

# **Yavapai County, Arizona**



**Sedona, Arizona**

## **Comprehensive Annual Financial Report**

**Fiscal Year Ended June 30, 2012**

**Yavapai County, Arizona  
Comprehensive Annual Financial Report  
Fiscal Year Ended June 30, 2012**



**Board of Supervisors**

Carol Springer, District 1

A.G. "Chip" Davis, District 3

Thomas Thurman, District 2

Prepared by Yavapai County  
Finance Department

YAVAPAI COUNTY  
 Comprehensive Annual Financial Report  
 Year Ended June 30, 2012

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## **INTRODUCTORY SECTION**



## Yavapai County Finance Department

JOHN D. ZANDER, CPA

FINANCE DIRECTOR

December 21, 2012

To the Board of Supervisors, and Citizens of Yavapai County:

State law requires that counties prepare a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by the Arizona State Auditor General's Office or by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Yavapai County for the fiscal year ended June 30, 2012.

This report consists of management's representations concerning the finances of Yavapai County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Arizona State Auditor General's Office has audited the County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit; that there was a reasonable basis for rendering an unqualified opinion that Yavapai County's financial statements for the fiscal year ended June 30, 2012, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County's separately issued Single Audit report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the Government**

Yavapai County was formed in 1864; one year after the Arizona Territory was established. The County was named after the Yavapai tribe, whose name means "people of the sun". The County is located in the central portion of the state encompassing approximately 8,125 square miles.

The County is empowered to levy a property tax on both real and personal properties within its boundaries.

The County operates under the supervisor-administrator form of government. Policy-making and legislative authority are vested in a Board of Supervisors (Board) consisting of three members elected to four-year terms representing three supervisorial districts. The Board appoints an Administrator, who is responsible for overseeing the day-to-day operations of the County government.

The Board is responsible for the financing and administration of County government, has final approval over County departmental budgets and sets property tax rates. As part of its administrative duties, the Board is responsible for appointing department heads, and members of County boards and commissions dealing with planning and zoning, building codes, health, employees and employee benefits, private industry and agriculture. The Board acts as the board of directors for special districts within the County such as jail, water, sanitation, lighting, flood control and library.

The County Administrator develops and presents the County budget, oversees countywide administrative departments, assists elected officials, and coordinates with other governments in intergovernmental relations.

In addition to the Board, other elected officers representing the County include the Assessor, Clerk of the Superior Court, County Attorney, Recorder, School Superintendent, Sheriff, and the Treasurer. There are seven elected Superior Court Judges, five Justices of the Peace, and four Constables.

Yavapai County provides a full range of services, including police protection, courts, health services, elections, the construction and maintenance of highways, streets, other infrastructure and parks.

The financial reporting entity includes all the funds of the primary government (Yavapai County), as well as its component units. Component units are legally separate entities for which the primary government is financially accountable. The Board acts as the Board of Directors of these component units. Accordingly, the Yavapai County Flood Control District, Library District, Jail District and various special assessment districts are reported as a part of the governmental fund types of the primary government.

There are various school districts, special districts, and fire districts within Yavapai County governed by independently elected boards. The financial statements of such districts are not included in this report except to reflect amounts held in an agency capacity by the County Treasurer. The reporting entity is further described in Note 1 to the financial statements.

The annual budget serves as the foundation for the County's financial planning and control. All departments of the County are required to submit requests for appropriation to the County Administrator annually. These requests are used as the starting point for developing a proposed budget. The County Administrator then presents this proposed budget to the Board of Supervisors for review on or before the third Monday in July. On or before the fourteenth day before the day in August when the Board sets tax levy rates, the Board must hold a public hearing and a special meeting of the Board, at which time the final budget must be adopted. The final budget is adopted by fund and department. Transfers of appropriations between funds or departments require approval of the Board. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and major special revenue funds this comparison is presented beginning on page 63 as part of the required supplemental information. For governmental funds, other than the general fund and major special revenue funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 84.

### **Local Economy**

Yavapai County's population increased from 167,516 in 2000 to 211,888 (estimate) in 2011 according to the U.S. Census Bureau, which is a 26.5% increase as compared to the State of Arizona population increase of 26.3% for the same time period. Yavapai County has a higher percentage, 25.2%, of persons over the age of 65 as compared to the State of Arizona with 14.2%. This indicates that a greater segment of the population is retired, which provides a more stable consumer base.

Yavapai County, as most other counties in the State of Arizona and throughout the nation, continues to experience slightly improved economic activity. As a result, sales tax collections for fiscal year 2011-12 are 6% higher than fiscal year 2010-11.

The Arizona Department of Administration, Office of Employment and Population Statistics estimates an 8.8% average 2012 unemployment rate for Yavapai County. Yavapai County is the single largest employer in Yavapai County, with Yavapai County Regional Medical Center as the second largest employer.

Retail trade, tourism, utilities, healthcare, warehouse and distribution centers, mining, light industry and government all contribute to the economy.

### **Long-Term Financial Planning**

In November of 1999, the Yavapai County Jail District was formed when the citizens approved a dedicated excise tax of up to 1/4 cent for the purpose of constructing, operating, maintaining and financing County jail facilities. In December of 1999, the Board adopted Resolution No.1999-1 establishing the initial excise tax of 1/5 cent. On March 26, 2003, the excise tax was raised to the voter approved rate of 1/4 cent.

The excise tax was used to construct an expansion of the jail facilities to increase the size of the Camp Verde jail facility by 480 beds and was completed in the fall of 2003. Total cost was approximately \$20.0 million. Pledged revenue obligations in the amount of \$15.3 million were issued to finance the majority of the construction costs. The final payment for this debt obligation was paid at the end of fiscal year 2011-12.

The Jail District sales tax and the maintenance of effort from the General Fund are inadequate to fund the operation of the Jail District. The Board asked the voters of Yavapai County in the November 4, 2008, general election for authorization to increase the Jail District sales tax rate from ¼ cent to ½ cent and this request was voted down. Because the operation of a county jail facility is statutorily required, other resources will continue to be diverted at the direction of the Board in order to fund the operation of the Jail District.

In July 2007, the County issued \$25.4 million in variable rate demand highway construction advancement revenue bonds. The bond proceeds were advanced to the Arizona Department of Transportation (ADOT) to accelerate construction of Arizona State Route 260, which is a component of the state's five year plan. ADOT is required, by Arizona Revised Statutes §11-269.03, to repay the advanced proceeds to the County within a five year period. The interest for the bonds was paid from the County's excise tax and state shared sales tax. The project was completed in fiscal year 2010-11 and the construction costs to widen State Route 260 were lower than the engineer's estimate. ADOT has reimbursed the County \$23.6 million, which together with \$1.4 million of County funds, were used to retire the remaining outstanding bonds. As of June 30, 2012, the outstanding balance owed by ADOT is \$2.8 million, which is expected to be paid to Yavapai County during fiscal year 2012-13.

In May 2008, the Board entered into a \$50 million capital lease agreement to finance the design and construction of a Superior Court building next to the Camp Verde jail facility, a juvenile detention facility and two administrative buildings in Prescott. The Board modified this lease agreement and retired \$25 million of the original \$50 million. Because of the economic environment and the modification of the lease agreement, the Board eliminated the construction of the administrative buildings from the original plan. The Superior Court building was completed in fiscal year 2009-10. Construction for a new juvenile facility was started in fiscal year 2010-11 and is expected to be completed and in operation by January 2013.

Yavapai County contracted with the State of Arizona to operate a long term care health program for qualified residents of Yavapai County as a business-type proprietary fund. The State of Arizona did not renew its contract with Yavapai County and the current contract expired on September 30, 2011. The residual equity of \$7.7 million was transferred to the General Fund and the Long Term Care fund was closed as of June 30, 2012.

### **Relevant Financial Policies**

Traditionally, the Board has managed the County in a fiscally conservative environment with a primary goal to minimize the County property tax rate and to operate within the tax revenues received during the fiscal year. The Board has delegated the responsibility to monitor revenues and to make recommendations when necessary to maintain fiscal discipline to the County Administrator.

During the past four fiscal years, the Board has enacted several measures to manage the declining revenues. County departments reduced expenditures in fiscal year 2008-09 by 6.7%, in fiscal year 2009-10 by 7.5% and for the prior two fiscal years departments were held the same level as the previous fiscal year. Although departments were managing employee positions to a minimum, based on current demand for County services and a slight increase in revenue, the Board evaluated department requests for additional staff. As revenue continues to improve, the Board has appropriated funds to replace scheduled vehicle and computer replacement budgets.

## **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 Yavapai County for its comprehensive annual financial report for the fiscal year ended June 30, 2011. 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.

## **Acknowledgements**

The preparation of this report could only be accomplished through the efforts of the staff of the Finance Department and the assistance of the Arizona State Auditor General's Office. I also wish to thank the Board of Supervisors for their dedicated oversight of the financial condition of the County and their support for our efforts to improve its financial operations.

Respectfully submitted,

John D. Zander  
Chief Financial Officer

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## Yavapai County Arizona

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to governmental units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Linda C. Davison*

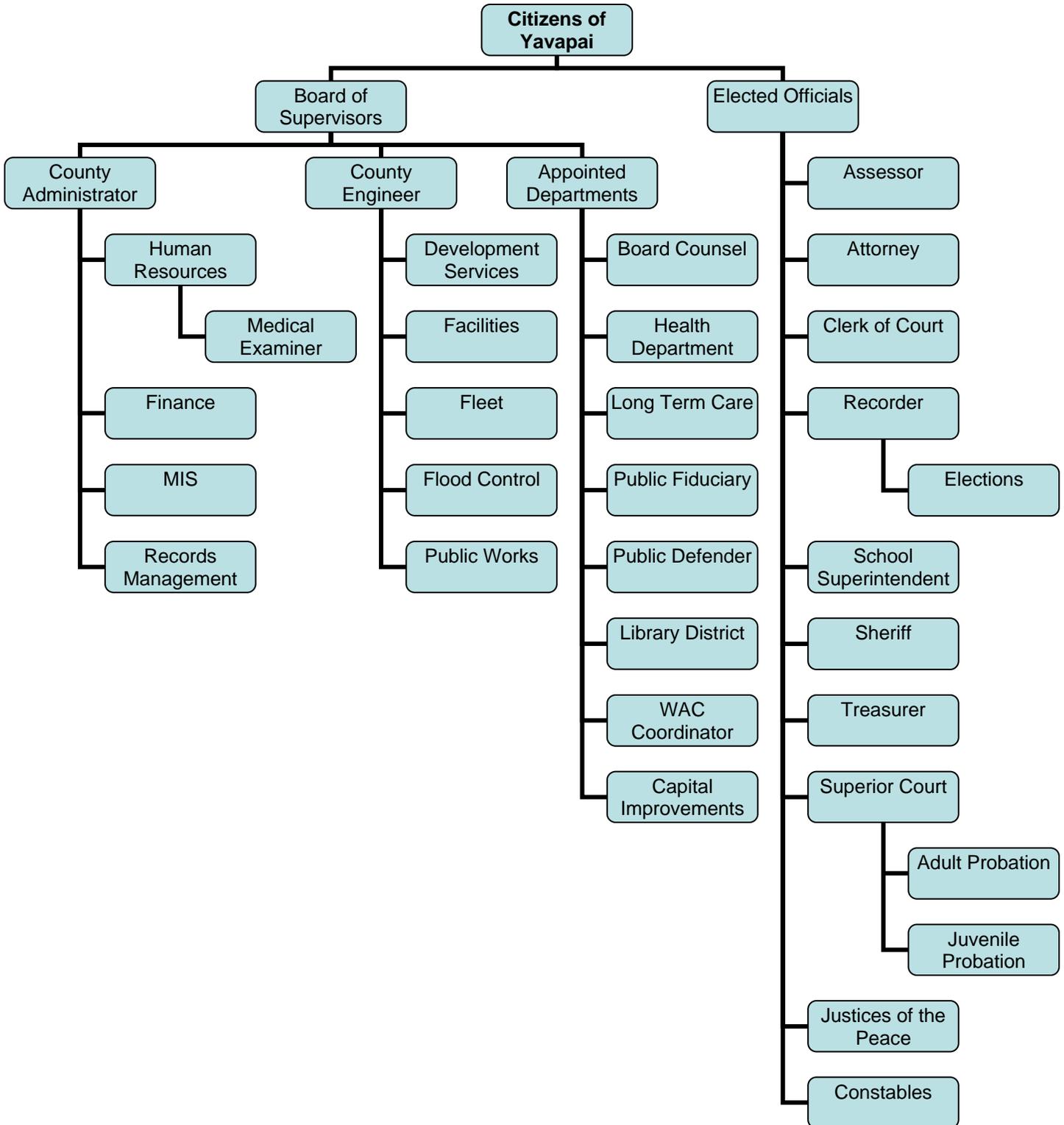
President

*Jeffrey R. Emer*

Executive Director

# YAVAPAI COUNTY

## Organizational Chart



# **Yavapai County Officials**

## **BOARD OF SUPERVISORS**

Thomas C. Thurman, Chairman, District 2  
A.G. "Chip" Davis, Vice Chairman, District 3  
Carol Springer, Member, District 1

♦ ♦ ♦

## **CLERK OF THE BOARD**

Ana Wayman-Trujillo

♦ ♦ ♦

## **INTERIM COUNTY ADMINISTRATOR**

Phil Bourdon

♦ ♦ ♦

## **FINANCE DIRECTOR**

John D. Zander

## **FINANCIAL SECTION**



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

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

**MELANIE M. CHESNEY**  
DEPUTY AUDITOR GENERAL

**Independent Auditors' Report**

Members of the Arizona State Legislature

The Board of Supervisors of  
Yavapai 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 Yavapai County as of and for the year ended June 30, 2012, 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 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 provides a reasonable basis for our opinions.

In our opinion, 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 Yavapai County as of June 30, 2012, 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.

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis on pages 11 through 19, the Budgetary Comparison Schedules on pages 63 through 68, and the Schedule of Agent Retirement Plans' Funding Progress on page 69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund statements and schedules and the introductory and statistical sections listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements. Such information is the responsibility of the County's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The combining and individual fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the combining and individual fund statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance 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.

This report is intended solely for the information and use of the members of the Arizona State Legislature, the Board of Supervisors, management, and others within the County and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Debbie Davenport  
Auditor General

December 21, 2012

# Yavapai County

## Management's Discussion and Analysis

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As management of Yavapai County, we offer readers of Yavapai County's financial statements this narrative overview and analysis of the financial activities of Yavapai County for the fiscal year ended June 30, 2012. 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 1 – 5 and the County's basic financial statements, which begin on page 22.

### Financial Highlights

- Yavapai County's assets exceed liabilities as of June 30, 2012, by \$310,802,011 (net assets). Of this amount, \$46,892,632 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of June 30, 2012, Yavapai County's governmental funds reported combined ending fund balances of \$84,874,019, which is a decrease of \$21,192,823 from the prior year ending fund balance of \$106,066,842.
- As of June 30, 2012, unassigned fund balance for the general fund is \$9,198,985, a reduction of \$2,373,676 from the prior year unassigned fund balance.
- As of June 30, 2012, committed fund balance for the regional road fund is \$11,908,353, a reduction from the prior year of \$4,442,003.
- As of June 30, 2012, restricted fund balance for the Highway User Revenue Fund (HURF) is \$6,304,272, an increase from the prior year of \$61,382.
- As of June 30, 2012, restricted and committed fund balance for the capital projects fund are \$1,240,585 and \$30,729,527, respectively, which is a decrease of \$11,726,834 in restricted fund balance and an increase of \$1,291,683 in committed fund balance from the prior year balances.
- Yavapai County's total long-term liabilities decreased a net amount of \$5,824,951 during the current fiscal year.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Yavapai County's basic financial statements. Yavapai County's basic financial statements are comprised 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 Yavapai County's finances, in a manner similar to a private sector business.

The statement of net assets presents information on all of Yavapai 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 Yavapai County is improving or deteriorating.

The statement of activities presents information showing how the government'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 only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused paid-time-off leave).

Both of the government-wide financial statements distinguish functions of Yavapai 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 Yavapai County include general government, public safety, highways and streets, sanitation, health, welfare, culture and recreation, and education. The Yavapai Long Term Care Division comprises the business-type activities of Yavapai County and the Long Term Care fund was closed as of June 30, 2012.

# Yavapai County

## Management's Discussion and Analysis

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The government-wide financial statements not only include Yavapai County itself (known as the primary government), but also a legally separate Jail District, Flood Control District, Library District and various Special Assessment Districts. These districts function for all practical purposes as departments of Yavapai County, and therefore have been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 22 – 23 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. Yavapai 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 Yavapai 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, the governmental funds 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 financial 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 provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Yavapai County maintains numerous individual governmental funds. 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 eight funds considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 24 - 30 of this report.

**Proprietary funds.** Yavapai County operated one type of proprietary fund and it was used to report the same functions presented as business-type activities in the government-wide financial statements. This business-type fund was used to account for its Long-Term Care Division. The Long Term Care fund was closed as of June 30, 2012.

The basic proprietary fund financial statements can be found on pages 31 - 32 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 Yavapai County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary funds financial statements can be found on pages 33 - 34 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to the 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 35 - 61 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Yavapai County's progress in funding its obligation to provide pension benefits to its employees and budgetary comparison schedules for the general fund and major special revenue funds. Other required supplementary information can be found on pages 63 - 69 of

# Yavapai County Management's Discussion and Analysis

this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 72 - 113 of this report.

## Government-wide Financial Analysis

**Net Assets.** As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. Yavapai County's assets exceeded liabilities by \$310.8 million at the close of the most recent fiscal year.

	Net Assets (in millions)					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 98.0	\$ 112.6	\$ -	\$ 10.3	\$ 98.0	\$ 122.9
Restricted assets	2.0	13.1	-	-	2.0	13.1
Capital assets	258.1	240.4	-	0.1	258.1	240.5
Total assets	<u>358.1</u>	<u>366.1</u>	<u>-</u>	<u>10.4</u>	<u>358.1</u>	<u>376.5</u>
Long-term liabilities outstanding	35.2	41.0	-	-	35.2	41.0
Other liabilities	12.1	15.0	-	4.5	12.1	19.5
Total liabilities	<u>47.3</u>	<u>56.0</u>	<u>-</u>	<u>4.5</u>	<u>47.3</u>	<u>60.5</u>
Net assets:						
Invested in capital assets, net of related debt	233.7	223.8	-	0.1	233.7	223.9
Restricted	30.2	44.7	-	5.8	30.2	50.5
Unrestricted	46.9	41.6	-	-	46.9	41.6
Total net assets	<u>\$ 310.8</u>	<u>\$ 310.1</u>	<u>\$ -</u>	<u>\$ 5.9</u>	<u>\$ 310.8</u>	<u>\$ 316.0</u>

The largest portion of Yavapai County's net assets (75%) reflects its investment in capital assets (e.g. land, buildings, equipment, infrastructure, software, construction in progress), less accumulated depreciation and any related outstanding debt used to acquire those assets. Yavapai County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Yavapai 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.

Governmental Activities current and other assets decreased \$14.6 million from the previous year. Restricted assets also decreased \$11.1 million from the previous year for a combined decrease of \$25.7 million. This combined decrease is primarily due to the expenditures for capital assets during the fiscal year. Capital assets increased \$43.4 million which include land acquisition of \$7.2 million, vehicles, equipment and software of \$3.5 million, new buildings of \$2.0 million, infrastructure acquisition and completion of \$16.7 million and additional construction in progress of \$14.0 million. This increase is offset by depreciation of \$15.9 million and an infrastructure exchange with Arizona Department of Transportation (ADOT) of \$9.8 million for a net increase of \$17.7 million. The Yavapai County Board of Supervisors and ADOT completed a road and bridge asset exchange during the fiscal year. After the 11 lane miles exchange was completed, ADOT then started a \$20-\$25 million project to add 11 lane miles to the road segment that was exchanged. The project is expected to be completed this fiscal year and ADOT will then maintain the total 22 lane miles.

Governmental Activities long-term liabilities decreased \$5.8 million from the previous fiscal year due to payments for the SR 260 revenue bonds (\$2.8 million), Jail District revenue bonds (\$1.8 million), capital lease (\$1.0 million) and special assessment bonds (\$0.2 million). During the fiscal year Yavapai County processed the final payments for SR 260 and Jail District revenue bonds.

Governmental Activities other liabilities decreased \$2.9 million due to accruals of year end payroll.

# Yavapai County

## Management's Discussion and Analysis

Yavapai County's Governmental Activities restricted net assets of \$30.2 million represent resources that are subject to external restrictions on how they may be used. The reduction of \$14.5 million from the previous fiscal year's amount of \$44.7 million is due to expenditure of capital lease proceeds.

The Governmental Activities unrestricted net assets increased \$5.3 million from the previous fiscal year. This increase is due to transferring the residual equity from the Long Term Care Fund (enterprise fund) after the fund was closed. The Governmental Activities unrestricted net assets balance of \$46.9 million may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Yavapai County reports positive balances in all three categories, invested in capital assets, net of related debt \$233.7 million, restricted net assets \$30.2 million and unrestricted net assets \$46.9 million.

**Changes in Net Assets.** The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. For the fiscal year, net assets decreased \$5.2 million, which consists of \$0.7 million increase from Governmental Activities and a decrease of \$5.9 million from Business-type Activities which is due to the closure of the Long Term Care enterprise fund. The basis of accounting used in the government-wide statement of activities excludes capital outlay while its revenues include taxes that are used, in part, for the construction of those assets.

<b>Changes in Net Assets</b>						
(in millions)						
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 22.6	\$ 22.2	\$ 12.0	\$ 43.7	\$ 34.6	\$ 65.9
Operating grants and contributions	26.7	29.3 *	-	-	26.7	29.3
Capital grants and contributions	2.2	1.1	-	-	2.2	1.1
General revenues:						
Property taxes	51.7	55.3	-	-	51.7	55.3
Sales taxes	41.4	39.3	-	-	41.4	39.3
Vehicle license tax	9.1	9.4	-	-	9.1	9.4
Grants not restricted to specific programs	3.0	2.9 *	-	-	3.0	2.9
Miscellaneous and investment earnings	4.9	6.3	-	.1	4.9	6.4
<b>Total revenues</b>	<u>161.6</u>	<u>165.8</u>	<u>12.0</u>	<u>43.8</u>	<u>173.6</u>	<u>209.6</u>
<b>Expenses</b>						
General government	62.3	59.4	-	-	62.3	59.4
Public safety	49.4	47.6	-	-	49.4	47.6
Highways and streets	25.2	24.9	-	-	25.2	24.9
Sanitation	1.5	1.3	-	-	1.5	1.3
Health	13.2	12.8	-	-	13.2	12.8
Welfare	11.8	9.5	-	-	11.8	9.5
Culture and recreation	.2	.3	-	-	.2	.3
Education	3.5	4.9	-	-	3.5	4.9
Interest on long-term debt	1.5	2.0	-	-	1.5	2.0
Long Term Care	-	-	10.2	41.1	10.2	41.1
<b>Total expenses</b>	<u>168.6</u>	<u>162.7</u>	<u>10.2</u>	<u>41.1</u>	<u>178.8</u>	<u>203.8</u>
Increase (decrease) in net assets before transfers	(7.0)	3.1	1.8	2.7	(5.2)	5.8
Transfers	7.7	-	(7.7)	-	-	-
<b>Increase (decrease) in net assets</b>	<u>0.7</u>	<u>3.1</u>	<u>(5.9)</u>	<u>2.7</u>	<u>(5.2)</u>	<u>5.8</u>
Net assets, July 1,	310.1	307.0	5.9	3.2	316.0	310.2
Net assets, June 30	<u>\$ 310.8</u>	<u>\$ 310.1</u>	<u>\$ -</u>	<u>\$ 5.9</u>	<u>\$ 310.8</u>	<u>\$ 316.0</u>

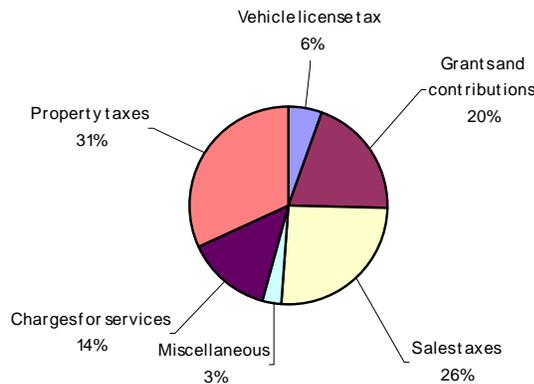
\*The fiscal year 2011 revenue amounts have been reclassified for comparison with fiscal year 2012 amounts.

