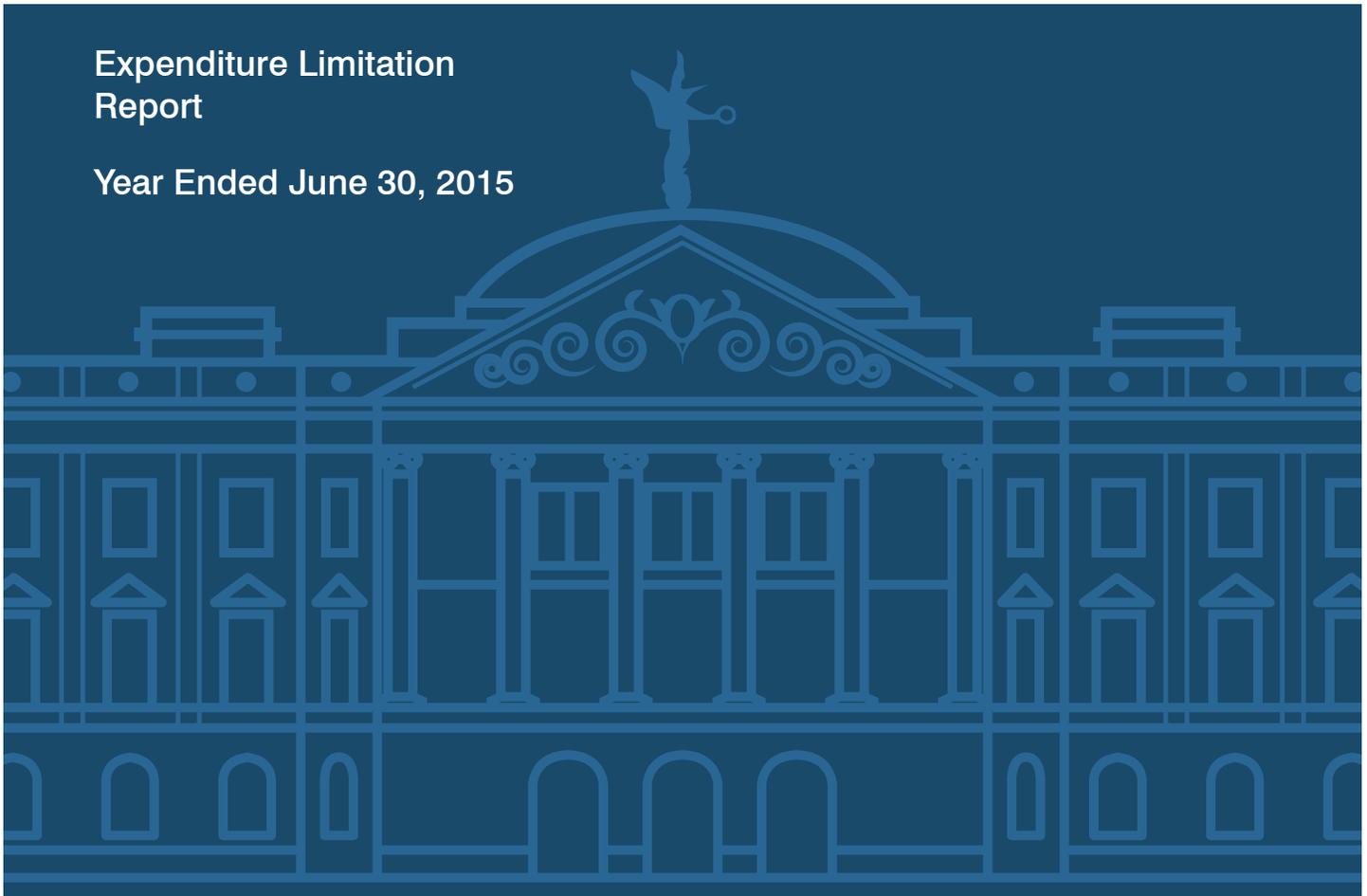


# Graham County

Expenditure Limitation  
Report

Year Ended June 30, 2015



A Report to the Arizona Legislature

Debra K. Davenport  
Auditor General





The Auditor General is appointed by the Joint Legislative Audit Committee, a bipartisan committee composed of five senators and five representatives. Her mission is to provide independent and impartial information and specific recommendations to improve the operations of state and local government entities. To this end, she provides financial audits and accounting services to the State and political subdivisions, investigates possible misuse of public monies, and conducts performance audits and special reviews of school districts, state agencies, and the programs they administer.

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**DEBRA K. DAVENPORT, CPA**  
AUDITOR GENERAL

**STATE OF ARIZONA**  
OFFICE OF THE  
**AUDITOR GENERAL**

**MELANIE M. CHESNEY**  
DEPUTY AUDITOR GENERAL

**Independent accountants' report**

Members of the Arizona State Legislature

The Board of Supervisors of  
Graham County, Arizona

We have examined the accompanying annual expenditure limitation report of Graham County for the year ended June 30, 2015. The County's management is responsible for this report. Our responsibility is to express an opinion on this report based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the amounts and disclosures in the report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the annual expenditure limitation report referred to above presents, in all material respects, the information prescribed by the uniform expenditure reporting system as described in Note 1.

