

County expenditure limitation report–2016

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.

This font signifies an instruction or explanation that should not appear in the final report.

_____ County
Annual expenditure limitation report
Year ended June 30, 2016

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This report follows Statements on Standards for Attestation Engagements effective for reports dated before May 1, 2017. For reports dated on or after May 1, 2017, the practitioner must perform the examination engagement in accordance with Statements on Standards for Attestation Engagements No. 18, including modifying this report to comply with AT-C Section 205.

(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, 2016. 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—reconciliation
Year ended June 30, 2016

Description	Governmental funds	Enterprise funds	Internal service 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	\$ -	\$ -	\$ -	\$ -	\$ -
B. Subtractions:					
Items not requiring use of current financial resources:					
Depreciation					-
Loss on disposal of capital assets					-
Bad debt expense					-
Claims incurred but not reported (IBNR)					-
Landfill closure and postclosure care costs					-
Other postemployment benefits (OPEB) expense					-
Pension expense					-
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					-
Required fees/reimbursements made to Arizona state agencies ¹					-
Present value of net minimum capital lease and installment purchase contract payments recorded as expenditures at inception of the agreements					-
Involuntary court judgments					-
Total subtractions	-	-	-	-	-
C. Additions:					
Principal payments on long-term debt					-
Acquisition of capital assets					-
Amounts paid in the current year but reported as expenses in previous years:					-
Claims previously recognized as IBNR					-
OPEB					-
Landfill closure and postclosure care costs					-
Pension contributions paid in the current year					-
Total additions	-	-	-	-	-
D. Amounts reported on part II, line A	\$ -	\$ -	\$ -	\$ -	\$ -

Delete all subtraction and addition line item descriptions not used.

¹Payments made to reimburse the Arizona Department of Health Services—Laws 2015, Chapter 14, §§8 and 9, 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 2016 on the reconciliation, line B, as "Required fees/reimbursements made to Arizona state agencies."

See accompanying notes to report.

_____ County
Notes to annual expenditure limitation report
Year ended June 30, 2016

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:

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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:

Special assessment districts	
General government	\$
<i>List other applicable functions</i>	
Principal	
Interest and other charges	
Capital outlay	
Total	\$

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Municipal property corporations	
General government	\$
<i>List other applicable functions</i>	
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 required fees/reimbursements paid to Arizona state agencies consists of \$ _____ paid to the Arizona Department of Juvenile Corrections pursuant to A.R.S. §41-2832 for committed youth confinement cost-sharing; \$ _____ paid to the Arizona Department of Administration pursuant to A.R.S. §42-5041 for administrative, program, and operating costs; and \$ _____ paid to the Arizona Department of Health Services pursuant to Laws 2015, Chapter 14, Sections 8 and 9, for inpatient competency restoration treatment and committing an individual the court determined to be sexually violent, 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.*