

# Comprehensive Annual Financial Report



Yavapai County, AZ  
Fiscal year ended June 30, 2016

# **Yavapai County, Arizona Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2016**

## **Board of Supervisors**



**Rowle Simmons  
District 1**



**Thomas Thurman  
District 2**



**Randy Garrison  
District 3**



**Craig Brown  
District 4**



**Jack Smith  
District 5**

**Prepared by Yavapai County  
Finance Department**

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Year Ended June 30, 2016

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## INTRODUCTORY SECTION





## **Yavapai County Finance Department**

January 24, 2017

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, 2016.

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

The Arizona State Auditor General's Office has audited the County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit; that there was a reasonable basis for rendering an unmodified opinion that Yavapai County's financial statements for the fiscal year ended June 30, 2016, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.



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

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

### **Profile of the Government**

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

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

The County operates under the supervisor-administrator form of government. Policy-making and legislative authority are vested in a Board of Supervisors (Board) consisting of five members elected to four-year terms representing five supervisorial districts. The Board appoints an Administrator, who is responsible for developing and presenting the County budget, assisting department heads and elected officials, and coordinating with other governments in intergovernmental relations.

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

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

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

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

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

The annual budget serves as the foundation for the County's financial planning and control. All departments of the County are required to submit requests for appropriation to the County Administrator annually. These requests are used as the starting point for developing a proposed budget. The County Administrator then presents this proposed budget to the Board of Supervisors for review on or before the third Monday in July. On or before the fourteenth day before the day in August when the Board sets tax levy rates, the Board must hold a public hearing and a special meeting of the Board, at which time the final budget must be adopted. The final budget is adopted by fund and department. Transfers of appropriations between funds or departments require approval of the Board. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and major special revenue funds this comparison is presented beginning on page 77 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 106.

### **Local Economy**

Yavapai County's population increased from 211,015 as of April 1, 2010 to 222,255 as of July 1, 2015, which is a 5.3% increase as compared to the State of Arizona population increase of 6.8% for the same time period. Yavapai County has a higher percentage, 29.1%, of persons over the age of 65 as compared to the State of Arizona with 16.4%, both as of July 1, 2015. This indicates that a greater segment of the population is retired, which provides a more stable consumer base. The source for these figures is the United States Census website, current quick facts table.

The Board of Supervisors raised the property tax levy for new construction only for fiscal year 2015-16, an increase of \$611,723. The net assessed value of real estate increased by 2.79% for the fiscal year, with a related increase in property tax revenues of 3.5%. The population is growing and we anticipate our sales tax revenues to also trend slowly upward.

The Arizona Department of Administration, Office of Employment and Population Statistics estimates a 5.0% average 2016 unemployment rate for Yavapai County. Yavapai County is the single largest employer in Yavapai County, with Yavapai County Regional Medical Center as the second largest employer.

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

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

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

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

The Jail District sales tax and the maintenance of effort from the General Fund are projected to be inadequate to fund the operation of the Jail District at some point in the near future. The Board asked the voters of Yavapai County in the November 4, 2015, general election for authorization to extend the life of the tax and to increase the Jail District sales tax rate from ¼ cent to ½ cent however, this request was voted down. Because the operation of a county jail facility is statutorily required, other resources will probably need to be diverted at the direction of the Board in order to fund the future operation of the Jail District.

In May 2008, the Board entered into a \$50 million capital lease agreement to finance the design and construction of a Superior Court building next to the Camp Verde jail facility, a Juvenile Justice Center and two administrative buildings in Prescott. The Board modified this lease agreement and retired \$25 million of the original \$50 million. Because of the economic environment and the modification of the lease agreement, the Board eliminated the construction of the administrative buildings from the original plan. The Superior Court building was completed in fiscal year 2009-10 and the Juvenile Justice Center was completed in fiscal year 2012-13.

### **Relevant Financial Policies**

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

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

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Yavapai County for its comprehensive annual financial report for the fiscal year ended June 30, 2015. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

**Acknowledgements**

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

Respectfully submitted,

Daniel Rusing  
Finance Director



Government Finance Officers Association

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

Presented to

**Yavapai County  
Arizona**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

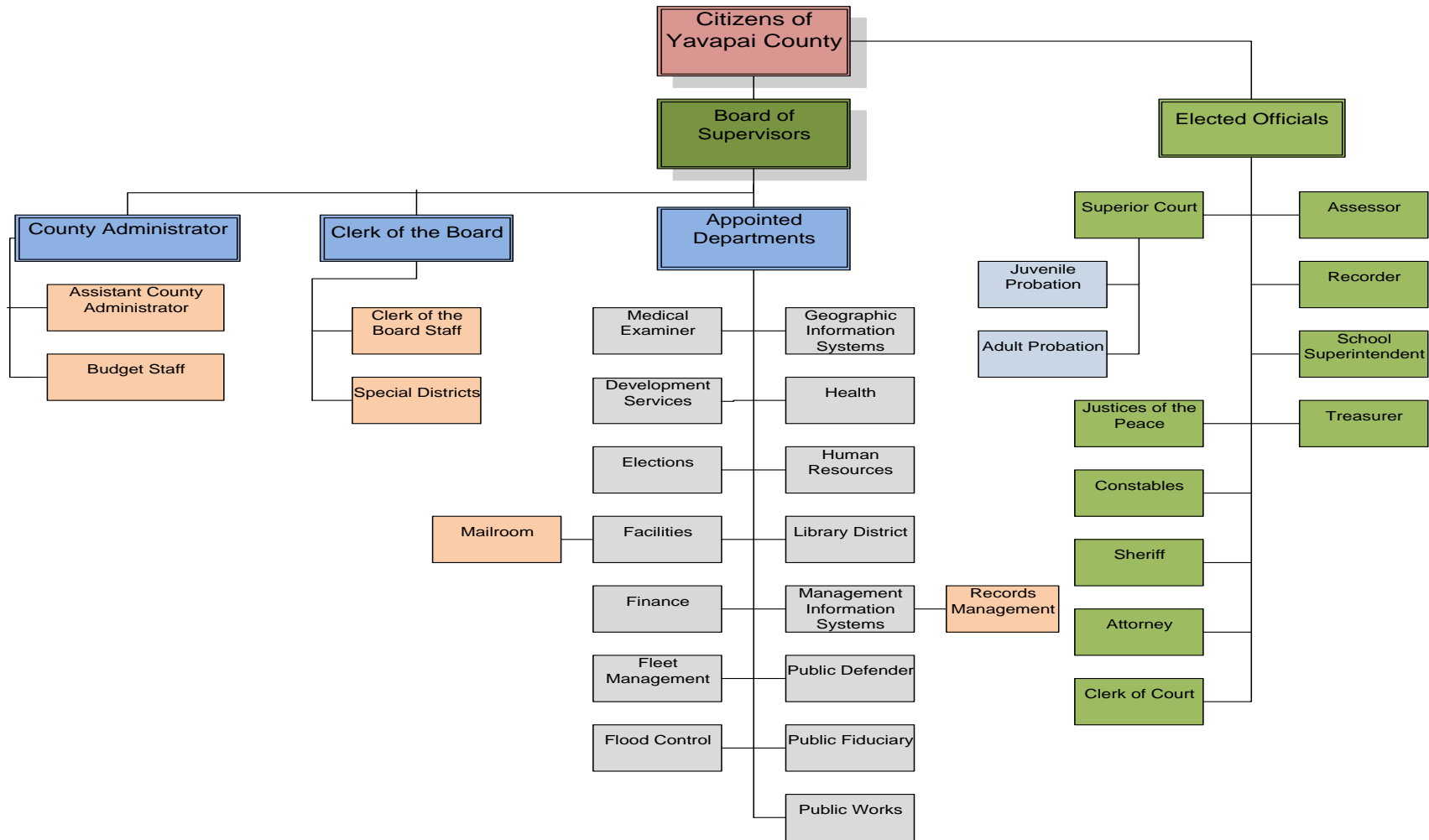
**June 30, 2015**

A handwritten signature in black ink, reading "Jeffrey R. Emen". The signature is written in a cursive, flowing style.

Executive Director/CEO

# YAVAPAI COUNTY

## Organizational Chart



# **Yavapai County Officials**

## **BOARD OF SUPERVISORS**

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

♦ ♦ ♦

## **CLERK OF THE BOARD**

Kim Kapin

♦ ♦ ♦

## **COUNTY ADMINISTRATOR**

Phil Bourdon

♦ ♦ ♦

## **FINANCE DIRECTOR**

Daniel Rusing

## FINANCIAL SECTION







DEBRA K. DAVENPORT, CPA  
AUDITOR GENERAL

STATE OF ARIZONA  
OFFICE OF THE  
AUDITOR GENERAL

MELANIE M. CHESNEY  
DEPUTY AUDITOR GENERAL

## Independent auditors' report

Members of the Arizona State Legislature

The Board of Supervisors of  
Yavapai County, Arizona

### Report on the financial statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Yavapai County as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

#### ***Management's responsibility for the financial statements***

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

#### ***Auditors' responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and aggregate remaining fund information of Yavapai County as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with U.S. generally accepted accounting principles.

## ***Emphasis of matter***

As discussed in Note 1 to the financial statements, for the year ended June 30, 2016, the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*. Our opinions are not modified with respect to this matter.

## ***Other matters***

### *Required supplementary information*

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 13 through 21, budgetary comparison schedules on pages 77 through 82, schedule of the County's proportionate share of the net pension liability—cost-sharing pension plans on page 83, schedule of changes in the county's net pension liability and related ratios—agent pension plans on pages 84 through 87, schedule of county pension contributions on pages 88 through 89, and schedule of agent OPEB plans' funding progress on page 91 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and other information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund statements and schedules and the introductory and statistical sections listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The combining and individual fund statements and schedules are management's responsibility and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

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

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

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

**Other reporting required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we will issue our report on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters at a future date. The purpose of that report is 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* in considering the County's internal control over financial reporting and compliance.

Debbie Davenport  
Auditor General

January 24, 2017

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# Yavapai County

## Management's Discussion and Analysis

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As management of Yavapai County, we offer readers of Yavapai County's financial statements this narrative overview and analysis of the financial activities of Yavapai County for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 – 5 and the County's basic financial statements, which begin on page 22.

### Financial Highlights

- Yavapai County's assets and deferred outflows of resources exceed liabilities and deferred inflows of resources as of June 30, 2016, by \$160,405,812 (net position), which is a decrease of \$2,405,745 from prior year ending net position of \$162,811,557. The unrestricted net position at June 30, 2016 is a deficit of \$111,743,342, which is a decrease of \$7.1 million from a deficit balance of \$104,573,658 at June 30, 2015 primarily as a result of increases in net pension liabilities of \$11,029,638.
- As of June 30, 2016, Yavapai County's governmental funds reported combined ending fund balances of \$61,302,521, which is a decrease of \$2,728,270 from the prior year ending fund balance of \$64,030,791.
- As of June 30, 2016, unassigned fund balance for the general fund is \$9,552,144, an increase of \$412,521 from the prior year unassigned fund balance.
- As of June 30, 2016, committed fund balance for the regional road fund is \$8,829,152, a decrease from the prior year amount of \$540,498.
- As of June 30, 2016, restricted fund balance for the Highway User Revenue Fund (HURF) is \$8,633,420, a decrease from the prior year of \$411,593.
- As of June 30, 2016, committed fund balance for the capital projects fund is \$13,984,715, a decrease from the prior year amount of \$2,542,923.

### Overview of the Financial Statements

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

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

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only 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). The governmental activities of Yavapai County include general government, public safety, highways and streets, sanitation, health, welfare, culture and recreation, and education.

The government-wide financial statements not only include Yavapai County itself (known as the primary government), but also a legally separate Jail District, Flood Control District, Library District and various Special

# Yavapai County

## Management's Discussion and Analysis

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Assessment Districts. These districts function for all practical purposes as departments of Yavapai County, and therefore have been included as an integral part of the primary government.

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

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

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

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

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

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

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

The basic fiduciary funds financial statements can be found on pages 31 - 32 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33 - 76 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 77 - 91 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 92 - 131 of this report.

# Yavapai County

## Management's Discussion and Analysis

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### Government-wide Financial Analysis

**Net Position.** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Yavapai County's assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$160.4 million at the close of the most recent fiscal year.

<b>Net Position</b> (in millions)		Governmental Activities	
		2016	2015
Current and other assets		\$ 75.2	\$ 75.6
Capital assets		266.7	262.6
Total assets		341.9	338.2
Deferred outflows of resources		23.8	25.3
Other liabilities		11.6	9.1
Long-term liabilities outstanding		184.2	174.3
Total liabilities		195.8	183.4
Deferred inflows of resources		9.5	17.3
Net position:			
Net investment in capital assets		245.2	240.0
Restricted		26.9	27.4
Unrestricted deficit		(111.7)	(104.6)
Total net position		\$ 160.4	\$ 162.8

The largest portion of Yavapai County's net position (153%) reflects its investment in capital assets (e.g. land, buildings, equipment, infrastructure, software, construction in progress), less accumulated depreciation and any related outstanding debt used to acquire those assets. Yavapai County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Yavapai County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Governmental Activities current and other assets decreased \$0.4 million from the previous year. This decrease is primarily the result of normal variation in the timing of paying expenses during the fiscal year. Capital assets increased \$4.1 million because the decrease in asset value from depreciation was less than the increase in asset value from new acquisitions.

The County reported the deferred outflows of resources of \$23.8 million and deferred inflows of resources of \$9.5 million related to pensions at the close of the most recent fiscal year. This represents a decrease of \$1.5 million in deferred outflows of resources and a decrease of \$7.8 million in deferred inflows of resources during the fiscal year.

Governmental Activities other liabilities and long-term liabilities outstanding at the end of the fiscal year were \$11.6 million and \$184.2 million, respectively. The other liabilities increased by \$2.5 million due to a total increase of \$2.4 million in accounts payable and accrued payroll and employee benefits. The increase of \$9.9 million in long-term liabilities was largely due to the additions of \$11.0 million in net pension liabilities.

## Yavapai County

### Management's Discussion and Analysis

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Yavapai County's Governmental Activities restricted net position of \$26.9 million represents resources that are subject to external restrictions on how they may be used. This amount has decreased by \$0.5 million from the previous year.

At the end of the current fiscal year, Yavapai County reports positive balances in two categories, net investment in capital assets \$245.2 million and restricted net position \$26.9 million. The County has a deficit of \$111.7 million in unrestricted net position, which was a decrease of \$7.1 million in unrestricted net position from the prior year's unrestricted deficit of \$104.6 million due largely to increased net pension liabilities.

**Changes in Net Position.** The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. For the fiscal year, net position decreased \$2.4 million. The basis of accounting used in the government-wide statement of activities excludes capital outlay while its revenues include taxes that are used, in part, for the construction of those assets.

<b>Changes in Net Position</b> (in millions)		
	Governmental Activities	
	2016	2015
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 21.8	\$ 20.2
Operating grants and contributions	35.5	29.8
Capital grants and contributions	4.9	3.8
General revenues:		
Property taxes	53.1	51.3
Sales taxes	51.1	48.3
Vehicle license tax	8.1	10.3
Grants not restricted to specific programs	3.5	2.9
Miscellaneous and investment earnings	5.3	5.2
<b>Total revenues</b>	<b>183.3</b>	<b>171.8</b>
<b>Expenses</b>		
General government	71.4	73.5
Public safety	57.8	58.1
Highways and streets	23.3	27.1
Sanitation	1.8	1.6
Health	15.3	14.3
Welfare	10.7	10.6
Culture and recreation	0.1	0.1
Education	4.3	4.4
Interest on long-term debt	1.0	1.1
<b>Total expenses</b>	<b>185.7</b>	<b>190.8</b>
<b>Increase (decrease) in net position</b>	<b>(2.4)</b>	<b>(19.0)</b>
Net position, July 1	162.8	181.8
Net position, June 30	<b>\$ 160.4</b>	<b>\$ 162.8</b>



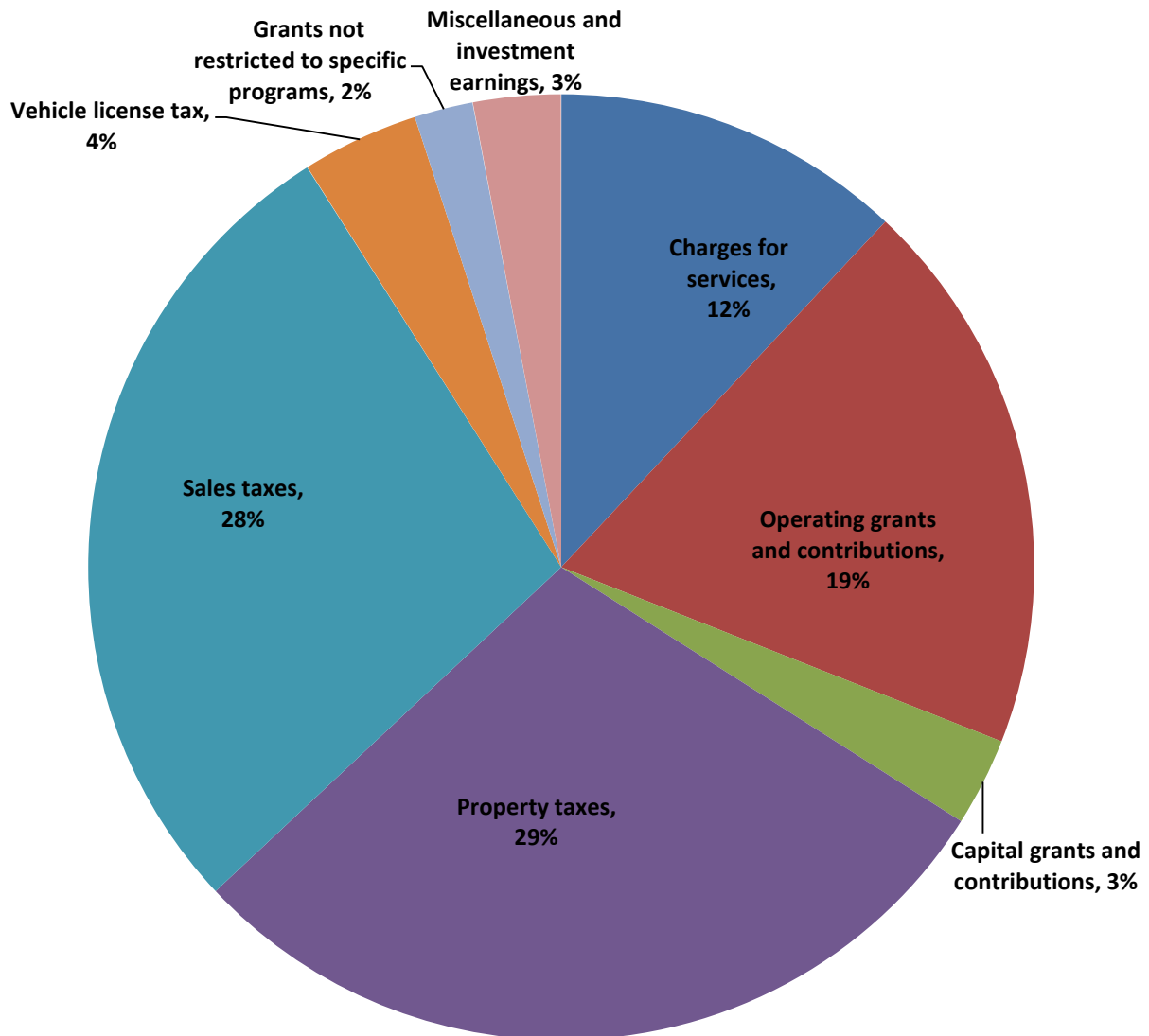
## Yavapai County Management's Discussion and Analysis

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**Governmental activities.** Governmental Activities revenues totaled \$183.3 million for fiscal year 2016, an increase of \$11.5 million or 6.7%. These increases can be attributed to inflation and an improving economy in the County. The following are highlights of County revenues:

- Sales taxes are comprised of state shared-sales tax, a 0.5% County excise tax and a 0.25% Jail District excise tax. Overall sales tax increased \$2.8 million or 5.8% from the previous fiscal year.
- Operating grants and contributions increased \$5.7 million or 19.2% from the previous fiscal year.
- Property taxes increased by \$1.8 million or 3.5% from the previous year primarily due to the increase in the tax levy for new construction this fiscal year.

### Revenues by Source - Governmental Activities



# Yavapai County

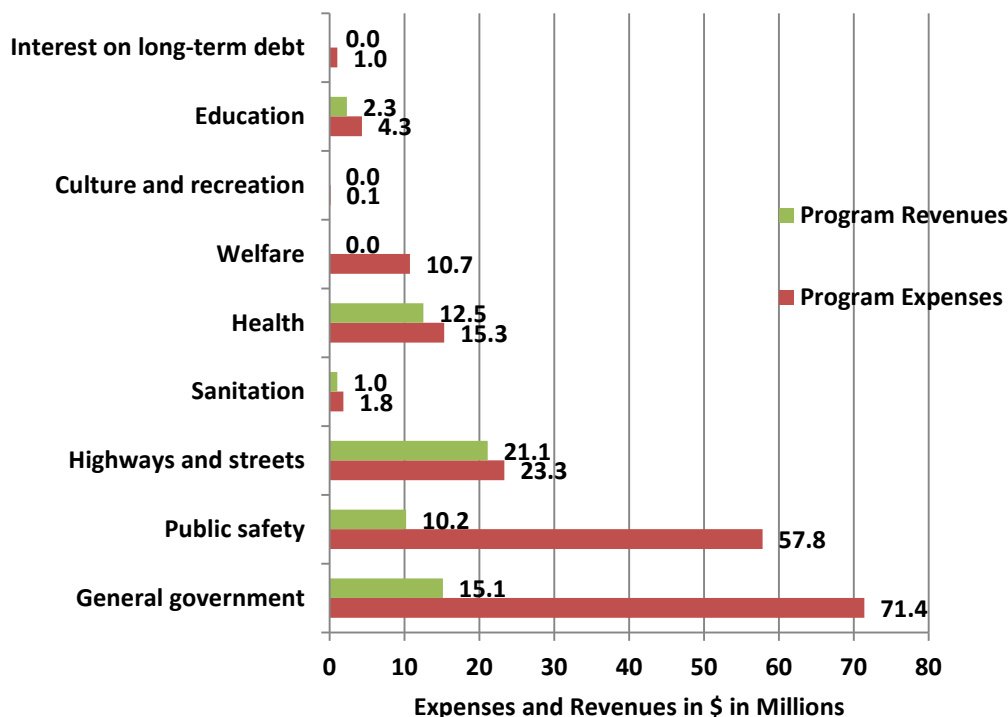
## Management's Discussion and Analysis

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### Expenses

Governmental activities expenses decreased \$5.1 million from the previous fiscal year. General Government decreased from the previous year by \$2.1 million, primarily due to pension plan expenses decreases of \$1.1 million. Highways and streets decreased from the previous year by \$3.8 million because the previous year had project write off costs of \$3.6 million that were not applicable in the current fiscal year.

## Expenses and Program Revenues - Governmental Activities



### Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, Yavapai County's governmental funds reported combined ending fund balances of \$61,302,521, which is a decrease of \$2,728,270 from the prior year balance. The ending fund balances are categorized as follows.

- Nonspendable \$950,895
- Restricted \$26,687,753
- Committed \$24,146,575
- Unassigned \$9,517,298

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

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The total fund balance was reduced by 4.3%, primarily due to the usage of \$2.5 million in Capital Projects funds that were committed funds.

The General Fund is the chief operating fund of Yavapai County. At the end of the current fiscal year, the General Fund total fund balance was \$10,102,352, and the unassigned category was \$9,552,144. The unassigned category is \$412,521 more than the previous fiscal year. This increase is due to an increase in collections of property taxes.

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

The Jail District fund balance decreased \$0.2 million in accordance with the adopted budget. The Regional Road fund balance decreased \$0.5 million because of increases in the construction of road projects. The HURF Road fund balance decreased \$0.4 million in accordance with the adopted budget. Capital Projects fund balance decreased \$2.5 million because of capital projects such as the Public Works building addition and remodel project. The Capital Projects Debt Service fund balance remains relatively unchanged from the prior fiscal year.

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

### **General Fund Budgetary Highlights**

The original General Fund budget appropriation for expenditures was \$95,545,575. Actual expenditures were \$4,492,796 less than the final budgeted appropriation amount, which is primarily due to departments monitoring and controlling expenditures. The Board approved budgeted transfers between departments during the fiscal year to reclassify expenditures and for departments that required an increase in budget appropriation. The departments that required a budget transfer were Human Resources (\$2,129), Public Defender (\$412,017), and Geographic Information Services (\$7,634), for a combined transfer of \$421,780 from General Services. The final total General Fund budgeted appropriation of \$95,545,575 remained unchanged. The General Services expenditure budget includes negative amounts for internal cost recoveries, such as vehicle use and indirect costs, which resulted in actual expenditures of negative \$180,956 and a variance below the final budget of \$1.1 million.

