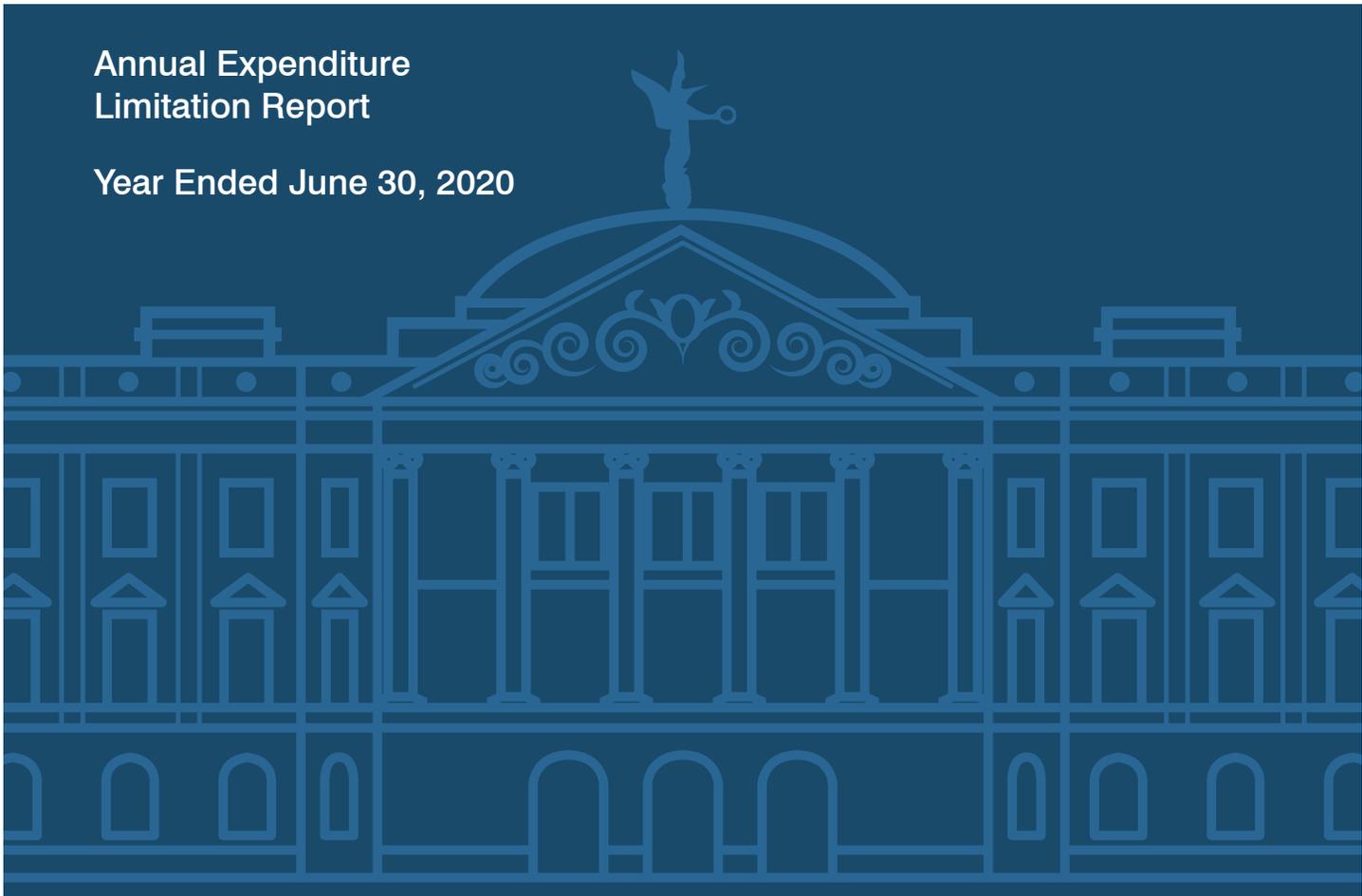


Yavapai County

Annual Expenditure
Limitation Report

Year Ended June 30, 2020



A Report to the Arizona Legislature

Lindsey A. Perry
Auditor General





The Arizona Auditor General's mission is to provide independent and impartial information and specific recommendations to improve the operations of State and local government entities. To this end, the Office 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.

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LINDSEY A. PERRY
AUDITOR GENERAL

ARIZONA
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 (report) of Yavapai County for the year ended June 30, 2020, and the related notes to the report. The County's management is responsible for presenting this report in accordance with the Uniform Expenditure Reporting System as described in Note 1. Our responsibility is to express an opinion on this report based on our examination.

We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether this report is presented in accordance with the Uniform Expenditure Reporting System in all material respects. An examination involves performing procedures to obtain evidence about the amounts and disclosures in the report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the report, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Annual Expenditure Limitation Report referred to above is presented in accordance with the Uniform Expenditure Reporting System as described in Note 1 in all material respects.

Donna Miller

Donna Miller, CPA
Director, Financial Audit Division

June 23, 2021

Yavapai County
Annual Expenditure Limitation Report—Part I
Year ended June 30, 2020

1. Economic Estimates Commission expenditure limitation	\$129,293,720
2. Amount subject to the expenditure limitation (total amount from part II, line C)	<u>122,537,215</u>
3. Amount under the expenditure limitation	<u>\$ 6,756,505</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: Mary Doren

Name and title: Mary Doren, Assistant Finance Director

Telephone number: (928) 771-3238 Date: June 23, 2021

See accompanying notes to report.

