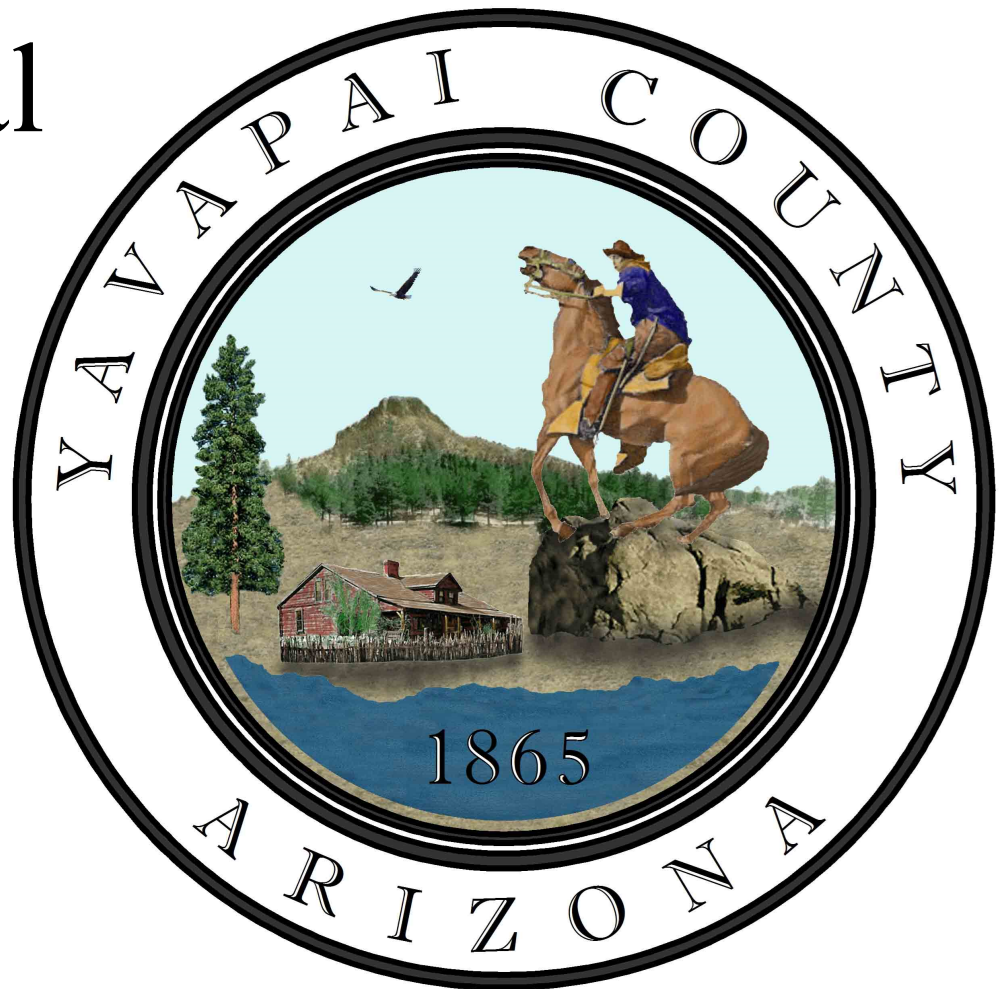


Comprehensive

Annual

Financial

Report



Yavapai County, AZ

Fiscal year ended June 30, 2017

Yavapai County, Arizona Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2017

Board of Supervisors



Rowle Simmons
District 1



Thomas Thurman
District 2



Randy Garrison
District 3



Craig Brown
District 4



Jack Smith
District 5

Prepared by Yavapai County
Finance Department

YAVAPAI COUNTY
Comprehensive Annual Financial Report
Year Ended June 30, 2017

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INTRODUCTORY SECTION





Yavapai County Finance Department

December 20, 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, 2017.

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, 2017, 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, 2017, 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 105.

Local Economy

Yavapai County's population increased from 211,015 as of April 1, 2010 to 225,562 as of July 1, 2016, which is a 6.9% increase as compared to the State of Arizona population increase of 8.4% for the same time period. Yavapai County has a higher percentage, 30.1%, of persons over the age of 65 as compared to the State of Arizona with 16.9%, both as of July 1, 2016. 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 2016-17, an increase of \$579,184. The net assessed value of real estate increased by 2.86% for the fiscal year, with a related increase in property tax revenues of 3.0%. The population is growing and we anticipate our sales tax revenues to also trend slowly upward.

The Arizona Department of Administration, Office of Employment and Population Statistics estimates a 4.6% average 2017 unemployment rate for Yavapai County. Yavapai County Regional Medical Center is the single largest employer in Yavapai County, with Yavapai County as the second largest employer.

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

Long-Term Financial Planning

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

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

The Jail District sales tax and the maintenance of effort from the General Fund are projected to be inadequate to fund the operation of the Jail District at some point in the near future. The Board asked the voters of Yavapai County in the November 4, 2016, general election for authorization to extend the life of the tax and to increase the Jail District sales tax rate from ¼ cent to ½ cent however, this request was voted down. The current ¼ cent Jail District sales tax expires on June 30, 2020, and the Jail District Board approved a resolution to ask the voters of Yavapai County on March 13, 2018, to extend the existing sales tax until June 30, 2040. Because the operation of a county jail facility is statutorily required, other resources will probably need to be diverted at the direction of the Board in order to fund the future operation of the Jail District.

In May 2008, the Board entered into a \$50 million capital lease agreement to finance the design and construction of a Superior Court building next to the Camp Verde jail facility, a Juvenile Justice Center and two administrative buildings in Prescott. The Board modified this lease agreement and retired \$25 million of the original \$50 million. Because of the economic environment and the modification of the lease agreement, the Board eliminated the construction of the administrative buildings from the original plan. The Superior Court building was completed in fiscal year 2009-10 and the Juvenile Justice Center was completed in fiscal year 2012-13. On October 17, 2017, the Board issued Excise Tax Revenue Refunding Obligations in the par amount of \$16,978,000 to be used to pay off the remaining capital lease debt on May 15, 2018.

Relevant Financial Policies

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

Since fiscal year 2009-10, the major Yavapai County revenues have been increasing, but these increases had been offset to a large degree by reduced funding from the State of Arizona. County departments reduced expenditures in fiscal year 2009-10 by 7.5% and the departments have been held to the same expenditure levels since then except for the costs of new staff positions and County-wide 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, 2016. 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

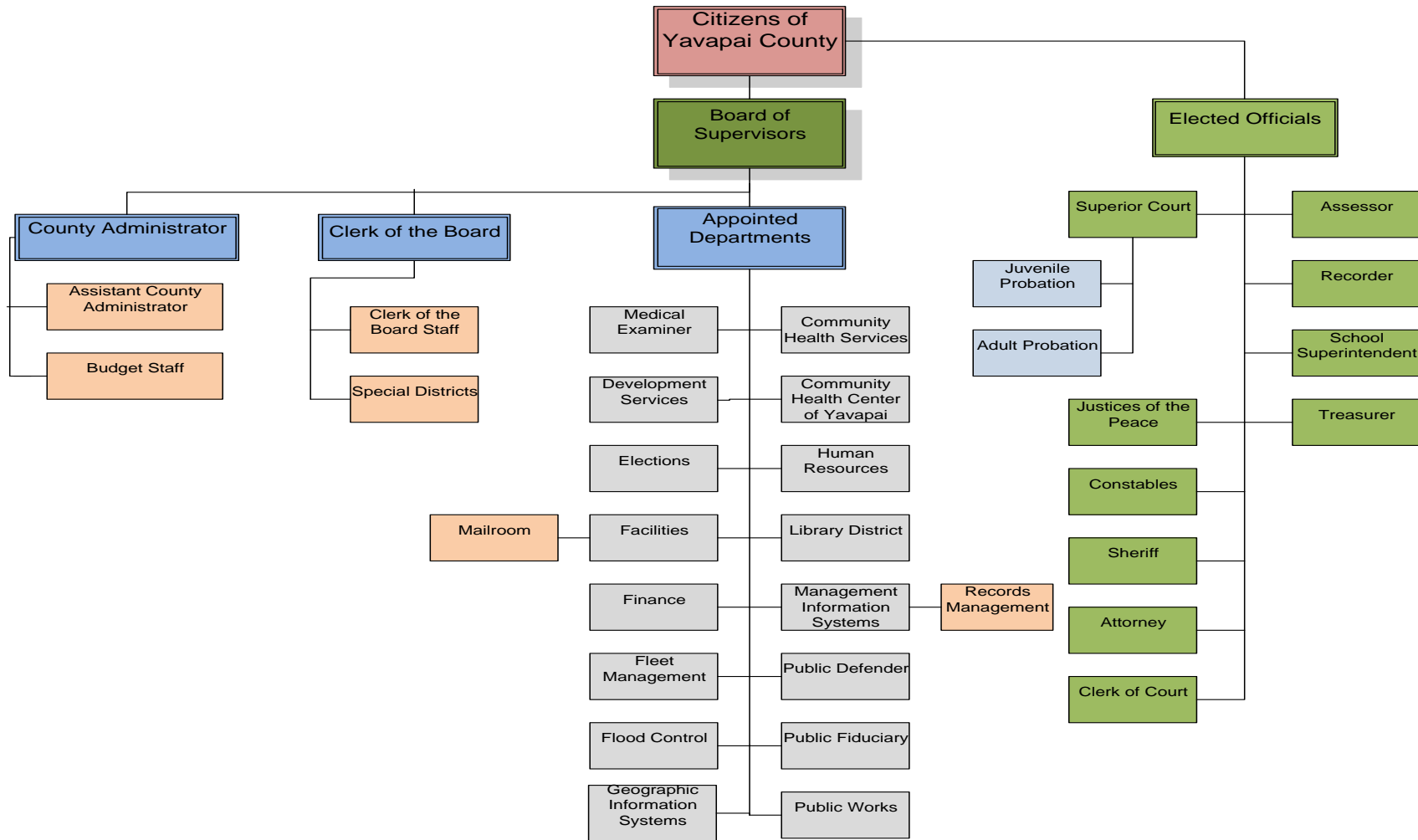
June 30, 2016

Christopher P. Morill

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, 2017, 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, 2017, and the respective changes in financial position in accordance with U.S. generally accepted accounting principles.

Other matters

Required supplementary information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 13 through 20, budgetary comparison schedules on pages 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, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Debbie Davenport
Auditor General

December 20, 2017

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Yavapai County

Management's Discussion and Analysis

As management of Yavapai County, we offer readers of Yavapai County's financial statements this narrative overview and analysis of the financial activities of Yavapai County for the fiscal year ended June 30, 2017. 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, 2017, by \$149,114,732 (net position), which is a decrease of \$11,291,080 from prior year ending net position of \$160,405,812. The unrestricted net position at June 30, 2017 is a deficit of \$123,574,435, which is a decrease of \$11.8 million from a deficit balance of \$111,743,342 at June 30, 2016 primarily as a result of increases in net pension liabilities of \$16,670,729.
- As of June 30, 2017, Yavapai County's governmental funds reported combined ending fund balances of \$57,799,794, which is a decrease of \$3,502,727 from the prior year ending fund balance of \$61,302,521.
- As of June 30, 2017, unassigned fund balance for the general fund is \$9,853,659, an increase of \$301,515 from the prior year unassigned fund balance.
- As of June 30, 2017, committed fund balance for the regional road fund is \$7,747,171, a decrease from the prior year amount of \$1,081,981.
- As of June 30, 2017, restricted fund balance for the Highway User Revenue Fund (HURF) is \$7,550,676, a decrease from the prior year of \$1,082,744.
- As of June 30, 2017, committed fund balance for the capital projects fund is \$14,088,635, an increase from the prior year amount of \$103,920.

Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements 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

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

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

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

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

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

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

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

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Yavapai County's own programs.

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

Notes to the financial statements. The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33 - 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 - 129 of this report.

Yavapai County Management's Discussion and Analysis

Government-wide Financial Analysis

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Yavapai County's assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$149.1 million at the close of the most recent fiscal year.

	Net Position (in millions)	
	Governmental Activities	
	2017	2016
Current and other assets	\$ 72.5	\$ 75.2
Capital assets	267.9	266.7
Total assets	<u>340.4</u>	<u>341.9</u>
Deferred outflows of resources	<u>37.7</u>	<u>23.8</u>
Other liabilities	14.1	11.6
Long-term liabilities outstanding	199.6	184.2
Total liabilities	<u>213.7</u>	<u>195.8</u>
Deferred inflows of resources	<u>15.3</u>	<u>9.5</u>
Net position:		
Net investment in capital assets	247.9	245.2
Restricted	24.7	26.9
Unrestricted deficit	(123.5)	(111.7)
Total net position	<u>\$ 149.1</u>	<u>\$ 160.4</u>

The largest portion of Yavapai County's net position (166%) 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 \$2.7 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 \$1.2 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 \$37.7 million and deferred inflows of resources of \$15.3 million related to pensions at the close of the most recent fiscal year. This represents an increase of \$13.9 million in deferred outflows of resources and an increase of \$5.8 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 \$14.1 million and \$199.6 million, respectively. The other liabilities increased by \$2.5 million due primarily to an increase of \$2.1 million in accrued payroll and employee benefits. The increase of \$15.4 million in long-term liabilities was largely due to the additions of \$16.7 million in net pension liabilities.

Yavapai County Management's Discussion and Analysis

Yavapai County's Governmental Activities restricted net position of \$24.7 million represents resources that are subject to external restrictions on how they may be used. This amount has decreased by \$2.2 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 \$247.9 million and restricted net position \$24.7 million. The County has a deficit of \$123.5 million in unrestricted net position, which was a decrease of \$11.8 million in unrestricted net position from the prior year's unrestricted deficit of \$111.7 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 \$11.3 million. The basis of accounting used in the government-wide statement of activities excludes capital outlay while its revenues include taxes that are used, in part, for the construction of those assets.

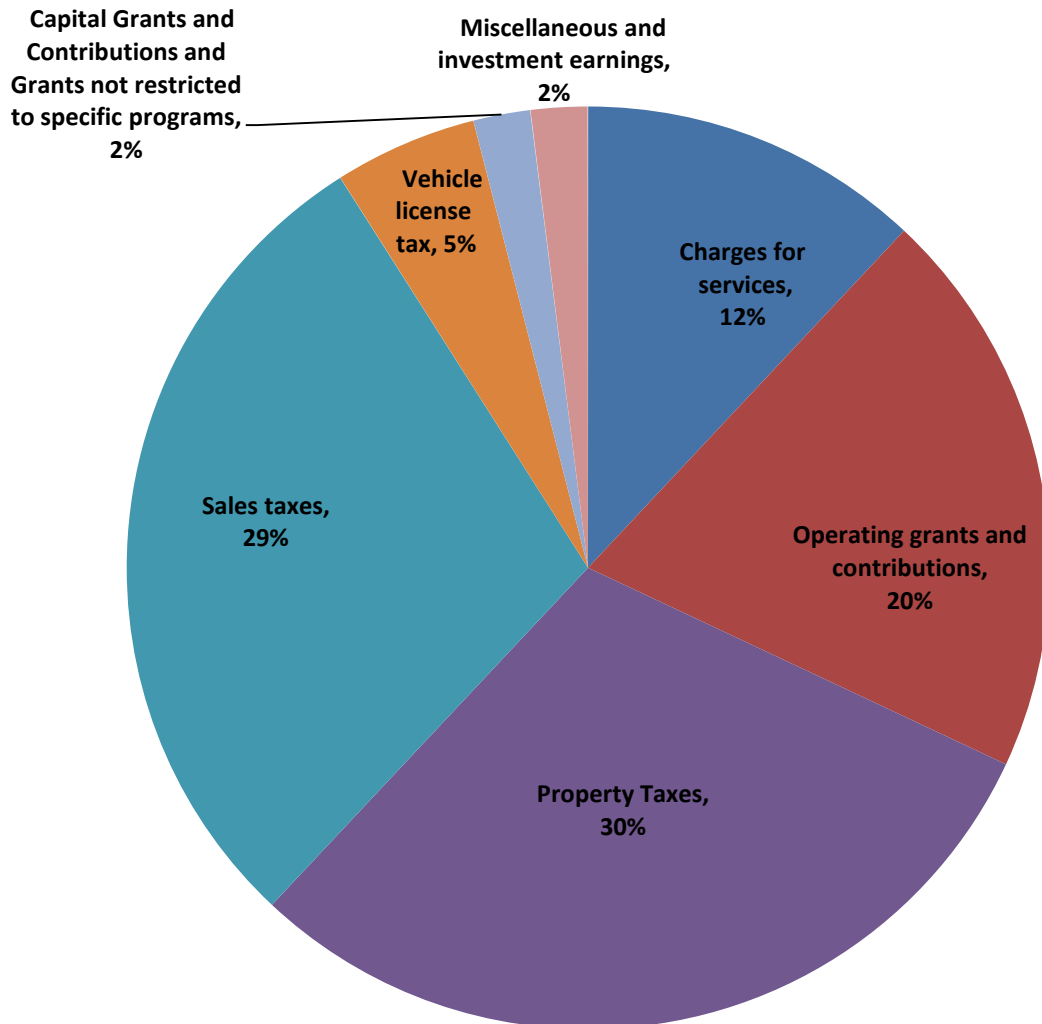
Changes in Net Position		Governmental	
(in millions)		Activities	
		2017	2016
Revenues			
Program revenues:			
Charges for services	\$ 23.1	\$ 21.8	
Operating grants and contributions	36.9	35.5	
Capital grants and contributions	.8	4.9	
General revenues:			
Property taxes	54.7	53.1	
Sales taxes	53.5	51.1	
Vehicle license tax	8.6	8.1	
Grants not restricted to specific programs	3.3	3.5	
Miscellaneous and investment earnings	4.2	5.3	
Total revenues	185.1	183.3	
Expenses			
General government	73.3	71.4	
Public safety	64.2	57.8	
Highways and streets	25.5	23.3	
Sanitation	1.9	1.8	
Health	14.7	15.3	
Welfare	10.7	10.7	
Culture and recreation	0.1	0.1	
Education	5.0	4.3	
Interest on long-term debt	1.0	1.0	
Total expenses	196.4	185.7	
Increase (decrease) in net position	(11.3)	(2.4)	
Net position, July 1	160.4	162.8	
Net position, June 30	\$ 149.1	\$ 160.4	

Yavapai County Management's Discussion and Analysis

Governmental activities. Governmental Activities revenues totaled \$185.1 million for fiscal year 2017, an increase of \$1.8 million or 1.0%. 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 \$2.4 million or 4.7% from the previous fiscal year due to inflation and an improving economy in the County.
- Capital grants and contributions decreased \$4.1 million or 83.7% from the previous fiscal year because the prior year included \$3.8 million of paved roads transferred to the County by the Federal Lands Access Program.
- Property taxes increased by \$1.6 million or 3.0% from the previous year primarily due to the increase in the tax levy for new construction this fiscal year.

