

OFFICIAL COUNTY BUDGET FORMS

INSTRUCTIONS

Arizona Revised Statutes (A.R.S.) §§42-17101 and 42-17102 require counties to prepare annual budgets on forms the Office of the Auditor General developed. The official forms on Schedules A through G include all elements statute requires that counties must include in their budget. **However, a county may choose to add more information or detail than statute requires within the official budget forms.**

Counties must prepare an annual budget for each department, public office, or official indicating the amount proposed to be spent from each fund. Budgets include estimated revenues and expenditures/expenses for the fiscal year and other information required by statute. For consistency, the budget should be prepared on the same basis used to prepare the fund financial statements. Fund financial statements are prepared on the modified accrual basis of accounting for the General, Special Revenue, Debt Service, Capital Projects, and Permanent Funds. Fund financial statements are prepared on the accrual basis of accounting for Enterprise and Internal Service Funds. Counties are not required to prepare budgets for the Fiduciary Funds (Agency, Investment Trust, and Private-Purpose Trust Funds) because these funds represent assets the county holds for others. In addition, counties are not required to prepare budgets for Internal Service Funds as these funds represent activities between county departments and would result in duplicate accounting. Annual budgets for Fiduciary Funds and Internal Service Funds, while not required, may be prepared for internal management purposes.

Flexible budgets are frequently used for Enterprise Funds to provide dollar estimates that vary according to demand for the goods or services provided. Counties that employ flexible budgeting for Enterprise Funds should include on Schedule A estimated financial resources and expenses at maximum expected activity levels to provide a “worst-case” expenditure limitation comparison in order to help ensure that the counties total actual expenditures/expenses do not exceed its expenditure limitation. Likewise, Schedules C, D, E, F, and G should include amounts at maximum expected activity levels; however, budgets for reduced, present, or expanded levels of activity may also be incorporated in these schedules for use in internal financial planning and budgetary control.

The budget forms and instructions do not include specific dates as they are not issued annually. As used in these instructions, the term “current year” is the fiscal year in which the county is operating, and “budget year” is the fiscal year for which the county is budgeting. Counties should use the budget forms and instructions dated 4/15 for fiscal year 2016. As changes become necessary, we will post new forms on our Web site and notify counties of the changes by e-mail.

Should you have any questions or comments, please contact the Office of the Auditor General, Accounting Services Division, at (602) 553-0333 or e-mail us at asd@azauditor.gov.

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Resolution for the Adoption of the Budget

The resolution is recommended to support the final adopted budget. However, it is not required by statute and does not have to be published.

Heading

Enter the county name and fiscal year data the instructions sheet in the Official County Budget Excel file, as indicated. This information will be automatically transferred to the resolution and subsequent schedules.

First Paragraph

Enter the date the budget estimate was proposed by the Board of Supervisors and the county name.

Second Paragraph

Enter the date the budget was adopted.

Third Paragraph

Enter the date the Board of Supervisors set the primary and secondary tax levies.

Fifth Paragraph

Enter the county name and the fiscal year.

Sixth Paragraph

Enter the county name and the date the budget was adopted.

Closing

Obtain the signatures of the Chairman and Clerk of the Board of Supervisors on the resolution.

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SCHEDULE A

Summary Schedule of Estimated Revenues and Expenditures/Expenses

This schedule should be completed after Schedules B through E are completed. The appropriate information from Schedules B through E will automatically populate Schedule A. After entering all amounts on Schedules B through E, use the Tab key to enter amounts in the remaining cells on Schedule A (Fund Balance/Net Position at July 1 of the budget year, secondary property taxes, and any other reductions, such as any amounts for future debt retirement). Counties should verify the final amounts for accuracy. The amounts from Schedules F and G are not carried forward to Schedule A because that information is already included in amounts on Schedule E by fund.

Adopted/Adjusted Budgeted Expenditures/Expenses Current Year

Equals the total amounts for each fund type in the Adopted Budgeted Expenditures/Expenses Current Year column and the Expenditure/Expense Adjustments Approved Current Year columns on Schedule E.

Actual Expenditures/Expenses Current Year

Equals the total amounts for each fund type in the Actual Expenditures/Expenses Current Year column on Schedule E.

