

Yavapai County

CONCLUSION: Based on our audits, we issued opinions on the County's financial statements and federal expenditure schedule concluding that the information in those statements and schedule is reliable. We also issued reports over the County's internal control and compliance over financial reporting and select federal programs, which identified internal control weaknesses over financial reporting that are explained on the next page.

County overview

County provided wide range of services for its citizens—In fiscal year 2019, the County provided a wide range of government services for its over 235,000 citizens. In addition to managing general operations, such as property assessments and taxes, budgeting and finance, and elections, the County provided for public safety, such as law enforcement, court services, and flood control infrastructure; public health and welfare by providing medical assistance and contributions to Arizona's long-term care system; highway and street maintenance and construction; and community resources, such as libraries, parks and recreation, and accounting services to school districts. The County is located in central Arizona and encompasses 8,125 square miles.

County responsible for accurate financial report—The County is responsible for accurately preparing its [Comprehensive Annual Financial Report \(CAFR\)](#), maintaining effective internal controls, and being accountable for its use of public monies. Select financial information from the County's CAFR is presented below. However, the County's CAFR should be read to fully understand its overall financial picture. Our Office's [Financial Report User Guide for State and Local Governments](#) will help readers identify and understand important and useful information in the County's CAFR.

County financial information

Asset, liability, and net position balances on June 30, 2019

Total assets/deferred outflows = \$375.6 million

Select asset balances:

\$268.5 M	Capital assets
57.4	Cash and investments
17.0	Due from others and receivables

Total liabilities/deferred inflows = \$224.8 million

Select liability balances:

\$172.3 M	Noncurrent employee benefits
16.9	Long-term debt and lease obligations
14.7	Current payables

County's net position = \$150.8 million

None of this net position is unrestricted

Revenues and expenses during fiscal year 2019

Total revenues = \$202.9 million

Select revenue sources:

\$57.3 M	County property taxes
43.5	Federal and State grants and programs
42.3	Shared State sales taxes
29.1	County sales taxes

Total expenses = \$187.7 million

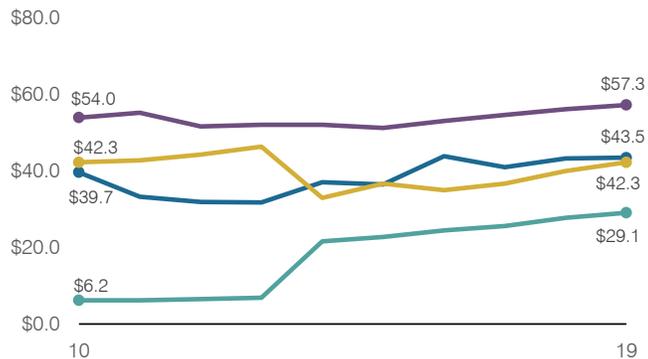
Select expenses by function:

\$64.9 M	General government
63.0	Public safety
26.7	Highways and streets
25.9	Health and welfare

Select revenues and expenses by function Fiscal years 2010 through 2019

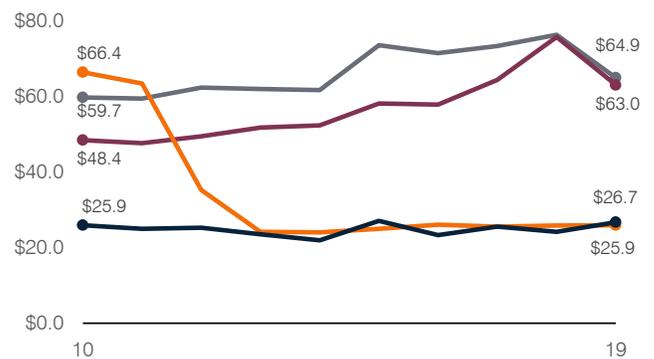
(In millions)

Select revenues



- **County property taxes**—Taxes the County levied on the assessed value of real and personal property within the County. The County Treasurer collects the tax revenues.
- **Federal and State grants and programs**—Federal and State government grants and programs awarded as assistance to the County and its citizens, including highway user tax revenue monies for authorized transportation purposes.
- **Shared State sales taxes**—Sales taxes the State of Arizona collects and the Arizona State Treasurer distributes to the County based on the State's statutory distribution formulas.
- **County sales taxes**—Local sales taxes consist of general unrestricted taxes and those restricted for jail construction and operations. In fiscal year 2019, these amounts were \$19.5 million and \$9.6 million, respectively.

Select expenses by function



- **General government**—General administration of County operations, including property assessments and taxes, budgeting and finance, and elections.
- **Public safety**—Protection of County persons and property. The largest portion of these expenses are for County jail operations, County Sheriff's office services, probation services, and Flood Control District operations.
- **Health and welfare**—Public assistance and institutional care for individuals who are economically unable to provide for themselves, including required State shared sales taxes withheld for Arizona's long-term care system. The significant decrease beginning in fiscal year 2012 resulted from the privatization of the County's health system.
- **Highways and streets**—Construction and maintenance of highways, streets, and bridges within the County.

Source: Auditor General staff summary of information obtained from the County's CAFRs.

Audit findings and recommendations

Below is a summary of our reports on the County's internal control and compliance over financial reporting and over federal programs that are included in the County's [Single Audit Report](#) where there is detailed information about our findings and the County's responses. For help in understanding important information presented in these reports, please refer to our [Internal Control and Compliance Reports User Guide](#).

Financial reporting internal control

The County Treasurer's Office put the County's and other County governmental entities' monies at risk by not properly managing them, which also delayed the County's financial statement issuance. The County Treasurer's Office was unable to resolve \$261,888 of unaccounted-for reconciling differences, did not timely allocate interest earned, and by fiscal year-end, did not record transactions totaling \$624,013 in its accounting records. In addition, the County needs to continue to update and implement policies and procedures to adequately protect its IT systems and data.

Financial findings and recommendations

Federal internal control and compliance

The County spent nearly \$10.7 million of federal program monies during the fiscal year. We tested 4 federal programs selected under the major program guidelines established by the Single Audit Act, including schools and roads grants to states, health center programs, workforce development programs, and community development programs that totaled over \$6 million in federal expenditures. We reported no weaknesses in internal control or instances of noncompliance over those federal programs.

No reported findings