Revenues by Source - Governmental Activities

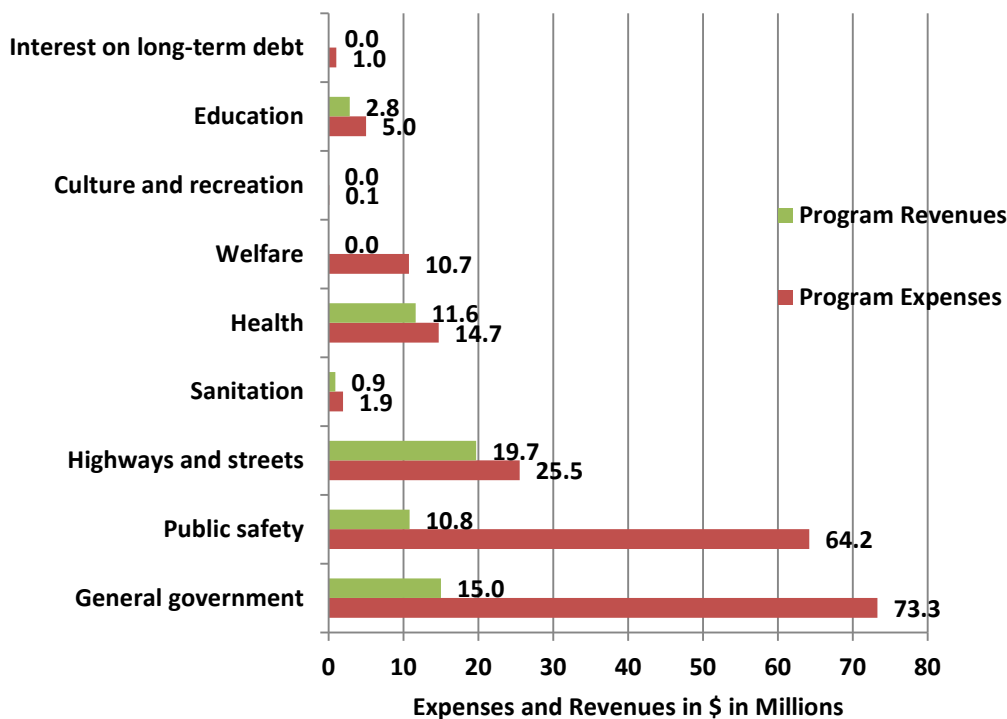


Yavapai County Management's Discussion and Analysis

Expenses

Governmental activities expenses increased \$10.7 million from the previous fiscal year. Public Safety increased from the previous year by \$6.4 million, primarily due to pension plan expenses increases of \$3.1 million and salary cost increases from increased staffing (+2.9%) and the effect of a 10% raise on January 1, 2017, to all certified law enforcement positions. Highways and streets increased from the previous year by \$2.2 million due to increased road construction and completion of existing road projects during the year.

Expenses and Program Revenues - Governmental Activities



Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, Yavapai County's governmental funds reported combined ending fund balances of \$57,799,794, which is a decrease of \$3,502,727 from the prior year balance. The ending fund balances are categorized as follows.

- Nonspendable \$1,147,171
- Restricted \$24,588,981
- Committed \$22,256,013
- Unassigned \$9,807,629

Yavapai County

Management's Discussion and Analysis

The total fund balance was reduced by 5.7%, primarily due to the usage of \$1.1 million in Regional Road committed funds and \$1.1 million in HURF Road restricted funds.

The General Fund is the chief operating fund of Yavapai County. At the end of the current fiscal year, the General Fund total fund balance was \$10,513,270, and the unassigned category was \$9,853,659. The unassigned category is \$301,515 more than the previous fiscal year. This increase is due primarily 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 increased \$0.1 million in accordance with the adopted budget. The Regional Road fund balance decreased \$1.1 million because of budgeted construction road projects. The HURF Road fund balance decreased \$1.5 million because of budgeted construction road projects. Capital Projects fund balance increased \$0.1 million because of County sales tax revenue increases. 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 \$97,930,243. Actual expenditures were \$3,283,827 less than the final budgeted appropriation amount, which is primarily due to vacancy savings from staff turnover and departments monitoring and controlling expenditures. The Board approved budgeted transfers between departments during the fiscal year to reclassify expenditures and for departments that required an increase in budget appropriation. The departments that required a budget transfer were Public Works (\$15,894), Medical Examiner (\$6,438), Finance (\$831), Superior Courts (\$15,000), Public Defender (\$126,445), Prescott Constable (\$2,738), Verde Constable (\$538) and School Superintendent (\$17,000), for a combined transfer of \$184,884 from General Services. The final total General Fund budgeted appropriation of \$97,930,243 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 \$369,399 and a variance below the final budget of \$0.8 million.

Total revenues were \$5.7 million over total budgeted revenues (5.9%), which is primarily due to the receipt of \$4.9 million in unbudgeted Intergovernmental revenue.

Capital Asset and Debt Administration

Capital Assets. Yavapai County's investment in capital assets for its governmental activities as of June 30, 2017, amounts to \$267.9 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, 2017, or in progress at that date, are included in capital assets. Infrastructure increased due to the completion of roadway projects. Construction in progress decreased \$3.8 million due to the completion during the year of capital projects.

Yavapai County Management's Discussion and Analysis

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

	Governmental Activities	
	2017	2016
	Land	\$ 63.4
Buildings	77.3	78.1
Equipment	13.6	12.6
Infrastructure	111.4	106.5
Software	1.1	1.3
Construction in progress	1.1	4.8
Total	<u>\$ 267.9</u>	<u>\$ 266.7</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 \$1,595,000 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)

	2017	2016
Special Assessment Debt Payable	<u>\$ 1.6</u>	<u>\$ 1.8</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 \$140,664,597. 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, 2017, the outstanding lease balance is \$18.2 million. The County intends to pay-off the balance on May 15, 2018, using the proceeds from Excise Tax Revenue Refunding obligations issued October 17, 2017.

On December 8, 2015, the County entered into a \$212,297 lease purchase agreement to finance the purchase of telephone system upgrades, including hardware, software and professional services, payable for a period of 5 years with an interest rate of 4.95%. As of June 30, 2017, the outstanding lease balance is \$128,753.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Yavapai County is currently 4.6%, which has decreased since 2016.
- 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 2017-18 fiscal year. The budgetary estimate of unassigned ending fund balance in the general fund of \$9,739,066 was appropriated for spending in the 2017-18 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, 2017

	Primary Government
	Governmental Activities
Assets	
Cash and cash equivalents	\$ 54,991,739
Receivables:	
Property taxes	1,551,450
Special assessments	1,088,649
Accounts	398,604
Due from other governments	13,329,763
Inventories	525,876
Prepaid items	621,616
Capital assets, not being depreciated	64,497,861
Capital assets, being depreciated, net	203,369,454
Total assets	340,375,012
Deferred Outflows of Resources	
Deferred outflows related to pensions	37,713,240
Total deferred outflows of resources	37,713,240
Liabilities	
Accounts payable	8,225,515
Accrued payroll and employee benefits	5,751,373
Interest payable	103,299
Noncurrent liabilities:	
Due within one year	5,296,554
Due in more than one year	194,316,498
Total liabilities	213,693,239
Deferred Inflows of Resources	
Deferred inflows related to pensions	15,280,281
Total deferred inflows of resources	15,280,281
Net Position	
Net investment in capital assets	247,930,780
Restricted for:	
Social services	5,112,809
Law enforcement and flood control	4,864,864
Roadway construction and maintenance	7,683,614
Landfill and other sanitation	941,910
Public health care and clinical services	4,397,472
Public parks	35,049
School services	697,266
Debt service	1,025,403
Unrestricted deficit	(123,574,435)
Total net position	\$ 149,114,732

See accompanying notes to financial statements.

Yavapai County
Statement of Activities
Year Ended June 30, 2017

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	\$ 73,276,034	\$ 9,427,420	\$ 5,584,454	\$ -	\$ (58,264,160)
Public safety	64,261,140	3,905,223	6,858,247	-	(53,497,670)
Highways and streets	25,487,401	1,356,600	17,527,239	807,869	(5,795,693)
Sanitation	1,868,223	419,366	451,616	15,294	(981,947)
Health	14,693,754	6,496,676	5,158,041	-	(3,039,037)
Welfare	10,758,602	-	-	-	(10,758,602)
Culture and recreation	85,738	-	-	-	(85,738)
Education	4,980,959	1,487,078	1,288,049	-	(2,205,832)
Interest on long-term debt	964,944	-	-	-	(964,944)
Total governmental activities	<u>196,376,795</u>	<u>23,092,363</u>	<u>36,867,646</u>	<u>823,163</u>	<u>(135,593,623)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					46,155,015
Property taxes, levied for flood control					4,040,582
Property taxes, levied for free library					4,490,302
County sales tax—Jail construction and operation					8,461,467
County sales tax—unrestricted					16,904,517
Franchise taxes					281,425
Shared revenue—state sales tax					28,108,504
Shared revenue—state vehicle license tax					8,600,164
Grants and contributions not restricted to specific programs					3,314,664
Investment earnings					129,869
Gain on disposal of capital assets					173,711
Miscellaneous					<u>3,642,323</u>
Total general revenues					<u>124,302,543</u>
Change in net position					(11,291,080)
Net position, July 1, 2016					<u>160,405,812</u>
Net position, June 30, 2017					<u>\$ 149,114,732</u>

See accompanying notes to financial statements.

Yavapai County
Balance Sheet
Governmental Funds
June 30, 2017

Assets	General	Jail District	Regional Road	HURF Road
Cash and cash equivalents	\$ 4,469,798	\$ 35,230	\$ 8,278,538	\$ 9,902,453
Receivables:				
Property taxes	1,318,915	-	-	-
Special assessments	-	-	-	-
Accounts	32,894	11,842	23,825	21,482
Due from:				
Other funds	2,763,842	487,949	775	93,966
Other governments	6,787,586	1,600,833	1,200,725	1,287,718
Inventories	166,659	-	-	359,217
Prepaid items	492,952	-	-	2,306
Total assets	<u>\$ 16,032,646</u>	<u>\$ 2,135,854</u>	<u>\$ 9,503,863</u>	<u>\$ 11,667,142</u>
Liabilities				
Accounts payable	\$ 1,369,662	\$ 425,403	\$ 1,739,720	\$ 2,634,810
Accrued payroll and employee benefits	2,503,726	479,197	10,602	267,537
Due to other funds	666,678	44,110	6,370	852,596
Total liabilities	<u>4,540,066</u>	<u>948,710</u>	<u>1,756,692</u>	<u>3,754,943</u>
Deferred Inflows of Resources				
Unavailable revenue-property taxes	979,310	-	-	-
Unavailable revenue-special assessments	-	-	-	-
Total deferred inflows of resources	<u>979,310</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Nonspendable	659,611	-	-	361,523
Restricted	-	1,187,144	-	7,550,676
Committed	-	-	7,747,171	-
Unassigned	9,853,659	-	-	-
Total fund balances	<u>10,513,270</u>	<u>1,187,144</u>	<u>7,747,171</u>	<u>7,912,199</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 16,032,646</u>	<u>\$ 2,135,854</u>	<u>\$ 9,503,863</u>	<u>\$ 11,667,142</u>

See accompanying notes to financial statements.

Capital Projects	Capital Projects Debt Service	Other Governmental Funds	Total Governmental Funds
\$ 13,905,368	\$ 1,893	\$ 18,398,459	\$ 54,991,739
-	-	232,535	1,551,450
-	-	1,088,649	1,088,649
5,696	-	302,865	398,604
70,945	-	651,336	4,068,813
450,272	-	2,002,629	13,329,763
-	-	-	525,876
-	-	126,037	621,295
<u>\$ 14,432,281</u>	<u>\$ 1,893</u>	<u>\$ 22,802,510</u>	<u>\$ 76,576,189</u>
\$ -	\$ -	\$ 2,055,920	\$ 8,225,515
925	-	982,715	4,244,702
342,721	-	2,156,338	4,068,813
<u>343,646</u>	<u>-</u>	<u>5,194,973</u>	<u>16,539,030</u>
-	-	169,406	1,148,716
-	-	1,088,649	1,088,649
<u>-</u>	<u>-</u>	<u>1,258,055</u>	<u>2,237,365</u>
-	-	126,037	1,147,171
-	1,893	15,849,268	24,588,981
14,088,635	-	420,207	22,256,013
-	-	(46,030)	9,807,629
<u>14,088,635</u>	<u>1,893</u>	<u>16,349,482</u>	<u>57,799,794</u>
<u>\$ 14,432,281</u>	<u>\$ 1,893</u>	<u>\$ 22,802,510</u>	<u>\$ 76,576,189</u>

Yavapai County
 Reconciliation of the Governmental Funds Balance Sheet
 to the Government-wide Statement of Net Position
 June 30, 2017

Fund balances—total governmental funds		\$ 57,799,794
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		267,867,315
Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.		2,237,365
Some 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	\$ (1,595,000)	
Capital lease payable	(18,444,512)	
Net pension liabilities	(170,080,601)	
Landfill closure and postclosure care costs payable	(950,091)	
Compensated absences payable	(8,310,234)	
Claims and judgments payable	(335,593)	
Accrued payroll and employee benefits	(1,506,670)	(201,222,701)
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.		<u>22,432,959</u>
Net position of governmental activities		<u>\$ 149,114,732</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, 2017

	General	Jail District	Regional Road	HURF Road
Revenues:				
Property taxes	\$ 45,846,835	\$ -	\$ -	\$ -
County sales taxes	7,888,458	8,461,467	6,761,807	-
Special assessments	-	-	-	-
Licenses and permits	2,181,689	-	1,356,600	-
Intergovernmental	42,045,328	6,000	-	15,731,312
Charges for services	1,904,913	1,021,257	-	-
Fines and forfeits	2,895,543	-	-	-
Investment earnings	10,377	(417)	14,749	17,197
Miscellaneous	232,097	31,962	85	144,882
Total revenues	<u>103,005,240</u>	<u>9,520,269</u>	<u>8,133,241</u>	<u>15,893,391</u>
Expenditures:				
Current:				
General government	56,041,881	-	-	-
Public safety	25,594,594	17,206,086	-	-
Highways and streets	-	-	9,215,222	17,465,534
Sanitation	1,387,850	-	-	-
Health	-	-	-	-
Welfare	10,758,061	-	-	-
Culture and recreation	127,831	-	-	-
Education	688,966	-	-	-
Debt service:				
Principal	38,937	-	-	-
Interest and other charges	8,296	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>94,646,416</u>	<u>17,206,086</u>	<u>9,215,222</u>	<u>17,465,534</u>
Excess (deficiency) of revenues over expenditures	8,358,824	(7,685,817)	(1,081,981)	(1,572,143)
Other financing sources (uses):				
Sale of capital assets	115,706	-	-	65,646
Transfers in	383,362	7,832,354	-	1,636
Transfers out	(8,446,974)	-	-	-
Total other financing sources (uses)	<u>(7,947,906)</u>	<u>7,832,354</u>	<u>-</u>	<u>67,282</u>
Net change in fund balances	410,918	146,537	(1,081,981)	(1,504,861)
Fund balances, July 1, 2016	<u>10,102,352</u>	<u>1,040,607</u>	<u>8,829,152</u>	<u>9,417,060</u>
Fund balances, June 30, 2017	<u>\$ 10,513,270</u>	<u>\$ 1,187,144</u>	<u>\$ 7,747,171</u>	<u>\$ 7,912,199</u>

See accompanying notes to financial statements.

Capital Projects	Capital Projects Debt Service	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 8,832,003	\$ 54,678,838
2,535,677	-	-	25,647,409
-	-	328,552	328,552
-	-	725,204	4,263,493
-	-	18,600,916	76,383,556
-	-	9,399,253	12,325,423
-	-	610,903	3,506,446
26,901	18	61,044	129,869
-	-	4,641,901	5,050,927
<u>2,562,578</u>	<u>18</u>	<u>43,199,776</u>	<u>182,314,513</u>
-	-	10,185,907	66,227,788
-	-	15,222,517	58,023,197
-	-	378,158	27,058,914
-	-	499,193	1,887,043
-	-	14,686,935	14,686,935
-	-	-	10,758,061
-	-	4,402	132,233
-	-	3,988,750	4,677,716
-	1,259,216	175,000	1,473,153
-	852,649	111,604	972,549
88,283	-	19,675	107,958
<u>88,283</u>	<u>2,111,865</u>	<u>45,272,141</u>	<u>186,005,547</u>
2,474,295	(2,111,847)	(2,072,365)	(3,691,034)
-	-	6,955	188,307
84,211	2,111,865	1,574,630	11,988,058
(2,454,586)	-	(1,086,498)	(11,988,058)
<u>(2,370,375)</u>	<u>2,111,865</u>	<u>495,087</u>	<u>188,307</u>
103,920	18	(1,577,278)	(3,502,727)
13,984,715	1,875	17,926,760	61,302,521
<u>\$ 14,088,635</u>	<u>\$ 1,893</u>	<u>\$ 16,349,482</u>	<u>\$ 57,799,794</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, 2017

Net change in fund balances—total governmental funds \$ (3,502,727)

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	17,677,014	
Depreciation expense	(16,500,832)	1,176,182

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. (14,596)

Collections of revenues in the governmental funds exceeded revenues reported in the Statement of Activities. (164,918)

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	11,349,731	
Pension expense	(21,176,246)	
State's non-employer pension contributions	1,330,703	(8,495,812)

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.

Principal repaid on bonds and capital lease		1,473,153
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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	(217,737)	
Increase in accrued payroll and employee benefits	(1,506,670)	
Increase in claims and judgments	(58,881)	
Decrease in interest payable	7,606	
Decrease in landfill closure and postclosure care costs	13,320	<u>(1,762,362)</u>

Change in net position of governmental activities \$ (11,291,080)

See accompanying notes to financial statements.

Yavapai County
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017

	Investment Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 116,825,083	\$ 3,333,775
Total assets	116,825,083	\$ 3,333,775
 Liabilities		
Deposits held for others	-	\$ 3,333,775
Total liabilities	-	\$ 3,333,775
 Net Position		
Held in trust for investment trust participants	\$ 116,825,083	

See accompanying notes to financial statements.

Yavapai County
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2017

	Investment Trust Funds
Additions:	
Contributions from participants	\$ 449,595,623
Investment earnings	624,504
Total additions	450,220,127
Deductions:	
Distributions to participants	467,590,293
Total deductions	467,590,293
Change in net position	(17,370,166)
Net position, July 1, 2016	134,195,249
Net position, June 30, 2017	\$ 116,825,083

See accompanying notes to financial statements.

Yavapai County
Notes to Financial Statements
June 30, 2017

Note 1 - Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

The following table describes the County's component units:

Component Unit	Description; Criteria for Inclusion	Reporting Method	For Separate Financial Statements
Yavapai County Flood Control District	A tax-levying district that provides flood control systems; the County's Board of Supervisors serves as the board of directors and has operational responsibility	Blended	Not available
Yavapai County Library District	Provides and maintains library services for the County's residents; the County's Board of Supervisors serves as the board of directors and has operational responsibility	Blended	Not available
Yavapai County Special Assessment Districts	Constructs or improves sidewalks, curbs and gutters, irrigation systems, and street lighting within the County; the County's Board of Supervisors serves as the board of directors and has operational responsibility	Blended	Not available

Yavapai County
Notes to Financial Statements
June 30, 2017

Component Unit	Description; Criteria for Inclusion	Reporting Method	For Separate Financial Statements
Yavapai County Jail District	A tax-levying district that acquires, constructs, operates, maintains, and finances county jails and jail systems; the County's Board of Supervisors serves as the governing board and has operational responsibility	Blended	Not available

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

The Industrial Development Authority of Yavapai County (Authority) is a legally separate entity that was created to assist in the financing of commercial and industrial enterprises; safe, sanitary, and affordable housing; and healthcare facilities. The Authority fulfills its function through the issuance of tax exempt or taxable revenue bonds. The County's Board of Supervisors appoints the Authority's Board of Directors. The Authority's operations are completely separate from the County and the County is not financially accountable for the Authority. Therefore, based on the criterion of GASB Statements Nos. 14, 39, and 61, the financial activities of the Authority have not been included in the accompanying financial statements.

B. Basis of Presentation

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

Yavapai County
Notes to Financial Statements
June 30, 2017

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

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

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

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

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

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

The County reports the following major governmental funds:

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

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

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

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

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

Yavapai County
Notes to Financial Statements
June 30, 2017

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

The County also reports the following fund types:

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

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

C. Basis of Accounting

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

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

Governmental funds in the fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. The County's major revenue sources that are susceptible to accrual are property taxes, special assessments, intergovernmental, charges for services, and investment earnings. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, compensated absences, and landfill closure and postclosure care costs, which are recognized as expenditures to the extent they are due and payable. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of general long-term debt and acquisitions under capital lease agreements are reported as other financing sources.

