100	830
Net change in fund balances	683	52	(91)
Fund balances, July 1, 2005	743	123	-
Fund balances (deficit), June 30, 2006	$ 1,426	$ 175	$ (91)

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2006
(Amounts Expressed in thousands)

	Courts	Health Services	Justice Courts
Revenues			
Taxes	$ -	$ -	$ -
License and permits	-	-	-
Intergovernmental	538	308	-
Charges for services	172	-	679
Fines and forfeits	-	-	-
Investment earnings	33	11	38
Contributions	-	6	-
Rentals	-	-	-
Miscellaneous	-	-	-
Total revenues	743	325	717
Expenditures			
Current:			
General government	-	-	-
Public safety	731	-	154
Highways and streets	-	-	-
Sanitation	-	-	-
Health	-	584	-
Welfare	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Total expenditures	731	584	154
Excess (deficiency) of revenues over expenditures	12	(259)	563
Other financing sources (uses):			
Transfers in	203	-	-
Transfers out	-	(5)	(209)
Sale of capital assets	-	-	-
Total other financing sources (uses)	203	(5)	(209)
Net change in fund balances	215	(264)	354
Fund balances, July 1, 2005	773	106	1,096
Fund balances (deficit), June 30, 2006	$ 988	$ (158)	$ 1,450

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2006
(Amounts Expressed in thousands)

	Juvenile Probation	Local Transport Assist Grant	Library Grants
Revenues			
Taxes	$ -	$ -	$ -
License and permits	-	-	-
Intergovernmental	2,665	134	23
Charges for services	128	65	-
Fines and forfeits	-	-	-
Investment earnings	18	15	-
Contributions	1	-	-
Rentals	-	-	-
Miscellaneous	-	-	-
Total revenues	2,812	214	23
Expenditures			
Current:			
General government	-	-	-
Public safety	2,675	-	-
Highways and streets	-	-	-
Sanitation	-	-	-
Health	-	214	-
Welfare	-	-	-
Culture and recreation	-	-	23
Education	-	-	-
Total expenditures	2,675	214	23
Excess (deficiency) of revenues over expenditures	137	-	-
Other financing sources (uses):			
Transfers in	31	-	-
Transfers out	(16)	-	-
Sale of capital assets	-	-	-
Total other financing sources (uses)	15	-	-
Net change in fund balances	152	-	-
Fund balances, July 1, 2005	371	5	-
Fund balances (deficit), June 30, 2006	$ 523	$ 5	$ -

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2006
(Amounts Expressed in thousands)

	Health Grants	Miscellaneous Grants	Public Defender
Revenues			
Taxes	$ -	$ -	$ -
License and permits	-	-	-
Intergovernmental	4,091	-	65
Charges for services	47	-	-
Fines and forfeits	-	-	-
Investment earnings	11	-	8
Contributions	125	-	-
Rentals	-	-	-
Miscellaneous	1	-	-
Total revenues	4,275	-	73
Expenditures			
Current:			
General government	-	-	-
Public safety	-		92
Highways and streets	-		-
Sanitation	-		-
Health	3,937		-
Welfare	-		-
Culture and recreation	-		-
Education	-		-
Total expenditures	3,937	-	92
Excess (deficiency) of revenues over expenditures	338	-	(19)
Other financing sources (uses):			
Transfers in	6	-	63
Transfers out	(176)	-	-
Sale of capital assets	1	-	-
Total other financing sources (uses)	(169)	-	63
Net change in fund balances	169		44
Fund balances, July 1, 2005	75	-	226
Fund balances (deficit), June 30, 2006	$ 244	$ -	$ 270

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2006
(Amounts Expressed in thousands)

	Public Works Roadways	Public Works Services	Road Tax Districts
Revenues			
Taxes	$ -	$ -	$ 7,260
License and permits	2,420	-	-
Intergovernmental	-	627	454
Charges for services	1,401	12	-
Fines and forfeits	-	-	-
Investment earnings	571	67	291
Contributions	2,481	-	135
Rentals	-	-	-
Miscellaneous	7	42	-
Total revenues	6,880	748	8,140
Expenditures			
Current:			
General government		-	-
Public safety		218	-
Highways and streets	4,082	169	5,321
Sanitation		215	-
Health		-	-
Welfare		-	-
Culture and recreation		-	-
Education		-	-
Total expenditures	4,082	602	5,321
Excess (deficiency) of revenues over expenditures	2,798	146	2,819
Other financing sources (uses):			
Transfers in	293	367	900
Transfers out	(8,984)	-	(150)
Sale of capital assets	-	-	-
Total other financing sources (uses)	(8,691)	367	750
Net change in fund balances	(5,893)	513	3,569
Fund balances, July 1, 2005	11,882	1,671	7,594
Fund balances (deficit), June 30, 2006	$ 5,989	$ 2,184	$ 11,163

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2006
(Amounts Expressed in thousands)

	Sheriff	Treasurer	Housing Grants
Revenues			
Taxes	$ -	$ -	$ -
License and permits	-	-	-
Intergovernmental	1,839	9	4,023
Charges for services	1,901	22	-
Fines and forfeits	-	-	-
Investment earnings	25	4	1
Contributions	59	-	-
Rentals	-	-	321
Miscellaneous	-	-	55
Total revenues	3,824	35	4,400
Expenditures			
Current:			
General government	-	12	-
Public safety	3,686	-	-
Highways and streets	-	-	-
Sanitation	-	-	-
Health	-	-	-
Welfare	-	-	3,820
Culture and recreation	-	-	-
Education	-	-	-
Total expenditures	3,686	12	3,820
Excess (deficiency) of revenues over expenditures	138	23	580
Other financing sources (uses):			
Transfers in	65	-	-
Transfers out	(15)	-	-
Sale of capital assets	4	-	-
Total other financing sources (uses)	54	-	-
Net change in fund balances	192	23	580
Fund balances, July 1, 2005	377	134	236
Fund balances (deficit), June 30, 2006	$ 569	$ 157	$ 816

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2006
(Amounts Expressed in thousands)

	Flood Control District	Library Special District	Lighting Special Districts
Revenues			
Taxes	$ 936	$ 736	$ 11
License and permits	3	-	-
Intergovernmental	94	29	-
Charges for services	-	-	-
Fines and forfeits	-	-	-
Investment earnings	71	18	-
Contributions	-	57	-
Rentals	-	-	-
Miscellaneous	-	8	-
Total revenues	1,104	848	11
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Highways and streets	1,081	-	13
Sanitation	-	-	-
Health	-	-	-
Welfare	-	-	-
Culture and recreation	-	677	-
Education	-	-	-
Total expenditures	1,081	677	13
Excess (deficiency) of revenues over expenditures	23	171	(2)
Other financing sources (uses):			
Transfers in	250	-	-
Transfers out	-	(26)	-
Sale of capital assets	-	-	-
Total other financing sources (uses)	250	(26)	-
Net change in fund balances	273	145	(2)
Fund balances, July 1, 2005	1,527	369	9
Fund balances (deficit), June 30, 2006	$ 1,800	$ 514	$ 7

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2006
(Amounts Expressed in thousands)

	Miscellaneous Fees	Desert Vista Sanitation District	Queen Creek Domestic Water Imprvmnt District
Revenues			
Taxes	$ -	$ 23	$ 16
License and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	1,671	-	-
Fines and forfeits	-	-	-
Investment earnings	12	2	-
Contributions	-	-	-
Rentals	-	-	-
Miscellaneous	-	-	-
Total revenues	1,683	25	16
Expenditures			
Current:			
General government	978	-	23
Public safety	-	-	-
Highways and streets	-	-	-
Sanitation	-	17	-
Health	-	-	-
Welfare	-	-	-
Culture and recreation	-	-	-
Education	-	-	-
Total expenditures	978	17	23
Excess (deficiency) of revenues over expenditures	705	8	(7)
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	(422)	-	-
Sale of capital assets	-	-	-
Total other financing sources (uses)	(422)	-	-
Net change in fund balances	283	8	(7)
Fund balances, July 1, 2005	484	39	16
Fund balances (deficit), June 30, 2006	$ 767	$ 47	$ 9

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2006
(Amounts Expressed in thousands)

