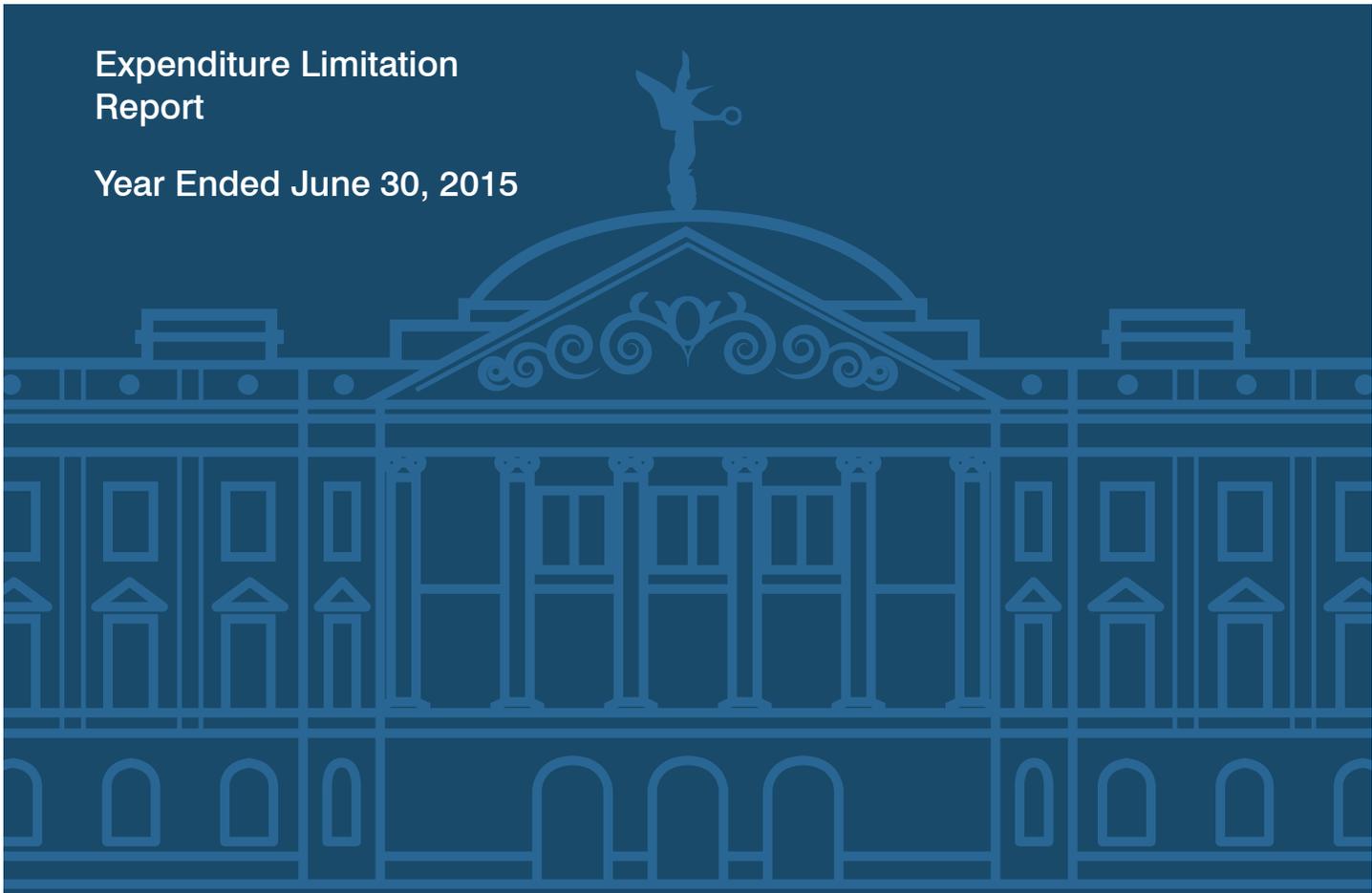


# Yavapai County

Expenditure Limitation  
Report

Year Ended June 30, 2015



A Report to the Arizona Legislature

Debra K. Davenport  
Auditor General





The Auditor General is appointed by the Joint Legislative Audit Committee, a bipartisan committee composed of five senators and five representatives. Her mission is to provide independent and impartial information and specific recommendations to improve the operations of state and local government entities. To this end, she provides financial audits and accounting services to the State and political subdivisions, investigates possible misuse of public monies, and conducts performance audits and special reviews of school districts, state agencies, and the programs they administer.

