



2024

Annual Expenditure Limitation Report



ENTERING
YAVAPAI
COUNTY

Yavapai County, AZ
Fiscal year ended
June 30, 2024



**Yavapai County, Arizona
Annual Expenditure Limitation Report
Year ended June 30, 2024**

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Independent Accountants' Report

Members of the Arizona State Legislature

The Auditor General of the State of Arizona

Board of Supervisors of
Yavapai County, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of Yavapai County, Arizona (Yavapai County) for the year ended June 30, 2024, and the related notes to the report. Yavapai 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 other ethical responsibilities in accordance with relevant ethical requirements relating to the 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.


Walker & Armstrong, LLP

Phoenix, Arizona
July 25, 2025

Yavapai County
Annual Expenditure Limitation Report – Part I
Year ended June 30, 2024

1. Economic Estimates Commission expenditure limitation	\$ 159,874,946
2. Amount subject to the expenditure limitation (total amount from part II, line C)	<u>159,874,946</u>
3. Amount under the expenditure limitation	\$ <u> -</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: Connie DeKemper, Finance Director

Telephone Number: (928) 442-5185 Date: 7/25/2025

Yavapai County
Annual Expenditure Limitation Report – Part II
Year ended June 30, 2024

Description		Governmental Funds	Fiduciary Funds	Total
A.	Amounts reported on the reconciliation, line D	\$ 249,668,517	\$ 822,892,730	\$ 1,072,561,247
B.	Less exclusions claimed:			
	Debt service requirements (Note 2)	4,821,673	-	4,821,673
	Dividends, interest, and gains on the sale or redemption of investment securities (Note 3)	9,245,462	-	9,245,462
	Trustee or custodian (Note 4)	1,921,948	822,892,730	824,814,678
	Grants and aid from the federal government (Note 5)	16,380,509	-	16,380,509
	Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 7)	519,828	-	519,828
	Amounts received from the State of Arizona (Note 5)	22,444,734	-	22,444,734
	Quasi-external interfund transactions (Note 8)	2,583,390	-	2,583,390
	Highway user revenues in excess of those received in fiscal year 1979-80 (Note 5)	15,968,371	-	15,968,371
	Contracts with other political subdivisions (Note 6)	5,346,650	-	5,346,650
	Prior years carryforward (Note 14)	10,561,006	-	10,561,006
	Total exclusions claimed	89,793,571	822,892,730	912,686,301
C.	Amounts subject to the expenditure limitation	\$ 159,874,946	\$ -	\$ 159,874,946

Yavapai County
Annual Expenditure Limitation Report – Reconciliation
Year ended June 30, 2024

Description	Governmental 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	\$ 291,001,284	\$ 822,892,730	\$ 1,113,894,014
B. Subtractions:			
Expenditures of separate legal entities established under Arizona Revised Statutes (A.R.S.) (Note 9)	43,996,008	-	43,996,008
Long-term care contributions the State Treasurer withheld (Note 10)	9,820,100	-	9,820,100
Fees/reimbursements State law required the County to Pay (Note 13)	43,651	-	43,651
Present value of net minimum lease, finance purchase, and subscription-based information technology arrangement (SBITA) contract payments recorded as expenditures at the agreements' inception (Note 11)	4,807,640	-	4,807,640
Involuntary court judgments (Note 12)	420,095	-	420,095
Total subtractions	59,087,494	-	59,087,494
C. Additions:			
County transfers to separate legal entities (Note 9)	17,754,727	-	17,754,727
Total additions	17,754,727	-	17,754,727
D. Amounts reported on Part II, Line A	\$ 249,668,517	\$ 822,892,730	\$ 1,072,561,247

Yavapai 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; and the statement of changes in fiduciary net position for the fiduciary funds.

Note 2

The exclusion claimed for debt service requirements totaling \$4,821,673 consists of principal retirement and interest expenditures in the governmental funds.

Note 3

The \$9,245,462 exclusion claimed for dividends, interest, and gains on the sale or redemption of investment securities in the governmental funds includes investment earnings expended and interest on delinquent taxes. Remaining unspent, excludable revenues of \$3,923,905 for dividends, interest and gains on the sale or redemption of investment securities have been carried forward to future years.

Reconciliation of Investment Earnings	
<u>Financial statements</u>	
Investment earnings	\$ 12,047,952
Unrealized gain (loss)	(969,562)
Total investment earnings (loss) as reported in the financial statements	<u>\$ 11,078,390</u>
<u>AELR - Part II</u>	
Investment earnings	\$ 12,047,952
Interest on delinquent taxes	1,388,101
Less interest income from separate legal entities	<u>(266,686)</u>
Subtotal of allowable exclusion	13,169,367
Exclusion taken	<u>9,245,462</u>
Carryforward to future years	<u>\$ 3,923,905</u>

Note 4

The \$1,921,948 exclusion claimed for trustee or custodian in the governmental funds consists of \$1,791,725 of county contributions to the Arizona Health Care Cost Containment System for acute care, uncompensated care, and administrative costs; anti-racketeering costs of \$64,540 with related revenues recorded as miscellaneous revenue; and tribal gaming pass through funding distributions of \$65,683 recorded as intergovernmental revenue. In the fiduciary funds, the exclusion of \$822,892,730 consists of \$510,389,882 in distributions to external investment pool participants, \$1,230,687 of other deductions for private-purpose trust funds, and \$311,272,161 in various other deductions to other custodial funds. Remaining unspent, excludable revenues of \$160,008 for trustee or custodian revenues reported in miscellaneous revenues have been carried forward to future years.

