

APACHE COUNTY
ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2005

APACHE COUNTY
Annual Expenditure Limitation Report
Year Ended June 30, 2005

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Independent Auditors' Report

The Auditor General of the State of Arizona

The Board of Supervisors of
Apache County, Arizona

We have audited the accompanying Annual Expenditure Limitation Report of Apache County (the County) for the year ended June 30, 2005. 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 Apache County, Arizona, for the year ended June 30, 2005, 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.

Fester & Chapman P.C.

May 2, 2007

APACHE COUNTY
Annual Expenditure Limitation Report – Part I
Year Ended June 30, 2005

1. Economic Estimates Commission expenditure limitation	\$ 12,740,705
2. Amount subject to the expenditure limitation (total amount from Part II, Line C)	\$12,788,246
3. Board-authorized expenditures necessitated by a disaster not declared by the Governor [Article IX, §20(2)(b), Arizona Constitution}	- <u>47,541</u>
4. Total adjusted amount subject to the expenditure limitation	<u>\$ 12,740,705</u>
5. Amount under the expenditure limitation	<u>\$ 0</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: Ryan Patterson, Finance Director

Telephone Number: (928) 337-4364 Date: 2-11-08

See accompanying notes to report.

APACHE COUNTY
Annual Expenditure Limitation Report – Part II
Year Ended June 30, 2005

<u>Description</u>	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
A. Amounts reported on the Reconciliation, Line C	\$ 30,892,744	\$ 175,205,480	\$ 206,098,224
B. Less exclusions claimed:			
Bond proceeds (Note 2)	297,924		297,924
Debt service requirements on bonded indebtedness (Note 3)	678,577		678,577
Debt service requirements on other long-term obligations (Note 3)	36,982		36,982
Trustee or custodian (Note 4)	803,883	175,205,480	176,009,363
Grants and aid from the federal government (Note 5)	2,497,692		2,497,692
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 6)	1,578		1,578
Amounts received from the State of Arizona (Note 5)	5,630,883		5,630,883
Highway user revenues in excess of those received in fiscal year 1979-80 (Note 5)	3,823,563		3,823,563
Contracts with other political subdivisions (Note 5)	308,303		308,303
Prior years carryforward (Note 7)	4,025,113		4,025,113
Total exclusions claimed	<u>18,104,498</u>	<u>175,205,480</u>	<u>193,309,978</u>
C. Amounts subject to the expenditure limitation	<u>\$ 12,788,246</u>	<u>\$ -</u>	<u>\$ 12,788,246</u>

See accompanying notes to report.

APACHE COUNTY
Annual Expenditure Limitation Report – Reconciliation
Year Ended June 30, 2005

<u>Description</u>	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
A. Total expenditures/deductions reported within the fund financial statements	\$ 35,505,154	\$ 175,205,480	\$ 210,710,634
B. Subtractions:			
Expenditures of separate legal entities established under Arizona Revised Statutes (A.R.S.) (Note 8)	3,341,113		3,341,113
Contributions to fire districts (Note 9)	235,669		235,669
Community college reimbursement payments pursuant to A.R.S. §15-1469.01 (Note 10)	553,828		553,828
Long-term care contributions withheld by the State Treasurer (Note 11)	481,800		481,800
Total subtractions	<u>4,612,410</u>		<u>4,612,410</u>
C. Amounts reported on Part II, Line A	<u>\$ 30,892,744</u>	<u>\$ 175,205,480</u>	<u>\$ 206,098,224</u>

See accompanying notes to report.

APACHE COUNTY
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2005

Note 1 - Summary of Significant Account 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, §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 bond proceeds consists of capital outlay expenditures of \$297,924 reported in the Governmental Funds.

Note 3 - The exclusion claimed for debt service requirements on bonded indebtedness in the Governmental Funds consists of principal retirement and interest expense of \$678,577. The exclusion claimed for debt service requirements on other long-term indebtedness in the Governmental Funds consists of principal retirement and interest expense on capital leases of \$36,982.

APACHE COUNTY
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2005

Note 4 - The exclusion claimed for trustee or custodian in the Governmental Funds consists of \$268,764 in contributions by the County to the Arizona Health Care Cost Containment System for acute care, \$14,145 of commissary proceeds and expenditures for the Sheriff's Canteen, and \$79,495 for waste tire special revenues paid out to Blue Hills Environmental Association. Additionally, in the Governmental Funds, \$441,479 of State Lake Improvement Funds, from Arizona State Parks, was passed to the National Forest Service for Bunch Reservoir (\$93,284), Tunnel Reservoir (\$188,355), and River Reservoir (\$159,840) for culture and recreation purposes. In the Fiduciary Funds, the exclusion consists of \$175,205,480 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, highway user revenues, contracts with other political subdivisions, refunds, reimbursements and other recoveries in the Governmental Funds:

Grants and aid from the federal government	\$ 2,497,692
Amounts received from the State of Arizona	5,630,883
Highway user revenue in excess of that received in fiscal year 1979-80	3,823,563
Contracts with other political subdivisions	308,303
Amounts received as a custodian/trustee (Note 4)	520,974
Other revenues – (nonexcludable)	5,784,722
Amount carried forward	<u>3,207,980</u>
 Total intergovernmental revenues as reported in the fund financial statements	 <u>\$21,774,117</u>

Note 6 - The \$1,578 exclusion claimed for grants, aid, contributions, or gifts from a private agency, organization, or individual is reported as other revenue in the Governmental Funds and consists of contribution revenue expended.

