YUMA COUNTY

Report on Audit of Annual Expenditure Limitation Report

For the Fiscal Year
Ended June 30, 2004

YUMA COUNTY ARIZONA

Yuma County
Administration Building
198 Main Street
Yuma, AZ 85364

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(1931 - 1992)

Independent Auditor's Report

The Auditor General of the State of Arizona

Members of the Arizona State Legislature

The Board of Supervisors of
Yuma County, Arizona

We have audited the accompanying Annual Expenditure Limitation Report of Yuma 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 Yuma 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.

Miller, Allen & Co., P.C.

January 6, 2005

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YUMA COUNTY

Annual Expenditure Limitation Report **Part I**

Year Ended June 30, 2004

1. Economic Estimates Commission expenditure limitation	$61,185,274
2. Amount subject to the expenditure limitation (total amount from Part II, Line C)	60,875,578
9. Amount under the expenditure limitation	$309,696

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: Douglas W. Allen, Director - Financial Services

Telephone Number: (928) 373-1012 Date: _____

See accompanying notes to report.

Description	Governmental Funds	Internal Service Funds	Fiduciary Funds	Total
A. Amounts reported on the Reconciliation, Line D	$102,752,319	$4,589,922	$309,367,710	$416,709,951
B. Less exclusions claimed:				
Debt service requirements on other long-term obligations	2,208,448	-	-	2,208,448
Trustee or custodian	1,409,516	-	309,367,710	310,777,226
Grants and aid from the federal government	18,577,733	-	-	18,577,733
Amounts received from the State of Arizona	8,305,441	-	-	8,305,441
Quasi-external interfund transactions		4,216,122	-	4,216,122
Highway user revenues in excess of those received in fiscal year 1979-80	8,087,240	-	-	8,087,240
Contracts with other political subdivisions	-	23,866	-	23,866
Refunds, reimbursements, and other recoveries	-	349,934	-	349,934
Prior years carryforward	3,288,363	-	-	3,288,363
Total exclusions claimed	41,876,741	4,589,922	309,367,710	355,834,373
C. Amounts subject to the expenditure limitation	$60,875,578	-	-	$60,875,578

See accompanying notes to report.

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	$125,984,818	$4,736,220	$309,367,710	$440,088,748
B. Subtractions:				
Claims incurred but not reported	-	813,000	-	813,000
Expenditures of separate legal entities established under Arizona Revised Statutes (A.R.S.)	17,224,270	-	-	17,224,270
Long-term care contributions withheld by the State Treasurer	5,609,567	-	-	5,609,567
Present value of net minimum capital lease payments recorded as expenditures at inception of agreements	398,662	-	-	398,662
Total subtractions	23,232,499	813,000	-	24,045,499
C. Additions:				
Claims paid in current year but reported as expenses incurred but not reported in previous years.	-	666,702	-	666,702
Total additions	-	666,702	-	666,702
D. Amounts reported on Part II, Line A	$102,752,319	$4,589,922	$309,367,710	$416,709,951

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 - Debt Service on Long-term Obligations

The exclusion claimed for debt service requirements on other long-term obligations in the Governmental Funds consists of principal retirement and interest expense.

Note 3 - Trustee or Custodian

The exclusion claimed for trustee or custodian in the Governmental Funds consists of $1,325,120 in contributions by the County to the Arizona Health Care Costs Containment System for acute care and $84,396 in expenditures of the Anti-Racketeering revolving fund. In the Fiduciary Funds, the exclusion consists of $309,367,710 in distributions to investment pool and other participants.

Note 4 - Federal Grant 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	$18,577,733
Amounts received from the State of Arizona	8,305,441
Highway user revenues in excess of those received in fiscal year 1979-80	8,087,240
Other revenues (nonexcludable)	19,598,222
Amount carried forward	2,226,583
Total intergovernmental revenues as reported in the fund-based financial statements	$56,795,219

Note 5 - Quasi-external Interfund Transactions

The amount reported as quasi-external interfund transaction in the internal service funds consists of employer and employees' medical contribution for health and other insurance which are reported as charges for services - insurance premiums in the financial statements.

Note 6 - Contracts with Other Political Subdivisions

The exclusion claimed for contracts with other political subdivisions of $23,866 includes $23,783 of special assessments and $83 of miscellaneous revenues expended.

Note 7 - Refunds, Reimbursements, and Other Recoveries

The amount of $349,934 excluded represents health self insurance administration costs reimbursements ($165,829), Medical Claims recovered ($173,709) and Prescriptions refunds ($10,396) received during the fiscal year and recorded as charges for services - insurance premiums in the financial statements.

Note 8 - Claims Incurred but Not Reported

The subtraction of $813,000 for claims incurred but not reported consists of the estimated cost of claims and incurred and expensed in the current year but not yet paid in the Internal Service Funds.

Note 9 - Separate Legal Entity

The subtraction of $17,224,270 for separate legal entities established under Arizona Revised Statutes consists of expenditures of special assessment districts 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 general purpose financial statements:

Special Assessment Districts	
General government	$ 564,616
Principal	48,617
Interest and other charges	35,520
Capital outlay	1,254
Total	$ 650,007

Municipal Property Corporations	
Public safety	$ 10,046,471
Highway and streets	607,568
Culture and recreation	3,362,274
Principal	1,195,000
Interest and other charges	708,582
Capital outlay	654,368
Total	$16,574,263

Note 10-Long-term Care Contributions

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 Governmental Funds. Consequently, this expenditure has been subtracted on the Reconciliation.

Note 11–Claims Paid in Current Year but Reported as Expenses Incurred but Not Reported in Previous Years

The addition of $666,702 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 12-Prior Years Carryforward

Prior years carryforward consists of constitutionally excludable Highway user revenues, in excess of those received in fiscal year 1979-80, that were unexpended in the year of receipt that have been accumulated and were expended in the current year.

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