## The Joint Legislative Audit Committee

Representative **John Allen**, Chair  
Representative **Regina Cobb**  
Representative **Debbie McCune Davis**  
Representative **Rebecca Rios**  
Representative **Kelly Townsend**  
Representative **David Gowan** (ex officio)

Senator **Judy Burges**, Vice Chair  
Senator **Nancy Barto**  
Senator **Lupe Contreras**  
Senator **David Farnsworth**  
Senator **Lynne Pancrazi**  
Senator **Andy Biggs** (ex officio)

## Contact Information

Arizona Office of the Auditor General  
2910 N. 44th St.  
Ste. 410  
Phoenix, AZ 85018

(602) 553-0333

[www.azauditor.gov](http://www.azauditor.gov)



# TABLE OF CONTENTS

<b>Independent accountants' report</b>	1
<b>Annual expenditure limitation report—part I</b>	3
<b>Annual expenditure limitation report—part II</b>	4
<b>Annual expenditure limitation report—reconciliation</b>	5
<b>Notes to annual expenditure limitation report</b>	6





**DEBRA K. DAVENPORT, CPA**  
AUDITOR GENERAL

**STATE OF ARIZONA**  
OFFICE OF THE  
**AUDITOR GENERAL**

**MELANIE M. CHESNEY**  
DEPUTY AUDITOR GENERAL

**Independent accountants' report**

Members of the Arizona State Legislature

The Board of Supervisors of  
Yavapai County, Arizona

We have examined the accompanying annual expenditure limitation report of Yavapai County for the year ended June 30, 2015. The County's management is responsible for this report. Our responsibility is to express an opinion on this report based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the amounts and disclosures in the report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the annual expenditure limitation report referred to above presents, in all material respects, the information prescribed by the uniform expenditure reporting system as described in Note 1.

Jay Zsorey, CPA  
Financial Audit Director

August 22, 2016



**Yavapai County**  
**Annual expenditure limitation report—part I**  
**Year ended June 30, 2015**

1. Economic Estimates Commission expenditure limitation	\$110,417,832
2. Amount subject to the expenditure limitation (total amount from part II, line C)	<u>95,588,132</u>
3. Amount under the expenditure limitation	<u>\$ 14,829,700</u>

I hereby certify, to the best of my knowledge and belief, that the information contained in this report is accurate and in accordance with the requirements of the uniform expenditure reporting system.

Signature of Chief Fiscal Officer: \_\_\_\_\_

Name and Title: Daniel J. Rusing, Finance Director

Telephone Number: (928) 442-5185 Date: August 9, 2016

See accompanying notes to report.

**Yavapai County**  
**Annual expenditure limitation report—part II**  
**Year ended June 30, 2015**

Description	<u>Governmental funds</u>	<u>Fiduciary funds</u>	<u>Total</u>
A. Amounts reported on the reconciliation, line C	\$ 148,787,325	\$ 393,938,451	\$ 542,725,776
B. Less exclusions claimed:			
Debt service requirements on bonded indebtedness (Note 2)	2,421,325		2,421,325
Dividends, interest, and gains on the sale or redemption of investment securities (Note 3)	122,962		122,962
Trustee or custodian (Note 4)	3,281,468	393,938,451	397,219,919
Grants and aid from the federal government (Note 5)	12,271,704		12,271,704
Grants, aid, contributions, or gifts, from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 6)	149,060		149,060
Amounts received from the State of Arizona (Note 5)	12,915,732		12,915,732
Highway user revenues in excess of those received in fiscal year 1979-80 (Note 5)	10,086,633		10,086,633
Contracts with other political subdivisions (Note 5)	3,702,268		3,702,268
Prior years carryforward (Note 10)	8,248,041		8,248,041
Total exclusions claimed	<u>53,199,193</u>	<u>393,938,451</u>	<u>447,137,644</u>
C. Amounts subject to the expenditure limitation	<u>\$ 95,588,132</u>	<u>\$ -</u>	<u>\$ 95,588,132</u>

See accompanying notes to report.

**Yavapai County**  
**Annual expenditure limitation report—reconciliation**  
**Year ended June 30, 2015**

Description	<u>Governmental funds</u>	<u>Fiduciary funds</u>	<u>Total</u>
A. Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements	\$ 176,050,969	\$ 393,938,451	\$ 569,989,420
B. Subtractions:			
Expenditures of separate legal entities established under Arizona Revised Statutes (Note 7)	18,711,457		18,711,457
Long-term care contributions withheld by the State Treasurer (Note 8)	8,314,700		8,314,700
Payments made to reimburse the Arizona Department of Health Services (Note 9)	<u>237,487</u>	<u>                    </u>	<u>237,487</u>
Total subtractions	<u>27,263,644</u>	<u>                    </u>	<u>27,263,644</u>
C. Amounts reported on part II, line A	<u>\$ 148,787,325</u>	<u>\$ 393,938,451</u>	<u>\$ 542,725,776</u>

See accompanying notes to report.

