

**La Paz County, Arizona**  
**Annual Financial and Single Audit Reports**

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**Year ended June 30, 2021**

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**HINTONBURDICK**  
CPAs & ADVISORS

## **Independent Auditors' Report**

The Arizona Auditor General  
The Board of Supervisors  
La Paz County, Arizona  
Parker, Arizona

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of La Paz County, Arizona, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of La Paz County, Arizona, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Change in Accounting Principles***

As described in Note 2 to the financial statements, in fiscal year 2021, the County implemented the provisions of GASB Statement No. 84, Fiduciary Activities. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedules related to pensions and OPEB and related notes, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise La Paz County, Arizona's basic financial statements. The schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by Title 2 *U.S. Code of Federal Regulation (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Compliance Over the Use of Highway User Revenue Fund and Other Dedicated State Transportation Revenue Monies*

In connection with our audit, nothing came to our attention that caused us to believe that the County failed to comply with the authorized transportation purposes, insofar as they relate to accounting matters, for Highway User Revenue Fund monies it received pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2, and any other dedicated state transportation revenues it received. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the County's noncompliance with the authorized transportation purposes referred to above, insofar as they relate to accounting matters.

The communication related to compliance over the use of highway user revenue fund and other dedicated state transportation revenue monies in the preceding paragraph is intended solely for the information and use of the members of the Arizona State Legislature, the Arizona Auditor General, the Board of Supervisors, management, and other responsible parties within the County and is not intended to be and should not be used by anyone other than these specified parties.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 20, 2023, on our consideration of the La Paz County, Arizona's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering La Paz County, Arizona's internal control over financial reporting and compliance.

*HintonBurdick, PLLC*

Gilbert, Arizona

April 20, 2023



## **Management's Discussion and Analysis**

**La Paz County**  
**Management's Discussion and Analysis**  
**Year ended June 30, 2021**

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This discussion and analysis, prepared by La Paz County's (the "County") management, is intended to be an easily readable analysis of the County's financial activities based on currently known facts, decisions or conditions during the fiscal year ended June 30, 2021. This analysis focuses on current year activities and should be read in conjunction with the County's basic financial statements following this section.

**Financial Highlights**

- The County's total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$42,683,693 (net position). Of this amount, \$38,058,958 is a deficit in unrestricted net position, \$18,074,879 is restricted for specific purposes (restricted net position), and \$62,667,772 is the County's net investment in capital assets.
- The County's total net position as reported in the Statement of Activities increased by \$4,464,250 in comparison to the prior year's increase in total net position of \$6,141,231.
- At June 30, 2021, the governmental funds reported combined fund balances of \$10,281,192, an increase of \$1,753,863 in comparison with the prior year. The components of fund balances consist of \$104,140 that is nonspendable, \$19,103,021 that is restricted or committed for specific purposes, and \$8,925,969 that is an accumulated deficit.
- At June 30, 2021, the unassigned fund balance for the General Fund was a deficit of \$4,098,170.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. Required supplementary information is included in addition to the basic financial statements.

**Government-wide Financial Statements** are designed to provide readers with a broad overview of the County's finances, in a manner similar to private-sector businesses.

The *Statement of Net Position* presents information on all County assets, deferred outflows or resources, liabilities and deferred inflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *Statement of Activities* presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).



## Management's Discussion and Analysis - Continued

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### Overview of the Financial Statements - Continued

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or part of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, highways and streets, sanitation, health, welfare, culture and recreation, and education. The County has four business-type activities consisting of the Emerald Canyon Golf Course, the La Paz County Park, the La Paz County Landfill and the La Paz County Solar Field.

Component units are included in our basic financial statements and consist of legally separate entities for which the County is financially accountable and that have substantially the same board as the County or provide services entirely to the County. The County has one major component unit, the La Paz County Jail District, and several street lighting districts that are also component units. Refer to Note 1 A, Reporting Entity, on page 27 of this report for more information on the County's component units.

*The government-wide financial statements can be found on pages 15-16 of this report.*

**Fund Financial Statements** are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the County can be divided into three categories: *governmental funds, proprietary funds, and fiduciary funds*.

*Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of usable resources, as well as on balances of usable resources available at the end of the fiscal year. Such information may be useful in evaluating a county's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County reports five major governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Road, Jail District, Coronavirus Recovery (new in FY 2021) and Debt Service funds. Data from the other governmental funds (non-major) are combined into a single, aggregated presentation.

## Management's Discussion and Analysis - Continued

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### **Overview of the Financial Statements - Continued**

*The governmental fund financial statements can be found on pages 17-20 of this report.*

*Proprietary funds*, or enterprise funds, are used to report the same functions presented as business-type activities in the government-wide financial statements. La Paz County uses enterprise funds to account for the Emerald Canyon Golf Course, the County Parks fund, the Landfill fund and the Solar Field fund. Fund financial statements for the enterprise funds provide the same type of information as the government-wide financial statements, only in more detail.

*The enterprise fund financial statements can be found on pages 21-24 of this report.*

*Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs.

*The fiduciary funds financial statements can be found on pages 25-26 of this report.*

**Notes to financial statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

*The notes can be found on pages 27-73 of this report.*

**Required supplementary information** presents budgetary comparison schedules for the General, Road and Jail District funds of the County. It also includes required pension and other postemployment benefits schedules.

*Required supplementary information can be found on pages 74-95 of this report.*

### **Government-Wide Financial Analysis**

#### *Net Position*

The largest portion of the County's net position reflects the investment in capital assets (e.g., land, buildings, improvements, water rights, gravel and dirt roads, construction in progress, golf course, machinery and equipment, and infrastructure), less accumulated depreciation and related outstanding debt used to acquire those assets. The County uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related outstanding debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to the citizens and creditors.

## Management's Discussion and Analysis - Continued

### Government-Wide Financial Analysis - Continued

The following table summarizes the Statement of Net Position at June 30, 2021 and 2020:

	2021	2020	2021	2020	2021	2020
	Governmental	Governmental	Business-	Business-	2021	2020
	Activities	Activities	Type	Type	Total	Total
	Activities	Activities	Activities	Activities	Total	Total
Current and other assets	\$ 15,973,238	\$ 11,809,709	\$ 4,363,977	\$ 2,599,987	\$ 20,337,215	\$ 14,409,696
Capital assets	62,216,086	63,543,497	5,303,371	5,431,284	67,519,457	68,974,781
Total assets	<u>78,189,324</u>	<u>75,353,206</u>	<u>9,667,348</u>	<u>8,031,271</u>	<u>87,856,672</u>	<u>83,384,477</u>
Deferred outflows of resources	7,406,473	7,787,895	253,517	127,653	7,659,990	7,915,548
Other liabilities	4,398,701	2,461,669	828,052	715,991	5,226,753	3,177,660
Long-term liabilities	41,426,204	41,992,174	5,785,521	5,843,167	47,211,725	47,835,341
Total liabilities	<u>45,824,905</u>	<u>44,453,843</u>	<u>6,613,573</u>	<u>6,559,158</u>	<u>52,438,478</u>	<u>51,013,001</u>
Deferred inflows of resources	382,720	1,900,672	11,771	166,909	394,491	2,067,581
Net position:						
Net investment in capital assets	61,514,401	62,529,781	1,153,371	1,281,284	62,667,772	63,811,065
Restricted	18,074,879	15,006,194	-	-	18,074,879	15,006,194
Unrestricted (deficit)	(40,201,108)	(40,749,389)	2,142,150	151,573	(38,058,958)	(40,597,816)
Total net position	<u>\$ 39,388,172</u>	<u>\$ 36,786,586</u>	<u>\$3,295,521</u>	<u>\$1,432,857</u>	<u>\$ 42,683,693</u>	<u>\$ 38,219,443</u>

As noted earlier, net position may serve over time as a useful indicator of whether the financial position of the County is improving or deteriorating. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$42,683,693 at June 30, 2021, which is primarily the result of the County's investment in long-lived assets.