	Accom-modation School	Total
Revenues		
Taxes	$ 1,903	$ 11,644
License and permits	-	3,734
Intergovernmental	5,965	26,338
Charges for services	251	7,617
Fines and forfeits	-	822
Investment earnings	71	1,412
Contributions	1	2,912
Rentals	-	711
Miscellaneous	32	168
Total revenues	8,223	55,358
Expenditures		
Current:		
General government	-	2,130
Public safety	-	15,157
Highways and streets	-	10,666
Sanitation	-	232
Health	-	7,064
Welfare	-	3,820
Culture and recreation	-	700
Education	7,716	7,716
Total expenditures	7,716	47,485
Excess (deficiency) of revenues over expenditures	507	7,873
Other financing sources (uses):		
Transfers in	-	4,983
Transfers out	-	(10,160)
Sale of capital assets	-	47
Total other financing sources (uses)	-	(5,130)
Net change in fund balances	507	2,743
Fund balances, July 1, 2005	2,199	32,301
Fund balances (deficit), June 30, 2006	$ 2,706	$ 35,044

PINAL COUNTY
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2006
(Amounts expressed in thousands)

	Public Works Special Projects	Superior Court Construction	Capital Projects Miscellaneous	Total
Assets				
Cash and cash equivalents	$ 58	$ 2	$ 995	$ 1,055
Cash and investments held by trustees	-	291	-	291
Receivables (net):				
Accounts	1	-	18	19
Due from other funds	-	-	21	21
Due from other governments	-	-	1	1
Prepaid items	-	-	5	5
Total assets	$ 59	$ 293	$ 1,040	$ 1,392
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable	$ -	$ (1)	$ 15	$ 14
Accrued Payroll and employee benefits	-	-	5	5
Due to other funds	-	-	552	552
Total liabilities	-	(1)	572	571
Fund Balances:				
Reserved for:				
Prepaid items	-	-	5	5
Unreserved	59	294	463	816
Total fund balances	59	294	468	821
Total liabilities and fund balances	$ 59	$ 293	$ 1,040	$ 1,392

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
Year Ended June 30, 2006
(Amounts expressed in thousands)

	Public Works Special Projects	Superior Court Construction	Capital Projects Miscellaneous	Total
Revenues				
Intergovernmental	$ -	$ -	$ 93	$ 93
Investment earnings	3	11	-	14
Contributions	-	-	55	55
Miscellaneous	-	249	-	249
Total revenues	3	260	148	411
Expenditures				
Capital outlay	5	696	1,195	1,896
Total expenditures	5	696	1,195	1,896
Excess (deficiency) of revenues over expenditures	(2)	(436)	(1,047)	(1,485)
Other financing sources (uses):				
Operating transfers in	-	412	1,702	2,114
Operating transfers out	-	-	(105)	(105)
Total other financing sources (uses)	-	412	1,597	2,009
Net change in fund balances	(2)	(24)	550	524
Fund balances, July 1, 2005, as restated	61	318	(82)	297
Fund balances, June 30, 2006	$ 59	$ 294	$ 468	$ 821

PINAL COUNTY
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2006
(Amounts expressed in thousands)

	Debt Service	Maricopa Rd Debt Service	Total
Assets			
Cash and cash equivalents	$ 99	$ 1,250	$ 1,349
Cash and investments held by trustees	8,444	-	8,444
Receivables (net):			
Property taxes	-	72	72
Accounts	-	8	8
Total assets	$ 8,543	$ 1,330	$ 9,873
Fund Balance			
Liabilities:			
Due to other funds	$ 2	$ -	$ 2
Bonds payable	-	1,125	1,125
Interest payable	-	48	48
Deferred revenue	-	58	58
Total liabilities	2	1,231	1,233
Fund Balances:			
Unreserved	8,541	99	8,640
Total fund balances	8,541	99	8,640
Total liabilities and fund balances	$ 8,543	$ 1,330	$ 9,873

PINAL COUNTY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
Year Ended June 30, 2006
(Amounts expressed in thousands)

	Debt Service	Maricopa Rd Debt Service	Total
Revenues			
Taxes	$ -	$ 1,187	$ 1,187
Investment earnings	202	30	232
Total revenues	202	1,217	1,419
Expenditures			
Debt Service:			
Principal retirement	4,765	1,125	5,890
Interest	5,038	96	5,134
Costs of issuance	298		298
Miscellaneous		53	53
Total expenditures	10,101	1,274	11,375
Excess (deficiency) of revenues over expenditures	(9,899)	(57)	(9,956)
Other financing sources (uses):			
Operating transfers in	9,713	-	9,713
Operating transfers out	(107)	-	(107)
Proceeds from loan	2,445	-	2,445
Total other financing sources (uses)	12,051	-	12,051
Net change in fund balances	2,152	(57)	2,095
Fund balances, July 1, 2005, as restated	6,389	156	6,545
Fund balances, June 30, 2006	$ 8,541	$ 99	$ 8,640

PINAL COUNTY

Special Revenue Funds - Adult Probation

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

Year Ended June 30, 2006

(Amounts expressed in thousands)

ADULT PROBATION	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	$ 1,504	$ 1,788	$ 284
Charges for services	454	473	19
Investment earnings	-	10	10
Total revenues	1,958	2,271	313
Expenditures			
Current:			
Public safety	1,920	2,371	(451)
Total expenditures	1,920	2,371	(451)
Excess (deficiency) of revenues over expenditures	38	(100)	(138)
Other financing sources (uses):			
Transfers in	124	34	90
Transfers out	(162)	(38)	(124)
Total other financing sources (uses)	(38)	(4)	(34)
Net change in fund balances	-	(104)	(104)
Fund balances, July 1, 2005	-	268	268
Fund balances, June 30, 2006	$ -	$ 164	$ 164

PINAL COUNTY

Special Revenue Funds - Airport Economic Development
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2006

(Amounts expressed in thousands)

AIRPORT ECONOMIC DEVELOPMENT	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Investment earnings	$ -	$ 17	$ 17
Rentals	399	390	(9)
Miscellaneous	325	6	(319)
Total revenues	724	413	(311)
Expenditures			
Current:			
General government	724	421	303
Total expenditures	724	421	303
Excess (deficiency) of revenues over expenditures	-	(8)	(8)
Net change in fund balances	-	(8)	(8)
Fund balances, July 1, 2005	-	574	574
Fund balances, June 30, 2006	$ -	$ 566	$ 566

PINAL COUNTY

Special Revenue Funds - Air Quality

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

Year Ended June 30, 2006

(Amounts expressed in thousands)

AIR QUALITY	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
License and permits	$ 782	$ 1,191	$ 409
Intergovernmental	738	130	(608)
Investment earnings	-	4	4
Total revenues	1,520	1,325	(195)
Expenditures			
Current:			
Health	1,620	948	672
Total expenditures	1,620	948	672
Excess (deficiency) of revenues over expenditures	(100)	377	477
Other financing sources (uses):			
Transfers in	19	-	(19)
Transfers out	(19)	-	19
Total other financing sources (uses)	-	-	-
Net change in fund balances	(100)	377	477
Fund balances, July 1, 2005	100	691	591
Fund balances, June 30, 2006	$ -	$ 1,068	$ 1,068

PINAL COUNTY

Special Revenue Funds - Animal Control

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

Year Ended June 30, 2006

(Amounts expressed in thousands)

ANIMAL CONTROL	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Taxes	$ 725	$ 759	$ 34
License and permits	145	120	(25)
Intergovernmental	0	60	60
Charges for services	233	147	(86)
Fines and forfeits	36	55	19
Investment earnings	0	3	3
Miscellaneous	0	7	7
Total revenues	1,139	1,151	12
Expenditures			
Current:			
Health	1,803	1,381	422
Total expenditures	1,803	1,381	422
Excess (deficiency) of revenues over expenditures	(664)	(230)	434
Other financing sources (uses):			
Transfers in	675	812	137
Transfers out	(11)	(11)	-
Sale of capital assets	-	2	2
Total other financing sources (uses)	664	803	139
Net change in fund balances	-	573	573
Fund balances, July 1, 2005	-	(607)	(607)
Fund balances, June 30, 2006	$ -	$ (34)	$ (34)

PINAL COUNTY

Special Revenue Funds - Attorney

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

Year Ended June 30, 2006

(Amounts expressed in thousands)

