

Gila County, Arizona

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

Year Ended June 30, 2004

Gila County
Report on Audit of Annual Expenditure Limitation Report
Year Ended June 30, 2004

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Independent Auditor's Report

The Auditor General of the State of Arizona

The Board of Supervisors of
Gila County, Arizona

We have audited the accompanying Annual Expenditure Limitation Report of Gila County for the year ended June 30, 2004. 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 Gila County for the year ended June 30, 2004, 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.



October 29, 2007

Gila County
Annual Expenditure Limitation Report - Part I
Year Ended June 30, 2004

1. Economic Estimates Commission expenditure limitation	\$ 30,758,499
2. Amount subject to the expenditure limitation (total amount from Part II, Line C)	27,430,457
3. Amount under the expenditure limitation	<u>\$ 3,328,042</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: Richard C. Gaona, Finance Director

Telephone Number: (928) 425-3231

Date: October 29, 2007

See accompanying notes to report.

Gila County
Annual Expenditure Limitation Report—Part II
Year Ended June 30, 2004

Description	Governmental Funds	Fiduciary Funds	Total
A. Amounts reported on the Reconciliation, Line C	\$45,628,144	\$ 91,486,788	\$137,114,932
B. Less exclusions claimed:			
Debt service requirements on other long-term obligations (Note 2)	1,298,758		1,298,758
Dividends, interest, and gains on the sale or redemption of investment securities (Note 3)	281,247		281,247
Trustee or custodian (Note 4)	1,413,151	91,486,788	92,899,939
Grants and aid from the federal government (Note 5)	6,343,881		6,343,881
Amounts received from the State of Arizona (Note 5)	4,754,788		4,754,788
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes	204,650		204,650
Highway user revenues in excess of those received in fiscal year 1979-80 (Note 5)	1,875,720		1,875,720
Contracts with other political subdivisions (Note 6)	649,757		649,757
Refunds, reimbursements, and other recoveries (Notes 5 and 7)	138,235		138,235
Prior year's carryforward (Note 8)	1,237,500		1,237,500
Total exclusions claimed	<u>18,197,687</u>	<u>91,486,788</u>	<u>109,684,475</u>
C. Amounts subject to the expenditure limitation	<u>\$27,430,457</u>	<u>\$ -</u>	<u>\$ 27,430,457</u>

See accompanying notes to report.

Gila County
Annual Expenditure Limitation Report—Reconciliation
Year Ended June 30, 2004

Description	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
A. Total expenditures/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements	\$50,156,993	\$ 91,486,788	\$141,643,781
B. Subtractions:			
Expenditures of separate legal entities established under Arizona Revised Statutes (Note 9)	1,566,322		1,566,322
Community college reimbursement payments pursuant to A.R.S. §15-1469.01 (Note 10)	223,893		223,893
Long-term care contributions withheld by State Treasurer (Note 11)	2,548,485		2,548,485
Present value of net minimum capital lease and installment purchase contract payments recorded as expenditures at inception of the agreements	<u>190,149</u>	<u>-</u>	<u>190,149</u>
Total subtractions	<u>4,528,849</u>	<u>-</u>	<u>4,528,849</u>
C. Amounts reported on Part II, Line A	<u>\$45,628,144</u>	<u>\$ 91,486,788</u>	<u>\$137,114,932</u>

See accompanying notes to report.

Gila County
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2004

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, §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 debt service requirements on other long-term obligations in the Governmental Funds consists of principal retirement of \$991,132 and interest expense of \$307,626.

Note 3 - The exclusion claimed for dividends, interest, and gains on the sale or redemption of investment securities of \$281,247 in the Governmental Funds includes interest on delinquent taxes expended, which was recorded as tax revenue.

Note 4 - The exclusion claimed for trustee or custodian in the Governmental Funds consists of \$1,413,151 in contributions by the County to the Arizona Health Care Cost Containment System for acute care, and in the Fiduciary Funds, the exclusion consists of \$91,486,788 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 and refunds, reimbursements, and other recoveries in the Governmental Funds:

Description	
Grants and aid from the federal government	\$ 6,343,881
Amount received from the State of Arizona	4,754,788
Highway user revenues in excess of those received in fiscal year 1979-80	1,875,720
Refunds, reimbursements, and other recoveries	70,385
Other revenues (nonexcludable)	7,295,441
Amount carried forward	<u>3,328,042</u>
Total intergovernmental revenues as reported in the fund financial statements	<u>\$ 23,668,257</u>

Gila County
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2004

- Note 6 -** The exclusion claimed for contracts with other political subdivisions of \$649,757 is reported as charges for services revenues.
- Note 7 -** The exclusion claimed for refunds, reimbursements, and other recoveries of \$138,235 in the Governmental Funds includes various expenditure reimbursements reported as intergovernmental revenues and charges for services revenues.
- Note 8 -** Prior year's carryforward consists of constitutionally excludable revenues unexpended in the year of receipt that have been accumulated and were expended in the current year. The exclusion claimed consists of Arizona Department of Transportation loan proceeds of \$1,237,500 received in prior year and expended in the current year and reported as capital outlay expenditures in the Governmental Funds.
- Note 9 -** The subtraction of \$1,566,322 in the Governmental Funds for separate legal entities established under Arizona Revised Statutes consists of expenditures of special assessment districts and municipal property corporations included in 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	\$ 9,614
Culture and recreation	1,028,243
	<u>\$ 1,037,857</u>
 Municipal Property Corporation	
Capital outlay	<u>\$ 528,465</u>

- Note 10 -** The amount of transaction privilege taxes withheld by the State Treasurer to meet the County's share of out-of County community college tuition costs was reported as a revenue and an offsetting education expenditure in the County's Governmental Funds. Consequently, the expenditure has been subtracted on the Reconciliation.
- 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 a revenue and an offsetting expenditure in the County's Governmental Funds. Consequently, the expenditure has been subtracted on the Reconciliation.