

Greenlee County, Arizona
Annual Expenditure Limitation Report

Year ended June 30, 2018

GREENLEE COUNTY, ARIZONA
YEAR ENDED JUNE 30, 2018
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Independent Accountant's Report

The Auditor General of the State of Arizona

Honorable Board of Supervisors of
Greenlee County, Arizona

We have examined the accompanying annual expenditure limitation report of Greenlee County, Arizona (the County) for the year ended June 30, 2018, 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 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

March 28, 2019
Phoenix, Arizona

GREENLEE COUNTY, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT – PART I
YEAR ENDED JUNE 30, 2018

1. Economic Estimates Commission expenditure limitation	\$ 13,382,770
2. Amount subject to the expenditure limitation (total amount from Part II, Line C)	<u>13,314,196</u>
3. Amount under the expenditure limitation	<u>\$ 68,574</u>

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: (Signature removed for website presentation.)

Name and title: Deborah K. Gale, Greenlee County Administrator

Telephone number: 928-865-2310

Date: March 28, 2019

See accompanying notes to report.

GREENLEE COUNTY, ARIZONA
 ANNUAL EXPENDITURE LIMITATION REPORT – PART II
 YEAR ENDED JUNE 30, 2018

Description	Governmental Funds	Fiduciary Funds	Total
A. Amounts reported on the Reconciliation, Line C	\$ 20,263,990	\$ 26,303,795	\$ 46,567,785
B. Less exclusions claimed:			
1. Debt service requirements (Note 2)	809,867		809,867
2. Trustee or custodian (Note 4)	219,300	26,303,795	26,523,095
3. Grants and aid from the federal government (Note 5)	2,636,654		2,636,654
4. Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 6)	500,000		500,000
5. Amounts received from the State of Arizona (Note 5)	1,866,332		1,866,332
6. Highway user revenues in excess of those received in fiscal year 1979-80 (Note 5)	845,343		845,343
7. Contracts with other political subdivisions (Note 7)	<u>72,298</u>		<u>72,298</u>
Total exclusions claimed	<u>6,949,794</u>	<u>26,303,795</u>	<u>33,253,589</u>
C. Amounts subject to the expenditure limitation	\$ <u>13,314,196</u>	\$ _____	\$ <u>13,314,196</u>

See accompanying notes to report.

GREENLEE COUNTY, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT – RECONCILIATION
YEAR ENDED JUNE 30, 2018

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.	\$ 22,437,530	\$ 26,303,795	\$ 48,741,325
B. Subtractions:			
Expenditures of separate legal entities established under Arizona Revised Statues (A.R.S) (Note 8)	913,790		913,790
Community college reimbursement payments pursuant to A.R.S.§15-1469.01 (Note 9)	735,900		735,900
Long-term care contribution the State Treasurer withheld (Note 10)	28,000		28,000
Present value of net minimum capital lease and installment purchase contract payments recorded as expenditures at the agreements' inception	<u>495,850</u>		<u>495,850</u>
Total subtractions	<u>2,173,540</u>		<u>2,173,540</u>
C. Amounts reported on Part II, Line A	<u>\$ 20,263,990</u>	<u>\$ 26,303,795</u>	<u>\$ 46,567,785</u>

See accompanying notes to report.

GREENLEE COUNTY, ARIZONA
 NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT
 YEAR ENDED JUNE 30, 2018

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 requirements, 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.

NOTE 2 – The exclusion claimed for debt service requirements in the Governmental Funds consists of principal retirement of \$771,469 and interest expenditures of \$38,398.

NOTE 3 – No exclusion was claimed for dividends, interest, and gains on the sale or redemption of investment securities in the Governmental Funds. Remaining revenues of \$16,914 of interest on investments and \$21,987 of interest on delinquent taxes have been carried forward to future years.

NOTE 4 – The exclusion claimed for trustee or custodian in the Governmental Funds consists of \$219,300 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 Fund, the exclusion consists of \$26,303,795 in distributions to investment pool participants.

NOTE 5 – 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.

Grants and aid from the federal government	\$	2,636,654
Amounts received from the State of Arizona		1,866,332
Highway user revenues in excess of those received in fiscal year 1979-80		845,343
Other revenues (nonexcludable)		<u>8,227,549</u>
Total intergovernmental revenues as reported in the fund financial statements	\$	<u><u>13,575,878</u></u>

NOTE 6 – The exclusion claimed for grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes includes \$500,000 contributions revenue expended. Remaining unspent revenues of \$1,389,237 have been carried forward to future years.

NOTE 7 – The exclusion claimed for contracts with other political subdivisions includes \$72,298 of charges for services expended.

GREENLEE COUNTY, ARIZONA
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2018

NOTE 8 – The subtraction of \$913,790 for separate legal entities established under Arizona Revised Statutes consists of expenditures of the Health Services District 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. Total expenditures of the Health Services District of \$1,978,486 have been reduced by the following: \$708,696 in expenditures of grants and aid received from the federal and state governments, which is reported in Note 5; \$356,000 in expenditures of the continuation of contribution amount (required maintenance of effort).

NOTE 9 – The subtraction for community college reimbursement payments of \$735,900 is included in the Governmental Funds as general government expenditures.

NOTE 10 – The subtraction for long-term care contributions of \$28,000 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.