

Yavapai County, Arizona



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2005

**Yavapai County, Arizona
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2005**



Board of Supervisors

Carol Springer, District 1

A.G. "Chip" Davis, District 3

Thomas Thurman, District 2

Prepared by Yavapai County
Finance Department

YAVAPAI COUNTY
 Comprehensive Annual Financial Report
 Year Ended June 30, 2005
 TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal	1
Certificate of Achievement for Excellence in Financial Reporting	6
Organizational Chart	7
Yavapai County Officials	8

FINANCIAL SECTION

Independent Auditors' Report	9
Management's Discussion and Analysis (Required Supplementary Information)	11

BASIC FINANCIAL STATEMENTS:

Government-Wide Financial Statements:

Statement of Net Assets	21
Statement of Activities	22

Fund Financial Statements:

Balance Sheet-Governmental Funds	24
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	26
Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds	28
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	30
Statement of Net Assets-Proprietary Funds	31
Statement of Revenues, Expenses and Changes in Fund Net Assets -Proprietary Funds	32
Statement of Cash Flows-Proprietary Funds	33
Statement of Fiduciary Net Assets-Fiduciary Funds	34
Statement of Changes in Fiduciary Net Assets-Fiduciary Funds	35

Notes to the Financial Statements:

Note 1 - Summary of Significant Accounting Policies	36
Note 2 - Deposits and Investments	42
Note 3 - Due From Other Governments	44
Note 4 - Capital Assets	45
Note 5 - Long-term Liabilities	47
Note 6 - Special Assessment Debt Payable	47
Note 7 - Bonds	48
Note 8 - Notes Payable	49
Note 9 - Compensated Absences and Claims and Judgments	49
Note 10 - Capital Leases	49
Note 11 - Landfill Closure and Postclosure Care Costs	50
Note 12 - Insurance Claims	51
Note 13 - Risk Management	51
Note 14 - Line of Credit Arrangement	52
Note 15 - Retirement Plans	52
Note 16 - Interfund Balances and Activity	54
Note 17 - Condensed Financial Statements of the County Treasurer's Investment Pool	55

YAVAPAI COUNTY
 Comprehensive Annual Financial Report
 Year Ended June 30, 2005

Required Supplementary Information:
 Schedule of Agent Retirement Plans' Funding Progress..... 57

Budgetary Comparison Schedules:
 General Fund..... 58
 Jail District Fund..... 60
 Regional Road Fund 61
 HURF Road Fund..... 62
 Notes to Budgetary Comparison Schedules 63

Combining and Individual Fund Statements and Schedules:
 Combining Balance Sheet-Nonmajor Governmental Funds 66
 Combining Statement of Revenues, Expenditures and Changes
 in Fund Balances-Nonmajor Governmental Funds 74

Schedules of Revenues, Expenditures, and Changes in
 Fund Balances - Budget and Actual:
 Jail Construction 82
 Capital Projects..... 83
 Health Care..... 84
 Recorder's Surcharge 85
 Assessor's Surcharge 86
 Public Library 87
 School 88
 Parks & Recreation..... 89
 Water Advisory Committee 90
 Landfill / Environment 91
 Public Works 92
 CDBG..... 93
 Improvement Districts 94
 Clerk of Superior Court 95
 County Attorney 96
 Law Enforcement..... 97
 Emergency Management..... 98
 Probation..... 99
 Courts 100
 Public Defender 101
 Jail District Debt Service..... 102
 Coyote Springs 103
 Prescott East..... 104
 Granite Gardens 105
 Pine Valley 106
 HELP..... 107

Capital Assets Used in the Operation of Governmental Funds:
 Comparative Schedules By Source..... 109
 Schedule By Function and Activity 110
 Schedule of Changes By Function and Activity..... 111
 Statement of Changes in Assets and Liabilities-Agency Funds 112

YAVAPAI COUNTY
Comprehensive Annual Financial Report
Year Ended June 30, 2005

STATISTICAL SECTION

General History:

General Government Expenditures by Function.....	113
General Government Revenues by Source	114
Assessed and Estimated Actual Value of Taxable Property.....	115

Taxes and Assessments:

Property Tax Levies and Collections.....	116
Property Tax Rates-All Direct and Overlapping Governments	117
Special Assessment Billings and Collections.....	118

Long-Term Debt:

Computation of Legal Debt Margin	119
Computation of Direct and Overlapping Debt	120

Miscellaneous:

Principal Taxpayers.....	121
Salaries of Elected County Officials	122
Schedule of Insurance in Force	123
Demographic and Other Statistical Data.....	124

This page is left blank intentionally.

INTRODUCTORY SECTION



Yavapai County Finance Department

MICHAEL S. DANOWSKI, CPA

FINANCE DIRECTOR

November 3, 2005

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, 2005.

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

Walker & Armstrong LLP, a firm of licensed certified public accountants, have audited the County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2005, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit; that there was a reasonable basis for rendering an unqualified opinion that the Yavapai County financial statements for the fiscal year ended June 30, 2005, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of the Government

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

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

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

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, library and flood control.

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

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

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

The financial reporting entity includes all the funds of the primary government (Yavapai County), as well as its' component units. Component units are legally separate entities for which the primary government is financially accountable. The Board acts as the Board of Directors of these component units. Accordingly, the Yavapai County Flood Control District, Library District 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 seventh 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 58 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 82.

Factors Affecting Financial Condition

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

Local Economy. Yavapai County has experienced rapid population growth in recent years, increasing 55% to a total of 167,517, from the 1990 to the 2000 census. This rate makes Yavapai County one of the fastest growing counties in the State of Arizona. This is exemplified by Yavapai County's strong residential construction activity.

The unemployment rate is 3.3% compared to the statewide average of 5.6%. Yavapai County Government is the single largest employer in Yavapai County.

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

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

The excise tax has been used to construct new, efficient jail facilities and to pay for additional staff and other operating costs of the jail system. The first phase of the jail construction was to increase the size of the Camp Verde Jail Facility by 480 beds. Construction of this phase began in January of 2002 and was completed in the fall of 2003. Total cost was approximately \$20 million. Pledged revenue obligations in the amount of \$15,260,000 were issued to finance the majority of the construction costs.

Phase two of the construction program, which should begin within the next two years, anticipates the construction of a new jail facility in western Yavapai County. Upon its completion, the current Prescott Facility would be taken out of service and converted to other uses due to its outmoded design and poor location.

Cash management policies and practices. Cash temporarily idle during the year was invested in obligations of the U.S. Treasury, the Arizona State Treasurer's investment pool, specified state and local government bonds, and interest-earning investments such as savings accounts, certificates of deposit and repurchase agreements in eligible depositories. The average yield on investments for the fiscal year ended 2005 was 2.25 percent.

Risk management. The County is covered by three public entity risk pools: the Arizona Counties Property and Casualty Pool; the Arizona Counties Worker's Compensation Pool, and the Yavapai Combined Trust. Additional information on the County's risk management activity can be found in Note 13 of the notes to the financial statements.

Pension. The County participates in four retirement plans: The Arizona State Retirement System, the Public Safety Personnel Retirement System, the Correctional Officer Retirement Plan and the Elected Officials Retirement Plan. Note 15 of the notes to financial statements contain information about the types of employees covered, the County's liability, and general information about the individual plans.

Government Finance Officers Association

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Yavapai County for its comprehensive annual financial report for the fiscal year ended June 30, 2004. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements

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

Respectfully submitted,

Michael S. Danowski
Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Yavapai County,
Arizona

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 20, 2004

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



Nancy L. Zjelke

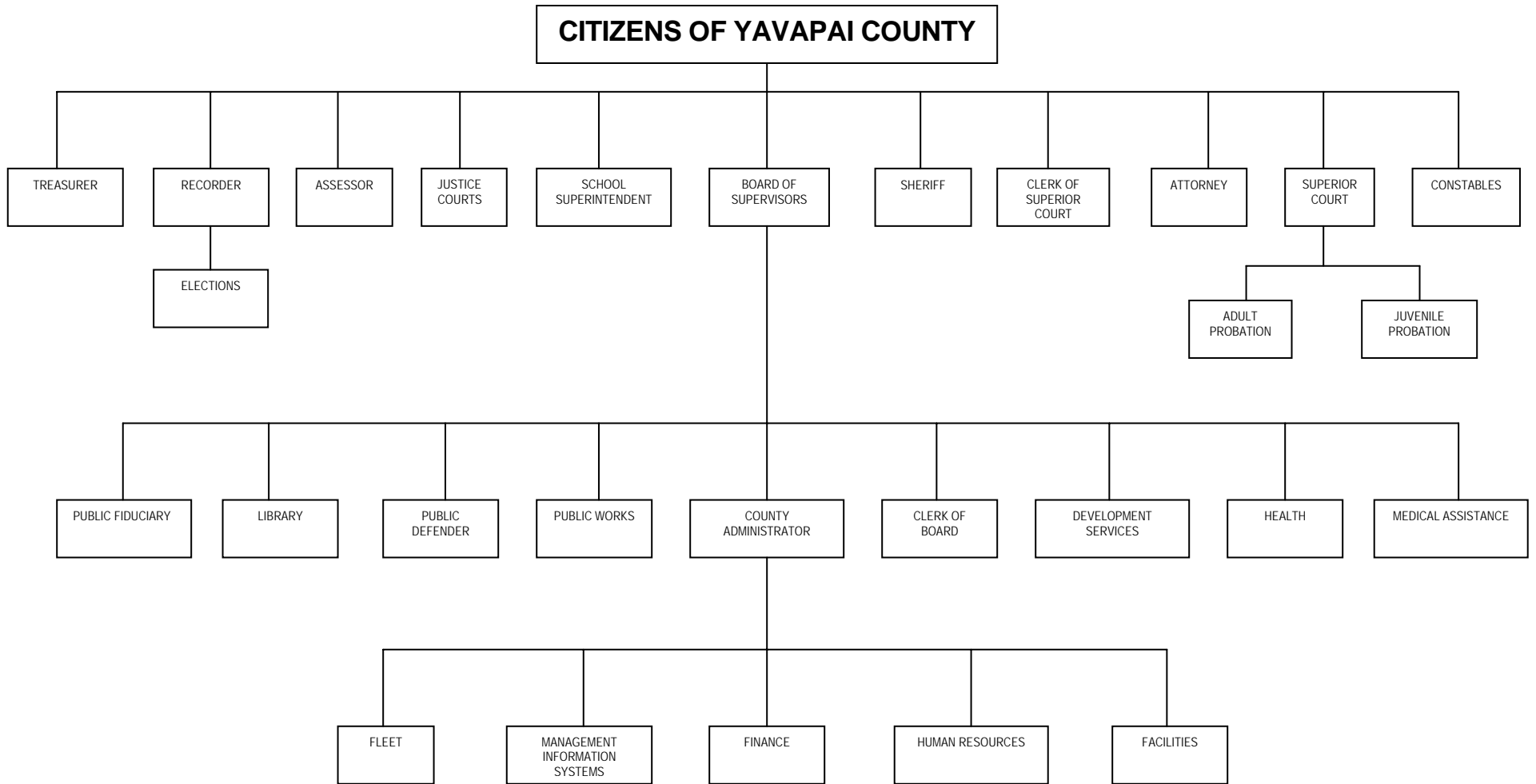
President

Jeffrey R. Emer

Executive Director

YAVAPAI COUNTY

Organizational Chart



Yavapai County Officials

BOARD OF SUPERVISORS

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

♦ ♦ ♦

CLERK OF THE BOARD

Bev Staddon

♦ ♦ ♦

COUNTY ADMINISTRATOR

James M. Holst

♦ ♦ ♦

FINANCE DIRECTOR

Michael S. Danowski

FINANCIAL SECTION



Independent Auditors' Report

The Auditor General of the State of Arizona

Board of Supervisors of
Yavapai County, Arizona

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Yavapai County as of and for the year ended June 30, 2005, which collectively comprise the County's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of Yavapai County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the long-term care fund, which represents 100% of the assets and revenues of the business-type activities and enterprise fund. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the business-type activities and enterprise fund, is based solely on the report of the other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Yavapai County as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

As described in Note 1, the County implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 40, *Deposit and Investment Risk Disclosures*, for the year ended June 30, 2005, which represents a change in accounting principles.

The Management's Discussion and Analysis (MD&A) on pages 11 through 19, the Schedule of Agent Retirement Plans' Funding Progress on page 58, and the Budgetary Comparison Schedules on pages 59 through 64 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2005, on our consideration of Yavapai County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Walker & Armstrong, LLP

Phoenix, Arizona
October 7, 2005

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, 2005. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 – 5.

Financial Highlights

- The assets of Yavapai County exceeded its liabilities at the close of the most recent fiscal year by \$129,181,492 (net assets). Of this amount, \$27,543,026 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, Yavapai County's governmental funds reported combined ending fund balances of \$36,929,165 a increase of \$8,071,358 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$3,595,788 or 5.8% of total general fund expenditures.
- Yavapai County's total long-term liabilities decreased by \$6,609,709 during the current fiscal year. The key factors in this decrease were the scheduled repayment of notes payable and the retirement of special assessment and jail revenue bond debt.

Overview of the Financial Statements

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

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

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

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

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

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

Yavapai County

Management's Discussion and Analysis

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

The government-wide financial statements can be found on pages 21 - 22 of this report.

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

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

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

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

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

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

The basic fiduciary funds financial statements can be found on pages 34 - 35 of this report.

Yavapai County

Management's Discussion and Analysis

Notes to the financial statements. The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 36 - 56 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 57 - 63 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 66 - 107 of this report.

Government-wide Financial Analysis

Statement of Net Assets. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Yavapai County, assets exceeded liabilities by \$126 million at the close of the most recent fiscal year.

	Net Assets (in millions)					
	Governmental Activities		Business-type Activities		Total	
	2004 As				2004 As	
	2005	Restated	2005	2004	2005	Restated
Current and other assets	\$ 48.6	\$ 40.0	\$ 6.7	\$ 6.9	\$ 55.3	\$ 46.9
Restricted assets	1.6	1.9			1.6	1.9
Capital assets	112.3	110.7	.1	.2	112.4	110.9
Total assets	162.5	152.6	6.8	7.1	169.3	159.7
Long-term liabilities outstanding	24.0	30.0			24.0	30.0
Other liabilities	12.4	12.1	3.7	4.2	16.1	16.3
Total liabilities	36.4	42.1	3.7	4.2	40.1	46.3
Net assets:						
Invest in capital assets, net of related debt	98.0	89.9	.2	.2	98.2	90.1
Restricted	.6	.5	2.9	2.7	3.5	3.2
Unrestricted	27.5	20.1			27.5	20.1
Total net assets	\$ 126.1	\$ 110.5	\$ 3.1	\$ 2.9	\$ 129.2	\$ 113.4

By far the largest portion of Yavapai County's net assets (76%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment), less any related debt and accumulated depreciation used to acquire those assets that is still outstanding. Yavapai County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Yavapai County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Approximately 3% of Yavapai County's net assets represent resources that are subject to external

Yavapai County Management's Discussion and Analysis

restrictions on how they may be used. The remaining balance of unrestricted net assets (\$27.5 million) may be used to meet the government's ongoing obligations to citizens and creditors.

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

The increase in total net assets, related to governmental activities, is primarily due to increases in program revenues. Restricted net assets increased by \$.3 million, primarily due to moderate revenue increases in the business-type activities. The increase in unrestricted net assets of \$7.4 million is due to increases in both program and general revenues. Governmental activities capital assets have been restated due to the recording of previously unrecorded infrastructure.

Statement of Activities. Already noted was the statement of activities purpose in presenting information in how the government's net assets changed during the most recent fiscal year. A chart of changes in net assets follows. For the fiscal year, net assets increased \$15.8 million, primarily coming from governmental activities. The increase in assets in governmental activities is related to the construction of assets, rather than accumulation of cash or other liquid assets. The basis of accounting used in the government-wide statement of activities excludes capital expenditures while its revenues include taxes that are used, in part, for the construction of those assets. Beginning net assets have been restated due to the recording of previously unrecorded infrastructure. Additional information on this restatement can be found on page 46.

Changes in Net Assets

(in millions)

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues						
Program revenues:						
Charges for services	\$ 16.8	\$ 13.8	\$ 34.9	\$ 31.5	\$ 51.7	\$ 45.3
Operating grants and contributions	27.0	26.7			27.0	26.7
Capital grants	2.6	.1			2.6	.1
General revenues:						
Property taxes	34.9	31.9			34.9	31.9
Sales taxes	41.1	35.7			41.1	35.7
Vehicle license tax	10.1	9.5			10.1	9.5
Miscellaneous	7.1	5.3	.3	.2	7.4	5.5
Total revenues	<u>139.6</u>	<u>123.0</u>	<u>35.2</u>	<u>31.7</u>	<u>174.8</u>	<u>154.7</u>
Expenses						
General government	53.0	38.2			53.0	38.2
Public safety	34.2	31.7			34.2	31.7
Highways and streets	14.5	18.5			14.5	18.5
Sanitation	1.6	1.6			1.6	1.6
Health	9.0	8.8			9.0	8.8
Welfare	9.0	7.8			9.0	7.8
Culture and recreation	.7	.5			.7	.5
Education	2.3	2.5			2.3	2.5
Long-term care			34.7	31.8	34.7	31.8
Total expenses	<u>124.3</u>	<u>109.6</u>	<u>34.7</u>	<u>31.8</u>	<u>159.0</u>	<u>141.4</u>
Increase (decrease) in net assets before transfers	15.3	13.4	.5	(.1)	15.8	13.3
Transfers	.3	1.0	(.3)	(1.0)		
Increase (decrease) in net assets	<u>15.6</u>	<u>14.4</u>	<u>.2</u>	<u>(1.1)</u>	<u>15.8</u>	<u>13.3</u>
Net assets, beginning restated	110.5	96.1	2.9	4.0	113.4	100.1
Net assets, ending	<u>\$ 126.1</u>	<u>\$ 110.5</u>	<u>\$ 3.1</u>	<u>\$ 2.9</u>	<u>\$ 129.2</u>	<u>\$ 113.4</u>

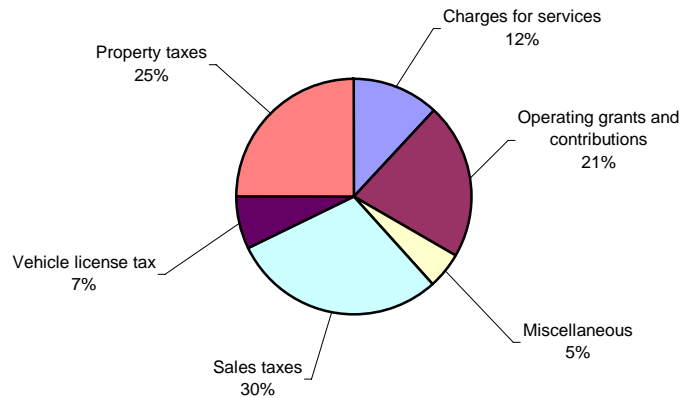
Yavapai County Management's Discussion and Analysis

Governmental activities.