D. Cash and Investments

All investments are stated at fair value.

Yavapai County
Notes to Financial Statements
June 30, 2017

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.

H. Capital Assets

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

Yavapai County
Notes to Financial Statements
June 30, 2017

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

Yavapai County
Notes to Financial Statements
June 30, 2017

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 governmental-wide financial statements. A liability for these amounts is reported in the governmental funds' financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal year-end.

Employees may accumulate up to 520 hours of catastrophic time (CAT) leave. CAT leave may be used in the case of illness or injury suffered by an employee or employee's immediate family, but only after using at least forty hours of consecutive PTO leave. CAT leave benefits are cumulative but 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.

Yavapai County
Notes to Financial Statements
June 30, 2017

Note 2 - Stewardship, Compliance, and Accountability

Deficit fund balance—At June 30, 2017, the Finance and CYMPO (nonmajor governmental) Funds reported deficit fund balances of \$1,579 and \$32,207, respectively.

Note 3 - Deposits and Investments

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

Credit risk

Statutes have the following requirements for credit risk:

1. Commercial paper must be of prime quality and be rated within the top two ratings by a nationally recognized rating agency.
2. 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.

Foreign currency risk

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

Yavapai County
Notes to Financial Statements
June 30, 2017

Deposits—At June 30, 2017, the carrying amount of the County’s deposits was \$12,984,308, and the bank balance was \$14,378,161. Deposits include \$30,500 of cash on hand with a brokerage firm which is an uninsured and uncollateralized amount exposed to custodial credit risk. The County does not have a formal policy with respect to custodial credit risk.

Investments—The County’s investments at June 30, 2017, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

	Amount	Fair value measurement using <u>Quoted prices in active markets for identical assets (Level 1)</u>
Investments by fair value level		
U.S. Treasury securities	\$ 13,627,786	\$ 13,627,786
U.S. agency securities	44,213,324	44,213,324
Money market funds	107,194	107,194
Total investments by fair value level	<u>57,948,304</u>	<u>\$ 57,948,304</u>
External investment pools measured at fair value		
State Treasurer’s investment pools	104,171,135	
Total investments	<u>\$162,119,439</u>	

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

Credit risk— The County does not have a formal investment policy with respect to credit risk. At June 30, 2017, 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	\$ 43
State Treasurer’s Investment Pool 7	AAA	Standard and Poor’s	104,171,092
U.S. agency securities	AA+	Standard and Poor’s	44,213,324
Money market funds	Aaa-mf	Moody’s	107,194
			<u>\$148,491,653</u>

Yavapai County
Notes to Financial Statements
June 30, 2017

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, 2017, of 5 percent or more in the Federal Farm Credit Bank and Federal Home Loan Bank. These investments were 11.0 percent and 11.3 percent, respectively, of the County’s total investments.

Interest rate risk—The County does not have a formal policy regarding interest rate risk. At June 30, 2017, the County had the following investments in debt securities:

Investment Type	Amount	Weighted Average Maturity (Years)
State Treasurer’s Investment Pool 5	\$ 43	.10
State Treasurer’s Investment Pool 7	104,171,092	.20
U.S. Treasury securities	13,627,786	.75
U.S. agency securities	44,213,324	1.32
Money market funds	107,194	.00
	<u>\$162,119,439</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	\$ 46,850
Amount of deposits	12,984,308
Amount of investments	162,119,439
Total	<u>\$175,150,597</u>

	Governmental Activities	Investment Trust Funds	Agency Funds	Total
Cash and cash equivalents	\$54,991,739	\$116,825,083	\$3,333,775	<u>\$175,150,597</u>

Yavapai County
Notes to Financial Statements
June 30, 2017

Note 4 - Due From Other Governments

Amounts due from other governments for governmental activities at June 30, 2017, include \$4,901,384 in state-shared revenue from sales tax, \$1,350,815 in county excise tax distributions due from the State Treasurer, \$357,579 in state motor vehicle license taxes from the Arizona Department of Transportation and \$177,808 in other fees from federal, state, and local governments recorded in the General Fund; \$1,500,909 in sales tax collections, \$89,261 in inmate housing fees and \$10,663 in other fees from the federal, state and local governments recorded in the Jail District Fund; \$1,200,725 in county excise tax distributions due from the State Treasurer in the Regional Road Fund; \$1,133,100 in state-shared revenue from highway user taxes, \$129,609 in state motor vehicle license tax, and \$25,009 in other fees from federal, state, and local governments recorded in the HURF Road Fund; \$450,272 in county excise tax distributions due from the State Treasurer recorded in the Capital Projects Fund; and \$2,002,629 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, 2017, was as follows:

	Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 63,390,107	\$ 50,642	\$ -	\$ 63,440,749
Construction in progress	4,849,550	8,409,463	(12,201,901)	1,057,112
Total capital assets not being depreciated	<u>68,239,657</u>	<u>8,460,105</u>	<u>(12,201,901)</u>	<u>64,497,861</u>
Capital assets being depreciated:				
Buildings	110,037,533	2,147,793	-	112,185,326
Equipment	45,716,733	4,857,868	(1,992,935)	48,581,666
Infrastructure	348,463,287	14,198,803	-	362,662,090
Software	5,875,979	214,346	(398,824)	5,691,501
Total	<u>510,093,532</u>	<u>21,418,810</u>	<u>(2,391,759)</u>	<u>529,120,583</u>
Less accumulated depreciation for:				
Buildings	(31,985,047)	(2,871,664)	-	(34,856,711)
Equipment	(33,101,114)	(3,842,093)	1,978,339	(34,964,868)
Infrastructure	(241,936,678)	(9,351,807)	-	(251,288,485)
Software	(4,604,621)	(435,268)	398,824	(4,641,065)
Total	<u>(311,627,460)</u>	<u>(16,500,832)</u>	<u>2,377,163</u>	<u>(325,751,129)</u>
Total capital assets being depreciated, net	<u>198,466,072</u>	<u>4,917,978</u>	<u>(14,596)</u>	<u>203,369,454</u>
Governmental activities capital assets, net	<u>\$266,705,729</u>	<u>\$ 13,378,083</u>	<u>\$(12,216,497)</u>	<u>\$267,867,315</u>

Yavapai County
Notes to Financial Statements
June 30, 2017

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 3,998,870
Public safety	2,179,282
Highways and streets	9,888,854
Sanitation	124,177
Health	207,496
Education	102,153
Total governmental activities depreciation expense	<u>\$ 16,500,832</u>

Note 6 - Construction Commitments

The County had major contractual commitments related to various capital projects at June 30, 2017, for the construction of road improvements and buildings. At June 30, 2017, the County had spent \$642,445 on these projects and had remaining contractual commitments with contractors of \$1,854,861. 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, 2017:

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Due within 1 year
Governmental Activities:					
Special assessment debt	\$ 1,770,000	\$ -	\$ (175,000)	\$ 1,595,000	\$ 175,000
Capital leases payable	19,639,687	-	(1,298,153)	18,341,534	1,356,737
Net pension liabilities	153,409,872	16,729,166	(58,437)	170,080,601	76,767
Landfill closure and postclosure care costs payable	963,411	9,653	(22,973)	950,091	22,655
Compensated absences payable	8,092,497	6,278,853	(6,061,116)	8,310,234	3,504,840
Claims and judgments payable	276,711	274,220	(215,339)	335,592	160,555
Total governmental activities long-term liabilities	<u>\$ 184,152,178</u>	<u>\$ 23,291,892</u>	<u>\$ (7,831,018)</u>	<u>\$ 199,613,052</u>	<u>\$ 5,296,554</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 \$2,166,972, 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 \$285,476 and the special assessments were \$313,258.

Yavapai County
Notes to Financial Statements
June 30, 2017

The following special assessment districts had debt outstanding at June 30, 2017:

Description	Original Amount Issued	Maturity Ranges	Interest Rates	Outstanding Principal June 30, 2017
Coyote Springs Road Improvement	\$1,552,000	1/1/17-1/1/22	6.40%	\$ 400,000
Poquito Valley Road Improvement	1,857,000	1/1/17-1/1/30	6.625%	1,195,000
Total				<u>\$ 1,595,000</u>

The following schedule details debt service requirements to maturity for the County's special assessment debt payable at June 30, 2017:

Year ending June 30	Principal	Interest
2018	\$ 175,000	\$ 99,062
2019	175,000	87,648
2020	175,000	76,234
2021	175,000	64,821
2022	175,000	53,407
2023-2027	450,000	163,969
2028-2030	270,000	26,831
Total	<u>\$ 1,595,000</u>	<u>\$ 571,972</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	(3,466,678)
Carrying value	<u>\$ 21,745,261</u>

Yavapai County
Notes to Financial Statements
June 30, 2017

The following schedule details debt service requirements to maturity for the County's capital lease payable at June 30, 2017:

Year ending June 30	Governmental Activities
2018	\$ 2,159,098
2019	2,159,098
2020	2,159,098
2021	2,111,865
2022	2,111,865
2023-2027	10,559,322
2028	2,111,865
Total minimum lease payments	23,372,211
Less amount representing interest	(5,030,677)
Present value of net minimum lease payments	\$ 18,341,534

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, 2017. As of June 30, 2017, the landfill closure and postclosure care liability of \$950,091 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 2017 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 2017, the County paid for compensated absences as follows: 58 percent from the General Fund, 18 percent from major funds, and 24 percent from other funds. The County paid for claims and judgments from the General Fund.

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Note 8 - Fund Balance Classifications of the Governmental Funds

The fund balance classifications of the governmental funds as of June 30, 2017, were as follows:

	<u>General</u>	<u>Jail District</u>	<u>Regional Road</u>	<u>HURF Road</u>
Fund balances:				
Nonspendable:				
Inventories	\$ 166,659	\$ -	\$ -	\$ 359,217
Prepaid items	492,952	-	-	2,306
Total nonspendable	<u>659,611</u>	<u>-</u>	<u>-</u>	<u>361,523</u>
Restricted for:				
Social services	-	-	-	-
Law enforcement	-	1,187,144	-	-
Flood control	-	-	-	-
Roadway construction and maintenance	-	-	-	7,550,676
Landfill and other sanitation	-	-	-	-
Public health care and clinical services	-	-	-	-
Public parks	-	-	-	-
School services	-	-	-	-
Debt service	-	-	-	-
Total restricted	<u>-</u>	<u>1,187,144</u>	<u>-</u>	<u>7,550,676</u>
Committed to:				
Social services	-	-	-	-
Roadway construction	-	-	7,747,171	-
Public health care and clinical services	-	-	-	-
Capital construction	-	-	-	-
Total committed	<u>-</u>	<u>-</u>	<u>7,747,171</u>	<u>-</u>
Unassigned	<u>9,853,659</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>\$ 10,513,270</u>	<u>\$ 1,187,144</u>	<u>\$ 7,747,171</u>	<u>\$ 7,912,199</u>

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Capital Projects	Capital Projects Debt Service	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 525,876
-	-	126,037	621,295
-	-	126,037	1,147,171
-	-	5,022,880	5,022,880
-	-	1,929,249	3,116,393
-	-	1,668,994	1,668,994
-	-	132,938	7,683,614
-	-	941,910	941,910
-	-	4,397,472	4,397,472
-	-	35,049	35,049
-	-	697,266	697,266
-	1,893	1,023,510	1,025,403
-	1,893	15,849,268	24,588,981
-	-	16,444	16,444
-	-	-	7,747,171
-	-	403,763	403,763
14,088,635	-	-	14,088,635
14,088,635	-	420,207	22,256,013
-	-	(46,030)	9,807,629
\$ 14,088,635	\$ 1,893	\$ 16,349,482	\$ 57,799,794

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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, 2017, the County reported the following aggregate amounts related to pensions for all plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities
Net pension liabilities	\$170,080,601
Deferred outflows of resources	37,713,240
Deferred inflows of resources	15,280,281
Pension expense	21,192,890

The County's accrued payroll and employee benefits includes \$481,998 of outstanding pension contribution amounts payable to all pension plans for the year ended June 30, 2017. Also, the County reported \$11,366,375 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.

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

*With actuarially reduced benefits.

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

Contributions—In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2017, statute required active ASRS members to contribute at the actuarially determined rate of 11.48 percent (11.34 percent for retirement and 0.14 percent for long-term disability) of the members' annual covered payroll, and statute required the County to contribute at the actuarially determined rate of 11.48 percent (10.78 percent for retirement, 0.56 percent for health insurance premium benefit, and 0.14 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 9.47 percent (9.17 percent for retirement, 0.21 percent for health insurance premium benefit, and 0.09 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, 2017, were \$5,516,497. 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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ASRS	Health Benefit Supplement Fund	Long-Term Disability Fund
Year ended June 30		
2017	\$284,095	\$71,372
2016	243,913	58,819
2015	282,652	57,677

During fiscal year 2017, the County paid for ASRS pension and OPEB contributions as follows: 60.8 percent from the General Fund, 12.1 percent from major funds, and 27.1 percent from other funds.

Pension liability—At June 30, 2017, the County reported a liability of \$84,285,098 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2016. 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, 2015, to the measurement date of June 30, 2016. The total pension liability as of June 30, 2016, reflects a change in actuarial assumption for a decrease in loads for future potential permanent benefit increases. The County's proportion of the net pension liability was based on the County's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The County's proportion measured as of June 30, 2016, was 0.522 percent, which was a decrease of 0.001 from its proportion measured as of June 30, 2015.

Pension expense and deferred outflows/inflows of resources—For the year ended June 30, 2017, the County recognized pension expense for ASRS of \$4,266,758. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ASRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 512,195	\$ 5,798,199
Changes of assumptions or other inputs		4,459,355
Net difference between projected and actual earnings on pension plan investments	9,133,699	
Changes in proportion and differences between county contributions and proportionate share of contributions	1,344,191	1,055,044
County contributions subsequent to the measurement date	5,516,497	
Total	<u>\$16,506,582</u>	<u>\$11,312,598</u>

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The \$5,516,497 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, 2018. 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	
2018	\$ (3,701,598)
2019	(2,893,440)
2020	3,711,464
2021	2,561,063

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

ASRS	
Actuarial valuation date	June 30, 2015
Actuarial roll forward date	June 30, 2016
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, 2015, 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 8.75 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

ASRS Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
Equity	58%	6.73%
Fixed income	25%	3.70%
Real estate	10%	4.25%
Multi-asset	5%	3.41%
Commodities	<u>2%</u>	3.84%
Total	<u>100%</u>	

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Discount Rate—The discount rate used to measure the ASRS total pension liability was 8 percent, which is less than the long-term expected rate of return of 8.75 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

ASRS	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
County’s proportionate share of the net pension liability	\$107,469,900	\$84,285,098	\$65,695,954

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 nine-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

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.

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
Retirement and Disability		
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
Benefit percent		
Normal retirement	50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	2.5% per year of credited service, not to exceed 80%
Accidental disability retirement	50% or normal retirement, whichever is greater	
Catastrophic disability retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	
Ordinary disability retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20	
Survivor Benefit		
Retired members	80% to 100% of retired member's pension benefit	
Active members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job	

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CORP

Initial membership date:

Before January 1, 2012

On or after January 1, 2012

Retirement and Disability

Years of service and age required to receive benefit	Sum of years and age equals 80 25 years, any age (dispatchers) 20 years, any age (all others) 10 years, age 62	25 years, age 52.5 10 years, age 62
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, 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, 2017, the following employees were covered by the agent pension plans' benefit terms:

	PSPRS Sheriff	PSPRS Attorney Investigators	CORP Detention	CORP Dispatchers
Inactive employees or beneficiaries currently receiving benefits	67	2	39	1
Inactive employees entitled to but not yet receiving benefits	39	-	88	1
Active employees	109	-	166	4
Total	215	2	293	6

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, 2017, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS Sheriff	PSPRS Attorney Investigators	CORP Detention	CORP Dispatchers	CORP AOC
Active members—pension					
PSPRS members with an initial membership date on or before July 19, 2011:					
July 2016 through April 8, 2017	11.65%	11.65%	n/a	n/a	n/a
April 9, 2017 through June 2017	7.65%	7.65%	n/a	n/a	n/a
PSPRS members with an initial membership date after July 19, 2011, and all CORP members	11.65%	11.65%	8.41%	7.96%	8.41%
County					
Pension	42.66%	5.00%	14.91%	18.10%	20.08%
Health insurance premium benefit	0.68%	0.00%	0.00%	0.41%	0.80%

The County was required to contribute \$86,274 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 indicated below of annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the PSPRS or CORP would typically fill.

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	PSPRS Sheriff	PSPRS Attorney Investigators	CORP Detention	CORP Dispatchers	CORP AOC
Pension	31.21%	8.00%	8.28%	10.52%	13.68%
Health insurance premium benefit	0.21%	0.00%	0.00%	0.00%	0.53%

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, 2017, were:

	PSPRS Sheriff	PSPRS Attorney Investigators	CORP Detention	CORP Dispatchers
Pension				
Contributions made	\$2,950,478	\$94,305	\$1,028,442	\$31,876
Health Insurance Premium Benefit				
Annual OPEB cost	47,031	0	0	722
Contributions made	47,031	0	0	722

Contributions to the CORP AOC pension plan for the year ended June 30, 2017, were \$1,256,657. 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:

CORP AOC	Health Insurance Fund
Year ended June 30	
2017	\$50,066
2016	\$48,410
2015	\$70,944

During fiscal year 2017, the County paid for PSPRS and CORP pension and OPEB contributions as follows: 64.8 percent from the General Fund, 19.2 percent from major funds, and 16.0 percent from other funds.

Pension liability—At June 30, 2017, the County reported the following net pension liabilities:

	Net Pension Liability
PSPRS Sheriff	\$34,752,667
PSPRS Attorney Investigators	1,954,386
CORP Detention	10,098,072
CORP Dispatchers	410,856
CORP AOC (County's proportionate share)	14,427,765

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The net pension liabilities were measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Total pension liabilities as of June 30, 2016 reflect the following changes of benefit terms and actuarial assumptions.

- 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 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.
- Laws 2016, Chapter 2, changed the benefit formula and contribution requirements for members hired on or after July 1, 2017.
- The investment rate of return actuarial assumption was decreased from 7.85 percent to 7.50 percent for PSPRS and CORP plans.

The net pension liabilities measured as of June 30, 2017, will reflect changes of actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016. The change in the County's net pension liabilities as a result of these changes is not known.

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, 2016
Actuarial cost method	Entry age normal
Investment rate of return	7.50%
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, 2016, 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 7.50 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 arithmetic real rates of return for each major asset class are summarized in the following table:

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PSPRS and CORP Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
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>	

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

	PSPRS Sheriff	PSPRS Attorney Investigators	CORP Detention	CORP Dispatchers	CORP AOC
Discount rates	7.50%	2.85%	7.50%	7.50%	7.50%
Change from prior year	-0.35	-0.95	-0.35	-0.35	-0.35

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, to determine the total pension liability for this plan, the long-term expected rate of return on pension plan investments of 7.50 percent was applied to periods of projected benefit payments through the year ended June 30, 2016. A municipal bond rate of 2.85 percent obtained from the Federal Reserve as of June 30, 2016, was applied to all periods of projected benefit payments after June 30, 2016.

