

MARICOPA COUNTY TREASURER'S OFFICE

Annual Report

Fiscal Year Ended June 30, 2012

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FINANCIAL MANAGER - ACCOUNTING
DIVISION MANAGER - CLIENT SERVICES
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PORTFOLIO MANAGER
INTERNAL AUDITOR
EXECUTIVE ASSISTANT

Introduction

The purpose of this unaudited report is to provide the general public with information about the services provided by the Maricopa County Treasurer’s Office as related to property taxes. Some non-property tax activities are included due to difficulty in separating them from the many interrelated functions throughout the Treasurer’s Office. This causes some seemingly inconsistencies. For example, total collections (Figure 1.1) and funds distributed (Figure 3.1) are different due to revenues other than property taxes being collected and distributed. This and other differences are noted throughout the report.

Table of Contents

Section One – Collections	Page 3
<ul style="list-style-type: none">• Allocation of Levy• Property Tax Collections by Category	
Section Two – Investments	Page 4
<ul style="list-style-type: none">• Treasurer’s Investment Pool History• Investment Earnings Report• Interest Earnings Distribution	
Section Three – Receipts and Disbursements	Page 6
<ul style="list-style-type: none">• Statement Fund Balance Changes• Disbursement Types• Elderly Assistance Fund Distribution• Bank Line of Credit Usage by Schools• Debt Service Payments by Schools	
Section Four - Tax Payer Services	Page 10
<ul style="list-style-type: none">• Taxpayer Research Request History• Taxpayer Research Request by source and Status• Tax Lien Sale History• Mailing Activity	
Section Five-Information Technology	Page 11
Section Six – Personnel	Page 12
Section Seven – Budget	Page 12
Section Eight – Tax Payer Information Fund	Page 13

Section One-Collections

Property owners may choose to pay their taxes in four basic ways; 1) as part of their mortgage, 2) by mail, 3) in person at the Treasurer's Office or a branch bank, and 4) online through the Treasurer's website, their personal bank website, or by credit card.

Figure 1.1

ALLOCATION OF LEVY

	<u>Total</u>	<u>Percent of Levy</u>	<u>Amount</u>
County (Operations, Flood, Library)	1	13.5 %	\$ 559,042,706
Cities	25	11.3	468,950,916
Fire Districts	20	1.3	52,427,306
Irrigation, County, Municipal	118	.9	37,589,644
Health, Water & Special	13	2.8	115,753,875
Schools	57	58.7	2,429,357,271
Community Colleges	1	11.2	465,590,753
<u>Street Lighting</u>	<u>1275</u>	<u>.3</u>	<u>10,439,362</u>
Totals	1510	100.0 %	\$ 4,139,151,833

ADJUSTED LEVY AS OF 4/30/2012

The levy is set in August, but throughout the year it is adjusted for tax roll corrections. Below in the collection table, as of June 30, 2012 the levy was 95.9 percent collected.

Figure 1.2

PROPERTY TAX COLLECTIONS BY CATEGORY

<u>CATEGORY</u>	<u>DOLLARS COLLECTED</u>			<u>NUMBER OF TRANSACTIONS</u>		
	<u>2012</u>	<u>2011</u>	<u>% CHANGE</u>	<u>2012</u>	<u>2011</u>	<u>% CHANGE</u>
Bulk Payments*	\$1,766,954,641	\$1,838,864,818	-4.07%	1,583,754	1,639,588	-3.53%
By Mail	\$1,284,374,922	\$1,387,395,875	-8.02%	692,814	675,323	2.52%
In Office	\$449,054,063	\$504,913,308	-12.44%	152,424	159,685	-4.76%
Bank Branch	\$101,639,551	\$100,505,133	1.12%	72,180	78,649	-8.96%
Online Echeck**	\$222,185,168	\$201,812,449	9.17%	132,086	109,700	16.95%
Online Bank**	\$69,761,990	\$60,500,374	13.28%	71,013	61,406	13.53%
<u>Online Card**</u>	<u>\$45,658,266</u>	<u>\$42,700,064</u>	<u>6.48%</u>	<u>45,497</u>	<u>38,048</u>	<u>16.37%</u>
Total***	\$3,939,628,601	\$4,136,692,021	-5.00%	2,749,768	2,762,399	-0.46%

* Payments made by financial institutions, tax services companies, mortgage companies, and multiple property owners.

