

Yavapai County, Arizona



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2009

**Yavapai County, Arizona
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2009**



Board of Supervisors

Carol Springer, District 1

A.G. "Chip" Davis, District 3

Thomas Thurman, District 2

Prepared by Yavapai County
Finance Department

YAVAPAI COUNTY
Comprehensive Annual Financial Report
Year Ended June 30, 2009

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INTRODUCTORY SECTION



Yavapai County Finance Department

JOHN D. ZANDER, CPA

FINANCE DIRECTOR

December 1, 2009

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, 2009.

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.

Walker & Armstrong LLP, a firm of licensed certified public accountants, have 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, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit; that there was a reasonable basis for rendering an unqualified opinion that Yavapai County's financial statements for the fiscal year ended June 30, 2009, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of the Government

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

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

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

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

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

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

Yavapai County provides a full range of services, including police protection, courts, health services, 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 59 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 80.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Local Economy. Yavapai County has experienced rapid population growth in prior years, increasing 55% to a total of 168,878, from the 1990 to the 2000 census. The Arizona Department of Commerce has estimated Yavapai County's population to be approximately 241,667 in 2010, which is a 43% increase from the 2000 census. Yavapai County has, as most other counties have in the State of Arizona and throughout the nation, experienced a decline of residential construction activity and a reduction of home values. As a result, sales tax collected has declined from the prior year in Yavapai County at a rate of 13%, and it is anticipated to remain at this level for fiscal year 2009/10.

The Arizona Department of Economic Security estimates the average 2009 unemployment rate for Yavapai County at 8.9%, which is a significant increase from the prior year's rate of 4.6%. Yavapai County is the single largest employer in Yavapai County.

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 has been used to construct new, efficient jail facilities and to pay for additional staff and other operating costs of the jail system. The first phase of the jail construction was to increase the size of the Camp Verde Jail Facility by 480 beds. Construction of this phase began in January of 2002 and was completed in the fall of 2003. Total cost was approximately \$20.0 million. Pledged revenue obligations in the amount of \$15.3 were issued to finance the majority of the construction costs. This debt obligation will be paid in full in fiscal year 2011/12.

The Jail District sales tax and the maintenance of effort from the General Fund are inadequate to fund the operation of the jail district. The Board of Supervisors asked the voters of Yavapai County in the November 4, 2008 general election for authorization to increase the Jail District sales tax rate from 1/4 cent to 1/2 cent and this request was voted down. Because the operation of a county jail facility is statutorily required, other resources will be diverted at the direction of the Board of Supervisors in order to fund the operation of the jail district.

In July 2007, the County issued \$25.4 million in variable rate demand highway construction advancement revenue bonds. The bond proceeds will be advanced to the Arizona Department of Transportation (ADOT) to accelerate construction of Arizona State Route 260, which is a component of the state's five year plan. ADOT is required, by Arizona Revised Statutes §11-269.03, to repay the advanced proceeds to the County within a five year period. The interest for the bonds, until paid in full, will be paid from the County's excise tax and state shared sales tax. The actual construction cost to widen State Route 260 was lower than the engineer's estimate and the unexpended funds will be used to retire a portion of the outstanding bonds.

In May 2008, the Board of Supervisors entered into a \$50.0 million capital lease agreement to finance the design and construction of a superior court building next to the Camp Verde jail facility and a juvenile detention facility and two administrative buildings in Prescott. The County's obligation to make the lease payments in the future are subject to annual budget appropriations by the Board of Supervisors. During the current fiscal year, the Board of Supervisors modified this lease agreement and retired \$25 million of the original \$50 million. The Board of Supervisors modified the capital projects, eliminating the construction of the administrative buildings because of the current economic environment.

Cash management policies and practices. Cash temporarily idle during the year was invested in obligations of the Arizona State Treasurer's investment pool, specified state and local government bonds, and interest-earning investments such as savings accounts, certificates of deposit and repurchase agreements in eligible depositories. The average yield on investments for the fiscal year ended 2009 was 1.26 percent.

Risk management. The County is covered by three public entity risk pools: the Arizona Counties Property and Casualty Pool, the Arizona Counties Worker's Compensation Pool, and the Yavapai Combined Trust. Additional information on the County's risk management activity can be found in Note 7 of the notes to the financial statements.

Pension. The County participates in four retirement plans: The Arizona State Retirement System, the Public Safety Personnel Retirement System, the Correctional Officer Retirement Plan, and the Elected Officials Retirement Plan. Note 9 of the notes to financial statements contain information about the types of employees covered, the County's liability, and general information about the individual plans.

Government Finance Officers Association

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, 2008. 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 Walker & Armstrong LLP, Certified Public Accountants and the Arizona State Auditor General's Office. I also wish to thank the Board of Supervisors for their dedicated oversight of the financial condition of the County and their support for our efforts to improve its financial operations.

Respectfully submitted,



John D. Zander
Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Yavapai County
Arizona

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

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

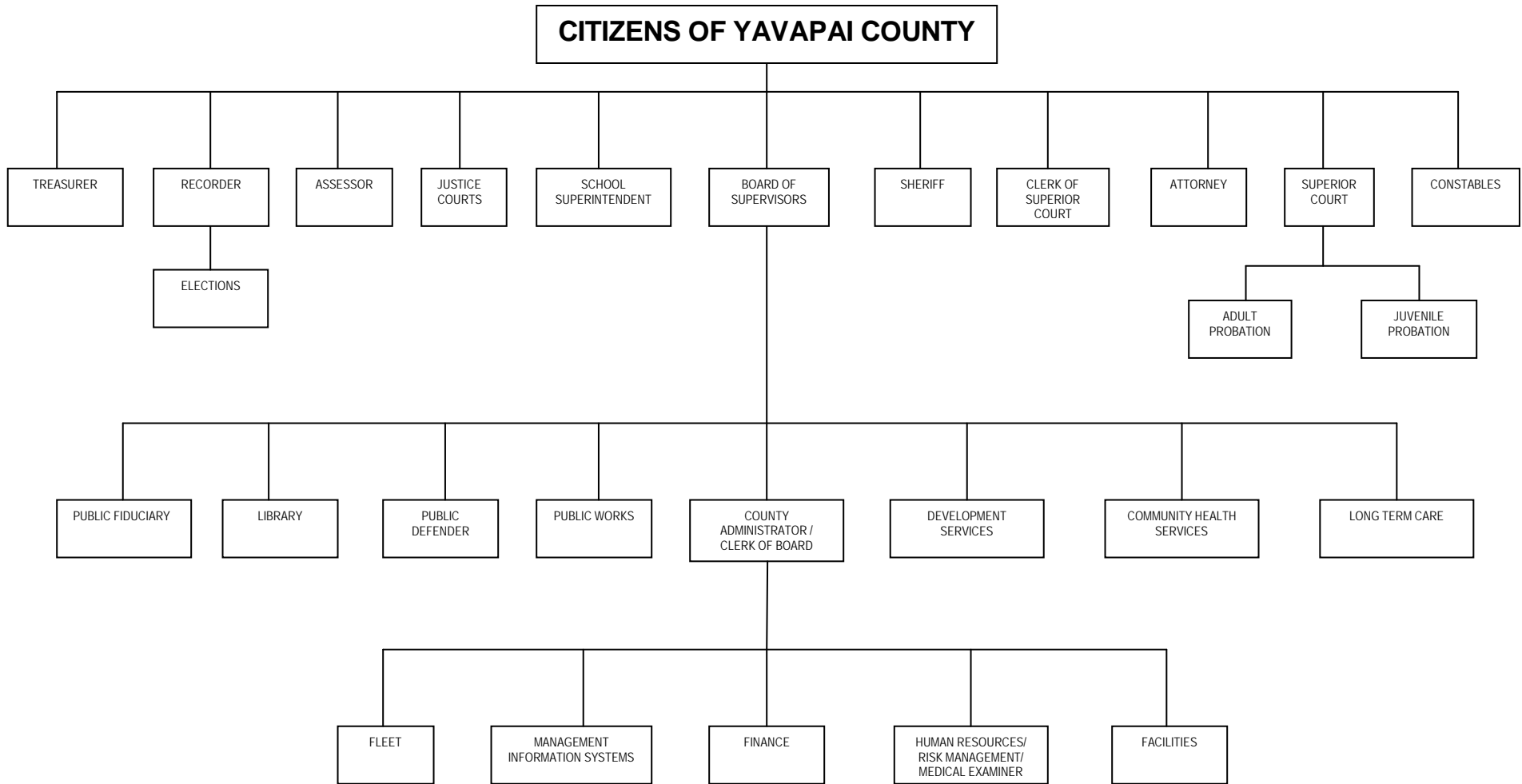


President

Executive Director

YAVAPAI COUNTY

Organizational Chart



Yavapai County Officials

BOARD OF SUPERVISORS

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

♦ ♦ ♦

CLERK OF THE BOARD

Julie Ayers

♦ ♦ ♦

COUNTY ADMINISTRATOR

Julie Ayers

♦ ♦ ♦

FINANCE DIRECTOR

John D. Zander

FINANCIAL SECTION

Independent Auditor's Report

The Auditor General of the State of Arizona

Board of Supervisors of
Yavapai County, Arizona

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Yavapai County, Arizona ("Yavapai County") as of and for the year ended June 30, 2009, which collectively comprise Yavapai County's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of Yavapai County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the long-term care fund, which represents 100% of the assets and revenues of the business-type activities and enterprise fund. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the business-type activities and enterprise fund, is based solely on the report of the other auditors.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Yavapai County as of June 30, 2009, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

The Management's Discussion and Analysis (MD&A) on pages 11 through 19, the Schedule of Agent Retirement Plans' Funding Progress on page 65, and the Budgetary Comparison Schedules on pages 59 through 64 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Yavapai County's basic financial statements. The introductory section, combining and individual fund statements and schedules, capital asset schedules, and statistical section 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 and capital asset schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on them.

In connection with our audit, nothing came to our attention that caused us to believe that Yavapai County failed to use highway user revenue fund monies received by Yavapai County pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2, and any other dedicated state transportation revenues received by Yavapai County solely for the authorized transportation purposes. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2009, on our consideration of Yavapai 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Walker & Armstrong LLP
Phoenix, Arizona
December 9, 2009

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, 2009. 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.

Financial Highlights

- The assets of Yavapai County exceeded its liabilities at the close of the most recent fiscal year by \$300,019,731 (net assets). Of this amount, \$65,958,846 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, Yavapai County's governmental funds reported combined ending fund balances of \$108,515,772, which is a decrease of \$36,123,702 in comparison with the prior year. This decrease is primarily due to a renegotiated capital lease agreement and returning \$25,000,000 of the unexpended principal lease to the lenders.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$1,930,336 or 2.51% of total general fund expenditures.
- Yavapai County's total long-term liabilities decreased a net \$27,561,080 during the current fiscal year. The key factor for the decrease is the renegotiated capital lease agreement and the repayment of the principal lease amount of \$25,000,000.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Yavapai County's basic financial statements. Yavapai County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of Yavapai County's finances, in a manner similar to a private sector business.

The statement of net assets presents information on all of Yavapai County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Yavapai County is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused paid-time-off leave).

Both of the government-wide financial statements distinguish functions of Yavapai County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The governmental activities of Yavapai County include general government, public safety, highways and streets, sanitation, health, welfare, culture and recreation, and education. The Yavapai Long Term Care Division comprises the business-type activities of Yavapai County.

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

Yavapai County

Management's Discussion and Analysis

The government-wide financial statements can be found on pages 22 - 23 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Yavapai County, like other state and local governments uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of Yavapai County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Yavapai County maintains numerous individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for eight funds considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

Proprietary funds. Yavapai County maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Yavapai County uses an enterprise fund to account for its Long-Term Care Division.

The basic proprietary fund financial statements can be found on pages 31 - 33 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Yavapai County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary funds financial statements can be found on pages 34 - 35 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 36 - 58 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 59 - 65 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 68 - 108 of this report.

Yavapai County Management's Discussion and Analysis

Government-wide Financial Analysis

Net Assets. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Yavapai County, assets exceeded liabilities by \$300.0 million at the close of the most recent fiscal year.

	Net Assets (in millions)					
	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 113.5	\$ 93.8	\$ 6.6	\$ 8.0	\$ 120.1	\$ 101.8
Restricted assets	28.2	71.4	-	-	28.2	71.4
Capital assets	234.9	239.0	0.2	0.2	235.1	239.2
Total assets	376.6	404.2	6.8	8.2	383.4	412.4
Long-term liabilities outstanding	65.5	93.1	-	-	65.5	93.1
Other liabilities	14.0	13.6	3.9	4.2	17.9	17.8
Total liabilities	79.5	106.7	3.9	4.2	83.4	110.9
Net assets:						
Invested in capital assets, net of related debt	223.3	229.1	0.2	0.2	223.5	229.3
Restricted	7.9	3.7	2.7	3.8	10.6	7.5
Unrestricted	65.9	64.7	-	-	65.9	64.7
Total net assets	\$ 297.1	\$ 297.5	\$ 2.9	\$ 4.0	\$ 300.0	\$ 301.5

By far the largest portion of Yavapai County's net assets (75%) reflects its investment in capital assets (e.g. land, buildings, equipment, infrastructure, construction in progress), less any related debt and accumulated depreciation used to acquire those assets that is still outstanding. 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 and business-type activities current and other assets has increased \$19.7 million and decreased \$1.4 million, respectively, from the previous year. Governmental activities assets increased due to an increase in cash and cash equivalents as a result of the delay of major capital expenditures and an intergovernmental receivable from the Arizona Department of Transportation (ADOT). Business-type activities assets decreased primarily due to a \$1.5 million transfer to the General fund. Governmental activities liabilities decreased \$27.2 million from the previous year primarily due to a principal lease reduction of \$25.0 million and scheduled principal payments of \$2.0 million, a decrease of accounts payable of \$0.3 million and an increase in unearned revenue of \$0.6 million. Business-type activities other liabilities decreased \$0.3 million from the previous year, which is a result of a decrease in medical claims payable.

Approximately 3.5% of Yavapai County's net assets represent resources that are subject to external restrictions on how they may be used. Restricted net assets increased \$3.1 million from the previous year. This increase is primarily due to an increase for road maintenance. The remaining balance of unrestricted net assets (\$65.9 million) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year Yavapai County is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

The decrease in total net assets of \$0.4 million, related to governmental activities, is primarily due to postponing replacement of capital assets during the fiscal year because of the economic environment. This decrease is offset by an increase in capital expenditures for the construction of a new Superior Court building.

The decrease in restricted assets for governmental activities of \$43.2 million is primarily related to the use of restricted cash equivalents for the construction activity of State Route 260 and the \$25 million repayment of principal on the capital lease agreement.

Yavapai County

Management's Discussion and Analysis

Changes in Net Assets. Already noted was the statement of activities purpose in presenting information in how the government's net assets changed during the most recent fiscal year. A chart of changes in net assets follows. For the fiscal year, net assets decreased \$1.5 million, primarily coming from business-type activities. The decrease in assets in business-type activities is related to a transfer from the long term care services to the general fund. The basis of accounting used in the government-wide statement of activities excludes capital outlay while its revenues include taxes that are used, in part, for the construction of those assets.

	Changes in Net Assets					
	(in millions)					
	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues						
Program revenues:						
Charges for services	\$ 15.7	\$ 17.3	\$ 42.9	\$ 37.7	\$ 58.6	\$ 55.0
Operating grants and contributions	34.0	32.4	-	-	34.0	32.4
Capital grants	.6	2.3	-	-	.6	2.3
General revenues:						
Property taxes	50.9	46.0	-	-	50.9	46.0
Sales taxes	42.6	49.0	-	-	42.6	49.0
Vehicle license tax	10.3	11.6	-	-	10.3	11.6
Miscellaneous and investment earnings	10.4	15.2	.1	.4	10.5	15.6
Total revenues	<u>164.5</u>	<u>173.8</u>	<u>43.0</u>	<u>38.1</u>	<u>207.5</u>	<u>211.9</u>
Expenses						
General government	54.8	56.5	-	-	54.8	56.5
Public safety	50.7	49.0	-	-	50.7	49.0
Highways and streets	26.8	25.5	-	-	26.8	25.5
Sanitation	1.7	1.9	-	-	1.7	1.9
Health	12.7	11.5	-	-	12.7	11.5
Welfare	11.5	10.8	-	-	11.5	10.8
Culture and recreation	.2	.2	-	-	.2	.2
Education	4.6	4.7	-	-	4.6	4.7
Interest on long-term debt	3.4	1.5	-	-	3.4	1.5
Long Term Care	-	-	42.6	37.8	42.6	37.8
Total expenses	<u>166.4</u>	<u>161.6</u>	<u>42.6</u>	<u>37.8</u>	<u>209.0</u>	<u>199.4</u>
Increase (decrease) in net assets before transfers	(1.9)	12.2	.4	.3	(1.5)	12.5
Transfers	1.5	1.5	(1.5)	(1.5)	-	-
Increase (decrease) in net assets	<u>(.4)</u>	<u>13.7</u>	<u>(1.1)</u>	<u>(1.2)</u>	<u>(1.5)</u>	<u>12.5</u>
Net assets, July 1,	297.5	283.8	4.0	5.2	301.5	289.0
Net assets, June 30	<u>\$ 297.1</u>	<u>\$ 297.5</u>	<u>\$ 2.9</u>	<u>\$ 4.0</u>	<u>\$ 300.0</u>	<u>\$ 301.5</u>

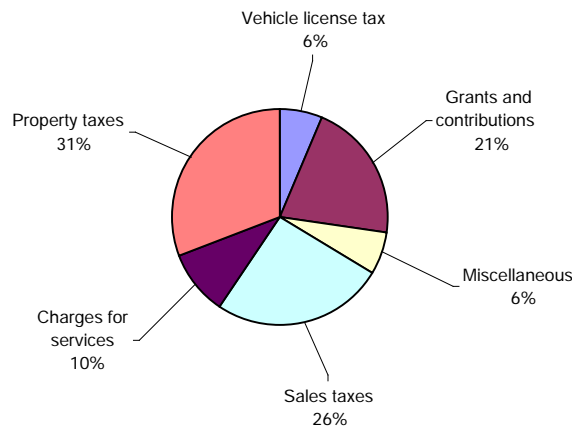
Yavapai County Management's Discussion and Analysis

Governmental activities.

Governmental activities revenues totaled \$164.5 million for fiscal year 2009. 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 tax. Overall sales tax decreased by \$6.4 million in the current fiscal year due to a decrease in sales activity and a declining local economy. The County excise tax and the Jail District tax decreased by \$2.3 million and \$1.1 million respectively. State-shared sales tax, the largest component of sales tax, decreased by over \$3.0 million.
- Property taxes increased by \$4.9 million during the year. This increase is attributable to increased property values (19.6%) while the property tax rate decreased (-10.5%).
- Operating grants and contributions have increased \$1.6 million from the previous year. This is primarily due to an increase of federal funds for payment in lieu of taxes (\$0.8 million) and the Workforce Investment Act (\$0.8 million).
- Capital grants and contributions decrease \$1.7 million because of the completion of Sedona Airport improvements in the prior year.
- Charges for services decreased \$1.6 million primarily due to a decline in residential and commercial construction activity from the prior year.

Revenues by Source - Governmental Activities

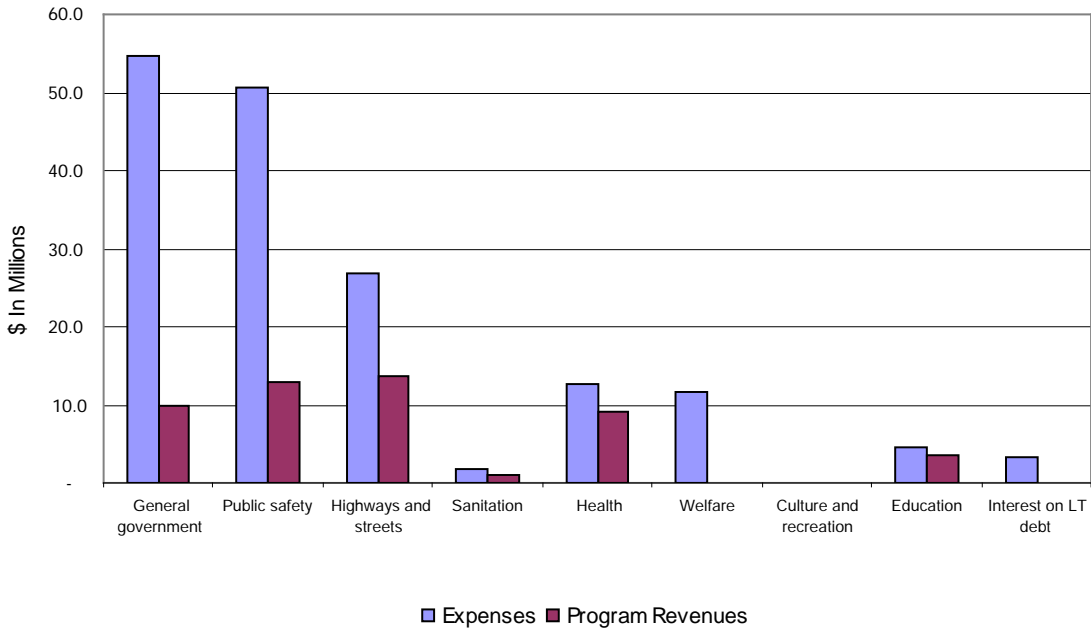


Expenses

Governmental activities expenses increased \$4.8 million from the previous fiscal year. The increases are in public safety \$1.7 million, highways and streets \$1.3 million, health \$1.2 million and interest on long term debt \$1.9 million. The public safety amount is due to expansion of flood control projects, highways and streets is the completion of the State Route 260 project. The increase in health is due to additional health services for uninsured citizens and interest on long term debt is a result of the capital lease purchase agreement. These increases are offset primarily by a reduction of expenditures in the general government \$(1.7) million due to a reduction of workforce. The other functional expenses include increase to welfare \$0.7 million, and a decrease to sanitation \$(0.2) million.