ATTORNEY	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	$ 3,375	$ 3,026	$ (349)
Charges for services	120	185	65
Fines and forfeits	895	767	(128)
Investment earnings	3	70	67
Contributions	-	37	37
Miscellaneous	12	9	(3)
Total revenues	4,405	4,094	(311)
Expenditures			
Current:			
Public safety	4656	4309	347
Total expenditures	4,656	4,309	347
Excess (deficiency) of revenues over expenditures	(251)	(215)	36
Other financing sources (uses):			
Transfers in	587	579	(8)
Operating transfers out	(380)	(4)	376
Sale of capital assets	25	40	15
Total other financing sources (uses)	232	615	383
Net change in fund balances	(19)	400	419
Fund balances, July 1, 2005	19	1,320	1,301
Fund balances, June 30, 2006	$ -	$ 1,720	$ 1,720

PINAL COUNTY

Special Revenue Funds - Clerk of Courts
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2006

(Amounts expressed in thousands)

CLERK OF COURTS	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	$ 997	$ 415	$ (582)
Charges for services	303	463	160
Investment earnings	-	41	41
Miscellaneous	-	1	1
Total revenues	1,300	920	(380)
Expenditures			
Current:			
General government	1,334	583	751
Total expenditures	1,334	583	751
Excess (deficiency) of revenues over expenditures	(34)	337	371
Other financing sources (uses):			
Operating transfers in	46	450	404
Operating transfers out	(12)	(104)	(92)
Total other financing sources (uses)	34	346	312
Net change in fund balances	-	683	683
Fund balances, July 1, 2005	-	743	743
Fund balances, June 30, 2006	$ -	$ 1,426	$ 1,426

PINAL COUNTY

Special Revenue Funds - Old Courthouse Preservation
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2006

(Amounts expressed in thousands)

OLD COURTHOUSE PRESERVATION	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	$ 65	$ 55	$ (10)
Contributions	3	10	7
Total revenues	68	65	(3)
Expenditures			
Current:			
General government	168	113	55
Total expenditures	168	113	55
Excess (deficiency) of revenues over expenditures	(100)	(48)	52
Other financing sources (uses):			
Transfers in	100	100	-
Total other financing sources (uses)	100	100	-
Net change in fund balances	-	52	52
Fund balances, July 1, 2005		123	123
Fund balances, June 30, 2006	$ -	$ 175	$ 175

PINAL COUNTY

Special Revenue Funds - Detention Expansion

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

Year Ended June 30, 2006

(Amounts expressed in thousands)

DETENTION EXPANSION	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Charges for services	$ 14,811	$ -	$ (14,811)
Total revenues	14,811	-	(14,811)
Expenditures			
Current:			
Public Safety	14,811	921	13,890
Total expenditures	14,811	921	13,890
Excess (deficiency) of revenues over expenditures	-	(921)	(921)
Other financing sources (uses):			
Transfers in	-	830	830
Total other financing sources (uses)	-	830	830
Net change in fund balances	-	(91)	(91)
Fund balances, July 1, 2005		-	-
Fund balances, June 30, 2006	$ -	$ (91)	$ (91)

PINAL COUNTY

Special Revenue Funds - Courts

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

Year Ended June 30, 2006

(Amounts expressed in thousands)

COURTS	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	$ 545	$ 538	$ (7)
Charges for services	277	172	(105)
Investment earnings	7	33	26
Total revenues	829	743	(86)
Expenditures			
Current:			
Public safety	1,064	731	333
Total expenditures	1,064	731	333
Excess (deficiency) of revenues over expenditures	(235)	12	247
Other financing sources (uses):			
Transfers in	27	203	176
Total other financing sources (uses)	27	203	176
Net change in fund balances	(208)	215	423
Fund balances, July 1, 2005	208	773	565
Fund balances, June 30, 2006	$ -	$ 988	$ 988

PINAL COUNTY

Special Revenue Funds - Health Services

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

Year Ended June 30, 2006

(Amounts expressed in thousands)

HEALTH SERVICES	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	$ 256	$ 308	$ 52
Investment earnings	-	11	11
Contributions	-	6	6
Total revenues	256	325	69
Expenditures			
Current:			
Health	547	584	(37)
Total expenditures	547	584	(37)
Excess (deficiency) of revenues over expenditures	(291)	(259)	32
Other financing sources (uses):			
Transfers in	276	-	(276)
Transfers out	-	(5)	(5)
Total other financing sources (uses)	276	(5)	(281)
Net change in fund balances	(15)	(264)	(249)
Fund balances, July 1, 2005	15	106	91
Fund balances, June 30, 2006	$ -	$ (158)	$ (158)

PINAL COUNTY

Special Revenue Funds - Justice Courts

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

Year Ended June 30, 2006

(Amounts expressed in thousands)

JUSTICE COURTS	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Charges for services	$ 390	$ 679	$ 289
Investment earnings	1	38	37
Total revenues	391	717	326
Expenditures			
Current:			
Public safety	391	154	237
Total expenditures	391	154	237
Excess (deficiency) of revenues over expenditures	-	563	563
Other financing sources (uses):			
Operating transfers out	-	(209)	(209)
Total other financing sources (uses)	-	(209)	(209)
Net change in fund balances	-	354	354
Fund balances, July 1, 2005	-	1,096	1,096
Fund balances, June 30, 2006	$ -	$ 1,450	$ 1,450

PINAL COUNTY

Special Revenue Funds - Juvenile Probation

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

Year Ended June 30, 2006

(Amounts expressed in thousands)

JUVENILE PROBATION	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	$ 2,531	$ 2,665	$ 134
Charges for services	13	128	115
Investment earnings	-	18	18
Contributions	-	1	1
Total revenues	2,544	2,812	268
Expenditures			
Current:			
Public safety	2,565	2,675	(110)
Total expenditures	2,565	2,675	(110)
Excess (deficiency) of revenues over expenditures	(21)	137	158
Other financing sources (uses):			
Operating transfers in	6	31	25
Operating transfers out	(22)	(16)	6
Total other financing sources (uses)	(16)	15	31
Net change in fund balances	(37)	152	189
Fund balances, July 1, 2005	37	371	334
Fund balances, June 30, 2006	$ -	$ 523	$ 523

PINAL COUNTY

Special Revenue Funds - Local Transport Assist Grant
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2006

(Amounts expressed in thousands)

LOCAL TRANSPORT ASSIST GRANT	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	$ -	$ 134	$ 134
Charges for services	-	65	65
Investment earnings	-	15	15
Total revenues	-	214	214
Expenditures			
Current:			
Health	135	214	(79)
Total expenditures	135	214	(79)
Excess (deficiency) of revenues over expenditures	(135)	-	135
Net change in fund balances	(135)	-	135
Fund balances, July 1, 2005	135	5	(130)
Fund balances, June 30, 2006	$ -	$ 5	$ 5

PINAL COUNTY

Special Revenue Funds - Library Grants

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

Year Ended June 30, 2006

(Amounts expressed in thousands)

LIBRARY GRANTS	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	$ 23	$ 23	$ -
Total revenues	23	23	-
Expenditures			
Current:			
Culture and recreation	23	23	-
Total expenditures	23	23	-
Excess (deficiency) of revenues over expenditures	-	-	-
Fund balances, July 1, 2005	-	-	-
Fund balances, June 30, 2006	$ -	$ -	$ -

PINAL COUNTY

Special Revenue Funds - Health Grants

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

Year Ended June 30, 2006

(Amounts expressed in thousands)

HEALTH/GRANTS	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	$ 3,874	$ 4,091	$ 217
Charges for services	61	47	(14)
Investment earnings	-	11	11
Contributions	103	125	22
Miscellaneous	-	1	1
Total revenues	4,038	4,275	237
Expenditures			
Current:			
Health	4,301	3,937	364
Total expenditures	4,301	3,937	364
Excess (deficiency) of revenues over expenditures	(263)	338	601
Other financing sources (uses):			
Transfers in	-	6	6
Transfers out	(188)	(176)	12
Sale of capital assets	-	1	1
Total other financing sources (uses)	(188)	(169)	19
Net change in fund balances	(451)	169	620
Fund balances, July 1, 2005	451	75	(376)
Fund balances, June 30, 2006	$ -	$ 244	$ 244

PINAL COUNTY

Special Revenue Funds - Public Defender

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

Year Ended June 30, 2006

(Amounts expressed in thousands)