**Total online payments increased 13% from last year.

***Also includes prior year tax payment, fees, and late payment interest.

At the end of FY 2008 the Treasurer's Office began a program to increase the number of on-line transactions. Total electronic transactions that year were 130,518. This year the total was 248,596, or a 90 percent increase. Most of the shift was from in-office payments which reduced the cashiering workload sufficiently to allow eliminating two full time positions, resulting in an annual savings of about \$60,000.

Section Two-Investments ALL INVESTMENTS RESTRICTED PURSUANT TO ARS § 35-323

The County Treasurer is charged by law to collect, invest and disburse taxpayer funds (ARS 11-493). Our investment goal is to protect and serve the public interests by safeguarding public funds. Our strategy is to have sufficient liquidity to pay County obligations when due and then purchase securities that emphasize safety first, while earning a rate of return that will increase the value of the funds and minimize risk to its lowest point possible. Our past investment results have shown our conservative values in that no losses have occurred which is extraordinary considering the economic market problems that has persisted during the past few years.

The Treasurer's Office manages an investment portfolio in-house as opposed to using the services of the Arizona State Treasurer's Local Government Investment Pool (LGIP). The State's LGIP charges each participant an annual 6 basis point (.06) management fee on the average balance held in the LGIP for each participant. The savings of the management fee is approximately \$1.7 million.

With interest rates at historical lows, our Interest Earnings are much lower than previous years as reflected in the average rate paid to Pool participants of 0.563%. For the fiscal year ending June 30, 2012 the one year U.S. Treasury yield was 0.148%.

Figure 2.1

INVESTMENT POOL EARNINGS HISTORY

<u>Fiscal Year</u> <u>Ending</u>	<u>Average</u> <u>Rate</u>	<u>Interest</u> <u>Earnings</u>	<u>June 30, 2012</u> <u>Balance</u>	<u>Average Days to</u> <u>Maturity</u>
2012	.56%	\$ 19,833,344	\$ 3,286,717,000	375
2011	1.05%	36,979,811	3,728,290,888	643
2010	1.18%	42,279,832	3,464,075,000	606
2009	3.00%	106,609,700	3,371,175,000	547
2008	4.45%	152,812,537	3,822,948,706	537
2007	4.08%	131,778,435	3,757,460,000	478
2006	3.13%	86,492,576	3,112,937,000	288

The Maricopa County Treasurer's Office invests as allowed by Arizona Statutes 35-323 and 35-323.01 and fall in primarily three areas: 1.) U.S. Treasuries, 2.), U.S. Agencies, and 3.) local school bonds and notes. Because of a legislative change in 2011, we were able to purchase Tax Anticipation Notes (TANS) from several school districts within Maricopa County, in fiscal year 2012. Interest on TANS is paid at maturity (July 2012) so there is no interest earnings reflected in this report.

Additionally, we were able to purchase several school district Improvement or Refunding bonds underwritten specifically to be purchased by the Treasurer. The rates were set by the Treasurer's Advisory Board (TAB) to be more favorable to the district than they would have received from an outside investor and at the same time, gave the Pool a better yield than it would have received buying comparable U.S. Treasury bonds maturing in five years or less.

All investment portfolio Interest earnings are distributed among the investment pool participants, which includes Maricopa County school districts, county agencies and special districts. Interest revenue earned by schools districts will reduce the tax rates for all property owners in the following fiscal year due to the budgeting process.