Total revenues were \$4.4 million over total budgeted revenues (4.7%), which is primarily due to the receipt of \$3.1 million in unbudgeted Payments in Lieu of Taxes (PILT) funds received from the Federal government.

### **Capital Asset and Debt Administration**

**Capital Assets.** Yavapai County's investment in capital assets for its governmental activities as of June 30, 2016, amounts to \$266.7 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, infrastructure, software and construction in progress. In addition, roads and highways constructed in the fiscal year ended June 30, 2016, or in progress at that date, are included in capital assets. Infrastructure increased due to the completion of roadway projects. Construction in progress increased \$3.8 million due to continued progress on planned capital projects.

# Yavapai County

## Management's Discussion and Analysis

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### Yavapai County's Capital Assets (net of depreciation) (in millions)

	Governmental Activities	
	2016	2015
Land	\$ 63.4	\$ 62.9
Buildings	78.1	80.3
Equipment	12.6	10.9
Infrastructure	106.5	106.7
Software	1.3	.8
Construction in progress	4.8	1.0
Total	<u>\$ 266.7</u>	<u>\$ 262.6</u>

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

**Long-term Debt.** At the end of the current fiscal year, Yavapai County had total outstanding bonds of \$1,770,000 for special district road improvements. These bonds are secured by property assessments levied against the benefiting property owners.

### Yavapai County's Outstanding Bonds (in millions)

	2016	2015
Special Assessment Debt Payable	<u>\$ 1.8</u>	<u>\$ 1.9</u>

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 \$136,751,007. Since the County has no general obligation debt, this amount equals the debt capacity. Additional information on long-term debt can be found in Note 7 on pages 44 - 47.

**Long-term Capital Lease.** On May 15, 2008, the County entered into a long term lease agreement in the amount of \$50 million for a period of twenty years with an interest rate of 4.45%. The lease agreement was renegotiated in June 2009 for \$25 million and is secured by a ground lease for the construction of the Camp Verde Superior Court and the Juvenile Justice Center. As of June 30, 2016, the outstanding lease balance is \$19.5 million.

On December 8, 2015, the County entered into a \$212,297 lease purchase agreement to finance the purchase of telephone system upgrades, including hardware, software and professional services, payable for a period of 5 years with an interest rate of 4.95%. As of June 30, 2016, the outstanding lease balance is \$167,690.

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

- The unemployment rate for Yavapai County is currently 5.0%, which has decreased since 2015.
- Inflationary trends in the region are comparable to or better than national and the State of Arizona indices.
- The economy at the national and state level is anticipated to have the effect of maintaining or increasing Federal and State of Arizona grant programs.

These factors were considered in preparing Yavapai County's budget for the 2016-17 fiscal year. The budgetary estimate of unassigned ending fund balance in the general fund of \$8,761,778 was appropriated for spending in the 2016-17 fiscal year budget.

### Requests for Information

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

## **BASIC FINANCIAL STATEMENTS**



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Yavapai County  
Statement of Net Position  
June 30, 2016

	Primary Government
	Governmental
	Activities
<b>Assets</b>	
Cash and cash equivalents	\$ 58,105,773
Receivables:	
Property taxes	1,459,132
Special assessments	1,260,586
Accounts	737,558
Due from other governments	12,664,192
Inventories	556,941
Prepaid items	394,312
Capital assets, not being depreciated	68,239,657
Capital assets, being depreciated, net	198,466,072
Total assets	<u>341,884,223</u>
<b>Deferred Outflows of Resources</b>	
Deferred outflows related to pensions	23,757,864
Total deferred outflows of resources	<u>23,757,864</u>
<b>Liabilities</b>	
Accounts payable	7,778,889
Accrued payroll and employee benefits	3,694,484
Interest payable	110,903
Noncurrent liabilities:	
Due within one year	4,998,207
Due in more than one year	179,153,971
Total liabilities	<u>195,736,454</u>
<b>Deferred Inflows of Resources</b>	
Deferred inflows related to pensions	9,499,821
Total deferred inflows of resources	<u>9,499,821</u>
<b>Net Position</b>	
Net investment in capital assets	245,296,042
Restricted for:	
Social services	4,951,079
Law enforcement and flood control	6,138,769
Roadway construction and maintenance	8,794,769
Landfill and other sanitation	908,660
Public health care and clinical services	4,382,280
Public parks	38,697
School services	642,164
Debt service	996,694
Unrestricted deficit	(111,743,342)
Total net position	<u>\$ 160,405,812</u>

See accompanying notes to financial statements.

Yavapai County  
Statement of Activities  
Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Position
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government Governmental Activities
Primary Government:					
Governmental activities:					
General government	\$ 71,366,887	\$ 8,788,165	\$ 6,295,793	\$ -	\$ (56,282,929)
Public safety	57,761,417	3,711,204	6,476,437	-	(47,573,776)
Highways and streets	23,274,551	1,166,200	15,162,584	4,807,357	(2,138,410)
Sanitation	1,818,970	405,697	560,335	53,513	(799,425)
Health	15,273,078	6,589,161	5,898,271	-	(2,785,646)
Welfare	10,735,149	-	-	-	(10,735,149)
Culture and recreation	138,729	-	-	-	(138,729)
Education	4,332,906	1,140,023	1,153,758	-	(2,039,125)
Interest on long-term debt	1,028,399	-	-	-	(1,028,399)
Total governmental activities	<u>185,730,086</u>	<u>21,800,450</u>	<u>35,547,178</u>	<u>4,860,870</u>	<u>(123,521,588)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					45,283,595
Property taxes, levied for flood control					4,036,929
Property taxes, levied for free library					3,782,494
County sales tax—Jail construction and operation					8,048,591
County sales tax—unrestricted					16,118,162
Franchise taxes					283,366
Shared revenue—state sales tax					26,939,380
Shared revenue—state vehicle license tax					8,022,644
Grants and contributions not restricted to specific programs					3,480,910
Investment earnings					187,916
Gain on disposal of capital assets					204,175
Miscellaneous					<u>4,727,681</u>
Total general revenues					<u>121,115,843</u>
Change in net position					<u>(2,405,745)</u>
Net position, July 1, 2015					<u>162,811,557</u>
Net position, June 30, 2016					<u>\$ 160,405,812</u>

See accompanying notes to financial statements.



Yavapai County  
Balance Sheet  
Governmental Funds  
June 30, 2016

	General	Jail District	Regional Road	HURF Road
<b>Assets</b>				
Cash and cash equivalents	\$ 5,872,108	\$ 278,206	\$ 9,696,877	\$ 9,848,887
Receivables:				
Property taxes	1,243,199	-	-	-
Special assessments	-	-	-	-
Accounts	94,163	21,097	43,937	15,082
Due from:				
Other funds	274,972	78,168	-	80,709
Other governments	6,637,780	1,436,945	1,118,257	1,241,819
Inventories	185,895	-	-	371,046
Prepaid items	364,313	-	-	2,000
Total assets	<u>\$ 14,672,430</u>	<u>\$ 1,814,416</u>	<u>\$ 10,859,071</u>	<u>\$ 11,559,543</u>
<b>Liabilities</b>				
Accounts payable	\$ 1,281,570	\$ 336,021	\$ 2,012,030	\$ 1,845,387
Accrued payroll and employee benefits	2,146,308	419,105	12,087	265,775
Due to other funds	165,903	18,683	5,802	31,321
Total liabilities	<u>3,593,781</u>	<u>773,809</u>	<u>2,029,919</u>	<u>2,142,483</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue-property taxes	976,297	-	-	-
Unavailable revenue-special assessments	-	-	-	-
Total deferred inflows of resources	<u>976,297</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>				
Nonspendable	550,208	-	-	373,046
Restricted	-	1,040,607	-	8,633,420
Committed	-	-	8,829,152	410,594
Unassigned	9,552,144	-	-	-
Total fund balances	<u>10,102,352</u>	<u>1,040,607</u>	<u>8,829,152</u>	<u>9,417,060</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 14,672,430</u>	<u>\$ 1,814,416</u>	<u>\$ 10,859,071</u>	<u>\$ 11,559,543</u>

See accompanying notes to financial statements.

Capital Projects	Capital Projects Debt Service	Other Governmental Funds	Total Governmental Funds
\$ 13,606,620	\$ 1,875	\$ 18,801,200	\$ 58,105,773
-	-	215,933	1,459,132
-	-	1,260,586	1,260,586
4,362	-	558,917	737,558
-	-	469,438	903,287
419,346	-	1,810,045	12,664,192
-	-	-	556,941
-	-	27,641	393,954
<u>\$ 14,030,328</u>	<u>\$ 1,875</u>	<u>\$ 23,143,760</u>	<u>\$ 76,081,423</u>
\$ 41,423	\$ -	\$ 2,262,458	\$ 7,778,889
763	-	850,446	3,694,484
3,427	-	678,151	903,287
<u>45,613</u>	<u>-</u>	<u>3,791,055</u>	<u>12,376,660</u>
-	-	165,359	1,141,656
-	-	1,260,586	1,260,586
<u>-</u>	<u>-</u>	<u>1,425,945</u>	<u>2,402,242</u>
-	-	27,641	950,895
-	1,875	17,011,851	26,687,753
13,984,715	-	922,114	24,146,575
-	-	(34,846)	9,517,298
<u>13,984,715</u>	<u>1,875</u>	<u>17,926,760</u>	<u>61,302,521</u>
<u>\$ 14,030,328</u>	<u>\$ 1,875</u>	<u>\$ 23,143,760</u>	<u>\$ 76,081,423</u>

Yavapai County  
Reconciliation of the Governmental Funds Balance Sheet  
to the Government-wide Statement of Net Position  
June 30, 2016

Fund balances—total governmental funds		\$ 61,302,521
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		266,705,729
Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.		2,402,242
Long-term liabilities such as net pension liabilities and bonds payable, are not due and payable in the current period and, therefore, are not reported as a liability in the funds.		
Special assessment debt	\$ (1,880,903)	
Capital lease payable	(19,639,329)	
Net pension liabilities	(153,409,872)	
Landfill closure and postclosure care costs payable	(963,411)	
Compensated absences payable	(8,092,497)	
Claims and judgments payable	(276,711)	(184,262,723)
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.		<u>14,258,043</u>
Net position of governmental activities		<u>\$ 160,405,812</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, 2016

	General	Jail District	Regional Road	HURF Road
Revenues:				
Property taxes	\$ 44,953,263	\$ -	\$ -	\$ -
County sales taxes	7,536,539	8,048,591	6,447,265	-
Special assessments	-	-	-	-
Licenses and permits	1,947,296	-	1,166,200	-
Intergovernmental	39,523,535	-	-	14,789,602
Charges for services	1,836,392	1,012,288	-	-
Fines and forfeits	2,687,859	-	-	-
Investment earnings	20,689	1,312	27,748	28,502
Miscellaneous	418,543	39,103	139,362	140,232
Total revenues	<u>98,924,116</u>	<u>9,101,294</u>	<u>7,780,575</u>	<u>14,958,336</u>
Expenditures:				
Current:				
General government	54,315,228	-	-	-
Public safety	23,912,587	16,723,771	-	-
Highways and streets	-	-	8,321,073	15,348,178
Sanitation	1,278,852	-	-	-
Health	-	-	-	-
Welfare	10,738,903	-	-	-
Culture and recreation	127,295	-	-	-
Education	632,681	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	44,607	-	-	-
Interest and other charges	2,626	-	-	-
Total expenditures	<u>91,052,779</u>	<u>16,723,771</u>	<u>8,321,073</u>	<u>15,348,178</u>
Excess (deficiency) of revenues over expenditures	7,871,337	(7,622,477)	(540,498)	(389,842)
Other financing sources (uses):				
Capital lease agreement	211,939	-	-	-
Sale of capital assets	263,766	-	-	7,776
Transfers in	49,913	7,389,602	-	-
Transfers out	(7,853,247)	-	-	-
Total other financing sources (uses)	<u>(7,327,629)</u>	<u>7,389,602</u>	<u>-</u>	<u>7,776</u>
Net change in fund balances	543,708	(232,875)	(540,498)	(382,066)
Fund balances, July 1, 2015	<u>9,558,644</u>	<u>1,273,482</u>	<u>9,369,650</u>	<u>9,799,126</u>
Fund balances, June 30, 2016	<u>\$ 10,102,352</u>	<u>\$ 1,040,607</u>	<u>\$ 8,829,152</u>	<u>\$ 9,417,060</u>

See accompanying notes to financial statements.

Capital Projects	Capital Projects Debt Service	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 8,123,183	\$ 53,076,446
2,417,725	-	-	24,450,120
-	-	307,004	307,004
-	-	737,074	3,850,570
-	-	19,673,931	73,987,068
-	-	9,441,860	12,290,540
-	-	602,484	3,290,343
36,426	81	73,160	187,918
-	-	5,383,791	6,121,031
<u>2,454,151</u>	<u>81</u>	<u>44,342,487</u>	<u>177,561,040</u>
-	-	10,902,099	65,217,327
-	-	13,897,927	54,534,285
-	-	532,574	24,201,825
-	-	605,699	1,884,551
-	-	15,210,473	15,210,473
-	-	-	10,738,903
-	-	7,269	134,564
-	-	3,480,044	4,112,725
2,301,378	-	-	2,301,378
-	1,204,997	175,000	1,424,604
-	906,868	123,017	1,032,511
<u>2,301,378</u>	<u>2,111,865</u>	<u>44,934,102</u>	<u>180,793,146</u>
152,773	(2,111,784)	(591,615)	(3,232,106)
-	-	-	211,939
-	-	20,355	291,897
-	2,111,865	1,573,042	11,124,422
(2,695,696)	-	(575,479)	(11,124,422)
<u>(2,695,696)</u>	<u>2,111,865</u>	<u>1,017,918</u>	<u>503,836</u>
(2,542,923)	81	426,303	(2,728,270)
16,527,638	1,794	17,500,457	64,030,791
<u>\$ 13,984,715</u>	<u>\$ 1,875</u>	<u>\$ 17,926,760</u>	<u>\$ 61,302,521</u>

Yavapai County  
Reconciliation of the Governmental Funds Statement of  
Revenues, Expenditures, and Changes in Fund Balances  
to the Government-wide Statement of Activities  
Year Ended June 30, 2016

Net change in fund balances—total governmental funds	\$ (2,728,270)
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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	15,351,010	
Depreciation expense	(15,363,106)	(12,096)

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

(87,723)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

4,055,924

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

County pension contributions	10,529,874	
Pension expense	(16,798,656)	
State's non-employer pension contributions	1,503,205	(4,765,577)

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

Debt issued or incurred	(211,939)	
Principal repaid on bonds and capital lease	1,424,604	1,212,665

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

Increase in compensated absences	(68,463)	
Increase in claims and judgments	(23,116)	
Decrease in interest payable	4,112	
Decrease in landfill closure and postclosure care costs	6,799	<u>(80,668)</u>

Change in net position of governmental activities	<u>\$ (2,405,745)</u>
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See accompanying notes to financial statements.

Yavapai County  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2016

	Investment Trust Funds	Agency Funds
<b>Assets</b>		
Cash and cash equivalents	\$ 134,195,249	\$ 3,479,687
Total assets	<u>134,195,249</u>	<u><u>3,479,687</u></u>
<b>Liabilities</b>		
Deposits held for others	<u>-</u>	\$ 3,479,687
Total liabilities	<u>-</u>	<u><u>3,479,687</u></u>
<b>Net Position</b>		
Held in trust for investment trust participants	<u><u>\$ 134,195,249</u></u>	

See accompanying notes to financial statements.



Yavapai County  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
Year Ended June 30, 2016

	Investment Trust Funds
Additions:	
Contributions from participants	\$ 430,070,572
Investment earnings	<u>750,889</u>
Total additions	<u>430,821,461</u>
 Deductions:	
Distributions to participants	<u>414,707,496</u>
Total deductions	<u>414,707,496</u>
 Change in net position	 16,113,965
 Net position, July 1, 2015	 <u>118,081,284</u>
Net position, June 30, 2016	<u><u>\$ 134,195,249</u></u>

See accompanying notes to financial statements.

Yavapai County  
Notes to Financial Statements  
June 30, 2016

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

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

For the year ended June 30, 2016, the County implemented the provisions of GASB Statement No. 72, *Fair Value Measurement and Application* and GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. GASB Statement No. 72 establishes standards for measuring fair value and applying fair value to certain investments and disclosures related to all fair value measurements. GASB Statement No. 76 establishes the hierarchy of sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with generally accepted accounting principles.

**A. Reporting Entity**

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

Component units are legally separate entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are so intertwined with the County that they are in substance part of the County's operations. Therefore, data from these units is combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the County. Each blended component unit discussed below has a June 30 year-end. The County has no discretely presented component units.

The following table describes the County's component units:

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

Yavapai County  
Notes to Financial Statements  
June 30, 2016

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

*Related Organizations* – The United States Department of Agriculture deeded property to Yavapai County on February 6, 1957 to be used exclusively as a public airport facility. The property shall automatically revert to the United States in the event the property ceases to be used as a public airport facility. The Sedona-Oak Creek Airport Authority (Airport Authority) was created for the purpose of developing and promoting transportation and commerce by air in the State of Arizona, and in particular the development, promotion, and operation of air transportation facilities and air commerce in and around the Sedona area. In 1971, the Airport Authority entered into a 60-year lease with Yavapai County to manage and operate the Sedona Airport facility, which is owned by the County. The Airport Authority is governed by a 13 member Board of Directors approved by the County's Board of Supervisors. However, the Airport Authority's operations are completely separate from the County, and the County is not financially accountable for the Airport Authority. Therefore, based on the criterion of GASB Statement Nos. 14, 39, and 61, the financial activities of the Airport Authority have not been included in the accompanying financial statements.

The Industrial Development Authority of Yavapai County (Authority) is a legally separate entity that was created to assist in the financing of commercial and industrial enterprises; safe, sanitary, and affordable housing; and healthcare facilities. The Authority fulfills its function through the issuance of tax exempt or taxable revenue bonds. The County's Board of Supervisors appoints the Authority's Board of Directors. The Authority's operations are completely separate from the County and the County is not financially

Yavapai County  
Notes to Financial Statements  
June 30, 2016

accountable for the Authority. Therefore, based on the criterion of GASB Statements Nos. 14, 39, and 61, the financial activities of the Authority have not been included in the accompanying financial statements.

**B. Basis of Presentation**

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

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

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

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

Revenues that are not classified as program revenues, including internally dedicated resources and all taxes the County levies or imposes, are reported as general revenues.

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

**Fund financial statements**—Provide information about the County's funds, including fiduciary funds and blended component units. Separate statements are presented for the governmental and fiduciary fund categories. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Fiduciary funds are aggregated and reported by fund type.

The County reports the following major governmental funds:

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

Yavapai County  
Notes to Financial Statements  
June 30, 2016

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

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

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

The *Capital Projects Fund* accounts for major capital projects and is funded by a portion of the ½ cent County sales tax.

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

The County also reports the following fund types:

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

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

### **C. Basis of Accounting**

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

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

Governmental funds in the fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. The County's major revenue sources that are susceptible to accrual are property taxes, special assessments, intergovernmental, charges for services, and investment earnings. Expenditures are

Yavapai County  
Notes to Financial Statements  
June 30, 2016

recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, compensated absences, and landfill closure and postclosure care costs, which are recognized as expenditures to the extent they are due and payable. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of general long-term debt and acquisitions under capital lease agreements are reported as other financing sources.

**D. Cash and Investments**

All investments are stated at fair value.

**E. Inventories**

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

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

**F. Prepaid Items**

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

Prepaid items are accounted for using the consumption method in the governmental fund financial statements. Using this method, prepaid purchases are recorded as assets when the goods or services are purchased and expensed over the period consumed. Amounts at year-end are reported on the balance sheet as an asset and as nonspendable fund balance to indicate that they do not constitute "available spendable resources."

**G. Property Tax Calendar**

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

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

Yavapai County  
Notes to Financial Statements  
June 30, 2016

**H. Capital Assets**

Capital assets are reported at actual cost (or estimated historical cost if historical records are not available). Donated assets are reported at acquisition value.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets are as follows:

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

**I. Deferred Outflows and Inflows of Resources**

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

**J. Pensions**

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

**K. Fund Balance Classifications**

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

The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form, such as inventories, or are legally or

Yavapai County  
Notes to Financial Statements  
June 30, 2016

contractually required to be maintained intact. Restricted fund balances are those that have externally imposed restrictions on their usage by creditors (such as through debt covenants), grantors, contributors, or laws and regulations.

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

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

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

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

**L. Investment Earnings**

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

**M. Compensated Absences**

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

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

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



Yavapai County  
Notes to Financial Statements  
June 30, 2016

leave benefits are cumulative but employees forfeit them upon terminating employment. Because CAT leave benefits do not vest with employees, a liability for CAT leave benefits is not accrued in the financial statements.

**Note 2 - Stewardship, Compliance, and Accountability**

Deficit fund balance—At June 30, 2016, the CYMPO (nonmajor governmental) Fund reported a deficit fund balance of \$90,777.

**Note 3 - Deposits and Investments**

Arizona Revised Statutes (A.R.S.) authorize the County to invest public monies in the State Treasurer's investment pool; obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations, or instrumentalities; specified state and local government bonds, notes and other evidences of indebtedness; interest-earning investments such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; specified commercial paper issued by corporations organized and doing business in the United States; specified bonds, debentures, notes, and other evidences of indebtedness that are denominated in United States dollars; and certain open-end and closed-end mutual funds, including exchange traded funds. In addition, the County Treasurer may invest trust funds in certain fixed income securities of corporations doing business in the United States or District of Columbia.

**Credit risk**

Statutes have the following requirements for credit risk:

1. Commercial paper must be of prime quality and be rated within the top two ratings by a nationally recognized rating agency.
2. Bonds, debentures, notes and other evidences of indebtedness that are denominated in United States dollars must be rated "A" or better, at the time of purchase, by at least two nationally recognized rating agencies.
3. Fixed income securities must carry one of the two highest ratings by Moody's investors service and Standard and Poor's rating service. If only one of the above-mentioned services rates the security, it must carry the highest rating of that service.

**Custodial credit risk**

Statutes require collateral for deposits at 102 percent of all deposits federal depository insurance does not cover.

**Concentration of credit risk**

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

**Interest rate risk**

Statutes require that public monies invested in securities and deposits have a maximum maturity of 5 years. The maximum maturity for investments in repurchase agreements is 180 days.

Yavapai County  
Notes to Financial Statements  
June 30, 2016

Foreign currency risk

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

Deposits—At June 30, 2016, the carrying amount of the County's deposits was \$18,944,633, and the bank balance was \$19,662,141. The County does not have a formal policy with respect to custodial credit risk.

Investments—The County's investments at June 30, 2016, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

	Amount	Fair value measurement using	
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)
Investments by fair value level			
U.S. Treasury securities	\$ 27,000,644	\$ 27,000,644	
U.S. agency securities	21,135,613	21,135,613	
Repurchase agreement	611,092	611,092	
Money market funds	10,035,163	10,035,163	
Local government indebtedness	189,824		\$ 189,824
Total investments by fair value level	<u>58,972,336</u>	<u>\$ 58,782,512</u>	<u>\$ 189,824</u>
External investment pools measured at fair value			
State Treasurer's investment pools	<u>117,827,500</u>		
Total investments	<u>\$176,799,836</u>		

Investments categorized as Level 1 are valued using prices quoted in active markets for those investments. Local government indebtedness categorized as Level 2 is valued based on the par value of the outstanding debt, due to the reasonableness of the interest rate at 4.25%, the short term until maturity at 6 months, and prior payment history on the debt. Investments in the State Treasurer's investment pools are valued at the pool's share price multiplied by the number of shares the County held. The fair value of a participant's position in the pools approximates the value of that participant's pool shares. The State Board of Investment provides oversight for the State Treasurer's investment pools.

Yavapai County  
Notes to Financial Statements  
June 30, 2016

Credit risk— The County does not have a formal investment policy with respect to credit risk. At June 30, 2016, credit risk for the County's investments was as follows:

Investment Type	Rating	Rating Agency	Amount
State Treasurer's Investment Pool 5	AAAf/S1+	Standard and Poor's	\$ 42
State Treasurer's Investment Pool 7	Unrated	Not applicable	117,827,458
Repurchase agreement (implicitly guaranteed)	AA+	Standard and Poor's	611,092
U.S. agency securities	AA+	Standard and Poor's	21,135,613
Money market funds	Unrated	Not applicable	10,035,163
Local government indebtedness	Unrated	Not applicable	189,824
			<u>\$149,799,192</u>

Custodial credit risk—For an investment, custodial credit risk is the risk that, in the event of the counterparty's failure, the County will not be able to recover the value of its investments or collateral securities that are in an outside party's possession. The County does not have a formal investment policy with respect to custodial credit risk.