Also, the County's financial position increased due to increases in the County's share of State sales taxes and excise tax, government grant revenues and solar field lease revenues, net of an approximately \$3.1 million increase in general government expenses.

Governmental activities capital assets had decreases of \$1,327,411 and business-type activities capital assets had decreases of \$127,913. The governmental activities decrease was attributable to capital asset additions being less than depreciation expense and abandonments of certain construction projects during fiscal year 2021. The business-type activities decrease was caused by capital asset additions being less than depreciation expense. Governmental activities long-term liabilities decreased by \$565,970 and business-type activities long-term liabilities decreased by \$57,646. The governmental activities decrease was primarily due to decreases in bonds payable, net of an increase in the net pension liability. The business-type activities decrease was primarily due to decreases in bonds payable and compensated absences, net of an increase in the net pension liability. Additional information on the County's long-term liabilities can be found in Note 8 of the notes to the financial statements on pages 43-47 of this report.

The decrease in deferred outflows of resources and decrease in deferred inflows of resources of \$255,558 and \$1,673,090, respectively, consist of the changes in estimates and assumptions used to calculate the net pension liability, net of the contributions to the pension plans after the measurement date. Additional information on the County's pension plan activity can be found in Note 10 of the notes to the financial statements on pages 48-72 of this report.

## Management's Discussion and Analysis - Continued

### Government-Wide Financial Analysis - Continued

#### *Changes in Net Position*

The following table indicates the changes in net position for governmental and business-type activities:

	2021 Governmental Activities	2020 Governmental Activities	2021 Business-Type Activities	2020 Business-Type Activities	2021 Total	2020 Total
<u>Revenues</u>						
Program revenues:						
Charges for services	\$ 3,226,124	\$ 4,515,767	\$ 4,721,139	\$ 3,142,368	\$ 7,947,263	\$ 7,658,135
Operating grants & contributions	6,457,571	5,070,734	-	-	6,457,571	5,070,734
Capital grants & contributions	5,723,340	5,059,760	-	-	5,723,340	5,059,760
General revenues:						
Property taxes	5,960,131	5,849,687	-	-	5,960,131	5,849,687
Share of state sales taxes	2,933,053	2,491,452	-	-	2,933,053	2,491,452
Excise tax	6,515,055	5,930,566	-	-	6,515,055	5,930,566
Payments in lieu of taxes	2,213,648	2,231,254	-	-	2,213,648	2,231,254
Vehicle license tax	955,983	771,384	-	-	955,983	771,384
State appropriation	550,050	800,066	-	-	550,050	800,066
Contributions not restricted to specific programs	28,822	281,362	-	-	28,822	281,362
Investment earnings	43,492	94,222	-	-	43,492	94,222
Proceeds from sale of capital assets	8,925	-	-	-	8,925	-
Lease and other revenues	411,555	166,054	810	130,318	412,365	296,372
Transfers	-	92,685	-	(92,685)	-	-
Total revenues	<u>35,027,749</u>	<u>33,354,993</u>	<u>4,721,949</u>	<u>3,180,001</u>	<u>39,749,698</u>	<u>36,534,994</u>
<u>Expenses</u>						
General government	11,096,567	7,914,396	139,121	-	11,235,688	7,914,396
Public safety	12,678,863	11,722,910	-	-	12,678,863	11,722,910
Highways and streets	5,020,144	4,303,865	-	-	5,020,144	4,303,865
Sanitation	575	51,551	41,715	72,371	42,290	123,922
Health	2,673,140	2,724,493	-	-	2,673,140	2,724,493
Welfare	260,626	223,609	-	-	260,626	223,609
Culture and recreation	206,020	227,406	2,459,871	2,522,489	2,665,891	2,749,895
Education	323,210	339,309	-	-	323,210	339,309
Interest on long-term debt	167,018	291,364	218,578	-	385,596	291,364
Total expenses	<u>32,426,163</u>	<u>27,798,903</u>	<u>2,859,285</u>	<u>2,594,860</u>	<u>35,285,448</u>	<u>30,393,763</u>
Change in net position	<u>2,601,586</u>	<u>5,556,090</u>	<u>1,862,664</u>	<u>585,141</u>	<u>4,464,250</u>	<u>6,141,231</u>
Beginning net position, as restated	<u>36,786,586</u>	<u>31,230,496</u>	<u>1,432,857</u>	<u>847,716</u>	<u>38,219,443</u>	<u>32,078,212</u>
Ending net position	<u>\$ 39,388,172</u>	<u>\$ 36,786,586</u>	<u>\$ 3,295,521</u>	<u>\$ 1,432,857</u>	<u>\$ 42,683,693</u>	<u>\$ 38,219,443</u>

## Management's Discussion and Analysis - Continued

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### **Government-Wide Financial Analysis - Continued**

Net position of the governmental activities increased during the year by \$2,601,586. Total revenues increased by \$1,672,756, which is primarily related to an increase in operating grants and contributions of \$1,386,837, an increase in excise taxes of \$584,489, and an increase in state sales taxes of \$441,601, net of a decrease in charges for services of \$1,289,643.

Governmental activities expenses increased from 2020 by a total of \$4,627,260. The expense increase was primarily from an increase in general government expenses of \$3,182,171, primarily due to higher EORP and ASRS pension expense. Additionally, public safety expenses increased by \$955,953 and highways and streets expenses increased by \$716,279, which were partially offset by a decrease in interest on long-term debt expenses of \$124,346.

Business-type activities reported an increase in net position of \$1,862,664. Revenues increased by \$1,541,948, primarily resulting from increased lease revenues in the Solar Field Fund, net of a decrease in charges for services from the Landfill Fund. Expenses increased by \$264,425, primarily due to the inception of bond interest and professional services in the Solar Field Fund.

### **Financial Analysis of the County's Funds**

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

*Governmental funds* – The focus of the County's governmental funds is to provide information of near-term inflows, outflows, and balances of useable resources. Such information is useful in assessing the County's financial requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At June 30, 2021, the County's governmental funds reported combined fund balances of \$10,281,192, an increase of \$1,753,863 in comparison with the prior year.