Yavapai County Management's Discussion and Analysis

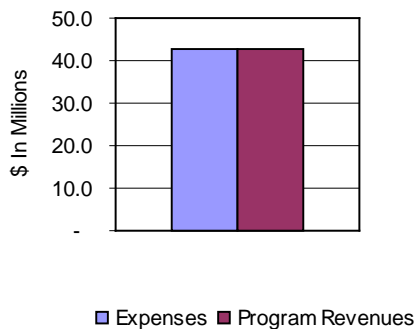
Expenses and Program Revenues - Governmental Activities



Business-type activities Business-type activities consist solely of the Yavapai County Long Term Care Division (“Division”). The Division operates a prepaid health program for qualified persons of Yavapai County within the State of Arizona. The Program provides hospitalization, medical care, managed institutional care, and home and community based long-term care for physically disabled and elderly persons. The funds used to carry out the Division’s program are provided by the State of Arizona under its Arizona Long Term Care System administered by the Arizona Health Care Cost Containment System (AHCCCS). The funding sources include federal, state and county monies that are paid to the Division on a capitation basis.

Revenues and expenditures increased 13% from the previous year due to an increase in the number of patients served.

Expenses and Program Revenues-
Business-type Activities



Yavapai County Management's Discussion and Analysis

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, unreserved 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 \$108,515,772, which is a decrease of \$36,123,702 in comparison with the prior year. This change is primarily attributable to the reduction of the lease agreement of \$25,000,000 and the completion of the State Route 260 of \$11,555,027. The reserve fund balance consists of \$18,490,042 for capital projects, \$1,943,932 for debt service, \$461,099 for prepaid items and \$437,202 for inventory.

The General Fund is the chief operating fund of Yavapai County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$1,930,336, which is \$502,763 greater than the previous fiscal year. This increase is primarily due to a labor force reduction.

In addition to the General Fund, Yavapai County is reporting seven funds as major funds. These funds are the Jail District with a year-end unreserved fund balance of \$9,798, Jail District Debt Service with a year-end reserved fund balance of \$2,413, Regional Road with a year-end unreserved fund balance of \$30,067,145, Regional Road Debt Service with a reserved fund balance of \$1,361,954, HURF Road with a year-end reserved and unreserved fund balance of \$270,964 and \$5,748,680, respectively, Capital Projects with a year-end reserved and unreserved fund balance of \$18,490,042 and \$27,040,504, respectively, and Capital Projects Debt Service with a reserved fund balance of \$1,189.

The Jail District fund balance decreased \$473,651 from the previous year. This is primarily due to the decline of the Jail District sales tax revenue of \$1,123,236 from the previous year. As a result, the Sheriff recommended and the Board of Supervisors approved the closure of the Prescott jail facility to reduce expenditures. The Regional Road fund balance decreased \$10,602,072 from the prior year due to the completion of the widening of State Route 260. The HURF Road fund balance increased \$2,898,835 from the prior year due to reduction of expenditures of \$3,909,319 and is offset by the reduction of HURF revenues of \$1,345,097. The Capital Projects fund balance decreased \$33,084,829 from the prior year. This decrease is due to the revision of the capital lease and the repayment of the \$25,000,000 principal and the construction of a new Superior Court building.

Proprietary fund. Yavapai County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Restricted net assets of the Long Term Care Division at the end of the year amounted to \$2,697,563, which is a decrease of \$1,084,119 over the prior fiscal year. This decrease is primarily due to increased medical expenditures of 13.8%. Other factors concerning the finances of this fund have already been addressed in the discussion of Yavapai County's business-type activities.

Yavapai County Management's Discussion and Analysis

Capital Asset and Debt Administration

Capital Assets. Yavapai County's investment in capital assets for its governmental and business-type activities as of June 30, 2009, amounts to \$235.2 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, infrastructure and construction in progress. In addition, roads and highways constructed in the fiscal year ended June 30, 2009, or in progress at that date, are included in capital assets.

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 50.8	\$ 50.4	\$	\$	\$ 50.8	\$ 50.4
Buildings	39.4	40.8			39.4	40.8
Equipment	12.7	16.0	.2	.2	12.9	16.2
Infrastructure	115.1	120.7			115.1	120.7
Construction in progress	17.0	11.1			17.0	11.1
Total	\$ 235.0	\$ 239.0	\$.2	\$.2	\$ 235.2	\$ 239.2

Additional information on Yavapai County's capital assets can be found in Note 4 on page 45 of this report.

Long-term debt

Bonded debt. At the end of the current fiscal year, Yavapai County had total bonded debt outstanding of \$31,270,905. Of this amount, \$25,000,000 are highway construction advancement pledged revenue obligations, secured by the County's excise tax and state shared sales taxes to advance the widening of State Route 260 by ADOT, \$5,165,000 represents pledged revenue obligations of the Yavapai County Jail District, which are secured by a dedicated excise tax of ¼ cent, and \$1,105,905 represents debt of various special assessment districts, which is secured by pledges of revenues from special assessments levied against benefiting property owners.

Yavapai County's Outstanding Bonds

(in millions)

	2009	2008
Highway Construction Advancement Pledged Revenue Obligations	\$ 25.0	\$ 25.4
Jail District Pledged Revenue Obligations	5.2	6.7
Special Assessment Debt Payable	1.1	1.2
Total	\$ 31.3	\$ 33.3

Yavapai County's debt decreased \$2,075,356 during the current fiscal year due to the principal payments for the Jail District bonds of \$1,590,000, State Route 260 bonds of \$375,000 and special assessment bonds of \$110,356. Standard & Poor's rating service has assigned a long-term rating of "AA-" for the Jail District revenue bonds, which are insured for the payment of principal and interest with Ambac Assurance, Ambac Financial Group, Inc. The ratings for the short-term highway construction advancement revenue bonds are based on the line of credit bank (Helaba Bank). Standard & Poor's has assigned a short term rating of "A1-" to the highway construction advancement revenue obligations.

Yavapai County

Management's Discussion and Analysis

State statutes limit the amount of general obligation debt a county may issue to 6 percent of its total assessed valuation. The current debt limitation for the County is \$177,275,924. Since the County has no general obligation debt, this amount equals the debt capacity. Additional information on long-term debt can be found in the Notes to the Financial Statements on pages 46-49 of this report.

Long-term capital lease. At the end of the prior fiscal year the County entered into a long term lease agreement in the amount of \$50 million for a period of twenty years with an interest rate of 4.45%. The lease agreement was renegotiated in June 2009 for \$25 million and is secured by a ground lease for the construction of a juvenile facility and superior court building.

Budgetary Highlights

Generally the General Fund's expenditures were significantly less than budget due to the widespread reduction in expenditures based on the County' efforts to cut costs in many areas in light of the weakened economy.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Yavapai County is currently 8.9 percent, which has increased from 4.6 percent a year ago. This is 0.6 percent higher than the state's average unemployment rate of 8.3 percent.
- Economic trends in Yavapai County are comparable to national indices.
- Yavapai County is a political subdivision of the State of Arizona. Due to the current State of Arizona economic environment, the State may impose additional expenditures or reduce revenues to Yavapai County for the current and future fiscal years.

These factors were considered in preparing Yavapai County's budget for the 2009/10 fiscal year. The unreserved ending fund balance in the general fund of \$1,930,336 was appropriated for spending in the 2009/10 fiscal year budget.

Requests for Information

This financial report is designed to provide a greater overview of Yavapai County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 1015 Fair Street, Prescott, Arizona 86305.

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BASIC FINANCIAL STATEMENTS

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Yavapai County
Statement of Net Assets
June 30, 2009

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 81,945,345	\$ 5,682,996	\$ 87,628,341
Receivables:			
Property taxes	2,322,331	-	2,322,331
Special assessments	884,100	-	884,100
Accounts	733,107	-	733,107
Internal balances	142,419	(142,419)	-
Due from other governments	26,270,266	1,022,595	27,292,861
Inventories	437,202	-	437,202
Prepaid items	461,099	-	461,099
Deferred charges	271,532	-	271,532
Cash equivalents - restricted	28,206,652	-	28,206,652
Capital assets, not being depreciated	67,811,295	-	67,811,295
Capital assets, being depreciated, net	167,150,958	200,204	167,351,162
Total assets	<u>376,636,306</u>	<u>6,763,376</u>	<u>383,399,682</u>
Liabilities			
Accounts payable	4,713,887	39,396	4,753,283
Accrued payroll and employee benefits	4,214,833	314,110	4,528,943
Bonds payable	1,625,355	-	1,625,355
Interest payable	314,209	-	314,209
Due to other governments	-	549,051	549,051
Medical claims payable	-	2,963,052	2,963,052
Unearned revenue	3,098,780	-	3,098,780
Noncurrent liabilities:			
Due within one year	7,519,014	-	7,519,014
Due in more than one year	58,028,264	-	58,028,264
Total liabilities	<u>79,514,342</u>	<u>3,865,609</u>	<u>83,379,951</u>
Net Assets			
Invested in capital assets, net of related debt	223,287,295	200,204	223,487,499
Restricted for:			
Highways and streets	5,931,891	-	5,931,891
Health and welfare	-	2,697,563	2,697,563
Debt service	1,943,932	-	1,943,932
Unrestricted	65,958,846	-	65,958,846
Total net assets	<u>\$ 297,121,964</u>	<u>\$ 2,897,767</u>	<u>\$ 300,019,731</u>

See accompanying notes to financial statements.

Yavapai County
Statement of Activities
Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue & Changes in Net Assets		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary Government:							
Governmental activities:							
General government	\$ 54,763,915	\$ 4,437,362	\$ 5,575,357	\$ -	\$ (44,751,196)	\$ -	\$ (44,751,196)
Public safety	50,648,123	5,719,713	7,200,533	-	(37,727,877)	-	(37,727,877)
Highways and streets	26,824,721	605,925	12,570,543	556,609	(13,091,644)	-	(13,091,644)
Sanitation	1,686,935	419,003	514,411	-	(753,521)	-	(753,521)
Health	12,728,257	4,089,897	4,951,861	-	(3,686,499)	-	(3,686,499)
Welfare	11,468,732	-	-	-	(11,468,732)	-	(11,468,732)
Culture and recreation	252,328	-	9,203	-	(243,125)	-	(243,125)
Education	4,656,691	460,598	3,142,454	-	(1,053,639)	-	(1,053,639)
Interest on long-term debt	3,382,649	-	-	-	(3,382,649)	-	(3,382,649)
Total governmental activities	<u>166,412,351</u>	<u>15,732,498</u>	<u>33,964,362</u>	<u>556,609</u>	<u>(116,158,882)</u>	<u>-</u>	<u>(116,158,882)</u>
Business-type activities:							
Long Term Care	<u>42,630,543</u>	<u>42,899,640</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>269,097</u>	<u>269,097</u>
Total business-type activities	<u>42,630,543</u>	<u>42,899,640</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>269,097</u>	<u>269,097</u>
Total primary government	<u>\$ 209,042,894</u>	<u>\$ 58,632,138</u>	<u>\$ 33,964,362</u>	<u>\$ 556,609</u>	<u>(116,158,882)</u>	<u>269,097</u>	<u>(115,889,785)</u>
General revenues:							
Property taxes, levied for general purposes					46,450,835	-	46,450,835
Property taxes, levied for flood control					4,486,233	-	4,486,233
Sales tax—Jail construction and operation					6,829,627	-	6,829,627
Shared revenue—state sales tax					35,793,919	-	35,793,919
Shared revenue—state vehicle license tax					10,332,569	-	10,332,569
Franchise taxes					300,793	-	300,793
Lottery (intergovernmental, unrestricted)					522,533	-	522,533
Investment earnings					2,055,193	136,335	2,191,528
Gain on disposal of capital assets					771,658	-	771,658
Miscellaneous					6,703,947	34,554	6,738,501
Transfers					<u>1,500,000</u>	<u>(1,500,000)</u>	<u>-</u>
Total general revenues and transfers					<u>115,747,307</u>	<u>(1,329,111)</u>	<u>114,418,196</u>
Changes in net assets					(411,575)	(1,060,014)	(1,471,589)
Net assets, July 1, 2008					<u>297,533,539</u>	<u>3,957,781</u>	<u>301,491,320</u>
Net assets, June 30, 2009					<u>\$ 297,121,964</u>	<u>\$ 2,897,767</u>	<u>\$ 300,019,731</u>

See accompanying notes to financial statements.

Yavapai County
Balance Sheet
Governmental Funds
June 30, 2009

Assets	General	Jail District	Jail District Debt Service	Regional Road
Cash and cash equivalents	\$ 1,977,509	\$ -	\$ 2,413	\$ 22,435,782
Receivables:				
Property taxes	1,846,305	-	-	-
Special assessments	-	-	-	-
Accounts	220,385	16,823	-	51,539
Due from:				
Other funds	1,669,213	1,277,834	-	-
Other governments	4,461,516	859,796	-	286,909
Inventories	166,238	-	-	-
Prepaid items	449,154	-	-	-
Cash equivalents - restricted	-	-	1,729,505	7,598,764
Total assets	\$ 10,790,320	\$ 2,154,453	\$ 1,731,918	\$ 30,372,994
 Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 637,951	\$ 244,564	\$ -	\$ 293,789
Accrued payroll and employee benefits	2,392,830	503,287	-	12,060
Due to other funds	1,676,894	1,396,804	-	-
Interest payable	-	-	139,505	-
Principal payable	-	-	1,590,000	-
Deferred revenue	3,536,917	-	-	-
Total liabilities	8,244,592	2,144,655	1,729,505	305,849
Fund balances:				
Reserved for:				
Inventories	166,238	-	-	-
Prepaid items	449,154	-	-	-
Debt service	-	-	2,413	-
Capital projects	-	-	-	-
Unreserved, reported in				
General fund	1,930,336	-	-	-
Special revenue funds	-	9,798	-	30,067,145
Capital projects funds	-	-	-	-
Total fund balances	2,545,728	9,798	2,413	30,067,145
Total liabilities and fund balances	\$ 10,790,320	\$ 2,154,453	\$ 1,731,918	\$ 30,372,994

See accompanying notes to financial statements.

Regional Road Debt Service	HURF Road	Capital Projects	Capital Projects Debt Service	Other Governmental Funds	Total Governmental Funds
\$ 1,044,609	\$ 5,858,507	\$27,721,403	\$ 1,189	\$ 22,903,933	\$ 81,945,345
-	-	-	-	476,026	2,322,331
-	-	-	-	884,100	884,100
-	13,798	43,694	-	386,868	733,107
-	28,385	330,717	-	613,075	3,919,224
-	1,236,906	-	-	2,023,903	8,869,030
-	270,964	-	-	-	437,202
-	-	-	-	11,945	461,099
317,345	-	18,490,042	-	70,996	28,206,652
<u>\$ 1,361,954</u>	<u>\$ 7,408,560</u>	<u>\$46,585,856</u>	<u>\$ 1,189</u>	<u>\$ 27,370,846</u>	<u>\$ 127,778,090</u>
\$ -	\$ 1,022,301	\$ 1,031,810	\$ -	\$ 1,483,472	\$ 4,713,887
-	324,543	6,696	-	975,417	4,214,833
-	42,072	16,804	-	644,231	3,776,805
-	-	-	-	35,641	175,146
-	-	-	-	35,355	1,625,355
-	-	-	-	1,219,375	4,756,292
-	1,388,916	1,055,310	-	4,393,491	19,262,318
-	270,964	-	-	-	437,202
-	-	-	-	11,945	461,099
1,361,954	-	-	1,189	578,376	1,943,932
-	-	18,490,042	-	-	18,490,042
-	-	-	-	-	1,930,336
-	5,748,680	-	-	22,387,034	58,212,657
-	-	27,040,504	-	-	27,040,504
<u>1,361,954</u>	<u>6,019,644</u>	<u>45,530,546</u>	<u>1,189</u>	<u>22,977,355</u>	<u>108,515,772</u>
<u>\$ 1,361,954</u>	<u>\$ 7,408,560</u>	<u>\$46,585,856</u>	<u>\$ 1,189</u>	<u>\$ 27,370,846</u>	<u>\$ 127,778,090</u>

Yavapai County
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Assets
 June 30, 2009

Fund balances—total governmental funds	\$ 108,515,772
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	234,962,253
Some receivables are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,657,512
Some receivables are not available to pay for current-period expenditures and, therefore, are not accrued in the funds.	17,401,236
Bond issuance costs are recorded as deferred charges, and, therefore, are not reported in the funds.	271,532
Long-term liabilities, including bonds and interest payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(65,686,341)</u>
Net assets of governmental activities	<u><u>\$ 297,121,964</u></u>

See accompanying notes to financial statements.

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Yavapai County
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2009

	General	Jail District	Jail District Debt Service	Regional Road
Revenues:				
Taxes	\$ 48,686,072	\$ 6,829,627	\$ -	\$ 6,150,674
Special assessments	-	-	-	-
Licenses and permits	1,649,751	-	-	605,200
Intergovernmental	32,625,643	-	-	-
Charges for services	1,559,822	1,021,144	-	-
Fines and forfeits	2,656,372	-	-	-
Investment earnings	43,088	14,465	-	365,458
Miscellaneous	369,841	70,611	-	2,003
Total revenues	<u>87,590,589</u>	<u>7,935,847</u>	<u>-</u>	<u>7,123,335</u>
Expenditures:				
Current:				
General government	42,492,843	-	-	-
Public safety	20,889,581	15,992,126	-	-
Highways and streets	-	-	-	16,325,404
Sanitation	1,221,671	-	-	-
Health	-	-	-	-
Welfare	11,465,931	-	-	-
Culture and recreation	58,108	-	-	-
Education	629,964	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	1,590,000	-
Interest and other charges	-	-	280,793	-
Total expenditures	<u>76,758,098</u>	<u>15,992,126</u>	<u>1,870,793</u>	<u>16,325,404</u>
Excess (deficiency) of revenues over expenditures	10,832,491	(8,056,279)	(1,870,793)	(9,202,069)
Other financing sources (uses):				
Sale of capital assets	96,767	-	-	-
Transfers in	2,351,474	9,453,638	1,871,010	-
Transfers out	(12,777,969)	(1,871,010)	-	(1,400,003)
Total other financing sources (uses)	<u>(10,329,728)</u>	<u>7,582,628</u>	<u>1,871,010</u>	<u>(1,400,003)</u>
Net change in fund balances	502,763	(473,651)	217	(10,602,072)
Fund Balances, July 1, 2008	1,911,143	483,449	2,196	40,669,217
Increase in reserve for inventories	51,604	-	-	-
Increase (decrease) in reserve for prepaid items	80,218	-	-	-
Fund Balances, June 30, 2009	<u>\$ 2,545,728</u>	<u>\$ 9,798</u>	<u>\$ 2,413</u>	<u>\$ 30,067,145</u>

See accompanying notes to financial statements.

Regional Road Debt Service	HURF Road	Capital Projects	Capital Projects Debt Service	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 9,503,884	\$ 71,170,257
-	-	-	-	175,450	175,450
-	-	-	-	706,338	2,961,289
-	15,413,228	-	-	20,112,570	68,151,441
-	-	-	-	6,062,501	8,643,467
-	-	-	-	557,586	3,213,958
305,473	49,179	904,467	1,189	371,875	2,055,194
-	351,643	-	-	6,009,199	6,803,297
<u>305,473</u>	<u>15,814,050</u>	<u>904,467</u>	<u>1,189</u>	<u>43,499,403</u>	<u>163,174,353</u>
-	-	-	-	8,800,063	51,292,906
-	-	-	-	13,357,972	50,239,679
-	12,881,393	-	-	510,693	29,717,490
-	-	-	-	326,692	1,548,363
-	-	-	-	12,566,528	12,566,528
-	-	-	-	-	11,465,931
-	-	-	-	61,560	119,668
-	-	-	-	4,010,780	4,640,744
-	-	9,089,987	-	527,885	9,617,872
375,000	-	-	25,000,000	110,356	27,075,356
449,852	-	-	2,567,708	84,296	3,382,649
<u>824,852</u>	<u>12,881,393</u>	<u>9,089,987</u>	<u>27,567,708</u>	<u>40,356,825</u>	<u>201,667,186</u>
(519,379)	2,932,657	(8,185,520)	(27,566,519)	3,142,578	(38,492,833)
-	1,704	673,188	-	-	771,659
1,400,003	-	4,318,068	27,567,708	1,265,910	48,227,811
-	-	(29,890,565)	(39,203)	(749,061)	(46,727,811)
<u>1,400,003</u>	<u>1,704</u>	<u>(24,899,309)</u>	<u>27,528,505</u>	<u>516,849</u>	<u>2,271,659</u>
880,624	2,934,361	(33,084,829)	(38,014)	3,659,427	(36,221,174)
481,330	3,120,809	78,615,375	39,203	19,316,752	144,639,474
-	(35,526)	-	-	-	16,078
-	-	-	-	1,176	81,394
<u>\$ 1,361,954</u>	<u>\$ 6,019,644</u>	<u>\$ 45,530,546</u>	<u>\$ 1,189</u>	<u>\$ 22,977,355</u>	<u>\$ 108,515,772</u>

Yavapai County
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
 Year Ended June 30, 2009

Net change in fund balances—total governmental funds \$ (36,221,174)

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	15,268,412	
Net book value of capital asset disposals	(1,030,225)	
Depreciation expense	(18,263,403)	(4,025,216)

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

Capital lease payments	25,000,000	
Principal repaid on bonds and notes	2,075,356	27,075,356

Certain intergovernmental receivables are recognized in the governmental funds only when available, but are recognized in the Statement of Activities when earned. 11,555,027

Deferred tax revenues are recognized in the governmental funds only when available, but are recognized in the Statement of Activities when earned. 554,764

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available resources. In the Statement of Activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when the financial resources are available.

