

# **County Expenditure Limitation Report - 2013**

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These reporting guidelines include an illustrative example of an annual expenditure limitation report and related disclosures as well as the accountants' report. The example is not authoritative. Instead, it provides sample displays and disclosures. County management is responsible for the preparation and fair presentation of the expenditure limitation report and related note disclosures.

These are to be used as a tool to help ensure complete and accurate presentation.

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\_\_\_\_\_ County  
Annual Expenditure Limitation Report  
Year Ended June 30, 2013

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## Independent Accountants' Report

Members of the Arizona State Legislature<sup>1</sup>

The Board of Supervisors of  
\_\_\_\_\_ County, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of \_\_\_\_\_ County for the year ended June 30, 2013. This report is the responsibility of the County's management. Our responsibility is to express an opinion on this report based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and accordingly, included examining, on a test basis, evidence supporting the amounts and disclosures in the report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the Annual Expenditure Limitation Report of \_\_\_\_\_ County referred to above presents, in all material respects, the information prescribed by the uniform expenditure reporting system as described in Note 1.

Jay Zsorey, CPA  
Financial Audit Director

***Date of accountants' report***

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<sup>1</sup> Contract auditors should address to "The Auditor General of the State of Arizona."

\_\_\_\_\_ County  
Annual Expenditure Limitation Report—Part I  
Year Ended June 30, 2013

- |   |          |
|---|----------|
| 1. Economic Estimates Commission expenditure limitation   | \$       |
| 2. Amount subject to the expenditure limitation (total amount from Part II, Line C)   | _____    |
| 3. Amount under (in excess of) the expenditure limitation<br><i><b>If excess expenditures are reported, provide an explanation.</b></i> | \$ _____ |

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: \_\_\_\_\_

Telephone Number: \_\_\_\_\_ Date: \_\_\_\_\_

See accompanying notes to report.

***If any of the provisions of the Arizona Constitution, Article IX, §20(2)(a), (b), or (c) or A.R.S. §41-1279.07(I) apply to the County, the long form Part I on page VI-15 of the UERS Manual should be used.***

\_\_\_\_\_ County  
 Annual Expenditure Limitation Report—Part II  
 Year Ended June 30, 2013

Description	Governmental Funds	Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total
A. Amounts reported on the Reconciliation, Line D	\$	\$	\$	\$	\$
B. Less exclusions claimed:					
Bond proceeds					
Debt service requirements on bonded indebtedness					
Proceeds from other long-term obligations					
Debt service requirements on other long-term obligations					
Dividends, interest, and gains on the sale or redemption of investment securities					
Trustee or custodian <sup>1</sup>					
Grants and aid from the federal government					
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes					
Amounts received from the State of Arizona					
Quasi-external interfund transactions					
Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements					
Highway user revenues in excess of those received in fiscal year 1979-80					
Contracts with other political subdivisions					
Refunds, reimbursements, and other recoveries					
Amounts received for distribution to school districts					
Prior years carryforward	_____	_____	_____	_____	_____
Total exclusions claimed	_____	_____	_____	_____	_____
C. Amounts subject to the expenditure limitation <i>(If an individual fund category/ type amount is negative, reduce exclusions claimed to net to zero.)</i>	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

<sup>1</sup> AHCCCS uncompensated care contributions—The exclusion available for counties' AHCCCS uncompensated care contributions was extended through fiscal year 2013 by Laws 2012, Chapter 299, Subsection 16. Therefore, in ELRs for fiscal years 2004 through 2013, counties may exclude these uncompensated care contributions on Part II, Line B.3, Trustee or custodian.