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Changes in the Net Pension Liability

PSPRS Sheriff

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2016	\$52,338,908	\$21,849,663	\$30,489,245
Changes for the year:			
Service cost	1,152,782		1,152,782
Interest on the total pension liability	4,052,963		4,052,963
Changes of benefit terms	1,708,705		1,708,705
Changes of assumptions or other inputs	2,025,679		2,025,679
Differences between expected and actual experience in the measurement of the pension liability	(1,627,846)		(1,627,846)
Contributions—employer		2,503,859	(2,503,859)
Contributions—employee		832,840	(832,840)
Net investment income		128,609	(128,609)
Benefit payments, including refunds of employee contributions	(2,570,389)	(2,570,389)	-
Administrative expense		(18,906)	18,906
Other changes		(397,541)	397,541
Net changes	4,741,894	478,472	4,263,422
Balances at June 30, 2017	\$57,080,802	\$22,328,135	\$34,752,667

PSPRS Attorneys Investigators

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2016	\$ 1,864,872	\$ (147,951)	\$ 2,012,823
Changes for the year:			
Interest on the total pension liability	69,407		69,407
Changes of benefit terms	(116,984)		(116,984)
Changes of assumptions or other inputs	231,585		231,585
Differences between expected and actual experience in the measurement of the pension liability	(150,161)		(150,161)
Contributions-employer		93,173	(93,173)
Net investment income		(570)	570
Benefit payments, including refunds of employee contributions	(76,767)	(76,767)	-
Administrative expense		(318)	318
Other changes		(1)	1
Net changes	(42,920)	15,517	(58,437)
Balances at June 30, 2017	\$ 1,821,952	\$ (132,434)	\$ 1,954,386

Yavapai County
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CORP - Detention	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2016	\$19,636,292	\$10,805,212	\$ 8,831,080
Changes for the year:			
Service cost	988,611		988,611
Interest on the total pension liability	1,536,381		1,536,381
Changes of benefit terms	47,154		47,154
Changes of assumptions or other inputs	826,003		826,003
Differences between expected and actual experience in the measurement of the pension liability	(378,493)		(378,493)
Contributions—employer		944,491	(944,491)
Contributions—employee		590,516	(590,516)
Net investment income		68,029	(68,029)
Benefit payments, including refunds of employee contributions	(1,117,729)	(1,117,729)	-
Administrative expense		(10,019)	10,019
Other changes		159,647	(159,647)
Net changes	1,901,927	634,935	1,266,992
Balances at June 30, 2017	<u>\$21,538,219</u>	<u>\$11,440,147</u>	<u>\$10,098,072</u>

CORP - Dispatchers	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2016	\$ 986,049	\$ 640,555	\$ 345,494
Changes for the year:			
Service cost	26,918		26,918
Interest on the total pension liability	76,674		76,674
Changes of benefit terms	1,068		1,068
Changes of assumptions or other inputs	32,179		32,179
Differences between expected and actual experience in the measurement of the pension liability	(29,051)		(29,051)
Contributions—employer		26,040	(26,040)
Contributions—employee		13,442	(13,442)
Net investment income		3,898	(3,898)
Benefit payments, including refunds of employee contributions	(45,532)	(45,532)	-
Administrative expense		(951)	951
Other changes		(3)	3
Net changes	62,256	(3,106)	65,362
Balances at June 30, 2017	<u>\$1,048,305</u>	<u>\$ 637,449</u>	<u>\$ 410,856</u>

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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, 2016. The County's proportion measured as of June 30, 2016, was 5.11 percent which was a increase of .04 from its proportion measured as of June 30, 2015.

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:

	1% Decrease	Current Discount Rate	1% Increase
PSPRS Sheriff			
Rate	6.50%	7.50%	8.50%
Net pension liability	\$41,929,634	\$34,752,667	\$28,831,656
PSPRS Attorney Investigators			
Rate	1.85%	2.85%	3.85%
Net pension liability	\$2,261,879	\$1,954,386	\$1,711,549
CORP Detention			
Rate	6.50%	7.50%	8.50%
Net pension liability	\$13,025,425	\$10,098,072	\$7,698,341
CORP Dispatchers			
Rate	6.50%	7.50%	8.50%
Net pension liability	\$559,873	\$410,856	\$289,913
CORP AOC			
Rate	6.50%	7.50%	8.50%
County's proportionate share of the net pension liability	\$18,542,765	\$14,427,765	\$11,028,948

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, 2017, the County recognized the following pension expense:

	Pension Expense
PSPRS Sheriff	\$6,047,964
PSPRS Attorney Investigators	41,521
CORP Detention	1,304,734
CORP Dispatchers	55,088
CORP AOC (County's proportionate share)	2,177,264

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Pension deferred outflows/inflows of resources—At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PSPRS Sheriff	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 246,208	\$ 1,697,047
Changes of assumptions or other inputs	3,764,626	
Net difference between projected and actual earnings on pension plan investments	1,380,257	
County contributions subsequent to the measurement date	2,950,478	
Total	<u>\$ 8,341,569</u>	<u>\$ 1,697,047</u>
PSPRS Attorney Investigators	Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	\$ 9,181	
County contributions subsequent to the measurement date	94,305	
Total	<u>\$ 103,486</u>	
CORP Detention	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$ 844,595
Changes of assumptions or other inputs	\$ 1,384,002	
Net difference between projected and actual earnings on pension plan investments	689,881	
County contributions subsequent to the measurement date	1,028,442	
Total	<u>\$ 3,102,325</u>	<u>\$ 844,595</u>

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CORP Dispatchers	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$ 93,395
Changes of assumptions or other inputs	\$ 106,972	
Net difference between projected and actual earnings on pension plan investments	38,998	
County contributions subsequent to the measurement date	31,876	
Total	<u>\$ 177,846</u>	<u>\$ 93,395</u>

CORP AOC	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 306,790	\$ 726,511
Changes in proportion and differences between county contributions and proportionate share of contributions	76,715	130,808
Changes of assumptions or other inputs	1,958,286	
Net difference between projected and actual earnings on pension plan investments	1,089,547	
County contributions subsequent to the measurement date	1,256,657	
Total	<u>\$ 4,687,995</u>	<u>\$ 857,319</u>

The amounts reported as deferred outflows of resources related to pensions resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	PSPRS Sheriff	PSPRS Attorney Investigators	CORP Detention	CORP Dispatchers	CORP AOC
Year ending June 30					
2018	\$1,254,631	\$(3,430)	\$333,565	\$12,515	\$758,201
2019	1,254,629	(3,432)	333,566	12,514	758,201
2020	777,874	(3,021)	367,125	19,203	712,257
2021	405,877	(2,081)	195,032	14,042	328,303
2022	1,033			(5,935)	17,058
Thereafter				236	

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Agent plan OPEB actuarial assumptions—The health insurance premium benefit contribution requirements for the year ended June 30, 2017, were established by the June 30, 2015, 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 2017 contribution requirements:

PSPRS and CORP—OPEB Contribution Requirements

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

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:

Year Ended June 30	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation
PSPRS Sheriff			
2017	\$ 47,031	100%	\$ 0
2016	45,395	100	0
2015	109,537	100	0

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Year Ended June 30	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation
PSPRS Attorney Investigators			
2017	\$ 0	0%	\$ 0
2016	0	0	0
2015	0	0	0
CORP Detention			
2017	\$ 0	0%	\$ 0
2016	0	0	0
2015	52,854	100	0
CORP Dispatchers			
2017	\$ 722	100%	\$ 0
2016	720	100	0
2015	1,763	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, 2016
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	20 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	7.50%
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.

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:

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

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EORP	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012
Disability Retirement	80% with 10 or more years of service	75% with 10 or more years of service
	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, 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, 2017, statute required active EORP members with an initial membership date on or before July 19, 2011, to contribute 13 percent of the members' annual covered payroll for July 2016 through April 8, 2017, and 7 percent of the members' annual covered payroll for April 9, 2017 through June 2017. Statute required active EORP members with an initial membership date after July 19, 2011, to contribute 13 percent of the members' annual covered payroll and the County to contribute 23.5 percent of all active EORP members' annual covered payroll. Also, statute required the County to contribute 12.16 percent to EORP of the annual covered payroll of elected officials and judges who were ASRS members and 17.50 percent to EORP of the annual covered payroll of elected officials and judges who were EODCRS members, in addition to the County's required contributions to ASRS and EODCRS for these elected officials and judges. In addition, statute required the County to contribute 23.5 percent of annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the EORP would typically fill. The County's contributions to the pension plan for the year ended June 30, 2017, were \$471,477. No OPEB contributions were required or made for the years ended June 30, 2015, 2016, and 2017.

During fiscal year 2017, the County paid for EORP pension contributions as follows: 93.3 percent from the General Fund, 2.5 percent from major funds, and 4.2 percent from other funds.

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Pension liability—At June 30, 2017, 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	\$24,151,757
State’s proportionate share of the EORP net pension liability associated with the County	<u>4,986,713</u>
Total	<u><u>\$29,138,470</u></u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability as of June 30, 2016, reflects a decrease in the investment rate of return actuarial assumption from 7.85 percent to 7.50 percent.

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, 2016. The County’s proportion measured as of June 30, 2016, was 2.556 percent, which was an increase of 0.263 from its proportion measured as of June 30, 2015.

The collective net pension liability measured as of June 30, 2017, will reflect changes of actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016. The change in the County’s proportionate share of the collective net pension liability as a result of these changes is not known.

Pension expense and deferred outflows/inflows of resources—For the year ended June 30, 2017, the County recognized pension expense for EORP of \$7,282,917 and revenue of \$1,330,703 for the County’s proportionate share of the State’s appropriation to EORP and the designated court fees. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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EORP	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$ 454,183
Changes of assumptions or other inputs	\$ 2,711,643	
Net difference between projected and actual earnings on pension plan investments	559,474	
Changes in proportion and differences between county contributions and proportionate share of contributions	1,050,844	
County contributions subsequent to the measurement date	471,477	
Total	<u>\$ 4,793,438</u>	<u>\$ 454,183</u>

The \$471,477 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, 2018. 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	
2018	\$ 2,667,396
2019	885,008
2020	203,302
2021	112,072

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

EORP

Actuarial valuation date	June 30, 2016
Actuarial cost method	Entry age normal
Investment rate of return	7.50%
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, 2016, 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 7.50 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 arithmetic rates of return for each major asset class are summarized in the following table:

EORP	Target	Long-Term Expected
Asset Class	Allocation	Arithmetic Real Rate of Return
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, 2016, the discount rate used to measure the EORP total pension liability was 3.68 percent, which was a decrease of 1.18 from the discount rate used as of June 30, 2015. 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 7.50 percent was applied to periods of projected benefit payments through the year ended June 30, 2027. A municipal bond rate of 2.85 percent obtained from the 20-year Bond Buyer Index, as published by the Federal Reserve as of June 30, 2016, was applied to periods of projected benefit payments after June 30, 2027.

Sensitivity of the County’s proportionate share of the EORP net pension liability to changes in the discount rate—The following table presents the County’s proportionate share of the net pension liability calculated using the discount rate of 3.68 percent, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.68 percent) or 1 percentage point higher (4.68 percent) than the current rate:

EORP	1% Decrease	Current	1% Increase
	(2.68%)	Discount Rate	(4.68%)
		(3.68%)	
County’s proportionate share of the net pension liability	\$28,113,837	\$24,151,757	\$20,844,427

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 who 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, 2017, 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, 2017, the County recognized pension expense of \$16,644. The County’s OPEB contributions for the current and 2 preceding years, all of which were equal to the required contributions, were as follows:

EODCDP	
Year ended June 30	Disability Fund
2017	\$347
2016	213
2015	0

Note 11 - Interfund Balances and Activity

Interfund receivables and payables—Interfund balances at June 30, 2017, were as follows:

Payable from	Payable to						Total
	General Fund	Jail District Fund	Regional Road Fund	HURF Road Fund	Capital Projects Fund	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 452,938	\$ -	\$ 84,125	\$ -	\$ 129,615	\$ 666,678
Jail District Fund	44,110	-	-	-	-	-	44,110
Regional Road Fund	-	-	-	6,370	-	-	6,370
HURF Road Fund	755,034	-	775	-	-	96,787	852,596
Capital Projects Fund	342,721	-	-	-	-	-	342,721
Nonmajor Governmental Funds	1,621,977	35,011	-	3,471	70,945	424,934	2,156,338
Total	\$2,763,842	\$ 487,949	\$ 775	\$ 93,966	\$ 70,945	\$ 651,336	\$4,068,813

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

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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, 2017, were as follows:

	Transfer To						Total
	General Fund	Jail District Fund	HURF Road Fund	Capital Projects Fund	Capital Projects Debt Service Fund	Nonmajor Governmental Funds	
Transfer from							
General Fund	\$ -	\$ 7,832,354	\$ -	\$ -	\$ -	\$ 614,620	\$ 8,446,974
Capital Projects Fund	342,721	-	-	-	2,111,865	-	2,454,586
Nonmajor Governmental Funds	40,641	-	1,636	84,211	-	960,010	1,086,498
Total	\$ 383,362	\$ 7,832,354	\$ 1,636	\$ 84,211	\$ 2,111,865	\$ 1,574,630	\$11,988,058

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 \$9,129 of interest earned in certain other funds to be transferred to the General Fund.

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The deposits and investments the County holds are included in the County Treasurer's investment pool, except for \$46,850 of cash on hand and \$4,080,282 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	\$ 43	None stated	None stated	\$ 43
State Treasurer's Investment Pool 7	104,085,000	None stated	None stated	104,171,092
U.S. treasury securities	13,646,933	0.625-1.000%	7/31/17-11/30/18	13,627,786
U.S. agency securities	44,409,047	0.78-1.375%	8/28/17-12/30/19	44,213,324
Money market funds	107,194	0.26%	7/1/17	107,194

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

Statement of Net Position

Assets	\$ 171,023,465
Liabilities	-
Net Position	<u>\$ 171,023,465</u>

Net position held in trust for:

Internal participants	\$ 54,198,383
External participants	116,825,082
Total net position held in trust	<u>\$ 171,023,465</u>

Statement of Changes in Net Position

Total additions	\$ 641,764,374
Total deductions	(662,372,765)
Net decrease	(20,608,391)
Net position held in trust:	
July 1, 2016	191,631,856
June 30, 2017	<u>\$ 171,023,465</u>

Note 13 - Subsequent Events

On September 6, 2017, the County approved an Authorizing Resolution to refinance the County's payment obligations under the capital lease agreement and to pay costs related to such transaction. The new Excise Tax Revenue Refunding Obligations in the par amount of \$16,978,000 were issued in a private placement with BBVA Compass Bank on October 17, 2017, at an average interest rate on the bonds of 2.09%. The proceeds of the bonds are to be held under a Depository Trust Agreement until May 15, 2018, when the funds will be used to pay off the outstanding capital lease payable. The purpose of the refinancing is to significantly reduce the County's interest costs over the remaining term of the current lease agreement. The term of the new financing will not extend beyond the term of the original financing.

REQUIRED SUPPLEMENTARY INFORMATION



Yavapai County
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 45,606,170	\$ 45,606,170	\$ 45,846,835	\$ 240,665
County sales taxes	7,877,142	7,877,142	7,888,458	11,316
Licenses and permits	1,850,000	1,850,000	2,181,689	331,689
Intergovernmental	37,166,454	37,166,454	42,045,328	4,878,874
Charges for services	1,630,000	1,630,000	1,904,913	274,913
Fines and forfeits	2,800,000	2,800,000	2,895,543	95,543
Investment earnings	30,000	30,000	10,377	(19,623)
Miscellaneous	300,000	300,000	232,097	(67,903)
Total revenues	<u>97,259,766</u>	<u>97,259,766</u>	<u>103,005,240</u>	<u>5,745,474</u>
Expenditures:				
General government				
Board of Supervisors	1,812,118	1,812,118	1,751,548	60,570
Human Resources	828,793	828,793	818,048	10,745
General Services	603,775	418,891	(369,399)	788,290
Elections	909,878	909,878	851,020	58,858
Public Works	241,754	257,648	237,739	19,909
Facilities	7,897,540	7,897,540	7,192,334	705,206
Development Services	4,096,268	4,096,268	4,088,331	7,937
Fleet	4,542,408	4,542,408	4,532,597	9,811
Medical Examiner	602,223	608,661	608,660	1
Finance	698,610	699,441	699,440	1
Assessor	4,031,902	4,031,902	3,767,945	263,957
County Attorney	7,403,210	7,403,210	7,303,399	99,811
Recorder	1,486,607	1,486,607	1,348,848	137,759
Management Information Systems	6,199,616	6,199,616	5,874,346	325,270
Clerk of the Court	2,853,843	2,853,843	2,771,273	82,570
Treasurer	942,108	942,108	892,876	49,232
Superior Courts	5,083,682	5,098,682	4,962,566	136,116
Public Defender	5,425,380	5,551,825	5,551,824	1
Prescott Justice of the Peace	680,952	680,952	654,775	26,177
Prescott Constable	93,762	96,500	96,500	-
Bagdad/Yarnell Justice of the Peace	348,408	348,408	331,880	16,528
Verde Valley Justice of the Peace	557,233	557,233	554,015	3,218
Mayer Justice of the Peace	468,236	468,236	463,284	4,952
Verde Constable	90,645	91,183	91,182	1
Mayer Constable	64,367	64,367	62,073	2,294
Seligman Constable	4,690	4,690	4,043	647
Bagdad/Yarnell Constable	5,390	5,390	5,104	286
Seligman Justice of the Peace	364,553	364,553	364,354	199
Geographic Information Systems	550,229	550,229	531,276	18,953
Total General government	<u>58,888,180</u>	<u>58,871,180</u>	<u>56,041,881</u>	<u>2,829,299</u>

(Continued)

See accompanying notes to budgetary comparison schedules.

Yavapai County
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2017
(Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public safety				
Sheriff	\$ 18,911,430	\$ 18,911,430	\$ 18,860,321	\$ 51,109
Adult Probation	3,269,052	3,269,052	2,994,835	274,217
Juvenile Probation	3,818,198	3,818,198	3,739,438	78,760
Total Public safety	<u>25,998,680</u>	<u>25,998,680</u>	<u>25,594,594</u>	<u>404,086</u>
Sanitation				
Solid Waste	<u>1,456,103</u>	<u>1,456,103</u>	<u>1,387,850</u>	<u>68,253</u>
Welfare				
Medical Assistance	10,303,000	10,303,000	10,303,023	(23)
Public Fiduciary	461,404	461,404	455,038	6,366
Total Welfare	<u>10,764,404</u>	<u>10,764,404</u>	<u>10,758,061</u>	<u>6,343</u>
Culture and recreation				
Facilities	<u>149,300</u>	<u>149,300</u>	<u>127,831</u>	<u>21,469</u>
Education				
School Superintendent	<u>673,576</u>	<u>690,576</u>	<u>688,966</u>	<u>1,610</u>
Debt service				
Principal retirement	-	-	38,937	(38,937)
Interest and other charges	-	-	8,296	(8,296)
Total Debt service	<u>-</u>	<u>-</u>	<u>47,233</u>	<u>(47,233)</u>
Total expenditures	<u>97,930,243</u>	<u>97,930,243</u>	<u>94,646,416</u>	<u>3,283,827</u>
Excess (deficiency) of revenues over expenditures	(670,477)	(670,477)	8,358,824	9,029,301
Other financing sources (uses):				
Sale of capital assets	-	-	115,706	115,706
Transfers in	355,181	355,181	383,362	28,181
Transfers out	<u>(8,446,482)</u>	<u>(8,446,482)</u>	<u>(8,446,974)</u>	<u>(492)</u>
Total other financing sources (uses)	<u>(8,091,301)</u>	<u>(8,091,301)</u>	<u>(7,947,906)</u>	<u>143,395</u>
Net change in fund balances	(8,761,778)	(8,761,778)	410,918	9,172,696
Fund balances, July 1, 2016	<u>8,761,778</u>	<u>8,761,778</u>	<u>10,102,352</u>	<u>1,340,574</u>
Fund balances, June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,513,270</u>	<u>\$ 10,513,270</u>

See accompanying notes to budgetary comparison schedules.

