YUMA COUNTY

Report on Audit of Annual Expenditure Limitation Report

For Fiscal Year Ended June 30, 2011

Yuma County Administration Building
198 South Main Street
Yuma, Arizona 85364

{This page is intentionally left blank}

YUMA COUNTY

"Yuma County Government is dedicated to providing customer-focused services to enhance the health, safety, well-being, and future of our entire community."

Report on Audit of Annual Expenditure Limitation Report

For the Fiscal Year Ended June 30, 2011

COUNTY ADMINISTRATOR
Robert L. Pickels, Jr.

Prepared by Yuma County Department of Financial Services

Director
Scott G. Holt

Deputy Director
Gilberto Villegas, Jr.

{This page intentionally left blank}

YUMA COUNTY
Report on Audit of Annual Expenditure Limitation Report
For the Fiscal Year Ended
June 30, 2011

TABLE OF CONTENTS

	Page
Independent Auditors' Report	
Independent Auditors' Report on Annual Expenditure Limitation Report……..	1
Annual Expenditure Limitation Report	
Part I ……..	3
Part II ……	4
Reconciliation ……	5
Notes	
Notes to Annual Expenditure Limitation Report ……	6

{This page is intentionally left blank}

HEINFELD, MEECH & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Heinfeld, Meech & Co. 25th Anniversary 1986-2011

INDEPENDENT AUDITORS' REPORT

The Auditor General of the State of Arizona

The Board of Supervisors of
Yuma County, Arizona

We have audited the accompanying Annual Expenditure Limitation Report of Yuma County, Arizona, for the year ended June 30, 2011. 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 Yuma County, Arizona, for the year ended June 30, 2011, 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, and 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.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
Certified Public Accountants

November 14, 2011

3033 N. Central Ave., Suite 300, Phoenix, Arizona 85012
Tel: (602) 277-9449 Fax: (602) 277-9297

{This page is intentionally left blank}

YUMA COUNTY

Annual Expenditure Limitation Report **Part I**

Year Ended June 30, 2011

1.	Economic Estimates Commission expenditure limitation	$	82,310,231
2.	Amount subject to the expenditure limitation (total amount from Part II, Line C)		65,107,026
3.	**Amount under the expenditure limitation**	**$**	**17,203,205**

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: Scott G. Holt, Director - Financial Services

Telephone Number: (928) 373-1012 Date: 14-Nov-2011

See accompanying notes to report.

YUMA COUNTY

Annual Expenditure Limitation Report

Year Ended June 30, 2011

Part II

Description	Governmental Funds	Internal Service Funds	Fiduciary Funds	Total
A. Amounts reported on the Reconciliation, Line D	$ 102,750,530	$ 14,369,067	$ 382,371,426	$ 499,491,023
B. Less exclusions claimed:				
Trustee or custodian (Note 2)	1,807,507	-	382,371,426	384,178,933
Grants and aid from the federal government (Note 3)	19,091,296	-	-	19,091,296
Amounts received from the State of Arizona (Note 3)	11,543,441	-	-	11,543,441
Quasi-external interfund transactions (Note 4)	-	11,834,520	-	11,834,520
Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements (Note 9)	25,673	-	-	25,673
Highway user revenues in excess of those received in fiscal year 1979-80 (Note 3)	7,710,134	-	-	7,710,134
Total exclusions claimed	40,178,051	11,834,520	382,371,426	434,383,997
C. Amounts subject to the expenditure limitation	**$ 62,572,479**	**$ 2,534,547**	**$ -**	**$ 65,107,026**

See accompanying notes to report.

YUMA COUNTY

Annual Expenditure Limitation Report

Year Ended June 30, 2011

Reconciliation

Description	Governmental Funds	Internal Service Funds	Fiduciary Funds	Total
A. Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements	$ 153,920,909	$ 14,458,067	$ 382,371,426	$ 550,750,402
B. Subtractions:				
Items not requiring use of working capital:				
Claims incurred but not reported (Note 5)	-	1,205,000	-	1,205,000
Expenditures of separate legal entities established under Arizona Revised Statutes (A.R.S.) (Note 6)	45,152,379	-	-	45,152,379
Long-term care contributions withheld by the State Treasurer (Note 7)	6,018,000	-	-	6,018,000
Total subtractions	51,170,379	1,205,000	-	52,375,379
C. Additions:				
Claims paid in the current year but reported as expenses incurred but not reported in previous years (Note 8)	-	1,116,000	-	1,116,000
Total additions	-	1,116,000	-	1,116,000
D. Amounts reported on Part II, Line A	**$ 102,750,530**	**$ 14,369,067**	**$ 382,371,426**	**$ 499,491,023**

See accompanying notes to report.

