

YUMA COUNTY

ANNUAL

EXPENDITURE

LIMITATION

REPORT



FOR THE FISCAL YEAR ENDED JUNE 30, 2024

**Yuma County Financial Services
198 South Main Street
Yuma, Arizona 85364
www.yumacountyaz.gov**

YUMA COUNTY

"Yuma County Government is dedicated to providing customer-focused services to enhance the health, safety, well-being, and future of our entire community."

Annual Expenditure Limitation Report

For the Fiscal Year
Ended June 30, 2024



BOARD OF SUPERVISORS

Martin Porchas, Chair
District 1

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Marco A (Tony) Reyes, District 4

Darren Simmons, District 3
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COUNTY ADMINISTRATOR

Ian McGaughey

Prepared by Yuma County Financial Services Department

Chief Financial Officer
Humberto Del Castillo Ochoa

Deputy Chief Financial Officer
Leonardo Tanory

General Ledger Supervisor
Margarita Gamboa

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YUMA COUNTY
Annual Expenditure Limitation Report
Year ended June 30, 2024

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Independent Accountants' Report



INDEPENDENT ACCOUNTANTS' REPORT

To the Arizona Auditor General

The Board of Supervisors of
Yuma County, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of Yuma County, Arizona (the County), for the year ended June 30, 2024 and the related notes to the report. The County's management is responsible for presenting this report in accordance with the Uniform Expenditure Reporting System as described in Note 1. Our responsibility is to express an opinion on this report based on our examination.

We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether this report is presented in accordance with the Uniform Expenditure Reporting System in all material respects. An examination involves performing procedures to obtain evidence about the amounts and disclosures in the report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the report, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to our engagement.

In our opinion, the Annual Expenditure Limitation Report referred to above is presented in accordance with the Uniform Expenditure Reporting System as described in Note 1 in all material respects.

Fester & Chapman, PLLC

June 6, 2025

YUMA COUNTY
Annual Expenditure Limitation Report

Part I

Year ended June 30, 2024

1. Economic Estimates Commission expenditure limitation	\$ 110,274,426
2. Amount subject to the expenditure limitation (total amount from part II, Line C)	<u>101,588,459</u>
3. Amount under the expenditure limitation	<u>\$ 8,685,967</u>

I hereby certify, to the best of my knowledge and belief, that the information contained in this report is accurate and in accordance with the requirements of the Uniform Expenditure Reporting System.



Signature of chief fiscal officer: _____

Name and title: Humberto Del Castillo Ochoa, Chief Financial Officer

Telephone number: (928) 373-1012 Date: 6/6/2025

See accompanying notes to report.

YUMA COUNTY
Annual Expenditure Limitation Report

Part II

Year ended June 30, 2024

Description	Governmental Funds	Internal service funds	Fiduciary funds	Total
A. Amounts reported on the reconciliation, line D	\$ 208,855,149	\$ 22,010,116	\$ 839,047,377	\$ 1,069,912,642
B. Less exclusions claimed:				
Debt service requirements (Note 3)	6,868,408	-	-	6,868,408
Trustee or custodian (Note 4)	1,649,570	-	839,047,377	840,696,947
Grants and aid from the federal government (Note 5)	54,245,888	-	-	54,245,888
Amounts received from the State of Arizona (Note 5)	20,571,601	-	-	20,571,601
Highway user revenues in excess of those received in fiscal year 1979-80 (Note 5)	13,143,846	-	-	13,143,846
Quasi-external interfund transactions (Note 6)	-	13,210,383	-	13,210,383
Contracts with other political subdivisions (Note 7)	245,931	-	-	245,931
Prior years carryforward (Note 12)	19,341,179	-	-	19,341,179
Total exclusions claimed	<u>116,066,423</u>	<u>13,210,383</u>	<u>839,047,377</u>	<u>968,324,183</u>
C. Amounts subject to the expenditure limitation	<u>\$ 92,788,726</u>	<u>\$ 8,799,733</u>	<u>\$ -</u>	<u>\$ 101,588,459</u>

See accompanying notes to report.