Governmental activities revenues totaled \$139.6 million for fiscal year 2005. The following are highlights of County revenues:

- Sales taxes are comprised of state shared-sales tax, a 0.5% County excise tax and a 0.25% Jail District tax. Overall sales tax increased by \$5.4 million approximately (15%) in the current fiscal year due to a general increase in sales activity, fueled by an improving local economy and continued population growth. The County excise tax and the Jail District tax increased by \$1.5 million and .8 million respectively, and the state-shared sales tax, the largest component of sales tax, increased by over \$2 million, although actual collections exceeded the prior year by \$3 million, however Arizona law requires actual sales taxes collected above the budgeted amount to be recognized in fiscal year 2005/06. Based upon the Arizona State Department of Revenue projections, it is expected that State-shared sales tax will show a similar increase in fiscal year 2005/06.
- Property taxes increased by \$3 million (9.3%) during the year. This increase is attributable to increased property values, new construction and a 1.2% increase in the property tax rate.
- Charges for services increased by \$3 million primarily from increases in building and related permits, County Recorder and Assessor fees, which is indicative of increased building and real estate sales activity.

Revenues by Source - Governmental Activities

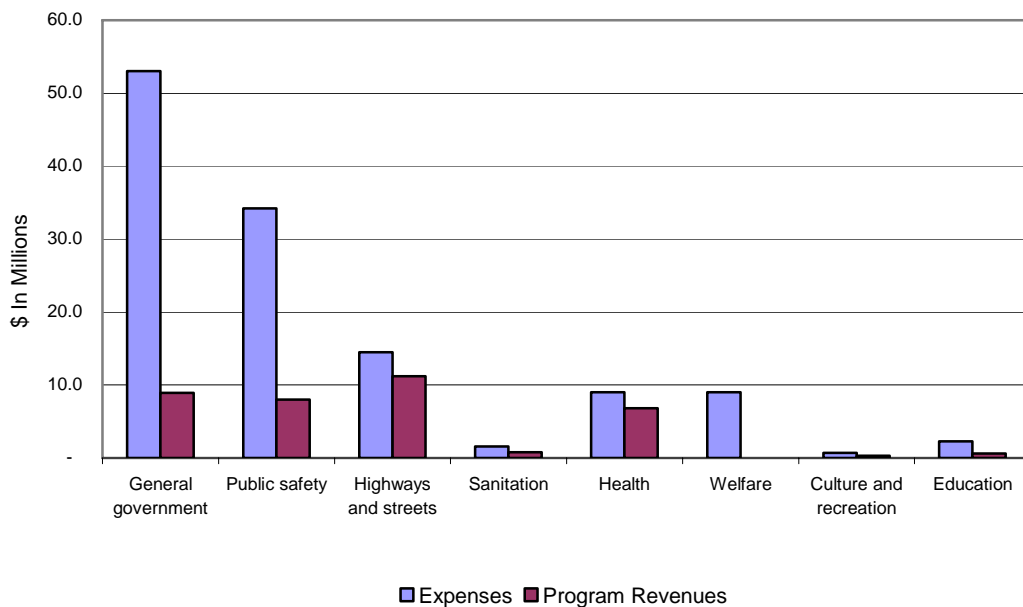


Yavapai County Management's Discussion and Analysis

Expenses

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services. The general government function experienced significant growth in the Assessor, Public Defender, Management Information Services, Development Services and Elections departments. Increases, over the prior year, in public safety are the result of increasing demands on law enforcement and detention within the Sheriff's office. The decrease in highways and streets is the result of the payment to the State of Arizona in the prior year for the County's share of a major road project.

Expenses and Program Revenues - Governmental Activities

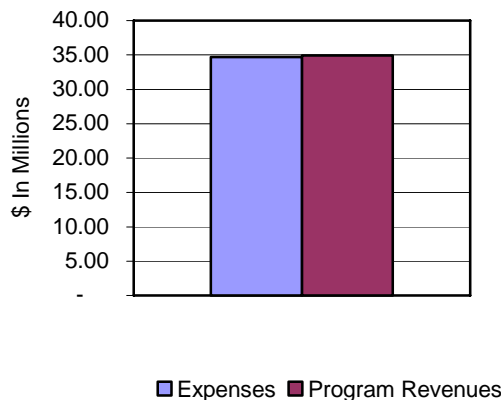


Business-type activities Business-type activities consist solely of the Yavapai County Department of Medical Assistance, Long-Term Health Care Division (“Division”). The Division operates a prepaid health program for qualified persons of Yavapai County within the State of Arizona. The Program provides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

Yavapai County Management's Discussion and Analysis

Capitation revenues increased by \$3.4 million, or 11%, for fiscal year 2005 over the prior fiscal year. Operating expenses increased \$2.9 million representing a 9% change from the prior year. These increases are the direct result of an increase in client membership and an increase in provider service costs.

Expenses and Program Revenues-Business-type 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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Yavapai County's governmental funds reported combined ending fund balances of \$36,929,165, an increase of \$8,071,358 in comparison with the prior year. This change is primarily attributable to the increases in the fund balances of the general, capital projects and the regional road funds. The fund balance is unreserved other than the reserves for inventories of \$257,723 and debt service of \$546,806.

The general fund is the chief operating fund of Yavapai County. At the end of the current fiscal year, unreserved fund balance of the general fund was \$3,595,788, which was \$1,732,383 more than the previous fiscal year. Otherwise both revenues and expenditures for the current fiscal year closely followed estimates.

Yavapai County Management's Discussion and Analysis

Proprietary fund. Yavapai County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Restricted net assets of the Long-Term Care Division at the end of the year amounted to \$2,921,417, an increase of \$218,336 over the prior fiscal year. This increase is primarily due to the fixed capitation amount received from the AHCCCS, which was slightly more than what was expected. Other factors concerning the finances of this fund have already been addressed in the discussion of Yavapai County's business-type activities.

General Fund Budgetary Highlights

Certain departments received supplemental appropriations as follows:

Public Defender	\$ 103,484
Treasurer	20,916
Management Information System	12,204
County Attorney	6,200
Development Services	6,035
Human Resources	5,377
School Superintendent	3,263
Bagdad / Yarnell Justice Court	2,433

These increases in appropriations were transferred from a general fund department with unused budget capacity to subsidize the above adopted budgets. Actual general fund expenditures were under budget by \$2,297,051. The Public Defender office exceeded its adopted budget due to an increased case load and higher than expected expenditures related to capital cases. During the year, actual revenue exceeded estimates by \$1,260.255 or 1.8%.

Capital Asset and Debt Administration

Capital Assets. Yavapai County's investment in capital assets for its governmental and business-type activities as of June 30, 2005, amounts to \$98.2 million (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings, machinery and equipment. In addition, roads and highways constructed in the fiscal year ended June 30, 2005, or in progress at that date, are included in capital assets. In accordance with GASB Statement No. 34, the County will retroactively value all infrastructure assets back to fiscal year 1981 by June 30, 2006. The total increase in Yavapai County's investment in capital assets for the current fiscal year was 9.2%, nearly all of which is attributed to governmental activities.

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

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$ 11.9	\$ 11.7	\$	\$	\$ 11.9	\$ 11.7
Buildings	46.2	47.2			46.2	47.2
Machinery and Equipment	10.0	10.2	.2	.2	10.2	10.4
Infrastructure	41.7	29.4			41.7	29.4
Construction in Progress	2.4	12.1			2.4	12.1
Total	<u>\$ 112.2</u>	<u>\$ 110.6</u>	<u>\$.2</u>	<u>\$.2</u>	<u>\$ 112.4</u>	<u>\$ 110.8</u>

Additional information on Yavapai County's capital assets can be found in Note 4 on pages 45 - 46 of this report.

Yavapai County

Management's Discussion and Analysis

Long-term debt. At the end of the current fiscal year, Yavapai County had total bonded debt outstanding of \$12,787,867. Of this amount, \$11,200,000 represents pledged revenue obligations of the Yavapai County Jail District, which are secured by a dedicated excise tax of ¼ cent, and \$1,587,867 represents debt of various special assessment districts which is secured by pledges of revenues from special assessments levied against benefiting property owners. Yavapai County also had notes payable of \$2,250,000 which are secured by the County's highway user revenue. The remainder of Yavapai County's debt is a long-term capital lease of \$791,367 road equipment.

Yavapai County's Outstanding Debt (in millions)

	2005	2004
Jail District Pledged Revenue Obligations	\$ 11.2	\$ 12.6
Special Assessment Debt Payable	1.6	1.7
Notes Payable	2.3	6.4
Capital Leases	0.8	1.8
Total	<u>\$ 15.9</u>	<u>\$ 22.5</u>

Yavapai County's debt decreased by a net \$6,609,709 during the current fiscal year. The pledged revenue obligations are being used to construct new jail facilities, also mentioned above. Moody's Investor Service and Standard & Poor's Rating services have assigned the ratings of "Aaa" and "AAA", respectively, on these obligations, which are insured for the payment of principal and interest with Ambac Assurance, Ambac Financial Group, Inc.

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 \$112,670,846. Since the County has no general obligation debt, this amount equals the debt capacity. Additional information on long-term debt can be found in the Notes to the Financial Statements on pages 47-49 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Yavapai County is currently 3.3 percent, which is unchanged from a year ago. This compares favorably to the state's average unemployment rate of 5.6 percent.
- Inflationary trends in the region compare favorably to national indices.

These factors were considered in preparing Yavapai County's budget for the 2005/06 fiscal year. The unreserved ending fund balance in the general fund of \$3,595,788 was appropriated for spending in the 2005/06 fiscal year budget. Although the County is experiencing an ever greater demand for services, conservative budgeting and increased revenues avoided the need for any increase in the general fund property tax rate for the 2005/06 fiscal year.

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.

This page is left blank intentionally.

BASIC FINANCIAL STATEMENTS

Yavapai County
Statement of Net Assets
June 30, 2005

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments held by treasurer	\$ 36,025,933	\$ 4,581,775	\$ 40,607,708
Receivables:			
Property taxes	1,387,091	-	1,387,091
Special assessments	1,448,931	-	1,448,931
Accounts	1,396,111	-	1,396,111
Due from other governments	7,873,475	2,071,809	9,945,284
Inventories	257,723	-	257,723
Prepaid items	83,601	-	83,601
Deferred charges	131,794	-	131,794
Cash equivalents - restricted	1,632,595	-	1,632,595
Capital assets, not being depreciated	14,554,476	-	14,554,476
Capital assets, being depreciated, net	97,697,677	159,457	97,857,134
Total assets	<u>162,489,407</u>	<u>6,813,041</u>	<u>169,302,448</u>
Liabilities			
Accounts payable	3,816,316	11,810	3,828,126
Accrued payroll and employee benefits	2,555,519	213,133	2,768,652
Bonds payable	1,395,000	-	1,395,000
Interest payable	237,595	-	237,595
Due to other governments	-	550,613	550,613
Medical claims payable	-	2,956,611	2,956,611
Unearned revenue	4,403,311	-	4,403,311
Noncurrent liabilities:			
Due within one year	9,633,551	-	9,633,551
Due in more than one year	14,347,497	-	14,347,497
Total liabilities	<u>36,388,789</u>	<u>3,732,167</u>	<u>40,120,956</u>
Net Assets			
Invested in capital assets, net of related debt	98,010,786	159,457	98,170,243
Restricted for:			
Health and welfare	-	2,921,417	2,921,417
Debt service	546,806	-	546,806
Unrestricted	27,543,026	-	27,543,026
Total net assets	<u>\$ 126,100,618</u>	<u>\$ 3,080,874</u>	<u>\$ 129,181,492</u>

See accompanying notes to financial statements.

Yavapai County
Statement of Activities
Year Ended June 30, 2005

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue & Changes in Net Assets		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental activities:							
General government	\$ 49,606,233	\$ 7,507,861	\$ 3,690,429	\$ -	\$ (38,407,943)	\$ -	\$ (38,407,943)
Public safety	34,241,112	3,548,886	5,054,092	-	(25,638,134)	-	(25,638,134)
Highways and streets	14,468,350	2,058,209	11,554,211	-	(855,930)	-	(855,930)
Sanitation	1,589,708	523,207	652,016	-	(414,485)	-	(414,485)
Health	8,958,399	2,799,419	5,141,965	-	(1,017,015)	-	(1,017,015)
Welfare	8,978,907	-	-	-	(8,978,907)	-	(8,978,907)
Culture and recreation	667,306	-	51,720	-	(615,586)	-	(615,586)
Education	2,326,146	346,196	880,483	-	(1,099,467)	-	(1,099,467)
Aid to other governments	2,690,577	-	-	2,586,829	(103,748)	-	(103,748)
Interest on long-term debt	673,555	-	-	-	(673,555)	-	(673,555)
Total governmental activities	<u>124,200,293</u>	<u>16,783,778</u>	<u>27,024,916</u>	<u>2,586,829</u>	<u>(77,804,770)</u>	<u>-</u>	<u>(77,804,770)</u>
Business-type activities:							
Long term care	34,660,511	34,931,830	-	-	-	271,319	271,319
Total business-type activities	<u>34,660,511</u>	<u>34,931,830</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>271,319</u>	<u>271,319</u>
Total primary government	<u>\$ 158,860,804</u>	<u>\$ 51,715,608</u>	<u>\$ 27,024,916</u>	<u>\$ 2,586,829</u>	<u>(77,804,770)</u>	<u>271,319</u>	<u>(77,533,451)</u>
General revenues:							
Property taxes					34,912,400	-	34,912,400
Sales taxes					41,077,470	-	41,077,470
Vehicle license taxes					10,060,798	-	10,060,798
Franchise taxes					511,205	-	511,205
Lottery					550,035	-	550,035
Interest on investments					554,886	114,608	669,494
Gain of sale of capital assets					1,353,975	-	1,353,975
Miscellaneous					4,123,119	129,455	4,252,574
Transfers					297,046	(297,046)	-
Total general revenues and transfers					<u>93,440,934</u>	<u>(52,983)</u>	<u>93,387,951</u>
Changes in net assets					15,636,164	218,336	15,854,500
Net assets – beginning, as restated					<u>110,464,454</u>	<u>2,862,538</u>	<u>113,326,992</u>
Net assets - ending					<u>\$ 126,100,618</u>	<u>\$ 3,080,874</u>	<u>\$ 129,181,492</u>

See accompanying notes to financial statements.

This page is left blank intentionally.

Yavapai County
Balance Sheet
Governmental Funds
June 30, 2005

Assets	General	Jail District	Jail District Debt Service	Regional Road
Cash and cash equivalents	\$ 3,091,710	\$ 2,983,117	\$ 26	\$ 11,786,502
Receivables:				
Property taxes	1,159,568	-	-	-
Special assessments	-	-	-	-
Accounts	615,120	26,037	-	86,993
Due from:				
Other funds	1,352,700	1,976	-	-
Other governments	3,134,001	692,395	-	970,234
Inventories	99,748	-	-	-
Prepaid items	75,532	-	-	-
Cash equivalents - restricted	-	-	1,632,595	-
Total assets	\$ 9,528,379	\$ 3,703,525	\$ 1,632,621	\$ 12,843,729
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 804,217	\$ 257,122	\$ -	\$ 796,702
Accrued payroll and employee benefits	1,433,897	303,838	-	8,176
Due to other funds	774	-	-	1,365
Interest payable	-	-	237,595	-
Principal payable	-	-	1,395,000	-
Unearned revenue	3,593,955	-	-	-
Total liabilities	5,832,843	560,960	1,632,595	806,243
Fund balances:				
Reserved for:				
Debt service	-	-	26	-
Inventory	99,748	-	-	-
Unreserved, reported in				
General fund	3,595,788	-	-	-
Special revenue funds	-	3,142,565	-	12,037,486
Capital project funds	-	-	-	-
Total fund balances	3,695,536	3,142,565	26	12,037,486
Total liabilities and fund balances	\$ 9,528,379	\$ 3,703,525	\$ 1,632,621	\$ 12,843,729

See accompanying notes to financial statements.

HURF Road	Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 6,345,615	\$ 11,818,963	\$ 36,025,933
-	-	227,523	1,387,091
-	-	1,448,931	1,448,931
13,911	9,376	484,481	1,235,918
35,404	-	448,154	1,838,234
1,636,532	-	1,440,313	7,873,475
157,975	-	-	257,723
-	-	8,069	83,601
-	-	-	1,632,595
<u>\$ 1,843,822</u>	<u>\$ 6,354,991</u>	<u>\$ 15,876,434</u>	<u>\$ 51,783,501</u>
\$ 654,085	\$ 79,900	\$ 1,224,290	\$ 3,816,316
231,693	-	577,915	2,555,519
890,048	-	785,854	1,678,041
-	-	-	237,595
-	-	-	1,395,000
-	-	1,577,910	5,171,865
<u>1,775,826</u>	<u>79,900</u>	<u>4,165,969</u>	<u>14,854,336</u>
-	-	546,780	546,806
157,975	-	-	257,723
-	-	-	3,595,788
(89,979)	-	11,172,192	26,262,264
-	6,275,091	(8,507)	6,266,584
<u>67,996</u>	<u>6,275,091</u>	<u>11,710,465</u>	<u>36,929,165</u>
<u>\$ 1,843,822</u>	<u>\$ 6,354,991</u>	<u>\$ 15,876,434</u>	<u>\$ 51,783,501</u>

Yavapai County
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2005

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balances - governmental funds	\$ 36,929,165
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	112,252,153
Some receivables are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	768,554
Bond issuance costs are recorded as deferred charges, and are not reported in the funds.	131,794
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(23,981,048)</u>
Net assets of governmental activities	<u>\$ 126,100,618</u>

See accompanying notes to financial statements.

This page is left blank intentionally.

Yavapai County
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2005

	General	Jail District	Jail District Debt Service	Regional Road
Revenues:				
Taxes	\$ 34,689,252	\$ 7,045,465	\$ -	\$ 9,166,581
Special assessments	-	-	-	-
Licenses and permits	4,006,141	-	-	2,056,735
Intergovernmental	28,548,998	-	-	-
Charges for services	1,634,201	382,936	-	-
Fines and forfeits	2,159,669	-	-	-
Investment income	52,821	75,353	-	139,515
Miscellaneous	721,790	46,813	-	21,993
Total Revenues	<u>71,812,872</u>	<u>7,550,567</u>	<u>-</u>	<u>11,384,824</u>
Expenditures:				
Current:				
General government	39,277,350	-	-	-
Public safety	13,576,276	12,001,473	-	-
Highways and streets	-	-	-	3,973,203
Sanitation	-	-	-	-
Health	-	-	-	-
Welfare	8,975,900	-	-	-
Education	560,563	-	-	-
Culture and recreation	-	-	-	-
Capital expenditures	-	-	-	-
Debt service:				
Principal retirement	-	-	1,395,000	-
Interest and fiscal charges	-	-	477,093	-
Total Expenditures	<u>62,390,089</u>	<u>12,001,473</u>	<u>1,872,093</u>	<u>3,973,203</u>
Excess (deficiency) of revenues over (under) expenditures	9,422,783	(4,450,906)	(1,872,093)	7,411,621
Other financing sources (uses):				
Transfers in	1,655,617	5,290,807	1,872,119	-
Transfers out	(9,371,500)	(2,104,326)	-	(4,203,045)
Sale of capital assets	25,483	-	-	1,367,270
Total other financing sources (uses)	<u>(7,690,400)</u>	<u>3,186,481</u>	<u>1,872,119</u>	<u>(2,835,775)</u>
Net changes in fund balances	1,732,383	(1,264,425)	26	4,575,846
Fund Balances, July 1, 2004	1,955,129	4,406,990	-	7,461,640
Increase (decrease) in reserve for inventories	8,024	-	-	-
Fund Balances, June 30, 2005	<u>\$ 3,695,536</u>	<u>\$ 3,142,565</u>	<u>\$ 26</u>	<u>\$ 12,037,486</u>

See accompanying notes to financial statements.