# Yavapai County Management's Discussion and Analysis

**Governmental activities.** Governmental Activities revenues totaled \$161.6 million for fiscal year 2012. The following are highlights of County revenues:

- Operating grants and contributions revenues decreased \$2.6 million from the previous year. This is due to a reduction of HURF revenues (\$1.4 million), state grant revenues (\$1.0 million) and federal grant revenues (\$0.2 million) from the previous year.
- Property taxes decreased by \$3.6 million from the previous fiscal year. This is primarily due to the Board of Supervisors (BOS) reducing the property tax levy amount by \$4.3 million from the previous fiscal year and is a reflection of the BOS fiscally conservative position for the Yavapai County taxpayers.
- Sales taxes are comprised of state shared-sales tax, a 0.5% County excise tax and a 0.25% Jail District excise tax. Overall sales tax increased \$2.1 million from the previous fiscal year, indicating an economic improvement in the local economy.
- Miscellaneous and investment earnings declined \$1.4 million from the previous fiscal year primarily due to a reduction of anti racketeering revenue from seized drug enforcement cases and other miscellaneous revenues.

Revenues by Source - Governmental Activities

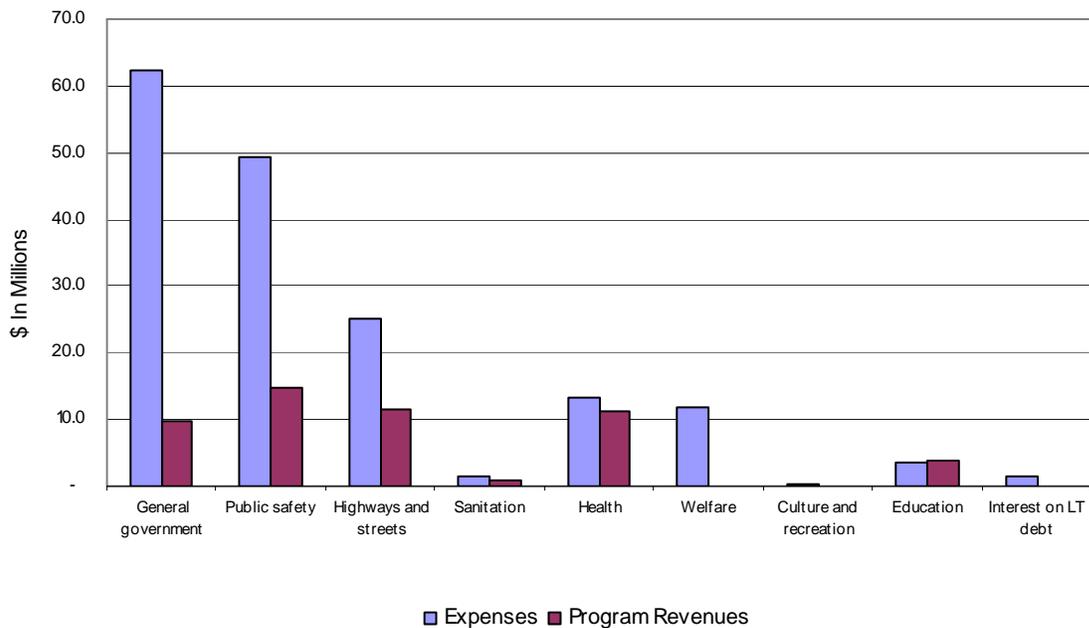


# Yavapai County Management's Discussion and Analysis

## Expenses

Governmental activities expenses increased \$5.9 million from the previous fiscal year. This increase is primarily in the General government (\$2.9 million) and Welfare (\$2.3 million) functions. General government increased \$1.2 million due to the repair and maintenance of the Sedona airport runway apron, which was funded by a federal grant. In addition, the State legislature required the County to contribute \$1.5 million to the State treasury in the current fiscal year. Welfare increased \$2.3 million due to Yavapai County's contribution to the Arizona Long Term Care Services.

Expenses and Program Revenues - Governmental Activities



**Business-type activities.** Business-type activities consist solely of the Yavapai County Long-Term Care Division (Division). The Division operates a prepaid health program for qualified persons of Yavapai County within the State of Arizona. The Program provides hospitalization, medical care, managed institutional care, and home and community based long-term care for physically disabled and elderly persons. The funds used to carry out the Division's program are provided by the State of Arizona under its Arizona Long Term Care System (ALTCS) administered by the Arizona Health Care Cost Containment System (AHCCCS). The funding sources include federal, state and county monies that are paid to the Division on a capitation basis. On September 30, 2011, the Division's contract with AHCCCS expired and was not renewed by AHCCCS. The activity reported represents the period of July 1 through September 30, 2011, and the Long Term Care fund was closed as of June 30, 2012.

Because the Division is no longer a going concern any financial comparison from the previous fiscal year is not relevant.

# Yavapai County Management's Discussion and Analysis

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## Financial Analysis of the Government's Funds

As noted earlier, Yavapai County uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

**Governmental funds.** The focus of Yavapai County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Yavapai County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of Yavapai County. At the end of the current fiscal year, the General Fund total fund balance was \$9.8 million, which is \$2.7 million less than the previous fiscal year ending fund balance. This decrease is primarily attributed to the Board of Supervisors reduction of the property tax levy amount of \$4.3 million.

In addition to the General Fund, Yavapai County is reporting seven major funds. These funds are the Jail District, Jail District Debt Service, Regional Road, Regional Road Debt Service, HURF Road, Capital Projects and Capital Projects Debt Service.

The Jail District, Jail District Debt Service and HURF Road fund balances were reduced by a combined total of \$0.4 million from the previous year. The Regional Road and Regional Road Debt Service fund balances decreased \$4.9 million due to continued work on road projects and the retirement of \$2.8 million revenue bonds for State Route 260. The Capital Projects fund balance decreased \$10.4 million due to progress on capital projects. These projects include a new Juvenile Court facility, Administration building and Morgue. The Jail District Debt Service, Regional Road Debt Service and Capital Projects Debt Service funds will be closed as all related debts no longer have an outstanding balance.

See Note 8 on pages 52 - 53 for a detail listing of the fund balance classifications.

**Proprietary fund.** As discussed in the business-type activities, the Long Term Care Division contract ended on September 30, 2011. The residual equity of \$7.7 million was transferred to the General Fund and the Long Term Care fund was closed as of June 30, 2012.

## General Fund Budgetary Highlights

The original General Fund budget appropriation was \$85,772,031. Actual expenditures were \$4,480,973 less than the final budgeted appropriation amount and are primarily due to departments monitoring and controlling expenditures. The Board approved budgeted transfers between departments during the fiscal year to reclassify expenditures and for departments that required an increase in budget appropriation. The departments that required a budget transfer were Public Defender (\$676,098), Board of Supervisors (\$88,955), Fleet (\$85,822), Treasurer (\$43,405), Juvenile Probation (\$38,932), Facilities (\$16,000), Bagdad/Yarnell Justice of the Peace (\$7,199), Public Works (\$6,571) and School Superintendent (\$2,688) for a combined transfer of \$965,670. The total General Fund budgeted appropriation of \$85,772,031 remained unchanged.

Total revenues were \$726,086 over total budgeted revenue (0.9%), which is primarily due to greater actual tax revenues collected compared to budgeted revenue.

# Yavapai County Management's Discussion and Analysis

## Capital Asset and Debt Administration

**Capital Assets.** Yavapai County's investment in capital assets for its governmental activities as of June 30, 2012, amounts to \$258.1 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, infrastructure, software and construction in progress. In addition, roads and highways constructed in the fiscal year ended June 30, 2012, or in progress at that date, are included in capital assets. Land increased due to the acquisition of property located near the new Juvenile Court Facility and additional right of way acquisition for future road development. Construction in progress increased \$14.2 million due to continued progress on planned capital projects.

### Yavapai County's Capital Assets

(net of depreciation)  
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 60.7	\$ 55.3	\$ -	\$ -	\$ 60.7	\$ 55.3
Buildings	52.0	51.9	-	-	52.0	51.9
Equipment	9.4	9.7	-	.1	9.4	9.8
Infrastructure	99.2	100.3	-	-	99.2	100.3
Software	1.5	2.1	-	-	1.5	2.1
Construction in progress	35.3	21.1	-	-	35.3	21.1
<b>Total</b>	<b>\$ 258.1</b>	<b>\$ 240.4</b>	<b>\$ -</b>	<b>\$ .1</b>	<b>\$ 258.1</b>	<b>\$ 240.5</b>

Additional information on Yavapai County's capital assets can be found in Note 5 on page 46 of this report.

**Long-term Debt.** At the end of the current fiscal year, Yavapai County total outstanding bonds of \$2,470,000 for special district road improvements. These bonds are secured by property assessments levied against the benefiting property owners. During the fiscal year, Yavapai County paid the outstanding bond balances for the Highway Construction Advancement Pledged Revenue Obligations (\$2.8 million) and the Jail District Pledged Revenue Obligations (\$1.8 million).

### Yavapai County's Outstanding Bonds

(in millions)

	2012	2011
Highway Construction Advancement Pledged Revenue Obligations	\$ -	\$ 2.8
Jail District Pledged Revenue Obligations	-	1.8
Special Assessment Debt Payable	2.5	2.6
<b>Total</b>	<b>\$ 2.5</b>	<b>\$ 7.2</b>

State statutes limit the amount of general obligation debt a county may issue to 6 percent of its total assessed valuation. The current debt limitation for the County is \$162,730,673. Since the County has no general obligation debt, this amount equals the debt capacity. Additional information on long-term debt can be found in the Notes to the Financial Statements on pages 47 - 48 of this report.

**Long-term Capital Lease.** On May 15, 2008 the County entered into a long term lease agreement in the amount of \$50 million for a period of twenty years with an interest rate of 4.45%. The lease agreement was renegotiated in June 2009 for \$25 million and is secured by a ground lease for the construction of a juvenile facility and superior court building. The unspent balance of this lease agreement as of June 30, 2012 is \$2,047,766.

# **Yavapai County Management's Discussion and Analysis**

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## **Economic Factors and Next Year's Budgets and Rates**

- The unemployment rate for Yavapai County is currently 8.8%, which has decreased slightly since 2011.
- Inflationary trends in the region are comparable to national and the State of Arizona indices.
- The number of real estate foreclosures continues to be slightly lower than the State of Arizona which ranks among the highest in the nation.
- The economy at the national and state level is anticipated to have the effect of reducing or eliminating Federal and State of Arizona grant programs.

These factors were considered in preparing Yavapai County's budget for the 2012-13 fiscal year. The unassigned ending fund balance in the general fund of \$9,198,985 was appropriated for spending in the 2012-13 fiscal year budget.

## **Requests for Information**

This financial report is designed to provide a greater overview of Yavapai 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 Finance Department, 1015 Fair Street, Prescott, Arizona 86305.

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## **BASIC FINANCIAL STATEMENTS**

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Yavapai County  
Statement of Net Assets  
June 30, 2012

	Primary Government
	Governmental
	Activities
<b>Assets</b>	
Cash and cash equivalents	\$ 81,749,576
Receivables:	
Property taxes	2,438,433
Special assessments	1,815,410
Accounts	1,029,999
Due from other governments	10,005,021
Inventories	464,560
Prepaid items	431,913
Cash equivalents - restricted	2,047,766
Capital assets, not being depreciated	95,953,266
Capital assets, being depreciated, net	162,122,901
Total assets	358,058,845
<b>Liabilities</b>	
Accounts payable	8,294,122
Accrued payroll and employee benefits	1,814,329
Interest payable	133,442
Unearned revenue	1,820,876
Noncurrent liabilities:	
Due within one year	4,567,248
Due in more than one year	30,626,817
Total liabilities	47,256,834
<b>Net Assets</b>	
Invested in capital assets, net of related debt	233,664,415
Restricted for:	
General government	6,437,805
Public safety	8,970,305
Highways and streets	8,134,090
Sanitation	940,781
Health and welfare	3,687,297
Culture and recreation	47,339
Education	1,104,986
Debt service	922,361
Unrestricted	46,892,632
Total net assets	\$ 310,802,011

See accompanying notes to financial statements.

Yavapai County  
Statement of Activities  
Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Assets		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental activities:							
General government	\$ 62,345,662	\$ 5,459,831	\$ 4,317,251	\$ -	\$ (52,568,580)	\$ -	\$ (52,568,580)
Public safety	49,388,684	8,681,147	5,960,491	-	(34,747,046)	-	(34,747,046)
Highways and streets	25,247,610	357,546	10,247,110	654,668	(13,988,286)	-	(13,988,286)
Sanitation	1,465,542	357,344	407,032	-	(701,166)	-	(701,166)
Health	13,191,650	6,569,234	4,591,429	-	(2,030,987)	-	(2,030,987)
Welfare	11,834,457	-	-	-	(11,834,457)	-	(11,834,457)
Culture and recreation	238,532	-	16,641	-	(221,891)	-	(221,891)
Education	3,509,638	1,091,484	1,170,578	1,594,013	346,437	-	346,437
Interest on long-term debt	1,364,868	-	-	-	(1,364,868)	-	(1,364,868)
Total governmental activities	<u>168,586,643</u>	<u>22,516,586</u>	<u>26,710,532</u>	<u>2,248,681</u>	<u>(117,110,844)</u>	<u>-</u>	<u>(117,110,844)</u>
Business-type activities:							
Long Term Care	<u>10,141,138</u>	<u>11,968,091</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,826,953</u>	<u>1,826,953</u>
Total business-type activities	<u>10,141,138</u>	<u>11,968,091</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,826,953</u>	<u>1,826,953</u>
Total primary government	<u>\$ 178,727,781</u>	<u>\$ 34,484,677</u>	<u>\$ 26,710,532</u>	<u>\$ 2,248,681</u>	<u>(117,110,844)</u>	<u>1,826,953</u>	<u>(115,283,891)</u>
General revenues:							
Property taxes, levied for general purposes					45,626,497	-	45,626,497
Property taxes, levied for flood control					6,072,974	-	6,072,974
Sales tax—Jail construction and operation					6,199,337	-	6,199,337
Shared revenue—state sales tax					35,183,607	-	35,183,607
Shared revenue—state vehicle license tax					9,083,699	-	9,083,699
Grants and contributions not restricted to specific programs					2,985,878	-	2,985,878
Franchise taxes					271,003	-	271,003
Investment earnings					227,971	18,363	246,334
Gain (loss) on disposal of capital assets					376,709	(82,060)	294,649
Miscellaneous					4,104,472	-	4,104,472
Transfers					<u>7,656,630</u>	<u>(7,656,630)</u>	<u>-</u>
Total general revenues and transfers					<u>117,788,777</u>	<u>(7,720,327)</u>	<u>110,068,450</u>
Changes in net assets					677,933	(5,893,374)	(5,215,441)
Net assets, July 1, 2011					<u>310,124,078</u>	<u>5,893,374</u>	<u>316,017,452</u>
Net assets, June 30, 2012					<u>\$ 310,802,011</u>	<u>\$ -</u>	<u>\$ 310,802,011</u>

See accompanying notes to financial statements.

Yavapai County  
Balance Sheet  
Governmental Funds  
June 30, 2012

<b>Assets</b>	<u>General</u>	<u>Jail District</u>	<u>Regional Road</u>	<u>HURF Road</u>
Cash and cash equivalents	\$ 7,561,500	\$ -	\$ 11,123,331	\$ 6,988,816
Receivables:				
Property taxes	1,934,855	-	-	-
Special assessments	-	-	-	-
Accounts	599,289	16,202	13,510	47,586
Due from:				
Other funds	275,729	36,677	-	28,186
Other governments	2,785,229	782,259	3,270,666	1,013,748
Inventories	160,627	-	-	303,933
Prepaid items	397,703	-	21,400	234
Cash equivalents - restricted	-	-	-	-
Total assets	<u>\$ 13,714,932</u>	<u>\$ 835,138</u>	<u>\$ 14,428,907</u>	<u>\$ 8,382,503</u>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 1,384,211	\$ 457,977	\$ 1,093,379	\$ 1,218,286
Accrued payroll and employee benefits	1,055,149	193,971	5,775	125,427
Due to other funds	99,911	168,190	-	22,107
Deferred revenue	1,418,346	-	1,400,000	-
Total liabilities	<u>3,957,617</u>	<u>820,138</u>	<u>2,499,154</u>	<u>1,365,820</u>
Fund balances:				
Nonspendable	558,330	-	21,400	304,167
Restricted	-	15,000	-	6,304,272
Committed	-	-	11,908,353	408,244
Unassigned	9,198,985	-	-	-
Total fund balances	<u>9,757,315</u>	<u>15,000</u>	<u>11,929,753</u>	<u>7,016,683</u>
Total liabilities and fund balances	<u>\$ 13,714,932</u>	<u>\$ 835,138</u>	<u>\$ 14,428,907</u>	<u>\$ 8,382,503</u>

See accompanying notes to financial statements.

Capital Projects	Capital Projects Debt Service	Other Governmental Funds	Total Governmental Funds
\$31,552,439	\$ 1,353	\$ 24,522,137	\$ 81,749,576
-	-	503,578	2,438,433
-	-	1,815,410	1,815,410
16,736	-	336,676	1,029,999
-	-	436,086	776,678
331,335	-	1,821,784	10,005,021
-	-	-	464,560
-	-	12,576	431,913
2,047,766	-	-	2,047,766
<u>\$33,948,276</u>	<u>\$ 1,353</u>	<u>\$ 29,448,247</u>	<u>\$ 100,759,356</u>

\$ 1,972,099	\$ -	\$ 2,168,170	\$ 8,294,122
5,455	-	428,552	1,814,329
610	-	485,860	776,678
-	-	2,181,862	5,000,208
<u>1,978,164</u>	<u>-</u>	<u>5,264,444</u>	<u>15,885,337</u>

-	-	12,576	896,473
1,240,585	1,353	22,283,877	29,845,087
30,729,527	-	1,887,350	44,933,474
-	-	-	9,198,985
<u>31,970,112</u>	<u>1,353</u>	<u>24,183,803</u>	<u>84,874,019</u>
<u>\$33,948,276</u>	<u>\$ 1,353</u>	<u>\$ 29,448,247</u>	<u>\$ 100,759,356</u>

Yavapai County  
Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Assets  
June 30, 2012

Fund balances—total governmental funds	\$ 84,874,019
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.	258,076,167
Some receivables are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	3,179,332
Long-term liabilities, including bonds and interest payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(35,327,507)</u>
Net assets of governmental activities	<u>\$ 310,802,011</u>

See accompanying notes to financial statements.

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Yavapai County  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2012

	General	Jail District	Jail District Debt Service	Regional Road
Revenues:				
Taxes	\$ 44,856,653	\$ 6,199,337	\$ -	\$ 4,960,317
Special assessments	-	-	-	-
Licenses and permits	1,250,310	-	-	348,500
Intergovernmental	33,784,181	-	-	1,412,000
Charges for services	1,821,811	3,236,431	-	-
Fines and forfeits	2,524,281	-	-	-
Investment earnings	29,221	2,535	-	36,143
Miscellaneous	341,570	39,946	-	554
Total revenues	<u>84,608,027</u>	<u>9,478,249</u>	<u>-</u>	<u>6,757,514</u>
Expenditures:				
Current:				
General government	46,702,528	-	-	-
Public safety	20,819,822	14,478,655	-	-
Highways and streets	-	-	-	8,748,803
Sanitation	1,141,595	-	-	-
Health	-	-	-	-
Welfare	11,841,743	-	-	-
Culture and recreation	98,783	-	-	-
Education	626,294	-	-	-
Capital outlay	60,293	-	-	-
Debt service:				
Principal	-	-	1,790,000	-
Interest and other charges	-	-	77,803	-
Total expenditures	<u>81,291,058</u>	<u>14,478,655</u>	<u>1,867,803</u>	<u>8,748,803</u>
Excess (deficiency) of revenues over expenditures	3,316,969	(5,000,406)	(1,867,803)	(1,991,289)
Other financing sources (uses):				
Sale of capital assets	128,595	-	-	-
Transfers in	11,434,175	6,865,054	1,865,389	-
Transfers out	(17,253,415)	(1,865,389)	-	(2,450,714)
Total other financing sources (uses)	<u>(5,690,645)</u>	<u>4,999,665</u>	<u>1,865,389</u>	<u>(2,450,714)</u>
Net change in fund balances	(2,373,676)	(741)	(2,414)	(4,442,003)
Fund balances, July 1, 2011	12,456,386	15,741	2,414	16,486,256
Changes in nonspendable resources:				
Increase (decrease) in inventories	(13,282)	-	-	-
Increase (decrease) in prepaid items	(312,113)	-	-	(114,500)
Fund balances, June 30, 2012	<u>\$ 9,757,315</u>	<u>\$ 15,000</u>	<u>\$ -</u>	<u>\$ 11,929,753</u>

See accompanying notes to financial statements.

Regional Road Debt Service	HURF Road	Capital Projects	Capital Projects Debt Service	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 3,547,068	\$ -	\$ 11,021,667	\$ 70,585,042
-	-	-	-	445,430	445,430
-	-	-	-	753,797	2,352,607
-	11,536,855	1,115,660	-	20,107,631	67,956,327
-	-	-	-	8,842,949	13,901,191
-	-	-	-	551,298	3,075,579
550	17,744	73,656	34	68,088	227,971
-	142,865	-	-	3,749,768	4,274,703
<u>550</u>	<u>11,697,464</u>	<u>4,736,384</u>	<u>34</u>	<u>45,540,628</u>	<u>162,818,850</u>
-	-	-	-	13,581,613	60,284,141
-	-	-	-	13,140,002	48,438,479
-	13,810,605	-	-	280,142	22,839,550
-	-	-	-	303,462	1,445,057
-	-	-	-	13,121,564	13,121,564
-	-	-	-	-	11,841,743
-	-	-	-	73,565	172,348
-	-	-	-	3,620,305	4,246,599
-	-	20,047,161	-	1,849,216	21,956,670
2,800,000	-	-	1,010,482	175,000	5,775,482
17,406	-	-	1,101,383	168,276	1,364,868
<u>2,817,406</u>	<u>13,810,605</u>	<u>20,047,161</u>	<u>2,111,865</u>	<u>46,313,145</u>	<u>191,486,501</u>
(2,816,856)	(2,113,141)	(15,310,777)	(2,111,831)	(772,517)	(28,667,651)
-	220,042	-	-	28,072	376,709
2,450,714	1,565,255	7,712,491	2,111,865	1,659,489	35,664,432
-	-	(2,836,865)	-	(3,601,419)	(28,007,802)
<u>2,450,714</u>	<u>1,785,297</u>	<u>4,875,626</u>	<u>2,111,865</u>	<u>(1,913,858)</u>	<u>8,033,339</u>
(336,142)	(327,844)	(10,435,151)	34	(2,686,375)	(20,634,312)
366,142	7,444,866	42,405,263	1,319	26,888,455	106,066,842
-	6,949	-	-	-	(6,333)
-	(107,288)	-	-	(18,277)	(552,178)
<u>\$ -</u>	<u>\$ 7,016,683</u>	<u>\$ 31,970,112</u>	<u>\$ 1,353</u>	<u>\$ 24,183,803</u>	<u>\$ 84,874,019</u>

Yavapai 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, 2012

Net change in fund balances—total governmental funds		\$ (20,634,312)
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.		
Capital outlay	33,593,043	
Depreciation expense	(15,872,542)	17,720,501
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. 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 repaid on bonds and capital lease		5,775,482
Collections of revenues in the governmental funds exceeded revenues reported in the Statement of Activities.		
		(1,400,000)
Deferred tax revenues are recognized in the governmental funds only when available, but are recognized in the Statement of Activities when earned.		
		(187,608)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available resources. In the Statement of Activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when the financial resources are available.		
Increase in compensated absences	(103,384)	
Decrease in claims and judgments	140,666	
Increase in interest payable	(87,088)	
Decrease in landfill closure and postclosure care costs	12,187	(37,619)
Some cash outlays, such as purchases of inventories, are reported as expenditures in the governmental funds when purchased. In the Statement of Activities, however, they are reported as expenses when consumed.		
Decrease in inventories	(6,333)	
Decrease in prepaid items	(552,178)	<u>(558,511)</u>
Change in net assets of governmental activities		<u>\$ 677,933</u>

See accompanying notes to financial statements.