# **Yavapai County**

## **Notes to annual expenditure limitation report**

### **Year ended June 30, 2015**

#### **Note 1 - Summary of significant accounting policies**

The annual expenditure limitation report (AELR) is presented as prescribed by the uniform expenditure reporting system (UERS), as required by Arizona Revised Statutes §41-1279.07. The AELR excludes expenditures, expenses, or deductions of certain revenues specified in the Arizona Constitution, Article IX, §20, from the total expenditures, expenses, or deductions reported in the fund financial statements.

In accordance with the UERS, a note to the AELR is presented below for any exclusion claimed on part II and each subtraction in the reconciliation that cannot be traced directly to an amount reported in the fund financial statements. All references to financial statement amounts in the following notes refer to the statement of revenues, expenditures, and changes in fund balances for the governmental funds and the statement of changes in fiduciary net position for the fiduciary funds.

#### **Note 2**

The exclusion claimed for debt service requirements on bonded indebtedness in the governmental funds consists of principal retirement and interest expenditures.

#### **Note 3**

The exclusion claimed for dividends, interest, and gains on the sale or redemption of investment securities of \$122,962 in the governmental funds includes investment earnings expended. Remaining revenues of \$88,844 for investment earnings and \$1,013,255 for interest on delinquent taxes have been carried forward to future years.

#### **Note 4**

The \$3,281,468 exclusion claimed for trustee or custodian in the governmental funds consists of \$1,897,780 in county contributions to the Arizona Health Care Cost Containment System (AHCCCS) for acute care, uncompensated care, and administrative costs; anti-racketeering costs of \$1,104,038; jail commissary costs of \$178,307; and inmate food costs of \$101,343. In the fiduciary fund, the exclusion consists of \$393,938,451 in distributions to investment pool participants. Remaining revenues of \$332,862 recorded as miscellaneous revenues, as well as \$9,988 recorded as charges for services revenue, have been carried forward to future years.

#### **Note 5**

The following schedule presents revenues from which exclusions have been claimed for federal grants and aid, amounts received from the State of Arizona, highway user revenues, and other political subdivisions in the governmental funds:

**Yavapai County**  
**Notes to annual expenditure limitation report**  
**Year ended June 30, 2015**

<u>Description</u>	<u>Governmental funds</u>
Grants and aid from the federal government	\$12,271,704
Amounts received from the State of Arizona	12,915,732
Highway user revenues in excess of those received in fiscal year 1979-80	10,086,633
Contracts with other political subdivisions	3,702,268
Revenues carried forward to future years (excludable)	3,637,787
Other revenues—(nonexcludable)	<u>28,872,269</u>
Total intergovernmental revenues as reported in the fund financial statements	<u>\$71,486,393</u>

**Note 6**

The exclusion claimed for grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes of \$149,060, consists of \$57,957 of contributions and gifts from organizations and individuals, and \$91,103 of grants from private agencies. Remaining revenues of \$3,401 recorded as miscellaneous revenues have been carried forward to future years.

**Note 7**

The subtraction of \$18,711,457 for separate legal entities established under Arizona Revised Statutes consists of expenditures of special assessment districts included within the County's reporting entity, but not included in the Economic Estimates Commission base limit calculations, and are reported in the governmental funds category in the fund financial statements:

<u>Description</u>	<u>Governmental funds</u>
General government	\$ 4,126,485
Public safety	14,495,801
Highway and streets	69,747
Sanitation	<u>19,424</u>
Total	<u>\$18,711,457</u>

**Note 8**

The subtraction for long-term care contributions withheld by the State Treasurer consists of transaction privilege taxes the State Treasurer withheld to meet the County's share of long-term care costs that was reported as revenue and an offsetting expenditure in the County's governmental funds. Consequently, this expenditure has been subtracted on the reconciliation.

**Yavapai County**  
**Notes to annual expenditure limitation report**  
**Year ended June 30, 2015**

**Note 9**

The subtraction of \$237,487 for payments made to reimburse Arizona Department of Health Services consists of county payments to reimburse the State for the cost of inpatient competency restoration treatment and part of the costs of committing an individual the court determined to be sexually violent, as required by Laws 2014, Chapter 11, Sections 10 and 11, which were recorded as general government expenditures.

**Note 10**

Prior years carryforward consists of constitutionally excludable revenues unexpended in the year of receipt that have been accumulated and were expended in the current year as follows:

<u>Description</u>	<u>Governmental funds</u>
Dividends, interest, and gains on the sale or redemption of investment securities	\$ 70,400
Grants and aid from the federal government	229,126
Amounts received from the State of Arizona	250,913
Contracts with other political subdivisions	7,620,739
Highway user revenues in excess of those received in fiscal year 1979-80	<u>76,863</u>
Total prior years carryforward expended	<u>\$8,248,041</u>