Decrease in compensated absences	297,171	
Decrease in deferred charges	(72,589)	
Decrease in claims and judgments	328,451	
Increase in arbitrage rebate	(142,218)	
Decrease in interest payable	139,061	
Decrease in landfill closure and postclosure care costs	2,320	552,196

Some cash outlays, such as purchases of inventories, are reported as expenditures in the governmental funds when purchased. In the Statement of Activities, however, they are reported as expenses when consumed.

Increase in inventories	16,078	
Increase in prepaid items	81,394	97,472

Change in net assets of governmental activities \$ (411,575)

See accompanying notes to financial statements.

Yavapai County
Statement of Net Assets
Proprietary Funds
June 30, 2009

	Business-type Activities- Enterprise Fund Long Term Care
Assets	
Current assets:	
Cash and cash equivalents	\$ 5,682,996
Due from other governments	1,022,595
Total current assets	6,705,591
Noncurrent assets:	
Capital assets, net of accumulated depreciation	200,204
Total noncurrent assets	200,204
Total assets	6,905,795
Liabilities	
Current liabilities :	
Accounts payable	39,396
Accrued payroll and employee benefits	314,110
Medical claims payable	2,963,052
Due to other funds	142,419
Due to other governments	549,051
Total current liabilities	4,008,028
Total liabilities	4,008,028
Net Assets	
Invested in capital assets	200,204
Restricted for: Health and welfare	2,697,563
Total net assets	\$ 2,897,767

See accompanying notes to financial statements.

Yavapai County
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
Year Ended June 30, 2009

	Business-type Activities- Enterprise Fund
	Long Term Care
Operating revenues:	
AHCCCS revenues	\$ 42,899,640
Miscellaneous	34,554
Total operating revenues	42,934,194
Operating expenses:	
Medical costs	38,618,710
Administrative costs	3,941,427
Depreciation	70,406
Total operating expenses	42,630,543
Operating income	303,651
Nonoperating revenues:	
Investment earnings	136,335
Income before transfers	439,986
Transfers out	(1,500,000)
Decrease in net assets	(1,060,014)
Total net assets, July 1, 2008	3,957,781
Total net assets, June 30, 2009	\$ 2,897,767

See accompanying notes to financial statements.

Yavapai County
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2009

		Business-Type Activities—
		<u>Enterprise Fund</u>
		<u>Long Term Care</u>
Cash flows from operating activities:		
Cash received from AHCCCS	\$	42,523,325
Cash payments for medical services		(38,087,050)
Cash payments to employees		(2,081,529)
Cash payments to other County funds for goods and services		(893,651)
Cash payments for operating activities		<u>(1,881,561)</u>
Net cash used for operating activities		<u>(420,466)</u>
Cash flows from noncapital financing activities:		
Cash transfers to general fund		<u>(1,500,000)</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets		<u>(94,511)</u>
Cash flows from investing activities:		
Interest received on investments		<u>136,335</u>
Net decrease in cash and cash equivalents		(1,878,642)
Cash and cash equivalents, July 1, 2008		<u>7,561,638</u>
Cash and cash equivalents, June 30, 2009	\$	<u><u>5,682,996</u></u>
Reconciliation of operating income to net cash used for operating activities:		
Operating income	\$	303,651
Adjustments to reconcile operating income to net cash used for operating activities:		
Depreciation		70,406
Changes in assets and liabilities:		
Increase in:		
Due from other governments		(492,780)
Accrued payroll and employee benefits		8,321
Due to other funds		74,368
Due to other governments		81,911
Decrease in:		
Accounts payable		(1,720)
Medical claims		<u>(464,623)</u>
Net cash used for operating activities	\$	<u><u>(420,466)</u></u>

See accompanying notes to financial statements.

Yavapai County
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2009

	Investment Trust Fund	Agency Fund
Assets		
Cash and cash equivalents	\$ 131,645,632	\$ 2,504,677
Total assets	131,645,632	\$ 2,504,677
 Liabilities		
Due to other governments	-	\$ 2,504,677
Total liabilities	-	\$ 2,504,677
 Net Assets		
Held in trust for investment trust participants	\$ 131,645,632	

See accompanying notes to financial statements.

Yavapai County
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Year Ended June 30, 2009

	Investment Trust Fund
Additions:	
Contributions from participants	\$ 513,810,065
Investment earnings	4,526,486
Total additions	518,336,551
Deductions:	
Distributions to participants	523,331,550
Total deductions	523,331,550
Change in net assets	(4,994,999)
Net assets, July 1, 2008	136,640,631
Net assets, June 30, 2009	\$ 131,645,632

See accompanying notes to financial statements.

Yavapai County
Notes to Financial Statements
June 30, 2009

Note 1 - Summary of Significant Accounting Policies

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

For the year ended June 30, 2009, the County implemented the provisions of GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. GASB Statement No. 49 establishes standards for accounting and financial reporting, including note disclosure requirements, for pollution remediation obligations. The implementation of this Statement did not have a material effect on the County's financial statements.

A. Reporting Entity

The County is a general purpose local government that is governed by a separately elected board of three county supervisors. The accompanying financial statements present the activities of the County (the primary government) and its component units.

Component units are legally separate entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are 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.

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

Yavapai County
Notes to Financial Statements
June 30, 2009

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

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

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

Yavapai County
Notes to Financial Statements
June 30, 2009

B. Basis of Presentation

The basic financial statements include both government-wide statements and fund financial statements. The government-wide statements focus on the County as a whole, while the fund financial statements focus on major funds. Each presentation provides valuable information that can be analyzed and compared between years and between governments to enhance the usefulness of the information.

Government-wide statements—provide information about the primary government (the County) and its component units. The statements include a statement of net assets and a statement of activities. These statements report the financial activities of the overall government, except for fiduciary activities. They also distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties.

A statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and segment of its business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The County does not allocate indirect expenses to programs or functions. Program revenues include:

- charges to customers or applicants for goods, services, or privileges provided,
- operating grants and contributions, and
- capital grants and contributions, including special assessments.

Revenues that are not classified as program revenues, including internally dedicated resources and all taxes, are reported as general revenues.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements to minimize the double counting of internal activities. However, charges for interfund services provided and used are not eliminated if the prices approximate their external exchange values.

Fund financial statements—provide information about the County's funds, including fiduciary funds and blended component units. Separate statements are presented for the governmental, proprietary, and fiduciary fund categories. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Fiduciary funds are aggregated and reported by fund type.

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

Yavapai County
Notes to Financial Statements
June 30, 2009

which the parties do not exchange equal values and are considered nonoperating revenues. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. Other expenses, such as interest expense, are considered to be nonoperating expenses.

The County reports the following major governmental funds:

The General Fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Jail District Fund accounts for County jail operations and is funded by a ¼ cent County sales tax.

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

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

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

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

The Capital Projects Fund accounts for major capital projects and is funded by transfers from the general fund.

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

The County reports the following major enterprise fund:

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

Yavapai County
Notes to Financial Statements
June 30, 2009

The County reports the following fiduciary fund types:

The investment trust fund accounts for pooled assets held and invested by the County Treasurer on behalf of other governmental entities.

The agency fund accounts for assets held by the County as an agent for the State, various local governments, and other parties, and for property taxes collected and distributed to the State, local school districts, community college districts, and special districts.

C. Basis of Accounting

The government-wide, proprietary fund and fiduciary fund financial statements are presented using the economic resources measurement focus, with the exception of the agency fund, and the accrual basis of accounting. The agency fund is custodial in nature and does not have a measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Grants and donations are recognized as revenue as soon as all eligibility requirements the provider imposed have been met.

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.

Under the terms of grant agreements, the County funds certain programs by a combination of grants and general revenues. Therefore, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. The County applies grant resources to such programs before using general revenues.

The County's business-type activities and enterprise funds follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements. The County has chosen the option not to follow those FASB Statements and Interpretations issued after November 30, 1989.

Yavapai County
Notes to Financial Statements
June 30, 2009

D. Cash and Investments

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

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

E. Inventories

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

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

F. Prepaid Assets

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both governmental-wide and fund financial statements.

G. Property Tax Calendar

The County levies real and personal property taxes on or before the third Monday in August that become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May.

A lien assessed against real and personal property attaches on the first day of January preceding assessment and levy.

H. Capital Assets

Capital assets are reported at actual cost, or estimated historical cost if historical records are not available. Donated assets are reported at estimated fair value at the time received.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements and proprietary funds are as follows:

Yavapai County
Notes to Financial Statements
June 30, 2009

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land	\$10,000	N/A	N/A
Buildings	\$10,000	Straight-line	20-40 years
Equipment	\$5,000	Straight-line	5 -10 years
Infrastructure	\$10,000	Straight-line	12-75 years
Construction in progress	\$10,000	N/A	N/A

I. Investment Earnings

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

J. Compensated Absences

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

Employees may accumulate up to 764 hours of PTO, depending on years of service, but any PTO hours in excess of the maximum amount are forfeited. Upon termination of employment, all unused and unforfeited PTO benefits are paid to employees. Accordingly, PTO benefits are accrued as a liability in the government-wide financial statements. A liability for these amounts is reported in the governmental funds' financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal year-end.

Employees may accumulate up to 520 hours of catastrophic time (CAT) leave. CAT leave may be used in the case of illness or injury suffered by an employee or employee's immediate family, but only after using at least forty hours of consecutive PTO leave. CAT leave benefits are cumulative but are forfeited upon termination of 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 - 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; interest earning investments such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; and specified commercial paper, bonds, debentures, and notes issued by corporations organized and doing business in the United States. In addition, the County Treasurer may invest trust funds in 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 rated P1 by Moody's investors service or A1 or better by Standard and Poor's rating service.

Yavapai County
Notes to Financial Statements
June 30, 2009

2. Corporate bonds, debentures, and notes must be rated A or better by Moody's investors service or Standard and Poor's rating service.
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 demand deposits, certificates of deposit, and repurchase agreements at 101 percent of all deposits not covered by federal depository insurance.

Concentration of credit risk

Statutes do not include any requirements for concentration of credit risk.

Interest rate risk

Statutes require that public monies invested in securities and deposits have a maximum maturity of 5 years and that public operating fund monies invested in securities and deposits have a maximum maturity of 3 years. Investments in repurchase agreements must have a maximum maturity of 180 days.

Foreign currency risk

Statutes do not allow foreign investments.

Deposits—At June 30, 2009, the carrying amount of the County's deposits was \$8,995,797, and the bank balance was \$31,627,261. The County does not have a formal policy with respect to custodial credit risk.

Investments—The County's investments at June 30, 2009, were as follows:

Investment Type	Amount
State Treasurer's investment pool	\$ 176,172,396
U.S. agency securities	41,206,187
U.S. agency security money market funds	20,669,001
U.S. corporate bond	2,059,186
	\$ 240,106,770

The State Board of Investment provides oversight for the State Treasurer's pools. The fair value of a participant's position in the pool approximates the value of that participant's pool shares, and the participant's shares are not identified with specific investments.

Credit risk— The County does not have a formal investment policy with respect to credit risk. At June 30, 2009, credit risk for the County's investments was as follows:

Investment Type	Rating	Rating Agency	Amount
State Treasurer's Investment Pool 7	Unrated	Not applicable	\$176,172,396
U.S. agency securities	Aaa	Moody's	41,206,187
U.S. agency security money market funds	Aaa	Moody's	20,669,001
U.S. corporate bond	Aaa	Moody's	2,059,186
			\$240,106,770

Yavapai County
Notes to Financial Statements
June 30, 2009

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 the possession of an outside party. Of the County’s total investment, \$28.2 million is collateralized with securities held by the counterparty’s trust department not in the County’s name. Of this balance, \$7.6 million is reported in the regional road fund and \$18.5 million is reported in the capital projects fund. 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, 2009, of 5 percent or more in Federal Home Loan Bank. These investments were 8.85 percent of the County’s total investments.

Interest rate risk—The County does not have a formal policy regarding interest rate risk. At June 30, 2009, the County had the following investments in debt securities.

Investment Type	Amount	Weighted Average Maturity (Years)
State Treasurer’s investment pool	\$176,172,396	.03
U.S. agency securities	41,206,187	1.67
U.S. agency security money market funds	20,669,001	.10
U.S. corporate bond	2,059,186	2.41
	<u>\$240,106,770</u>	

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

Cash, deposits, and investments:	
Cash on hand	\$ 882,735
Amount of deposits	8,995,797
Amount of investments	240,106,770
Total	<u>\$ 249,985,302</u>

	Governmental Activities	Business- Type Activities	Investment Trust Fund	Agency Fund	Total
Cash and cash equivalents	\$ 81,945,345	\$ 5,682,996	\$131,645,632	\$ 2,504,677	\$ 221,778,650
Cash equivalents - restricted	28,206,652	-	-	-	28,206,652
Total	<u>\$110,151,997</u>	<u>\$ 5,682,996</u>	<u>\$131,645,632</u>	<u>\$ 2,504,677</u>	<u>\$ 249,985,302</u>

The restricted cash balance of \$28,206,652 is comprised of \$18,490,042 for construction of capital projects, \$7,598,764 for the advance to ADOT for widening of State Route 260 and \$2,117,846 for debt service.

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Note 3 - Due From Other Governments

Amounts due from other governments at June 30, 2009, include \$17,401,236 in highway construction advances due from the Arizona Department of Transportation recorded in Governmental Activities; \$1,819,965 in state-shared revenue from sales tax, \$1,061,402 due from the City of Prescott for road and utility extensions, \$881,913 in county excise tax distributions due from the State Treasurer, \$650,499 in state motor vehicle license taxes from the Arizona Department of Transportation and \$47,737 in other fees from federal, state, and local governments recorded in the General Fund; \$551,171 in sales tax collections, \$302,177 in inmate housing fees and \$6,448 in other fees from the federal, state and local governments recorded in the Jail District Fund; \$220,478 in county excise tax distributions due from the State Treasurer and \$66,431 in other fees from local governments recorded in the Regional Road Fund; \$943,539 in state-shared revenue from highway user taxes, and \$281,195 in state motor vehicle license tax and \$12,172 in other fees from federal, state, and local governments recorded in the HURF Road Fund; and \$2,023,903 in grants and other fees from federal, state and local governments recorded in the Other Governmental Funds.

Note 4 - Capital Assets

Capital assets activity for the year ended June 30, 2009, was as follows:

	Balance July 1, 2008	Increases	Decreases	Balance June 30, 2009
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 50,422,747	\$ 1,218,044	\$ (801,949)	\$ 50,838,842
Construction in progress	11,053,360	11,817,450	(5,898,357)	16,972,453
Total capital assets not being depreciated	<u>61,476,107</u>	<u>13,035,494</u>	<u>(6,700,306)</u>	<u>67,811,295</u>
Capital assets being depreciated:				
Buildings	56,615,674	48,102	-	56,663,776
Equipment	36,981,815	702,976	(1,289,813)	36,394,978
Infrastructure	282,654,499	7,183,068	(4,700)	289,832,867
Total	<u>376,251,988</u>	<u>7,934,146</u>	<u>(1,294,513)</u>	<u>382,891,621</u>
Less accumulated depreciation for:				
Buildings	(15,841,853)	(1,438,103)	-	(17,279,956)
Equipment	(20,942,794)	(4,074,377)	1,261,982	(23,755,189)
Infrastructure	(161,955,979)	(12,750,923)	1,384	(174,705,518)
Total	<u>(198,740,626)</u>	<u>(18,263,403)</u>	<u>1,263,366</u>	<u>(215,740,663)</u>
Total capital assets, being depreciated, net	<u>177,511,362</u>	<u>(10,329,257)</u>	<u>(31,147)</u>	<u>167,150,958</u>
Governmental activities capital assets, net	<u>\$238,987,469</u>	<u>\$ 2,706,237</u>	<u>\$ (6,731,453)</u>	<u>\$234,962,253</u>
Business-type activities:				
Capital assets being depreciated:				
Equipment	\$ 740,403	\$ 94,511	\$ -	\$ 834,914
Less accumulated depreciation for:				
Equipment	(564,304)	(70,406)	-	(634,710)
Business-type activities capital assets, net	<u>\$ 176,099</u>	<u>\$ 24,105</u>	<u>\$ -</u>	<u>\$ 200,204</u>

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Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 2,573,614
Public safety	1,238,018
Highway and streets	14,051,543
Sanitation	89,549
Health	153,122
Culture and recreation	137,322
Education	20,235
Total governmental activities depreciation expense	<u>\$ 18,263,403</u>
Business-type activities:	
Long Term Care	\$ 70,406
Total business-type activities depreciation expense	<u>\$ 70,406</u>

Note 5 - Construction Commitments

The County had major contractual commitments related to various capital projects at June 30, 2009, for the construction of road improvements and buildings. At June 30, 2009, the County had spent \$15,039,894 on these projects and had remaining contractual commitments with contractors of \$7,665,112. The road improvement projects are being funded by sales taxes out of the Regional Road Fund. The building construction is being funded by a capital lease and transfers from the General Fund to the Capital Projects Fund.

Note 6 - Long-Term Liabilities

The following schedule details the County's long-term liability and obligation activity for the year ended June 30, 2009.

	Balance July 1, 2008	Additions	Reductions	Balance June 30, 2009	Due within 1 year
Governmental Activities:					
Revenue bonds	\$ 32,130,000	\$ -	\$ (1,965,000)	\$ 30,165,000	\$ 1,655,000
Special assessment debt	1,216,261	-	(110,356)	1,105,905	112,059
Total revenue bonds and special assessment debt payable	<u>33,346,261</u>	-	<u>(2,075,356)</u>	<u>31,270,905</u>	<u>1,767,059</u>
Arbitrage rebate	406,176	142,218	-	548,394	-
Capital leases payable	50,000,000	-	(25,000,000)	25,000,000	-
Landfill closure and postclosure care costs payable	1,042,996	22,662	(24,982)	1,040,676	24,926
Compensated absences payable	7,463,500	5,233,284	(5,530,455)	7,166,329	5,310,250
Claims and judgments payable	849,425	300,000	(628,451)	520,974	416,779
Total governmental activities long-term liabilities	<u>\$ 93,108,358</u>	<u>\$ 5,698,164</u>	<u>\$ (33,259,244)</u>	<u>\$ 65,547,278</u>	<u>\$ 7,519,014</u>

Revenue bonds

On February 13, 2002, the Yavapai County Jail District issued \$15,260,000 in revenue bonds that are noncallable with interest payable semiannually. The bond proceeds were used to construct a new jail and to remodel an existing jail. The District has pledged the maintenance of effort payments from the County's general fund to the District and the voter approved excise tax to repay the bonds. The total principal and interest remaining

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on the bonds is \$5,606,590, payable through July 2012. Annual principal and interest payments on the bonds are expected to require 29% of pledged revenues. Principal and interest paid for the current year were \$1,869,010, and the maintenance of effort and voter approved excise tax were, \$6,039,102 and \$6,829,627, respectively.

On July 3, 2007, the County issued \$25,375,000 in variable rate demand highway construction advancement revenue bonds. The bond proceeds will be advanced to the Arizona Department of Transportation (ADOT) to accelerate construction on State Route 260 in accordance with Arizona Revised Statutes (A.R.S.) §11-269.03. ADOT is required to repay advances not more than 5 years from the date of the advance pursuant to A.R.S §28-7677. The County has pledged excise and state shared sales taxes to repay the bonds. The County is required to continue to impose and collect up to the maximum rate by law, in each fiscal year, the excise tax and to receive the state shared excise tax proceeds in the amount at least two times the maximum annual debt service of the bonds. The total principal and interest remaining on the bonds is \$26,462,500, payable through July 2018. Annual principal and interest payments on the bonds are expected to require 9% of pledged revenues. There is no principal payment required until July 2018, when the bonds are to be paid in full. However, a principal payment of \$375,000 was made during the current year. Interest paid for the current year was \$445,752, and the excise and state shared sales taxes were, \$13,657,537 and \$22,136,382, respectively. The bonds can be redeemed by the County, in whole or in part, on any weekly interest payment date. The interest rate is determined weekly by the remarketing agent. There is no minimum interest rate and the maximum interest rate is 12% per annum. Demand payments will be made from funds drawn under a \$25,000,000 irrevocable letter of credit issued by a bank. As of June 30, 2009, the County had a federal arbitrage rebate liability of \$548,394 resulting from investment earnings on the unexpended bond proceeds in excess of the interest expense incurred.