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, 2016, of 5 percent or more in the Federal Farm Credit Bank. These investments were 7.4 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, 2016, the County had the following investments in debt securities:

Investment Type	Amount	Weighted Average Maturity (Years)
State Treasurer's Investment Pool 5	\$ 42	.06
State Treasurer's Investment Pool 7	117,827,458	.20
U.S. Treasury securities	27,000,644	.79
U.S. agency securities	21,135,613	1.96
Repurchase agreement	611,092	.00
Money market funds	10,035,163	.00
Local government indebtedness	189,824	.46
	<u>\$176,799,836</u>	

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

Cash, deposits, and investments:

Cash on hand	\$ 36,240
Amount of deposits	18,944,633
Amount of investments	176,799,836
Total	<u>\$195,780,709</u>

Yavapai County  
Notes to Financial Statements  
June 30, 2016

	Governmental Activities	Investment Trust Funds	Agency Funds	Total
Cash and cash equivalents	\$ 58,105,773	\$ 134,195,249	\$ 3,479,687	\$ 195,780,709

**Note 4 - Due From Other Governments**

Amounts due from other governments for governmental activities at June 30, 2016, include \$4,600,020 in state-shared revenue from sales tax, \$1,258,039 in county excise tax distributions due from the State Treasurer, \$355,414 in state motor vehicle license taxes from the Arizona Department of Transportation, \$282,924 in election costs reimbursement from the Arizona Secretary of State and \$141,383 in other fees from federal, state, and local governments recorded in the General Fund; \$1,397,795 in sales tax collections, \$26,134 in inmate housing fees and \$13,016 in other fees from the federal, state and local governments recorded in the Jail District Fund; \$1,118,257 in county excise tax distributions due from the State Treasurer in the Regional Road Fund; \$1,057,798 in state-shared revenue from highway user taxes, \$154,462 in state motor vehicle license tax, and \$29,559 in other fees from federal, state, and local governments recorded in the HURF Road Fund; \$419,346 in county excise tax distributions due from the State Treasurer recorded in the Capital Projects Fund; and \$1,810,045 in grants and other fees from federal, state and local governments recorded in the Other Governmental Funds.

**Note 5 - Capital Assets**

Capital asset activity for the year ended June 30, 2016, was as follows:

	Balance July 1, 2015	Increases	Decreases	Balance June 30, 2016
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 62,863,916	\$ 526,191	\$ -	\$ 63,390,107
Construction in progress	1,026,080	10,715,213	(6,891,743)	4,849,550
Total capital assets not being depreciated	63,889,996	11,241,404	(6,891,743)	68,239,657
Capital assets being depreciated:				
Buildings	109,489,622	587,544	(39,633)	110,037,533
Equipment	44,000,444	4,978,468	(3,262,179)	45,716,733
Infrastructure	339,685,291	8,777,996	-	348,463,287
Software	4,997,087	878,892	-	5,875,979
Total	498,172,444	15,222,900	(3,301,812)	510,093,532
Less accumulated depreciation for:				
Buildings	(29,190,472)	(2,808,942)	14,367	(31,985,047)
Equipment	(33,129,965)	(3,170,872)	3,199,723	(33,101,114)
Infrastructure	(233,012,705)	(8,923,973)	-	(241,936,678)
Software	(4,145,302)	(459,319)	-	(4,604,621)
Total	(299,478,444)	(15,363,106)	3,214,090	(311,627,460)
Total capital assets being depreciated, net	198,694,000	(140,206)	(87,722)	198,466,072
Governmental activities capital assets, net	\$262,583,996	\$ 11,101,198	\$(6,979,465)	\$266,705,729

Yavapai County  
Notes to Financial Statements  
June 30, 2016

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 3,515,794
Public safety	2,186,180
Highways and streets	9,234,101
Sanitation	105,547
Health	216,259
Welfare	4,166
Education	101,059
Total governmental activities depreciation expense	<u>\$ 15,363,106</u>

**Note 6 - Construction Commitments**

The County had major contractual commitments related to various capital projects at June 30, 2016, for the construction of road improvements and buildings. At June 30, 2016, the County had spent \$2,923,691 on these projects and had remaining contractual commitments with contractors of \$470,724. The road improvement projects are being funded by the County's excise tax out of the Regional Road Fund. The building construction is being funded by the County's excise tax out of the Capital Projects Fund.

**Note 7 - Long-Term Liabilities**

The following schedule details the County's long-term liability and obligation activity for the year ended June 30, 2016:

	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Due within 1 year
<b>Governmental Activities:</b>					
Special assessment debt	\$ 1,945,000	\$ -	\$ (175,000)	\$ 1,770,000	\$ 175,000
Capital leases payable	20,676,994	212,297	(1,249,604)	19,639,687	1,298,152
Net pension liabilities	142,380,234	11,065,857	(36,219)	153,409,872	76,767
Landfill closure and postclosure care costs payable	970,210	15,523	(22,322)	963,411	22,166
Compensated absences payable	8,024,034	5,648,171	(5,579,708)	8,092,497	3,302,596
Claims and judgments payable	253,595	268,214	(245,098)	276,711	123,526
Total governmental activities long-term liabilities	<u>\$ 174,250,067</u>	<u>\$ 17,210,062</u>	<u>\$ (7,307,951)</u>	<u>\$ 184,152,178</u>	<u>\$ 4,998,207</u>

**Special assessment debt**

Special assessment bonds are secured by pledges of revenues from special assessments levied against the benefiting property owners. Bond proceeds were used to finance construction in these districts. These bonds are generally callable with interest payable semiannually. The total principal and interest remaining on the bonds is \$2,452,448, payable through January 2030. Annual principal and interest payments on the bonds are expected to require 100% of pledged revenues. Principal and interest paid for the current year were \$296,889 and the special assessments were \$253,491.

Yavapai County  
Notes to Financial Statements  
June 30, 2016

The following special assessment districts had debt outstanding at June 30, 2016:

Description	Original Amount Issued	Maturity Ranges	Interest Rates	Outstanding Principal June 30, 2016
Coyote Springs Road Improvement	\$1,552,000	1/1/17-1/1/22	6.40%	\$ 480,000
Poquito Valley Road Improvement	1,857,000	1/1/17-1/1/30	6.625%	1,290,000
Total				<u>\$ 1,770,000</u>

The following schedule details debt service requirements to maturity for the County's special assessment debt payable at June 30, 2016:

Year ending June 30	Principal	Interest
2017	\$ 175,000	\$ 110,476
2018	175,000	99,062
2019	175,000	87,648
2020	175,000	76,234
2021	175,000	64,821
2022-2026	535,000	196,507
2027-2030	360,000	47,700
Total	<u>\$ 1,770,000</u>	<u>\$ 682,448</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.

On December 8, 2015, the County entered into a \$212,297 lease purchase agreement to finance the purchase of telephone system upgrades, including hardware, software and professional services. Upon the final lease payment due March 8, 2020, the title to the assets will transfer to the County. The County's obligation to make lease payments will be subject to and is dependent upon annual appropriations being made by the County.

The assets acquired through the capital lease are as follows:

	Governmental Activities
Buildings	\$ 25,000,000
Equipment	211,939
Less: accumulated depreciation	(2,763,516)
Carrying value	<u>\$ 22,448,423</u>

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The following schedule details debt service requirements to maturity for the County's capital lease payable at June 30, 2016:

Year ending June 30	Governmental Activities
2017	\$ 2,159,098
2018	2,159,098
2019	2,159,098
2020	2,159,098
2021	2,111,865
2022-2026	10,559,324
2027-2028	4,223,728
Total minimum lease payments	25,531,309
Less amount representing interest	(5,891,622)
Present value of net minimum lease payments	<u>\$ 19,639,687</u>

### 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, 2016. As of June 30, 2016, the landfill closure and postclosure care liability of \$963,411 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 2016 and has been adjusted for changes in estimates during the fiscal year. The actual cost may be higher due to inflation, changes in technology, or changes in regulations.

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

### Insurance claims

The County provides health benefits to its employees and their dependents through the Yavapai Combined Trust, currently composed of four members. The Trust provides benefits up to \$250,000 per individual per plan year through a self-funding agreement with its participants and purchases commercial insurance to cover claims in excess of this limit. The Trust does not provide any postemployment benefits. An independent administrator provides the trust with claim and recordkeeping services. The County is responsible for paying the premiums and requires its employees to contribute for

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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 2016, the County paid for compensated absences as follows: 57 percent from the General Fund, 18 percent from major funds, and 25 percent from other funds. The County paid for claims and judgments from the General Fund.



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

The fund balance classifications of the governmental funds as of June 30, 2016, were as follows:

	General	Jail District	Regional Road	HURF Road
<b>Fund balances:</b>				
<b>Nonspendable:</b>				
Inventories	\$ 185,895	\$ -	\$ -	\$ 371,046
Prepaid items	364,313	-	-	2,000
Total nonspendable	<u>550,208</u>	<u>-</u>	<u>-</u>	<u>373,046</u>
<b>Restricted for:</b>				
Social services	-	-	-	-
Law enforcement	-	1,040,607	-	-
Flood control	-	-	-	-
Roadway construction and maintenance	-	-	-	8,633,420
Landfill and other sanitation	-	-	-	-
Public health care and clinical services	-	-	-	-
Public parks	-	-	-	-
School services	-	-	-	-
Debt service	-	-	-	-
Total restricted	<u>-</u>	<u>1,040,607</u>	<u>-</u>	<u>8,633,420</u>
<b>Committed to:</b>				
Social services	-	-	-	-
Probation services	-	-	-	-
Roadway construction	-	-	8,829,152	410,594
Public health care and clinical services	-	-	-	-
School services	-	-	-	-
Capital construction	-	-	-	-
Total committed	<u>-</u>	<u>-</u>	<u>8,829,152</u>	<u>410,594</u>
<b>Unassigned</b>	9,552,144	-	-	-
Total fund balances	<u><u>\$ 10,102,352</u></u>	<u><u>\$ 1,040,607</u></u>	<u><u>\$ 8,829,152</u></u>	<u><u>\$ 9,417,060</u></u>

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Capital Projects	Capital Projects Debt Service	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 556,941
-	-	27,641	393,954
-	-	27,641	950,895
-	-	4,869,080	4,869,080
-	-	2,813,713	3,854,320
-	-	2,201,089	2,201,089
-	-	161,349	8,794,769
-	-	908,660	908,660
-	-	4,382,280	4,382,280
-	-	38,697	38,697
-	-	642,164	642,164
-	1,875	994,819	996,694
-	1,875	17,011,851	26,687,753
-	-	27,014	27,014
-	-	9,210	9,210
-	-	-	9,239,746
-	-	683,122	683,122
-	-	202,768	202,768
13,984,715	-	-	13,984,715
13,984,715	-	922,114	24,146,575
-	-	(34,846)	9,517,298
\$13,984,715	\$ 1,875	\$ 17,926,760	\$ 61,302,521

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**Note 9 - Risk Management**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the County joined and is covered by three public entity risk pools: the Arizona Counties Property and Casualty Pool and the Arizona Counties Workers' Compensation Pool which are described below, and the Yavapai Combined Trust, which is described on page 46.

The Arizona Counties Property and Casualty Pool is a public entity risk pool currently composed of 12 member counties. The pool provides member counties catastrophic loss coverage for risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters; and provides risk management services. Such coverage includes all defense costs as well as the amount of any judgment or settlement. The County is responsible for paying a premium based on its exposure in relation to the exposure of the other participants, and a deductible of \$25,000 per occurrence for property claims and \$50,000 per occurrence for liability claims. The County is also responsible for any payments in excess of the maximum coverage of \$300 million per occurrence for property claims and \$15 million per occurrence for liability claims. However, lower limits apply to certain categories of losses. A county must participate in the pool at least 3 years after becoming a member; however, it may withdraw after the initial 3-year period.

The Arizona Counties Workers' Compensation Pool is a public entity risk pool currently composed of 12 member counties. The pool provides member counties with workers' compensation coverage, as law requires, and risk management services. The County is responsible for paying a premium, based on an experience-rating formula that allocates pool expenditures and liabilities among the members.

The Arizona Counties Property and Casualty Pool and the Arizona Counties Workers' Compensation Pool receive independent audits annually and an audit by the Arizona Department of Insurance every 5 years. Both pools accrue liabilities for losses that have been incurred but not reported. These liabilities are determined annually based on an independent actuarial valuation. If a pool were to become insolvent, the County would be assessed an additional contribution.

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

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

At June 30, 2016, the County reported the following aggregate amounts related to pensions for all plans to which it contributes:

<b>Statement of Net Position and Statement of Activities</b>	<b>Governmental Activities</b>
Net pension liabilities	\$153,409,872
Deferred outflows of resources	23,757,864
Deferred inflows of resources	9,499,821
Pension expense	16,808,862

The County's accrued payroll and employee benefits includes \$386,952 of outstanding pension contribution amounts payable to all pension plans for the year ended June 30, 2016. Also, the County reported \$10,540,080 of pension contributions as expenditures in the governmental funds related to all pension plans to which it contributes.

**A. Arizona State Retirement System**

**Plan description**—County employees not covered by the other pension plans described below participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at [www.azasrs.gov](http://www.azasrs.gov).

**Benefits provided**—The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

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

\*With actuarially reduced benefits.

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

**Contributions**—In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2016, statute required active ASRS members to contribute at the actuarially determined rate of 11.47 percent (11.35 percent for retirement and 0.12 percent for long-term disability) of the members' annual covered payroll, and statute required the County to contribute at the actuarially determined rate of 11.47 percent (10.85 percent for retirement, 0.50 percent for health insurance premium benefit, and 0.12 percent for long-term disability) of the active members' annual covered payroll. In addition, the County was required by statute to contribute at the actuarially determined rate of 9.36 percent (9.17 percent for retirement, 0.13 percent for health insurance premium benefit, and 0.06 percent for long-term disability) of annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the ASRS would typically fill. The County's contributions to the pension plan for the year ended June 30, 2016, were \$5,354,580. The County's OPEB contributions for the current and 2 preceding years, all of which were equal to the required contributions, were as follows:

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<b>ASRS</b>	<b>Health Benefit Supplement Fund</b>	<b>Long-Term Disability Fund</b>
<b>Year ended June 30</b>		
2016	\$243,913	\$58,819
2015	282,652	57,677
2014	276,770	111,656

During fiscal year 2016, the County paid for ASRS pension and OPEB contributions as follows: 59.2 percent from the General Fund, 12.2 percent from major funds, and 28.6 percent from other funds.

**Pension liability**—At June 30, 2016, the County reported a liability of \$81,490,182 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The County's proportion of the net pension liability was based on the County's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The County's proportion measured as of June 30, 2015, was 0.523 percent, which was a decrease of 0.008 from its proportion measured as of June 30, 2014.

**Pension expense and deferred outflows/inflows of resources**—For the year ended June 30, 2016, the County recognized pension expense for ASRS of \$4,465,182. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>ASRS</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,223,690	\$ 4,270,167
Net difference between projected and actual earnings on pension plan investments		2,611,580
Changes in proportion and differences between county contributions and proportionate share of contributions	1,256,367	803,561
County contributions subsequent to the measurement date	5,354,580	
<b>Total</b>	<b>\$ 8,834,637</b>	<b>\$ 7,685,308</b>

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The \$5,354,580 reported as deferred outflows of resources related to ASRS pensions resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year ending June 30	
2017	\$ (1,677,186)
2018	(2,611,707)
2019	(1,801,594)
2020	1,885,236

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

**ASRS**

Actuarial valuation date	June 30, 2014
Actuarial roll forward date	June 30, 2015
Actuarial cost method	Entry age normal
Investment rate of return	8%
Projected salary increases	3–6.75%
Inflation	3%
Permanent benefit increase	Included
Mortality rates	1994 GAM Scale BB

Actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2012.

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.79 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

ASRS Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
Equity	58%	6.79%
Fixed income	25%	3.70%
Real estate	10%	4.25%
Multi-asset	5%	3.41%
Commodities	<u>2%</u>	3.93%
Total	<u>100%</u>	

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**Discount Rate**—The discount rate used to measure the ASRS total pension liability was 8 percent, which is less than the long-term expected rate of return of 8.79 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

<b>ASRS</b>	<b>1% Decrease (7%)</b>	<b>Current Discount Rate (8%)</b>	<b>1% Increase (9%)</b>
County's proportionate share of the net pension liability	\$106,779,987	\$81,490,182	\$64,158,378

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

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

**Plan descriptions**—County sheriff employees and county attorney investigators who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS). The PSPRS administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium benefit (OPEB) plan (agent plans). A seven-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

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



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The PSPRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPRS and CORP plans. The report is available on the PSPRS website at [www.psprs.com](http://www.psprs.com).

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

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

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**CORP**

**Initial membership date:**

**Before January 1, 2012**

**On or after January 1, 2012**

**Retirement and  
Disability**

Years of service  
and age required  
to receive benefit

Sum of years and age equals 80  
25 years, any age (dispatchers)  
20 years, any age (all others)  
10 years, age 62

25 years, age 52.5  
10 years, age 62

Final average  
salary is based  
on

Highest 36 consecutive  
months of last 10 years

Highest 60 consecutive  
months of last 10 years

**Benefit percent**

Normal  
Retirement

2.0% to 2.5% per year of credited service, not to exceed 80%

Accidental  
Disability  
Retirement

50% or normal retirement if more  
than 20 years of credited service

50% or normal retirement if more  
than 25 years of credited service

Total and  
Permanent  
Disability  
Retirement

50% or normal retirement if more than 25 years of credited service

Ordinary  
Disability  
Retirement

2.5% per year of credited service

**Survivor Benefit**

Retired Members

80% of retired member's pension benefit

Active Members

40% of average monthly compensation or 100% of average monthly  
compensation if death was the result of injuries received on the job. If there  
is no surviving spouse or eligible children, the beneficiary is entitled to 2  
times the member's contributions.

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on excess investment earning. In addition, from and after December 31, 2015, the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget Committee analysis of the increase's effects on the plan. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

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**Employees covered by benefit terms**—At June 30, 2016, the following employees were covered by the agent pension plans' benefit terms:

	<b>PSPRS Sheriff</b>	<b>PSPRS Attorney Investigators</b>	<b>CORP Detention</b>	<b>CORP Dispatchers</b>
Inactive employees or beneficiaries currently receiving benefits	64	2	40	1
Inactive employees entitled to but not yet receiving benefits	40	-	81	1
Active employees	114	-	158	5
Total	218	2	279	7

**Contributions and annual OPEB cost**—State statutes establish the pension contribution requirements for active PSPRS and CORP employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS and CORP pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contributions rates for the year ended June 30, 2016, are indicated below. Rates are a percentage of active members' annual covered payroll.

	<b>PSPRS Sheriff</b>	<b>PSPRS Attorney Investigators</b>	<b>CORP Detention</b>	<b>CORP Dispatchers</b>	<b>CORP AOC</b>
Active members—Pension	11.65%	11.65%	8.41%	7.96%	8.41%
County					
Pension	39.54%	5.00%	14.16%	15.42%	19.10%
Health insurance premium benefit	0.71%	0.00%	0.00%	0.42%	0.85%

The County was required to contribute \$79,153 for the PSPRS Attorney Investigators Pension Plan based on the estimated actuarially required contribution for inactive members.

In addition, statute required the County to contribute at the actuarially determined rate of 28.62 percent for the PSPRS and 11.33 percent for the CORP of annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the PSPRS or CORP would typically fill.

For the agent plans, the County's contributions to the pension plan and annual OPEB cost and contributions for the health insurance premium benefit for the year ended June 30, 2016, were:

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	<b>PSPRS Sheriff</b>	<b>PSPRS Attorney Investigators</b>	<b>CORP Detention</b>	<b>CORP Dispatchers</b>
<b>Pension</b>				
Contributions made	\$2,528,066	\$92,975	\$954,118	\$26,450
<b>Health Insurance Premium Benefit</b>				
Annual OPEB cost	45,395	0	0	720
Contributions made	45,395	0	0	720

Contributions to the CORP AOC pension plan for the year ended June 30, 2016, were \$1,087,798. The County's contributions for the current and 2 preceding years for the CORP AOC OPEB, all of which were equal to the required contributions, were as follows:

<b>CORP AOC</b>	<b>Health Insurance Fund</b>
<b>Year ended June 30</b>	
2016	\$48,410
2015	\$70,944
2014	\$63,182

During fiscal year 2016, the County paid for PSPRS and CORP pension and OPEB contributions as follows: 65.4 percent from the General Fund, 19.7 percent from major funds, and 14.9 percent from other funds.

**Pension liability**—At June 30, 2016, the County reported the following net pension liabilities:

	<b>Net Pension Liability</b>
PSPRS Sheriff	\$30,489,245
PSPRS Attorney Investigators	2,012,823
CORP Detention	8,831,080
CORP Dispatchers	345,494
CORP AOC (County's proportionate share)	12,320,726

The net pension liabilities were measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

In May 2016 voters approved Proposition 124 that authorized certain statutory adjustments to PSPRS' automatic cost-of-living adjustments. The statutory adjustments change the basis for future cost-of-living adjustments from excess investment earnings to the change in the consumer price index, limited to a maximum annual increase of 2 percent. The change in the County's net pension liability as a result of the statutory adjustments is not known.

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

**PSPRS and CORP—Pension**

Actuarial valuation date	June 30, 2015
Actuarial cost method	Entry age normal
Investment rate of return	7.85%
Projected salary increases	4.0%–8.0% for PSPRS and 4.0%–7.25% for CORP
Inflation	4.0%
Permanent benefit increase	Included
Mortality rates	RP-2000 mortality table (adjusted by 105% for both males and females)

Actuarial assumptions used in the June 30, 2015, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2011.

The long-term expected rate of return on PSPRS and CORP pension plan investments was determined to be 7.85 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>PSPRS and CORP Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Geometric Real Rate of Return</b>
Short term investments	2%	0.75%
Absolute return	5%	4.11%
Risk parity	4%	5.13%
Fixed income	7%	2.92%
Real assets	8%	4.77%
GTAA	10%	4.38%
Private equity	11%	9.50%
Real estate	10%	4.48%
Credit opportunities	13%	7.08%
Non-U.S. equity	14%	8.25%
U.S. equity	<u>16%</u>	6.23%
Total	<u>100%</u>	

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**Pension discount rates**—The following discount rates were used to measure the total pension liabilities:

	<b>PSPRS Sheriff</b>	<b>PSPRS Attorney Investigators</b>	<b>CORP Detention</b>	<b>CORP Dispatchers</b>	<b>CORP AOC</b>
Discount rates	7.85%	3.80%	7.85%	7.85%	7.85%
Change from prior year	0.00	-0.49	0.00	0.00	0.00

The projection of cash flows used to determine the PSPRS and CORP discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the PSPRS Sheriff, CORP Detention, CORP Dispatchers, and CORP AOC plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments for these plans to determine the total pension liability. However, based on the above assumptions, the PSPRS Attorney Investigators plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current plan members. Therefore, a municipal bond rate of 3.80 percent obtained from the Federal Reserve as of June 30, 2015, was applied to all periods of projected benefit payments after June 30, 2015.

