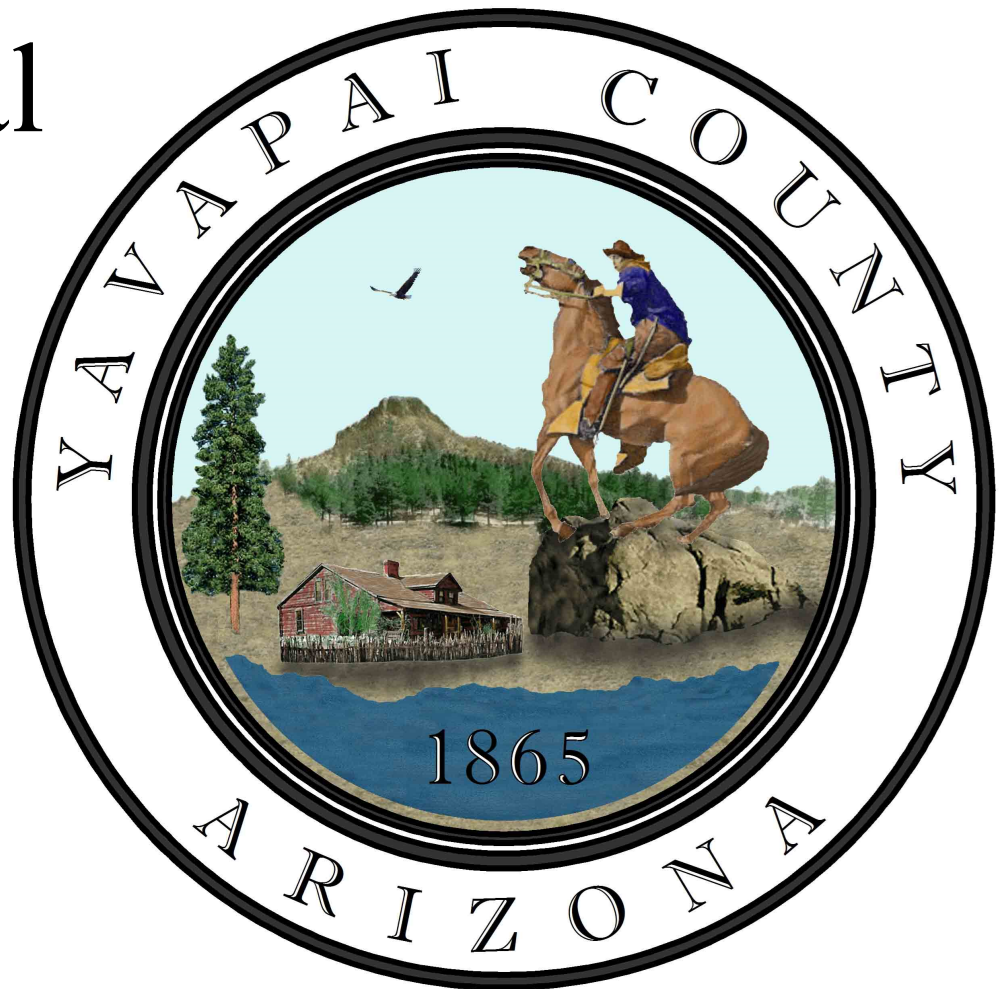


Comprehensive

Annual

Financial

Report



Yavapai County, AZ

Fiscal year ended June 30, 2018

Yavapai County, Arizona Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2018

Board of Supervisors



Rowle Simmons
District 1



Thomas Thurman
District 2



Randy Garrison
District 3



Craig Brown
District 4



Jack Smith
District 5

Prepared by Yavapai County
Finance Department

YAVAPAI COUNTY
Comprehensive Annual Financial Report
Year Ended June 30, 2018

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INTRODUCTORY SECTION





Yavapai County Finance Department

December 27, 2018

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, 2018.

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, 2018, 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 unmodified opinion that Yavapai County's financial statements for the fiscal year ended June 30, 2018, 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 five members elected to four-year terms representing five supervisorial districts. The Board appoints an Administrator, who is responsible for developing and presenting the County budget, assisting department heads and elected officials, and coordinating with other governments in intergovernmental relations.

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.

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 five 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 75 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 105.

Local Economy

Yavapai County's population increased from 211,015 as of April 1, 2010 to 228,168 as of July 1, 2017, which is a 8.1% increase as compared to the State of Arizona population increase of 9.8% for the same time period. Yavapai County has a higher percentage, 30.8%, of persons over the age of 65 as compared to the State of Arizona with 17.1%, both as of July 1, 2017. This indicates that a greater segment of the population is retired, which provides a more stable consumer base. The source for these figures is the United States Census website, current quick facts table.

The Board of Supervisors raised the property tax levy for new construction only for fiscal year 2017-18, an increase of \$703,474. The net assessed value of real estate increased by 5.06% for the fiscal year, with a related increase in property tax revenues of 3.0%. The population is growing and we anticipate our sales tax revenues to also trend slowly upward.

The Arizona Department of Administration, Office of Employment and Population Statistics estimates a 4.4% average 2018 unemployment rate for Yavapai County. Yavapai County Regional Medical Center is the single largest employer in Yavapai County, with Yavapai County 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 projected to be inadequate to fund the operation of the Jail District at some point in the near future. The Board asked the voters of Yavapai County in the November 4, 2016, general election for authorization to extend the life of the tax and to increase the Jail District sales tax rate from ¼ cent to ½ cent however, this request was voted down. The current ¼ cent Jail District sales tax was set to expire on June 30, 2020, but the voters of Yavapai County on May 15, 2018, approved the extension of the existing sales tax until June 30, 2040. Because the operation of a county jail facility is statutorily required, other resources will probably need to be diverted at the direction of the Board in order to fund the future operation of the Jail District.

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 Justice Center 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 and the Juvenile Justice Center was completed in fiscal year 2012-13. On October 17, 2018, the Board issued Revenue Refunding Obligations in the par amount of \$16,978,000 that were used to pay off the remaining capital lease debt on May 15, 2018.

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.

Since fiscal year 2009-10, the major Yavapai County revenues have been increasing, but these increases had been offset to a large degree by reduced funding from the State of Arizona. County departments reduced expenditures in fiscal year 2009-10 by 7.5% and the departments have been held to the same expenditure levels since then except for the costs of new staff positions and County-wide merit or cost-of-living increase raises that were approved by the Board of Supervisors.

In fiscal year 2017-18, continued increased revenues and the return of some of the lost funding from the State of Arizona allowed Yavapai County to have enough surplus revenue to make an extra \$4,500,000 year end pension plan contribution to help pay down the County's unfunded pension liabilities.

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, 2017. 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. We 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,

Daniel Rusing
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Yavapai County
Arizona**

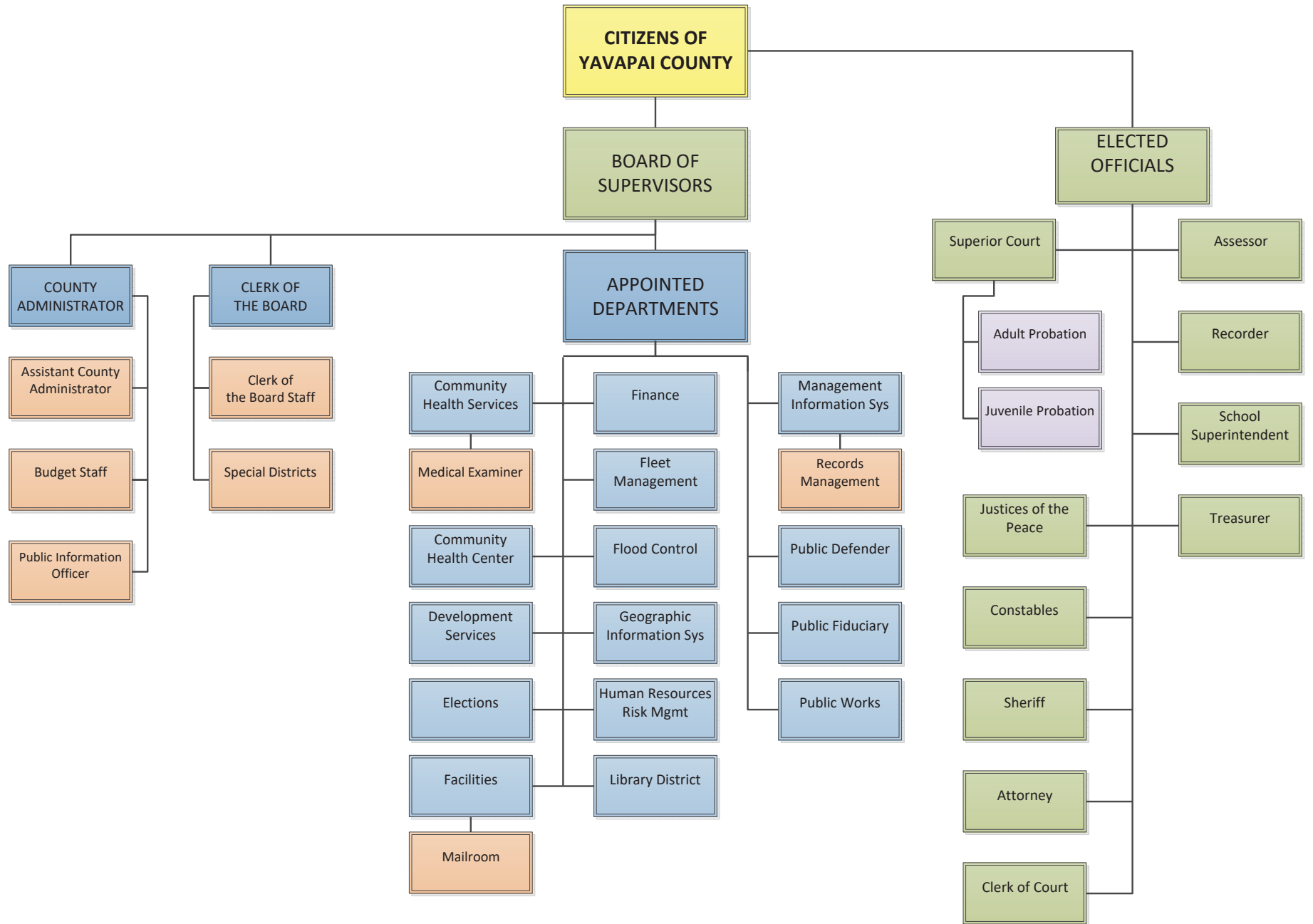
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

Yavapai County
Organizational Chart



Yavapai County Officials

BOARD OF SUPERVISORS

Rowle Simmons, Chairman, District 1
Randy Garrison, Vice Chairman, District 3
Thomas Thurman, Member, District 2
Craig Brown, Member, District 4
Jack Smith, Member, District 5

♦ ♦ ♦

CLERK OF THE BOARD

Kim Kapin

♦ ♦ ♦

COUNTY ADMINISTRATOR

Phil Bourdon

♦ ♦ ♦

FINANCE DIRECTOR

Daniel Rusing

FINANCIAL SECTION





MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

ARIZONA AUDITOR GENERAL
LINDSEY A. PERRY

JOSEPH D. MOORE
DEPUTY AUDITOR GENERAL

Independent auditors' report

Members of the Arizona State Legislature

The Board of Supervisors of
Yavapai County, Arizona

Report on the financial statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Yavapai County as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and aggregate remaining fund information of Yavapai County as of June 30, 2018, and the respective changes in financial position in accordance with U.S. generally accepted accounting principles.

Other matters

Required supplementary information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 13 through 20, budgetary comparison schedules on pages 75 through 79, schedule of the County's proportionate share of the net pension liability—cost-sharing plans on pages 81 through 82, schedule of changes in the County's net pension liability and related ratios—agent plans on pages 83 through 86, and the schedule of county pension contributions on pages 87 through 89, 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.

Supplementary and other information

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.

The combining and individual fund statements and schedules are management's responsibility and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has 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.

Compliance over the use of highway user revenue fund and other dedicated state transportation revenue monies

In connection with our audit, nothing came to our attention that caused us to believe that the County failed to comply with the authorized transportation purposes, insofar as they relate to accounting matters, for highway user revenue fund monies it received pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2, and any other dedicated state transportation revenues it received. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the County's noncompliance with the authorized transportation purposes referred to above, insofar as they relate to accounting matters.

The communication related to compliance over the use of highway user revenue fund and other dedicated state transportation revenue monies in the preceding paragraph is intended solely for the information and use of the members of the Arizona State Legislature, the Board of Supervisors, management, and other responsible parties within the County and is not intended to be and should not be used by anyone other than these specified parties.

Other reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will 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 solely 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 the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Lindsey Perry, CPA, CFE
Auditor General

December 27, 2018

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Yavapai County

Management's Discussion and Analysis

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, 2018. 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 and deferred outflows of resources exceed liabilities and deferred inflows of resources as of June 30, 2018, by \$135,592,969 (net position), which is a decrease of \$13,521,763 from prior year ending net position of \$149,114,732. The unrestricted net position at June 30, 2018 is a deficit of \$137,411,173, which is a decrease of \$13,836,738 from a deficit balance of \$123,574,435 at June 30, 2017 primarily as a result of increases in net pension liabilities of \$18,152,949.
- As of June 30, 2018, Yavapai County's governmental funds reported combined ending fund balances of \$58,472,583, which is an increase of \$672,789 from the prior year ending fund balance of \$57,799,794.
- As of June 30, 2018, unassigned fund balance for the general fund is \$9,633,712, a decrease of \$219,947 from the prior year unassigned fund balance.
- As of June 30, 2018, committed fund balance for the regional road fund is \$9,923,753, an increase from the prior year amount of \$2,176,584.
- As of June 30, 2018, restricted fund balance for the Highway User Revenue Fund (HURF) is \$6,432,259, a decrease from the prior year of \$1,118,417.
- As of June 30, 2018, committed fund balance for the capital projects fund is \$13,776,895, a decrease from the prior year amount of \$311,740.

Overview of the Financial Statements

This discussion and analysis is 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 position presents information on all of Yavapai County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 affect 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 present functions of Yavapai County that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of Yavapai County include general government, public safety, highways and streets, sanitation, health, welfare, culture and recreation, and education.

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

Yavapai County

Management's Discussion and Analysis

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 two categories: governmental 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 six 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.

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 basic fiduciary funds financial statements can be found on pages 31 - 32 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 33 - 74 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 75 - 91 of 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 92 - 128 of this report.

Yavapai County Management's Discussion and Analysis

Government-wide Financial Analysis

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Yavapai County's assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$135.6 million at the close of the most recent fiscal year.

	Net Position (in millions)	
	Governmental Activities	
	2018	2017
Current and other assets	\$ 71.5	\$ 72.5
Capital assets	267.5	267.9
Total assets	<u>339.0</u>	<u>340.4</u>
Deferred outflows of resources	<u>32.9</u>	<u>37.7</u>
Other liabilities	11.3	14.1
Long-term liabilities outstanding	216.4	199.6
Total liabilities	<u>227.7</u>	<u>213.7</u>
Deferred inflows of resources	<u>8.7</u>	<u>15.3</u>
Net position:		
Net investment in capital assets	249.0	247.9
Restricted	24.0	24.7
Unrestricted deficit	(137.4)	(123.5)
Total net position	<u>\$ 135.6</u>	<u>\$ 149.1</u>

The largest portion of Yavapai County's net position (184%) 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 \$1.0 million from the previous year. This decrease is primarily the result of normal variation in the timing of paying expenses during the fiscal year. Capital assets decreased \$0.4 million because the decrease in asset value from depreciation was more than the increase in asset value from new acquisitions.

The County reported the deferred outflows of resources of \$32.9 million and deferred inflows of resources of \$8.7 million related to pensions at the close of the most recent fiscal year. This represents a decrease of \$4.8 million in deferred outflows of resources and a decrease of \$6.6 million in deferred inflows of resources during the fiscal year.

Governmental Activities other liabilities and long-term liabilities outstanding at the end of the fiscal year were \$11.3 million and \$216.4 million, respectively. The other liabilities decreased by \$2.8 million due primarily to a decrease of \$1.8 million in accounts payable and a decrease of \$1.0 million in accrued payroll and employee benefits. The increase of \$16.8 million in long-term liabilities was largely due to the additions of \$18.2 million in net pension liabilities.

Yavapai County

Management's Discussion and Analysis

Yavapai County's Governmental Activities restricted net position of \$24.0 million represents resources that are subject to external restrictions on how they may be used. This amount has decreased by \$0.7 million from the previous year.

At the end of the current fiscal year, Yavapai County reports positive balances in two categories, net investment in capital assets \$249.0 million and restricted net position \$24.0 million. The County has a deficit of \$137.4 million in unrestricted net position, which was a decrease of \$13.9 million in unrestricted net position from the prior year's unrestricted deficit of \$123.5 million due largely to increased net pension liabilities.

Changes in Net Position. The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. For the fiscal year, net position decreased \$13.5 million. 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.

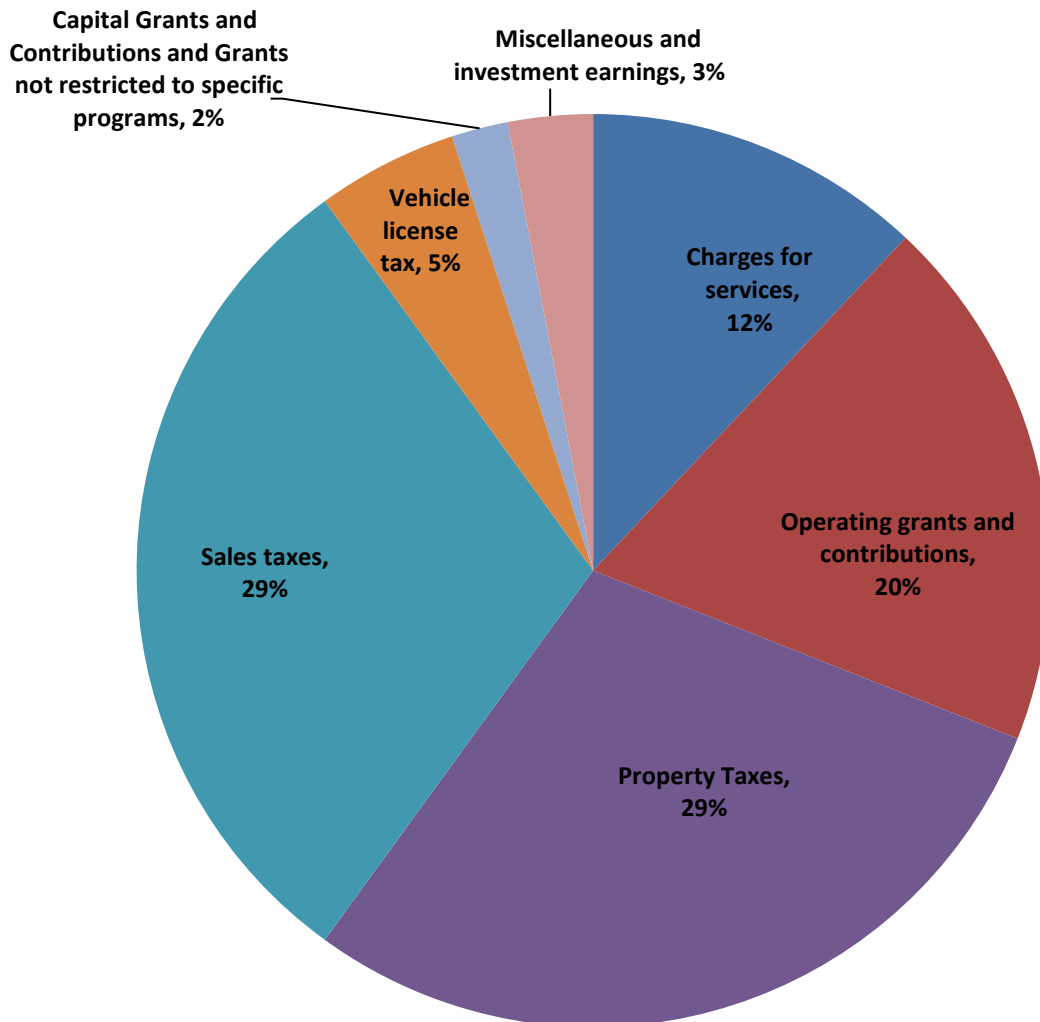
Changes in Net Position		Governmental	
(in millions)		Activities	
		2018	2017
Revenues			
Program revenues:			
Charges for services	\$ 23.4	\$ 23.1	
Operating grants and contributions	39.3	36.9	
Capital grants and contributions	.4	.8	
General revenues:			
Property taxes	56.2	54.7	
Sales taxes	57.7	53.5	
Vehicle license tax	9.3	8.6	
Grants not restricted to specific programs	3.6	3.3	
Miscellaneous and investment earnings	6.4	4.2	
Total revenues	196.3	185.1	
Expenses			
General government	76.3	73.3	
Public safety	75.6	64.2	
Highways and streets	24.1	25.5	
Sanitation	1.9	1.9	
Health	14.6	14.7	
Welfare	11.3	10.7	
Culture and recreation	0.1	0.1	
Education	4.9	5.0	
Interest on long-term debt	1.0	1.0	
Total expenses	209.8	196.4	
Decrease in net position	(13.5)	(11.3)	
Net position, July 1	149.1	160.4	
Net position, June 30	\$ 135.6	\$ 149.1	

Yavapai County Management's Discussion and Analysis

Governmental activities. Governmental Activities revenues totaled \$196.3 million for fiscal year 2018, an increase of \$11.2 million or 6.1%. These increases can be attributed to inflation and an improving economy in the County. The following are highlights of County revenues:

- 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 \$4.2 million or 7.9% from the previous fiscal year due to inflation and an improving economy in the County.
- Operating grants and contributions increased \$2.4 million or 6.5% from the previous fiscal year because of an increase in intergovernmental grants related to public safety concerns.
- Property taxes increased by \$1.5 million or 2.7% from the previous year primarily due to the increase in the tax levy for new construction this fiscal year.

Revenues by Source - Governmental Activities

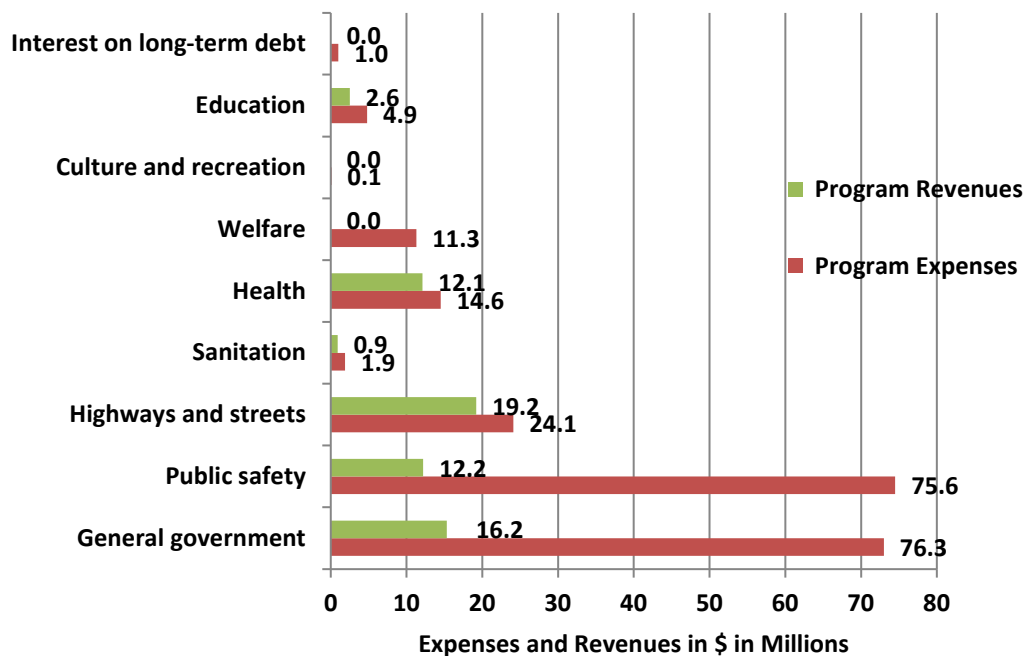


Yavapai County Management's Discussion and Analysis

Expenses

General government expenses increased \$3.0 million from the previous fiscal year, primarily due to an increase of \$3.1 in minimum required pension plan contributions caused by pension plan changes. Public Safety increased from the previous year by \$11.4 million, primarily due to an increase of \$6.9 million in minimum required pension plan contributions caused by pension plan changes plus extra payments of \$4.5 million made on the unfunded pension liabilities related to public safety employees. Highways and streets decreased from the previous year by \$1.4 million due to an increase in the number of road projects that were not completed during the year.

Expenses and Program Revenues - Governmental Activities



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.

As of the end of the current fiscal year, Yavapai County's governmental funds reported combined ending fund balances of \$58,472,583, which is an increase of \$672,789 from the prior year balance. The ending fund balances are categorized as follows.

