



A REPORT
TO THE
ARIZONA LEGISLATURE

Financial Audit Division

Expenditure Limitation Report

Yavapai County

Year Ended June 30, 2013



Debra K. Davenport
Auditor General

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Yavapai County
Annual Expenditure Limitation Report
Year Ended June 30, 2013

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DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

Independent Accountants' Report

Members of the Arizona State Legislature

The Board of Supervisors of
Yavapai County, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of Yavapai County for the year ended June 30, 2013. This report is the responsibility of the County's management. Our responsibility is to express an opinion on this report based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and accordingly, included examining, on a test basis, evidence supporting the amounts and disclosures in the report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the Annual Expenditure Limitation Report of Yavapai County referred to above presents, in all material respects, the information prescribed by the uniform expenditure reporting system as described in Note 1.

Jay Zsorey, CPA
Financial Audit Director

May 22, 2014

Yavapai County
Annual Expenditure Limitation Report—Part I
Year Ended June 30, 2013

1. Economic Estimates Commission expenditure limitation	\$108,566,051
2. Amount subject to the expenditure limitation (total amount from Part II, Line C)	<u>102,633,042</u>
3. Amount under the expenditure limitation	<u>\$ 5,933,009</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: Pete Saxton, Finance Director

Telephone Number: (928) 442-5185 Date: May 22, 2014

See accompanying notes to report.

Yavapai County
Annual Expenditure Limitation Report—Part II
Year Ended June 30, 2013

Description	<u>Governmental Funds</u>	<u>Fiduciary Fund</u>	<u>Total</u>
A. Amounts reported on the Reconciliation, Line C	\$ 156,969,777	\$ 362,802,833	\$ 519,772,610
B. Less exclusions claimed:			
Debt service requirements on bonded indebtedness (Note 2)	2,443,728		2,443,728
Dividends, interest, and gains on the sale or redemption of investment securities (Note 3)	2,207,910	452,573	2,660,483
Trustee or custodian (Note 4)	3,514,719	359,524,426	363,039,145
Grants and aid from the federal government (Note 5)	13,037,767		13,037,767
Amounts received from the State of Arizona (Note 5)	12,401,940		12,401,940
Highway user revenues in excess of those received in fiscal year 1979-80 (Note 5)	7,829,010		7,829,010
Contracts with other political subdivisions (Note 6)	807,068		807,068
Prior years carryforward (Note 10)	<u>12,094,593</u>	<u>2,825,834</u>	<u>14,920,427</u>
Total exclusions claimed	<u>54,336,735</u>	<u>362,802,833</u>	<u>417,139,568</u>
C. Amounts subject to the expenditure limitation	<u>\$ 102,633,042</u>	<u>\$ -</u>	<u>\$ 102,633,042</u>

See accompanying notes to report.

Yavapai County
Annual Expenditure Limitation Report—Reconciliation
Year Ended June 30, 2013

Description	<u>Governmental Funds</u>	<u>Fiduciary Fund</u>	<u>Total</u>
A. Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements	\$ 184,703,781	\$ 362,802,833	\$ 547,506,614
B. Subtractions:			
Expenditures of separate legal entities established under Arizona Revised Statutes (Note 7)	18,830,573		18,830,573
Long-term care contributions withheld by the State Treasurer (Note 8)	8,450,900		8,450,900
Payments made to reimburse the Arizona Department of Health Services (Note 9)	<u>452,531</u>		<u>452,531</u>
Total subtractions	<u>27,734,004</u>	<u>-</u>	<u>27,734,004</u>
C. Amounts reported on Part II, Line A	<u>\$ 156,969,777</u>	<u>\$ 362,802,833</u>	<u>\$ 519,772,610</u>

See accompanying notes to report.

Yavapai County
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2013

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 §41-1279.07. The AELR excludes expenditures or deductions of certain revenues specified in the Arizona Constitution, Article IX, §20, from the total expenditures 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 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 on bonded indebtedness in the Governmental Funds consists of principal and interest expenditures.

Note 3 - The exclusion claimed for dividends, interest, and gains on the sale or redemption of investment securities of \$2,207,910 in the Governmental Funds includes investment earnings expended of \$186,503 and interest on delinquent taxes expended of \$2,021,407, which was recorded as tax revenue. The exclusion claimed for dividends, interest, and gains on the sale or redemption of investment securities of \$452,573 in the Fiduciary Funds consists of interest on investments that was reported as investment income.

Note 4 - The exclusion claimed for trustee or custodian of \$3,514,719 in the Governmental Funds consists of \$1,885,053 in contributions by the County to the Arizona Health Care Cost Containment System (AHCCCS) for acute care, uncompensated care, and administrative costs; anti-racketeering costs of \$889,649; inmate health services costs of \$13,706; jail commissary costs of \$594,943; and inmate food costs of \$131,368. In the Fiduciary Fund, the exclusion consists of \$359,524,426 in distributions to investment pool participants.

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:

Yavapai County
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2013

<u>Description</u>	<u>Governmental Funds</u>
Grants and aid from the federal government	\$13,037,767
Amounts received from the State of Arizona	12,401,940
Highway user revenues in excess of those received in fiscal year 1979-80	7,829,010
Revenues carried forward to future years (excludable)	1,766,666
Other revenues—(nonexcludable)	<u>32,700,967</u>
Total intergovernmental revenues as reported in the fund financial statements	<u>\$67,736,350</u>

Note 6 - The exclusion claimed for contracts with other political subdivisions of \$807,068 includes \$30,515 of charges for services expended and \$776,553 of miscellaneous revenues expended.

Note 7 - The subtraction of \$18,830,573 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:

<u>Description</u>	<u>Governmental Funds</u>
General government	\$ 4,168,880
Public safety	14,393,584
Highway and streets	249,134
Sanitation	<u>18,975</u>
Total	<u>\$18,830,573</u>

Note 8 - 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 revenue and an offsetting expenditure in the County's Governmental Funds. Consequently, this expenditure has been subtracted on the Reconciliation.

Note 9 - The subtraction of \$452,531 for payments made to reimburse the Arizona Department of Health Services consists of county payments to reimburse the State for part of the costs of commitment of an individual the court determined to be sexually violent, as required by Laws 2012, Chapter 299, Sections 10 and 11, which were recorded as general government expenditures.

Yavapai County
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2013

Note 10 - 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 as follows:

<u>Description</u>	<u>Governmental Funds</u>	<u>Fiduciary Fund</u>
Dividends, interest, and gains on the sale or redemption of investment securities	\$ 2,540,284	
Trustee or custodian	185,502	\$2,825,834
Grants and aid from the federal government	6,258,193	
Amounts received from the State of Arizona	813,479	
Contracts with other political subdivisions	249,369	
Proceeds from other long-term obligations	<u>2,047,766</u>	
Total prior years carryforward expended	<u>\$12,094,593</u>	<u>\$2,825,834</u>

