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TO: County Chief Fiscal Officers
FROM: Accounting Services Division
DATE: September 10, 2010
SUBJECT: Extension of Exclusions and Subtractions provided for Certain Required Contributions and Transfers

In our memorandums issued September 3, 2008 and January 29, 2010, 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 2010, Seventh Special Session, Chapter 10, Subsection 29(E), extended the exclusion available for counties' uncompensated care contributions made in accordance with Subsection A of this law through fiscal year 2011. Therefore, in expenditure limitation reports for fiscal years 2004 through 2011, counties may exclude these uncompensated care contributions on Part II, Line B.3, Trustee or custodian. Under the current laws, in fiscal year 2012, these contributions will no longer be excludable.

Contributions for Services Provided

Laws 2010, Seventh Special Session, Chapter 10, Sections 22 and 23, 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. Pursuant to this law, such reimbursements are not subject to the counties' expenditure limitations. Therefore, counties may subtract these reimbursements in fiscal years 2010 and 2011 on the Reconciliation, Line B, as "Payments made to reimburse the Arizona Department of Health Services."

County Transfers

For fiscal year 2011, in accordance with Laws 2010, Seventh Special Session, Chapter 12, Section 47, counties with a population of more than 800,000 persons must transfer monies to the State Treasurer for deposit in the State General Fund. 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 Accountant, or Michael Stelpstra, Accounting Services Manager, at (602) 553-0333.