- Nonspendable \$1,036,886
- Restricted \$23,859,908
- Committed \$24,210,208
- Unassigned \$9,365,581

The total fund balance was increased by \$0.7 million or 1.2%, primarily due to the increase of \$2.2 million in Regional Road committed funds and the usage of \$1.1 million in HURF Road restricted funds.

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 \$10,259,824, and the unassigned category was \$9,633,712. The unassigned category is \$219,947 less than the previous fiscal year. This decrease is due primarily to the timing of the collections of accounts receivable and payment of accounts payable and payroll accruals at year end.

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

The Jail District fund balance decreased \$0.1 million in accordance with the adopted budget. The Regional Road fund balance increased \$2.2 million because of budgeted construction road projects not completed by year end. The HURF Road fund balance decreased \$1.1 million because of budgeted construction road projects. Capital Projects fund balance decreased \$0.3 million because of an increase in various small construction projects in the County. The Capital Projects Debt Service fund balance remains relatively unchanged from the prior fiscal year.

See Note 8 on pages 48 - 49 for a detail listing of the fund balance classifications.

General Fund Budgetary Highlights

The original General Fund budget appropriation for expenditures was \$103,106,022. Actual expenditures were \$3,486,946 less than the final budgeted appropriation amount, which is primarily due to vacancy savings from staff turnover and 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 Sheriff's Department required a budget transfer of \$3,800,000 to cover the \$4,000,000 extra payment made to the Public Safety Personnel Retirement System towards the County's unfunded pension liability. The other departments that required a budget transfer were Medical Examiner (\$68,847), Clerk of Superior Court (\$11,000), County Attorney (\$60,918), Public Defender (\$235,431), Seligman Constable (\$6,182), Fleet Management (\$157,022), Geographic Information Systems (\$8,500) and Juvenile Probation (\$75,000), for a combined total transfer of \$4,422,900, coming from General Services (\$2,528,437), the Board of Supervisors (\$1,795,406) and other departments (\$99,057). The final total General Fund budgeted appropriation of \$104,906,022 remained unchanged. The General Services administrative expenditure budget includes negative amounts for internal cost recoveries, such as vehicle use and indirect costs, which resulted in actual expenditures of negative \$1,472,611 with no significant variance versus the final budget.

Total revenues were \$7.1 million over total budgeted revenues (7.1%), which is primarily due to the receipt of \$5.5 million in unbudgeted Intergovernmental revenue.

Capital Asset and Debt Administration

Capital Assets. Yavapai County's investment in capital assets for its governmental activities as of June 30, 2018, amounts to \$267.5 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, 2018, or in progress at that date, are included in capital assets. Infrastructure increased due to the completion of roadway projects. Construction in progress increased \$1.9 million due to continued progress on uncompleted planned capital projects.

Yavapai County's Capital Assets		
(net of depreciation)		
(in millions)		
	Governmental Activities	
	2018	2017
Land	\$ 63.9	\$ 63.4
Buildings	74.6	77.3
Equipment	14.8	13.6
Infrastructure	110.2	111.4
Software	1.0	1.1
Construction in progress	3.0	1.1
Total	<u>\$ 267.5</u>	<u>\$ 267.9</u>

Additional information on Yavapai County's capital assets can be found in Note 5 on page 43-44 of this report.

Long-term Debt. At the end of the current fiscal year, Yavapai County had total outstanding special assessment bonds of \$1,420,000 for special district road improvements. These bonds are secured by property assessments levied against the benefiting property owners. During the year, Yavapai County incurred \$16,978,000 of revenue refunding obligations to pay off the balance on a long-term capital lease obligation. The obligation is secured by County excise tax revenue and is payable over a period of ten years and seven months with an interest rate of 2.08%. As of June 30, 2018, the outstanding balance is \$16,978,000.

Yavapai County's Outstanding Debt

(in millions)

	<u>2018</u>	<u>2017</u>
Special Assessment Debt Payable	\$ 1.4	\$ 1.6
Revenue Refunding Obligation	17.0	0.0
Total Outstanding Debt	<u>\$ 18.4</u>	<u>\$ 1.6</u>

State statutes limit the amount of general obligation debt a county may issue without voter approval to 6 percent of its total assessed valuation. The debt limitation for the County for fiscal year ended June 30, 2018, is \$147,789,002. Since the County has no general obligation debt, this amount equals the debt capacity. Additional information on long-term debt can be found in Note 7 on pages 44 - 47.

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 the Camp Verde Superior Court and the Juvenile Justice Center. The County paid off the balance of the long-term capital lease in the amount of \$16,896,907 on May 15, 2018, using the proceeds from revenue refunding obligations issued October 17, 2017.

On December 8, 2015, the County entered into a \$212,297 lease purchase agreement to finance the purchase of telephone system upgrades, including hardware, software and professional services, payable for a period of 5 years with an interest rate of 4.95%. As of June 30, 2018, the outstanding lease balance is \$87,890.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Yavapai County is currently 4.4%, which has decreased since 2017.
- Inflationary trends in the region are comparable to or better than national and the State of Arizona indices.
- The economy at the national and state level is anticipated to have the effect of maintaining or increasing Federal and State of Arizona grant programs.

These factors were considered in preparing Yavapai County's budget for the 2018-19 fiscal year. The budgetary estimate of unassigned ending fund balance in the general fund of \$8,534,044 was appropriated for spending in the 2018-19 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.

BASIC FINANCIAL STATEMENTS



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Yavapai County
Statement of Net Position
June 30, 2018

	Primary Government
	Governmental Activities
Assets	
Cash and cash equivalents	\$ 53,623,619
Receivables:	
Property taxes	1,375,448
Special assessments	925,782
Accounts	727,143
Due from other governments	13,845,117
Inventories	533,783
Prepaid items	503,103
Capital assets, not being depreciated	66,939,099
Capital assets, being depreciated, net	200,532,463
Total assets	339,005,557
Deferred Outflows of Resources	
Deferred outflows related to pensions	32,988,617
Total deferred outflows of resources	32,988,617
Liabilities	
Accounts payable	6,333,721
Accrued payroll and employee benefits	4,754,426
Interest payable	248,658
Noncurrent liabilities:	
Due within one year	5,242,476
Due in more than one year	211,111,813
Total liabilities	227,691,094
Deferred Inflows of Resources	
Deferred inflows related to pensions	8,710,111
Total deferred inflows of resources	8,710,111
Net Position	
Net investment in capital assets	248,985,672
Restricted for:	
Social services	5,363,778
Law enforcement and flood control	4,811,644
Roadway construction and maintenance	6,523,080
Landfill and other sanitation	1,058,129
Public health care and clinical services	4,308,099
Public parks	48,008
School services	853,441
Debt service	1,001,966
Capital projects	50,325
Unrestricted deficit	(137,411,173)
Total net position	\$ 135,592,969

See accompanying notes to financial statements.

Yavapai County
Statement of Activities
Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Position
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government Governmental Activities
Primary Government:					
Governmental activities:					
General government	\$ 76,332,480	\$ 8,748,410	\$ 7,410,197	\$ -	\$ (60,173,873)
Public safety	75,655,946	4,136,934	8,038,918	-	(63,480,094)
Highways and streets	24,127,122	2,108,503	16,760,698	345,899	(4,912,022)
Sanitation	1,891,308	401,929	464,073	14,561	(1,010,745)
Health	14,564,187	6,580,465	5,500,510	-	(2,483,212)
Welfare	11,266,831	-	-	-	(11,266,831)
Culture and recreation	81,577	-	-	-	(81,577)
Education	4,887,163	1,389,733	1,163,399	-	(2,334,031)
Interest on long-term debt	1,047,910	-	-	-	(1,047,910)
Total governmental activities	<u>209,854,524</u>	<u>23,365,974</u>	<u>39,337,795</u>	<u>360,460</u>	<u>(146,790,295)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					46,679,976
Property taxes, levied for flood control					5,084,130
Property taxes, levied for free library					4,456,916
County sales tax—Jail construction and operation					9,154,131
County sales tax—unrestricted					18,311,614
Franchise taxes					298,249
Shared revenue—state sales tax					30,220,883
Shared revenue—state vehicle license tax					9,277,476
Grants and contributions not restricted to specific programs					3,630,887
State shared lottery					550,050
Investment earnings					681,115
Gain on disposal of capital assets					594,205
Miscellaneous					4,328,900
Total general revenues					<u>133,268,532</u>
Change in net position					(13,521,763)
Net position, July 1, 2017					<u>149,114,732</u>
Net position, June 30, 2018					<u>\$ 135,592,969</u>

See accompanying notes to financial statements.

Yavapai County
Balance Sheet
Governmental Funds
June 30, 2018

Assets	General	Jail District	Regional Road	HURF Road
Cash and cash equivalents	\$ 4,802,070	\$ 216,682	\$ 9,471,957	\$ 7,912,035
Receivables:				
Property taxes	1,156,848	-	-	-
Special assessments	-	-	-	-
Accounts	165,415	9,664	21,620	65,280
Due from:				
Other funds	2,141,393	41,118	163,408	241,612
Other governments	6,857,351	1,800,594	1,340,560	1,315,240
Inventories	158,217	-	-	375,566
Prepaid items	467,895	-	302	2,906
Total assets	<u>\$ 15,749,189</u>	<u>\$ 2,068,058</u>	<u>\$ 10,997,847</u>	<u>\$ 9,912,639</u>
 Liabilities				
Accounts payable	\$ 1,408,077	\$ 461,086	\$ 919,822	\$ 1,909,616
Accrued payroll and employee benefits	2,986,694	476,248	13,991	269,278
Due to other funds	205,672	21,132	139,977	923,014
Total liabilities	<u>4,600,443</u>	<u>958,466</u>	<u>1,073,790</u>	<u>3,101,908</u>
 Deferred Inflows of Resources				
Unavailable revenue-property taxes	888,922	-	-	-
Unavailable revenue-special assessments	-	-	-	-
Total deferred inflows of resources	<u>888,922</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Fund Balances				
Nonspendable	626,112	-	302	378,472
Restricted	-	1,109,592	-	6,432,259
Committed	-	-	9,923,755	-
Unassigned	9,633,712	-	-	-
Total fund balances	<u>10,259,824</u>	<u>1,109,592</u>	<u>9,924,057</u>	<u>6,810,731</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 15,749,189</u>	<u>\$ 2,068,058</u>	<u>\$ 10,997,847</u>	<u>\$ 9,912,639</u>

See accompanying notes to financial statements.

Capital Projects	Capital Projects Debt Service	Other Governmental Funds	Total Governmental Funds
\$ 13,287,286	\$ 2,094	\$ 17,931,495	\$ 53,623,619
-	-	218,600	1,375,448
-	-	925,782	925,782
12,660	-	452,504	727,143
-	-	493,094	3,080,625
493,107	-	2,038,265	13,845,117
-	-	-	533,783
-	-	32,000	503,103
<u>\$ 13,793,053</u>	<u>\$ 2,094</u>	<u>\$ 22,091,740</u>	<u>\$ 74,614,620</u>
\$ 15,231	\$ -	\$ 1,619,889	\$ 6,333,721
927	-	1,007,288	4,754,426
-	-	1,790,830	3,080,625
<u>16,158</u>	<u>-</u>	<u>4,418,007</u>	<u>14,168,772</u>
-	-	158,561	1,047,483
-	-	925,782	925,782
-	-	1,084,343	1,973,265
-	-	32,000	1,036,886
-	2,094	16,315,963	23,859,908
13,776,895	-	509,558	24,210,208
-	-	(268,131)	9,365,581
<u>13,776,895</u>	<u>2,094</u>	<u>16,589,390</u>	<u>58,472,583</u>
<u>\$ 13,793,053</u>	<u>\$ 2,094</u>	<u>\$ 22,091,740</u>	<u>\$ 74,614,620</u>

Yavapai County
 Reconciliation of the Governmental Funds Balance Sheet
 to the Government-wide Statement of Net Position
 June 30, 2018

Fund balances—total governmental funds		\$ 58,472,583
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		267,471,562
Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.		1,973,265
Long-term liabilities such as net pension liabilities and bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Revenue refunding obligations issued	\$ (16,978,000)	
Special assessment debt	(1,420,000)	
Capital lease payable	(87,890)	
Accrued interest payable	(248,658)	
Net pension liabilities	(188,233,550)	
Landfill closure and postclosure care costs payable	(758,004)	
Compensated absences payable	(8,551,978)	
Claims and judgments payable	(324,867)	(216,602,947)
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.		24,278,506
Net position of governmental activities		\$ 135,592,969

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, 2018

	General	Jail District	Regional Road	HURF Road
Revenues:				
Property taxes	\$ 46,450,222	\$ -	\$ -	\$ -
County sales taxes	8,538,475	9,154,131	7,324,646	-
Special assessments	-	-	-	-
Licenses and permits	2,431,402	-	1,951,600	-
Intergovernmental	45,033,104	48,075	17,606	16,380,450
Charges for services	2,039,655	1,041,596	-	-
Fines and forfeits	2,880,349	-	-	-
Investment earnings	66,946	784	70,819	83,541
Miscellaneous	449,408	25,119	-	121,617
Total revenues	<u>107,889,561</u>	<u>10,269,705</u>	<u>9,364,671</u>	<u>16,585,608</u>
Expenditures:				
Current:				
General government	56,655,439	-	-	-
Public safety	31,065,302	18,053,039	-	-
Highways and streets	-	-	7,189,814	17,815,430
Sanitation	1,562,909	-	-	-
Health	-	-	-	-
Welfare	11,275,978	-	-	-
Culture and recreation	112,828	-	-	-
Education	699,387	-	-	-
Debt service:				
Principal	40,863	-	-	-
Interest and other charges	6,370	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>101,419,076</u>	<u>18,053,039</u>	<u>7,189,814</u>	<u>17,815,430</u>
Excess (deficiency) of revenues over expenditures	6,470,485	(7,783,334)	2,174,857	(1,229,822)
Other financing sources (uses):				
Revenue refunding obligation proceeds	-	-	-	-
Payment to refunding escrow agent	-	-	-	-
Sale of capital assets	377,541	-	2,029	123,955
Transfers in	1,057,611	7,705,782	-	4,399
Transfers out	(8,159,083)	-	-	-
Total other financing sources (uses)	<u>(6,723,931)</u>	<u>7,705,782</u>	<u>2,029</u>	<u>128,354</u>
Net change in fund balances	(253,446)	(77,552)	2,176,886	(1,101,468)
Fund balances, July 1, 2017	<u>10,513,270</u>	<u>1,187,144</u>	<u>7,747,171</u>	<u>7,912,199</u>
Fund balances, June 30, 2018	<u>\$ 10,259,824</u>	<u>\$ 1,109,592</u>	<u>\$ 9,924,057</u>	<u>\$ 6,810,731</u>

See accompanying notes to financial statements.

Capital Projects	Capital Projects Debt Service	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 9,872,034	\$ 56,322,256
2,746,741	-	-	27,763,993
-	-	256,753	256,753
-	-	662,674	5,045,676
-	-	20,902,313	82,381,548
-	-	9,176,165	12,257,416
-	-	612,546	3,492,895
138,353	116,059	204,614	681,116
-	-	4,983,544	5,579,688
<u>2,885,094</u>	<u>116,059</u>	<u>46,670,643</u>	<u>193,781,341</u>
-	196,951	10,938,138	67,790,528
-	-	16,145,506	65,263,847
-	-	393,938	25,399,182
-	-	438,098	2,001,007
-	-	14,715,104	14,715,104
-	-	-	11,275,978
-	-	4,030	116,858
-	-	3,826,069	4,525,456
-	1,315,874	175,000	1,531,737
-	795,991	100,190	902,551
107,002	-	69,838	176,840
<u>107,002</u>	<u>2,308,816</u>	<u>46,805,911</u>	<u>193,699,088</u>
2,778,092	(2,192,757)	(135,268)	82,253
-	16,978,000	-	16,978,000
-	(16,896,907)	-	(16,896,907)
-	-	5,918	509,443
70,945	2,111,865	1,344,581	12,295,183
(3,160,777)	-	(975,323)	(12,295,183)
<u>(3,089,832)</u>	<u>2,192,958</u>	<u>375,176</u>	<u>590,536</u>
(311,740)	201	239,908	672,789
14,088,635	1,893	16,349,482	57,799,794
<u>\$ 13,776,895</u>	<u>\$ 2,094</u>	<u>\$ 16,589,390</u>	<u>\$ 58,472,583</u>

Yavapai County
 Reconciliation of the Governmental Funds Statement of
 Revenues, Expenditures, and Changes in Fund Balances
 to the Government-wide Statement of Activities
 Year Ended June 30, 2018

Net change in fund balances—total governmental funds \$ 672,789

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	16,061,391	
Depreciation expense	(16,295,298)	(233,907)

In the Statement of Activities, only the gain on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the book value of the capital assets sold.

(161,846)

Collections of revenues in the governmental funds exceeded revenues reported in the Statement of Activities.

(264,421)

County pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the County's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

County pension contributions	15,563,788	
Pension expense	(34,066,599)	
State's non-employer pension contributions	2,195,410	(16,307,401)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Debt issued	(16,978,000)	
Principal repaid on capital lease	1,356,737	
Payment to escrow agent for refunding	16,896,907	
Principal repaid on bonds	175,000	1,450,644

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 are reported regardless of when the financial resources are available.

Increase in compensated absences	(241,744)	
Decrease in accrued payroll and employee benefits	1,506,670	
Decrease in claims and judgments	10,725	
Increase in interest payable	(145,359)	
Decrease in landfill closure and postclosure care costs	192,087	<u>1,322,379</u>

Change in net position of governmental activities \$ (13,521,763)

See accompanying notes to financial statements.

Yavapai County
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	Investment Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 116,373,994	\$ 3,332,053
Total assets	\$ 116,373,994	\$ 3,332,053
 Liabilities		
Deposits held for others	\$ -	\$ 3,332,053
Total liabilities	\$ -	\$ 3,332,053
 Net Position		
Held in trust for investment trust participants	\$ 116,373,994	

See accompanying notes to financial statements.

Yavapai County
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2018

	Investment Trust Funds
Additions:	
Contributions from participants	\$ 436,288,913
Investment earnings	1,960,008
Total additions	438,248,921
Deductions:	
Distributions to participants	438,700,010
Total deductions	438,700,010
Change in net position	(451,089)
Net position, July 1, 2017	116,825,083
Net position, June 30, 2018	\$ 116,373,994

See accompanying notes to financial statements.

Yavapai County
Notes to Financial Statements
June 30, 2018

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 a separately elected board of supervisors governs. 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:

Component unit	Description; criteria for inclusion	Reporting method	For separate financial statements
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 and has operational responsibility	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 and has operational responsibility	Blended	Not available
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 and has operational responsibility	Blended	Not available

Yavapai County
Notes to Financial Statements
June 30, 2018

Component unit	Description; criteria for inclusion	Reporting method	For separate financial statements
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 and has operational responsibility	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, 39, and 61, 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, 39, and 61, the financial activities of the Authority have not been included in the accompanying financial statements.

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. Fiduciary funds are only reported in the statements of fiduciary net position and changes in fiduciary net position. Each presentation provides valuable information that can be analyzed and compared between years and between governments to enhance the information's usefulness.

Yavapai County
Notes to Financial Statements
June 30, 2018

Government-wide statements—Provide information about the primary government (the County) and its component units. The statements include a statement of net position and a statement of activities. These statements report the overall government's financial activities, except for fiduciary activities. Governmental activities generally are financed through taxes and intergovernmental revenues.

A statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental 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 the County levies or imposes, 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 and fiduciary fund categories. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Fiduciary funds are aggregated and reported by fund type.

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 *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 *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.

Yavapai County
Notes to Financial Statements
June 30, 2018

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 also 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.

The agency funds account for assets the County holds as an agent for other governments and individuals.

C. Basis of accounting

The government-wide and fiduciary fund financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. The agency funds are custodial in nature and do not have a measurement focus but utilize the accrual basis of accounting for reporting its assets and liabilities. 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 resources 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.

D. Cash and investments

All investments are stated at fair value.

Yavapai County
Notes to Financial Statements
June 30, 2018

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 moving average method.

The County accounts for its inventories in the governmental funds using the consumption method. Inventories of the governmental funds consist of expendable supplies which are recorded as expenditures when consumed rather than when purchased. Amounts on hand at year end are shown on the balance sheet as an asset and as nonspendable fund balance to indicate that they do not constitute "available spendable resources." These inventories are stated at cost using the moving average 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 consumption method in the governmental fund financial statements. Using this method, prepaid purchases are recorded as assets when the goods or services are purchased and expensed over the period consumed. Amounts at year-end are reported on the balance sheet as an asset 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 acquisition value.

Yavapai County
Notes to Financial Statements
June 30, 2018

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 are as follows:

	Capitalization threshold	Depreciation method	Estimated useful life
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	5-15 years
Infrastructure	10,000	Straight-line	10-75 years
Software	10,000	Straight-line	3-5 years
Construction in progress	10,000	N/A	N/A

I. Deferred outflows and inflows of resources

The statement of net position and balance sheet include separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense in future periods. Deferred inflows of resources represent an acquisition of net position or fund balance that applies to future periods and will be recognized as a revenue in future periods.

J. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

K. Fund balance classifications

The governmental funds' fund balances are reported separately within classifications based on a hierarchy of the constraints placed on those resources' use. 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.

Yavapai County
Notes to Financial Statements
June 30, 2018

The unrestricted fund balance category is composed of committed, assigned, and unassigned resources. Committed fund balances are self-imposed limitations that the County's Board of Supervisors approved, which is the highest level of decision-making authority within the County. The Board can, by approval of an agenda item at a public meeting prior to the end of the fiscal year, commit fund balance. Only the Board can remove or change the constraints placed on committed fund balances, by approval of an agenda item to remove or revise the limitation. Approval of an agenda item by the Board is the only highest level action that constitutes the most binding constraint.

Assigned fund balances are resources constrained by the County's intent to be used for specific purposes, but that 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 will use restricted fund balance first. The County will use committed amounts first when disbursing unrestricted fund balances, followed by assigned amounts, and lastly unassigned amounts.

L. Investment earnings

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

M. Compensated absences

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

Employees may accumulate up to 764 hours of PTO, depending on years of service, but they forfeit any unused PTO hours in excess of the maximum amount each pay period. Upon terminating employment, the County pays all unused and unforfeited PTO benefits 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.

Beginning on July 1, 2017, employees may accumulate up to 40 hours of sick leave per calendar year. Unused sick leave hours will be carried over from one year to the next. There is no maximum accrual limit for sick leave. Because sick leave benefits do not vest with employees, a liability for sick leave benefits is not accrued in the financial statements.

Prior to July 1, 2017, employees could accumulate up to 520 hours of catastrophic time (CAT) leave. CAT leave accruals were suspended, but any unused CAT leave is available for use. 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 sick

Yavapai County
Notes to Financial Statements
June 30, 2018

leave or PTO. CAT leave benefits are cumulative but employees forfeit them 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 - Stewardship, compliance, and accountability

Deficit fund balance—At June 30, 2018, the Finance and CYMPO (nonmajor governmental) Funds reported deficit fund balances of \$1,030 and \$27,307, respectively.

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, notes and other evidences of indebtedness; interest-earning investments such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; specified commercial paper issued by corporations organized and doing business in the United States; specified bonds, debentures, notes, and other evidences of indebtedness that are denominated in United States dollars; 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.

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. Specified bonds, debentures, notes and other evidences of indebtedness that are denominated in United States dollars must be rated "A" or better, at the time of purchase, by at least two nationally recognized rating agencies.
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 at 102 percent of all deposits federal depository insurance does not cover.

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. The maximum maturity for investments in repurchase agreements is 180 days.

Yavapai County
Notes to Financial Statements
June 30, 2018

Foreign currency risk

Statutes do not allow foreign investments unless the investment is denominated in United States dollars.

Deposits—At June 30, 2018, the carrying amount of the County's deposits was \$9,370,284, and the bank balance was \$9,938,668. The County does not have a formal policy with respect to custodial credit risk.

Investments—The County's investments at June 30, 2018, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

	Amount	Fair value measurement using Quoted prices in active markets for identical assets (Level 1)
Investments by fair value level		
U.S. Treasury securities	\$ 11,966,867	\$ 11,966,867
U.S. agency securities	45,576,405	45,576,405
Money market funds	34,388	34,388
Total investments by fair value level	<u>57,577,660</u>	<u>\$ 57,577,660</u>
External investment pools measured at fair value		
State Treasurer's investment pools	<u>106,337,647</u>	
Total investments	<u>\$163,915,307</u>	

Investments categorized as Level 1 are valued using prices quoted in active markets for those investments. Investments in the State Treasurer's investment pools are valued at the pool's share price multiplied by the number of shares the County held. The fair value of a participant's position in the pools approximates the value of that participant's pool shares. The State Board of Investment provides oversight for the State Treasurer's investment pools.

Credit risk— The County does not have a formal investment policy with respect to credit risk. At June 30, 2018, credit risk for the County's investments was as follows:

Investment type	Rating	Rating agency	Amount
State Treasurer's Investment Pool 5	AAAf/S1+	Standard and Poor's	\$ 44
State Treasurer's Investment Pool 7	Unrated	Not applicable	106,337,603
U.S. agency securities	AA+	Standard and Poor's	45,576,405
Money market funds	Aaa-mf	Moody's	34,388
			<u>\$151,948,440</u>

Yavapai County
Notes to Financial Statements
June 30, 2018

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.

