A REPORT
TO THE
ARIZONA LEGISLATURE

Financial Audit Division

Agreed-Upon Procedures

Maricopa County

Local Government Financial Test

As of April 24, 2013

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

Debra K. Davenport
Auditor General

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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 on Applying Agreed-Upon Procedures

Henry R. Darwin, Director
Arizona Department of Environmental Quality

Shelby L. Scharbach, Chief Financial Officer
Maricopa County, Arizona

We have performed the procedures enumerated below, which were agreed to by the Arizona Department of Environmental Quality and Maricopa County, solely to assist users in evaluating Maricopa County's compliance with the local government financial test requirements under Municipal Solid Waste Landfill Criteria, 40 Code of Federal Regulations (CFR), Part 258, during the year ended June 30, 2012, included in the certification letter dated April 24, 2013, from Maricopa County's Chief Financial Officer. The County's management is responsible for compliance with these requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The Arizona Department of Environmental Quality is solely responsible for the sufficiency of these procedures. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

1. We determined that, as of and for the year ended June 30, 2012, Maricopa County's ratio of cash plus marketable securities to total expenditures was greater than or equal to 0.05, and its ratio of annual debt service to total expenditures was less than or equal to 0.20.

2. Because Maricopa County had no general obligation bonds outstanding as of June 30, 2012, we did not perform the procedure to determine whether Maricopa County, as of that date, was in default on any outstanding general obligation bonds and whether it had any general obligation bonds with a current underlying rating without giving effect to insurance, a letter of credit, or other collateral or guarantee of lower than Baa, as issued by Moody's, or BBB, as issued by Standard and Poor's.

3. We determined that Maricopa County prepared its financial statements, as of and for the year ended June 30, 2012, in conformity with U.S. generally accepted accounting principles for governments, and these financial statements were audited by the Office of the Auditor General.

4. We determined that, as of and for the year ended June 30, 2012, Maricopa County did not receive an adverse opinion, disclaimer of opinion, or other qualified opinion on its financial statements.

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5. We determined that Maricopa County has not had an operating deficit greater than or equal to 5 percent of its total annual revenues for each of the past 2 years ended June 30, 2012.

6. We determined that Maricopa County's costs to be assured do not exceed 43 percent of its total annual revenues for the year ended June 30, 2012.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the addressees 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.

Should you have any questions concerning the contents of this report, please let us know.

Sincerely,

Jay Zsorey, CPA
Financial Audit Director

April 24, 2013