

La Paz County

CONCLUSION: The County’s auditors issued opinions on the County’s financial statements and federal expenditure schedule concluding that the information in those statements and schedule is reliable.¹ They also issued reports over the County’s internal control and compliance over financial reporting and select federal programs, which identified internal control weaknesses and instances of noncompliance over financial reporting and over federal awards that are explained on the next page.

County overview

County provided wide range of services for its citizens—In fiscal year 2019, the County provided a wide range of government services for over 21,000 citizens. In addition to managing general operations, such as property assessments and taxes, budgeting and finance, and elections, the County provided for public safety, such as law enforcement and court services; public health and welfare by providing medical assistance and contributions to Arizona’s long-term care system; highway and street maintenance and construction; and community resources, such as libraries, parks and recreation, and accounting services to school districts. The County is located in the southwestern part of Arizona and encompasses 4,500 square miles.

County responsible for accurate financial report—The County is responsible for accurately preparing its [Annual Financial Report \(Report\)](#), maintaining effective internal controls, and being accountable for its use of public monies. Select financial information from the County’s Report is presented below. However, the County’s Report should be read to fully understand its overall financial picture. Our [Financial Report User Guide for State and Local Governments](#) will help readers identify and understand important and useful information in the County’s Report.

County financial information

Asset, liability, and net position balances on June 30, 2019

Total assets/deferred outflows = \$86.2 million

Select asset balances:

\$64.8 M	Capital assets
10.5	Cash and investments
2.4	Due from others and receivables

Total liabilities/deferred inflows = \$54.0 million

Select liability balances:

\$32.6 M	Noncurrent employee benefits
11.9	Long-term debt and lease obligations
2.7	Current payables

County’s net position = \$32.2 million

None of this net position is unrestricted

Revenues and expenses during fiscal year 2019

Total revenues = \$34.9 million

Select revenue sources:

\$11.6 M	Federal and State grants and programs
5.8	County sales taxes
5.0	County property taxes
3.9	Shared State sales taxes

Total expenses = \$27.9 million

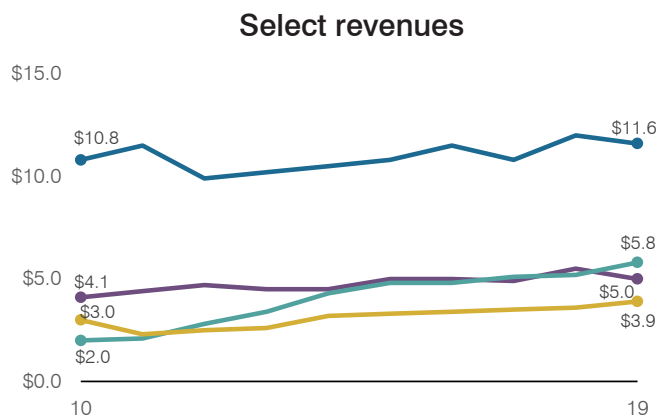
Select expenses by function:

\$12.3 M	Public safety
5.5	General government
4.1	Highways and streets
2.6	Health and welfare

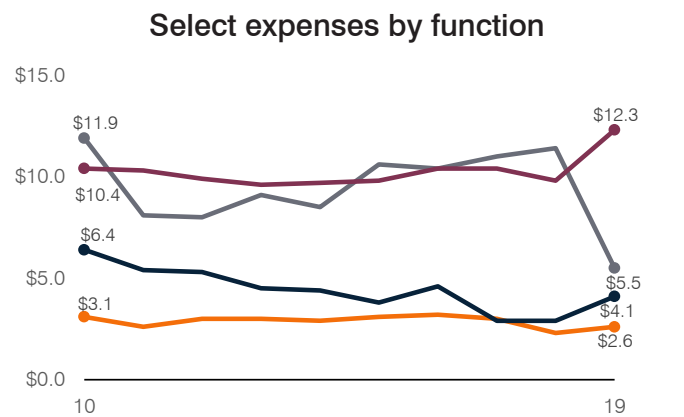
¹ The certified public accounting firm Snyder & Butler, CPAs, PLLC, conducted these audits under contract with the Auditor General’s Office in accordance with Arizona Revised Statutes §41-1279.21.

Select revenues and expenses by function Fiscal years 2010 through 2019

(In millions)



- **Federal and State grants and programs**—Federal and State government grants and programs awarded as assistance to the County and its citizens, including highway user tax revenues for authorized transportation purposes.
- **County sales taxes**—Local sales taxes for general purposes.
- **County property taxes**—Taxes the County levied on the assessed value of real and personal property within the County. The County Treasurer collects the tax revenues.
- **Shared State sales taxes**—Sales taxes the State of Arizona collects and the Arizona State Treasurer distributes to the County based on the State's statutory distribution formulas.



- **Public safety**—Protection of persons and property of the County. The largest portion of these expenses are for County jail operations, County Sheriff's office services, and probation services.
- **General government**—General operation, oversight, and administration of County operations, including property assessments and taxes, budgeting and finance, and elections. Expenses were \$5.9 million less in fiscal year 2019 than in fiscal year 2018 primarily because pension benefit expense decreased.
- **Highways and streets**—Construction and maintenance of highways, streets, and bridges within the County.
- **Health and welfare**—Public assistance and institutional care for individuals who are economically unable to provide for themselves, including required State shared sales taxes withheld for Arizona's long-term care system.

Source: Auditor General staff summary of information obtained from the County's financial statements.

Audit findings and recommendations

Below is a summary of the County auditors' reports over the County's internal control and compliance over financial reporting and over federal programs that are included in the County's [Single Audit Report](#). For help in understanding important information presented in these reports, please refer to our [Internal Control and Compliance Reports User Guide](#).

Financial reporting internal control

County auditors found that the County needed improvements in certain controls over financial reporting and reported 11 findings. Most importantly, they found the County did not have adequate procedures to perform monthly reconciliations and year-end closing procedures for its general ledger accounts in a timely manner to issue its annual financial and expenditure limitation reports within 9 months of fiscal year-end. In addition, the County did not have adequate policies and procedures to regularly account for, monitor, and reconcile federal and State program revenues and expenses and cash accounts for several departments, including the County Treasurer. County auditors reported similar findings in the prior year.

Financial findings and recommendations

Federal internal control and compliance

The County spent almost \$1.4 million of federal program monies during the fiscal year. County auditors tested 3 federal programs selected under the major program guidelines established by the Single Audit Act, including public safety, emergency preparedness, and homeland security programs, which totaled over \$0.6 million in federal expenditures. They reported 4 findings regarding the County's administration of these 3 programs and noncompliance with federal requirements.

Federal findings and recommendations