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, Section 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, Statement of Revenues, Expenses, and Changes in Fund Net Assets for the Proprietary Funds, Statement of Cash Flows for the Proprietary Funds, and the Statement of Changes in Fiduciary Net Assets for the Fiduciary Funds.

Note 2 - Trustee or Custodian

The exclusion claimed for trustee or custodian in the Governmental Funds consists of $1,325,100 in contributions by the County to the Arizona Health Care Cost Containment System for acute care; $216,621 for Administrative Cost Contributions; $183,900 in Uncompensated Care Contributions; and $81,886 in the Anti-Racketeering Fund for forfeitures received from the State. In the Fiduciary Funds, the exclusion consists of $382,371,426 in distributions to investment pool participants.

Note 3 - Federal Grants and Aid, State of Arizona, and Highway User Revenue Fund Exclusion

The following schedule presents revenues from which exclusions have been claimed for federal grants and aid, amounts received from the State of Arizona, and highway user revenues in the Governmental Funds.

Description	Amount
Grants and aid from the federal government	$ 19,091,296
Amounts received from the State of Arizona	11,543,441
Highway user revenues in excess of those received in fiscal year 1979-80	7,710,134
Other revenues (nonexcludable)	30,188,081
Total intergovernmental revenues as reported in the fund financial statements	$ 68,532,952

Note 4 - Quasi-external Interfund Transactions

The amount reported as quasi-external interfund transactions in the internal service funds consists of employer and employees' medical contributions for health and other insurance which are reported as health service claims and health service other in the fund financial statements.

Note 5 - Claims Incurred but Not Reported

The subtraction of $1,205,000 for claims incurred but not reported consists of the estimated costs of claims incurred and expensed in the current year but not yet paid in the Internal Service Funds.

Note 6 - Separate Legal Entities

The subtraction of $45,152,379 for separate legal entities established under Arizona Revised Statutes consists of expenditures of special assessment and municipal property corporations included within 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	$ 906,769
Capital outlay	12,394,177
Principal retirement	38,864
Interest and fiscal charges	25,329
Total	**$ 13,365,139**

Municipal Property Corporations	
Public safety	$ 11,750,102
Highway and streets	1,268,743
Culture and recreation	7,398,237
Health	5,217,026
Capital outlay	1,870,879
Principal retirement	1,705,000
Interest and fiscal charges	2,577,253
Total	**$ 31,787,240**

Total health expenditures of the Health Services District as shown above have been reduced by $2,358,602 in expenditures of grants and aid received from the federal government, which is reported in Note 3. Furthermore, the expenditures above are also reduced by the continuation of contribution amount of $786,898.

Note 7 - Long-term Care Contributions

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 revenue and an offsetting expenditure in the County's Governmental Funds. Consequently, this expenditure has been subtracted on the Reconciliation. The following schedule reflects the presentation of these payments as welfare expenditures in the General Fund.

Description	Amount
AHCCCS- Long term care	$ 6,018,000
AHCCCS	1,325,100
Administration Costs	216,621
Uncompensated Care	183,900
Mental Health Services (nonexcludable)	919,925
Public Fiduciary (nonexcludable)	518,711
Other expenditures (nonexcludable)	113,009
Total welfare expenditures as reported in the General Fund	$ 9,295,266

Note 8 - Claims Paid in Current Year but Reported as Expenses Incurred but Not Reported in Previous Years

The addition of $1,116,000 for claims paid in the current year, but reported as expenses incurred but not reported in previous years, consists of cash payments in the current year for claims recognized as an expense in previous years in the Internal Service Funds.

Note 9 - Amounts Accumulated for Capital Project

On September 12, 2000, the qualified voters of the County approved the levy and accumulation of a transaction privilege tax to be used to provide monies to pay the capital costs of certain capital projects. An exclusion of $25,673 is being claimed relating to the expenditure of these accumulated monies in the Capital Improvements Fund.