Figure 2.2

INVESTMENT EARNINGS

<u>Federal Agencies</u>	<u>Earnings</u>	<u>Totals by Category</u>
FEDERAL FARM CREDIT BANK DN:	\$ 923	
FEDERAL AGRICULTURAL MORTGAGE CORP:	-2,655,250	
FEDERAL FARM CREDIT BANK :	647,124	
FEDERAL HOME LOAN BANK :	150,475	
FEDERAL HOME LOAN BANK DN :	2,424,169	
FEDERAL HOME LOAN MORTGAGE CORPORATION :	5,639,540	
FEDERAL HOME LOAN MORTGAGE CORPORATION DN:	120,949	
FEDERAL NATIONAL MORTGAGE CORPORATION :	11,096,454	
FEDERAL NATIONAL MORTGAGE CORPORATION DN:	100,367	
FEDERAL AGRICULTURAL MORTGAGE CORP DN:	45,908	
TENNESSEE VALLEY AUTHORITY DISCOUNT NOTES:	<u>2,467</u>	
Total Agency Earnings:		\$ 17,573,126
<u>School Bonds</u>		
BUCKEYE ELEMENTARY SCHOOL DISTRICT:	5,945	
DEER VALLEY UNIFIED SCHOOL DISTRICT:	810,808	
GILBERT UNIFIED SCHOOL DISTRICT:	387,265	
HIGLEY UNIFIED SCHOOL DISTRICT:	21,590	
PARADISE VALLEY UNIFIED SCHOOL DISTRICT:	759,108	
RIVERSIDE ELEMENTARY SCHOOL DISTRICT:	10,465	
SADDLE MOUNTAIN SCHOOL DISTRICT:	62,037	
TOLLESON UNION HIGH SCHOOL DISTRICT # 214:	69,721	
WICKENBURG UNIFIED SCHOOL DISTRICT	<u>71,220</u>	
Total School Bond Earnings:*		\$ 2,198,159
<u>Short Term</u>		
Money Market Deposit Account:	319,148	319,148
Registered Warrants	16,414	16,414
U.S. Treasury Securities:	<u>45,645</u>	<u>45,645</u>
<u>TOTAL INTEREST EARNED:</u>	\$ 20,152,492	\$ 20,152,492
Bank Fees		<u>(335,013)</u>
<u>NET INTEREST EARNED</u>		\$ 19,817,479

Figure 2.3

INTEREST EARNINGS DISTRIBUTION

	<u>FY 2012</u>		<u>FY 2011</u>		<u>FY 2010</u>	
County	\$ 9,283,178	47%	\$ 17,643,555	48%	\$ 18,367,646	44%
Special Districts	942,858	5%	1,602,015	4%	2,770,711	7%
Community College	183,719	1%	280,597	1%	301,360	1%
Schools	<u>9,407,724</u>	<u>47%</u>	<u>17,164,491</u>	<u>47%</u>	<u>20,057,620</u>	<u>48%</u>
Totals *	\$ 19,817,479	100%	\$ 36,690,658	100%	\$ 41,497,337	100%