\_\_\_\_\_ County  
Annual Expenditure Limitation Report—Reconciliation  
Year Ended June 30, 2013

Description	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Internal Service 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	\$	\$	\$	\$	\$
B. Subtractions:					
Items not requiring use of working capital:					
Depreciation					
Loss on disposal of capital assets					
Bad debt expense					
Claims incurred but not reported					
Other postemployment benefits expense					
Landfill closure and postclosure care costs					
Expenditures of separate legal entities established under Arizona Revised Statutes (A.R.S.)					
Contributions to fire districts					
Community college reimbursement payments pursuant to A.R.S. §15-1469.01					
Long-term care contributions withheld by the State Treasurer					
Present value of net minimum capital lease and installment purchase contract payments recorded as expenditures at inception of the agreements					
Involuntary court judgments					
Payments made to reimburse the Arizona Department of Health Services <sup>1</sup>	_____	_____	_____	_____	_____
Total subtractions	_____	_____	_____	_____	_____
C. Additions:					
Principal payments on long-term debt					
Acquisition of capital assets					
Claims paid in the current year but reported as expenses incurred but not reported in previous years					
Other postemployment benefits paid in the current year but reported as expenses in previous years					
Landfill closure and postclosure care costs paid in the current year but reported as expenses in previous years	_____	_____	_____	_____	_____
Total additions	_____	_____	_____	_____	_____
D. Amounts reported on Part II, Line A	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

<sup>1</sup>Payments made to reimburse the Arizona Department of Health Services—Laws 2012, Chapter 299, Sections 10 and 11, continued counties' required reimbursement to the Arizona Department of Health Services for part of the cost of the commitment of an individual determined to be sexually violent by the court and the entire cost of inpatient competency restoration treatment. The portion of the commitment cost that must be reimbursed has remained at 50 percent in fiscal year 2013. Pursuant to this law, such reimbursements are not subject to the counties' expenditure limitation. Therefore, counties may subtract these reimbursements in fiscal years 2010 through 2013 on the Reconciliation, Line B, as "Payments made to reimburse the Arizona Department of Health Services".

See accompanying notes to report.

\_\_\_\_\_ County  
Notes to Annual Expenditure Limitation Report  
Year Ended June 30, 2013

Note 1 - Summary of Significant Accounting Policies

The Annual Expenditure Limitation Report (AELR) is presented as prescribed by the Uniform Expenditure Reporting System (UERS), as required by Arizona Revised Statutes §41-1279.07. The AELR 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, 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 Position for the Proprietary Funds; Statement of Cash Flows for the Proprietary Funds; and the Statement of Changes in Fiduciary Net Position for the Fiduciary Funds.

Note \_\_ - The exclusion claimed for debt service requirements on bonded indebtedness in the Governmental Funds consists of principal retirement and interest expenditures.

Note \_\_ - The exclusion claimed for dividends, interest, and gains on the sale or redemption of investment securities of \$\_\_\_\_\_ in the Governmental Funds includes investment earnings expended of \$\_\_\_\_\_ and interest on delinquent taxes expended of \$\_\_\_\_\_, which was recorded as tax revenue. Remaining revenues of \$\_\_\_\_\_ and \$\_\_\_\_\_, respectively, have been carried forward to future years.

Note \_\_ - The exclusion claimed for trustee or custodian in the Governmental Funds consists of \$\_\_\_\_\_ 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 \$\_\_\_\_\_ in distributions to investment pool participants.

Note \_\_ - The exclusion claimed for trustee or custodian consists of \$\_\_\_\_\_ expended from federal, state, and private sources recorded as education expenditures for operating a charter school that is a legal entity separate from the County. Remaining revenues of \$\_\_\_\_\_ have been carried forward to future years.

\_\_\_\_\_ County  
 Notes to Annual Expenditure Limitation Report  
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Note \_\_ - 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:

<b>Description</b>	
Grants and aid from the federal government	\$
Amounts received from the State of Arizona	
Highway user revenues in excess of those received in fiscal year 1979-80	
Other revenues—(nonexcludable)	
Amount carried forward	_____
Total intergovernmental revenues as reported in the fund financial statements	\$ _____

Note \_\_ - The exclusion claimed for contracts with other political subdivisions of \$\_\_\_\_\_ includes \$\_\_\_\_\_ of charges for services expended and \$\_\_\_\_\_ of miscellaneous revenues expended. Remaining revenues of \$\_\_\_\_\_ and \$\_\_\_\_\_, respectively, have been carried forward to future years.