PUBLIC DEFENDER	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	$ 63	$ 65	$ 2
Charges for services	54	-	(54)
Investment earnings	-	8	8
Total revenues	117	73	(44)
Expenditures			
Current:			
Public safety	124	92	32
Total expenditures	124	92	32
Excess (deficiency) of revenues over expenditures	(7)	(19)	(12)
Other financing sources (uses):			
Transfers in	-	63	63
Total other financing sources (uses)	-	63	63
Net change in fund balances	(7)	44	51
Fund balances, July 1, 2005	7	226	219
Fund balances, June 30, 2006	$ -	$ 270	$ 270

PINAL COUNTY
Special Revenue Funds - Public Works Roadways
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2006
(Amounts expressed in thousands)

PUBLIC WORKS ROADWAYS	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
License and permits	$ 2,350	$ 2,420	$ 70
Charges for services	1,300	1,401	101
Investment earnings	-	571	571
Contributions	500.00	2,481	1,981
Miscellaneous	-	7	7
Total revenues	4,150	6,880	2,730
Expenditures			
Current:			
Highways and streets	4,295	4,082	213
Total expenditures	4,295	4,082	213
Excess (deficiency) of revenues over expenditures	(145)	2,798	2,943
Other financing sources (uses):			
Transfers in	-	293	293
Transfers out	(880)	(8,984)	(8,104)
Total other financing sources (uses)	(880)	(8,691)	(7,811)
Net change in fund balances	(1,025)	(5,893)	(4,868)
Fund balances, July 1, 2005	1,025	11,882	10,857
Fund balances, June 30, 2006	$ -	$ 5,989	$ 5,989

PINAL COUNTY

Special Revenue Funds - Public Works Services

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

Year Ended June 30, 2006

(Amounts expressed in thousands)

PUBLIC WORKS SERVICES	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	$ 520	$ 627	$ 107
Charges for services	7	12	5
Investment earnings	8	67	59
Miscellaneous	-	42	42
Total revenues	535	748	213
Expenditures			
Current:			
Public Safety	601	218	383
Highway and streets	20	169	(149)
Sanitation	207	215	(8)
Total expenditures	828	602	226
Excess (deficiency) of revenues over expenditures	(293)	146	439
Other financing sources (uses):			
Operating transfers in	300	367	67
Transfers out	(300)	-	300
Total other financing sources (uses)	-	367	367
Net change in fund balances	(293)	513	806
Fund balances, July 1, 2005	293	1,671	1,378
Fund balances, June 30, 2006	$ -	$ 2,184	$ 2,184

PINAL COUNTY

Special Revenue Funds - Road Tax Districts

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

Year Ended June 30, 2006

(Amounts expressed in thousands)

ROAD TAX DISTRICTS	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Taxes	$ 3,978	$ 7,260	$ 3,282
Intergovernmental	124	454	330
Investment earnings	37	291	254
Contributions	226	135	(91)
Miscellaneous	226	-	(226)
Total revenues	4,591	8,140	3,549
Expenditures			
Current:			
Highways and streets	5,777	5,321	456
Total expenditures	5,777	5,321	456
Excess (deficiency) of revenues over expenditures	(1,186)	2,819	4,005
Other financing sources (uses):			
Transfers in	200	900	700
Transfers out	-	(150)	(150)
Total other financing sources (uses)	200	750	550
Net change in fund balances	(986)	3,569	4,555
Fund balances, July 1, 2005	986	7,594	6,608
Fund balances, June 30, 2006	$ -	$ 11,163	$ 11,163

PINAL COUNTY

Special Revenue Funds - Sheriff

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

Year Ended June 30, 2006

(Amounts expressed in thousands)

SHERIFF	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	$ 1,480	$ 1,839	$ 359
Charges for services	340	1,901	1,561
Investment earnings	-	25	25
Contributions	49	59	10
Total revenues	1,869	3,824	1,955
Expenditures			
Current:			
Public safety	2,155	3,686	(1,531)
Total expenditures	2,155	3,686	(1,531)
Excess (deficiency) of revenues over expenditures	(286)	138	424
Other financing sources (uses):			
Transfers in	113	65	(48)
Transfers out	-	(15)	(15)
Sale of capital assets	-	4	4
Total other financing sources (uses)	113	54	(59)
Net change in fund balances	(173)	192	365
Fund balances, July 1, 2005	173	377	204
Fund balances, June 30, 2006	$ -	$ 569	$ 569

PINAL COUNTY

Special Revenue Funds - Treasurer

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

Year Ended June 30, 2006

(Amounts expressed in thousands)

TREASURER	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	$ -	$ 9	$ 9
Charges for services	52	22	(30)
Investment earnings	-	4	4
Total revenues	52	35	(17)
Expenditures			
Current:			
General government	52	12	40
Total expenditures	52	12	40
Excess (deficiency) of revenues over expenditures	-	23	23
Fund balances, July 1, 2005		$ 134	134
Fund balances, June 30, 2006	$ -	$ 157	$ 157

PINAL COUNTY

Special Revenue Funds - Housing Grants

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

Year Ended June 30, 2006

(Amounts expressed in thousands)

HOUSING GRANTS	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	$ 303	$ 4,023	$ 3,720
Investment earnings	-	1	1
Rentals	-	321	321
Miscellaneous	-	55	55
Total revenues	303	4,400	4,097
Expenditures			
Current:			
Welfare	303	3,820	(3,517)
Total expenditures	303	3,820	(3,517)
Excess (deficiency) of revenues over expenditures	-	580	580
Fund balances, July 1, 2005		236	236
Fund balances, June 30, 2006	$ -	$ 816	$ 816

PINAL COUNTY

Special Revenue Funds - Flood Control District

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

Year Ended June 30, 2006

(Amounts expressed in thousands)

FLOOD CONTROL DISTRICT	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Taxes	$ 929	$ 936	$ 7
License and permits	-	3	3
Intergovernmental	5147	94	(5,053)
Investment earnings	10	71	61
Total revenues	6,086	1,104	(4,982)
Expenditures			
Current:			
Highways and streets	6,336	1,081	5,255
Total expenditures	6,336	1,081	5,255
Excess (deficiency) of revenues over expenditures	(250)	23	273
Other financing sources (uses):			
Transfers in	250	250	-
Total other financing sources (uses)	250	250	-
Net change in fund balances	-	273	273
Fund balances, July 1, 2005	-	1,527	1,527
Fund balances, June 30, 2006	$ -	$ 1,800	$ 1,800

PINAL COUNTY

Special Revenue Funds - Library District

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

Year Ended June 30, 2006

(Amounts expressed in thousands)

LIBRARY DISTRICT	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Taxes	$ 728	$ 736	$ 8
Intergovernmental	20	29	9
Investment earnings	2	18	16
Contributions	11	57	46
Miscellaneous	-	8	8
Total revenues	761	848	87
Expenditures			
Current:			
Culture and recreation	735	677	58
Total expenditures	735	677	58
Excess (deficiency) of revenues over expenditures	26	171	145
Other financing sources (uses):			
Transfers out	(26)	(26)	-
Total other financing sources (uses)	(26)	(26)	-
Net change in fund balances	-	145	145
Fund balances, July 1, 2005		369	369
Fund balances, June 30, 2006	$ -	$ 514	$ 514

PINAL COUNTY

Special Revenue Funds - Lighting Special Districts
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2006

(Amounts expressed in thousands)

LIGHTING SPECIAL DISTRICTS	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Taxes	$ 11	$ 11	$ -
Total revenues	11	11	-
Expenditures			
Current:			
Highway and streets	11	13	(2)
Total expenditures	11	13	(2)
Excess (deficiency) of revenues over expenditures	-	(2)	(2)
Fund balances, July 1, 2005	-	9	9
Fund balances, June 30, 2006	$ -	$ 7	$ 7

PINAL COUNTY

Special Revenue Funds - Miscellaneous Fees
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2006

(Amounts expressed in thousands)

MISCELLANEOUS FEES	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Charges for services	$ 1,305	$ 1,671	$ 366
Investment earnings	-	12	12
Total revenues	1,305	1,683	378
Expenditures			
Current:			
General government	885	978	(93)
Total expenditures	885	978	(93)
Excess (deficiency) of revenues over expenditures	420	705	285
Other financing sources (uses):			
Transfers out	(430)	(422)	8
Total other financing sources (uses)	(430)	(422)	8
Net change in fund balances	(10)	283	293
Fund balances, July 1, 2005	10	484	474
Fund balances, June 30, 2006	$ -	$ 767	$ 767