Yavapai County
Notes to Annual Expenditure Limitation Report
Year ended June 30, 2024

Note 5

The following schedule presents revenues from which exclusions have been claimed for trustee or custodian, federal grants and aid, amounts received from the State of Arizona, highway user revenues and contracts with other political subdivisions in the governmental funds:

Description	
Trustee or custodian	\$ 65,683
Grants and aid from the federal government	16,380,509
Amounts received from the State of Arizona	22,444,734
Highway user revenues in excess of those received in fiscal year 1979-80	15,968,371
Contracts with other political subdivisions	2,511,350
Other revenues-(nonexcludable)	66,645,188
Unspent, excludable, revenues carried forward	<u>18,437,724</u>
Total intergovernmental revenues as reported in the fund financial statements	<u>\$ 142,453,559</u>

Note 6

The \$5,346,650 claimed for contracts with other political subdivisions in the governmental funds includes \$2,835,300 of charges for services expended and \$2,511,350 of intergovernmental revenues expended. Remaining unspent, excludable revenues of \$72,973 recorded as charges for services contract revenue has been carried forward to future years.

Note 7

The \$519,828 exclusion claimed for grants, aid, contributions, or gifts, from a private agency, organization, or individual, except amounts received in lieu of taxes, in the governmental funds consists of \$157,777 of contributions and gifts from organizations and individuals expended, and \$362,051 of grants from private agencies expended reported as miscellaneous revenue. Remaining revenue of \$61,224 reported as miscellaneous revenues have been carried forward to future years.

Note 8

The exclusion claimed for quasi-external interfund transactions in the governmental funds consists of \$2,583,390 for indirect cost reimbursements recorded as miscellaneous revenue in the health fund.

Note 9

The \$43,996,008 subtraction for separate legal entities, established under Arizona Revised Statutes consists of expenditures of special assessment districts included within the County's reporting entity, but not included in the Economic Estimates Commission base limit calculations, and are reported in the governmental funds category in the fund financial statements.

Special Assessment Districts	
Public safety	\$ 38,679,880
Highways and streets	45,479
Sanitation	27,968
Culture and recreation	<u>5,242,681</u>
Total	<u>\$ 43,996,008</u>

Yavapai County
Notes to Annual Expenditure Limitation Report
Year ended June 30, 2024

The \$17,754,727 addition for the County monies transferred to separate legal entities consists of the County's required maintenance of effort payment of \$8,426,981 to the jail district, \$8,637,257 transferred in excess of the required maintenance of effort, and \$690,489 transferred to the improvement districts that are reported as transfers into these separate legal entities.

Note 10

The subtraction of \$9,820,100 for long-term care contributions the State Treasurer withheld 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 \$4,807,640 of the present value of net minimum lease, financed purchase and subscription-based information technology arrangement (SBITA) contract payments that were recorded as expenditures at the agreements' inception consists of the County's agreements for the lease of land, buildings and equipment and subscription arrangements.

Note 12

The subtraction of \$420,095 of involuntary court judgments consists of amounts paid under the County's deductible with its insurance pool and directly to claimants, which were recorded as general governmental expenditures.

Note 13

The subtraction of \$43,651 for fees/reimbursements state law required the County to pay consists of payments for Arizona Department of Revenue administrative and collection fees assessed. The amount was recorded as general governmental expenditures.

Note 14

Prior years carryforward consists of constitutionally excludable revenues unexpended in the year of receipt that have been accumulated and were expended in the current year are as follows:

Description	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024
Dividends, interest, and gains on the sale or redemption of investment securities	\$ 22,501,891	\$ 3,923,905	\$ 897,183	\$ 25,528,613
Grants and aid from the federal government	16,229,751	13,402,899	7,754,035	21,878,615
Amounts received from the State of Arizona	7,393,890	4,828,026	1,007,901	11,214,015
Contracts with other political subdivisions	7,527,394	72,973	770,488	6,829,879
Highway user revenues in excess of those received in fiscal year 1979-80	10,519,554	206,799	-	10,726,353
Trustee or custodian	530,362	160,008	85,930	604,440
Donations and private grants	344,600	61,224	45,469	360,355
Total carryforward	<u>\$ 65,047,442</u>	<u>\$ 22,655,834</u>	<u>\$ 10,561,006</u>	<u>\$ 77,142,270</u>