Revenue bonds outstanding at June 30, 2009, were as follows:

Description	Original Amount	Maturity Ranges	Interest Rates	Outstanding Principal June 30, 2009
Jail District revenue bonds	\$15,260,000	7/1/10-7/1/12	4.0-4.3%	\$ 5,165,000
Highway construction advancement revenue bonds	25,375,000	7/1/18	0.65%	25,000,000
Total				\$30,165,000

The following schedule details debt service requirements to maturity for the County's revenue bonds payable at June 30, 2009.

Year ending June 30, 2010	Governmental Activities	
	Principal	Interest
2011	\$ 1,655,000	\$ 377,910
2012	1,720,000	311,710
2013	1,790,000	239,470
2014	-	162,500
2015-2018	-	162,500
2015-2018	25,000,000	650,000
Total	\$ 30,165,000	\$ 1,904,090

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Special assessment debt

Special assessment bonds are secured by pledges of revenues from special assessments levied against the benefiting property owners. Bond proceeds were used to finance construction in these districts. These bonds are generally callable with interest payable semiannually. However, in accordance with the bond indenture for each special assessment bond issue, and in the opinion of the County Attorney, the County is not legally obligated in any way for the special assessment bonded indebtedness. The total principal and interest remaining on the bonds is \$1,543,436, payable through January 2022. 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 \$184,038 and the special assessments were \$175,449.

The following special assessment districts had debt outstanding at June 30, 2009.

Description	Original Amount	Maturity Ranges	Interest Rates	Outstanding Principal June 30, 2009
Coyote Springs Road Improvement	\$1,552,000	1/1/10-1/1/22	6.40%	\$1,030,000
Prescott East Sanitary District	317,000	7/1/10-7/1/11	4.82%	75,905
Total				<u>\$1,105,905</u>

The following schedule details debt service requirements to maturity for the County's special assessment debt payable at June 30, 2009:

	Principal	Interest
Year ending June 30, 2010	\$ 112,059	\$ 67,179
2011	113,846	60,592
2012	80,000	53,760
2013	80,000	48,640
2014	80,000	43,520
2015-2019	400,000	140,800
2020-2022	240,000	23,040
Total	<u>\$ 1,105,905</u>	<u>\$ 437,531</u>

Capital leases

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

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The assets acquired through the capital lease are as follows:

	Governmental Activities
Construction in progress	\$ 6,509,958
Less: accumulated depreciation	-
Carrying value	\$ 6,509,958

The following schedule details debt service requirements to maturity for the County's capital lease payable at June 30, 2009:

	Governmental Activities
Year ending June 30, 2010	\$ 1,112,500
2011	1,112,500
2012	2,111,865
2013	2,111,865
2014	2,111,865
2015-2019	10,559,325
2020-2024	10,559,325
2025-2028	8,447,460
Total minimum lease payments	38,126,705
Less amount representing interest	(13,126,705)
Present value of net minimum lease payments	\$ 25,000,000

Landfill closure and postclosure care costs

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

The amount recognized each year is based on landfill capacity used at the end of each fiscal year. All 7 landfills stopped accepting waste and were closed prior to June 30, 2009. As of June 30, 2009, the landfill closure and postclosure care liability of \$1,040,676 represents the cumulative amount of costs remaining on these closed landfills, which is net of expenditures incurred to date. This amount is based on what it would cost to perform all closure and postclosure care in fiscal year 2009 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.

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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 \$175,000 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 post employment 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 2009, the County paid for compensated absences as follows: 62 percent from the General Fund, 20 percent from major funds, and 18 percent from other funds. The County paid for claims and judgments from the General Fund.

Note 7 - 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; but was unable to obtain insurance at a cost it considered to be economically justifiable. Therefore, 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 above.

The Arizona Counties Property and Casualty Pool is a public entity risk pool currently composed of 11 member counties. The pool provides member counties catastrophic loss coverage for risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters; and provides risk management services. Such coverage includes all defense costs as well as the amount of any judgment or settlement. The County is responsible for paying a premium based on its exposure in relation to the exposure of the other participants, and a deductible of \$25,000 per occurrence for property claims and \$50,000 per occurrence for liability claims. The County is also responsible for any payments in excess of the maximum coverage of \$300 million per occurrence for property claims and \$15 million per occurrence for liability claims. However, lower limits apply to certain categories of losses. A county must participate in the pool at least 3 years after becoming a member; however, it may withdraw after the initial 3-year period. If the pool were to become insolvent, the County would be assessed an additional contribution.

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The Arizona Counties Workers' Compensation Pool is a public entity risk pool currently composed of 11 member counties. The pool provides member counties with workers' compensation coverage, as required by law, and risk management services. The County is responsible for paying a premium, based on an experience-rating formula, that allocates pool expenditures and liabilities among the members.

The Arizona Counties Property and Casualty Pool and the Arizona Counties Workers' Compensation Pool receive independent audits annually and an audit by the Arizona Department of Insurance every 5 years. Both pools accrue liabilities for losses that have been incurred but not reported. These liabilities are determined annually based on an independent actuarial valuation.

Note 8 - Line of Credit Arrangement

The County has a \$6,500,000 line of credit arrangement with a bank. The line of credit matures on June 30, 2010, and is collateralized by U.S. Government-backed securities. At June 30, 2009, no portion of this amount was utilized.

Note 9 - Pensions and Other Postemployment Benefits

Plan Descriptions - The County contributes to four plans, three of which are described below. The Elected Officials Retirement Plan is not described due to its relative insignificance to the County's financial statements. Benefits are established by state statute and generally provide retirement, long-term disability, and health insurance premium benefits, including death and survivor benefits. The retirement benefits are generally paid at a percentage, based on years of service, of the retirees' average compensation. Long-term disability benefits vary by circumstance, but generally pay a percentage of the employee's monthly compensation. Health insurance premium benefits are generally paid as a fixed dollar amount per month towards the retiree's healthcare insurance premiums, in amounts based on whether the benefit is for the retiree or for the retiree and his or her dependents.

The *Arizona State Retirement System* (ASRS) administers a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing, multiple-employer defined benefit health insurance premium plan; and a cost-sharing, multiple-employer defined benefit long-term disability plan that covers employees of the State of Arizona and employees of participating political subdivisions and school districts. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

The *Public Safety Personnel Retirement System* (PSPRS) administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium plan that covers public safety personnel who are regularly assigned hazardous duty as employees of the State of Arizona or participating political subdivisions. The PSPRS, acting as a common investment and administrative agent, is governed by a five-member board, known as The Fund Manager, and the participating local boards according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

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The *Corrections Officer Retirement Plan* (CORP) administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium plan that covers certain employees of the State of Arizona's Department of Corrections and Department of Juvenile Corrections, county employees whose primary duties require direct inmate contact and effective for 2008, probation officers. The Administrative Office of the Courts Probation Officers is a group separately covered under the plan in which the related plan information that follows is separately referred to as the CORP-AOC. The CORP is governed by The Fund Manager of PSPRS and the participating local boards according to the provisions of A.R.S. Title 38, Chapter 5, Article 6.

Each plan issues a publicly available annual financial report that includes its financial statements and required supplementary information. A report may be obtained by writing or calling the applicable plan.

ASRS
3300 North Central Avenue
P.O. Box 33910
Phoenix, AZ 85067-3910
(602) 240-2000 or 1-800-621-3778

PSPRS and CORP
3010 East Camelback Road, Suite 200
Phoenix, AZ 85016-4416
(602) 255-5575

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

Cost-sharing plan—For the year ended June 30, 2009, active ASRS members were required by statute to contribute at the actuarially determined rate of 9.45 percent (8.95 percent for retirement and 0.5 percent for long-term disability) of the members' annual covered payroll and the County was required by statute to contribute at the actuarially determined rate of 9.45 percent (7.99 percent for retirement, 0.96 percent for health insurance premium, and 0.5 percent long-term disability) of the members' annual covered payroll.

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

Year ended June 30	Retirement Fund	Health Benefit Supplement Fund	Long-Term Disability Fund
2009	\$ 3,778,567	\$ 453,996	\$ 236,456
2008	\$ 4,011,681	\$ 523,262	\$ 249,173
2007	\$ 3,906,656	\$ 543,310	\$ 258,719

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Agent plans—For the year ended June 30, 2009, active PSPRS members were required by statute to contribute 7.65 percent of the members' annual covered payroll and the County was required to contribute 21.36 percent, the aggregate of which is the actuarially required amount. The health insurance premium portion of the contribution rate was actuarially set at 1.4 percent of covered payroll. Active CORP members were required by statute to contribute 7.96 percent of the members' annual covered payroll except that, beginning in October 2008, all non-dispatcher members were required to contribute 8.41 percent. In addition, the County was required to contribute 7.8 percent. The aggregate of the members' and the County's contributions is the actuarially required amount. The health insurance premium portion of the contribution rate was actuarially set at 0.62 percent of covered payroll. Probation officers participating in the CORP-AOC contributed the statutorily determined amount of 8.41% and the County contributed 9.25% of their annual covered payroll, respectively.

Actuarial methods and assumptions—Except for the contribution requirements for probation officers participating in the CORP-AOC which were established by state statute, the contribution requirements for the year ended June 30, 2009, were established by the June 30, 2007, actuarial valuations, and those actuarial valuations were based on the following actuarial methods and assumptions.

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

Projections of benefits are based on 1) the plans as understood by the County and plans' members and include the types of benefits in force at the valuation date, and 2) the pattern of sharing benefit costs between the County and plans' members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The significant actuarial methods and assumptions used are the same for all plans and related benefits (unless noted), and the actuarial methods and assumptions used to establish the fiscal year 2009 contribution requirements, are as follows:

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Actuarial valuation date	June 30, 2007
Actuarial cost method	Projected unit credit
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	29 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	Smoothed market value
Actuarial assumptions:	
Investment rate of return	8.50%
Projected salary increases includes inflation at	5.50% - 8.50% for PSPRS and CORP 5.00%

Annual Pension/OPEB Cost—The County's pension/OPEB cost for the agent plans for the year ended June 30, 2009, and related information follows:

	<u>PSPRS</u>		<u>CORP</u>		<u>CORP-AOC</u>
	Pension	Health Insurance	Pension	Health Insurance	Pension and Health Insurance
Annual pension/OPEB cost	\$1,525,300	\$101,384	\$526,673	\$42,406	\$485,720
Contributions made	1,525,300	101,384	526,673	42,406	485,720

Trend Information—Annual pension and OPEB cost information for the current and 2 preceding years follows for each of the agent plans. Separately reported OPEB cost information for the last year of the required trend information will be reported next year when it becomes available.

<u>Plan</u>	<u>Year Ended June 30</u>	<u>Annual Pension/OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net Pension/OPEB Obligation</u>
PSPRS				
Pension	2009	\$1,525,300	100%	\$ -0-
Health insurance	2009	101,384	100%	\$ -0-
Pension	2008	1,109,560	100%	\$ -0-
Health insurance	2008	76,762	100%	\$ -0-
Pension and health insurance	2007	994,134	100%	\$ -0-
CORP				
Pension	2009	526,673	100%	\$ -0-
Health insurance	2009	42,406	100%	\$ -0-
Pension	2008	381,365	100%	\$ -0-
Health insurance	2008	43,090	100%	\$ -0-
Pension and health insurance	2007	380,415	100%	\$ -0-

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Funded Status—Except for the CORP-AOC, the funded status of the plans as of the most recent valuation date, June 30, 2009, along with the actuarial assumptions and methods used in those valuations follow.

	<u>PSPRS</u>		<u>CORP</u>	
	Pension	Health Insurance	Pension	Health Insurance
Actuarial accrued liability (a)	\$ 30,791,696	\$ 931,499	\$ 10,633,213	\$ 358,479
Actuarial value of assets (b)	17,878,294	0	9,029,735	0
Unfunded actuarial accrued liability (funding excess) (a) – (b)	12,913,402	931,499	1,603,478	358,479
Funded ratio (b)/(a)	58.1%	0.00%	84.9%	0.00%
Covered payroll (c)	7,203,153	7,203,153	6,643,021	6,643,021
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll ((a) – (b)) / (c)	179.3%	12.93%	24.1%	5.40%

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

Actuarial valuation date	June 30, 2009
Actuarial cost method	Projected unit credit
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	27 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7 year smoothed market value
Actuarial assumptions:	
Investment rate of return	8.50%
Projected salary increases	5.50% - 8.50% for PSPRS and CORP
Includes inflation at	5.50% for PSPRS and CORP

The CORP-AOC's actuarial valuation is prepared on a statewide basis; accordingly, actuarial information for the County, as a participating government, is not available.

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Note 10 - Interfund Balances and Activity

Interfund receivables and payables—interfund balances at June 30, 2009, were as follows:

Payable from	Payable to					Total
	General Fund	Jail District Fund	HURF Road Fund	Capital Projects Fund	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 1,275,000	\$ 22,971	\$ 330,717	\$ 48,206	\$ 1,676,894
Jail District Fund	1,396,804	-	-	-	-	1,396,804
HURF Road Fund	36,030	-	-	-	6,042	42,072
Capital Projects Fund	16,804	-	-	-	-	16,804
Nonmajor Governmental Funds	219,575	2,834	5,414	-	416,408	644,231
Long Term Care Fund	-	-	-	-	142,419	142,419
Total	\$ 1,669,213	\$ 1,277,834	\$ 28,385	\$ 330,717	\$ 613,075	\$ 3,919,224

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, 2009, were as follows:

Transfer from	Transfer To							Total
	General Fund	Jail District Fund	Jail District Debt Service Fund	Regional Road Debt Service Fund	Capital Projects Fund	Capital Projects Debt Service Fund	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 7,753,638	\$ -	\$ -	\$ 4,278,865	\$ -	\$ 745,466	\$12,777,969
Jail District Fund	-	-	1,871,010	-	-	-	-	1,871,010
Regional Road Fund	-	-	-	1,400,003	-	-	-	1,400,003
Capital Projects Fund	622,857	1,700,000	-	-	-	27,567,708	-	29,890,565
Capital Projects Debt Service Fund	-	-	-	-	39,203	-	-	39,203
Nonmajor Governmental Funds	228,617	-	-	-	-	-	520,444	749,061
Long Term Care Fund	1,500,000	-	-	-	-	-	-	1,500,000
Total	\$ 2,351,474	\$ 9,453,638	\$ 1,871,010	\$ 1,400,003	\$ 4,318,068	\$ 27,567,708	\$ 1,265,910	\$48,227,811

Yavapai County
Notes to Financial Statements
June 30, 2009

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (4) move amounts in excess of required minimum balances, as approved by AHCCCS.

Note 11 - 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 \$29,871 of interest earned in certain other funds to be transferred to the General Fund.

Deposits and investments of the County's primary government are included in the County Treasurer's investment pool, except for \$29,110 of cash on hand, \$6,222,838 of deposits and \$28,206,652 of collateralized investments held in trust. Therefore, the deposit and investment risks of the Treasurer's investment pool are the same as the County's deposit and investment risks. See Note 2 for disclosure of the County's deposit and investment risks.

Yavapai County
Notes to Financial Statements
June 30, 2009

Details of each major investment classification follow:

Investment Type	Principal	Interest Rates	Maturities	Fair Value
State Treasurer's investment pool	\$ 168,474,000	2.18%	None stated	\$ 168,474,000
U.S. agency securities	40,667,050	1.00-5.25%	09/11/09-11/21/11	41,206,187
U.S. corporate bond	1,998,420	3.00%	11/16/11	2,059,186

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

Statement of Net Assets

Assets	\$ 215,526,702
Liabilities	-
Net assets	<u>\$ 215,526,702</u>

Net assets held in trust for:

Internal participants	\$ 83,881,070
External participants	131,645,632
Total net assets held in trust	<u>\$ 215,526,702</u>

Statement of Changes in Net Assets

Total additions	\$ 777,984,243
Total deductions	(776,297,839)
Net decrease	<u>(1,686,404)</u>

Net assets held in trust:

July 1, 2008	217,213,106
June 30, 2009	<u>\$ 215,526,702</u>

Note 12 - Subsequent Event

On November 1, 2009, the County issued Series 2009 Improvement Bonds for the Poquito Valley Road Improvement District in the amount of \$1,857,000. The proceeds, together with cash payments from property owners, will be used for improvements along three miles of Poquito Valley Road. The bonds do not constitute a general obligation or indebtedness of the County or the District, but are secured solely by pledges of revenues from special assessments levied against the benefiting property owners. The interest rate is 6.625% and the bonds mature January 1, 2011 through January 1, 2030. The bonds are callable on or after January 1, 2021.

REQUIRED SUPPLEMENTARY INFORMATION

Yavapai County
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 47,963,940	\$ 47,963,940	\$ 48,686,072	\$ 722,132
Licenses and permits	3,051,000	3,051,000	1,649,751	(1,401,249)
Intergovernmental	36,685,489	36,685,489	32,625,643	(4,059,846)
Charges for services	1,771,000	1,771,000	1,559,822	(211,178)
Fines and forfeits	3,500,000	3,500,000	2,656,372	(843,628)
Investment earnings	135,000	135,000	43,088	(91,912)
Miscellaneous	940,000	940,000	369,841	(570,159)
Total revenues	<u>94,046,429</u>	<u>94,046,429</u>	<u>87,590,589</u>	<u>(6,455,840)</u>
Expenditures:				
General government				
Board of Supervisors	1,282,789	1,282,789	1,227,457	55,332
Human Resources	735,064	735,064	702,547	32,517
General Services	1,093,443	1,093,443	448,372	645,071
Elections	838,936	838,936	819,275	19,661
Public Works	223,135	223,135	203,898	19,237
Facilities	4,847,923	4,847,923	4,574,878	273,045
Development Services	4,563,511	4,563,511	3,975,010	588,501
Fleet	(1,584,791)	(1,584,791)	(1,821,699)	236,908
Medical Examiner	416,958	416,958	389,418	27,540
Finance	788,207	788,207	757,902	30,305
Assessor	3,708,508	3,708,508	3,522,624	185,884
County Attorney	6,232,165	6,232,165	5,853,116	379,049
Recorder	1,684,423	1,684,423	1,521,168	163,255
Management Information Systems	5,644,055	5,644,055	4,617,439	1,026,616
Clerk of the Court	2,756,265	2,756,265	2,703,279	52,986
Treasurer	839,300	839,300	825,438	13,862
Superior Courts	4,681,281	4,681,281	4,530,175	151,106
Public Defender	5,304,080	5,304,080	5,276,227	27,853
Prescott Justice of the Peace	695,121	695,121	654,252	40,969
Prescott Constable	89,762	89,762	83,817	5,945
Bagdad/Yarnell Justice of the Peace	309,495	309,495	281,162	28,333
Verde Valley Justice of the Peace	557,367	557,367	531,555	25,812
Mayer Justice of the Peace	432,238	432,238	432,237	1
Verde Constable	88,702	88,702	83,421	5,281
Seligman Justice of the Peace	301,593	301,593	299,875	1,718
Total General government	<u>46,529,530</u>	<u>46,529,530</u>	<u>42,492,843</u>	<u>4,036,687</u>

(Continued)

See accompanying notes to budgetary comparison schedules.

Yavapai County
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2009
(Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public safety				
Sheriff	\$ 16,345,888	\$ 16,345,888	\$ 15,669,674	\$ 676,214
Adult Probation	2,510,244	2,510,244	2,366,602	143,642
Juvenile Probation	2,993,035	2,993,035	2,853,305	139,730
Total Public safety	<u>21,849,167</u>	<u>21,849,167</u>	<u>20,889,581</u>	<u>959,586</u>
Sanitation				
Solid Waste	<u>1,557,639</u>	<u>1,557,639</u>	<u>1,221,671</u>	<u>335,968</u>
Welfare				
Medical Assistance	11,067,530	11,067,530	11,067,526	4
Public Fiduciary	<u>427,133</u>	<u>427,133</u>	<u>398,405</u>	<u>28,728</u>
Total Welfare	<u>11,494,663</u>	<u>11,494,663</u>	<u>11,465,931</u>	<u>28,732</u>
Culture and recreation				
Facilities	<u>60,000</u>	<u>60,000</u>	<u>58,108</u>	<u>1,892</u>
Education				
School Superintendent	<u>704,379</u>	<u>704,379</u>	<u>629,964</u>	<u>74,415</u>
Total expenditures	<u>82,195,378</u>	<u>82,195,378</u>	<u>76,758,098</u>	<u>5,437,280</u>
Excess of revenues over expenditures	11,851,051	11,851,051	10,832,491	(1,018,560)
Other financing sources (uses):				
Sale of capital assets	-	-	96,767	96,767
Transfers in	2,941,644	2,941,644	2,351,474	(590,170)
Transfers out	<u>(15,481,027)</u>	<u>(15,481,027)</u>	<u>(12,777,969)</u>	<u>2,703,058</u>
Total other financing sources (uses)	<u>(12,539,383)</u>	<u>(12,539,383)</u>	<u>(10,329,728)</u>	<u>2,209,655</u>
Net change in fund balances	(688,332)	(688,332)	502,763	1,191,095
Fund balances, July 1, 2008	688,332	688,332	1,911,143	1,222,811
Increase in reserve for inventories	-	-	51,604	51,604
Increase in reserve for prepaid items	-	-	80,218	80,218
Fund balances, June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,545,728</u>	<u>\$ 2,545,728</u>

See accompanying notes to budgetary comparison schedules.