Yavapai County  
Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Proprietary Funds  
Year Ended June 30, 2012

	Business-type Activities- Enterprise Fund
	Long Term Care
Operating revenues:	
AHCCCS revenues	\$ 11,952,904
Miscellaneous	15,187
Total operating revenues	11,968,091
Operating expenses:	
Medical costs	9,152,217
Administrative costs	977,420
Depreciation	11,501
Total operating expenses	10,141,138
Operating income	1,826,953
Nonoperating revenues (expenses):	
Investment earnings	18,363
Loss on disposal of capital assets	(82,060)
Total nonoperating expenses	(63,697)
Income before transfers	1,763,256
Transfers out	(7,656,630)
Decrease in net assets	(5,893,374)
Total net assets, July 1, 2011	5,893,374
Total net assets, June 30, 2012	\$ -

See accompanying notes to financial statements.

Yavapai County  
Statement of Cash Flows  
Proprietary Funds  
Year Ended June 30, 2012

	Business-Type Activities— Enterprise Fund
	Long Term Care
Cash flows from operating activities:	
Cash received from AHCCCS	\$ 12,494,047
Cash payments for medical services	(12,959,980)
Cash payments for employee wages and benefits	(779,150)
Cash payments to other County funds for goods and services	(107,539)
Cash payments for operating activities	(575,977)
Net cash used for operating activities	(1,928,599)
Cash flows from noncapital financing activities:	
Cash transfers to general fund	(7,656,630)
Cash flows from capital and related financing activities:	
Proceeds from sale of capital assets	4,496
Cash flows from investing activities:	
Interest received on investments	18,363
Net decrease in cash and cash equivalents	(9,562,370)
Cash and cash equivalents, July 1, 2011	9,562,370
Cash and cash equivalents, June 30, 2012	\$ -
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 1,826,953
Adjustments to reconcile operating income to net cash used for operating activities:	
Depreciation	11,501
Changes in assets and liabilities:	
Decrease in:	
Due from other governments	825,067
Accounts payable	(56,761)
Accrued payroll and employee benefits	(320,946)
Medical claims payable	(3,871,995)
Due to other funds	(43,307)
Due to other governments	(299,111)
Net cash used for operating activities	\$ (1,928,599)
Schedule of non-cash capital and related financing activities:	
Donations and other disposals of capital assets	(86,556)

See accompanying notes to financial statements.

Yavapai County  
Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2012

	Investment Trust Funds	Agency Funds
<b>Assets</b>		
Cash and cash equivalents	\$ 103,775,557	\$ 2,857,582
Total assets	103,775,557	\$ 2,857,582
 <b>Liabilities</b>		
Deposits held for others	-	\$ 2,857,582
Total liabilities	-	\$ 2,857,582
 <b>Net Assets</b>		
Held in trust for investment trust participants	\$ 103,775,557	

See accompanying notes to financial statements.

Yavapai County  
Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds  
Year Ended June 30, 2012

	Investment Trust Funds
Additions:	
Contributions from participants	\$ 379,816,879
Investment earnings	304,898
Total additions	380,121,777
Deductions:	
Distributions to participants	392,948,820
Total deductions	392,948,820
Change in net assets	(12,827,043)
Net assets, July 1, 2011	116,602,600
Net assets, June 30, 2012	\$ 103,775,557

See accompanying notes to financial statements.

Yavapai County  
Notes to Financial Statements  
June 30, 2012

**Note 1 - Summary of Significant Accounting Policies**

Yavapai County's accounting policies conform to generally accepted accounting principles applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB).

**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 so intertwined with the County that they 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:

<u>Component Unit</u>	<u>Description; Criteria for Inclusion</u>	<u>Reporting Method</u>	<u>For Separate Financial Statements</u>
Yavapai County Flood Control District	A tax-levying district that provides flood control systems; the County's Board of Supervisors serves as the board of directors	Blended	Not available
Yavapai County Library District	Provides and maintains library services for the County's residents; the County's Board of Supervisors serves as the board of directors	Blended	Not available

Yavapai County  
Notes to Financial Statements  
June 30, 2012

<u>Component Unit</u>	<u>Description; Criteria for Inclusion</u>	<u>Reporting Method</u>	<u>For Separate Financial Statements</u>
Yavapai County Special Assessment Districts	Constructs or improves sidewalks, curbs and gutters, irrigation systems, and street lighting within the County; the County's Board of Supervisors serves as the board of directors	Blended	Not available
Yavapai County Jail District	A tax-levying district that acquires, constructs, operates, maintains, and finances county jails and jail systems; the County's Board of Supervisors serves as the governing board	Blended	Not available

*Related Organizations* – The United States Department of Agriculture deeded property to Yavapai County on February 6, 1957 to be used exclusively as a public airport facility. The property shall automatically revert to the United States in the event the property ceases to be used as a public airport facility. The Sedona-Oak Creek Airport Authority (Airport Authority) was created for the purpose of developing and promoting transportation and commerce by air in the State of Arizona, and in particular the development, promotion, and operation of air transportation facilities and air commerce in and around the Sedona area. In 1971, the Airport Authority entered into a 60-year lease with Yavapai County to manage and operate the Sedona Airport facility, which is owned by the County. The Airport Authority is governed by a 13 member Board of Directors approved by the County's Board of Supervisors. However, the Airport Authority's operations are completely separate from the County, and the County is not financially accountable for the Airport Authority. Therefore, based on the criterion of GASB Statement Nos. 14 and 39, the financial activities of the Airport Authority have not been included in the accompanying financial statements.

The Industrial Development Authority of Yavapai County (Authority) is a legally separate entity that was created to assist in the financing of commercial and industrial enterprises: safe, sanitary, and affordable housing; and healthcare facilities. The Authority fulfills its function through the issuance of tax exempt or taxable revenue bonds. The County's Board of Supervisors appoints the Authority's Board of Directors. The Authority's operations are completely separate from the County and the County is not financially accountable for the Authority. Therefore, based on the criterion of GASB Statements Nos. 14 and 39, the financial activities of the Authority have not been included in the accompanying financial statements.

Yavapai County  
Notes to Financial Statements  
June 30, 2012

**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 overall government's financial activities, 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 levied or imposed by the County, 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 are classified as either operating or nonoperating. Operating revenues and expenses generally result from transactions associated with the fund's principal activity. Accordingly, revenues, such as AHCCCS revenues and user charges, in which each party receives and gives up essentially equal values, are operating revenues. Other revenues, such as investment earnings, result from transactions in

Yavapai County  
Notes to Financial Statements  
June 30, 2012

which the parties do not exchange equal values and are considered nonoperating revenues. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. Other expenses, such as interest expense, 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 *Jail District Fund* accounts for County jail operations and is funded by a ¼ cent County sales tax.

The *Jail District Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on the revenue bonds issued for the construction and remodeling of the County jail.

The *Regional Road Fund* accounts for road construction and maintenance of major regional roads and is funded by a portion of the ½ cent County sales tax and impact fees.

The *Regional Road Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on the revenue bonds issued to advance monies to the Arizona Department of Transportation to accelerate construction on State Route 260.

The *HURF Road Fund* accounts for road maintenance and construction of nonmajor roads and is funded primarily by highway user revenue.

The *Capital Projects Fund* accounts for major capital projects and is funded by a portion of the ½ cent County sales tax, intergovernmental revenues and transfers from other funds.

The *Capital Projects Debt Service Fund* accounts for the resources accumulated and payments made on the capital lease agreement for the construction of court and juvenile detention buildings.

The County reports the following major enterprise fund:

The *Long Term Care Fund* accounts for the activities of the Yavapai County Long Term Care department. The Long Term Care department operates a prepaid health program for qualified persons of the County.

The County reports the following fund types:

The *investment trust funds* account for pooled assets the County Treasurer holds and invests on behalf of other governmental entities.

Yavapai County  
Notes to Financial Statements  
June 30, 2012

The *agency funds* account for assets the County holds as an agent for the State, cities, towns, and other parties.

**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.

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, except for PILT, to such programs before using general revenues.

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 year end. The County's major revenue sources that are susceptible to accrual are property taxes, special assessments, intergovernmental, charges for services, and investment earnings. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, compensated absences, and landfill closure and postclosure care costs, 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.

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 not to follow those FASB Statements and Interpretations issued after November 30, 1989.

**D. Cash and Investments**

For purposes of its statement of cash flows, the County considers cash on hand, demand deposits, cash on deposit with the County Treasurer, and only those highly liquid investments with a maturity of 3 months or less when purchased to be cash equivalents.

Money market investments with a remaining maturity of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value.

Yavapai County  
Notes to Financial Statements  
June 30, 2012

**E. Inventories**

Inventories in the government-wide financial statements are recorded as assets when purchased and expensed when consumed. These inventories are stated at cost using the first-in, first-out method.

The County accounts for its inventories in the governmental funds using the purchase method. Inventories of the governmental funds consist of expendable supplies held for consumption and are recorded as expenditures at the time of purchase. Amounts on hand at year end are shown on the balance sheet as an asset for informational purposes only and as nonspendable fund balance to indicate that they do not constitute "available spendable resources." These inventories are stated at cost using the first-in, first-out method.

**F. Prepaid Items**

In the government-wide financial statements, prepaid purchases are recorded as assets when the goods or services are purchased and expensed over the period consumed.

Prepaid items are accounted for using the purchase method in the governmental fund financial statements. Using this method, expenditures are reported at the time of purchase and unexpended amounts at year-end are reported on the balance sheet as prepaid items for informational purposes and as nonspendable fund balance to indicate that they do not constitute "available spendable resources."

**G. 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.

**H. 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 are as follows:

Yavapai County  
Notes to Financial Statements  
June 30, 2012

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land (including right of ways and easements)	\$10,000	N/A	N/A
Buildings	10,000	Straight-line	20-40 years
Equipment	5,000	Straight-line	5-10 years
Infrastructure	10,000	Straight-line	15-75 years
Software	10,000	Straight-line	3-5 years
Construction in progress	10,000	N/A	N/A

**I. Fund Balance Classifications**

Fund balances of the governmental funds are reported separately within classifications based on a hierarchy of the constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, and unrestricted, which includes committed, assigned, and unassigned fund balance classifications.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form, such as inventories, or are legally or contractually required to be maintained intact. Restricted fund balances are those that have externally imposed restrictions on their usage by creditors, such as through debt covenants, grantors, contributors, or laws and regulations.

The unrestricted fund balance category is composed of committed, assigned, and unassigned resources. Committed fund balances are self-imposed limitations approved by the County's Board of Supervisors, which is the highest level of decision-making authority within the County. The Board can, by approval of an agenda item, commit fund balance. The constraints placed on committed fund balances can only be removed or changed by the Board, by approval of an agenda item to remove or revise the limitation.

Assigned fund balances are resources constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Supervisors has not delegated authority to make assignments of resources for a specific purpose.

The unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not reported in the other classifications. Also, deficits in fund balances of the other governmental funds are reported as unassigned.

When an expenditure is incurred that can be paid from either restricted or unrestricted fund balances, the County uses restricted fund balance first. For the disbursement of unrestricted fund balances, the County will use committed amounts first, followed by assigned amounts, and lastly unassigned amounts.

Yavapai County  
Notes to Financial Statements  
June 30, 2012

**J. Investment Earnings**

Investment earnings is composed of interest, dividends, and net changes in the fair value of applicable investments.

**K. Compensated Absences**

Compensated absences payable consists of paid time off (PTO) leave earned by employees based on services already rendered.

Employees may accumulate up to 764 hours of PTO, depending on years of service, but any PTO hours in excess of the maximum amount are forfeited. Upon terminating employment, all unused and unforfeited PTO benefits are paid to employees. Accordingly, PTO benefits are accrued as a liability in the government-wide 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 up to 520 hours of catastrophic time (CAT) leave. CAT leave may be used in the case of illness or injury suffered by an employee or employee's immediate family, but only after using at least forty hours of consecutive PTO leave. CAT leave benefits are cumulative but are forfeited upon terminating employment. Because CAT leave benefits do not vest with employees, a liability for CAT leave benefits is not accrued in the financial statements.

**Note 2 - Reporting Changes**

On September 30, 2011, the Long Term Care Fund's (enterprise fund) contract with the Arizona Health Care Cost Containment System (AHCCCS) expired and was not renewed by AHCCCS. In accordance with contract requirements, initial claim submissions were accepted for a 6 month period, ending March 31, 2012. The residual equity of \$7.7 million was transferred to the County's governmental activities (General Fund) and the Long Term Care Fund was closed as of June 30, 2012.

**Note 3 - 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 and notes; 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; and certain open-end and closed-end mutual funds, including exchange traded funds. In addition, the County Treasurer may invest trust funds in certain fixed income securities of corporations doing business in the United States or District of Columbia.

Yavapai County  
Notes to Financial Statements  
June 30, 2012

Credit risk

Statutes have the following requirements for credit risk:

1. Commercial paper must be of prime quality and be rated within the top two ratings by a nationally recognized rating agency.
2. Corporate bonds, debentures, and notes must be rated within the top three ratings by a nationally recognized rating agency.
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 deposits and certificates of deposit 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. 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, 2012, the carrying amount of the County's deposits was \$51,352,567, and the bank balance was \$54,731,113. The County does not have a formal policy with respect to custodial credit risk.

At June 30, 2012, \$50,342,346 of the County's bank balance was exposed to custodial credit risk as follows:

Uninsured with collateral held by the pledging financial institution's trust department or agent but not in the County's name	<u>\$ 50,342,346</u>
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Investments—The County's investments at June 30, 2012, were as follows:

Investment Type	Amount
State Treasurer's Investment Pool 7	\$ 19,589,404
U.S. Treasury securities	12,994,944
U.S. agency securities	45,079,602
Repurchase agreement	57,321,418
Money market funds	2,047,766
U.S. corporate bonds	1,997,538
	<u>\$ 139,030,672</u>

Yavapai County  
Notes to Financial Statements  
June 30, 2012

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, 2012, credit risk for the County's investments was as follows:

Investment Type	Rating	Rating Agency	Amount
State Treasurer's Investment Pool 7	Unrated	Not applicable	\$ 19,589,404
Repurchase agreement (implicitly guaranteed)	Unrated	Not applicable	57,321,418
U.S. agency securities	Aaa	Moody's	45,079,602
Money market funds	Aaa-mf	Moody's	2,047,766
U.S. corporate bonds	A1	Moody's	1,997,538
			<u>\$126,035,728</u>

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 an outside party's possession. The County does not have a formal investment policy with respect to custodial credit risk. At June 30, 2012, the County had \$2.0 million of money market funds that were uninsured and held by the counterparty's trust department 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, 2012, of 5 percent or more in Federal National Mortgage Association, Federal Home Loan Mortgage Corporation and Federal Home Loan Bank. These investments were 60.7 percent, 5.4 percent and 6.9 percent, respectively, of the County's total investments.

Interest rate risk—The County does not have a formal policy regarding interest rate risk. At June 30, 2012, the County had the following investments in debt securities:

Investment Type	Amount	Weighted Average Maturity (Years)
State Treasurer's Investment Pool 7	\$ 19,589,404	.08
U.S. Treasury securities	12,994,944	1.09
U.S. agency securities	45,079,602	2.49
Repurchase agreement	57,321,418	.01
Money market funds	2,047,766	.15
U.S. corporate bonds	1,997,538	1.79
	<u>\$139,030,672</u>	

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

Cash, deposits, and investments:

Cash on hand	\$ 47,242
Amount of deposits	51,352,567
Amount of investments	139,030,672
Total	\$ 190,430,481

	Governmental Activities	Investment Trust Funds	Agency Funds	Total
Cash and cash equivalents	\$ 81,749,576	\$103,775,557	\$ 2,857,582	\$ 188,382,715
Cash equivalents - restricted	2,047,766	-	-	2,047,766
Total	\$ 83,797,342	\$103,775,557	\$ 2,857,582	\$ 190,430,481

The restricted cash balance of \$2,047,766 is for construction of capital projects.

**Note 4 - Due From Other Governments**

Amounts due from other governments for governmental activities at June 30, 2012, include \$1,994,629 in state-shared revenue from sales tax, \$331,335 in county excise tax distributions due from the State Treasurer, \$262,728 in state motor vehicle license taxes from the Arizona Department of Transportation, \$101,900 due from other counties for mental health services and \$94,637 in other fees from federal, state, and local governments recorded in the General Fund; \$552,215 in sales tax collections, \$219,889 in inmate housing fees and \$10,155 in other fees from the federal, state and local governments recorded in the Jail District Fund; \$2,800,000 in highway construction advances due from the Arizona Department of Transportation, \$441,781 in county excise tax distributions due from the State Treasurer and \$28,885 in other fees from the federal, state and local governments recorded in the Regional Road Fund; \$903,125 in state-shared revenue from highway user taxes, \$96,246 in state motor vehicle license tax and \$14,377 in other fees from federal, state, and local governments recorded in the HURF Road Fund; \$331,335 in county excise tax distributions due from the State Treasurer recorded in the Capital Projects Fund; and \$1,821,784 in grants and other fees from federal, state and local governments recorded in the Other Governmental Funds.

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**Note 5 - Capital Assets**

Capital asset activity for the year ended June 30, 2012, was as follows:

	Balance July 1, 2011	Increases	Decreases	Balance June 30, 2012
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 55,336,183	\$ 7,228,150	\$ (1,903,655)	\$ 60,660,678
Construction in progress	21,135,594	26,834,591	(12,677,597)	35,292,588
Total capital assets not being depreciated	<u>76,471,777</u>	<u>34,062,741</u>	<u>(14,581,252)</u>	<u>95,953,266</u>
Capital assets being depreciated:				
Buildings	71,613,302	1,957,422	-	73,570,724
Equipment	39,728,212	3,309,828	(1,755,588)	41,282,452
Infrastructure	296,844,296	16,656,406	(11,083,087)	302,417,615
Software	3,563,953	147,977	-	3,711,930
Total	<u>411,749,763</u>	<u>22,071,633</u>	<u>(12,838,675)</u>	<u>420,982,721</u>
Less accumulated depreciation for:				
Buildings	(19,739,283)	(1,845,294)	-	(21,584,577)
Equipment	(30,068,764)	(3,547,293)	1,748,272	(31,867,785)
Infrastructure	(196,544,967)	(9,789,560)	3,130,323	(203,204,204)
Software	(1,512,859)	(690,395)	-	(2,203,254)
Total	<u>(247,865,873)</u>	<u>(15,872,542)</u>	<u>4,878,595</u>	<u>(258,859,820)</u>
Total capital assets, being depreciated, net	<u>163,883,890</u>	<u>6,199,091</u>	<u>(7,960,080)</u>	<u>162,122,901</u>
Governmental activities capital assets, net	<u>\$240,355,667</u>	<u>\$ 40,261,832</u>	<u>\$(22,541,332)</u>	<u>\$258,076,167</u>
<b>Business-type activities:</b>				
Capital assets being depreciated:				
Equipment	\$ 830,697	\$ -	\$ (830,697)	\$ -
Less accumulated depreciation for:				
Equipment	(732,640)	(11,501)	744,141	-
Business-type activities capital assets, net	<u>\$ 98,057</u>	<u>\$ (11,501)</u>	<u>\$ (86,556)</u>	<u>\$ -</u>

Depreciation expense was charged to functions as follows:

<b>Governmental activities:</b>	
General government	\$ 3,326,284
Public safety	1,573,256
Highway and streets	10,602,978
Sanitation	28,567
Health	199,174
Culture and recreation	115,440
Education	26,843
Total governmental activities depreciation expense	<u>\$ 15,872,542</u>
<b>Business-type activities:</b>	
Long Term Care	\$ 11,501
Total business-type activities depreciation expense	<u>\$ 11,501</u>

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**Note 6 - Construction Commitments**

The County had major contractual commitments related to various capital projects at June 30, 2012, for the construction of road improvements and buildings. At June 30, 2012, the County had spent \$24,653,633 on these projects and had remaining contractual commitments with contractors of \$6,508,883. The road improvement projects are being funded by sales taxes out of the Regional Road Fund. The building construction is being funded by a capital lease and sales taxes out of the Capital Projects Fund.

**Note 7 - Long-Term Liabilities**

The following schedule details the County's long-term liability and obligation activity for the year ended June 30, 2012:

	Balance July 1, 2011	Additions	Reductions	Balance June 30, 2012	Due within 1 year
<b>Governmental Activities:</b>					
Revenue bonds	\$ 4,590,000	\$ -	\$ (4,590,000)	\$ -	\$ -
Special assessment debt	2,645,000	-	(175,000)	2,470,000	175,000
Total revenue bonds and special assessment debt payable	<u>7,235,000</u>	<u>-</u>	<u>(4,765,000)</u>	<u>2,470,000</u>	<u>175,000</u>
Capital leases payable	25,000,000	-	(1,010,482)	23,989,518	1,055,950
Landfill closure and postclosure care costs payable	1,003,404	9,553	(21,740)	991,217	21,476
Compensated absences payable	7,232,269	5,598,751	(5,495,367)	7,335,653	3,141,770
Claims and judgments payable	548,343	160,023	(300,689)	407,677	173,052
Total governmental activities long-term liabilities	<u>\$ 41,019,016</u>	<u>\$ 5,768,327</u>	<u>\$ (11,593,278)</u>	<u>\$ 35,194,065</u>	<u>\$ 4,567,248</u>

**Revenue bonds**

On February 13, 2002, the Yavapai County Jail District issued \$15,260,000 in revenue bonds that are noncallable with interest payable semiannually. The bond proceeds were used to construct a new jail and to remodel an existing jail. The District pledged the maintenance of effort payments from the County's general fund to the District and the voter approved excise tax to repay the bonds. The final payment on the revenue bonds was made during fiscal year 2011-12 and there is no outstanding balance. Principal and interest paid for the current year were \$1,866,970, and the maintenance of effort and voter approved excise tax were \$6,490,787 and \$6,199,337, respectively.

On July 3, 2007, the County issued \$25,375,000 in variable rate demand highway construction advancement revenue bonds. The bond proceeds were advanced to the Arizona Department of Transportation (ADOT) to accelerate construction on State Route 260 in accordance with Arizona Revised Statutes (A.R.S.) §11-269.03. ADOT is required to repay advances not more than 5 years from the date of the advance pursuant to A.R.S §28-7677. The County has pledged excise and state shared sales taxes to repay the bonds. The County is required to continue to impose and collect up to the maximum rate by law, in each fiscal year, the excise tax and to receive the state shared excise tax proceeds in the amount at least two times the maximum annual debt service of the

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bonds. There is no principal payment required until July 2018, when the bonds are to be paid in full. However, the final principal payment of \$2,800,000 was made during the current year and there is no outstanding balance. Interest paid for the current year was \$17,406, and the excise and state shared sales taxes were, \$12,227,623 and \$22,955,984, respectively.

**Special assessment debt**

Special assessment bonds are secured by pledges of revenues from special assessments levied against the benefiting property owners. Bond proceeds were used to finance construction in these districts. These bonds are generally callable with interest payable semiannually. However, in accordance with the bond indenture for each special assessment bond issue, and in the opinion of the County Attorney, the County is not legally obligated in any way for the special assessment bonded indebtedness. The total principal and interest remaining on the bonds is \$3,708,488, payable through January 2030. Annual principal and interest payments on the bonds are expected to require 100% of pledged revenues. Principal and interest paid for the current year were \$342,544 and the special assessments were \$445,430.

