

Greenlee County, Arizona

Report on Audit of
Annual Expenditure Limitation Report

Year Ended June 30, 2007

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(1931 - 1992)

Independent Auditor's Report

The Auditor General of the State of Arizona

The Board of Supervisors of
Greenlee County, Arizona

We have audited the accompanying Annual Expenditure Limitation Report of Greenlee County for the year ended June 30, 2007. 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 Greenlee County for the year ended June 30, 2007, 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.

May 14, 2010

Greenlee County, Arizona
Annual Expenditure Limitation Report - Part I
Year Ended June 30, 2007

1. Economic Estimates Commission expenditure limitation	\$ 5,936,639
2. Amount subject to the expenditure limitation (total amount from Part II, Line C)	<u>5,891,262</u>
3. Amount under the expenditure limitation	<u>\$ 45,377</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: Deborah K. Gale, County Administrator

Telephone Number: (928) 865-2310 Date: May 14, 2010

See accompanying notes to report.

Greenlee County, Arizona
Annual Expenditure Limitation Report - Part II
Year Ended June 30, 2007

Description	Governmental Funds	Fiduciary Funds	Total
A. Amounts reported on the Reconciliation, Line C	\$ 13,878,617	\$ 15,413,315	\$ 29,291,932
B. Less exclusions claimed:			
Debt service requirements on other long-term obligations (Note 2)	1,025,988		1,025,988
Dividends, interest, and gains on the sale or redemption of investment securities (Note 3)	160,436		160,436
Trustee or custodian (Note 4)	214,399	15,413,315	15,627,714
Grants and aid from the federal government (Note 5)	2,207,925		2,207,925
Amounts received from the State of Arizona (Note 5)	3,216,745		3,216,745
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 10)	51,500		51,500
Highway user revenues in excess of those received in fiscal year 1979-80 (Note 5)	832,959		832,959
Contracts with other political subdivisions (Note 6)	190,842		190,842
Refunds, reimbursements, and other recoveries (Note 7)	86,561		86,561
Total exclusions claimed	<u>7,987,355</u>	<u>15,413,315</u>	<u>23,400,670</u>
C. Amounts subject to the expenditure limitation	<u>\$ 5,891,262</u>	<u>\$ -</u>	<u>\$ 5,891,262</u>

See accompanying notes to report.

Greenlee County, Arizona
Annual Expenditure Limitation Report - Reconciliation
Year Ended June 30, 2007

Description	Governmental Funds	Fiduciary Funds	Total
A. Total expenditures/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements	<u>\$ 15,000,664</u>	<u>\$ 15,413,315</u>	<u>\$ 30,413,979</u>
B. Subtractions:			
Community college reimbursement payments pursuant to A.R.S. §15-1469.01 (Note 8)	653,853		653,853
Long-term care contributions withheld by the State Treasurer (Note 9)	215,200		215,200
Present value of net minimum capital lease payments recorded as expenditures at inception of the agreements	<u>252,994</u>		<u>252,994</u>
Total subtractions	<u>1,122,047</u>	-	<u>1,122,047</u>
C. Amounts reported on Part II, Line A	<u><u>\$ 13,878,617</u></u>	<u><u>\$ 15,413,315</u></u>	<u><u>\$ 29,291,932</u></u>

See accompanying notes to report.

Greenlee County, Arizona
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2007

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, 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 requirements, 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 Assets for the Fiduciary Funds.

Note 2 - The exclusion claimed for debt service requirements on other long-term obligations in the Governmental Funds consists of principal retirement of \$957,020 and interest expense of \$68,968.

Note 3 - The exclusion claimed for dividends, interest, and gains on the sale or redemption of investment securities of \$160,436 in the Governmental Funds includes interest on investments expended of \$139,640; and interest on delinquent taxes expended of \$20,796, which was recorded as tax revenue. Interest income of \$58,323 recorded in the PDMI donation fund was not excluded as the revenue was not expended in the current year. In addition, interest income of \$21,252 recorded in the debt service fund was not excluded.

Note 4 - The exclusion claimed for trustee or custodian in the Governmental Funds consists of \$214,399 in contributions by the County to the Arizona Health Care Cost Containment System for acute care, administrative costs and uncompensated care that was recorded as health and welfare expenditures. The exclusion claimed for trustee or custodian in the Fiduciary Funds consists of \$15,413,315 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:

Description	
Grants and aid from the federal government	\$ 2,207,925
Amounts received from the State of Arizona	3,216,745
Highway user revenues in excess of those received in fiscal year 1979-80	832,959
Other revenues (nonexcludable)	<u>5,702,834</u>
Total intergovernmental revenues as reported in the fund financial statements	<u>\$ 11,960,463</u>

Greenlee County, Arizona
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2007

- Note 6 -** The exclusion claimed for contracts with other political subdivisions includes expenditures of \$190,842 from charges for services.
- Note 7 -** The exclusion claimed for refunds, reimbursements, and other recoveries includes expenditures \$86,561 from miscellaneous revenues.
- Note 8 -** The subtraction shown for community college reimbursement payments in the Governmental Funds is included in general government expenditures.
- Note 9 -** 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.
- Note 10 -** The exclusion claimed for grants, aid contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes consists of contribution revenue expended in the Governmental Funds.