Yavapai County
Required Supplementary Information
Budgetary Comparison Schedule
Jail District Fund
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 8,111,922	\$ 8,111,922	\$ 6,829,627	\$ (1,282,295)
Charges for services	-	-	1,021,144	1,021,144
Investment earnings	-	-	14,465	14,465
Miscellaneous	720,000	720,000	70,611	(649,389)
Total revenues	8,831,922	8,831,922	7,935,847	(896,075)
Expenditures:				
Public safety				
Sheriff	16,726,536	16,726,536	15,992,126	734,410
Total expenditures	16,726,536	16,726,536	15,992,126	734,410
Deficiency of revenues over expenditures	(7,894,614)	(7,894,614)	(8,056,279)	(161,665)
Other financing sources (uses):				
Transfers in	9,478,635	9,478,635	9,453,638	(24,997)
Transfers out	(1,871,010)	(1,871,010)	(1,871,010)	-
Total other financing sources (uses)	7,607,625	7,607,625	7,582,628	(24,997)
Net change in fund balances	(286,989)	(286,989)	(473,651)	(186,662)
Fund balances, July 1, 2008	286,989	286,989	483,449	196,460
Fund balances, June 30, 2009	\$ -	\$ -	\$ 9,798	\$ 9,798

See accompanying notes to budgetary comparison schedules.

Yavapai County
Required Supplementary Information
Budgetary Comparison Schedule
Regional Road Fund
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 9,675,965	\$ 9,675,965	\$ 6,150,674	\$ (3,525,291)
Licenses and permits	1,500,000	1,500,000	605,200	(894,800)
Investment earnings	900,000	900,000	365,458	(534,542)
Miscellaneous	-	-	2,003	2,003
Total revenues	<u>12,075,965</u>	<u>12,075,965</u>	<u>7,123,335</u>	<u>(4,952,630)</u>
Expenditures:				
Highways and streets				
Public Works	<u>20,143,813</u>	<u>20,143,813</u>	<u>16,325,404</u>	<u>3,818,409</u>
Total expenditures	<u>20,143,813</u>	<u>20,143,813</u>	<u>16,325,404</u>	<u>3,818,409</u>
Excess (deficiency) of revenues over expenditures	(8,067,848)	(8,067,848)	(9,202,069)	(1,134,221)
Other financing sources (uses):				
Transfers out	<u>(1,400,000)</u>	<u>(1,400,000)</u>	<u>(1,400,003)</u>	<u>(3)</u>
Total other financing sources (uses)	<u>(1,400,000)</u>	<u>(1,400,000)</u>	<u>(1,400,003)</u>	<u>(3)</u>
Net change in fund balances	(9,467,848)	(9,467,848)	(10,602,072)	(1,134,224)
Fund balances, July 1, 2008	<u>9,467,848</u>	<u>9,467,848</u>	<u>40,669,217</u>	<u>31,201,369</u>
Fund balances, June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,067,145</u>	<u>\$ 30,067,145</u>

See accompanying notes to budgetary comparison schedules.

Yavapai County
Required Supplementary Information
Budgetary Comparison Schedule
HURF Road Fund
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 15,092,454	\$ 15,092,454	\$ 15,413,228	\$ 320,774
Investment earnings	-	-	49,179	49,179
Miscellaneous	200,000	200,000	351,643	151,643
Total revenues	15,292,454	15,292,454	15,814,050	521,596
Expenditures				
Highways and streets				
Public Works	16,193,409	16,193,409	12,881,393	3,312,016
Total expenditures	16,193,409	16,193,409	12,881,393	3,312,016
Excess (deficiency) of revenues over expenditures	(900,955)	(900,955)	2,932,657	3,833,612
Other financing sources (uses):				
Sale of capital assets	-	-	1,704	1,704
Total other financing sources (uses)	-	-	1,704	1,704
Net change in fund balances	(900,955)	(900,955)	2,934,361	3,835,316
Fund balances, July 1, 2008	900,955	900,955	3,120,809	2,219,854
Decrease in reserve for prepaid items	-	-	(35,526)	(35,526)
Fund balances, June 30, 2009	\$ -	\$ -	\$ 6,019,644	\$ 6,019,644

See accompanying notes to budgetary comparison schedules.

Yavapai County
Required Supplementary Information
Notes to Budgetary Comparison Schedules
Year Ended June 30, 2009

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, except for the Treasurer's Surcharge, Election, Finance, and Granite Gardens Funds. The Board of Supervisors must approve such operating budgets on or before the third Monday in July to allow sufficient time for the legal announcements and hearings required for the adoption of the property tax levy on the third Monday in August. A.R.S. prohibits expenditures or liabilities in excess of the amounts budgeted.

Expenditures may not legally exceed appropriations at the department level. In certain instances, transfers of appropriations between departments or from the contingency account to a department may be made upon the Board of Supervisors' approval.

Note 2 – Budgetary Basis of Accounting

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

Yavapai County
 Required Supplementary Information
 Schedule of Agent Retirement Plans' Funding Progress
 Year Ended June 30, 2009

Public Safety Personnel Retirement System

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (b)	Funding (Liability) Excess (a-b)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded Liability as Percentage Of Covered Payroll ([a-b]/c)
Pension 6/30/09	\$17,878,294	\$30,791,696	\$(12,913,402)	58.1%	\$7,203,153	179.3%
Health Insurance 6/30/09	0	931,499	(931,499)	0.0%	7,203,153	12.93%
Pension 6/30/08	16,316,672	29,444,833	(13,128,161)	55.4%	7,241,743	181.3%
Health Insurance 6/30/08	0	1,016,579	(1,016,579)	0.0%	7,241,743	14.04%
Pension 6/30/07	15,265,022	28,186,552	(12,921,530)	54.2%	6,760,153	191.1%
Health Insurance 6/30/07	0	978,689	(978,689)	0.0%	6,760,153	14.48%

Corrections Officer Retirement Plan

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (b)	Funding (Liability) Excess (a-b)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded Liability as Percentage Of Covered Payroll ([a-b]/c)
Pension 6/30/09	\$9,029,735	\$10,633,213	\$(1,603,478)	84.9%	\$6,643,021	24.1%
Health Insurance 6/30/09	0	358,479	(358,479)	0.0%	6,643,021	5.40%
Pension 6/30/08	8,396,376	10,066,193	(1,669,817)	83.4%	6,839,698	24.4%
Health Insurance 6/30/08	0	325,629	(325,629)	0.0%	6,839,698	4.76%
Pension 6/30/07 and Health Insurance 6/30/07	8,688,704	10,040,046	(1,351,342)	86.5%	7,562,846	17.9%
	0	278,720	(278,720)	0.0%	7,562,846	3.69%

Yavapai County
Nonmajor Governmental Funds
Year Ended June 30, 2009

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's Surcharge	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.
Election	Accounts for the Federal and State of Arizona Help America Vote Act grant funds.
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 highway user fees restricted to construction, repair and maintenance of County roads.
Finance	Accounts for the Community Development Block Grant and the Workforce Investment Act federal grants.
Improvement Districts	Administration of special districts for Street Lighting, Road and Sewer improvements.
Clerk of Superior Court	Accounts for statutory fees collected and used for document storage and retrieval. Also fees used for "fill-the gap" purposes.
County Attorney	Accounts for various programs administered by the County Attorney including Anti-Racketeering, Victim Witness and Bad Check.

Yavapai County
Nonmajor Governmental Funds
Year Ended June 30, 2009

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 used 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 grants.

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, Granite Gardens and Pine Valley 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, 2009

Assets	Special Revenue			
	Health Care	Recorder's Surcharge	Assessor's Surcharge	Treasurer's Surcharge
Cash and cash equivalents	\$ 3,684,688	\$ 205,881	\$ 648,002	\$ 107,853
Receivables:				
Property taxes	-	-	-	-
Special assessments	-	-	-	-
Accounts	12,317	4,124	4,120	-
Due from:				
Other funds	142,528	-	-	-
Other governments	425,130	-	-	-
Prepaid items	1,951	1,064	-	-
Cash equivalents - restricted	-	-	-	-
Total assets	<u>\$ 4,266,614</u>	<u>\$ 211,069</u>	<u>\$ 652,122</u>	<u>\$ 107,853</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 76,708	\$ 140	\$ 1,528	\$ -
Accrued payroll and employee benefits	422,261	4,836	-	-
Due to other funds	32,778	20	-	-
Interest payable	-	-	-	-
Principal payable	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	<u>531,747</u>	<u>4,996</u>	<u>1,528</u>	<u>-</u>
Fund balances:				
Reserved for:				
Prepaid items	1,951	1,064	-	-
Debt service	-	-	-	-
Unreserved, reported in				
Special revenue funds	<u>3,732,916</u>	<u>205,009</u>	<u>650,594</u>	<u>107,853</u>
Total fund balances	<u>3,734,867</u>	<u>206,073</u>	<u>650,594</u>	<u>107,853</u>
Total liabilities and fund balances	<u>\$ 4,266,614</u>	<u>\$ 211,069</u>	<u>\$ 652,122</u>	<u>\$ 107,853</u>

Special Revenue

Election	Public Library	Education Service Agency	Parks & Recreation	Water Advisory Committee	Landfill / Environment
\$ 29,871	\$ 1,865,455	\$ 1,249,495	\$ 1,414,743	\$ 271,321	\$ 447,115
-	184,646	-	-	-	-
-	-	-	-	-	-
-	2,637	41,281	1,205	-	-
-	3,685	-	-	-	6,042
9	39,036	302,441	-	-	85,403
-	34	4,765	-	-	-
-	-	-	-	-	-
<u>\$ 29,880</u>	<u>\$ 2,095,493</u>	<u>\$ 1,597,982</u>	<u>\$ 1,415,948</u>	<u>\$ 271,321</u>	<u>\$ 538,560</u>
\$ 14,907	\$ 14,037	\$ 222,097	\$ 120,342	\$ 25,898	\$ 2,624
-	36,278	71,535	-	4,283	3,456
-	2,111	12,311	4,521	-	25,549
-	-	-	-	-	-
-	-	-	-	-	-
-	131,724	-	-	-	-
<u>14,907</u>	<u>184,150</u>	<u>305,943</u>	<u>124,863</u>	<u>30,181</u>	<u>31,629</u>
-	34	4,765	-	-	-
-	-	-	-	-	-
<u>14,973</u>	<u>1,911,309</u>	<u>1,287,274</u>	<u>1,291,085</u>	<u>241,140</u>	<u>506,931</u>
<u>14,973</u>	<u>1,911,343</u>	<u>1,292,039</u>	<u>1,291,085</u>	<u>241,140</u>	<u>506,931</u>
<u>\$ 29,880</u>	<u>\$ 2,095,493</u>	<u>\$ 1,597,982</u>	<u>\$ 1,415,948</u>	<u>\$ 271,321</u>	<u>\$ 538,560</u>

Yavapai County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009
(Continued)

Assets	Special Revenue			
	Public Works	Finance	Improvement Districts	Clerk of Superior Court
Cash and cash equivalents	\$ 187,219	\$ -	\$ 6,191,725	\$ 562,763
Receivables:				
Property taxes	-	-	291,380	-
Special assessments	-	-	-	-
Accounts	-	32	9,398	42,182
Due from:				
Other funds	-	-	29,253	-
Other governments	-	336,668	-	-
Prepaid items	-	-	879	-
Cash equivalents - restricted	-	-	-	-
Total assets	<u>\$ 187,219</u>	<u>\$ 336,700</u>	<u>\$ 6,522,635</u>	<u>\$ 604,945</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ 336,700	\$ 401,942	\$ 2,036
Accrued payroll and employee benefits	-	-	38,808	2,676
Due to other funds	395	-	10,020	413,409
Interest payable	-	-	-	-
Principal payable	-	-	-	-
Deferred revenue	-	-	203,551	-
Total liabilities	<u>395</u>	<u>336,700</u>	<u>654,321</u>	<u>418,121</u>
Fund balances:				
Reserved for:				
Prepaid items	-	-	879	-
Debt service	-	-	-	-
Unreserved, reported in				
Special revenue funds	<u>186,824</u>	<u>-</u>	<u>5,867,435</u>	<u>186,824</u>
Total fund balances	<u>186,824</u>	<u>-</u>	<u>5,868,314</u>	<u>186,824</u>
Total liabilities and fund balances	<u>\$ 187,219</u>	<u>\$ 336,700</u>	<u>\$ 6,522,635</u>	<u>\$ 604,945</u>

Special Revenue

County Attorney	Law Enforcement	Emergency Management	Probation	Courts	Public Defender
\$ 1,328,751	\$ 1,228,084	\$ 13,012	\$ 1,499,529	\$ 1,254,104	\$ 139,517
-	-	-	-	-	-
-	-	-	-	-	-
62,612	48,660	-	100,647	42,821	9,704
99,778	2,883	-	223	241,341	87,342
187,121	225,998	125,144	213,408	27,078	3,871
-	2,627	-	-	625	-
-	-	-	-	-	-
<u>\$ 1,678,262</u>	<u>\$ 1,508,252</u>	<u>\$ 138,156</u>	<u>\$ 1,813,807</u>	<u>\$ 1,565,969</u>	<u>\$ 240,434</u>
\$ 31,351	\$ 18,893	\$ 64,261	\$ 132,294	\$ 14,456	\$ 1,717
44,881	39,915	3,759	242,642	54,294	5,793
3,651	88,414	-	6,305	1,493	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>79,883</u>	<u>147,222</u>	<u>68,020</u>	<u>381,241</u>	<u>70,243</u>	<u>7,510</u>
-	2,627	-	-	625	-
-	-	-	-	-	-
1,598,379	1,358,403	70,136	1,432,566	1,495,101	232,924
<u>1,598,379</u>	<u>1,361,030</u>	<u>70,136</u>	<u>1,432,566</u>	<u>1,495,726</u>	<u>232,924</u>
<u>\$ 1,678,262</u>	<u>\$ 1,508,252</u>	<u>\$ 138,156</u>	<u>\$ 1,813,807</u>	<u>\$ 1,565,969</u>	<u>\$ 240,434</u>

Yavapai County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009
(Continued)

Assets	Special Revenue	Debt Service		
	Airport Development	Coyote Springs	Prescott East	Granite Gardens
Cash and cash equivalents	\$ -	\$ 496,523	\$ 73,750	\$ 4,532
Receivables:				
Property taxes	-	-	-	-
Special assessments	-	836,947	47,153	-
Accounts	-	-	5,128	-
Due from:				
Other funds	-	-	-	-
Other governments	52,596	-	-	-
Prepaid items	-	-	-	-
Cash equivalents - restricted	-	32,960	38,036	-
Total assets	<u>\$ 52,596</u>	<u>\$ 1,366,430</u>	<u>\$ 164,067</u>	<u>\$ 4,532</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 2	\$ -	\$ 1,539	\$ -
Accrued payroll and employee benefits	-	-	-	-
Due to other funds	43,236	-	18	-
Interest payable	-	32,960	2,681	-
Principal payable	-	-	35,355	-
Deferred revenue	-	836,947	47,153	-
Total liabilities	<u>43,238</u>	<u>869,907</u>	<u>86,746</u>	<u>-</u>
Fund balances:				
Reserved for:				
Prepaid items	-	-	-	-
Debt service	-	496,523	77,321	4,532
Unreserved, reported in				
Special revenue funds	9,358	-	-	-
Total fund balances	<u>9,358</u>	<u>496,523</u>	<u>77,321</u>	<u>4,532</u>
Total liabilities and fund balances	<u>\$ 52,596</u>	<u>\$ 1,366,430</u>	<u>\$ 164,067</u>	<u>\$ 4,532</u>

Total
Nonmajor
Governmental
Funds

\$	22,903,933
	476,026
	884,100
	386,868
	613,075
	2,023,903
	11,945
	70,996
\$	<u>27,370,846</u>

\$	1,483,472
	975,417
	644,231
	35,641
	35,355
	1,219,375
	<u>4,393,491</u>

	11,945
	578,376
	<u>22,387,034</u>
	<u>22,977,355</u>
\$	<u>27,370,846</u>

Yavapai County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2009

	Special Revenue			
	Health Care	Recorder's Surcharge	Assessor's Surcharge	Treasurer's Surcharge
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	706,338	-	-	-
Intergovernmental	4,895,122	-	-	-
Charges for services	3,383,559	273,504	263,088	25,640
Fines and forfeits	-	-	-	-
Investment earnings	61,803	2,389	13,065	1,228
Miscellaneous	3,185,771	1,458	1,501	9,709
Total revenues	12,232,593	277,351	277,654	36,577
Expenditures:				
Current:				
General government	-	273,428	425,405	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Sanitation	-	-	-	-
Health	12,566,528	-	-	-
Culture and recreation	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	12,566,528	273,428	425,405	-
Excess (deficiency) of revenues over expenditures	(333,935)	3,923	(147,751)	36,577
Other financing sources (uses):				
Transfers in	600,000	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	600,000	-	-	-
Net change in fund balances	266,065	3,923	(147,751)	36,577
Fund Balances, July 1, 2008	3,470,786	201,086	798,345	71,276
Increase (decrease) in reserve for prepaid items	(1,984)	1,064	-	-
Fund Balances, June 30, 2009	\$ 3,734,867	\$ 206,073	\$ 650,594	\$ 107,853

Special Revenue

Election	Public Library	Education Service Agency	Parks & Recreation	Water Advisory Committee	Landfill / Environment
\$ -	\$ 3,724,646	\$ 197	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
78,918	125,762	3,137,454	238,176	121,500	369,189
-	-	460,598	-	-	21,992
-	-	-	-	-	-
519	22,385	51,087	22,476	3,950	-
-	76,223	516,641	9,839	10,234	6,042
<u>79,437</u>	<u>3,949,016</u>	<u>4,165,977</u>	<u>270,491</u>	<u>135,684</u>	<u>397,223</u>
101,371	2,888,340	-	225,891	202,519	-
-	-	-	9,793	-	-
-	-	-	-	-	-
-	-	-	-	-	315,824
-	-	-	-	-	-
-	-	-	61,560	-	-
-	-	4,010,780	-	-	-
-	-	-	-	-	-
<u>101,371</u>	<u>2,888,340</u>	<u>4,010,780</u>	<u>297,244</u>	<u>202,519</u>	<u>315,824</u>
(21,934)	1,060,676	155,197	(26,753)	(66,835)	81,399
-	-	-	7,034	105,000	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>7,034</u>	<u>105,000</u>	<u>-</u>
(21,934)	1,060,676	155,197	(19,719)	38,165	81,399
36,907	853,133	1,132,554	1,310,804	203,150	425,532
-	(2,466)	4,288	-	(175)	-
<u>\$ 14,973</u>	<u>\$ 1,911,343</u>	<u>\$ 1,292,039</u>	<u>\$ 1,291,085</u>	<u>\$ 241,140</u>	<u>\$ 506,931</u>

Yavapai County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2009
(Continued)

	Special Revenue			
	Public Works	Finance	Improvement Districts	Clerk of Superior Court
Revenues:				
Taxes	\$ -	\$ -	\$ 5,779,041	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	161,709	1,063,382	362,971	-
Charges for services	-	-	-	78,097
Fines and forfeits	-	-	-	415,445
Investment earnings	2,068	197	76,048	2,949
Miscellaneous	15	-	21,526	18
Total revenues	<u>163,792</u>	<u>1,063,579</u>	<u>6,239,586</u>	<u>496,509</u>
Expenditures:				
Current:				
General government	-	1,063,579	1,103	66,638
Public safety	-	-	4,213,891	-
Highways and streets	142,395	-	368,298	-
Sanitation	-	-	10,868	-
Health	-	-	-	-
Culture and recreation	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	<u>142,395</u>	<u>1,063,579</u>	<u>4,594,160</u>	<u>66,638</u>
Excess (deficiency) of revenues over expenditures	21,397	-	1,645,426	429,871
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(585)	(413,411)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(585)</u>	<u>(413,411)</u>
Net change in fund balances	21,397	-	1,644,841	16,460
Fund Balances, July 1, 2008	165,427	-	4,223,523	170,364
Increase (decrease) in reserve for prepaid items	-	-	(50)	-
Fund Balances, June 30, 2009	<u>\$ 186,824</u>	<u>\$ -</u>	<u>\$ 5,868,314</u>	<u>\$ 186,824</u>

Special Revenue

County Attorney	Law Enforcement	Emergency Management	Probation	Courts	Public Defender
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
735,898	1,765,514	597,517	5,275,684	571,712	55,453
67,081	57,700	-	1,080,393	337,919	12,930
-	-	-	-	142,141	-
19,593	28,591	1,466	24,254	21,620	2,926
1,071,713	553,610	2	412,740	61,707	26,838
<u>1,894,285</u>	<u>2,405,415</u>	<u>598,985</u>	<u>6,793,071</u>	<u>1,135,099</u>	<u>98,147</u>
1,420,117	2,097	638,953	-	1,306,588	184,034
-	2,699,046	-	6,435,242	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,420,117</u>	<u>2,701,143</u>	<u>638,953</u>	<u>6,435,242</u>	<u>1,306,588</u>	<u>184,034</u>
474,168	(295,728)	(39,968)	357,829	(171,489)	(85,887)
89,778	100,000	-	-	278,807	85,291
(173,301)	(7,034)	-	(4,730)	-	-
<u>(83,523)</u>	<u>92,966</u>	<u>-</u>	<u>(4,730)</u>	<u>278,807</u>	<u>85,291</u>
390,645	(202,762)	(39,968)	353,099	107,318	(596)
1,207,734	1,561,874	110,839	1,079,467	1,389,092	233,520
-	1,918	(735)	-	(684)	-
<u>\$ 1,598,379</u>	<u>\$ 1,361,030</u>	<u>\$ 70,136</u>	<u>\$ 1,432,566</u>	<u>\$ 1,495,726</u>	<u>\$ 232,924</u>

