

YUMA COUNTY



Report on Audit of Annual Expenditure Limitation Report For Fiscal Year Ended June 30, 2012

Yuma County Administration Building
198 South Main Street
Yuma, Arizona 85364

In 1905, John Gandolfo built the Gandolfo Annex at 46 W. 2nd St. He originally used it as an office and hotel annex.



Prior to the Ocean to Ocean bridge, the ferry was means to cross the Colorado River from Yuma, Arizona to California



In 1883, John Gandolfo built the Gandolfo Building, which housed the Gandolfo Hotel and Gandolfo Café, on Main Street. With more than 50 hotel rooms, it was the largest and 'most elegant' building in Yuma.



With its distinct arches the County Administration building was a favorable shopping stop in 1937, on the corner of 2nd & Main Street.



Yuma County Courthouse Built in 1928 the structure was designed by the team of Ralph Swearingen and G. A. Hanssen with Frank M. Connor and C. J. Brown as contractors.



John Gandolfo built the Gandolfo Theatre at 202 S. 1st Ave. in 1917 with a seating capacity of 635. During World War II, the theater served as a USO canteen.



Yuma Territorial opened for business in 1876. In its heyday, the prison was often called "Devil's Island" or "Hell Hole" giving one the impression of its menacing notoriety



Southern Pacific handcar on the Colorado River Bridge in Yuma, Arizona. SP built these handcars in their shops and they can be identified by their unique spoked wheels. Spokes gave way to pressed steel wheels for durability. This image from 1880 is about the time the pump car design became the standard.



YUMA COUNTY

"Yuma County Government is dedicated to providing customer-focused services to enhance the health, safety, well-being, and future of our entire community."

Report on Audit of Annual Expenditure Limitation Report

For the Fiscal Year
Ended June 30, 2012

COUNTY ADMINISTRATOR
Robert L. Pickels, Jr.

Prepared by Yuma County Department of Financial Services

Director
Scott G. Holt

Deputy Director
Gilberto Villegas, Jr.

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YUMA COUNTY
Report on Audit of Annual Expenditure Limitation Report
For the Fiscal Year Ended
June 30, 2012

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Certified
Public
Accountants

4001 North 3rd Street
Suite 275
Phoenix, AZ 85012-2060

Tel: (602) 264-3077
Fax: (602) 265-6241

Independent Auditors' Report

The Auditor General of the State of Arizona

The Board of Supervisors of
Yuma County, Arizona

We have audited the accompanying Annual Expenditure Limitation Report of Yuma County, Arizona (the County) for the year ended June 30, 2012. 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 Yuma County, Arizona for the year ended June 30, 2012, 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, management, and others within the County, 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.

January 31, 2013

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YUMA COUNTY

Annual Expenditure Limitation Report
Year Ended June 30, 2012

Part I

1. Economic Estimates Commission expenditure limitation	\$	78,970,853
2. Amount subject to the expenditure limitation (total amount from Part II, Line C)		<u>66,352,188</u>
3. Amount under the expenditure limitation	\$	<u>12,618,665</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:

_____ Scott G. Holt, Director - Financial Services _____

Telephone Number:

_____ (928) 373-1012 _____

Date: _____ 28-Jan-2013 _____

See accompanying notes to report.

YUMA COUNTYAnnual Expenditure Limitation Report
Year Ended June 30, 2012**Part II**

Description	Governmental Funds	Internal Service Funds	Fiduciary Funds	Total
A. Amounts reported on the Reconciliation, Line D	\$ 102,718,776	\$ 13,507,832	\$ 372,864,234	\$ 489,090,842
B. Less exclusions claimed:				
Trustee or custodian (Note 2)	1,815,344		372,864,234	374,679,578
Grants and aid from the federal government (Note 3)	18,531,977			18,531,977
Amounts received from the State of Arizona (Note 3)	11,471,298			11,471,298
Quasi-external interfund transactions (Note 4)		10,946,109		10,946,109
Highway user revenues in excess of those received in fiscal year 1979-80 (Note 3)	7,109,692			7,109,692
Total exclusions claimed	38,928,311	10,946,109	372,864,234	422,738,654
C. Amounts subject to the expenditure limitation	\$ 63,790,465	\$ 2,561,723	\$ -	\$ 66,352,188

See accompanying notes to report.