Fund Balance/Net Position at July 1 of the Budget Year

Enter the fund balance/net position for each fund type at July 1. Obtain fund balance/net position at July 1 from the accounting records to include all resources the county estimates it will have available at the beginning of the year such as cash, and receivables it expects to collect in the budget year. Fund balance should not include amounts that are not in spendable form (e.g., prepaids, inventories, and capital assets, net of related debt), or amounts legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

Primary Property Tax Levy Budget Year

The entire estimated revenue from the primary property tax levy in the General Fund is pulled from Schedule B.

Secondary Property Tax Levy Budget Year

Copy the estimated amount of secondary property tax from an override election for the General Fund, as permitted by A.R.S. §42-17201(A), from the applicable line of item 3.B on Schedule B, secondary property tax levy.

Record the estimated secondary property tax in the appropriate fund type. Total property taxes to be levied in the budget year must agree with the corresponding amount on line 3.C on Schedule B.

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Estimated Revenues Other Than Property Taxes Budget Year

Equals the total amounts for each fund type in the Estimated Revenues Budget Year column on Schedule C.

Other Financing Sources and <Uses> Budget Year

Equals the estimated amounts of other financing sources and other financing uses for the budget year for each fund type on Schedule D.

Interfund Transfers In and <Out> Budget Year

Fund transfers in and out are the estimated amounts that will be transferred in or out of the fund type during the budget year. Interfund transfers are not expenditures, and the totals of transfers in and out for all funds must agree with the corresponding totals on Schedule D.

Reduction for Amounts Not Available in the Budget Year

Resources may be reduced by certain amounts that will not be available to finance expenditures of the budget year. Include a description on the blank lines provided to explain the reduction amount(s) such as financial stability, future capital projects, or amounts for future debt retirement. An example line for Amounts for Future Debt Retirement has been included for illustrative purposes. Reductions must be entered as POSITIVE numbers in order for the formulas in the spreadsheet to calculate correctly.

Total Financial Resources Available Budget Year

Equals the total of amounts available to be spent in the budget for the current fiscal year, in accordance with A.R.S. §42-17151(A)(1).

Budgeted Expenditures/Expenses Budget Year

Equals the amount of money required for each item of expenditure necessary for county purposes, in accordance with A.R.S. §42-17102.

Expenditure Limitation Comparison

1. Equals the total budgeted expenditures/expenses for the current year and budget year from the summary schedule above.
2. Enter the estimated net reconciling items for the current year and budget year. Estimated net reconciling items for the current year may be obtained from that year's adopted budget. Estimated net reconciling items for the budget year may be determined by preparing an estimated Annual Expenditure Limitation Report (AELR) as part of the budgeting process. The *Uniform Expenditure Reporting System* manual includes examples of reconciling items and forms for preparing an AELR. Enter estimated net reconciling items and estimated exclusions as positive or negative numbers, as appropriate.
3. Calculates budgeted expenditures/expenses adjusted for reconciling items.
4. Enter the estimated exclusions from budgeted expenditures/expenses for the current year and budget year. Estimated exclusions may be obtained in the same manner as reconciling items described in step 2.
5. Calculates the amount subject to the expenditure limitation adjusted for estimated exclusions.
6. Enter the expenditure limitation the Economic Estimates Commission (EEC) provides. The total amount subject to the expenditure limitation on line 5 must not exceed this amount.

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SCHEDULE B

Tax Levy and Tax Rate Information

Property Taxes

1. Enter the maximum allowable primary property tax levies for the current year and budget year. The amount for the current year may be obtained from that year's adopted budget. Calculate the amount for the budget year in accordance with A.R.S. §42-17051(A).
2. Enter the amount received from primary property taxation in the current year in excess of the sum of that year's maximum allowable primary property tax levy, in accordance with A.R.S. §42-17102(A)(18). Such excess taxes collected must be used to reduce the primary property tax levy in the following fiscal year. Do not include amounts received in the current year from the payment of delinquent taxes assessed in prior years in accordance with A.R.S. §42-17051(B).
3. Property Tax Levy Amounts
 - A. Enter the amount of primary property taxes levied in the current year and the estimated amount of primary property taxes to be levied for the budget year. The estimated amount of primary property taxes to be levied for the budget year must not exceed the maximum allowable primary property tax levy for the budget year recorded on line 1.
 - B. Enter the amount of secondary property taxes levied in the current year and the estimated amount of secondary property taxes to be levied for the budget year. On the blank lines provided, list individual secondary property taxes to be levied by fund, including those of special assessment districts for which secondary property taxes are calculated. The amount to be levied as the result of an override election may not exceed the amount stated in the resolution requesting voter approval of the county levy. Calculate and enter the total secondary property taxes levied for the current year and the estimated total secondary property taxes to be levied for the budget year.
 - C. Calculate the total amount of property taxes levied for the current year and the estimated total amount of property taxes to be levied for the budget year.
4. Property Taxes Collected
 - A. Primary Property Taxes
 - 1) Enter the amount of primary property taxes actually collected from the tax roll of the current year. If the actual amount of primary property taxes collected is not available, enter the actual amount collected as of the date the proposed budget was prepared plus an estimate of primary property tax collections for the remainder of the fiscal year.
 - 2) Enter the amount of delinquent taxes collected from the tax rolls of fiscal years prior to the current year.