The General Fund is the County's primary operating fund. At the end of the current fiscal year, the General Fund carried a deficit fund balance of \$4,023,205. Total General Fund revenue increased \$627,167 from 2020 and is primarily the result of an increase in tax revenue of \$468,602, increased intergovernmental revenues of \$331,827 and an increase in miscellaneous revenues of \$50,752. General Fund expenditures decreased by \$1,482,554, resulting primarily from decreases in public safety expenditures of \$1,211,698 and health expenditures of \$289,009.

## Management's Discussion and Analysis - Continued

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### **Financial Analysis of the County's Funds - Continued**

The Road Fund, a major County fund, is used for various road projects within the County. During 2021, the fund experienced an increase in revenues of \$788,443 and an overall decrease of \$45,062 in expenditures.

The Jail District Fund, also a major County fund, is used to report the activity of the County's jail facility. During 2021, the Fund's overall revenues decreased by \$801,505, primarily due to a decreased population of federal inmates, while expenditures decreased by \$52,394. The fund incurred a negative change in fund balance of \$673,401, which led to a deficit fund balance of \$534,018 at year-end.

The Coronavirus Recovery Fund was established during the 2021 fiscal year to account for the first tranche of Coronavirus State and Local Fiscal Recovery Funds (SLFRF) that was received on June 30, 2021. The fund is further discussed in the Economic Factors section on page 14.

The Debt Service Fund was established during the 2012 fiscal year and accounts for unexpended bond proceeds and for a transaction privilege tax levy collected for the purpose of principal and interest repayment on County issued excise tax revenue judgment bonds. The fund had an increase in total excise taxes collected during 2021 of \$278,843 while total interest expense incurred was \$94,440.

Other Governmental funds had an increase in revenues totaling \$453,794, which was primarily due to increases in grant monies, while expenditures increased by \$1,097,024.

The Golf Course Fund, a County enterprise fund, had an increase in revenues totaling \$213,210 due to an increase in golf fees earned. This resulted from an increase in the number of golf players during 2021. Meanwhile, expenses decreased by \$27,591 due to a decrease in personnel costs, net of an increase in supply costs during the year.

The Parks Fund, also a County enterprise fund, had a increase in revenues totaling \$347,874 while expenses increased by \$87,848. The increase in expenses is primarily from increased personnel costs and utility costs during the year.

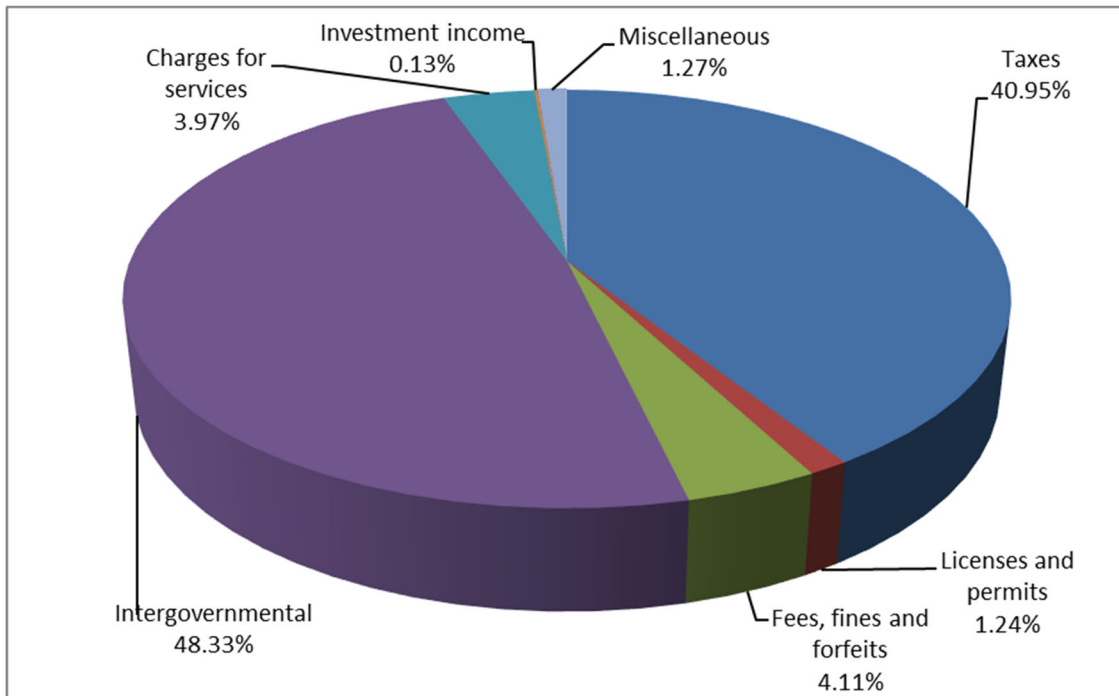
The Landfill Fund, also a County enterprise fund, had a decrease in revenues of \$428,840 due to decreases in tipping fees and the County revenue share, while expenses decreased by \$30,656.

The Solar Field Fund, a County enterprise fund as of May 13, 2020, had an increase in revenues totaling \$1,317,019, and incurred operating expenses of \$139,121 and bond interest costs of \$218,578.

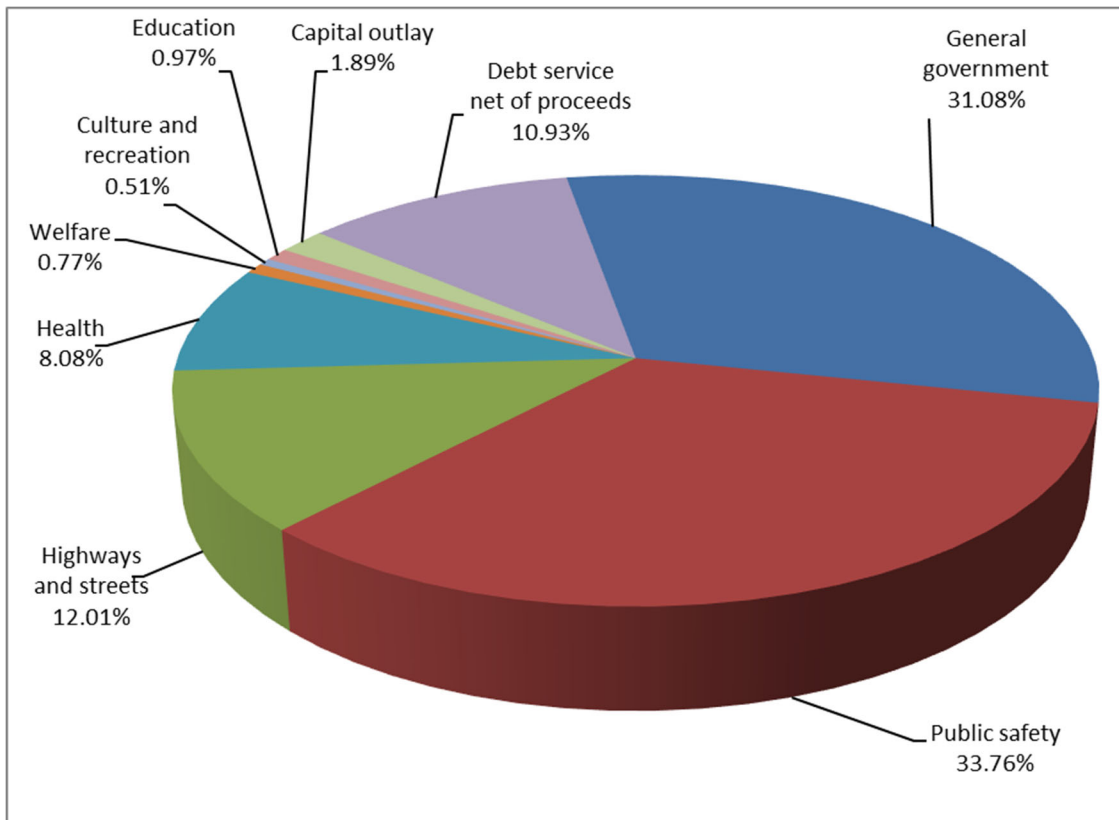
The following graphs present the amount of governmental revenues from various sources and expenditures by function:

## Management's Discussion and Analysis - Continued

### Financial Analysis of the County's Funds – Continued



The composition of revenues saw an increase in taxes, intergovernmental revenue and licenses and permits along with a decrease in charges for services.