Jay Zsorey, CPA  
Financial Audit Director

August 11, 2016



**Graham County**  
**Annual expenditure limitation report—part I**  
**Year ended June 30, 2015**

1. Economic Estimates Commission expenditure limitation	\$15,147,048
2. Amount subject to the expenditure limitation (total amount from part II, line C)	<u>13,488,880</u>
3. Amount under the expenditure limitation	<u>\$ 1,658,168</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: Terry Cooper, County Manager/Clerk of the Board

Telephone Number: (928) 492-3250 Date: August 11, 2016

See accompanying notes to report.

**Graham County**  
**Annual expenditure limitation report—part II**  
**Year ended June 30, 2015**

Description	<u>Governmental funds</u>	<u>Fiduciary funds</u>	<u>Total</u>
A. Amounts reported on the reconciliation, line C	\$ 26,407,012	\$ 69,363,062	\$ 95,770,074
B. Less exclusions claimed:			
Dividends, interest, and gains on the sale or redemption of investment securities (Note 2)	176,292		176,292
Trustee or custodian (Note 3)	642,942	69,363,062	70,006,004
Grants and aid from the federal government (Note 4)	4,741,319		4,741,319
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 4)	203,223		203,223
Amounts received from the State of Arizona (Note 4)	2,937,864		2,937,864
Highway user revenues in excess of those received in fiscal year 1979-80 (Note 4)	2,017,670		2,017,670
Contracts with other political subdivisions (Note 4)	1,937,342		1,937,342
Refunds, reimbursements, and other recoveries (Note 4)	116,354		116,354
Amounts received for distribution to school districts (Notes 4 and 5)	<u>145,127</u>		<u>145,127</u>
Total exclusions claimed	<u>12,918,132</u>	<u>69,363,062</u>	<u>82,281,194</u>
C. Amounts subject to the expenditure limitation	<u>\$ 13,488,880</u>	<u>\$ -</u>	<u>\$ 13,488,880</u>

See accompanying notes to report.

**Graham County**  
**Annual expenditure limitation report—reconciliation**  
**Year ended June 30, 2015**

Description	<u>Governmental funds</u>	<u>Fiduciary funds</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	\$ 27,849,612	\$ 69,363,062	\$ 97,212,674
B. Subtractions:			
Long-term care contributions withheld by the State Treasurer (Note 6)	<u>1,442,600</u>	_____	<u>1,442,600</u>
Total subtractions	<u>1,442,600</u>	_____	<u>1,442,600</u>
C. Amounts reported on part II, line A	<u>\$ 26,407,012</u>	<u>\$ 69,363,062</u>	<u>\$ 95,770,074</u>

See accompanying notes to report.

**Graham County**  
**Notes to annual expenditure limitation report**  
**Year ended June 30, 2015**

**Note 1 - Summary of significant accounting policies**

The annual expenditure limitation report (AELR) is presented as prescribed by the uniform expenditure reporting system (UERS), as required by Arizona Revised Statutes §41-1279.07. The AELR 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, 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 position for the fiduciary funds.

**Note 2**

The exclusion claimed for dividends, interest, and gains on the sale or redemption of investment securities of \$176,292 in the governmental funds includes investment earnings expended of \$28,093 and interest on delinquent taxes expended of \$148,199, which was recorded as tax revenue.

**Note 3**

The exclusion claimed for trustee or custodian in the governmental funds consists of \$642,942 in county contributions to the Arizona Health Care Cost Containment System for acute care, uncompensated care, and administrative costs; and in the fiduciary funds, the exclusion consists of \$69,393,062 in distributions to investment pool participants.

**Note 4**

The following schedule presents revenues from which exclusions have been claimed for grants and aid from the federal government; grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes; amounts received from the State of Arizona; highway user revenues; contracts with other political subdivisions; refunds, reimbursements, and other recoveries; and amounts received for distribution to school districts in the governmental funds:

Description	Intergovernmental	Charges for services	Miscellaneous	Donations	Total
Grants and aid from the federal government	\$ 4,741,319				\$ 4,741,319
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes				\$203,223	203,223
Amounts received from the State of Arizona	2,937,864				2,937,864
Highway user revenues in excess of those received in fiscal year 1979-80	2,017,670				2,017,670

**Graham County**  
**Notes to annual expenditure limitation report**  
**Year ended June 30, 2015**

Description	Intergovernmental	Charges for services	Miscellaneous	Donations	Total
Contracts with other political subdivisions	\$ 68,553	\$1,868,789			\$ 1,937,342
Refunds, reimbursements, and other recoveries			\$116,354		116,354
Amounts received for distribution to school districts	145,127				145,127
Other revenues—(nonexcludable)	<u>6,049,063</u>	<u>1,247,036</u>	<u>365,262</u>	<u>          </u>	<u>7,661,361</u>
Total revenues as reported in the fund financial statements	<u>\$15,959,596</u>	<u>\$3,115,825</u>	<u>\$481,616</u>	<u>\$203,223</u>	<u>\$19,760,260</u>

**Note 5**

The exclusion claimed for amounts received for distribution to school districts consists of federal and state revenues recorded as education expenditures for operating an accommodation school.

**Note 6**

The subtraction for long-term care contributions withheld by the State Treasurer consists of transaction privilege taxes the State Treasurer withheld 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.