The following special assessment districts had debt outstanding at June 30, 2012:

Description	Original Amount	Maturity Ranges	Interest Rates	Outstanding Principal June 30, 2012
Coyote Springs Road Improvement	\$1,552,000	1/1/13-1/1/22	6.40%	\$ 800,000
Poquito Valley Road Improvement	1,857,000	1/1/13-1/1/30	6.625%	1,670,000
Total				<u>\$ 2,470,000</u>

The following schedule details debt service requirements to maturity for the County's special assessment debt payable at June 30, 2012:

Year ending June 30	Principal	Interest
2013	\$ 175,000	\$ 156,131
2014	175,000	144,717
2015	175,000	133,303
2016	175,000	121,889
2017	175,000	110,476
2018-2022	875,000	381,172
2023-2027	450,000	163,969
2028-2030	270,000	26,831
Total	<u>\$ 2,470,000</u>	<u>\$ 1,238,488</u>

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**Capital leases**

On May 15, 2008, the County entered into a \$50,000,000 capital lease agreement to finance the construction of court, administrative, and juvenile detention buildings. The property for these facilities is owned by the County. The lessor leased these sites from the County and leased the sites and the facilities being financed back to the County. On June 15, 2009, the County entered into a revised capital lease agreement which allowed the County to prepay \$25,000,000 in principal and a prepayment penalty of \$250,000. Lease payments will equal the aggregate amount of principal and interest required to extinguish the debt. Upon the final lease payment, the title to the assets will transfer to the County. The County's obligation to make lease payments will be subject to and is dependent upon annual appropriations being made by the County.

The assets acquired through the capital lease are as follows:

	Governmental Activities
Construction in progress	\$ 12,462,971
Buildings	9,154,726
Less: accumulated depreciation	<u>(476,809)</u>
Carrying value	<u>\$ 21,140,888</u>

The following schedule details debt service requirements to maturity for the County's capital lease payable at June 30, 2012:

	Governmental Activities
Year ending June 30	
2013	\$ 2,111,865
2014	2,111,865
2015	2,111,865
2016	2,111,865
2017	2,111,865
2018-2022	10,559,325
2023-2027	10,559,325
2028	<u>2,111,865</u>
Total minimum lease payments	33,789,840
Less amount representing interest	<u>(9,800,322)</u>
Present value of net minimum lease payments	<u>\$ 23,989,518</u>

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**Landfill closure and postclosure care costs**

State and federal laws and regulations require the County to place final covers on its 7 landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. Although closure and postclosure care costs will not be paid until near or after the dates that the landfills stop accepting waste, the County reports a portion of these closure and postclosure care costs in each period that the County operates the landfills. These costs will be paid from the Landfill/Environment special revenue fund.

The amount recognized each year is based on landfill capacity used at the end of each fiscal year. All 7 landfills stopped accepting waste and were closed prior to June 30, 2012. As of June 30, 2012, the landfill closure and postclosure care liability of \$991,217 represents the cumulative amount of costs remaining on these closed landfills, which is net of expenditures incurred to date. This amount is based on what it would cost to perform all closure and postclosure care in fiscal year 2012 and has been adjusted for changes in estimates during the fiscal year. The actual cost may be higher due to inflation, changes in technology, or changes in regulations.

According to state and federal laws and regulations, the County must comply with the local government financial test requirements that ensure that the County can meet the costs of landfill closure, postclosure, and corrective action when needed. The County is in compliance with these requirements.

**Insurance claims**

The County provides health benefits to its employees and their dependents through the Yavapai Combined Trust, currently composed of four members. The Trust provides benefits up to \$225,000 per individual per plan year through a self-funding agreement with its participants and purchases commercial insurance to cover claims in excess of this limit. The Trust does not provide any postemployment benefits. An independent administrator provides the trust with claim and recordkeeping services. The County is responsible for paying the premiums and requires its employees to contribute for dependent coverage. The County is not liable for claims in excess of coverage limits and cannot be assessed retroactive premium adjustments. If it withdraws from the Trust, the County would be responsible for its proportional share of any claims run-out costs, which exceed Trust Fund reserves established for the incurred but not reported claims liability. If the Trust were to terminate, the County would be responsible for its proportional share of any Trust deficit.

**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 2012, the County paid for compensated absences as follows: 57 percent from the General Fund, 18 percent from major funds, and 25 percent from other funds. The County paid for claims and judgments from the General Fund.

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**Note 8 - Fund Balance Classifications of the Governmental Funds**

The fund balance classifications of the governmental funds as of June 30, 2012, were as follows:

	General	Jail District	Regional Road	HURF Road
<b>Fund balances:</b>				
<b>Nonspendable:</b>				
Inventories	\$ 160,627	\$ -	\$ -	\$ 303,933
Prepaid items	397,703	-	21,400	234
Total nonspendable	<u>558,330</u>	<u>-</u>	<u>21,400</u>	<u>304,167</u>
<b>Restricted for:</b>				
Social services	-	-	-	-
Law enforcement	-	15,000	-	-
Flood control	-	-	-	-
Highways and streets	-	-	-	6,304,272
Sanitation	-	-	-	-
Health	-	-	-	-
Culture and recreation	-	-	-	-
Education	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Total restricted	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>6,304,272</u>
<b>Committed to:</b>				
Social services	-	-	-	-
Law enforcement	-	-	-	-
Highways and streets	-	-	11,908,353	408,244
Health	-	-	-	-
Culture and recreation	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Total committed	<u>-</u>	<u>-</u>	<u>11,908,353</u>	<u>408,244</u>
<b>Unassigned</b>	<u>9,198,985</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>\$ 9,757,315</u>	<u>\$ 15,000</u>	<u>\$ 11,929,753</u>	<u>\$ 7,016,683</u>

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Capital Projects	Capital Projects Debt Service	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 464,560
-	-	12,576	431,913
-	-	12,576	896,473
-	-	6,294,902	6,294,902
-	-	3,550,087	3,565,087
-	-	5,198,114	5,198,114
-	-	429,818	6,734,090
-	-	940,781	940,781
-	-	3,687,297	3,687,297
-	-	47,339	47,339
-	-	1,104,986	1,104,986
-	1,353	921,008	922,361
1,240,585	-	109,545	1,350,130
1,240,585	1,353	22,283,877	29,845,087
-	-	30,423	30,423
-	-	11,502	11,502
-	-	-	12,316,597
-	-	871,871	871,871
-	-	122,506	122,506
-	-	851,048	851,048
30,729,527	-	-	30,729,527
30,729,527	-	1,887,350	44,933,474
-	-	-	9,198,985
\$31,970,112	\$ 1,353	\$ 24,183,803	\$ 84,874,019

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**Note 9 - 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. For these risks of loss, the County joined and is covered by three public entity risk pools: the Arizona Counties Property and Casualty Pool and the Arizona Counties Workers' Compensation Pool which are described below, and the Yavapai Combined Trust, which is described on page 50.

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 \$25,000 per occurrence for property claims and \$50,000 per occurrence for liability claims. The County is also responsible for any payments in excess of the maximum coverage of \$300 million per occurrence for property claims and \$15 million per occurrence for liability claims. However, lower limits apply to certain categories of losses. 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.

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**Note 10 - Pensions and Other Postemployment Benefits**

**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 the plans generally provide retirement, long-term disability, and health insurance premium benefits, including death and survivor benefits. The retirement benefits are generally paid at a percentage, based on years of service, of the retirees' average compensation. Long-term disability benefits vary by circumstance, but generally pay a percentage of the employee's monthly compensation. Health insurance premium benefits are paid as a fixed dollar amount per month towards the retiree's healthcare insurance premiums, in amounts based on whether the benefit is for the retiree or for the retiree and his or her dependents.

The *Arizona State Retirement System* (ASRS) administers a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing, multiple-employer defined benefit health insurance premium plan; and a cost-sharing, multiple-employer defined benefit long-term disability plan that covers employees of the State of Arizona and employees of participating political subdivisions and school districts. 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) administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium plan that covers public safety personnel who are regularly assigned hazardous duty as employees of the State of Arizona and participating political subdivisions. The PSPRS, acting as a common investment and administrative agent, is governed by a seven-member board, known as The Board of Trustees, 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) administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium plan that covers state, county, and local correction officers; dispatchers; and probation, surveillance, and juvenile detention officers. The Dispatchers is a group separately covered under the plan and is not described due to its relative insignificance to the County's financial statements. The Administrative Office of the Courts Probation Officers is a group separately covered under the plan in which the related plan information that follows is separately referred to as the CORP-AOC. The CORP is governed by The Board of Trustees 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 annual 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 85067-3910  
(602) 240-2000 or 1-800-621-3778

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

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**Funding Policy**—The Arizona State Legislature establishes and may amend active plan members' and the County's contribution rates for the ASRS, PSPRS, and CORP.

*Cost-sharing plans*—For the year ended June 30, 2012, active ASRS members were required by statute to contribute at the actuarially determined rate of 10.74 percent (10.5 percent for retirement and 0.24 percent for long-term disability) of the members' annual covered payroll and the County was required by statute to contribute at the actuarially determined rate of 10.74 percent (9.87 percent for retirement, 0.63 percent for health insurance premium, and 0.24 percent for long-term disability) of the members' annual covered payroll.

The County's contributions for the current and 2 preceding years, all of which were equal to the required contributions, were as follows:

Year ended June 30	Retirement Fund	Health Benefit Supplement Fund	Long-Term Disability Fund
2012	\$ 4,246,623	\$ 271,061	\$ 103,261
2011	\$ 3,913,087	\$ 256,240	\$ 108,576
2010	\$ 3,759,932	\$ 297,549	\$ 180,332

*Agent plans*—For the year ended June 30, 2012, active PSPRS members were required by statute to contribute 8.65 percent of the members' annual covered payroll and the County was required to contribute 22.84 percent, the aggregate of which is the actuarially required amount. The health insurance premium portion of the contribution rate was actuarially set at 1.55 percent of covered payroll. Active CORP members were required by statute to contribute 8.41 percent of the members' annual covered payroll. In addition, the County was required to contribute 8.01 percent. The aggregate of the members' and the County's contributions is the actuarially required amount. The health insurance premium portion of the contribution rate was actuarially set at 0.92 percent of covered payroll. Active CORP-AOC members were required by statute to contribute 8.41 percent of the members' annual covered payroll. In addition, the County was required to contribute 13.13 percent. The aggregate of the members' and the County's contributions is the actuarially required amount. The health insurance premium portion of the contribution rate was actuarially set at 1.43 percent of covered payroll.

*Actuarial methods and assumptions*—The contribution requirements for the year ended June 30, 2012, were established by the June 30, 2010, actuarial valuations, and those actuarial valuations were based on the following actuarial methods and assumptions.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plans and the annual required contributions are subject to continual revision as actual results are compared to past expectations and new estimates are made. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of the plans' assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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Projections of benefits are based on (1) the plans as understood by the County and plans' members and include the types of benefits in force at the valuation date, and (2) the pattern of sharing benefit costs between the County and plans' members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The significant actuarial methods and assumptions used are the same for all plans and related benefits (unless noted), and the actuarial methods and assumptions used to established the fiscal year 2012 contribution requirements, are as follows:

Actuarial valuation date	June 30, 2010
Actuarial cost method	Projected unit credit
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	26 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value
Actuarial assumptions:	
Investment rate of return	8.50%
Projected salary increases	5.50% – 8.50% for PSPRS and CORP
includes inflation at	5.50% for PSPRS and CORP

**Annual Pension/OPEB Cost**—The County's pension/OPEB cost for the agent plans for the year ended June 30, 2012, and related information follows:

	<u>PSPRS</u>		<u>CORP</u>		<u>CORP-AOC</u>	
	Pension	Health Insurance	Pension	Health Insurance	Pension	Health Insurance
Annual pension/OPEB cost	\$1,485,389	\$116,634	\$421,746	\$62,886	\$604,303	\$73,859
Contributions made	1,485,389	116,634	421,746	62,886	604,303	73,859

**Trend Information**—Annual pension and OPEB cost information for the current and 2 preceding years follows for each of the agent plans.

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<u>Plan</u>	<u>Year Ended June 30</u>	<u>Annual Pension/ OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net Pension/ OPEB Obligation</u>
<b>PSPRS</b>				
Pension	2012	\$1,485,389	100%	\$ -0-
Health insurance	2012	116,634	100%	-0-
Pension	2011	1,470,370	100%	-0-
Health insurance	2011	110,639	100%	-0-
Pension	2010	1,304,571	100%	-0-
Health insurance	2010	96,315	100%	-0-
<b>CORP</b>				
Pension	2012	421,746	100%	-0-
Health insurance	2012	62,886	100%	-0-
Pension	2011	392,613	100%	-0-
Health insurance	2011	61,369	100%	-0-
Pension	2010	452,308	100%	-0-
Health insurance	2010	45,826	100%	-0-
<b>CORP-AOC</b>				
Pension	2012	604,303	100%	-0-
Health insurance	2012	73,859	100%	-0-
Pension	2011	529,555	100%	-0-
Health insurance	2011	68,313	100%	-0-
Pension	2010	298,878	100%	-0-
Health insurance	2010	12,453	100%	-0-

**Funded Status**—Except for the CORP-AOC, the funded status of the plans as of the most recent valuation date, June 30, 2012, along with the actuarial assumptions and methods used in those valuations follow. For the CORP-AOC, participating employers are combined as one group and the actuarial information is not available solely for the County.

	<u>PSPRS</u>		<u>CORP</u>	
	Pension	Health Insurance	Pension	Health Insurance
Actuarial value of assets (a)	\$ 21,112,140	\$ 0	\$ 10,194,348	\$ 0
Actuarial accrued liability (b)	40,520,205	1,198,570	15,514,259	475,228
Unfunded actuarial accrued liability (funding excess) (b) – (a)	19,408,065	1,198,570	5,319,911	475,228
Funded ratio (a)/(b)	52.10%	0.00%	65.70%	0.00%
Annual covered payroll (c)	\$ 6,694,709	\$ 6,694,709	\$ 5,759,053	\$ 5,759,053
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll ((b) – (a)) / (c)	289.90%	17.90%	92.40%	8.25%

Yavapai County  
Notes to Financial Statements  
June 30, 2012

The actuarial methods and assumptions used are the same for all plans and related benefits, and for the most recent valuation date, are as follows:

Actuarial valuation date	June 30, 2012
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	24 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value
Actuarial assumptions:	
Investment rate of return	8.00%
Projected salary increases includes inflation at	5.00% - 9.00% for PSPRS; 5.00% - 8.25% for CORP 5.00% for PSPRS and CORP

**Note 11 - Interfund Balances and Activity**

Interfund receivables and payables—Interfund balances at June 30, 2012, were as follows:

	Payable to				Total
	General Fund	Jail District Fund	HURF Road Fund	Nonmajor Governmental Funds	
Payable from					
General Fund	\$ -	\$ 34,790	\$ 26,343	\$ 38,778	\$ 99,911
Jail District Fund	168,190	-	-	-	168,190
HURF Road Fund	13,947	-	-	8,160	22,107
Capital Projects Fund	610	-	-	-	610
Nonmajor Governmental Funds	92,982	1,887	1,843	389,148	485,860
<b>Total</b>	<b>\$ 275,729</b>	<b>\$ 36,677</b>	<b>\$ 28,186</b>	<b>\$ 436,086</b>	<b>\$ 776,678</b>

The interfund balances resulted from time lags between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All interfund balances are expected to be paid in one year.

Yavapai County  
Notes to Financial Statements  
June 30, 2012

Interfund transfers—Interfund transfers for the year ended June 30, 2012, were as follows:

	Transfer To								
	General Fund	Jail District Fund	Jail District Debt Service Fund	Regional Road Debt Service Fund	HURF Road Fund	Capital Projects Fund	Capital Projects Debt Service Fund	Nonmajor Governmental Funds	Total
<b>Transfer from</b>									
General Fund	\$ -	\$ 6,865,054	\$ -	\$ -	\$ 1,565,255	\$ 7,656,630	\$ -	\$ 1,166,476	\$ 17,253,415
Jail District Fund	-	-	1,865,389	-	-	-	-	-	1,865,389
Regional Road Fund	-	-	-	2,450,714	-	-	-	-	2,450,714
Capital Projects Fund	725,000	-	-	-	-	-	2,111,865	-	2,836,865
Nonmajor Governmental Funds	3,052,545	-	-	-	-	55,861	-	493,013	3,601,419
Long Term Care Fund	7,656,630	-	-	-	-	-	-	-	7,656,630
<b>Total</b>	<b>\$ 11,434,175</b>	<b>\$ 6,865,054</b>	<b>\$ 1,865,389</b>	<b>\$ 2,450,714</b>	<b>\$ 1,565,255</b>	<b>\$ 7,712,491</b>	<b>\$ 2,111,865</b>	<b>\$ 1,659,489</b>	<b>\$ 35,664,432</b>

Transfers are used to move the maintenance of effort required by A.R.S. §48-4024 and the additional subsidy from the General Fund to the Jail District Fund, move receipts restricted to debt service from the funds collecting the receipts to the applicable debt service fund as debt service payments become due, move funds from the General Fund to the HURF Road Fund to subsidize road maintenance, move funds from the General Fund to the Capital Projects Fund for capital projects, move funds from the General Fund to the Health Care Fund (Nonmajor Governmental Funds) to subsidize public health initiatives, and use unrestricted revenues collected in one fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The residual equity of the Long Term Care Fund was transferred to the General Fund. See Note 2 for additional information.

**Note 12 - 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's monies under the Treasurer's 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 \$4,219 of interest earned in certain other funds to be transferred to the General Fund.

Yavapai County  
Notes to Financial Statements  
June 30, 2012

Deposits and investments of the County's primary government are included in the County Treasurer's investment pool, except for \$40,165 of cash on hand, \$561,164 of deposits and \$2,047,766 of collateralized investments held in trust. Therefore, the deposit and investment risks of the Treasurer's investment pool are substantially the same as the County's deposit and investment risks. See Note 3 for disclosure of the County's deposit and investment risks.

Details of each major investment classification follow:

Investment Type	Principal	Interest Rates	Maturities	Fair Value
State Treasurer's Investment Pool 7	\$ 19,589,404	0.11%	None stated	\$ 19,589,404
Repurchase agreement (implicitly guaranteed)	57,321,418	0.05-0.20%	Daily	57,321,418
U.S. agency securities	45,030,906	0.33-1.05%	9/13/13-5/8/17	45,079,602
U.S. treasury securities	12,921,567	0.50-0.75%	12/31/12-11/15/13	12,994,944
U.S. corporate bonds	1,959,700	Varied	4/7/14	1,997,538

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

**Statement of Net Assets**

Assets	\$ 186,612,061
Liabilities	-
Net assets	<u>\$ 186,612,061</u>
Net assets held in trust for:	
Internal participants	\$ 82,836,504
External participants	103,775,557
Total net assets held in trust	<u>\$ 186,612,061</u>

**Statement of Changes in Net Assets**

Total additions	\$ 598,707,577
Total deductions	<u>(631,163,617)</u>
Net decrease	(32,456,040)
Net assets held in trust:	
July 1, 2011	219,068,101
June 30, 2012	<u>\$ 186,612,061</u>

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## **REQUIRED SUPPLEMENTARY INFORMATION**

Yavapai County  
Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund  
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 44,102,178	\$ 44,102,178	\$ 44,856,653	\$ 754,475
Licenses and permits	1,300,000	1,300,000	1,250,310	(49,690)
Intergovernmental	33,755,870	33,755,870	33,784,181	28,311
Charges for services	1,570,500	1,570,500	1,821,811	251,311
Fines and forfeits	2,400,000	2,400,000	2,524,281	124,281
Investment earnings	30,000	30,000	29,221	(779)
Miscellaneous	723,393	723,393	341,570	(381,823)
Total revenues	<u>83,881,941</u>	<u>83,881,941</u>	<u>84,608,027</u>	<u>726,086</u>
<b>Expenditures:</b>				
<b>General government</b>				
Board of Supervisors	1,485,959	1,574,914	1,539,463	35,451
Human Resources	726,950	726,950	654,944	72,006
General Services	3,301,398	2,335,728	77,003	2,258,725
Elections	627,252	627,252	620,407	6,845
Public Works	247,715	254,286	251,833	2,453
Facilities	4,977,029	4,993,029	4,856,248	136,781
Development Services	3,207,807	3,207,807	3,133,935	73,872
Fleet	3,318,451	3,404,273	3,404,273	-
Medical Examiner	504,554	504,554	477,224	27,330
Finance	759,755	759,755	756,276	3,479
Assessor	3,936,639	3,936,639	3,419,692	516,947
County Attorney	5,942,992	5,942,992	5,899,547	43,445
Recorder	1,288,364	1,288,364	1,222,297	66,067
Management Information Systems	5,580,456	5,580,456	4,859,361	721,095
Clerk of the Court	2,574,159	2,574,159	2,537,379	36,780
Treasurer	846,005	889,410	849,100	40,310
Superior Courts	4,279,011	4,279,011	4,179,956	99,055
Public Defender	4,765,863	5,441,961	5,441,960	1
Prescott Justice of the Peace	643,878	643,878	634,544	9,334
Prescott Constable	87,443	87,443	83,851	3,592
Bagdad/Yarnell Justice of the Peace	290,546	297,745	297,745	-
Verde Valley Justice of the Peace	563,042	563,042	556,586	6,456
Mayer Justice of the Peace	435,686	435,686	432,704	2,982
Verde Constable	89,243	89,243	87,481	1,762
Mayer Constable	59,388	59,388	57,528	1,860
Seligman Justice of the Peace	375,509	375,509	371,191	4,318
Total General government	<u>50,915,094</u>	<u>50,873,474</u>	<u>46,702,528</u>	<u>4,170,946</u>

(Continued)

See accompanying notes to budgetary comparison schedules.

Yavapai County  
Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund  
Year Ended June 30, 2012  
(Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public safety				
Sheriff	\$ 15,991,921	\$ 15,991,921	\$ 15,700,635	\$ 291,286
Adult Probation	2,211,430	2,211,430	2,157,556	53,874
Juvenile Probation	2,922,700	2,961,632	2,961,631	1
Total Public safety	<u>21,126,051</u>	<u>21,164,983</u>	<u>20,819,822</u>	<u>345,161</u>
Sanitation				
Solid Waste	<u>1,373,136</u>	<u>1,373,136</u>	<u>1,141,595</u>	<u>231,541</u>
Welfare				
Medical Assistance	11,220,200	11,220,200	11,466,576	(246,376)
Public Fiduciary	<u>415,159</u>	<u>415,159</u>	<u>375,167</u>	<u>39,992</u>
Total Welfare	<u>11,635,359</u>	<u>11,635,359</u>	<u>11,841,743</u>	<u>(206,384)</u>
Culture and recreation				
Facilities	<u>98,784</u>	<u>98,784</u>	<u>98,783</u>	<u>1</u>
Education				
School Superintendent	<u>623,607</u>	<u>626,295</u>	<u>626,294</u>	<u>1</u>
Capital outlay	-	-	60,293	(60,293)
Total expenditures	<u>85,772,031</u>	<u>85,772,031</u>	<u>81,291,058</u>	<u>4,480,973</u>
Excess (deficiency) of revenues over expenditures	(1,890,090)	(1,890,090)	3,316,969	5,207,059
Other financing sources (uses):				
Sale of capital assets	-	-	128,595	128,595
Transfers in	3,000,000	3,000,000	11,434,175	8,434,175
Transfers out	<u>(10,955,668)</u>	<u>(10,955,668)</u>	<u>(17,253,415)</u>	<u>(6,297,747)</u>
Total other financing sources (uses)	<u>(7,955,668)</u>	<u>(7,955,668)</u>	<u>(5,690,645)</u>	<u>2,265,023</u>
Net change in fund balances	(9,945,758)	(9,945,758)	(2,373,676)	7,472,082
Fund balances, July 1, 2011	9,845,758	9,845,758	12,456,386	2,610,628
Changes in nonspendable resources:				
Decrease in inventories	-	-	(13,282)	(13,282)
Decrease in prepaid items	-	-	(312,113)	(312,113)
Fund balances, June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,757,315</u>	<u>\$ 9,757,315</u>

See accompanying notes to budgetary comparison schedules.