Yavapai County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2009
(Continued)

	Special Revenue	Debt Service		
	Airport Development	Coyote Springs	Prescott East	Granite Gardens
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	145,220	30,230	-
Licenses and permits	-	-	-	-
Intergovernmental	556,609	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Investment earnings	2,238	9,252	1,672	99
Miscellaneous	43,612	-	-	-
Total revenues	<u>602,459</u>	<u>154,472</u>	<u>31,902</u>	<u>99</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Sanitation	-	-	-	-
Health	-	-	-	-
Culture and recreation	-	-	-	-
Education	-	-	-	-
Capital outlay	527,885	-	-	-
Debt service:				
Principal retirement	-	75,000	35,356	-
Interest and other charges	-	74,273	10,023	-
Total expenditures	<u>527,885</u>	<u>149,273</u>	<u>45,379</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	74,574	5,199	(13,477)	99
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(150,000)	-	-	-
Total other financing sources (uses)	<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(75,426)	5,199	(13,477)	99
Fund Balances, July 1, 2008	84,784	491,324	90,798	4,433
Increase (decrease) in reserve for prepaid items	-	-	-	-
Fund Balances, June 30, 2009	<u>\$ 9,358</u>	<u>\$ 496,523</u>	<u>\$ 77,321</u>	<u>\$ 4,532</u>

Total
Nonmajor
Governmental
Funds

\$	9,503,884
	175,450
	706,338
	20,112,570
	6,062,501
	557,586
	371,875
	6,009,199
	<hr/> 43,499,403 <hr/>
	8,800,063
	13,357,972
	510,693
	326,692
	12,566,528
	61,560
	4,010,780
	527,885
	110,356
	84,296
	<hr/> 40,356,825 <hr/>
	3,142,578
	1,265,910
	<hr/> (749,061) <hr/>
	516,849
	3,659,427
	19,316,752
	1,176
\$	<hr/> 22,977,355 <hr/>

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Jail District Debt Service
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Debt service				
Principal retirement	\$ 1,590,000	\$ 1,590,000	\$ 1,590,000	\$ -
Interest and other charges	281,010	281,010	280,793	217
Total expenditures	<u>1,871,010</u>	<u>1,871,010</u>	<u>1,870,793</u>	<u>217</u>
Excess (deficiency) of revenues over expenditures	(1,871,010)	(1,871,010)	(1,870,793)	217
Other financing sources (uses):				
Transfers in	<u>1,871,010</u>	<u>1,871,010</u>	<u>1,871,010</u>	<u>-</u>
Total other financing sources (uses)	<u>1,871,010</u>	<u>1,871,010</u>	<u>1,871,010</u>	<u>-</u>
Net change in fund balances	-	-	217	217
Fund Balance, July 1, 2008	-	-	2,196	2,196
Fund Balance, June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,413</u>	<u>\$ 2,413</u>

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Regional Road Debt Service
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Investment earnings	\$ -	\$ -	\$ 305,473	\$ 305,473
Total revenues	-	-	305,473	305,473
Expenditures:				
Debt service				
Principal retirement	-	-	375,000	(375,000)
Interest and other charges	1,400,000	1,400,000	449,852	950,148
Total expenditures	1,400,000	1,400,000	824,852	575,148
Excess (deficiency) of revenues over expenditures	(1,400,000)	(1,400,000)	(519,379)	880,621
Other financing sources (uses):				
Transfers in	-	-	1,400,003	1,400,003
Total other financing sources (uses)	-	-	1,400,003	1,400,003
Net change in fund balances	(1,400,000)	(1,400,000)	880,624	2,280,624
Fund Balance, July 1, 2008	1,400,000	1,400,000	481,330	(918,670)
Fund Balance, June 30, 2009	\$ -	\$ -	\$ 1,361,954	\$ 1,361,954

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Capital Projects
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Investment earnings	\$ 1,500,000	\$ 1,500,000	\$ 904,467	\$ (595,533)
Total revenues	<u>1,500,000</u>	<u>1,500,000</u>	<u>904,467</u>	<u>(595,533)</u>
Expenditures:				
Capital outlay				
Board of Supervisors	29,332,190	25,555,604	9,089,987	16,465,617
Total expenditures	<u>29,332,190</u>	<u>25,555,604</u>	<u>9,089,987</u>	<u>16,465,617</u>
Excess (deficiency) of revenues over expenditures	(27,832,190)	(24,055,604)	(8,185,520)	15,870,084
Other financing sources (uses):				
Sale of capital assets	-	-	673,188	673,188
Transfers in	6,450,643	6,450,643	4,318,068	(2,132,575)
Transfers out	<u>(5,219,000)</u>	<u>(5,219,000)</u>	<u>(29,890,565)</u>	<u>(24,671,565)</u>
Total other financing sources (uses)	<u>1,231,643</u>	<u>1,231,643</u>	<u>(24,899,309)</u>	<u>(26,130,952)</u>
Net change in fund balances	(26,600,547)	(22,823,961)	(33,084,829)	(10,260,868)
Fund Balance, July 1, 2008	<u>26,600,547</u>	<u>22,823,961</u>	<u>78,615,375</u>	<u>55,791,414</u>
Fund Balance, June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,530,546</u>	<u>\$ 45,530,546</u>

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Capital Projects Debt Service
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Investment earnings	\$ -	\$ -	\$ 1,189	\$ 1,189
Total revenues	-	-	1,189	1,189
Expenditures:				
Debt service				
Principal retirement	-	-	25,000,000	(25,000,000)
Interest and other charges	2,225,000	2,225,000	2,567,708	(342,708)
Total expenditures	2,225,000	2,225,000	27,567,708	(25,342,708)
Excess (deficiency) of revenues over expenditures	(2,225,000)	(2,225,000)	(27,566,519)	(25,341,519)
Other financing sources (uses):				
Transfers in	2,225,000	2,225,000	27,567,708	25,342,708
Transfers out	-	-	(39,203)	(39,203)
Total other financing sources (uses)	2,225,000	2,225,000	27,528,505	25,303,505
Net change in fund balances	-	-	(38,014)	(38,014)
Fund Balance, July 1, 2008	-	-	39,203	39,203
Fund Balance, June 30, 2009	\$ -	\$ -	\$ 1,189	\$ 1,189

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Health Care
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Licenses and permits	\$ -	\$ -	\$ 706,338	\$ 706,338
Intergovernmental	10,252,427	10,252,427	4,895,122	(5,357,305)
Charges for services	-	-	3,383,559	3,383,559
Investment earnings	-	-	61,803	61,803
Miscellaneous	-	-	3,185,771	3,185,771
Total revenues	<u>10,252,427</u>	<u>10,252,427</u>	<u>12,232,593</u>	<u>1,980,166</u>
Expenditures:				
Health				
Health	11,357,176	14,108,670	12,566,528	1,542,142
Total expenditures	<u>11,357,176</u>	<u>14,108,670</u>	<u>12,566,528</u>	<u>1,542,142</u>
Excess (deficiency) of revenues over expenditures	(1,104,749)	(3,856,243)	(333,935)	3,522,308
Other financing sources (uses):				
Transfers in	1,104,749	1,104,749	600,000	(504,749)
Total other financing sources (uses)	<u>1,104,749</u>	<u>1,104,749</u>	<u>600,000</u>	<u>(504,749)</u>
Net change in fund balances	-	(2,751,494)	266,065	3,017,559
Fund Balance, July 1, 2008	-	2,751,494	3,470,786	719,292
Decrease in reserve for prepaid items	-	-	(1,984)	(1,984)
Fund Balance, June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,734,867</u>	<u>\$ 3,734,867</u>

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Recorder's Surcharge
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 458,221	\$ 458,221	\$ -	\$ (458,221)
Charges for services	-	-	273,504	273,504
Investment earnings	-	-	2,389	2,389
Miscellaneous	-	-	1,458	1,458
Total revenues	458,221	458,221	277,351	(180,870)
Expenditures:				
General government				
Recorder	458,221	458,221	273,428	184,793
Total expenditures	458,221	458,221	273,428	184,793
Net change in fund balances	-	-	3,923	3,923
Fund Balance, July 1, 2008	-	-	201,086	201,086
Increase in reserve for prepaid items	-	-	1,064	1,064
Fund Balance, June 30, 2009	\$ -	\$ -	\$ 206,073	\$ 206,073

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Assessor's Surcharge
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 952,150	\$ 952,150	\$ -	\$ (952,150)
Charges for services	-	-	263,088	263,088
Investment earnings	-	-	13,065	13,065
Miscellaneous	-	-	1,501	1,501
Total revenues	952,150	952,150	277,654	(674,496)
Expenditures:				
General government				
Assessor	952,150	952,150	425,405	526,745
Total expenditures	952,150	952,150	425,405	526,745
Net change in fund balances	-	-	(147,751)	(147,751)
Fund Balance, July 1, 2008	-	-	798,345	798,345
Fund Balance, June 30, 2009	\$ -	\$ -	\$ 650,594	\$ 650,594

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Public Library
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 3,806,571	\$ 3,806,571	\$ 3,724,646	\$ (81,925)
Intergovernmental	398,285	398,285	125,762	(272,523)
Investment earnings	-	-	22,385	22,385
Miscellaneous	63,422	63,422	76,223	12,801
Total revenues	4,268,278	4,268,278	3,949,016	(319,262)
Expenditures:				
General government				
Library	5,204,796	5,204,796	2,888,340	2,316,456
Total expenditures	5,204,796	5,204,796	2,888,340	2,316,456
Net change in fund balances	(936,518)	(936,518)	1,060,676	1,997,194
Fund Balance, July 1, 2008	936,518	936,518	853,133	(83,385)
Decrease in reserve for prepaid items			(2,466)	(2,466)
Fund Balance, June 30, 2009	\$ -	\$ -	\$ 1,911,343	\$ 1,911,343

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Education Service Agency
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ 197	\$ 197
Intergovernmental	5,269,287	5,269,287	3,137,454	(2,131,833)
Charges for services	-	-	460,598	460,598
Investment earnings	-	-	51,087	51,087
Miscellaneous	-	-	516,641	516,641
Total revenues	5,269,287	5,269,287	4,165,977	(1,103,310)
Expenditures:				
Education				
School Superintendent	5,269,287	5,272,342	4,010,780	1,261,562
Total expenditures	5,269,287	5,272,342	4,010,780	1,261,562
Net change in fund balances	-	(3,055)	155,197	158,252
Fund Balance, July 1, 2008	-	3,055	1,132,554	1,129,499
Increase in reserve for prepaid items	-	-	4,288	4,288
Fund Balance, June 30, 2009	\$ -	\$ -	\$ 1,292,039	\$ 1,292,039

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Parks & Recreation
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,443,800	\$ 1,443,800	\$ 238,176	\$ (1,205,624)
Investment earnings	-	-	22,476	22,476
Miscellaneous	-	-	9,839	9,839
Total revenues	1,443,800	1,443,800	270,491	(1,173,309)
Expenditures:				
General government				
Board of Supervisors	1,430,800	1,430,800	225,891	1,204,909
Public safety				
Adult Probation	13,000	13,000	9,793	3,207
Culture & recreation				
Facilities	-	2,950	61,560	(58,610)
Total expenditures	1,433,800	1,446,750	297,244	1,149,506
Excess (deficiency) of revenues over expenditures	-	(2,950)	(26,753)	(23,803)
Other financing sources (uses):				
Transfers in	-	-	7,034	7,034
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	7,034	7,034
Net change in fund balances	-	(2,950)	(19,719)	(16,769)
Fund Balance, July 1, 2008	-	2,950	1,310,804	1,307,854
Fund Balance, June 30, 2009	\$ -	\$ -	\$ 1,291,085	\$ 1,291,085

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Water Advisory Committee
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 258,567	\$ 258,567	\$ 121,500	\$ (137,067)
Investment earnings	-	-	3,950	3,950
Miscellaneous	-	-	10,234	10,234
Total revenues	258,567	258,567	135,684	(122,883)
Expenditures:				
General government				
Board of Supervisors	363,567	363,567	202,519	161,048
Total expenditures	363,567	363,567	202,519	161,048
Excess (deficiency) of revenues over expenditures	(105,000)	(105,000)	(66,835)	38,165
Other financing sources (uses):				
Transfers in	105,000	105,000	105,000	-
Total other financing sources (uses)	105,000	105,000	105,000	-
Net change in fund balances	-	-	38,165	38,165
Fund Balance, July 1, 2008	-	-	203,150	203,150
Decrease in reserve for prepaid items			(175)	(175)
Fund Balance, June 30, 2009	\$ -	\$ -	\$ 241,140	\$ 241,140

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Landfill / Environment
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 430,000	\$ 430,000	\$ 369,189	\$ (60,811)
Charges for services	-	-	21,992	21,992
Miscellaneous	-	-	6,042	6,042
Total revenues	430,000	430,000	397,223	(32,777)
Expenditures:				
Sanitation				
Landfill	497,000	497,000	315,824	181,176
Total expenditures	497,000	497,000	315,824	181,176
Net change in fund balances	(67,000)	(67,000)	81,399	148,399
Fund Balance, July 1, 2008	67,000	67,000	425,532	358,532
Fund Balance, June 30, 2009	\$ -	\$ -	\$ 506,931	\$ 506,931

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Public Works
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 125,000	\$ 125,000	\$ 161,709	\$ 36,709
Investment earnings	-	-	2,068	2,068
Miscellaneous	-	-	15	15
Total revenues	125,000	125,000	163,792	38,792
Expenditures:				
Highways and streets				
Public Works	125,000	125,000	142,395	(17,395)
Total expenditures	125,000	125,000	142,395	(17,395)
Net change in fund balances	-	-	21,397	21,397
Fund Balance, July 1, 2008	-	-	165,427	165,427
Fund Balance, June 30, 2009	\$ -	\$ -	\$ 186,824	\$ 186,824

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Improvement Districts
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 6,084,652	\$ 6,084,652	\$ 5,779,041	\$ (305,611)
Special assessments	3,862,501	3,862,501	-	(3,862,501)
Intergovernmental	-	-	362,971	362,971
Investment earnings	-	-	76,048	76,048
Miscellaneous	214,467	214,467	21,526	(192,941)
Total revenues	<u>10,161,620</u>	<u>10,161,620</u>	<u>6,239,586</u>	<u>(3,922,034)</u>
Expenditures:				
General government				
Board of Supervisors	-	-	1,103	(1,103)
Public safety				
Flood Control	10,202,736	10,202,736	4,213,891	5,988,845
Highways and streets				
Board of Supervisors	59,691	59,691	361,998	(302,307)
Public Works	3,862,501	3,862,501	6,300	3,856,201
Total Highways and streets	<u>3,922,192</u>	<u>3,922,192</u>	<u>368,298</u>	<u>3,553,894</u>
Sanitation				
Special Districts	26,953	26,953	10,868	16,085
Total expenditures	<u>14,151,881</u>	<u>14,151,881</u>	<u>4,594,160</u>	<u>9,557,721</u>
Excess (deficiency) of revenues over expenditures	(3,990,261)	(3,990,261)	1,645,426	5,635,687
Other financing sources (uses):				
Transfers out	(143,320)	(143,320)	(585)	142,735
Total other financing sources (uses)	<u>(143,320)</u>	<u>(143,320)</u>	<u>(585)</u>	<u>142,735</u>
Net change in fund balances	(4,133,581)	(4,133,581)	1,644,841	5,778,422
Fund Balance, July 1, 2008	4,133,581	4,133,581	4,223,523	89,942
Decrease in reserve for prepaid items	-	-	(50)	(50)
Fund Balance, June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,868,314</u>	<u>\$ 5,868,314</u>

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Clerk of Superior Court
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,005,554	\$ 1,005,554	\$ -	\$ (1,005,554)
Charges for services	-	-	78,097	78,097
Fines and forfeits	-	-	415,445	415,445
Investment earnings	-	-	2,949	2,949
Miscellaneous	-	-	18	18
Total revenues	<u>1,005,554</u>	<u>1,005,554</u>	<u>496,509</u>	<u>(509,045)</u>
Expenditures:				
General government				
Clerk of the Court	<u>928,910</u>	<u>928,910</u>	<u>66,638</u>	<u>862,272</u>
Total expenditures	<u>928,910</u>	<u>928,910</u>	<u>66,638</u>	<u>862,272</u>
Excess (deficiency) of revenues over expenditures	76,644	76,644	429,871	353,227
Other financing sources (uses):				
Transfers out	<u>(76,644)</u>	<u>(76,644)</u>	<u>(413,411)</u>	<u>(336,767)</u>
Total other financing sources (uses)	<u>(76,644)</u>	<u>(76,644)</u>	<u>(413,411)</u>	<u>(336,767)</u>
Net change in fund balances	-	-	16,460	16,460
Fund Balance, July 1, 2008	-	-	<u>170,364</u>	<u>170,364</u>
Fund Balance, June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 186,824</u>	<u>\$ 186,824</u>

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
County Attorney
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 995,931	\$ 995,931	\$ 735,898	\$ (260,033)
Charges for services	-	-	67,081	67,081
Investment earnings	-	-	19,593	19,593
Miscellaneous	-	-	1,071,713	1,071,713
Total revenues	995,931	995,931	1,894,285	898,354
Expenditures:				
General government				
County Attorney	924,931	1,819,657	1,420,117	399,540
Total expenditures	924,931	1,819,657	1,420,117	399,540
Excess (deficiency) of revenues over expenditures	71,000	(823,726)	474,168	1,297,894
Other financing sources (uses):				
Transfers in	-	-	89,778	89,778
Transfers out	(71,000)	(71,000)	(173,301)	(102,301)
Total other financing sources (uses)	(71,000)	(71,000)	(83,523)	(12,523)
Net change in fund balances	-	(894,726)	390,645	1,285,371
Fund Balance, July 1, 2008	-	894,726	1,207,734	313,008
Fund Balance, June 30, 2009	\$ -	\$ -	\$ 1,598,379	\$ 1,598,379

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Law Enforcement
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 3,165,171	\$ 3,165,171	\$ 1,765,514	\$ (1,399,657)
Charges for services	-	-	57,700	57,700
Investment earnings	-	-	28,591	28,591
Miscellaneous	-	-	553,610	553,610
Total revenues	3,165,171	3,165,171	2,405,415	(759,756)
Expenditures:				
General government				
Emergency management			2,097	(2,097)
Public safety				
Sheriff	3,165,171	3,252,052	2,699,046	553,006
Total expenditures	3,165,171	3,252,052	2,701,143	550,909
Excess (deficiency) of revenues over expenditures	-	(86,881)	(295,728)	(208,847)
Other financing sources (uses):				
Transfers in	-	-	100,000	100,000
Transfers out	-	-	(7,034)	(7,034)
Total other financing sources (uses)	-	-	92,966	92,966
Net change in fund balances	-	(86,881)	(202,762)	(115,881)
Fund Balance, July 1, 2008	-	86,881	1,561,874	1,474,993
Increase in reserve for prepaid items	-	-	1,918	1,918
Fund Balance, June 30, 2009	\$ -	\$ -	\$ 1,361,030	\$ 1,361,030

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Emergency Management
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 743,907	\$ 743,907	\$ 597,517	\$ (146,390)
Investment earnings	-	-	1,466	1,466
Miscellaneous	-	-	2	2
Total revenues	743,907	743,907	598,985	(144,922)
Expenditures:				
General government				
Emergency Management	794,171	794,171	638,953	155,218
Total expenditures	794,171	794,171	638,953	155,218
Net change in fund balances	(50,264)	(50,264)	(39,968)	10,296
Fund Balance, July 1, 2008	50,264	50,264	110,839	60,575
Decrease in reserve for prepaid items			(735)	(735)
Fund Balance, June 30, 2009	\$ -	\$ -	\$ 70,136	\$ 70,136

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Probation
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 8,005,684	\$ 8,005,684	\$ 5,275,684	\$ (2,730,000)
Charges for services	-	-	1,080,393	1,080,393
Investment earnings	-	-	24,254	24,254
Miscellaneous	-	-	412,740	412,740
Total revenues	8,005,684	8,005,684	6,793,071	(1,212,613)
Expenditures:				
Public safety				
Adult Probation	5,155,444	5,155,444	3,927,398	1,228,046
Juvenile Probation	2,848,240	2,848,240	2,507,844	340,396
Total expenditures	8,003,684	8,003,684	6,435,242	1,568,442
Excess (deficiency) of revenues over expenditures	2,000	2,000	357,829	355,829
Other financing sources (uses):				
Transfers out			(4,730)	(4,730)
Total other financing sources (uses)			(4,730)	(4,730)
Net change in fund balances	2,000	2,000	353,099	351,099
Fund Balance, July 1, 2008	(2,000)	(2,000)	1,079,467	1,081,467
Fund Balance, June 30, 2009	\$ -	\$ -	\$ 1,432,566	\$ 1,432,566

