



A REPORT
TO THE
ARIZONA LEGISLATURE

Financial Audit Division

Expenditure Limitation Report

Graham County

Year Ended June 30, 2013



Debra K. Davenport
Auditor General

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Graham 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
Graham County, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of Graham 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 Graham 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

September 30, 2014

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

1. Economic Estimates Commission expenditure limitation	\$14,973,014
2. Amount subject to the expenditure limitation (total amount from Part II, Line C)	<u>11,074,190</u>
3. Amount under the expenditure limitation	<u>\$ 3,898,824</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, County Manager/Clerk of the Board

Telephone Number: (928) 792-5039 Date: September 30, 2014

See accompanying notes to report.

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

Description	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
A. Amounts reported on the Reconciliation, Line C	\$ 26,633,623	\$ 68,677,101	\$ 95,310,724
B. Less exclusions claimed:			
Dividends, interest, and gains on the sale or redemption of investment securities (Note 2)	807,287		807,287
Trustee or custodian (Note 3)	640,046	68,677,101	69,317,147
Grants and aid from the federal government (Note 4)	6,693,397		6,693,397
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 4)	772,174		772,174
Amounts received from the State of Arizona (Note 4)	2,487,312		2,487,312
Highway user revenues in excess of those received in fiscal year 1979-80 (Note 4)	1,416,123		1,416,123
Contracts with other political subdivisions (Note 4)	2,212,424		2,212,424
Refunds, reimbursements, and other recoveries (Note 4)	359,411		359,411
Amounts received for distribution to school districts (Notes 4 and 5)	<u>171,259</u>	<u> </u>	<u>171,259</u>
Total exclusions claimed	<u>15,559,433</u>	<u>68,677,101</u>	<u>84,236,534</u>
C. Amounts subject to the expenditure limitation	<u>\$ 11,074,190</u>	<u>\$ -</u>	<u>\$ 11,074,190</u>

See accompanying notes to report.

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

Description	<u>Governmental Funds</u>	<u>Fiduciary Funds</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	\$ 28,250,212	\$ 68,677,101	\$ 96,927,313
B. Subtractions:			
Long-term care contributions withheld by the State Treasurer (Note 6)	1,434,200		1,434,200
Present value of net minimum capital lease and installment purchase contract payments recorded as expenditures at inception of the agreements	<u>182,389</u>		<u>182,389</u>
Total subtractions	<u>1,616,589</u>	<u>-</u>	<u>1,616,589</u>
C. Amounts reported on Part II, Line A	<u>\$ 26,633,623</u>	<u>\$ 68,677,101</u>	<u>\$ 95,310,724</u>

See accompanying notes to report.

Graham 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, 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 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 dividends, interest, and gains on the sale or redemption of investment securities of \$807,287 in the Governmental Funds includes investment earnings expended of \$42,379 and interest on delinquent taxes expended of \$764,908, which was recorded as tax revenue.

Note 3 - The exclusion claimed for trustee or custodian in the Governmental Funds consists of \$640,046 in contributions by the County to the Arizona Health Care Cost Containment System for acute care, uncompensated care, and administrative costs; and in the Fiduciary Funds, the exclusion consists of \$68,677,101 in distributions to investment pool participants.

Note 4 - The following schedule presents revenues from which exclusions have been claimed for grants and aid from the federal government; grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes; amounts received from the State of Arizona; highway user revenues; contracts with other political subdivisions; refunds, reimbursements, and other recoveries; and amounts received for distribution to school districts in the Governmental Funds:

Description	Intergovernmental	Charges for services	Miscellaneous	Donations	Total
Grants and aid from the federal government	\$ 6,693,397				\$ 6,693,397
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes				\$772,174	772,174
Amounts received from the State of Arizona	2,487,312				2,487,312
Highway user revenues in excess of those received in fiscal year 1979-80	1,416,123				1,416,123

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

Description	Intergovernmental	Charges for services	Miscellaneous	Donations	Total
Contracts with other political subdivisions	\$ 55,951	\$2,156,473			\$ 2,212,424
Refunds, reimbursements, and other recoveries			\$359,411		359,411
Amounts received for distribution to school districts	171,259				171,259
Other revenues—(nonexcludable)	6,989,396	1,508,379	271,385		8,769,160
Amounts carried forward	<u>410,702</u>	<u> </u>	<u> </u>	<u> </u>	<u>410,702</u>
Total revenues as reported in the fund financial statements	<u>\$18,224,140</u>	<u>\$3,664,852</u>	<u>\$630,796</u>	<u>\$772,174</u>	<u>\$23,291,962</u>

Note 5 - The exclusion claimed for amounts received for distribution to school districts consists of federal and state revenues recorded as education expenditures for operating an accommodation school.

Note 6 - The subtraction for long-term care contributions withheld by the State Treasurer consists of transaction privilege taxes withheld by the State Treasurer 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.