Yavapai County  
Required Supplementary Information  
Budgetary Comparison Schedule  
Jail District Fund  
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 5,564,929	\$ 5,564,929	\$ 6,199,337	\$ 634,408
Charges for services	2,730,000	2,730,000	3,236,431	506,431
Investment earnings	5,000	5,000	2,535	(2,465)
Miscellaneous	60,000	60,000	39,946	(20,054)
Total revenues	8,359,929	8,359,929	9,478,249	1,118,320
Expenditures:				
Public safety				
Sheriff	14,705,092	14,705,092	14,478,655	226,437
Total expenditures	14,705,092	14,705,092	14,478,655	226,437
Excess (deficiency) of revenues over expenditures	(6,345,163)	(6,345,163)	(5,000,406)	1,344,757
Other financing sources (uses):				
Transfers in	8,214,633	8,214,633	6,865,054	(1,349,579)
Transfers out	(1,869,470)	(1,869,470)	(1,865,389)	4,081
Total other financing sources (uses)	6,345,163	6,345,163	4,999,665	(1,345,498)
Net change in fund balances	-	-	(741)	(741)
Fund balances, July 1, 2011	-	-	15,741	15,741
Fund balances, June 30, 2012	\$ -	\$ -	\$ 15,000	\$ 15,000

See accompanying notes to budgetary comparison schedules.

Yavapai County  
Required Supplementary Information  
Budgetary Comparison Schedule  
Regional Road Fund  
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 4,685,964	\$ 4,685,964	\$ 4,960,317	\$ 274,353
Licenses and permits	500,000	500,000	348,500	(151,500)
Intergovernmental	-	-	1,412,000	1,412,000
Investment earnings	-	-	36,143	36,143
Miscellaneous	199,587	199,587	554	(199,033)
Total revenues	5,385,551	5,385,551	6,757,514	1,371,963
Expenditures:				
Highways and streets				
Public Works	18,788,242	18,788,242	8,748,803	10,039,439
Total expenditures	18,788,242	18,788,242	8,748,803	10,039,439
Excess (deficiency) of revenues over expenditures	(13,402,691)	(13,402,691)	(1,991,289)	11,411,402
Other financing sources (uses):				
Transfers out	-	-	(2,450,714)	(2,450,714)
Total other financing sources (uses)	-	-	(2,450,714)	(2,450,714)
Net change in fund balances	(13,402,691)	(13,402,691)	(4,442,003)	8,960,688
Fund balances, July 1, 2011	13,402,691	13,402,691	16,486,256	3,083,565
Changes in nonspendable resources:				
Decrease in prepaid items	-	-	(114,500)	(114,500)
Fund balances, June 30, 2012	\$ -	\$ -	\$ 11,929,753	\$ 11,929,753

See accompanying notes to budgetary comparison schedules.

Yavapai County  
Required Supplementary Information  
Budgetary Comparison Schedule  
HURF Road Fund  
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 12,260,532	\$ 12,260,532	\$ 11,536,855	\$ (723,677)
Investment earnings	-	-	17,744	17,744
Miscellaneous	100,000	100,000	142,865	42,865
Total revenues	12,360,532	12,360,532	11,697,464	(663,068)
Expenditures				
Highways and streets				
Public Works	16,377,242	16,377,242	13,810,605	2,566,637
Total expenditures	16,377,242	16,377,242	13,810,605	2,566,637
Excess (deficiency) of revenues over expenditures	(4,016,710)	(4,016,710)	(2,113,141)	1,903,569
Other financing sources (uses):				
Sale of capital assets	-	-	220,042	220,042
Transfers in	1,565,255	1,565,255	1,565,255	-
Total other financing sources (uses)	1,565,255	1,565,255	1,785,297	220,042
Net change in fund balances	(2,451,455)	(2,451,455)	(327,844)	2,123,611
Fund balances, July 1, 2011	2,451,455	2,451,455	7,444,866	4,993,411
Changes in nonspendable resources:				
Increase in inventories	-	-	6,949	6,949
Decrease in prepaid items	-	-	(107,288)	(107,288)
Fund balances, June 30, 2012	\$ -	\$ -	\$ 7,016,683	\$ 7,016,683

See accompanying notes to budgetary comparison schedules.

Yavapai County  
Required Supplementary Information  
Notes to Budgetary Comparison Schedules  
Year Ended June 30, 2012

**Note 1 – Budgeting and Budgetary Control**

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. 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.

**Note 2 – Budgetary Basis of Accounting**

The County's budget is prepared on a basis consistent with generally accepted accounting principles.

Yavapai County  
 Required Supplementary Information  
 Schedule of Agent Retirement Plans' Funding Progress  
 Year Ended June 30, 2012

**Public Safety Personnel Retirement System**

Actuarial Valuation Date	Actuarial value of assets (a)	Actuarial accrued liability (b)	Unfunded actuarial liability (UAAL) (funding excess) (b-a)	Funded ratio (a/b)	Annual covered payroll (c)	UAAL (funding excess) as a percentage of covered payroll ([b-a]/c)
Pension 6/30/12	\$21,112,140	\$40,520,205	\$19,408,065	52.10%	\$6,694,709	289.90%
Health Insurance 6/30/12	0	1,198,570	1,198,570	0.0%	6,694,709	17.90%
Pension 6/30/11	20,535,006	36,603,187	16,068,181	56.1%	6,777,563	237.1%
Health Insurance 6/30/11	0	1,222,013	1,222,013	0.0%	6,777,563	18.03%
Pension 6/30/10	19,087,028	32,460,438	13,373,410	58.8%	6,760,646	197.8%
Health Insurance 6/30/10	0	1,006,299	1,006,299	0.0%	6,760,646	14.88%

**Corrections Officer Retirement Plan**

Actuarial Valuation Date	Actuarial value of assets (a)	Actuarial accrued liability (b)	Unfunded actuarial liability (UAAL) (funding excess) (b-a)	Funded ratio (a/b)	Annual covered payroll (c)	UAAL (funding excess) as a percentage of covered payroll ([b-a]/c)
Pension 6/30/12	\$10,194,348	\$15,514,259	\$5,319,911	65.70%	\$5,759,053	92.40%
Health Insurance 6/30/12	0	475,228	475,228	0.0%	5,759,053	8.25%
Pension 6/30/11	10,274,620	14,465,928	4,191,308	71.0%	6,156,864	68.1%
Health Insurance 6/30/11	0	533,221	533,221	0.0%	6,156,864	8.66%
Pension 6/30/10	9,790,766	11,901,671	2,110,905	82.3%	6,141,309	34.4%
Health Insurance 6/30/10	0	363,828	363,828	0.0%	6,141,309	5.92%

The Funding Progress of the Elected Officials Retirement Plan (EORP) and the Corrections Officer Retirement Plan-Administrative Office of the Courts Probation Officers (CORP-AOC) is not presented above. EORP is not presented due to its relative insignificance to the County's financial statements. For the CORP-AOC, participating employers are combined as one group and the actuarial information is not available solely for the County.

Yavapai County  
Nonmajor Governmental Funds  
Year Ended June 30, 2012

**SPECIAL REVENUE FUNDS**

<b>Health Care</b>	Accounts for a variety of health service programs funded by federal and state grant funds, appropriations, fees and local government contributions.
<b>Recorder's Surcharge</b>	Accounts for the collection of a special recording surcharge, not to exceed four dollars, to be used to defray the cost of converting the County Recorder's document storage and retrieval system to micrographics or computer automation as established by A.R.S. § 11-475.01.
<b>Assessor's Surcharge</b>	Accounts for the collection of a special recording surcharge, not to exceed four dollars, to be used to defray the cost of converting the County Assessor's document storage and retrieval system to micrographics or computer automation as established by A.R.S. § 11-269.06.
<b>Treasurer's Surcharge</b>	Accounts for the collection of a processing fee for tax liens, to be used to defray the cost of converting or upgrading an automatic public information system as established by A.R.S. § 11-495.
<b>Election</b>	Accounts for the Federal and State of Arizona Help America Vote Act grant funds.
<b>Public Library</b>	Provides and maintains library services for the residents of Yavapai County. Operations are funded by a secondary tax levy.
<b>Education Service Agency</b>	Educational services and programs, including an accommodation school, administered by the County School Superintendent.
<b>Parks &amp; Recreation</b>	Accounts for fees and grants used for construction, maintenance and operation of parks.
<b>Water Advisory Committee</b>	Accounts for local government contributions used to assess the current and future supply of water.
<b>Landfill / Environment</b>	Used to fund operations of transfer stations, waste tire operations and closure costs of County landfills.
<b>Public Works</b>	Accounts for highway user fees restricted to construction, repair and maintenance of County roads.
<b>Finance</b>	Accounts for the Community Development Block Grant and the Workforce Investment Act federal grants.
<b>Improvement Districts</b>	Administration of special districts for Street Lighting, Road and Sewer improvements.
<b>Clerk of Superior Court</b>	Accounts for statutory fees collected and used for document storage and retrieval. Also fees used for "fill-the gap" purposes.
<b>County Attorney</b>	Accounts for various programs administered by the County Attorney including Anti-Racketeering, Victim Witness and Bad Check.

Yavapai County  
Nonmajor Governmental Funds  
Year Ended June 30, 2012

<b>Law Enforcement</b>	Used for various law enforcement services and programs. Funding sources include federal and state grants.
<b>Emergency Management</b>	Accounts for programs administered by the Emergency Management department to provide services, equipment and supplies for law enforcement or other agencies dealing with emergency response.
<b>Probation</b>	Accounts for Adult and Juvenile Probation programs and services provided in coordination with the Superior Court System.
<b>Courts</b>	Accounts for statutory fees and surcharges related to the courts, and is used for the processing of criminal cases as well as court enhancement and records improvement.
<b>Public Defender</b>	Provides training related seminars, books and materials for staff and attorneys. Includes a state grant for indigent defense costs.
<b>Airport Development</b>	Airport enhancement projects for Seligman, Bagdad and Sedona funded by State and Federal grants.
<b>CYMPO</b>	Accounts for Federal grants administered by the Central Yavapai Metropolitan Planning Organization (CYMPO).

**DEBT SERVICE FUNDS**

The Debt Service Funds account for the accumulation of resources for the payment of principal and interest on the revenue bonds issued for special assessment bonds for the Coyote Springs, Poquito Valley, and Granite Gardens special assessment districts and the notes payable for the Prescott East special assessment district. Funding for the special assessment debt is provided by assessments made against the benefiting owners.

Yavapai County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2012

Assets	Special Revenue			
	Health Care	Recorder's Surcharge	Assessor's Surcharge	Treasurer's Surcharge
Cash and cash equivalents	\$ 4,193,875	\$ 149,215	\$ 381,028	\$ 231,832
Receivables:				
Property taxes	-	-	-	-
Special assessments	-	-	-	-
Accounts	77,364	3,716	140	70
Due from:				
Other funds	-	-	-	-
Other governments	643,840	-	-	-
Prepaid items	3,382	897	-	-
Total assets	<u>\$ 4,918,461</u>	<u>\$ 153,828</u>	<u>\$ 381,168</u>	<u>\$ 231,902</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 163,415	\$ 150	\$ 62,181	\$ -
Accrued payroll and employee benefits	181,271	492	-	-
Due to:				
Other funds	11,225	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	<u>355,911</u>	<u>642</u>	<u>62,181</u>	<u>-</u>
Fund balances:				
Nonspendable	3,382	897	-	-
Restricted	3,687,297	152,289	318,987	231,902
Committed	871,871	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>4,562,550</u>	<u>153,186</u>	<u>318,987</u>	<u>231,902</u>
Total liabilities and fund balances	<u>\$ 4,918,461</u>	<u>\$ 153,828</u>	<u>\$ 381,168</u>	<u>\$ 231,902</u>

Special Revenue

Election	Public Library	Education Service Agency	Parks & Recreation	Water Advisory Committee	Landfill / Environment
\$ 57,833	\$ 1,573,748	\$ 1,884,894	\$ 496,997	\$ 204,172	\$ 713,428
-	196,140	-	-	-	-
-	-	-	-	-	-
-	1,481	3,346	-	79	1,522
-	-	169	-	-	9,459
-	25	215,156	-	-	100,367
-	-	5,181	-	-	-
<u>\$ 57,833</u>	<u>\$ 1,771,394</u>	<u>\$ 2,108,746</u>	<u>\$ 496,997</u>	<u>\$ 204,251</u>	<u>\$ 824,776</u>
\$ -	\$ 22,053	\$ 110,724	\$ 1,567	\$ 39,003	\$ 2,846
-	21,743	32,515	-	1,840	1,533
-	3,278	4,292	6,873	-	5,997
-	142,903	-	-	5,388	-
<u>-</u>	<u>189,977</u>	<u>147,531</u>	<u>8,440</u>	<u>46,231</u>	<u>10,376</u>
-	-	5,181	-	-	-
57,833	1,581,417	1,104,986	366,051	158,020	814,400
-	-	851,048	122,506	-	-
-	-	-	-	-	-
<u>57,833</u>	<u>1,581,417</u>	<u>1,961,215</u>	<u>488,557</u>	<u>158,020</u>	<u>814,400</u>
<u>\$ 57,833</u>	<u>\$ 1,771,394</u>	<u>\$ 2,108,746</u>	<u>\$ 496,997</u>	<u>\$ 204,251</u>	<u>\$ 824,776</u>

Yavapai County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2012  
(Continued)

Assets	Special Revenue			
	Public Works	Finance	Improvement Districts	Clerk of Superior Court
Cash and cash equivalents	\$ 41,049	\$ 345,014	\$ 6,443,545	\$ 122,910
Receivables:				
Property taxes	-	-	307,438	-
Special assessments	-	-	-	-
Accounts	-	32,887	5,093	5,998
Due from:				
Other funds	-	-	-	-
Other governments	47,266	372,095	-	747
Prepaid items	-	-	1,657	-
Total assets	<u>\$ 88,315</u>	<u>\$ 749,996</u>	<u>\$ 6,757,733</u>	<u>\$ 129,655</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 21,338	\$ 374,021	\$ 847,053	\$ -
Accrued payroll and employee benefits	-	-	17,006	1,395
Due to:				
Other funds	137	375,975	3,976	-
Deferred revenue	-	-	218,161	-
Total liabilities	<u>21,475</u>	<u>749,996</u>	<u>1,086,196</u>	<u>1,395</u>
Fund balances:				
Nonspendable	-	-	1,657	-
Restricted	66,840	-	5,669,880	128,260
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>66,840</u>	<u>-</u>	<u>5,671,537</u>	<u>128,260</u>
Total liabilities and fund balances	<u>\$ 88,315</u>	<u>\$ 749,996</u>	<u>\$ 6,757,733</u>	<u>\$ 129,655</u>

Special Revenue

County Attorney	Law Enforcement	Emergency Management	Probation	Courts	Public Defender
\$ 1,153,592	\$ 1,804,025	\$ 256,020	\$ 1,829,628	\$ 1,170,564	\$ 424,240
-	-	-	-	-	-
-	-	-	-	-	-
12,152	50,939	96	86,199	47,774	7,750
104,725	6,244	-	-	237,921	77,568
146,150	169,595	320	7,910	19,113	6,166
-	-	-	391	1,068	-
<u>\$ 1,416,619</u>	<u>\$ 2,030,803</u>	<u>\$ 256,436</u>	<u>\$ 1,924,128</u>	<u>\$ 1,476,440</u>	<u>\$ 515,724</u>
\$ 171,159	\$ 32,856	\$ 8,083	\$ 185,077	\$ 52,474	\$ 8,396
14,230	23,408	1,540	101,682	22,035	4,334
11,700	40,951	-	8,977	12,479	-
-	-	-	-	-	-
<u>197,089</u>	<u>97,215</u>	<u>9,623</u>	<u>295,736</u>	<u>86,988</u>	<u>12,730</u>
-	-	-	391	1,068	-
1,219,530	1,933,588	246,813	1,616,499	1,357,961	502,994
-	-	-	11,502	30,423	-
-	-	-	-	-	-
<u>1,219,530</u>	<u>1,933,588</u>	<u>246,813</u>	<u>1,628,392</u>	<u>1,389,452</u>	<u>502,994</u>
<u>\$ 1,416,619</u>	<u>\$ 2,030,803</u>	<u>\$ 256,436</u>	<u>\$ 1,924,128</u>	<u>\$ 1,476,440</u>	<u>\$ 515,724</u>

Yavapai County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2012  
(Continued)

Assets	Special Revenue		Debt Service	
	Airport Development	CYMPO	Coyote Springs	Prescott East
Cash and cash equivalents	\$ 85,043	\$ 341	\$ 506,697	\$ 38,136
Receivables:				
Property taxes	-	-	-	-
Special assessments	-	-	593,688	-
Accounts	70	-	-	-
Due from:				
Other funds	-	-	-	-
Other governments	89,506	3,528	-	-
Prepaid items	-	-	-	-
Total assets	<u>\$ 174,619</u>	<u>\$ 3,869</u>	<u>\$ 1,100,385</u>	<u>\$ 38,136</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 65,074	\$ 341	\$ -	\$ 359
Accrued payroll and employee benefits	-	3,528	-	-
Due to:				
Other funds	-	-	-	-
Deferred revenue	-	-	593,688	-
Total liabilities	<u>65,074</u>	<u>3,869</u>	<u>593,688</u>	<u>359</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted	109,545	-	506,697	37,777
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>109,545</u>	<u>-</u>	<u>506,697</u>	<u>37,777</u>
Total liabilities and fund balances	<u>\$ 174,619</u>	<u>\$ 3,869</u>	<u>\$ 1,100,385</u>	<u>\$ 38,136</u>

Debt Service		Total Nonmajor Governmental Funds
Poquito Valley	Granite Gardens	
\$ 409,731	\$ 4,580	\$ 24,522,137
-	-	503,578
1,221,722	-	1,815,410
-	-	336,676
-	-	436,086
-	-	1,821,784
-	-	12,576
<u>\$ 1,631,453</u>	<u>\$ 4,580</u>	<u>\$ 29,448,247</u>

\$ -	\$ -	\$ 2,168,170
-	-	428,552
-	-	485,860
<u>1,221,722</u>	<u>-</u>	<u>2,181,862</u>
<u>1,221,722</u>	<u>-</u>	<u>5,264,444</u>

-	-	12,576
409,731	4,580	22,283,877
-	-	1,887,350
-	-	-
<u>409,731</u>	<u>4,580</u>	<u>24,183,803</u>
<u>\$ 1,631,453</u>	<u>\$ 4,580</u>	<u>\$ 29,448,247</u>

Yavapai County  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2012

	Special Revenue			
	Health Care	Recorder's Surcharge	Assessor's Surcharge	Treasurer's Surcharge
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	753,797	-	-	-
Intergovernmental	4,500,743	-	-	-
Charges for services	5,815,437	259,416	119,884	38,000
Fines and forfeits	-	-	-	-
Investment earnings	11,712	216	1,491	506
Miscellaneous	1,430,921	37	-	11,800
Total revenues	<u>12,512,610</u>	<u>259,669</u>	<u>121,375</u>	<u>50,306</u>
Expenditures:				
Current:				
General government	-	173,501	419,359	3,741
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Sanitation	-	-	-	-
Health	13,121,564	-	-	-
Culture and recreation	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	<u>13,121,564</u>	<u>173,501</u>	<u>419,359</u>	<u>3,741</u>
Excess (deficiency) of revenues over expenditures	(608,954)	86,168	(297,984)	46,565
Other financing sources (uses):				
Sale of capital assets	12,681	-	-	-
Transfers in	1,051,714	-	-	-
Transfers out	-	(55,861)	-	-
Total other financing sources (uses)	<u>1,064,395</u>	<u>(55,861)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	455,441	30,307	(297,984)	46,565
Fund Balances, July 1, 2011	4,112,793	123,218	616,971	185,337
Changes in nonspendable resources:				
Increase (decrease) in prepaid items	(5,684)	(339)	-	-
Fund Balances, June 30, 2012	<u>\$ 4,562,550</u>	<u>\$ 153,186</u>	<u>\$ 318,987</u>	<u>\$ 231,902</u>

Special Revenue					
Election	Public Library	Education Service Agency	Parks & Recreation	Water Advisory Committee	Landfill / Environment
\$ -	\$ 3,992,243	\$ 793,595	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
1,337	159,252	2,746,716	190,812	99,733	407,032
-	-	1,091,484	-	-	18,085
-	-	-	-	-	-
510	6,136	5,564	704	649	-
-	1,157	476,701	34,443	25	8,160
<u>1,847</u>	<u>4,158,788</u>	<u>5,114,060</u>	<u>225,959</u>	<u>100,407</u>	<u>433,277</u>
182,208	4,342,284	-	319,665	228,554	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	294,754
-	-	-	-	-	-
-	-	-	73,565	-	-
-	-	3,620,305	-	-	-
-	-	1,589,583	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>182,208</u>	<u>4,342,284</u>	<u>5,209,888</u>	<u>393,230</u>	<u>228,554</u>	<u>294,754</u>
(180,361)	(183,496)	(95,828)	(167,271)	(128,147)	138,523
-	-	7,357	-	-	-
-	-	-	-	83,600	-
-	-	-	(13,151)	-	-
<u>-</u>	<u>-</u>	<u>7,357</u>	<u>(13,151)</u>	<u>83,600</u>	<u>-</u>
(180,361)	(183,496)	(88,471)	(180,422)	(44,547)	138,523
238,194	1,764,913	2,044,505	668,979	202,567	675,877
-	-	5,181	-	-	-
<u>\$ 57,833</u>	<u>\$ 1,581,417</u>	<u>\$ 1,961,215</u>	<u>\$ 488,557</u>	<u>\$ 158,020</u>	<u>\$ 814,400</u>

Yavapai County  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2012  
(Continued)

	Special Revenue			
	Public Works	Finance	Improvement Districts	Clerk of Superior Court
Revenues:				
Taxes	\$ -	\$ -	\$ 6,235,829	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	70,396	2,352,564	-	747
Charges for services	-	-	-	72,747
Fines and forfeits	-	377,824	-	14
Investment earnings	294	76	18,128	333
Miscellaneous	5	-	34,820	5
Total revenues	<u>70,695</u>	<u>2,730,464</u>	<u>6,288,777</u>	<u>73,846</u>
Expenditures:				
Current:				
General government	-	2,354,489	-	86,067
Public safety	-	-	5,177,256	-
Highways and streets	147,189	-	129,425	-
Sanitation	-	-	5,135	-
Health	-	-	-	-
Culture and recreation	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	<u>147,189</u>	<u>2,354,489</u>	<u>5,311,816</u>	<u>86,067</u>
Excess (deficiency) of revenues over expenditures	(76,494)	375,975	976,961	(12,221)
Other financing sources (uses):				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(375,975)	(3,000,000)	-
Total other financing sources (uses)	<u>-</u>	<u>(375,975)</u>	<u>(3,000,000)</u>	<u>-</u>
Net change in fund balances	(76,494)	-	(2,023,039)	(12,221)
Fund Balances, July 1, 2011	143,334	-	7,700,999	140,481
Changes in nonspendable resources:				
Increase (decrease) in prepaid items	-	-	(6,423)	-
Fund Balances, June 30, 2012	<u>\$ 66,840</u>	<u>\$ -</u>	<u>\$ 5,671,537</u>	<u>\$ 128,260</u>

Special Revenue

County Attorney	Law Enforcement	Emergency Management	Probation	Courts	Public Defender
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
897,566	1,575,179	268,663	4,881,279	532,907	23,765
51,949	61,031	-	868,753	351,439	94,724
4	5,562	-	-	167,894	-
3,703	4,999	700	5,107	3,577	1,114
<u>1,103,846</u>	<u>527,346</u>	<u>-</u>	<u>1,368</u>	<u>82,500</u>	<u>4</u>
<u>2,057,068</u>	<u>2,174,117</u>	<u>269,363</u>	<u>5,756,507</u>	<u>1,138,317</u>	<u>119,607</u>
2,311,710	1,784	213,121	-	1,534,081	173,690
-	2,083,113	-	5,871,771	7,862	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,311,710</u>	<u>2,084,897</u>	<u>213,121</u>	<u>5,871,771</u>	<u>1,541,943</u>	<u>173,690</u>
(254,642)	89,220	56,242	(115,264)	(403,626)	(54,083)
-	8,034	-	-	-	-
84,048	114,638	-	-	247,921	77,568
<u>(153,728)</u>	<u>(2,400)</u>	<u>-</u>	<u>(304)</u>	<u>-</u>	<u>-</u>
<u>(69,680)</u>	<u>120,272</u>	<u>-</u>	<u>(304)</u>	<u>247,921</u>	<u>77,568</u>
(324,322)	209,492	56,242	(115,568)	(155,705)	23,485
1,543,852	1,733,998	190,571	1,745,513	1,544,714	479,509
-	(9,902)	-	(1,553)	443	-
<u>\$ 1,219,530</u>	<u>\$ 1,933,588</u>	<u>\$ 246,813</u>	<u>\$ 1,628,392</u>	<u>\$ 1,389,452</u>	<u>\$ 502,994</u>