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**Changes in the Net Pension Liability**

**PSPRS Sheriff**

	Increase (Decrease)		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) – (b)</b>
Balances at June 30, 2015	\$49,437,304	\$20,925,754	\$28,511,550
Changes for the year:			
Service cost	1,239,355		1,239,355
Interest on the total pension liability	3,828,510		3,828,510
Differences between expected and actual experience in the measurement of the pension liability	406,046		406,046
Contributions—employer		2,010,938	(2,010,938)
Contributions—employee		762,569	(762,569)
Net investment income		773,273	(773,273)
Benefit payments, including refunds of employee contributions	(2,572,307)	(2,572,307)	-
Administrative expense		(19,247)	19,247
Other changes		(31,317)	31,317
Net changes	2,901,604	923,909	1,977,695
Balances at June 30, 2016	<u>\$52,338,908</u>	<u>\$21,849,663</u>	<u>\$30,489,245</u>

**PSPRS Attorneys Investigators**

	Increase (Decrease)		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) – (b)</b>
Balances at June 30, 2015	\$ 1,762,340	\$ (75,268)	\$ 1,837,608
Changes for the year:			
Interest on the total pension liability	73,958		73,958
Differences between expected and actual experience in the measurement of the pension liability	(23,931)		(23,931)
Changes of assumptions or other inputs	129,272		129,272
Contributions-employer		8,301	(8,301)
Net investment income		(3,918)	3,918
Benefit payments, including refunds of employee contributions	(76,767)	(76,767)	-
Administrative expense		(377)	377
Other changes		78	(78)
Net changes	102,532	(72,683)	175,215
Balances at June 30, 2016	<u>\$ 1,864,872</u>	<u>\$ (147,951)</u>	<u>\$2,012,823</u>

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**CORP - Detention**

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) – (b)</b>
Balances at June 30, 2015	\$19,383,145	\$10,520,558	\$ 8,862,587
Changes for the year:			
Service cost	1,005,903		1,005,903
Interest on the total pension liability	1,505,127		1,505,127
Differences between expected and actual experience in the measurement of the pension liability	(832,875)		(832,875)
Contributions—employer		775,798	(775,798)
Contributions—employee		558,422	(558,422)
Net investment income		389,607	(389,607)
Benefit payments, including refunds of employee contributions	(1,425,008)	(1,425,008)	-
Administrative expense		(9,992)	9,992
Other changes		(4,173)	4,173
Net changes	253,147	284,654	(31,507)
Balances at June 30, 2016	\$19,636,292	\$10,805,212	\$ 8,831,080

**CORP - Dispatchers**

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) – (b)</b>
Balances at June 30, 2015	\$1,021,159	\$ 670,953	\$ 350,206
Changes for the year:			
Service cost	41,579		41,579
Interest on the total pension liability	79,112		79,112
Differences between expected and actual experience in the measurement of the pension liability	(87,486)		(87,486)
Contributions—employer		24,321	(24,321)
Contributions—employee		18,633	(18,633)
Net investment income		24,701	(24,701)
Benefit payments, including refunds of employee contributions	(68,315)	(68,315)	-
Administrative expense		(999)	999
Other changes		(28,739)	28,739
Net changes	(35,110)	(30,398)	(4,712)
Balances at June 30, 2016	\$ 986,049	\$ 640,555	\$ 345,494



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The County's proportion of the CORP AOC net pension liability was based on the County's actual contributions to the plan relative to the total of all participating counties' actual contributions for the year ended June 30, 2015. The County's proportion measured as of June 30, 2015, was 5.07 percent which was a decrease of .11 from its proportion measured as of June 30, 2014.

**Sensitivity of the County's net pension liability to changes in the discount rate—**

The following table presents the County's net pension liabilities calculated using the discount rates noted above, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
PSPRS Sheriff			
Rate	6.85%	7.85%	8.85%
Net pension liability	\$36,577,745	\$30,489,245	\$25,403,050
PSPRS Attorney Investigators			
Rate	2.80%	3.80%	4.80%
Net pension liability	\$2,328,789	\$2,012,823	\$1,763,454
CORP Detention			
Rate	6.85%	7.85%	8.85%
Net pension liability	\$11,439,689	\$8,831,080	\$6,677,711
CORP Dispatchers			
Rate	6.85%	7.85%	8.85%
Net pension liability	\$504,969	\$345,494	\$216,672
CORP AOC			
Rate	6.85%	7.85%	8.85%
County's proportionate share of the net pension liability	\$16,109,414	\$12,320,726	\$9,167,568

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

**Pension expense—**For the year ended June 30, 2016, the County recognized the following pension expense:

	<b>Pension Expense</b>
PSPRS Sheriff	\$3,587,452
PSPRS Attorney Investigators	236,449
CORP Detention	1,231,791
CORP Dispatchers	84,204
CORP AOC (County's proportionate share)	1,624,045

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**Pension deferred outflows/inflows of resources**—At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>PSPRS Sheriff</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 326,127	\$ 576,985
Changes of assumptions or other inputs	3,138,910	
Net difference between projected and actual earnings on pension plan investments	62,469	
County contributions subsequent to the measurement date	2,528,066	
Total	<u>\$ 6,055,572</u>	<u>\$ 576,985</u>
<b>PSPRS Attorney Investigators</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual earnings on pension plan investments		\$ 4,980
County contributions subsequent to the measurement date	\$ 92,975	
Total	<u>\$ 92,975</u>	<u>\$ 4,980</u>
<b>CORP Detention</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience		\$ 711,000
Changes of assumptions or other inputs	\$ 995,223	
Net difference between projected and actual earnings on pension plan investments	28,688	
County contributions subsequent to the measurement date	954,118	
Total	<u>\$ 1,978,029</u>	<u>\$ 711,000</u>

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<b>CORP Dispatchers</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience		\$ 82,875
Changes of assumptions or other inputs	\$ 98,143	
Net difference between projected and actual earnings on pension plan investments	584	
County contributions subsequent to the measurement date	26,450	
<b>Total</b>	<b>\$ 125,177</b>	<b>\$ 82,875</b>

<b>CORP AOC</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 421,932	\$ 69,540
Changes in proportion and differences between county contributions and proportionate share of contributions		169,615
Changes of assumptions or other inputs	1,305,925	
Net difference between projected and actual earnings on pension plan investments	67,743	
County contributions subsequent to the measurement date	1,087,798	
<b>Total</b>	<b>\$ 2,883,398</b>	<b>\$ 239,155</b>

The amounts reported as deferred outflows of resources related to pensions resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<b>PSPRS Sheriff</b>	<b>PSPRS Attorney Investigators</b>	<b>CORP Detention</b>	<b>CORP Dispatchers</b>	<b>CORP AOC</b>
Year ending June 30					
2017	\$855,207	\$(1,347)	\$ 81,129	\$ 2,811	\$405,567
2018	855,207	(1,347)	81,129	2,811	405,567
2019	855,205	(1,348)	81,130	2,811	405,567
2020	378,450	(938)	114,689	9,499	360,032
2021	6,451		(45,165)	4,337	(20,288)
Thereafter				(6,417)	

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**Agent plan OPEB actuarial assumptions**—The health insurance premium benefit contribution requirements for the year ended June 30, 2016, were established by the June 30, 2014, actuarial valuations, and those actuarial valuations were based on the following actuarial methods and assumptions.

Actuarial valuations involve estimates of the reported amounts' value and assumptions about the probability of events in the future. Amounts determined regarding the plans' funded status 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 for the health insurance premium benefit 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 the County and plans' members understand them 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 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 PSPRS and CORP plans and related benefits (unless noted), and the following actuarial methods and assumptions were used to establish the fiscal year 2016 contribution requirements:

**PSPRS and CORP—OPEB Contribution Requirements**

Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	22 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 20% corridor
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases	4%–8% for PSPRS and 4%–7.25% for CORP
Wage growth	4% for PSPRS and CORP

**Agent plan OPEB trend information**—Annual OPEB cost information for the health insurance premium benefit for the current and 2 preceding years follows for each of the agent plans:

<b>Year Ended June 30</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual Cost Contributed</b>	<b>Net OPEB Obligation</b>
PSPRS Sheriff			
2016	\$ 45,395	100%	\$0
2015	109,537	100	0
2014	94,642	100	0

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Year Ended June 30	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation
PSPRS Attorney Investigators			
2016	\$0	0%	\$0
2015	0	0	0
2014	0	0	0
CORP Detention			
2016	\$ 0	0%	\$0
2015	52,854	100	0
2014	53,887	100	0
CORP Dispatchers			
2016	\$ 720	100%	\$0
2015	1,763	100	0
2014	1,761	100	0

**Agent plan OPEB funded status**—The health insurance premium benefit plans' funded status as of the most recent valuation date, June 30, 2016, along with the actuarial assumptions and methods used in those valuations follow.

	PSPRS Sheriff	PSPRS Attorney Investigators	CORP Detention	CORP Dispatchers
Actuarial value of assets (a)	\$1,216,758	\$16,643	\$1,133,963	\$ 24,642
Actuarial accrued liability (b)	1,437,783	14,286	634,332	22,268
Unfunded actuarial accrued liability (funding excess) (b) – (a)	221,025	(2,357)	(499,631)	(2,374)
Funded ratio (a)/(b)	84.6%	116.5%	178.8%	110.7%
Annual covered payroll (c)	\$6,035,507	\$0	\$6,716,108	\$168,873
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll (b) – (a) / (c)	3.66%	0%	(7.44%)	(1.41%)

The actuarial methods and assumptions used are the same for all the PSPRS and CORP health insurance premium benefit plans (unless noted), and for the most recent valuation date are as follows:

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**PSPRS and CORP—OPEB Funded Status**

Actuarial valuation date	June 30, 2015
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	21 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases	4%–8% for PSPRS and 4%–7.25% for CORP
Wage growth	4% for PSPRS and CORP

**C. Elected Officials Retirement Plan**

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

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

<b>EORP</b>	<b>Initial membership date:</b>	
	<b>Before January 1, 2012</b>	<b>On or after January 1, 2012</b>
<b>Retirement and Disability</b>		
Years of service and age required to receive benefit	20 years, any age 10 years, age 62 5 years, age 65 5 years, any age* any years and age if disabled	10 years, age 62 5 years, age 65 any years and age if disabled
Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive months of last 10 years
<b>Benefit percent</b>		
Normal Retirement	4% per year of service, not to exceed 80%	3% per year of service, not to exceed 75%

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<b>EORP</b>	<b>Initial membership date:</b>	
	<b>Before January 1, 2012</b>	<b>On or after January 1, 2012</b>
Disability	80% with 10 or more years of service	75% with 10 or more years of service
Retirement	40% with 5 to 10 years of service 20% with less than 5 years of service	37.5% with 5 to 10 years of service 18.75% with less than 5 years of service

**Survivor Benefit**

Retired Members	75% of retired member's benefit	50% of retired member's benefit
Active Members and Other Inactive Members	75% of disability retirement benefit	50% of disability retirement benefit

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

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on excess investment earning. In addition, from and after December 31, 2015, the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget Committee analysis of the increase's effects on the plan

**Contributions**—State statutes establish active member and employer contribution requirements. Statute also appropriates \$5 million annually through fiscal year 2043 for the EORP from the State of Arizona to supplement the normal cost plus an amount to amortize the unfunded accrued liability and designates a portion of certain court fees for the EORP. For the year ended June 30, 2016, statute required active EORP members to contribute 13 percent of the members' annual covered payroll and the County to contribute 23.5 percent of active EORP members' annual covered payroll. Also, statute required the County to contribute 12.15 percent to EORP of the annual covered payroll of elected officials and judges who were ASRS members and 17.50 percent to EORP of the annual covered payroll of elected officials and judges who were EODCRS members, in addition to the County's required contributions to ASRS and EODCRS for these elected officials and judges. In addition, statute required the County to contribute 23.5 percent of annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the EORP would typically fill. The County's contributions to the pension plan for the year ended June 30, 2016, were \$485,887. No OPEB contributions were required or made for the years ended June 30, 2015 and 2016. The County's OPEB contributions for the current and 2 preceding years, all of which were equal to the required contributions, were as follows:

<b>EORP</b>	<b>Health Insurance Fund</b>
<b>Year ended June 30</b>	
2016	\$ 0
2015	0
2014	33,819

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During fiscal year 2016, the County paid for EORP pension contributions as follows: 93.49 percent from the General Fund, 2.45 percent from major funds, and 4.06 percent from other funds.

**Pension liability**—At June 30, 2016, the County reported a liability for its proportionate share of the EORP's net pension liability that reflected a reduction for the County's proportionate share of the State's appropriation for EORP. The amount the County recognized as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the County were as follows:

County's proportionate share of the EORP net pension liability	\$17,920,322
State's proportionate share of the EORP net pension liability associated with the County	<u>5,586,811</u>
Total	<u>\$23,507,133</u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The County's proportion of the net pension liability was based on the County's actual contributions to the plan relative to the total of all participating employers' actual contributions for the year ended June 30, 2015. The County's proportion measured as of June 30, 2015, was 2.293 percent, which was an increase of 0.053 from its proportion measured as of June 30, 2014.

**Pension expense and deferred outflows/inflows of resources**—For the year ended June 30, 2016, the County recognized pension expense for EORP of \$5,569,533 and revenue of \$1,503,205 for the County's proportionate share of the State's appropriation to EORP and the designated court fees. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:



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<b>EORP</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 28,656	\$ 199,518
Changes of assumptions or other inputs	3,002,697	
Net difference between projected and actual earnings on pension plan investments	108,687	
Changes in proportion and differences between county contributions and proportionate share of contributions	162,149	
County contributions subsequent to the measurement date	485,887	
Total	<u>\$ 3,788,076</u>	<u>\$ 199,518</u>

The \$485,887 reported as deferred outflows of resources related to EORP pensions resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to EORP pensions will be recognized in pension expense as follows:

Year ending June 30	
2017	\$ 2,575,527
2018	436,357
2019	8,950
2020	81,837

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

**EORP**

Actuarial valuation date	June 30, 2015
Actuarial cost method	Entry age normal
Investment rate of return	7.85%
Projected salary increases	4.25%
Inflation	4.0%
Permanent benefit increase	Included
Mortality rates	RP-2000 mortality table projected to 2025 with projection scale AA

Actuarial assumptions used in the June 30, 2015, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2011.

The long-term expected rate of return on EORP pension plan investments was determined to be 7.85 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target

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allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>EORP</b>	<b>Target</b>	<b>Long-Term Expected</b>
<b>Asset Class</b>	<b>Allocation</b>	<b>Geometric Real Rate of Return</b>
Short term investments	2%	0.75%
Absolute return	5%	4.11%
Risk parity	4%	5.13%
Fixed income	7%	2.92%
Real assets	8%	4.77%
GTAA	10%	4.38%
Private equity	11%	9.50%
Real estate	10%	4.48%
Credit opportunities	13%	7.08%
Non-U.S. equity	14%	8.25%
U.S. equity	<u>16%</u>	6.23%
Total	<u>100%</u>	

**Discount rate**—At June 30, 2015, the discount rate used to measure the EORP total pension liability was 4.86 percent, which was a decrease of 0.81 from the discount rate used as of June 30, 2014. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate, employer contributions will be made at the statutorily set rates, and state contributions will be made as currently required by statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current plan members. Therefore, to determine the total pension liability for the plan, the long-term expected rate of return on pension plan investments of 7.85 percent was applied to periods of projected benefit payments through the year ended June 30, 2028. A municipal bond rate of 3.80 percent obtained from the 20-year Bond Buyer Index, as published by the Federal Reserve as of June 25, 2015, was applied to periods of projected benefit payments after June 30, 2028.

**Sensitivity of the County's proportionate share of the EORP net pension liability to changes in the discount rate**—The following table presents the County's proportionate share of the net pension liability calculated using the discount rate of 4.86 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.86 percent) or 1 percentage point higher (5.86 percent) than the current rate:

<b>EORP</b>	<b>1% Decrease (3.86%)</b>	<b>Current Discount Rate (4.86%)</b>	<b>1% Increase (5.86%)</b>
County's proportionate share of the net pension liability	\$20,861,516	\$17,920,322	\$15,446,933

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

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**EODCRS plan**—Elected officials and judges that are not members of EORP or ASRS participate in the EODCRS and the Elected Officials Defined Contribution Retirement System Disability Program (EODCDP). The EODCRS is a defined contribution pension plan. The EODCDP is a cost-sharing multiple-employer defined benefit disability (OPEB) plan for EODCRS members. The PSPRS Board of Trustees governs the EODCRS and EODCDP according to the provisions of A.R.S. Title 38, Chapter 5, Articles 3.1 and 3.2. Benefit terms, including contribution requirements, are established by state statute.

For the year ended June 30, 2016, active EODCRS members were required by statute to contribute 8 percent of the members' annual covered payroll, and the County was required by statute to contribute 6 percent of active members' annual covered payroll to an individual employee account. Employees are immediately vested in their own contributions and the County's contributions to the individual employee account and the earnings on those contributions. In addition, statute required active EODCRS members and the County to each contribute at the actuarially determined rate of 0.125 percent of the members' annual covered payroll to the EODCDP plan. For the year ended June 30, 2016, the County recognized pension expense of \$10,206. The County's OPEB contributions for the current and 2 preceding years, all of which were equal to the required contributions, were as follows:

<b>EODCDP</b>	
<b>Year ended June 30    Disability Fund</b>	
2016	\$213
2015	0
2014	0

**Note 11 - Interfund Balances and Activity**

Interfund receivables and payables—Interfund balances at June 30, 2016, were as follows:

	<b>Payable to</b>				<b>Total</b>
	<b>General Fund</b>	<b>Jail District Fund</b>	<b>HURF Road Fund</b>	<b>Nonmajor Governmental Funds</b>	
<b>Payable from</b>					
General Fund	\$ -	\$ 43,551	\$ 70,990	\$ 51,362	\$ 165,903
Jail District Fund	18,683	-	-	-	18,683
Regional Road Fund	-	-	5,802	-	5,802
HURF Road Fund	21,557	5,712	-	4,052	31,321
Capital Projects Fund	-	-	3,427	-	3,427
Nonmajor Governmental Funds	234,732	28,905	490	414,024	678,151
<b>Total</b>	<b>\$ 274,972</b>	<b>\$ 78,168</b>	<b>\$ 80,709</b>	<b>\$ 469,438</b>	<b>\$ 903,287</b>

The interfund balances resulted from time lags between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are

Yavapai County  
Notes to Financial Statements  
June 30, 2016

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, 2016, were as follows:

	Transfer To				
	General Fund	Jail District Fund	Capital Projects Debt Service Fund	Nonmajor Governmental Funds	Total
<b>Transfer from</b>					
General Fund	\$ -	\$ 7,232,442	\$ -	\$ 620,805	\$ 7,853,247
Capital Projects Fund	-	157,160	2,111,865	426,671	2,695,696
Nonmajor Governmental Funds	49,913	-	-	525,566	575,479
Total	\$ 49,913	\$ 7,389,602	\$ 2,111,865	\$ 1,573,042	\$ 11,124,422

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

#### Note 12 - County Treasurer's Investment Pool

Arizona Revised Statutes require community colleges, school districts, and other local governments to deposit certain public monies with the County Treasurer. The Treasurer has a fiduciary responsibility to administer those and the County's monies under the Treasurer's stewardship. The Treasurer invests, on a pool basis, all idle monies not specifically invested for a fund or program. In addition, the Treasurer determines the fair value of those pooled investments annually at June 30.

The County Treasurer's investment pool is not registered with the Securities and Exchange Commission as an investment company, and there is no regulatory oversight of its operations. The pool's structure does not provide for shares, and the County has not provided or obtained any legally binding guarantees to support the value of the participants' investments.

The Treasurer allocates interest earnings to each of the pool's participants. However, for the County's monies in the pool, the Board of Supervisors authorized \$7,315 of interest earned in certain other funds to be transferred to the General Fund.

Yavapai County  
Notes to Financial Statements  
June 30, 2016

The deposits and investments the County holds are included in the County Treasurer's investment pool, except for \$36,240, of cash on hand and \$4,112,613 of deposits. Therefore, the deposit and investment risks of the Treasurer's investment pool are substantially the same as the County's deposit and investment risks. See Note 3 for disclosure of the County's deposit and investment risks.

Details of each major investment classification follow:

Investment Type	Principal	Interest Rates	Maturities	Fair Value
State Treasurer's Investment Pool 5	\$ 41	None stated	None stated	\$ 42
State Treasurer's Investment Pool 7	117,785,000	None stated	None stated	117,827,458
U.S. treasury securities	26,900,000	0.625-0.875%	11/30/16-7/31/17	27,000,644
U.S. agency securities	21,000,000	0.77-1.22%	8/28/17-12/30/19	21,135,613
Repurchase agreement (implicitly guaranteed)	611,092	0.01%	Daily	611,092
Money market funds	10,000,000	0.01%	7/1/16	10,035,163
Local government indebtedness	189,824	4.25%	12/15/16	189,824

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

**Statement of Net Position**

Assets	\$ 191,631,856
Liabilities	-
Net Position	<u>\$ 191,631,856</u>

Net position held in trust for:

Internal participants	\$ 57,436,607
External participants	134,195,249
Total net position held in trust	<u>\$ 191,631,856</u>

**Statement of Changes in Net Position**

Total additions	\$ 620,184,748
Total deductions	(605,610,647)
Net increase	<u>14,574,101</u>
Net position held in trust:	
July 1, 2015	<u>177,057,755</u>
June 30, 2016	<u>\$ 191,631,856</u>

## REQUIRED SUPPLEMENTARY INFORMATION



Yavapai County  
Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund  
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Property taxes	\$ 45,026,986	\$ 45,026,986	\$ 44,953,263	\$ (73,723)
County sales taxes	7,360,655	7,360,655	7,536,539	175,884
Licenses and permits	1,850,000	1,850,000	1,947,296	97,296
Intergovernmental	35,274,091	35,274,091	39,523,535	4,249,444
Charges for services	1,870,000	1,870,000	1,836,392	(33,608)
Fines and forfeits	2,800,000	2,800,000	2,687,859	(112,141)
Investment earnings	30,000	30,000	20,689	(9,311)
Miscellaneous	300,000	300,000	418,543	118,543
Total revenues	94,511,732	94,511,732	98,924,116	4,412,384
Expenditures:				
General government				
Board of Supervisors	2,192,000	1,761,139	1,694,585	66,554
Human Resources	762,577	764,706	764,706	-
General Services	1,364,882	943,102	(180,956)	1,124,058
Elections	798,642	798,642	765,501	33,141
Public Works	228,964	228,964	213,481	15,483
Facilities	6,942,229	7,109,576	6,817,242	292,334
Development Services	3,902,853	3,902,853	3,747,220	155,633
Fleet	4,791,816	4,791,816	4,224,616	567,200
Medical Examiner	586,562	586,562	586,402	160
Finance	690,248	690,248	688,230	2,018
Assessor	3,313,256	3,575,687	3,345,822	229,865
County Attorney	7,085,540	7,085,540	7,010,110	75,430
Recorder	1,603,739	1,603,739	1,457,498	146,241
Management Information Systems	5,933,152	6,196,667	5,754,365	442,302
Clerk of the Court	2,773,921	2,773,921	2,749,260	24,661
Treasurer	929,730	929,730	902,640	27,090
Superior Courts	4,727,776	4,727,776	4,717,021	10,755
Public Defender	5,243,689	5,655,706	5,655,706	-
Prescott Justice of the Peace	671,447	671,447	661,785	9,662
Prescott Constable	88,391	88,391	87,877	514
Bagdad/Yarnell Justice of the Peace	349,880	349,880	345,490	4,390
Verde Valley Justice of the Peace	576,979	576,979	561,362	15,617
Mayer Justice of the Peace	457,787	457,787	457,600	187
Verde Constable	90,842	90,842	74,937	15,905
Mayer Constable	63,908	63,908	62,560	1,348
Seligman Constable	4,445	4,445	2,945	1,500
Bagdad/Yarnell Constable	4,565	4,565	3,690	875
Seligman Justice of the Peace	358,504	358,504	349,488	9,016
Geographic Information Systems	1,048,843	794,045	794,045	-
Total General government	57,587,167	57,587,167	54,315,228	3,271,939

(Continued)

See accompanying notes to budgetary comparison schedules.

Yavapai County  
Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund  
Year Ended June 30, 2016  
(Continued)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Public safety				
Sheriff	\$ 18,204,383	\$ 18,204,383	\$ 17,402,634	\$ 801,749
Adult Probation	2,868,457	2,868,457	2,657,762	210,695
Juvenile Probation	3,924,413	3,924,413	3,852,191	72,222
Total Public safety	24,997,253	24,997,253	23,912,587	1,084,666
Sanitation				
Solid Waste	1,423,736	1,423,736	1,278,852	144,884
Welfare				
Medical Assistance	10,322,100	10,322,100	10,322,057	43
Public Fiduciary	428,248	428,248	416,846	11,402
Total Welfare	10,750,348	10,750,348	10,738,903	11,445
Culture and recreation				
Facilities	108,500	108,500	127,295	(18,795)
Education				
School Superintendent	678,571	678,571	632,681	45,890
Debt service				
Principal retirement	-	-	44,607	(44,607)
Interest and other charges	-	-	2,626	(2,626)
Total Debt service	-	-	47,233	(47,233)
Total expenditures	95,545,575	95,545,575	91,052,779	4,492,796
Excess (deficiency) of revenues over expenditures	(1,033,843)	(1,033,843)	7,871,337	8,905,180
Other financing sources (uses):				
Capital lease agreement	-	-	211,939	211,939
Sale of capital assets	-	-	263,766	263,766
Transfers in	12,460	12,460	49,913	37,453
Transfers out	(8,346,570)	(8,346,570)	(7,853,247)	493,323
Total other financing sources (uses)	(8,334,110)	(8,334,110)	(7,327,629)	1,006,481
Net change in fund balances	(9,367,953)	(9,367,953)	543,708	9,911,661
Fund balances, July 1, 2015	9,367,953	9,367,953	9,558,644	190,691
Fund balances, June 30, 2016	\$ -	\$ -	\$ 10,102,352	\$ 10,102,352

See accompanying notes to budgetary comparison schedules.