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, 2018, of 5 percent or more in the Federal Farm Credit Bank and Federal Home Loan Bank. These investments were 11.8 percent and 11.2 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, 2018, the County had the following investments:

Investment Type	Amount	Weighted Average Maturity (Years)
State Treasurer’s Investment Pool 5	\$ 44	.08
State Treasurer’s Investment Pool 7	106,337,603	.09
U.S. Treasury securities	11,966,867	.94
U.S. agency securities	45,576,405	1.31
Money market funds	34,388	.00
	<u>\$163,915,307</u>	

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

Cash, deposits, and investments:

Cash on hand	\$ 44,075
Amount of deposits	9,370,284
Amount of investments	163,915,307
Total	<u>\$173,329,666</u>

	Governmental activities	Investment trust funds	Agency funds	Total
Cash and cash equivalents	<u>\$53,623,619</u>	<u>\$116,373,994</u>	<u>\$3,332,053</u>	<u>\$173,329,666</u>

Yavapai County
Notes to Financial Statements
June 30, 2018

Note 4 - Due from other governments

Amounts due from other governments for governmental activities at June 30, 2018, include \$4,551,258 in state-shared revenue from sales tax, \$1,479,322 in county excise tax distributions due from the State Treasurer, \$366,756 in state motor vehicle license taxes from the Arizona Department of Transportation and \$460,015 in other fees from federal, state, and local governments recorded in the General Fund; \$1,643,690 in sales tax collections, \$117,778 in inmate housing fees and \$39,126 in other fees from the federal, state and local governments recorded in the Jail District Fund; \$1,314,953 in county excise tax distributions due from the State Treasurer and \$25,607 refund due from the state in the Regional Road Fund; \$1,164,165 in state-shared revenue from highway user taxes, \$138,981 in state motor vehicle license tax, and \$12,094 in other fees from federal, state, and local governments recorded in the HURF Road Fund; \$493,107 in county excise tax distributions due from the State Treasurer recorded in the Capital Projects Fund; and \$2,038,265 in grants and other fees from federal, state and local governments recorded in the Other Governmental Funds.

Note 5 - Capital assets

Capital asset activity for the year ended June 30, 2018, was as follows:

	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 63,440,749	\$ 511,989	\$ (24,600)	\$ 63,928,138
Construction in progress	1,057,112	8,097,362	(6,143,513)	3,010,961
Total capital assets not being depreciated	<u>64,497,861</u>	<u>8,609,351</u>	<u>(6,168,113)</u>	<u>66,939,099</u>
Capital assets being depreciated:				
Buildings	112,185,326	119,722	(32,723)	112,272,325
Equipment	48,581,666	5,490,550	(3,979,463)	50,092,753
Infrastructure	362,662,090	7,581,294	(64,182)	370,179,202
Software	5,691,501	403,988	-	6,095,489
Total	<u>529,120,583</u>	<u>13,595,554</u>	<u>(4,076,368)</u>	<u>538,639,769</u>
Less accumulated depreciation for:				
Buildings	(34,856,711)	(2,879,986)	18,883	(37,717,814)
Equipment	(34,964,868)	(4,214,990)	3,866,428	(35,313,430)
Infrastructure	(251,288,485)	(8,763,500)	53,810	(259,998,175)
Software	(4,641,065)	(436,822)	-	(5,077,887)
Total	<u>(325,751,129)</u>	<u>(16,295,298)</u>	<u>3,939,121</u>	<u>(338,107,306)</u>
Total capital assets being depreciated, net	<u>203,369,454</u>	<u>(2,699,744)</u>	<u>(137,247)</u>	<u>200,532,463</u>
Governmental activities capital assets, net	<u>\$267,867,315</u>	<u>\$ 5,909,607</u>	<u>\$ (6,305,360)</u>	<u>\$267,471,562</u>

Depreciation expense was charged to functions as follows:

Yavapai County
Notes to Financial Statements
June 30, 2018

Governmental activities:	
General government	\$ 4,235,487
Public safety	2,193,303
Highways and streets	9,439,477
Sanitation	130,063
Health	189,619
Culture and recreation	4,357
Education	102,992
Total governmental activities depreciation expense	<u>\$ 16,295,298</u>

Note 6 - Construction commitments

The County had major contractual commitments related to various capital projects at June 30, 2018, for the construction of road, flood control, building and airport improvements. At June 30, 2018, the County had spent \$2,140,123 on these projects and had remaining contractual commitments with contractors of \$4,519,058. The road improvement projects are being funded by the County's excise tax out of the Regional Road Fund and highway user revenues out of the HURF Road Fund. The flood control improvement project is being funded by property taxes out of the Improvement Districts Fund. The building improvement projects are being funded by the County's jail tax out of the Jail District Fund and the County's excise tax out of the Capital Projects Fund. The airport improvement project is being funded by state and federal grants out of the Airport Development 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, 2018:

	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018	Due within 1 year
Governmental Activities:					
Revenue refunding obligation	\$ -	\$ 16,978,000	\$ -	\$ 16,978,000	\$ 1,362,000
Special assessment debt	1,595,000	-	(175,000)	1,420,000	175,000
Capital leases payable	18,341,534	-	(18,253,644)	87,890	42,884
Net pension liabilities	170,080,601	21,921,286	(3,768,337)	188,233,550	72,846
Landfill closure and postclosure care costs payable	950,091	11,693	(203,780)	758,004	22,174
Compensated absences payable	8,310,234	5,927,985	(5,686,241)	8,551,978	3,415,358
Claims and judgments payable	335,592	531,575	(542,300)	324,867	152,214
Total governmental activities long-term liabilities	<u>\$ 199,613,052</u>	<u>\$ 45,370,539</u>	<u>\$ (28,629,302)</u>	<u>\$ 216,354,289</u>	<u>\$ 5,242,476</u>

Revenue refunding obligations

On October 17, 2017, the County entered into a revenue refunding obligation in the amount of \$16,978,000 at an average interest rate of 2.08%, with interest payable semiannually. The proceeds were held under a Depository Trust Agreement until May 15, 2018, when the funds were used to pay off the outstanding capital lease payable. The purpose of the refinancing was to significantly reduce the County's interest costs over the remaining term of the current lease agreement. As a result of the refunding, the County reduced its total debt service requirements by \$2,002,845, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,777,285. The County has pledged the County general excise tax revenues and the state

Yavapai County
Notes to Financial Statements
June 30, 2018

shared tax revenues to repay the obligation. The total principal and interest remaining on the obligation is \$19,115,803, payable through May 2028. Annual principal and interest payments are expected to require 6% of pledged revenues. There were no principal and interest payments for the current year and the County general excise tax revenues were \$18,311,614 and the net state shared tax revenues were \$19,461,489.

The following schedule details debt service requirements to maturity for the County's revenue bonds payable at June 30, 2018:

Year ending June 30	Principal	Interest
2019	\$ 1,362,000	\$ 550,098
2020	1,595,000	316,524
2021	1,628,000	283,171
2022	1,662,000	249,132
2023	1,697,000	214,386
2024-2028	9,034,000	524,492
Total	<u>\$ 16,978,000</u>	<u>\$ 2,137,803</u>

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. The total principal and interest remaining on the bonds is \$1,892,910, 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 \$274,062 and the special assessments were \$242,192.

The following special assessment districts had debt outstanding at June 30, 2018:

Description	Original Amount Issued	Maturity Ranges	Interest Rates	Outstanding Principal June 30, 2018
Coyote Springs Road Improvement	\$1,552,000	1/1/18-1/1/22	6.40%	\$ 320,000
Poquito Valley Road Improvement	1,857,000	1/1/18-1/1/30	6.625%	1,100,000
Total				<u>\$ 1,420,000</u>

The following schedule details debt service requirements to maturity for the County's special assessment debt payable at June 30, 2018:

Year ending June 30	Principal	Interest
2019	\$ 175,000	\$ 87,648
2020	175,000	76,234
2021	175,000	64,821
2022	175,000	53,407
2023	90,000	44,719
2024-2028	450,000	134,156
2029-2030	180,000	11,925
Total	<u>\$ 1,420,000</u>	<u>\$ 472,910</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. On May 15, 2018, the County used proceeds from Excise Tax Revenue Funding Obligations issued on October 17, 2017, to pay off the \$16,896,907 remaining balance of the capital lease payable.

On December 8, 2015, the County entered into a \$212,297 lease purchase agreement to finance the purchase of telephone system upgrades, including hardware, software and professional services. Upon the final lease payment due March 8, 2020, 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
Equipment	\$ 211,939
Less: accumulated depreciation	(88,308)
Carrying value	\$ 123,631

The following schedule details debt service requirements to maturity for the County's capital lease payable at June 30, 2018:

	Governmental Activities
Year ending June 30	
2019	\$ 47,232
2020	47,233
Total minimum lease payments	94,465
Less amount representing interest	(6,575)
Present value of net minimum lease payments	\$ 87,890

Landfill closure and postclosure care costs

State and federal laws and regulations require the County to place final covers on its seven 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 seven County landfills stopped accepting waste and were closed prior to June 30, 2018. During the year, the County wrote off remaining landfill closure and

Yavapai County
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postclosure care costs for four of its landfills since the County's attorneys determined that there was no longer any obligation on the part of the County to maintain postclosure financial assurances on those landfills. As of June 30, 2018, the landfill closure and postclosure care liability of \$758,004 represents the cumulative amount of costs remaining on these three remaining 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 2018 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 \$250,000 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 2018, the County paid for compensated absences as follows: 58 percent from the General Fund, 18 percent from major funds, and 24 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, 2018, were as follows:

	General	Jail District	Regional Road	HURF Road
Fund balances:				
Nonspendable:				
Inventories	\$ 158,217	\$ -	\$ -	\$ 375,566
Prepaid items	467,895	-	302	2,906
Total nonspendable	<u>626,112</u>	<u>-</u>	<u>302</u>	<u>378,472</u>
Restricted for:				
Social services	-	-	-	-
Law enforcement	-	1,109,592	-	-
Flood control	-	-	-	-
Roadway construction and maintenance	-	-	-	6,432,259
Landfill and other sanitation	-	-	-	-
Public health care and clinical services	-	-	-	-
Public parks	-	-	-	-
School services	-	-	-	-
Debt service	-	-	-	-
Capital construction	-	-	-	-
Total restricted	<u>-</u>	<u>1,109,592</u>	<u>-</u>	<u>6,432,259</u>
Committed to:				
Social services	-	-	-	-
Probation services	-	-	-	-
Roadway construction	-	-	9,923,755	-
Public health care and clinical services	-	-	-	-
Capital construction	-	-	-	-
Total committed	<u>-</u>	<u>-</u>	<u>9,923,755</u>	<u>-</u>
Unassigned	<u>9,633,712</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>\$ 10,259,824</u>	<u>\$ 1,109,592</u>	<u>\$ 9,924,057</u>	<u>\$ 6,810,731</u>

<u>Capital Projects</u>	<u>Capital Projects Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 533,783
-	-	32,000	503,103
-	-	32,000	1,036,886
-	-	5,282,248	5,282,248
-	-	1,921,706	3,031,298
-	-	1,703,314	1,703,314
-	-	90,821	6,523,080
-	-	1,058,129	1,058,129
-	-	4,308,099	4,308,099
-	-	48,008	48,008
-	-	853,441	853,441
-	2,094	999,872	1,001,966
-	-	50,325	50,325
-	2,094	16,315,963	23,859,908
-	-	13,091	13,091
-	-	12,046	12,046
-	-	-	9,923,755
-	-	484,421	484,421
13,776,895	-	-	13,776,895
13,776,895	-	509,558	24,210,208
-	-	(268,131)	9,365,581
<u>\$ 13,776,895</u>	<u>\$ 2,094</u>	<u>\$ 16,589,390</u>	<u>\$ 58,472,583</u>

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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 47.

The Arizona Counties Property and Casualty Pool is a public entity risk pool currently composed of 12 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.

The Arizona Counties Workers' Compensation Pool is a public entity risk pool currently composed of 12 member counties. The pool provides member counties with workers' compensation coverage, as law requires, 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. If a pool were to become insolvent, the County would be assessed an additional contribution.

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Note 10 - Pensions

The County contributes to the plans described below. The plans are component units of the State of Arizona.

At June 30, 2018, the County reported the following aggregate amounts related to pensions for all plans to which it contributes:

Statement of net position and statement of activities	Governmental activities
Net pension liability	\$188,233,550
Deferred outflows of resources related to pensions	32,988,617
Deferred inflows of resources related to pensions	8,710,111
Pension expense	34,086,719

The County's accrued payroll and employee benefits includes \$471,198 of outstanding pension contribution amounts payable to all pension plans for the year ended June 30, 2018. Also, the County reported \$15,583,908 of pension contributions as expenditures in the governmental funds related to all pension plans to which it contributes.

A. Arizona State Retirement System

Plan description—County employees not covered by the other pension plans described below participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 2. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at www.azasrs.gov.

Benefits provided—The ASRS provides retirement and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

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ASRS	Retirement	
	Initial membership date:	
	Before July 1, 2011	On or after July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years, age 62 5 years, age 50* any years, age 65	30 years, age 55 25 years, age 60 10 years, age 62 5 years, age 50* any years, age 65
Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

*With actuarially reduced benefits.

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earning. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the retirement benefit option chosen determines the survivor benefit. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

Contributions—In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2018, statute required active ASRS members to contribute at the actuarially determined rate of 11.34 percent of the members' annual covered payroll, and statute required the County to contribute at the actuarially determined rate of 10.9 percent of the active members' annual covered payroll. In addition, the County was required by statute to contribute at the actuarially determined rate of 9.26 percent of annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the ASRS would typically fill. The County's contributions to the pension plan for the year ended June 30, 2018, were \$5,681,251.

During fiscal year 2018, the County paid for ASRS pension contributions as follows: 61.3 percent from the General Fund, 11.8 percent from major funds, and 26.9 percent from other funds.

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Pension liability—At June 30, 2018, the County reported a liability of \$81,382,853 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2016, to the measurement date of June 30, 2017. The total pension liability as of June 30, 2017, reflects a change in actuarial assumption related to changes in loads for future potential permanent benefit increases.

The County's proportion of the net pension liability was based on the County's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The County's proportion measured as of June 30, 2017, was 0.5224 percent, which was a decrease of 0.0002 from its proportion measured as of June 30, 2016.

The net pension liability measured as of June 30, 2018, will reflect changes of actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016. The change in the County's net pension liability as a result of these changes is not known.

Pension expense and deferred outflows/inflows of resources—For the year ended June 30, 2018, the County recognized pension expense of \$3,001,275. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ASRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$ 2,440,307
Changes of assumptions or other inputs	\$ 3,534,644	2,433,494
Net difference between projected and actual earnings on pension plan investments	584,272	
Changes in proportion and differences between county contributions and proportionate share of contributions	588,884	543,535
County contributions subsequent to the measurement date	5,681,251	
Total	<u>\$10,389,051</u>	<u>\$ 5,417,336</u>

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The amount reported as deferred outflows of resources related to ASRS pensions resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year ending June 30	
2019	\$ (3,222,275)
2020	3,385,685
2021	999,104
2022	(1,872,048)

Actuarial assumptions—The significant actuarial assumptions used to measure the total pension liability are as follows:

ASRS

Actuarial valuation date	June 30, 2016
Actuarial roll forward date	June 30, 2017
Actuarial cost method	Entry age normal
Investment rate of return	8%
Projected salary increases	3–6.75%
Inflation	3%
Permanent benefit increase	Included
Mortality rates	1994 GAM Scale BB

Actuarial assumptions used in the June 30, 2016, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2012.

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.7 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

ASRS Asset class	Target allocation	Long-term expected arithmetic real rate of return
Equity	58%	6.73%
Fixed income	25%	3.70%
Real estate	10%	4.25%
Multi-asset	5%	3.41%
Commodities	<u>2%</u>	3.84%
Total	<u>100%</u>	

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Discount rate—The discount rate used to measure the ASRS total pension liability was 8 percent, which is less than the long-term expected rate of return of 8.7 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County’s proportionate share of the ASRS net pension liability to changes in the discount rate—The following table presents the County’s proportionate share of the net pension liability calculated using the discount rate of 8 percent, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7 percent) or 1 percentage point higher (9 percent) than the current rate:

ASRS	1% Decrease (7%)	Current discount rate (8%)	1% Increase (9%)
County’s proportionate share of the net pension liability	\$104,456,306	\$81,382,853	\$62,103,006

Pension plan fiduciary net position—Detailed information about the pension plan’s fiduciary net position is available in the separately issued ASRS financial report.

B. Public Safety Personnel Retirement System and Corrections Officer Retirement Plan

Plan descriptions—County sheriff employees and county attorney investigators who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS). The PSPRS administers agent and cost-sharing multiple-employer defined benefit pension plans. A nine-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4. Employees who were PSPRS members before July 1, 2017, participate in the agent plans, and those who became PSPRS members on or after July 1, 2017, participate in the cost-sharing plans (PSPRS Tier 3 Risk Pool).

County detention officers, county dispatchers, and Administrative Office of the Courts (AOC) probation, surveillance, and juvenile detention officers participate in the Corrections Officer Retirement Plan (CORP). The CORP administers an agent multiple-employer defined benefit pension plan for county detention officers and dispatchers (agent plans), and a cost-sharing multiple-employer defined benefit pension plan for AOC officers (cost-sharing plan). The PSPRS Board of Trustees and the participating local boards govern CORP according to the provisions of A.R.S. Title 38, Chapter 5, Article 6.

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The PSPRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPRS and CORP plans. The report is available on the PSPRS website at www.psprs.com.

Benefits provided—The PSPRS and CORP provide retirement, disability, and survivor benefits. State statute establishes benefit terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

PSPRS	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2017
Retirement and disability		
Years of service and age required to receive benefit	20 years of service, any age 15 years of service, age 62	25 years of service or 15 years of credited service, age 52.5
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years
Benefit percent		
Normal retirement	50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5 % to 2.5% per year of credited service, not to exceed 80%
Accidental disability retirement	50% or normal retirement, whichever is greater	
Catastrophic disability retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	
Ordinary disability retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20	
Survivor benefit		
Retired members	80% to 100% of retired member's pension benefit	
Active members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job	

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CORP

Initial membership date:

Before January 1, 2012

On or after January 1, 2012

Retirement and disability

Years of service and age required to receive benefit	Sum of years and age equals 80 25 years, any age (dispatchers) 20 years, any age (all others) 10 years, age 62	25 years, age 52.5 10 years, age 62
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Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive months of last 10 years
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Benefit percent

Normal retirement	2.0% to 2.5% per year of credited service, not to exceed 80%	
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Accidental disability retirement	50% or normal retirement if more than 20 years of credited service	50% or normal retirement if more than 25 years of credited service
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Total and permanent disability retirement	50% or normal retirement if more than 25 years of credited service	
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Ordinary disability retirement	2.5% per year of credited service	
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Survivor benefit

Retired members	80% of retired member's pension benefit
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Active members	40% of average monthly compensation or 100% of average monthly compensation if death was the result of injuries received on the job. If there is no surviving spouse or eligible children, the beneficiary is entitled to 2 times the member's contributions.
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Retirement and survivor benefits are subject to automatic cost-of-living adjustments. The adjustments are based on inflation for PSPRS and excess investment earnings for CORP. In addition, the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget Committee analysis of the increase's effects on the plan. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

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Employees covered by benefit terms—At June 30, 2018, the following employees were covered by the agent pension plans' benefit terms:

	PSPRS Sheriff	PSPRS Attorney Investigators	CORP Detention	CORP Dispatchers
Inactive employees or beneficiaries currently receiving benefits	72	2	42	1
Inactive employees entitled to but not yet receiving benefits	39	-	108	1
Active employees	119	-	171	4
Total	230	2	321	6

Contributions —State statutes establish the pension contribution requirements for active PSPRS and CORP employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS and CORP pension benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contributions rates for the year ended June 30, 2018, are indicated below. Rates are a percentage of active members' annual covered payroll.

	Active member— pension	County—pension
PSPRS Sheriff	7.65%-11.65%	51.43%
PSPRS Attorney Investigators	7.65%-11.65%	5.00
PSPRS Tier 3 Risk Pool	9.94	9.68
CORP Detention	8.41	15.69
CORP Dispatchers	7.96	22.27
CORP AOC	8.41	22.51

Also, statute required the County to contribute at the actuarially determined rate of 36.86 percent of the annual covered payroll of county sheriff employees and 9.68 percent of the annual covered payroll of county attorney investigators who were PSPRS Tier 3 Risk Pool members, in addition to the County's required contributions to the PSPRS Tier 3 Risk Pool for these county sheriff employees and county attorney investigators.

In addition, statute required the County to contribute at the actuarially determined rate indicated below of annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the PSPRS or CORP would typically fill.

	Pension
PSPRS Sheriff	36.62%
PSPRS Attorney Investigators	5.00%
CORP Detention	8.86%
CORP Dispatchers	14.00%
CORP AOC	15.27%

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The County's contributions to the plans for the year ended June 30, 2018, were:

	Pension
PSPRS Sheriff	\$ 6,642,992
PSPRS Attorney Investigators	152,046
CORP Detention	1,590,565
CORP Dispatchers	38,771
CORP AOC	1,423,930

During the fiscal year 2018, the County paid for PSPRS and CORP pension contributions as follows: 76.0 percent from the general fund, 14.6 percent from major funds, and 9.4 percent from other funds.

Pension liability—At June 30, 2018, the County reported the following net pension liabilities:

	Net pension liability
PSPRS Sheriff	\$38,834,745
PSPRS Attorney Investigators	1,088,294
CORP Detention	13,504,691
CORP Dispatchers	518,871
CORP AOC (County's proportionate share)	22,135,375

The net pension liability was measured as of June 30, 2017, and the total liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total liabilities as of June 30, 2017, reflect changes of actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016, including decreasing the investment rate of return from 7.5 percent to 7.4 percent, decreasing the wage inflation from 4 percent to 3.5 percent, and updating mortality, withdrawal, disability, and retirement assumptions. The total pension liabilities for CORP and CORP AOC also reflect changes of benefit terms for a court decision that increased cost-of-living adjustments for retirees who became members before July 20, 2011. The total pension liabilities for PSPRS also reflect changes of benefit terms for legislation that changed benefit eligibility and multipliers for employees who became members on or after January 1, 2012, and before July 1, 2017, and a court decision that decreased the contribution rates for employees who became members before July 20, 2011. The court decision will also affect the PSPRS net pension liabilities measured as of June 30, 2018, because of refunds of excess member contributions. The change in the County's PSPRS net pension liabilities as a result of the refunds is not known.

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Pension actuarial assumptions—The significant actuarial assumptions used to measure the total pension liability are as follows:

PSPRS and CORP—Pension

Actuarial valuation date	June 30, 2017
Actuarial cost method	Entry age normal
Investment rate of return	7.4%
Wage inflation	3.5%
Price inflation	2.5%
Permanent benefit increase	Included
Mortality rates	RP-2014 tables using MP-2016 improvement scale with adjustments to match current experience

Actuarial assumptions used in the June 30, 2017, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on PSPRS and CORP pension plan investments was determined to be 7.4 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

PSPRS and CORP Asset class	Target allocation	Long-term expected geometric real rate of return
Short term investments	2%	0.25%
Absolute return	2%	3.75%
Risk parity	4%	5.00%
Fixed income	5%	1.25%
Real assets	9%	4.52%
GTAA	10%	3.96%
Private credit	12%	6.75%
Real estate	10%	3.75%
Credit opportunities	16%	5.83%
Non-U.S. equity	14%	8.70%
U.S. equity	<u>16%</u>	7.60%
Total	<u>100%</u>	

Pension discount rates—At June 30, 2017, the discount rate used to measure the PSPRS and CORP total pension liabilities was 7.4 percent, which was an increase of 4.55 for the PSPRS Attorney Investigators plan and a decrease of 0.1 percent for the PSPRS Sheriff, CORP Detention, CORP Dispatchers, and CORP AOC plans from the discount rate used as of June 30, 2016. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate.