Yavapai County  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2012  
(Continued)

	Special Revenue		Debt Service	
	Airport Development	CYMPO	Coyote Springs	Prescott East
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	128,721	2,953
Licenses and permits	-	-	-	-
Intergovernmental	1,395,412	3,528	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Investment earnings	466	-	1,244	109
Miscellaneous	36,630	-	-	-
Total revenues	<u>1,432,508</u>	<u>3,528</u>	<u>129,965</u>	<u>3,062</u>
Expenditures:				
Current:				
General government	1,237,359	-	-	-
Public safety	-	-	-	-
Highways and streets	-	3,528	-	-
Sanitation	-	-	-	3,573
Health	-	-	-	-
Culture and recreation	-	-	-	-
Education	-	-	-	-
Capital outlay	259,633	-	-	-
Debt service:				
Principal retirement	-	-	80,000	-
Interest and other charges	-	-	54,192	-
Total expenditures	<u>1,496,992</u>	<u>3,528</u>	<u>134,192</u>	<u>3,573</u>
Excess (deficiency) of revenues over expenditures	(64,484)	-	(4,227)	(511)
Other financing sources (uses):				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(64,484)	-	(4,227)	(511)
Fund Balances, July 1, 2011	174,029	-	510,924	38,288
Changes in nonspendable resources:				
Increase (decrease) in prepaid items	-	-	-	-
Fund Balances, June 30, 2012	<u>\$ 109,545</u>	<u>\$ -</u>	<u>\$ 506,697</u>	<u>\$ 37,777</u>

Debt Service		Total Nonmajor Governmental Funds
Poquito Valley	Granite Gardens	
\$ -	\$ -	\$ 11,021,667
313,756	-	445,430
-	-	753,797
-	-	20,107,631
-	-	8,842,949
-	-	551,298
750	-	68,088
-	-	3,749,768
<u>314,506</u>	<u>-</u>	<u>45,540,628</u>
-	-	13,581,613
-	-	13,140,002
-	-	280,142
-	-	303,462
-	-	13,121,564
-	-	73,565
-	-	3,620,305
-	-	1,849,216
95,000	-	175,000
114,084	-	168,276
<u>209,084</u>	<u>-</u>	<u>46,313,145</u>
105,422	-	(772,517)
-	-	28,072
-	-	1,659,489
-	-	<u>(3,601,419)</u>
-	-	<u>(1,913,858)</u>
105,422	-	(2,686,375)
304,309	4,580	26,888,455
-	-	(18,277)
<u>\$ 409,731</u>	<u>\$ 4,580</u>	<u>\$ 24,183,803</u>

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Jail District Debt Service  
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Debt service				
Principal retirement	\$ 1,790,000	\$ 1,790,000	\$ 1,790,000	\$ -
Interest and other charges	79,470	79,470	77,803	1,667
Total expenditures	<u>1,869,470</u>	<u>1,869,470</u>	<u>1,867,803</u>	<u>1,667</u>
Excess (deficiency) of revenues over expenditures	(1,869,470)	(1,869,470)	(1,867,803)	1,667
Other financing sources (uses):				
Transfers in	<u>1,865,389</u>	<u>1,865,389</u>	<u>1,865,389</u>	<u>-</u>
Total other financing sources (uses)	<u>1,865,389</u>	<u>1,865,389</u>	<u>1,865,389</u>	<u>-</u>
Net change in fund balances	(4,081)	(4,081)	(2,414)	1,667
Fund Balance, July 1, 2011	<u>4,081</u>	<u>4,081</u>	<u>2,414</u>	<u>(1,667)</u>
Fund Balance, June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Regional Road Debt Service  
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 2,800,000	\$ 2,800,000	\$ -	\$ (2,800,000)
Investment earnings	-	-	550	550
<b>Total revenues</b>	<b>2,800,000</b>	<b>2,800,000</b>	<b>550</b>	<b>(2,799,450)</b>
<b>Expenditures:</b>				
Debt service				
Principal retirement	2,800,000	2,800,000	2,800,000	-
Interest and other charges	25,000	25,000	17,406	7,594
<b>Total expenditures</b>	<b>2,825,000</b>	<b>2,825,000</b>	<b>2,817,406</b>	<b>7,594</b>
Excess (deficiency) of revenues over expenditures	(25,000)	(25,000)	(2,816,856)	(2,791,856)
<b>Other financing sources (uses):</b>				
Transfers in	-	-	2,450,714	2,450,714
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>2,450,714</b>	<b>2,450,714</b>
Net change in fund balances	(25,000)	(25,000)	(366,142)	(341,142)
Fund Balance, July 1, 2011	25,000	25,000	366,142	341,142
Fund Balance, June 30, 2012	\$ -	\$ -	\$ -	\$ -

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Capital Projects  
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 3,514,473	\$ 3,514,473	\$ 3,547,068	\$ 32,595
Intergovernmental	-	-	1,115,660	1,115,660
Investment earnings	176,000	176,000	73,656	(102,344)
Total revenues	<u>3,690,473</u>	<u>3,690,473</u>	<u>4,736,384</u>	<u>1,045,911</u>
<b>Expenditures:</b>				
<b>Capital outlay</b>				
Board of Supervisors	<u>29,888,051</u>	<u>29,888,051</u>	<u>20,047,161</u>	<u>9,840,890</u>
Total expenditures	<u>29,888,051</u>	<u>29,888,051</u>	<u>20,047,161</u>	<u>9,840,890</u>
Excess (deficiency) of revenues over expenditures	(26,197,578)	(26,197,578)	(15,310,777)	10,886,801
<b>Other financing sources (uses):</b>				
Transfers in	5,055,860	5,055,860	7,712,491	2,656,631
Transfers out	<u>(2,111,865)</u>	<u>(2,111,865)</u>	<u>(2,836,865)</u>	<u>(725,000)</u>
Total other financing sources (uses)	<u>2,943,995</u>	<u>2,943,995</u>	<u>4,875,626</u>	<u>1,931,631</u>
Net change in fund balances	(23,253,583)	(23,253,583)	(10,435,151)	12,818,432
Fund Balance, July 1, 2011	<u>23,253,583</u>	<u>23,253,583</u>	<u>42,405,263</u>	<u>19,151,680</u>
Fund Balance, June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,970,112</u>	<u>\$ 31,970,112</u>

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Capital Projects Debt Service  
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Investment earnings	\$ -	\$ -	\$ 34	\$ 34
Total revenues	-	-	34	34
<b>Expenditures:</b>				
Debt service				
Principal retirement	1,010,482	1,010,482	1,010,482	-
Interest and other charges	1,101,383	1,101,383	1,101,383	-
Total expenditures	2,111,865	2,111,865	2,111,865	-
Excess (deficiency) of revenues over expenditures	(2,111,865)	(2,111,865)	(2,111,831)	34
<b>Other financing sources (uses):</b>				
Transfers in	1,112,500	1,112,500	2,111,865	999,365
Total other financing sources (uses)	1,112,500	1,112,500	2,111,865	999,365
Net change in fund balances	(999,365)	(999,365)	34	999,399
Fund Balance, July 1, 2011	999,365	999,365	1,319	(998,046)
Fund Balance, June 30, 2012	\$ -	\$ -	\$ 1,353	\$ 1,353

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Health Care  
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Licenses and permits	\$ 697,861	\$ 697,861	\$ 753,797	\$ 55,936
Intergovernmental	7,201,554	7,201,554	4,500,743	(2,700,811)
Charges for services	1,872,032	1,872,032	5,815,437	3,943,405
Investment earnings	12,000	12,000	11,712	(288)
Miscellaneous	1,610,202	1,610,202	1,430,921	(179,281)
Total revenues	<u>11,393,649</u>	<u>11,393,649</u>	<u>12,512,610</u>	<u>1,118,961</u>
<b>Expenditures:</b>				
<b>Health</b>				
Health	<u>13,128,813</u>	<u>13,128,813</u>	<u>13,121,564</u>	<u>7,249</u>
Total expenditures	<u>13,128,813</u>	<u>13,128,813</u>	<u>13,121,564</u>	<u>7,249</u>
Excess (deficiency) of revenues over expenditures	(1,735,164)	(1,735,164)	(608,954)	1,126,210
<b>Other financing sources (uses):</b>				
Sale of capital assets	-	-	12,681	(12,681)
Transfers in	<u>1,051,714</u>	<u>1,051,714</u>	<u>1,051,714</u>	<u>-</u>
Total other financing sources (uses)	<u>1,051,714</u>	<u>1,051,714</u>	<u>1,064,395</u>	<u>12,681</u>
Net change in fund balances	(683,450)	(683,450)	455,441	1,138,891
Fund Balance, July 1, 2011	683,450	683,450	4,112,793	3,429,343
<b>Changes in nonspendable resources:</b>				
Decrease in prepaid items	-	-	(5,684)	(5,684)
Fund Balance, June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,562,550</u>	<u>\$ 4,562,550</u>

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Recorder's Surcharge  
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 270,667	\$ 270,667	\$ 259,416	\$ (11,251)
Investment earnings	-	-	216	216
Miscellaneous	-	-	37	37
Total revenues	270,667	270,667	259,669	(10,998)
Expenditures:				
General government				
Recorder	281,086	281,086	173,501	107,585
Total expenditures	281,086	281,086	173,501	107,585
Excess (deficiency) of revenues over expenditures	(10,419)	(10,419)	86,168	96,587
Other financing sources (uses):				
Transfers out	(55,860)	(55,860)	(55,861)	(1)
Total other financing sources (uses)	(55,860)	(55,860)	(55,861)	(1)
Net change in fund balances	(66,279)	(66,279)	30,307	96,586
Fund Balance, July 1, 2011	66,279	66,279	123,218	56,939
Changes in nonspendable resources:				
Decrease in prepaid items	-	-	(339)	(339)
Fund Balance, June 30, 2012	\$ -	\$ -	\$ 153,186	\$ 153,186

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Assessor's Surcharge  
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 240,000	\$ 240,000	\$ 119,884	\$ (120,116)
Investment earnings	-	-	1,491	1,491
Total revenues	<u>240,000</u>	<u>240,000</u>	<u>121,375</u>	<u>(118,625)</u>
Expenditures:				
General government				
Assessor	<u>217,953</u>	<u>419,359</u>	<u>419,359</u>	<u>-</u>
Total expenditures	<u>217,953</u>	<u>419,359</u>	<u>419,359</u>	<u>-</u>
Net change in fund balances	22,047	(179,359)	(297,984)	(118,625)
Fund Balance, July 1, 2011	<u>(22,047)</u>	<u>179,359</u>	<u>616,971</u>	<u>437,612</u>
Fund Balance, June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 318,987</u>	<u>\$ 318,987</u>

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Treasurer's Surcharge  
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ -	\$ -	\$ 38,000	\$ 38,000
Investment earnings	-	-	506	506
Miscellaneous	-	-	11,800	11,800
Total revenues	-	-	50,306	50,306
Expenditures:				
General government				
Treasurer	-	3,741	3,741	-
Total expenditures	-	3,741	3,741	-
Net change in fund balances	-	(3,741)	46,565	50,306
Fund Balance, July 1, 2011	-	3,741	185,337	181,596
Fund Balance, June 30, 2012	\$ -	\$ -	\$ 231,902	\$ 231,902

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Election  
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 1,337	\$ 1,337
Investment earnings	-	-	510	510
Total revenues	-	-	1,847	1,847
Expenditures:				
General government				
Elections	235,000	235,000	182,208	52,792
Total expenditures	235,000	235,000	182,208	52,792
Net change in fund balances	(235,000)	(235,000)	(180,361)	54,639
Fund Balance, July 1, 2011	235,000	235,000	238,194	3,194
Fund Balance, June 30, 2012	\$ -	\$ -	\$ 57,833	\$ 57,833

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Public Library  
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 4,009,612	\$ 4,009,612	\$ 3,992,243	\$ (17,369)
Intergovernmental	306,844	306,844	159,252	(147,592)
Investment earnings	-	-	6,136	6,136
Miscellaneous	-	-	1,157	1,157
Total revenues	<u>4,316,456</u>	<u>4,316,456</u>	<u>4,158,788</u>	<u>(157,668)</u>
<b>Expenditures:</b>				
<b>General government</b>				
Library	5,721,311	5,721,311	4,193,604	1,527,707
Management Information Systems	<u>236,201</u>	<u>236,201</u>	<u>148,680</u>	<u>87,521</u>
Total expenditures	<u>5,957,512</u>	<u>5,957,512</u>	<u>4,342,284</u>	<u>1,615,228</u>
Net change in fund balances	(1,641,056)	(1,641,056)	(183,496)	1,457,560
Fund Balance, July 1, 2011	<u>1,641,056</u>	<u>1,641,056</u>	<u>1,764,913</u>	<u>123,857</u>
Fund Balance, June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,581,417</u>	<u>\$ 1,581,417</u>

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Education Service Agency  
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ 793,595	\$ 793,595
Intergovernmental	731,000	731,000	2,746,716	2,015,716
Charges for services	-	-	1,091,484	1,091,484
Investment earnings	-	-	5,564	5,564
Miscellaneous	1,027,202	1,027,202	476,701	(550,501)
Total revenues	1,758,202	1,758,202	5,114,060	3,355,858
Expenditures:				
Education				
School Superintendent	2,658,967	2,658,967	3,620,305	(961,338)
Capital outlay				
School Superintendent	-	-	1,589,583	(1,589,583)
Total expenditures	2,658,967	2,658,967	5,209,888	(2,550,921)
Excess (deficiency) of revenues over expenditures	(900,765)	(900,765)	(95,828)	804,937
Other financing sources (uses):				
Sale of capital assets	-	-	7,357	7,357
Total other financing sources (uses)	-	-	7,357	7,357
Net change in fund balances	(900,765)	(900,765)	(88,471)	812,294
Fund Balance, July 1, 2011	900,765	900,765	2,044,505	1,143,740
Changes in nonspendable resources:				
Increase in prepaid items	-	-	5,181	5,181
Fund Balance, June 30, 2012	\$ -	\$ -	\$ 1,961,215	\$ 1,961,215

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Parks & Recreation  
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 200,000	\$ 200,000	\$ 190,812	\$ (9,188)
Investment earnings	-	-	704	704
Miscellaneous	143,000	143,000	34,443	(108,557)
Total revenues	<u>343,000</u>	<u>343,000</u>	<u>225,959</u>	<u>(117,041)</u>
<b>Expenditures:</b>				
<b>General government</b>				
Board of Supervisors	<u>340,000</u>	<u>340,000</u>	<u>319,665</u>	<u>20,335</u>
<b>Culture &amp; recreation</b>				
Facilities	<u>216,185</u>	<u>216,185</u>	<u>73,565</u>	<u>142,620</u>
Total expenditures	<u>556,185</u>	<u>556,185</u>	<u>393,230</u>	<u>162,955</u>
Excess (deficiency) of revenues over expenditures	(213,185)	(213,185)	(167,271)	45,914
<b>Other financing sources (uses):</b>				
Transfers out	-	-	(13,151)	(13,151)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(13,151)</u>	<u>(13,151)</u>
Net change in fund balances	(213,185)	(213,185)	(180,422)	32,763
Fund Balance, July 1, 2011	<u>213,185</u>	<u>213,185</u>	<u>668,979</u>	<u>455,794</u>
Fund Balance, June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 488,557</u>	<u>\$ 488,557</u>

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Water Advisory Committee  
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 108,000	\$ 108,000	\$ 99,733	\$ (8,267)
Investment earnings	-	-	649	649
Miscellaneous	-	-	25	25
Total revenues	108,000	108,000	100,407	(7,593)
Expenditures:				
General government				
Board of Supervisors	200,000	228,556	228,554	2
Total expenditures	200,000	228,556	228,554	2
Excess (deficiency) of revenues over expenditures	(92,000)	(120,556)	(128,147)	(7,591)
Other financing sources (uses):				
Transfers in	83,600	83,600	83,600	-
Total other financing sources (uses)	83,600	83,600	83,600	-
Net change in fund balances	(8,400)	(36,956)	(44,547)	(7,591)
Fund Balance, July 1, 2011	8,400	36,956	202,567	165,611
Fund Balance, June 30, 2012	\$ -	\$ -	\$ 158,020	\$ 158,020

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Landfill / Environment  
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 400,000	\$ 400,000	\$ 407,032	\$ 7,032
Charges for services	-	-	18,085	18,085
Miscellaneous	-	-	8,160	8,160
Total revenues	400,000	400,000	433,277	33,277
Expenditures:				
Sanitation				
Landfill	370,000	370,000	294,754	75,246
Total expenditures	370,000	370,000	294,754	75,246
Net change in fund balances	30,000	30,000	138,523	108,523
Fund Balance, July 1, 2011	(30,000)	(30,000)	675,877	705,877
Fund Balance, June 30, 2012	\$ -	\$ -	\$ 814,400	\$ 814,400

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Public Works  
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 99,530	\$ 99,530	\$ 70,396	\$ (29,134)
Investment earnings	-	-	294	294
Miscellaneous	-	-	5	5
Total revenues	99,530	99,530	70,695	(28,835)
Expenditures:				
Highways and streets				
Public Works	99,530	147,190	147,189	1
Total expenditures	99,530	147,190	147,189	1
Net change in fund balances	-	(47,660)	(76,494)	(28,834)
Fund Balance, July 1, 2011	-	47,660	143,334	95,674
Fund Balance, June 30, 2012	\$ -	\$ -	\$ 66,840	\$ 66,840

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Finance  
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 1,736,995	\$ 1,736,995	\$ 2,352,564	\$ 615,569
Fines and forfeits	359,509	359,509	377,824	18,315
Investment earnings	-	-	76	76
Total revenues	<u>2,096,504</u>	<u>2,096,504</u>	<u>2,730,464</u>	<u>633,960</u>
<b>Expenditures:</b>				
<b>General government</b>				
Board of Supervisors	2,096,504	2,354,490	2,354,489	1
Total expenditures	<u>2,096,504</u>	<u>2,354,490</u>	<u>2,354,489</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	-	(257,986)	375,975	633,961
<b>Other financing sources (uses):</b>				
Transfers out	-	-	(375,975)	(375,975)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(375,975)</u>	<u>(375,975)</u>
Net change in fund balances	-	(257,986)	-	257,986
Fund Balance, July 1, 2011	-	257,986	-	(257,986)
Fund Balance, June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Improvement Districts  
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 6,207,264	\$ 6,207,264	\$ 6,235,829	\$ 28,565
Special assessments	345,699	345,699	-	(345,699)
Investment earnings	-	-	18,128	18,128
Miscellaneous	214,467	214,467	34,820	(179,647)
Total revenues	<u>6,767,430</u>	<u>6,767,430</u>	<u>6,288,777</u>	<u>(478,653)</u>
<b>Expenditures:</b>				
Development Services	15,400	15,400	-	15,400
Board of Supervisors	15,400	15,400	-	15,400
<b>Public safety</b>				
Flood Control	<u>9,904,935</u>	<u>9,904,935</u>	<u>5,177,256</u>	<u>4,727,679</u>
<b>Highways and streets</b>				
Board of Supervisors	216,318	216,318	123,125	93,193
Public Works	6,395	6,395	6,300	95
Total Highways and streets	<u>222,713</u>	<u>222,713</u>	<u>129,425</u>	<u>93,288</u>
<b>Sanitation</b>				
Special Districts	52,398	52,398	5,135	47,263
Total expenditures	<u>10,195,446</u>	<u>10,195,446</u>	<u>5,311,816</u>	<u>4,883,630</u>
Excess (deficiency) of revenues over expenditures	(3,428,016)	(3,428,016)	976,961	4,404,977
<b>Other financing sources (uses):</b>				
Transfers out	(3,342,504)	(3,342,504)	(3,000,000)	342,504
Total other financing sources (uses)	<u>(3,342,504)</u>	<u>(3,342,504)</u>	<u>(3,000,000)</u>	<u>342,504</u>
Net change in fund balances	(6,770,520)	(6,770,520)	(2,023,039)	4,747,481
Fund Balance, July 1, 2011	6,770,520	6,770,520	7,700,999	930,479
<b>Changes in nonspendable resources:</b>				
Decrease in prepaid items	-	-	(6,423)	(6,423)
Fund Balance, June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,671,537</u>	<u>\$ 5,671,537</u>

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Clerk of Superior Court  
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 747	\$ 747
Charges for services	75,521	75,521	72,747	(2,774)
Fines and forfeits	-	-	14	14
Investment earnings	12	12	333	321
Miscellaneous	-	-	5	5
Total revenues	75,533	75,533	73,846	(1,687)
Expenditures:				
General government				
Clerk of the Court	201,468	201,468	86,067	115,401
Total expenditures	201,468	201,468	86,067	115,401
Net change in fund balances	(125,935)	(125,935)	(12,221)	113,714
Fund Balance, July 1, 2011	125,935	125,935	140,481	14,546
Fund Balance, June 30, 2012	\$ -	\$ -	\$ 128,260	\$ 128,260

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
County Attorney  
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 466,900	\$ 466,900	\$ 897,566	\$ 430,666
Charges for services	55,000	55,000	51,949	(3,051)
Fines and forfeits	-	-	4	4
Investment earnings	-	-	3,703	3,703
Miscellaneous	22,367	22,367	1,103,846	1,081,479
Total revenues	544,267	544,267	2,057,068	1,512,801
Expenditures:				
General government				
County Attorney	544,267	2,311,711	2,311,710	1
Total expenditures	544,267	2,311,711	2,311,710	1
Excess (deficiency) of revenues over expenditures	-	(1,767,444)	(254,642)	1,512,802
Other financing sources (uses):				
Transfers in	-	-	84,048	84,048
Transfers out	-	-	(153,728)	(153,728)
Total other financing sources (uses)	-	-	(69,680)	(69,680)
Net change in fund balances	-	(1,767,444)	(324,322)	1,443,122
Fund Balance, July 1, 2011	-	1,767,444	1,543,852	(223,592)
Fund Balance, June 30, 2012	\$ -	\$ -	\$ 1,219,530	\$ 1,219,530

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Law Enforcement  
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 1,257,359	\$ 1,257,359	\$ 1,575,179	\$ 317,820
Charges for services	59,835	59,835	61,031	1,196
Fines and forfeits	-	-	5,562	5,562
Investment earnings	24	24	4,999	4,975
Miscellaneous	670,521	670,521	527,346	(143,175)
<b>Total revenues</b>	<b>1,987,739</b>	<b>1,987,739</b>	<b>2,174,117</b>	<b>186,378</b>
<b>Expenditures:</b>				
<b>General government</b>				
Constables	2,781	2,781	1,784	997
<b>Public safety</b>				
Sheriff	2,392,744	2,392,744	2,083,113	309,631
<b>Total expenditures</b>	<b>2,395,525</b>	<b>2,395,525</b>	<b>2,084,897</b>	<b>310,628</b>
Excess (deficiency) of revenues over expenditures	(407,786)	(407,786)	89,220	497,006
<b>Other financing sources (uses):</b>				
Sale of capital assets	-	-	8,034	8,034
Transfers in	-	-	114,638	114,638
Transfers out	-	-	(2,400)	(2,400)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>120,272</b>	<b>120,272</b>
<b>Net change in fund balances</b>	<b>(407,786)</b>	<b>(407,786)</b>	<b>209,492</b>	<b>617,278</b>
Fund Balance, July 1, 2011	407,786	407,786	1,733,998	1,326,212
<b>Changes in nonspendable resources:</b>				
Decrease in prepaid items	-	-	(9,902)	(9,902)
Fund Balance, June 30, 2012	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,933,588</b>	<b>\$ 1,933,588</b>

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Emergency Management  
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 336,738	\$ 297,557	\$ 268,663	\$ (68,075)
Investment earnings	1,200	1,200	700	(500)
Total revenues	337,938	337,938	269,363	(68,575)
Expenditures:				
General government				
Emergency Management	311,958	311,958	213,121	98,837
Total expenditures	311,958	311,958	213,121	98,837
Net change in fund balances	25,980	25,980	56,242	30,262
Fund Balance, July 1, 2011	(25,980)	(25,980)	190,571	216,551
Fund Balance, June 30, 2012	\$ -	\$ -	\$ 246,813	\$ 246,813