YUMA COUNTY
Annual Expenditure Limitation Report

Reconciliation

Year ended June 30, 2024

Description	Governmental Funds	Internal service funds	Fiduciary funds	Total
A. Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements	\$ 274,839,886	\$ 19,777,796	\$ 839,047,377	\$ 1,133,665,059
B. Subtractions:				
Items not requiring use of current financial resources:				
Claims incurred but not reported (IBNR) (Note 11)	-	1,614,900	-	1,614,900
Pension expense (Note 8)	-	25,545	-	25,545
Total expenditures of separate legal entities established under Arizona Revised Statutes (A.R.S.) (Note 9)	64,341,556	-	-	64,341,556
Contributions to fire districts (Note 9)	63,039	-	-	63,039
Long-term care contributions the State Treasurer withheld (Note 10)	11,047,700	-	-	11,047,700
Total subtractions	75,452,295	1,640,445	-	77,092,740
C. Additions:				
Capital assets acquisitions (Note 2)	-	2,869,985	-	2,869,985
Amounts paid in the current year but reported as expenses in previous years:				
Claims previously recognized as IBNR (Note 11)	-	943,950	-	943,950
Pension contributions paid in the current year (Note 8)	-	58,830	-	58,830
County transfers to separate legal entities (Note 9)	9,467,558	-	-	9,467,558
Total additions	9,467,558	3,872,765	-	13,340,323
D. Amounts reported on Part II, line A	\$ 208,855,149	\$ 22,010,116	\$ 839,047,377	\$ 1,069,912,642

See accompanying notes to report.

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**Notes to Annual
Expenditure Limitation Report**

Yuma County

Notes to Annual Expenditure Limitation Report

Year ended June 30, 2024

Note 1 - Summary of significant accounting policies

The Annual Expenditure Limitation Report (AELR) is presented as prescribed by the Uniform Expenditure Reporting System (UERS), as required by Arizona Revised Statutes (A.R.S.) §41-1279.07. The AELR excludes expenditures, expenses, or deductions of certain revenues specified in the Arizona Constitution, Article IX, §20, from the total expenditures, expenses, or deductions reported in the fund financial statements.

In accordance with the UERS, a note to the AELR is presented below for any exclusion claimed on part II and each subtraction or addition in the reconciliation that cannot be traced directly to an amount reported in the fund financial statements. All references to financial statement amounts in the following notes refer to the statement of revenues, expenditures, and changes in fund balances for the governmental funds; statement of revenues, expenses, and changes in fund net position for the proprietary funds; statement of cash flows for the proprietary funds; and the statement of changes in fiduciary net position for the fiduciary funds.

Note 2

The \$2,869,985 addition for capital assets acquisitions consist of capital outlay items, mostly machinery and equipment, purchased in the internal service funds which were not fully expensed.

Note 3

The \$6,868,408 exclusion claimed for debt service requirements are for the required, general fund supported, debt service and financed purchases payments for the current fiscal year. Total principal payments amounted to \$3,768,220 and \$3,100,188 for interest expense. The following schedule presents the detailed information on required long-term debt service payments of the outstanding long-term debt:

Description	Principal	Interest
Revenue bonds, taxable, series 2020	\$ 1,950,000	\$ 595,038
Revenue bonds, nontaxable, series 2022	1,665,000	2,505,150
Financed purchases	153,220	-
Totals	\$ 3,768,220	\$ 3,100,188

Note 4

The \$1,649,570 exclusion claimed for trustee or custodian in the governmental funds consists of the County's contributions to the Arizona Health Care Cost Containment System for acute care and administrative costs; and in the fiduciary funds, the exclusion consists of \$614,398,713 in distributions to external investment pool participants, \$1,160,535 of other deductions for private-purpose trust funds, and \$223,488,129 in various deductions to other custodial funds.

Note 5

The following schedule presents revenues from which exclusions have been claimed for federal grants and aid, amounts received from the State of Arizona, and highway user revenues in the governmental funds:

Description	Revenues	Amount Excluded	Amount Carried Forward
Grants and aid from federal government	\$54,814,040	\$54,245,888	\$ 568,152
Amounts received from the State of Arizona	20,962,733	20,571,601	391,132
Highway user revenues in excess of those received in fiscal year 1979-80	13,143,846	13,143,846	-
Other revenues- (non-excludable)	51,759,112	-	-
Total intergovernmental revenues as reported in the fund financial statements	\$140,679,731	\$87,961,335	\$959,284

Yuma County

Notes to Annual Expenditure Limitation Report

Year ended June 30, 2024

Note 6

The exclusion claimed for quasi-external interfund transactions in the internal service funds of \$13,210,383 consist of charges for service revenues paid from other county funds to the internal service funds for employer and employees' medical contributions for health and liability insurance. These expenditures are recorded as health services claims in the Health self-insurance internal service fund and insurance claims expense in the liability self-insurance internal service fund.

Note 7

Yuma County engaged in providing various services and infrastructure projects that require contracts with other political subdivisions. The \$245,931 exclusion claimed for contracts with other political subdivisions relate to charges for services revenue expended in the governmental funds.