APACHE COUNTY
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2005

Note 7 - Prior year 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:

<u>Description</u>	<u>Governmental Funds</u>
Dividends, interest, gains on the sale or redemption of investment securities	\$ 1,314,373
Trustee or custodian	53,369
Grants and aid from the federal government	64,027
Grants, aid, contributions or gifts from a private agency, organization or individual, except amounts received in lieu of taxes	350
Amounts received from the State of Arizona	134,952
Highway user revenues in excess of those received in fiscal year 1979-80	2,456,542
Contracts with other political subdivisions	<u>1,500</u>
Total prior years carryforward expended	<u>\$ 4,025,113</u>

Note 8 - The subtraction of \$3,341,113 for separate legal entities established under Arizona Revised Statutes consists of the County Flood Control and Library District funds included within the County's reporting entity, but not included in the Economic Estimates Commission base limit calculations, and expenditures of County jail districts in excess of the County's maintenance of efforts pursuant to A.R.S. §15-1469.01, are reported in the Governmental Funds category in the fund financial statements:

County flood control	\$ 117,444
Jail district	1,944,942
Library district	1,039,304
Juvenile jail district	<u>239,423</u>
Total	<u>\$ 3,341,113</u>

Note 9 - The subtraction of \$235,669 for contributions to fire districts consists of payments that are not subject to the expenditure limitation. These expenditures were reported in public safety expenditures in the Governmental Funds category in the fund financial statements.

APACHE COUNTY
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2005

Note 10 - The subtraction of \$553,828 for community college reimbursement payments pursuant to A.R.S. §15-1469.01 consists of payments that are not subject to the expenditure limitation. These expenditures were recorded as education expenditures in the Governmental Funds category in the fund financial statements.

Note 11 - The amount of transaction privilege taxes withheld by the State Treasurer to meet the County's share of long-term care costs was reported as revenue and offsetting expenditure in the County's fund financial statements. Consequently, this expenditure has been subtracted on the Reconciliation.

JIM CLAW
CHAIRMAN OF THE BOARD
DISTRICT I
P.O. BOX 1952 CHINLE, AZ 86503

TOM M. WHITE, JR.
VICE CHAIR OF THE BOARD
DISTRICT II
P.O. BOX 594 GANADO, AZ 86505

DAVID A. BROWN
MEMBER OF THE BOARD
DISTRICT III
P.O. BOX 428 ST. JOHNS, AZ 85936

**BOARD OF SUPERVISORS
OF APACHE COUNTY**

P.O. BOX 428
ST. JOHNS, ARIZONA 85936

TELEPHONE: (928) 337-4364
FACSIMILE: (928) 337-2003



BELWIN P. WENGERT, MANAGER-CLERK
ST. JOHNS, AZ 85936

**RESOLUTION 2005-03
DECLARATION OF A STATE OF EMERGENCY**

WHEREAS, it is the desire and duty of the Apache County Board of Supervisors to protect the health, safety and welfare of the citizens of Apache County;

WHEREAS, the current snow accumulations, and forecasted snow, many citizens of Apache County are stranded in their homes denying them access to food and medical assistance, endangering their lives and well being, threatening to damage their homes and property and endangering their livestock;

WHEREAS, when current and forecasted snow melts, many of the roadways in Apache County will become impassable due to the mud and water runoff and otherwise damaging the roadways that will strand many citizens of Apache County in their homes denying them access to food and medical assistance, endangering lives and wellbeing;

WHEREAS, Apache County acknowledges and thank federal, state, BIA and tribal agencies now assisting with the emergency;

WHEREAS, the Apache County Board of Supervisors, pursuant to Arizona Revised Statutes Section 26-301 et seq. declares a State of Emergency to exist on private, state, federal and tribal lands;

WHEREAS, the Apache County Board of Supervisors requests that Arizona Governor Janet Napolitano declare a State of Emergency in Apache County and to provide assistance for all state emergency services pursuant to Arizona Revised Statutes Section 26-301 et seq. to exist on private, state, federal and tribal lands in Apache County due to snow accumulations, forecasted snow accumulations, and subsequent mud and erosion due to the snow melting;

BE IT FURTHER RESOLVED, that the Apache County Board of Supervisors requests that Arizona State Governor Janet Napolitano declare a State of Emergency in Apache County;

BE IT FURTHER RESOLVED, that Apache County will provide mutual aid to the affected areas in Apache County pursuant to its ordinances, emergency plans and intergovernmental agreements which shall include personnel, equipment and other available resources;

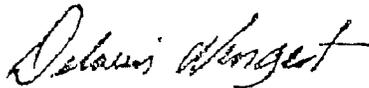
BE IT FURTHER RESOLVED, pursuant to Arizona Revised Statutes Section 26-311, the chairman of the Apache County Board of Supervisors is authorized to issue any proclamation necessary and permissible concerning the current snow and mud emergency declared by the resolution;

Adopted this 6th day of January, 2005



Jim Clary
Chairman, Apache County Board of Supervisors

ATTEST:



Delwin Wengert
Clerk of the Board