## Management's Discussion and Analysis - Continued

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### **Financial Analysis of the County's Funds – Continued**

The composition of 2021 County expenditures changed for general government, which increased to 31.08% of total expenditures, public safety, which increased to 33.76% of total expenditures and highways and streets, which increased to 12.01% of total expenditures. Capital outlay decreased to 1.89% of total expenditures, and debt service net of proceeds decreased to 10.93% of total expenditures.

### **General Fund Budgetary Highlights**

General Fund actual revenues were approximately \$235,000 less than the adopted budget, and actual expenditures were less than estimated expenditures by approximately \$2.3 million.

Tax revenues were greater than the budgeted amount by \$703,442 predominantly due to higher than anticipated real estate taxes and collection of delinquent tax interest. Intergovernmental revenues were less than the budgeted amount by \$101,991, primarily due to less than anticipated grant revenues. Fees, fines and forfeits were less than budget by \$262,760 due to less than anticipated Justice Court fees and fines. Miscellaneous revenues were below budget by \$360,105 due to lower than anticipated Solar Field lease revenues that were budgeted in the General Fund.

The following General Fund departments had variances in actual expenditures from their original (and final) budget by more than ten percent and \$20,000:

#### ***Budget versus actual variances***

- Elections was \$108,367 less than anticipated due to reduced personnel and professional services costs.
- Justice of the Peace #5 was \$39,700 less than anticipated due to a year-to-year increase in the budget while actual expenditures were reduced from the prior year.
- Recorder expenditures were \$40,396 below budget due to lower than anticipated personnel costs.
- Human Resources was \$28,905 below budget due to a year-to-year increase in the budget while actual expenditures were reduced from the prior year.
- Superior Court was \$26,364 below budget due to a substantial year-to-year increase in the budget while actual expenditures were only somewhat greater than the prior year.
- Contingency was \$877,232 below budget due to the County not using it to cover overages in other departments and less than anticipated unbudgeted costs.
- Management Information Services was \$58,024 below the budget, primarily due to implementation of cost controls related to hardware and software purchases, maintenance and consulting fees.
- Finance exceeded the budget by \$133,910, primarily due to the addition of an accounting position and outside payroll processing fees.
- Facilities Management was \$70,356 below budget due to a year-to-year increase in the budget while actual expenditures were only slightly greater than the prior year.
- BLM conveyance land was below budget by \$209,457 due to recording of certain budgeted expenditures in the Solar Field Fund.



## Management's Discussion and Analysis - Continued

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### **General Fund Budgetary Highlights - Continued**

- The County budgeted expenditures of \$101,168 in the General Fund related to Emergency Services but incurred no actual expenditures in 2021.
- Regional dispatch was \$358,348 below budget due to transfers of personnel costs to the Coronavirus Relief Fund.
- The Sheriff was \$829,536 below budget due to transfers of personnel costs to the Coronavirus Relief Fund.
- Juvenile Probation was below budget by \$44,132 due to a year-to-year increase in the budget while actual expenditures were slightly lower than the prior year.
- The County long term care ALTCS exceeded budget by \$652,277 due to greater than anticipated contributions to the Arizona Long-Term Care System.
- Chronically Mentally Ill was \$26,480 greater than budget due to greater than anticipated assisted living costs.
- The Health Department was below budget by \$277,992 primarily due to certain salaries and related expenditures being recorded in other funds.
- Public health emergency preparation was not budgeted but incurred \$78,451 in expenditures related to over-expenditures in grant funds.
- Transfers in were less than budgeted due to no transfers made of surpluses from various funds.
- Transfers out were less than budgeted due to lower than anticipated transfers made to cover the deficit fund balance in various funds.

### ***Budget Modifications***

There were no budget modifications during 2021.

### **Capital Assets and Debt Administration**

#### *Capital Assets*

The County's investment in capital assets as of June 30, 2021 totaled \$62.7 million (net of accumulated depreciation and related debt). This investment in capital assets includes land and land improvements, water rights, gravel and dirt roads, golf course, buildings, machinery and equipment, construction equipment and vehicles, and infrastructure purchased, constructed or donated after July 1, 1982 (the year of the County's inception). The County's net investment in capital assets decreased 1.8% from the prior period.

Additional information on the County's capital assets activity and balances can be found in Note 7 of the notes to the financial statements on pages 41-43 of this report.

## Management's Discussion and Analysis - Continued

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### **Capital Assets and Debt Administration - Continued**

#### *Long-Term Liabilities*

At June 30, 2021, the County had total long-term liabilities outstanding of \$47.2 million. This amount consists primarily of obligations under capital leases of \$0.7 million, \$8.0 million in bonds payable, \$1.2 million of compensated absences payable and \$37.3 million in net pension and other postemployment benefits liabilities.

Additional information on the County's long-term debt can be found in Note 8 of the notes to the financial statements on pages 43-47 of this report.

### **Economic Factors**

- Due to the current economic environment, Jail District revenue has declined, whereas shared revenues received from the State of Arizona have increased, and sales tax revenues have increased.
- The County's General Fund had a net increase in fund balance during Fiscal Year 2021 that slightly decreased the cumulative deficit. On June 30, 2021, the County received federal financial assistance from the State and Local Fiscal Recovery Fund that will be used to fund government operations, thereby reducing the deficit.
- The County completed a land purchase in Fiscal Year 2020 that is a platform for several projects that have begun to generate revenue.
- The County is pursuing an additional land conveyance that is intended to generate additional economic activity.
- The County received Coronavirus State and Local Fiscal Recovery Funds that were used to offset public safety salaries and employee related expenses subsequent to year-end, relieving the General Fund of \$4.1 million in expenditures.
- Subsequent to year-end, the County paid off the Yakima judgment bonds and received a distribution of \$1.4 million, which provided additional economic support.
- Subsequent to year-end, the County was allocated \$9.8 million from the Local Assistance and Tribal Consistency Fund (LATCF), which will provide further economic support.
- The County has taken into consideration the above economic factors in preparing future years' budgets.

### **Requests for Information**

This financial report is designed to provide a general overview of the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the La Paz County Finance Department, 1108 Joshua Avenue, Parker, Arizona 85344.