Note \_\_ - The exclusion claimed for contracts with other political subdivisions includes expenditures of \$\_\_\_\_\_ from state appropriations received pursuant to a contract with the State Board of Education (State Board for Charter Schools) for operating a charter school that is not a legal entity separate from the County. Remaining revenues of \$\_\_\_\_\_ have been carried forward to future years.

Note \_\_ - The exclusion claimed for amounts received for distribution to school districts consists of federal, state, and county revenues recorded as education expenditures for operating an accommodation school. Remaining federal, state, and county revenues of \$\_\_\_\_\_, \$\_\_\_\_\_, and \$\_\_\_\_\_, respectively, have been carried forward to future years.

\_\_\_\_\_ County  
Notes to Annual Expenditure Limitation Report  
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Note \_\_ - Prior years carryforward consists of constitutionally excludable revenues unexpended in the year of receipt that have been accumulated and were expended in the current year as follows:

Description	Governmental Funds	Enterprise Funds	Internal Service Funds
Bond proceeds	\$ _____	\$ _____	\$ _____
Proceeds from other long-term obligations			
Dividends, interest, and gains on the sale or redemption of investment securities			
Grants and aid from the federal government			
Amounts received from the State of Arizona			
Highway user revenues in excess of those received in fiscal year 1979-80	_____	_____	_____
Total prior years carryforward expended	\$ _____	\$ _____	\$ _____

Note \_\_ - The subtraction of \$\_\_\_\_\_ 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 Enterprise (and Internal Service) **modify as appropriate** Fund(s).

Note \_\_ - The addition of \$\_\_\_\_\_ 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 Enterprise (and Internal Service) **modify as appropriate** Fund(s).

Note \_\_ - The subtraction of \$\_\_\_\_\_ for other postemployment benefits expense consists of the amounts expensed in the current year but not yet paid in the \_\_\_\_\_ (and \_\_\_\_\_) **modify as appropriate** Fund(s).

Note \_\_ - The addition of \$\_\_\_\_\_ for other postemployment benefits paid in the current year, but reported as expenses in previous years, consists of cash payments in the current year for amounts recognized as expenses in previous years in the \_\_\_\_\_ (and \_\_\_\_\_) **modify as appropriate** Fund(s).

Note \_\_ - The subtraction of \$\_\_\_\_\_ for landfill closure and postclosure care costs consists of that portion of the total estimated liability reported as expenses in the current year but not yet paid in the Enterprise Funds.

\_\_\_\_\_ County  
Notes to Annual Expenditure Limitation Report  
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Note \_\_ - The addition of \$\_\_\_\_\_ for landfill closure and postclosure care costs paid in the current year, but reported as expenses in previous years, consists of cash payments in the current year for those costs reported as expenses in previous years in the Enterprise Funds.

Note \_\_ - The subtraction of \$\_\_\_\_\_ 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 fund financial statements:

<b>Special Assessment Districts</b>	
General government	\$
<b>List other applicable functions</b>	
Principal	
Interest and other charges	
Capital outlay	_____
Total	\$ _____

<b>Municipal Property Corporations</b>	
General government	\$
<b>List other applicable functions</b>	
Principal	
Interest and other charges	
Capital outlay	_____
Total	\$ _____

Note \_\_ - 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.

Note \_\_ - The subtraction of \$\_\_\_\_\_ for payments made to reimburse the Arizona Department of Health Services consists of county payments to reimburse the State for the cost of inpatient competency restoration treatment and part of the costs of commitment of an individual determined to be sexually violent by the court, as required by Laws 2012, Chapter 299, Sections 10 and 11, which were recorded as \_\_\_\_\_ expenditures.

Note \_\_ - The addition of \$\_\_\_\_\_ for principal payments on long-term debt in the Enterprise Funds consists of **list the total amount of principal payments for each long-term debt item.**