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, 2006

(Amounts expressed in thousands)

DESERT VISTA SANITATION DISTRICT	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Taxes	$ 25	$ 23	$ (2)
Investment earnings	-	2	2
Total revenues	25	25	-
Expenditures			
Current:			
Sanitation	25	17	8
Total expenditures	25	17	8
Excess (deficiency) of revenues over expenditures	-	8	8
Fund balances, July 1, 2005	-	39	39
Fund balances, June 30, 2006	$ -	$ 47	$ 47

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, 2006
(Amounts expressed in thousands)

QUEEN CREEK DOMESTIC WATER IMPROVEMENT DISTRICT	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Taxes	$ 17	$ 16	$ (1)
Total revenues	17	16	(1)
Expenditures			
Current:			
General Government	17	23	(6)
Total expenditures	17	23	(6)
Excess (deficiency) of revenues over expenditures	-	(7)	(7)
Fund balances, July 1, 2005	-	16	16
Fund balances, June 30, 2006	$ -	$ 9	$ 9

PINAL COUNTY

Capital Projects - Adult/Juvenile Detention Construction
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2006
(Amounts expressed in thousands)

ADULT/JUVENILE DETENTION CONSTRUCTION	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Investment earnings	$ -	$ 1,171	$ 1,171
Total revenues	-	1,171	1,171
Expenditures			
Current:			
Capital outlay	58,520	44,094	14,426
Total expenditures	58,520	44,094	14,426
Excess (deficiency) of revenues over expenditures	(58,520)	(42,923)	15,597
Other financing sources (uses):			
Transfers in	-	107	107
Transfers out	-	(107)	(107)
Total other financing sources (uses)	-	-	-
Net change in fund balances	(58,520)	(42,923)	15,597
Fund balances, July 1, 2005	58,520	47,845	(10,675)
Fund balances, June 30, 2006	$ -	$ 4,922	$ 4,922

PINAL COUNTY
Capital Projects Miscellaneous
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2006
(Amounts expressed in thousands)

CAPITAL PROJECTS MISCELLANEOUS	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	$ 100	$ 93	$ (7)
Contributions	-	55	55
Miscellaneous	10	-	(10)
Total revenues	110	148	38
Expenditures			
Capital Outlay	948	1195	(247)
Total expenditures	948	1,195	(247)
Excess (deficiency) of revenues over expenditures	(838)	(1,047)	(209)
Other financing sources (uses):			
Transfers in	943	1,702	759
Transfers out	(135)	(105)	30
Total other financing sources (uses)	808	1,597	789
Net change in fund balances	(30)	550	580
Fund balances, July 1, 2005	30	(82)	(112)
Fund balances, June 30, 2006	$ -	$ 468	$ 468

PINAL COUNTY
Debt Service
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2006
(Amounts expressed in thousands)

DEBT SERVICE	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Investment earnings	$ -	$ 202	$ 202
Total revenues	-	202	202
Expenditures			
Debt Service			
Principal	4,765	4,765	-
Interest	5,038	5,038	-
Costs of issuance	-	298	(298)
Total expenditures	9,803	10,101	(298)
Excess (deficiency) of revenues over expenditures	(9,803)	(9,899)	(96)
Other financing sources (uses):			
Transfers in	9,803	9,713	(90)
Transfers out	-	(107)	(107)
Proceeds from loan	-	2,445	2,445
Total other financing sources (uses)	9,803	12,051	2,248
Net change in fund balances	-	2,152	2,152
Fund balances, July 1, 2005, as restated	-	6,389	6,389
Fund balances, June 30, 2006	$ -	$ 8,541	$ 8,541

PINAL COUNTY

Maricopa Rd Debt Service
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2006
(Amounts expressed in thousands)

MARICOPA RD DEBT SERVICE	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Revenues			
Taxes	$ 1,221	$ 1,187	$ (34)
Investment earnings	-	30	30
Total revenues	1,221	1,217	(4)
Expenditures			
Debt Service			
Principal	1,074	1,125	(51)
Interest	147	96	51
Miscellaneous	-	53	(53)
Total expenditures	1,221	1,274	(53)
Excess (deficiency) of revenues over expenditures	-	(57)	(57)
Fund balances, July 1, 2005	-	156	156
Fund balances, June 30, 2006	$ -	$ 99	$ 99

PINAL COUNTY
Combining Statement of Net Assets
Nonmajor Enterprise Funds
June 30, 2006
(Amounts expressed in thousands)

	Sheriff Inmate Services	Home Health	Fairgrounds	Adult Day Care	Total
Assets					
Current assets:					
Cash and cash equivalents	$ 470	$ 739	$ 25	$ 275	$ 1,509
Receivables (net):					
Accounts	4	5	-	3	12
Inventories	-	27	13	-	40
Total current assets	474	771	38	278	1,561
Noncurrent assets:					
Capital assets:					
Buildings and improvements	-	-	376	-	376
Equipment	45	91	156	2	294
Less accumulated depreciation	(32)	(71)	(470)	(1)	(574)
Total noncurrent assets	13	20	62	1	96
Total assets	$ 487	$ 791	$ 100	$ 279	$ 1,657
Liabilities					
Current:					
Accounts payable	$ 1	$ 28	$ 1	$ 2	$ 32
Accrued payroll and employee benefits	5	151	12	1	169
Due to other funds	-	1	-	-	1
Deposits held for others	44	-	-	-	44
Total current liabilities	50	180	13	3	246
Noncurrent liabilities:					
Compensated absences	19	57	43	-	119
Total noncurrent liabilities	19	57	43	-	119
Total liabilities	69	237	56	3	365
Net Assets					
Invested in capital assets, net of related debt	13	20	62	1	96
Unrestricted (deficit)	405	534	(18)	275	1,196
Total net assets	$ 418	$ 554	$ 44	$ 276	$ 1,292

PINAL COUNTY
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Nonmajor Enterprise Funds
Year Ended June 30, 2006
(Amounts expressed in thousands)

	Sheriff Inmate Services	Home Health	Fairgrounds	Adult Day Care	Total
Operating revenues					
Charges for services	$ -	$ 4,482	$ 416	$ 114	$ 5,012
Miscellaneous	232	-	-	-	232
Total operating revenues	232	4,482	416	114	5,244
Operating expenses					
Long-term health care					
Personal services	122	4,125	295	10	4,552
Supplies	39	38	71	15	163
Depreciation	12	11	23	1	47
Insurance	1	47	-	-	48
Repairs and maintenance	2	15	16	3	36
Communication	-	13	11	2	26
Professional services	1	122	95	1	219
Public utility service	-	10	84	-	94
Miscellaneous	5	57	97	5	164
Total operating expenditures	182	4,438	692	37	5,349
Operating Income (loss)	50	44	(276)	77	(105)
Nonoperating revenues (expenses)					
Intergovernmental	-	-	34	5	39
Investment earnings	15	24	-	9	48
Loss on sale of capital assets	-	-	(10)	-	(10)
Total nonoperating revenues (expenses)	15	24	24	14	77
Net income (loss) before contributions and transfers	65	68	(252)	91	(28)
Capital contributions	-	-	17	-	17
Transfers in	-	-	225	-	225
Transfers out	-	(10)	-	-	(10)
Changes in fund net assets	65	58	(10)	91	204
Net assets, July 1, 2005	353	496	54	185	1,088
Net assets, June 30, 2006	$ 418	$ 554	$ 44	$ 276	$ 1,292

PINAL COUNTY
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended June 30, 2006
(Amounts expressed in thousands)

	Sheriff Inmate Services	Home Health	Fair-gounds	Adult Daycare	Total
Cash flows from operating activities					
Receipts from customers	$ 228	$ 4,558	$ 416	$ 111	$ 5,313
Payments to suppliers	(49)	(304)	(374)	(26)	(753)
Payments to employees	(121)	(4,090)	(293)	(9)	(4,513)
Net cash provided by (used for) operating activities	58	164	(251)	76	47
Cash flows from noncapital financing activities					
Receipts from federal and local agencies	-	-	34	5	39
Transfers from other funds	-	-	225	-	225
Transfers to other funds	-	(10)	-	-	(10)
Net cash provided by (used for) noncapital financing activities	-	(10)	259	5	254
Cash flows from capital and related financing activities					
Proceeds from the sale of capital assets	-	-	3	-	3
Acquisition of capital assets	-	(17)	-	-	(17)
Net cash provided by (used for) capital and related financing activities	-	(17)	3	-	(14)
Cash flows from investing activities					
Interest and investment income received	15	24	-	9	48
Net cash provided by investing activities	15	24	-	9	48
Net increase in cash and cash equivalents	73	161	11	90	335
Cash and cash equivalents, July 1, 2005	397	578	14	185	1,174
Cash and cash equivalents, June 30, 2006	$ 470	$ 739	$ 25	$ 275	$ 1,509