Section Three-Receipts & Disbursements

Figure 3.1

CHANGE IN AGENCY ACCOUNT BALANCE

Beginning Balance	June 30, 2011	\$ 3,909,339,515
RECEIPTS		
Taxes		
	Real Property	\$ 4,127,502,967
	Payments In-lieu of Taxes	62,018,960
	Sales tax	361,659,075
	Gas Tax	74,503,731
		\$ 4,625,684,733
Intergovernmental		
	State Aid to Education- State Equalization	\$ 1,389,605,652
		\$ 1,389,605,652
Interest		
	Investments	\$ 19,817,612
	Delinquent Tax Sales	23,930,076
		\$ 43,747,555
Credit Line Borrowings		763,436,000
Bond Proceeds		537,917,303
Deposits for Agencies/Schools		2,874,134,991
		\$ 10,234,526,234
DISBURSEMENTS		
Warrants & Checks Redeemed		
	School Districts	\$ 5,605,250,663
	County Funds	2,018,497,583
	Special Districts	824,406,791
		\$ 8,448,155,037
Bond Redemption & Interest		
	School District Bonds	\$ 687,594,582
	School District Credit Lines	602,982,000
	School District TANs	101,391,667
		\$ 1,391,968,249
Remitted To		
	State of Arizona	\$ 43,332,978
	Maricopa Comm. College	116,635,534
	Other Political Subdivisions	504,021,424
		\$ 663,989,936
Total Disbursements		\$ 10,504,113,222
Ending Balance	June 30, 2012	\$ 3,639,752,527

Decrease in Agency Account Balance for the year ended 6/30/2012 is \$269,586,988.

Figure 3.2

DISBURSEMENT TYPES

Most disbursements are made with warrants. A warrant is a government issued check payable for authorized expenditures of that government entity. The warrant is presented for payment and after the treasurer validates the warrant it is paid using available monies from an authorized fund.

<u>Jurisdictions</u>	<u>Transactions</u>	<u>Amount</u>	<u>Average</u>
County Warrants	117,033	\$ 398,223,149	\$ 3,403
School District Warrants	737,950	5,237,257,776	7,097
Special District Warrants	72,420	771,114,367	10,648
Treasurer’s Checks (1)	20,387	274,223,602	13,452
EFT Finance (2)	345	745,260,918	2,160,177
Electronic Payments (3)		<u>3,078,033,410</u>	
Totals	<u>948,135</u>	\$ <u>10,504,113,222</u>	\$ <u>11,079</u>

(1) Treasurer's Checks are actual checks that are issued by the County Treasurer and are payable by the bank when received. The treasurer is the only one that can issue checks, all other entities must issue warrants that are payable by the Treasurer.

(2) Electronic Fund Transfer (EFT) Payments are electronic payments issued by the County Department of Finance in place of a warrant. The same authorization and approval for warrants is required for funding of an electronic payment.

(3) Automated Clearing House (ACH) payments are electronic payments that are made by the Treasury in place of a treasurer's check. These payments are reoccurring in nature and are set up at the bank to facilitate the payment process and the cost is substantial lower than a check.

Figure 3.3

ELDERLY ASSISTANCE FUND DISTRIBUTION

The Elderly Assistance Fund (EAF) pays part of the school tax for qualified homeowners. Application forms are available from the County Assessor. See Figure 4.3 for EAF revenue source. The amount available for FY 2013 is \$4,231,766.

	<u>FY2012</u>	<u>FY2011</u>	<u>FY2010</u>
Total Parcels benefited by EAF	12,459	13,912	14,334
Total EAF Monies distributed	\$ 2,605,474	\$ 2,568,378	\$1,912,408

Figure 3.4

BANK LINE OF CREDIT USAGE BY SCHOOLS

The Maricopa County Treasurer’s Office accounting system prior to 7/1/2011 processed warrants as “registered” when the issuing school district did not have sufficient monies to pay the warrants. Registration means that the warrant has been presented to the Treasurer’s Office but returned to the holder unpaid until monies are received sufficient to pay the warrant plus the related interest. The warrants were returned to the bank unpaid at which time the bank retained the obligation and recorded the registered warrant obligation as “credit line” borrowing. When the warrant was paid, the bank recorded the payment as a “credit line” payment.

To eliminate the confusion, the Treasurer’s Office upgraded their warrant processing system to account for the cash deficit as credit line borrowing and not register the warrants. Now, when schools do not have sufficient monies to pay the warrants presented, monies are borrowed from the district’s approved credit line and the warrants are paid. When additional monies are received, then interest is paid to date and any principal amount possible is also paid on the credit line balance.

On the rare occasions that the warrants presented for any school district exceeds the credit line limit, then warrants are again “registered” and are returned to the holder to be paid at a later date with interest.