HURF Road	Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 5,798,101	\$ 56,699,399
-	-	308,532	308,532
-	-	399,261	6,462,137
14,945,143	-	16,353,793	59,847,934
-	-	5,298,784	7,315,921
-	-	351,106	2,510,775
2,111	79,074	206,013	554,887
331,532	1,348	3,490,275	4,613,751
<u>15,278,786</u>	<u>80,422</u>	<u>32,205,865</u>	<u>138,313,336</u>
-	-	7,514,223	46,791,573
-	-	8,118,873	33,696,622
15,174,025	-	207,417	19,354,645
-	-	1,492,577	1,492,577
-	-	8,833,788	8,833,788
-	-	-	8,975,900
-	-	1,859,931	2,420,494
-	-	561,582	561,582
-	599,753	2,875,346	3,475,099
-	-	4,252,287	5,647,287
-	-	196,463	673,556
<u>15,174,025</u>	<u>599,753</u>	<u>35,912,487</u>	<u>131,923,123</u>
104,761	(519,331)	(3,706,622)	6,390,213
10,000	2,100,000	6,701,193	17,629,736
(600,000)	(13,242)	(1,040,577)	(17,332,690)
-	-	-	1,392,753
<u>(590,000)</u>	<u>2,086,758</u>	<u>5,660,616</u>	<u>1,689,799</u>
(485,239)	1,567,427	1,953,994	8,080,012
569,913	4,707,664	9,756,471	28,857,807
(16,678)	-	-	(8,654)
<u>\$ 67,996</u>	<u>\$ 6,275,091</u>	<u>\$ 11,710,465</u>	<u>\$ 36,929,165</u>

Yavapai County
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
 Year Ended June 30, 2005

Net change in fund balances - total governmental funds \$ 8,080,012

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. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	7,058,667	
Depreciation	(5,397,713)	1,660,954

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

Long-term lease principal payments	962,422	
Principal repaid on bonds and notes	5,647,287	6,609,709

Deferred tax revenues are recognized in the governmental funds only when available, but are recognized in the Statement of Activities when earned. (127,896)

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	(501,207)	
Decrease in bond amortization	(18,827)	
Increase in claims and judgements	(17,265)	
Increase in landfill closure and post closure care costs	(1,884)	(539,183)

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

Decrease in inventories	(8,654)	(8,654)
-------------------------	---------	---------

In the Statement of Activities, only the gain/loss 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 assets differs from the change in fund balance by the book value of the capital assets sold. (38,778)

Changes in net assets of governmental activities	\$ 15,636,164
--	---------------

See accompanying notes to financial statements.

Yavapai County
Statement of Net Assets
Proprietary Funds
June 30, 2005

	Business-type Activities- Enterprise Fund
	Long-term Care
Assets	
Current assets:	
Cash and cash equivalents	\$ 4,581,775
Due from other governments	2,071,809
Total current assets	6,653,584
Noncurrent assets:	
Capital assets, net of accumulated depreciation	159,457
Total noncurrent assets	159,457
Total Assets	6,813,041
Liabilities	
Current liabilities :	
Accounts payable	11,810
Accrued payroll and employee benefits	213,133
Medical claims payable	2,956,611
Due to other funds	160,193
Due to other governments	390,420
Total current liabilities	3,732,167
Total Liabilities	3,732,167
Net Assets	
Invested in capital assets	159,457
Restricted - health and welfare	2,921,417
Total Net Assets	\$ 3,080,874

See accompanying notes to financial statements.

Yavapai County
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
Year Ended June 30, 2005

	Business-type Activities- Enterprise Fund
	Long-term Care
Operating revenues:	
AHCCCS revenues	\$ 34,931,830
Miscellaneous	129,455
Total operating revenues	35,061,285
Operating Expenses:	
Medical costs	31,781,491
Administrative costs	2,827,573
Depreciation	51,447
Total operating expenses	34,660,511
Operating income	400,774
Nonoperating revenues:	
Interest income	114,608
Income before transfers	515,382
Transfers out	(297,046)
Increase in net assets	218,336
Net assets, July 1, 2004	2,862,538
Net assets, June 30, 2005	\$ 3,080,874

See accompanying notes to financial statements.

Yavapai County
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2005

		Business-type Activities- Enterprise Fund <hr/> Long-term Care <hr/>
Cash flows from operating activities:		
Cash received from AHCCCS	\$	34,850,794
Cash payments for medical services		(31,321,656)
Cash payments for personal services		(1,654,499)
Cash payments to other County funds for goods and services		(1,050,051)
Cash payments for operating activities		<u>(1,502,846)</u>
Net cash used for operating activities		<u>(678,258)</u>
 Cash flows from noncapital financing activities:		
Cash transferred to general fund		<u>(297,046)</u>
 Cash flows from capital and related financing activities:		
Purchase of capital assets		<u>(36,776)</u>
 Cash flows from investing activities:		
Interest on investments		<u>114,608</u>
 Net decrease in cash and cash equivalents		(897,472)
 Cash and cash equivalents, July 1, 2004		<u>5,479,247</u>
Cash and cash equivalents, June 30, 2005	\$	<u><u>4,581,775</u></u>
 Reconciliation of net income to net cash used for operating activities:		
Operating income	\$	400,774
Adjustments to reconcile net income to net cash used for operating activities:		
Depreciation		51,447
Changes in assets and liabilities:		
Decrease in due from other funds		52,530
Increase in due from other governments		(721,065)
Decrease in accounts payable		(136,093)
Decrease in accrued payroll and employee benefits		(3,782)
Decrease in medical claims payable		(602,403)
Increase in due to other funds		67,624
Increase in due to other governments		<u>212,710</u>
Net cash used for operating activities	\$	<u><u>(678,258)</u></u>

See accompanying notes to financial statements.

Yavapai County
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2005

	Investment Trust Fund	Agency Fund
Assets		
Cash and cash equivalents	\$ 62,635,727	\$ 1,564,006
Total Assets	62,635,727	\$ 1,564,006
 Liabilities		
Due to other governments	-	\$ 1,564,006
Total Liabilities	-	\$ 1,564,006
 Net Assets		
Held in trust for investment trust participants	\$ 62,635,727	

See accompanying notes to financial statements.

Yavapai County
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Year Ended June 30, 2005

	Investment Trust Fund
Additions:	
Contributions from participants	\$ 327,166,805
Investment income	1,018,855
Total additions	328,185,660
Deductions:	
Distributions to participants	307,013,649
Total deductions	307,013,649
Changes in net assets	21,172,011
Net assets, July 1, 2004	41,463,716
Net assets, June 30, 2005	\$ 62,635,727

See accompanying notes to financial statements.

Yavapai County
Notes to Financial Statements
June 30, 2005

Note 1 - Summary of Significant Accounting Policies

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

During the year ended June 30, 2005, the County implemented the provisions of GASB Statement No. 40, Deposit and Investment Risk Disclosures. GASB Statement No. 40 establishes and modifies the risk disclosures about the County's deposits and investments. The implementation of GASB Statement No. 40 requires only additional disclosures, and had no effect on reported amounts for deposits, investments, net assets, or changes in net assets.

A. Reporting Entity

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

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

The following table describes the County's component units:

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

Yavapai County
Notes to Financial Statements
June 30, 2005

Yavapai County Special Assessment District	Constructs or improves sidewalks, curbs and gutters, irrigation systems, and street lighting within the County; County board of supervisors serves as board of directors	Blended	Not available
Yavapai County Jail District	A tax-levying district that acquires, constructs, operates, maintains, and finances county jails and jail systems; county board of supervisors serves as governing board	Blended	Not available

Related Organization - The Sedona-Oak Creek Airport Authority (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 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 Authority is governed by a 13 member Board of Directors approved by the County's Board of Supervisors. However, the Authority's operations are completely separate from the County, and the County is not financially accountable for the Authority. Therefore, based on the criteria of GASB Statement No. 14, 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-based financial statements. The government-wide statements focus on the County as a whole, while the fund-based financial statements focus on major funds. Each presentation provides valuable information that can be analyzed and compared between years and between governments to enhance the usefulness of the information.

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

A statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and segment of its business-type activities. Direct expenses are those that are specifically associated with a

Yavapai County
Notes to Financial Statements
June 30, 2005

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 good, services, or privileges provided,
- operating grants and contributions, and
- capital grants and contributions, including special assessments.

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

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

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

Proprietary fund revenues are classified as either operating or nonoperating. Operating revenues and expenses generally result from transactions associated with the fund's principal activity. Accordingly, revenues, such as AHCCCS revenues and user charges, in which each party receives and gives up essentially equal values, are operating revenues. Other revenues such as subsidies and investment income, result from transactions in which the parties do not exchange equal values are reported as nonoperating revenues. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets.

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 is used to account for County jail operations. Although the criteria for classification as a major fund was not met, the County has elected to disclose this fund as a major fund due to its importance to financial statement users.

The Jail District Debt Service Fund is used to account for the resources accumulated and payments made for principal and interest on the revenue bonds issued for the construction and remodel of the County jail.

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

Yavapai County
Notes to Financial Statements
June 30, 2005

The HURF Road Fund is used to account for road maintenance and construction of nonmajor roads, and is funded primarily by highway users revenue.

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

The County reports the following major proprietary fund:

The Long-term Care Fund is used to account for the activities of the Yavapai County Department of Medical Assistance Long-term Care Division. The Long-Term Care Division operates a prepaid health program for qualified persons of the County.

The County reports the following fund types:

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

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

C. Basis of Accounting

The government-wide, proprietary fund and fiduciary fund financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Grants and donations are recognized as revenue as soon as all eligibility requirements the provider imposed have been met.

Governmental funds in the fund-based 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 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. 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. Proceeds of long-term debt and acquisitions under capital lease agreements are reported as other financing sources.

Property taxes, sales taxes, vehicle license taxes, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be

Yavapai County
Notes to Financial Statements
June 30, 2005

susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

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

D. Cash and Investments

For purposes of the statement of cash flows, the County considers cash on hand, demand deposits, cash on deposit with the County Treasurer, and only those highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Money market investments with a remaining maturity of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value.

E. Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

F. Property Tax Calendar

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

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

Yavapai County
Notes to Financial Statements
June 30, 2005

G. Restricted Assets

Certain resources set aside for repayment of the jail construction revenue bonds are classified as restricted assets on the balance sheet because they are maintained in separate accounts and their use is limited by applicable bond covenants. The “payment fund” account is used to segregate resources accumulated for debt service payments over the next twelve months. In addition, certain proceeds of a capital lease financing are maintained in a separate account for the acquisition of capital assets, and are classified as restricted.

H. Capital Assets

Capital assets are reported at actual cost. Donated assets are reported at estimated fair value at the time received. Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements and proprietary funds are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land	\$10,000		
Buildings	\$10,000	Straight-line	20-40 years
Machinery and Equipment	\$5,000	Straight-line	5 -10 years
Infrastructure	\$10,000	Straight-line	12-40 years

I. Investment Income

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

J. Compensated Absences

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

Employees may accumulate up to 764 hours of PTO, at various accrual rates, depending on years of service. PTO hours in excess of the maximum amount are forfeited. Upon termination of employment, all unused and unforfeited PTO benefits are paid to employees. Accordingly, PTO benefits are accrued as a liability in the financial statements.

Employees may also accumulate up to 520 hours of catastrophic time (CAT) leave. CAT leave may be used in the case of illness or injury suffered by an employee or employee’s immediate family, but only after using at least forty hours of consecutive PTO leave. CAT leave benefits are cumulative but are forfeited upon termination of employment, and therefore are not accrued.

Yavapai County
Notes to Financial Statements
June 30, 2005

Note 2 - Deposits and Investments

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

Credit risk

Statutes have the following requirements for credit risk:

1. Commercial paper must be rated P1 by Moody's investors service or A1 or better by Standard and Poor's rating service.
2. Corporate bonds, debentures, and notes must be rated A or better by Moody's investors service or Standard and Poor's rating service.
3. Fixed income securities must carry one of the two highest ratings by Moody's investors service and Standard and Poor's rating service. If only one of the above-mentioned services rates the security, it must carry the highest rating of that service.

Custodial credit risk

Statutes require collateral for demand deposits, certificates of deposit, and repurchase agreements at 101 percent of all deposits not covered by federal depository insurance.

Concentration of credit risk

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

Interest rate risk

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

Foreign currency risk

Statutes do not allow foreign investments.

Deposits—At June 30, 2005, the carrying amount of the County's deposits was \$1,675,951, and the bank balance was \$5,582,945. The County requires collateral on all deposits not covered by federal depository insurance.

Yavapai County
Notes to Financial Statements
June 30, 2005

Investments—The County’s investments at June 30, 2005, were as follows:

Investment Type	Amount
U.S. Treasury securities	\$ 14,835,244
U.S. agency securities	25,583,398
State Treasurer’s investment pools	<u>63,199,000</u>
Total	<u>\$ 103,617,642</u>

The State Board of Investment provides oversight for the State Treasurer’s pools, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the Treasurer. The fair value of a participant’s position in the pool approximates the value of that participant’s pool shares and the participant’s shares are not identified with specific investments.

Credit risk— The County does not have a formal investment policy with respect to credit risk. At June 30, 2005, credit risk for the County’s investments was as follows:

Investment Type	Rating	Rating Agency	Amount
U.S. agency securities	AAA	Moody’s	\$ 25,583,398
State Treasurer’s investment pools	Unrated	Not applicable	<u>63,199,000</u>
Total			<u>\$ 88,782,398</u>

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

Concentration of credit risk—More than 5 percent of the County’s investments as June 30, 2005, were in Federal National Mortgage Association and Federal Home Loan Bank. These investments were 5.7 percent and 18.1 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, 2005, the County had the following investments in debt securities:

Investment Type	Amount	Weighted Average Maturity in Years
U.S. Treasury securities	\$ 14,835,244	1.20
U.S. agency securities	25,583,398	1.20
State Treasurer’s investment pool 7	<u>63,199,000</u>	0.41
Total	<u>\$ 103,617,642</u>	

Yavapai County
Notes to Financial Statements
June 30, 2005

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

Cash, deposits, and investments:

Cash on hand	\$ 1,146,443
Amount of deposits	1,675,951
Amount of investments	103,617,642
Total	\$ 106,440,036

Statement of Net Assets:	Governmental Activities	Business-Type Activities	Investment Trust Funds	Agency Funds	Total
Cash, cash equivalents and investments	\$ 37,658,528	\$ 4,581,775	\$ 62,635,727	\$ 1,564,006	\$ 106,440,036
Total	\$ 37,658,528	\$ 4,581,775	\$ 62,635,727	\$ 1,564,006	\$ 106,440,036

Note 3 - Due From Other Governments

Amounts due from other governments at June 30, 2005, include \$1,703,063 in state-shared revenue from sales tax, \$449,310 in county excise tax distributions due from the State Treasurer, \$640,018 in state motor vehicle license taxes from the Arizona Department of Transportation and \$341,610 in other fees from federal, state, and local governments recorded in the General Fund; \$1,089,055 in state-shared revenue from highway user taxes, and \$377,580 in state motor vehicle license tax and \$169,897 in other fees from federal, state, and local governments recorded in the HURF Road Fund; \$1,440,313 in grants and other fees from federal, state grants and local governments recorded in the Other Governmental Funds; \$834,434 in county excise tax distributions due from the State Treasurer and \$135,800 in other fees from local governments recorded in the Regional Road Fund; \$641,326 in sales tax collections and \$51,069 in other fees from the federal, state and local governments recorded in the Jail District Fund.

Yavapai County
Notes to Financial Statements
June 30, 2005

Note 4 - Capital Assets

Capital assets activity for the year ended June 30, 2005, was as follows:

	Balance July 1 ,2004, as restated	Increases	Decreases	Balance June 30, 2005
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 11,705,056	\$ 152,929	\$ -	\$ 11,857,985
Infrastructure	265,870	19,657		285,527
Construction in progress (estimated cost to complete \$1,477,000)	12,111,609	4,381,822	(14,082,467)	2,410,964
Total capital assets not being Depreciated	<u>24,082,535</u>	<u>4,554,408</u>	<u>(14,082,467)</u>	<u>14,554,476</u>
Capital assets being depreciated:				
Buildings	57,717,730	561,652	-	58,279,382
Machinery and equipment	26,158,522	2,417,176	(723,209)	27,852,489
Infrastructure	31,517,017	13,607,898	-	45,124,915
Total	<u>115,393,269</u>	<u>16,586,726</u>	<u>(723,209)</u>	<u>131,256,786</u>
Less accumulated depreciation for:				
Buildings	(10,530,205)	(1,518,287)	-	(12,048,492)
Machinery and equipment	(15,939,873)	(2,577,341)	684,430	(17,832,784)
Infrastructure	(2,375,749)	(1,302,084)	-	(3,677,833)
Total	<u>(28,845,827)</u>	<u>(5,397,712)</u>	<u>684,430</u>	<u>(33,559,109)</u>
Total capital assets, being depreciated, net	<u>86,547,442</u>	<u>11,189,014</u>	<u>(38,779)</u>	<u>97,697,677</u>
Governmental activities capital assets, net	<u>\$110,629,977</u>	<u>\$ 15,743,422</u>	<u>\$(14,121,246)</u>	<u>\$112,252,153</u>
Business-type activities:				
Capital assets being depreciated:				
Machinery and equipment	\$ 567,511	\$ 36,776	\$ -	\$ 604,287
Total capital assets being depreciated	<u>567,511</u>	<u>36,776</u>	<u>-</u>	<u>604,287</u>
Less accumulated depreciation for:				
Machinery and equipment	(393,383)	(51,447)	-	(444,830)
Total	<u>(393,383)</u>	<u>(51,447)</u>	<u>-</u>	<u>(444,830)</u>
Business-type activities capital Assets, net	<u>\$ 174,128</u>	<u>\$ (14,671)</u>	<u>\$ -</u>	<u>\$ 159,457</u>

Yavapai County
Notes to Financial Statements
June 30, 2005

Depreciation expense was charged to functions as follows:

Governmental Activities:	
General government	\$ 1,576,000
Public safety	1,216,460
Highway and streets	2,224,063
Sanitation	84,011
Health	145,632
Welfare	617
Education	18,089
Culture and Recreation	132,840
Total governmental activities depreciation expense	<u>\$ 5,397,712</u>
Business-type activities:	
Long-term care	<u>\$ 51,447</u>
Total business-type activities depreciation expense	<u>\$ 51,447</u>

Construction Commitments

The County has active construction projects as of June 30, 2005. At June 30, 2005 the County's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Old Black Canyon Highway	\$ 893,795	\$ 399,767
Total	<u>\$ 893,795</u>	<u>\$ 399,767</u>

The road improvement projects are being funded by sales taxes out of the regional road fund.

