

GREENLEE COUNTY, ARIZONA  
REPORT ON AUDIT OF  
ANNUAL EXPENDITURE LIMITATION REPORT  
YEAR ENDED JUNE 30, 2009

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### Independent Auditors' 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, Arizona (the County) for the year ended June 30, 2009. 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 U.S. generally accepted auditing standards. 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 U.S. generally accepted accounting principles.

In our opinion, the Annual Expenditure Limitation Report of Greenlee County, Arizona for the year ended June 30, 2009, 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, the Board of Supervisors, and management, 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.

July 12, 2012

GREENLEE COUNTY, ARIZONA  
ANNUAL EXPENDITURE LIMITATION REPORT – PART I  
YEAR ENDED JUNE 30, 2009

1. Economic Estimates Commission expenditure limitation	\$ 6,408,007
2. Amount subject to the expenditure limitation (total amount from Part II, Line C)	<u>6,408,007</u>
3. Amount under the expenditure limitation	<u><u>\$ -</u></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: 7/12/12

See accompanying notes to report.

GREENLEE COUNTY, ARIZONA  
ANNUAL EXPENDITURE LIMITATION REPORT – PART II  
YEAR ENDED JUNE 30, 2009

Description	Governmental Funds	Fiduciary Fund	Total
A. Amounts reported on the Reconciliation, Line C	\$ 15,070,304	\$ 18,945,303	\$ 34,015,607
B. Less exclusions claimed:			
Debt service requirements on other long-term obligations (Note 2)	773,386		773,386
Dividends, interest, and gains on the sale or redemption of investment securities (Note 3)	173,162		173,162
Trustee or custodian (Note 4)	215,627	18,945,303	19,160,930
Grants and aid from the federal government (Note 5)	3,700,133		3,700,133
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 6)	297,679		297,679
Amounts received from the State of Arizona (Note 5)	2,422,423		2,422,423
Highway user revenues in excess of those received in fiscal year 1979-80 (Note 5)	652,993		652,993
Contracts with other political subdivisions (Note 7)	237,057		237,057
Refunds, reimbursements, and other recoveries (Note 8)	152,313		152,313
Prior years carryforward (Note 9)	37,524		37,524
Total exclusions claimed	<u>8,662,297</u>	<u>18,945,303</u>	<u>27,607,600</u>
C. Amounts subject to the expenditure limitation	<u>\$ 6,408,007</u>	<u>\$ -</u>	<u>\$ 6,408,007</u>

See accompanying notes to report.

GREENLEE COUNTY, ARIZONA  
ANNUAL EXPENDITURE LIMITATION REPORT – RECONCILIATION  
YEAR ENDED JUNE 30, 2009

Description	Governmental Funds	Fiduciary Fund	Total
A. Total expenditures/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements	\$ 17,477,582	\$ 18,945,303	\$ 36,422,885
B. Subtractions:			
Expenditures of separate legal entities established under Arizona Revised Statutes (A.R.S.) (Note 10)	814,510		814,510
Community college reimbursement payments pursuant to A.R.S. §15-1469.01 (Note 11)	659,818		659,818
Long-term care contributions withheld by the State Treasurer (Note 12)	117,900		117,900
Present value of net minimum capital lease and installment purchase contract payments recorded as expenditures at inception of the agreements	815,050		815,050
Total subtractions	<u>2,407,278</u>		<u>2,407,278</u>
C. Amounts reported on Part II, Line A	<u>\$ 15,070,304</u>	<u>\$ 18,945,303</u>	<u>\$ 34,015,607</u>

See accompanying notes to report.

GREENLEE COUNTY, ARIZONA  
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT  
YEAR ENDED JUNE 30, 2009

**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 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 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 \$674,720 and interest expenditures of \$98,666. Total interest and fiscal charges in the Governmental Funds included other nonexcludable amounts totaling \$635.

**Note 3 –** The exclusion claimed for dividends, interest, and gains on the sale or redemption of investment securities of \$173,162 in the Governmental Funds includes investment income expended of \$156,895 and interest on delinquent taxes expended of \$16,267, which was recorded as tax revenue. Remaining revenues of \$21,730 of investment income have been carried forward to future years.

**Note 4 –** The exclusion claimed for trustee or custodian in the Governmental Funds consists of \$215,627 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 \$18,945,303 in distributions to investment pool participants.

GREENLEE COUNTY, ARIZONA  
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT  
YEAR ENDED JUNE 30, 2009

**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:

<b>Description:</b>	
Grants and aid from the federal government	\$ 3,700,133
Amounts received from the State of Arizona	2,422,423
Highway user revenues in excess of those received in fiscal year 1979-80	652,993
Other revenues (nonexcludable)	3,946,513
Amount carried forward	<u>144,776</u>
Total intergovernmental revenues as reported in the fund financial statements	<u><u>\$ 10,866,838</u></u>

**Note 6 –** The exclusion claimed for grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes includes \$297,679 of contributions revenues expended. Remaining unspent revenues of \$906,621 have been carried forward to future years.

**Note 7 –** The exclusion claimed for contracts with other political subdivisions includes \$237,057 of charges for services expended.

**Note 8 –** The exclusion claimed for refunds, reimbursements, and other recoveries includes \$152,313 of miscellaneous revenues expended. Remaining unspent revenues of \$25,020 have been carried forward to future years.

**Note 9 –** 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:

<b>Description</b>	<b>Governmental Funds</b>
Dividends, interest, and gains on the sale or redemption of investment securities	\$ 4,364
Amounts received from the State of Arizona	17,664
Refunds, reimbursements, and other recoveries	<u>15,496</u>
Total prior years carryforward expended	<u><u>\$ 37,524</u></u>



GREENLEE COUNTY, ARIZONA  
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT  
YEAR ENDED JUNE 30, 2009

- Note 10** – The subtraction of \$814,510 for separate legal entities established under Arizona Revised Statutes consists of expenditures of the Health Services District 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. Total expenditures of the Health Services District of \$1,616,058 have been reduced by the following: \$445,548 in expenditures of grants and aid received from the federal and state governments, which is reported in Note 5, and \$356,000 in expenditures of the continuation of contribution amount (required maintenance of effort).
- Note 11** – The subtraction for community college reimbursement payments of \$659,818 is included in the Governmental Funds as general government expenditures.
- Note 12** – 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 revenue and an offsetting expenditure in the County’s Governmental Funds. Consequently, this expenditure has been subtracted on the Reconciliation.