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Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the net pension liability

PSPRS Sheriff	Increase (decrease)		
	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (a) – (b)
Balances at June 30, 2017	\$57,080,802	\$22,328,135	\$34,752,667
Changes for the year:			
Service cost	1,567,192		1,567,192
Interest on the total pension liability	4,195,115		4,195,115
Changes of benefit terms	746,072		746,072
Changes of assumptions or other inputs	2,133,880		2,133,880
Differences between expected and actual experience in the measurement of the pension liability	1,833,831		1,833,831
Contributions—employer		2,885,038	(2,885,038)
Contributions—employee		901,093	(901,093)
Net investment income		2,613,926	(2,613,926)
Benefit payments, including refunds of employee contributions	(3,859,060)	(3,859,060)	-
Administrative expense		(23,529)	23,529
Other changes		17,484	(17,484)
Net changes	<u>6,617,030</u>	<u>2,534,952</u>	<u>4,082,078</u>
Balances at June 30, 2018	<u>\$63,697,832</u>	<u>\$24,863,087</u>	<u>\$38,834,745</u>

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PSPRS Attorney Investigators

	Increase (decrease)		
	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (a) – (b)
Balances at June 30, 2017	\$ 1,821,952	\$ (132,434)	\$ 1,954,386
Changes for the year:			
Interest on the total pension liability	50,832		50,832
Changes of benefit terms	19,011		19,011
Changes of assumptions or other inputs	(822,394)		(822,394)
Differences between expected and actual experience in the measurement of the pension liability	99,581		99,581
Contributions-employer		209,201	(209,201)
Net investment income		4,362	(4,362)
Benefit payments, including refunds of employee contributions	(76,767)	(76,767)	-
Administrative expense		(439)	439
Other changes		(2)	2
Net changes	(729,737)	136,355	(866,092)
Balances at June 30, 2018	\$ 1,092,215	\$ 3,921	\$ 1,088,294

CORP - Detention

	Increase (decrease)		
	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (a) – (b)
Balances at June 30, 2017	\$21,538,219	\$11,440,147	\$10,098,072
Changes for the year:			
Service cost	1,088,733		1,088,733
Interest on the total pension liability	1,611,298		1,611,298
Changes of benefit terms	3,307,199		3,307,199
Changes of assumptions or other inputs	541,916		541,916
Differences between expected and actual experience in the measurement of the pension liability	(183,401)		(183,401)
Contributions—employer		1,021,847	(1,021,847)
Contributions—employee		576,373	(576,373)
Net investment income		1,380,871	(1,380,871)
Benefit payments, including refunds of employee contributions	(1,197,224)	(1,197,224)	-
Administrative expense		(12,479)	12,479
Other changes		(7,486)	7,486
Net changes	5,168,521	1,761,902	3,406,619
Balances at June 30, 2018	\$26,706,740	\$13,202,049	\$13,504,691

Yavapai County
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CORP - Dispatchers	Increase (decrease)		
	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (a) – (b)
Balances at June 30, 2017	\$ 1,048,305	\$ 637,449	\$ 410,856
Changes for the year:			
Service cost	28,347		28,347
Interest on the total pension liability	78,211		78,211
Changes of benefit terms	110,845		110,845
Changes of assumptions or other inputs	18,386		18,386
Differences between expected and actual experience in the measurement of the pension liability	(7,055)		(7,055)
Contributions—employer		31,597	(31,597)
Contributions—employee		13,903	(13,903)
Net investment income		76,290	(76,290)
Benefit payments, including refunds of employee contributions	(39,324)	(39,324)	-
Administrative expense		(1,067)	1,067
Other changes		(4)	4
Net changes	189,410	81,395	108,015
Balances at June 30, 2018	\$ 1,237,715	\$ 718,844	\$ 518,871

The County's proportion of the CORP AOC net pension liability was based on the County's actual contributions to the plan relative to the total of all participating counties' actual contributions for the year ended June 30, 2017. The County's proportion measured as of June 30, 2017, was 5.52 percent which was an increase of 0.41 from its proportion measured as of June 30, 2016.

Yavapai County
Notes to Financial Statements
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Sensitivity of the County's net pension liability to changes in the discount rate—

The following table presents the County's net pension liabilities calculated using the discount rate of 7.4 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.4 percent) or 1 percentage point higher (8.4 percent) than the current rate:

	1% Decrease (6.4%)	Current discount rate (7.4%)	1% Increase (8.4%)
PSPRS Sheriff			
Net pension liability	\$47,358,012	\$38,834,745	\$31,892,642
PSPRS Attorney Investigators			
Net pension liability	\$1,215,319	\$1,088,294	\$982,878
CORP Detention			
Net pension liability	\$17,633,741	\$13,504,691	\$10,197,867
CORP Dispatchers			
Net pension liability	\$716,408	\$518,871	\$361,387
CORP AOC			
County's proportionate share of the net pension liability	\$28,612,614	\$22,135,375	\$16,897,194

Pension plan fiduciary net position—Detailed information about the pension plans' fiduciary net position is available in the separately issued PSPRS and CORP financial reports.

Pension expense—For the year ended June 30, 2018, the County recognized the following pension expense:

	Pension expense
PSPRS Sheriff	\$5,894,227
PSPRS Attorney Investigators	(767,740)
CORP Detention	4,890,495
CORP Dispatchers	165,906
CORP AOC (County's proportionate share)	8,978,005

Yavapai County
Notes to Financial Statements
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Pension deferred outflows/inflows of resources—At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PSPRS Sheriff	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 1,620,696	\$ 1,189,263
Changes of assumptions or other inputs	4,057,038	
Net difference between projected and actual earnings on pension plan investments	343,902	
County contributions subsequent to the measurement date	<u>6,642,993</u>	
Total	<u>\$12,664,629</u>	<u>\$ 1,189,263</u>
PSPRS Attorney Investigators	Deferred outflows of resources	
Net difference between projected and actual earnings on pension plan investments		\$ 16,010
County contributions subsequent to the measurement date	<u>\$ 152,046</u>	
Total	<u>\$ 152,046</u>	<u>\$ 16,010</u>
CORP Detention	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience		\$ 745,484
Changes of assumptions or other inputs	\$ 1,377,552	
Net difference between projected and actual earnings on pension plan investments	141,785	
County contributions subsequent to the measurement date	<u>1,590,565</u>	
Total	<u>\$ 3,109,902</u>	<u>\$ 745,484</u>

Yavapai County
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CORP Dispatchers	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience		\$ 80,550
Changes of assumptions or other inputs	\$ 98,440	
Net difference between projected and actual earnings on pension plan investments	8,670	
County contributions subsequent to the measurement date	38,771	
Total	<u>\$ 145,881</u>	<u>\$ 80,550</u>

CORP AOC	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 202,688	\$ 760,236
Changes in proportion and differences between county contributions and proportionate share of contributions	803,047	92,002
Changes of assumptions or other inputs	2,149,202	
Net difference between projected and actual earnings on pension plan investments	260,653	
County contributions subsequent to the measurement date	1,423,930	
Total	<u>\$ 4,839,520</u>	<u>\$ 852,238</u>

The amounts reported as deferred outflows of resources related to pensions resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	PSPRS Sheriff	PSPRS Attorney Investigators	CORP Detention	CORP Dispatchers	CORP AOC
Year ending June 30					
2019	\$1,887,103	\$ (5,301)	\$ 305,380	\$ 9,055	\$ 970,713
2020	1,410,348	(4,890)	338,939	15,744	921,143
2021	1,038,351	(3,950)	166,846	10,583	504,958
2022	496,571	(1,869)	(37,312)	(9,394)	166,537
2023	-	-	-	572	-

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C. Elected Officials Retirement Plan

Plan description—Elected officials and judges participate in the Elected Officials Retirement Plan (EORP), ASRS, or the Elected Officials Defined Contribution Retirement System (EODCRS). EORP administers a cost-sharing multiple-employer defined benefit pension plan for elected officials and judges who were members of the plan on December 31, 2013. This plan was closed to new members as of January 1, 2014. The PSPRS Board of Trustees governs the EORP according to the provisions of A.R.S. Title 38, Chapter 5, Article 3. The PSPRS issues a publicly available financial report that includes its financial statements and required supplementary information for the EORP plan. The report is available on PSPRS’s website at www.psprs.com.

Benefits provided—The EORP provides retirement, disability, and survivor benefits. State statute establishes benefit terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average yearly compensation, and service credit as follows:

EORP	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012
Retirement and disability		
Years of service and age required to receive benefit	20 years, any age 10 years, age 62 5 years, age 65 5 years, any age* any years and age if disabled	10 years, age 62 5 years, age 65 any years and age if disabled
Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive months of last 10 years
Benefit percent		
Normal retirement	4% per year of service, not to exceed 80%	3% per year of service, not to exceed 75%
Disability retirement	80% with 10 or more years of service 40% with 5 to 10 years of service 20% with less than 5 years of service	75% with 10 or more years of service 37.5% with 5 to 10 years of service 18.75% with less than 5 years of service
Survivor benefit		
Retired members	75% of retired member’s benefit	50% of retired member’s benefit
Active members and other inactive members	75% of disability retirement benefit	50% of disability retirement benefit

* With reduced benefits of 0.25% for each month early retirement precedes the member’s normal retirement age, with a maximum reduction of 30%.

Yavapai County
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Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on excess investment earning. In addition, the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget Committee analysis of the increase's effects on the plan.

Contributions—State statutes establish active member and employer contribution requirements. Statute also appropriates \$5 million annually through fiscal year 2043 for the EORP from the State of Arizona to supplement the normal cost plus an amount to amortize the unfunded accrued liability and designates a portion of certain court fees for the EORP. For the year ended June 30, 2018, statute required active EORP members to contribute 7 or 13 percent of the members' annual covered payroll and the County to contribute 23.5 percent of all active EORP members' annual covered payroll. Also, statute required the County to contribute 12.16 percent to EORP of the annual covered payroll of elected officials and judges who were ASRS members and 17.50 percent to EORP of the annual covered payroll of elected officials and judges who were EODCRS members, in addition to the County's required contributions to ASRS and EODCRS for these elected officials and judges. In addition, statute required the County to contribute 23.5 percent of annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the EORP would typically fill. The County's contributions to the pension plan for the year ended June 30, 2018, were \$34,231.

During fiscal year 2018, the County paid for EORP pension contributions as follows: 93.1 percent from the General Fund, 2.6 percent from major funds, and 4.3 percent from other funds.

Pension liability—At June 30, 2018, the County reported a liability for its proportionate share of the EORP's net pension liability that reflected a reduction for the County's proportionate share of the State's appropriation for EORP. The amount the County recognized as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the County were as follows:

County's proportionate share of the EORP net pension liability	\$30,768,721
State's proportionate share of the EORP net pension liability associated with the County	6,385,906
Total	<u>\$37,154,627</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total liability as of June 30, 2017, reflects changes of actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016, including decreasing the investment rate of return from 7.5 percent to 7.4 percent, decreasing the wage inflation from 4 percent to 3.5 percent, and updating mortality, withdrawal, disability, and retirement assumptions. The total pension liability also reflects changes-of-benefit terms for a court decision that increased cost-of-living adjustments for retirees and decreased the contribution rates for employees who became members before July 20, 2011. The court decision will also affect the net pension liability measured as of June 30, 2018, because of refunds of excess member contributions. The change in the County's net pension liability as a result of the refunds is not known.

Yavapai County
Notes to Financial Statements
June 30, 2018

The County's proportion of the net pension liability was based on the County's actual contributions to the plan relative to the total of all participating employers' actual contributions for the year ended June 30, 2017. The County's proportion measured as of June 30, 2017, was 2.525 percent, which was a decrease of 0.031 from its proportion measured as of June 30, 2016.

Pension expense—For the year ended June 30, 2018, the County recognized pension expense for EORP of \$11,904,431 and revenue of \$2,195,410 for the County's proportionate share of the State's appropriation to EORP and the designated court fees.

Deferred outflows/inflows of resources—At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

EORP	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience		\$ 266,696
Changes of assumptions or other inputs	\$ 1,200,964	142,598
Net difference between projected and actual earnings on pension plan investments	188,587	
Changes in proportion and differences between county contributions and proportionate share of contributions	266,941	
County contributions subsequent to the measurement date	34,231	
Total	<u>\$ 1,690,723</u>	<u>\$ 409,294</u>

The \$34,231 reported as deferred outflows of resources related to EORP pensions resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to EORP pensions will be recognized in pension expense as follows:

Year ending June 30	
2019	\$ 1,069,374
2020	188,860
2021	49,830
2022	(60,866)

Yavapai County
Notes to Financial Statements
June 30, 2018

Actuarial assumptions—The significant actuarial assumptions used to measure the total pension liability are as follows:

EORP—Pension

Actuarial valuation date	June 30, 2017
Actuarial cost method	Entry age normal
Investment rate of return	7.4%
Wage inflation	3.5%
Price inflation	2.5%
Permanent benefit increase	Included
Mortality rates	RP-2014 tables using MP-2016 improvement scale with adjustments to match current experience.

Actuarial assumptions used in the June 30, 2017, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on EORP pension plan investments was determined to be 7.4 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric rates of return for each major asset class are summarized in the following table:

EORP Asset class	Target allocation	Long-term expected geometric real rate of return
Short term investments	2%	0.25%
Absolute return	2%	3.75%
Risk parity	4%	5.00%
Fixed income	5%	1.25%
Real assets	9%	4.52%
GTAA	10%	3.96%
Private credit	12%	6.75%
Real estate	10%	3.75%
Credit opportunities	16%	5.83%
Non-U.S. equity	14%	8.70%
U.S. equity	<u>16%</u>	7.60%
Total	<u>100%</u>	

Discount rate—At June 30, 2017, the discount rate used to measure the EORP total pension liability was 3.91 percent, which was an increase of 0.23 from the discount rate used as of June 30, 2016. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate, employer contributions will be made at the statutorily set rates, and state contributions will be made as currently required by statute. Based on those assumptions, the pension plan’s fiduciary net position was projected to be insufficient to make all projected future benefit payments of current plan members. Therefore, to determine the total pension liability for the plan, the long-term expected rate of return on pension plan

Yavapai County
Notes to Financial Statements
June 30, 2018

investments of 7.40 percent was applied to periods of projected benefit payments through the year ended June 30, 2026. A municipal bond rate of 3.56 percent obtained from the Fidelity 20-year Municipal GO AA Index as of June 30, 2017, was applied to periods of projected benefit payments after June 30, 2026.

Sensitivity of the County’s proportionate share of the EORP net pension liability to changes in the discount rate—The following table presents the County’s proportionate share of the net pension liability calculated using the discount rate of 3.91 percent, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.91 percent) or 1 percentage point higher (4.91 percent) than the current rate:

EORP	1% Decrease (2.91%)	Current discount rate (3.91%)	1% Increase (4.91%)
County’s proportionate share of the net pension liability	\$36,345,986	\$30,768,721	\$26,220,091

Pension plan fiduciary net position—Detailed information about the pension plan’s fiduciary net position is available in the separately issued EORP financial report.

EODCRS plan—Elected officials and judges who are not members of EORP or ASRS participate in the EODCRS. The EODCRS is a defined contribution pension plan. The PSPRS Board of Trustees governs the EODCRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 3.1. Benefit terms, including contribution requirements, are established by state statute.

For the year ended June 30, 2018, active EODCRS members were required by statute to contribute 8 percent of the members’ annual covered payroll, and the County was required by statute to contribute 6 percent of active members’ annual covered payroll to an individual employee account. Employees are immediately vested in their own contributions and the County’s contributions to the individual employee account and the earnings on those contributions. For the year ended June 30, 2018, the County recognized pension expense of \$20,120.

Yavapai County
Notes to Financial Statements
June 30, 2018

Note 11 - Interfund balances and activity

Interfund receivables and payables—Interfund balances at June 30, 2018, were as follows:

	Payable to					Total
	General Fund	Jail District Fund	Regional Road Fund	HURF Road Fund	Nonmajor Governmental Funds	
Payable from						
General Fund	\$ -	\$ 41,118	\$ -	\$ 92,755	\$ 71,799	\$ 205,672
Jail District Fund	20,852	-	-	-	280	21,132
Regional Road Fund	-	-	-	139,977	-	139,977
HURF Road Fund	756,760	-	163,408	-	2,846	923,014
Nonmajor Governmental Funds	1,363,781	-	-	8,880	418,169	1,790,830
Total	\$2,141,393	\$ 41,118	\$ 163,408	\$ 241,612	\$ 493,094	\$3,080,625

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.

Interfund transfers—Interfund transfers for the year ended June 30, 2018, were as follows:

	Transfer To						Total
	General Fund	Jail District Fund	HURF Road Fund	Capital Projects Fund	Capital Projects Debt Service Fund	Nonmajor Governmental Funds	
Transfer from							
General Fund	\$ -	\$ 7,705,782	\$ -	\$ -	\$ -	\$ 453,301	\$ 8,159,083
Capital Projects Fund	1,048,912	-	-	-	2,111,865	-	3,160,777
Nonmajor Governmental Funds	8,699	-	4,399	70,945	-	891,280	975,323
Total	\$ 1,057,611	\$ 7,705,782	\$ 4,399	\$ 70,945	\$ 2,111,865	\$ 1,344,581	\$12,295,183

Transfers are used to move the maintenance of effort required by A.R.S. §48-4024 from the General Fund to the Jail District Fund, move funds from the General Fund to the Health Care Fund (Nonmajor Governmental Funds) to subsidize public health initiatives, move funds from the Capital Projects Fund to the General Fund for one-time expenditures, move receipts restricted to debt service from the Capital Projects Fund to the Capital Projects Debt Service Fund as debt service payments become due, and use unrestricted revenues collected in one fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Yavapai County
Notes to Financial Statements
June 30, 2018

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 \$20,979 of interest earned in certain other funds to be transferred to the General Fund.

The deposits and investments the County holds are included in the County Treasurer's investment pool, except for \$44,075 of cash on hand and \$4,371,985 of deposits. 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 5	\$ 44	None stated	None stated	\$ 44
State Treasurer's Investment Pool 7	106,152,000	None stated	None stated	106,337,603
U.S. treasury securities	11,969,393	1.0-1.625%	11/30/18-8/31/19	11,966,867
U.S. agency securities	46,006,267	1.0-2.55%	10/19/18-10/06/20	45,576,405
Money market funds	34,388	1.29%	7/01/18	34,388

Yavapai County
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A condensed statement of the investment pool's net position and changes in net position follows:

Statement of net position

Assets	\$168,913,606
Liabilities	-
Net Position	<u>\$168,913,606</u>

Net position held in trust for:

Internal participants	\$ 52,539,612
External participants	<u>116,373,994</u>
Total net position held in trust	<u>\$168,913,606</u>

Statement of changes in net position

Total additions	\$645,028,110
Total deductions	<u>(647,137,969)</u>
Net decrease	(2,109,859)
Net position held in trust:	
July 1, 2017	<u>171,023,465</u>
June 30, 2018	<u>\$168,913,606</u>

REQUIRED SUPPLEMENTARY INFORMATION



Yavapai County
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 46,309,644	\$ 46,309,644	\$ 46,450,222	\$ 140,578
County sales taxes	8,232,807	8,232,807	8,538,475	305,668
Licenses and permits	1,850,000	1,850,000	2,431,402	581,402
Intergovernmental	39,548,044	39,548,044	45,033,104	5,485,060
Charges for services	1,680,000	1,680,000	2,039,655	359,655
Fines and forfeits	2,800,000	2,800,000	2,880,349	80,349
Investment earnings	30,000	30,000	66,946	36,946
Miscellaneous	300,000	300,000	449,408	149,408
Total revenues	<u>100,750,495</u>	<u>100,750,495</u>	<u>107,889,561</u>	<u>7,139,066</u>
Expenditures:				
General government				
Board of Supervisors	1,844,429	1,849,023	1,849,023	-
Human Resources	852,697	852,697	837,951	14,746
General Services	1,055,832	(1,472,605)	(1,472,611)	6
Elections	725,872	725,872	515,579	210,293
Public Works	277,601	231,897	228,884	3,013
Facilities	7,946,903	7,946,903	7,534,488	412,415
Development Services	4,398,537	4,398,537	4,174,382	224,155
Fleet	4,703,050	4,860,072	4,860,071	1
Medical Examiner	602,127	670,974	670,973	1
Finance	770,234	770,234	756,454	13,780
Assessor	4,105,870	4,097,370	3,646,713	450,657
County Attorney	7,747,095	7,808,013	7,650,323	157,690
Recorder	1,409,627	1,409,627	1,261,303	148,324
Management Information Systems	6,903,598	6,813,041	5,976,938	836,103
Clerk of the Court	2,948,922	2,959,922	2,805,172	154,750
Treasurer	946,013	946,013	906,270	39,743
Superior Courts	5,446,308	5,446,308	5,380,364	65,944
Public Defender	5,555,457	5,790,888	5,790,887	1
Prescott Justice of the Peace	771,365	771,365	700,919	70,446
Prescott Constable	103,495	103,495	98,438	5,057
Bagdad/Yarnell Justice of the Peace	335,895	335,895	331,707	4,188
Verde Valley Justice of the Peace	565,286	565,286	557,514	7,772
Mayer Justice of the Peace	478,848	478,848	470,640	8,208
Verde Constable	92,920	92,920	89,797	3,123
Mayer Constable	64,401	64,401	62,311	2,090
Seligman Constable	4,430	10,612	10,611	1
Bagdad/Yarnell Constable	14,714	14,714	11,718	2,996
Seligman Justice of the Peace	372,344	372,344	359,420	12,924
Geographic Information Systems	583,176	591,676	589,200	2,476
Total General government	<u>61,627,046</u>	<u>59,506,342</u>	<u>56,655,439</u>	<u>2,850,903</u>

(Continued)

See accompanying notes to budgetary comparison schedules.

Yavapai County
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2018
(Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public safety				
Sheriff	\$ 20,552,238	\$ 24,352,238	\$ 24,095,421	\$ 256,817
Adult Probation	3,405,406	3,405,406	3,173,774	231,632
Juvenile Probation	3,869,221	3,944,221	3,796,107	148,114
Total Public safety	<u>27,826,865</u>	<u>31,701,865</u>	<u>31,065,302</u>	<u>636,563</u>
Sanitation				
Solid Waste	1,517,206	1,562,910	1,562,909	1
Welfare				
Medical Assistance	10,759,400	10,759,400	10,759,394	6
Public Fiduciary	530,058	530,058	516,584	13,474
Total Welfare	<u>11,289,458</u>	<u>11,289,458</u>	<u>11,275,978</u>	<u>13,480</u>
Culture and recreation				
Facilities	138,000	138,000	112,828	25,172
Education				
School Superintendent	707,447	707,447	699,387	8,060
Debt service				
Principal retirement	-	-	40,863	(40,863)
Interest and other charges	-	-	6,370	(6,370)
Total debt service	<u>-</u>	<u>-</u>	<u>47,233</u>	<u>(47,233)</u>
Total expenditures	<u>103,106,022</u>	<u>104,906,022</u>	<u>101,419,076</u>	<u>3,486,946</u>
Excess (deficiency) of revenues over expenditures	(2,355,527)	(4,155,527)	6,470,485	10,626,012
Other financing sources (uses):				
Sale of capital assets	-	-	377,541	377,541
Transfers in	1,061,372	1,061,372	1,057,611	(3,761)
Transfers out	<u>(8,444,911)</u>	<u>(8,444,911)</u>	<u>(8,159,083)</u>	<u>285,828</u>
Total other financing sources (uses)	<u>(7,383,539)</u>	<u>(7,383,539)</u>	<u>(6,723,931)</u>	<u>659,608</u>
Net change in fund balances	(9,739,066)	(11,539,066)	(253,446)	11,285,620
Fund balances, July 1, 2017	<u>9,739,066</u>	<u>11,539,066</u>	<u>10,513,270</u>	<u>(1,025,796)</u>
Fund balances, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,259,824</u>	<u>\$ 10,259,824</u>

See accompanying notes to budgetary comparison schedules.

Yavapai County
Required Supplementary Information
Budgetary Comparison Schedule
Jail District Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
County sales taxes	\$ 8,834,978	\$ 8,834,978	\$ 9,154,131	\$ 319,153
Intergovernmental	200,000	200,000	48,075	(151,925)
Charges for services	859,000	859,000	1,041,596	182,596
Investment earnings	-	-	784	784
Miscellaneous	1,000	1,000	25,119	24,119
Total revenues	<u>9,894,978</u>	<u>9,894,978</u>	<u>10,269,705</u>	<u>374,727</u>
Expenditures:				
Public safety				
Sheriff	18,300,406	18,300,406	18,053,039	247,367
Total expenditures	<u>18,300,406</u>	<u>18,300,406</u>	<u>18,053,039</u>	<u>247,367</u>
Excess (deficiency) of revenues over expenditures	(8,405,428)	(8,405,428)	(7,783,334)	622,094
Other financing sources (uses):				
Transfers in	7,705,782	7,705,782	7,705,782	-
Total other financing sources (uses)	<u>7,705,782</u>	<u>7,705,782</u>	<u>7,705,782</u>	<u>-</u>
Net change in fund balances	(699,646)	(699,646)	(77,552)	622,094
Fund balances, July 1, 2017	699,646	699,646	1,187,144	487,498
Fund balances, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,109,592</u>	<u>\$ 1,109,592</u>

See accompanying notes to budgetary comparison schedules.