Restatement of Beginning Capital Assets

Governmental activities net capital assets of \$110,364,107 at June 30, 2004 have been restated for the recording of certain capital assets on hand as of that date. This adjustment results in an increase of \$265,870 in beginning net assets at July 1, 2004.

Yavapai County
Notes to Financial Statements
June 30, 2005

Note 5 - Long-term Liabilities

The following schedule details the County's long-term liability and obligation activity for the year ended June 30, 2005.

	Balance July 1, 2004	Additions	Reductions	Balance June 30, 2005	Due within 1 year
Governmental Activities:					
Special assessment debt payable	\$ 1,715,154	\$ -	\$ (127,287)	\$ 1,587,867	\$ 130,699
Revenue bonds	12,595,000	-	(1,395,000)	11,200,000	1,435,000
Total special assessment debt payable and revenue bonds payable	14,310,154	-	(1,522,287)	12,787,867	1,565,699
Notes payable	6,375,000	-	(4,125,000)	2,250,000	2,250,000
Compensated absences payable	5,975,682	4,823,394	(4,322,185)	6,476,891	4,788,148
Obligations under capital leases	1,753,789	-	(962,422)	791,367	716,742
Landfill closure and postclosure care costs payable	1,360,077	69,057	(67,173)	1,361,961	-
Claims and judgments payable	295,697	399,639	(382,374)	312,962	312,962
Governmental activities long-term liabilities	<u>\$ 30,070,399</u>	<u>\$ 5,292,090</u>	<u>\$ (11,381,441)</u>	<u>\$ 23,981,048</u>	<u>\$ 9,633,551</u>

Note 6 - Special Assessment Debt Payable

As described in the "Blended Component Units" section of Note 1, the Yavapai County Board of Supervisors acts as the Board of Directors of various special districts, therefore the bonded debt of these districts is included as part of the Yavapai County reporting entity.

Special assessment bonds are secured by pledges of revenues from special assessments levied against the benefiting property owners. The proceeds of the bond issues were used to finance construction in these districts. These bonds are generally callable with interest payable semiannually. However, in accordance with the bond indenture for each special assessment bond issue, and in the opinion of the County Attorney, the County is not legally obligated in any way for the special assessment bonded indebtedness.

The following special assessment districts had debt outstanding at June 30, 2005.

District	Interest Rates	Maturity Ranges	Outstanding Principal July 1, 2004	Retirements	Outstanding Principal June 30, 2005
Bonds					
Granite Gardens 1989	6.13 %	7/1/90-7/1/2007	\$ 43,000	\$ (13,000)	\$ 30,000
Pine Valley Street Imp.	6.45 %	7/1/97-7/1/2007	30,000	(10,000)	20,000
Coyote Springs Road Imp.	6.40 %	1/1/03-1/1/2022	1,405,000	(75,000)	1,330,000
Note Payable					
Prescott East Sanitary Dist.	4.82 %	7/1/02-7/1/2010	237,154	(29,287)	207,867
Total			<u>\$ 1,715,154</u>	<u>\$ (127,287)</u>	<u>\$ 1,587,867</u>

Yavapai County
Notes to Financial Statements
June 30, 2005

Special assessment debt service requirements to maturity are as follows:

	Principal	Interest
Year ending June 30, 2006	\$ 130,699	\$ 95,546
2007	132,179	87,702
2008	108,730	80,109
2009	110,355	73,683
2010	112,059	67,179
2011-2015	433,845	244,912
2016-2020	400,000	115,200
2021-2022	160,000	10,240
Total	<u>\$ 1,587,867</u>	<u>\$ 774,571</u>

Note 7 - Bonds

The County's bonded debt consists of \$15,260,000 revenue bonds issued by the Yavapai County Jail District on February 13, 2002. As described in the "Blended Component Units" section of Note 1, the Yavapai County Board of Supervisors acts as the Board of Directors of various special districts, therefore the bonded debt of these districts is included as part of the Yavapai County reporting entity.

The bond proceeds were used to construct a new jail and to remodel an existing jail. The bonds will be repaid from maintenance of effort payments from the County's general fund to the District and a voter approved excise tax. The total budgeted and actual maintenance of effort payments transferred to the District in the fiscal year ended June 30, 2005 was \$5,290,807. Excise taxes received for the same period were \$7,045,465, which was 6.7% greater than the budgeted amount of \$6,600,000.

Bonds outstanding at June 30, 2005, were as follows:

Jail District	Interest Rates	Maturity Ranges	Outstanding Principal July 1, 2004	Retirements	Outstanding Principal June 30, 2005
Revenue bonds	3-4.3 %	7/1/2005- 7/1/2012	\$ 12,595,000	\$ (1,395,000)	\$11,200,000
Total			<u>\$ 12,595,000</u>	<u>\$ (1,395,000)</u>	<u>\$11,200,000</u>

The following schedule details debt service requirements to maturity for the County's revenue bonds payable at June 30, 2005.

	Governmental Activities	
	Principal	Interest
Year ending June 30, 2006	\$ 1,435,000	\$ 433,340
2007	1,480,000	387,420
2008	1,530,000	335,620
2009	1,590,000	279,010
2010	1,655,000	215,410
2011-2012	3,510,000	226,180
Total	<u>\$ 11,200,000</u>	<u>\$ 1,876,980</u>

Yavapai County
Notes to Financial Statements
June 30, 2005

Note 8 - Notes Payable

Yavapai County entered into two loan agreements with the Arizona State Department of Transportation, through its Highway Expansion and Extension Loan Program (HELP) for funds needed to complete the construction of a major road project. The County's notes payable at June 30, 2005 are as follows:

HELP loan dated July 15, 2002, principal amount of \$4,500,000, payable monthly over 24 months beginning July 15, 2004, interest rate of 2.25%, secured by the County's highway user revenues.	<u>\$ 2,250,000</u>
Total Notes Payable	2,250,000
Less Current Maturities	<u>(2,250,000)</u>
Long-term portion of Notes Payable	<u>\$ 0</u>

The following schedule details debt service requirements to maturity for the County's notes payable at June 30, 2005.

Year ending June 30, 2006	Governmental Activities	
	Principal	Interest
Total	<u>\$ 2,250,000</u>	<u>\$ 27,422</u>

Note 9 - 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 2005, the County paid for compensated absences as follows: 55 percent from the General Fund, 26 percent from other major funds, and 19 percent from other funds. The County paid for claims and judgments from the General Fund.

Note 10 - Capital Leases

The County has acquired equipment items under the provisions of various long-term lease agreements classified as capital leases for accounting purposes because they provide for a transfer of ownership by the end of the lease term.

The assets acquired through capital leases are as follows:

	Governmental Activities
Machinery and equipment	\$ 3,534,942
Less: accumulated depreciation	<u>(1,260,572)</u>
Carrying value	<u>\$ 2,274,370</u>

Yavapai County
Notes to Financial Statements
June 30, 2005

The following schedule details debt service requirements to maturity for the County's capital leases payable at June 30, 2005.

	Governmental Activities
Year ending June 30, 2006	\$ 726,630
2007	74,842
Total minimum lease payments	801,472
Less amount representing interest	10,105
Present value of net minimum capital lease payments	\$ 791,367

Note 11 - 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 operating period even though actual payouts will not occur until the landfills are closed. 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, 2005. As of June 30, 2005, the landfill closure and postclosure care liability of \$1,361,961 represents the cumulative amount of cost remaining on these closed landfills, which is net of expenditures incurred to date. These cumulative amounts are based on what it would cost to perform all closure and postclosure care in fiscal year 2005 and have 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 assure the County can meet the costs of landfill closure, postclosure, and corrective action when needed. The County is in compliance with these requirements.

Yavapai County
Notes to Financial Statements
June 30, 2005

Note 12 - Insurance Claims

The County provides health benefits to its employees and their dependents through the Yavapai Combined Trust, currently composed of three members. The Trust provides benefits up to \$100,000 per individual per calendar year through a self-funding agreement with its participants and purchases commercial insurance to cover claims in excess of this limit. An independent administrator provides the trust with claim and recordkeeping services. The County is responsible for paying the premiums and requires its employees to contribute for dependent coverage. The County is not liable for claims in excess of coverage limits and cannot be assessed retroactive premium adjustments. If it withdraws from the Trust, the County would be responsible for its proportional share of any claims run-out costs, which exceed Trust Fund reserves established for the incurred but not reported claims liability. If the Trust were to terminate, the County would be responsible for its proportional share of any Trust deficit.

Note 13 - Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters; but was unable to obtain insurance at a cost it considered to be economically justifiable. Therefore, the County joined and is covered by three public entity risk pools: the Arizona Counties Property and Casualty Pool, and the Arizona Counties Workers' Compensation Pool which are described below, and the Yavapai Combined Trust, which is described above.

The Arizona Counties Property and Casualty Pool is a public entity risk pool currently composed of 11 member counties. The pool provides member counties catastrophic loss coverage for risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters; and provides risk management services. Such coverage includes all defense costs as well as the amount of any judgment or settlement. The County is responsible for paying a premium, based on its exposure in relation to the exposure of the other participants, and deductibles 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 \$100 million per occurrence for property claims and \$10 million per occurrence for liability claims. A County must participate in the pool at least three years after becoming a member; however, it may withdraw after the initial three-year period. If the pool were to become insolvent, the County would be assessed an additional contribution.

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

Yavapai County
Notes to Financial Statements
June 30, 2005

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 triennially. Both pools accrue liabilities for losses that have been incurred but not reported. These liabilities are determined annually based on an independent actuarial valuation.

Note 14 - Line of Credit Arrangement

The County has a \$6,500,000 line of credit arrangement with a bank. The line of credit matures on June 30, 2006, and is collateralized by U.S. Government-backed securities. At June 30, 2005, no portion of this amount was utilized.

Note 15 - Retirement Plans

Plan Descriptions - The County contributes to four plans, three of which are described below. The Elected Officials Retirement Plan is not described due to its relative insignificance to the County's financial statements. Benefits are established by state statute and generally provide retirement, death, long-term disability, survivor, and health insurance premium benefits.

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

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

The *Corrections Officer Retirement Plan* (CORP) is an agent multiple-employer defined benefit pension plan that covers certain employees of the State of Arizona, Departments of Corrections and Juvenile Corrections, and County employees whose primary duties require direct inmate contact. The CORP is governed by The Fund Manager of PSPRS and the participating local boards according to the provisions of A.R.S. Title 38, Chapter 5, Article 6.

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

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

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

Yavapai County
Notes to Financial Statements
June 30, 2005

Funding Policy - The Arizona State Legislature establishes and may amend active plan members' and the County's contribution rates.

Cost-sharing plan - For the year ended June 30, 2005, active ASRS members and the County were each required by statute to contribute at the actuarially determined rate of 5.70 percent (5.20 percent retirement and 0.50 percent long-term disability) of the members' annual covered payroll. The County's contributions to ASRS for the years ended June 30, 2005, 2004, and 2003 were \$2,496,445, \$2,266,529 and \$960,807 respectively, which were equal to the required contributions for the year.

Agent plans - For the year ended June 30, 2005, active PSPRS members were required by statute to contribute 7.65 percent of the members' annual covered payroll, and the County was required to contribute at the actuarially determined rate of 13.04 percent. Active CORP members were required by statute to contribute 8.5 percent of the members' annual covered payroll, and the County was required to contribute at the actuarially determined rate of 5.38 percent.

Annual Pension Cost - The County's pension cost for the two agent plans for the year ended June 30, 2005, and related information follow.

	<u>PSPRS</u>	<u>CORP</u>
Contribution rates:		
County	13.04%	5.38%
Plan members	7.65%	8.50%
Annual pension cost	\$730,814	\$333,401
Contributions made	\$730,814	\$333,401

The current-year annual required contributions for both the PSPRS and the CORP were determined as part of their June 30, 2003, actuarial valuations using the individual entry-age actuarial cost method. The actuarial assumptions included (a) 9 percent investment rate of return and (b) projected salary increases ranging from 6.5 percent to 9.5 percent per year. Both (a) and (b) included an inflation component of 5.5 percent. The assumptions did not include cost-of-living adjustments. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over time. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2003, was 20 years.

Yavapai County
Notes to Financial Statements
June 30, 2005

Trend Information - Annual pension cost information for the current and two preceding years follows for each of the agent plans.

Contributions Required and Contributions Made

Plan	Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PSPRS	2005	\$730,814	100%	\$ -0-
	2004	648,780	100%	-0-
	2003	465,783	100%	-0-
CORP	2005	333,401	100%	-0-
	2004	288,947	100%	-0-
	2003	126,031	100%	-0-

Note 16 - Interfund Balances and Activity

Interfund receivables and payables-interfund balances at June 30, 2005, were as follows:

	Payable To				Total
	General Fund	Jail District	HURF Road	Nonmajor Funds	
Payable from					
General Fund	\$ -	\$ -	\$ 145	\$ 629	\$ 774
Regional Road	-	-	1,365	-	1,365
HURF Road	889,954	-	-	94	890,048
Nonmajor Funds	462,746	1,976	33,894	287,238	785,854
Enterprise Fund	-	-	-	160,193	160,193
Total governmental	\$ 1,352,700	\$ 1,976	\$ 35,404	\$ 448,154	\$ 1,838,234

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

Yavapai County
Notes to Financial Statements
June 30, 2005

Interfund transfers-interfund transfers for the year ended June 30, 2005, were as follows:

	Transfer To						Total
	General Fund	Jail District	Jail District Debt Service	HURF Road	Capital Projects	Nonmajor Funds	
Transfer from							
General Fund	\$ -	\$ 5,290,807	\$ -	\$ -	\$2,100,000	\$ 1,980,693	\$ 9,371,500
Jail District	-	-	1,872,119	-	-	232,207	2,104,326
Regional Road	-	-	-	-	-	4,203,045	4,203,045
HURF Road	600,000	-	-	-	-	-	600,000
Capital Projects	13,242	-	-	-	-	-	13,242
Nonmajor funds	745,329	-	-	10,000	-	285,248	1,040,577
Long-term Care	297,046	-	-	-	-	-	297,046
Total primary government	<u>\$1,655,617</u>	<u>\$ 5,290,807</u>	<u>\$1,872,119</u>	<u>\$ 10,000</u>	<u>\$2,100,000</u>	<u>\$ 6,701,193</u>	<u>\$17,629,736</u>

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

Note 17 - Condensed Financial Statements of the 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 monies under his 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.

Yavapai County
Notes to Financial Statements
June 30, 2005

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 values 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 \$17,107 of interest earned in certain other funds to be transferred to the General Fund.

Substantially, all deposits and investments of the County's primary government are included in the County Treasurer's investment pool; therefore, the deposit and investment risks of the Treasurer's investment pool are the same as the County's deposit and investment risks, see Note 2 for disclosure of the County's deposit and investment risks.

Details of each major investment classification follow.

Investment Type	Principal	Interest Rates	Maturities	Fair Value
U.S. government securities	\$39,000,000	2.75-5.0%	8/13/04-10/29/07	\$38,786,045
Investment in State Treasurer's investment pool	63,199,000	2.7222%	None stated	63,199,000

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

Statement of Net Assets

Assets	\$ 102,738,053
Liabilities	-
Net assets	<u>\$ 102,738,053</u>
Net assets held in trust for:	
Internal participants	\$ 40,102,326
External participants	62,635,727
Total net assets held in trust	<u>\$ 102,738,053</u>

Statement of Changes in Net Assets

Total additions	\$ 466,075,588
Total deductions	<u>(439,647,427)</u>
Net decrease	26,428,161
Net assets held in trust:	
July 1, 2004	76,309,892
June 30, 2005	<u>\$ 102,738,053</u>

REQUIRED SUPPLEMENTARY INFORMATION

Yavapai County
 Required Supplementary Information
 Schedule of Agent Retirement Plans' Funding Progress
 June 30, 2005

Public Safety Personnel Retirement System

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (b)	Funding (Liability) Excess (a-b)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded Liability as Percentage Of Covered Payroll ([a-b]/c)
6/30/05	\$14,211,964	\$22,316,937	\$ (8,104,973)	63.7%	\$5,393,063	150.3%
6/30/04	13,692,093	18,169,579	(4,477,486)	75.4%	5,153,004	86.9%
6/30/03	13,059,119	15,833,057	(2,773,938)	82.5%	4,419,330	62.8%

Corrections Officer Retirement Plan

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (b)	Funding (Liability) Excess (a-b)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded Liability as Percentage Of Covered Payroll ([a-b]/c)
6/30/05	\$7,472,922	\$8,305,724	\$(832,802)	90.0%	\$6,519,542	12.8%
6/30/04	6,696,956	6,813,658	(116,702)	98.3%	6,030,637	1.9%
6/30/03	6,286,600	5,835,586	451,014	107.7%	4,073,025	-

Yavapai County
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 34,273,000	\$ 34,273,000	\$ 34,689,252	\$ 416,252
Licenses and Permits	2,850,000	2,850,000	4,006,141	1,156,141
Intergovernmental	28,812,942	28,812,942	28,548,998	(263,944)
Charges For Services	1,784,000	1,784,000	1,634,201	(149,799)
Fines and Forfeits	1,950,000	1,950,000	2,159,669	209,669
Investment Income	150,000	150,000	52,821	(97,179)
Miscellaneous	732,675	732,675	721,790	(10,885)
Total Revenues	70,552,617	70,552,617	71,812,872	1,260,255
Expenditures:				
General Government:				
Board of Supervisors	665,510	665,510	635,485	30,025
Human Resources	618,455	623,832	611,575	12,257
General Services	5,608,609	5,429,206	4,253,149	1,176,057
Emergency Management	105,808	105,808	97,086	8,722
Elections	751,909	751,909	602,925	148,984
Facilities	3,791,172	3,791,172	3,608,950	182,222
Development Services	3,567,164	3,573,199	3,476,455	96,744
Fleet	1,900,151	1,900,151	1,866,009	34,142
Finance	563,592	563,592	559,061	4,531
Assessor	3,068,816	3,068,816	2,961,615	107,201
Attorney	4,073,423	4,079,623	4,079,597	26
Voter Registration	321,536	336,536	334,075	2,461
Recorder	720,435	613,320	596,838	16,482
Management Information System	4,567,383	4,579,587	4,448,465	131,122
Clerk of the Court	1,989,628	1,989,628	1,951,710	37,918
Treasurer	673,431	694,347	667,000	27,347
Records Management	246,409	338,524	332,722	5,802
Superior Courts	3,102,458	3,102,458	3,086,231	16,227
Public Defender	3,255,718	3,359,202	3,359,199	3
Prescott Justice of the Peace	486,457	486,457	441,505	44,952
Prescott Constable	62,113	62,113	61,325	788
Bagdad/Yarnell Justice of the Peace	253,982	256,415	256,415	-
Verde Valley justice of the Peace	408,107	408,107	407,792	315
Mayer Justice of the Peace	331,403	331,403	292,314	39,089
Verde Constable	61,593	61,593	56,300	5,293
Seligman Justice of the Peace	242,834	242,834	233,552	9,282
Total General Government	41,438,096	41,415,342	39,277,350	2,137,992

(Continued)

See accompanying notes to budgetary comparison schedules.

