

Apache County, Arizona
Annual Expenditure Limitation Report

Year Ended June 30, 2015

Apache County, Arizona
Annual Expenditure Limitation Report
Year ended June 30, 2015

Table of Contents

	<u>Page</u>
Independent Accountants' Report	1
Annual Expenditure Limitation Report	
Annual Expenditure Limitation Report—Part I	2
Annual Expenditure Limitation Report—Part II	3
Annual Expenditure Limitation Report—Reconciliation	4
Notes to Annual Expenditure Limitation Report	5-7



3838 North Central Avenue
Suite 1700
Phoenix, Arizona 85012
602.230.1040
602.230.1065 (Fax)

www.wa-cpas.com

Independent Accountants' Report

The Auditor General of the State of Arizona

The Board of Supervisors of
Apache County, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of Apache County, Arizona (the County) for the year ended June 30, 2015, 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.

In our opinion, the Annual Expenditure Limitation Report of Apache County referred to above is presented, in accordance with the uniform expenditure reporting system as described in Note 1 in all material respects.

Walker & Armstrong, LLP

Phoenix, Arizona
August 7, 2017

Annual Expenditure Limitation Report

Apache County, Arizona
Annual Expenditure Limitation Report—Part II
For the Year Ended June 30, 2015

Description	Governmental Funds	Fiduciary Funds	Total
A. Amounts reported on the Reconciliation, Line C	<u>\$ 29,637,943</u>	<u>\$ 279,205,881</u>	<u>\$ 308,843,824</u>
B. Less exclusions claimed			
Debt service requirements on bonded indebtedness (Note 2)	1,093,465	-	1,093,465
Debt service requirements on other long-term obligations (Note 2)	335,762	-	335,762
Trustee or custodian (Note 3)	500,471	279,205,881	279,706,352
Grants and aid from the federal government (Note 4)	4,219,284	-	4,219,284
Amounts received from the State of Arizona (Note 4)	4,311,712	-	4,311,712
Highway user revenues in excess of those received in fiscal year 1979-80 (Note 4)	5,698,824	-	5,698,824
Contracts with other political subdivisions (Note 4)	287,296	-	287,296
Total exclusions claimed	<u>16,446,814</u>	<u>279,205,881</u>	<u>295,652,695</u>
C. Amounts subject to the expenditure limitation	<u>\$ 13,191,129</u>	<u>\$ -</u>	<u>\$ 13,191,129</u>

See accompanying notes to annual expenditure limitation report.

Apache County, Arizona
Annual Expenditure Limitation Report—Reconciliation
For the Year Ended June 30, 2015

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	<u>\$ 39,915,878</u>	<u>\$ 279,205,881</u>	<u>\$ 319,121,759</u>
B. Subtractions			
Expenditures of separate legal entities established under Arizona Revised Statutes (A.R.S.) (Note 5)	6,293,201	-	6,293,201
Contributions to fire districts (Note 6)	561,734	-	561,734
Community college reimbursement payments pursuant to A.R.S. §15-1469.01 (Note 7)	2,430,786	-	2,430,786
Long-term care contributions the State Treasurer withheld (Note 8)	616,900	-	616,900
Present value of net minimum capital lease payments recorded as expenditures at inception of the agreements	<u>375,314</u>	<u>-</u>	<u>375,314</u>
Total subtractions	<u>10,277,935</u>	<u>-</u>	<u>10,277,935</u>
C. Amounts reported on Part II, Line A	<u>\$ 29,637,943</u>	<u>\$ 279,205,881</u>	<u>\$ 308,843,824</u>

See accompanying notes to annual expenditure limitation report.

Apache County, Arizona
Notes to Annual Expenditure Limitation Report
For the Year Ended June 30, 2015

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 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 and debt service requirements on other long-term obligations in the Governmental Funds consist of principal retirement and interest expenditures as follows:

	Principal Retirement	Interest Expenditures	Total
Bond indebtedness	\$ 730,000	\$ 363,465	\$1,093,465
Other long-term obligations	320,297	15,465	335,762
Total	<u>\$1,050,297</u>	<u>\$ 378,930</u>	<u>\$1,429,227</u>

3) Trustee

The exclusion claimed for trustee or custodian in the governmental funds consists of \$467,600 in contributions by the County to the Arizona Health Care Cost Containment System for acute care, administrative cost contributions, and uncompensated care; and \$32,871 of commissary proceeds and expenditures for the Sheriff's Canteen.

In the fiduciary funds, the exclusion consists of \$279,205,881 in distributions to investment pool participants.

Apache County, Arizona
Notes to Annual Expenditure Limitation Report
For the Year Ended June 30, 2015

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, contracts with other political subdivisions, and trustee or custodian in the governmental funds:

Grants and aid from the federal government	\$ 4,219,284
Amounts received from the State of Arizona	4,311,712
Highway user revenues in excess of those received in fiscal year 1979-80	5,698,824
Contracts with other political subdivisions	287,296
Other revenues (nonexcludable)	<u>11,157,658</u>
Total intergovernmental revenues as reported in the fund financial statements	<u><u>\$ 25,674,774</u></u>

5) Special Assessment Districts

The subtraction of \$6,293,201 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:

Public safety	\$ 2,798,071
Health	1,830,556
Culture and recreation	1,586,273
General government	53,841
Highway and streets	17,266
Capital outlay	<u>7,194</u>
	<u><u>\$ 6,293,201</u></u>

6) Fire Districts

The subtraction of \$561,734 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, 2015

7) Community College Reimbursement Payments

The subtraction of \$2,430,786 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 for long-term care contributions of \$616,900 the State Treasurer withheld consists of transaction privilege taxes the State Treasurer withheld 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.