

Graham County, Arizona

Report on Audit of
Annual Expenditure Limitation Report

Year Ended June 30, 2001

Graham County
Report on Audit of Annual Expenditure Limitation Report
Year Ended June 30, 2001

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MARK L. LANDY, C.P.A.
STEPHEN T. HARRIS, C.P.A.

ROBERT L. MILLER, C.P.A.
(1931 - 1992)

Independent Auditor's Report

The Auditor General of the State of Arizona

The Board of Supervisors of
Graham County, Arizona

We have audited the accompanying Annual Expenditure Limitation Report of Graham County for the year ended June 30, 2001. This report is the responsibility of the County's management. Our responsibility is to express an opinion on this report based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the report. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall report presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Annual Expenditure Limitation Report was prepared for the purpose of complying with the uniform expenditure reporting system as discussed in Note 1, and is not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the Annual Expenditure Limitation Report of Graham County for the year ended June 30, 2001, referred to above presents fairly, in all material respects, the information required by the uniform expenditure reporting system on the basis of accounting described in Note 1.

This report is intended solely for the information and use of the members of the Arizona State Legislature and the Board of Supervisors, and for filing with the Auditor General of the State of Arizona, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Miller, Allen & Co., P.C.

January 17, 2002

Graham County
Annual Expenditure Limitation Report - Part I
Year Ended June 30, 2001

1. Economic Estimates Commission expenditure limitation	\$ 10,833,251
2. Amount subject to the expenditure limitation (total amount from Part II, Line C)	<u>7,212,281</u>
3. Amount under the expenditure limitation	<u>\$ 3,620,970</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: Terry Cooper, Manager/Board Clerk

Telephone Number: (928) 428-3250

Date: January 17, 2002

See accompanying notes to report.

Graham County
Annual Expenditure Limitation Report - Part II
Year Ended June 30, 2001

Description	General Fund	Special Revenue Funds	Capital Projects Funds	Total
A. Total expenditures reported within the annual general purpose financial statements	<u>\$ 10,536,096</u>	<u>\$ 5,585,417</u>	<u>\$ 88,002</u>	<u>\$ 16,209,515</u>
B. Less exclusions claimed:				
Dividends, interest, and gains on sale or redemption of investment securities (Note 2)	399,140	276,806	40,419	716,365
Trustee or custodian (Note 3)	536,184			536,184
Grants and aid from the federal government (Note 4)	838,977	610,183		1,449,160
Amounts received from the State of Arizona (Note 4)	907,666	1,823,883		2,731,549
Highway user revenues in excess of those received in fiscal year 1979-80 (Note 4)		2,180,124		2,180,124
Contracts with other political subdivisions (Note 4)	<u>1,065,068</u>	<u>318,784</u>		<u>1,383,852</u>
Total exclusions claimed	<u>3,747,035</u>	<u>5,209,780</u>	<u>40,419</u>	<u>8,997,234</u>
C. Amounts subject to the expenditure limitation	<u><u>\$ 6,789,061</u></u>	<u><u>\$ 375,637</u></u>	<u><u>\$ 47,583</u></u>	<u><u>\$ 7,212,281</u></u>

See accompanying notes to report.

Graham County
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2001

Note 1 - Summary of Significant Accounting Policies

The Annual Expenditure Limitation Report (AELR) is presented on the basis of accounting prescribed by the uniform expenditure reporting system (UERS), as required by Arizona Revised Statutes §41-1279.07, which excludes expenditures of certain revenues specified in the Arizona Constitution, Article IX, §20 from the total expenditures reported in the annual general purpose financial statements.

In accordance with the UERS requirements, a note to the AELR is presented below for any exclusion claimed on Part II that cannot be traced directly to an amount reported in the annual general purpose financial statements. All references to financial statement amounts in the following notes refer to the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types for the General, Special Revenue, and Capital Projects Funds.

Note 2 - The exclusion claimed for dividends, interest and gains on the sale or redemption of investment securities of \$399,140 in the General Fund includes investment income of \$120,611 and interest on delinquent taxes expended of \$278,529, which was recorded as tax revenue.

Note 3 - The exclusion claimed for trustee or custodian consists of \$536,184 in contributions by the County to the Arizona Health Care Cost Containment System for acute care, and was recorded in welfare expenditures.

Note 4 - The following schedule presents revenues from which exclusions have been claimed for federal grants and aid, amounts received from the State of Arizona, highway user revenues and contracts with other political subdivisions in the General, Special Revenue, and Capital Projects Funds.

Description	General Fund	Special Revenue Funds
Grants and aid from the federal government	\$ 838,977	\$ 610,183
Amounts received from the State of Arizona	907,666	1,823,883
Highway user revenues in excess of those received in fiscal year 1979-80		2,180,124
Contracts with other political subdivisions	1,065,068	318,784
Other revenues – (nonexcludable)	4,296,377	382,520
Total intergovernmental revenues as reported in the general purpose financial statements	<u>\$ 7,108,088</u>	<u>\$ 5,315,494</u>