Yavapai County
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund
 Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public Safety:				
Sheriff	9,787,792	9,787,792	9,773,780	14,012
Adult Probation	1,829,172	1,829,172	1,749,000	80,172
Juvenile Probation	2,090,259	2,090,259	2,053,496	36,762
Total Public Safety	<u>13,707,223</u>	<u>13,707,223</u>	<u>13,576,276</u>	<u>130,947</u>
Welfare:				
Medical Assistance	8,625,772	8,643,754	8,643,753	1
Public Fiduciary	360,257	360,257	332,147	28,110
Total Welfare	<u>8,986,029</u>	<u>9,004,011</u>	<u>8,975,900</u>	<u>28,111</u>
Education:				
School Superintendent	557,301	560,564	560,563	1
Total Education	<u>557,301</u>	<u>560,564</u>	<u>560,563</u>	<u>1</u>
Total Expenditures	<u>64,688,649</u>	<u>64,687,140</u>	<u>62,390,089</u>	<u>2,297,051</u>
Excess of Revenues Over (Under) Expenditures	<u>5,863,968</u>	<u>5,865,477</u>	<u>9,422,783</u>	<u>3,557,306</u>
Other Financing Sources (Uses):				
Transfer In	1,685,000	1,685,000	1,655,617	(29,383)
Transfer Out	(9,371,500)	(9,371,500)	(9,371,500)	-
Loan Proceeds	-	-	-	-
Sale of General Fixed Assets	-	-	25,483	25,483
Total Other Financing Source (Use)	<u>(7,686,500)</u>	<u>(7,686,500)</u>	<u>(7,690,400)</u>	<u>(3,900)</u>
Net change in fund balances	<u>(1,822,532)</u>	<u>(1,821,023)</u>	<u>1,732,383</u>	<u>3,553,406</u>
Fund Balance, July 1, 2004	1,822,532	1,821,023	1,955,129	134,106
Increase in reserve for inventories	-	-	8,024	8,024
Fund Balance, June 30, 2005	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,695,536</u>	<u>\$ 3,695,536</u>

See accompanying notes to budgetary comparison schedules.

Yavapai County
Required Supplementary Information
Budgetary Comparison Schedule
Jail District Fund
Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 6,600,000	\$ 6,600,000	\$ 7,045,465	\$ 445,465
Charges for services	-	-	382,936	382,936
Investment income	-	-	75,353	75,353
Miscellaneous	369,791	369,791	46,813	(322,978)
Total revenues	6,969,791	6,969,791	7,550,567	580,776
Expenditures:				
Public safety:				
Sheriff	12,549,057	12,549,057	12,001,473	547,584
Total expenditures	12,549,057	12,549,057	12,001,473	547,584
Excess (deficiency) of revenues over (under) expenditures	(5,579,266)	(5,579,266)	(4,450,906)	1,128,360
Other financing sources (uses):				
Transfer in	5,290,807	5,290,807	5,290,807	-
Transfer out	(1,865,000)	(1,865,000)	(2,104,326)	(239,326)
Total other financing sources (uses)	3,425,807	3,425,807	3,186,481	(239,326)
Net changes in fund balances	(2,153,459)	(2,153,459)	(1,264,425)	889,034
Fund balances, July 1, 2004	2,153,459	2,153,459	4,406,990	2,253,531
Fund balances, June 30, 2005	\$ -	\$ -	\$ 3,142,565	\$ 3,142,565

See accompanying notes to budgetary comparison schedules.

Yavapai County
Required Supplementary Information
Budgetary Comparison Schedule
Regional Road Fund
Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 8,666,666	\$ 8,666,666	\$ 9,166,581	\$ 499,915
Licenses and permits	1,500,000	1,500,000	2,056,735	556,735
Investment income	97,424	97,424	139,515	42,091
Miscellaneous	-	-	21,993	21,993
Total revenues	<u>10,264,090</u>	<u>10,264,090</u>	<u>11,384,824</u>	<u>1,120,734</u>
Expenditures:				
Highways and streets:				
Public works	<u>12,213,139</u>	<u>12,213,139</u>	<u>3,973,203</u>	<u>8,239,936</u>
Total expenditures	<u>12,213,139</u>	<u>12,213,139</u>	<u>3,973,203</u>	<u>8,239,936</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,949,049)</u>	<u>(1,949,049)</u>	<u>7,411,621</u>	<u>9,360,670</u>
Other financing sources (uses):				
Transfer out	(4,214,000)	(4,214,000)	(4,203,045)	10,955
Sale of fixed assets	-	-	1,367,270	1,367,270
Total other financing sources (uses)	<u>(4,214,000)</u>	<u>(4,214,000)</u>	<u>(2,835,775)</u>	<u>1,378,225</u>
Net changes in fund balances	(6,163,049)	(6,163,049)	4,575,846	10,738,895
Fund balances, July 1, 2004	<u>6,163,049</u>	<u>6,163,049</u>	<u>7,461,640</u>	<u>1,298,591</u>
Fund balances, June 30, 2005	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,037,486</u>	<u>\$ 12,037,486</u>

See accompanying notes to budgetary comparison schedules.

Yavapai County
Required Supplementary Information
Budgetary Comparison Schedule
HURF Road Fund
Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 14,700,000	\$ 14,700,000	\$ 14,945,143	\$ 245,143
Investment income	-	-	2,111	2,111
Miscellaneous	480,020	480,020	331,532	(148,488)
Total revenues	<u>15,180,020</u>	<u>15,180,020</u>	<u>15,278,786</u>	<u>98,766</u>
Expenditures				
Highways and streets:				
Public works	15,086,118	15,087,627	15,174,025	(86,398)
Total expenditures	<u>15,086,118</u>	<u>15,087,627</u>	<u>15,174,025</u>	<u>(86,398)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>93,902</u>	<u>92,393</u>	<u>104,761</u>	<u>12,368</u>
Other financing sources (uses):				
Transfer in	-	-	10,000	10,000
Transfer out	(600,000)	(600,000)	(600,000)	-
Total other financing sources (uses)	<u>(600,000)</u>	<u>(600,000)</u>	<u>(590,000)</u>	<u>10,000</u>
Net changes in fund balances	(506,098)	(507,607)	(485,239)	22,368
Fund balances, July 1, 2004	506,098	507,607	569,913	62,306
Decrease in reserve for inventories	-	-	(16,678)	(16,678)
Fund balances, June 30, 2005	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,996</u>	<u>\$ 67,996</u>

See accompanying notes to budgetary comparison schedules.

Yavapai County
Required Supplementary Information
Notes to Budgetary Comparison Schedules
Year Ended June 30, 2005

Note 1 – Budgeting and Budgetary Control

Arizona Revised Statutes (ARS) 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 level 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 maybe made upon the Board of Supervisors' approval.

Nonmajor Governmental Funds

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.
Public Library	Provides and maintains library services for the residents of Yavapai County. Operations are funded by a secondary tax levy.
School	Educational services and programs administered by the County School Superintendent.
Parks & Recreation	Accounts for fees and grants used for construction, maintenance and operation of parks.
Water Advisory Committee	Accounts for local government contributions used to assess the current and future supply of water.
Landfill / Environment	Used to fund operations of transfer stations, waste tire operations and closure costs of County landfills.
Public Works	Accounts for highway user fees restricted to construction, repair and maintenance of County roads.
C.D.B.G.	Community Development Block Grant is a federal grant for construction of facilities and acquisition of equipment for local non-profit and public entities.
Improvement Districts	Administration of special districts for Street Lighting, Road and Sewer improvements.
Clerk of Superior Court	Accounts for statutory fees collected and used for document storage and retrieval. Also fees used for "fill-the gap" purposes.
County Attorney	Accounts for various programs administered by the County Attorney including Anti-Racketeering, Victim Witness and Bad Check.
Law Enforcement	Used for various law enforcement services and programs. Funding sources include federal and state grants.
Emergency Management	Accounts for programs administered by the Emergency Management department used to provide services, equipment and supplies for law enforcement or other agencies dealing with emergency response.

Probation	Accounts for Adult and Juvenile Probation programs and services provided in coordination with the Superior Court System.
Courts	Accounts for statutory fees and surcharges related to the courts, and is used for the processing of criminal cases as well as court enhancement and records improvement.
Public Defender	Provides training related seminars, books and materials for staff and attorneys. Includes a state grant for indigent defense costs.
Airport Development	Airport enhancement projects for Seligman, Bagdad and Sedona funded by State grants.

CAPITAL PROJECTS FUNDS

Juvenile Jail Improvement	Accounts for state funded improvements for a new remanded juvenile jail facility.
Jail Construction	Accounts for the construction costs for the Verde Valley jail facility.

DEBT SERVICE FUNDS

The Debt Service Funds account for the accumulation of resources for the payment of principal and interest on the revenue bonds issued for special assessment bonds for the Coyote Springs, Granite Gardens and Pine Valley special assessment districts and the notes payable for the HELP loan and 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, 2005

Assets	Special Revenue			
	Health Care	Recorder's Surcharge	Assessor's Surcharge	Public Library
Cash and cash equivalents	\$ 2,136,615	\$ 848,162	\$ 521,038	\$ 328,326
Receivables:				
Property taxes	-	-	-	81,352
Special assessments	-	-	-	-
Accounts	104,491	6,916	6,376	786
Due from:				
Other funds	160,543	57	-	3
Other governments	525,487	-	-	-
Prepaid items	3,174	2,820	-	-
Total assets	<u>\$ 2,930,310</u>	<u>\$ 857,955</u>	<u>\$ 527,414</u>	<u>\$ 410,467</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 115,925	\$ 6,307	\$ -	\$ 3,070
Accrued payroll and employee benefits	224,599	3,490	11,701	25,619
Due to other funds	2,079	-	-	14,628
Unearned revenue	-	-	-	45,587
Total liabilities	<u>342,603</u>	<u>9,797</u>	<u>11,701</u>	<u>88,904</u>
Fund balances:				
Reserved for:				
Debt service	-	-	-	-
Unreserved, reported in				
Special revenue funds	2,587,707	848,158	515,713	321,563
Capital project funds	-	-	-	-
Total fund balances	<u>2,587,707</u>	<u>848,158</u>	<u>515,713</u>	<u>321,563</u>
Total liabilities and fund balances	<u>\$ 2,930,310</u>	<u>\$ 857,955</u>	<u>\$ 527,414</u>	<u>\$ 410,467</u>

School	Parks & Recreation	Water Advisory Committee	Landfill / Environment	Public Works	CDBG
\$ 474,055	\$ 817,739	\$ 162,112	\$ 408,778	\$ 228,817	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
37,092	75,791	304	53,175	376	-
-	9,446	-	18,276	-	-
15,504	-	-	93,342	-	147,645
55	-	-	-	-	-
<u>\$ 526,706</u>	<u>\$ 902,976</u>	<u>\$ 162,416</u>	<u>\$ 573,571</u>	<u>\$ 229,193</u>	<u>\$ 147,645</u>

\$ 25,280	\$ 16,745	\$ 18,086	\$ 77,608	\$ -	\$ 25,583
18,198	-	-	18,418	-	-
760	48,593	-	12,353	-	122,014
-	-	-	-	-	-
<u>44,238</u>	<u>65,338</u>	<u>18,086</u>	<u>108,379</u>	<u>-</u>	<u>147,597</u>

-	-	-	-	-	-
482,468	837,638	144,330	465,192	229,193	48
-	-	-	-	-	-
<u>482,468</u>	<u>837,638</u>	<u>144,330</u>	<u>465,192</u>	<u>229,193</u>	<u>48</u>
<u>\$ 526,706</u>	<u>\$ 902,976</u>	<u>\$ 162,416</u>	<u>\$ 573,571</u>	<u>\$ 229,193</u>	<u>\$ 147,645</u>

Yavapai County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2005
(Continued)

Assets	Special Revenue			
	Improvement Districts	Clerk of Superior Court	County Attorney	Law Enforcement
Cash and cash equivalents	\$ 2,381,074	\$ 328,892	\$ 619,386	\$ 524,684
Receivables:				
Property taxes	146,171	-	-	-
Special assessments	-	-	-	-
Accounts	4,683	31,277	4,555	30,161
Due from:				
Other funds	132	-	77	-
Other governments	71,507	-	95,515	148,832
Prepaid items	126	-	-	-
Total assets	<u>\$ 2,603,693</u>	<u>\$ 360,169</u>	<u>\$ 719,533</u>	<u>\$ 703,677</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 289,653	\$ -	\$ 71,689	\$ 1,900
Accrued payroll and employee benefits	23,054	1,156	36,399	19,957
Due to other funds	4,935	769	235	4,963
Unearned revenue	83,392	-	-	-
Total liabilities	<u>401,034</u>	<u>1,925</u>	<u>108,323</u>	<u>26,820</u>
Fund balances:				
Reserved for:				
Debt service	-	-	-	-
Unreserved, reported in				
Special revenue funds	2,202,659	358,244	611,210	676,857
Capital project funds	-	-	-	-
Total fund balances	<u>2,202,659</u>	<u>358,244</u>	<u>611,210</u>	<u>676,857</u>
Total liabilities and fund balances	<u>\$ 2,603,693</u>	<u>\$ 360,169</u>	<u>\$ 719,533</u>	<u>\$ 703,677</u>

Emergency Management	Probation	Courts	Public Defender	Airport Development
\$ -	\$ 565,993	\$ 793,634	\$ 75,270	\$ 29,052
-	-	-	-	-
-	-	-	-	-
23,494	67,670	35,123	987	781
-	258,524	1,096	-	-
16,628	48,163	9,993	10,407	257,290
-	20	1,874	-	-
<u>\$ 40,122</u>	<u>\$ 940,370</u>	<u>\$ 841,720</u>	<u>\$ 86,664</u>	<u>\$ 287,123</u>

\$ -	\$ 120,470	\$ 127,360	\$ -	\$ 324,571
1,623	148,447	41,356	3,898	-
283,232	259,554	246	31,478	-
-	-	-	-	-
<u>284,855</u>	<u>528,471</u>	<u>168,962</u>	<u>35,376</u>	<u>324,571</u>

-	-	-	-	-
(244,733)	411,899	672,758	51,288	-
-	-	-	-	(37,448)
<u>(244,733)</u>	<u>411,899</u>	<u>672,758</u>	<u>51,288</u>	<u>(37,448)</u>
<u>\$ 40,122</u>	<u>\$ 940,370</u>	<u>\$ 841,720</u>	<u>\$ 86,664</u>	<u>\$ 287,123</u>

Yavapai County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2005
(Continued)

Assets	Capital Projects	
	Juvenile Jail Improvement	Jail Construction
Cash and cash equivalents	\$ 1,012	\$ 27,927
Receivables:		
Property taxes	-	-
Special assessments	-	-
Accounts	2	-
Due from:		
Other funds	-	-
Other governments	-	-
Prepaid items	-	-
Total assets	\$ 1,014	\$ 27,927
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	\$ -	\$ -
Accrued payroll and employee benefits	-	-
Due to other funds	-	-
Unearned revenue	-	-
Total liabilities	-	-
Fund balances:		
Reserved for:		
Debt service	-	-
Unreserved, reported in		
Special revenue funds	-	-
Capital project funds	1,014	27,927
Total fund balances	1,014	27,927
Total liabilities and fund balances	\$ 1,014	\$ 27,927

This page is left blank intentionally.

Yavapai County
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2005
(Continued)

Assets	Debt Service			
	Coyote Springs	Prescott East	Granite Gardens	Pine Valley
Cash and cash equivalents	\$ 396,199	\$ 90,214	\$ 32,273	\$ 27,255
Receivables:				
Property taxes	-	-	-	-
Special assessments	1,184,178	256,282	-	8,471
Accounts	-	169	-	-
Due from:				
Other funds	-	-	-	-
Other governments	-	-	-	-
Prepaid items	-	-	-	-
Total assets	\$ 1,580,377	\$ 346,665	\$ 32,273	\$ 35,726
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ 43	\$ -	\$ -
Accrued payroll and employee benefits	-	-	-	-
Due to other funds	-	15	-	-
Unearned revenue	1,184,178	256,282	-	8,471
Total liabilities	1,184,178	256,340	-	8,471
Fund balances:				
Reserved for:				
Debt service	396,199	90,325	32,273	27,255
Unreserved, reported in				
Special revenue funds	-	-	-	-
Capital project funds	-	-	-	-
Total fund balances	396,199	90,325	32,273	27,255
Total liabilities and fund balances	\$ 1,580,377	\$ 346,665	\$ 32,273	\$ 35,726

<u>HELP</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 456	\$ 11,818,963
-	227,523
-	1,448,931
272	484,481
-	448,154
-	1,440,313
-	8,069
<u>\$ 728</u>	<u>\$ 15,876,434</u>

\$ -	\$ 1,224,290
-	577,915
-	785,854
-	1,577,910
<u>-</u>	<u>4,165,969</u>

728	546,780
-	11,172,192
-	(8,507)
<u>728</u>	<u>11,710,465</u>
<u>\$ 728</u>	<u>\$ 15,876,434</u>

Yavapai County
Combining Statement of
Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2005

	Special Revenue			
	Health Care	Recorder's Surcharge	Assessor's Surcharge	Public Library
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 1,940,347
Special assessments	-	-	-	-
Licenses and permits	399,261	-	-	-
Intergovernmental	4,922,475	-	20,000	23,000
Charges for services	2,400,158	470,320	469,780	-
Fines and forfeits	-	-	-	-
Investment income	34,095	13,094	7,527	7,106
Miscellaneous	1,262,583	1,447	54	65,722
Total Revenues	<u>9,018,572</u>	<u>484,861</u>	<u>497,361</u>	<u>2,036,175</u>
Expenditures:				
Current:				
General government	-	241,280	336,595	1,909,434
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Sanitation	-	-	-	-
Health	8,833,788	-	-	-
Education	-	-	-	-
Culture and recreation	-	-	-	-
Capital expenditures	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>8,833,788</u>	<u>241,280</u>	<u>336,595</u>	<u>1,909,434</u>
Excess (deficiency) of revenues over (under) expenditures	184,784	243,581	160,766	126,741
Other financing sources (uses):				
Transfers in	958,650	-	-	-
Transfers out	-	(186,000)	(20,000)	(38,000)
Total other financing sources (uses)	<u>958,650</u>	<u>(186,000)</u>	<u>(20,000)</u>	<u>(38,000)</u>
Net changes in fund balances	1,143,434	57,581	140,766	88,741
Fund Balances, July 1, 2004	<u>1,444,273</u>	<u>790,577</u>	<u>374,947</u>	<u>232,822</u>
Fund Balances, June 30, 2005	<u>\$ 2,587,707</u>	<u>\$ 848,158</u>	<u>\$ 515,713</u>	<u>\$ 321,563</u>