Yavapai County
Required Supplementary Information
Budgetary Comparison Schedule
Jail District Fund
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
County sales taxes	\$ 8,418,219	\$ 8,418,219	\$ 8,461,467	\$ 43,248
Intergovernmental	-	-	6,000	6,000
Charges for services	860,000	860,000	1,021,257	161,257
Investment earnings	-	-	(417)	(417)
Miscellaneous	-	-	31,962	31,962
Total revenues	9,278,219	9,278,219	9,520,269	242,050
Expenditures:				
Public safety				
Sheriff	17,887,463	17,887,463	17,206,086	681,377
Total expenditures	17,887,463	17,887,463	17,206,086	681,377
Excess (deficiency) of revenues over expenditures	(8,609,244)	(8,609,244)	(7,685,817)	923,427
Other financing sources (uses):				
Transfers in	7,832,354	7,832,354	7,832,354	-
Total other financing sources (uses)	7,832,354	7,832,354	7,832,354	-
Net change in fund balances	(776,890)	(776,890)	146,537	923,427
Fund balances, July 1, 2016	776,890	776,890	1,040,607	263,717
Fund balances, June 30, 2017	\$ -	\$ -	\$ 1,187,144	\$ 1,187,144

See accompanying notes to budgetary comparison schedules.

Yavapai County
Required Supplementary Information
Budgetary Comparison Schedule
Regional Road Fund
Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
County sales taxes	\$ 6,744,126	\$ 6,744,126	\$ 6,761,807	\$ 17,681
Licenses and permits	1,055,455	1,055,455	1,356,600	301,145
Investment earnings	-	-	14,749	14,749
Miscellaneous	94,536	94,536	85	(94,451)
Total revenues	<u>7,894,117</u>	<u>7,894,117</u>	<u>8,133,241</u>	<u>239,124</u>
Expenditures:				
Highways and streets				
Public Works	<u>13,935,515</u>	<u>13,935,515</u>	<u>9,215,222</u>	<u>4,720,293</u>
Total expenditures	<u>13,935,515</u>	<u>13,935,515</u>	<u>9,215,222</u>	<u>4,720,293</u>
Net change in fund balances	(6,041,398)	(6,041,398)	(1,081,981)	4,959,417
Fund balances, July 1, 2016	<u>6,041,398</u>	<u>6,041,398</u>	<u>8,829,152</u>	<u>2,787,754</u>
Fund balances, June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,747,171</u>	<u>\$ 7,747,171</u>

See accompanying notes to budgetary comparison schedules.

Yavapai County
Required Supplementary Information
Budgetary Comparison Schedule
HURF Road Fund
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 15,382,150	\$ 15,382,150	\$ 15,731,312	\$ 349,162
Investment earnings	-	-	17,197	17,197
Miscellaneous	100,000	100,000	144,882	44,882
Total revenues	<u>15,482,150</u>	<u>15,482,150</u>	<u>15,893,391</u>	<u>411,241</u>
Expenditures:				
Highways and streets				
Public Works	19,152,388	19,152,388	17,465,534	1,686,854
Total expenditures	<u>19,152,388</u>	<u>19,152,388</u>	<u>17,465,534</u>	<u>1,686,854</u>
Excess (deficiency) of revenues over expenditures	(3,670,238)	(3,670,238)	(1,572,143)	2,098,095
Other financing sources (uses):				
Sale of capital assets	-	-	65,646	65,646
Transfers in	-	-	1,636	1,636
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>67,282</u>	<u>67,282</u>
Net change in fund balances	(3,670,238)	(3,670,238)	(1,504,861)	2,165,377
Fund balances, July 1, 2016	<u>3,670,238</u>	<u>3,670,238</u>	<u>9,417,060</u>	<u>5,746,822</u>
Fund balances, June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,912,199</u>	<u>\$ 7,912,199</u>

See accompanying notes to budgetary comparison schedules.

Yavapai County
Required Supplementary Information
Notes to Budgetary Comparison Schedules
Year Ended June 30, 2017

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, 2017

Arizona State Retirement System

	Reporting Fiscal Year (Measurement Date)			2014 Through 2008
	2017 (2016)	2016 (2015)	2015 (2014)	
County's proportion of the net pension liability	0.52%	0.52%	0.51%	Information not available
County's proportionate share of the net pension liability	\$84,285,098	\$81,490,182	\$76,184,758	
County's covered payroll	\$49,335,529	\$47,907,455	\$46,058,533	
County's proportionate share of the net pension liability as a percentage of its covered payroll	170.84%	170.10%	165.41%	
Plan fiduciary net position as a percentage of the total pension liability	67.06%	68.35%	69.49%	

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

	Reporting Fiscal Year (Measurement Date)			2014 Through 2008
	2017 (2016)	2016 (2015)	2015 (2014)	
County's proportion of the net pension liability	5.11%	5.07%	5.18%	Information not available
County's proportionate share of the net pension liability	\$14,427,765	\$12,320,726	\$11,614,215	
County's covered payroll	\$5,745,164	\$ 5,644,640	\$ 5,561,218	
County's proportionate share of the net pension liability as a percentage of its covered payroll	251.13%	218.27%	208.84%	
Plan fiduciary net position as a percentage of the total pension liability	54.81%	57.89%	58.59%	

Elected Officials Retirement Plan

	Reporting Fiscal Year (Measurement Date)			2014 Through 2008
	2017 (2016)	2016 (2015)	2015 (2014)	
County's proportion of the net pension liability	2.56%	2.29%	2.24%	Information not available
County's proportionate share of the net pension liability	\$24,151,757	\$17,920,322	\$15,019,310	
State's proportionate share of the net pension liability associated with the County	4,986,713	5,586,811	4,605,060	
Total	<u>29,138,470</u>	<u>\$23,507,133</u>	<u>\$19,624,370</u>	
County's covered payroll	\$ 2,249,649	\$ 2,076,661	\$ 2,059,739	
County's proportionate share of the net pension liability as a percentage of its covered payroll	1073.58%	862.94%	729.19%	
Plan fiduciary net position as a percentage of the total pension liability	23.42%	28.32%	31.91%	

See accompanying notes to pension plan schedules.

Yavapai County
Required Supplementary Information
Schedule of Changes in the County's Net Pension Liability and Related Ratios
Agent Pension Plans
Year Ended June 30, 2017

PSPRS Sheriff	Reporting Fiscal Year (Measurement Date)			2014 through 2008 Information not available
	2017 (2016)	2016 (2015)	2015 (2014)	
Total pension liability				
Service cost	\$ 1,152,782	\$ 1,239,355	\$ 1,251,087	
Interest on the total pension liability	4,052,963	3,828,510	3,271,983	
Changes of benefit terms	1,708,705	-	1,079,590	
Differences between expected and actual experience in the measurement of the pension liability	(1,627,846)	406,046	(943,103)	
Changes of assumptions or other inputs	2,025,679	-	5,130,666	
Benefit payments, including refunds of employee contributions	<u>(2,570,389)</u>	<u>(2,572,307)</u>	<u>(2,817,373)</u>	
Net change in total pension liability	4,741,894	2,901,604	6,972,850	
Total pension liability—beginning	<u>52,338,908</u>	<u>49,437,304</u>	<u>42,464,454</u>	
Total pension liability—ending (a)	<u>\$57,080,802</u>	<u>\$52,338,908</u>	<u>\$49,437,304</u>	
Plan fiduciary net position				
Contributions—employer	\$2,503,859	\$2,010,938	\$1,852,166	
Contributions—employee	832,840	762,569	710,433	
Net investment income	128,609	773,273	2,549,590	
Benefit payments, including refunds of employee contributions	(2,570,389)	(2,572,307)	(2,817,373)	
Administrative expense	(18,906)	(19,247)	(20,534)	
Other changes	<u>(397,541)</u>	<u>(31,317)</u>	<u>22,682</u>	
Net change in plan fiduciary net position	478,472	923,909	2,296,964	
Plan fiduciary net position—beginning	<u>21,849,663</u>	<u>20,925,754</u>	<u>18,628,790</u>	
Plan fiduciary net position—ending (b)	<u>\$22,328,135</u>	<u>\$21,849,663</u>	<u>\$20,925,754</u>	
County's net pension liability—ending (a) – (b)	<u>\$34,752,667</u>	<u>\$30,489,245</u>	<u>\$28,511,550</u>	
Plan fiduciary net position as a percentage of the total pension liability	39.12%	41.75%	42.33%	
Covered payroll	\$6,559,961	\$6,914,257	\$6,750,559	
County's net pension liability as a percentage of covered payroll	529.77%	440.96%	422.36%	

See accompanying notes to pension plan schedules.

Yavapai County
Required Supplementary Information
Schedule of Changes in the County's Net Pension Liability and Related Ratios
Agent Pension Plans
Year Ended June 30, 2017

PSPRS Attorney Investigators	Reporting Fiscal Year (Measurement Date)			2014 through 2008 Information not available
	2017 (2016)	2016 (2015)	2015 (2014)	
Total pension liability				
Interest on the total pension liability	\$ 69,407	\$ 73,958	\$ 61,974	
Changes of benefit terms	(116,984)	-	52,666	
Differences between expected and actual experience in the measurement of the pension liability	(150,161)	(23,931)	5,127	
Changes of assumptions or other inputs	231,585	129,272	890,765	
Benefit payments, including refunds of employee contributions	(76,767)	(76,767)	(75,348)	
Net change in total pension liability	(42,920)	102,532	935,184	
Total pension liability—beginning	1,864,872	1,762,340	827,156	
Total pension liability—ending (a)	<u>\$1,821,952</u>	<u>\$1,864,872</u>	<u>\$1,762,340</u>	
Plan fiduciary net position				
Contributions—employer	\$ 93,173	\$ 8,301	\$	
Net Investment income	(570)	(3,918)		
Benefit payments, including refunds of employee contributions	(76,767)	(76,767)	(75,348)	
Administrative expense	(318)	(377)	(3,478)	
Other changes	(1)	78	-	
Net change in plan fiduciary net position	15,517	(72,683)	(78,826)	
Plan fiduciary net position—beginning	(147,951)	(75,268)	3,558	
Plan fiduciary net position—ending (b)	<u>\$ (132,434)</u>	<u>\$ (147,951)</u>	<u>\$ (75,268)</u>	
County's net pension liability—ending (a) – (b)	<u>\$1,954,386</u>	<u>\$2,012,823</u>	<u>\$1,837,608</u>	
Plan fiduciary net position as a percentage of the total pension liability	(7.27)%	(7.93)%	(4.27)%	
Covered payroll	\$ 49,988	\$ 44,148	\$ -	
County's net pension liability as a percentage of covered payroll	3909.71%	4559.26%	0.00%	

See accompanying notes to pension plan schedules.

Yavapai County
Required Supplementary Information
Schedule of Changes in the County's Net Pension Liability and Related Ratios
Agent Pension Plans
Year Ended June 30, 2017

CORP Detention	Reporting Fiscal Year (Measurement Date)			2014 through 2008
	2017 (2016)	2016 (2015)	2015 (2014)	Information not available
Total pension liability				
Service cost	\$ 988,611	\$ 1,005,903	\$ 938,158	
Interest on the total pension liability	1,536,381	1,505,127	1,286,356	
Changes of benefit terms	47,154	-	274,603	
Differences between expected and actual experience in the measurement of the pension liability	(378,493)	(832,875)	(54,841)	
Changes of assumptions or other inputs	826,003	-	1,530,233	
Benefit payments, including refunds of employee contributions	<u>(1,117,729)</u>	<u>(1,425,008)</u>	<u>(1,017,964)</u>	
Net change in total pension liability	1,901,927	253,147	2,956,545	
Total pension liability—beginning	<u>19,636,292</u>	<u>19,383,145</u>	<u>16,426,600</u>	
Total pension liability—ending (a)	<u>\$21,538,219</u>	<u>\$19,636,292</u>	<u>\$19,383,145</u>	
 Plan fiduciary net position				
Contributions—employer	\$ 944,491	\$ 775,798	\$ 797,162	
Contributions—employee	590,516	558,422	549,792	
Net investment income	68,029	389,607	1,273,246	
Benefit payments, including refunds of employee contributions	(1,117,729)	(1,425,008)	(1,017,964)	
Administrative expense	(10,019)	(9,992)	(10,011)	
Other changes	159,647	(4,173)	13,459	
Net change in plan fiduciary net position	634,935	284,654	1,605,684	
Plan fiduciary net position—beginning	<u>10,805,212</u>	<u>10,520,558</u>	<u>8,914,874</u>	
Plan fiduciary net position—ending (b)	<u>\$11,440,147</u>	<u>\$10,805,212</u>	<u>\$10,520,558</u>	
 County's net pension liability—ending (a) – (b)	<u>\$10,098,072</u>	<u>\$ 8,831,080</u>	<u>\$ 8,862,587</u>	
 Plan fiduciary net position as a percentage of the total pension liability	53.12%	55.03%	54.28%	
 Covered payroll	\$ 7,089,947	\$ 6,632,955	\$ 6,504,219	
 County's net pension liability as a percentage of covered payroll	142.43%	133.14%	136.26%	

See accompanying notes to pension plan schedules.

Yavapai County
Required Supplementary Information
Schedule of Changes in the County's Net Pension Liability and Related Ratios
Agent Pension Plans
Year Ended June 30, 2017

CORP Dispatchers	Reporting Fiscal Year (Measurement Date)			2014 through 2008
	2017 (2016)	2016 (2015)	2015 (2014)	Information not available
Total pension liability				
Service cost	\$ 26,918	\$ 41,579	\$ 41,321	
Interest on the total pension liability	76,674	79,112	63,852	
Changes of benefit terms	1,068	-	18,973	
Differences between expected and actual experience in the measurement of the pension liability	(29,051)	(87,486)	(10,929)	
Changes of assumptions or other inputs	32,179	-	134,919	
Benefit payments, including refunds of employee contributions	(45,532)	(68,315)	(39,444)	
Net change in total pension liability	62,256	(35,110)	208,692	
Total pension liability—beginning	986,049	1,021,159	812,467	
Total pension liability—ending (a)	<u>\$ 1,048,305</u>	<u>\$ 986,049</u>	<u>\$ 1,021,159</u>	
Plan fiduciary net position				
Contributions—employer	\$ 26,040	\$ 24,321	\$ 25,937	
Contributions—employee	13,442	18,633	21,529	
Net investment income	3,898	24,701	80,571	
Benefit payments, including refunds of employee contributions	(45,532)	(68,315)	(39,444)	
Administrative expense	(951)	(999)	(634)	
Other changes	(3)	(28,739)	(11,346)	
Net change in plan fiduciary net position	(3,106)	(30,398)	76,613	
Plan fiduciary net position—beginning	640,555	670,953	594,340	
Plan fiduciary net position—ending (b)	<u>\$637,449</u>	<u>\$640,555</u>	<u>\$670,953</u>	
County's net pension liability—ending (a) – (b)	<u>\$410,856</u>	<u>\$345,494</u>	<u>\$350,206</u>	
Plan fiduciary net position as a percentage of the total pension liability	60.81%	64.96%	65.71%	
Covered payroll	\$168,874	\$234,082	\$270,459	
County's net pension liability as a percentage of covered payroll	243.29%	147.60%	129.49%	

See accompanying notes to pension plan schedules.

Yavapai County
 Required Supplementary Information
 Schedule of County Pension Contributions
 Year Ended June 30, 2017

Arizona State Retirement System

	Reporting Fiscal Year				2013 through 2008
	2017	2016	2015	2014	
Statutorily required contribution	\$ 5,516,497	\$ 5,354,580	\$ 5,268,591	\$ 4,966,172	Information not available
County's contributions in relation to the statutorily required contribution	<u>5,516,497</u>	<u>5,354,580</u>	<u>5,268,591</u>	<u>4,966,172</u>	
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	\$49,690,342	\$49,335,529	\$47,907,454	\$46,058,533	
County's contributions as a percentage of covered payroll	11.10%	10.85%	11.00%	10.78%	

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

	Reporting Fiscal Year				2013 through 2008
	2017	2016	2015	2014	
Statutorily required contribution	\$1,256,657	\$1,087,798	\$ 859,334	\$ 804,927	Information not available
County's contributions in relation to the statutorily required contribution	<u>1,256,657</u>	<u>1,087,798</u>	<u>859,334</u>	<u>804,927</u>	
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	\$6,182,464	\$5,745,164	\$5,644,640	\$5,561,218	
County's contributions as a percentage of covered payroll	20.33%	18.93%	15.22%	14.47%	

Elected Officials Retirement Plan

	Reporting Fiscal Year				2013 through 2008
	2017	2016	2015	2014	
Statutorily required contribution	\$ 471,477	\$ 485,887	\$ 422,170	\$ 477,238	Information not available
County's contributions in relation to the statutorily required contribution	<u>471,477</u>	<u>485,887</u>	<u>422,170</u>	<u>477,238</u>	
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	\$2,269,833	\$2,249,649	\$2,076,661	\$2,059,739	
County's contributions as a percentage of covered payroll	20.77%	21.60%	20.33%	23.17%	

PSPRS Sheriff

	Reporting Fiscal Year				2013 through 2008
	2017	2016	2015	2014	
Actuarially required contribution	\$ 2,950,478	\$2,528,066	\$2,035,907	\$1,852,166	Information not available
County's contributions in relation to the actuarially required contribution	<u>2,950,478</u>	<u>2,528,066</u>	<u>2,035,907</u>	<u>1,852,166</u>	
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	\$7,440,543	\$6,559,961	\$6,914,257	\$6,750,559	
County's contributions as a percentage of covered payroll	39.65%	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, 2017

PSPRS Attorney Investigators

	Reporting Fiscal Year				2013 through 2008
	2017	2016	2015	2014	
Actuarially required contribution	\$ 94,305	\$ 92,975	\$ 57,890	\$ 43,957	Information not available
County's contributions in relation to the actuarially required contribution	94,305	92,975	57,890	43,957	
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	\$ 98,197	\$ 49,988	\$ 44,148	\$ -	
County's contributions as a percentage of covered payroll	96.04%	185.99%	131.13%	0.00%	

CORP Detention

	Reporting Fiscal Year				2013 through 2008
	2017	2016	2015	2014	
Actuarially required contribution	\$ 1,028,442	\$ 954,118	\$ 781,431	\$ 797,162	Information not available
County's contributions in relation to the actuarially required contribution	1,028,442	954,118	781,431	797,162	
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	\$6,842,569	\$7,089,947	\$6,632,955	\$6,504,219	
County's contributions as a percentage of covered payroll	15.03%	13.46%	11.78%	12.26%	

CORP Dispatchers

	Reporting Fiscal Year				2013 through 2008
	2017	2016	2015	2014	
Actuarially required contribution	\$ 31,876	\$ 26,450	\$ 24,425	\$ 25,937	Information not available
County's contributions in relation to the actuarially required contribution	31,876	26,450	24,425	25,937	
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	\$ 174,660	\$168,874	\$234,082	\$270,459	
County's contributions as a percentage of covered payroll	18.25%	15.66%	10.43%	9.60%	

See accompanying notes to pension plan schedules.

Yavapai County
 Required Supplementary Information
 Notes to Pension Plan Schedules
 Year Ended June 30, 2017

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 2015 actuarial valuation	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	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)

Note 2 – Factors That Affect Trends

In February 2014, the Arizona Supreme Court affirmed a Superior Court ruling that a 2011 law that changed the mechanism for funding permanent benefit increases was unconstitutional. As a result, the PSPRS, CORP, and CORP–AOC changed benefit terms to reflect the prior mechanism for funding permanent benefit increases and revised actuarial assumptions to explicitly value future permanent benefit increases. These changes are included in the PSPRS' and CORP's changes in total pension liability for fiscal year 2015 (measurement date 2014) in the schedule of changes in the County's net pension liability and related ratios. These changes also increased the PSPRS, CORP, and CORP–AOC's required contributions beginning in fiscal year 2016 in the schedule of county pension contributions.