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- 3) Calculates the total primary property taxes collected.
 - B. Secondary Property Taxes
 - 1) Enter the amount of secondary property taxes actually collected from the tax roll of the current year. If the actual amount of secondary property taxes collected is not available, enter the actual amount collected as of the date the proposed budget was prepared plus an estimate of secondary property tax collections for the remainder of the fiscal year.
 - 2) Enter the amount of delinquent taxes collected from the tax rolls of fiscal years prior to the current year.
 - 3) Calculates the total secondary property taxes collected.
 - C. Calculates the total property taxes collected.
5. Property Tax Rates
- A. County Tax Rate
 - 1) Enter the primary property tax rate for the current year and the estimated primary property tax rate for the budget year. Calculate the estimated budget year tax rate by dividing the proposed tax levy for the budget year on line 3.A. by the assessed valuation, then multiplying by 100.
 - 2) Enter the secondary property tax rates for the current year and the estimated secondary property tax rates for the budget year applicable to all county taxpayers. Calculate the estimated budget year tax rate by dividing the proposed tax levy for the budget year on line 3.B. by the assessed valuation, then multiplying by 100.
 - 3) Calculates the total county tax rate for the current year and the estimated total county tax rate for the budget year.
 - B. Special Assessment District Tax Rates

Enter the secondary property tax rates for special assessment districts for which property taxes were levied for the current year and are to be levied for the budget year. Calculate the estimated budget year tax rates using the allocation method that relates to the benefits received as determined by the county.

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SCHEDULE C

Revenues Other Than Property Taxes

All estimated revenues other than property taxes must be identified on this schedule by source of revenue within each fund.

Column: Source of Revenues

Enter the title of each fund and its revenue sources other than property taxes. All funds must be included within the appropriate fund type.

Categorize intergovernmental revenues by source as well as by fund. List federal and state sources separately.

Voluntary contributions received under A.R.S. §§9-432 and 48-242 must be recorded on the applicable line in the General Fund. Base the amount of the contributions on information transmitted to the Board of Supervisors by the County Assessor or Arizona Department of Revenue, as applicable.

Revenues of special assessment districts not disclosed on Schedule B should be disclosed on Schedule C within the appropriate fund type.

Column: Estimated Revenues Current Year

Enter the amounts from the Estimated Revenues on Schedule C from the prior year's adopted budget.

Column: Actual Revenues Current Year

Enter the amounts of revenues other than property taxes for the current year. These amounts include actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared plus estimated revenues for the remainder of the fiscal year.

Column: Estimated Revenues Budget Year

Enter the estimated revenues other than property taxes for the budget year. Do **not** include proceeds from other financing sources such as the sale or refunding of bonds and interfund transfers on this schedule; include them on Schedule D.

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SCHEDULE D

Other Financing Sources/<Uses> and Interfund Transfers

Include receipt of monies such as those from the sale or refunding of bonds, loans, or installment sales of county property; payments to a refunded bond escrow agent; and interfund transfers on this schedule, **not** on Schedule C. Also include proceeds from sources such as bonds expected to be received in the Enterprise Funds on this schedule.

Column: Fund

Enter all funds within the appropriate fund type.

Column: Other Financing Sources Budget Year

Enter the amounts expected to be received in the budget year from other financing sources by fund for each fund type.

Column: Other Financing <Uses> Budget Year

Enter the amounts expected to be paid in the budget year as other financing uses by fund for each fund type. Other financing uses must be entered as POSITIVE numbers in order for the formulas in the spreadsheet to calculate correctly.

Column: Interfund Transfers Budget Year

Enter estimated transfers in and out for the budget year for each fund and the totals for each fund type. Transfers out must be entered as POSITIVE numbers in order for the formulas in the spreadsheet to calculate correctly. Transfers in must equal transfers out on the TOTAL ALL FUNDS line. NOTE: Interfund transfers are **not** expenditures and should not be entered on any other schedules.

