

Yavapai County

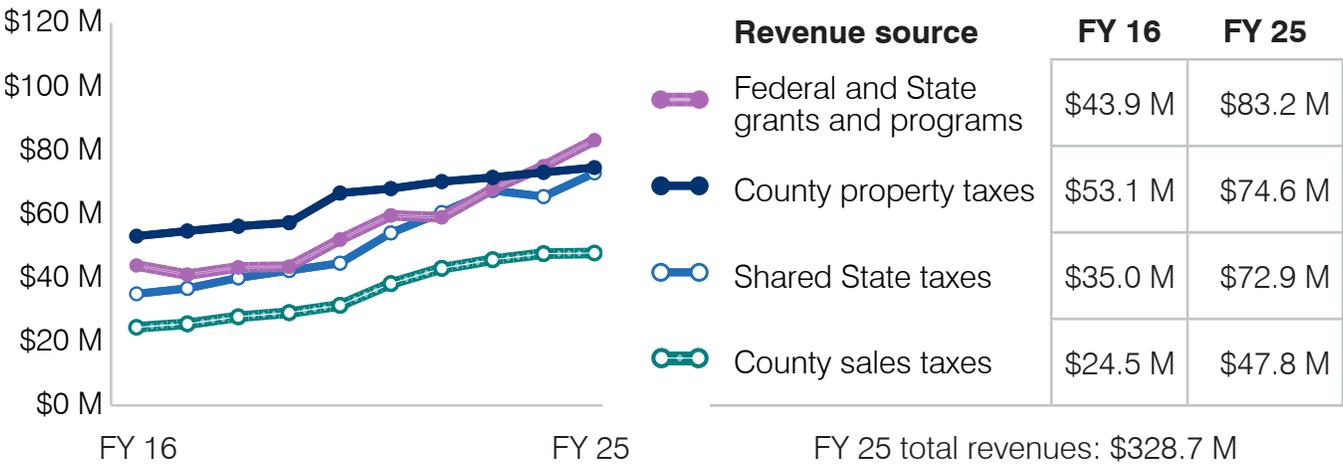
Annual financial statement and compliance audits

The County’s fiscal year 2025 reported financial information is reliable. However, the County’s auditors reported deficiencies over financial reporting and federal programs, summarized on the subsequent pages.¹

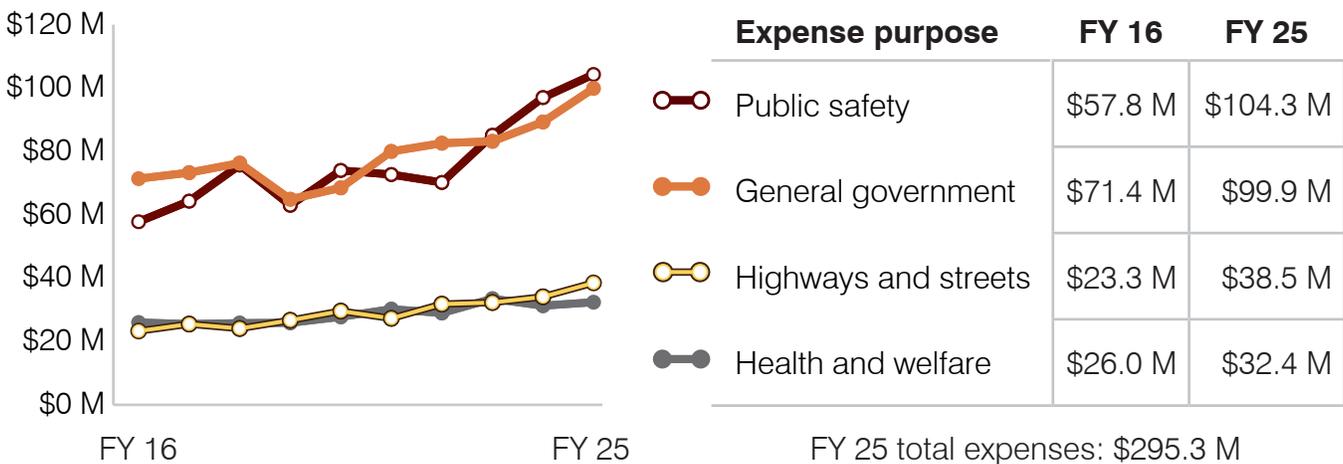
Audits’ purpose

To express opinions on the County’s financial statements and on compliance with certain federal requirements and, if applicable, to report findings over noncompliance with certain laws and regulations or other financial deficiencies.