(Continued)

PINAL COUNTY
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended June 30, 2006
(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)	$ 50	$ 44	$ (276)	$ 77	$ (105)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation expense	12	11	23	1	47
Changes in assets and liabilities:					
Increase in:					
Other receivables	(4)		-	(3)	(7)
Inventories	-	(2)		-	(2)
Accrued payroll and employee benefits	1	22	3	1	27
Compensated absences		12			12
Due to other funds	-	1	-	-	1
Decrease in:					
Other receivables		76			76
Inventories			1		1
Prepaids	-	1	-	-	1
Decrease in accounts payable	(1)	(1)	(1)	-	(3)
Compensated absences	-		(1)	-	(1)
Total adjustments	8	120	25	(1)	152
Net cash provided by (used for) operating activities	$ 58	$ 164	$ (251)	$ 76	$ 47
Noncash investing, capital, and financing activities:					
Capital contribution of equipment	$ -	$ -	$ 17	$ -	$ 17

PINAL COUNTY
Combining Statement of Fiduciary Net Assets
Investment Trust Funds
June 30, 2006
(Amounts expressed in thousands)

	Treasurer's Investment Pool	Individual Investment Accounts	Total
Assets			
Cash and cash equivalents	$ 151,970	$ 1,325	$ 153,295
Interest receivable	2,093	6	2,099
Total assets	154,063	1,331	155,394
Net Assets			
Held in trust for investment participants	$ 154,063	$ 1,331	$ 155,394

PINAL COUNTY
Combining Statement of Fiduciary Net Assets
Agency Funds
June 30, 2006
(Amounts expressed in thousands)

	Special Purpose	Other Agency	Total
Assets			
Cash and cash equivalents	$ 1,067	$ 3,231	$ 4,298
Liabilities			
Deposits held for others	$ 1,067	$ 3,231	$ 4,298

PINAL COUNTY
Combining Statement of Changes in Fiduciary Net Assets
Investment Trust Funds
Year Ended June 30, 2006
(Amounts expressed in thousands)

	Treasurer's Investment Pool	Individual Investment Accounts	Total
Additions			
Contributions by participants	$ 534,220	$ -	$ 534,220
Investment earnings	8,340	43	8,383
Total additions	542,560	43	542,603
Deductions			
Distributions to participants	503,997	-	503,997
Total distributions	503,997	-	503,997
Change in net assets	38,563	43	38,606
Net assets, July 1, 2005	115,500	1,288	116,788
Net assets, June 30, 2006	$ 154,063	$ 1,331	$ 155,394

PINAL COUNTY
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended June 30, 2006
(Amounts expressed in thousands)

	Balance July 1, 2005 as restated	Additions	Deletions	Balance June 30, 2006
Special Purpose:				
Assets				
Cash and cash equivalents	$ 1,251	$ 1,598	$ 1,782	$ 1,067
Liabilities				
Deposits held for others	$ 1,251	$ 1,598	$ 1,782	$ 1,067
Other Agency:				
Assets				
Cash and cash equivalents	$ 2,202	$ 32,778	$ 31,749	$ 3,231
Liabilities				
Deposits held for others	$ 2,202	$ 32,778	$ 31,749	$ 3,231
Total - All Agency Funds				
Assets				
Cash and cash equivalents	$ 3,453	$ 34,376	$ 33,531	$ 4,298
Liabilities				
Deposits held for others	$ 3,453	$ 34,376	$ 33,531	$ 4,298

Statistical Section

PINAL COUNTY
Net Assets by Component
Last Five Fiscal Years

(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year				
	2006	2005	2004	2003	2002
Governmental Activities					
Invested in capital assets, net of related debt	180,340	44,832	41,578	33,615	25,732
Restricted	67,584	39,872	28,679	20,917	18,547
Unrestricted	36,054	31,359	20,408	6,195	3,922
Total governmental activities net assets	$ 283,978	$ 116,063	$ 90,665	$ 60,727	$ 48,201
Business-type Activities					
Invested in capital assets, net of related debt	2,379	949	442	93	81
Restricted	255	1,651	2,150	2,208	1,912
Unrestricted	1,196	965	1,579	1,262	984
Total business-type activities net assets	$ 3,830	$ 3,565	$ 4,171	$ 3,563	$ 2,977
Net Assets					
Invested in capital assets, net of related debt	182,719	45,781	42,020	33,708	25,813
Restricted	67,839	41,523	30,829	23,125	20,459
Unrestricted	37,250	32,324	21,987	7,457	4,906
Total net assets	$ 287,808	$ 119,628	$ 94,836	$ 64,290	$ 51,178

PINAL COUNTY
Changes in Net Assets
Last Five Fiscal Years

(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year				
	2006	2005	2004	2003	2002
Expenses					
Governmental activities					
General government	$ 56,542	$ 48,091	$ 44,020	$ 36,822	$ 34,188
Public safety	60,481	46,396	37,958	37,732	32,487
Highways and streets	25,978	18,206	14,590	13,398	11,627
Sanitation	645	640	854	673	481
Health	24,982	22,846	20,202	19,574	19,146
Welfare	4,670	5,207	4,836	4,880	4,413
Culture and recreation	860	714	613	552	576
Education	8,379	7,571	7,235	6,327	6,395
Interest on long-term debt	5,134	141	183	221	253
Total governmental activities expenses	187,671	149,812	130,491	120,179	109,566
Business-type activities					
Long Term Care	45,629	40,597	35,611	32,570	26,466
Sheriff/Inmate Services	182	176	151	130	83
Home Health	4,438	3,920	3,565	2,961	2,772
Fairgrounds	692	651	586	556	514
Adult Day Care	37	28	29	-	-
Total business-type activities	50,978	45,372	39,942	36,217	29,835
Total primary government expenses	$ 238,649	$ 195,184	$ 170,433	$ 156,396	$ 139,401
Program Revenues					
Governmental activities					
Charges for services:					
General government	$ 17,708	$ 16,125	$ 12,109	$ 8,066	$ 3,003
Public Safety	9,846	9,481	7,115	7,783	7,834
Other activities	6,833	5,493	5,151	3,505	1,280
Operating grants and contributions	34,611	39,071	40,233	36,668	21,833
Capital grants and contributions	35,146	10,763	6,143	1,265	14,597
Total governmental activities program revenues	104,144	80,933	70,751	57,287	48,547

(continued)

	Fiscal Year				
	2006	2005	2004	2003	2002
Business-type activities					
Charges for Services					
Long Term Care	43,875	40,174	36,576	33,347	25,885
Home Health	4,482	3,980	3,634	3,148	3,009
Other activities	530	457	446	302	259
Operating grants and contributions	39	38	40	33	33
Capital grants and contributions	17	-	-	-	-
Total business-type activities program revenues	48,943	44,649	40,696	36,830	29,186
Total primary government program revenues	$ 153,087	$ 125,582	$ 111,447	$ 94,117	$ 77,733
Net (expense)/revenue					
Governmental activities	$ (83,527)	$ (68,879)	$ (59,740)	$ (62,892)	$ (61,019)
Business-type activities	(2,035)	(723)	754	613	(649)
Total primary govenrment net expense	$ (85,562)	$ (69,602)	$ (58,986)	$ (62,279)	$ (61,668)
General Revenues and Other Changes in Net Assets					
Government Activities					
Taxes:					
Property taxes	$ 61,354	$ 68,386	$ 65,725	$ 52,533	$ 48,321
General county Sales tax	17,540	12,316	-	-	-
Share of State sales taxes	21,868	17,266	15,014	13,374	12,459
Road improvement tax	7,260	-	-	-	-
Other taxes	9,878	-	-	5,368	4,609
Share of State lottery	561	-	-	-	-
Investment earnings	4,611	1,671	493	1,009	1,267
Net decrease in the fair value of investments	-	-	-	(908)	-
Miscellaneous	989	699	1,579	3,747	7,199
Transfers	(1,660)	276	423	295	413
Total governmental activities	122,401	100,614	83,234	75,418	74,268
Business-type activities:					
Investment earnings:					
Interest on investments	192	124	72	91	128
Miscellaneous	448	269	205	177	243
Transfers	1,660	(276)	(423)	(295)	(413)
Total business-type activities	2,300	117	(146)	(27)	(42)
Total primary government	$ 124,701	$ 100,731	$ 83,088	$ 75,391	$ 74,226
Change in Net Assets					
Governmental Activities	$ 38,874	$ 31,735	$ 23,494	$ 12,526	$ 13,249
Business Type Activities	265	(606)	608	586	(691)
Total Primary Government	$ 39,139	$ 31,129	$ 24,102	$ 13,112	$ 12,558