Yavapai County
Required Supplementary Information
Budgetary Comparison Schedule
Regional Road Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
County sales taxes	\$ 7,060,273	\$ 7,060,273	\$ 7,324,646	\$ 264,373
Licenses and permits	1,055,455	1,055,455	1,951,600	896,145
Intergovernmental	-	-	17,606	17,606
Investment earnings	33,000	33,000	70,819	37,819
Miscellaneous	61,536	61,536	-	(61,536)
Total revenues	<u>8,210,264</u>	<u>8,210,264</u>	<u>9,364,671</u>	<u>1,154,407</u>
Expenditures:				
Highways and streets				
Public Works	13,136,022	13,136,022	7,189,814	5,946,208
Total expenditures	<u>13,136,022</u>	<u>13,136,022</u>	<u>7,189,814</u>	<u>5,946,208</u>
Excess (deficiency) of revenues over expenditures	(4,925,758)	(4,925,758)	2,174,857	7,100,615
Other financing sources (uses):				
Sale of capital assets	-	-	2,029	2,029
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>2,029</u>	<u>2,029</u>
Net change in fund balances	<u>(4,925,758)</u>	<u>(4,925,758)</u>	<u>2,176,886</u>	<u>7,102,644</u>
Fund balances, July 1, 2017	4,925,758	4,925,758	7,747,171	2,821,413
Fund balances, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,924,057</u>	<u>\$ 9,924,057</u>

See accompanying notes to budgetary comparison schedules.

Yavapai County
Required Supplementary Information
Budgetary Comparison Schedule
HURF Road Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 16,259,573	\$ 16,259,573	\$ 16,380,450	\$ 120,877
Investment earnings	-	-	83,541	83,541
Miscellaneous	100,000	100,000	121,617	21,617
Total revenues	<u>16,359,573</u>	<u>16,359,573</u>	<u>16,585,608</u>	<u>226,035</u>
Expenditures:				
Highways and streets				
Public Works	<u>18,741,219</u>	<u>18,741,219</u>	<u>17,815,430</u>	<u>925,789</u>
Total expenditures	<u>18,741,219</u>	<u>18,741,219</u>	<u>17,815,430</u>	<u>925,789</u>
Excess (deficiency) of revenues over expenditures	(2,381,646)	(2,381,646)	(1,229,822)	1,151,824
Other financing sources (uses):				
Sale of capital assets			123,955	123,955
Transfers in	-	-	4,399	4,399
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>128,354</u>	<u>128,354</u>
Net change in fund balances	(2,381,646)	(2,381,646)	(1,101,468)	1,280,178
Fund balances, July 1, 2017	<u>2,381,646</u>	<u>2,381,646</u>	<u>7,912,199</u>	<u>5,530,553</u>
Fund balances, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,810,731</u>	<u>\$ 6,810,731</u>

See accompanying notes to budgetary comparison schedules.

Yavapai County
Required Supplementary Information
Notes to Budgetary Comparison Schedules
Year Ended June 30, 2018

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 the County's Proportionate Share of the Net Pension Liability
 Cost-Sharing Pension Plans
 Year Ended June 30, 2018

Arizona State Retirement System

	Reporting fiscal year (Measurement date)				2014 through 2009
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
County's proportion of the net pension liability	0.52%	0.52%	0.52%	0.51%	Information not available
County's proportionate share of the net pension liability	\$81,382,853	\$84,285,098	\$81,490,182	\$76,184,758	
County's covered payroll	\$49,690,042	\$49,335,529	\$47,907,455	\$46,058,533	
County's proportionate share of the net pension liability as a percentage of its covered payroll	163.78%	170.84%	170.10%	165.41%	
Plan fiduciary net position as a percentage of the total pension liability	69.92%	67.06%	68.35%	69.49%	

Corrections Officer Retirement Plan—Administrative Office of the Courts

	Reporting fiscal year (Measurement date)				2014 through 2009
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
County's proportion of the net pension liability	5.52%	5.11%	5.07%	5.18%	Information not available
County's proportionate share of the net pension liability	\$22,135,375	\$14,427,765	\$12,320,726	\$11,614,215	
County's covered payroll	\$ 6,182,464	\$ 5,745,164	\$ 5,644,640	\$ 5,561,218	
County's proportionate share of the net pension liability as a percentage of its covered payroll	358.03%	251.13%	218.27%	208.84%	
Plan fiduciary net position as a percentage of the total pension liability	49.21%	54.81%	57.89%	58.59%	

See accompanying notes to pension plan schedules.

Yavapai County
 Required Supplementary Information
 Schedule of the County's Proportionate Share of the Net Pension Liability
 Cost-Sharing Pension Plans
 Year Ended June 30, 2018

Elected Officials Retirement Plan

	Reporting fiscal year (Measurement date)				2014 through 2009
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
County's proportion of the net pension liability	2.52%	2.56%	2.29%	2.24%	Information not available
County's proportionate share of the net pension liability	\$30,768,721	\$24,151,757	\$17,920,322	\$15,019,310	
State's proportionate share of the net pension liability associated with the County	6,385,906	4,986,713	5,586,811	4,605,060	
Total	\$37,154,627	\$29,138,470	\$23,507,133	\$19,624,370	
County's covered payroll	\$ 2,269,833	\$ 2,249,649	\$ 2,076,661	\$ 2,059,739	
County's proportionate share of the net pension liability as a percentage of its covered payroll	1355.55%	1073.58%	862.94%	729.19%	
Plan fiduciary net position as a percentage of the total pension liability	19.66%	23.42%	28.32%	31.91%	

See accompanying notes to pension plan schedules.

Yavapai County
Required Supplementary Information
Schedule of Changes in the County's Net Pension Liability and Related Ratios
Agent Pension Plans
Year Ended June 30, 2018

PSPRS Sheriff	Reporting fiscal year (Measurement date)				2014 through 2009 Information not available
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
Total pension liability					
Service cost	\$ 1,567,192	\$ 1,152,782	\$ 1,239,355	\$ 1,251,087	
Interest on the total pension liability	4,195,115	4,052,963	3,828,510	3,271,983	
Changes of benefit terms	746,072	1,708,705	-	1,079,590	
Differences between expected and actual experience in the measurement of the pension liability	1,833,831	(1,627,846)	406,046	(943,103)	
Changes of assumptions or other inputs	2,133,880	2,025,679	-	5,130,666	
Benefit payments, including refunds of employee contributions	(3,859,060)	(2,570,389)	(2,572,307)	(2,817,373)	
Net change in total pension liability	6,617,030	4,741,894	2,901,604	6,972,850	
Total pension liability—beginning	57,080,802	52,338,908	49,437,304	42,464,454	
Total pension liability—ending (a)	<u>\$63,697,832</u>	<u>\$57,080,802</u>	<u>\$52,338,908</u>	<u>\$49,437,304</u>	
Plan fiduciary net position					
Contributions—employer	\$ 2,885,038	\$ 2,503,859	\$ 2,010,938	\$ 1,852,166	
Contributions—employee	901,093	832,840	762,569	710,433	
Net investment income	2,613,926	128,609	773,273	2,549,590	
Benefit payments, including refunds of employee contributions	(3,859,060)	(2,570,389)	(2,572,307)	(2,817,373)	
Administrative expense	(23,529)	(18,906)	(19,247)	(20,534)	
Other changes	17,484	(397,541)	(31,317)	22,682	
Net change in plan fiduciary net position	2,534,952	478,472	923,909	2,296,964	
Plan fiduciary net position—beginning	22,328,135	21,849,663	20,925,754	18,628,790	
Plan fiduciary net position—ending (b)	<u>\$24,863,087</u>	<u>\$22,328,135</u>	<u>\$21,849,663</u>	<u>\$20,925,754</u>	
County's net pension liability—ending (a) – (b)	<u>\$38,834,745</u>	<u>\$34,752,667</u>	<u>\$30,489,245</u>	<u>\$28,511,550</u>	
Plan fiduciary net position as a percentage of the total pension liability	39.03%	39.12%	41.75%	42.33%	
Covered payroll	\$ 7,440,543	\$ 6,559,961	\$ 6,914,257	\$ 6,750,559	
County's net pension liability as a percentage of covered payroll	521.93%	529.77%	440.96%	422.36%	

See accompanying notes to pension plan schedules.

Yavapai County
Required Supplementary Information
Schedule of Changes in the County's Net Pension Liability and Related Ratios
Agent Pension Plans
Year Ended June 30, 2018

PSPRS Attorney Investigators	Reporting fiscal year (Measurement date)				2014 through 2009 Information not available
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
Total pension liability					
Interest on the total pension liability	\$ 50,832	\$ 69,407	\$ 73,958	\$ 61,974	
Changes of benefit terms	19,011	(116,984)	-	52,666	
Differences between expected and actual experience in the measurement of the pension liability	99,581	(150,161)	(23,931)	5,127	
Changes of assumptions or other inputs	(822,394)	231,585	129,272	890,765	
Benefit payments, including refunds of employee contributions	(76,767)	(76,767)	(76,767)	(75,348)	
Net change in total pension liability	(729,737)	(42,920)	102,532	935,184	
Total pension liability—beginning	1,821,952	1,864,872	1,762,340	827,156	
Total pension liability—ending (a)	<u>\$ 1,092,215</u>	<u>\$ 1,821,952</u>	<u>\$ 1,864,872</u>	<u>\$ 1,762,340</u>	
Plan fiduciary net position					
Contributions—employer	\$ 209,201	\$ 93,173	\$ 8,301	\$ -	
Net Investment income	4,362	(570)	(3,918)		
Benefit payments, including refunds of employee contributions	(76,767)	(76,767)	(76,767)	(75,348)	
Administrative expense	(439)	(318)	(377)	(3,478)	
Other changes	(2)	(1)	78	-	
Net change in plan fiduciary net position	136,355	15,517	(72,683)	(78,826)	
Plan fiduciary net position—beginning	(132,434)	(147,951)	(75,268)	3,558	
Plan fiduciary net position—ending (b)	<u>\$ 3,921</u>	<u>\$ (132,434)</u>	<u>\$ (147,951)</u>	<u>\$ (75,268)</u>	
County's net pension liability—ending (a) – (b)	<u>\$ 1,088,294</u>	<u>\$ 1,954,386</u>	<u>\$ 2,012,823</u>	<u>\$ 1,837,608</u>	
Plan fiduciary net position as a percentage of the total pension liability	0.36%	(7.27)%	(7.93)%	(4.27)%	
Covered payroll	\$ 98,197	\$ 49,988	\$ 44,148	\$ -	
County's net pension liability as a percentage of covered payroll	1108.28%	3909.71%	4559.26%	0.00%	

See accompanying notes to pension plan schedules.

Yavapai County
Required Supplementary Information
Schedule of Changes in the County's Net Pension Liability and Related Ratios
Agent Pension Plans
Year Ended June 30, 2018

CORP Detention

	Reporting fiscal year (Measurement date)				2014 through 2009 Information not available
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
Total pension liability					
Service cost	\$ 1,088,733	\$ 988,611	\$ 1,005,903	\$ 938,158	
Interest on the total pension liability	1,611,298	1,536,381	1,505,127	1,286,356	
Changes of benefit terms	3,307,199	47,154	-	274,603	
Differences between expected and actual experience in the measurement of the pension liability	(183,401)	(378,493)	(832,875)	(54,841)	
Changes of assumptions or other inputs	541,916	826,003	-	1,530,233	
Benefit payments, including refunds of employee contributions	(1,197,224)	(1,117,729)	(1,425,008)	(1,017,964)	
Net change in total pension liability	5,168,521	1,901,927	253,147	2,956,545	
Total pension liability—beginning	21,538,219	19,636,292	19,383,145	16,426,600	
Total pension liability—ending (a)	<u>\$26,706,740</u>	<u>\$21,538,219</u>	<u>\$19,636,292</u>	<u>\$19,383,145</u>	
Plan fiduciary net position					
Contributions—employer	\$ 1,021,847	\$ 944,491	\$ 775,798	\$ 797,162	
Contributions—employee	576,373	590,516	558,422	549,792	
Net investment income	1,380,871	68,029	389,607	1,273,246	
Benefit payments, including refunds of employee contributions	(1,197,224)	(1,117,729)	(1,425,008)	(1,017,964)	
Administrative expense	(12,479)	(10,019)	(9,992)	(10,011)	
Other changes	(7,486)	159,647	(4,173)	13,459	
Net change in plan fiduciary net position	1,761,902	634,935	284,654	1,605,684	
Plan fiduciary net position—beginning	11,440,147	10,805,212	10,520,558	8,914,874	
Plan fiduciary net position—ending (b)	<u>\$13,202,049</u>	<u>\$11,440,147</u>	<u>\$10,805,212</u>	<u>\$10,520,558</u>	
County's net pension liability—ending (a) – (b)	<u>\$13,504,691</u>	<u>\$10,098,072</u>	<u>\$ 8,831,080</u>	<u>\$ 8,862,587</u>	
Plan fiduciary net position as a percentage of the total pension liability	49.43%	53.12%	55.03%	54.28%	
Covered payroll	\$ 6,842,569	\$ 7,089,947	\$ 6,632,955	\$ 6,504,219	
County's net pension liability as a percentage of covered payroll	197.36%	142.43%	133.14%	136.26%	

See accompanying notes to pension plan schedules.

Yavapai County
Required Supplementary Information
Schedule of Changes in the County's Net Pension Liability and Related Ratios
Agent Pension Plans
Year Ended June 30, 2018

CORP Dispatchers

	Reporting fiscal year (Measurement date)				2014 through 2009 Information not available
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
Total pension liability					
Service cost	\$ 28,347	\$ 26,918	\$ 41,579	\$ 41,321	
Interest on the total pension liability	78,211	76,674	79,112	63,852	
Changes of benefit terms	110,845	1,068	-	18,973	
Differences between expected and actual experience in the measurement of the pension liability	(7,055)	(29,051)	(87,486)	(10,929)	
Changes of assumptions or other inputs	18,386	32,179	-	134,919	
Benefit payments, including refunds of employee contributions	(39,324)	(45,532)	(68,315)	(39,444)	
Net change in total pension liability	189,410	62,256	(35,110)	208,692	
Total pension liability—beginning	1,048,305	986,049	1,021,159	812,467	
Total pension liability—ending (a)	<u>\$ 1,237,715</u>	<u>\$ 1,048,305</u>	<u>\$ 986,049</u>	<u>\$ 1,021,159</u>	
Plan fiduciary net position					
Contributions—employer	\$ 31,597	\$ 26,040	\$ 24,321	\$ 25,937	
Contributions—employee	13,903	13,442	18,633	21,529	
Net investment income	76,290	3,898	24,701	80,571	
Benefit payments, including refunds of employee contributions	(39,324)	(45,532)	(68,315)	(39,444)	
Administrative expense	(1,067)	(951)	(999)	(634)	
Other changes	(4)	(3)	(28,739)	(11,346)	
Net change in plan fiduciary net position	81,395	(3,106)	(30,398)	76,613	
Plan fiduciary net position—beginning	637,449	640,555	670,953	594,340	
Plan fiduciary net position—ending (b)	<u>\$ 718,844</u>	<u>\$ 637,449</u>	<u>\$ 640,555</u>	<u>\$ 670,953</u>	
County's net pension liability—ending (a) – (b)	<u>\$ 518,871</u>	<u>\$ 410,856</u>	<u>\$ 345,494</u>	<u>\$ 350,206</u>	
Plan fiduciary net position as a percentage of the total pension liability	58.08%	60.81%	64.96%	65.71%	
Covered payroll	\$ 174,660	\$ 168,874	\$ 234,082	\$ 270,459	
County's net pension liability as a percentage of covered payroll	297.07%	243.29%	147.60%	129.49%	

See accompanying notes to pension plan schedules.

Yavapai County
Required Supplementary Information
Schedule of County Pension Contributions
Year Ended June 30, 2018

Arizona State Retirement System	Reporting fiscal year					2013 through 2009
	2018	2017	2016	2015	2014	
Statutorily determined contribution	\$ 5,681,251	\$ 5,516,497	\$ 5,354,580	\$ 5,268,591	\$ 4,966,172	Information not available
County's contributions in relation to the statutorily determined contribution	5,681,251	5,516,497	5,354,580	5,268,591	4,966,172	
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	\$53,219,633	\$49,690,342	\$49,335,529	\$47,907,454	\$46,058,533	
County's contributions as a percentage of covered payroll	10.68%	11.10%	10.85%	11.00%	10.78%	

Corrections Officer Retirement Plan— Administrative Office of the Courts	Reporting fiscal year					2013 through 2009
	2018	2017	2016	2015	2014	
Statutorily determined contribution	\$ 1,423,930	\$ 1,256,657	\$ 1,087,798	\$ 859,334	\$ 804,927	Information not available
County's contributions in relation to the statutorily determined contribution	1,423,930	1,256,657	1,087,798	859,334	804,927	
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	\$ 6,553,044	\$ 6,182,464	\$ 5,745,164	\$ 5,644,640	\$ 5,561,218	
County's contributions as a percentage of covered payroll	21.73%	20.33%	18.93%	15.22%	14.47%	

Elected Officials Retirement Plan	Reporting fiscal year					2013 through 2009
	2018	2017	2016	2015	2014	
Statutorily determined contribution	\$ 461,678	\$ 471,477	\$ 485,887	\$ 422,170	\$ 477,238	Information not available
County's contributions in relation to the statutorily determined contribution	34,231	471,477	485,887	422,170	477,238	
County's contribution deficiency (excess)	<u>\$ 427,447</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	\$ 2,263,790	\$ 2,269,833	\$ 2,249,649	\$ 2,076,661	\$ 2,059,739	
County's contributions as a percentage of covered payroll	1.51%	20.77%	21.60%	20.33%	23.17%	

See accompanying notes to pension plan schedules.

Yavapai County
 Required Supplementary Information
 Schedule of County Pension Contributions
 Year Ended June 30, 2018

PSPRS Sheriff	Reporting fiscal year					2013 through 2009
	2018	2017	2016	2015	2014	
Actuarially determined contribution	\$ 3,578,574	\$ 2,950,478	\$ 2,528,066	\$ 2,035,907	\$ 1,852,166	Information not available
County's contributions in relation to the actuarially determined contribution	6,642,993	2,950,478	2,528,066	2,035,907	1,852,166	
County's contribution deficiency (excess)	<u>\$ (3,064,419)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	\$ 8,462,735	\$ 7,440,543	\$ 6,559,961	\$ 6,914,257	\$ 6,750,559	
County's contributions as a percentage of covered payroll	78.50%	39.65%	38.54%	29.45%	27.44%	

PSPRS Attorney Investigators	Reporting fiscal year					2013 through 2009
	2018	2017	2016	2015	2014	
Actuarially determined contribution	\$ 70,527	\$ 94,305	\$ 92,975	\$ 57,890	\$ 43,957	Information not available
County's contributions in relation to the actuarially determined contribution	152,046	94,305	92,975	57,890	43,957	
County's contribution deficiency (excess)	<u>\$ (81,519)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	\$ 124,497	\$ 98,197	\$ 49,988	\$ 44,148	\$ -	
County's contributions as a percentage of covered payroll	122.13%	96.04%	185.99%	131.13%	0.00%	

CORP Detention	Reporting fiscal year					2013 through 2009
	2018	2017	2016	2015	2014	
Actuarially determined contribution	\$ 1,090,565	\$ 1,028,442	\$ 954,118	\$ 781,431	\$ 797,162	Information not available
County's contributions in relation to the actuarially determined contribution	1,590,565	1,028,442	954,118	781,431	797,162	
County's contribution deficiency (excess)	<u>\$ (500,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	\$ 7,204,819	\$ 6,842,569	\$ 7,089,947	\$ 6,632,955	\$ 6,504,219	
County's contributions as a percentage of covered payroll	22.08%	15.03%	13.46%	11.78%	12.26%	

See accompanying notes to pension plan schedules.

Yavapai County
 Required Supplementary Information
 Schedule of County Pension Contributions
 Year Ended June 30, 2018

CORP Dispatchers

Reporting fiscal year

	2018	2017	2016	2015	2014	2013 through 2009
Actuarially determined contribution	\$ 38,771	\$ 31,876	\$ 26,450	\$ 24,425	\$ 25,937	Information not available
County's contributions in relation to the actuarially determined contribution	38,771	31,876	26,450	24,425	25,937	
County's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	
County's covered payroll	\$ 180,285	\$ 174,660	\$ 168,874	\$ 234,082	\$ 270,459	
County's contributions as a percentage of covered payroll	21.51%	18.25%	15.66%	10.43%	9.60%	

See accompanying notes to pension plan schedules.

Yavapai County
 Required Supplementary Information
 Notes to Pension Plan Schedules
 Year Ended June 30, 2018

Note 1 – Actuarially Determined Contribution Rates

Actuarial determined contribution rates for PSPRS and CORP are calculated as of June 30 two years prior to the end of the fiscal year in which contributions are made. The actuarial methods and assumptions used to establish the contribution requirements are as follows:

Actuarial cost method	Entry age normal
Amortization method	Level percent-of-pay, closed
Remaining amortization period as of the 2016 actuarial valuation	20 years
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.50%. In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%.
Projected salary increases	In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%–8.5% to 4.0%–8.0% for PSPRS and from 4.5%–7.75% to 4.0%–7.25% for CORP. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%–9.0% to 4.5%–8.5% for PSPRS and from 5.0%–8.25% to 4.5%–7.75% for CORP.
Wage growth	In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0% for PSPRS and CORP. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS and CORP.
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.
Mortality	RP-2000 mortality table (adjusted by 105% for both males and females)

Yavapai County
Required Supplementary Information
Notes to Pension Plan Schedules
Year Ended June 30, 2018

Note 2 – Factors That Affect Trends

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, the PSPRS, CORP, CORP-AOC, and EORP changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. PSPRS and EORP also reduced those members' employee contribution rates. These changes are reflected in the plans' pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS-, CORP-, and CORP-AOC-required pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes will increase the PSPRS-, CORP-, and CORP-AOC-required contributions beginning in fiscal year 2019 for members who retired or will retire after the law's effective date. EORP-required contributions are not based on actuarial valuations, and therefore, these changes did not affect them. Also, the County refunded excess employee contributions to PSPRS and EORP members. PSPRS and EORP allowed the County to reduce its actual employer contributions for the refund amounts. As a result, the County's pension contributions were less than the statutorily required contributions for 2018.

Yavapai County
Nonmajor Governmental Funds
Year Ended June 30, 2018

SPECIAL REVENUE FUNDS

Health Care	Accounts for a variety of health service programs funded by federal and state grant funds, appropriations, fees and local government contributions.
Recorder's Surcharge	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.
Assessor's Surcharge	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.
Treasurer	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. Accounts for the activity related to armored car services provided to the County. This fund was previously reported as the Treasurer's Surcharge fund.
Election	Accounts for various federal grants administered by Elections.
Public Library	Provides and maintains library services for the residents of Yavapai County. Operations are funded by a secondary tax levy.
Education Service Agency	Educational services and programs, including an accommodation school, administered by the County School Superintendent.
Parks & Recreation	Accounts for fees and grants used for construction, maintenance and operation of parks.
Water Advisory Committee	Accounts for local government contributions used to assess the current and future supply of water.
Landfill / Environment	Used to fund operations of transfer stations, waste tire operations and closure costs of County landfills.
Public Works	Accounts for funds restricted to construction, repair and maintenance of County roads and Local Transportation Assistance Funds.
Finance	Accounts for the Workforce Investment Act federal grants and Fill the Gap monies collected and distributed in accordance with A.R.S. § 41-2421.
Improvement Districts	Administration of special districts for Street Lighting, Road, Sewer, and Flood Control improvements.
Clerk of Superior Court	Accounts for various fees collected and used in accordance with state statutes.

