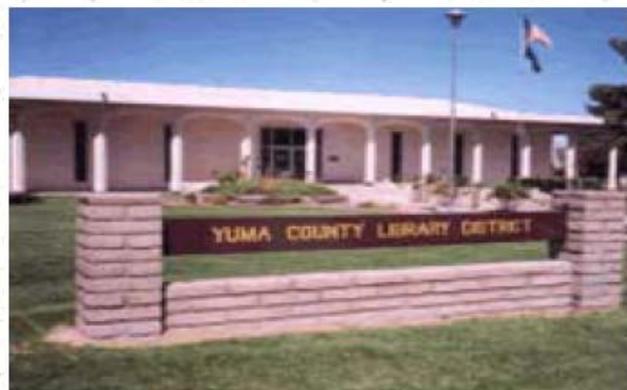


# YUMA COUNTY



## Report on Audit of Annual Expenditure Limitation Report For the Fiscal Year Ended June 30, 2005



**Yuma County  
Administration Building  
198 Main Street  
Yuma, AZ 85364**

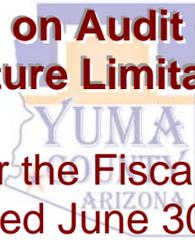
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# YUMA COUNTY

"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, 2005



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**YUMA COUNTY**  
**Report on Audit of Annual Expenditure Limitation Report**  
**for the Fiscal Year Ended**  
**June 30, 2005**

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**MILLER, ALLEN & CO., P.C.**

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ROBERT L. MILLER, C.P.A.  
(1931 - 1992)

Independent Auditor's 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 for the year ended June 30, 2005. 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, 2005, 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.



January 27, 2006

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YUMA COUNTY  
**Annual Expenditure Limitation Report**  
Year Ended June 30, 2005

**Part I**

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1. Economic Estimates Commission expenditure limitation	\$61,085,751
2. Amount subject to the expenditure limitation (total amount from Part II, Line C)	57,364,099
	<hr/>
9. Amount under the expenditure limitation	\$3,721,652
	<hr/> <hr/>

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: \_\_\_\_\_

See accompanying notes to report.

YUMA COUNTY  
**Annual Expenditure Limitation Report**  
Year Ended June 30, 2005

**Part II**

Description	Governmental Funds	Internal Service Funds	Fiduciary Funds	Total
A. Amounts reported on the Reconciliation, Line D	\$110,599,892	\$5,496,643	\$332,015,064	\$448,111,599
B. Less exclusions claimed:				
Debt service requirements on other long-term obligations	4,150,288	-	-	4,150,288
Trustee or custodian	1,425,028	-	332,015,064	333,440,092
Grants and aid from the federal government	17,592,285	-	-	17,592,285
Amounts received from the State of Arizona	10,130,514	-	-	10,130,514
Quasi-external interfund transactions	-	4,842,608	-	4,842,608
Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements	7,899,900	-	-	7,899,900
Highway user revenues in excess of those received in fiscal year 1979-80	9,014,613	-	-	9,014,613
Contracts with other political subdivisions	-	20,738	-	20,738
Refunds, reimbursements, and other recoveries	-	633,297	-	633,297
Prior years carryforward	3,023,165	-	-	3,023,165
Total exclusions claimed	53,235,793	5,496,643	332,015,064	390,747,500
C. Amounts subject to the expenditure limitation	\$57,364,099	-	-	\$57,364,099

See accompanying notes to report.

YUMA COUNTY  
**Annual Expenditure Limitation Report**  
Year Ended June 30, 2005

**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-based financial statements	\$140,360,930	\$5,438,643	\$332,015,064	\$477,814,637
B. Subtractions:				
Claims incurred but not reported	-	755,000	-	755,000
Expenditures of separate legal entities established under Arizona Revised Statutes (A.R.S.)	23,875,017	-	-	23,875,017
Long-term care contributions withheld by the State Treasurer	5,462,400	-	-	5,462,400
Present value of net minimum capital lease payments recorded as expenditures at inception of the agreements	423,621	-	-	423,621
Total subtractions	29,761,038	755,000	-	30,516,038
C. Additions:				
Claims paid in current year but reported as expenses incurred but not reported in previous years.	-	813,000	-	813,000
Total additions	-	813,000	-	813,000
D. Amounts reported on Part II, Line A	\$110,599,892	\$5,496,643	\$332,015,064	\$448,111,599

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 \$1,326,663 in contributions by the County to the Arizona Health Care Costs Containment System for acute care and \$98,365 in expenditures of the Anti-Racketeering revolving fund. In the Fiduciary Funds, the exclusion consists of \$332,015,064 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	\$17,592,285
Amounts received from the State of Arizona	10,130,514
Highway user revenues in excess of those received in fiscal year 1979-80	9,014,613
Other revenues (nonexcludable)	21,320,772
Total intergovernmental revenues as reported in the fund-based financial statements	<u>\$58,058,184</u>

**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 \$20,738 includes \$20,456 of special assessments and \$282 of miscellaneous revenues expended.

**Note 7 - Refunds, Reimbursements, and Other Recoveries**

The amount of \$633,297 excluded represents health self insurance administration costs reimbursements (\$171,158), Medical Claims recovered (\$449,515) and Prescriptions refunds (\$12,624) 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 \$755,000 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 \$23,875,017 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	\$ 555,145
Principal	49,878
Interest and other charges	33,354
Capital outlay	3,054,151
Total	<u>\$ 3,692,528</u>

**Municipal Property Corporations**

Public safety	\$ 10,983,249
Highway and streets	627,782
Culture and recreation	3,423,727
Principal	1,265,000
Interest and other charges	637,122
Education	2,869
Capital outlay	3,242,740
Total	<u>\$20,182,489</u>

**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 \$813,000 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 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 (\$ 3,023,165).

**Note 13 – Amounts Accumulated for Capital Project**

On September 12, 2000, the qualified electors of the County approved the levy and accumulation of a transaction privilege tax to be used to provide funds to pay capital cost of certain capital projects. An exclusion of \$7,899,900 is being claimed relating to the expenditure of these accumulated funds.