Yavapai County
Annual Expenditure Limitation Report—Part II
Year ended June 30, 2020

Description	<u>Governmental funds</u>	<u>Fiduciary funds</u>	<u>Total</u>
A. Amounts reported on the reconciliation, line C	\$ 183,865,588	\$ 450,248,693	\$ 634,114,281
B. Less exclusions claimed:			
Debt service requirements (Note 2)	2,208,924		2,208,924
Dividends, interest, and gains on the sale or redemption of investment securities (Note 3)	106,555		106,555
Trustee or custodian (Notes 4 and 5)	2,542,472	450,248,693	452,791,165
Grants and aid from the federal government (Note 5)	17,117,979		17,117,979
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 7)	657,672		657,672
Amounts received from the State of Arizona (Note 5)	17,127,676		17,127,676
Quasi-external interfund transactions (Note 8)	1,732,929		1,732,929
Highway user revenues in excess of those received in fiscal year 1979-80 (Note 5)	12,671,087		12,671,087
Contracts with other political subdivisions (Notes 5 and 6)	4,532,887		4,532,887
Prior years carryforward (Note 13)	<u>2,630,192</u>		<u>2,630,192</u>
Total exclusions claimed	<u>61,328,373</u>	<u>450,248,693</u>	<u>511,577,066</u>
C. Amounts subject to the expenditure limitation	<u>\$ 122,537,215</u>	<u>\$ -</u>	<u>\$ 122,537,215</u>

See accompanying notes to report.

Yavapai County
Annual Expenditure Limitation Report—Reconciliation
Year ended June 30, 2020

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	\$ 219,243,011	\$ 450,248,693	\$ 669,491,704
B. Subtractions:			
Expenditures of separate legal entities established under Arizona Revised Statutes (A.R.S.) (Note 9)	26,431,550		26,431,550
Long-term care contributions the State Treasurer withheld (Note 10)	8,543,800		8,543,800
Required fees/reimbursements made to Arizona state agencies (Note 11)	133,113		133,113
Involuntary court judgments (Note 12)	<u>268,960</u>	<u> </u>	<u>268,960</u>
Total subtractions	<u>35,377,423</u>	<u> </u>	<u>35,377,423</u>
C. Amounts reported on part II, line A	<u>\$ 183,865,588</u>	<u>\$ 450,248,693</u>	<u>\$ 634,114,281</u>

See accompanying notes to report.

Yavapai County

Notes to Annual Expenditure Limitation Report

Year ended June 30, 2020

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 (A.R.S.) §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 consists of principal retirement and interest expenditures in the governmental funds.

Note 3

The \$106,555 exclusion claimed for dividends, interest, and gains on the sale or redemption of investment securities in the governmental funds includes investment earnings expended. The remaining revenues of \$1,109,993 of interest on delinquent taxes recorded as tax revenue and \$687,269 recorded as investment earnings have been carried forward to future years.

Note 4

The exclusion claimed for trustee or custodian of \$2,542,472 in the governmental funds consists of \$1,732,265 in county contributions to the Arizona Health Care Cost Containment System for acute care, uncompensated care, and administrative costs; anti-racketeering costs of \$625,613 with related revenues recorded as miscellaneous revenue; and tribal gaming pass through funding distributions of \$184,594 recorded in intergovernmental revenue. In the fiduciary funds, the exclusion consists of \$450,248,693 in distributions to investment pool participants.

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 contracts with other political subdivisions in the governmental funds:

Yavapai County
Notes to Annual Expenditure Limitation Report
Year ended June 30, 2020

Description	
Trustee or custodian	\$ 184,594
Grants and aid from the federal government	17,117,979
Amounts received from the State of Arizona	17,127,676
Highway user revenues in excess of those received in fiscal year 1979-80	12,671,087
Contracts with other political subdivisions	1,791,739
Other revenues (nonexcludable)	43,461,130
Amount carried forward	<u>5,917,421</u>
Total intergovernmental revenues as reported in the fund financial statements	<u>\$98,271,626</u>

Note 6

The \$4,532,887 exclusion claimed for contracts with other political subdivisions in the governmental funds includes \$2,741,148 of charges for services and \$1,791,739 of intergovernmental revenue expended. Remaining revenue of \$22,977 recorded as charges for services has been carried forward to future years.

Note 7

The \$657,672 exclusion claimed for grants, aid, contributions, or gifts, from a private agency, organization or individual, except amounts received in lieu of taxes, in the governmental funds consists of \$183,317 of contributions and gifts from organizations and individuals expended, and \$474,355 of grants from private agencies expended reported as miscellaneous revenue. Remaining revenue of \$254,775 recorded as miscellaneous revenues has been carried forward to future years.

Note 8

The exclusion claimed for quasi-external interfund transactions in the governmental funds consists of \$1,732,929 for indirect cost reimbursements recorded as health expenditures.

Note 9

The \$26,431,550 subtraction 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:

Special assessment districts	
General government	\$ 5,074,515
Public safety	21,305,244
Highways and streets	40,332
Sanitation	<u>11,459</u>
Total	<u>\$26,431,550</u>

Yavapai County
Notes to Annual Expenditure Limitation Report
Year ended June 30, 2020

Note 10

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

Note 11

The \$133,113 subtraction for required fees/reimbursements paid to Arizona state agencies is to the Arizona Department of Revenue pursuant to A.R.S. §42-5041 for administrative, program, and operating costs.

Note 12

The subtraction of \$268,960 of involuntary court judgments consists of amounts paid under the County's deductible with its insurance pool and directly to claimants, which were recorded as general government expenditures.

Note 13

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:

Description	Governmental funds
Dividends, interest, and gains on the sale or redemption of investment securities	\$ 63,162
Grants and aid from the federal government	18,170
Amounts received from the State of Arizona	309,667
Highway user revenues in excess of those received in fiscal year 1979-80	2,103,186
Trustee or custodian	27,300
Donations and private grants	<u>108,707</u>
Total prior years carryforward expended	<u><u>\$2,630,192</u></u>