Note 8

The \$25,545 subtraction for pension expense consists of the change in net pension liability, change in deferred outflows related to pensions, and changes in deferred inflows related to pensions recognized in the current year in the internal service funds. The \$58,830 addition for pension contributions paid in the current year consists of the required pension contributions made to the Arizona State Retirement System from the internal service funds.

The schedule below reconciles the net effect the subtraction and addition have on the expenditures subject to the limitation to the amounts reported on the statement of cash flows' net effect on cash.

<u>Statement of Cash Flows</u>	<u>Internal Service Funds</u>
Change in deferred outflows related to pensions	\$ (6,865)
Change in deferred inflows related to pensions	(10,217)
Change in net pension liability	(16,203)
Total	\$ (33,285)
<u>AELR- Reconciliation</u>	
Pension contributions- addition	\$ 58,830
Pension expense- subtraction	(25,545)
Total	\$ 33,285

Yuma County

Notes to Annual Expenditure Limitation Report

Year ended June 30, 2024

Note 9

The \$64,404,595 total subtractions for separate legal entities established under Arizona Revised Statutes and contributions to fire districts consists of expenditures of fire district, special assessment districts and municipal property corporations included within the County's reporting entity, but not included in the Economic Estimates Commission base limit calculations, that are reported in the governmental funds:

Contributions to Fire Districts	Amount
General government	\$ 63,039
Total	\$ 63,039
Special Assessment Districts	Amount
General government	\$ 1,205,137
Capital outlay	7,874,263
Principal retirement	157,064
Interest and fiscal charges	57,507
Total	\$ 9,293,971
Municipal Property Corporations	Amount
Public safety	\$ 26,406,612
Health	6,360,377
Culture and recreation	9,541,747
Capital outlay	9,596,998
Principal retirement	2,117,540
Interest and fiscal charges	1,024,311
Total	\$ 55,047,585

The \$9,467,558 addition for county monies transferred to separate legal entities consists of the county's required maintenance of effort payment of \$8,680,660 to the jail district and \$786,898 to the health services district that are reported as transfers in to these separate legal entities.

Note 10

The subtraction for long-term care contributions withheld by the State Treasurer consists of transaction privilege taxes the State Treasurer withheld to meet the County's share of long-term care costs that was reported as a revenue and an offsetting expenditure in the County's governmental funds. Consequently, this expenditure has been subtracted on the reconciliation.

Note 11

The subtraction of \$1,614,900 for claims incurred but not reported, consists of the estimated amount of claims incurred and expensed in the current year but not yet paid in the internal service funds.

The \$943,950 addition for claims paid in the current year, but reported as expenses incurred but not reported in previous years, consists of cash payments in the current year for claims recognized as an expense in previous years in the internal service funds.

Yuma County

Notes to Annual Expenditure Limitation Report

Year ended June 30, 2024

Note 12

Prior years' carryforward consist of constitutionally excludable revenues unexpended in the year of receipt that have been accumulated and were expended in the current year:

Description	Governmental Funds
Grants and aid from the federal government	\$ 433,556
Amounts received from the State of Arizona	115,421
Debt proceeds	<u>18,792,202</u>
Total carryforward used	<u>\$ 19,341,179</u>

On July 18, 2022, the Board of Supervisors approved resolution 2022-21 authorizing the issuance of pledge revenue obligation bonds. Proceeds were immediately deposited with a trustee and are to be used to finance the acquisition and/or construction of new County buildings and perform modification and improvements to existing County buildings as needed. Series 2022 have a \$57,175,000 par amount with an additional premium of \$3,373,575, payable semiannually in January and July.

The \$18,792,202 carryforward used for debt proceeds, are for expenditures from the ongoing building construction (\$17,765,727 main administration) and remodeling (\$852,866 health building and \$173,609 Other) projects.

Note 13

Revenues that are constitutionally excludable that were not spent in the year of receipt may be accumulated and excluded in future years when spent. A summary of the revenue sources and the changes in their balances is shown in the table below:

Description	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024
Debt proceeds	\$ 58,892,299	-	\$ 18,792,202	\$ 40,100,097
Grants and aid from federal government	2,446,619	\$ 568,152	433,556	2,581,215
Amounts received from the State of Arizona	1,861,961	391,132	115,421	2,137,672
Total carryforward	<u>\$ 63,200,879</u>	<u>\$ 959,284</u>	<u>\$ 19,341,179</u>	<u>\$ 44,818,984</u>

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