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Probation  
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 5,676,014	\$ 5,676,014	\$ 4,881,279	\$ (794,735)
Charges for services	1,045,187	1,045,187	868,753	(176,434)
Investment earnings	-	-	5,107	5,107
Miscellaneous	65,000	65,000	1,368	(63,632)
Total revenues	6,786,201	6,786,201	5,756,507	(1,029,694)
Expenditures:				
Public safety				
Adult Probation	4,070,986	4,070,986	3,927,398	143,588
Juvenile Probation	2,735,059	2,735,059	1,944,373	790,686
Total expenditures	6,806,045	6,806,045	5,871,771	934,274
Excess (deficiency) of revenues over expenditures	(19,844)	(19,844)	(115,264)	(95,420)
Other financing sources (uses):				
Transfers out	-	-	(304)	(304)
Total other financing sources (uses)	-	-	(304)	(304)
Net change in fund balances	(19,844)	(19,844)	(115,568)	(95,724)
Fund Balance, July 1, 2011	19,844	19,844	1,745,513	1,725,669
Changes in nonspendable resources:				
Decrease in prepaid items	-	-	(1,553)	(1,553)
Fund Balance, June 30, 2012	\$ -	\$ -	\$ 1,628,392	\$ 1,628,392

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Courts  
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 726,106	\$ 726,106	\$ 532,907	\$ (193,199)
Charges for services	266,948	266,948	351,439	84,491
Fines and forfeits	-	-	167,894	167,894
Investment earnings	-	-	3,577	3,577
Miscellaneous	274,026	274,026	82,500	(191,526)
Total revenues	1,267,080	1,267,080	1,138,317	(128,763)
<b>Expenditures:</b>				
<b>General government:</b>				
Superior Courts	2,546,560	2,546,560	1,460,247	1,086,313
Prescott Justice of the Peace	-	-	47,394	(47,394)
Bagdad/Yarnell Justice of the Peace	-	-	11,010	(11,010)
Verde Valley Justice of the Peace	-	-	2,836	(2,836)
Mayer Justice of the Peace	-	-	9,863	(9,863)
Seligman Justice of the Peace	-	-	2,731	(2,731)
Total General government	2,546,560	2,546,560	1,534,081	1,012,479
<b>Public safety:</b>				
Juvenile Probation	-	-	7,862	(7,862)
Total expenditures	2,546,560	2,546,560	1,541,943	1,004,617
Excess (deficiency) of revenues over expenditures	(1,279,480)	(1,279,480)	(403,626)	875,854
<b>Other financing sources (uses):</b>				
Transfers in	40,466	40,466	247,921	207,455
Total other financing sources (uses)	40,466	40,466	247,921	207,455
Net change in fund balances	(1,239,014)	(1,239,014)	(155,705)	1,083,309
Fund Balance, July 1, 2011	1,239,014	1,239,014	1,544,714	305,700
<b>Changes in nonspendable resources:</b>				
Increase in prepaid items	-	-	443	443
Fund Balance, June 30, 2012	\$ -	\$ -	\$ 1,389,452	\$ 1,389,452

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Public Defender  
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 10,000	\$ 10,000	\$ 23,765	\$ 13,765
Charges for services	60,000	60,000	94,724	34,724
Investment earnings	-	-	1,114	1,114
Miscellaneous	-	-	4	4
Total revenues	70,000	70,000	119,607	49,607
Expenditures:				
General government				
Public Defender	192,800	192,800	173,690	19,110
Total expenditures	192,800	192,800	173,690	19,110
Excess (deficiency) of revenues over expenditures	(122,800)	(122,800)	(54,083)	68,717
Other financing sources (uses):				
Transfers in	-	-	77,568	77,568
Total other financing sources (uses)	-	-	77,568	77,568
Net change in fund balances	(122,800)	(122,800)	23,485	146,285
Fund Balance, July 1, 2011	122,800	122,800	479,509	356,709
Fund Balance, June 30, 2012	\$ -	\$ -	\$ 502,994	\$ 502,994

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Airport Development  
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 600,000	\$ 600,000	\$ 1,395,412	\$ 795,412
Investment earnings	-	-	466	466
Miscellaneous	-	-	36,630	36,630
Total revenues	600,000	600,000	1,432,508	832,508
Expenditures:				
General government				
Airport Development	-	-	1,237,359	(1,237,359)
Capital outlay				
Airport Development	600,000	600,000	259,633	340,367
Total expenditures	600,000	600,000	1,496,992	(896,992)
Net change in fund balances	-	-	(64,484)	1,729,500
Fund Balance, July 1, 2011	-	-	174,029	174,029
Fund Balance, June 30, 2012	\$ -	\$ -	\$ 109,545	\$ 1,903,529

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Coyote Springs  
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Special assessments	\$ -	\$ -	\$ 128,721	\$ 128,721
Investment earnings	-	-	1,244	1,244
Total revenues	-	-	129,965	129,965
Expenditures:				
Debt service				
Principal retirement	80,000	80,000	80,000	-
Interest and other charges	53,720	54,192	54,192	-
Total expenditures	133,720	134,192	134,192	-
Excess (deficiency) of revenues over expenditures	(133,720)	(134,192)	(4,227)	129,965
Other financing sources (uses):				
Transfers in	133,720	133,720	-	(133,720)
Total other financing sources (uses)	133,720	133,720	-	(133,720)
Net change in fund balances	-	(472)	(4,227)	(3,755)
Fund Balance, July 1, 2011	-	472	510,924	510,452
Fund Balance, June 30, 2012	\$ -	\$ -	\$ 506,697	\$ 506,697

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Prescott East  
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Special assessments	\$ -	\$ -	\$ 2,953	\$ 2,953
Investment earnings	-	-	109	109
Total revenues	-	-	3,062	3,062
Expenditures:				
Sanitation				
Public Works	-	3,573	3,573	-
Total expenditures	-	3,573	3,573	-
Net change in fund balances	-	(3,573)	(511)	3,062
Fund Balance, July 1, 2011	-	3,573	38,288	34,715
Fund Balance, June 30, 2012	\$ -	\$ -	\$ 37,777	\$ 37,777

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Poquito Valley  
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Special assessments	\$ -	\$ -	\$ 313,756	\$ 313,756
Investment earnings	-	-	750	750
Total revenues	-	-	314,506	314,506
Expenditures:				
Debt service				
Principal retirement	95,000	95,000	95,000	-
Interest and other charges	113,784	114,084	114,084	-
Total expenditures	208,784	209,084	209,084	-
Excess (deficiency) of revenues over expenditures	(208,784)	(209,084)	105,422	314,506
Other financing sources (uses):				
Transfers in	208,784	208,784	-	(208,784)
Total other financing sources (uses)	208,784	208,784	-	(208,784)
Net change in fund balances	-	(300)	105,422	105,722
Fund Balance, July 1, 2011	-	300	304,309	304,009
Fund Balance, June 30, 2012	\$ -	\$ -	\$ 409,731	\$ 409,731

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## **AGENCY FUNDS**

Yavapai County  
Statement of Changes in Assets and Liabilities  
Agency Funds  
Year Ended June 30, 2012

Assets	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
Equity in pooled cash and investments	\$ 2,861,015	\$ 13,261,217	\$ (13,264,650)	\$ 2,857,582
Total assets	<u>\$ 2,861,015</u>	<u>\$ 13,261,217</u>	<u>\$ (13,264,650)</u>	<u>\$ 2,857,582</u>
Liabilities				
Deposits held for others	\$ 2,861,015	\$ 13,261,217	\$ (13,264,650)	\$ 2,857,582
Total liabilities	<u>\$ 2,861,015</u>	<u>\$ 13,261,217</u>	<u>\$ (13,264,650)</u>	<u>\$ 2,857,582</u>

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## **STATISTICAL SECTION**

Yavapai County  
Statistical Section  
Year Ended June 30, 2012

This part of the Yavapai County comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	116
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	122
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	126
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	129
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	131
<b>Sources:</b> Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.	

Yavapai County  
Net Assets by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Year									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u> <u>As Restated</u>	<u>2008</u>	<u>2009</u> <u>As Restated</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Governmental activities										
Invested in capital assets, net of related debt	\$ 64,735,399	\$89,640,318	\$ 98,010,786	\$224,412,765	\$225,318,014	\$229,172,469	\$223,287,295	\$222,740,108	\$223,888,086	\$233,664,415
Restricted	221,862	453,070	546,806	607,294	606,573	3,710,523	7,875,823	8,531,392	44,673,785	30,244,964
Unrestricted	24,647,259	20,105,196	27,543,026	40,972,673	57,826,910	64,650,547	68,173,526	75,774,030	41,562,207	46,892,632
<b>Total governmental activities net assets</b>	<b>\$ 89,604,520</b>	<b>\$110,198,584</b>	<b>\$126,100,618</b>	<b>\$265,992,732</b>	<b>\$283,751,497</b>	<b>\$297,533,539</b>	<b>\$299,336,644</b>	<b>\$307,045,530</b>	<b>\$310,124,078</b>	<b>\$310,802,011</b>
Business-type activities										
Invested in capital assets, net of related debt	\$ 113,516	\$ 174,128	\$ 159,457	\$ 143,635	\$ 195,903	\$ 176,099	\$ 200,204	\$ 167,581	\$ 98,057	\$ -
Restricted	3,937,368	2,688,410	2,921,417	3,756,119	5,023,106	3,781,682	2,697,563	3,017,325	5,795,317	-
<b>Total business-type activities net assets</b>	<b>\$ 4,050,884</b>	<b>\$ 2,862,538</b>	<b>\$ 3,080,874</b>	<b>\$ 3,899,754</b>	<b>\$ 5,219,009</b>	<b>\$ 3,957,781</b>	<b>\$ 2,897,767</b>	<b>\$ 3,184,906</b>	<b>\$ 5,893,374</b>	<b>\$ -</b>
Primary government										
Invested in capital assets, net of related debt	\$ 64,848,915	\$ 89,814,446	\$ 98,170,243	\$224,556,400	\$225,513,917	\$229,348,568	\$223,487,499	\$222,907,689	\$223,986,143	\$233,664,415
Restricted	4,159,230	3,141,480	3,468,223	4,363,413	5,629,679	7,492,205	10,573,386	11,548,717	50,469,102	30,244,964
Unrestricted	24,647,259	20,105,196	27,543,026	40,972,673	57,826,910	64,650,547	68,173,526	75,774,030	41,562,207	46,892,632
<b>Total primary government net assets</b>	<b>\$ 93,655,404</b>	<b>\$113,061,122</b>	<b>\$129,181,492</b>	<b>\$269,892,486</b>	<b>\$288,970,506</b>	<b>\$301,491,320</b>	<b>\$302,234,411</b>	<b>\$310,230,436</b>	<b>\$316,017,452</b>	<b>\$310,802,011</b>

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Yavapai County  
Changes in Net Assets  
Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Year									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u> As Restated	<u>2008</u>	<u>2009</u> As Restated	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Expenses</b>										
Governmental activities:										
General government	\$ 41,123,373	\$ 37,084,422	\$ 49,606,233	\$ 50,250,176	\$ 53,476,984	\$ 56,463,230	\$ 54,763,915	\$ 59,704,858	\$ 59,429,434	\$ 62,345,662
Public safety	26,737,930	31,704,296	34,241,112	42,840,060	45,577,212	49,004,105	50,648,123	48,420,364	47,609,527	49,388,684
Highways and streets	11,012,419	18,457,819	14,468,350	26,559,520	27,358,195	25,459,898	26,824,721	25,910,775	24,893,508	25,247,610
Sanitation	1,595,659	1,645,392	1,589,708	1,817,225	1,520,053	1,917,599	1,686,935	1,300,834	1,297,411	1,465,542
Health	5,675,223	8,757,816	8,958,399	10,543,636	10,983,877	11,503,799	12,728,257	12,829,196	12,822,518	13,191,650
Welfare	8,277,939	7,844,530	8,978,907	9,658,425	11,038,595	10,787,068	11,468,732	8,527,395	9,497,084	11,834,457
Culture and recreation	591,898	556,472	667,306	89,621	195,457	222,162	252,328	247,821	294,753	238,532
Education	1,716,524	2,546,712	2,326,146	2,480,067	3,318,361	4,739,415	4,656,691	3,974,594	4,926,595	3,509,638
Aid to other governments	361,130	146,641	2,690,577	160,248	-	-	-	-	-	-
Interest on long-term debt	777,372	923,764	673,555	558,900	480,637	1,497,898	3,382,649	1,644,239	1,942,927	1,364,868
Total governmental activities expenses	97,869,467	109,667,864	124,200,293	144,957,878	153,949,371	161,595,174	166,412,351	162,560,076	162,713,757	168,586,643
Business-type activities:										
Long Term Care	28,339,917	31,832,400	34,660,511	34,456,013	33,577,705	37,821,993	42,630,543	45,026,786	41,120,729	10,141,138
Total business-type activities expenses	28,339,917	31,832,400	34,660,511	34,456,013	33,577,705	37,821,993	42,630,543	45,026,786	41,120,729	10,141,138
Total primary government expenses	\$126,209,384	\$141,500,264	\$158,860,804	\$179,413,891	\$187,527,076	\$199,417,167	\$209,042,894	\$207,586,862	\$203,834,486	\$178,727,781
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 5,726,915	\$ 6,123,424	\$ 7,507,861	\$ 7,861,648	\$ 6,801,849	\$ 5,974,258	\$ 4,437,362	\$ 4,436,876	\$ 5,627,504	\$ 5,459,831
Public safety	2,780,332	3,104,336	3,548,886	4,246,614	5,281,258	5,610,867	5,719,713	7,933,673	8,040,993	8,681,147
Health	2,486,307	2,339,512	2,799,419	2,972,426	2,984,046	3,627,207	4,089,897	4,636,761	5,844,952	6,569,234
Other	1,966,656	2,211,426	2,927,612	2,594,749	1,798,220	2,109,402	1,485,526	1,558,598	2,708,201	1,806,374
Operating grants and contributions	24,225,128	26,686,792	27,024,916	30,373,350	35,334,547	32,432,224	36,179,042	35,212,078	32,210,542	26,710,532
Capital grants and contributions	342,063	138,290	2,586,829	240,861	571,666	2,271,419	556,609	247,501	1,067,298	2,248,681
Total governmental activities program revenues	37,527,401	40,603,780	46,395,523	48,289,648	52,771,586	52,025,377	52,468,149	54,025,487	55,499,490	51,475,799
Business-type activities:										
Charges for services:										
Long Term Care	30,408,291	31,465,598	34,931,830	35,980,820	35,409,765	37,655,470	42,899,640	45,216,942	43,697,139	11,968,091

(Continued on next page)

Yavapai County  
Changes in Net Assets  
Last Ten Fiscal Years  
(accrual basis of accounting)

(Continued)

	Fiscal Year									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u> <u>As Restated</u>	<u>2008</u>	<u>2009</u> <u>As Restated</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Total business-type activities program revenues	30,408,291	31,465,598	34,931,830	35,980,820	35,409,765	37,655,470	42,899,640	45,216,942	43,697,139	11,968,091
Total primary government program revenues	\$ 67,935,692	\$ 72,069,378	\$ 81,327,353	\$ 84,270,468	\$ 88,181,351	\$ 89,680,847	\$ 95,367,789	\$ 99,242,429	\$ 99,196,629	\$ 63,443,890
Net (expense)/revenue										
Governmental activities	\$(60,342,066)	\$(69,064,084)	\$(77,804,770)	\$(96,668,230)	\$(101,177,785)	\$(109,569,797)	\$(113,944,202)	\$(108,534,589)	\$(107,214,267)	\$(117,110,844)
Business-type activities	2,068,374	(366,802)	271,319	1,524,807	1,832,060	(166,523)	269,097	190,156	2,576,410	1,826,953
Total primary government net expense	<u>\$(58,273,692)</u>	<u>\$(69,430,886)</u>	<u>\$(77,533,451)</u>	<u>\$(95,143,423)</u>	<u>\$ (99,345,725)</u>	<u>\$(109,736,320)</u>	<u>\$(113,675,105)</u>	<u>\$(108,344,433)</u>	<u>\$(104,637,857)</u>	<u>\$(115,283,891)</u>
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Property taxes	\$ 28,097,734	\$ 31,940,611	\$ 34,912,400	\$ 38,887,081	\$ 42,447,960	\$ 45,965,292	\$ 50,937,068	\$ 53,971,492	\$ 55,299,466	\$ 51,699,471
Sales taxes	32,756,018	35,700,324	41,077,470	50,065,907	52,313,184	49,005,883	42,623,546	38,403,637	39,256,867	41,382,944
Vehicle license taxes	8,335,252	9,495,550	10,060,798	11,449,992	11,914,533	11,589,365	10,332,569	9,540,916	9,394,022	9,083,699
Grants not restricted to specific programs	-	-	-	-	-	-	-	-	-	2,985,878
Franchise taxes	491,454	498,553	511,205	503,099	491,257	319,500	300,793	310,611	309,155	271,003
Lottery (intergovernmental, unrestricted)	550,035	550,035	550,035	550,035	550,035	550,035	522,533	304,381	-	-
Investment earnings	48,864	252,347	554,886	1,280,133	2,704,970	3,795,969	2,055,193	455,363	382,199	227,971
Gain on disposal of capital assets	338,348	-	1,353,975	-	1,082,800	4,121,512	771,658	1,139,199	77,731	376,709
Miscellaneous	2,752,422	4,037,390	4,123,119	5,200,590	5,600,472	6,504,283	6,703,947	7,802,635	5,573,375	4,104,472
Transfers	2,000,000	1,000,000	297,046	1,000,000	1,000,000	1,500,000	1,500,000	-	-	7,656,630
Total governmental activities	<u>75,370,127</u>	<u>83,474,810</u>	<u>93,440,934</u>	<u>108,936,837</u>	<u>118,105,211</u>	<u>123,351,839</u>	<u>115,747,307</u>	<u>111,928,234</u>	<u>110,292,815</u>	<u>117,788,777</u>
Business-type activities:										
Investment earnings	-	124,413	114,608	168,358	356,585	346,606	136,335	39,650	30,687	18,363
Loss on disposal of capital assets	-	-	-	-	-	-	-	-	-	(82,060)
Miscellaneous	42,188	54,043	129,455	125,715	130,610	58,689	34,554	57,333	101,371	-
Transfers	(2,000,000)	(1,000,000)	(297,046)	(1,000,000)	(1,000,000)	(1,500,000)	(1,500,000)	-	-	(7,656,630)
Total business-type activities	<u>(1,957,812)</u>	<u>(821,544)</u>	<u>(52,983)</u>	<u>(705,927)</u>	<u>(512,805)</u>	<u>(1,094,705)</u>	<u>(1,329,111)</u>	<u>96,983</u>	<u>132,058</u>	<u>(7,720,327)</u>
Total primary government	<u>\$ 73,412,315</u>	<u>\$ 82,653,266</u>	<u>\$ 93,387,951</u>	<u>\$ 108,230,910</u>	<u>\$ 117,592,406</u>	<u>\$ 122,257,134</u>	<u>\$ 114,418,196</u>	<u>\$ 112,025,217</u>	<u>\$ 110,424,873</u>	<u>\$ 110,068,450</u>
<b>Change in Net Assets</b>										
Governmental activities	\$ 15,028,061	\$ 14,410,726	\$ 15,636,164	\$ 12,268,607	\$ 16,927,426	\$ 13,782,042	\$ 1,803,105	\$ 3,393,645	\$ 3,078,548	\$ 677,933
Business-type activities	110,562	(1,188,346)	218,336	818,880	1,319,255	(1,261,228)	(1,060,014)	287,139	2,708,468	(5,893,374)
Total primary government	<u>\$ 15,138,623</u>	<u>\$ 13,222,380</u>	<u>\$ 15,854,500</u>	<u>\$ 13,087,487</u>	<u>\$ 18,246,681</u>	<u>\$ 12,520,814</u>	<u>\$ 743,091</u>	<u>\$ 3,680,784</u>	<u>\$ 5,787,016</u>	<u>\$ (5,215,441)</u>

Yavapai County  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u> <u>As Restated</u>	<u>2008</u>	<u>2009</u> <u>As Restated</u>	<u>2010</u>	<u>2011</u> <sup>1</sup>	<u>2012</u>
General fund										
Reserved	\$	\$ 91,724	\$ 99,748	\$ 209,895	\$ 226,811	\$ 483,570	\$ 615,392	\$ 1,907,862	\$ -	\$ -
Unreserved	1,784,993	1,863,405	3,595,788	8,810,588	3,456,351	1,427,573	4,145,016	7,935,224	-	-
Nonspendable	-	-	-	-	-	-	-	-	883,725	558,330
Unassigned	-	-	-	-	-	-	-	-	11,572,661	9,198,985
<b>Total general fund</b>	<b>\$ 1,784,993</b>	<b>\$ 1,955,129</b>	<b>\$ 3,695,536</b>	<b>\$ 9,020,483</b>	<b>\$ 3,683,162</b>	<b>\$ 1,911,143</b>	<b>\$ 4,760,408</b>	<b>\$ 9,843,086</b>	<b>\$12,456,386</b>	<b>\$9,757,315</b>
All other governmental funds										
Reserved	\$ 325,722	\$ 936,366	\$ 704,781	\$ 867,774	\$ 892,421	\$ 51,426,543	\$ 20,716,883	\$16,841,879	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	23,087,399	21,288,382	26,262,264	28,677,267	38,659,477	62,686,413	58,212,657	49,538,733	-	-
Capital projects funds	7,589,902	4,677,929	6,266,584	12,280,114	24,216,390	28,615,375	27,040,504	30,443,106	-	-
Nonspendable	-	-	-	-	-	-	-	-	571,259	338,143
Restricted	-	-	-	-	-	-	-	-	44,302,178	29,845,087
Committed	-	-	-	-	-	-	-	-	48,737,019	44,933,474
<b>Total all other governmental funds</b>	<b>\$31,003,023</b>	<b>\$26,902,677</b>	<b>\$33,233,629</b>	<b>\$41,825,155</b>	<b>\$63,768,288</b>	<b>\$142,728,331</b>	<b>\$105,970,044</b>	<b>\$96,823,718</b>	<b>\$93,610,456</b>	<b>\$75,116,704</b>

1) Fund balance classifications were redefined due to the implementation of GASB Statement No. 54.