Yavapai County  
Required Supplementary Information  
Budgetary Comparison Schedule  
Jail District Fund  
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
County sales taxes	\$ 7,854,997	\$ 7,854,997	\$ 8,048,591	\$ 193,594
Charges for services	860,000	860,000	1,012,288	152,288
Investment earnings	-	-	1,312	1,312
Miscellaneous	-	-	39,103	39,103
Total revenues	8,714,997	8,714,997	9,101,294	386,297
Expenditures:				
Public safety				
Sheriff	17,136,118	17,293,278	16,723,771	569,507
Total expenditures	17,136,118	17,293,278	16,723,771	569,507
Excess (deficiency) of revenues over expenditures	(8,421,121)	(8,578,281)	(7,622,477)	955,804
Other financing sources (uses):				
Transfers in	7,232,442	7,389,602	7,389,602	-
Total other financing sources (uses)	7,232,442	7,389,602	7,389,602	-
Net change in fund balances	(1,188,679)	(1,188,679)	(232,875)	955,804
Fund balances, July 1, 2015	1,188,679	1,188,679	1,273,482	84,803
Fund balances, June 30, 2016	\$ -	\$ -	\$ 1,040,607	\$ 1,040,607

See accompanying notes to budgetary comparison schedules.

Yavapai County  
Required Supplementary Information  
Budgetary Comparison Schedule  
Regional Road Fund  
Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Revenues:				
County sales taxes	\$ 6,285,026	\$ 6,285,026	\$ 6,447,265	\$ 162,239
Licenses and permits	500,000	500,000	1,166,200	666,200
Investment earnings	-	-	27,748	27,748
Miscellaneous	200,000	200,000	139,362	(60,638)
Total revenues	<u>6,985,026</u>	<u>6,985,026</u>	<u>7,780,575</u>	<u>795,549</u>
Expenditures:				
Highways and streets				
Public Works	<u>11,458,716</u>	<u>11,458,716</u>	<u>8,321,073</u>	<u>3,137,643</u>
Total expenditures	<u>11,458,716</u>	<u>11,458,716</u>	<u>8,321,073</u>	<u>3,137,643</u>
Net change in fund balances	(4,473,690)	(4,473,690)	(540,498)	3,933,192
Fund balances, July 1, 2015	<u>4,473,690</u>	<u>4,473,690</u>	<u>9,369,650</u>	<u>4,895,960</u>
Fund balances, June 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,829,152</u>	<u>\$ 8,829,152</u>

See accompanying notes to budgetary comparison schedules.

Yavapai County  
Required Supplementary Information  
Budgetary Comparison Schedule  
HURF Road Fund  
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Intergovernmental	\$ 14,207,889	\$ 14,207,889	\$ 14,789,602	\$ 581,713
Investment earnings	-	-	28,502	28,502
Miscellaneous	-	-	140,232	140,232
Total revenues	14,207,889	14,207,889	14,958,336	750,447
Expenditures:				
Highways and streets				
Public Works	16,152,371	16,152,371	15,348,178	804,193
Total expenditures	16,152,371	16,152,371	15,348,178	804,193
Excess (deficiency) of revenues over expenditures	(1,944,482)	(1,944,482)	(389,842)	1,554,640
Other financing sources (uses):				
Sale of capital assets	-	-	7,776	7,776
Total other financing sources (uses)	-	-	7,776	7,776
Net change in fund balances	(1,944,482)	(1,944,482)	(382,066)	1,562,416
Fund balances, July 1, 2015	1,944,482	1,944,482	9,799,126	7,854,644
Fund balances, June 30, 2016	\$ -	\$ -	\$ 9,417,060	\$ 9,417,060

See accompanying notes to budgetary comparison schedules.

Yavapai County  
Required Supplementary Information  
Notes to Budgetary Comparison Schedules  
Year Ended June 30, 2016

**Note 1 – Budgeting and Budgetary Control**

Arizona Revised Statutes (A.R.S.) requires the County to prepare and adopt a balanced budget annually for each governmental fund. The Board of Supervisors must approve such operating budgets on or before the third Monday in July to allow sufficient time for the legal announcements and hearings required for the adoption of the property tax levy on the third Monday in August. A.R.S. prohibits expenditures or liabilities in excess of the amounts budgeted.

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

**Note 2 – Budgetary Basis of Accounting**

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

Yavapai County  
Required Supplementary Information  
Schedule of the County's Proportionate Share of the Net Pension Liability  
Cost-Sharing Pension Plans  
Year Ended June 30, 2016

**Arizona State Retirement System**

	<b>Reporting Fiscal Year (Measurement Date)</b>		
	<b>2016 (2015)</b>	<b>2015 (2014)</b>	<b>2014 Through 2007</b>
County's proportion of the net pension liability	0.52%	0.51%	Information
County's proportionate share of the net pension liability	\$81,490,182	\$76,184,758	not available
County's covered payroll	\$47,907,455	\$46,058,533	
County's proportionate share of the net pension liability as a percentage of its covered payroll	170.10%	165.41%	
Plan fiduciary net position as a percentage of the total pension liability	68.35%	69.49%	

**Corrections Officer Retirement Plan—Administrative  
Office of the Courts**

	<b>Reporting Fiscal Year (Measurement Date)</b>		
	<b>2016 (2015)</b>	<b>2015 (2014)</b>	<b>2014 Through 2007</b>
County's proportion of the net pension liability	5.07%	5.18%	Information
County's proportionate share of the net pension liability	\$12,320,726	\$11,614,215	not available
County's covered payroll	\$ 5,644,640	\$ 5,561,218	
County's proportionate share of the net pension liability as a percentage of its covered payroll	218.27%	208.84%	
Plan fiduciary net position as a percentage of the total pension liability	57.89%	58.59%	

**Elected Officials Retirement Plan**

	<b>Reporting Fiscal Year (Measurement Date)</b>		
	<b>2016 (2015)</b>	<b>2015 (2014)</b>	<b>2014 Through 2007</b>
County's proportion of the net pension liability	2.29%	2.24%	Information
County's proportionate share of the net pension liability	\$17,920,322	\$15,019,310	not available
State's proportionate share of the net pension liability associated with the County	5,586,811	4,605,060	
Total	<u>\$23,507,133</u>	<u>\$19,624,370</u>	
County's covered payroll	\$ 2,076,661	\$ 2,059,739	
County's proportionate share of the net pension liability as a percentage of its covered payroll	862.94%	729.19%	
Plan fiduciary net position as a percentage of the total pension liability	28.32%	31.91%	

See accompanying notes to pension plan schedules.

Yavapai County  
Required Supplementary Information  
Schedule of Changes in the County's Net Pension Liability and Related Ratios  
Agent Pension Plans  
Year Ended June 30, 2016

**PSPRS Sheriff**

	Reporting Fiscal Year (Measurement Date)		
	2016 (2015)	2015 (2014)	2014 through 2007
Total pension liability			Information not available
Service cost	\$ 1,239,355	\$ 1,251,087	
Interest on the total pension liability	3,828,510	3,271,983	
Changes of benefit terms	-	1,079,590	
Differences between expected and actual experience in the measurement of the pension liability	406,046	(943,103)	
Changes of assumptions or other inputs	-	5,130,666	
Benefit payments, including refunds of employee contributions	(2,572,307)	(2,817,373)	
Net change in total pension liability	2,901,604	6,972,850	
Total pension liability—beginning	49,437,304	42,464,454	
Total pension liability—ending (a)	<u>\$52,338,908</u>	<u>\$49,437,304</u>	
Plan fiduciary net position			
Contributions—employer	\$2,010,938	\$1,852,166	
Contributions—employee	762,569	710,433	
Net investment income	773,273	2,549,590	
Benefit payments, including refunds of employee contributions	(2,572,307)	(2,817,373)	
Administrative expense	(19,247)	(20,534)	
Other changes	(31,317)	22,682	
Net change in plan fiduciary net position	923,909	2,296,964	
Plan fiduciary net position—beginning	20,925,754	18,628,790	
Plan fiduciary net position—ending (b)	<u>\$21,849,663</u>	<u>\$20,925,754</u>	
County's net pension liability—ending (a) – (b)	<u>\$30,489,245</u>	<u>\$28,511,550</u>	
Plan fiduciary net position as a percentage of the total pension liability	41.75%	42.33%	
Covered payroll	\$6,914,257	\$6,750,559	
County's net pension liability as a percentage of covered payroll	440.96%	422.36%	

See accompanying notes to pension plan schedules.

Yavapai County  
Required Supplementary Information  
Schedule of Changes in the County's Net Pension Liability and Related Ratios  
Agent Pension Plans  
Year Ended June 30, 2016

**PSPRS Attorney Investigators**

	Reporting Fiscal Year (Measurement Date)		
	2016 (2015)	2015 (2014)	2014 through 2007 Information not available
Total pension liability			
Interest on the total pension liability	\$ 73,958	\$ 61,974	
Changes of benefit terms	-	52,666	
Differences between expected and actual experience in the measurement of the pension liability	(23,931)	5,127	
Changes of assumptions or other inputs	129,272	890,765	
Benefit payments, including refunds of employee contributions	(76,767)	(75,348)	
Net change in total pension liability	102,532	935,184	
Total pension liability—beginning	1,762,340	827,156	
Total pension liability—ending (a)	<u>\$1,864,872</u>	<u>\$1,762,340</u>	
Plan fiduciary net position			
Contributions—employer	\$ 8,301	\$ -	
Investment income	(3,918)	-	
Benefit payments, including refunds of employee contributions	(76,767)	(75,348)	
Administrative expense	(377)	(3,478)	
Other changes	78	-	
Net change in plan fiduciary net position	(72,683)	(78,826)	
Plan fiduciary net position—beginning	(75,268)	3,558	
Plan fiduciary net position—ending (b)	<u>\$ (147,951)</u>	<u>\$ (75,268)</u>	
County's net pension liability—ending (a) – (b)	<u>\$2,012,823</u>	<u>\$1,837,608</u>	
Plan fiduciary net position as a percentage of the total pension liability	(7.93)%	(4.27)%	
Covered payroll	\$ 44,148	\$ -	
County's net pension liability as a percentage of covered payroll	4559.26%	0.00%	

See accompanying notes to pension plan schedules.

Yavapai County  
Required Supplementary Information  
Schedule of Changes in the County's Net Pension Liability and Related Ratios  
Agent Pension Plans  
Year Ended June 30, 2016

**CORP Detention**

	Reporting Fiscal Year (Measurement Date)		
	2016 (2015)	2015 (2014)	2014 through 2007
Total pension liability			Information not available
Service cost	\$ 1,005,903	\$ 938,158	
Interest on the total pension liability	1,505,127	1,286,356	
Changes of benefit terms	-	274,603	
Differences between expected and actual experience in the measurement of the pension liability	(832,875)	(54,841)	
Changes of assumptions or other inputs	-	1,530,233	
Benefit payments, including refunds of employee contributions	(1,425,008)	(1,017,964)	
Net change in total pension liability	253,147	2,956,545	
Total pension liability—beginning	19,383,145	16,426,600	
Total pension liability—ending (a)	<u>\$19,636,292</u>	<u>\$19,383,145</u>	
Plan fiduciary net position			
Contributions—employer	\$775,798	\$797,162	
Contributions—employee	558,422	549,792	
Net investment income	389,607	1,273,246	
Benefit payments, including refunds of employee contributions	(1,425,008)	(1,017,964)	
Administrative expense	(9,992)	(10,011)	
Other changes	(4,173)	13,459	
Net change in plan fiduciary net position	284,654	1,605,684	
Plan fiduciary net position—beginning	10,520,558	8,914,874	
Plan fiduciary net position—ending (b)	<u>\$10,805,212</u>	<u>\$10,520,558</u>	
County's net pension liability—ending (a) – (b)	<u>\$8,831,080</u>	<u>\$8,862,587</u>	
Plan fiduciary net position as a percentage of the total pension liability	55.03%	54.28%	
Covered payroll	\$6,632,955	\$6,504,219	
County's net pension liability as a percentage of covered payroll	133.14%	136.26%	

See accompanying notes to pension plan schedules.



Yavapai County  
Required Supplementary Information  
Schedule of Changes in the County's Net Pension Liability and Related Ratios  
Agent Pension Plans  
Year Ended June 30, 2016

**CORP Dispatchers**

	Reporting Fiscal Year (Measurement Date)		
	2016 (2015)	2015 (2014)	2014 through 2007
Total pension liability			Information not available
Service cost	\$ 41,579	\$ 41,321	
Interest on the total pension liability	79,112	63,852	
Changes of benefit terms	-	18,973	
Differences between expected and actual experience in the measurement of the pension liability	(87,486)	(10,929)	
Changes of assumptions or other inputs	-	134,919	
Benefit payments, including refunds of employee contributions	(68,315)	(39,444)	
Net change in total pension liability	(35,110)	208,692	
Total pension liability—beginning	1,021,159	812,467	
Total pension liability—ending (a)	<u>\$ 986,049</u>	<u>\$1,021,159</u>	
Plan fiduciary net position			
Contributions—employer	\$ 24,321	\$ 25,937	
Contributions—employee	18,633	21,529	
Net investment income	24,701	80,571	
Benefit payments, including refunds of employee contributions	(68,315)	(39,444)	
Administrative expense	(999)	(634)	
Other changes	(28,739)	(11,346)	
Net change in plan fiduciary net position	(30,398)	76,613	
Plan fiduciary net position—beginning	670,953	594,340	
Plan fiduciary net position—ending (b)	<u>\$640,555</u>	<u>\$670,953</u>	
County's net pension liability—ending (a) – (b)	<u>\$345,494</u>	<u>\$350,206</u>	
Plan fiduciary net position as a percentage of the total pension liability	64.96%	65.71%	
Covered payroll	\$234,082	\$270,459	
County's net pension liability as a percentage of covered payroll	147.60%	129.49%	

See accompanying notes to pension plan schedules.

Yavapai County  
Required Supplementary Information  
Schedule of County Pension Contributions  
Year Ended June 30, 2016

Arizona State Retirement System	Reporting Fiscal Year			2013 through 2007
	2016	2015	2014	
Statutorily required contribution	\$ 5,354,580	\$ 5,268,591	\$ 4,966,172	Information not available
County's contributions in relation to the statutorily required contribution	5,354,580	5,268,591	4,966,172	
County's contribution deficiency (excess)	\$ -	\$ -	\$ -	
County's covered payroll	\$49,335,529	\$47,907,454	\$46,058,533	
County's contributions as a percentage of covered payroll	10.85%	11.00%	10.78%	

Corrections Officer Retirement Plan— Administrative Office of the Courts	Reporting Fiscal Year			2013 through 2007
	2016	2015	2014	
Statutorily required contribution	\$ 1,087,798	\$ 859,334	\$ 804,927	Information not available
County's contributions in relation to the statutorily required contribution	1,087,798	859,334	804,927	
County's contribution deficiency (excess)	\$ -	\$ -	\$ -	
County's covered payroll	\$5,745,164	\$5,644,640	\$5,561,218	
County's contributions as a percentage of covered payroll	18.93%	15.22%	14.47%	

Elected Officials Retirement Plan	Reporting Fiscal Year			2013 through 2007
	2016	2015	2014	
Statutorily required contribution	\$ 485,887	\$ 422,170	\$ 477,238	Information not available
County's contributions in relation to the statutorily required contribution	485,887	422,170	477,238	
County's contribution deficiency (excess)	\$ -	\$ -	\$ -	
County's covered payroll	\$2,129,130	\$2,076,661	\$2,059,739	
County's contributions as a percentage of covered payroll	22.82%	20.33%	23.17%	

PSPRS Sheriff	Reporting Fiscal Year			2013 through 2007
	2016	2015	2014	
Actuarially required contribution	\$2,528,066	\$2,035,907	\$1,852,166	Information not available
County's contributions in relation to the actuarially required contribution	2,528,066	2,035,907	1,852,166	
County's contribution deficiency (excess)	\$ -	\$ -	\$ -	
County's covered payroll	\$6,559,961	\$6,914,257	\$6,750,559	
County's contributions as a percentage of covered payroll	38.54%	29.45%	27.44%	

See accompanying notes to pension plan schedules.

Yavapai County  
Required Supplementary Information  
Schedule of County Pension Contributions  
Year Ended June 30, 2016

**PSPRS Attorney Investigators**

	<b>Reporting Fiscal Year</b>			<b>2013 through 2007</b>
	<b>2016</b>	<b>2015</b>	<b>2014</b>	
Actuarially required contribution	\$ 92,975	\$ 57,890	\$ 43,957	Information not available
County's contributions in relation to the actuarially required contribution	92,975	57,890	43,957	
County's contribution deficiency (excess)	\$ -	\$ -	\$ -	
County's covered payroll	\$ 49,988	\$ 44,148	\$ -	
County's contributions as a percentage of covered payroll	185.99%	131.13%	0.00%	

**CORP Detention**

	<b>Reporting Fiscal Year</b>			<b>2013 through 2007</b>
	<b>2016</b>	<b>2015</b>	<b>2014</b>	
Actuarially required contribution	\$ 954,118	\$ 781,431	\$ 797,162	Information not available
County's contributions in relation to the actuarially required contribution	954,118	781,431	797,162	
County's contribution deficiency (excess)	\$ -	\$ -	\$ -	
County's covered payroll	\$7,089,947	\$6,632,955	\$6,504,219	
County's contributions as a percentage of covered payroll	13.46%	11.78%	12.26%	

**CORP Dispatchers**

	<b>Reporting Fiscal Year</b>			<b>2013 through 2007</b>
	<b>2016</b>	<b>2015</b>	<b>2014</b>	
Actuarially required contribution	\$ 26,450	\$ 24,425	\$ 25,937	Information not available
County's contributions in relation to the actuarially required contribution	26,450	24,425	25,937	
County's contribution deficiency (excess)	\$ -	\$ -	\$ -	
County's covered payroll	\$171,606	\$234,082	\$270,459	
County's contributions as a percentage of covered payroll	15.41%	10.43%	9.60%	

See accompanying notes to pension plan schedules.

Yavapai County  
Required Supplementary Information  
Notes to Pension Plan Schedules  
Year Ended June 30, 2016

**Note 1 – Actuarially Determined Contribution Rates**

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

Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period as of the 2014 actuarial valuation	22 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%
Projected salary increases	In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%–8.5% to 4.0%–8.0% for PSPRS and from 4.5%–7.75% to 4.0%–7.25% for CORP. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%–9.0% to 4.5%–8.5% for PSPRS and from 5.0%–8.25% to 4.5%–7.75% for CORP.
Wage growth	In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0% for PSPRS and CORP. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS and CORP.
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.
Mortality	RP-2000 mortality table (adjusted by 105% for both males and females)

Yavapai County  
Required Supplementary Information  
Schedule of Agent OPEB Plans' Funding Progress  
Year Ended June 30, 2016

**Health Insurance Premium Benefit**

<b>Actuarial Valuation Date</b>	<b>Actuarial value of assets (a)</b>	<b>Actuarial accrued liability (b)</b>	<b>Unfunded actuarial accrued liability (UAAL) (funding excess) (b) – (a)</b>	<b>Funded ratio (a)/(b)</b>	<b>Annual covered payroll (c)</b>	<b>UAAL (funding excess) as a percentage of covered payroll (b) – (a)/c)</b>
<b>PSPRS Sheriff</b>						
<b>6/30/16</b>	\$1,216,758	\$1,437,783	\$ 221,025	84.6%	\$6,035,507	3.66%
<b>6/30/15</b>	1,130,887	1,340,490	209,603	84.4%	6,284,638	3.34%
<b>6/30/14</b>	1,021,453	1,315,109	293,656	77.7%	6,503,749	4.52%
<b>PSPRS Attorney Investigators</b>						
<b>6/30/16</b>	\$16,643	\$14,286	\$(2,357)	116.5%	\$0	0.00%
<b>6/30/15</b>	16,824	14,589	(2,235)	115.3%	0	0.00%
<b>6/30/14</b>	17,214	15,189	(2,025)	113.3%	0	0.00%
<b>CORP Detention</b>						
<b>6/30/16</b>	\$1,133,963	\$634,332	\$(499,631)	178.8%	\$6,716,108	(7.44%)
<b>6/30/15</b>	1,068,117	565,727	(502,390)	188.8%	6,401,405	(7.85%)
<b>6/30/14</b>	971,902	563,689	(408,213)	172.42%	7,098,514	(5.75%)
<b>CORP Dispatchers</b>						
<b>6/30/16</b>	\$24,642	\$22,268	\$(2,374)	110.7%	\$168,873	(1.41%)
<b>6/30/15</b>	22,388	20,895	(1,493)	107.1%	203,000	(0.74%)
<b>6/30/14</b>	19,637	20,219	582	97.1%	275,904	0.21%

Yavapai County  
Nonmajor Governmental Funds  
Year Ended June 30, 2016

**SPECIAL REVENUE FUNDS**

<b>Health Care</b>	Accounts for a variety of health service programs funded by federal and state grant funds, appropriations, fees and local government contributions.
<b>Recorder's Surcharge</b>	Accounts for the collection of a special recording surcharge, not to exceed four dollars, to be used to defray the cost of converting the County Recorder's document storage and retrieval system to micrographics or computer automation as established by A.R.S. § 11-475.01.
<b>Assessor's Surcharge</b>	Accounts for the collection of a special recording surcharge, not to exceed four dollars, to be used to defray the cost of converting the County Assessor's document storage and retrieval system to micrographics or computer automation as established by A.R.S. § 11-269.06.
<b>Treasurer</b>	Accounts for the collection of a processing fee for tax liens, to be used to defray the cost of converting or upgrading an automatic public information system as established by A.R.S. § 11-495. Accounts for the activity related to armored car services provided to the County. This fund was previously reported as the Treasurer's Surcharge fund.
<b>Election</b>	Accounts for various federal grants administered by Elections.
<b>Public Library</b>	Provides and maintains library services for the residents of Yavapai County. Operations are funded by a secondary tax levy.
<b>Education Service Agency</b>	Educational services and programs, including an accommodation school, administered by the County School Superintendent.
<b>Parks &amp; Recreation</b>	Accounts for fees and grants used for construction, maintenance and operation of parks.
<b>Water Advisory Committee</b>	Accounts for local government contributions used to assess the current and future supply of water.
<b>Landfill / Environment</b>	Used to fund operations of transfer stations, waste tire operations and closure costs of County landfills.
<b>Public Works</b>	Accounts for funds restricted to construction, repair and maintenance of County roads and Local Transportation Assistance Funds.
<b>Finance</b>	Accounts for the Workforce Investment Act federal grants and Fill the Gap monies collected and distributed in accordance with A.R.S. § 41-2421.
<b>Improvement Districts</b>	Administration of special districts for Street Lighting, Road and Sewer improvements.
<b>Clerk of Superior Court</b>	Accounts for various fees collected and used in accordance with state statutes.
<b>County Attorney</b>	Accounts for various programs administered by the County Attorney including Anti-Racketeering, Victim Witness and Bad Check.