PINAL COUNTY
Fund Balances of Governmental Funds
Last Five Fiscal Years

(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year				
	2006	2005	2004	2003	2002
General Fund					
Reserved	$ 482	$ 6,866	$ 1,688	$ 1,613	$ 1,601
Unreserved	45,614	31,755	25,618	13,301	11,312
Total general fund	$ 46,096	$ 38,621	$ 27,306	$ 14,914	$ 12,913
All Other Governmental Funds					
Reserved	$ 379	$ 509	$ 2,110	$ 13,152	$ 29,839
Unreserved, reported in:					
Special revenue funds	43,192	37,617	28,143	20,377	17,417
Capital projects funds	65,853	48,224	60	60	124
Debt service funds	8,640	-	-	-	-
Total all other governmental funds	$ 118,064	$ 86,350	$ 30,313	$ 33,589	$ 47,380

Note: The All Other Governmental Funds: Unreserved totals have been restated for 2002.

PINAL COUNTY
Changes in Fund Balances of Governmental Funds
Last Five Fiscal Years

(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year				
	2006	2005	2004	2003	2002
Revenues					
Taxes	$ 85,688	$ 70,407	$ 62,057	$ 53,217	$ 45,983
Licenses and permits	12,094	12,769	9,629	6,313	4,139
Intergovernmental	82,964	67,226	60,807	55,536	52,491
Charges for services	19,370	14,637	12,350	10,400	9,889
Fines and forfeits	2,586	3,032	2,396	2,641	2,228
Investment income:					
Investment income	4,611	1,671	493	1,009	1,267
Net decrease in the fair value of investments	-	-	-	(908)	-
Contributions	10,846	9,571	4,863	-	-
Rentals	740	661	-	-	-
Miscellaneous	787	699	1,579	3,747	3,060
Total revenues	219,686	180,673	154,174	131,955	119,057
Expenditures					
Current:					
General government	48,842	55,602	46,973	39,187	32,064
Public safety	57,111	43,783	37,297	37,071	32,449
Highways and streets	27,712	27,677	24,661	18,246	16,125
Sanitation	583	568	887	805	495
Health	24,606	23,180	20,228	19,477	18,558
Welfare	4,636	5,192	4,898	4,877	4,400
Culture and recreation	823	825	600	547	526
Education	8,379	7,571	7,235	6,324	6,391
Capital outlay	62,471	22,422	11,254	16,472	3,576
Debt service:					
Principal retirement	5,890	1,075	1,040	1,000	835
Interest and fiscal charges	5,134	141	183	221	253
Other	1,316	-	-	-	-
Total expenditures	247,503	188,036	155,256	144,227	115,672
Excess (deficiency) of revenues over expenditures	(27,817)	(7,363)	(1,082)	(12,272)	3,385
Other financing sources (uses):					
Transfers in	25,337	6,531	6,470	5,886	6,801
Transfers out	(25,519)	(6,255)	(6,047)	(5,591)	(6,388)
Proceeds from sale of capital assets	321	522	458	187	217
Capital lease agreements	1,096	980	2,873	-	308
Loan issued	64,886	73,163	-	-	30,800
Total other financing sources (uses)	66,121	74,941	3,754	482	31,738
Net change in fund balances	$ 38,304	$ 67,578	$ 2,672	$ (11,790)	$ 35,123
Debt Service as a percentage of noncapital Expenditures	7.1%	0.7%	0.9%	1.0%	1.0%

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

Fiscal Year	Type	Net Assessed Value	Estimated Actual Value	Percent of Net Assessed Value to Estimated Actual Value
1996/97	Primary	570,577	4,074,930	14.0%
	Secondary	574,616	4,110,243	14.0%
1997/98	Primary	568,158	4,169,483	13.6%
	Secondary	576,217	4,229,069	13.6%
1998/99	Primary	587,976	4,461,518	13.2%
	Secondary	587,977	4,461,518	13.2%
1999/00	Primary	617,983	4,966,595	12.4%
	Secondary	637,059	4,966,595	12.8%
2000/01	Primary	651,803	5,201,945	12.5%
	Secondary	681,536	5,433,532	12.5%
2001/02	Primary	701,712	5,569,699	12.6%
	Secondary	738,563	5,855,392	12.6%
2002/03	Primary	816,902	6,502,309	12.6%
	Secondary	863,865	6,916,354	12.5%
2003/04	Primary	951,824	7,674,857	12.4%
	Secondary	1,021,719	7,674,857	13.3%
2004/05	Primary	1,061,159	8,633,604	12.3%
	Secondary	1,130,024	9,137,421	12.4%
2005/06	Primary	1,212,971	10,125,096	12.0%
	Secondary	1,277,269	10,600,989	12.0%

Source: County assessment records

PINAL COUNTY
TAXABLE ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF PROPERTY
Last Ten Tax Years
($ amounts expressed in thousands)

Tax Year	Commercial Property	Residential Property	Vacant/Ag Land	Other	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Limited Value	Assessed Value as a Percentage of Limited Value
1996	$ 294,132	$ 183,046	$ 85,367	$ 8,032	$ 570,577	4.4995%	$ 4,074,930	14.00%
1997	280,298	196,780	86,864	4,216	568,158	4.8251%	4,169,483	13.63%
1998	273,475	213,521	93,166	7,814	587,976	4.5414%	4,461,518	13.18%
1999	259,006	246,466	103,683	8,828	617,983	4.8392%	4,966,595	12.44%
2000	245,139	291,483	109,621	5,560	651,803	4.8424%	5,201,945	12.53%
2001	260,990	315,201	122,255	3,266	701,712	4.8433%	5,569,699	12.60%
2002	272,409	406,616	133,068	4,809	816,902	4.8386%	6,502,309	12.56%
2003	311,126	482,277	153,496	4,925	951,824	4.8287%	7,674,857	12.40%
2004	326,002	559,659	172,334	3,164	1,061,159	4.8295%	8,633,604	12.29%
2005	340,847	672,221	196,997	2,906	1,212,971	4.8188%	10,125,096	11.98%

Source: Pinal County Assessor's Office/AZDOR Abstract of Assessment Roll

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

PINAL COUNTY
Direct Property Tax Rates
Last Ten Fiscal Years
($ amounts expressed in thousands)

Fiscal Year	Assessed Value	County Primary Rate	Library	Flood	Fire	Mary C. O'Brian School	Total
1996/97	$ 570,577	4.1637	0.0570	0.0900	0.0963	0.0925	4.4995
1997/98	568,158	4.4532	0.0570	0.0900	0.0987	0.1262	4.8251
1998/99	587,976	4.1416	0.0570	0.0900	0.0968	0.1560	4.5414
1999/00	617,983	4.4532	0.0570	0.0900	0.0948	0.1442	4.8392
2000/01	651,803	4.4532	0.0570	0.0900	0.0980	0.1442	4.8424
2001/02	701,712	4.4532	0.0570	0.0900	0.1000	0.1431	4.8433
2002/03	816,902	4.4532	0.0570	0.0900	0.0953	0.1431	4.8386
2003/04	951,824	4.4532	0.0570	0.0900	0.0854	0.1431	4.8287
2004/05	1,061,159	4.4532	0.0570	0.0900	0.0862	0.1431	4.8295
2005/06	1,212,971	4.4532	0.0570	0.0900	0.0855	0.1331	4.8188

Source: County Tax Records

PINAL COUNTY
Principal Property Taxpayers
Current Year and Nine Years Ago
($ amounts expressed in thousands)