## **Basic Financial Statements**

**La Paz County**  
**Statement of Net Position**  
**June 30, 2021**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 11,880,688	\$ 1,218,478	\$ 13,099,166
Property taxes receivable	207,378	-	207,378
Internal balances	(2,430,558)	2,430,558	-
Due from others	6,306	332,249	338,555
Due from other governments	2,070,842	-	2,070,842
Cash and cash equivalents restricted for debt service	-	377,738	377,738
Cash and investments held by trustees	3,416,923	-	3,416,923
Prepaid items	104,140	-	104,140
Net other postemployment benefits asset	717,519	4,954	722,473
Capital assets, not being depreciated	43,608,460	4,243,258	47,851,718
Capital assets, being depreciated, net	18,607,626	1,060,113	19,667,739
Total assets	<u>78,189,324</u>	<u>9,667,348</u>	<u>87,856,672</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows related to pensions and other postemployment benefits	7,263,112	253,517	7,516,629
Deferred charge on debt refunding	143,361	-	143,361
Total deferred outflows of resources	<u>7,406,473</u>	<u>253,517</u>	<u>7,659,990</u>
<b>Liabilities</b>			
Accounts payable	968,692	86,408	1,055,100
Accrued liabilities	732,703	72,965	805,668
Interest payable	29,237	-	29,237
Unearned revenue	2,381,174	642,345	3,023,519
Due to:			
Others	154,399	26,334	180,733
Other governments	132,496	-	132,496
Noncurrent liabilities:			
Due within one year	1,801,533	13,249	1,814,782
Due in more than one year	39,624,671	5,772,272	45,396,943
Total liabilities	<u>45,824,905</u>	<u>6,613,573</u>	<u>52,438,478</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows related to pensions and other postemployment benefits	382,720	11,771	394,491
<b>Net Position</b>			
Net investment in capital assets	61,514,401	1,153,371	62,667,772
Restricted for:			
Highways and streets	8,635,318	-	8,635,318
Judicial	1,275,499	-	1,275,499
Public safety	922,865	-	922,865
Health and welfare	2,541,575	-	2,541,575
Debt service	3,679,217	-	3,679,217
Other purposes	1,020,405	-	1,020,405
Unrestricted (deficit)	(40,201,108)	2,142,150	(38,058,958)
Total net position	<u>\$ 39,388,172</u>	<u>\$ 3,295,521</u>	<u>\$ 42,683,693</u>

See the accompanying notes to the financial statements.

**La Paz County**  
**Statement of Activities**  
**Year Ended June 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Primary government:</b>							
Governmental activities							
General government	\$ 11,096,567	\$ 2,461,098	\$ 1,083,346	\$ -	\$ (7,552,123)	\$ -	\$ (7,552,123)
Public safety	12,678,863	566,531	3,238,111	-	(8,874,221)	-	(8,874,221)
Highways and streets	5,020,144	-	743,917	5,723,340	1,447,113	-	1,447,113
Sanitation	575	-	67,654	-	67,079	-	67,079
Health	2,673,140	81,179	1,191,812	-	(1,400,149)	-	(1,400,149)
Welfare	260,626	-	311	-	(260,315)	-	(260,315)
Culture and recreation	206,020	75,742	51,314	-	(78,964)	-	(78,964)
Education	323,210	41,574	81,106	-	(200,530)	-	(200,530)
Interest on long-term debt	167,018	-	-	-	(167,018)	-	(167,018)
Total governmental activities	32,426,163	3,226,124	6,457,571	5,723,340	(17,019,128)	-	(17,019,128)
Business-type activities							
Golf course	1,420,533	1,650,968	-	-	-	230,435	230,435
Parks	1,039,338	1,383,893	-	-	-	344,555	344,555
Landfill	41,715	238,941	-	-	-	197,226	197,226
Solar Field	357,699	1,447,337	-	-	-	1,089,638	1,089,638
Total business-type activities	2,859,285	4,721,139	-	-	-	1,861,854	1,861,854
Total primary government	\$ 35,285,448	\$ 7,947,263	\$ 6,457,571	\$ 5,723,340	(17,019,128)	1,861,854	(15,157,274)
<b>General revenues:</b>							
Property taxes, levied for general purposes					5,940,086	-	5,940,086
Property taxes, levied for special districts					20,045	-	20,045
Excise tax					6,515,055	-	6,515,055
Payments in lieu of taxes					2,213,648	-	2,213,648
Share of state sales taxes					2,933,053	-	2,933,053
Vehicle license tax					955,983	-	955,983
State appropriation					550,050	-	550,050
Contributions not restricted to specific programs					28,822	-	28,822
Investment earnings					43,492	-	43,492
Proceeds from sale of capital assets					8,925	-	8,925
Miscellaneous					411,555	810	412,365
Total general revenues and transfers					19,620,714	810	19,621,524
Changes in net position					2,601,586	1,862,664	4,464,250
Net position - June 30, 2020					36,786,586	1,432,857	38,219,443
Net position - June 30, 2021					\$ 39,388,172	\$ 3,295,521	\$ 42,683,693

See the accompanying notes to the financial statements.

**La Paz County  
Balance Sheet  
Governmental Funds  
June 30, 2021**

	<b>Major Funds</b>						
	<b>General Fund</b>	<b>Road Fund</b>	<b>Jail District Fund</b>	<b>Coronavirus Recovery Fund</b>	<b>Debt Service Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>							
Cash and cash equivalents	\$ 882,205	\$ 8,350,701	\$ 55,720	\$ -	\$ -	\$ 2,592,062	\$ 11,880,688
Cash and investments held by trustees	-	-	-	-	3,416,923	-	3,416,923
Property tax receivable	200,002	-	-	-	-	7,376	207,378
Due from:							
Others	6,306	-	-	-	-	-	6,306
Other governments	320,145	569,259	163,023	-	262,294	756,121	2,070,842
Other funds	1,782,182	10,494	2,876,353	2,049,991	-	279,525	6,998,545
Prepaid items	74,965	500	11,525	-	-	17,150	104,140
Total assets	<u>\$ 3,265,805</u>	<u>\$ 8,930,954</u>	<u>\$ 3,106,621</u>	<u>\$ 2,049,991</u>	<u>\$ 3,679,217</u>	<u>\$ 3,652,234</u>	<u>\$ 24,684,822</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>							
<b>Liabilities:</b>							
Accounts payable	\$ 627,264	\$ 114,679	\$ 103,914	\$ -	\$ -	\$ 122,835	\$ 968,692
Accrued liabilities	485,987	94,790	75,959	-	-	75,967	732,703
Unearned revenue	187,500	-	-	2,049,991	-	143,683	2,381,174
Due to:							
Others	111,243	1,133	32,988	-	-	9,035	154,399
Other governments	106,676	-	-	-	-	25,820	132,496
Other funds	5,596,930	84,534	3,427,778	-	-	319,861	9,429,103
Total liabilities	<u>7,115,600</u>	<u>295,136</u>	<u>3,640,639</u>	<u>2,049,991</u>	<u>-</u>	<u>697,201</u>	<u>13,798,567</u>
<b>Deferred inflows of resources:</b>							
<b>Unavailable revenues:</b>							
Property taxes	173,410	-	-	-	-	431,653	605,063
Total deferred inflows of resources	173,410	-	-	-	-	431,653	605,063
<b>Fund balances:</b>							
<b>Nonspendable:</b>							
Prepaid items	74,965	500	11,525	-	-	17,150	104,140
Restricted	-	8,635,318	-	-	3,679,217	5,760,344	18,074,879
Committed	-	-	-	-	-	1,028,142	1,028,142
Unassigned (deficit)	(4,098,170)	-	(545,543)	-	-	(4,282,256)	(8,925,969)
Total fund balances (deficit)	<u>(4,023,205)</u>	<u>8,635,818</u>	<u>(534,018)</u>	<u>-</u>	<u>3,679,217</u>	<u>2,523,380</u>	<u>10,281,192</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,265,805</u>	<u>\$ 8,930,954</u>	<u>\$ 3,106,621</u>	<u>\$ 2,049,991</u>	<u>\$ 3,679,217</u>	<u>\$ 3,652,234</u>	<u>\$ 24,684,822</u>