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Courts
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,727,365	\$ 2,727,365	\$ 571,712	\$ (2,155,653)
Charges for services	-	-	337,919	337,919
Fines and forfeits	-	-	142,141	142,141
Investment earnings	-	-	21,620	21,620
Miscellaneous	-	-	61,707	61,707
Total revenues	2,727,365	2,727,365	1,135,099	(1,592,266)
Expenditures:				
General government:				
Superior Courts	2,727,365	2,764,845	1,234,536	1,530,309
Prescott Justice of the Peace	-	-	42,763	(42,763)
Bagdad/Yarnell Justice of the Peace	-	-	1,425	(1,425)
Verde Valley Justice of the Peace	-	-	9,195	(9,195)
Mayer Justice of the Peace	-	-	8,522	(8,522)
Seligman Justice of the Peace	-	-	10,147	(10,147)
Total General government	2,727,365	2,764,845	1,306,588	1,458,257
Excess (deficiency) of revenues over expenditures	-	(37,480)	(171,489)	(134,009)
Other financing sources (uses):				
Transfers in	42,000	42,000	278,807	236,807
Total other financing sources (uses)	42,000	42,000	278,807	236,807
Net change in fund balances	42,000	4,520	107,318	102,798
Fund Balance, July 1, 2008	(42,000)	(4,520)	1,389,092	1,393,612
Decrease in reserve for prepaid items	-	-	(684)	(684)
Fund Balance, June 30, 2009	\$ -	\$ -	\$ 1,495,726	\$ 1,495,726

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Public Defender
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 213,545	\$ 213,545	\$ 55,453	\$ (158,092)
Charges for services	-	-	12,930	12,930
Investment earnings	-	-	2,926	2,926
Miscellaneous	-	-	26,838	26,838
Total revenues	213,545	213,545	98,147	(115,398)
Expenditures:				
General government				
Public Defender	213,545	213,545	184,034	29,511
Total expenditures	213,545	213,545	184,034	29,511
Excess (deficiency) of revenues over expenditures	-	-	(85,887)	(85,887)
Other financing sources (uses):				
Transfers in	-	-	85,291	85,291
Total other financing sources (uses)	-	-	85,291	85,291
Net change in fund balances	-	-	(596)	(596)
Fund Balance, July 1, 2008	-	-	233,520	233,520
Fund Balance, June 30, 2009	\$ -	\$ -	\$ 232,924	\$ 232,924

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Airport Development
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 886,607	\$ 886,607	\$ 556,609	\$ (329,998)
Investment earnings	-	-	2,238	2,238
Miscellaneous	-	-	43,612	43,612
Total revenues	886,607	886,607	602,459	(284,148)
Expenditures:				
Capital outlay				
Airport Development	886,607	886,607	527,885	358,722
Total expenditures	886,607	886,607	527,885	358,722
Excess (deficiency) of revenues over expenditures	-	-	74,574	74,574
Other financing sources (uses):				
Transfers out	-	-	(150,000)	(150,000)
Total other financing sources (uses)	-	-	(150,000)	(150,000)
Net change in fund balances	-	-	(75,426)	(75,426)
Fund Balance, July 1, 2008	-	-	84,784	84,784
Fund Balance, June 30, 2009	\$ -	\$ -	\$ 9,358	\$ 9,358

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Coyote Springs
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Special assessments	\$ -	\$ -	\$ 145,220	\$ 145,220
Investment earnings	-	-	9,252	9,252
Total revenues	-	-	154,472	154,472
Expenditures:				
Debt service				
Principal retirement	75,000	75,000	75,000	-
Interest and other charges	68,320	68,320	74,273	(5,953)
Total expenditures	143,320	143,320	149,273	(5,953)
Net change in fund balances	(143,320)	(143,320)	5,199	148,519
Fund Balance, July 1, 2008	143,320	143,320	491,324	348,004
Fund Balance, June 30, 2009	\$ -	\$ -	\$ 496,523	\$ 496,523

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Prescott East
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Special assessments	\$ 40,718	\$ 40,718	\$ 30,230	\$ (10,488)
Investment earnings	-	-	1,672	1,672
Total revenues	40,718	40,718	31,902	(8,816)
Expenditures:				
Highways and streets				
Public Works	43,943	43,943	-	43,943
Debt service				
Principal retirement	35,355	35,355	35,356	-
Interest and other charges	5,363	5,363	10,023	(4,661)
Total Debt service	40,718	40,718	45,379	(4,661)
Total expenditures	84,661	84,661	45,379	39,282
Net change in fund balances	(43,943)	(43,943)	(13,477)	30,466
Fund Balance, July 1, 2008	43,943	43,943	90,798	46,855
Fund Balance, June 30, 2009	\$ -	\$ -	\$ 77,321	\$ 77,321

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**CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS**

Yavapai County
 Capital Assets Used in the Operation of Governmental Funds
 Comparative Schedules By Source
 As of June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Government funds capital assets:		
Land	\$ 50,838,842	\$ 50,422,747
Buildings	56,663,776	56,615,674
Equipment	36,394,978	36,981,815
Infrastructure	289,832,867	282,654,499
Construction in progress	<u>16,972,453</u>	<u>11,053,360</u>
 Total governmental funds capital assets	 <u>\$ 450,702,916</u>	 <u>\$ 437,728,095</u>
 Investments in governmental funds capital assets by source:		
General fund	\$ 32,591,537	\$ 33,637,377
Special revenue funds	362,244,965	346,372,912
Capital projects funds	<u>55,866,414</u>	<u>57,717,806</u>
 Total governmental funds capital assets	 <u>\$ 450,702,916</u>	 <u>\$ 437,728,095</u>

Yavapai County
 Capital Assets Used in the Operation of Governmental Funds
 Schedule By Function and Activity
 As of June 30, 2009

Function	Land	Buildings	Equipment	Infrastructure	Construction in Progress	Total
General government	\$ 12,229,910	\$ 15,296,537	\$ 15,293,149	\$ 4,916,940	\$ 9,938,228	\$ 57,674,764
Public safety	1,339,343	33,798,030	2,591,298	3,782,173	325,675	41,836,519
Highways and streets	34,969,497	2,509,269	15,533,893	281,133,754	6,708,550	340,854,963
Health	-	4,466,263	482,373	-	-	4,948,636
Welfare	-	-	17,456	-	-	17,456
Sanitation	203,164	36,150	992,166	-	-	1,231,480
Culture and recreation	1,994,159	-	1,373,221	-	-	3,367,380
Education	102,769	557,527	111,422	-	-	771,718
Total governmental funds capital assets	<u>\$ 50,838,842</u>	<u>\$ 56,663,776</u>	<u>\$ 36,394,978</u>	<u>\$ 289,832,867</u>	<u>\$ 16,972,453</u>	<u>\$ 450,702,916</u>

Yavapai County
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes By Function and Activity
Year Ended June 30, 2009

Function	Governmental Funds Capital Assets July 1, 2008	Increases	Decreases	Governmental Funds Capital Assets June 30, 2009
General government	\$ 50,528,489	\$ 9,761,559	\$ 2,615,284	\$ 57,674,764
Public safety	41,387,240	1,686,550	1,237,271	41,836,519
Highways and streets	335,445,660	9,485,678	4,076,375	340,854,963
Health	4,943,089	35,853	30,306	4,948,636
Welfare	17,456	-	-	17,456
Sanitation	1,231,480	-	-	1,231,480
Culture and recreation	3,367,380	-	-	3,367,380
Education	807,301	-	35,583	771,718
Total governmental funds capital assets	<u>\$ 437,728,095</u>	<u>\$ 20,969,640</u>	<u>\$ 7,994,819</u>	<u>\$ 450,702,916</u>

Yavapai County
Statement of Changes in Assets and Liabilities
Agency Fund
Year Ended June 30, 2009

Assets	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
Equity in pooled cash and investments	\$ 3,002,962	\$ 13,649,387	\$ (14,147,672)	\$ 2,504,677
Total assets	<u>\$ 3,002,962</u>	<u>\$ 13,649,387</u>	<u>\$ (14,147,672)</u>	<u>\$ 2,504,677</u>
Liabilities				
Deposits held for others	\$ 3,002,962	\$ 13,649,387	\$ (14,147,672)	\$ 2,504,677
Total liabilities	<u>\$ 3,002,962</u>	<u>\$ 13,649,387</u>	<u>\$ (14,147,672)</u>	<u>\$ 2,504,677</u>

STATISTICAL SECTION

Yavapai County
Statistical Section
Year Ended June 30, 2009

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.	110
Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	116
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.	120
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.	123
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.	125
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.	

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

	Fiscal Year							
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u> As Restated	<u>2008</u>	<u>2009</u>
Governmental activities								
Invested in capital assets, net of related debt	\$ 58,950,435	\$ 64,735,399	\$ 89,640,318	\$ 98,010,786	\$ 224,412,765	\$ 225,318,014	\$ 229,172,469	\$ 223,287,295
Restricted	452,492	221,862	453,070	546,806	607,294	606,573	3,710,523	7,875,823
Unrestricted	15,173,532	24,647,259	20,105,196	27,543,026	40,972,673	57,826,910	64,650,547	65,958,846
Total governmental activities net assets	<u>\$ 74,576,459</u>	<u>\$ 89,604,520</u>	<u>\$ 110,198,584</u>	<u>\$ 126,100,618</u>	<u>\$ 265,992,732</u>	<u>\$ 283,751,497</u>	<u>\$ 297,533,539</u>	<u>\$ 297,121,964</u>
Business-type activities								
Invested in capital assets, net of related debt	\$ 150,834	\$ 113,516	\$ 174,128	\$ 159,457	\$ 143,635	\$ 195,903	\$ 176,099	\$ 200,204
Restricted	3,789,488	3,937,368	2,688,410	2,921,417	3,756,119	5,023,106	3,781,682	2,697,563
Total business-type activities net assets	<u>\$ 3,940,322</u>	<u>\$ 4,050,884</u>	<u>\$ 2,862,538</u>	<u>\$ 3,080,874</u>	<u>\$ 3,899,754</u>	<u>\$ 5,219,009</u>	<u>\$ 3,957,781</u>	<u>\$ 2,897,767</u>
Primary government								
Invested in capital assets, net of related debt	\$ 59,101,269	\$ 64,848,915	\$ 89,814,446	\$ 98,170,243	\$ 224,556,400	\$ 225,513,917	\$ 229,348,568	\$ 223,487,499
Restricted	4,241,980	4,159,230	3,141,480	3,468,223	4,363,413	5,629,679	7,492,205	10,573,386
Unrestricted	15,173,532	24,647,259	20,105,196	27,543,026	40,972,673	57,826,910	64,650,547	65,958,846
Total primary government net assets	<u>\$ 78,516,781</u>	<u>\$ 93,655,404</u>	<u>\$ 113,061,122</u>	<u>\$ 129,181,492</u>	<u>\$ 269,892,486</u>	<u>\$ 288,970,506</u>	<u>\$ 301,491,320</u>	<u>\$ 300,019,731</u>

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

	Fiscal Year							
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u> <u>As Restated</u>	<u>2008</u>	<u>2009</u>
Expenses								
Governmental activities:								
General government	\$ 36,537,899	\$ 41,123,373	\$ 37,084,422	\$ 49,606,233	\$ 50,250,176	\$ 53,476,984	\$ 56,463,230	\$ 54,763,915
Public safety	24,955,806	26,737,930	31,704,296	34,241,112	42,840,060	45,577,212	49,004,105	50,648,123
Highways and streets	13,489,550	11,012,419	18,457,819	14,468,350	26,559,520	27,358,195	25,459,898	26,824,721
Sanitation	1,487,737	1,595,659	1,645,392	1,589,708	1,817,225	1,520,053	1,917,599	1,686,935
Health	6,968,146	5,675,223	8,757,816	8,958,399	10,543,636	10,983,877	11,503,799	12,728,257
Welfare	8,470,679	8,277,939	7,844,530	8,978,907	9,658,425	11,038,595	10,787,068	11,468,732
Culture and recreation	493,513	591,898	556,472	667,306	89,621	195,457	222,162	252,328
Education	1,513,738	1,716,524	2,546,712	2,326,146	2,480,067	3,318,361	4,739,415	4,656,691
Aid to other governments	240,038	361,130	146,641	2,690,577	160,248	-	-	-
Interest on long-term debt	381,013	777,372	923,764	673,555	558,900	480,637	1,497,898	3,382,649
Total governmental activities expenses	94,538,119	97,869,467	109,667,864	124,200,293	144,957,878	153,949,371	161,595,174	166,412,351
Business-type activities:								
Long Term Care	25,850,990	28,339,917	31,832,400	34,660,511	34,456,013	33,577,705	37,821,993	42,630,543
Total business-type activities expenses	25,850,990	28,339,917	31,832,400	34,660,511	34,456,013	33,577,705	37,821,993	42,630,543
Total primary government expenses	\$120,389,109	\$126,209,384	\$141,500,264	\$158,860,804	\$179,413,891	\$187,527,076	\$199,417,167	\$209,042,894
Program Revenues								
Governmental activities:								
Charges for services:								
General government	\$ 6,120,588	\$ 5,726,915	\$ 6,123,424	\$ 7,507,861	\$ 7,861,648	\$ 6,801,849	\$ 5,974,258	\$ 4,437,362
Public safety	909,283	2,780,332	3,104,336	3,548,886	4,246,614	5,281,258	5,610,867	5,719,713
Health	2,602,830	2,486,307	2,339,512	2,799,419	2,972,426	2,984,046	3,627,207	4,089,897
Other	485,280	1,966,656	2,211,426	2,927,612	2,594,749	1,798,220	2,109,402	1,485,526
Operating grants and contributions	24,664,718	24,225,128	26,686,792	27,024,916	30,373,350	35,334,547	32,432,224	33,964,362
Capital grants and contributions	1,842,640	342,063	138,290	2,586,829	240,861	571,666	2,271,419	556,609
Total governmental activities program revenues	36,625,339	37,527,401	40,603,780	46,395,523	48,289,648	52,771,586	52,025,377	50,253,469
Business-type activities:								
Charges for services:								
Long Term Care	27,423,306	30,408,291	31,465,598	34,931,830	35,980,820	35,409,765	37,655,470	42,899,640

(Continued on next page)

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

(Continued)

	Fiscal Year							
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007 As Restated</u>	<u>2008</u>	<u>2009</u>
Total business-type activities program revenues	27,423,306	30,408,291	31,465,598	34,931,830	35,980,820	35,409,765	37,655,470	42,899,640
Total primary government program revenues	\$ 64,048,645	\$ 67,935,692	\$ 72,069,378	\$ 81,327,353	\$ 84,270,468	\$ 88,181,351	\$ 89,680,847	\$ 93,153,109
Net (expense)/revenue								
Governmental activities	\$(57,912,780)	\$(60,342,066)	\$(69,064,084)	\$(77,804,770)	\$(96,668,230)	\$(101,177,785)	\$(109,569,797)	\$(116,158,882)
Business-type activities	1,572,316	2,068,374	(366,802)	271,319	1,524,807	1,832,060	(166,523)	269,097
Total primary government net expense	\$(56,340,464)	\$(58,273,692)	\$(69,430,886)	\$(77,533,451)	\$(95,143,423)	\$ (99,345,725)	\$(109,736,320)	\$(115,889,785)
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Property taxes	\$ 25,850,531	\$ 28,097,734	\$ 31,940,611	\$ 34,912,400	\$ 38,887,081	\$ 42,447,960	\$ 45,965,292	\$ 50,937,068
Sales taxes	31,598,094	32,756,018	35,700,324	41,077,470	50,065,907	52,313,184	49,005,883	42,623,546
Vehicle license taxes	6,576,179	8,335,252	9,495,550	10,060,798	11,449,992	11,914,533	11,589,365	10,332,569
Franchise taxes	503,134	491,454	498,553	511,205	503,099	491,257	319,500	300,793
Lottery (intergovernmental, unrestricted)	550,035	550,035	550,035	550,035	550,035	550,035	550,035	522,533
Interest on investments	800,282	48,864	252,347	554,886	1,280,133	2,704,970	3,795,969	2,055,193
Gain on sale of capital assets	112,334	338,348	-	1,353,975	-	1,082,800	4,121,512	771,658
Miscellaneous	2,869,208	2,752,422	4,037,390	4,123,119	5,200,590	5,600,472	6,504,283	6,703,947
Transfers	1,300,000	2,000,000	1,000,000	297,046	1,000,000	1,000,000	1,500,000	1,500,000
Total governmental activities	70,159,797	75,370,127	83,474,810	93,440,934	108,936,837	118,105,211	123,351,839	115,747,307
Business-type activities:								
Interest on investments	-	-	124,413	114,608	168,358	356,585	346,606	136,335
Miscellaneous	-	42,188	54,043	129,455	125,715	130,610	58,689	34,554
Transfers	(1,300,000)	(2,000,000)	(1,000,000)	(297,046)	(1,000,000)	(1,000,000)	(1,500,000)	(1,500,000)
Total business-type activities	(1,300,000)	(1,957,812)	(821,544)	(52,983)	(705,927)	(512,805)	(1,094,705)	(1,329,111)
Total primary government	\$ 68,859,797	\$ 73,412,315	\$ 82,653,266	\$ 93,387,951	\$ 108,230,910	\$ 117,592,406	\$ 122,257,134	\$ 114,418,196
Change in Net Assets								
Governmental activities	\$ 12,247,017	\$ 15,028,061	\$ 14,410,726	\$ 15,636,164	\$ 12,268,607	\$ 16,927,426	\$ 13,782,042	\$ (411,575)
Business-type activities	272,316	110,562	(1,188,346)	218,336	818,880	1,319,255	(1,261,228)	(1,060,014)
Total primary government	\$ 12,519,333	\$ 15,138,623	\$ 13,222,380	\$ 15,854,500	\$ 13,087,487	\$ 18,246,681	\$ 12,520,814	\$ (1,471,589)

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

	Fiscal Year									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	2007 As Restated	<u>2008</u>	<u>2009</u>
General fund										
Reserved	-	-	-	-	\$ 91,724	\$ 99,748	\$ 209,895	\$ 226,811	\$ 483,570	\$ 615,392
Unreserved	\$ 6,272,536	\$ 8,001,803	\$ 5,544,258	\$ 1,784,993	1,863,405	3,595,788	8,810,588	3,456,351	1,427,573	1,930,336
Total general fund	<u>\$ 6,272,536</u>	<u>\$ 8,001,803</u>	<u>\$ 5,544,258</u>	<u>\$ 1,784,993</u>	<u>\$ 1,955,129</u>	<u>\$ 3,695,536</u>	<u>\$ 9,020,483</u>	<u>\$ 3,683,162</u>	<u>\$ 1,911,143</u>	<u>\$ 2,545,728</u>
All other governmental funds										
Reserved	\$ 153,966	\$ 214,767	\$ 256,057	\$ 325,722	\$ 936,366	\$ 704,781	\$ 867,774	\$ 892,421	\$ 51,426,543	\$ 20,716,883
Unreserved, reported in:										
Special revenue funds	14,949,857	15,168,286	18,192,971	23,087,399	21,288,382	26,262,264	28,677,267	38,658,976	62,686,413	58,212,657
Capital projects funds	4,335,985	(280,250)	11,902,949	7,589,902	4,677,929	6,266,584	12,280,114	24,216,390	28,615,375	27,040,504
Total all other governmental funds	<u>\$19,439,808</u>	<u>\$15,102,803</u>	<u>\$30,351,977</u>	<u>\$31,003,023</u>	<u>\$26,902,677</u>	<u>\$33,233,629</u>	<u>\$41,825,155</u>	<u>\$63,767,787</u>	<u>\$142,728,331</u>	<u>\$105,970,044</u>

