



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

TO: County Chief Fiscal Officers
FROM: Accounting Services Division
DATE: November 3, 2011
SUBJECT: Extension of Exclusions and Subtractions provided for Certain Required Contributions and Transfers

In previous memorandums issued by our Office, we described exclusions for the Arizona Health Care Cost Containment System (administrative and uncompensated care contributions) and county transfers to the State General Fund. We also described the subtractions for services provided by the Arizona Department of Health Services. Recent laws have extended these exclusions and subtractions, as described below.

Uncompensated Care Contributions

Laws 2011, Chapter 31, §27, extended the exclusion available for counties' uncompensated care contributions through fiscal year 2012. Therefore, in expenditure limitation reports for fiscal years 2004 through 2012, counties may exclude these uncompensated care contributions on Part II, Line B.3, Trustee or custodian.

Contributions for Services Provided

Laws 2011, Chapter 31, §§20 and 21, continued counties' required reimbursement to the Arizona Department of Health Services for part of the cost of the commitment of an individual determined to be sexually violent by the court and the entire cost of inpatient competency restoration treatment. However, the portion of the commitment cost that must be reimbursed has increased from 25 percent in previous years to 50 percent in fiscal year 2012. Pursuant to this law, such reimbursements are not subject to the counties' expenditure limitations. Therefore, as previously and currently authorized, counties may subtract these reimbursements in fiscal years 2010 through 2012 on the Reconciliation, Line B, as "Payments made to reimburse the Arizona Department of Health Services."

County Transfers

For fiscal year 2012, in accordance with Laws 2011, Chapter 28, §8, certain counties must transfer monies to the State Treasurer for deposit in the State General Fund. The law specifies the amounts that must be transferred for each applicable county. A county may use any source of county revenue designated by the county to make the required transfer. Pursuant to this law, such transfers are not subject to the counties' expenditure limitations. Therefore, affected counties may exclude these transfers on Part II, Line B.3, Trustee or custodian.

If you have any questions, please call Meghan Gouker, Accounting Services Senior, or Michael Stelpstra, Accounting Services Manager, at (602) 553-0333.