See the accompanying notes to the financial statements.

**La Paz County**  
**Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position**  
**June 30, 2021**

Fund balances—total governmental funds		\$ 10,281,192
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$127,095,405 and the accumulated depreciation is \$64,879,319.</p>		62,216,086
Net other postemployment benefits asset is not reported in the governmental funds		717,519
<p>Some of the County's receivables will be collected after year-end, but are not available soon enough to pay for the current-period expenditures, and therefore are deferred in the funds.</p>		605,063
<p>Interest payable on long-term debt is not reported in the governmental funds because it is not due and payable until after year-end.</p>		(29,237)
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.</p>		
Obligations under capital leases	\$ (701,685)	
Compensated absences payable	(1,086,244)	
Net pension/OPEB liability	(36,101,998)	
Bonds payable	(3,536,277)	(41,426,204)
<p>Deferred outflows and inflows of resources related to pensions/OPEB and deferred charges related to bond refunding are applicable to future reporting periods and, therefore, are not reported in the funds.</p>		
Deferred outflows of resources related to pensions/OPEB	7,263,112	
Deferred inflows of resources related to pensions/OPEB	(382,720)	
Deferred outflows on debt refunding	143,361	7,023,753
Net position of governmental activities		\$ 39,388,172

See the accompanying notes to the financial statements.

**La Paz County**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2021**

	<b>Major Funds</b>						<b>Total Governmental Funds</b>
	<b>General Fund</b>	<b>Road Fund</b>	<b>Jail District Fund</b>	<b>Coronavirus Recovery Fund</b>	<b>Debt Service Fund</b>	<b>Other Governmental Funds</b>	
<b>Revenues:</b>							
Taxes	\$ 8,547,712	\$ 720,171	\$ 1,628,867	\$ -	\$ 3,257,333	\$ 20,036	\$ 14,174,119
Licenses and permits	429,026	-	-	-	-	-	429,026
Fees, fines and forfeits	1,413,240	-	-	-	-	9,954	1,423,194
Intergovernmental	5,978,645	5,747,086	-	-	-	5,001,414	16,727,145
Charges for services	450,270	-	443,914	-	-	479,720	1,373,904
Investment earnings	377	24,687	-	-	-	18,428	43,492
Miscellaneous	337,458	52,301	-	-	-	50,617	440,376
Total revenues	17,156,728	6,544,245	2,072,781	-	3,257,333	5,580,169	34,611,256
<b>Expenditures:</b>							
Current:							
General government	9,348,126	-	-	-	-	866,407	10,214,533
Public safety	4,253,129	-	3,214,366	-	-	3,626,787	11,094,282
Highways and streets	-	3,947,335	-	-	-	-	3,947,335
Health	1,694,828	-	-	-	-	959,854	2,654,682
Welfare	184,636	-	-	-	-	68,246	252,882
Culture and recreation	124,660	-	-	-	-	43,944	168,604
Education	251,163	-	-	-	-	67,837	319,000
Capital outlay	210,310	172,245	4,371	-	-	235,634	622,560
Debt service:							
Principal	335,032	-	235,000	-	2,820,000	54,048	3,444,080
Interest and other fiscal charges	28,363	-	12,445	-	94,440	13,112	148,360
Total expenditures	16,430,247	4,119,580	3,466,182	-	2,914,440	5,935,869	32,866,318
Excess (deficiency) of revenues over expenditures	726,481	2,424,665	(1,393,401)	-	342,893	(355,700)	1,744,938
<b>Other financing sources (uses):</b>							
Proceeds from sale of capital assets	6,425	-	-	-	-	2,500	8,925
Transfers in	-	-	720,000	-	-	-	720,000
Transfers out	(720,000)	-	-	-	-	-	(720,000)
Total other financing sources (uses)	(713,575)	-	720,000	-	-	2,500	8,925
Net change in fund balances	12,906	2,424,665	(673,401)	-	342,893	(353,200)	1,753,863
Fund balances (deficit), July 1, 2020	(4,036,111)	6,211,153	139,383	-	3,336,324	2,876,580	8,527,329
Fund balances (deficit), June 30, 2021	<u>\$ (4,023,205)</u>	<u>\$ 8,635,818</u>	<u>\$ (534,018)</u>	<u>\$ -</u>	<u>\$ 3,679,217</u>	<u>\$ 2,523,380</u>	<u>\$ 10,281,192</u>

See the accompanying notes to the financial statements.



**La Paz County**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,**  
**and Changes in Fund Balance to the Government-Wide Statement of Activities**  
**Year Ended June 30, 2021**

Net change in fund balances - total governmental funds		\$ 1,753,863
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for general capital assets	\$ 622,560	
Depreciation expense	<u>(1,585,089)</u>	(962,529)
Expenses previously capitalized as construction in progress were expensed in the current fiscal year.		(364,883)
Collections of revenues in the governmental funds exceeded revenues reported in the Statement of Activities.		(22,779)
Change in deferred inflows of resources related to grant revenue that is not considered available and, therefore, is excluded from fund financial statements.		430,346
Repayment of debt principal is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:		
Notes payable	165,000	
Bonds payable	2,967,048	
Obligations under capital leases	<u>312,032</u>	3,444,080
County pension/OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension/OPEB liability is measured a year before the County's report date. Pension/OPEB expense, which is the change in the net pension/OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the Statement of Activities.		
County pension/OPEB contributions	2,881,595	
State pension contribution	215,110	
Pension/OPEB expense	<u>(4,812,183)</u>	(1,715,478)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Amortization of deferred charge on debt refunding		(66,844)
Some expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:		
Net increase in compensated absences	61,296	
Net decrease in interest accrued on debt obligations	<u>44,514</u>	<u>105,810</u>
Change in net position of governmental activities		<u>\$ 2,601,586</u>

See the accompanying notes to the financial statements.

