

Greenlee County, Arizona

**Report on Audit of
Annual Expenditure Limitation Report**

Year Ended June 30, 2006

Greenlee County
Report on Audit of Annual Expenditure Limitation Report
Year Ended June 30, 2006

Table of Contents

Independent Auditor's Report..... 1

Annual Expenditure Limitation Report - Part I2

Annual Expenditure Limitation Report - Part II3

Annual Expenditure Limitation Report - Reconciliation.....4

Notes to Annual Expenditure Limitation Report.....5

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, 2006. 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, 2006, 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.

Miller, Allen & Co., P.C.

April 16, 2010

Greenlee County
Annual Expenditure Limitation Report - Part I
Year Ended June 30, 2006

1. Economic Estimates Commission expenditure limitation	\$ 5,764,256
2. Amount subject to the expenditure limitation (total amount from Part II, Line C)	5,658,108
3. Amount under the expenditure limitation	<u>\$ 106,148</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: April 16, 2010

See accompanying notes to report.

Greenlee County
Annual Expenditure Limitation Report - Part II
Year Ended June 30, 2006

Description	Governmental Funds	Fiduciary Fund	Total
A. Amounts reported on the Reconciliation, Line C	\$13,429,889	\$16,350,694	\$29,780,583
B. Less exclusions claimed:			
Debt service requirements on other long-term obligations	874,713		874,713
Dividends, interest, and gains on sale or redemption of investment securities (Note 2)	123,441		123,441
Trustee or custodian (Note 3)	213,595	16,350,694	16,564,289
Grants and aid from the federal government (Note 4)	3,233,728		3,233,728
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 5)	3,650		3,650
Amounts received from the State of Arizona (Note 4)	2,265,728		2,265,728
Highway user revenues in excess of those received in fiscal year 1979-80 (Note 4)	816,200		816,200
Contracts with other political subdivisions (Notes 4)	110,166		110,166
Refunds, reimbursements, and other recoveries (Note 6)	130,560		130,560
Total exclusions claimed	7,771,781	16,350,694	24,122,475
C. Amounts subject to the expenditure limitation	\$5,658,108	\$ 0	\$ 5,658,108

See accompanying notes to report.

Greenlee County
Annual Expenditure Limitation Report - Reconciliation
Year Ended June 30, 2006

<u>Description</u>	<u>Governmental Funds</u>	<u>Fiduciary Fund</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.	<u>\$14,502,922</u>	<u>\$ 16,350,694</u>	<u>\$ 30,853,616</u>
B. Subtractions:			
Community college reimbursement payments pursuant to A.R.S §15-1469.01 (Note 7)	572,754		572,754
Long-term care contributions withheld by the State Treasurer (Note 8)	126,600		126,600
Present value of net minimum capital lease payments recorded as expenditures at inception of the agreements	<u>373,679</u>		<u>373,679</u>
Total subtractions	<u>1,073,033</u>	<u>0</u>	<u>1,073,033</u>
C. Amounts reported on Part II, Line A	<u>\$13,429,889</u>	<u>\$16,350,694</u>	<u>\$29,780,583</u>

See accompanying notes to report.

Greenlee County
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2006

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 Fund.

Note 2 - The exclusion claimed for dividends, interest, and gains on the sale or redemption of investment securities of \$123,441 in the Governmental Funds includes interest on investments expensed of \$95,784 and interest on delinquent taxes expensed of \$27,657, which were recorded as tax revenue. Interest income of \$18,909 recorded in the PDMI donation fund was not excluded as the revenue was not expensed in the current year. In addition, the interest income of \$17,519 recorded in the debt service fund was not excluded.

Note 3 - The exclusion claimed for trustee or custodian in the Governmental Funds consists of \$213,595 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 \$16,350,694 in distributions to investment pool participants.

Note 4 - The following schedule presents revenues from which exclusions have been claimed for federal grants and aid, amounts received from the state of Arizona, highway user revenues, and contracts with other political subdivisions in the Governmental Funds.

Description	
Grants and aid from the federal government	\$3,233,728
Amounts received from the State of Arizona	2,265,728
Highway user revenues in excess of those received in fiscal year 1979-80	816,200
Contracts with other political subdivisions	110,166
Other Revenues - (nonexcludable)	4,462,092
Total intergovernmental revenues as reported in the fund financial statements	\$10,887,914

Greenlee County
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2006

- Note 5-** 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.
- Note 6-** The exclusion claimed for refunds, reimbursements and other recoveries in the Governmental Funds consists of amounts expended from revenues that were reported in miscellaneous revenue in the fund financial statements.
- Note 7-** The subtraction shown for community college reimbursement payments in the Governmental Funds is included in general government expenditures.
- Note 8 -** 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.