Yavapai County
 Required Supplementary Information
 Schedule of Agent OPEB Plans' Funding Progress
 Year Ended June 30, 2017

Health Insurance Premium Benefit

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

Yavapai County
Nonmajor Governmental Funds
Year Ended June 30, 2017

SPECIAL REVENUE FUNDS

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

Yavapai County
Nonmajor Governmental Funds
Year Ended June 30, 2017

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

DEBT SERVICE FUNDS

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

Yavapai County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017

	Special Revenue			
	Health Care	Recorder's Surcharge	Treasurer	Election
Assets				
Cash and cash equivalents	\$ 4,355,504	\$ 267,927	\$ 280,909	\$ 17
Receivables:				
Property taxes	-	-	-	-
Special assessments	-	-	-	-
Accounts	26,479	4,113	266	-
Due from:				
Other funds	-	-	-	-
Other governments	911,463	-	-	-
Prepaid items	11,527	90,163	-	-
Total assets	<u>\$ 5,304,973</u>	<u>\$ 362,203</u>	<u>\$ 281,175</u>	<u>\$ 17</u>
Liabilities				
Accounts payable	\$ 97,138	\$ 74	\$ 2,314	\$ -
Accrued payroll and employee benefits	388,781	873	-	-
Due to other funds	28,263	70,945	-	-
Total liabilities	<u>514,182</u>	<u>71,892</u>	<u>2,314</u>	<u>-</u>
Deferred Inflows of Resources				
Unavailable revenue-property taxes	-	-	-	-
Unavailable revenue-special assessments	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Nonspendable	11,527	90,163	-	-
Restricted	4,375,501	200,148	278,861	17
Committed	403,763	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>4,790,791</u>	<u>290,311</u>	<u>278,861</u>	<u>17</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,304,973</u>	<u>\$ 362,203</u>	<u>\$ 281,175</u>	<u>\$ 17</u>

Special Revenue

Public Library	Education Service Agency	Parks & Recreation	Landfill / Environment	Public Works	Finance
\$ 1,922,559	\$ 763,244	\$ 125,156	\$ 774,769	\$ 14,249	\$ 509,273
124,016	-	-	-	-	-
-	-	-	-	-	-
3,071	2,088	-	2,905	-	34,508
-	1,032	-	16,541	-	-
51,162	120,949	-	109,578	-	278,430
-	-	-	-	-	-
<u>\$ 2,100,808</u>	<u>\$ 887,313</u>	<u>\$ 125,156</u>	<u>\$ 903,793</u>	<u>\$ 14,249</u>	<u>\$ 822,211</u>
\$ 76,523	\$ 130,736	\$ -	\$ 58,446	\$ -	\$ 280,599
44,857	102,798	-	4,833	-	-
590,258	14,154	6,988	10,275	-	543,191
<u>711,638</u>	<u>247,688</u>	<u>6,988</u>	<u>73,554</u>	<u>-</u>	<u>823,790</u>
89,929	-	-	-	-	-
-	-	-	-	-	-
<u>89,929</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
1,299,241	704,717	118,168	830,239	14,249	-
-	-	-	-	-	-
-	(65,092)	-	-	-	(1,579)
<u>1,299,241</u>	<u>639,625</u>	<u>118,168</u>	<u>830,239</u>	<u>14,249</u>	<u>(1,579)</u>
<u>\$ 2,100,808</u>	<u>\$ 887,313</u>	<u>\$ 125,156</u>	<u>\$ 903,793</u>	<u>\$ 14,249</u>	<u>\$ 822,211</u>

Yavapai County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017
(Continued)

	Special Revenue			
	Improvement Districts	Clerk of Superior Court	County Attorney	Law Enforcement
Assets				
Cash and cash equivalents	\$ 3,010,238	\$ 248,987	\$ 777,320	\$ 990,512
Receivables:				
Property taxes	108,519	-	-	-
Special assessments	-	-	-	-
Accounts	1,478	5,304	3,918	51,012
Due from:				
Other funds	92,003	-	113,211	43,438
Other governments	217,842	-	94,400	87,420
Prepaid items	2,227	-	1,895	7,926
Total assets	<u>\$ 3,432,307</u>	<u>\$ 254,291</u>	<u>\$ 990,744</u>	<u>\$ 1,180,308</u>
Liabilities				
Accounts payable	\$ 1,028,000	\$ -	\$ 24,303	\$ 112,737
Accrued payroll and employee benefits	40,497	-	40,545	45,222
Due to other funds	598,824	-	1,771	206,900
Total liabilities	<u>1,667,321</u>	<u>-</u>	<u>66,619</u>	<u>364,859</u>
Deferred Inflows of Resources				
Unavailable revenue-property taxes	79,477	-	-	-
Unavailable revenue-special assessments	-	-	-	-
Total deferred inflows of resources	<u>79,477</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Nonspendable	2,227	-	1,895	7,926
Restricted	1,683,282	254,291	922,230	807,523
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>1,685,509</u>	<u>254,291</u>	<u>924,125</u>	<u>815,449</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,432,307</u>	<u>\$ 254,291</u>	<u>\$ 990,744</u>	<u>\$ 1,180,308</u>

Special Revenue

Emergency Management	Probation	Courts	Public Defender	Airport Development	CYMPO
\$ 304,625	\$ 1,698,016	\$ 1,021,817	\$ 250,699	\$ 59,128	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
122	116,078	45,796	5,727	-	-
-	-	297,715	87,396	-	-
-	5,048	34,946	6,089	28,408	56,894
-	12,299	-	-	-	-
<u>\$ 304,747</u>	<u>\$ 1,831,441</u>	<u>\$ 1,400,274</u>	<u>\$ 349,911</u>	<u>\$ 87,536</u>	<u>\$ 56,894</u>
\$ 5,000	\$ 195,820	\$ 10,114	\$ 746	\$ 33,044	\$ 326
6,026	246,298	45,822	7,642	-	8,521
-	3,265	1,250	-	-	80,254
<u>11,026</u>	<u>445,383</u>	<u>57,186</u>	<u>8,388</u>	<u>33,044</u>	<u>89,101</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	12,299	-	-	-	-
293,721	1,375,403	1,326,644	341,523	-	-
-	-	16,444	-	-	-
-	(1,644)	-	-	54,492	(32,207)
<u>293,721</u>	<u>1,386,058</u>	<u>1,343,088</u>	<u>341,523</u>	<u>54,492</u>	<u>(32,207)</u>
<u>\$ 304,747</u>	<u>\$ 1,831,441</u>	<u>\$ 1,400,274</u>	<u>\$ 349,911</u>	<u>\$ 87,536</u>	<u>\$ 56,894</u>

Yavapai County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017
(Continued)

	Debt Service		Total
	Coyote Springs	Poquito Valley	Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	\$ 432,325	\$ 591,185	\$ 18,398,459
Receivables:			
Property taxes	-	-	232,535
Special assessments	234,646	854,003	1,088,649
Accounts	-	-	302,865
Due from:			
Other funds	-	-	651,336
Other governments	-	-	2,002,629
Prepaid items	-	-	126,037
Total assets	<u>\$ 666,971</u>	<u>\$ 1,445,188</u>	<u>\$ 22,802,510</u>
Liabilities			
Accounts payable	\$ -	\$ -	\$ 2,055,920
Accrued payroll and employee benefits	-	-	982,715
Due to other funds	-	-	2,156,338
Total liabilities	<u>-</u>	<u>-</u>	<u>5,194,973</u>
Deferred Inflows of Resources			
Unavailable revenue-property taxes	-	-	169,406
Unavailable revenue-special assessments	234,646	854,003	1,088,649
Total deferred inflows of resources	<u>234,646</u>	<u>854,003</u>	<u>1,258,055</u>
Fund Balances			
Nonspendable	-	-	126,037
Restricted	432,325	591,185	15,849,268
Committed	-	-	420,207
Unassigned	-	-	(46,030)
Total fund balances	<u>432,325</u>	<u>591,185</u>	<u>16,349,482</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 666,971</u>	<u>\$ 1,445,188</u>	<u>\$ 22,802,510</u>

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Yavapai County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2017

	Special Revenue			
	Health Care	Recorder's Surcharge	Assessor's Surcharge	Treasurer
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	725,204	-	-	-
Intergovernmental	5,149,077	-	-	-
Charges for services	6,034,033	262,436	-	20,620
Fines and forfeits	-	-	-	-
Investment earnings	11,584	550	-	24,014
Miscellaneous	1,930,728	-	-	13,581
Total revenues	<u>13,850,626</u>	<u>262,986</u>	<u>-</u>	<u>58,215</u>
Expenditures:				
Current:				
General government	-	172,085	-	55,534
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Sanitation	-	-	-	-
Health	14,686,935	-	-	-
Culture and recreation	-	-	-	-
Education	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>14,686,935</u>	<u>172,085</u>	<u>-</u>	<u>55,534</u>
Excess (deficiency) of revenues over expenditures	(836,309)	90,901	-	2,681
Other financing sources (uses):				
Sale of capital assets	-	-	-	-
Transfers in	572,407	-	-	-
Transfers out	-	(70,945)	(78)	-
Total other financing sources (uses)	<u>572,407</u>	<u>(70,945)</u>	<u>(78)</u>	<u>-</u>
Net change in fund balances	(263,902)	19,956	(78)	2,681
Fund Balances, July 1, 2016	<u>5,054,693</u>	<u>270,355</u>	<u>78</u>	<u>276,180</u>
Fund Balances, June 30, 2017	<u>\$ 4,790,791</u>	<u>\$ 290,311</u>	<u>\$ -</u>	<u>\$ 278,861</u>

Special Revenue

Election	Public Library	Education Service Agency	Parks & Recreation	Landfill / Environment	Public Works
\$ -	\$ 4,490,302	\$ 237,141	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	93,943	1,428,098	3,477	451,616	-
-	-	1,184,529	-	16,143	-
-	-	-	-	-	-
48	4,387	2,340	(335)	(1,715)	25
-	150,628	929,073	8,200	19,808	-
<u>48</u>	<u>4,739,260</u>	<u>3,781,181</u>	<u>11,342</u>	<u>485,852</u>	<u>25</u>
19,432	4,322,826	-	88,905	-	-
-	-	-	-	-	-
-	-	-	-	444,126	-
-	-	-	-	-	-
-	-	-	4,402	-	-
-	-	3,988,750	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>19,432</u>	<u>4,322,826</u>	<u>3,988,750</u>	<u>93,307</u>	<u>444,126</u>	<u>-</u>
(19,384)	416,434	(207,569)	(81,965)	41,726	25
-	-	1,932	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(42,341)</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>1,932</u>	<u>(42,341)</u>	<u>-</u>	<u>-</u>
(19,384)	416,434	(205,637)	(124,306)	41,726	25
19,401	882,807	845,262	242,474	788,513	14,224
<u>\$ 17</u>	<u>\$ 1,299,241</u>	<u>\$ 639,625</u>	<u>\$ 118,168</u>	<u>\$ 830,239</u>	<u>\$ 14,249</u>

Yavapai County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2017
(Continued)

	Special Revenue			
	Finance	Improvement Districts	Clerk of Superior Court	County Attorney
Revenues:				
Property taxes	\$ -	\$ 4,104,560	\$ -	\$ -
Special assessments	-	15,294	-	-
Licenses and permits	-	-	-	-
Intergovernmental	1,428,142	311,926	-	887,507
Charges for services	-	-	65,079	20,058
Fines and forfeits	425,699	-	448	175
Investment earnings	(921)	6,232	480	2,220
Miscellaneous	-	2,362	-	1,061,292
Total revenues	1,852,920	4,440,374	66,007	1,971,252
Expenditures:				
Current:				
General government	1,431,798	-	4,419	1,506,631
Public safety	-	5,121,810	-	-
Highways and streets	-	62,501	-	-
Sanitation	-	55,067	-	-
Health	-	-	-	-
Culture and recreation	-	-	-	-
Education	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	1,431,798	5,239,378	4,419	1,506,631
 Excess (deficiency) of revenues over expenditures	 421,122	 (799,004)	 61,588	 464,621
Other financing sources (uses):				
Sale of capital assets	-	-	-	3,574
Transfers in	-	-	-	91,993
Transfers out	(423,613)	-	-	(530,680)
Total other financing sources (uses)	(423,613)	-	-	(435,113)
 Net change in fund balances	 (2,491)	 (799,004)	 61,588	 29,508
 Fund Balances, July 1, 2016	 912	 2,484,513	 192,703	 894,617
Fund Balances, June 30, 2017	\$ (1,579)	\$ 1,685,509	\$ 254,291	\$ 924,125

Special Revenue

Law Enforcement	Emergency Management	Probation	Courts	Public Defender	Airport Development
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
1,638,339	98,473	5,491,247	619,803	19,718	605,323
112,583	-	1,271,881	340,094	71,797	-
11,643	-	-	172,938	-	-
1,976	676	3,910	2,731	690	115
401,155	-	6	63,842	-	61,226
<u>2,165,696</u>	<u>99,149</u>	<u>6,767,044</u>	<u>1,199,408</u>	<u>92,205</u>	<u>666,664</u>
858	159,358	-	1,542,213	239,778	642,070
3,194,131	-	6,906,576	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	19,675
<u>3,194,989</u>	<u>159,358</u>	<u>6,906,576</u>	<u>1,542,213</u>	<u>239,778</u>	<u>661,745</u>
(1,029,293)	(60,209)	(139,532)	(342,805)	(147,573)	4,919
1,449	-	-	-	-	-
536,397	492	-	285,945	87,396	-
(12,483)	-	-	-	-	(6,358)
<u>525,363</u>	<u>492</u>	<u>-</u>	<u>285,945</u>	<u>87,396</u>	<u>(6,358)</u>
(503,930)	(59,717)	(139,532)	(56,860)	(60,177)	(1,439)
<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>
<u>\$ 815,449</u>	<u>\$ 293,721</u>	<u>\$ 1,386,058</u>	<u>\$ 1,343,088</u>	<u>\$ 341,523</u>	<u>\$ 54,492</u>

Yavapai County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2017
(Continued)

	Special Revenue	Debt Service		Total Nonmajor Governmental Funds
	CYMPO	Coyote Springs	Poquito Valley	
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ 8,832,003
Special assessments	-	89,354	223,904	328,552
Licenses and permits	-	-	-	725,204
Intergovernmental	374,227	-	-	18,600,916
Charges for services	-	-	-	9,399,253
Fines and forfeits	-	-	-	610,903
Investment earnings	-	958	1,079	61,044
Miscellaneous	-	-	-	4,641,901
Total revenues	<u>374,227</u>	<u>90,312</u>	<u>224,983</u>	<u>43,199,776</u>
Expenditures:				
Current:				
General government	-	-	-	10,185,907
Public safety	-	-	-	15,222,517
Highways and streets	315,657	-	-	378,158
Sanitation	-	-	-	499,193
Health	-	-	-	14,686,935
Culture and recreation	-	-	-	4,402
Education	-	-	-	3,988,750
Debt service:				
Principal retirement	-	80,000	95,000	175,000
Interest and other charges	-	28,970	82,634	111,604
Capital outlay	-	-	-	19,675
Total expenditures	<u>315,657</u>	<u>108,970</u>	<u>177,634</u>	<u>45,272,141</u>
Excess (deficiency) of revenues over expenditures	58,570	(18,658)	47,349	(2,072,365)
Other financing sources (uses):				
Sale of capital assets	-	-	-	6,955
Transfers in	-	-	-	1,574,630
Transfers out	-	-	-	(1,086,498)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>495,087</u>
Net change in fund balances	58,570	(18,658)	47,349	(1,577,278)
Fund Balances, July 1, 2016	<u>(90,777)</u>	<u>450,983</u>	<u>543,836</u>	<u>17,926,760</u>
Fund Balances, June 30, 2017	<u>\$ (32,207)</u>	<u>\$ 432,325</u>	<u>\$ 591,185</u>	<u>\$ 16,349,482</u>

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Capital Projects
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
County sales taxes	\$ 2,529,047	\$ 2,529,047	\$ 2,535,677	\$ 6,630
Investment earnings	40,000	40,000	26,901	(13,099)
Miscellaneous	5,000	5,000	-	(5,000)
Total revenues	<u>2,574,047</u>	<u>2,574,047</u>	<u>2,562,578</u>	<u>(11,469)</u>
Expenditures:				
Capital outlay				
Board of Supervisors	582,701	582,701	88,283	494,418
Total expenditures	<u>582,701</u>	<u>582,701</u>	<u>88,283</u>	<u>494,418</u>
Excess (deficiency) of revenues over expenditures	1,991,346	1,991,346	2,474,295	482,949
Other financing sources (uses):				
Transfers in	70,945	70,945	84,211	13,266
Transfers out	(2,456,586)	(2,456,586)	(2,454,586)	2,000
Total other financing sources (uses)	<u>(2,385,641)</u>	<u>(2,385,641)</u>	<u>(2,370,375)</u>	<u>15,266</u>
Net change in fund balances	(394,295)	(394,295)	103,920	498,215
Fund Balance, July 1, 2016	<u>394,295</u>	<u>394,295</u>	<u>13,984,715</u>	<u>13,590,420</u>
Fund Balance, June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,088,635</u>	<u>\$ 14,088,635</u>

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Capital Projects Debt Service
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Investment earnings	\$ -	\$ -	\$ 18	\$ 18
Total revenues	-	-	18	18
Expenditures:				
Debt service				
Principal retirement	1,259,216	1,259,216	1,259,216	-
Interest and other charges	854,649	854,649	852,649	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)	(2,111,847)	2,018
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	-	-	18	18
Fund Balance, July 1, 2016	-	-	1,875	1,875
Fund Balance, June 30, 2017	\$ -	\$ -	\$ 1,893	\$ 1,893

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Health Care
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Licenses and permits	\$ 759,000	\$ 759,000	\$ 725,204	\$ (33,796)
Intergovernmental	5,244,177	5,244,177	5,149,077	(95,100)
Charges for services	4,543,099	4,543,099	6,034,033	1,490,934
Investment earnings	-	-	11,584	11,584
Miscellaneous	5,278,264	5,278,264	1,930,728	(3,347,536)
Total revenues	15,824,540	15,824,540	13,850,626	(1,973,914)
Expenditures:				
Health				
Community Health Center	9,472,498	9,472,498	6,999,378	2,473,120
Community Health Services	6,846,438	6,846,438	7,687,557	(841,119)
Total expenditures	16,318,936	16,318,936	14,686,935	1,632,001
Excess (deficiency) of revenues over expenditures	(494,396)	(494,396)	(836,309)	(341,913)
Other financing sources (uses):				
Transfers in	2,796,141	2,796,141	572,407	(2,223,734)
Transfers out	(2,223,734)	(2,223,734)	-	2,223,734
Total other financing sources (uses)	572,407	572,407	572,407	-
Net change in fund balances	78,011	78,011	(263,902)	(341,913)
Fund Balance, July 1, 2016	(78,011)	(78,011)	5,054,693	5,132,704
Fund Balance, June 30, 2017	\$ -	\$ -	\$ 4,790,791	\$ 4,790,791

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Recorder's Surcharge
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 351,248	\$ 351,248	\$ 262,436	\$ (88,812)
Investment earnings	-	-	550	550
Total revenues	<u>351,248</u>	<u>351,248</u>	<u>262,986</u>	<u>(88,262)</u>
Expenditures:				
General government				
Recorder	<u>351,248</u>	<u>351,248</u>	<u>172,085</u>	<u>179,163</u>
Total expenditures	<u>351,248</u>	<u>351,248</u>	<u>172,085</u>	<u>179,163</u>
Excess (deficiency) of revenues over expenditures	-	-	90,901	90,901
Other financing sources (uses):				
Transfers out	<u>(70,945)</u>	<u>(70,945)</u>	<u>(70,945)</u>	<u>-</u>
Total other financing sources (uses)	<u>(70,945)</u>	<u>(70,945)</u>	<u>(70,945)</u>	<u>-</u>
Net change in fund balances	(70,945)	(70,945)	19,956	90,901
Fund Balance, July 1, 2016	<u>70,945</u>	<u>70,945</u>	<u>270,355</u>	<u>199,410</u>
Fund Balance, June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 290,311</u>	<u>\$ 290,311</u>