Primary revenue sources, in millions (FY 2016 through FY 2025)



Primary expense purposes, in millions (FY 2016 through FY 2025)



Source: Auditor General staff summary of information obtained from the County’s financial statements.

¹ The certified public accounting firm Walker & Armstrong, LLP conducted these audits under contract with the Arizona Auditor General in accordance with Arizona Revised Statutes §41-1279.21.

FY 2025 largest primary revenue sources as a percentage of total revenues

▶ Federal and State grants and programs, 25.3%

Includes federal and State government grants and programs awarded as assistance to the County and its residents, including highway user tax revenues for authorized transportation purposes.

▶ County property taxes, 22.7%

Levied and collected from property owners based on the assessed value of real and personal property within the County.

FY 2025 largest primary expense purposes as a percentage of total expenses

▶ Public safety, 35.3%

Costs for protecting the County's persons and property with the largest portion for County jail operations, County Sheriff's office services, probation services, and Flood Control District operations.

▶ General government, 33.8%

Costs for general operation, oversight, and administration of County operations, including property assessments and taxes, budgeting and finance, and elections.

County's net position increased in FY 2025

County revenues were \$33.4 million greater than its expenses, increasing total net position to \$368.0 million at June 30, 2025. Net position includes all assets, such as buildings, vehicles, and cash and investments, less all liabilities, such as unpaid pension and other payroll obligations, long-term debt, and accounts payable. Of the total net position, \$359.3 million is restricted by external parties or is not in spendable form, and the remaining \$8.7 million is unrestricted.

Auditor findings and recommendations

Summarized below are the findings and recommendations included in the County's [Single Audit Report](#) where there is further information and the County's responses.

The County needs to:

- ▶ Perform a comprehensive review of cash reconciliation policies and procedures to ensure they are sufficient and consistently followed. The County's auditors found weaknesses in internal controls over cash reconciliations, such as the lack of supporting documentation to evidence an independent review of bank reconciliations; long-outstanding checks, some dating back to 2020; and investment cost and fair value information not being provided to all County Treasurer pool participants. Further, the County's auditors noted a lack of segregation of duties because the finance director and assistant finance director

are signers on accounts managed by the finance office for electronic payments. Not having robust cash reconciliation policies and procedures and adequate segregation of duties results in a heightened risk of errors and theft or abuse of public monies. Similar findings were reported in prior years.

- ▶ Continue to develop and update policies and procedures over information technology (IT). The County's auditors noted that the County does not have comprehensive IT policies and procedures over risk management, logical access, change and configuration management, contingency planning, and security of significant systems and data. Not having robust IT policies and procedures results in a heightened risk of security breaches and potential loss of County data. Similar findings were reported in prior years.
- ▶ Develop policies and procedures to ensure the County complies with all federal regulations pertaining to its Workforce Innovation and Opportunity Act (WIOA) Cluster of programs. The County's auditors found that the County did not timely file the required WIOA financial report for the quarter ended March 31, 2025; did not meet all earmarking requirements for its youth programs; and did not complete required subrecipient monitoring until 6 months after fiscal year-end. These deficiencies result in the federal grantor not being able to provide sufficient oversight and monitoring of federal program activity, and may result in fewer program services being available for youth in need.

Auditor General website report links

- ▶ **June 30, 2025, [Yavapai County Annual Comprehensive Financial Report and Single Audit Report.](#)**

These highlights summarize the reports above. The full reports explain the County's overall financial picture and the County's auditors' reporting responsibilities.

- ▶ The [County's reports from prior years.](#)
- ▶ **User guides that help explain the important information presented in these reports:**
 - [Financial Report User Guide for State and Local Governments.](#)
 - [Internal Control and Compliance Reports User Guide.](#)