School	Parks & Recreation	Water Advisory Committee	Landfill / Environment	Public Works	CDBG
\$ 325,116	\$ 322,313	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
880,483	223,317	226,000	386,285	193,273	385,946
346,196	-	-	470,118	-	-
-	-	-	-	-	-
8,911	15,687	3,303	5,690	1,904	25
437,303	62,524	1,080	115,602	166	-
<u>1,998,009</u>	<u>623,841</u>	<u>230,383</u>	<u>977,695</u>	<u>195,343</u>	<u>385,971</u>
-	62,403	271,240	-	-	385,946
-	-	-	-	-	-
-	75,024	-	-	85,384	-
-	-	-	1,479,802	-	-
-	-	-	-	-	-
1,859,931	-	-	-	-	-
-	561,582	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,859,931</u>	<u>699,009</u>	<u>271,240</u>	<u>1,479,802</u>	<u>85,384</u>	<u>385,946</u>
138,078	(75,168)	(40,857)	(502,107)	109,959	25
-	-	-	575,349	-	-
-	(37,000)	-	-	-	-
-	(37,000)	-	575,349	-	-
138,078	(112,168)	(40,857)	73,242	109,959	25
344,390	949,806	185,187	391,950	119,234	23
<u>\$ 482,468</u>	<u>\$ 837,638</u>	<u>\$ 144,330</u>	<u>\$ 465,192</u>	<u>\$ 229,193</u>	<u>\$ 48</u>

Yavapai County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2005
(Continued)

	Special Revenue			
	Improvement Districts	Clerk of Superior Court	County Attorney	Law Enforcement
Revenues:				
Taxes	\$ 3,196,488	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	6,723	62,172	755,312	776,911
Charges for services	-	61,440	99,743	50,417
Fines and forfeits	-	264,401	-	-
Investment income	35,787	2,844	13,376	12,078
Miscellaneous	491,900	193	434,528	438,308
Total Revenues	<u>3,730,898</u>	<u>391,050</u>	<u>1,302,959</u>	<u>1,277,714</u>
Expenditures:				
Current:				
General government	196,309	139,505	1,576,601	-
Public safety	2,272,834	-	-	1,246,381
Highways and streets	47,009	-	-	-
Sanitation	12,775	-	-	-
Health	-	-	-	-
Education	-	-	-	-
Culture and recreation	-	-	-	-
Capital expenditures	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>2,528,927</u>	<u>139,505</u>	<u>1,576,601</u>	<u>1,246,381</u>
Excess (deficiency) of revenues over (under) expenditures	1,201,971	251,545	(273,642)	31,333
Other financing sources (uses):				
Transfers in	27,000	-	56,082	-
Transfers out	(492,363)	(258,248)	-	-
Total other financing sources (uses)	<u>(465,363)</u>	<u>(258,248)</u>	<u>56,082</u>	<u>-</u>
Net changes in fund balances	736,608	(6,703)	(217,560)	31,333
Fund Balances, July 1, 2004	<u>1,466,051</u>	<u>364,947</u>	<u>828,770</u>	<u>645,524</u>
Fund Balances, June 30, 2005	<u>\$ 2,202,659</u>	<u>\$ 358,244</u>	<u>\$ 611,210</u>	<u>\$ 676,857</u>

Emergency Management	Probation	Courts	Public Defender	Airport Development
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
207,567	4,005,745	551,944	144,051	2,582,589
-	648,018	269,213	13,381	-
-	-	86,705	-	-
2,156	7,017	14,778	1,745	1,825
49	6,531	53,456	32,967	54,720
<u>209,772</u>	<u>4,667,311</u>	<u>976,096</u>	<u>192,144</u>	<u>2,639,134</u>
685,310	149	1,573,973	135,478	-
-	4,437,357	65,644	96,657	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	2,690,577
-	-	-	-	-
-	-	-	-	-
<u>685,310</u>	<u>4,437,506</u>	<u>1,639,617</u>	<u>232,135</u>	<u>2,690,577</u>
(475,538)	229,805	(663,521)	(39,991)	(51,443)
-	-	595,580	53,279	-
-	(8,966)	-	-	-
-	(8,966)	595,580	53,279	-
(475,538)	220,839	(67,941)	13,288	(51,443)
230,805	191,060	740,699	38,000	13,995
<u>\$ (244,733)</u>	<u>\$ 411,899</u>	<u>\$ 672,758</u>	<u>\$ 51,288</u>	<u>\$ (37,448)</u>

Yavapai County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2005
(Continued)

	Capital Projects	
	Juvenile Jail Improvement	Jail Construction
Revenues:		
Taxes	\$ -	\$ -
Special assessments	-	-
Licenses and permits	-	-
Intergovernmental	-	-
Charges for services	-	-
Fines and forfeits	-	-
Investment income	8	11
Miscellaneous	1,043	30,099
Total Revenues	1,051	30,110
Expenditures:		
Current:		
General government	-	-
Public safety	-	-
Highways and streets	-	-
Sanitation	-	-
Health	-	-
Education	-	-
Culture and recreation	-	-
Capital expenditures	-	184,769
Debt service:		
Principal retirement	-	-
Interest and fiscal charges	-	-
Total Expenditures	-	184,769
Excess (deficiency) of revenues over (under) expenditures	1,051	(154,659)
Other financing sources (uses):		
Transfers in	-	232,208
Transfers out	-	-
Total other financing sources (uses)	-	232,208
Net changes in fund balances	1,051	77,549
Fund Balances, July 1, 2004	(37)	(49,622)
Fund Balances, June 30, 2005	\$ 1,014	\$ 27,927

This page is left blank intentionally.

Yavapai County
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2005
(Continued)

	Debt Service			
	Coyote Springs	Prescott East	Granite Gardens	Pine Valley
Revenues:				
Taxes	\$ -	\$ -	\$ 13,837	\$ -
Special assessments	258,025	42,800	-	7,707
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Investment income	5,979	1,652	788	426
Miscellaneous	-	-	-	-
Total Revenues	264,004	44,452	14,625	8,133
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Sanitation	-	-	-	-
Health	-	-	-	-
Education	-	-	-	-
Culture and recreation	-	-	-	-
Capital expenditures	-	-	-	-
Debt service:				
Principal retirement	75,000	29,287	13,000	10,000
Interest and fiscal charges	87,952	15,006	3,011	2,013
Total Expenditures	162,952	44,293	16,011	12,013
Excess (deficiency) of revenues over (under) expenditures	101,052	159	(1,386)	(3,880)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	101,052	159	(1,386)	(3,880)
Fund Balances, July 1, 2004	295,147	90,166	33,659	31,135
Fund Balances, June 30, 2005	\$ 396,199	\$ 90,325	\$ 32,273	\$ 27,255

HELP	Total Nonmajor Governmental Funds
\$ -	\$ 5,798,101
-	308,532
-	399,261
-	16,353,793
-	5,298,784
-	351,106
8,201	206,013
-	3,490,275
8,201	32,205,865
-	7,514,223
-	8,118,873
-	207,417
-	1,492,577
-	8,833,788
-	1,859,931
-	561,582
-	2,875,346
4,125,000	4,252,287
88,481	196,463
4,213,481	35,912,487
(4,205,280)	(3,706,622)
4,203,045	6,701,193
-	(1,040,577)
4,203,045	5,660,616
(2,235)	1,953,994
2,963	9,756,471
\$ 728	\$ 11,710,465

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Jail Construction
Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	11	11
Miscellaneous	-	-	30,099	30,099
Total revenues	-	-	30,110	30,110
Capital Expenditures:				
Board of supervisors	1,400,000	1,400,000	184,769	1,215,231
Total expenditures	1,400,000	1,400,000	184,769	1,215,231
Excess (deficiency) of revenues				
Over (under) expenditures	(1,400,000)	(1,400,000)	(154,659)	1,245,341
Other financing sources (uses):				
Transfer in	-	-	232,208	232,208
Transfer out	-	-	-	-
Total other financing sources (uses)	-	-	232,208	232,208
Net changes in fund balances	(1,400,000)	(1,400,000)	77,549	1,477,549
Fund balances, July 1, 2004	1,400,000	1,400,000	(49,622)	(1,449,622)
Fund balances, June 30, 2005	\$ -	\$ -	\$ 27,927	\$ 27,927

Yavapai County
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
Capital Projects
Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ 79,074	\$ 79,074
Miscellaneous	-	-	1,348	1,348
Total revenues	-	-	80,422	80,422
Capital Expenditures:				
Board of supervisors	6,810,660	4,246,650	599,753	3,646,897
Total expenditures	6,810,660	4,246,650	599,753	3,646,897
Excess (deficiency) of revenues over (under) expenditures	(6,810,660)	(4,246,650)	(519,331)	3,727,319
Other financing sources (uses):				
Transfer in	2,100,000	2,100,000	2,100,000	-
Transfer out	-	-	(13,242)	(13,242)
Total other financing sources (uses)	2,100,000	2,100,000	2,086,758	(13,242)
Net changes in fund balances	(4,710,660)	(2,146,650)	1,567,427	3,714,077
Fund balances, July 1, 2004	4,710,660	2,146,650	4,707,664	2,561,014
Fund balances, June 30, 2005	\$ -	\$ -	\$ 6,275,091	\$ 6,275,091

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Health Care
Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Licenses and permits	\$ 630,000	\$ 630,000	\$ 399,261	\$ (230,739)
Intergovernmental	6,245,281	6,245,281	4,922,475	(1,322,806)
Charges for services	-	-	2,400,158	2,400,158
Investment income	-	-	34,095	34,095
Miscellaneous	-	-	1,262,583	1,262,583
Total Revenues	<u>6,875,281</u>	<u>6,875,281</u>	<u>9,018,572</u>	<u>2,143,291</u>
Expenditures:				
Health:				
Health	<u>8,246,562</u>	<u>8,809,213</u>	<u>8,833,788</u>	<u>(24,575)</u>
Total health	<u>8,246,562</u>	<u>8,809,213</u>	<u>8,833,788</u>	<u>(24,575)</u>
Total Expenditures	<u>8,246,562</u>	<u>8,809,213</u>	<u>8,833,788</u>	<u>(24,575)</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,371,281)</u>	<u>(1,933,932)</u>	<u>184,784</u>	<u>2,118,716</u>
Other Financing Sources (Uses):				
Transfer in	<u>958,650</u>	<u>958,650</u>	<u>958,650</u>	<u>-</u>
Total Other Financing Source (Use)	<u>958,650</u>	<u>958,650</u>	<u>958,650</u>	<u>-</u>
Net changes in fund balances	(412,631)	(975,282)	1,143,434	2,118,716
Fund Balance, July 1, 2004	<u>412,631</u>	<u>975,282</u>	<u>1,444,273</u>	<u>468,991</u>
Fund Balance, June 30, 2005	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,587,707</u>	<u>\$ 2,587,707</u>

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Recorder's Surcharge
Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 620,500	\$ 620,500	\$ 470,320	\$ (150,180)
Investment income	-	-	13,094	13,094
Miscellaneous	-	-	1,447	1,447
Total Revenues	620,500	620,500	484,861	(135,639)
Expenditures:				
General Government:				
Recorder	434,500	434,500	241,280	193,220
Total General Government	434,500	434,500	241,280	193,220
Total Expenditures	434,500	434,500	241,280	193,220
Excess of Revenues Over (Under) Expenditures	186,000	186,000	243,581	57,581
Other Financing Sources (Uses):				
Transfer out	(186,000)	(186,000)	(186,000)	-
Total Other Financing Source (Use)	(186,000)	(186,000)	(186,000)	-
Net changes in fund balances	-	-	57,581	57,581
Fund Balance, July 1, 2004	-	-	790,577	790,577
Fund Balance, June 30, 2005	\$ -	\$ -	\$ 848,158	\$ 848,158

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Assessor's Surcharge
Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 371,324	\$ 371,324	\$ 20,000	\$ (351,324)
Charges for services	-	-	469,780	469,780
Investment income	-	-	7,527	7,527
Miscellaneous income	-	-	54	54
Total Revenues	371,324	371,324	497,361	126,037
Expenditures:				
General Government:				
Assessor	351,324	364,850	336,595	28,255
Total General Government	351,324	364,850	336,595	28,255
Total Expenditures	351,324	364,850	336,595	28,255
Excess of Revenues Over (Under) Expenditures	20,000	6,474	160,766	154,292
Other Financing Sources (Uses):				
Transfer out	(20,000)	(20,000)	(20,000)	-
Total Other Financing Source (Use)	(20,000)	(20,000)	(20,000)	-
Net changes in fund balances	-	(13,526)	140,766	154,292
Fund Balance, July 1, 2004	-	13,526	374,947	361,421
Fund Balance, June 30, 2005	\$ -	\$ -	\$ 515,713	\$ 515,713

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Public Library
Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 1,938,000	\$ 1,938,000	\$ 1,940,347	\$ 2,347
Intergovernmental	307,170	307,170	23,000	(284,170)
Investment income	-	-	7,106	7,106
Miscellaneous	-	-	65,722	65,722
Total Revenues	2,245,170	2,245,170	2,036,175	(208,995)
Expenditures:				
General Government:				
Library	2,207,171	2,207,171	1,909,434	297,737
Total General Government	2,207,171	2,207,171	1,909,434	297,737
Total Expenditures	2,207,171	2,207,171	1,909,434	297,737
Excess of Revenues Over (Under) Expenditures	37,999	37,999	126,741	88,742
Other Financing Sources (Uses):				
Transfer out	(38,000)	(38,000)	(38,000)	-
Total Other Financing Source (Use)	(38,000)	(38,000)	(38,000)	-
Net changes in fund balances	(1)	(1)	88,741	88,742
Fund Balance, July 1, 2004	1	1	232,822	232,821
Fund Balance, June 30, 2005	\$ -	\$ -	\$ 321,563	\$ 321,563

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
School
Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ 325,116	\$ 325,116
Intergovernmental	1,582,755	1,582,755	880,483	(702,272)
Charges for services	-	-	346,196	346,196
Investment income	-	-	8,911	8,911
Miscellaneous	-	-	437,303	437,303
Total Revenues	1,582,755	1,582,755	1,998,009	415,254
Expenditures:				
Education:				
School superintendent	1,582,755	1,806,798	1,859,931	(53,133)
Total Education	1,582,755	1,806,798	1,859,931	(53,133)
Total Expenditures	1,582,755	1,806,798	1,859,931	(53,133)
Excess of Revenues Over (Under) Expenditures	-	(224,043)	138,078	362,121
Net changes in fund balances	-	(224,043)	138,078	362,121
Fund Balance, July 1, 2004	-	224,043	344,390	120,347
Fund Balance, June 30, 2005	\$ -	\$ -	\$ 482,468	\$ 482,468

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Parks & Recreation
Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ 322,313	\$ 322,313
Intergovernmental	269,179	269,179	223,317	(45,862)
Investment income	-	-	15,687	15,687
Miscellaneous	-	-	62,524	62,524
Total Revenues	269,179	269,179	623,841	354,662
Expenditures:				
General Government:				
Board of supervisors	-	-	62,403	(62,403)
Total General Government	-	-	62,403	(62,403)
Highways and Streets:				
Public works	-	75,025	75,024	1
Total Highways and Streets	-	75,025	75,024	1
Culture & Recreation:				
Parks & Recreation	947,179	981,872	561,582	420,290
Total Culture & Recreation	947,179	981,872	561,582	420,290
Total Expenditures	947,179	1,056,897	699,009	357,888
Excess of Revenues Over (Under) Expenditures	(678,000)	(787,718)	(75,168)	712,550
Other Financing Sources (Uses):				
Transfer out	-	-	(37,000)	(37,000)
Total Other Financing Source (Use)	-	-	(37,000)	(37,000)
Net changes in fund balances	(678,000)	(787,718)	(112,168)	675,550
Fund Balance, July 1, 2004	678,000	787,718	949,806	162,088
Fund Balance, June 30, 2005	\$ -	\$ -	\$ 837,638	\$ 837,638

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Water Advisory Committee
Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 350,000	\$ 350,000	\$ 226,000	\$ (124,000)
Investment Income	-	-	3,303	3,303
Miscellaneous	-	-	1,080	1,080
Total Revenues	350,000	350,000	230,383	(119,617)
Expenditures:				
General Government:				
Board of Supervisors	350,000	350,000	271,240	78,760
Total General Government	350,000	350,000	271,240	78,760
Total Expenditures	350,000	350,000	271,240	78,760
Excess of Revenues Over (Under) Expenditures	-	-	(40,857)	(40,857)
Net changes in fund balances	-	-	(40,857)	(40,857)
Fund Balance, July 1, 2004	-	-	185,187	185,187
Fund Balance, June 30, 2005	\$ -	\$ -	\$ 144,330	\$ 144,330

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Landfill / Environment
Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 284,178	\$ 284,178	\$ 386,285	\$ 102,107
Charges For Services	530,000	530,000	470,118	(59,882)
Investment Income	-	-	5,690	5,690
Miscellaneous	-	-	115,602	115,602
Total Revenues	814,178	814,178	977,695	163,517
Sanitation:				
Landfill	1,554,560	1,554,560	1,479,802	74,758
Total Sanitation	1,554,560	1,554,560	1,479,802	74,758
Total Expenditures	1,554,560	1,554,560	1,479,802	74,758
Excess of Revenues Over (Under) Expenditures	(740,382)	(740,382)	(502,107)	238,275
Other Financing Sources (Uses):				
Transfer in	575,349	575,349	575,349	-
Total Other Financing Source (Use)	575,349	575,349	575,349	-
Net changes in fund balances	(165,033)	(165,033)	73,242	238,275
Fund Balance, July 1, 2004	165,033	165,033	391,950	226,917
Fund Balance, June 30, 2005	\$ -	\$ -	\$ 465,192	\$ 465,192

Yavapai County
Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Public Works
Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance Final Budget
Revenues:				
Intergovernmental	\$ 20,000	\$ 20,000	\$ 193,273	\$ 173,273
Investment Income	-	-	1,904	1,904
Miscellaneous	-	-	166	166
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>195,343</u>	<u>175,343</u>
Sanitation:				
Public Works	<u>20,000</u>	<u>20,000</u>	<u>85,384</u>	<u>(65,384)</u>
Total Sanitation	<u>20,000</u>	<u>20,000</u>	<u>85,384</u>	<u>(65,384)</u>
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>85,384</u>	<u>(65,384)</u>
Excess of Revenues & Other Sources Over (Under) Expenditures & Other	<u>-</u>	<u>-</u>	<u>109,959</u>	<u>109,959</u>
Fund Balance, July 1, 2004	-	-	119,234	119,234
Fund Balance, June 30, 2005	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 229,193</u>	<u>\$ 229,193</u>

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
CDBG
Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 385,946	\$ 335,946
Miscellaneous	-	-	25	25
Total Revenues	50,000	50,000	385,971	335,971
Expenditures:				
General Government:				
Board of supervisors	50,000	50,000	385,946	(335,946)
Total General Government	50,000	50,000	385,946	(335,946)
Total Expenditures	50,000	50,000	385,946	(335,946)
Excess of Revenues Over (Under) Expenditures	-	-	25	25
Net changes in fund balances	-	-	25	25
Fund Balance, July 1, 2004	-	-	23	23
Fund Balance, June 30, 2005	\$ -	\$ -	\$ 48	\$ 48