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Treasurer
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 25,000	\$ 25,000	\$ 20,620	\$ (4,380)
Investment earnings	-	-	24,014	24,014
Miscellaneous	-	-	13,581	13,581
Total revenues	25,000	25,000	58,215	33,215
Expenditures:				
General government				
Treasurer	20,000	20,000	55,534	(35,534)
Total expenditures	20,000	20,000	55,534	(35,534)
Net change in fund balances	5,000	5,000	2,681	(2,319)
Fund Balance, July 1, 2016	(5,000)	(5,000)	276,180	281,180
Fund Balance, June 30, 2017	\$ -	\$ -	\$ 278,861	\$ 278,861

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Election
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 659	\$ 659	\$ -	\$ (659)
Investment earnings	-	-	48	48
Total revenues	659	659	48	(611)
Expenditures:				
General government				
Library	20,000	20,000	19,432	568
Total expenditures	20,000	20,000	19,432	568
Net change in fund balances	(19,341)	(19,341)	(19,384)	(43)
Fund Balance, July 1, 2016	19,341	19,341	19,401	60
Fund Balance, June 30, 2017	\$ -	\$ -	\$ 17	\$ 17

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Public Library
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 4,470,000	\$ 4,470,000	\$ 4,490,302	\$ 20,302
Intergovernmental	252,550	252,550	93,943	(158,607)
Investment earnings	-	-	4,387	4,387
Miscellaneous	66,143	66,143	150,628	84,485
Total revenues	4,788,693	4,788,693	4,739,260	(49,433)
Expenditures:				
General government				
Library	5,616,637	5,616,637	4,322,826	1,293,811
Total expenditures	5,616,637	5,616,637	4,322,826	1,293,811
Net change in fund balances	(827,944)	(827,944)	416,434	1,244,378
Fund Balance, July 1, 2016	827,944	827,944	882,807	54,863
Fund Balance, June 30, 2017	\$ -	\$ -	\$ 1,299,241	\$ 1,299,241

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Education Service Agency
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ -	\$ -	\$ 237,141	\$ 237,141
Intergovernmental	420,217	420,217	1,428,098	1,007,881
Charges for services	196,408	196,408	1,184,529	988,121
Investment earnings	-	-	2,340	2,340
Miscellaneous	1,170,549	1,170,549	929,073	(241,476)
Total revenues	1,787,174	1,787,174	3,781,181	1,994,007
Expenditures:				
Education				
School Superintendent	2,293,142	2,293,142	3,988,750	(1,695,608)
Total expenditures	2,293,142	2,293,142	3,988,750	(1,695,608)
Excess (deficiency) of revenues over expenditures	(505,968)	(505,968)	(207,569)	298,399
Other financing sources (uses):				
Sale of capital assets	-	-	1,932	1,932
Total other financing sources (uses)	-	-	1,932	1,932
Net change in fund balances	(505,968)	(505,968)	(205,637)	300,331
Fund Balance, July 1, 2016	505,968	505,968	845,262	339,294
Fund Balance, June 30, 2017	\$ -	\$ -	\$ 639,625	\$ 639,625

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Parks & Recreation
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 3,477	\$ 3,477
Investment earnings	125	125	(335)	(460)
Miscellaneous	4,200	4,200	8,200	4,000
Total revenues	4,325	4,325	11,342	7,017
Expenditures:				
General government				
Development Services	15,725	15,725	-	15,725
Board of Supervisors	228,116	228,116	88,905	139,211
Total General government	243,841	243,841	88,905	154,936
Culture and recreation				
Public Works	1,891	1,891	-	1,891
Facilities	7,187	7,187	4,402	2,785
Total Culture and recreation	9,078	9,078	4,402	4,676
Total expenditures	252,919	252,919	93,307	159,612
Excess (deficiency) of revenues over expenditures	(248,594)	(248,594)	(81,965)	166,629
Other financing sources (uses):				
Transfers out	-	-	(42,341)	(42,341)
Total other financing sources (uses)	-	-	(42,341)	(42,341)
Net change in fund balances	(248,594)	(248,594)	(124,306)	124,288
Fund Balance, July 1, 2016	248,594	248,594	242,474	(6,120)
Fund Balance, June 30, 2017	\$ -	\$ -	\$ 118,168	\$ 118,168

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Landfill / Environment
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 430,000	\$ 430,000	\$ 451,616	\$ 21,616
Charges for services	-	-	16,143	16,143
Investment earnings	-	-	(1,715)	(1,715)
Miscellaneous	-	-	19,808	19,808
Total revenues	430,000	430,000	485,852	55,852
Expenditures:				
Sanitation				
Landfill	433,620	433,620	444,126	(10,506)
Total expenditures	433,620	433,620	444,126	(10,506)
Net change in fund balances	(3,620)	(3,620)	41,726	45,346
Fund Balance, July 1, 2016	3,620	3,620	788,513	784,893
Fund Balance, June 30, 2017	\$ -	\$ -	\$ 830,239	\$ 830,239

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Public Works
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 10,381	\$ 10,381	\$ -	\$ (10,381)
Investment earnings	-	-	25	25
Total revenues	10,381	10,381	25	(10,356)
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	-	-	25	25
Fund Balance, July 1, 2016	-	-	14,224	14,224
Fund Balance, June 30, 2017	\$ -	\$ -	\$ 14,249	\$ 14,249

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Finance
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,550,000	\$ 1,550,000	\$ 1,428,142	\$ (121,858)
Fines and forfeits	-	-	425,699	425,699
Investment earnings	-	-	(921)	(921)
Total revenues	1,550,000	1,550,000	1,852,920	302,920
Expenditures:				
General government				
Board of Supervisors	50,000	50,000	43,544	6,456
Superior Court	245,902	245,902	-	245,902
Finance	1,500,000	1,500,000	1,388,254	111,746
Total expenditures	1,795,902	1,795,902	1,431,798	364,104
Excess (deficiency) of revenues over expenditures	(245,902)	(245,902)	421,122	667,024
Other financing sources (uses):				
Transfers in	245,902	245,902	-	(245,902)
Transfers out	-	-	(423,613)	(423,613)
Total other financing sources (uses)	245,902	245,902	(423,613)	(669,515)
Net change in fund balances	-	-	(2,491)	(2,491)
Fund Balance, July 1, 2016	-	-	912	912
Fund Balance, June 30, 2017	\$ -	\$ -	\$ (1,579)	\$ (1,579)

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Improvement Districts
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 4,154,307	\$ 4,154,307	\$ 4,104,560	\$ (49,747)
Special assessments	291,100	291,100	15,294	(275,806)
Intergovernmental	200,000	200,000	311,926	111,926
Investment earnings	-	-	6,232	6,232
Miscellaneous	15,500	15,500	2,362	(13,138)
Total revenues	<u>4,660,907</u>	<u>4,660,907</u>	<u>4,440,374</u>	<u>(220,533)</u>
Expenditures:				
Public safety				
Flood Control	<u>6,533,815</u>	<u>6,533,815</u>	<u>5,121,810</u>	<u>1,412,005</u>
Highways and streets				
Public Works	<u>94,065</u>	<u>94,065</u>	<u>62,501</u>	<u>31,564</u>
Sanitation				
Special Districts	<u>151,700</u>	<u>151,700</u>	<u>55,067</u>	<u>96,633</u>
Total expenditures	<u>6,779,580</u>	<u>6,779,580</u>	<u>5,239,378</u>	<u>1,540,202</u>
Excess (deficiency) of revenues over expenditures	(2,118,673)	(2,118,673)	(799,004)	1,319,669
Other financing sources (uses):				
Transfers out	<u>(289,476)</u>	<u>(289,476)</u>	-	289,476
Total other financing sources (uses)	<u>(289,476)</u>	<u>(289,476)</u>	-	289,476
Net change in fund balances	(2,408,149)	(2,408,149)	(799,004)	1,609,145
Fund Balance, July 1, 2016	<u>2,408,149</u>	<u>2,408,149</u>	<u>2,484,513</u>	<u>76,364</u>
Fund Balance, June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,685,509</u>	<u>\$ 1,685,509</u>

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Clerk of Superior Court
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 211,213	\$ 211,213	\$ 65,079	\$ (146,134)
Fines and forfeits	-	-	448	448
Investment earnings	7	7	480	473
Total revenues	211,220	211,220	66,007	(145,213)
Expenditures:				
General government				
Clerk of the Court	14,419	14,419	4,419	10,000
Total expenditures	14,419	14,419	4,419	10,000
Net change in fund balances	196,801	196,801	61,588	(135,213)
Fund Balance, July 1, 2016	(196,801)	(196,801)	192,703	389,504
Fund Balance, June 30, 2017	\$ -	\$ -	\$ 254,291	\$ 254,291

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
County Attorney
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 818,234	\$ 818,234	\$ 887,507	\$ 69,273
Charges for services	-	-	20,058	20,058
Fines and forfeits	-	-	175	175
Investment earnings	-	-	2,220	2,220
Miscellaneous	25,000	25,000	1,061,292	1,036,292
Total revenues	843,234	843,234	1,971,252	1,128,018
Expenditures:				
General government				
County Attorney	902,349	902,349	1,506,631	(604,282)
Total expenditures	902,349	902,349	1,506,631	(604,282)
Excess (deficiency) of revenues over expenditures	(59,115)	(59,115)	464,621	523,736
Other financing sources (uses):				
Sale of capital assets	-	-	3,574	3,574
Transfers in	-	-	91,993	91,993
Transfers out	(12,460)	(12,460)	(530,680)	(518,220)
Total other financing sources (uses)	(12,460)	(12,460)	(435,113)	(422,653)
Net change in fund balances	(71,575)	(71,575)	29,508	101,083
Fund Balance, July 1, 2016	71,575	71,575	894,617	823,042
Fund Balance, June 30, 2017	\$ -	\$ -	\$ 924,125	\$ 924,125

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Law Enforcement
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,734,660	\$ 1,734,660	\$ 1,638,339	\$ (96,321)
Charges for services	156,000	156,000	112,583	(43,417)
Fines and forfeits	12,000	12,000	11,643	(357)
Investment earnings	25	25	1,976	1,951
Miscellaneous	254,400	254,400	401,155	146,755
Total revenues	2,157,085	2,157,085	2,165,696	8,611
Expenditures:				
General government				
Constables	-	-	858	(858)
Public safety				
Sheriff	3,023,755	3,023,755	3,194,131	(170,376)
Total expenditures	3,023,755	3,023,755	3,194,989	(171,234)
Excess (deficiency) of revenues over expenditures	(866,670)	(866,670)	(1,029,293)	(162,623)
Other financing sources (uses):				
Sale of capital assets	-	-	1,449	1,449
Transfers in	-	-	536,397	536,397
Transfers out	-	-	(12,483)	(12,483)
Total other financing sources (uses)	-	-	525,363	525,363
Net change in fund balances	(866,670)	(866,670)	(503,930)	362,740
Fund Balance, July 1, 2016	866,670	866,670	1,319,379	452,709
Fund Balance, June 30, 2017	\$ -	\$ -	\$ 815,449	\$ 815,449

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Emergency Management
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 330,796	\$ 330,796	\$ 98,473	\$ (232,323)
Investment earnings	-	-	676	676
Total revenues	330,796	330,796	99,149	(231,647)
Expenditures:				
General government				
Emergency Management	349,796	349,796	159,358	190,438
Total expenditures	349,796	349,796	159,358	190,438
Excess (deficiency) of revenues over expenditures	(19,000)	(19,000)	(60,209)	(41,209)
Other financing sources (uses):				
Transfers in	-	-	492	492
Total other financing sources (uses)	-	-	492	492
Net change in fund balances	(19,000)	(19,000)	(59,717)	(40,717)
Fund Balance, July 1, 2016	19,000	19,000	353,438	334,438
Fund Balance, June 30, 2017	\$ -	\$ -	\$ 293,721	\$ 293,721

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Probation
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 4,892,674	\$ 4,892,674	\$ 5,491,247	\$ 598,573
Charges for services	1,355,192	1,355,192	1,271,881	(83,311)
Investment earnings	-	-	3,910	3,910
Miscellaneous	-	-	6	6
Total revenues	6,247,866	6,247,866	6,767,044	519,178
Expenditures:				
Public safety				
Adult Probation	4,621,497	4,621,497	4,897,263	(275,766)
Juvenile Probation	2,056,971	2,056,971	2,009,313	47,658
Total expenditures	6,678,468	6,678,468	6,906,576	(228,108)
Net change in fund balances	(430,602)	(430,602)	(139,532)	291,070
Fund Balance, July 1, 2016	430,602	430,602	1,525,590	1,094,988
Fund Balance, June 30, 2017	\$ -	\$ -	\$ 1,386,058	\$ 1,386,058

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Courts
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 907,595	\$ 907,595	\$ 619,803	\$ (287,792)
Charges for services	268,572	268,572	340,094	71,522
Fines and forfeits	109,166	109,166	172,938	63,772
Investment earnings	-	-	2,731	2,731
Miscellaneous	99,911	99,911	63,842	(36,069)
Total revenues	1,385,244	1,385,244	1,199,408	(185,836)
Expenditures:				
General government				
Superior Court	2,234,306	2,234,306	1,393,551	840,755
Clerk of Superior Court	521,555	521,555	34,921	486,634
Prescott Justice of the Peace	-	-	53,777	(53,777)
Verde Valley Justice of the Peace	-	-	41,519	(41,519)
Bagdad/Yarnell Justice of the Peace	-	-	9,494	(9,494)
Mayer Justice of the Peace	-	-	2,112	(2,112)
Seligman Justice of the Peace	-	-	6,839	(6,839)
Total General government	2,755,861	2,755,861	1,542,213	1,213,648
Public safety				
Juvenile Probation	16,300	16,300	-	16,300
Total Public safety	16,300	16,300	-	16,300
Total expenditures	2,772,161	2,772,161	1,542,213	1,229,948
Excess (deficiency) of revenues over expenditures	(1,386,917)	(1,386,917)	(342,805)	1,044,112
Other financing sources (uses):				
Transfers in	41,721	41,721	285,945	244,224
Transfers out	(245,902)	(245,902)	-	245,902
Total other financing sources (uses)	(204,181)	(204,181)	285,945	490,126
Net change in fund balances	(1,591,098)	(1,591,098)	(56,860)	1,534,238
Fund Balance, July 1, 2016	1,591,098	1,591,098	1,399,948	(191,150)
Fund Balance, June 30, 2017	\$ -	\$ -	\$ 1,343,088	\$ 1,343,088

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Public Defender
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 107,000	\$ 107,000	\$ 19,718	\$ (87,282)
Charges for services	71,069	71,069	71,797	728
Investment earnings	-	-	690	690
Total revenues	178,069	178,069	92,205	(85,864)
Expenditures:				
General government				
Public Defender	272,226	272,226	239,778	32,448
Total expenditures	272,226	272,226	239,778	32,448
Excess (deficiency) of revenues over expenditures	(94,157)	(94,157)	(147,573)	(53,416)
Other financing sources (uses):				
Transfers in	-	-	87,396	87,396
Total other financing sources (uses)	-	-	87,396	87,396
Net change in fund balances	(94,157)	(94,157)	(60,177)	33,980
Fund Balance, July 1, 2016	94,157	94,157	401,700	307,543
Fund Balance, June 30, 2017	\$ -	\$ -	\$ 341,523	\$ 341,523

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Airport Development
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 450,000	\$ 450,000	\$ 605,323	\$ 155,323
Investment earnings	-	-	115	115
Miscellaneous	-	-	61,226	61,226
Total revenues	<u>450,000</u>	<u>450,000</u>	<u>666,664</u>	<u>216,664</u>
Expenditures:				
General government				
Airport Development	<u>2,621,000</u>	<u>2,621,000</u>	<u>642,070</u>	<u>1,978,930</u>
Capital outlay				
Airport Development	<u>400,000</u>	<u>400,000</u>	<u>19,675</u>	<u>380,325</u>
Total expenditures	<u>3,021,000</u>	<u>3,021,000</u>	<u>661,745</u>	<u>2,359,255</u>
Excess (deficiency) of revenues over expenditures	(2,571,000)	(2,571,000)	4,919	2,575,919
Other financing sources (uses):				
Transfers out	-	-	(6,358)	(6,358)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(6,358)</u>	<u>(6,358)</u>
Net change in fund balances	(2,571,000)	(2,571,000)	(1,439)	2,569,561
Fund Balance, July 1, 2016	<u>2,571,000</u>	<u>2,571,000</u>	<u>55,931</u>	<u>(2,515,069)</u>
Fund Balance, June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,492</u>	<u>\$ 54,492</u>

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
CYMPO
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 286,191	\$ 286,191	\$ 374,227	\$ 88,036
Total revenues	<u>286,191</u>	<u>286,191</u>	<u>374,227</u>	<u>88,036</u>
Expenditures:				
Highways and streets				
CYMPO	<u>587,413</u>	<u>587,413</u>	<u>315,657</u>	<u>271,756</u>
Total expenditures	<u>587,413</u>	<u>587,413</u>	<u>315,657</u>	<u>271,756</u>
Net change in fund balances	(301,222)	(301,222)	58,570	359,792
Fund Balance, July 1, 2016	<u>301,222</u>	<u>301,222</u>	<u>(90,777)</u>	<u>(391,999)</u>
Fund Balance, June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (32,207)</u>	<u>\$ (32,207)</u>

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Coyote Springs Debt Service
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Special assessments	\$ -	\$ -	\$ 89,354	\$ 89,354
Investment earnings	-	-	958	958
Total revenues	-	-	90,312	90,312
Expenditures:				
Debt service				
Principal retirement	80,000	80,000	80,000	-
Interest and other charges	30,160	30,160	28,970	1,190
Total expenditures	110,160	110,160	108,970	1,190
Excess (deficiency) of revenues over expenditures	(110,160)	(110,160)	(18,658)	91,502
Other financing sources (uses):				
Transfers in	110,160	110,160	-	(110,160)
Total other financing sources (uses)	110,160	110,160	-	(110,160)
Net change in fund balances	-	-	(18,658)	(18,658)
Fund Balance, July 1, 2016	-	-	450,983	450,983
Fund Balance, June 30, 2017	\$ -	\$ -	\$ 432,325	\$ 432,325

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Poquito Valley Debt Service
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Special assessments	\$ -	\$ -	\$ 223,904	\$ 223,904
Investment earnings	-	-	1,079	1,079
Total revenues	-	-	224,983	224,983
Expenditures:				
Debt service				
Principal retirement	95,000	95,000	95,000	-
Interest and other charges	84,316	84,316	82,634	1,682
Total expenditures	179,316	179,316	177,634	1,682
Excess (deficiency) of revenues over expenditures	(179,316)	(179,316)	47,349	226,665
Other financing sources (uses):				
Transfers in	179,316	179,316	-	(179,316)
Total other financing sources (uses)	179,316	179,316	-	(179,316)
Net change in fund balances	-	-	47,349	47,349
Fund Balance, July 1, 2016	-	-	543,836	543,836
Fund Balance, June 30, 2017	\$ -	\$ -	\$ 591,185	\$ 591,185

AGENCY FUNDS



Yavapai County
Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended June 30, 2017

Assets	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
Equity in pooled cash and investments	\$ 3,479,687	\$ 17,732,603	\$ (17,878,515)	\$ 3,333,775
Total assets	\$ 3,479,687	\$ 17,732,603	\$ (17,878,515)	\$ 3,333,775
Liabilities				
Deposits held for others	\$ 3,479,687	\$ 17,732,603	\$ (17,878,515)	\$ 3,333,775
Total liabilities	\$ 3,479,687	\$ 17,732,603	\$ (17,878,515)	\$ 3,333,775