Yavapai County
Nonmajor Governmental Funds
Year Ended June 30, 2018

County Attorney	Accounts for various programs administered by the County Attorney including Anti-Racketeering, Victim Witness and Bad Check.
Law Enforcement	Used for various law enforcement services and programs. Funding sources include federal and state grants.
Emergency Management	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.
Probation	Accounts for Adult and Juvenile Probation programs and services provided in coordination with the Superior Court system.
Courts	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.
Public Defender	Provides training related seminars, books and materials for staff and attorneys. Includes a state grant for indigent defense costs.
Airport Development	Airport enhancement projects for Seligman, Bagdad and Sedona funded by State and Federal grants.
CYMPO	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, 2018
(Continued)

	Special Revenue			
	Health Care	Recorder's Surcharge	Treasurer	Public Library
Assets				
Cash and cash equivalents	\$ 4,246,676	\$ 293,593	\$ 251,967	\$ 1,844,073
Receivables:				
Property taxes	-	-	-	107,914
Special assessments	-	-	-	-
Accounts	15,305	5,020	233	3,152
Due from:				
Other funds	-	-	-	-
Other governments	1,079,779	-	-	3,173
Prepaid items	10,180	-	-	-
Total assets	<u>\$ 5,351,940</u>	<u>\$ 298,613</u>	<u>\$ 252,200</u>	<u>\$ 1,958,312</u>
Liabilities:				
Accounts payable	149,693	76	1,674	23,482
Accrued payroll and employee benefits	390,921	873	-	54,384
Due to other funds	8,626	-	-	618,863
Total liabilities	<u>549,240</u>	<u>949</u>	<u>1,674</u>	<u>696,729</u>
Deferred Inflows of resources				
Unavailable revenue-property taxes	-	-	-	81,529
Unavailable revenue-special assessments	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,529</u>
Fund balances:				
Nonspendable:	10,180	-	-	-
Restricted	4,308,099	297,664	250,526	1,180,054
Committed	484,421	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>4,802,700</u>	<u>297,664</u>	<u>250,526</u>	<u>1,180,054</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,351,940</u>	<u>\$ 298,613</u>	<u>\$ 252,200</u>	<u>\$ 1,958,312</u>

Special Revenue

Education Service Agency	Parks & Recreation	Landfill / Environment	Public Works	Finance
\$ 675,881	\$ 229,645	\$ 865,776	\$ 10,566	\$ 372,908
-	-	-	-	-
-	-	-	-	-
10,892	-	8,962	-	37,740
916	-	12,567	-	-
136,898	-	108,786	-	222,854
199	-	-	-	-
<u>\$ 824,786</u>	<u>\$ 229,645</u>	<u>\$ 996,091</u>	<u>\$ 10,566</u>	<u>\$ 633,502</u>
101,610	8,678	12,949	-	225,319
100,337	-	4,868	-	-
8,993	-	9,283	-	409,213
<u>210,940</u>	<u>8,678</u>	<u>27,100</u>	<u>-</u>	<u>634,532</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
199	-	-	-	-
853,441	220,967	968,991	10,566	0
-	-	-	-	-
(239,794)	-	-	-	(1,030)
<u>613,846</u>	<u>220,967</u>	<u>968,991</u>	<u>10,566</u>	<u>(1,030)</u>
<u>\$ 824,786</u>	<u>\$ 229,645</u>	<u>\$ 996,091</u>	<u>\$ 10,566</u>	<u>\$ 633,502</u>

Yavapai County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018
(Continued)

	Special Revenue			
	Improvement Districts	Clerk of Superior Court	County Attorney	Law Enforcement
Assets				
Cash and cash equivalents	\$ 3,121,713	\$ 310,434	\$ 682,986	\$ 1,121,494
Receivables:				
Property taxes	110,686	-	-	-
Special assessments	-	-	-	-
Accounts	3,598	8,009	135,458	63,070
Due from:				
Other funds	-	-	139,182	13,072
Other governments	32,002	-	144,069	148,823
Prepaid items	1,947	-	1,159	10,404
Total assets	<u>\$ 3,269,946</u>	<u>\$ 318,443</u>	<u>\$ 1,102,854</u>	<u>\$ 1,356,863</u>
Liabilities:				
Accounts payable	664,577	-	25,502	175,200
Accrued payroll and employee benefits	40,438	-	37,948	58,955
Due to other funds	597,328	-	10,712	49,319
Total liabilities	<u>1,302,343</u>	<u>-</u>	<u>74,162</u>	<u>283,474</u>
Deferred Inflows of resources				
Unavailable revenue-property taxes	77,032	-	-	-
Unavailable revenue-special assessments	-	-	-	-
Total deferred inflows of resources	<u>77,032</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable:				
Restricted	1,947	-	1,159	10,404
Restricted	1,888,624	318,443	1,027,533	1,062,985
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>1,890,571</u>	<u>318,443</u>	<u>1,028,692</u>	<u>1,073,389</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,269,946</u>	<u>\$ 318,443</u>	<u>\$ 1,102,854</u>	<u>\$ 1,356,863</u>

Special Revenue

Emergency Management	Probation	Courts	Public Defender	Airport Development	CYMPO
\$ 358,966	\$ 1,246,244	\$ 1,050,114	\$ 195,057	\$ 53,530	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
316	96,028	56,664	7,209	58	790
-	1,472	241,373	84,425	87	-
37,326	6,485	55,560	9,364	3,854	49,292
-	8,111	-	-	-	-
<u>\$ 396,608</u>	<u>\$ 1,358,340</u>	<u>\$ 1,403,711</u>	<u>\$ 296,055</u>	<u>\$ 57,529</u>	<u>\$ 50,082</u>
-	194,816	16,899	8,079	7,204	4,131
5,276	249,651	44,840	8,837	-	9,960
-	13,025	2,170	-	-	63,298
<u>5,276</u>	<u>457,492</u>	<u>63,909</u>	<u>16,916</u>	<u>7,204</u>	<u>77,389</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	8,111	-	-	-	-
391,332	880,691	1,326,711	279,139	50,325	-
-	12,046	13,091	-	-	-
-	-	-	-	-	(27,307)
<u>391,332</u>	<u>900,848</u>	<u>1,339,802</u>	<u>279,139</u>	<u>50,325</u>	<u>(27,307)</u>
<u>\$ 396,608</u>	<u>\$ 1,358,340</u>	<u>\$ 1,403,711</u>	<u>\$ 296,055</u>	<u>\$ 57,529</u>	<u>\$ 50,082</u>

Yavapai County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018
(Continued)

	Debt Service		Total
	Coyote Springs	Poquito Valley	Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	\$ 415,929	\$ 583,943	\$ 17,931,495
Receivables:			
Property taxes	-	-	218,600
Special assessments	173,662	752,120	925,782
Accounts	-	-	452,504
Due from:			
Other funds	-	-	493,094
Other governments	-	-	2,038,265
Prepaid items	-	-	32,000
Total assets	<u>\$ 589,591</u>	<u>\$ 1,336,063</u>	<u>\$ 22,091,740</u>
Liabilities:			
Accounts payable	-	-	1,619,889
Accrued payroll and employee benefits	-	-	1,007,288
Due to other funds	-	-	1,790,830
Total liabilities	<u>-</u>	<u>-</u>	<u>4,418,007</u>
Deferred Inflows of resources			
Unavailable revenue-property taxes	-	-	158,561
Unavailable revenue-special assessments	173,662	752,120	925,782
Total deferred inflows of resources	<u>173,662</u>	<u>752,120</u>	<u>1,084,343</u>
Fund balances:			
Nonspendable:	-	-	32,000
Restricted	415,929	583,943	16,315,963
Committed	-	-	509,558
Unassigned	-	-	(268,131)
Total fund balances	<u>415,929</u>	<u>583,943</u>	<u>16,589,390</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 589,591</u>	<u>\$ 1,336,063</u>	<u>\$ 22,091,740</u>

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Yavapai County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
June 30, 2018

	Special Revenue			
	Health Care	Recorder's Surcharge	Treasurer	Election
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	662,674	-	-	-
Intergovernmental	5,491,266	-	-	-
Charges for services	5,884,924	262,212	16,475	-
Fines and forfeits	-	-	-	-
Investment earnings	48,939	2,865	29,136	10
Miscellaneous	2,228,006	1,692	12,770	-
Total revenues	<u>14,315,809</u>	<u>266,769</u>	<u>58,381</u>	<u>10</u>
Expenditures:				
Current:				
General government	-	188,971	86,716	27
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Sanitation	-	-	-	-
Health	14,715,104	-	-	-
Culture and recreation	-	-	-	-
Education	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>14,715,104</u>	<u>188,971</u>	<u>86,716</u>	<u>27</u>
Excess (deficiency) of revenues over expenditures	(399,295)	77,798	(28,335)	(17)
Other financing sources (uses):				
Bond proceeds	-	-	-	-
Sale of capital assets	-	500	-	-
Transfer in	411,204	-	-	-
Transfer out	-	(70,945)	-	-
Total other financing sources (uses)	<u>411,204</u>	<u>(70,445)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	11,909	7,353	(28,335)	(17)
Fund balances, July 1, 2017	4,790,791	290,311	278,861	17
Fund balances, June 30, 2018	<u>\$ 4,802,700</u>	<u>\$ 297,664</u>	<u>\$ 250,526</u>	<u>\$ -</u>

Special Revenue

Public Library	Education Service Agency	Parks & Recreation	Landfill / Environment	Public Works	Finance
\$ 4,456,916	\$ 258,942	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
185,986	1,289,855	159,042	464,073	-	2,037,577
-	1,216,749	-	27,577	-	-
-	-	-	-	-	411,228
21,262	9,213	259	(592)	107	196
112,791	1,025,531	8,919	4,146	-	-
<u>4,776,955</u>	<u>3,800,290</u>	<u>168,220</u>	<u>495,204</u>	<u>107</u>	<u>2,449,001</u>
4,896,142	-	54,028	-	-	2,039,239
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	361,870	-	-
-	-	-	-	-	-
-	-	4,030	-	-	-
-	3,826,069	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,896,142</u>	<u>3,826,069</u>	<u>58,058</u>	<u>361,870</u>	<u>-</u>	<u>2,039,239</u>
(119,187)	(25,779)	110,162	133,334	107	409,762
-	-	-	-	-	-
-	-	-	5,418	-	-
-	-	250	-	-	-
-	-	(7,613)	-	(3,790)	(409,213)
-	-	(7,363)	5,418	(3,790)	(409,213)
(119,187)	(25,779)	102,799	138,752	(3,683)	549
1,299,241	639,625	118,168	830,239	14,249	(1,579)
<u>\$ 1,180,054</u>	<u>\$ 613,846</u>	<u>\$ 220,967</u>	<u>\$ 968,991</u>	<u>\$ 10,566</u>	<u>\$ (1,030)</u>

Yavapai County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
June 30, 2018
(Continued)

	Special Revenue			
	Improvement Districts	Clerk of Superior Court	County Attorney	Law Enforcement
Revenues:				
Property taxes	\$ 5,156,176	\$ -	\$ -	\$ -
Special assessments	14,561	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	1,028,805	-	1,114,946	1,985,832
Charges for services	-	65,484	16,252	106,789
Fines and forfeits	-	414	30	10,781
Investment earnings	29,483	2,673	8,563	10,530
Miscellaneous	(3,444)	-	900,887	603,132
Total revenues	<u>6,225,581</u>	<u>68,571</u>	<u>2,040,678</u>	<u>2,717,064</u>
Expenditures:				
Current:				
General government	-	4,419	1,545,709	3,121
Public safety	5,877,298	-	-	2,938,197
Highways and streets	66,993	-	-	-
Sanitation	76,228	-	-	-
Health	-	-	-	-
Culture and recreation	-	-	-	-
Education	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>6,020,519</u>	<u>4,419</u>	<u>1,545,709</u>	<u>2,941,318</u>
Excess (deficiency) of revenues over expenditures	205,062	64,152	494,969	(224,254)
Other financing sources (uses):				
Bond proceeds	-	-	-	-
Sale of capital assets	-	-	-	-
Transfer in	-	-	88,866	482,194
Transfer out	-	-	(479,268)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(390,402)</u>	<u>482,194</u>
Net change in fund balances	205,062	64,152	104,567	257,940
Fund balances, July 1, 2017	1,685,509	254,291	924,125	815,449
Fund balances, June 30, 2018	<u>\$ 1,890,571</u>	<u>\$ 318,443</u>	<u>\$ 1,028,692</u>	<u>\$ 1,073,389</u>

Special Revenue

Emergency Management	Probation	Courts	Public Defender	Airport Development	CYMPO
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
240,475	5,636,724	639,271	30,042	266,574	331,845
-	1,193,500	324,165	62,038	-	-
-	-	190,093	-	-	-
3,203	14,302	11,425	2,955	725	-
-	275	71,144	-	17,695	-
<u>243,678</u>	<u>6,844,801</u>	<u>1,236,098</u>	<u>95,035</u>	<u>284,994</u>	<u>331,845</u>
146,067	-	1,516,931	241,844	214,924	-
-	7,330,011	-	-	-	-
-	-	-	-	-	326,945
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	69,838	-
<u>146,067</u>	<u>7,330,011</u>	<u>1,516,931</u>	<u>241,844</u>	<u>284,762</u>	<u>326,945</u>
97,611	(485,210)	(280,833)	(146,809)	232	4,900
-	-	-	-	-	-
-	-	-	-	-	-
-	-	277,642	84,425	-	-
-	-	(95)	-	(4,399)	-
<u>-</u>	<u>-</u>	<u>277,547</u>	<u>84,425</u>	<u>(4,399)</u>	<u>-</u>
97,611	(485,210)	(3,286)	(62,384)	(4,167)	4,900
293,721	1,386,058	1,343,088	341,523	54,492	(32,207)
<u>\$ 391,332</u>	<u>\$ 900,848</u>	<u>\$ 1,339,802</u>	<u>\$ 279,139</u>	<u>\$ 50,325</u>	<u>\$ (27,307)</u>

Yavapai County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
June 30, 2018
(Continued)

	Debt Service		Total Nonmajor Governmental Funds
	Coyote Springs	Poquito Valley	
Revenues:			
Property taxes	\$ -	\$ -	\$ 9,872,034
Special assessments	83,376	158,816	256,753
Licenses and permits	-	-	662,674
Intergovernmental	-	-	20,902,313
Charges for services	-	-	9,176,165
Fines and forfeits	-	-	612,546
Investment earnings	4,078	5,282	204,614
Miscellaneous	-	-	4,983,544
Total revenues	<u>87,454</u>	<u>164,098</u>	<u>46,670,643</u>
Expenditures:			
Current:			
General government	-	-	10,938,138
Public safety	-	-	16,145,506
Highways and streets	-	-	393,938
Sanitation	-	-	438,098
Health	-	-	14,715,104
Culture and recreation	-	-	4,030
Education	-	-	3,826,069
Debt service:			
Principal retirement	80,000	95,000	175,000
Interest and other charges	23,850	76,340	100,190
Capital outlay	-	-	69,838
Total expenditures	<u>103,850</u>	<u>171,340</u>	<u>46,805,911</u>
Excess (deficiency) of revenues over expenditures	(16,396)	(7,242)	(135,268)
Other financing sources (uses):			
Bond proceeds	-	-	-
Sale of capital assets	-	-	5,918
Transfer in	-	-	1,344,581
Transfer out	-	-	(975,323)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>375,176</u>
Net change in fund balances	(16,396)	(7,242)	239,908
Fund balances, July 1, 2017	432,325	591,185	16,349,482
Fund balances, June 30, 2018	<u>\$ 415,929</u>	<u>\$ 583,943</u>	<u>\$ 16,589,390</u>

Yavapai County
Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Capital Projects
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
County sales taxes	\$ 2,647,602	\$ 2,647,602	\$ 2,746,741	\$ 99,139
Investment earnings	40,000	40,000	138,353	98,353
Miscellaneous	2,500	2,500	-	(2,500)
Total revenues	<u>2,690,102</u>	<u>2,690,102</u>	<u>2,885,094</u>	<u>194,992</u>
Expenditures:				
Capital outlay				
Board of Supervisors	667,419	667,419	107,002	560,417
Total expenditures	<u>667,419</u>	<u>667,419</u>	<u>107,002</u>	<u>560,417</u>
Excess (deficiency) of revenues over expenditures	2,022,683	2,022,683	2,778,092	755,409
Other financing sources (uses):				
Transfers in	70,945	70,945	70,945	-
Transfers out	<u>(3,162,777)</u>	<u>(3,162,777)</u>	<u>(3,160,777)</u>	<u>2,000</u>
Total other financing sources (uses)	<u>(3,091,832)</u>	<u>(3,091,832)</u>	<u>(3,089,832)</u>	<u>2,000</u>
Net change in fund balances	(1,069,149)	(1,069,149)	(311,740)	757,409
Fund Balances, July 1, 2017	<u>1,069,149</u>	<u>1,069,149</u>	<u>14,088,635</u>	<u>13,019,486</u>
Fund Balances, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,776,895</u>	<u>\$ 13,776,895</u>

Yavapai County
Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Capital Projects Debt Service
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Investment earnings	\$ -	\$ -	\$ 116,059	\$ 116,059
Miscellaneous	17,200,000	17,200,000	-	(17,200,000)
Total revenues	<u>17,200,000</u>	<u>17,200,000</u>	<u>116,059</u>	<u>(17,083,941)</u>
Expenditures:				
General government				
Outside services	-	-	196,951	(196,951)
Debt service				
Principal retirement	17,995,991	17,995,991	1,315,874	16,680,117
Interest and fiscal charges	1,317,874	1,317,874	795,991	521,883
Total expenditures	<u>19,313,865</u>	<u>19,313,865</u>	<u>2,308,816</u>	<u>17,005,049</u>
Excess (deficiency) of revenues over expenditures	(2,113,865)	(2,113,865)	(2,192,757)	(78,892)
Other financing sources (uses):				
Revenue refunding obligation proceeds	-	-	16,978,000	16,978,000
Payment to refunding escrow agent	-	-	(16,896,907)	(16,896,907)
Transfers in	2,113,865	2,113,865	2,111,865	(2,000)
Total other financing sources (uses)	<u>2,113,865</u>	<u>2,113,865</u>	<u>2,192,958</u>	<u>79,093</u>
Net change in fund balances	-	-	201	201
Fund Balances, July 1, 2017	-	-	1,893	1,893
Fund Balances, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,094</u>	<u>\$ 2,094</u>

Yavapai County
Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Health Care
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Licenses and permits	\$ 780,000	\$ 780,000	\$ 662,674	\$ (117,326)
Intergovernmental	4,943,945	4,943,945	5,491,266	547,321
Charges for services	8,084,671	8,084,671	5,884,924	(2,199,747)
Investment earnings	16,191	16,191	48,939	32,748
Miscellaneous	1,729,719	1,729,719	2,228,006	498,287
Total revenues	<u>15,554,526</u>	<u>15,554,526</u>	<u>14,315,809</u>	<u>(1,238,717)</u>
Expenditures:				
Health				
Community Health Center	9,828,287	9,828,287	9,155,588	672,699
Community Health Services	<u>5,875,889</u>	<u>5,875,889</u>	<u>5,559,516</u>	<u>316,373</u>
Total expenditures	<u>15,704,176</u>	<u>15,704,176</u>	<u>14,715,104</u>	<u>989,072</u>
Excess (deficiency) of revenues over expenditures	(149,650)	(149,650)	(399,295)	(249,645)
Other financing sources (uses):				
Transfers in	2,163,506	2,163,506	411,204	(1,752,302)
Transfers out	<u>(1,466,098)</u>	<u>(1,466,098)</u>	<u>-</u>	<u>1,466,098</u>
Total other financing sources (uses)	<u>697,408</u>	<u>697,408</u>	<u>411,204</u>	<u>(286,204)</u>
Net change in fund balances	547,758	547,758	11,909	(535,849)
Fund Balances, July 1, 2017	<u>(547,758)</u>	<u>(547,758)</u>	<u>4,790,791</u>	<u>5,338,549</u>
Fund Balances, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,802,700</u>	<u>\$ 4,802,700</u>

Yavapai County
Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Recorder's Surcharge
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 262,000	\$ 262,000	\$ 262,212	\$ 212
Investment earnings	-	-	2,865	2,865
Miscellaneous	-	-	1,692	1,692
Total Revenues	<u>262,000</u>	<u>262,000</u>	<u>266,769</u>	<u>4,769</u>
Expenditures:				
General government				
Recorder	364,999	364,999	188,971	176,028
Total expenditures	<u>364,999</u>	<u>364,999</u>	<u>188,971</u>	<u>176,028</u>
Excess (deficiency) of revenues over expenditures	(102,999)	(102,999)	77,798	180,797
Other financing sources (uses):				
Sale of capital assets			500	500
Transfers out	(70,945)	(70,945)	(70,945)	-
Total other financing sources (uses)	<u>(70,945)</u>	<u>(70,945)</u>	<u>(70,445)</u>	<u>500</u>
Net change in fund balances	(173,944)	(173,944)	7,353	181,297
Fund Balances, July 1, 2017	173,944	173,944	290,311	116,367
Fund Balances, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 297,664</u>	<u>\$ 297,664</u>

Yavapai County
Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Treasurer
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 27,000	\$ 27,000	\$ 16,475	\$ (10,525)
Investment earnings	-	-	29,136	29,136
Miscellaneous	-	-	12,770	12,770
Total revenues	<u>27,000</u>	<u>27,000</u>	<u>58,381</u>	<u>31,381</u>
Expenditures:				
General government				
Treasurer	100,000	100,000	86,716	13,284
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>86,716</u>	<u>13,284</u>
Net change in fund balances	(73,000)	(73,000)	(28,335)	44,665
Fund Balances, July 1, 2017	73,000	73,000	278,861	205,861
Fund Balances, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250,526</u>	<u>\$ 250,526</u>

Yavapai County
Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Election
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Investment earnings	\$ -	\$ -	\$ 10	\$ 10
Total revenues	<u>-</u>	<u>-</u>	<u>10</u>	<u>10</u>
Expenditures:				
General government				
Elections	-	-	27	(27)
Total expenditures	<u>-</u>	<u>-</u>	<u>27</u>	<u>(27)</u>
Net change in fund balances	-	-	(17)	(17)
Fund Balances, July 1, 2017	-	-	17	17
Fund Balances, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Yavapai County
Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Public Library
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 4,470,000	\$ 4,470,000	\$ 4,456,916	\$ (13,084)
Intergovernmental	183,580	183,580	185,986	2,406
Investment earnings	3,000	3,000	21,262	18,262
Miscellaneous	285,693	285,693	112,791	(172,902)
Total revenues	<u>4,942,273</u>	<u>4,942,273</u>	<u>4,776,955</u>	<u>(165,318)</u>
Expenditures:				
General government				
Library	6,235,963	6,235,963	4,896,142	1,339,821
Total expenditures	<u>6,235,963</u>	<u>6,235,963</u>	<u>4,896,142</u>	<u>1,339,821</u>
Net change in fund balances	(1,293,690)	(1,293,690)	(119,187)	1,174,503
Fund Balances, July 1, 2017	1,293,690	1,293,690	1,299,241	5,551
Fund Balances, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,180,054</u>	<u>\$ 1,180,054</u>

Yavapai County
Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Education Service Agency
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ -	\$ -	\$ 258,942	\$ 258,942
Intergovernmental	410,311	410,311	1,289,855	879,544
Charges for services	1,228,629	1,228,629	1,216,749	(11,880)
Investment earnings	-	-	9,213	9,213
Miscellaneous	180,489	180,489	1,025,531	845,042
Total revenues	<u>1,819,429</u>	<u>1,819,429</u>	<u>3,800,290</u>	<u>1,980,861</u>
Expenditures:				
Education				
School Superintendent	2,143,409	2,143,409	3,826,069	(1,682,660)
Total expenditures	<u>2,143,409</u>	<u>2,143,409</u>	<u>3,826,069</u>	<u>(1,682,660)</u>
Net change in fund balances	(323,980)	(323,980)	(25,779)	298,201
Fund Balances, July 1, 2017	323,980	323,980	639,625	315,645
Fund Balances, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 613,846</u>	<u>\$ 613,846</u>

Yavapai County
Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Parks & Recreation
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 159,042	\$ 159,042
Investment earnings	-	-	259	259
Miscellaneous	5,000	5,000	8,919	3,919
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>168,220</u>	<u>163,220</u>
Expenditures:				
General government				
Board of Supervisors	105,000	105,000	54,028	50,972
Total General government	<u>105,000</u>	<u>105,000</u>	<u>54,028</u>	<u>50,972</u>
Culture and recreation				
Board of Supervisors	-	-	200	(200)
Facilities	-	-	3,830	(3,830)
Total Culture and recreation	<u>-</u>	<u>-</u>	<u>4,030</u>	<u>(4,030)</u>
Total expenditures	<u>105,000</u>	<u>105,000</u>	<u>58,058</u>	<u>46,942</u>
Excess (deficiency) of revenues over expenditures	(100,000)	(100,000)	110,162	210,162
Other financing sources (uses):				
Transfers in	-	-	250	250
Transfers out	-	-	(7,613)	(7,613)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(7,363)</u>	<u>(7,363)</u>
Net change in fund balanes	(100,000)	(100,000)	102,799	202,799
Fund Balances, July 1, 2017	100,000	100,000	118,168	18,168
Fund Balances, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 220,967</u>	<u>\$ 220,967</u>

Yavapai County
Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Landfill / Environment
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 442,000	\$ 442,000	\$ 464,073	\$ 22,073
Charges for services	-	-	27,577	27,577
Investment earnings	-	-	(592)	(592)
Miscellaneous	-	-	4,146	4,146
Total revenues	<u>442,000</u>	<u>442,000</u>	<u>495,204</u>	<u>53,204</u>
Expenditures:				
Sanitation				
Landfill	<u>493,382</u>	<u>493,382</u>	<u>361,870</u>	<u>131,512</u>
Total expenditures	<u>493,382</u>	<u>493,382</u>	<u>361,870</u>	<u>131,512</u>
Excess (deficiency) of revenues over expenditures	(51,382)	(51,382)	133,334	184,716
Other financing sources:				
Sale of capital assets	<u>-</u>	<u>-</u>	<u>5,418</u>	<u>5,418</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>5,418</u>	<u>5,418</u>
Net change in fund balances	(51,382)	(51,382)	138,752	190,134
Fund Balances, July 1, 2017	<u>51,382</u>	<u>51,382</u>	<u>830,239</u>	<u>778,857</u>
Fund Balances, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 968,991</u>	<u>\$ 968,991</u>

Yavapai County
Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Public Works
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Investment earnings	\$ -	\$ -	\$ 107	\$ 107
Total revenues	<u>-</u>	<u>-</u>	<u>107</u>	<u>107</u>
Other financing sources (uses):				
Transfers out	-	-	(3,790)	(3,790)
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>(3,790)</u>	<u>(3,790)</u>
Net change in fund balances	-	-	(3,683)	(3,683)
Fund Balances, July 1, 2017	-	-	14,249	14,249
Fund Balances, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,566</u>	<u>\$ 10,566</u>

