



A REPORT
TO THE
ARIZONA LEGISLATURE

Financial Audit Division

Financial Audit

Office of the Attorney General

Colorado River Land Claims
Revolving Fund
Year Ended June 30, 2002



Debra K. Davenport
Auditor General

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**Office of the Attorney General
Report on Audit of
Colorado River Land Claims Revolving Fund
Year Ended June 30, 2002**

Table of Contents	Page
Independent Auditors' Report	1
Statement of Revenues, Expenditures, and Changes in Fund Balance	3
Notes to Statement	4



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

Independent Auditors' Report

The Honorable Jane Dee Hull, Governor
State of Arizona

The Honorable Randall Gnant, President
Arizona State Senate

The Honorable Jim Weiers, Speaker
Arizona House of Representatives

The Honorable Janet Napolitano, Attorney General
Office of the Attorney General

Mr. J. Elliott Hibbs, Director
Arizona Department of Administration

We have audited the accompanying Statement of Revenues, Expenditures, and Changes in Fund Balance of the Colorado River Land Claims Revolving Fund for the year ended June 30, 2002. This statement is the responsibility of the Office of the Attorney General's management. Our responsibility is to express an opinion on this statement 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Statement of Revenues, Expenditures, and Changes in Fund Balance was prepared for the purpose of complying with Arizona Revised Statutes §41-191.05(C), and is not intended to be a presentation in conformity with U.S. generally accepted accounting principles.

In our opinion, the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Colorado River Land Claims Revolving Fund for the year ended June 30, 2002, presents fairly, in all material respects, the information required by Arizona Revised Statutes §41-191.05(C) on the basis of accounting described in Note 1.

This report is intended solely for the information and use of the President of the Arizona Senate, the Speaker of the Arizona House of Representatives, the Attorney General of Arizona, and the Director of the Arizona Department of Administration, and for filing with the Governor 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.

Debbie Davenport
Auditor General

October 10, 2002

**Office of the Attorney General
Colorado River Land Claims Revolving Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2002**

Beginning fund balance, July 1, 2001	\$ 147
Revenues:	
Land claim settlements	<u>10,000</u>
Total monies available	<u>10,147</u>
Expenditures:	
Personal services	-
Employee-related expenses	-
Professional and outside services	-
Travel-in-state	-
Travel-out-of-state	-
Other operating expenses	-
Equipment expense	-
Operating transfers out	<u>-</u>
Total monies used	<u>0</u>
Ending fund balance, June 30, 2002	<u>\$10,147</u>

See accompanying notes to statement.

Office of the Attorney General
Colorado River Land Claims Revolving Fund
Notes to Statement
Year Ended June 30, 2002

Note 1- The Colorado River Land Claims Revolving Fund was established by Arizona Revised Statutes §41-191.05 to be administered by the Office of the Attorney General (Office). Annually, the Office is required to file with the Governor an account of all receipts and disbursements of the fund. For the purposes of complying with the statute and to present receipts and disbursements in the statement on a basis consistent with the State's accounting system, the Office has defined receipts and disbursements as follows:

Receipts—Twenty-five percent of the monies recovered from settlements of the State of Arizona's sovereign land claims is deposited into the fund. The State Land Commissioner deposits the remaining 75 percent in the State's General Fund. Receipts are reported as revenues on this Statement when the Office receives land claim settlements.

Disbursements—Fund monies pay for costs that the Office and the State Land Commissioner incur in the investigation and prosecution of the State's ownership claims of sovereign lands in the vicinity of the Colorado River. Disbursements are reported as expenditures on this Statement when the goods or services are received and payment is made during the fiscal year or within 1 month after fiscal-year end.

Fund Balance—Monies in the fund are exempt from the lapsing provisions of Arizona Revised Statutes §35-190.

Note 2- The State of Arizona settled an additional land claim for \$40,000 during the fiscal year. These monies were forwarded to the Arizona Land Department and deposited with the State Treasurer. However, the Revolving Fund's 25 percent portion of the settlement amounting to \$10,000 had not been received by June 30, 2002, and thus was not recorded as revenue on the Statement of Revenues, Expenditures, and Changes in Fund Balance for the year ended June 30, 2002. The monies are expected to be transferred to the Revolving Fund during fiscal year 2003.