**La Paz County**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2021**

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Total Enterprise Funds</b>
	<b>Golf Course Fund</b>	<b>Parks Fund</b>	<b>Landfill Fund</b>	<b>Solar Field Fund</b>	
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 98,848	\$ 141,328	\$ 53,673	\$ 924,629	\$ 1,218,478
Due from others	-	258,313	73,936	-	332,249
Due from other funds	461,220	189,138	998,040	782,160	2,430,558
Noncurrent assets:					
Restricted assets:					
Cash and cash equivalents	-	-	-	377,738	377,738
Net other postemployment benefits asset	2,887	2,067	-	-	4,954
Capital assets, not being depreciated	-	93,258	-	4,150,000	4,243,258
Capital assets, being depreciated, net	178,199	425,080	456,834	-	1,060,113
Total assets	741,154	1,109,184	1,582,483	6,234,527	9,667,348
<b>Deferred Outflows</b>					
Deferred outflows related to pensions and other postemployment benefits	147,675	105,842	-	-	253,517
Total deferred outflows	147,675	105,842	-	-	253,517
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	34,348	51,959	-	101	86,408
Accrued payroll and employee benefits	44,366	28,599	-	-	72,965
Unearned revenue	-	-	-	642,345	642,345
Due to others	37	26,297	-	-	26,334
Compensated absences payable, current portion	10,489	2,760	-	-	13,249
Total current liabilities	89,240	109,615	-	642,446	841,301
Noncurrent liabilities:					
Compensated absences payable, net of current portion	64,434	16,957	-	-	81,391
Net pension and other postemployment benefits liability	696,597	499,284	-	-	1,195,881
Revenue bonds payable	-	-	-	4,495,000	4,495,000
Total liabilities	850,271	625,856	-	5,137,446	6,613,573
<b>Deferred Inflows</b>					
Deferred inflows related to pensions and other postemployment benefits	6,859	4,912	-	-	11,771
Total deferred outflows	6,859	4,912	-	-	11,771
<b>Net Position</b>					
Net investment in capital assets	178,199	518,338	456,834	-	1,153,371
Unrestricted (deficit)	(146,500)	65,920	1,125,649	1,097,081	2,142,150
Total net position	<u>\$ 31,699</u>	<u>\$ 584,258</u>	<u>\$ 1,582,483</u>	<u>\$ 1,097,081</u>	<u>\$ 3,295,521</u>

See the accompanying notes to the financial statements.

**La Paz County**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**Year Ended June 30, 2021**

	<b>Business-Type Activities -</b>				<b>Total</b>
	<b>Enterprise Funds</b>				
	<b>Golf</b>	<b>Parks</b>	<b>Landfill</b>	<b>Solar Field</b>	<b>Enterprise</b>
	<b>Course Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Funds</b>
<b>Operating revenues:</b>					
Fees	\$ 1,650,968	\$ 1,383,893	\$ 238,941	\$ 1,447,337	\$ 4,721,139
Other revenue	810	-	-	-	810
Total operating revenues	<u>1,651,778</u>	<u>1,383,893</u>	<u>238,941</u>	<u>1,447,337</u>	<u>4,721,949</u>
<b>Operating expenses:</b>					
Personnel services	678,830	493,554	-	-	1,172,384
Professional services	30,439	19,592	16,683	139,121	205,835
Supplies	430,356	124,914	-	-	555,270
Communications	11,351	44,087	-	-	55,438
Utilities	41,197	246,836	-	-	288,033
Repairs and maintenance	150,849	61,036	-	-	211,885
Depreciation	66,476	49,319	25,032	-	140,827
Other	11,035	-	-	-	11,035
Total operating expenses	<u>1,420,533</u>	<u>1,039,338</u>	<u>41,715</u>	<u>139,121</u>	<u>2,640,707</u>
Operating income	231,245	344,555	197,226	1,308,216	2,081,242
<b>Nonoperating revenues (expenses):</b>					
Interest expense	-	-	-	(218,578)	(218,578)
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(218,578)</u>	<u>(218,578)</u>
Increase in net position	231,245	344,555	197,226	1,089,638	1,862,664
Net position (deficit), July 1, 2020	<u>(199,546)</u>	<u>239,703</u>	<u>1,385,257</u>	<u>7,443</u>	<u>1,432,857</u>
Net position, June 30, 2021	<u>\$ 31,699</u>	<u>\$ 584,258</u>	<u>\$ 1,582,483</u>	<u>\$ 1,097,081</u>	<u>\$ 3,295,521</u>

See the accompanying notes to the financial statements.

**La Paz County**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended June 30, 2021**

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Total Enterprise Funds</b>
	<b>Golf Course Fund</b>	<b>Parks Fund</b>	<b>Landfill Fund</b>	<b>Solar Field Fund</b>	
<b>Cash flows from operating activities:</b>					
Receipts from customers	\$ 1,651,778	\$ 1,263,817	\$ 165,006	\$ 1,185,000	\$ 4,265,601
Payments to suppliers and providers of goods and services	(684,826)	(471,674)	(16,684)	(139,020)	(1,312,204)
Payments for employee wages and benefits	(869,113)	(513,762)	-	-	(1,382,875)
Net cash provided by operating activities	97,839	278,381	148,322	1,045,980	1,570,522
<b>Cash flows from noncapital financing activities:</b>					
Cash transfers to other funds	(47,113)	(124,639)	(94,649)	-	(266,401)
Cash transfers from other funds	-	-	-	252,840	252,840
Net cash provided by (used for) noncapital financing activities	(47,113)	(124,639)	(94,649)	252,840	(13,561)
<b>Cash flows from capital and related financing activities:</b>					
Principal payments on revenue bonds	-	-	-	(130,000)	(130,000)
Interest paid on revenue bonds	-	-	-	(218,578)	(218,578)
Capital asset purchases	-	(12,914)	-	-	(12,914)
Net cash used for capital and related financing activities	-	(12,914)	-	(348,578)	(361,492)
Net change in cash and cash equivalents	50,726	140,828	53,673	950,242	1,195,469
Cash and cash equivalents, July 1, 2020	48,122	500	-	352,125	400,747
Cash and cash equivalents, June 30, 2021	<u>\$ 98,848</u>	<u>\$ 141,328</u>	<u>\$ 53,673</u>	<u>\$ 1,302,367</u>	<u>\$ 1,596,216</u>
<b>Cash and cash equivalents are reported on the statement of net position - proprietary funds according to the following classifications</b>					
Cash and cash equivalents	\$ 98,848	\$ 141,328	\$ 53,673	\$ 924,629	\$ 1,218,478
Restricted cash and cash equivalents	-	-	-	377,738	377,738
Total cash and cash equivalents	<u>\$ 98,848</u>	<u>\$ 141,328</u>	<u>\$ 53,673</u>	<u>\$ 1,302,367</u>	<u>\$ 1,596,216</u>

See the accompanying notes to the financial statements.