Warrant/Credit line information for 2012

	<u>Registered Warrants</u>		<u>Credit Line Borrowing</u>
	<u>Count</u>	<u>Amount</u>	<u>Amount</u>
Outstanding at 7/1/2011	29,986	\$ 208,138,882	0
Current Year Borrowing	3,290	24,088,787	\$ 758,848,000
Current Year Payments	33,276	232,227,669	602,982,000
Outstanding at 6/30/2012	0	0	155,866,000
Interest Paid in FY 2012		262,272	942,886

Figure 3.5

DEBT SERVICE PAYMENTS BY SCHOOLS

School debt consists of voter approved bonds. The debt service payments made during the 2012 and 2011 fiscal years are as follows.

	<u>FY2012</u>	<u>FY2011</u>	<u>% Change</u>
Principal Payments	\$384,015,000	\$374,065,000	2.7%
Interest Payments	<u>163,240,976</u>	<u>152,529,494</u>	<u>7.0%</u>
Total	\$547,255,976	\$526,594,494	3.9%

Section Four-Taxpayer Services

Taxpayer services are many and varied. They include responding to taxpayer requests, mailing tax bills, mailing delinquent tax notices, selling delinquent tax liens, foreclosing on delinquent taxes, conducting sales on foreclosed properties, and several other related functions.

Figure 4.1

TAXPAYER RESEARCH REQUEST HISTORY

	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun*</u>	<u>Total</u>
<u>FY2012</u>	310	354	618	538	580	470	503	455	428	457	489	1,962	7,164
<u>FY2011</u>	276	319	551	470	459	433	422	392	438	517	391	742	5,410
<u>FY2010</u>	251	172	468	388	497	452	289	286	338	298	346	600	4,385
<u>FY2009</u>	278	232	352	368	335	287	288	228	347	264	273	679	3,931
<u>FY2008</u>	410	216	288	568	403	304	297	258	301	286	287	622	4,240

* Delinquent notices are mailed in June.

Figure 4.2

TAXPAYER RESEARCH REQUEST BY SOURCE AND STATUS

On average it takes approximately two man hours to complete each research requests. While many can be resolved merely by checking the computer others require ordering records from archives, reviewing microfilm and interacting with external departments, and working directly with the taxpayer.

	<u>FY2012</u>	<u>FY2011</u>	<u>FY2010</u>
Online	3,807	2,039	1,595
Walk-In	1,352	1,468	1,283
Others	647	723	89
Fax	407	556	467
Mail	662	506	780
Phone	282	115	161
Assessor	<u>7</u>	<u>3</u>	<u>10</u>
Total	7,164	5,410	4,385
Closed	5,969	5,395	4,247
In Queue	1,038	4	98
In Service	<u>157</u>	<u>11</u>	<u>40</u>
Total	7,164	5,410	4,385

Figure 4.3

TAX LIEN SALE HISTORY

Delinquent property taxes constitute a lien against the property. That lien must be offered for purchase at auction in February each year.

Liens not sold during the auction can be purchased later from the County Treasurer. There were 8,432 such liens purchased from the Treasurer in FY 2012.

<u>Sale Year</u>	<u>Tax Year</u>	<u>Parcels Advertised</u>	<u>Dollar Value</u>	<u>Not Auctioned*</u>	<u>Liens Sold</u>	<u>Dollar Value</u>	<u>Avg Int Rate**</u>	<u>Unsold Liens</u>
2012	2010	34,550	\$101,978,147	8,259	19,949	\$55,659,726	9.93%	14,348
2011	2009	39,037	\$80,478,533	9,429	22,510	\$63,529,394	10.79%	12,543
2010	2008	41,859	\$69,946,978	9,317	25,660	\$57,093,614	8.62%	11,040
2009	2007	34,694	\$47,521,202	4,233	22,354	\$39,884,087	8.66%	8,107
2008	2006	28,047	\$32,713,999	5,995	20,401	\$27,558,290	7.64%	1,651
2007	2005	23,949	\$29,564,319	6,173	15,972	\$21,080,184	7.96%	1,804
2006	2004	21,388	\$26,337,120	5,762	13,479	\$17,284,492	6.03%	2,147
2005	2003	23,003	\$26,458,224	6,241	12,515	\$16,941,595	5.80%	4,247

* Parcels may be advertised but not auctioned because of pending litigation such as bankruptcy.

