

GREENLEE COUNTY, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2013

GREENLEE COUNTY, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2013

Table of Contents	Page
Independent Accountants' Report	1
Annual Expenditure Limitation Report – Part I	2
Annual Expenditure Limitation Report – Part II.....	3
Annual Expenditure Limitation Report – Reconciliation	4
Notes to Annual Expenditure Limitation Report	5

Fester & Chapman P.C.

Certified
Public
Accountants

4001 North 3rd Street
Suite 275
Phoenix, AZ 85012-2086

Tel: (602) 264-3077
Fax: (602) 265-6241

Independent Accountants' Report

The Auditor General of the State of Arizona

The 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, 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 Greenlee County, Arizona referred to above presents, in all material respects, the information required by the uniform expenditure reporting system as described in Note 1.

Fester & Chapman P.C.

April 11, 2014

GREENLEE COUNTY, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT – PART I
YEAR ENDED JUNE 30, 2013

1. Economic Estimates Commission expenditure limitation	\$10,195,350
2. Amount subject to the expenditure limitation (total amount from Part II, Line C)	<u>9,859,440</u>
3. Amount under the expenditure limitation	<u>\$ 335,910</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: _____

Name and Title: Deborah K. Gale, County Administrator

Telephone Number: (928) 865-2310 Date: April 11, 2014

See accompanying notes to report.

GREENLEE COUNTY, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT – PART II
YEAR ENDED JUNE 30, 2013

Description	Governmental Funds	Fiduciary Fund	Total
A. Amounts reported on the Reconciliation, Line C	\$ 15,912,922	\$ 19,348,131	\$ 35,261,053
B. Less exclusions claimed:			
Debt service requirements on other long-term obligations (Note 2)	920,218		920,218
Dividends, interest, and gains on the sale or redemption of investment securities (Note 3)	213		213
Trustee or custodian (Note 4)	217,360	19,348,131	19,565,491
Grants and aid from the federal government (Note 5)	2,366,195		2,366,195
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 6)	1,850		1,850
Amounts received from the State of Arizona (Note 5)	1,452,765		1,452,765
Highway user revenues in excess of those received in fiscal year 1979-80 (Note 5)	613,596		613,596
Contracts with other political subdivisions (Note 7)	52,906		52,906
Refunds, reimbursements, and other recoveries (Note 8)	8,994		8,994
Prior years carryforward (Note 9)	419,385		419,385
Total exclusions claimed	<u>6,053,482</u>	<u>19,348,131</u>	<u>25,401,613</u>
C. Amounts subject to the expenditure limitation	<u>\$ 9,859,440</u>	<u>\$ -</u>	<u>\$ 9,859,440</u>

See accompanying notes to report.

GREENLEE COUNTY, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT – RECONCILIATION
YEAR ENDED JUNE 30, 2013

Description	Governmental Funds	Fiduciary Fund	Total
A. Total expenditures/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements	\$ 19,191,573	\$ 19,348,131	\$ 38,539,704
B. Subtractions:			
Expenditures of separate legal entities established under Arizona Revised Statutes (A.R.S.) (Note 10)	730,359		730,359
Community college reimbursement payments pursuant to A.R.S. §15-1469.01 (Note 11)	792,887		792,887
Long-term care contributions withheld by the State Treasurer (Note 12)	189,428		189,428
Present value of net minimum capital lease and installment purchase contract payments recorded as expenditures at inception of the agreements	1,449,223		1,449,223
Payments made to reimburse the Arizona Department of Health Services (Note 13)	116,754		116,754
Total subtractions	<u>3,278,651</u>		<u>3,278,651</u>
C. Amounts reported on Part II, Line A	<u>\$ 15,912,922</u>	<u>\$ 19,348,131</u>	<u>\$ 35,261,053</u>

See accompanying notes to report.

GREENLEE COUNTY, ARIZONA
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2013

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 or deductions of certain revenues specified in the Arizona Constitution, Article IX, §20, from the total expenditures 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 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 Fund.

Note 2 – The exclusion claimed for debt service requirements on other long-term obligations in the Governmental Funds consists of principal retirement of \$809,887 and interest expenditures of \$110,331. Total interest and fiscal charges in the Governmental Funds included other nonexcludable amounts totaling \$431.

Note 3 – The exclusion claimed for dividends, interest, and gains on the sale or redemption of investment securities of \$213 in the Governmental Funds represents interest earnings expended. Remaining revenues of \$7,100 of interest on investments and \$21,989 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 \$217,360 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 \$19,348,131 in distributions to investment pool participants.

GREENLEE COUNTY, ARIZONA
 NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT
 YEAR ENDED JUNE 30, 2013

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:

Description	
Grants and aid from the federal government	\$ 2,366,195
Amounts received from the State of Arizona	1,452,765
Highway user revenues in excess of those received in fiscal year 1979-80	613,596
Other revenues (nonexcludable)	5,970,365
Amount carried forward	<u>128,815</u>
Total intergovernmental revenues as reported in the fund financial statements	<u><u>\$10,531,736</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 \$1,850 of contributions revenues expended. Remaining unspent revenues of \$1,200,000 have been carried forward to future years.

Note 7 – The exclusion claimed for contracts with other political subdivisions includes \$52,906 of charges for services expended.

Note 8 – The exclusion claimed for refunds, reimbursements, and other recoveries includes \$8,994 of miscellaneous revenues expended. Remaining unspent revenues of \$17,223 have been carried forward to future years.

Note 9 – 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:

Description	<u>Governmental Funds</u>
Dividends, interest, and gains on the sale or redemption of investment securities	\$ 4,278
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes	5,339
Amounts received from the State of Arizona	392,526
Refunds, reimbursements, and other recoveries	<u>17,242</u>
Total prior years carryforward expended	<u><u>\$ 419,385</u></u>

GREENLEE COUNTY, ARIZONA
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2013

- Note 10** – The subtraction of \$730,359 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 \$1,917,279 have been reduced by the following: \$91,145 in debt service requirements on other long-term obligations, which is reported in Note 2; \$99 in expenditures of dividends, interest, and gains on the sale or redemption of investment securities, which is reported in Note 3; \$561,571 in expenditures of grants and aid received from the federal and state governments, which is reported in Note 5; \$8,049 in expenditures of refunds, reimbursements, and other recoveries, which is reported in Note 8; \$18,032 in expenditures of prior years carryforward, which is reported in Note 9; \$152,024 for the present value of net minimum capital lease payments recorded as expenditures at the inception of the agreements, and \$356,000 in expenditures of the continuation of contribution amount (required maintenance of effort).
- Note 11** – The subtraction for community college reimbursement payments of \$792,887 is included in the Governmental Funds as general government expenditures.
- Note 12** – 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.
- Note 13** – The subtraction of \$116,754 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 commitment of an individual determined to be sexually violent by the court, as required by Laws 2012, Chapter 299, Sections 10 and 11, which were recorded as general government expenditures.