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STATISTICAL SECTION



Yavapai County
Statistical Section
Year Ended June 30, 2017

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	132
Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	138
Debt Capacity These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	142
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	145
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	147

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

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

	Fiscal Year									
	<u>2008</u>	<u>2009 As restated</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013 As restated</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental activities										
Net investment in capital assets	\$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	\$247,930,780
Restricted	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	24,758,387
Unrestricted (deficit)	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)	(123,574,435)
Total governmental activities net position	\$297,533,539	\$299,336,644	\$307,045,530	\$310,124,078	\$310,802,011	\$307,890,598	\$308,567,653	\$162,811,557	\$160,405,812	\$149,114,732
Business-type activities										
Net investment in capital assets	\$ 176,099	\$ 200,204	\$ 167,581	\$ 98,057	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	3,781,682	2,697,563	3,017,325	5,795,317	-	-	-	-	-	-
Total business-type activities net position	\$ 3,957,781	\$ 2,897,767	\$ 3,184,906	\$ 5,893,374	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Primary government										
Net investment in capital assets	\$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	\$247,930,780
Restricted	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	24,758,387
Unrestricted (deficit)	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)	(123,574,435)
Total primary government net position	\$301,491,320	\$302,234,411	\$310,230,436	\$316,017,452	\$310,802,011	\$307,890,598	\$308,567,653	\$162,811,557	\$160,405,812	\$149,114,732

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

	Fiscal Year									
	<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>	<u>2017</u>
Expenses										
Governmental activities:										
General government	\$ 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	\$ 73,276,034
Public safety	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	64,261,140
Highways and streets	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	25,487,401
Sanitation	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	1,868,223
Health	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	14,693,754
Welfare	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	10,758,602
Culture and recreation	222,162	252,328	247,821	294,753	238,532	206,447	138,729	105,961	138,729	85,738
Education	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	4,980,959
Interest on long-term debt	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	964,944
Total governmental activities expenses	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	196,376,795
Business-type activities:										
Long Term Care	37,821,993	42,630,543	45,026,786	41,120,729	10,141,138	-	-	-	-	-
Total business-type activities expenses	37,821,993	42,630,543	45,026,786	41,120,729	10,141,138	-	-	-	-	-
Total primary government expenses	\$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	\$196,376,795
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 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	\$ 9,427,420
Public safety	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	3,905,223
Health	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	6,496,676
Other	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	3,263,044
Operating grants and contributions	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	36,867,646
Capital grants and contributions	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	823,163
Total governmental activities program revenues	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	60,783,172
Business-type activities:										
Charges for services:										
Long Term Care	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									
	<u>2008</u>	<u>2009 As restated</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013 As restated</u>	<u>2014</u>	<u>2015¹</u>	<u>2016</u>	<u>2017</u>
Total business-type activities program revenues	37,655,470	42,899,640	45,216,942	43,697,139	11,968,091	-	-	-	-	-
Total primary government program revenues	\$ 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	\$ 60,783,172
Net (expense)/revenue										
Governmental activities	\$(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)	\$(135,593,623)
Business-type activities	(166,523)	269,097	190,156	2,576,410	1,826,953	-	-	-	-	-
Total primary government net expense	<u>\$(109,736,320)</u>	<u>\$(113,675,105)</u>	<u>\$(108,344,433)</u>	<u>\$(104,637,857)</u>	<u>\$(115,283,891)</u>	<u>\$(119,746,860)</u>	<u>\$(113,717,205)</u>	<u>\$(137,094,240)</u>	<u>\$(123,521,588)</u>	<u>\$(135,593,623)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 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	\$ 54,685,899
Sales taxes	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	53,474,488
Vehicle license taxes	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	8,600,164
Grants not restricted to specific programs	-	-	-	-	2,985,878	2,960,656	3,177,599	2,895,889	3,480,910	3,314,664
Franchise taxes	319,500	300,793	310,611	309,155	271,003	269,404	267,020	282,805	283,366	281,425
Lottery (intergovernmental, unrestricted)	550,035	522,533	304,381	-	-	-	550,038	550,038	-	-
Investment earnings	3,795,969	2,055,193	455,363	382,199	227,971	216,409	679,320	(70,947)	187,916	129,869
Gain (loss) on disposal of capital assets	4,121,512	771,658	1,139,199	77,731	376,709	(66,231)	149,991	171,568	204,175	173,711
Miscellaneous	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	3,642,323
Transfers	1,500,000	1,500,000	-	-	7,656,630	-	-	-	-	-
Total governmental activities	<u>123,351,839</u>	<u>115,747,307</u>	<u>111,928,234</u>	<u>110,292,815</u>	<u>117,788,777</u>	<u>116,835,447</u>	<u>114,394,260</u>	<u>118,080,021</u>	<u>121,115,843</u>	<u>124,302,543</u>
Business-type activities:										
Investment earnings	346,606	136,335	39,650	30,687	18,363	-	-	-	-	-
Loss on disposal of capital assets	-	-	-	-	(82,060)	-	-	-	-	-
Miscellaneous	58,689	34,554	57,333	101,371	-	-	-	-	-	-
Transfers	(1,500,000)	(1,500,000)	-	-	(7,656,630)	-	-	-	-	-
Total business-type activities	<u>(1,094,705)</u>	<u>(1,329,111)</u>	<u>96,983</u>	<u>132,058</u>	<u>(7,720,327)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 122,257,134</u>	<u>\$ 114,418,196</u>	<u>\$ 112,025,217</u>	<u>\$ 110,424,873</u>	<u>\$ 110,068,450</u>	<u>\$ 116,835,447</u>	<u>\$ 114,394,260</u>	<u>\$ 118,080,021</u>	<u>\$ 121,115,843</u>	<u>\$ 124,302,543</u>
Change in Net Position										
Governmental activities	\$ 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)	(11,291,080)
Business-type activities	(1,261,228)	(1,060,014)	287,139	2,708,468	(5,893,374)	-	-	-	-	-
Total primary government	<u>\$ 12,520,814</u>	<u>\$ 743,091</u>	<u>\$ 3,680,784</u>	<u>\$ 5,787,016</u>	<u>\$ (5,215,441)</u>	<u>\$ (2,911,413)</u>	<u>\$ 677,055</u>	<u>\$(19,014,219)</u>	<u>\$(2,405,745)</u>	<u>\$(11,291,080)</u>

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

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

	Fiscal Year									
	2008	2009 As restated	2010	2011 ¹	2012	2013 As restated	2014	2015	2016	2017
General fund										
Reserved	\$ 483,570	\$ 615,392	\$ 1,907,862	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	1,427,573	4,145,016	7,935,224	-	-	-	-	-	-	-
Nonspendable	-	-	-	883,725	558,330	529,990	534,073	419,021	550,208	659,611
Unassigned	-	-	-	11,572,661	9,198,985	8,467,686	9,716,724	9,139,623	9,552,144	9,853,659
Total general fund	\$ 1,911,143	\$ 4,760,408	\$ 9,843,086	\$12,456,386	\$ 9,757,315	\$ 8,997,676	\$10,250,797	\$ 9,558,644	\$10,102,352	\$10,513,270
All other governmental funds										
Reserved	\$ 51,426,543	\$ 20,716,883	\$16,841,879	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	62,686,413	58,212,657	49,538,733	-	-	-	-	-	-	-
Capital projects funds	28,615,375	27,040,504	30,443,106	-	-	-	-	-	-	-
Nonspendable	-	-	-	571,259	338,143	420,405	369,364	384,929	400,687	487,560
Restricted	-	-	-	44,302,178	29,845,087	28,408,624	29,214,659	27,263,418	26,687,753	24,588,981
Committed	-	-	-	48,737,019	44,933,474	31,110,770	29,500,387	27,471,287	24,146,575	22,256,013
Unassigned	-	-	-	-	-	-	(129,290)	(647,487)	(34,846)	(46,030)
Total all other governmental funds	\$142,728,331	\$105,970,044	\$96,823,718	\$93,610,456	\$75,116,704	\$59,939,799	\$58,955,120	\$54,472,147	\$51,200,169	\$47,286,524

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

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

Fiscal Year	Primary Net Assessed Value			Total Taxable Net Assessed Value	Total Direct Tax Rate ¹	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
	Residential and Vacant Property	Commercial Property	Unattached Personal Property				
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
2017	2,012,130,501	251,908,085	80,371,356	2,344,409,942	2.3910	21,142,413,672	11.09

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

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

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

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

Fiscal Year	County Direct Rates					Overlapping Rates ¹				
	Primary	Secondary			Total Direct	School Equalization	School Districts	Cities	Other Special Districts	Community College District
		Fire District	Library District	Flood Control District						
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
2017	1.9027	0.1000	0.1907	0.1976	2.3910	0.5010	2.0177-7.7737	0.3025-1.7316	0.0616-19.9088	2.0561

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>	2017			2008		
	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	\$ 85,049,582	1	3.63%	\$ 68,527,478	2	2.77%
Phelps Dodge Bagdad Inc.	78,272,826	2	3.34	79,164,228	1	3.20
Drake Cement	31,491,732	3	1.34	-	-	-
Transwestern Pipeline Company	21,076,813	4	0.90	6,998,004	10	0.28
Phoenix Cement Co./Salt River Materials	20,525,980	5	0.88	-	-	-
Unisource Energy Corporation	16,392,122	6	0.70	13,073,267	5	0.53
Burlington Northern Santa Fe Railway Company	11,841,699	7	0.51	9,029,881	7	0.37
Sturm Ruger & Co. Inc.	7,910,038	8	0.34	-	-	-
Kinder Morgan	7,586,491	9	0.32	-	-	-
Qwest Corporation	7,567,282	10	0.32	20,118,701	4	0.81
Salt River Pima-Maricopa Indian Community	-	-	-	30,347,945	3	1.23
TWC II-Prescott Mall LLC	-	-	-	9,889,174	6	0.40
El Paso Natural Gas Company	-	-	-	8,859,385	8	0.36
Wal-Mart Stores Inc.	-	-	-	7,643,190	9	0.31
Totals	<u>\$ 287,714,565</u>		<u>12.28%</u>	<u>\$ 253,641,253</u>		<u>10.26%</u>
Total Yavapai County Primary Assessed Value	\$2,344,409,942		100.00%	\$2,470,265,871		100.00%

Source: Yavapai County Assessor and Arizona Department of Revenue.

Yavapai County
Property Tax Levies and Collections¹
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year ²	Collected within the Fiscal Year		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	\$37,775,306	\$35,966,831	95.21%	\$ 668,218	\$36,635,049	96.98%
2009	40,429,914	38,309,430	94.76	990,486	39,299,916	97.21
2010	42,045,714	39,992,839	95.12	1,054,799	41,047,638	97.63
2011	43,108,560	40,512,865	93.98	1,090,823	41,603,688	96.51
2012	38,797,705	36,464,287	93.99	877,694	37,341,981	96.25
2013	39,512,311	37,270,343	94.33	592,090	37,862,433	95.82
2014	43,108,560	40,635,331	94.26	553,687	41,189,018	95.55
2015	43,108,560	41,019,828	95.15	484,041	41,503,869	96.28
2016	44,026,986	41,648,986	94.60	497,462	42,146,448	95.73
2017	44,606,170	42,533,288	95.35	-	42,533,288	95.35

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

1) General Fund levies and collections only.

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

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

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	Revenue Bonds	Special Assessment Bonds	Capital Leases			
2008	\$32,130,000	\$ 1,216,261	\$50,000,000	\$83,346,261	1.28%	\$394.61
2009	30,165,000	1,105,905	25,000,000	56,270,905	0.89	266.47
2010	17,510,000	2,850,846	25,000,000	45,360,846	0.74	214.86
2011	4,590,000	2,645,000	25,000,000	32,235,000	0.50	152.67
2012	-	2,470,000	23,989,518	26,459,518	0.40	124.53
2013	-	2,295,000	22,933,568	25,228,568	0.36	117.19
2014	-	2,120,000	21,830,106	23,950,106	0.32	109.44
2015	-	1,945,000	20,676,993	22,621,993	0.29	101.78
2016	-	1,770,000	19,639,687	21,409,687	N/A (2)	97.23
2017	-	1,595,000	18,341,534	19,936,534	N/A (2)	89.00

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 2016 and 2017.

Yavapai County
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed value	\$2,344,409,942
Debt limit (6% of assessed value)	140,664,597
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	\$ 140,664,597

	Fiscal Year									
	<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>	<u>2017</u>
Debt limit	\$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	\$140,664,597
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$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	\$140,664,597
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

Yavapai County
Pledged Revenue Coverage
Last Ten Fiscal Years

Jail District Revenue Bonds

Fiscal Year	Jail District Revenues ¹	Less: Expenditures ²	Net Available		Debt Service		Coverage
			Revenue	Principal	Interest		
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)	
2017	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		Net Available		Debt Service		Coverage
			Repayments ³	Revenue	Principal	Interest			
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)		
2017	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	
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	123,017	0.85
2017	313,258	175,000	111,604	1.09

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>
2008	211,211	\$ 6,501,350	\$ 30,781	5.9%
2009	211,172	6,301,415	29,840	10.2
2010	211,122	6,141,108	29,088	10.5
2011	211,135	6,387,827	30,255	10.0
2012	212,468	6,623,513	31,174	8.8
2013	215,271	6,936,360	32,222	8.4
2014	218,852	7,491,508	34,231	6.7
2015	222,255	7,900,004	35,545	5.6
2016	220,189	N/A (1)	N/A (1)	5.0
2017	224,000	N/A (1)	N/A (1)	4.6

Source: Population and personal income through 2014 obtained from the U.S. Department of Commerce, Bureau of Economic Analysis. Population for 2016, 2017 and unemployment rates obtained from the Arizona Department of Administration, Office of Economic Opportunity.

1) Personal income and per capita personal income were not available for 2016 and 2017.

Yavapai County
Principal Employers
Current Year and Nine Years Ago

<u>Employer</u>	2017			2008		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Yavapai Regional Medical Center	1,850	1	1.90%	1,830	1	1.90%
Yavapai County	1,511	2	1.55	1,800	2	1.86
Veterans Medical Center	1,180	3	1.21	792	5	0.82
Walmart	1,000	4	1.03	1,087	3	1.13
Verde Valley Medical Center	903	5	0.93	704	7	0.73
Freeport McMoran Copper Mine	796	6	0.82	995	4	1.03
Humbolt Unified School District	768	7	0.79	-	-	-
Yavapai College	546	8	0.56	706	6	0.73
Embry-Riddle Aeronautical University	524	9	0.54	-	-	-
State of Arizona	514	10	0.53	438	10	0.45
Prescott Unified School District				700	8	0.73
City of Prescott				529	9	0.55
Totals	<u>9,592</u>		<u>9.86%</u>	<u>9,581</u>		<u>9.93%</u>
Total Employment in Yavapai County	97,319		100.00%	96,520		100.00%

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

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

Function	Fiscal Year									
	<u>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>	<u>2017</u>
General government	631	571	551	539	559	589	599	622	620	629
Public safety	581	560	531	536	515	535	544	540	556	572
Highways and streets	123	114	108	101	100	105	102	108	111	108
Sanitation	18	14	13	13	11	12	12	12	12	12
Health	151	140	138	138	135	133	133	146	158	150
Welfare	5	6	6	4	5	5	4	6	6	6
Education	33	31	29	33	33	35	30	28	31	34
Capital outlay	-	2	3	3	3	-	-	-	-	-
Long Term Care	54	55	55	48	-	-	-	-	-	-
Total	1,596	1,493	1,434	1,415	1,361	1,414	1,424	1,462	1,494	1,511

Source: Yavapai County payroll records.

Yavapai County
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government										
Elections										
Elections	5	4	4	4	5	4	3	2	6	3
Number voting	91,132	164,073	106,559	151,515	66,953	165,625	65,363	120,592	157,489	172,057
Development Services										
Building permits issued	4,220	2,887	2,854	2,521	2,432	2,737	3,200	3,198	3,336	3,403
Inspections performed	18,918	13,645	9,975	9,532	9,516	8,800	11,568	11,721	10,922	10,573
Assessor										
Parcels assessed	162,382	163,236	163,273	170,330	170,306	169,314	169,089	169,494	170,186	171,189
New subdivisions	90	51	25	16	33	15	39	41	47	44
Public safety										
Sheriff										
Inmate population	6,652	5,970	6,475	6,470	6,942	7,060	6,410	5,835	6,139	6,641
Adult Probation										
Probationers actively supervised	2,212	2,287	2,116	1,940	1,854	1,860	1,980	2,106	2,275	2,294
Community restitution hours	82,646	79,465	63,245	50,500	46,858	50,043	53,614	70,668	83,156	101,700
Restitution collected	\$958,873	\$793,687	\$777,528	\$717,672	\$579,926	\$585,079	\$733,119	\$694,045	\$810,589	\$719,516
Presentence reports written for courts	1,033	762	636	532	531	548	651	328	296	314
Juvenile Probation										
Juveniles brought to detention	1,235	1,123	1,119	998	955	800	954	888	799	812
Average length of detention (days)	11	12	12	31	15	14	13	13	14	15
Probationers	735	736	742	648	596	556	493	451	450	539
Community restitution hours	15,179	13,204	19,578	16,350	15,203	12,956	12,527	8,296	9,298	9,647
Highways and streets										
Public Works										
Crack sealing (miles)	49	24	40	78	54	37	14	40	39	111
Street resurfacing (miles)	28	36	30	26	33	37	21	47	44	81
Sanitation										
Landfill/Environment										
Transfer station refuse collected (tons)	3,479	3,296	2,956	2,772	2,853	2,564	3,059	3,407	3,377	3,991
Waste tires collected	146,634	118,506	122,987	129,318	125,880	127,417	129,675	133,618	149,989	140,206
Health										
Health Care										
Certified copies of death certificates issued	15,384	16,029	15,343	16,515	13,409	13,045	12,932	17,152	17,003	14,540
Childhood immunization visits	4,792	3,929	3,008	2,509	2,518	3,378	3,156	3,000	2,338	2,221
Restaurant inspections and re-inspections	4,052	4,226	4,113	4,063	3,793	4,413	4,256	5,864	3,237	3,324
Welfare										
Public Fiduciary										
Guardianships/conservatorships	82	78	90	85	88	91	95	84	102	106
Education										
School Superintendent										
School districts	25	25	25	25	25	25	25	25	25	25
District students	23,747	23,243	22,834	22,237	21,673	21,566	21,122	18,356	20,482	20,177
Charter schools	24	29	28	30	31	28	28	23	22	20
Charter students	3,256	3,446	3,954	3,402	3,529	3,578	4,175	6,808	3,583	4,337
Culture and recreation										
Parks & Recreation										
Park use permits issued	5	9	9	9	11	12	11	11	13	20

Source: Various Yavapai County departments.

Yavapai County
Capital Asset Statistics by Function
Last Ten Fiscal Years

<u>Function</u>	<u>Fiscal Year</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>	<u>2017</u>
General government										
Superior Courts										
Divisions	10	10	10	10	10	10	10	10	10	10
Public safety										
Sheriff										
Inmate beds available (including portable)	765	916	773	794	794	794	600	600	664	664
Jail facilities	2	2	2	2	2	2	2	2	2	2
Stations	11	12	12	12	12	12	12	11	11	11
Improvement Districts										
Flood warning sites	80	80	80	83	88	92	97	98	100	101
Flood Control District properties	232	232	232	235	241	242	240	242	242	242
Highways and streets										
Public Works										
Miles of paved roads	760	771	773	779	782	783	785	787	796	798
Bridges	18	18	18	18	15	15	15	16	17	18
Sanitation										
Landfill/Environment										
Transfer stations	7	7	7	7	7	8	8	8	8	8
Health										
Health Care										
Public health facilities	3	3	3	3	4	4	4	4	4	4
Culture and recreation										
Parks & Recreation										
County parks	11	11	11	11	11	11	11	11	11	11

Source: Various Yavapai County departments.

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

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