



A REPORT
TO THE
ARIZONA LEGISLATURE

Financial Audit Division

Expenditure Limitation Report

Graham County

Year Ended June 30, 2009



Debra K. Davenport
Auditor General

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Graham County
Report on Audit of Annual Expenditure Limitation Report
Year Ended June 30, 2009

Table of Contents	Page
Independent Auditors' Report	1
Annual Expenditure Limitation Report—Part I	3
Annual Expenditure Limitation Report—Part II	4
Annual Expenditure Limitation Report—Reconciliation	5
Notes to Annual Expenditure Limitation Report	6



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

Independent Auditors' Report

Members of the Arizona State Legislature

The Board of Supervisors of
Graham County, Arizona

We have audited the accompanying Annual Expenditure Limitation Report of Graham County for the year ended June 30, 2009. 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 Graham County for the year ended June 30, 2009, 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.

Jay Zsorey, CPA
Financial Audit Director

May 24, 2011

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Graham County
Annual Expenditure Limitation Report—Part I
Year Ended June 30, 2009

1. Economic Estimates Commission expenditure limitation	\$13,823,055
2. Amount subject to the expenditure limitation (total amount from Part II, Line C)	<u>11,053,271</u>
3. Amount under the expenditure limitation	<u>\$ 2,769,784</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, Manager/Board Clerk

Telephone Number: (928) 428-3250 Date: May 24, 2011

See accompanying notes to report.

Graham County
Annual Expenditure Limitation Report—Part II
Year Ended June 30, 2009

Description	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
A. Amounts reported on the Reconciliation, Line C	\$ 28,025,927	\$ 57,095,719	\$ 85,121,646
B. Less exclusions claimed:			
Dividends, interest, and gains on the sale or redemption of investment securities	301,721		301,721
Trustee or custodian (Note 2)	633,314	57,095,719	57,729,033
Grants and aid from the federal government (Note 3)	7,659,405		7,659,405
Amounts received from the State of Arizona (Note 3)	4,349,505		4,349,505
Highway user revenues in excess of those received in fiscal year 1979-80 (Note 3)	1,819,011		1,819,011
Contracts with other political subdivisions (Note 3)	1,728,230		1,728,230
Refunds, reimbursements, and other recoveries (Note 3)	220,498		220,498
Amounts received for distribution to school districts (Notes 3 and 4)	<u>260,972</u>	<u> </u>	<u>260,972</u>
Total exclusions claimed	<u>16,972,656</u>	<u>57,095,719</u>	<u>74,068,375</u>
C. Amounts subject to the expenditure limitation	<u>\$ 11,053,271</u>	<u>\$ -</u>	<u>\$ 11,053,271</u>

See accompanying notes to report.

Graham County
Annual Expenditure Limitation Report—Reconciliation
Year Ended June 30, 2009

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	\$ 29,721,425	\$ 57,095,719	\$ 86,817,144
B. Subtractions:			
Long-term care contributions withheld by the State Treasurer (Note 5)	1,216,100		1,216,100
Present value of net minimum capital lease and installment purchase contract payments recorded as expenditures at inception of the agreements	<u>479,398</u>		<u>479,398</u>
Total subtractions	<u>1,695,498</u>	_____	<u>1,695,498</u>
C. Amounts reported on Part II, Line A	<u>\$ 28,025,927</u>	<u>\$ 57,095,719</u>	<u>\$ 85,121,646</u>

See accompanying notes to report.

Graham County
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2009

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 trustee or custodian in the Governmental Funds consists of \$633,314 in contributions by the County 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 \$57,095,719 in distributions to investment pool participants.

Note 3 - 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, and distributions to school districts in the Governmental Funds:

Description	<u>Intergovernmental</u>	<u>Charges For Services</u>	<u>Miscellaneous</u>	<u>Total</u>
Grants and aid from the federal government	\$ 7,659,405			\$7,659,405
Amounts received from the State of Arizona	4,288,855		\$ 60,650	4,349,505
Highway user revenues in excess of those received in fiscal year 1979-80	1,819,011			1,819,011
Contracts with other political subdivisions	799,214	\$ 929,016		1,728,230
Refunds, reimbursements, and other recoveries			220,498	220,498
Distribution to school districts	260,972			260,972
Other revenues—(nonexcludable)	<u>6,948,011</u>	<u>1,355,520</u>	<u>481,991</u>	<u>8,785,522</u>
Total revenues as reported in the fund financial statements	<u>\$21,775,468</u>	<u>\$2,284,536</u>	<u>\$763,139</u>	<u>\$24,823,143</u>

Graham County
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2009

Note 4 - The exclusion claimed for amounts received for distribution to school districts consists of federal and state revenues recorded as educational expenditures for operating an accommodation school.

Note 5 - 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.

