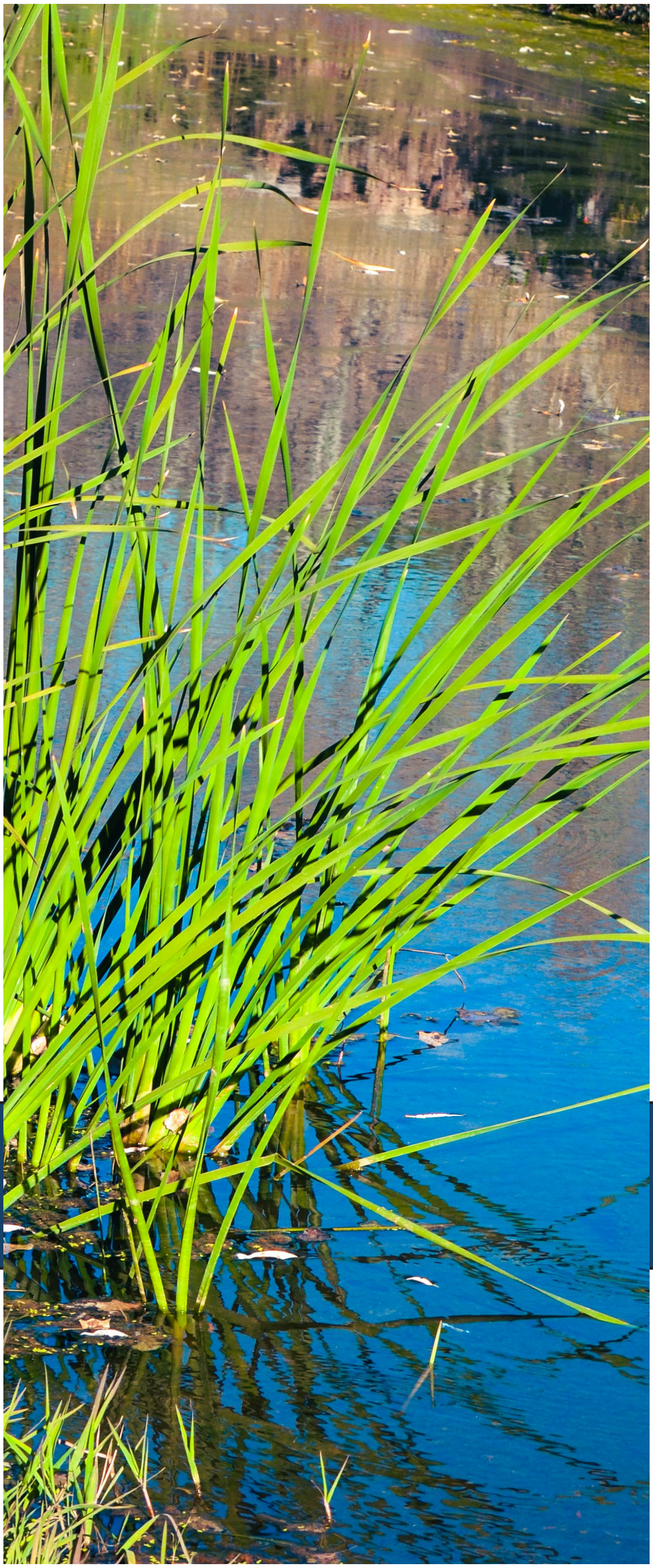
YAVAPAI COUNTY



Annual Expenditure Limitation Report

2025

Yavapai County, AZ Fiscal year ended June 30, 2025

Yavapai County, Arizona
Annual Expenditure Limitation Report
Year ended June 30, 2025

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Walker & Armstrong
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

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, 2025, 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
August 11, 2026

Yavapai County
Annual Expenditure Limitation Report – Part I
Year ended June 30, 2025

1.	Economic Estimates Commission expenditure limitation	$	167,217,432
2.	Amount subject to the expenditure limitation (total amount from part II, line C)		148,019,174
3.	Amount under the expenditure limitation	$	19,198,258

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: Connie M DeKemper

Name and Title: Connie DeKemper, Finance Director

Telephone Number: (928) 442-5185 Date: 8-11-26

Yavapai County
Annual Expenditure Limitation Report – Part II
Year ended June 30, 2025

	Description	Governmental Funds	Fiduciary Funds	Total
A.	Amounts reported on the reconciliation, line D	$ 264,953,029	$ 878,395,580	$ 1,143,348,609
B.	Less exclusions claimed:			
	Debt service requirements (Note 2)	7,445,741	-	7,445,741
	Dividends, interest, and gains on the sale or redemption of investment securities (Note 3)	4,359,771	-	4,359,771
	Trustee or custodian (Note 4)	2,068,478	878,395,580	880,464,058
	Grants and aid from the federal government (Note 5)	19,594,980	-	19,594,980
	Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 7)	946,785	-	946,785
	Amounts received from the State of Arizona (Note 5)	21,984,606	-	21,984,606
	Quasi-external interfund transactions (Note 8)	1,821,633	-	1,821,633
	Highway user revenues in excess of those received in fiscal year 1979-80 (Note 5)	15,613,476	-	15,613,476
	Contracts with other political subdivisions (Note 6)	6,137,888	-	6,137,888
	Prior years carryforward (Note 14)	36,960,497	-	36,960,497
	Total exclusions claimed	116,933,855	878,395,580	995,329,435
C.	Amounts subject to the expenditure limitation	$ 148,019,174	$ -	$ 148,019,174

