

# County Expenditure Limitation Report–2015

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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 preparing and fairly presenting the expenditure limitation report and related note disclosures.

Use these as a tool to help ensure complete and accurate presentation.

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\_\_\_\_\_ County  
Annual Expenditure Limitation Report  
Year Ended June 30, 2015

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*(Letterhead)*

**Independent Accountants' Report**

Members of the Arizona State Legislature

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

We have examined the accompanying Annual Expenditure Limitation Report of \_\_\_\_\_ County for the year ended June 30, 2015. The County's management is responsible for this report. 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 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.***

***Must not be dated earlier than the certification of the Chief Fiscal Officer on Part I.***

\_\_\_\_\_ County  
Annual Expenditure Limitation Report—Part I  
Year Ended June 30, 2015

- |   |                                   |
|---|-----------------------------------|
| 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                           | <u>                    </u><br>\$ |
- If excess expenditures are reported, provide an explanation.***

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: \_\_\_\_\_

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

See accompanying notes to report.

\_\_\_\_\_ County  
Annual Expenditure Limitation Report—Part II  
Year Ended June 30, 2015

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 improvement					-
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>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Delete all exclusion line item descriptions not used.**

<sup>1</sup> AHCCCS uncompensated care contributions—The exclusion available for counties' AHCCCS uncompensated care contributions was extended through fiscal year 2015 by Laws 2014, Chapter 11, Section 15. Therefore, counties may exclude these uncompensated care contributions through fiscal year 2015 on Part II, Line B.3, Trustee or custodian.

See accompanying notes to report.

\_\_\_\_\_ County  
Annual Expenditure Limitation Report—Reconciliation  
Year Ended June 30, 2015

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					-
Pension expense					-
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					-
Pension contributions paid in the current year					-
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	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

**Delete all subtraction and addition line item descriptions not used.**

<sup>1</sup>Payments made to reimburse the Arizona Department of Health Services—Laws 2014, Chapter 11, §§10 and 11, continued counties' required reimbursement to the Arizona Department of Health Services for part of the cost of committing an individual the court determined to be sexually violent and the entire cost of inpatient competency restoration treatment. Pursuant to this law, such reimbursements are not subject to the counties' expenditure limitation. Therefore, counties may subtract these reimbursements through fiscal year 2015 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, 2015

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 county contributions 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.

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:

\_\_\_\_\_ County  
Notes to Annual Expenditure Limitation Report  
Year Ended June 30, 2015

<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.

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:

<b>Description</b>	<b>Governmental Funds</b>	<b>Enterprise Funds</b>	<b>Internal Service Funds</b>
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	\$ _____	\$ _____	\$ _____

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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 pension expense consists of the change in the net pension liability recognized in the current year in the Enterprise/Internal Service Fund(s) **modify as appropriate**. The addition of \$ \_\_\_\_\_ for pension contributions paid in the current year consists of the required pension contributions made to the Arizona State Retirement System from the Enterprise/Internal Service Fund(s) **modify as appropriate**.

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.

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:

\_\_\_\_\_ County  
Notes to Annual Expenditure Limitation Report  
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<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 the State Treasurer withheld 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 committing an individual the court determined to be sexually violent, as required by Laws 2014, Chapter 11, 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.**