Yavapai County  
Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007 As Restated	2008	2009 As Restated	2010	2011	2012
<b>Revenues</b>										
Taxes	\$ 44,368,163	\$ 51,126,397	\$ 56,699,399	\$ 64,339,846	\$ 68,366,838	\$ 69,823,083	\$ 71,170,257	\$ 71,943,613	\$ 72,919,065	\$ 70,585,042
Special assessments	273,374	515,278	308,532	270,747	196,408	164,967	175,450	856,571	625,539	445,430
Licenses and permits	4,117,310	4,566,514	6,462,137	6,334,632	4,850,011	4,766,461	2,961,289	2,659,731	2,649,532	2,352,607
Intergovernmental	49,968,098	53,304,620	59,847,934	67,630,858	75,370,360	72,214,152	70,366,121	70,616,782	78,875,264	67,956,327
Charges for services	6,406,303	6,422,832	7,315,921	7,732,193	7,788,177	8,425,489	8,643,467	11,215,560	12,555,911	13,901,191
Fines and forfeits	2,082,004	2,319,086	2,510,775	3,104,481	3,786,792	3,661,993	3,213,958	3,328,787	2,925,544	3,075,579
Investment earnings	48,864	252,347	554,887	1,456,855	2,704,923	3,795,969	2,055,194	455,362	382,202	227,971
Miscellaneous	3,304,583	4,460,919	4,613,751	5,372,544	5,703,261	6,580,945	6,803,297	7,387,647	5,738,164	4,274,703
<b>Total revenues</b>	<b>110,568,699</b>	<b>122,967,993</b>	<b>138,313,336</b>	<b>156,242,156</b>	<b>168,766,770</b>	<b>169,433,059</b>	<b>165,389,033</b>	<b>168,464,053</b>	<b>176,671,221</b>	<b>162,818,850</b>
<b>Expenditures</b>										
General government	38,750,661	41,843,874	46,791,573	51,012,067	54,010,879	55,690,909	51,292,906	56,232,120	55,278,011	60,284,141
Public safety	26,503,683	30,697,154	33,696,622	41,641,625	44,428,874	48,794,023	50,239,679	49,214,849	47,884,440	48,438,479
Highways and streets	25,704,354	25,009,308	19,354,645	22,665,826	25,105,478	32,866,538	29,717,490	24,003,533	20,362,539	22,839,550
Sanitation	2,066,464	1,514,713	1,492,577	1,982,814	1,599,913	1,857,688	1,548,363	1,397,117	1,319,900	1,445,057
Health	7,875,991	8,617,007	8,833,788	10,390,948	10,936,074	11,329,734	12,566,528	12,675,386	12,650,539	13,121,564
Welfare	8,206,263	7,950,410	8,975,900	9,651,292	11,071,610	10,826,459	11,465,931	8,523,288	9,489,765	11,841,743
Culture and recreation	599,275	444,617	561,582	99,102	58,135	103,232	119,668	110,499	157,431	172,348
Education	1,741,436	2,367,853	2,420,494	2,315,922	3,328,047	4,708,970	4,640,744	3,980,160	4,819,819	4,246,599
Aid to other governments	361,130	-	-	-	-	-	-	-	-	-
Capital outlay	12,044,577	6,100,407	3,475,099	462,273	1,846,167	4,215,537	9,617,872	5,922,869	10,471,363	21,956,670
Debt service										
Principal	1,621,156	3,910,440	5,647,287	3,815,698	1,612,178	1,638,729	27,075,356	12,767,059	13,125,845	5,775,482
Interest and other charges	758,544	904,937	673,556	563,122	480,637	1,497,898	3,382,649	1,644,239	1,942,927	1,364,868
<b>Total expenditures</b>	<b>126,233,534</b>	<b>129,360,720</b>	<b>131,923,123</b>	<b>144,600,689</b>	<b>154,477,992</b>	<b>173,529,717</b>	<b>201,667,186</b>	<b>176,471,119</b>	<b>177,502,579</b>	<b>191,486,501</b>
Excess (deficiency) of revenues over (under) expenditures	(15,664,835)	(6,392,727)	6,390,213	11,641,467	14,288,778	(4,096,658)	(36,278,153)	(8,007,066)	(831,358)	(28,667,651)
<b>Other financing sources (uses)</b>										
Special assessment bonds issued	-	-	-	-	-	-	-	1,857,000	-	-
Revenue bonds issued	-	-	-	-	-	25,375,000	-	-	-	-
Capital lease agreements	1,202,559	1,300,000	-	-	-	50,000,000	-	-	-	-
Sale of capital assets	374,633	-	1,392,753	-	1,082,800	4,121,512	771,659	1,683,400	77,731	376,709
Transfers in	22,966,703	19,666,460	17,629,736	21,212,224	25,435,821	25,993,225	48,227,811	27,677,634	18,011,458	35,664,432
Transfers out	(20,966,703)	(18,666,460)	(17,332,690)	(20,212,224)	(24,435,821)	(24,493,225)	(46,727,811)	(27,677,634)	(18,011,458)	(28,007,802)
Loan proceeds	9,000,000	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>12,577,192</b>	<b>2,300,000</b>	<b>1,689,799</b>	<b>1,000,000</b>	<b>2,082,800</b>	<b>80,996,512</b>	<b>2,271,659</b>	<b>3,540,400</b>	<b>77,731</b>	<b>8,033,339</b>
<b>Net changes in fund balances</b>	<b>\$ (3,087,643)</b>	<b>\$ (4,092,727)</b>	<b>\$ 8,080,012</b>	<b>\$ 12,641,467</b>	<b>\$ 16,371,578</b>	<b>\$ 76,899,854</b>	<b>\$ (34,006,494)</b>	<b>\$ (4,466,666)</b>	<b>\$ (753,627)</b>	<b>\$ (20,634,312)</b>
Debt service as a percentage of noncapital expenditures	2.5%	4.4%	5.1%	3.3%	1.5%	2.2%	16.3%	9.0%	9.5%	4.5%

Yavapai County  
Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year	Primary Assessed Value			Total Taxable Assessed Value	Total Direct Tax Rate <sup>1</sup>	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
	Residential and Vacant Property	Commercial Property	Unattached Personal Property				
2003	\$ 964,199,901	\$ 380,263,729	\$ 43,628,890	\$1,388,092,520	2.0369	\$11,032,555,067	12.58%
2004	1,055,971,160	415,043,260	45,792,997	1,516,807,417	2.1115	12,071,754,471	12.56
2005	1,178,680,548	452,777,214	44,571,778	1,676,029,540	2.1077	13,416,406,081	12.49
2006	1,322,060,791	506,417,682	49,368,952	1,877,847,425	2.1042	15,045,533,581	12.48
2007	1,511,362,543	566,635,332	47,712,332	2,125,710,207	2.0450	17,098,083,909	12.43
2008	1,754,125,017	664,163,807	51,977,047	2,470,265,871	1.8860	20,111,624,109	12.28
2009	2,094,798,703	803,911,861	55,888,168	2,954,598,732	1.7148	23,973,791,761	12.32
2010	2,373,124,327	841,667,070	59,286,950	3,274,078,347	1.6321	26,993,826,530	12.13
2011	2,357,527,484	767,441,706	62,608,487	3,187,577,677	1.7519	26,602,931,420	11.98
2012	2,007,011,632	623,434,540	81,731,709	2,712,177,881	1.9172	22,580,984,308	12.01

Source: Assessed and actual values obtained from the Yavapai County Assessor. Direct tax rate obtained from the Yavapai County Board of Supervisors Adopted Budget.

Note: Property in the County is reassessed each year. Tax rates are per \$100 of assessed value.

1) Includes both primary and secondary tax rates. See Direct and Overlapping Property Tax Rates schedule.

Yavapai County  
 Direct and Overlapping Property Tax Rates  
 Last Ten Fiscal Years  
 (rate per \$100 of assessed value)

Fiscal Year	County Direct Rates					Overlapping Rates <sup>1</sup>				
	Primary	Secondary			Total Direct	School Equalization	School Districts	Cities	Other Special Districts	Community College District
		Fire District	Library District	Flood Control District						
2003	1.6072	0.1001	0.1117	0.2179	2.0369	0.4889	1.8248-7.3939	0.7229-1.3382	0.0438-5.6002	1.9789
2004	1.6808	0.1000	0.1124	0.2183	2.1115	0.4717	1.2516-8.2795	0.6487-1.2461	0.3235-3.3000	1.8778
2005	1.7008	0.1000	0.1086	0.1983	2.1077	0.4560	1.2362-9.5346	0.6146-1.1904	0.3057-3.3000	1.8514
2006	1.7008	0.0964	0.1086	0.1984	2.1042	0.4358	1.8496-10.4246	0.5658-1.1134	0.1894-3.4285	1.7514
2007	1.6552	0.0895	0.1020	0.1983	2.0450	0.0000	1.8190-9.4606	0.5275-1.1281	0.2523-3.4491	1.6573
2008	1.5292	0.0829	0.1016	0.1723	1.8860	0.0000	1.3621-9.4004	0.4973-0.8977	0.2130-3.4108	1.5225
2009	1.3683	0.0722	0.1020	0.1723	1.7148	0.0000	1.2310-8.4913	0.4235-0.7600	0.0711-3.4200	1.3394
2010	1.2842	0.0740	0.1016	0.1723	1.6321	0.3306	1.1824-8.1337	0.3697-0.9120	0.0401-7.3600	1.2617
2011	1.3524	0.0813	0.1188	0.1994	1.7519	0.3564	0.2436-7.7525	0.0109-1.4401	0.0492-9.6600	1.3609
2012	1.4305	0.0928	0.1456	0.2483	1.9172	0.4259	1.2605-7.9313	0.0142-1.4400	0.0642-11.4000	1.6175

Source: Yavapai County Board of Supervisors Adopted Budget.

1) Includes both primary and secondary rates.

Yavapai County  
Principal Property Taxpayers  
Current Year and Nine Years Ago

<u>Taxpayer</u>	2012			2003		
	Primary Assessed Value	Rank	Percentage of Total Primary Assessed Value	Primary Assessed Value	Rank	Percentage of Total Primary Assessed Value
Arizona Public Service	\$ 83,092,209	1	3.06%	\$ 57,836,572	1	4.17%
Phelps Dodge Bagdad Inc.	75,900,107	2	2.80	21,065,211	2	1.52
Transwestern Pipeline Company	28,960,780	3	1.07	7,684,420	7	0.55
Phoenix Cement Co./Salt River Materials	23,808,092	4	.88	-	-	-
Unisource Energy Corporation	14,114,181	5	0.52	-	-	-
Qwest Corporation	11,176,457	6	0.41	18,303,479	3	1.32
El Paso Natural Gas Company	9,147,568	7	0.34	8,230,239	6	0.59
Burlington Northern Santa Fe Railway Company	8,966,800	8	0.33	9,258,112	5	0.67
TWC II-Prescott Mall LLC	6,256,241	9	0.23	-	-	-
Ace Hardware Corporation	5,846,784	10	0.22	3,611,450	10	0.26
Citizen's Utility Company-Northern Gas Division	-	-	-	14,109,574	4	1.02
New Enchantment LP	-	-	-	5,675,540	8	0.41
Cyprus Bagdad Copper Company	-	-	-	4,663,814	9	0.34
Totals	<u>\$ 267,269,219</u>		<u>9.86%</u>	<u>\$ 150,438,411</u>		<u>10.85%</u>
Total Yavapai County Primary Assessed Value	\$2,712,177,881		100.00%	\$1,388,092,520		100.00%

Source: Yavapai County Assessor and Arizona Department of Revenue.

Yavapai County  
Property Tax Levies and Collections<sup>1</sup>  
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	\$22,310,000	\$21,116,484	94.65%	\$ 413,352	\$21,529,836	96.50%
2004	25,495,000	24,380,161	95.63	400,900	24,781,061	97.20
2005	28,506,000	27,281,472	95.70	384,207	27,665,679	97.05
2006	31,939,000	30,438,693	95.30	404,692	30,843,385	96.57
2007	35,184,002	33,594,464	95.48	446,256	34,040,720	96.75
2008	37,775,306	35,966,831	95.21	659,577	36,626,408	96.96
2009	40,429,914	38,309,430	94.76	975,148	39,284,578	97.17
2010	42,045,714	39,992,839	95.12	1,031,612	41,024,451	97.57
2011	43,108,560	40,512,865	93.98	1,130,356	40,643,221	96.60
2012	38,797,705	36,464,287	93.99	-	36,464,287	93.99

Source: Taxes levied obtained from the Yavapai County Board of Supervisors Adopted Budget. Collections obtained from the Yavapai County Treasurer.

1) General Fund levies and collections only.

Yavapai County  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
	Revenue Bonds	Special Assessment Bonds	Notes Payable	Capital Leases			
2003	\$13,945,000	\$ 1,838,094	\$ 8,812,500	\$ 1,497,290	\$26,092,884	0.62%	\$143.30
2004	12,595,000	1,715,154	6,375,000	1,753,789	22,438,943	0.48	119.47
2005	11,200,000	1,587,867	2,250,000	791,367	15,829,234	0.30	81.00
2006	9,765,000	1,457,168	-	74,625	11,296,793	0.19	55.35
2007	8,285,000	1,324,991	-	-	9,609,991	0.15	46.03
2008	32,130,000	1,216,261	-	50,000,000	83,346,261	1.26	394.61
2009	30,165,000	1,105,905	-	25,000,000	56,270,905	0.91	266.47
2010	17,510,000	2,850,846	-	25,000,000	45,360,846	0.73	214.83
2011	4,590,000	2,645,000	-	25,000,000	32,235,000	N/A (2)	152.59
2012	-	2,470,000	-	23,989,518	26,459,518	N/A (2)	N/A (2)

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

1) Personal income and population information can be found in the Demographic and Economic Statistics schedule.

2) Personal income was not available for 2011 and 2012. Population was not available for 2012.

Yavapai County  
 Legal Debt Margin Information  
 Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed value	\$2,712,177,881
Debt limit (6% of assessed value)	162,730,673
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	-
Legal debt margin	\$ 162,730,673

	Fiscal Year									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Debt limit	\$ 83,285,551	\$ 91,008,445	\$ 100,561,772	\$ 112,670,846	\$ 127,542,612	\$ 148,215,952	\$ 177,275,924	\$ 196,444,701	\$ 191,254,661	\$ 162,730,673
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 83,285,551	\$ 91,008,445	\$ 100,561,772	\$ 112,670,846	\$ 127,542,612	\$ 148,215,952	\$ 177,275,924	\$ 196,444,701	\$ 191,254,661	\$ 162,730,673
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Under state finance law, the County's outstanding general obligation debt should not exceed 6 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Yavapai County  
Pledged Revenue Coverage  
Last Ten Fiscal Years  
Jail District Revenue Bonds

Fiscal Year	Jail District Revenues <sup>1</sup>	Less: Expenditures <sup>2</sup>	Net		Coverage
			Available Revenue	Debt Service Principal Interest	
2003	\$ 15,093,394	\$ 8,062,836	\$ 7,030,558	\$1,315,000 \$ 555,140	3.76
2004	19,345,034	13,126,579	6,218,455	1,350,000 517,322	3.33
2005	17,248,364	12,233,680	5,014,684	1,395,000 477,093	2.68
2006	17,573,461	14,803,363	2,770,098	1,435,000 435,157	1.48
2007	17,231,871	15,371,370	1,860,501	1,480,000 388,362	1.00
2008	18,239,765	15,888,696	2,351,069	1,530,000 336,691	1.26
2009	17,872,934	15,992,126	1,880,808	1,590,000 280,793	1.01
2010	16,530,488	14,648,850	1,881,638	1,655,000 217,409	1.00
2011	16,348,743	14,461,792	1,886,951	1,720,000 151,210	1.01
2012	16,359,044	14,478,655	1,880,389	1,790,000 77,803	1.01

Highway Construction Advancement Revenue Bonds

Fiscal Year	County Excise Tax	State Shared Sales Tax	Highway		Net		Coverage
			Project Repayments <sup>3</sup>	Available Revenue	Debt Service Principal Interest		
2003	\$ -	\$ -	\$ -	\$ -	\$ - \$ -	-	
2004	12,564,395	18,519,004	-	31,083,399	- -	-	
2005	14,102,433	21,183,714	-	35,286,147	- -	-	
2006	16,623,589	25,131,601	-	41,755,190	- -	-	
2007	16,971,697	26,858,336	-	43,830,033	- -	-	
2008	15,908,075	25,144,945	-	41,053,020	- 1,077,272	38.11	
2009	13,657,537	22,136,382	-	35,793,919	375,000 449,852	43.39	
2010	11,818,833	20,676,049	11,000,000	43,494,882	11,000,000 159,336	3.90	
2011	11,703,512	21,703,065	11,200,000	44,606,577	11,200,000 493,743	3.81	
2012	12,400,793	22,955,984	1,400,000	36,756,777	2,800,000 17,406	13.05	

Special Assessment Bonds

Fiscal Year	Special Assessment Collections	Debt Service		Coverage
		Principal	Interest	
2003	\$ 268,067	\$ 118,656	\$ 117,851	1.13
2004	528,554	122,940	123,381	2.15
2005	322,369	127,287	107,982	1.37
2006	273,135	130,698	100,543	1.18
2007	196,519	132,178	92,275	0.88
2008	165,201	108,729	83,935	0.86
2009	175,449	110,355	84,296	0.90
2010	173,763	112,059	154,994	0.65
2011	625,539	205,845	185,474	1.60
2012	445,430	175,000	168,276	1.33

Source: Details regarding the County's outstanding debt can be found in the notes to the financial statements. Prior to 2008 there were no Highway Construction Advancement revenue bonds.

- 1) Revenues include beginning fund balance and transfers in. Beginning fund balance is included in revenues since it represents unexpended pledged revenues.
- 2) Expenditures include transfers out, except those for debt service.
- 3) Highway project repayments include unspent bond proceeds and repayments made by the Arizona Department of Transportation.

Yavapai County  
Demographic and Economic Statistics  
Last Ten Calendar Years

<u>Year</u>	<u>Population</u>	Personal Income (thousands of <u>dollars</u> )	Per Capita Personal <u>Income</u>	<u>Unemployment Rate</u>
2003	180,090	\$ 4,211,097	\$ 23,126	5.1%
2004	187,822	4,681,083	24,923	4.6
2005	195,424	5,278,898	27,013	4.4
2006	204,082	5,816,674	28,502	3.9
2007	208,773	6,332,616	30,333	3.6
2008	211,211	6,627,607	31,379	5.9
2009	211,172	6,157,094	29,157	10.2
2010	211,144	6,246,876	29,586	10.5
2011	211,247	N/A (1)	N/A (1)	10.0
2012	N/A (1)	N/A (1)	N/A (1)	8.8

Source: Population and personal income through 2010 obtained from the U.S. Department of Commerce, Bureau of Economic Analysis. Population for 2011 and unemployment rates obtained from the Arizona Department of Administration, Office of Employment and Population Statistics.

1) Population was not available for 2012. Personal income and per capita personal income were not available for 2011 and 2012.

Yavapai County  
Principal Employers  
Current Year and Nine Years Ago

<u>Employer</u>	2012			2003		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Yavapai County	1,388	1	1.68%	1,213	1	1.51%
Yavapai Regional Medical Center	1,377	2	1.67	730	4	0.91
Veterans Medical Center	932	3	1.13	550	6	0.68
Verde Valley Medical Center	900	4	1.09	351	9	0.44
Cyprus Bagdad Copper Mine	854	5	1.03	535	7	0.66
Wal-Mart	750	6	0.91	300	11	0.37
Humbolt Unified School District	636	7	0.77	-	-	-
Yavapai College	619	8	0.75	831	3	1.03
Prescott Unified School District	521	9	0.63	573	5	0.71
City of Prescott	500	10	0.61	385	8	0.48
Sturm Ruger & Company	-	-	-	1,176	2	1.46
State of Arizona	-	-	-	330	10	0.41
<b>Totals</b>	<u>8,477</u>		<u>10.27%</u>	<u>6,974</u>		<u>8.66%</u>
Total Employment in Yavapai County	82,627		100.00%	80,485		100.00%

Source: Yavapai College and the Arizona Department of Administration, Office of Employment and Population Statistics.

Yavapai County  
Full-Time Equivalent Employees by Function  
Last Ten Fiscal Years

Function	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government	498	528	558	583	602	631	571	551	539	559
Public safety	454	512	520	556	584	581	560	531	536	515
Highways and streets	126	124	125	127	129	123	114	108	101	100
Sanitation	13	13	13	14	18	18	14	13	13	11
Health	115	110	114	121	133	151	140	138	138	135
Welfare	5	5	5	6	6	5	6	6	4	5
Education	19	21	21	22	26	33	31	29	33	33
Capital outlay	-	-	-	-	-	-	2	3	3	3
Long Term Care	52	53	53	56	54	54	55	55	48	-
<b>Total</b>	<b>1,282</b>	<b>1,366</b>	<b>1,409</b>	<b>1,485</b>	<b>1,552</b>	<b>1,596</b>	<b>1,493</b>	<b>1,434</b>	<b>1,415</b>	<b>1,361</b>

Source: Yavapai County payroll records.

Yavapai County  
Operating Indicators by Function  
Last Ten Fiscal Years

Function	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government										
Elections										
Elections	4	5	4	4	4	5	4	4	4	5
Number voting	105,413	60,506	137,786	47,250	123,570	91,132	164,073	106,559	151,515	66,953
Development Services										
Building permits issued	4,860	5,020	5,923	6,073	5,065	4,220	2,887	2,854	2,521	2,432
Inspections performed	18,379	21,512	24,996	28,943	23,628	18,918	13,645	9,975	9,532	9,516
Assessor										
Parcels assessed	139,867	142,807	145,997	154,662	160,561	162,382	163,236	163,273	176,271	179,105
New subdivisions	90	106	107	171	139	90	51	25	52	34
Public safety										
Sheriff										
Inmate population	6,172	6,448	5,600	6,184	6,446	6,652	5,970	6,475	6,470	6,942
Adult Probation										
Probationers actively supervised	1,643	1,870	1,799	2,105	2,140	2,212	2,287	2,116	1,940	1,854
Community restitution hours	77,406	76,727	72,917	70,270	71,037	82,646	79,465	63,245	50,500	46,858
Restitution collected	\$ 483,575	\$ 594,208	\$ 770,304	\$ 634,651	\$ 756,191	\$ 958,873	\$ 793,687	\$ 777,528	\$ 717,672	\$ 579,926
Presentence reports written for courts	1,459	1,880	1,558	1,431	1,306	1,033	762	636	532	531
Juvenile Probation										
Juveniles brought to detention	1,283	1,238	1,272	1,391	1,265	1,235	1,123	1,119	998	955
Average length of detention (days)	12	12	13	12	11	11	12	12	31	15
Probationers	617	577	591	761	758	735	736	742	648	596
Community restitution hours	19,873	17,835	15,158	14,811	13,641	15,179	13,204	19,578	16,350	15,203
Highways and streets										
Public Works										
Crack sealing (miles)	25	88	67	83	57	49	24	40	78	54
Street resurfacing (miles)	53	55	49	41	38	28	36	30	26	33
Sanitation										
Landfill/Environment										
Transfer station refuse collected (tons)	7,650	6,057	5,450	4,728	4,042	3,479	3,296	2,956	2,772	2,853
Waste tires collected	106,613	127,123	145,842	140,871	141,091	146,634	118,506	122,987	129,318	125,880
Health										
Health Care										
Certified copies of death certificates issued	14,529	16,123	16,693	16,024	15,884	15,384	16,029	15,343	16,515	13,409
Childhood immunization visits	5,662	5,239	4,727	4,806	3,940	4,792	3,929	3,008	2,509	2,518
Restaurant inspections and re-inspections	2,426	2,244	2,496	2,923	3,236	4,052	4,226	4,113	4,063	3,793
Welfare										
Public Fiduciary										
Guardianships/conservatorships	102	105	127	104	92	82	78	90	85	88
Education										
School Superintendent										
School districts	25	25	25	25	25	25	25	25	25	25
District students	21,167	21,686	22,422	23,086	23,496	23,747	23,243	22,834	22,237	21,673
Charter schools	36	41	41	38	27	24	29	28	30	31
Charter students	3,845	3,606	3,308	3,297	3,023	3,256	3,446	3,954	3,402	3,529
Culture and recreation										
Parks & Recreation										
Park use permits issued	N/A (1)	11	9	6	6	5	9	9	9	11
Long-term care										
Members enrolled	N/A (1)	1,051	1,003	952	932	941	1,016	1,013	999	N/A (1)
Claims processed	76,439	81,462	78,590	73,064	71,693	76,464	79,720	86,382	86,713	N/A (1)

Source: Various Yavapai County departments.

1) Information for the applicable fiscal year was not available.

Yavapai County  
Capital Asset Statistics by Function  
Last Ten Fiscal Years

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General government										
Elections										
Voting machines	110	110	120	242	242	242	232	232	232	232
Superior Courts										
Divisions	8	9	9	9	9	10	10	10	10	10
Public safety										
Sheriff										
Inmate beds available (including portable)	309	570	570	570	765	765	916	773	794	794
Jail facilities	2	2	2	2	2	2	2	2	2	2
Stations	9	9	10	10	11	11	12	12	12	12
Improvement Districts										
Flood warning sites	49	50	60	71	78	80	80	80	83	88
Flood Control District properties	228	228	229	232	232	232	232	232	235	241
Highways and streets										
Public Works										
Miles of paved roads	694	740	740	744	754	760	771	773	779	782
Bridges	14	15	16	16	17	17	17	17	17	14
Sanitation										
Landfill/Environment										
Transfer stations	7	7	7	7	7	7	7	7	7	7
Health										
Health Care										
Public health facilities	3	3	3	3	3	3	3	3	3	4
Culture and recreation										
Parks & Recreation										
County parks	10	10	10	10	11	11	11	11	11	11

Source: Various Yavapai County departments.

Note: No capital asset indicators are available for the welfare or education function.

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