Yavapai County
Annual Expenditure Limitation Report – Reconciliation
Year ended June 30, 2025

	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	$ 309,510,659	$ 878,395,580	$ 1,187,906,239
B.	Subtractions:			
	Expenditures of separate legal entities established under Arizona Revised Statutes (A.R.S.) (Note 9)	48,096,868	-	48,096,868
	Long-term care contributions the State Treasurer withheld (Note 10)	9,862,900	-	9,862,900
	Fees/reimbursements State law required the County to pay (Note 13)	42,253	-	42,253
	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)	4,036,039	-	4,036,039
	Involuntary court judgments (Note 12)	333,275	-	333,275
	Total subtractions	62,371,335	-	62,371,335
C.	Additions:			
	County transfers to separate legal entities (Note 9)	17,813,705	-	17,813,705
	Total additions	17,813,705	-	17,813,705
D.	Amounts reported on Part II, Line A	$ 264,953,029	$ 878,395,580	$ 1,143,348,609

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 $7,445,741 consists of principal retirement and interest expenditures in the governmental funds.

Note 3

The $4,359,771 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, which is recorded as property tax revenues. Remaining unspent, excludable revenues of $7,806,271 for dividends, interest and gains on the sale or redemption of investment securities have been carried forward to future years.

Reconciliation of Investment Earnings

Financial statements	
Investment earnings	$ 11,190,658
Unrealized gain (loss)	1,577,206
Total investment earnings (loss) as reported in the financial statements	$ 12,767,864
AELR - Part II	
Investment earnings	$ 11,190,658
Interest on delinquent taxes	1,213,798
Less interest income from separate legal entities	(238,414)
Subtotal of allowable exclusion	12,166,042
Exclusion taken	4,359,771
Carryforward to future years	$ 7,806,271

Note 4

The $2,068,478 exclusion claimed for trustee or custodian in the governmental funds consists of $1,810,821 of county contributions to the Arizona Health Care Cost Containment System for acute care, uncompensated care, and administrative costs; anti-racketeering costs of $131,046 with related revenues recorded as miscellaneous revenue; and tribal gaming pass through funding distributions of $126,611 recorded as intergovernmental revenue. In the fiduciary funds, the exclusion of $878,395,580 consists of $545,196,596 in distributions to external investment pool participants, $1,209,729 of other deductions for private-purpose trust funds, and $331,989,255 in various other deductions to other custodial funds. Remaining unspent, excludable revenues of $89,699 for trustee or custodian revenues reported in miscellaneous revenues have been carried forward to future years.

Note 5

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

Description	
Trustee or custodian	$ 126,611
Grants and aid from the federal government	19,594,980
Amounts received from the State of Arizona	21,984,606
Highway user revenues in excess of those received in fiscal year 1979-80	15,613,476
Contracts with other political subdivisions	1,872,564
Other revenues-(nonexcludable)	72,030,497
Unspent, excludable, revenues carried forward	27,459,559
Total intergovernmental revenues as reported in the fund financial statements	$ 158,682,293

Note 6

The $6,137,888 claimed for contracts with other political subdivisions in the governmental funds includes $4,265,324 of charges for services expended and $1,872,564 of intergovernmental revenues expended. Remaining unspent, excludable revenues of $876,177 recorded as charges for services contract revenue has been carried forward to future years.

Note 7

The exclusion claimed for grants, aid, contributions, or gifts, from a private agency, organization, or individual, except amounts received in lieu of taxes of $946,785 consists of $196,404 of contributions and gifts revenues from organizations and individuals expended, and $750,381 of grants from private agencies revenues expended. These funds are reported as miscellaneous revenue in the governmental funds. Remaining revenue of $249,924 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 $1,821,633 for indirect cost reimbursements recorded as miscellaneous revenue in the health fund.

Note 9

The $48,096,868 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	$ 42,640,606
Highways and streets	49,541
Sanitation	23,001
Culture and recreation	5,383,720
Total	$ 48,096,868

The $17,813,705 addition for the County monies transferred to separate legal entities consists of the County's required maintenance of effort payment of $8,421,142 to the jail district and $9,392,563 transferred in excess of the required maintenance of effort that are reported as transfers into this separate legal entity.

Note 10

The subtraction of $9,862,900 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 $4,036,039 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, equipment and subscription arrangements of $4,587,603 as reported on the County's financial statements less the amount recorded for special districts of $551,564.

Note 12

The subtraction of $333,275 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 $42,253 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, 2024	Additions	Reductions	Balance June 30, 2025
Dividends, interest, and gains on the sale or redemption of investment securities	$ 25,528,613	$ 7,806,271	$ 7,036,832	$ 26,298,052
Grants and aid from the federal government	21,878,615	25,649,276	25,812,455	21,715,436
Amounts received from the State of Arizona	11,214,015	766,639	3,795,739	8,184,915
Contracts with other political subdivisions	6,829,879	876,177	46,472	7,659,584
Highway user revenues in excess of those received in fiscal year 1979-80	10,726,353	1,043,644	-	11,769,997
Trustee or custodian	604,440	89,699	21,447	672,692
Donations and private grants	360,355	249,924	247,552	362,727
Total carryforward	$ 77,142,270	$ 36,481,630	$ 36,960,497	$ 76,663,403