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SCHEDULE E

Expenditures/Expenses by Fund

Column: Fund/Department

Enter titles of funds and departments within each fund. All funds must be included within the appropriate fund type. Several departments of the General Fund have been listed for illustrative purposes.

An amount must be budgeted for unanticipated contingencies or emergencies in accordance with A.R.S. §42-17102(A)(4). An example line item is provided in the General Fund.

Column: Adopted Budgeted Expenditures/Expenses Current Year

Enter the amounts from the Budgeted Expenditures/Expenses column on Schedule E from the prior year's adopted budget.

Column: Expenditure/Expense Adjustments Approved Current Year

Enter the amounts of each departmental transfer the Board of Supervisors approved during the current year, in accordance with A.R.S. §42-17106(B).

Column: Actual Expenditures/Expenses Current Year

Enter the amounts of the current year actual expenditures/expenses, if available. If the actual expenditures/expenses are not available, enter the actual amounts as of the date the proposed budget was prepared plus the estimated expenditures/expenses for the remainder of the fiscal year.

Column: Budgeted Expenditures/Expenses Budget Year

Enter the amounts of estimated expenditures/expenses for the budget year by department, fund, and total. Although budgets for Enterprise Funds should be prepared on the accrual basis, to comply with A.R.S. §42-17102(A) include estimated payments for capital acquisitions, and principal and interest payments on long-term debt in the Enterprise Funds.

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SCHEDULE F

Expenditures/Expenses by Department

Schedule F helps facilitate budgetary comparison reporting at the department level (the statutorily required legal level of budgetary control) when a single department is budgeted in more than one fund. Total expenditures on Schedule F should agree to total expenditures on Schedule E. However, if a county budgets each department in only one fund, Schedule F may be omitted.

Column: Department/Fund

Enter the titles of each department and each fund in which the department is budgeted. Funds in which the sheriff's department may be budgeted have been included for illustrative purposes.

Column: Adopted Budgeted Expenditures/Expenses Current Year

Enter the amounts from the Budgeted Expenditures/Expenses column on Schedule F from the prior year's adopted budget. If Schedule F was not used in the prior year, these amounts may be determined from the prior year's Schedule E for the departments that are budgeted in more than one fund.

Column: Expenditure/Expense Adjustments Approved Current Year

Enter the amounts of each departmental transfer the Board of Supervisors approved during the current year, in accordance with A.R.S. §42-17106(B).

Column: Actual Expenditures/Expenses Current Year

Enter the amounts of the current year actual expenditures/expenses, if available. If the actual expenditures/expenses are not available, enter the actual amounts as of the date the proposed budget was prepared plus the estimated expenditures/expenses for the remainder of the fiscal year.

Column: Budgeted Expenditures/Expenses Budget Year

Enter the amounts of estimated expenditures/expenses for the budget year for each department by fund. Although budgets for Enterprise Funds should be prepared on the accrual basis, to comply with A.R.S. §42-17102(A) include estimated payments for capital acquisitions, and principal and interest payments on long-term debt in the Enterprise Funds.

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SCHEDULE G

Full-Time Employees and Personnel Compensation

Schedule G helps facilitate reporting the estimated number of full-time equivalent employees and the total estimated personnel compensation at the fund level as required by A.R.S. §42-17102(A)(1).

Column: Fund

Enter the title of each fund. All funds must be included within the appropriate fund type.

Column: Full-Time Equivalent (FTE)

Enter the estimated number of full-time equivalent employees for the budget year by fund.

Column: Employee Salaries and Hourly Costs

Enter the amounts of estimated expenditures/expenses for the budget year for all employee salaries and hourly costs by fund, including amounts budgeted for employee salary increases in the budget year.

Column: Retirement Costs

Enter the amounts of estimated expenditures/expenses for the budget year for employee retirement costs by fund.

Column: Healthcare Costs

Enter the amounts of estimated expenditures/expenses for the budget year for employee healthcare costs by fund.

Column: Other Benefit Costs

Enter the amounts of estimated expenditures/expenses for the budget year for all other employee benefit costs **not** included in the previous columns by fund.

Column: Total Estimated Personnel Compensation

Sums the amounts in the columns titled Employee Salaries and Hourly Costs, Retirement Costs, Healthcare Costs, and Other Benefit Costs.