	2006			1997		
Taxpayer	**Primary Assessed Value**	**Rank**	**Percent of Total Value**	**Primary Assessed Value**	**Rank**	**Percent of Total Value**
Arizona Public Service Company	$ 47,844	1	3.94%	$ 42,268	2	7.41%
Qwest Corporation	19,970	2	1.65%	14,998	4	2.63%
Sundance Energy LLC	19,902	3	1.64%	-		-
ASARCO Inc. (Groupo Mexico)	13,715	4	1.13%	39,065	3	6.85%
CCA Properties of Arizona LLC	13,406	5	1.11%	-		-
El Paso Natural Gas Co.	11,678	6	0.96%	8,515	5	1.49%
Southwest Gas Corp. (T&D)	9,751	7	0.80%	6449	8	1.13%
Wal-Mart Stores East, LP	6,633	8	0.55%	-		-
Wal-Mart Stores Inc	6,201	9	0.51%	-		-
Union Pacific Railroad	5,661	10	0.47%			0.00%
BHP Copper Inc/San Manuel Division	-		-	56,000	1	9.81%
Abbott Manufacturing Inc.	-		-	6,711	6	1.18%
X	-		-	6575	7	1.15%
Courtney Mann LLC				5690	9	1.00%
Arizona Water Company	-		-	4,480	10	0.79%
Total	$ 154,761		12.76%	$ 190,751		33.43%
Total Assessed Value	$ 1,212,971			$ 570,577		

Source: County Treasurer Tax Records

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1997	$ 25,208	$ 22,438	89.01%	$ 974	$ 23,412	92.88%
1998	26,987	23,122	85.68%	1,253	24,375	90.32%
1999	25,778	22,568	87.55%	1,054	23,622	91.64%
2000	29,432	24,620	83.65%	1,293	25,913	88.04%
2001	30,365	26,255	86.46%	1,578	27,833	91.66%
2002	32,214	29,223	90.72%	1,493	30,716	95.35%
2003	38,659	32,805	84.86%	1,354	34,159	88.36%
2004	43,845	39,052	89.07%	1,123	40,175	91.63%
2005	49,894	44,200	88.59%	1,275	45,475	91.14%
2006	56,915	50,854	89.35%	-	50,854	89.35%

Source: County financial records

PINAL COUNTY
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands, except per capital amount)

	Governmental Activities			Business -Type Activities			
Fiscal Year	Certificate of Participation	Special Assessment Bonds	Capital Leases	Capital Leases	Total Primary Government	Percentage of Personal Income[1]	Per Capita[1]
1996/1997	$ 15,920	$ 8,222	$ 2,666	$ 23	$ 26,831	1.19%	$ 175
1997/1998	12,680	7,710	1,701	14	22,105	.91%	139
1998/1999	13,075	7,780	1,118	4	21,977	.82%	133
1999/2000	12,235	7,050	1,339	-	20,624	.70%	119
2000/2001	11,215	6,240	3,285	11	20,751	.65%	115
2001/2002	40,905	5,405	2,814	-	49,124	1.37%	263
2002/2003	38,675	4,405	1,634	-	44,714	1.17%	229
2003/2004	36,375	3,365	4,215	-	43,955	1.07%	215
2004/2005	105,590	2,290	4,332	-	112,212	2.49%	522
2005/2006	101,480	1,165	4,323	-	106,968	N/A	434

Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements.

[1] See the Schedule of Demographic and Economic Statistics on page 144 for personal income and population data.

PINAL COUNTY
Legal Debt Margin Information
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year									
	1996/1997	1997/1998	1998/1999	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006
Debt Limit	$ 34,477	$ 34,573	$ 35,279	$ 38,224	$ 40,892	$ 44,314	$ 51,832	$ 61,303	$ 67,801	$ 76,636
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margir	$ 34,477	$ 34,573	$ 35,279	$ 38,224	$ 40,892	$ 44,314	$ 51,832	$ 61,303	$ 67,801	$ 76,636
Total net debt applicable to the limit as a percentage of the debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Legal Debt Margin Calculation for Fiscal Year 2005/2006	
Assessed Value:	
Secondary	1,277,269
Debt Limit	76,636
(6% of total assessed value)	
Debt applicable to limit:	
General obligation bonds	-
Less: Amount available in Debt Service Fund	-
Total net debt applicable to limit	-
Legal debt margir	76,636

Note: General obligation debt may not exceed six percent of the value of the County's taxable property as of the latest assessement.
As of the current fiscal year, the county did not have any outstanding general obligation debt.

PINAL COUNTY
Pledged-Revenue Coverage
Last Ten Fiscal Years
(amounts expressed in thousands)

	Special Assessment Bonds			
		Debt Service		
Fiscal Year	Special Assessment Collections	Principal	Interest	Coverage
1996/97	$ 1,136	$ 1,498	$ 983	45.79%
1997/98	1,021	3,012	859	26.38%
1998/99	1,031	530	314	122.16%
1999/00	974	730	359	89.44%
2000/01	1,095	810	283	100.18%
2001/02	1,007	835	253	92.56%
2002/03	1,139	1,000	221	93.28%
2003/04	1,280	1,040	183	104.66%
2004/05	1,192	1,075	141	98.03%
2005/06	1,187	1,125	96	97.22%

Source: County financial and tax records

PINAL COUNTY
Demographic and Economic Statistics
Last Ten Fiscal Years
(amounts expressed in thousands, except for personal income)

Fiscal Year	Population[1]	Personal Income[1]	Per Capita Income[1]	Unemployment Rate[1]
1996/97	153	$ 2,248,908	$15	5.0%
1997/98	159	2,422,235	15	4.2%
1998/99	165	2,671,347	16	5.5%
1999/00	173	2,935,332	17	4.2%
2000/01	181	3,203,163	18	5.3%
2001/02	187	3,594,050	19	7.3%
2002/03	195	3,806,125	20	7.0%
2003/04	204	4,107,473	20	5.9%
2004/05	215	4,500,589	21	5.5%
2005/06	247[2]	N/A	N/A	5.0%

[1] Data from the Population Statistics Unit, Research Administration, Department of Economic Security.
[2] Data from the 2005 Arizona Department of Economic Security Estimates.
N/A - Data was not available at the time this report was published.

PINAL COUNTY
Principal Employers
Current Year and Nine Years Ago

	2006			1997		
Employer	**Employees[1]**	**Rank**	**Percentage of Total County Employment**	**Employees[1]**	**Rank**	**Percentage of Total County Employment**
State of Arizona	3,006	1	3.49%	1,800	2	3.48%
Pinal County	2,254	2	2.61%	1,500	4	2.90%
Wal-mart	1,748	3	2.03%	-		-
TRW Inc.	1,700	4	1.97%	-		-
ASARCO (Groupo Mexico)	1,240	5	1.44%	1,780	3	3.44%
Corrections Corporation of America	960	6	1.11%	350	10	0.68%
Central Arizona College	913	7	1.06%	-		-
Apache Junctions Unified Schools	800	8	0.93%	-		-
Casa Grande Regional Hospital	788	9	0.91%	-		-
Casa Grande Elementary School District	625	10	0.73%	-		-
BHP Copper	-		-	3,000	1	5.80%
Various School Districts	-		-	1,840	5	3.56%
Casa Grande Regional Hospital	-		-	550	6	1.06%
Hexcel	-		-	530	7	1.02%
Mulay Plastics, Inc	-		-	370	8	0.72%
Abbot Laboratories/Ross Products	-		-	350	9	0.68%

[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
EMPLOYEES BY FUNCTION
Last Four Fiscal Years

Function/Program	Full-time employees (FTEs) as of June 30			
	2006	2005	2004	2003
Governmental activities				
General government	333	300	279	274
Public safety	1,076	929	937	874
Highways and streets	214	170	181	182
Sanitation	8	-	-	1
Health	188	174	177	141
Welfare	44	38	44	47
Culture and recreation	9	8	8	9
Education	52	51	52	52
Total governmental activities	1,924	1,670	1,678	1,580
Business-type activities				
Long Term Care	72	66	71	55
Sheriff/Inmate Services	2	4	2	2
Home Health	249	199	212	204
Fairgrounds	7	7	7	7
Total business-type activities	330	276	292	268
Total	2,254	1,946	1,970	1,848

Source: County Budget Office and Mary C O'Brian Accommodation School