

Apache County, Arizona
Annual Expenditure Limitation Report

Year ended June 30, 2013

Apache County, Arizona

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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, 2013. This report is the responsibility of the County's management. 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 of Apache County, Arizona referred to above presents, in all material respects, the information prescribed by the uniform expenditure reporting system as described in Note 1.

Walker & Armstrong, LLP

Phoenix, Arizona
September 30, 2015

Annual Expenditure Limitation Report

Apache County, Arizona
Annual Expenditure Limitation Report—Part I
For the Year Ended June 30, 2013

1. Economic Estimates Commission expenditure limitation	\$ 15,778,438
2. Amount subject to the expenditure limitation (total amount from Part II, Line C)	<u>13,086,081</u>
3. Amount under the expenditure limitation	<u>\$ 2,692,357</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

Ryan Patterson, Finance Director
Name and Title

(928) 337-4364
Telephone Number

September 30, 2015
Date

Apache County, Arizona
Annual Expenditure Limitation Report—Part II
For the Year Ended June 30, 2013

Description	Governmental Funds	Fiduciary Funds	Total
A. Amounts reported on the Reconciliation, Line C	\$ 30,307,373	\$ 191,145,793	\$ 221,453,166
B. Less exclusions claimed			
Debt service requirements on bonded indebtedness (Note 2)	1,078,207	-	1,078,207
Debt service requirements on other long-term obligations (Note 2)	154,875	-	154,875
Trustee or custodian (Note 3)	565,122	191,145,793	191,710,915
Grants and aid from the federal government (Note 4)	5,124,292	-	5,124,292
Amounts received from the State of Arizona (Note 4)	4,971,505	-	4,971,505
Highway user revenues in excess of those received in fiscal year 1979-80 (Note 4)	5,035,900	-	5,035,900
Contracts with other political subdivisions (Note 4)	291,391	-	291,391
Total exclusions claimed	<u>17,221,292</u>	<u>191,145,793</u>	<u>208,367,085</u>
C. Amounts subject to the expenditure limitation	<u>\$ 13,086,081</u>	<u>\$ -</u>	<u>\$ 13,086,081</u>

See accompanying notes to annual expenditure limitation report.

Apache County, Arizona
Annual Expenditure Limitation Report—Reconciliation
For the Year Ended June 30, 2013

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>\$ 38,947,135</u>	<u>\$ 191,145,793</u>	<u>\$ 230,092,928</u>
B. Subtractions			
Expenditures of separate legal entities established under Arizona Revised Statutes (A.R.S.) (Note 5)	5,315,897	-	5,315,897
Contributions to fire districts (Note 6)	539,967	-	539,967
Community college reimbursement payments pursuant to A.R.S. §15-1469.01 (Note 7)	1,664,698	-	1,664,698
Present value of net minimum capital lease payments recorded as expenditures at inception of the agreements	508,000	-	508,000
Long-term care contributions withheld by the State Treasurer (Note 8)	<u>611,200</u>	<u>-</u>	<u>611,200</u>
Total subtractions	<u>8,639,762</u>	<u>-</u>	<u>8,639,762</u>
C. Amounts reported on Part II, Line A	<u>\$ 30,307,373</u>	<u>\$ 191,145,793</u>	<u>\$ 221,453,166</u>

See accompanying notes to annual expenditure limitation report.

Apache County, Arizona
Notes to Annual Expenditure Limitation Report
For the Year Ended June 30, 2013

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 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 of \$797,026 and \$436,056, respectively.

3) Trustee

The exclusion claimed for trustee or custodian in the governmental funds consists of \$462,300 in contributions by the County to the Arizona Health Care Cost Containment System for acute care, administrative cost contributions, and uncompensated care; \$62,013 for waste tire special revenues paid out to Blue Hills Environmental Association; and \$40,809 of commissary proceeds and expenditures for the Sheriff's Canteen.

In the fiduciary funds, the exclusion consists of \$191,145,793 in distributions to investment pool participants.

Apache County, Arizona
Notes to Annual Expenditure Limitation Report
For the Year Ended June 30, 2013

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	\$ 5,124,292
Amounts received from the State of Arizona	4,971,505
Highway user revenues in excess of those received in fiscal year 1979-80	5,035,900
Contracts with other political subdivisions	291,391
Trustee or custodian (Note 3)	565,122
Other revenues (nonexcludable)	<u>8,579,666</u>
Total intergovernmental revenues as reported in the fund financial statements	<u><u>\$ 24,567,876</u></u>

5) Special Assessment Districts

The subtraction of \$5,315,897 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:

General government	\$ 70,130
Public safety	2,956,423
Culture and recreation	1,464,328
Health	<u>825,016</u>
	<u><u>\$ 5,315,897</u></u>

Apache County, Arizona
Notes to Annual Expenditure Limitation Report
For the Year Ended June 30, 2013

6) Fire Districts

The subtraction of \$539,967 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.

7) Community College Reimbursement Payments

The subtraction of \$1,664,698 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 withheld by the State Treasurer consists of transaction privilege taxes withheld by the State Treasurer 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.