Yavapai County
Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Finance
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,500,000	\$ 2,500,000	\$ 2,037,577	\$ (462,423)
Fines and forfeits	-	-	411,228	411,228
Investment earnings	-	-	196	196
Total revenues	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,449,001</u>	<u>(50,999)</u>
Expenditures:				
General government				
Board of Supervisors	1,000,000	1,000,000	628,820	371,180
Finance	1,500,000	1,500,000	1,410,419	89,581
Total expenditures	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,039,239</u>	<u>460,761</u>
Excess (deficiency) of revenues over expenditures	-	-	409,762	409,762
Other financing sources (uses):				
Transfers out	(240,356)	(240,356)	(409,213)	(168,857)
Total other financing sources (uses)	<u>(240,356)</u>	<u>(240,356)</u>	<u>(409,213)</u>	<u>(168,857)</u>
Net change in fund balances	(240,356)	(240,356)	549	240,905
Fund Balances, July 1, 2017	240,356	240,356	(1,579)	(241,935)
Fund Balances, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,030)</u>	<u>\$ (1,030)</u>

Yavapai County
Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Improvement Districts
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 5,163,290	\$ 5,163,290	\$ 5,156,176	\$ (7,114)
Special assessments	103,040	103,040	14,561	(88,479)
Intergovernmental	1,102,774	1,102,774	1,028,805	(73,969)
Investment earnings	-	-	29,483	29,483
Miscellaneous	386,522	386,522	(3,444)	(389,966)
Total revenues	<u>6,755,626</u>	<u>6,755,626</u>	<u>6,225,581</u>	<u>(530,045)</u>
Expenditures:				
Public safety				
Flood Control	7,067,013	7,067,013	5,877,298	1,189,715
Highways and streets				
Public Works	88,284	88,284	66,993	21,291
Sanitation				
Special Districts	<u>150,664</u>	<u>150,664</u>	<u>76,228</u>	<u>74,436</u>
Total expenditures	<u>7,305,961</u>	<u>7,305,961</u>	<u>6,020,519</u>	<u>1,285,442</u>
Excess (deficiency) of revenues over expenditures	(550,335)	(550,335)	205,062	755,397
Other financing sources (uses):				
Transfers out	<u>(274,062)</u>	<u>(274,062)</u>	-	274,062
Total other financing sources (uses)	<u>(274,062)</u>	<u>(274,062)</u>	-	274,062
Net change in fund balances	(824,397)	(824,397)	205,062	1,029,459
Fund Balances, July 1, 2017	824,397	824,397	1,685,509	861,112
Fund Balances, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,890,571</u>	<u>\$ 1,890,571</u>

Yavapai County
Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Clerk of Superior Court
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 53,832	\$ 53,832	\$ 65,484	\$ 11,652
Fines and forfeits	-	-	414	414
Investment earnings	1	1	2,673	2,672
Total revenues	<u>53,833</u>	<u>53,833</u>	<u>68,571</u>	<u>14,738</u>
Expenditures:				
General government				
Clerk of the Court	20,000	20,000	4,419	15,581
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>4,419</u>	<u>15,581</u>
Net change in fund balances	33,833	33,833	64,152	30,319
Fund Balances, July 1, 2017	<u>(33,833)</u>	<u>(33,833)</u>	254,291	288,124
Fund Balances, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 318,443</u>	<u>\$ 318,443</u>

Yavapai County
Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
County Attorney
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 837,248	\$ 837,248	\$ 1,114,946	\$ 277,698
Charges for services	25,000	25,000	16,252	(8,748)
Fines and forfeits	-	-	30	30
Investment earnings	-	-	8,563	8,563
Miscellaneous	500,000	500,000	900,887	400,887
Total revenues	<u>1,362,248</u>	<u>1,362,248</u>	<u>2,040,678</u>	<u>678,430</u>
Expenditures:				
General government				
County Attorney	1,246,377	1,246,377	1,545,709	(299,332)
Total expenditures	<u>1,246,377</u>	<u>1,246,377</u>	<u>1,545,709</u>	<u>(299,332)</u>
Excess (deficiency) of revenues over expenditures	115,871	115,871	494,969	379,098
Other financing sources (uses):				
Transfers in	-	-	88,866	88,866
Transfers out	(545,203)	(545,203)	(479,268)	65,935
Total other financing sources (uses)	<u>(545,203)</u>	<u>(545,203)</u>	<u>(390,402)</u>	<u>154,801</u>
Net change in fund balances	(429,332)	(429,332)	104,567	533,899
Fund Balances, July 1, 2017	429,332	429,332	924,125	494,793
Fund Balances, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,028,692</u>	<u>\$ 1,028,692</u>

Yavapai County
Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Law Enforcement
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,544,321	\$ 1,544,321	\$ 1,985,832	\$ 441,511
Charges for services	168,000	168,000	106,789	(61,211)
Fines and forfeits	12,500	12,500	10,781	(1,719)
Investment earnings	10	10	10,530	10,520
Miscellaneous	646,900	646,900	603,132	(43,768)
Total revenues	<u>2,371,731</u>	<u>2,371,731</u>	<u>2,717,064</u>	<u>345,333</u>
Expenditures:				
General government				
Constables	-	-	3,121	(3,121)
Public safety				
Sheriff	<u>2,820,394</u>	<u>2,820,394</u>	<u>2,938,197</u>	<u>(117,803)</u>
Total expenditures	<u>2,820,394</u>	<u>2,820,394</u>	<u>2,941,318</u>	<u>(120,924)</u>
Excess (deficiency) of revenues over expenditures	(448,663)	(448,663)	(224,254)	224,409
Other financing sources (uses):				
Transfers in	630,491	630,491	482,194	(148,297)
Transfers out	<u>(97,748)</u>	<u>(97,748)</u>	-	97,748
Total other financing sources (uses)	<u>532,743</u>	<u>532,743</u>	<u>482,194</u>	<u>(50,549)</u>
Net change in fund balances	84,080	84,080	257,940	173,860
Fund Balances, July 1, 2017	<u>(84,080)</u>	<u>(84,080)</u>	<u>815,449</u>	<u>899,529</u>
Fund Balances, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,073,389</u>	<u>\$ 1,073,389</u>

Yavapai County
Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Emergency Management
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 342,378	\$ 342,378	\$ 240,475	\$ (101,903)
Investment earnings	-	-	3,203	3,203
Total revenues	<u>342,378</u>	<u>342,378</u>	<u>243,678</u>	<u>(98,700)</u>
Expenditures:				
General government				
Emergency Management	<u>342,378</u>	<u>342,378</u>	<u>146,067</u>	<u>196,311</u>
Total expenditures	<u>342,378</u>	<u>342,378</u>	<u>146,067</u>	<u>196,311</u>
Net change in fund balances	-	-	97,611	97,611
Fund Balances, July 1, 2017	-	-	<u>293,721</u>	<u>293,721</u>
Fund Balances, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 391,332</u>	<u>\$ 391,332</u>

Yavapai County
Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Probation
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 5,604,267	\$ 5,604,267	\$ 5,636,724	\$ 32,457
Charges for services	1,352,372	1,352,372	1,193,500	(158,872)
Investment earnings	-	-	14,302	14,302
Miscellaneous	-	-	275	275
Total revenues	<u>6,956,639</u>	<u>6,956,639</u>	<u>6,844,801</u>	<u>(111,838)</u>
Expenditures:				
Public Safety				
Adult Probation	5,356,587	5,356,587	5,189,152	167,435
Juvenile Probation	2,508,354	2,508,354	2,140,859	367,495
Total expenditures	<u>7,864,941</u>	<u>7,864,941</u>	<u>7,330,011</u>	<u>534,930</u>
Excess (deficiency) of revenues over expenditures	(908,302)	(908,302)	(485,210)	423,092
Other financing sources (uses):				
Transfers in	428,165	428,165	-	(428,165)
Transfers out	(428,165)	(428,165)	-	428,165
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(908,302)	(908,302)	(485,210)	423,092
Fund Balances, July 1, 2017	908,302	908,302	1,386,058	477,756
Fund Balances, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 900,848</u>	<u>\$ 900,848</u>

Yavapai County
Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Courts
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 950,380	\$ 950,380	\$ 639,271	\$ (311,109)
Charges for services	406,742	406,742	324,165	(82,577)
Fines and forfeits	-	-	190,093	190,093
Investment earnings	215	215	11,425	11,210
Miscellaneous	149,276	149,276	71,144	(78,132)
Total revenues	<u>1,506,613</u>	<u>1,506,613</u>	<u>1,236,098</u>	<u>(270,515)</u>
Expenditures:				
General government				
Superior Court	2,902,416	2,902,416	1,358,950	1,543,466
Clerk of Superior Court	653,244	653,244	51,323	601,921
Prescott Justice of the Peace	-	-	39,955	(39,955)
Verde Valley Justice of the Peace	-	-	39,998	(39,998)
Bagdad/Yarnell Justice of the Peace	-	-	10,005	(10,005)
Mayer Justice of the Peace	-	-	5,696	(5,696)
Seligman Justice of the Peace	-	-	11,004	(11,004)
Total General government	<u>3,555,660</u>	<u>3,555,660</u>	<u>1,516,931</u>	<u>2,038,729</u>
Excess (deficiency) of revenues over expenditures	(2,049,047)	(2,049,047)	(280,833)	1,768,214
Other financing sources (uses):				
Transfers in	282,077	282,077	277,642	(4,435)
Transfers out	-	-	(95)	(95)
Total other financing sources (uses)	<u>282,077</u>	<u>282,077</u>	<u>277,547</u>	<u>(4,530)</u>
Net change in fund balances	(1,766,970)	(1,766,970)	(3,286)	1,763,684
Fund Balances, July 1, 2017	<u>1,766,970</u>	<u>1,766,970</u>	<u>1,343,088</u>	<u>(423,882)</u>
Fund Balances, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,339,802</u>	<u>\$ 1,339,802</u>

Yavapai County
Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Public Defender
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 107,000	\$ 107,000	\$ 30,042	\$ (76,958)
Charges for services	71,609	71,609	62,038	(9,571)
Investment earnings	-	-	2,955	2,955
Total revenues	<u>178,609</u>	<u>178,609</u>	<u>95,035</u>	<u>(83,574)</u>
Expenditures:				
General government				
Public Defender	<u>293,206</u>	<u>293,206</u>	<u>241,844</u>	<u>51,362</u>
Total expenditures	<u>293,206</u>	<u>293,206</u>	<u>241,844</u>	<u>51,362</u>
Excess (deficiency) of revenues over expenditures	(114,597)	(114,597)	(146,809)	(32,212)
Other financing sources (uses):				
Transfers in	-	-	84,425	84,425
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>84,425</u>	<u>84,425</u>
Net change in fund balances	(114,597)	(114,597)	(62,384)	52,213
Fund Balances, July 1, 2017	114,597	114,597	341,523	226,926
Fund Balances, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 279,139</u>	<u>\$ 279,139</u>

Yavapai County
Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Airport Development
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 791,000	\$ 791,000	\$ 266,574	\$ (524,426)
Investment earnings	-	-	725	725
Miscellaneous	-	-	17,695	17,695
Total revenues	<u>791,000</u>	<u>791,000</u>	<u>284,994</u>	<u>(506,006)</u>
Expenditures:				
General government				
Airport Development	<u>264,000</u>	<u>264,000</u>	<u>214,924</u>	<u>49,076</u>
Capital Outlay				
Airport Development	<u>527,000</u>	<u>527,000</u>	<u>69,838</u>	<u>457,162</u>
Total expenditures	<u>791,000</u>	<u>791,000</u>	<u>284,762</u>	<u>506,238</u>
Excess (deficiency) of revenues over expenditures	-	-	232	232
Other financing sources (uses):				
Transfers out	<u>-</u>	<u>-</u>	<u>(4,399)</u>	<u>(4,399)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(4,399)</u>	<u>(4,399)</u>
Net change in fund balances	-	-	(4,167)	(4,167)
Fund Balances, July 1, 2017	-	-	54,492	54,492
Fund Balances, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,325</u>	<u>\$ 50,325</u>

Yavapai County
Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
CYMPO
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 496,750	\$ 496,750	\$ 331,845	\$ (164,905)
Total revenues	<u>496,750</u>	<u>496,750</u>	<u>331,845</u>	<u>(164,905)</u>
Expenditures:				
Highways and streets				
CYMPO	496,750	496,750	326,945	169,805
Total expenditures	<u>496,750</u>	<u>496,750</u>	<u>326,945</u>	<u>169,805</u>
Net change in fund balances	-	-	4,900	4,900
Fund Balances, July 1, 2017	-	-	(32,207)	(32,207)
Fund Balances, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (27,307)</u>	<u>\$ (27,307)</u>

Yavapai County
Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Coyote Springs Debt Service
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Special assessments	\$ -	\$ -	\$ 83,376	\$ 83,376
Investment earnings	-	-	4,078	4,078
Total revenues	<u>-</u>	<u>-</u>	<u>87,454</u>	<u>87,454</u>
Expenditures:				
Debt service				
Principal retirement	80,000	80,000	80,000	-
Interest and other charges	23,040	23,040	23,850	(810)
Total expenditures	<u>103,040</u>	<u>103,040</u>	<u>103,850</u>	<u>(810)</u>
Excess (deficiency) of revenues over expenditures	(103,040)	(103,040)	(16,396)	86,644
Other financing sources (uses):				
Transfers in	103,040	103,040	-	(103,040)
Total other financing sources (uses)	<u>103,040</u>	<u>103,040</u>	<u>-</u>	<u>(103,040)</u>
Net change in fund balances	-	-	(16,396)	(16,396)
Fund Balances, July 1, 2017	<u>-</u>	<u>-</u>	<u>432,325</u>	<u>432,325</u>
Fund Balances, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 415,929</u>	<u>\$ 415,929</u>

Yavapai County
Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Poquito Valley Debt Service
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Special assessments	\$ -	\$ -	\$ 158,816	\$ 158,816
Investment earnings	-	-	5,282	5,282
Total revenues	<u>-</u>	<u>-</u>	<u>164,098</u>	<u>164,098</u>
Expenditures:				
Debt service				
Principal retirement	95,000	95,000	95,000	-
Interest and other charges	76,022	76,022	76,340	(318)
Total expenditures	<u>171,022</u>	<u>171,022</u>	<u>171,340</u>	<u>(318)</u>
Excess (deficiency) of revenues over expenditures	(171,022)	(171,022)	(7,242)	163,780
Other financing sources (uses):				
Transfers in	171,022	171,022	-	(171,022)
Total other financing sources (uses)	<u>171,022</u>	<u>171,022</u>	<u>-</u>	<u>(171,022)</u>
Net change in fund balances	-	-	(7,242)	(7,242)
Fund Balances, July 1, 2017	<u>-</u>	<u>-</u>	<u>591,185</u>	<u>591,185</u>
Fund Balances, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 583,943</u>	<u>\$ 583,943</u>

AGENCY FUNDS



Yavapai County
Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended June 30, 2018

Assets	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Equity in pooled cash and investments	\$ 3,333,775	\$ 16,183,028	\$ (16,184,750)	\$ 3,332,053
Total assets	<u>\$ 3,333,775</u>	<u>\$ 16,183,028</u>	<u>\$ (16,184,750)</u>	<u>\$ 3,332,053</u>
Liabilities				
Deposits held for others	\$ 3,333,775	\$ 16,183,028	\$ (16,184,750)	\$ 3,332,053
Total liabilities	<u>\$ 3,333,775</u>	<u>\$ 16,183,028</u>	<u>\$ (16,184,750)</u>	<u>\$ 3,332,053</u>

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STATISTICAL SECTION



Yavapai County
Statistical Section
Year Ended June 30, 2018

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.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	132
Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	138
Debt Capacity 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.	142
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	145
Operating Information 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.	147

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

	Fiscal Year									
	2009 <u>As Restated</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	2013 <u>as restated</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental activities										
Net investment in capital assets	\$ 223,287,295	\$ 222,740,108	\$ 223,888,086	\$ 233,664,415	\$ 246,279,437	\$ 244,885,761	\$ 239,962,002	\$ 245,296,042	\$ 247,930,780	\$ 248,985,672
Restricted	7,875,823	8,531,392	44,673,785	30,244,964	29,223,380	29,399,661	27,423,213	26,853,112	24,758,387	24,018,470
Unrestricted (deficit)	68,173,526	75,774,030	41,562,207	46,892,632	32,387,781	34,282,231	(104,573,658)	(111,743,342)	(123,574,435)	(137,411,173)
Total governmental activities net position	<u>\$ 299,336,644</u>	<u>\$ 307,045,530</u>	<u>\$ 310,124,078</u>	<u>\$ 310,802,011</u>	<u>\$ 307,890,598</u>	<u>\$ 308,567,653</u>	<u>\$ 162,811,557</u>	<u>\$ 160,405,812</u>	<u>\$ 149,114,732</u>	<u>\$ 135,592,969</u>
Business-type activities										
Net investment in capital assets	\$ 200,204	\$ 167,581	\$ 98,057	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	2,697,563	3,017,325	5,795,317	-	-	-	-	-	-	-
Total business-type activities net position	<u>\$ 2,897,767</u>	<u>\$ 3,184,906</u>	<u>\$ 5,893,374</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Primary government										
Net investment in capital assets	\$ 223,487,499	\$ 222,907,689	\$ 223,986,143	\$ 233,664,415	\$ 246,279,437	\$ 244,885,761	\$ 239,962,002	\$ 245,296,042	\$ 247,930,780	\$ 248,985,672
Restricted	10,573,386	11,548,717	50,469,102	30,244,964	29,223,380	29,399,661	27,423,213	26,853,112	24,758,387	24,018,470
Unrestricted (deficit)	68,173,526	75,774,030	41,562,207	46,892,632	32,387,781	34,282,231	(104,573,658)	(111,743,342)	(123,574,435)	(137,411,173)
Total primary government net position	<u>\$ 302,234,411</u>	<u>\$ 310,230,436</u>	<u>\$ 316,017,452</u>	<u>\$ 310,802,011</u>	<u>\$ 307,890,598</u>	<u>\$ 308,567,653</u>	<u>\$ 162,811,557</u>	<u>\$ 160,405,812</u>	<u>\$ 149,114,732</u>	<u>\$ 135,592,969</u>

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

	Fiscal Year									
	2009 As Restated	2010	2011	2012	2013 As Restated	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government	\$ 54,763,915	\$ 59,704,858	\$ 59,429,434	\$ 62,345,662	\$ 61,913,160	\$ 61,634,911	\$ 73,547,614	\$ 71,366,887	\$ 73,276,034	\$ 76,332,480
Public safety	50,648,123	48,420,364	47,609,527	49,388,684	51,737,665	52,322,338	58,080,181	57,761,417	64,261,140	75,655,946
Highways and streets	26,824,721	25,910,775	24,893,508	25,247,610	23,452,424	21,909,440	27,128,143	23,274,551	25,487,401	24,127,122
Sanitation	1,686,935	1,300,834	1,297,411	1,465,542	1,437,943	1,853,305	1,609,894	1,818,970	1,868,223	1,891,308
Health	12,728,257	12,829,196	12,822,518	13,191,650	13,318,952	13,364,778	14,253,730	15,273,078	14,693,754	14,564,187
Welfare	11,468,732	8,527,395	9,497,084	11,834,457	10,748,376	10,674,717	10,626,802	10,735,149	10,758,602	11,266,831
Culture and recreation	252,328	247,821	294,753	238,532	206,447	138,729	105,961	138,729	85,738	81,577
Education	4,656,691	3,974,594	4,926,595	3,509,638	5,775,032	5,030,647	4,398,718	4,332,906	4,980,959	4,887,163
Interest on long-term debt	3,382,649	1,644,239	1,942,927	1,364,868	1,206,904	1,148,062	1,086,800	1,028,399	964,944	1,047,910
Total governmental activities expenses	166,412,351	162,560,076	162,713,757	168,586,643	169,796,903	168,076,927	190,837,843	185,730,086	196,376,795	209,854,524
Business-type activities:										
Long-term care	42,630,543	45,026,786	41,120,729	10,141,138	-	-	-	-	-	-
Total business-type activities expenses	42,630,543	45,026,786	41,120,729	10,141,138	-	-	-	-	-	-
Total primary government expenses	\$ 209,042,894	\$ 207,586,862	\$ 203,834,486	\$ 178,727,781	\$ 169,796,903	\$ 168,076,927	\$ 190,837,843	\$ 185,730,086	\$ 196,376,795	\$ 209,854,524
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 4,437,362	\$ 4,436,876	\$ 5,627,504	\$ 5,459,831	\$ 4,376,884	\$ 4,641,730	\$ 7,798,624	\$ 8,788,165	\$ 9,427,420	\$ 8,748,410
Public safety	5,719,713	7,933,673	8,040,993	8,681,147	8,865,102	7,620,120	3,500,936	3,711,204	3,905,223	4,136,934
Health	4,089,897	4,636,761	5,844,952	6,569,234	5,795,116	5,768,856	6,376,541	6,589,161	6,496,676	6,580,465
Other	1,485,526	1,558,598	2,708,201	1,806,374	2,205,285	2,426,992	2,497,840	2,711,920	3,263,044	3,900,165
Operating grants and contributions	36,179,042	35,212,078	32,210,542	26,710,532	26,931,066	30,662,264	29,810,500	35,547,178	36,867,646	39,337,795
Capital grants and contributions	556,609	247,501	1,067,298	2,248,681	1,876,590	3,239,760	3,759,162	4,860,870	823,163	360,460
Total governmental activities program revenues	52,468,149	54,025,487	55,499,490	51,475,799	50,050,043	54,359,722	53,743,603	62,208,498	60,783,172	63,064,229
Business-type activities:										
Charges for services:										
Long-term care	42,899,640	45,216,942	43,697,139	11,968,091	-	-	-	-	-	-
Total business-type activities program revenues	42,899,640	45,216,942	43,697,139	11,968,091	-	-	-	-	-	-
Total primary government program revenues	\$ 95,367,789	\$ 99,242,429	\$ 99,196,629	\$ 63,443,890	\$ 50,050,043	\$ 54,359,722	\$ 53,743,603	\$ 62,208,498	\$ 60,783,172	\$ 63,064,229
Net (expense)/revenue										
Governmental activities	\$ (113,944,202)	\$ (108,534,589)	\$ (107,214,267)	\$ (117,110,844)	\$ (119,746,860)	\$ (113,717,205)	\$ (137,094,240)	\$ (123,521,588)	\$ (135,593,623)	\$ (146,790,295)
Business-type activities	269,097	190,156	2,576,410	1,826,953	-	-	-	-	-	-
Total primary government net expense	\$ (113,675,105)	\$ (108,344,433)	\$ (104,637,857)	\$ (115,283,891)	\$ (119,746,860)	\$ (113,717,205)	\$ (137,094,240)	\$ (123,521,588)	\$ (135,593,623)	\$ (146,790,295)

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

	Fiscal Year									
	2009					2013				
	<u>As Restated</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>As Restated</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
(Continued)										
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 50,937,068	\$ 53,971,492	\$ 55,299,466	\$ 51,699,471	\$ 52,122,175	\$ 52,112,146	\$ 51,294,809	\$ 53,103,018	\$ 54,685,899	\$ 56,221,022
Sales taxes	42,623,546	38,403,637	39,256,867	41,382,944	47,587,636	46,707,526	48,283,744	51,106,133	53,474,488	57,686,628
Vehicle license taxes	10,332,569	9,540,916	9,394,022	9,083,699	9,262,788	7,022,638	10,356,545	8,022,644	8,600,164	9,277,476
Grants and contributions not restricted to specific programs	-	-	-	2,985,878	2,960,656	3,177,599	2,895,889	3,480,910	3,314,664	3,630,887
Franchise taxes	300,793	310,611	309,155	271,003	269,404	267,020	282,805	283,366	281,425	298,249
Lottery (intergovernmental, unrestricted)	522,533	304,381	-	-	-	550,038	550,038	-	-	550,050
Investment earnings	2,055,193	455,363	382,199	227,971	216,409	679,320	(70,947)	187,916	129,869	681,115
Gain (loss) on disposal of capital assets	771,658	1,139,199	77,731	376,709	(66,231)	149,991	171,568	204,175	173,711	594,205
Miscellaneous	6,703,947	7,802,635	5,573,375	4,104,472	4,482,610	3,727,982	4,315,570	4,727,681	3,642,323	4,328,900
Transfers	1,500,000	-	-	7,656,630	-	-	-	-	-	-
Total governmental activities	115,747,307	111,928,234	110,292,815	117,788,777	116,835,447	114,394,260	118,080,021	121,115,843	124,302,543	133,268,532
Business-type activities:										
Investment earnings	136,335	39,650	30,687	18,363	-	-	-	-	-	-
Loss on disposal of capital assets	-	-	-	(82,060)	-	-	-	-	-	-
Miscellaneous	34,554	57,333	101,371	-	-	-	-	-	-	-
Transfers	(1,500,000)	-	-	(7,656,630)	-	-	-	-	-	-
Total business-type activities	(1,329,111)	96,983	132,058	(7,720,327)	-	-	-	-	-	-
Total primary government	\$ 114,418,196	\$ 112,025,217	\$ 110,424,873	\$ 110,068,450	\$ 116,835,447	\$ 114,394,260	\$ 118,080,021	\$ 121,115,843	\$ 124,302,543	\$ 133,268,532
Change in Net Position										
Governmental activities	\$ 1,803,105	\$ 3,393,645	\$ 3,078,548	\$ 677,933	\$ (2,911,413)	\$ 677,055	\$ (19,014,219)	\$ (2,405,745)	\$ (11,291,080)	\$ (13,521,763)
Business-type activities	(1,060,014)	287,139	2,708,468	(5,893,374)	-	-	-	-	-	-
Total primary government	\$ 743,091	\$ 3,680,784	\$ 5,787,016	\$ (5,215,441)	\$ (2,911,413)	\$ 677,055	\$ (19,014,219)	\$ (2,405,745)	\$ (11,291,080)	\$ (13,521,763)

1) Significant changes in net position occurred due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*.