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Improvement Districts
Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 3,239,192	\$ 3,239,192	\$ 3,196,488	\$ (42,704)
Intergovernmental	-	-	6,723	6,723
Investment income	40,000	40,000	35,787	(4,213)
Miscellaneous	-	-	491,900	491,900
Total Revenues	<u>3,279,192</u>	<u>3,279,192</u>	<u>3,730,898</u>	<u>451,706</u>
Expenditures:				
General Government:				
Board of supervisors	-	171,048	196,309	(25,261)
Total General Government	<u>-</u>	<u>171,048</u>	<u>196,309</u>	<u>(25,261)</u>
Public Safety:				
Flood control	<u>4,198,422</u>	<u>4,198,422</u>	<u>2,272,834</u>	<u>1,925,588</u>
Total Public Safety	<u>4,198,422</u>	<u>4,198,422</u>	<u>2,272,834</u>	<u>1,925,588</u>
Highways and Streets:				
Board of supervisors	<u>154,371</u>	<u>154,371</u>	<u>47,009</u>	<u>107,362</u>
Total Highways and Streets	<u>154,371</u>	<u>154,371</u>	<u>47,009</u>	<u>107,362</u>
Sanitation:				
Special districts	<u>27,712</u>	<u>27,712</u>	<u>12,775</u>	<u>14,937</u>
Total Sanitation	<u>27,712</u>	<u>27,712</u>	<u>12,775</u>	<u>14,937</u>
Total Expenditures	<u>4,380,505</u>	<u>4,551,553</u>	<u>2,528,927</u>	<u>2,022,626</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,101,313)</u>	<u>(1,272,361)</u>	<u>1,201,971</u>	<u>2,474,332</u>
Other Financing Sources (Uses):				
Transfer in	-	-	27,000	27,000
Transfer out	<u>(491,000)</u>	<u>(491,000)</u>	<u>(492,363)</u>	<u>(1,363)</u>
Total Other Financing Source (Use)	<u>(491,000)</u>	<u>(491,000)</u>	<u>(465,363)</u>	<u>25,637</u>
Net changes in fund balances	(1,592,313)	(1,763,361)	736,608	2,499,969
Fund Balance, July 1, 2004	<u>1,592,313</u>	<u>1,763,361</u>	<u>1,466,051</u>	<u>(297,310)</u>
Fund Balance, June 30, 2005	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,202,659</u>	<u>\$ 2,202,659</u>

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Clerk of Superior Court
Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 356,940	\$ 356,940	\$ 62,172	\$ (294,768)
Charges for services	14,459	14,459	61,440	46,981
Fines and forfeits	-	-	264,401	264,401
Investment income	-	-	2,844	2,844
Miscellaneous	-	-	193	193
Total Revenues	371,399	371,399	391,050	19,651
Expenditures:				
General Government:				
Board of supervisors	-	33,851	1,272	32,579
Clerk of the court	145,730	145,730	138,233	7,497
Superior Court	225,669	225,669	-	225,669
Total General Government	371,399	405,250	139,505	265,745
Total Expenditures	371,399	405,250	139,505	265,745
Excess of Revenues Over (Under) Expenditures				
	-	(33,851)	251,545	285,396
Other Financing Sources (Uses):				
Transfer out	-	-	(258,248)	(258,248)
Total Other Financing Source (Use)	-	-	(258,248)	(258,248)
Net changes in fund balances	-	(33,851)	(6,703)	27,148
Fund Balance, July 1, 2004	-	33,851	364,947	331,096
Fund Balance, June 30, 2005	\$ -	\$ -	\$ 358,244	\$ 358,244

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
County Attorney
Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,047,573	\$ 1,047,573	\$ 755,312	\$ (292,261)
Charges for services	-	-	99,743	99,743
Investment income	-	-	13,376	13,376
Miscellaneous	-	-	434,528	434,528
Total Revenues	1,047,573	1,047,573	1,302,959	255,386
Expenditures:				
General Government:				
Attorney	1,047,573	1,434,381	1,576,601	(142,220)
Total General Government	1,047,573	1,434,381	1,576,601	(142,220)
Total Expenditures	1,047,573	1,434,381	1,576,601	(142,220)
Excess of Revenues Over (Under) Expenditures	-	(386,808)	(273,642)	113,166
Other Financing Sources (Uses):				
Transfer in	-	-	56,082	56,082
Total Other Financing Source (Use)	-	-	56,082	56,082
Net changes in fund balances	-	(386,808)	(217,560)	169,248
Fund Balance, July 1, 2004	-	386,808	828,770	441,962
Fund Balance, June 30, 2005	\$ -	\$ -	\$ 611,210	\$ 611,210

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Law Enforcement
Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 799,686	\$ 799,686	\$ 776,911	\$ (22,775)
Charges for services	-	-	50,417	50,417
Investment income	-	-	12,078	12,078
Miscellaneous	-	-	438,308	438,308
Total Revenues	799,686	799,686	1,277,714	478,028
Public Safety:				
Sheriff	799,686	918,707	1,246,381	(327,674)
Total Public Safety	799,686	918,707	1,246,381	(327,674)
Total Expenditures	799,686	918,707	1,246,381	(327,674)
Excess of Revenues Over (Under) Expenditures	-	(119,021)	31,333	150,354
Net changes in fund balances	-	(119,021)	31,333	150,354
Fund Balance, July 1, 2004	-	119,021	645,524	526,503
Fund Balance, June 30, 2005	\$ -	\$ -	\$ 676,857	\$ 676,857

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Emergency Management
Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 28,000	\$ 28,000	\$ 207,567	\$ 179,567
Investment income	-	-	2,156	2,156
Miscellaneous	-	-	49	49
Total Revenues	28,000	28,000	209,772	181,772
Expenditures:				
General government				
Emergency management	28,000	28,000	685,310	(657,310)
Total General government	28,000	28,000	685,310	(657,310)
Total Expenditures	28,000	28,000	685,310	(657,310)
Excess of Revenues Over (Under) Expenditures	-	-	(475,538)	(475,538)
Net changes in fund balances	-	-	(475,538)	(475,538)
Fund Balance, July 1, 2004	-	-	230,805	230,805
Fund Balance, June 30, 2005	\$ -	\$ -	\$ (244,733)	\$ (244,733)

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Probation
Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 4,495,818	\$ 4,495,818	\$ 4,005,745	\$ (490,073)
Charges for services	42,708	42,708	648,018	605,310
Investment income	-	-	7,017	7,017
Miscellaneous	-	-	6,531	6,531
Total Revenues	<u>4,538,526</u>	<u>4,538,526</u>	<u>4,667,311</u>	<u>128,785</u>
Expenditures:				
General government				
Clerk of court	-	-	149	(149)
Total General government	<u>-</u>	<u>-</u>	<u>149</u>	<u>(149)</u>
Public Safety:				
Adult probation	2,495,063	2,497,611	2,775,543	(277,932)
Juvenile probation	<u>2,054,463</u>	<u>2,054,463</u>	<u>1,661,814</u>	<u>392,649</u>
Total Public Safety	<u>4,549,526</u>	<u>4,552,074</u>	<u>4,437,357</u>	<u>114,717</u>
Total Expenditures	<u>4,549,526</u>	<u>4,552,074</u>	<u>4,437,506</u>	<u>114,568</u>
Excess of Revenues Over (Under) Expenditures	<u>(11,000)</u>	<u>(13,548)</u>	<u>229,805</u>	<u>243,353</u>
Other Financing Sources (Uses):				
Transfer out	-	-	(8,966)	(8,966)
Total Other Financing Source (Use)	<u>-</u>	<u>-</u>	<u>(8,966)</u>	<u>(8,966)</u>
Net changes in fund balances	(11,000)	(13,548)	220,839	234,387
Fund Balance, July 1, 2004	<u>11,000</u>	<u>13,548</u>	<u>191,060</u>	<u>177,512</u>
Fund Balance, June 30, 2005	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 411,899</u>	<u>\$ 411,899</u>

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Courts
Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,401,495	\$ 1,401,495	\$ 551,944	\$ (849,551)
Charges for services	-	-	269,213	269,213
Fines and forfeits	-	-	86,705	86,705
Investment income	-	-	14,778	14,778
Miscellaneous	-	-	53,456	53,456
Total Revenues	1,401,495	1,401,495	976,096	(425,399)
Expenditures:				
General Government:				
Superior courts	1,610,689	1,711,359	1,541,671	169,688
Prescott justice of the peace	14,000	14,000	10,000	4,000
Bagdad/Yarnell justice of the peace	-	-	7,113	(7,113)
Verde Valley justice of the peace	23,500	23,500	12,894	10,606
Mayer justice of the peace	-	-	1,574	(1,574)
Seligman justice of the peace	-	-	721	(721)
Total General Government	1,648,189	1,748,859	1,573,973	174,886
Public Safety:				
Adult probation	200,000	200,000	65,644	134,356
Total Public Safety	200,000	200,000	65,644	134,356
Total Expenditures	1,848,189	1,948,859	1,639,617	309,242
Excess of Revenues Over (Under) Expenditures				
	(446,694)	(547,364)	(663,521)	(116,157)
Other Financing Sources (Uses):				
Transfer in	446,694	446,694	595,580	148,886
Total Other Financing Source (Use)	446,694	446,694	595,580	148,886
Net changes in fund balances	-	(100,670)	(67,941)	32,729
Fund Balance, July 1, 2004	-	100,670	740,699	640,029
Fund Balance, June 30, 2005	\$ -	\$ -	\$ 672,758	\$ 672,758

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Public Defender
Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 185,000	\$ 185,000	\$ 144,051	\$ (40,949)
Charges for services	-	-	13,381	13,381
Investment income	-	-	1,745	1,745
Miscellaneous	-	-	32,967	32,967
Total Revenues	185,000	185,000	192,144	7,144
Expenditures:				
General Government:				
Public defender	150,000	193,057	135,478	57,579
Total General Government	150,000	193,057	135,478	57,579
Public Safety:				
Adult probation	35,000	35,000	96,657	(61,657)
Total Public Safety	35,000	35,000	96,657	(61,657)
Total Expenditures	185,000	228,057	232,135	(4,078)
Excess of Revenues Over (Under) Expenditures				
	-	(43,057)	(39,991)	3,066
Other Financing Sources (Uses):				
Transfer in	-	-	53,279	53,279
Total Other Financing Source (Use)	-	-	53,279	53,279
Net changes in fund balances	-	(43,057)	13,288	56,345
Fund Balance, July 1, 2004	-	43,057	38,000	(5,057)
Fund Balance, June 30, 2005	\$ -	\$ -	\$ 51,288	\$ 51,288

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Jail District Debt Service
Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Investment income	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Debt Service:				
Principal retirement	1,395,000	1,395,000	1,395,000	-
Interest and fiscal charges	470,000	470,000	477,093	(7,093)
Total Expenditures	<u>1,865,000</u>	<u>1,865,000</u>	<u>1,872,093</u>	<u>(7,093)</u>
Excess of Revenues Over (Under) Expenditures	(1,865,000)	(1,865,000)	(1,872,093)	(7,093)
Other Financing Sources (Uses):				
Transfer in	1,865,000	1,865,000	1,872,119	7,119
Total Other Financing Source (Use)	<u>1,865,000</u>	<u>1,865,000</u>	<u>1,872,119</u>	<u>7,119</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>26</u>	<u>26</u>
Fund Balance, July 1, 2004	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30, 2005	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26</u>	<u>\$ 26</u>

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Coyote Springs
Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Special assessments	\$ 164,920	\$ 164,920	\$ 258,025	\$ 93,105
Investment income	-	-	5,979	5,979
Total Revenues	<u>164,920</u>	<u>164,920</u>	<u>264,004</u>	<u>99,084</u>
Expenditures:				
Debt Service:				
Principal retirement	75,000	75,000	75,000	-
Interest and fiscal charges	89,920	89,920	87,952	1,968
Total Expenditures	<u>164,920</u>	<u>164,920</u>	<u>162,952</u>	<u>1,968</u>
Net changes in fund balances	-	-	101,052	101,052
Fund Balance, July 1, 2004	-	-	295,147	295,147
Fund Balance, June 30, 2005	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 396,199</u>	<u>\$ 396,199</u>

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Prescott East
Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Special assessments	\$ 41,650	\$ 41,650	\$ 42,800	\$ 1,150
Investment income	-	-	1,652	1,652
Total Revenues	41,650	41,650	44,452	2,802
Expenditures:				
Debt Service:				
Principal retirement	29,287	29,287	29,287	-
Interest and fiscal charges	11,431	11,431	15,006	(3,575)
Total Expenditures	40,718	40,718	44,293	(3,575)
Net changes in fund balances	932	932	159	(773)
Fund Balance, July 1, 2004	(932)	(932)	90,166	91,098
Fund Balance, June 30, 2005	\$ -	\$ -	\$ 90,325	\$ 90,325

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Granite Gardens
Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 15,636	\$ 15,636	\$ 13,837	\$ (1,799)
Investment income	-	-	788	788
Total Revenues	15,636	15,636	14,625	(1,011)
Expenditures:				
Debt Service:				
Principal retirement	13,000	13,000	13,000	-
Interest and fiscal charges	2,636	2,636	3,011	(375)
Total Expenditures	15,636	15,636	16,011	(375)
 Net changes in fund balances	 -	 -	 (1,386)	 (1,386)
 Fund Balance, July 1, 2004	 -	 -	 33,659	 33,659
Fund Balance, June 30, 2005	\$ -	\$ -	\$ 32,273	\$ 32,273

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
Pine Valley
Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Special assessments	\$ 11,935	\$ 11,935	\$ 7,707	\$ (4,228)
Investment income	-	-	426	426
Total Revenues	11,935	11,935	8,133	(3,802)
Expenditures:				
Debt Service:				
Principal retirement	10,000	10,000	10,000	-
Interest and fiscal charges	1,935	1,935	2,013	(78)
Total Expenditures	11,935	11,935	12,013	(78)
Net changes in fund balances	-	-	(3,880)	(3,880)
Fund Balance, July 1, 2004	-	-	31,135	31,135
Fund Balance, June 30, 2005	\$ -	\$ -	\$ 27,255	\$ 27,255

Yavapai County
Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
HELP
Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	8,201	8,201
Total Revenues	-	-	8,201	8,201
Expenditures:				
Debt Service:				
Principal retirement	4,125,000	4,125,000	4,125,000	-
Interest and fiscal charges	89,000	89,000	88,481	519
Total Expenditures	4,214,000	4,214,000	4,213,481	519
Other Financing Sources (Uses):				
Transfer in	4,214,000	4,214,000	4,203,045	(10,955)
Total Other Financing Source (Use)	4,214,000	4,214,000	4,203,045	(10,955)
Net changes in fund balances	-	-	(2,235)	(2,235)
Fund Balance, July 1, 2004	-	-	2,963	2,963
Fund Balance, June 30, 2005	\$ -	\$ -	\$ 728	\$ 728

This page is left blank intentionally.

CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS

Yavapai County
 Capital Assets Used in the Operation of Governmental Funds
 Comparative Schedules By Source
 As of June 30, 2004 and 2005

	<u>2005</u>	<u>2004</u>
Government funds capital assets:		
Land	\$ 11,857,985	\$ 11,705,056
Buildings	58,279,382	57,717,730
Machinery and equipment	27,852,489	26,158,522
Infrastructure	45,410,442	31,517,017
Construction in progress	<u>2,410,964</u>	<u>12,111,609</u>
 Total governmental funds capital assets	 <u>\$ 145,811,262</u>	 <u>\$ 139,209,934</u>
 Investments in governmental funds capital assets by source:		
General fund	\$ 55,851,654	\$ 55,337,022
Special revenue funds	89,868,420	82,567,733
Capital projects funds	<u>91,188</u>	<u>1,305,179</u>
 Total governmental funds capital assets	 <u>\$ 145,811,262</u>	 <u>\$ 139,209,934</u>

Yavapai County
 Capital Assets Used in the Operation of Governmental Funds
 Schedule By Function and Activity
 As of June 30, 2005

Function	Land	Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
General government	\$ 6,065,340	\$ 17,553,923	\$ 9,984,990	\$ -	\$ 91,188	\$ 33,695,441
Public safety	982,121	33,749,928	2,595,953	4,197,981	-	41,525,983
Highways and streets	2,613,202	2,509,269	12,485,160	41,212,461	2,300,249	61,120,341
Health	-	4,466,262	377,429	-	-	4,843,691
Welfare	-	-	24,898	-	-	24,898
Sanitation	203,164	-	896,648	-	-	1,099,812
Culture and recreation	1,994,158	-	1,331,566	-	19,527	3,345,251
Education	-	-	155,845	-	-	155,845
Total governmental funds capital assets	<u>\$ 11,857,985</u>	<u>\$ 58,279,382</u>	<u>\$ 27,852,489</u>	<u>\$ 45,410,442</u>	<u>\$ 2,410,964</u>	<u>\$ 145,811,262</u>

Yavapai County
 Capital Assets Used in the Operation of Governmental Funds
 Schedule of Changes By Function and Activity
 Year Ended June 30, 2005

Function	Governmental Funds Capital Assets July 1, 2004	Increases	Decreases	Governmental Funds Capital Assets June 30, 2005
General government	\$ 34,165,524	\$ 1,382,655	\$ 1,852,738	\$ 33,695,441
Public safety	40,796,379	938,923	209,319	41,525,983
Highways and streets	55,074,871	18,762,519	12,717,049	61,120,341
Health	4,819,503	29,921	5,733	4,843,691
Welfare	24,898	-	-	24,898
Sanitation	1,111,812	-	12,000	1,099,812
Culture and recreation	3,318,135	27,116	-	3,345,251
Education	<u>164,682</u>	<u>-</u>	<u>8,837</u>	<u>155,845</u>
Total governmental funds capital assets	<u>\$ 139,475,804</u>	<u>\$ 21,141,134</u>	<u>\$ 14,805,676</u>	<u>\$ 145,811,262</u>

Yavapai County
 Statement of Changes in Assets and Liabilities
 Agency Funds
 Year Ended June 30, 2005

Assets	Balance July 1, 2004	Additions	Deductions	Balance June 30, 2005
Equity in pooled cash and investments	\$ 2,186,697	\$ 10,541,813	\$ 11,164,504	\$ 1,564,006
Total assets	<u>\$ 2,186,697</u>	<u>\$ 10,541,813</u>	<u>\$ 11,164,504</u>	<u>\$ 1,564,006</u>
Liabilities				
Deposits held for others	\$ 2,186,697	\$ 10,541,813	\$ 11,164,504	\$ 1,564,006
Total liabilities	<u>\$ 2,186,697</u>	<u>\$ 10,541,813</u>	<u>\$ 11,164,504</u>	<u>\$ 1,564,006</u>

STATISTICAL SECTION

Yavapai County
General Government Expenditures by Function (1)
Last Ten Fiscal Years

Fiscal Year	General Government (2)	Public Safety	Highways and Streets	Sanitation	Health	Welfare	Education	Culture and Recreation	Capital	Debt Service	Total
1996	\$ 21,533,973	\$ 12,831,802	\$13,168,697	\$1,921,389	\$2,730,444	\$19,455,715	\$ 862,963	\$ 99,441	\$8,858,234	\$394,058	\$81,856,716
1997	22,624,732	14,822,379	14,232,814	2,687,678	3,031,384	20,916,414	905,312	97,518	5,964,359	382,961	85,665,551
1998	23,215,641	17,074,810	14,078,472	4,447,085	4,167,271	23,134,222	900,815	30,865	5,147,498	40,364	92,237,043
1999	28,001,920	19,363,526	18,813,683	2,168,874	5,065,742	24,365,900	986,090	69,506	2,535,988	44,281	101,415,510
2000	30,096,416	20,774,122	15,918,379	2,306,549	5,457,544	27,177,914	1,174,055	189,640	4,067,435	44,366	107,206,420
2001	33,059,247	23,172,460	24,018,331	2,243,074	6,028,077	30,792,000	1,404,241	495,677	10,524,290	34,764	131,772,161
2002	36,034,824	24,498,056	21,928,139	1,645,147	6,965,668	34,543,318	1,511,673	493,513	7,560,513	640,638	135,821,489
2003	39,111,791	26,503,683	25,704,354	2,066,464	7,875,991	36,546,180	1,741,436	599,275	12,044,577	2,379,700	154,573,451
2004	41,843,874	30,697,154	25,009,308	1,514,713	8,617,007	39,782,810	2,367,853	444,617	6,100,407	4,815,377	161,193,120
2005	46,791,573	33,696,623	19,354,645	1,492,577	8,833,788	8,975,900	2,420,494	561,581	3,475,099	6,320,843	131,923,123

(1) Includes General, Special Revenue, Debt Service, Capital Project and Enterprise Funds.