YUMA COUNTYAnnual Expenditure Limitation Report
Year Ended June 30, 2012**Reconciliation**

Description	Governmental Funds	Internal Service Funds	Fiduciary Funds	Total
A. Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements	\$ 149,607,965	\$ 13,270,832	\$ 372,864,234	\$ 535,743,031
B. Subtractions:				
Items not requiring use of working capital:				
Claims incurred but not reported (Note 5)		968,000		968,000
Expenditures of separate legal entities established under Arizona Revised Statutes (A.R.S.) (Note 6)	39,050,536			39,050,536
Long-term care contributions withheld by the State Treasurer (Note 7)	7,838,653			7,838,653
Total subtractions	46,889,189	968,000		47,857,189
C. Additions:				
Claims paid in the current year but reported as expenses incurred but not reported in previous years (Note 8)		1,205,000		1,205,000
Total additions		1,205,000		1,205,000
D. Amounts reported on Part II, Line A	\$ 102,718,776	\$ 13,507,832	\$ 372,864,234	\$ 489,090,842

See accompanying notes to report.

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**Notes to Annual
Expenditure Limitation Report**

Yuma County

Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2012

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, expenses, or deductions of certain revenues specified in the Arizona Constitution, Article IX, Section 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, Statement of Revenues, Expenses, and Changes in Fund Net Assets for the Proprietary Funds, Statement of Cash Flows for the Proprietary Funds, and the Statement of Changes in Fiduciary Net Assets for the Fiduciary Funds.

Note 2 - Trustee or Custodian

The exclusion claimed for trustee or custodian in the Governmental Funds consists of \$1,325,100 in contributions by the County to the Arizona Health Care Cost Containment System for acute care; \$219,665 for Administrative Cost Contributions; \$183,900 in Uncompensated Care Contributions; and \$86,679 in the Anti-Racketeering Fund for forfeitures received from the State. In the Fiduciary Funds, the exclusion consists of \$372,864,234 in distributions to investment pool participants.

Note 3 - Federal Grants and Aid, State of Arizona, and Highway User Revenue Fund Exclusion

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	Amount
Grants and aid from the federal government	\$ 18,531,997
Amounts received from the State of Arizona	11,471,298
Highway user revenues in excess of those received in fiscal year 1979-80	7,109,692
Other revenues (nonexcludable)	28,599,753
Total intergovernmental revenues as reported in the fund financial statements	<u>\$ 65,712,740</u>

Note 4 - Quasi-external Interfund Transactions

The amount reported as quasi-external interfund transactions in the internal service funds consists of employer and employees' medical contributions for health and other insurance which are reported as health service claims and health service other in the fund financial statements.

Note 5 - Claims Incurred but Not Reported

The subtraction of \$968,000 for claims incurred but not reported consists of the estimated costs of claims incurred and expensed in the current year but not yet paid in the Internal Service Funds.

Yuma County

Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2012

Note 6 - Separate Legal Entities

The subtraction of \$39,050,536 for separate legal entities established under Arizona Revised Statutes consists of expenditures of special assessment and municipal property corporations 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:

Special Assessment Districts

General government	\$ 929,886
Capital outlay	7,577,061
Principal retirement	340,612
Interest and fiscal charges	130,495
Total	<u><u>\$ 8,978,054</u></u>

Municipal Property Corporations

Public safety	\$ 11,552,103
Highways and streets	937,204
Culture and recreation	7,501,839
Health	4,947,789
Capital outlay	986,445
Principal retirement	1,670,000
Interest and fiscal charges	2,477,102
Total	<u><u>\$ 30,072,482</u></u>

Total health expenditures of the Health Services District as shown above have been reduced by \$2,747,902 in expenditures of grants and aid received from the federal government, which is reported in Note 3. Furthermore, the expenditures above are also reduced by the required continuation support and maintenance of effort contributions amounts of \$786,898 for the Health Services District and \$6,215,366 for the Jail District.

Note 7 - Long-term Care Contributions

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. The following schedule reflects the presentation of these payments as welfare expenditures in the General Fund.

Description	Amount
AHCCCS- Long term care	\$ 7,838,653
AHCCCS	1,325,100
Administration Costs	219,665
Uncompensated Care	183,900
Mental Health Services (nonexcludable)	1,254,130
Public Fiduciary (nonexcludable)	546,089
Other expenditures (nonexcludable)	101,439
Total welfare expenditures as reported in the General Fund	<u><u>\$ 11,468,976</u></u>

Yuma County

Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2012

Note 8 - Claims Paid in Current Year but Reported as Expenses Incurred but Not Reported in Previous Years

The addition of \$1,205,000 for claims paid in the current year, but reported as expenses incurred but not reported in previous years, consists of cash payments in the current year for claims recognized as an expense in previous years in the Internal Service Funds.