** Average interest rate earned by investors. Redemption rate is 16% with the difference used to fund the Elderly Assistance Fund amounts shown in Figure 3.3.

Figure 4.4

MAILING ACTIVITY

Tax bills and information statements for the 2011 tax year were mailed in late August. Tax information statements are mailed to property owners that pay their property taxes into an impound account usually as part of their monthly mortgage payment. Tax bills are mailed to those property owners that pay individually and owe more than two dollars. Delinquent Notices were mailed in June 2011.

<u>Year</u>	<u>Total Mailing</u>	<u>Singles</u>	<u>Information Statements</u>	<u>Multiple Bill</u>	<u>Delinquents</u>	<u>Returned Mail</u>
2012	1,546,565	729,608	731,201	85,756	136,240	91,357
2011	1,607,769	799,320	808,449		147,459	88,563

TREASURER FORECLOSURES

No foreclosures were initiated or completed in FY 2011. There were 209 parcels with tax liens eligible to be foreclosed on behalf of the State.

Section Five-Information Technology

The Information Technology Division provides computer systems support for each of the other divisions within the Treasurer's Office. This includes operational and support services on all computer-based applications and processes utilized by the office. These services also extend to meeting needs of other County departments including Finance, Maricopa County Education Service Agency, Independent School districts, special districts, other taxing jurisdictions, and the general public.

A few highlights of Information Technology Division accomplishments are:

1. Enhancements to resolution processing of judgments

This project was required to bring the Treasurer systems into compliance with changes legislated by SB 1212 and modifications to A.R.S. § 44-1201. The legislation prompted a change to the rate of interest used for interest computations pertaining to judgment and appeal resolutions. In addition, more judgment case details are now tracked on the Treasurer systems to support a higher service level in the processing of judgment and appeal resolutions.

2. Enhancements to IRS withholding capabilities

The Treasurer's capabilities related to IRS withholding of Certificate of Purchase investor earnings were expanded to better assist the Treasurer to meet IRS requirements and guidelines. As part of this project, a significant manual system (CP surrenders) was automated to streamline the workflow from the surrender through a resulting refund to the investor. The capability to withhold IRS funds at differing withholding rates was also introduced into the Treasurer's system by this project.

3. Enhancements to STAR Center's IVR system

The STAR center acquired a new IVR system at the beginning of FY2012. A new interface was developed between the new IVR system and the Treasurer's property tax system through which property tax information is shared in a much more efficient manner than previously done.

4. Improvements to IRS 1099 and 1042 reporting

Every January, a significant effort is undertaken to accurately produce and distribute the annual IRS 1099 and 1042 reporting forms that are sent to CP investors in addition to the information reporting provided to the IRS. Improvements were made to better streamline these reporting processes which will result in more efficient and timely procedures. Changes were also made to support the IRS withholding enhancements that were introduced by that separate project (discussed above).

In addition to these endeavors, the Information Technology Division continued to provide systems support for day-to-day operation of the Treasurer's Office. A total of 1,120 IT service requests were logged during FY12 and 1,089 IT requests were closed. The Information Technology Division continues an ongoing effort to document and standardize processes and methodologies used within the organization.