(2) General government amount for fiscal year 2002, 2003, 2004 and 2005 includes aid to other governments.

Yavapai County
General Government Revenues by Source (1)
Last Ten Fiscal Years

Fiscal Year	Taxes and Special Assessments	Licenses and Permits	Intergovernmental Revenue	Charges for Services	Fines and Forfeits	Investment Income	Miscellaneous/Contributions	Total
1996	\$ 27,187,800	\$ 2,398,840	\$ 44,189,879	\$2,587,924	\$1,405,702	\$1,423,703	\$ 3,585,416	\$ 82,779,264
1997	28,037,560	2,374,766	47,172,192	2,315,358	1,417,656	1,303,339	3,857,571	86,478,442
1998	32,637,294	2,893,784	47,182,740	4,455,427	3,165,288	1,604,118	1,832,093	93,770,744
1999	31,203,695	2,705,714	57,376,889	4,655,375	1,494,097	1,448,635	3,013,734	101,898,139
2000	33,770,631	2,930,789	62,280,143	5,229,472	1,773,761	1,591,186	2,273,212	109,849,194
2001	39,506,946	3,103,494	70,109,766	4,928,766	2,120,826	1,756,935	2,561,008	124,087,741
2002	41,694,553	3,140,455	75,823,324	5,578,511	2,208,732	1,046,454	3,394,544	132,886,573
2003	44,641,537	4,117,310	80,376,389	6,406,303	2,082,004	48,864	3,346,771	141,019,178
2004	51,641,675	4,566,514	84,770,218	6,422,832	2,319,086	376,760	4,514,962	154,612,047
2005	57,007,931	6,462,137	59,847,934	7,315,921	2,510,775	554,887	4,613,751	138,313,336

(1) Includes General, Special Revenue, Debt Service, Capital Project and Enterprise Funds.

Yavapai County
Assessed and Estimated Actual Value of Taxable Property (1)
Last Ten Years

Fiscal Year	Real Property (2)		Personal Property (2)		Total		Ratio of Total Assessed to Total Estimated Actual Value
	Assessed Value (\$)	Estimated Actual Value (\$)	Assessed Value (\$)	Estimated Actual Value (\$)	Assessed Value (\$)	Estimated Actual Value (\$)	
1996							
Primary	\$ 743,241,536	\$ 5,906,775,766	\$ 172,968,577	\$ 757,704,556	\$ 916,210,113	\$ 6,664,480,322	13.75%
Secondary	763,352,452	6,044,728,839	177,012,935	773,951,186	940,365,387	6,818,680,025	13.79%
1997							
Primary	818,648,806	6,593,090,518	196,466,771	785,862,336	1,015,115,577	7,378,952,854	13.76%
Secondary	858,001,585	6,880,833,714	206,527,971	826,107,267	1,064,529,556	7,706,940,981	13.81%
1998							
Primary	989,196,986	7,629,444,545	34,575,220	225,945,044	1,023,772,206	7,855,389,589	13.03%
Secondary	1,013,774,754	7,802,689,465	34,575,812	225,945,044	1,048,350,566	8,028,634,509	13.06%
1999							
Primary	1,059,358,444	8,296,621,775	37,772,625	255,778,262	1,097,131,069	8,552,400,037	12.83%
Secondary	1,149,003,339	9,024,978,457	37,771,686	255,778,262	1,186,775,025	9,280,756,719	12.79%
2000							
Primary	1,137,195,123	9,003,069,326	44,105,956	309,039,868	1,181,301,079	9,312,109,194	12.69%
Secondary	1,203,529,661	9,540,656,982	44,106,251	309,039,868	1,247,635,912	9,849,696,850	12.67%
2001							
Primary	1,237,213,069	9,847,596,289	43,737,336	282,453,191	1,280,950,405	10,130,049,480	12.65%
Secondary	1,300,875,126	10,341,372,719	43,741,696	282,453,191	1,344,616,822	10,623,825,910	12.66%
2002							
Primary	1,344,463,630	10,773,725,814	43,628,890	258,829,253	1,388,092,520	11,032,555,067	12.58%
Secondary	1,406,443,744	11,250,833,325	44,053,836	263,057,420	1,450,497,580	11,513,890,745	12.60%
2003							
Primary	1,471,014,420	11,797,772,883	45,792,997	273,981,588	1,516,807,417	12,071,754,471	12.56%
Secondary	1,556,684,202	12,394,583,401	45,795,927	273,981,588	1,602,480,129	12,668,564,989	12.65%
2004							
Primary	1,631,457,762	13,147,502,847	44,571,778	268,903,234	1,676,029,540	13,416,406,081	12.49%
Secondary	1,740,576,255	13,924,941,002	44,598,429	269,120,199	1,785,174,684	14,194,061,201	12.58%
2005							
Primary	1,665,794,802	14,090,139,230	49,368,952	291,655,204	1,715,163,754	14,381,794,434	11.93%
Secondary	1,807,696,243	15,224,229,595	49,373,265	291,674,798	1,857,069,508	15,515,904,393	11.97%

(1) Fiscal years 1996 and 1997 reflect assessed values without any reduction in value for exemptions. Fiscal years 1998 through 2005 reflect net assessed values.

(2) Real property includes locally assessed real and centrally assessed real and certain secured personal property through 1997. Personal property through 1997 includes both secured and unsecured property. For fiscal years 1998 through 2005 all secured personal property is reflected in real property.

Source: Abstract by tax authority and legal class, Arizona Department of Revenue.

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

Fiscal Year	General Tax Levy (\$)	Current Tax Collections (\$)	Percent of Levy Collected	Delinquent Tax Collections (\$)	Total Tax Collections (\$)	Percent of Total Tax Collected to Tax Levy	Outstanding Delinquent Taxes (\$)	Percent of Delinquent Taxes to Tax Levy
1996	\$ 16,100,000	\$ 15,185,278	94.32%	\$ 366,925	\$ 15,552,203	96.60%	\$ 1,003,844	6.24%
1997	16,650,000	15,620,420	93.82%	456,717	16,077,137	96.56%	1,069,752	6.42%
1998	17,370,000	16,410,585	94.48%	500,311	16,910,896	97.36%	1,005,498	5.79%
1999	17,883,500	16,783,531	93.85%	401,523	17,185,054	96.09%	1,088,132	6.08%
2000	18,824,000	17,720,659	94.14%	436,581	18,157,240	96.46%	1,091,182	5.80%
2001	19,090,000	17,955,221	94.06%	357,829	18,313,050	95.93%	1,122,224	5.88%
2002	20,602,000	19,422,071	94.27%	406,753	19,828,824	96.25%	1,006,729	4.89%
2003	22,310,000	21,116,484	94.65%	434,373	21,550,857	96.60%	1,014,182	4.55%
2004	25,495,000	24,380,161	95.63%	409,335	24,789,496	97.23%	1,093,784	4.29%
2005	28,506,000	27,281,472	95.70%	421,665	27,703,137	97.18%	1,115,806	3.91%

(1) General Fund levies and collections only.

Yavapai County
Property Tax Rates - All Direct and Overlapping Governments
Last Ten Years

Fiscal Year		County	State	School Equalization	School Districts	Cities	Other Special Districts	Community College District
1996	Primary	1.9413	0.4700	0.5300	2.5252-7.7420	.5107 - 1.7683	--	1.5448
	Secondary	0.4784	--	--	0.2244-2.5378	.1648 - .5184	.6180-7.9919	0.1223
1997	Primary	1.9808	--	0.5300	2.2973-6.8876	0.4614 - 1.7382	--	1.5237
	Secondary	0.4278	--	--	0.2114-2.4839	0.1666 - 0.3692	0.5424-7.5351	0.1223
1998	Primary	1.8063	--	0.5300	2.1269-8.7736	0.4152 - 1.5951	--	1.4589
	Secondary	0.4097	--	--	0.1857-2.1236	0.1285 - 0.3133	0.5816-9.5182	0.1055
1999	Primary	1.7468	--	0.5300	1.8412-8.2203	0.3822 - 1.4973	--	1.4631
	Secondary	0.4354	--	--	0.2062-2.1147	0.1447 - 0.2784	0.5859-8.4556	0.1058
2000	Primary	1.7157	--	0.5217	2.3038-7.3817	0.3169 - 1.5382	--	1.5294
	Secondary	0.4452	--	--	0.1853-2.1853	0.1273 - 0.5067	0.4456-5.0680	0.0956
2001	Primary	1.6160	--	0.5123	1.2996-7.6734	0.2906 - 1.6280	--	1.5330
	Secondary	0.4354	--	--	0.5595-2.1201	0.1475 - 0.5592	0.4752-4.0624	0.0875
2002	Primary	1.6083	--	0.4974	0.9900-7.8089	0.2627 - 1.5235	--	1.5325
	Secondary	0.4286	--	--	0.0500-2.0652	0.1482 - 0.5121	0.4721-3.8269	0.4163
2003	Primary	1.6072	--	0.4889	1.8248-7.3939	0.2522 - 1.3382	--	1.5835
	Secondary	0.4297	--	--	0.3084-2.0799	0.4707 - 0.4707	0.0438-5.6002	0.3954
2004	Primary	1.6808	--	0.4717	0.4839-8.2795	0.2415 - 1.2461	--	1.5672
	Secondary	0.4307	--	--	0.2935-2.5992	0.4072 - 0.4072	0.3235-3.3000	0.3106
2005	Primary	1.7008	--	0.4560	1.2362-8.2761	0.2383 - 1.1904	--	1.5626
	Secondary	0.4069	--	--	0.2755-2.3333	0.3763 - 0.3763	0.3057-3.3000	0.2888

Source: Yavapai County Board of Supervisors Adopted Budget Reports.

Yavapai County
Special Assessment Billings and Collections
Last Ten Years

Fiscal Year	Current Assessments Billings (\$)	Assessments Collected (\$)	
1996	\$277,515.48	\$282,241.20	*
1997	474,836.21	476,299.38	*
1998	133,601.34	137,520.26	*
1999	100,081.89	110,384.61	*
2000	123,108.52	123,332.79	*
2001	94,806.59	101,302.35	*
2002	54,280.00	114,146.00	*
2003	209,753.10	269,572.83	*
2004	197,794.73	389,136.73	*
2005	185,626.63	310,753.90	*

* Assessment collections exceeded total billings due to early pay off and proceeds from land auctions for delinquent assessments.

Yavapai County
Computation of Legal Debt Margin
June 30, 2005

Assessed value of real and personal property	\$ 1,877,847,425
Debt limit, 6 percent of assessed value (constitutional limit)	112,670,846
Debt subject to debt limitation	0
Available debt limit	<u>\$ 112,670,846</u>

Yavapai County
Computation of Direct and Overlapping Debt
June 30, 2005

Direct debt:		
Yavapai County general obligation debt	\$	0
Overlapping debt:		
School Districts		50,565,000
Community College		61,725,000
Jail District - Part of Reporting Entity		11,200,000
Special Districts - Part of Reporting Entity		3,650,367
Special Districts - Not Part of Reporting Entity		11,393,000
 Total direct general obligation and overlapping debt	 \$	 <u>138,533,367</u>

Yavapai County
Principal Taxpayers
Fiscal Year 2004/2005

Taxpayer	Primary Assessed Value	Percentage of Primary Assessed Value to Total Primary Assessed Value	Tax Collected
1 Arizona Public Service	\$59,285,991	3.16%	\$5,734,590
2 Phelps Dodge Bagdad	26,681,234	1.42%	2,373,154
3 Qwest Corporation	21,841,674	1.16%	2,153,071
4 Salt River Pima - Maricopa Indian Community	21,617,377	1.15%	1,732,970
5 El Paso Natural Gas Company	9,593,756	0.51%	1,178,605
6 Unisource Energy Corporation	11,589,889	0.62%	1,110,767
7 Burlington Northern Santa Fe Railway Company	10,378,881	0.55%	1,028,610
8 Transwestern Pipeline Company	6,460,392	0.34%	765,927
9 TWC II-Prescott Mall LLC	8,210,401	0.44%	667,140
10 New Enchantment LP	6,022,671	0.32%	523,482
Totals	<u>\$181,682,266</u>	<u>9.67%</u>	<u>\$17,268,316</u>

Source: Assessor and Treasurer of Yavapai County.

Yavapai County
Salaries of Elected County Officials
June 30, 2005

Title of Official	Annual Salary
Board of Supervisors	\$56,500
Assessor	56,500
County Attorney	109,450
Recorder	56,500
School Superintendent	56,500
Clerk of the Superior Court	56,500
Sheriff	89,225
Treasurer	56,500
Superior Court Judges*	60,375
Justices of the Peace	
Prescott	84,525
Verde Valley	84,525
Bagdad / Yarnell	78,488
Mayer	78,488
Seligman	66,413
Constables	
Prescott	48,294
Verde Valley	48,294

*Yavapai County's portion only (50%).

Yavapai County
Schedule of Insurance in Force
July 1, 2004 – June 30, 2005

Type of Policy and Type of Coverage	Details of Coverage		Agency	Expiration Date	Annual Premium
Primary Liability, including Auto, and Police Professional	\$10,000,000 50,000	Limit Deductible per occurrence	Arizona Counties Insurance Pool	7/1/2005	\$709,067
Property	100,000,000 25,000	Limit Deductible per occurrence	Arizona Counties Insurance Pool	7/1/2005	Included in Primary Liability
Airport Liability	2,000,000 2,000,000 2,000,000 250,000 50,000	Bodily / Property Damage Products/Completed Ops Personal Injury / Medical Malpractice Hangarkeepers Fire damage	ACE USA	2/5/2006	\$6,342
Aircraft	2,000,000 100,000 12,000	Liability Hangar Medical Expense	ACE USA	2/5/2006	\$5,840
Managed Care Liability	1,000,000 3,000,000 50,000	Liability Aggregate Deductible per claim	Marsh	7/1/2005	\$62,113
Medical Malpractice	3,000,000 10,000,000	Each Claim Aggregate	Wexford Health Sources, Inc.	7/1/2005	Included in contract with Wexford Health Sources, Inc.
Boiler & Machinery	30,000,000	Limit each accident	Arizona Counties Insurance Pool	7/1/2005	Included in Primary Liability
Public Officials Errors & Omissions	2,000,000 3,000,000 10,000,000	Limit One Entity Annual Aggregate Policy Annual Aggregate	Arizona Counties Insurance Pool	7/1/2005	Included in Primary Liability
Public Employees Dishonesty/Crime	150,000		Arizona Counties Insurance Pool	7/1/2005	Included in Primary Liability
Commutation Insurance	Five times employee base annual salary		Transamerica Occidental Life	3/1/2006	Included in Primary Liability

Yavapai County
Demographic and Other Statistical Data
June 30, 2005

Geographical location	Yavapai County is located in the West Central portion of the State of Arizona, coverage 8,125 square miles.		
Date formed	November 9, 1864		
Registered voters	98,091 per Yavapai County voter registration, October 2004		
Number voting	88,083 in the November 2004 general election (Presidential)		
Percent voting	88.22% in the November 2004 general election (Presidential)		
Number of judicial courts:			
Superior courts	6		
Justice of Peace courts	5		
Miles of County maintained roads:			
Miles of roads	1,675		
Miles of paved roads	665		
Miles of native surface roads	1,010		
Number of parks:			
Regional County parks	1		
Community parks	13		
Acres	483		
Age Distribution			
0 - 14	17.2%		
15 - 24	11.0%		
25 - 44	22.4%		
45 - 64	27.4%		
65 +	22.0%		

Population	1990	2000	2003
Arizona	3,665,228	5,130,632	5,629,870
Yavapai County	68,145	167,517	186,885
Major Cities/Communities			
Bagdad	1,858	1,578	1,760 *
Camp Verde	6,243	9,451	10,095
Chino Valley	4,837	7,835	9,015
Clarkdale	2,144	3,422	3,595
Cottonwood	5,918	9,179	10,240
Jerome	403	329	330
Prescott	26,592	33,938	38,180
Prescott Valley	8,858	23,535	27,255
Sedona	7,720	10,192	10,700
Verde Village	7,000	10,610	11,837 *

* Based on county growth rate.

(Continued)

Yavapai County
Demographic and Other Statistical Data
June 30, 2005
(Concluded)

<u>Civilian Labor Force</u>	<u>Labor Force</u>	<u>Unemployment Rate</u>
Arizona	2,690,294	5.6%
Yavapai County	81,770	3.3%
Major Cities/Communities		
Ash Fork	N/A	N/A
Bagdad	1,700	2.2%
Camp Verde	4,071	2.9%
Chino Valley	3,416	4.8%
Clarkdale	1,601	4.4%
Cottonwood	4,064	4.3%
Jerome	427	2.8%
Prescott	20,589	3.7%
Prescott Valley	11,618	2.9%
Sedona	6,063	1.7%
Verde Village	5,027	3.5%
Yarnell/Peebles Valley	N/A	N/A
Yavapai-Prescott Indian	135	9.6%

Arizona Dept. of Economic Security, 2003 Special Unemployment Report.

Employment by Sector

Manufacturing	6.18%	Education & Health Services	15.91%
Mining & Quarrying	1.85%	Finance, Insurance and Real Estate	11.53%
Construction	10.56%	Services and Miscellaneous	13.53%
Trade, Transportation & Utilities	19.51%	Government	20.92%

Major Employers

Ace Hardware	City of Prescott
Arizona Public Service	Prescott Resort
The Arbors	Prescott Unified School District
Atria & Kachina Point Assisted Living	Price Costco Store
Camp Verde Public Schools	Ruger Investment Castings
Caradon Better Bilt	Safeway
Chino Valley Unified School District	Sedona / Oak Creek Unified School District
Cliff Castle Casino	Sturm Ruger & Co.
City of Cottonwood	Target Store
Cottonwood / Oak Creek Schools	Town of Prescott
Cyprus Bagdad Copper Corporation	U.S. Forest Service
Double Tree Sedona Resort	Veterans Administration Medical Center
Embry-Riddle Aeronautical University	Verde Valley Medical Center
Enchantment Resort	Wal-Mart
Humboldt Unified School District	West Yavapai Guidance Clinic
Exsil, Inc.	Wulfsberg Electronics
Los Abrigados Resort	Yavapai Community College
Mingus Union High School District	Yavapai County
Phelps & Sons Trusses	Yavapai Gaming Agency
Phoenix Cement Co.	Yavapai Regional Medical Center

Sources: Arizona Department of Commerce and Yavapai County.

This page is left blank intentionally.