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

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Taxes	\$ 33,720,292	\$ 38,375,384	\$ 41,537,857	\$ 44,368,163	\$ 51,126,397	\$ 56,699,399	\$ 64,339,846	\$ 68,366,838	\$ 69,823,083	\$ 71,170,257
Special assessments	50,339	1,131,562	156,696	273,374	515,278	308,532	270,747	196,408	164,967	175,450
Licenses and permits	2,930,789	3,103,494	3,140,455	4,117,310	4,566,514	6,462,137	6,334,632	4,850,011	4,766,461	2,961,289
Intergovernmental	42,087,182	46,426,273	48,891,212	49,968,098	53,304,620	59,847,934	67,630,858	74,640,439	72,214,152	68,151,441
Charges for services	5,229,472	4,922,776	5,578,511	6,406,303	6,422,832	7,315,921	7,732,193	7,788,177	8,425,489	8,643,467
Fines and forfeits	1,773,761	2,120,826	2,208,732	2,082,004	2,319,086	2,510,775	3,104,481	3,786,792	3,661,993	3,213,958
Investment income	1,327,830	1,400,083	800,282	48,864	252,347	554,887	1,456,855	2,704,923	3,795,969	2,055,194
Contributions	334,126	271,425	-	-	-	-	-	-	-	-
Miscellaneous	1,939,086	2,432,387	3,149,522	3,304,583	4,460,919	4,613,751	5,372,544	5,703,261	6,580,945	6,803,297
Total revenues	89,392,877	100,184,210	105,463,267	110,568,699	122,967,993	138,313,336	156,242,156	168,036,849	169,433,059	163,174,353
Expenditures										
General government	30,096,416	33,059,247	35,794,786	38,750,661	41,843,874	46,791,573	51,012,067	54,010,879	55,690,909	51,292,906
Public safety	20,774,122	23,172,460	24,498,056	26,503,683	30,697,154	33,696,622	41,641,625	44,428,874	48,794,023	50,239,679
Highways and streets	15,918,379	24,018,331	21,928,139	25,704,354	25,009,308	19,354,645	22,665,826	25,105,478	32,866,538	29,717,490
Sanitation	2,306,549	2,243,074	1,645,147	2,066,464	1,514,713	1,492,577	1,982,814	1,599,913	1,857,688	1,548,363
Health	5,457,544	6,028,077	6,965,668	7,875,991	8,617,007	8,833,788	10,390,948	10,936,074	11,329,734	12,566,528
Welfare	7,946,991	8,359,829	8,692,328	8,206,263	7,950,410	8,975,900	9,651,292	11,071,610	10,826,459	11,465,931
Culture and recreation	189,640	495,677	493,513	599,275	444,617	561,582	99,102	58,135	103,232	119,668
Education	1,174,055	1,404,241	1,511,673	1,741,436	2,367,853	2,420,494	2,315,922	2,668,078	4,708,970	4,640,744
Aid to other governments	-	-	240,038	361,130	-	-	-	-	-	-
Capital outlay	4,067,435	10,524,290	7,560,513	12,044,577	6,100,407	3,475,099	462,273	1,846,167	4,215,537	9,617,872
Debt service										
Principal	25,000	25,000	50,430	1,621,156	3,910,440	5,647,287	3,815,698	1,612,178	1,638,729	27,075,356
Interest and fiscal charges	19,366	9,764	381,013	758,544	904,937	673,556	563,122	480,637	1,497,898	3,382,649
Bond issuance costs	-	-	209,195	-	-	-	-	-	-	-
Total expenditures	87,975,497	109,339,990	109,970,499	126,233,534	129,360,720	131,923,123	144,600,689	153,818,023	173,529,717	201,667,186
Excess (deficiency) of revenues over (under) expenditures	1,417,380	(9,155,780)	(4,507,232)	(15,664,835)	(6,392,727)	6,390,213	11,641,467	14,218,826	(4,096,658)	(38,492,833)
Other financing sources (uses)										
Special assessment debt issued	-	1,825,434	43,746	-	-	-	-	-	-	-
Revenue bonds issued	-	-	15,260,000	-	-	-	-	-	25,375,000	-
Capital lease agreements	-	660,000	373,482	1,202,559	1,300,000	-	-	-	50,000,000	-
Sale of capital assets	18,817	3,009,691	348,188	374,633	-	1,392,753	-	1,082,800	4,121,512	771,659
Transfers in	6,442,227	14,753,106	15,604,263	22,966,703	19,666,460	17,629,736	21,212,224	25,435,821	25,993,225	48,227,811
Transfers out	(4,442,227)	(13,753,106)	(14,304,263)	(20,966,703)	(18,666,460)	(17,332,690)	(20,212,224)	(24,435,821)	(24,493,225)	(46,727,811)
Loan proceeds	-	-	-	9,000,000	-	-	-	-	-	-
Total other financing sources (uses)	2,018,817	6,495,125	17,325,416	12,577,192	2,300,000	1,689,799	1,000,000	2,082,800	80,996,512	2,271,659
Net changes in fund balances	\$ 3,436,197	\$ (2,660,655)	\$ 12,818,184	\$ (3,087,643)	\$ (4,092,727)	\$ 8,080,012	\$ 12,641,467	\$ 16,301,626	\$ 76,899,854	\$ (36,221,174)
Debt service as a percentage of noncapital expenditures	0.1%	0.0%	0.7%	2.5%	4.4%	5.1%	3.3%	1.5%	2.2%	16.3%

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

Fiscal Year	Primary Assessed Value			Total Taxable Assessed Value	Total Direct Tax Rate ¹	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
	Residential and Vacant Property	Commercial Property	Unattached Personal Property				
2000	\$ 734,948,155	\$ 324,692,176	\$ 37,490,738	\$1,097,131,069	2.1609	\$8,553,235,816	12.83%
2001	803,609,838	333,585,285	44,105,956	1,181,301,079	2.0514	9,312,109,194	12.69
2002	879,814,468	357,398,601	43,737,336	1,280,950,405	2.0352	10,130,049,480	12.65
2003	964,199,901	380,263,729	43,628,890	1,388,092,520	2.0369	11,032,555,067	12.58
2004	1,055,971,160	415,043,260	45,792,997	1,516,807,417	2.1115	12,071,754,471	12.56
2005	1,178,680,548	452,777,214	44,571,778	1,676,029,540	2.1077	13,416,406,081	12.49
2006	1,322,060,791	506,417,682	49,368,952	1,877,847,425	2.1042	15,045,533,581	12.48
2007	1,511,362,543	566,635,332	47,712,332	2,125,710,207	2.0450	17,098,083,909	12.43
2008	1,754,125,017	664,163,807	51,977,047	2,470,265,871	1.8860	20,111,624,109	12.28
2009	2,094,798,703	803,911,861	55,888,168	2,954,598,732	1.7148	23,973,791,761	12.32

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						
2000	1.7157	0.1004	0.1100	0.2348	2.1609	0.5217	2.4247-8.1768	0.8236-1.6655	0.3482-5.0680	1.6250
2001	1.6160	0.1003	0.1129	0.2222	2.0514	0.5123	1.2996-7.6734	0.8498-1.7755	0.3098-4.0624	1.6205
2002	1.6066	0.1002	0.1104	0.2180	2.0352	0.4974	0.9900-7.8089	0.7748-1.6717	0.3201-3.8269	1.9488
2003	1.6072	0.1001	0.1117	0.2179	2.0369	0.4889	1.8248-7.3939	0.7229-1.3382	0.0438-5.6002	1.9789
2004	1.6808	0.1000	0.1124	0.2183	2.1115	0.4717	1.2516-8.2795	0.6487-1.2461	0.3235-3.3000	1.8778
2005	1.7008	0.1000	0.1086	0.1983	2.1077	0.4560	1.2362-9.5346	0.6146-1.1904	0.3057-3.3000	1.8514
2006	1.7008	0.0964	0.1086	0.1984	2.1042	0.4358	1.8496-10.4246	0.5658-1.1134	0.1894-3.4285	1.7514
2007	1.6552	0.0895	0.1020	0.1983	2.0450	0.0000	1.8190-9.4606	0.5275-1.1281	0.2523-3.4491	1.6573
2008	1.5292	0.0829	0.1016	0.1723	1.8860	0.0000	1.3621-9.4004	0.4973-0.8977	0.2130-3.4108	1.5225
2009	1.3683	0.0722	0.1020	0.1723	1.7148	0.0000	1.2310-8.4913	0.4235-0.7600	0.0711-3.4200	1.3394

Source: Yavapai County Board of Supervisors Adopted Budget.

1) Includes both primary and secondary rates.

Yavapai County
Principal Property Taxpayers
Current Year and Seven Years Ago

<u>Taxpayer</u>	2009			2002 ¹		
	Primary Assessed Value	Rank	Percentage of Total Primary Assessed Value	Primary Assessed Value	Rank	Percentage of Total Primary Assessed Value
Phelps Dodge Bagdad Inc.	\$ 179,506,958	1	6.08%	\$ 26,990,227	2	2.11%
Arizona Public Service	75,291,721	2	2.55	56,333,768	1	4.40
Salt River Pima - Maricopa Indian Community	30,017,712	3	1.02	-	-	-
Qwest Corporation	16,895,362	4	0.57	17,095,639	3	1.33
Unisource Energy Corporation	13,669,841	5	0.46	-	-	-
TWC II-Prescott Mall LLC	10,118,002	6	0.34	-	-	-
El Paso Natural Gas Company	9,995,330	7	0.34	7,580,251	6	0.59
New Enchantment LP	9,780,077	8	0.33	4,146,066	8	0.32
Burlington Northern Santa Fe Railway Company	9,136,504	9	0.31	9,448,079	5	0.74
Wal-Mart Stores Inc.	8,756,686	10	0.30	-	-	-
Citizen's Utility Company-Northern Gas Division	-	-	-	12,614,932	4	0.98
Transwestern Pipeline Company	-	-	-	7,049,633	7	0.55
Massachusetts Mutual Life Insurance Company	-	-	-	3,214,818	9	0.25
Ace Hardware Corporation	-	-	-	3,209,200	10	0.25
Totals	<u>\$ 363,168,193</u>		<u>12.30%</u>	<u>\$ 147,682,613</u>		<u>11.52%</u>
Total Yavapai County Primary Assessed Value	\$2,954,598,732		100.00%	\$1,280,950,405		100.00%

Source: Yavapai County Assessor.

1) Information prior to 2002 was not available.

Yavapai County
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	\$ 18,824,000	\$ 17,730,747	94.19%	\$ 348,553	\$ 18,079,300	96.04%
2001	19,090,000	17,957,766	94.07	392,317	18,350,083	96.12
2002	20,602,000	19,422,071	94.27	413,668	19,835,739	96.28
2003	22,310,000	21,116,484	94.65	413,284	21,529,768	96.50
2004	25,495,000	24,380,161	95.63	400,877	24,781,038	97.20
2005	28,506,000	27,281,472	95.70	385,501	27,666,973	97.06
2006	31,939,000	30,438,693	95.30	406,099	30,844,792	96.57
2007	35,184,002	33,594,464	95.48	442,939	34,037,403	96.74
2008	37,775,306	35,966,831	95.21	650,660	36,617,491	96.93
2009	40,429,914	38,309,430	94.76	-	38,309,430	94.76

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

1) General Fund levies and collections only.

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

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	Revenue Bonds	Special Assessment Bonds	Notes Payable	Capital Leases			
2000	\$ -	\$ 163,000	\$ -	\$ 944,623	\$ 1,107,623	0.03%	\$ 6.56
2001	-	1,963,434	-	924,032	2,887,466	0.08	16.67
2002	15,260,000	1,956,750	-	711,629	17,928,379	0.47	100.53
2003	13,945,000	1,838,094	8,812,500	1,497,290	26,092,884	0.64	142.34
2004	12,595,000	1,715,154	6,375,000	1,753,789	22,438,943	0.50	118.47
2005	11,200,000	1,587,867	2,250,000	791,367	15,829,234	0.31	80.20
2006	9,765,000	1,457,168	-	74,625	11,296,793	0.20	54.76
2007	8,285,000	1,324,991	-	-	9,609,991	0.16	42.29
2008	32,130,000	1,216,261	-	50,000,000	83,346,261	N/A (2)	366.60
2009	30,165,000	1,105,905	-	25,000,000	56,270,905	N/A (2)	239.83

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

- 1) Personal income and population information can be found in the Demographic and Economic Statistics schedule.
- 2) Personal income was not available for 2008 and 2009.

Yavapai County
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2009

Assessed value	\$2,954,598,732
Debt limit (6% of assessed value)	177,275,924
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	\$ 177,275,924

Fiscal Year

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Debt limit	\$ 65,827,864	\$ 70,878,065	\$ 76,857,024	\$ 83,285,551	\$ 91,008,445	\$ 100,561,772	\$ 112,670,846	\$ 127,542,612	\$ 148,215,952	\$ 177,275,924
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 65,827,864	\$ 70,878,065	\$ 76,857,024	\$ 83,285,551	\$ 91,008,445	\$ 100,561,772	\$ 112,670,846	\$ 127,542,612	\$ 148,215,952	\$ 177,275,924
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

Yavapai County
Pledged Revenue Coverage
Last Ten Fiscal Years

Jail District Revenue Bonds

Fiscal Year	Jail District Revenues ¹	Less: Expenditures ²	Net		Coverage
			Available Revenue	Debt Service Principal Interest	
2000	\$ -	\$ -	\$ -	\$ - \$ -	-
2001	8,845,405	7,290,343	1,555,062	- -	-
2002	12,402,242	6,976,236	5,426,006	- 237,306	22.87
2003	15,093,394	8,062,836	7,030,558	1,315,000 555,140	3.76
2004	19,345,034	13,126,579	6,218,455	1,350,000 517,322	3.33
2005	17,248,364	12,233,680	5,014,684	1,395,000 477,093	2.68
2006	17,573,461	14,803,363	2,770,098	1,435,000 435,157	1.48
2007	17,231,871	15,371,370	1,860,501	1,480,000 388,362	1.00
2008	18,239,765	15,888,696	2,351,069	1,530,000 336,691	1.26
2009	17,872,934	15,992,126	1,880,808	1,590,000 280,793	1.01

Highway Construction Advancement Revenue Bonds

Fiscal Year	County Excise Tax	State Shared Sales Tax	Net		Coverage
			Available Revenue	Debt Service Principal Interest	
2000	\$ -	\$ -	\$ -	\$ - \$ -	-
2001	-	-	-	- -	-
2002	-	-	-	- -	-
2003	-	-	-	- -	-
2004	12,564,395	18,519,004	31,083,399	- -	-
2005	14,102,433	21,183,714	35,286,147	- -	-
2006	16,623,589	25,131,601	41,755,190	- -	-
2007	16,971,697	26,858,336	43,830,033	- -	-
2008	15,908,075	25,144,945	41,053,020	- 1,077,272	38.11
2009	13,657,537	22,136,382	35,793,919	375,000 449,852	43.39

Special Assessment Bonds

Fiscal Year	Special Assessment Collections	Debt Service		
		Principal	Interest	Coverage
2000	\$ 48,814	\$ 25,000	\$ 19,366	1.10
2001	38,746	25,000	9,764	1.11
2002	111,801	50,430	143,707	0.58
2003	268,067	118,656	117,851	1.13
2004	528,554	122,940	123,381	2.15
2005	322,369	127,287	107,982	1.37
2006	273,135	130,698	100,543	1.18
2007	196,519	132,178	92,275	0.88
2008	165,201	108,729	83,935	0.86
2009	175,449	110,355	84,296	0.90

Source: Details regarding the County's outstanding debt can be found in the notes to the financial statements. Prior to 2002 there were no Jail District revenue bonds and prior to 2008 there were no Highway Construction Advancement revenue bonds.

- 1) Revenues include beginning fund balance and transfers in. Beginning fund balance is included in revenues since it represents unexpended pledged revenues.
- 2) Expenditures include transfers out, except those for debt service.

Yavapai County
Demographic and Economic Statistics
Last Ten Calendar Years

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate
2000	168,878	\$ 3,574,050	\$ 21,164	3.9%
2001	173,265	3,701,821	21,365	4.2
2002	178,346	3,853,070	21,604	5.3
2003	183,313	4,049,851	22,093	5.1
2004	189,411	4,524,850	23,889	4.6
2005	197,367	5,098,280	25,831	4.4
2006	206,300	5,567,857	26,989	3.9
2007	212,179	5,860,461	27,620	3.7
2008	227,348	N/A (1)	N/A (1)	5.6
2009	234,626	N/A (1)	N/A (1)	8.9

Source: Population and personal income through 2007 obtained from the U.S. Department of Commerce, Bureau of Economic Analysis. Population for 2008 and 2009 obtained from the Arizona Department of Commerce. Unemployment rates obtained from the Arizona Department of Economic Security, Research Administration.

1) Personal income and per capita personal income were not available for 2008 and 2009.

Yavapai County
Principal Employers
Current Year and Nine Years Ago

<u>Employer</u>	2009			2000		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Yavapai County	1,505	1	1.67%	1,213	1	1.76%
Yavapai Regional Medical Center	1,491	2	1.65	730	3	1.06
Verde Valley Medical Center	850	3	0.94	351	9	0.51
Veterans Medical Center	823	4	0.91	550	5	0.80
Wal-Mart	806	5	0.89	-	-	-
Cyprus Bagdad Copper Mine	800	6	0.89	535	6	0.78
Prescott Unified School District	754	7	0.83	573	4	0.83
Yavapai College	726	8	0.80	468	7	0.68
City of Prescott	504	9	0.56	385	8	0.56
State of Arizona	438	10	0.48	330	10	0.48
Sturm Ruger & Company	-	-	-	1,176	2	1.71
Totals	<u>8,697</u>		<u>9.63%</u>	<u>6,311</u>		<u>9.15%</u>
Total Employment in Yavapai County	90,334		100.00%	68,946		100.00%

Source: Yavapai College and the Arizona Department of Economic Security, Research Administration.

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

Function	Fiscal Year							
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General government	454	487	498	528	558	583	602	631
Public safety	437	444	454	512	520	556	584	581
Highways and streets	125	124	126	124	125	127	129	123
Sanitation	7	9	13	13	13	14	18	18
Health	94	105	115	110	114	121	133	151
Welfare	18	6	5	5	5	6	6	5
Culture and recreation	1	-	-	-	-	-	-	-
Education	15	17	19	21	21	22	26	33
Long Term Care	37	47	52	53	53	56	54	54
Total	1,188	1,239	1,282	1,366	1,409	1,485	1,552	1,596

Source: Yavapai County payroll records.

Yavapai County
Operating Indicators by Function
Last Eight Fiscal Years

Function	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
General government								
Elections								
Elections	4	4	5	4	4	4	5	4
Number voting	33,819	105,413	60,506	137,786	47,250	123,570	91,132	164,073
Development Services								
Building permits issued	4,944	4,860	5,020	5,923	6,073	5,071	4,220	2,887
Inspections performed	17,085	18,379	21,512	24,996	28,943	23,823	18,883	13,475
Assessor								
Parcels assessed	137,106	139,867	142,807	145,997	154,662	160,561	162,382	163,236
New subdivisions	36	90	106	107	171	139	90	51
Public safety								
Sheriff								
Inmate population	5,351	6,172	6,448	5,600	6,184	6,446	6,652	5,970
Adult Probation								
Probationers actively supervised	1,646	1,643	1,870	1,799	2,105	2,140	2,212	2,287
Community restitution hours	80,282	77,406	76,727	72,917	70,270	71,037	82,646	79,465
Restitution collected	\$ 556,347	\$ 483,575	\$ 594,208	\$ 770,304	\$ 634,651	\$ 756,191	\$ 958,873	\$ 793,687
Presentence reports written for courts	1,391	1,459	1,880	1,558	1,431	1,306	1,033	762
Juvenile Probation								
Juveniles brought to detention	N/A (1)	1,283	1,238	1,272	1,391	1,265	1,235	1,123
Average length of detention (days)	11	12	12	13	12	11	11	12
Probationers	640	617	577	591	761	758	735	736
Community restitution hours	22,239	19,873	17,835	15,158	14,811	13,641	15,179	13,204
Highways and streets								
Public Works								
Crack sealing (miles)	20	25	88	67	83	57	49	24
Street resurfacing (miles)	44	53	55	49	41	38	28	36
Sanitation								
Landfill/Environment								
Transfer station refuse collected (tons)	8,800	7,650	6,057	5,450	4,728	4,042	3,479	3,296
Waste tires collected	112,800	106,613	127,123	145,842	140,871	141,091	146,634	118,506
Health								
Health Care								
Certified copies of death certificates issued	15,342	14,529	16,123	16,693	16,024	15,884	15,384	16,029
Childhood immunization visits	7,344	5,662	5,239	4,727	4,806	3,940	4,792	3,929
Restaurant inspections and re-inspections	2,835	2,426	2,244	2,496	2,923	3,236	4,052	4,226
Welfare								
Public Fiduciary								
Guardianships/conservatorships	97	102	105	127	104	92	82	78
Education								
School Superintendent								
School districts	25	25	25	25	25	25	25	25
District students	21,316	21,167	21,686	22,422	23,086	23,496	23,747	23,243
Charter schools	N/A (1)	36	41	41	38	27	24	29
Charter students	N/A (1)	3,845	3,606	3,308	3,297	3,023	3,256	3,446
Culture and recreation								
Parks & Recreation								
Park use permits issued	N/A (1)	N/A (1)	11	9	6	6	5	9
Long-term care								
Members enrolled	N/A (1)	N/A (1)	1,051	1,003	952	932	941	1,016
Claims processed	N/A (1)	76,439	81,462	78,590	73,064	71,693	76,464	79,720

Source: Various Yavapai County departments.

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

Yavapai County
Capital Asset Statistics by Function
Last Eight Fiscal Years

<u>Function</u>	<u>Fiscal Year</u>							
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General government								
Elections								
Voting machines	100	110	110	120	242	242	242	232
Superior Courts								
Divisions	8	8	9	9	9	9	10	10
Public safety								
Sheriff								
Inmate beds available (including portable)	309	309	570	570	570	765	765	916
Jail facilities	2	2	2	2	2	2	2	2
Stations	N/A (1)	9	9	10	10	11	11	12
Improvement Districts								
Flood warning sites	49	49	50	60	71	78	80	80
Flood Control District properties	228	228	228	229	232	232	232	232
Highways and streets								
Public Works								
Miles of paved roads	675	694	740	740	744	754	760	771
Bridges	14	14	15	16	16	17	17	17
Sanitation								
Landfill/Environment								
Transfer stations	0	7	7	7	7	7	7	7
Health								
Health Care								
Public health facilities	2	3	3	3	3	3	3	3
Culture and recreation								
Parks & Recreation								
County parks	10	10	10	10	10	11	11	11

Source: Various Yavapai County departments.

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

1) Information prior to 2003 was not available.

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