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

	Fiscal Year									
	2009				2013					
	<u>As Restated</u>	<u>2010</u>	<u>2011</u> ¹	<u>2012</u>	<u>As Restated</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General fund										
Reserved	\$ 615,392	\$ 1,907,862	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	4,145,016	7,935,224	-	-	-	-	-	-	-	-
Nonspendable	-	-	\$ 883,725	\$ 558,330	\$ 529,990	\$ 534,073	\$ 419,021	\$ 550,208	\$ 659,611	\$ 626,112
Unassigned	-	-	11,572,661	9,198,985	8,467,686	9,716,724	9,139,623	9,552,144	9,853,659	9,633,712
Total general fund	<u>\$ 4,760,408</u>	<u>\$ 9,843,086</u>	<u>\$ 12,456,386</u>	<u>\$ 9,757,315</u>	<u>\$ 8,997,676</u>	<u>\$ 10,250,797</u>	<u>\$ 9,558,644</u>	<u>\$ 10,102,352</u>	<u>\$ 10,513,270</u>	<u>\$ 10,259,824</u>
All other governmental funds										
Reserved	\$ 20,716,883	\$ 16,841,879	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	58,212,657	49,538,733	-	-	-	-	-	-	-	-
Capital projects funds	27,040,504	30,443,106	-	-	-	-	-	-	-	-
Nonspendable	-	-	\$ 571,259	\$ 338,143	\$ 420,405	\$ 369,364	\$ 384,929	\$ 400,687	\$ 487,560	\$ 410,774
Restricted	-	-	44,302,178	29,845,087	28,408,624	29,214,659	27,263,418	26,687,753	24,588,981	23,859,908
Committed	-	-	48,737,019	44,933,474	31,110,770	29,500,387	27,471,287	24,146,575	22,256,013	24,210,208
Unassigned	-	-	-	-	-	(129,290)	(647,487)	(34,846)	(46,030)	(268,131)
Total all other governmental funds	<u>\$ 105,970,044</u>	<u>\$ 96,823,718</u>	<u>\$ 93,610,456</u>	<u>\$ 75,116,704</u>	<u>\$ 59,939,799</u>	<u>\$ 58,955,120</u>	<u>\$ 54,472,147</u>	<u>\$ 51,200,169</u>	<u>\$ 47,286,524</u>	<u>\$ 48,212,759</u>

1) Fund balance classifications have been redefined due to the implementation of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues	<u>As Restated</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>as restated</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Taxes	\$ 71,170,257	\$ 71,943,613	\$ 72,919,065	\$ 70,585,042	\$ 74,555,129	\$ -	\$ -	\$ -	\$ -	\$ -
Property taxes	-	-	-	-	-	52,225,532	51,435,356	53,076,446	51,830,240	56,322,256
County sales taxes	-	-	-	-	-	21,582,391	22,776,374	24,450,120	28,496,007	27,763,993
Special assessments	175,450	856,571	625,539	445,430	313,975	445,823	323,790	307,004	328,552	256,753
Licenses and permits	2,961,289	2,659,731	2,649,532	2,352,607	2,827,913	3,500,652	3,656,374	3,850,570	4,263,493	5,045,676
Intergovernmental	70,366,121	70,616,782	78,875,264	67,956,327	69,778,203	68,090,496	71,486,393	73,987,068	76,383,556	82,381,548
Charges for services	8,643,467	11,215,560	12,555,911	13,901,191	13,173,252	11,949,422	12,504,936	12,290,540	12,325,424	12,257,416
Fines and forfeits	3,213,958	3,328,787	2,925,544	3,075,579	3,258,371	3,480,687	3,428,912	3,290,343	3,506,446	3,492,895
Investment earnings	2,055,194	455,362	382,202	227,971	216,427	679,871	(70,947)	187,918	129,868	681,116
Miscellaneous	6,803,297	7,387,647	5,738,164	4,274,703	4,638,767	5,000,510	5,102,733	6,121,031	5,050,927	5,579,688
Total revenues	165,389,033	168,464,053	176,671,221	162,818,850	168,762,037	166,955,384	170,643,921	177,561,040	182,314,513	193,781,341
Expenditures										
General government	51,292,906	56,232,120	55,278,011	60,284,141	60,720,587	60,579,208	67,398,559	65,217,327	66,227,788	67,790,528
Public safety	50,239,679	49,214,849	47,884,440	48,438,479	51,407,963	51,391,831	52,684,423	54,534,285	58,023,197	65,263,847
Highways and streets	29,717,490	24,003,533	20,362,539	22,839,550	26,507,156	19,159,634	20,266,071	24,201,825	27,058,914	25,399,182
Sanitation	1,548,363	1,397,117	1,319,900	1,445,057	1,610,073	1,957,968	1,702,678	1,884,551	1,887,043	2,001,007
Health	12,566,528	12,675,386	12,650,539	13,121,564	13,179,859	13,189,896	14,106,085	15,210,473	14,686,935	14,715,104
Welfare	11,465,931	8,523,288	9,489,765	11,841,743	10,742,570	10,684,724	10,630,863	10,738,903	10,758,061	11,275,978
Culture and recreation	119,668	110,499	157,431	172,348	114,047	113,262	101,478	134,564	132,233	116,858
Education	4,640,744	3,980,160	4,819,819	4,246,599	5,706,095	4,974,902	4,064,669	4,112,725	4,677,716	4,525,456
Debt service										
Principal	27,075,356	12,767,059	13,125,845	5,775,482	1,230,950	1,278,462	1,328,112	1,424,604	1,473,153	1,531,737
Interest and other charges	3,382,649	1,644,239	1,942,927	1,364,868	1,212,778	1,154,200	1,093,213	1,032,511	972,549	902,551
Capital outlay	9,617,872	5,922,869	10,471,363	21,956,670	12,271,703	2,424,396	2,674,818	2,301,378	107,958	176,840
Total expenditures	201,667,186	176,471,119	177,502,579	191,486,501	184,703,781	166,908,483	176,050,969	180,793,146	186,005,547	193,699,088
Excess (deficiency) of revenues over (under) expenditures	(36,278,153)	(8,007,066)	(831,358)	(28,667,651)	(15,941,744)	46,901	(5,407,048)	(3,232,106)	(3,691,034)	82,253
Other financing sources (uses)										
Special assessment bonds issued	-	1,857,000	-	-	-	-	-	-	-	-
Revenue refunding obligation proceeds	-	-	-	-	-	-	-	-	-	16,978,000
Payment to refunding escrow agent	-	-	-	-	-	-	-	-	-	(16,896,907)
Capital lease agreements	-	-	-	-	-	-	-	211,939	-	-
Sale of capital assets	771,659	1,683,400	77,731	376,709	5,200	221,541	231,922	291,897	188,307	509,443
Transfers in	48,227,811	27,677,634	18,011,458	35,664,432	14,207,090	12,096,198	11,139,032	11,124,422	11,988,058	12,295,183
Transfers out	(46,727,811)	(27,677,634)	(18,011,458)	(28,007,802)	(14,207,090)	(12,096,198)	(11,139,032)	(11,124,422)	(11,988,058)	(12,295,183)
Total other financing sources (uses)	2,271,659	3,540,400	77,731	8,033,339	5,200	221,541	231,922	503,836	188,307	590,536
Net changes in fund balances	\$ (34,006,494)	\$ (4,466,666)	\$ (753,627)	\$ (20,634,312)	\$ (15,936,544)	\$ 268,442	\$ (5,175,126)	\$ (2,728,270)	\$ (3,502,727)	\$ 672,789

Debt service as a percentage of noncapital expenditures	16.3%	9.0%	9.5%	4.5%	1.6%	1.6%	1.5%	1.5%	1.5%	1.4%
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Yavapai County
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Primary Net Assessed Value				Total Direct Tax Rate ¹	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
	Residential and Vacant Property	Commercial Property	Unattached Personal Property	Total Taxable Net Assessed Value			
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%
2013	1,748,825,220	573,976,929	82,671,574	2,405,473,723	2.2049	20,142,814,909	11.94%
2014	1,819,990,776	325,100,587	87,538,236	2,232,629,599	2.3961	19,088,929,991	11.70%
2015	1,840,982,742	295,068,513	81,221,556	2,217,272,811	2.4216	19,418,863,184	11.42%
2016	1,929,113,529	263,001,270	87,068,649	2,279,183,448	2.4044	20,061,477,030	11.36%
2017	2,012,130,501	251,908,085	80,371,356	2,344,409,942	2.3910	21,142,413,672	11.09%
2018	2,131,382,392	238,029,643	93,738,001	2,463,150,036	2.3556	22,327,112,822	11.03%

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 ¹				
	Primary	Secondary			Total Direct	School Equalization	School Districts	Cities	Other Special Districts	Community College District
		Fire District	Library District	Flood Control District						
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
2013	1.6426	0.1000	0.1660	0.2963	2.2049	0.4717	1.2727-7.2224	0.4083-1.4400	0.0437-13.6892	1.8875
2014	1.9308	0.1000	0.1491	0.2162	2.3961	0.5123	1.1401-7.8940	0.3351-1.6000	0.0622-16.2403	2.0468
2015	1.9580	0.1008	0.1512	0.2116	2.4216	0.5089	2.4776-7.7759	0.3149-1.5739	0.0627-16.5100	2.0837
2016	1.9317	0.1000	0.1667	0.2060	2.4044	0.5054	2.3885-7.7757	0.3047-1.7165	0.0642-17.6840	2.0901
2017	1.9027	0.1000	0.1907	0.1976	2.3910	0.5010	2.0177-7.7737	0.3025-1.7316	0.0616-19.9088	2.0561
2018	1.8395	0.1000	0.1815	0.2346	2.3556	0.4875	2.0537-8.5411	0.2821-1.6612	0.0583-8.3655	1.9828

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

Taxpayer	2018			2009		
	Primary	Rank	Percentage	Primary	Rank	Percentage
	Net Assessed		of Total Primary	Net Assessed		of Total Primary
	Value	Net Assessed Value	Value	Net Assessed Value		
Arizona Public Service	\$90,956,756	1	3.69%	\$75,291,721	2	2.55%
Phelps Dodge Bagdad Inc./Bagdad Mine	62,900,088	2	2.55%	179,506,958	1	6.08%
Transwestern Pipeline Company	23,480,784	3	0.95%			
Drake Cement	19,894,011	4	0.81%			
Phoenix Cement Co./ Salt River Materials	18,487,966	5	0.75%			
Unisource Energy Corporation	17,651,896	6	0.72%	13,669,841	5	0.46%
Burlington Northern Santa Fe Railway Company	13,787,173	7	0.56%	9,136,504	9	0.31%
Sturm Ruger & Co. Inc.	8,608,611	8	0.35%			
Kinder Morgan	8,088,710	9	0.33%			
Qwest Corporation	7,137,569	10	0.29%	16,895,362	4	0.57%
Salt River Pima-Maricopa Indian Community				30,017,712	3	1.02%
TWC II-Prescott Mall LLC				10,118,002	6	0.34%
El Paso Natural Gas Company				9,995,330	7	0.34%
New Enchanment LP				9,780,077	8	0.33%
Wal-Mart Stores Inc.				8,756,686	10	0.30%
Totals	<u>\$270,993,564</u>		<u>11.00%</u>	<u>\$363,168,193</u>		<u>12.30%</u>
Total Yavapai County Primary Assessed Value	\$2,463,150,036		100.00%	\$2,954,598,732		100.00%

Source: Yavapai County Assessor and Arizona Department of Revenue.

Yavapai County
Property Tax Levies and Collections ¹
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year ²	Collected within the Fiscal Year		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 40,429,914	\$ 38,309,430	94.76%	\$ 990,712	\$ 39,300,142	97.21%
2010	42,045,714	39,992,839	95.12%	1,055,006	41,047,845	97.63%
2011	43,108,560	40,512,865	93.98%	1,091,408	41,604,273	96.51%
2012	38,797,705	36,464,287	93.99%	878,212	37,342,499	96.25%
2013	39,512,311	37,270,343	94.33%	602,101	37,872,444	95.85%
2014	43,108,560	40,635,331	94.26%	573,446	41,208,777	95.59%
2015	43,108,560	41,019,828	95.15%	500,142	41,519,970	96.31%
2016	44,026,986	41,648,986	94.60%	507,219	42,156,205	95.75%
2017	44,606,170	42,533,288	95.35%	486,503	43,019,791	96.44%
2018	45,309,644	43,103,822	95.13%	-	43,103,822	95.13%

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.

2) Taxes levied for the fiscal year is the budgeted levy. The actual levy is generally lower when assessed because of a decrease in net assessed values due to taxpayer appeals.

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

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	Revenue Bonds	Special Assessment Bonds	Capital Leases			
2009	\$ 30,165,000	\$ 1,105,905	\$ 25,000,000	\$ 56,270,905	0.89%	\$ 266.47
2010	17,510,000	2,850,846	25,000,000	45,360,846	0.74%	214.84
2011	4,590,000	2,645,000	25,000,000	32,235,000	0.50%	152.67
2012	-	2,470,000	23,989,518	26,459,518	0.40%	124.60
2013	-	2,295,000	22,933,568	25,228,568	0.36%	117.33
2014	-	2,120,000	21,830,106	23,950,106	0.32%	109.66
2015	-	1,945,000	20,676,993	22,621,993	0.29%	102.09
2016	-	1,770,000	19,639,687	21,409,687	0.26%	94.92
2017	-	1,595,000	18,341,534	19,936,534	N/A (2)	89.00
2018	16,978,000	1,420,000	87,890	18,485,890	N/A (2)	81.26

Note: 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 2017 and 2018.

Yavapai County
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed value	\$ 2,463,150,036
Debt limit (6% of assessed value)	147,789,002
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	\$ 147,789,002

	Fiscal Year									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt limit	\$ 177,275,924	\$ 196,444,701	\$ 191,254,661	\$ 162,730,673	\$ 144,328,423	\$ 133,957,776	\$ 133,036,369	\$ 136,751,007	\$ 140,664,597	\$ 147,789,002
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 177,275,924	\$ 196,444,701	\$ 191,254,661	\$ 162,730,673	\$ 144,328,423	\$ 133,957,776	\$ 133,036,369	\$ 136,751,007	\$ 140,664,597	\$ 147,789,002
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%

Note: 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 ¹	Less: Expenditures ²	Net Available		Debt Service		Coverage
			Revenue	Principal	Interest		
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
2013	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)		N/A (4)
2014	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)		N/A (4)
2015	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)		N/A (4)
2016	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)		N/A (4)
2017	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)		N/A (4)
2018	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)		N/A (4)

Highway Construction Advancement Revenue Bonds							
Fiscal Year	County Excise Tax	State Shared Sales Taxes	Highway Project		Net Available		Coverage
			Repayments ³	Revenue	Principal	Interest	
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
2013	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)
2014	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)
2015	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)
2016	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)
2017	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)
2018	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)

Special Assessment Bonds					Excise Tax Revenue Refunding Bonds							
Fiscal Year	Special Assessment Collections	Debt Service			Coverage	County Excise Tax	State Shared Sales Taxes	Net Available		Debt Service		Coverage
		Principal	Interest					Revenue	Principal	Interest		
2009	\$ 175,450	\$ 110,356	\$ 84,296	0.90	N/A (5)	N/A (5)	N/A (5)	N/A (5)	N/A (5)	N/A (5)	N/A (5)	
2010	173,763	112,059	154,994	0.65	N/A (5)	N/A (5)	N/A (5)	N/A (5)	N/A (5)	N/A (5)	N/A (5)	
2011	625,539	205,845	185,474	1.60	N/A (5)	N/A (5)	N/A (5)	N/A (5)	N/A (5)	N/A (5)	N/A (5)	
2012	445,430	175,000	168,276	1.30	N/A (5)	N/A (5)	N/A (5)	N/A (5)	N/A (5)	N/A (5)	N/A (5)	
2013	313,975	175,000	156,863	0.95	N/A (5)	N/A (5)	N/A (5)	N/A (5)	N/A (5)	N/A (5)	N/A (5)	
2014	445,823	175,000	145,797	1.39	N/A (5)	N/A (5)	N/A (5)	N/A (5)	N/A (5)	N/A (5)	N/A (5)	
2015	308,359	175,000	134,461	1.00	N/A (5)	N/A (5)	N/A (5)	N/A (5)	N/A (5)	N/A (5)	N/A (5)	
2016	253,491	175,000	123,017	0.85	N/A (5)	N/A (5)	N/A (5)	N/A (5)	N/A (5)	N/A (5)	N/A (5)	
2017	313,258	175,000	111,604	1.09	N/A (5)	N/A (5)	N/A (5)	N/A (5)	N/A (5)	N/A (5)	N/A (5)	
2018	242,192	175,000	100,190	0.88	\$ 18,311,614	\$ 19,461,489	\$ 37,773,103	-	-	-	-	

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

- 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.
- 4) Final payments for the Jail District and Highway Construction Advancement Revenue Bonds were made during 2012.
- 5) Excise tax revenue refunding bonds were issued on October 17, 2017.

Yavapai County
Demographic and Economic Statistics
Last Ten Calendar Years

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2009	211,172	\$ 6,301,415	\$ 29,840	10.2%
2010	211,139	6,141,108	29,086	10.5%
2011	211,138	6,387,827	30,254	10.0%
2012	212,350	6,623,513	31,191	8.8%
2013	215,027	6,936,360	32,258	8.4%
2014	218,405	7,482,253	34,259	6.7%
2015	221,584	7,888,490	35,600	5.6%
2016	225,562	8,199,948	36,353	5.0%
2017	224,000	N/A (1)	N/A (1)	4.6%
2018	227,500	N/A (1)	N/A (1)	4.4%

Source: Population and personal income through 2016 obtained from the U.S. Department of Commerce, Bureau of Economic Analysis. Population for 2017, 2018 and unemployment rates obtained from the Arizona Department of Administration, Office of Economic Opportunity.

- 1) Personal income and per capita personal income were not available for 2017 and 2018.

Yavapai County
Principal Employers
Current Year and Nine Years Ago

<u>Employer</u>	2018			2009		
	<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 Regional Medical Center	1,722	1	1.74%	1,491	2	1.65%
Yavapai County	1,493	2	1.50%	1,505	1	1.67%
Veterans Medical Center	1,050	3	1.06%	823	4	0.91%
Walmart	1,000	4	1.01%	806	5	0.89%
Freeport McMoran Copper Mine	971	5	0.98%	800	6	0.89%
Verde Valley Medical Center	952	6	0.96%	850	3	0.94%
Humboldt Unified School District	732	7	0.74%			
State of Arizona	574	8	0.58%	438	10	0.48%
Yavapai College	566	9	0.57%	726	8	0.80%
Embry-Riddle Aeronautical University	540	10	0.54%			
Prescott Unified School District				754	7	0.83%
City of Prescott				504	9	0.56%
Totals	<u>9,600</u>		<u>9.68%</u>	<u>8,697</u>		<u>9.62%</u>
Total Employment in Yavapai County	99,228		100.00%	90,334		100.00%

Source: Yavapai College and the Arizona Department of Administration, Office of Economic Opportunity.

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

Function	Fiscal Year									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General government	571	551	539	559	589	599	622	620	629	629
Public safety	560	531	536	515	535	544	540	556	572	566
Highways and streets	114	108	101	100	105	102	108	111	108	104
Sanitation	14	13	13	11	12	12	12	12	12	12
Health	140	138	138	135	133	133	146	158	150	146
Welfare	6	6	4	5	5	4	6	6	6	6
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Education	31	29	33	33	35	30	28	31	34	30
Capital outlay	2	3	3	3	-	-	-	-	-	-
Long Term Care	55	55	48	-	-	-	-	-	-	-
Total	1,493	1,434	1,415	1,361	1,414	1,424	1,462	1,494	1,511	1,493

Source: Yavapai County payroll records.

Yavapai County
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government										
Elections										
Elections	4	4	4	5	4	3	2	6	3	3
Number voting	164,073	106,559	151,515	66,953	165,625	65,363	120,592	157,489	172,057	98,899
Development Services										
Building permits issued	2,887	2,854	2,521	2,432	2,737	3,200	3,198	3,336	3,403	3,668
Inspections performed	13,645	9,975	9,532	9,516	8,800	11,568	11,721	10,922	10,573	13,058
Assessor										
Parcels assessed	163,236	163,273	170,330	170,306	169,314	169,089	169,494	170,186	171,189	171,725
New subdivisions	51	25	16	33	15	39	41	47	44	53
Public safety										
Sheriff										
Inmate population	5,970	6,475	6,470	6,942	7,060	6,410	5,835	6,139	6,641	6,411
Adult Probation										
Probationers actively supervised	2,287	2,116	1,940	1,854	1,860	1,980	2,106	2,275	2,294	2,449
Community restitution hours	79,465	63,245	50,500	46,858	50,043	53,614	70,668	83,156	101,700	83,843
Restitution collected	\$ 793,687	\$ 777,528	\$ 717,672	\$ 579,926	\$ 585,079	\$ 733,119	\$ 694,045	\$ 810,589	\$ 719,516	\$ 706,952
Presentence reports written for courts	762	636	532	531	548	651	328	296	314	339
Juvenile Probation										
Juveniles brought to detention	1,123	1,119	998	955	800	954	888	799	812	755
Average length of detention (days)	12	12	31	15	14	13	13	14	15	16
Probationers	736	742	648	596	556	493	451	450	539	549
Community restitution hours	13,204	19,578	16,350	15,203	12,956	12,527	8,296	9,298	9,647	5,139
Highways and streets										
Public Works										
Crack sealing (miles)	24	40	78	54	37	14	40	39	111	132
Street resurfacing (miles)	36	30	26	33	37	21	47	44	81	90
Sanitation										
Landfill/Environment										
Transfer station refuse collected (tons)	3,296	2,956	2,772	2,853	2,564	3,059	3,407	3,377	3,991	4,752
Waste tires collected	118,506	122,987	129,318	125,880	127,417	129,675	133,618	149,989	140,206	146,410
Health										
Health Care										
Certified copies of death certificates issued	16,029	15,343	16,515	13,409	13,045	12,932	17,152	17,003	14,540	17,771
Childhood immunization visits	3,929	3,008	2,509	2,518	3,378	3,156	3,000	2,338	2,221	1,929
Restaurant inspections and re-inspections	4,226	4,113	4,063	3,793	4,413	4,256	5,864	3,237	3,324	4,051
Welfare										
Public Fiduciary										
Guardianships/conservatorships	78	90	85	88	91	95	84	102	106	97
Education										
School Superintendent										
School districts	25	25	25	25	25	25	25	25	25	25
District students	23,243	22,834	22,237	21,673	21,566	21,122	18,356	20,482	20,177	20,285
Charter schools	29	28	30	31	28	28	23	22	20	19
Charter students	3,446	3,954	3,402	3,529	3,578	4,175	6,808	3,583	4,337	4,304
Culture and recreation										
Parks & Recreation										
Park use permits issued	9	9	9	11	12	11	11	13	20	12

Source: Various Yavapai County departments.

Yavapai County
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government										
Superior Courts										
Divisions	10	10	10	10	10	10	10	10	10	10
Public safety										
Sheriff										
Inmate beds available (including portable)	916	773	794	794	794	600	600	664	664	658
Jail facilities	2	2	2	2	2	2	2	2	2	2
Stations	12	12	12	12	12	12	11	11	11	11
Improvement Districts										
Flood warning sites	80	80	83	88	92	97	98	100	101	104
Flood Control District properties	232	232	235	241	242	240	242	242	242	243
Highways and streets										
Public Works										
Miles of paved roads	771	773	779	782	783	785	787	796	798	803
Bridges	18	18	18	15	15	15	16	17	18	18
Sanitation										
Landfill/Environment										
Transfer stations	7	7	7	7	8	8	8	8	8	8
Health										
Health Care										
Public health facilities	3	3	3	4	4	4	4	4	4	4
Culture and recreation										
Parks & Recreation										
County parks	11	11	11	11	11	11	11	11	11	11

Source: Various Yavapai County departments.

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