Yavapai County  
Nonmajor Governmental Funds  
Year Ended June 30, 2016

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

**DEBT SERVICE FUNDS**

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

Yavapai County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2016

	Special Revenue			
	Health Care	Recorder's Surcharge	Assessor's Surcharge	Treasurer
<b>Assets</b>				
Cash and cash equivalents	\$ 4,876,249	\$ 265,862	\$ 78	\$ 277,059
Receivables:				
Property taxes	-	-	-	-
Special assessments	-	-	-	-
Accounts	56,376	5,253	-	393
Due from:				
Other funds	284	245	-	-
Other governments	669,226	-	-	-
Prepaid items	11,261	-	-	-
Total assets	<u>\$ 5,613,396</u>	<u>\$ 271,360</u>	<u>\$ 78</u>	<u>\$ 277,452</u>
<b>Liabilities</b>				
Accounts payable	\$ 191,755	\$ 158	\$ -	\$ 1,272
Accrued payroll and employee benefits	360,816	847	-	-
Due to other funds	6,132	-	-	-
Total liabilities	<u>558,703</u>	<u>1,005</u>	<u>-</u>	<u>1,272</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue-property taxes	-	-	-	-
Unavailable revenue-special assessments	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>				
Nonspendable	11,261	-	-	-
Restricted	4,360,310	270,355	78	276,180
Committed	683,122	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>5,054,693</u>	<u>270,355</u>	<u>78</u>	<u>276,180</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,613,396</u>	<u>\$ 271,360</u>	<u>\$ 78</u>	<u>\$ 277,452</u>



Special Revenue					
Election	Public Library	Education Service Agency	Parks & Recreation	Landfill / Environment	Public Works
\$ 19,401	\$ 924,466	\$ 902,945	\$ 263,865	\$ 686,036	\$ 14,224
-	105,015	-	-	-	-
-	-	-	-	-	-
-	2,032	76,099	100	1,288	-
-	-	813	-	10,198	-
-	-	129,192	-	113,154	-
-	-	330	-	-	-
<u>\$ 19,401</u>	<u>\$ 1,031,513</u>	<u>\$ 1,109,379</u>	<u>\$ 263,965</u>	<u>\$ 810,676</u>	<u>\$ 14,224</u>
\$ -	\$ 20,450	\$ 178,231	\$ 12,875	\$ 13,642	\$ -
-	43,416	62,295	-	3,652	-
-	2,841	23,591	8,616	4,869	-
-	66,707	264,117	21,491	22,163	-
-	81,999	-	-	-	-
-	-	-	-	-	-
-	81,999	-	-	-	-
-	-	330	-	-	-
19,401	882,807	642,164	242,474	788,513	14,224
-	-	202,768	-	-	-
-	-	-	-	-	-
19,401	882,807	845,262	242,474	788,513	14,224
<u>\$ 19,401</u>	<u>\$ 1,031,513</u>	<u>\$ 1,109,379</u>	<u>\$ 263,965</u>	<u>\$ 810,676</u>	<u>\$ 14,224</u>

Yavapai County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2016  
(Continued)

	Special Revenue			
	Finance	Improvement Districts	Clerk of Superior Court	County Attorney
<b>Assets</b>				
Cash and cash equivalents	\$ 376,293	\$ 3,416,397	\$ 187,228	\$ 769,167
Receivables:				
Property taxes	-	110,918	-	-
Special assessments	-	-	-	-
Accounts	33,793	1,136	5,475	174,778
Due from:				
Other funds	-	-	-	88,410
Other governments	416,107	43,596	-	80,622
Prepaid items	-	1,855	-	-
Total assets	<u>\$ 826,193</u>	<u>\$ 3,573,902</u>	<u>\$ 192,703</u>	<u>\$ 1,112,977</u>
<b>Liabilities</b>				
Accounts payable	\$ 418,190	\$ 966,215	\$ -	\$ 179,672
Accrued payroll and employee benefits	-	37,145	-	37,120
Due to other funds	407,091	2,669	-	1,568
Total liabilities	<u>825,281</u>	<u>1,006,029</u>	<u>-</u>	<u>218,360</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue-property taxes	-	83,360	-	-
Unavailable revenue-special assessments	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>83,360</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>				
Nonspendable	-	1,855	-	-
Restricted	912	2,482,658	192,703	894,617
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>912</u>	<u>2,484,513</u>	<u>192,703</u>	<u>894,617</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 826,193</u>	<u>\$ 3,573,902</u>	<u>\$ 192,703</u>	<u>\$ 1,112,977</u>

Special Revenue					
Law Enforcement	Emergency Management	Probation	Courts	Public Defender	Airport Development
\$ 1,352,234	\$ 278,500	\$ 1,736,165	\$ 1,085,470	\$ 317,411	\$ 57,331
-	-	-	-	-	-
-	-	-	-	-	-
38,246	86	110,975	45,497	7,390	-
2,806	-	-	282,694	83,988	-
126,086	79,572	4,102	49,604	7,924	9,724
8,683	-	5,512	-	-	-
<u>\$ 1,528,055</u>	<u>\$ 358,158</u>	<u>\$ 1,856,754</u>	<u>\$ 1,463,265</u>	<u>\$ 416,713</u>	<u>\$ 67,055</u>
\$ 77,776	\$ -	\$ 129,947	\$ 10,069	\$ 1,133	\$ 11,124
33,114	4,720	201,217	50,483	8,289	-
97,786	-	-	2,765	5,591	-
208,676	4,720	331,164	63,317	15,013	11,124
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
8,683	-	5,512	-	-	-
1,310,696	353,438	1,510,868	1,372,934	401,700	-
-	-	9,210	27,014	-	-
-	-	-	-	-	55,931
1,319,379	353,438	1,525,590	1,399,948	401,700	55,931
<u>\$ 1,528,055</u>	<u>\$ 358,158</u>	<u>\$ 1,856,754</u>	<u>\$ 1,463,265</u>	<u>\$ 416,713</u>	<u>\$ 67,055</u>

Yavapai County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2016  
(Continued)

	Special Revenue	Debt Service		Total Nonmajor Governmental Funds
	CYMPO	Coyote Springs	Poquito Valley	
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ 450,983	\$ 543,836	\$ 18,801,200
Receivables:				
Property taxes	-	-	-	215,933
Special assessments	-	295,105	965,481	1,260,586
Accounts	-	-	-	558,917
Due from:				
Other funds	-	-	-	469,438
Other governments	81,136	-	-	1,810,045
Prepaid items	-	-	-	27,641
Total assets	<u>\$ 81,136</u>	<u>\$ 746,088</u>	<u>\$ 1,509,317</u>	<u>\$ 23,143,760</u>
<b>Liabilities</b>				
Accounts payable	\$ 49,949	\$ -	\$ -	\$ 2,262,458
Accrued payroll and employee benefits	7,332	-	-	850,446
Due to other funds	114,632	-	-	678,151
Total liabilities	<u>171,913</u>	<u>-</u>	<u>-</u>	<u>3,791,055</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue-property taxes	-	-	-	165,359
Unavailable revenue-special assessments	-	295,105	965,481	1,260,586
Total deferred inflows of resources	<u>-</u>	<u>295,105</u>	<u>965,481</u>	<u>1,425,945</u>
<b>Fund Balances</b>				
Nonspendable	-	-	-	27,641
Restricted	-	450,983	543,836	17,011,851
Committed	-	-	-	922,114
Unassigned	(90,777)	-	-	(34,846)
Total fund balances	<u>(90,777)</u>	<u>450,983</u>	<u>543,836</u>	<u>17,926,760</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 81,136</u>	<u>\$ 746,088</u>	<u>\$ 1,509,317</u>	<u>\$ 23,143,760</u>

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Yavapai County  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2016

	Special Revenue			
	Health Care	Recorder's Surcharge	Assessor's Surcharge	Treasurer
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	737,074	-	-	-
Intergovernmental	5,801,719	-	-	-
Charges for services	6,180,947	242,584	-	18,150
Fines and forfeits	-	-	-	-
Investment earnings	17,591	461	(84)	14,067
Miscellaneous	2,465,545	5,645	300	12,081
Total revenues	<u>15,202,876</u>	<u>248,690</u>	<u>216</u>	<u>44,298</u>
Expenditures:				
Current:				
General government	-	671,507	97,135	102,812
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Sanitation	-	-	-	-
Health	15,210,473	-	-	-
Culture and recreation	-	-	-	-
Education	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	<u>15,210,473</u>	<u>671,507</u>	<u>97,135</u>	<u>102,812</u>
Excess (deficiency) of revenues over expenditures	(7,597)	(422,817)	(96,919)	(58,514)
Other financing sources (uses):				
Sale of capital assets	3,043	525	-	-
Transfers in	572,407	426,671	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>575,450</u>	<u>427,196</u>	<u>-</u>	<u>-</u>
Net change in fund balances	567,853	4,379	(96,919)	(58,514)
Fund Balances, July 1, 2015	<u>4,486,840</u>	<u>265,976</u>	<u>96,997</u>	<u>334,694</u>
Fund Balances, June 30, 2016	<u>\$ 5,054,693</u>	<u>\$ 270,355</u>	<u>\$ 78</u>	<u>\$ 276,180</u>

Special Revenue					
Election	Public Library	Education Service Agency	Parks & Recreation	Landfill / Environment	Public Works
\$ -	\$ 3,782,494	\$ 233,489	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	741,528	997,938	348,744	469,557	-
-	-	1,140,023	-	24,847	-
-	-	-	-	-	-
63	4,456	2,952	449	(183)	52
2,751	33,311	950,407	8,135	13,719	-
2,814	4,561,789	3,324,809	357,328	507,940	52
-	4,061,860	-	190,508	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	471,912	-
-	-	-	-	-	-
-	-	-	7,269	-	-
-	-	3,480,044	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	4,061,860	3,480,044	197,777	471,912	-
2,814	499,929	(155,235)	159,551	36,028	52
-	-	1,787	-	-	-
-	-	-	2,500	-	-
-	-	-	(20,198)	-	-
-	-	1,787	(17,698)	-	-
2,814	499,929	(153,448)	141,853	36,028	52
16,587	382,878	998,710	100,621	752,485	14,172
\$ 19,401	\$ 882,807	\$ 845,262	\$ 242,474	\$ 788,513	\$ 14,224

Yavapai County  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2016  
(Continued)

	Special Revenue			
	Finance	Improvement Districts	Clerk of Superior Court	County Attorney
Revenues:				
Property taxes	\$ -	\$ 4,107,200	\$ -	\$ -
Special assessments	-	53,513	-	-
Licenses and permits	-	-	-	-
Intergovernmental	1,530,236	162,840	-	811,380
Charges for services	-	-	59,477	19,429
Fines and forfeits	409,096	-	280	105
Investment earnings	(68)	9,570	549	2,984
Miscellaneous	-	3,260	-	1,344,201
Total revenues	<u>1,939,264</u>	<u>4,336,383</u>	<u>60,306</u>	<u>2,178,099</u>
Expenditures:				
Current:				
General government	1,532,320	-	4,419	2,124,595
Public safety	-	5,223,872	-	-
Highways and streets	-	69,449	-	-
Sanitation	-	99,481	-	-
Health	-	-	-	-
Culture and recreation	-	-	-	-
Education	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	<u>1,532,320</u>	<u>5,392,802</u>	<u>4,419</u>	<u>2,124,595</u>
Excess (deficiency) of revenues over expenditures	406,944	(1,056,419)	55,887	53,504
Other financing sources (uses):				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	88,406
Transfers out	(407,091)	(2,500)	-	(145,690)
Total other financing sources (uses)	<u>(407,091)</u>	<u>(2,500)</u>	<u>-</u>	<u>(57,284)</u>
Net change in fund balances	(147)	(1,058,919)	55,887	(3,780)
Fund Balances, July 1, 2015	<u>1,059</u>	<u>3,543,432</u>	<u>136,816</u>	<u>898,397</u>
Fund Balances, June 30, 2016	<u>\$ 912</u>	<u>\$ 2,484,513</u>	<u>\$ 192,703</u>	<u>\$ 894,617</u>



Special Revenue					
Law Enforcement	Emergency Management	Probation	Courts	Public Defender	Airport Development
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
1,620,851	309,789	5,112,217	594,644	26,653	772,853
169,431	-	1,183,963	325,517	77,492	-
13,217	-	-	179,786	-	-
4,439	1,028	6,135	3,835	927	106
322,285	-	1,442	66,489	-	153,366
<u>2,130,223</u>	<u>310,817</u>	<u>6,303,757</u>	<u>1,170,271</u>	<u>105,072</u>	<u>926,325</u>
11,785	187,434	-	1,447,176	246,153	224,395
2,130,914	-	6,527,485	15,656	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,142,699</u>	<u>187,434</u>	<u>6,527,485</u>	<u>1,462,832</u>	<u>246,153</u>	<u>224,395</u>
(12,476)	123,383	(223,728)	(292,561)	(141,081)	701,930
15,000	-	-	-	-	-
122,652	-	-	276,419	83,987	-
-	-	-	-	-	-
<u>137,652</u>	<u>-</u>	<u>-</u>	<u>276,419</u>	<u>83,987</u>	<u>-</u>
125,176	123,383	(223,728)	(16,142)	(57,094)	701,930
1,194,203	230,055	1,749,318	1,416,090	458,794	(645,999)
<u>\$ 1,319,379</u>	<u>\$ 353,438</u>	<u>\$ 1,525,590</u>	<u>\$ 1,399,948</u>	<u>\$ 401,700</u>	<u>\$ 55,931</u>

Yavapai County  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2016  
(Continued)

	Special Revenue		Debt Service	
	CYMPO	Coyote Springs	Poquito Valley	Prescott East
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	88,717	164,774	-
Licenses and permits	-	-	-	-
Intergovernmental	372,982	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Investment earnings	-	1,803	2,095	(67)
Miscellaneous	854	-	-	-
Total revenues	<u>373,836</u>	<u>90,520</u>	<u>166,869</u>	<u>(67)</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	463,125	-	-	-
Sanitation	-	-	-	34,306
Health	-	-	-	-
Culture and recreation	-	-	-	-
Education	-	-	-	-
Debt service:				
Principal retirement	-	80,000	95,000	-
Interest and other charges	-	34,090	88,927	-
Total expenditures	<u>463,125</u>	<u>114,090</u>	<u>183,927</u>	<u>34,306</u>
Excess (deficiency) of revenues over expenditures	(89,289)	(23,570)	(17,058)	(34,373)
Other financing sources (uses):				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(89,289)	(23,570)	(17,058)	(34,373)
Fund Balances, July 1, 2015	<u>(1,488)</u>	<u>474,553</u>	<u>560,894</u>	<u>34,373</u>
Fund Balances, June 30, 2016	<u>\$ (90,777)</u>	<u>\$ 450,983</u>	<u>\$ 543,836</u>	<u>\$ -</u>

Total  
Nonmajor  
Governmental  
Funds

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\$	8,123,183
	307,004
	737,074
	19,673,931
	9,441,860
	602,484
	73,160
	5,383,791
	<hr/>
	44,342,487
	<hr/>

	10,902,099
	13,897,927
	532,574
	605,699
	15,210,473
	7,269
	3,480,044
	175,000
	123,017
	<hr/>
	44,934,102
	<hr/>

	(591,615)
	20,355
	1,573,042
	(575,479)
	<hr/>
	1,017,918
	<hr/>
	426,303
	17,500,457
	<hr/>
\$	17,926,760
	<hr/>

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Capital Projects  
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
County sales taxes	\$ 2,356,885	\$ 2,356,885	\$ 2,417,725	\$ 60,840
Intergovernmental	5,000	5,000	-	(5,000)
Investment earnings	40,000	40,000	36,426	(3,574)
Total revenues	<u>2,401,885</u>	<u>2,401,885</u>	<u>2,454,151</u>	<u>52,266</u>
Expenditures:				
Capital outlay				
Board of Supervisors	<u>3,246,963</u>	<u>3,089,803</u>	<u>2,301,378</u>	<u>788,425</u>
Total expenditures	<u>3,246,963</u>	<u>3,089,803</u>	<u>2,301,378</u>	<u>788,425</u>
Excess (deficiency) of revenues over expenditures	(845,078)	(687,918)	152,773	840,691
Other financing sources (uses):				
Transfers in	625,000	625,000	-	(625,000)
Transfers out	<u>(3,165,536)</u>	<u>(3,322,696)</u>	<u>(2,695,696)</u>	<u>627,000</u>
Total other financing sources (uses)	<u>(2,540,536)</u>	<u>(2,697,536)</u>	<u>(2,695,696)</u>	<u>2,000</u>
Net change in fund balances	(3,385,614)	(3,385,614)	(2,542,923)	842,691
Fund Balance, July 1, 2015	<u>3,385,614</u>	<u>3,385,614</u>	<u>16,527,638</u>	<u>13,142,024</u>
Fund Balance, June 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,984,715</u>	<u>\$ 13,984,715</u>

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Capital Projects Debt Service  
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Investment earnings	\$ -	\$ -	\$ 81	\$ 81
Total revenues	-	-	81	81
Expenditures:				
Debt service				
Principal retirement	1,204,997	1,204,997	1,204,997	-
Interest and other charges	908,868	908,868	906,868	2,000
Total expenditures	2,113,865	2,113,865	2,111,865	2,000
Excess (deficiency) of revenues over expenditures	(2,113,865)	(2,113,865)	(2,111,784)	2,081
Other financing sources (uses):				
Transfers in	2,113,865	2,113,865	2,111,865	(2,000)
Total other financing sources (uses)	2,113,865	2,113,865	2,111,865	(2,000)
Net change in fund balances	-	-	81	81
Fund Balance, July 1, 2015	-	-	1,794	1,794
Fund Balance, June 30, 2016	\$ -	\$ -	\$ 1,875	\$ 1,875

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Health Care  
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Licenses and permits	\$ 770,618	\$ 770,618	\$ 737,074	\$ (33,544)
Intergovernmental	4,858,383	4,858,383	5,801,719	943,336
Charges for services	6,306,599	6,306,599	6,180,947	(125,652)
Investment earnings	-	-	17,591	17,591
Miscellaneous	2,517,652	2,517,652	2,465,545	(52,107)
Total revenues	14,453,252	14,453,252	15,202,876	749,624
Expenditures:				
Health				
Health	15,580,882	15,580,882	15,210,473	370,409
Total expenditures	15,580,882	15,580,882	15,210,473	370,409
Excess (deficiency) of revenues over expenditures	(1,127,630)	(1,127,630)	(7,597)	1,120,033
Other financing sources (uses):				
Sale of capital assets	-	-	3,043	3,043
Transfers in	3,471,699	3,471,699	572,407	(2,899,292)
Transfers out	(2,308,796)	(2,308,796)	-	2,308,796
Total other financing sources (uses)	1,162,903	1,162,903	575,450	(587,453)
Net change in fund balances	35,273	35,273	567,853	532,580
Fund Balance, July 1, 2015	(35,273)	(35,273)	4,486,840	4,522,113
Fund Balance, June 30, 2016	\$ -	\$ -	\$ 5,054,693	\$ 5,054,693

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Recorder's Surcharge  
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Charges for services	\$ 240,000	\$ 240,000	\$ 242,584	\$ 2,584
Investment earnings	-	-	461	461
Miscellaneous	-	-	5,645	5,645
Total revenues	240,000	240,000	248,690	8,690
Expenditures:				
General government				
Recorder	685,704	685,704	671,507	14,197
Total expenditures	685,704	685,704	671,507	14,197
Excess (deficiency) of revenues over expenditures	(445,704)	(445,704)	(422,817)	22,887
Other financing sources (uses):				
Sale of capital assets	-	-	525	525
Transfers in	426,671	426,671	426,671	-
Total other financing sources (uses)	426,671	426,671	427,196	525
Net change in fund balances	(19,033)	(19,033)	4,379	23,412
Fund Balance, July 1, 2015	19,033	19,033	265,976	246,943
Fund Balance, June 30, 2016	\$ -	\$ -	\$ 270,355	\$ 270,355

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Assessor's Surcharge  
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Investment earnings	\$ -	\$ -	\$ (84)	\$ (84)
Miscellaneous			300	300
Total revenues	-	-	216	216
Expenditures:				
General government				
Assessor	96,150	96,150	97,135	(985)
Total expenditures	96,150	96,150	97,135	(985)
Net change in fund balances	(96,150)	(96,150)	(96,919)	(769)
Fund Balance, July 1, 2015	96,150	96,150	96,997	847
Fund Balance, June 30, 2016	\$ -	\$ -	\$ 78	\$ 78



Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Treasurer  
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Charges for services	\$ 20,000	\$ 20,000	\$ 18,150	\$ (1,850)
Investment earnings	-	-	14,067	14,067
Miscellaneous	-	-	12,081	12,081
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>44,298</u>	<u>24,298</u>
Expenditures:				
General government				
Treasurer	<u>290,000</u>	<u>290,000</u>	<u>102,812</u>	<u>187,188</u>
Total expenditures	<u>290,000</u>	<u>290,000</u>	<u>102,812</u>	<u>187,188</u>
Net change in fund balances	(270,000)	(270,000)	(58,514)	211,486
Fund Balance, July 1, 2015	<u>270,000</u>	<u>270,000</u>	<u>334,694</u>	<u>64,694</u>
Fund Balance, June 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 276,180</u>	<u>\$ 276,180</u>

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Election  
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Intergovernmental	\$ 3,010	\$ 3,010	\$ -	\$ (3,010)
Investment earnings	-	-	63	63
Miscellaneous	-	-	2,751	2,751
Total revenues	3,010	3,010	2,814	(196)
Expenditures:				
General government				
Library	16,051	16,051	-	16,051
Total expenditures	16,051	16,051	-	16,051
Net change in fund balances	(13,041)	(13,041)	2,814	15,855
Fund Balance, July 1, 2015	13,041	13,041	16,587	3,546
Fund Balance, June 30, 2016	\$ -	\$ -	\$ 19,401	\$ 19,401

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Public Library  
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Property taxes	\$ 3,800,000	\$ 3,800,000	\$ 3,782,494	\$ (17,506)
Intergovernmental	136,893	136,893	741,528	604,635
Investment earnings	-	-	4,456	4,456
Miscellaneous	-	-	33,311	33,311
Total revenues	3,936,893	3,936,893	4,561,789	624,896
Expenditures:				
General government				
Library	4,275,091	4,275,091	4,061,860	213,231
Total expenditures	4,275,091	4,275,091	4,061,860	213,231
Net change in fund balances	(338,198)	(338,198)	499,929	838,127
Fund Balance, July 1, 2015	338,198	338,198	382,878	44,680
Fund Balance, June 30, 2016	\$ -	\$ -	\$ 882,807	\$ 882,807

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Education Service Agency  
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Property taxes	\$ -	\$ -	\$ 233,489	\$ 233,489
Intergovernmental	508,158	508,158	997,938	489,780
Charges for services	1,239,300	1,239,300	1,140,023	(99,277)
Investment earnings	-	-	2,952	2,952
Miscellaneous	205,000	205,000	950,407	745,407
Total revenues	1,952,458	1,952,458	3,324,809	1,372,351
Expenditures:				
Education				
School Superintendent	2,195,058	2,195,058	3,480,044	(1,284,986)
Total expenditures	2,195,058	2,195,058	3,480,044	(1,284,986)
Excess (deficiency) of revenues over expenditures	(242,600)	(242,600)	(155,235)	87,365
Other financing sources (uses):				
Sale of capital assets	-	-	1,787	1,787
Total other financing sources (uses)	-	-	1,787	1,787
Net change in fund balances	(242,600)	(242,600)	(153,448)	89,152
Fund Balance, July 1, 2015	242,600	242,600	998,710	756,110
Fund Balance, June 30, 2016	\$ -	\$ -	\$ 845,262	\$ 845,262

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Parks & Recreation  
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Intergovernmental	\$ 14,040	\$ 14,040	\$ 348,744	\$ 334,704
Investment earnings	-	-	449	449
Miscellaneous	-	-	8,135	8,135
Total revenues	14,040	14,040	357,328	343,288
Expenditures:				
General government				
Board of Supervisors	92,826	92,826	190,508	(97,682)
Culture & recreation				
Facilities	9,041	9,041	7,269	1,772
Total expenditures	101,867	101,867	197,777	(95,910)
Excess (deficiency) of revenues over expenditures	(87,827)	(87,827)	159,551	247,378
Other financing sources (uses):				
Transfers in			2,500	2,500
Transfers out	-	-	(20,198)	(20,198)
Total other financing sources (uses)	-	-	(17,698)	(17,698)
Net change in fund balances	(87,827)	(87,827)	141,853	229,680
Fund Balance, July 1, 2015	87,827	87,827	100,621	12,794
Fund Balance, June 30, 2016	\$ -	\$ -	\$ 242,474	\$ 242,474

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Landfill / Environment  
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 469,557	\$ 469,557
Charges for services	420,000	420,000	24,847	(395,153)
Investment earnings	-	-	(183)	(183)
Miscellaneous	-	-	13,719	13,719
Total revenues	420,000	420,000	507,940	87,940
Expenditures:				
Sanitation				
Landfill	469,220	469,220	471,912	(2,692)
Total expenditures	469,220	469,220	471,912	(2,692)
Net change in fund balances	(49,220)	(49,220)	36,028	85,248
Fund Balance, July 1, 2015	49,220	49,220	752,485	703,265
Fund Balance, June 30, 2016	\$ -	\$ -	\$ 788,513	\$ 788,513

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Public Works  
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Intergovernmental	\$ 10,381	\$ 10,381	\$ -	\$ (10,381)
Investment earnings	-	-	52	52
Total revenues	10,381	10,381	52	(10,329)
Expenditures:				
Highways and streets				
Public Works	10,381	10,381	-	10,381
Total expenditures	10,381	10,381	-	10,381
Net change in fund balances	-	-	52	52
Fund Balance, July 1, 2015	-	-	14,172	14,172
Fund Balance, June 30, 2016	\$ -	\$ -	\$ 14,224	\$ 14,224

