



For Fiscal Year Ended  
**June 30, 2017**



# Annual Expenditure Limitation Report

Yuma County Administration Building  
198 S Main Street  
Yuma, Arizona 85364

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# YUMA COUNTY

"Yuma County Government is dedicated to providing customer-focused services to enhance the health, safety, well-being, and future of our entire community."

## Annual Expenditure Limitation Report



**For the Fiscal Year  
Ended June 30, 2017**

**COUNTY ADMINISTRATOR**  
Susan K. Thorpe

**Prepared by Yuma County Department of Financial Services**

Chief Financial Officer  
Gilberto Villegas Jr.

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**YUMA COUNTY**  
**Annual expenditure limitation report**  
**Year ended June 30, 2017**

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# **Independent Accountants' Report**



Independent Accountants' Report

The Auditor General of the State of Arizona

The Board of Supervisors of  
Yuma County, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of Yuma County, Arizona (the County) for the year ended June 30, 2017, 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 judgement, 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.

*Fester & Chapman, PLLC*

March 21, 2018

**YUMA COUNTY**

Annual expenditure limitation report  
Year ended June 30, 2017

**Part I**

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1. Economic Estimates Commission expenditure limitation	\$	92,693,924
2. Amount subject to the expenditure limitation (total amount from part II, Line C)		<u>71,433,178</u>
3. Amount under the expenditure limitation	\$	<u>21,260,746</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:

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Name and title:

Gilberto Villegas, Jr, Chief Financial Officer

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Telephone number:

(928) 373-1012

Date: 21 March, 2018

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See accompanying notes to report.

**YUMA COUNTY**Annual expenditure limitation report  
Year ended June 30, 2017**Part II**

Description	Governmental Funds	Internal service funds	Fiduciary funds	Total
A. Amounts reported on the reconciliation, line D	\$ 110,984,174	\$ 15,675,834	\$ 430,872,331	\$ 557,532,339
B. Less exclusions claimed:				
Trustee or custodian (Note 2)	1,756,600	-	430,872,331	432,628,931
Grants and aid from the federal government (Note 3)	18,707,608	-	-	18,707,608
Amounts received from the State of Arizona (Note 3)	12,629,920	-	-	12,629,920
Quasi-external interfund transactions (Note 4)		12,927,481	-	12,927,481
Highway user revenues in excess of those received in fiscal year 1979-80 (Note 3)	9,205,221	-	-	9,205,221
Total exclusions claimed	42,299,349	12,927,481	430,872,331	486,099,161
C. Amounts subject to the expenditure limitation	\$ 68,684,825	\$ 2,748,353	\$ -	\$ 71,433,178

See accompanying notes to report.

**YUMA COUNTY**Annual expenditure limitation report  
Year ended June 30, 2017**Reconciliation**

Description	Governmental 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	\$ 150,376,051	\$ 16,156,118	\$ 430,872,331	\$ 597,404,500
B. Subtractions:				
Items not requiring use of current financial resources:				
Claims incurred but not reported (IBNR) (Note 5)	-	1,265,000	-	1,265,000
Pension expense (Note 9)	-	103,840	-	103,840
Expenditures of separate legal entities established under Arizona Revised Statutes (A.R.S.) (Note 6)	31,130,877	-	-	31,130,877
Long-term care contributions withheld by the State Treasurer (Note 7)	8,261,000	-	-	8,261,000
Total subtractions	39,391,877	1,368,840	-	40,760,717
C. Additions:				
Amounts paid in the current year but reported as expenses in previous years:				
Claims previously recognized as IBNR (Note 8)	-	845,000	-	845,000
Pension contributions paid in the current year (Note 9)	-	43,556	-	43,556
Total additions	-	888,556	-	888,556
D. Amounts reported on Part II, Line A	\$ 110,984,174	\$ 15,675,834	\$ 430,872,331	\$ 557,532,339

See accompanying notes to report.

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**Notes to Annual  
Expenditure Limitation Report**

# Yuma County

Notes to annual expenditure limitation report  
Year ended June 30, 2017

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## 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, Section 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 2 - Trustee or Custodian

The exclusion claimed for trustee or custodian in the governmental funds consists of \$1,325,100 in county contributions to the Arizona Health Care Cost Containment System for acute care; \$247,600 for administrative cost contributions; and \$183,900 in uncompensated care contributions. In the fiduciary funds, the exclusion consists of \$430,872,331 in distributions to investment pool participants.

## Note 3 - Federal Grants and Aid, State of Arizona, and Highway User Revenue Fund Exclusion

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	Amount
Grants and aid from the federal government	\$ 18,707,608
Amounts received from the State of Arizona	12,629,920
Highway user revenues in excess of those received in fiscal year 1979-80	9,205,221
Other revenues (nonexcludable)	21,623,180
Total intergovernmental revenues as reported in the fund financial statements	<u>\$ 62,165,929</u>

## Note 4 - Quasi-external Interfund Transactions

The amount reported as quasi-external interfund transactions in the internal service funds consists of employer and employees' medical contributions for health and other insurance which are reported as health services claims and health services other in the fund financial statements.

## Note 5 - Claims Incurred but Not Reported

The subtraction of \$1,265,000 for claims incurred but not reported consists of the estimated costs of claims incurred and expensed in the current year but not yet paid in the internal service funds.

# Yuma County

Notes to annual expenditure limitation report  
Year ended June 30, 2017

## Note 6 - Separate Legal Entities

The subtraction of \$31,130,877 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	\$ 911,787
Capital outlay	44,057
Principal retirement	158,182
Interest and fiscal charges	81,777
Total	<u>\$ 1,195,803</u>

### Municipal property corporations

Public safety	\$ 12,790,123
Culture and recreation	8,259,107
Health	4,082,561
Capital outlay	730,993
Principal retirement	2,323,456
Interest and fiscal charges	1,748,834
Total	<u>\$ 29,935,074</u>

Total health expenditures of the health services district as shown above have been reduced by \$3,035,469 in expenditures of grants and aid received from the federal government, which is reported in Note 3. Furthermore, the expenditures above are also reduced by the required continuation support and maintenance of effort contributions amounts of \$786,898 for the health services district and \$6,885,255 for the jail district.

## Note 7 - Long-term Care Contributions

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. The following schedule reflects the presentation of these payments as welfare expenditures in the general fund.

Description	Amount
AHCCCS- long term care	\$ 8,261,000
AHCCCS	1,325,100
Administration costs	247,600
Uncompensated care	183,900
Mental health services (nonexcludable)	1,350,000
Public fiduciary (nonexcludable)	599,827
Other expenditures (nonexcludable)	51,466
Total welfare expenditures as reported in the general fund	<u>\$ 12,018,893</u>

# Yuma County

Notes to annual expenditure limitation report  
Year ended June 30, 2017

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## **Note 8 - Claims Paid in Current Year but Reported as Expenses Incurred but Not Reported in Previous Years**

The addition of \$ 845,000 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 internal service funds.

## **Note 9 – Pension Expense and Pension Contributions Paid in the Current Year**

The subtraction of \$103,840 for pension expense consists of the change in the net pension liability recognized in the current year in the internal service funds. Amounts were proportionally allocated from actual contributions as separate reporting is unavailable.

The addition of \$43,556 for pension contributions paid in the current year consists of the required pension contributions made to the Arizona State Retirement System from the internal service funds. Amounts were proportionally allocated from actual contributions as separate reporting is unavailable.