Section Six-Personnel:

This year we were budgeted for three new positions, bringing our total to 52 employees. For FY 2013, the County funded a position for the collecting the Government Property Lease Excise Tax (GPLET). This process was mandated to the Treasurer in 2010. We still have a staff shortage in the critical areas of Accounting and IT. As the economy improves, we have been able to replace 3 of the 15 positions we lost in 2008.

Section Seven - Budget:

The Treasurer's Office budget is quite simple and consists of just personnel and operating expenses. The only complexities are those payments mentioned above, and the fact that fixed cost such as office rent and utilities, service, parking, etc., are unknown and not included in each agency's budgets. This makes it difficult to determine the true cost of providing service or what a realistic, stand alone, budget amount might be.

Expenditure Line Item	2012 Budget	2012 Expense	Variance	2013 Budget
REGULAR PAY	2,955,333	2,782,887	172,446	2,987,822
TEMPORARY PAY	28,302	15,986	12,316	85,082
OVERTIME	6,336	5,832	504	6,336
FRINGE BENEFITS	1,020,326	959,529	60,797	1,049,775
OTHER PERSONAL SERVICES	8,000	-	8,000	18,000
Payroll Sub total	4,018,297	3,764,233	254,064	4,147,015
GENERAL SUPPLIES	23,000	24,510	(1,510)	25,000
FUEL	500	188	312	500
LEGAL SERVICES	10,000	(2,663)	12,663	0
OTHER SERVICES	60,000	98,808	(38,808)	200,000
RENT AND OPERATING LEASES	8,000	7,008	992	8,000
REPAIRS AND MAINTENANCE	9,815	4,604	5,211	128,110
INTERGOV PAYMENT	0	228,449	(228,449)	0
INTERNAL SERVICE CHARGES	79,956	87,457	(7,501)	90,000
TRAVEL	3,000	1,863	1,137	3,000
EDUCATION AND TRAINING	15,000	17,991	(2,991)	20,000
POSTAGE/FREIGHT/SHIPPING	40,000	25,491	14,509	30,000
** Totals	4,267,568	4,257,939	9,629	4,651,625

**\$ 787,645 Printing and Postage was paid by the County General Government Fund

**\$40,000 for software/hardware maintenance was paid out of the TIF fund- Section Nine

This year's budget included additional funds for three new positions. However, due to the difficulty of hiring quality IT specialists in the current salary structure, as well as the retirement of two long term staff we came in under budget. The excess of \$228,449 was used as a partial payment of the approximately \$26 million the State required the County to pay this fiscal year.

The 2013 budget has an increase of approximately 9 percent. However, after the new services are paid for, we actually have less than last year. A new position is being added to collect (GPLET) which was mandated to the Treasurer in the

2010 legislative session. Additional money (\$150,000) is being budgeted to procure specialized services for Administrative Foreclosures in accordance with ARS § 42-18261. In fiscal year 2012, the Treasurer disbursed approximately 3.2 million from the Tax Deeded Land Sale authorized in ARS § 42-18303. The disbursement was for the years of 2004, 2006 and 2007.

Additionally, the County had required that we use the TIF for maintenance fees of \$150,000 in FY 2012. This year due to a legal opinion, it is now budgeted in the general fund.

Section Eight – Taxpayer Information Fund:

This fund is comprised of fees and interest earnings (all non-tax dollars) to be used for various out-reach activities that assist the property owners in understanding the Arizona property tax system. Programs have been developed to encourage property owners to make payments electronically and have contributed to reducing in-office payments to a level that allowed eliminating two full time cashier positions.

Beginning Balance	7/1/2011	\$289,430
Revenue		243,402
Disbursements		<u>- 202,269</u>
Ending Balance	6/30/2012	\$330,563

The following is an excerpt from the audit completed by the County Internal Audit Division in November, 2009:

“Executive Summary

*For the period reviewed, we found that TIF **expenditures were in compliance** (emphasis added) with ARS §11-495. In addition, we found that TIF revenues were collected and recorded in compliance with this statute.”*

The full audit report can be found on the county web site.