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Finance  
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Intergovernmental	\$ 1,700,000	\$ 1,700,000	\$ 1,530,236	\$ (169,764)
Fines and forfeits	-	-	409,096	409,096
Investment earnings	-	-	(68)	(68)
Total revenues	1,700,000	1,700,000	1,939,264	239,264
Expenditures:				
General government				
Board of Supervisors	445,302	445,302	73,422	371,880
Finance	1,500,000	1,500,000	1,458,898	41,102
Total expenditures	1,945,302	1,945,302	1,532,320	412,982
Excess (deficiency) of revenues over expenditures	(245,302)	(245,302)	406,944	652,246
Other financing sources (uses):				
Transfers out	(245,302)	(245,302)	(407,091)	(161,789)
Total other financing sources (uses)	(245,302)	(245,302)	(407,091)	(161,789)
Net change in fund balances	(490,604)	(490,604)	(147)	490,457
Fund Balance, July 1, 2015	490,604	490,604	1,059	(489,545)
Fund Balance, June 30, 2016	\$ -	\$ -	\$ 912	\$ 912



Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Improvement Districts  
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 4,160,058	\$ 4,160,058	\$ 4,107,200	\$ (52,858)
Special assessments	300,889	300,889	53,513	(247,376)
Intergovernmental	200,000	200,000	162,840	(37,160)
Investment earnings	-	-	9,570	9,570
Miscellaneous	15,000	15,000	3,260	(11,740)
Total revenues	<u>4,675,947</u>	<u>4,675,947</u>	<u>4,336,383</u>	<u>(339,564)</u>
Expenditures:				
Public safety				
Flood Control	<u>7,255,018</u>	<u>7,255,018</u>	<u>5,223,872</u>	<u>2,031,146</u>
Highways and streets				
Public Works	<u>85,788</u>	<u>85,788</u>	<u>69,449</u>	<u>16,339</u>
Sanitation				
Special Districts	<u>144,770</u>	<u>144,770</u>	<u>99,481</u>	<u>45,289</u>
Total expenditures	<u>7,485,576</u>	<u>7,485,576</u>	<u>5,392,802</u>	<u>2,092,774</u>
Excess (deficiency) of revenues over expenditures	(2,809,629)	(2,809,629)	(1,056,419)	1,753,210
Other financing sources (uses):				
Transfers out	<u>-</u>	<u>-</u>	<u>(2,500)</u>	<u>(2,500)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(2,500)</u>	<u>(2,500)</u>
Net change in fund balances	(2,809,629)	(2,809,629)	(1,058,919)	1,750,710
Fund Balance, July 1, 2015	<u>2,809,629</u>	<u>2,809,629</u>	<u>3,543,432</u>	<u>733,803</u>
Fund Balance, June 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,484,513</u>	<u>\$ 2,484,513</u>

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Clerk of Superior Court  
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Charges for services	\$ 41,913	\$ 41,913	\$ 59,477	\$ 17,564
Fines and forfeits	-	-	280	280
Investment earnings	2	2	549	547
Total revenues	41,915	41,915	60,306	18,391
Expenditures:				
General government				
Clerk of the Court	152,611	152,611	4,419	148,192
Total expenditures	152,611	152,611	4,419	148,192
Net change in fund balances	(110,696)	(110,696)	55,887	166,583
Fund Balance, July 1, 2015	110,696	110,696	136,816	26,120
Fund Balance, June 30, 2016	\$ -	\$ -	\$ 192,703	\$ 192,703

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
County Attorney  
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Intergovernmental	\$ 838,659	\$ 838,659	\$ 811,380	\$ (27,279)
Charges for services	28,000	28,000	19,429	(8,571)
Fines and forfeits	-	-	105	105
Investment earnings	-	-	2,984	2,984
Miscellaneous	-	-	1,344,201	1,344,201
Total revenues	866,659	866,659	2,178,099	1,311,440
Expenditures:				
General government				
County Attorney	937,477	937,477	2,124,595	(1,187,118)
Total expenditures	937,477	937,477	2,124,595	(1,187,118)
Excess (deficiency) of revenues over expenditures	(70,818)	(70,818)	53,504	124,322
Other financing sources (uses):				
Transfers in	-	-	88,406	88,406
Transfers out	(12,460)	(12,460)	(145,690)	(133,230)
Total other financing sources (uses)	(12,460)	(12,460)	(57,284)	(44,824)
Net change in fund balances	(83,278)	(83,278)	(3,780)	79,498
Fund Balance, July 1, 2015	83,278	83,278	898,397	815,119
Fund Balance, June 30, 2016	\$ -	\$ -	\$ 894,617	\$ 894,617

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Law Enforcement  
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Intergovernmental	\$ 513,962	\$ 513,962	\$ 1,620,851	\$ 1,106,889
Charges for services	190,000	190,000	169,431	(20,569)
Fines and forfeits	11,000	11,000	13,217	2,217
Investment earnings	110	110	4,439	4,329
Miscellaneous	1,316,567	1,316,567	322,285	(994,282)
Total revenues	2,031,639	2,031,639	2,130,223	98,584
Expenditures:				
General government				
Constables	-	-	11,785	(11,785)
Public safety				
Sheriff	2,697,313	2,697,313	2,130,914	566,399
Total expenditures	2,697,313	2,697,313	2,142,699	554,614
Excess (deficiency) of revenues over expenditures	(665,674)	(665,674)	(12,476)	653,198
Other financing sources (uses):				
Sale of capital assets	-	-	15,000	15,000
Transfers in	-	-	122,652	122,652
Total other financing sources (uses)	-	-	137,652	137,652
Net change in fund balances	(665,674)	(665,674)	125,176	790,850
Fund Balance, July 1, 2015	665,674	665,674	1,194,203	528,529
Fund Balance, June 30, 2016	\$ -	\$ -	\$ 1,319,379	\$ 1,319,379

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Emergency Management  
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Intergovernmental	\$ 159,000	\$ 159,000	\$ 309,789	\$ 150,789
Investment earnings	-	-	1,028	1,028
Total revenues	159,000	159,000	310,817	151,817
Expenditures:				
General government				
Emergency Management	345,101	345,101	187,434	157,667
Total expenditures	345,101	345,101	187,434	157,667
Net change in fund balances	(186,101)	(186,101)	123,383	309,484
Fund Balance, July 1, 2015	186,101	186,101	230,055	43,954
Fund Balance, June 30, 2016	\$ -	\$ -	\$ 353,438	\$ 353,438

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Probation  
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Intergovernmental	\$ 4,985,542	\$ 4,985,542	\$ 5,112,217	\$ 126,675
Charges for services	1,340,224	1,340,224	1,183,963	(156,261)
Investment earnings	-	-	6,135	6,135
Miscellaneous	-	-	1,442	1,442
Total revenues	6,325,766	6,325,766	6,303,757	(22,009)
Expenditures:				
Public safety				
Adult Probation	4,092,525	4,092,525	4,631,873	(539,348)
Juvenile Probation	2,130,311	2,130,311	1,895,612	234,699
Total expenditures	6,222,836	6,222,836	6,527,485	(304,649)
Net change in fund balances	102,930	102,930	(223,728)	(326,658)
Fund Balance, July 1, 2015	(102,930)	(102,930)	1,749,318	1,852,248
Fund Balance, June 30, 2016	\$ -	\$ -	\$ 1,525,590	\$ 1,525,590

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Courts  
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Intergovernmental	\$ 885,111	\$ 885,111	\$ 594,644	\$ (290,467)
Charges for services	276,824	276,824	325,517	48,693
Fines and forfeits	-	-	179,786	179,786
Investment earnings	65	65	3,835	3,770
Miscellaneous	231,864	231,864	66,489	(165,375)
Total revenues	1,393,864	1,393,864	1,170,271	(223,593)
Expenditures:				
General government				
Superior Court	1,729,508	1,729,508	1,329,082	400,426
Clerk of Superior Court	496,305	496,305	35,292	461,013
Prescott Justice of the Peace	-	-	52,768	(52,768)
Verde Valley Justice of the Peace	-	-	17,553	(17,553)
Bagdad/Yarnell Justice of the Peace	-	-	4,452	(4,452)
Mayer Justice of the Peace	-	-	2,333	(2,333)
Seligman Justice of the Peace	-	-	5,696	(5,696)
Total General government	2,225,813	2,225,813	1,447,176	778,637
Public safety				
Adult Probation	678,645	678,645	-	678,645
Juvenile Probation	18,375	18,375	15,656	2,719
Total Public safety	697,020	697,020	15,656	681,364
Total expenditures	2,922,833	2,922,833	1,462,832	1,460,001
Excess (deficiency) of revenues over expenditures	(1,528,969)	(1,528,969)	(292,561)	1,236,408
Other financing sources (uses):				
Transfers in	287,023	287,023	276,419	(10,604)
Total other financing sources (uses)	287,023	287,023	276,419	(10,604)
Net change in fund balances	(1,241,946)	(1,241,946)	(16,142)	1,225,804
Fund Balance, July 1, 2015	1,241,946	1,241,946	1,416,090	174,144
Fund Balance, June 30, 2016	\$ -	\$ -	\$ 1,399,948	\$ 1,399,948

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Public Defender  
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Intergovernmental	\$ 87,200	\$ 87,200	\$ 26,653	\$ (60,547)
Charges for services	71,069	71,069	77,492	6,423
Investment earnings	-	-	927	927
Total revenues	158,269	158,269	105,072	(53,197)
Expenditures:				
General government				
Public Defender	267,226	267,226	246,153	21,073
Total expenditures	267,226	267,226	246,153	21,073
Excess (deficiency) of revenues over expenditures	(108,957)	(108,957)	(141,081)	(32,124)
Other financing sources (uses):				
Transfers in	-	-	83,987	83,987
Total other financing sources (uses)	-	-	83,987	83,987
Net change in fund balances	(108,957)	(108,957)	(57,094)	51,863
Fund Balance, July 1, 2015	108,957	108,957	458,794	349,837
Fund Balance, June 30, 2016	\$ -	\$ -	\$ 401,700	\$ 401,700



Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Airport Development  
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Intergovernmental	\$ 2,131,447	\$ 2,131,447	\$ 772,853	\$ (1,358,594)
Investment earnings	-	-	106	106
Miscellaneous	-	-	153,366	153,366
Total revenues	2,131,447	2,131,447	926,325	(1,205,122)
Expenditures:				
General government				
Airport Development	1,731,447	1,731,447	224,395	1,507,052
Capital outlay				
Airport Development	400,000	400,000	-	400,000
Total expenditures	2,131,447	2,131,447	224,395	1,907,052
Net change in fund balances	-	-	701,930	701,930
Fund Balance, July 1, 2015	-	-	(645,999)	(645,999)
Fund Balance, June 30, 2016	\$ -	\$ -	\$ 55,931	\$ 55,931

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
CYMPO  
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 286,191	\$ 286,191	\$ 372,982	\$ 86,791
Miscellaneous	-	-	854	854
Total revenues	286,191	286,191	373,836	87,645
Expenditures:				
Highways and streets				
CYMPO	587,413	587,413	463,125	124,288
Total expenditures	587,413	587,413	463,125	124,288
Net change in fund balances	(301,222)	(301,222)	(89,289)	211,933
Fund Balance, July 1, 2015	301,222	301,222	(1,488)	(302,710)
Fund Balance, June 30, 2016	\$ -	\$ -	\$ (90,777)	\$ (90,777)

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Coyote Springs Debt Service  
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Special assessments	\$ -	\$ -	\$ 88,717	\$ 88,717
Investment earnings	-	-	1,803	1,803
Total revenues	-	-	90,520	90,520
Expenditures:				
Debt service				
Principal retirement	80,000	80,000	80,000	-
Interest and other charges	35,280	35,280	34,090	1,190
Total expenditures	115,280	115,280	114,090	1,190
Net change in fund balances	(115,280)	(115,280)	(23,570)	91,710
Fund Balance, July 1, 2015	115,280	115,280	474,553	359,273
Fund Balance, June 30, 2016	\$ -	\$ -	\$ 450,983	\$ 450,983

Yavapai County  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual  
Poquito Valley Debt Service  
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Special assessments	\$ -	\$ -	\$ 164,774	\$ 164,774
Investment earnings	-	-	2,095	2,095
Total revenues	-	-	166,869	166,869
Expenditures:				
Debt service				
Principal retirement	95,000	95,000	95,000	-
Interest and other charges	90,609	90,609	88,927	1,682
Total expenditures	185,609	185,609	183,927	1,682
Net change in fund balances	(185,609)	(185,609)	(17,058)	168,551
Fund Balance, July 1, 2015	185,609	185,609	560,894	375,285
Fund Balance, June 30, 2016	\$ -	\$ -	\$ 543,836	\$ 543,836

## **AGENCY FUNDS**



Yavapai County  
Statement of Changes in Assets and Liabilities  
Agency Funds  
Year Ended June 30, 2016

	Balance			Balance
Assets	July 1, 2015	Additions	Deductions	June 30, 2016
Equity in pooled cash and investments	\$ 4,086,511	\$ 14,908,123	\$ (15,514,947)	\$ 3,479,687
Total assets	<u>\$ 4,086,511</u>	<u>\$ 14,908,123</u>	<u>\$ (15,514,947)</u>	<u>\$ 3,479,687</u>
Liabilities				
Deposits held for others	\$ 4,086,511	\$ 14,908,123	\$ (15,514,947)	\$ 3,479,687
Total liabilities	<u>\$ 4,086,511</u>	<u>\$ 14,908,123</u>	<u>\$ (15,514,947)</u>	<u>\$ 3,479,687</u>

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## STATISTICAL SECTION





Yavapai County  
Statistical Section  
Year Ended June 30, 2016

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

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	134
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	140
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	144
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	147
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	149
<b>Sources:</b> Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.	

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

	Fiscal Year									
	<u>2007</u> <u>As restated</u>	<u>2008</u>	<u>2009</u> <u>As restated</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u> <u>As restated</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental activities										
Net investment in capital assets	\$225,318,014	\$229,172,469	\$223,287,295	\$222,740,108	\$223,888,086	\$233,664,415	\$246,279,437	\$244,885,761	\$239,962,002	\$245,296,042
Restricted	606,573	3,710,523	7,875,823	8,531,392	44,673,785	30,244,964	29,223,380	29,399,661	27,423,213	26,853,112
Unrestricted (deficit)	57,826,910	64,650,547	68,173,526	75,774,030	41,562,207	46,892,632	32,387,781	34,282,231	(104,573,658)	(111,743,342)
Total governmental activities net position	<u>\$283,751,497</u>	<u>\$297,533,539</u>	<u>\$299,336,644</u>	<u>\$307,045,530</u>	<u>\$310,124,078</u>	<u>\$310,802,011</u>	<u>\$307,890,598</u>	<u>\$308,567,653</u>	<u>\$162,811,557</u>	<u>\$160,405,812</u>
Business-type activities										
Net investment in capital assets	\$ 195,903	\$ 176,099	\$ 200,204	\$ 167,581	\$ 98,057	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	5,023,106	3,781,682	2,697,563	3,017,325	5,795,317	-	-	-	-	-
Total business-type activities net position	<u>\$ 5,219,009</u>	<u>\$ 3,957,781</u>	<u>\$ 2,897,767</u>	<u>\$ 3,184,906</u>	<u>\$ 5,893,374</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Primary government										
Net investment in capital assets	\$225,513,917	\$229,348,568	\$223,487,499	\$222,907,689	\$223,986,143	\$233,664,415	\$246,279,437	\$244,885,761	\$239,962,002	\$245,296,042
Restricted	5,629,679	7,492,205	10,573,386	11,548,717	50,469,102	30,244,964	29,223,380	29,399,661	27,423,213	26,853,112
Unrestricted (deficit)	57,826,910	64,650,547	68,173,526	75,774,030	41,562,207	46,892,632	32,387,781	34,282,231	(104,573,658)	(111,743,342)
Total primary government net position	<u>\$288,970,506</u>	<u>\$301,491,320</u>	<u>\$302,234,411</u>	<u>\$310,230,436</u>	<u>\$316,017,452</u>	<u>\$310,802,011</u>	<u>\$307,890,598</u>	<u>\$308,567,653</u>	<u>\$162,811,557</u>	<u>\$160,405,812</u>

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

	Fiscal Year									
	2007 <u>As restated</u>	<u>2008</u>	2009 <u>As restated</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	2013 <u>As restated</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Expenses</b>										
Governmental activities:										
General government	\$ 53,476,984	\$ 56,463,230	\$ 54,763,915	\$ 59,704,858	\$ 59,429,434	\$ 62,345,662	\$ 61,913,160	\$ 61,634,911	\$ 73,547,614	\$ 71,366,887
Public safety	45,577,212	49,004,105	50,648,123	48,420,364	47,609,527	49,388,684	51,737,665	52,322,338	58,080,181	57,761,417
Highways and streets	27,358,195	25,459,898	26,824,721	25,910,775	24,893,508	25,247,610	23,452,424	21,909,440	27,128,143	23,274,551
Sanitation	1,520,053	1,917,599	1,686,935	1,300,834	1,297,411	1,465,542	1,437,943	1,853,305	1,609,894	1,818,970
Health	10,983,877	11,503,799	12,728,257	12,829,196	12,822,518	13,191,650	13,318,952	13,364,778	14,253,730	15,273,078
Welfare	11,038,595	10,787,068	11,468,732	8,527,395	9,497,084	11,834,457	10,748,376	10,674,717	10,626,802	10,735,149
Culture and recreation	195,457	222,162	252,328	247,821	294,753	238,532	206,447	138,729	105,961	138,729
Education	3,318,361	4,739,415	4,656,691	3,974,594	4,926,595	3,509,638	5,775,032	5,030,647	4,398,718	4,332,906
Interest on long-term debt	480,637	1,497,898	3,382,649	1,644,239	1,942,927	1,364,868	1,206,904	1,148,062	1,086,800	1,028,399
Total governmental activities expenses	153,949,371	161,595,174	166,412,351	162,560,076	162,713,757	168,586,643	169,796,903	168,076,927	190,837,843	185,730,086
Business-type activities:										
Long Term Care	33,577,705	37,821,993	42,630,543	45,026,786	41,120,729	10,141,138	-	-	-	-
Total business-type activities expenses	33,577,705	37,821,993	42,630,543	45,026,786	41,120,729	10,141,138	-	-	-	-
Total primary government expenses	\$187,527,076	\$199,417,167	\$209,042,894	\$207,586,862	\$203,834,486	\$178,727,781	\$169,796,903	\$168,076,927	\$190,837,843	\$185,730,086
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 6,801,849	\$ 5,974,258	\$ 4,437,362	\$ 4,436,876	\$ 5,627,504	\$ 5,459,831	\$ 4,376,884	\$ 4,641,730	\$ 7,798,624	\$ 8,788,165
Public safety	5,281,258	5,610,867	5,719,713	7,933,673	8,040,993	8,681,147	8,865,102	7,620,120	3,500,936	3,711,204
Health	2,984,046	3,627,207	4,089,897	4,636,761	5,844,952	6,569,234	5,795,116	5,768,856	6,376,541	6,589,161
Other	1,798,220	2,109,402	1,485,526	1,558,598	2,708,201	1,806,374	2,205,285	2,426,992	2,497,840	2,711,920
Operating grants and contributions	35,334,547	32,432,224	36,179,042	35,212,078	32,210,542	26,710,532	26,931,066	30,662,264	29,810,500	35,547,178
Capital grants and contributions	571,666	2,271,419	556,609	247,501	1,067,298	2,248,681	1,876,590	3,239,760	3,759,162	4,860,870
Total governmental activities program revenues	52,771,586	52,025,377	52,468,149	54,025,487	55,499,490	51,475,799	50,050,043	54,359,722	53,743,603	62,208,498
Business-type activities:										
Charges for services:										
Long Term Care	35,409,765	37,655,470	42,899,640	45,216,942	43,697,139	11,968,091	-	-	-	-

(Continued on next page)

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

(Continued)

	Fiscal Year									
	2007 As restated	2008	2009 As restated	2010	2011	2012	2013 As restated	2014	2015	2016
Total business-type activities program revenues	35,409,765	37,655,470	42,899,640	45,216,942	43,697,139	11,968,091	-	-	-	-
Total primary government program revenues	\$ 88,181,351	\$ 89,680,847	\$ 95,367,789	\$ 99,242,429	\$ 99,196,629	\$ 63,443,890	\$ 50,050,043	\$ 54,359,722	\$ 53,743,603	\$ 62,208,498
Net (expense)/revenue										
Governmental activities	\$(101,177,785)	\$(109,569,797)	\$(113,944,202)	\$(108,534,589)	\$(107,214,267)	\$(117,110,844)	\$(119,746,860)	\$(113,717,205)	\$(137,094,240)	\$(123,521,588)
Business-type activities	1,832,060	(166,523)	269,097	190,156	2,576,410	1,826,953	-	-	-	-
Total primary government net expense	\$ (99,345,725)	\$ (109,736,320)	\$ (113,675,105)	\$ (108,344,433)	\$ (104,637,857)	\$ (115,283,891)	\$ (119,746,860)	\$ (113,717,205)	\$ (137,094,240)	\$ (123,521,588)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	\$ 42,447,960	\$ 45,965,292	\$ 50,937,068	\$ 53,971,492	\$ 55,299,466	\$ 51,699,471	\$ 52,122,175	\$ 52,112,146	\$ 51,294,809	\$ 53,103,018
Sales taxes	52,313,184	49,005,883	42,623,546	38,403,637	39,256,867	41,382,944	47,587,636	46,707,526	48,283,744	51,106,133
Vehicle license taxes	11,914,533	11,589,365	10,332,569	9,540,916	9,394,022	9,083,699	9,262,788	7,022,638	10,356,545	8,022,644
Grants not restricted to specific programs	-	-	-	-	-	2,985,878	2,960,656	3,177,599	2,895,889	3,480,910
Franchise taxes	491,257	319,500	300,793	310,611	309,155	271,003	269,404	267,020	282,805	283,366
Lottery (intergovernmental, unrestricted)	550,035	550,035	522,533	304,381	-	-	-	550,038	550,038	-
Investment earnings	2,704,970	3,795,969	2,055,193	455,363	382,199	227,971	216,409	679,320	(70,947)	187,916
Gain (loss) on disposal of capital assets	1,082,800	4,121,512	771,658	1,139,199	77,731	376,709	(66,231)	149,991	171,568	204,175
Miscellaneous	5,600,472	6,504,283	6,703,947	7,802,635	5,573,375	4,104,472	4,482,610	3,727,982	4,315,570	4,727,681
Transfers	1,000,000	1,500,000	1,500,000	-	-	7,656,630	-	-	-	-
Total governmental activities	118,105,211	123,351,839	115,747,307	111,928,234	110,292,815	117,788,777	116,835,447	114,394,260	118,080,021	121,115,843
Business-type activities:										
Investment earnings	356,585	346,606	136,335	39,650	30,687	18,363	-	-	-	-
Loss on disposal of capital assets	-	-	-	-	-	(82,060)	-	-	-	-
Miscellaneous	130,610	58,689	34,554	57,333	101,371	-	-	-	-	-
Transfers	(1,000,000)	(1,500,000)	(1,500,000)	-	-	(7,656,630)	-	-	-	-
Total business-type activities	(512,805)	(1,094,705)	(1,329,111)	96,983	132,058	(7,720,327)	-	-	-	-
Total primary government	\$117,592,406	\$ 122,257,134	\$ 114,418,196	\$ 112,025,217	\$ 110,424,873	\$110,068,450	\$116,835,447	\$114,394,260	\$118,080,021	\$ 121,115,843
<b>Change in Net Position</b>										
Governmental activities	\$ 16,927,426	\$ 13,782,042	\$ 1,803,105	\$ 3,393,645	\$ 3,078,548	\$ 677,933	(2,911,413)	677,055	(19,014,219)	(2,405,745)
Business-type activities	1,319,255	(1,261,228)	(1,060,014)	287,139	2,708,468	(5,893,374)	-	-	-	-
Total primary government	\$ 18,246,681	\$ 12,520,814	\$ 743,091	\$ 3,680,784	\$ 5,787,016	\$ (5,215,441)	\$ (2,911,413)	\$ 677,055	\$ (19,014,219)	\$ (2,405,745)

