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# **Apache County, Arizona**

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*Annual Expenditure Limitation Report  
and  
Independent Accountant's Report  
June 30, 2022*

**Apache County, Arizona**  
**Annual Expenditure Limitation Report**  
**June 30, 2022**

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**Independent Accountant's Report**

Arizona Auditor General

Honorable Board of Supervisors of  
Apache County, Arizona

We have examined the accompanying annual expenditure limitation report (report) of Apache County, Arizona for the year ended June 30, 2022, and the related notes to the report. The County's management is responsible for presenting this report in accordance with the uniform expenditure reporting system as described in note 1. Our responsibility is to express an opinion on this report based on our examination.

We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether this report is presented in accordance with the uniform expenditure reporting system in all material respects. An examination involves performing procedures to obtain evidence about the amounts and disclosures in the report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the report, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the annual expenditure limitation report referred to above is presented in accordance with the uniform expenditure reporting system as described in note 1 in all material respects.


*Snyder & Brown CPAs, PLLC*  
Tempe, Arizona  
September 4, 2025

## Annual Expenditure Limitation Report

**Apache County, Arizona**  
**Annual Expenditure Limitation Report—Part I**  
**For the Year Ended June 30, 2022**

1.	Economic Estimates Commission expenditure limitation	\$ 18,015,571
2.	Amount subject to the expenditure limitation (total amount from Part II, Line C)	<u>18,015,571</u>
3.	Amount under the expenditure limitation	<u>\$ -</u>

As of January 8, 2025, I am serving as the Acting Chief Financial Officer and did not serve in this capacity during Fiscal Year 2022. To that end, 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**

Ryan Patterson, Acting Chief Financial Officer  
**Name and Title**

928-337-7503  
**Telephone Number**

September 4, 2025  
**Date**

See accompanying notes to annual expenditure limitation report.

**Apache County, Arizona**  
**Annual Expenditure Limitation Report—Part II**  
**For the Year Ended June 30, 2022**

Description	Governmental Funds	Fiduciary Funds	Total
A. Amounts reported on the Reconciliation, Line C	\$ 41,858,670	\$ 221,570,958	\$ 263,429,628
B. Less exclusions claimed			
Debt service requirements (Note 2)	882,944	-	882,944
Trustee or custodian (Note 3)	518,690	221,570,958	222,089,648
Grants and aid from the federal government (Note 4)	6,757,663	-	6,757,663
Amounts received from the State of Arizona (Note 4)	6,655,602	-	6,655,602
Highway user revenues in excess of those received in fiscal year 1979-80 (Note 4)	8,730,280	-	8,730,280
Contracts with other political subdivisions (Note 4)	175,198	-	175,198
Prior years carryforward (Note 9)	122,722	-	122,722
Total exclusions claimed	23,843,099	221,570,958	245,414,057
C. Amounts subject to the expenditure limitation	\$ 18,015,571	\$ -	\$ 18,015,571

See accompanying notes to annual expenditure limitation report.

**Apache County, Arizona**  
**Annual Expenditure Limitation Report—Reconciliation**  
**For the Year Ended June 30, 2022**

Description	Governmental 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.	\$ 52,483,499	\$ 221,570,958	\$ 274,054,457
B. Subtractions			
Present value of net minimum lease and financed purchase contract payments recorded as expenditures at the agreements' inception	255,561	-	255,561
Expenditures of separate legal entities established under Arizona Revised Statutes (A.R.S.) (Note 5)	6,290,146	-	6,290,146
Contributions to fire districts (Note 6)	589,022	-	589,022
Community college reimbursement payments pursuant to A.R.S. §15-1469.01 (Note 7)	2,827,200	-	2,827,200
Long-term care contributions the State Treasurer withheld (Note 8)	662,900	-	662,900
Total subtractions	10,624,829	-	10,624,829
C. Amounts reported on Part II, Line A	\$ 41,858,670	\$ 221,570,958	\$ 263,429,628

See accompanying notes to annual expenditure limitation report.

**Apache County, Arizona**  
**Notes to Annual Expenditure Limitation Report**  
**For the Year Ended June 30, 2022**

**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 and the statement of changes in fiduciary net position for the fiduciary funds.

**2) Indebtedness**

The exclusions claimed for debt service requirements on bonded indebtedness in the Governmental Funds consist of principal retirement and interest expenditures as follows:

	Principal Retirement	Interest Expenditures	Total
Bond indebtedness	\$ 625,000	\$ 257,944	\$ 882,944
Total	\$ 625,000	\$ 257,944	\$ 882,944

**3) Trustee**

The exclusion claimed for trustee or custodian in the governmental funds consists of \$403,152 in contributions by the County to the Arizona Health Care Cost Containment System for acute care, administrative cost contributions, and uncompensated care; and \$115,538 of commissary proceeds and expenditures for the Sheriff's Canteen.

In the fiduciary funds, the exclusion of \$221,570,958 consists of \$219,024,106 in distributions to pool participants and \$2,546,852 in other deductions, respectively.



**Apache County, Arizona**  
**Notes to Annual Expenditure Limitation Report**  
**For the Year Ended June 30, 2022**

**4) Intergovernmental Revenue**

The following schedule presents revenues from which exclusions have been claimed for federal grants and aid, amounts received from the State of Arizona, highway user revenues, and contracts with other political subdivisions, in the governmental funds:

Grants and aid from the federal government	\$ 6,757,663
Amounts received from the State of Arizona	6,655,602
Highway user revenues in excess of those received in fiscal year 1979-80	8,730,280
Contracts with other political subdivisions	175,198
Other revenues (nonexcludable)	<u>15,737,280</u>
Total intergovernmental revenues as reported in the fund financial statements	<u>\$ 38,056,023</u>

**5) Special Assessment Districts**

The subtraction of \$6,290,146 for separate legal entities established under Arizona Revised Statutes consists of expenditures of special assessment districts 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:

Health	\$ 3,320,491
Public safety	2,935,827
Highways and streets	18,595
Education	<u>15,233</u>
Totals	<u>\$ 6,290,146</u>

**6) Fire Districts**

The subtraction of \$589,022 for contributions to fire districts consists of payments that are not subject to the expenditure limitation. These expenditures were reported in public safety expenditures in the governmental funds category in the fund financial statements.

**Apache County, Arizona**  
**Notes to Annual Expenditure Limitation Report**  
**For the Year Ended June 30, 2022**

**7) Community College Reimbursement Payments**

The subtraction of \$2,827,200 for community college reimbursement payments pursuant to A.R.S. §15-1469.01 consists of payments that are not subject to the expenditure limitation. These expenditures were reported as education expenditures in the governmental funds category in the fund financial statements.

**8) Long-Term Care Contributions Withheld**

The subtraction of \$662,900 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.

**9) Prior-Year Carryforward**

Revenues that are constitutionally excludable that were not spent in the year of receipt may be accumulated and excluded in the future years when spent. The prior-year carryforward balance at June 30, 2021, was restated. This restatement was a result of unspent FY 21 highway user revenues not being properly recognized as a prior year carryforward at June 30, 2021. A summary of the revenue sources and the changes in their balance is shown in the table below.

Description	Balance June 30, 2021, As Restated	Addition	Reduction	Balance June 30, 2022
Highway user revenues in excess of those received in fiscal year 1979-80	\$ 3,884,113	\$ -	\$ (122,722)	\$ 3,761,391