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

	Fiscal Year									
	2007 <u>As restated</u>	2008	2009 <u>As restated</u>	2010	2011 <sup>1</sup>	2012	2013 <u>As restated</u>	2014	2015	2016
General fund										
Reserved	\$ 226,811	\$ 483,570	\$ 615,392	\$ 1,907,862	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	3,456,351	1,427,573	4,145,016	7,935,224	-	-	-	-	-	-
Nonspendable	-	-	-	-	883,725	558,330	529,990	534,073	419,021	550,208
Unassigned	-	-	-	-	11,572,661	9,198,985	8,467,686	9,716,724	9,139,623	9,552,144
Total general fund	<u>\$ 3,683,162</u>	<u>\$ 1,911,143</u>	<u>\$ 4,760,408</u>	<u>\$ 9,843,086</u>	<u>\$12,456,386</u>	<u>\$ 9,757,315</u>	<u>\$ 8,997,676</u>	<u>\$10,250,797</u>	<u>\$ 9,558,644</u>	<u>\$10,102,352</u>
All other governmental funds										
Reserved	\$ 892,421	\$ 51,426,543	\$ 20,716,883	\$16,841,879	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	38,659,477	62,686,413	58,212,657	49,538,733	-	-	-	-	-	-
Capital projects funds	24,216,390	28,615,375	27,040,504	30,443,106	-	-	-	-	-	-
Nonspendable	-	-	-	-	571,259	338,143	420,405	369,364	384,929	400,687
Restricted	-	-	-	-	44,302,178	29,845,087	28,408,624	29,214,659	27,263,418	26,687,753
Committed	-	-	-	-	48,737,019	44,933,474	31,110,770	29,500,387	27,471,287	24,146,575
Unassigned	-	-	-	-	-	-	-	(129,290)	(647,487)	(34,846)
Total all other governmental funds	<u>\$63,768,288</u>	<u>\$142,728,331</u>	<u>\$105,970,044</u>	<u>\$96,823,718</u>	<u>\$93,610,456</u>	<u>\$75,116,704</u>	<u>\$59,939,799</u>	<u>\$58,955,120</u>	<u>\$54,472,147</u>	<u>\$51,200,169</u>

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

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

	Fiscal Year									
	2007 <u>As restated</u>	2008	2009 <u>As restated</u>	2010	2011	2012	2013 <u>As restated</u>	2014	2015	2016
<b>Revenues</b>										
Taxes	\$ 68,366,838	\$ 69,823,083	\$ 71,170,257	\$ 71,943,613	\$ 72,919,065	\$ 70,585,042	\$ 74,555,129	\$ -	\$ -	\$ -
Property taxes	-	-	-	-	-	-	-	52,225,532	51,435,356	53,076,446
County sales taxes	-	-	-	-	-	-	-	21,582,391	22,776,374	24,450,120
Special assessments	196,408	164,967	175,450	856,571	625,539	445,430	313,975	445,823	323,790	307,004
Licenses and permits	4,850,011	4,766,461	2,961,289	2,659,731	2,649,532	2,352,607	2,827,913	3,500,652	3,656,374	3,850,570
Intergovernmental	75,370,360	72,214,152	70,366,121	70,616,782	78,875,264	67,956,327	69,778,203	68,090,496	71,486,393	73,987,068
Charges for services	7,788,177	8,425,489	8,643,467	11,215,560	12,555,911	13,901,191	13,173,252	11,949,422	12,504,936	12,290,540
Fines and forfeits	3,786,792	3,661,993	3,213,958	3,328,787	2,925,544	3,075,579	3,258,371	3,480,687	3,428,912	3,290,343
Investment earnings	2,704,923	3,795,969	2,055,194	455,362	382,202	227,971	216,427	679,871	(70,947)	187,918
Miscellaneous	5,703,261	6,580,945	6,803,297	7,387,647	5,738,164	4,274,703	4,638,767	5,000,510	5,102,733	6,121,031
Total revenues	168,766,770	169,433,059	165,389,033	168,464,053	176,671,221	162,818,850	168,762,037	166,955,384	170,643,921	177,561,040
<b>Expenditures</b>										
General government	54,010,879	55,690,909	51,292,906	56,232,120	55,278,011	60,284,141	60,720,587	60,579,208	67,398,559	65,217,327
Public safety	44,428,874	48,794,023	50,239,679	49,214,849	47,884,440	48,438,479	51,407,963	51,391,831	52,684,423	54,534,285
Highways and streets	25,105,478	32,866,538	29,717,490	24,003,533	20,362,539	22,839,550	26,507,156	19,159,634	20,266,071	24,201,825
Sanitation	1,599,913	1,857,688	1,548,363	1,397,117	1,319,900	1,445,057	1,610,073	1,957,968	1,702,678	1,884,551
Health	10,936,074	11,329,734	12,566,528	12,675,386	12,650,539	13,121,564	13,179,859	13,189,896	14,106,085	15,210,473
Welfare	11,071,610	10,826,459	11,465,931	8,523,288	9,489,765	11,841,743	10,742,570	10,684,724	10,630,863	10,738,903
Culture and recreation	58,135	103,232	119,668	110,499	157,431	172,348	114,047	113,262	101,478	134,564
Education	3,328,047	4,708,970	4,640,744	3,980,160	4,819,819	4,246,599	5,706,095	4,974,902	4,064,669	4,112,725
Capital outlay	1,846,167	4,215,537	9,617,872	5,922,869	10,471,363	21,956,670	12,271,703	2,424,396	2,674,818	2,301,378
Debt service:										
Principal	1,612,178	1,638,729	27,075,356	12,767,059	13,125,845	5,775,482	1,230,950	1,278,462	1,328,112	1,424,604
Interest and other charges	480,637	1,497,898	3,382,649	1,644,239	1,942,927	1,364,868	1,212,778	1,154,200	1,093,213	1,032,511
Total expenditures	154,477,992	173,529,717	201,667,186	176,471,119	177,502,579	191,486,501	184,703,781	166,908,483	176,050,969	180,793,146
Excess (deficiency) of revenues over (under) expenditures	14,288,778	(4,096,658)	(36,278,153)	(8,007,066)	(831,358)	(28,667,651)	(15,941,744)	46,901	(5,407,048)	(3,232,106)
<b>Other financing sources (uses)</b>										
Special assessment bonds issued	-	-	-	1,857,000	-	-	-	-	-	-
Revenue bonds issued	-	25,375,000	-	-	-	-	-	-	-	-
Capital lease agreements	-	50,000,000	-	-	-	-	-	-	-	211,939
Sale of capital assets	1,082,800	4,121,512	771,659	1,683,400	77,731	376,709	5,200	221,541	231,922	291,897
Transfers in	25,435,821	25,993,225	48,227,811	27,677,634	18,011,458	35,664,432	14,207,090	12,096,198	11,139,032	11,124,422
Transfers out	(24,435,821)	(24,493,225)	(46,727,811)	(27,677,634)	(18,011,458)	(28,007,802)	(14,207,090)	(12,096,198)	(11,139,032)	(11,124,422)
Total other financing sources (uses)	2,082,800	80,996,512	2,271,659	3,540,400	77,731	8,033,339	5,200	221,541	231,922	503,836
Net changes in fund balances	\$ 16,371,578	\$ 76,899,854	\$ (34,006,494)	\$ (4,466,666)	\$ (753,627)	\$ (20,634,312)	\$ (15,936,544)	\$ 268,442	\$ (5,175,126)	\$ (2,728,270)
Debt service as a percentage of noncapital expenditures	1.5%	2.2%	16.3%	9.0%	9.5%	4.5%	1.6%	1.5%	1.5%	1.5%

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

Fiscal Year	Primary Net Assessed Value				Total Direct Tax Rate <sup>1</sup>	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
	Residential and Vacant Property	Commercial Property	Unattached Personal Property	Total Taxable Net Assessed Value			
2007	\$1,511,362,543	\$ 566,635,332	\$ 47,712,332	\$2,125,710,207	2.0450	\$17,098,083,909	12.43%
2008	1,754,125,017	664,163,807	51,977,047	2,470,265,871	1.8860	20,111,624,109	12.28
2009	2,094,798,703	803,911,861	55,888,168	2,954,598,732	1.7148	23,973,791,761	12.32
2010	2,373,124,327	841,667,070	59,286,950	3,274,078,347	1.6321	26,993,826,530	12.13
2011	2,357,527,484	767,441,706	62,608,487	3,187,577,677	1.7519	26,602,931,420	11.98
2012	2,007,011,632	623,434,540	81,731,709	2,712,177,881	1.9172	22,580,984,308	12.01
2013	1,748,825,220	573,976,929	82,671,574	2,405,473,723	2.2049	20,142,814,909	11.94
2014	1,819,990,776	325,100,587	87,538,236	2,232,629,599	2.3961	19,088,929,991	11.70
2015	1,840,982,742	295,068,513	81,221,556	2,217,272,811	2.4216	19,418,863,184	11.42
2016	1,929,113,529	263,001,270	87,068,649	2,279,183,448	2.4044	20,061,477,030	11.36

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

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

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



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

Fiscal Year	County Direct Rates					Overlapping Rates <sup>1</sup>				
	Secondary				Total Direct	School Equalization	School Districts	Cities	Other Special Districts	Community College District
	Primary	Fire District	Library District	Flood Control District						
2007	1.6552	0.0895	0.1020	0.1983	2.0450	0.0000	1.8190-9.4606	0.5275-1.1281	0.2523-3.4491	1.6573
2008	1.5292	0.0829	0.1016	0.1723	1.8860	0.0000	1.3621-9.4004	0.4973-0.8977	0.2130-3.4108	1.5225
2009	1.3683	0.0722	0.1020	0.1723	1.7148	0.0000	1.2310-8.4913	0.4235-0.7600	0.0711-3.4200	1.3394
2010	1.2842	0.0740	0.1016	0.1723	1.6321	0.3306	1.1824-8.1337	0.3697-0.9120	0.0401-7.3600	1.2617
2011	1.3524	0.0813	0.1188	0.1994	1.7519	0.3564	0.2436-7.7525	0.0109-1.4401	0.0492-9.6600	1.3609
2012	1.4305	0.0928	0.1456	0.2483	1.9172	0.4259	1.2605-7.9313	0.0142-1.4400	0.0642-11.4000	1.6175
2013	1.6426	0.1000	0.1660	0.2963	2.2049	0.4717	1.2727-7.2224	0.4083-1.4400	0.0437-13.6892	1.8875
2014	1.9308	0.1000	0.1491	0.2162	2.3961	0.5123	1.4101-7.8940	0.3351-1.6000	0.0622-16.2403	2.0468
2015	1.9580	0.1008	0.1512	0.2116	2.4216	0.5089	2.4776-7.7759	0.3149-1.5739	0.0627-16.5100	2.0837
2016	1.9317	0.1000	0.1667	0.2060	2.4044	0.5054	2.3885-7.7757	0.3047-1.7165	0.0642-17.6840	2.0901

Source: Yavapai County Board of Supervisors Adopted Budget.

1) Includes both primary and secondary rates.

Yavapai County  
Principal Property Taxpayers  
Current Year and Nine Years Ago

<u>Taxpayer</u>	2016			2007		
	Primary Net Assessed Value	Rank	Percentage of Total Primary Net Assessed Value	Primary Net Assessed Value	Rank	Percentage of Total Primary Net Assessed Value
Arizona Public Service	\$ 87,072,869	1	3.82%	\$ 65,988,184	1	3.10%
Phelps Dodge Bagdad Inc.	83,811,660	2	3.68	47,416,032	2	2.23
Phoenix Cement Co./Salt River Materials	24,145,988	3	1.06	-	-	-
Transwestern Pipeline Company	18,927,989	4	0.83	7,198,193	9	0.34
Drake Cement	18,883,129	5	0.83	-	-	-
Unisource Energy Corporation	15,658,632	6	0.69	12,574,177	5	0.59
Burlington Northern Santa Fe Railway Company	11,697,955	7	0.51	12,013,893	6	0.57
Qwest Corporation	7,788,714	8	0.34	18,317,702	4	0.86
Sturm Ruger & Co. Inc.	7,262,287	9	0.32	-	-	-
Kinder Morgan	6,736,505	10	0.30	-	-	-
Salt River Pima-Maricopa Indian Community	-	-	-	26,177,076	3	1.23
El Paso Natural Gas Company	-	-	-	9,759,694	8	0.46
TWC II-Prescott Mall LLC	-	-	-	9,982,086	7	0.47
New Enchantment LP	-	-	-	6,387,569	10	0.30
Totals	<u>\$ 281,985,728</u>		<u>12.38%</u>	<u>\$ 215,814,606</u>		<u>10.15%</u>
Total Yavapai County Primary Assessed Value	\$2,279,183,448		100.00%	\$2,125,710,207		100.00%

Source: Yavapai County Assessor and Arizona Department of Revenue.

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

<u>Fiscal Year</u>	<u>Taxes Levied for the Fiscal Year<sup>2</sup></u>	<u>Collected within the Fiscal Year</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2007	\$35,184,002	\$33,594,464	95.48%	\$ 446,438	\$34,040,902	96.75%
2008	37,775,306	35,966,831	95.21	668,197	36,635,028	96.98
2009	40,429,914	38,309,430	94.76	990,354	39,299,784	97.20
2010	42,045,714	39,992,839	95.12	1,054,600	41,047,439	97.63
2011	43,108,560	40,512,865	93.98	1,090,582	41,603,447	96.51
2012	38,797,705	36,464,287	93.99	877,330	37,341,617	96.25
2013	39,512,311	37,270,343	94.33	599,094	37,869,437	95.84
2014	43,108,560	40,635,331	94.26	562,814	41,198,145	95.57
2015	43,108,560	41,019,828	95.15	502,755	41,522,583	96.32
2016	44,026,986	41,648,986	94.60	-	41,648,986	94.60

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

1) General Fund levies and collections only.

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

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

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
	Revenue Bonds	Special Assessment Bonds	Capital Leases			
2007	\$ 8,285,000	\$ 1,324,991	\$ -	\$ 9,609,991	0.15%	\$ 46.03
2008	32,130,000	1,216,261	50,000,000	83,346,261	1.30	394.61
2009	30,165,000	1,105,905	25,000,000	56,270,905	0.93	266.47
2010	17,510,000	2,850,846	25,000,000	45,360,846	0.75	215.47
2011	4,590,000	2,645,000	25,000,000	32,235,000	0.51	152.64
2012	-	2,470,000	23,989,518	26,459,518	0.40	124.51
2013	-	2,295,000	22,933,568	25,228,568	0.37	117.13
2014	-	2,120,000	21,830,106	23,950,106	0.33	109.44
2015	-	1,945,000	20,676,993	22,621,993	N/A (2)	103.88
2016	-	1,770,000	19,639,687	21,409,687	N/A (2)	97.01

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 2015 and 2016.

Yavapai County  
Legal Debt Margin Information  
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed value	\$2,279,183,448
Debt limit (6% of assessed value)	136,751,007
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	<u>\$ 136,751,007</u>

	Fiscal Year									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt limit	\$127,542,612	\$148,215,952	\$177,275,924	\$196,444,701	\$191,254,661	\$162,730,673	\$144,328,423	\$133,957,776	\$133,036,369	\$136,751,007
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$127,542,612</u>	<u>\$148,215,952</u>	<u>\$177,275,924</u>	<u>\$196,444,701</u>	<u>\$191,254,661</u>	<u>\$162,730,673</u>	<u>\$144,328,423</u>	<u>\$133,957,776</u>	<u>\$133,036,369</u>	<u>\$136,751,007</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

Yavapai County  
Pledged Revenue Coverage  
Last Ten Fiscal Years

Jail District Revenue Bonds

Fiscal Year	Jail District Revenues <sup>1</sup>	Less: Expenditures <sup>2</sup>	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2007	\$ 17,231,871	\$ 15,371,370	\$ 1,860,501	\$1,480,000	\$ 388,362	1.00
2008	18,239,765	15,888,696	2,351,069	1,530,000	336,691	1.26
2009	17,872,934	15,992,126	1,880,808	1,590,000	280,793	1.01
2010	16,530,488	14,648,850	1,881,638	1,655,000	217,409	1.00
2011	16,348,743	14,461,792	1,886,951	1,720,000	151,210	1.01
2012	16,359,044	14,478,655	1,880,389	1,790,000	77,803	1.01
2013	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)
2014	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)
2015	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)
2016	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)

Highway Construction Advancement Revenue Bonds

Fiscal Year	County Excise Tax	State Shared Sales Tax	Highway Project Repayments <sup>3</sup>	Net Available Revenue	Debt Service		Coverage
					Principal	Interest	
2007	\$ 16,971,697	\$ 26,858,336	\$ -	\$43,830,033	\$ -	\$ -	-
2008	15,908,075	25,144,945	-	41,053,020	-	1,077,272	38.11
2009	13,657,537	22,136,382	-	35,793,919	375,000	449,852	43.39
2010	11,818,833	20,676,049	11,000,000	43,494,882	11,000,000	159,336	3.90
2011	11,703,512	21,703,065	11,200,000	44,606,577	11,200,000	493,743	3.81
2012	12,400,793	22,955,984	1,400,000	36,756,777	2,800,000	17,406	13.05
2013	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)
2014	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)
2015	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)
2016	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)	N/A (4)

Special Assessment Bonds

Fiscal Year	Special Assessment Collections	Debt Service		Coverage
		Principal	Interest	
2007	\$ 196,519	\$ 132,178	\$ 92,275	0.88
2008	165,201	108,729	83,935	0.86
2009	175,450	110,356	84,296	0.90
2010	173,763	112,059	154,994	0.65
2011	625,539	205,845	185,474	1.60
2012	445,430	175,000	168,276	1.30
2013	313,975	175,000	156,863	0.95
2014	445,823	175,000	145,797	1.39
2015	308,359	175,000	134,461	1.00
2016	253,491	175,000	121,889	0.85

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

- 1) Revenues include beginning fund balance and transfers in. Beginning fund balance is included in revenues since it represents unexpended pledged revenues.
- 2) Expenditures include transfers out, except those for debt service.
- 3) Highway project repayments include unspent bond proceeds and repayments made by the Arizona Department of Transportation.
- 4) Final payments for the Jail District and Highway Construction Advancement Revenue Bonds were made during 2012.

Yavapai County  
Demographic and Economic Statistics  
Last Ten Calendar Years

<u>Year</u>	<u>Population</u>	Personal Income (thousands of <u>dollars</u> )	Per Capita Personal <u>Income</u>	Unemployment <u>Rate</u>
2007	208,773	\$ 6,354,093	\$ 30,435	3.6%
2008	211,211	6,393,358	30,270	5.9
2009	211,172	6,072,603	28,757	10.2
2010	210,517	6,077,340	28,869	10.5
2011	211,185	6,345,155	30,045	10.0
2012	212,509	6,591,170	31,016	8.8
2013	215,389	6,811,155	31,623	8.4
2014	218,844	7,172,392	32,774	6.7
2015	217,778	N/A (1)	N/A (1)	5.6
2016	220,189	N/A (1)	N/A (1)	5.0

Source: Population and personal income through 2014 obtained from the U.S. Department of Commerce, Bureau of Economic Analysis. Population for 2015, 2016 and unemployment rates obtained from the Arizona Department of Administration, Office of Employment and Population Statistics.

1) Personal income and per capita personal income were not available for 2015 and 2016.

Yavapai County  
Principal Employers  
Current Year and Nine Years Ago

<u>Employer</u>	2016			2007		
	<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	1,494	1	1.55%	1,800	2	1.93%
Yavapai Regional Medical Center	1,487	2	1.55	1,850	1	1.99
Veterans Medical Center	1,128	3	1.17	700	6	0.75
Walmart	1,098	4	1.14	1,035	3	1.11
Verde Valley Medical Center	874	5	0.91	674	8	0.72
Cyprus Bagdad Copper Mine	796	6	0.83	884	4	0.95
Humbolt Unified School District	765	7	0.80	-	-	-
Sturm Ruger & Company	700	8	0.73	-	-	-
Prescott Unified School District	657	9	0.68	700	5	0.75
State of Arizona	573	10	0.60	438	10	0.47
Yavapai College				691	7	0.74
City of Prescott				545	9	0.59
Totals	<u>9,572</u>		<u>9.96%</u>	<u>9,317</u>		<u>10.00%</u>
Total Employment in Yavapai County	96,160		100.00%	93,089		100.00%

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



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

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General government	602	631	571	551	539	559	589	599	622	620
Public safety	584	581	560	531	536	515	535	544	540	556
Highways and streets	129	123	114	108	101	100	105	102	108	111
Sanitation	18	18	14	13	13	11	12	12	12	12
Health	133	151	140	138	138	135	133	133	146	158
Welfare	6	5	6	6	4	5	5	4	6	6
Education	26	33	31	29	33	33	35	30	28	31
Capital outlay	-	-	2	3	3	3	-	-	-	-
Long Term Care	54	54	55	55	48	-	-	-	-	-
Total	1,552	1,596	1,493	1,434	1,415	1,361	1,414	1,424	1,462	1,494

Source: Yavapai County payroll records.

Yavapai County  
Operating Indicators by Function  
Last Ten Fiscal Years

Function	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government										
Elections										
Elections	4	5	4	4	4	5	4	3	2	6
Number voting	123,570	91,132	164,073	106,559	151,515	66,953	165,625	65,363	120,592	157,489
Development Services										
Building permits issued	5,065	4,220	2,887	2,854	2,521	2,432	2,737	3,200	3,198	3,336
Inspections performed	23,628	18,918	13,645	9,975	9,532	9,516	8,800	11,568	11,721	10,922
Assessor										
Parcels assessed	160,561	162,382	163,236	163,273	170,330	170,306	169,314	169,089	169,494	170,186
New subdivisions	139	90	51	25	16	33	15	39	41	47
Public safety										
Sheriff										
Inmate population	6,446	6,652	5,970	6,475	6,470	6,942	7,060	6,410	5,835	6,139
Adult Probation										
Probationers actively supervised	2,140	2,212	2,287	2,116	1,940	1,854	1,860	1,980	2,106	2,275
Community restitution hours	71,037	82,646	79,465	63,245	50,500	46,858	50,043	53,614	70,668	83,156
Restitution collected	\$756,191	\$958,873	\$793,687	\$777,528	\$717,672	\$579,926	\$585,079	\$733,119	\$694,045	\$810,589
Presentence reports written for courts	1,306	1,033	762	636	532	531	548	651	328	296
Juvenile Probation										
Juveniles brought to detention	1,265	1,235	1,123	1,119	998	955	800	954	888	799
Average length of detention (days)	11	11	12	12	31	15	14	13	13	14
Probationers	758	735	736	742	648	596	556	493	451	450
Community restitution hours	13,641	15,179	13,204	19,578	16,350	15,203	12,956	12,527	8,296	9,298
Highways and streets										
Public Works										
Crack sealing (miles)	57	49	24	40	78	54	37	14	40	39
Street resurfacing (miles)	38	28	36	30	26	33	37	21	47	44
Sanitation										
Landfill/Environment										
Transfer station refuse collected (tons)	4,042	3,479	3,296	2,956	2,772	2,853	2,564	3,059	3,407	3,377
Waste tires collected	141,091	146,634	118,506	122,987	129,318	125,880	127,417	129,675	133,618	149,989
Health										
Health Care										
Certified copies of death certificates issued	15,884	15,384	16,029	15,343	16,515	13,409	13,045	12,932	17,152	17,003
Childhood immunization visits	3,940	4,792	3,929	3,008	2,509	2,518	3,378	3,156	3,000	2,338
Restaurant inspections and re-inspections	3,236	4,052	4,226	4,113	4,063	3,793	4,413	4,256	5,864	3,237
Welfare										
Public Fiduciary										
Guardianships/conservatorships	92	82	78	90	85	88	91	95	84	102
Education										
School Superintendent										
School districts	25	25	25	25	25	25	25	25	25	25
District students	23,496	23,747	23,243	22,834	22,237	21,673	21,566	21,122	18,356	20,482
Charter schools	27	24	29	28	30	31	28	28	23	22
Charter students	3,023	3,256	3,446	3,954	3,402	3,529	3,578	4,175	6,808	3,583
Culture and recreation										
Parks & Recreation										
Park use permits issued	6	5	9	9	9	11	12	11	11	13

Source: Various Yavapai County departments.

Yavapai County  
Capital Asset Statistics by Function  
Last Ten Fiscal Years

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General government										
Superior Courts										
Divisions	9	10	10	10	10	10	10	10	10	10
Public safety										
Sheriff										
Inmate beds available (including portable)	765	765	916	773	794	794	794	600	600	664
Jail facilities	2	2	2	2	2	2	2	2	2	2
Stations	11	11	12	12	12	12	12	12	11	11
Improvement Districts										
Flood warning sites	78	80	80	80	83	88	92	97	98	100
Flood Control District properties	232	232	232	232	235	241	242	240	242	242
Highways and streets										
Public Works										
Miles of paved roads	754	760	771	773	779	782	783	785	787	796
Bridges	17	18	18	18	18	15	15	15	16	17
Sanitation										
Landfill/Environment										
Transfer stations	7	7	7	7	7	7	8	8	8	8
Health										
Health Care										
Public health facilities	3	3	3	3	3	4	4	4	4	4
Culture and recreation										
Parks & Recreation										
County parks	11	11	11	11	11	11	11	11	11	11

Source: Various Yavapai County departments.

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

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