**La Paz County**  
**Statement of Cash Flows - Continued**  
**Proprietary Funds**  
**Year Ended June 30, 2021**

	<b>Business-Type Activities - Enterprise Funds</b>				
	<b>Golf Course Fund</b>	<b>Parks Fund</b>	<b>Landfill Fund</b>	<b>Solar Field Fund</b>	<b>Total Enterprise Funds</b>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>					
Operating income	\$ 231,245	\$ 344,555	\$ 197,226	\$ 1,308,216	\$ 2,081,242
<i>Adjustments to reconcile operating income to net cash provided by operating activities:</i>					
Depreciation	66,476	49,319	25,032	-	140,827
Changes in assets, deferred outflows and inflows of resources and liabilities:					
Decrease (increase) in:					
Due from others	-	125,890	-	(300,000)	(174,110)
Net pension and other postemployment benefits asset	(1,571)	(2,030)	-	-	(3,601)
Deferred outflows of resources related to pensions and other postemployment benefits	(64,713)	(61,151)	-	-	(125,864)
Increase (decrease) in:					
Accounts payable	16,418	(233,522)	(73,936)	101	(290,939)
Accrued payroll and employee benefits	(26,017)	1,758	-	-	(24,259)
Unearned revenue	-	-	-	37,663	37,663
Due to others	-	12,347	-	-	12,347
Net pension and other postemployment benefits liability	12,379	107,372	-	-	119,751
Deferred inflows of resources related to pensions and other postemployment benefits	(100,418)	(54,720)	-	-	(155,138)
Compensated absences payable	(35,960)	(11,437)	-	-	(47,397)
Net cash provided by operating activities	<u>\$ 97,839</u>	<u>\$ 278,381</u>	<u>\$ 148,322</u>	<u>\$ 1,045,980</u>	<u>\$ 1,570,522</u>

See the accompanying notes to the financial statements.

**La Paz County**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2021**

	<b>Private Purpose Trust Fund</b>	<b>Custodial Funds</b>		<b>Total Fiduciary Funds</b>
		<b>External Investment Pool</b>	<b>Other Custodial</b>	
<b>Assets</b>				
Cash and investments	\$ 234,009	\$ 19,656,607	\$ 1,430,187	\$ 21,320,803
Property taxes receivable	-	-	724,391	724,391
Total assets	<u>234,009</u>	<u>19,656,607</u>	<u>2,154,578</u>	<u>22,045,194</u>
<b>Net Position</b>				
Restricted for:				
Pool participants	-	19,656,607	-	19,656,607
Individuals, organizations and other governments	<u>234,009</u>	<u>-</u>	<u>2,154,578</u>	<u>2,388,587</u>
Total net position	<u><u>\$ 234,009</u></u>	<u><u>\$ 19,656,607</u></u>	<u><u>\$ 2,154,578</u></u>	<u><u>\$ 22,045,194</u></u>

See the accompanying notes to the financial statements.

**La Paz County**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**Year Ended June 30, 2021**

	Private Purpose Trust Fund	Custodial		Total Fiduciary Funds
		External Investment Pool	Other Custodial	
<b>Additions:</b>				
Contributions from pool participants	\$ -	\$ 54,538,636	\$ -	\$ 54,538,636
Property tax collections for other governments	-	-	20,218,946	20,218,946
Investment earnings	-	67,615	2,087	69,702
Other	632,810	-	4,958,192	5,591,002
Total additions	632,810	54,606,251	25,179,225	80,418,286
<b>Deductions:</b>				
Distributions to pool participants	-	52,091,305	-	52,091,305
Property tax distributions to other governments	-	-	20,294,868	20,294,868
Other	691,346	-	4,502,169	5,193,515
Total deductions	691,346	52,091,305	24,797,037	77,579,688
Net increase (decrease) in fiduciary net position	(58,536)	2,514,946	382,188	2,838,598
Net position, July 1, 2020, as restated	292,545	17,141,661	1,772,390	19,206,596
Net position, June 30, 2021	\$ 234,009	\$ 19,656,607	\$ 2,154,578	\$ 22,045,194

See the accompanying notes to the financial statements.

**La Paz County**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2021**

**Note 1 - Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies**

The accounting policies of La Paz County conform to generally accepted accounting principles applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB).

For the year ended June 30, 2021, the County implemented the provisions of GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying fiduciary activities for accounting and financial reporting purposes. As a result, the County’s fiduciary fund financial statements have been modified to reflect the implementation of this new guidance, including reclassifying activities previously reported in agency funds to custodial or governmental funds, as applicable.

The County’s significant accounting policies are described below:

***A. Reporting Entity***

The County is a general-purpose local government located in southwestern Arizona that was established in 1983. It is governed by a separately elected board of three county supervisors. The accompanying financial statements present the activities of the County (the primary government) and its component units.

Component units are legally separate entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are so intertwined with the County that they are in substance part of the County’s operations. Therefore, data from these units is combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the County. Each blended component unit discussed below has a June 30 year-end. The County has no discretely presented component units.

**The following table describes the County’s component units:**

<b>Component Unit</b>	<b>Description; Criteria for Inclusion</b>	<b>Reporting Method</b>	<b>Separate Financial Statements</b>
Jail District	A tax-levying public improvement district that acquires, constructs, operates, maintains, and finances county jails and jail systems pursuant to Arizona Revised Statutes; All budgetary and operational activities are administered by the La Paz County Board of Supervisors and meet the criteria for a blended component unit.	Blended	Not available



**Notes to the Financial Statements - Continued**

**Note 1 - Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies**  
**- Continued**

<b>Component Unit</b>	<b>Description; Criteria for Inclusion</b>	<b>Reporting Method</b>	<b>Separate Financial Statements</b>
Various Street Lighting Districts	Operates and maintains street lighting in areas outside local city jurisdictions; All budgetary and operational activities are administered by the La Paz County Board of Supervisors and meet the criteria for a blended component unit.	Blended	Not available

Related Organization:

The Industrial Development Authority of La Paz County (Authority) is a legally separate entity that was created to assist in the financing of commercial and industrial enterprises. The Authority fulfills its function through the issuance of tax exempt or taxable revenue bonds. The County's Board of Supervisors appoints the Authority's Board of Directors. The Authority's operations are completely separate from the County and the County is not financially accountable for the Authority. Therefore, the financial activities of the Authority have not been included in the accompanying financial statements.

**B. Basis of Presentation**

The basic financial statements include both government-wide statements and fund financial statements. The government-wide statements focus on the County as a whole, while the fund financial statements focus on major funds. Each presentation provides valuable information that can be analyzed and compared between years and between governments to enhance the usefulness of the information.

**Government-wide statements** — provide information about the primary government (the County) and its component units. The statements include a Statement of Net Position and a Statement of Activities. These statements report the financial activities of the overall government, except for fiduciary activities. They also distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties.

A statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and segments of its business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The County does not allocate indirect expenses to programs or functions. Program revenues include:

- charges to customers or applicants for goods, services, or privileges provided,
- operating and capital grants and contributions, including special assessments.

Revenues that are not classified as program revenues, including internally dedicated resources and all taxes levied or imposed by the County, are reported as general revenues.

## Notes to the Financial Statements - Continued

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### **Note 1 - Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies** **- Continued**

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements to minimize the double counting of internal activities. However, charges for interfund services provided and used are not eliminated if the prices approximate their external exchange values.

**Fund financial statements** — provide information about the County's funds, including fiduciary funds and blended component units. Separate statements are presented for the governmental, proprietary, and fiduciary fund categories. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Fiduciary funds are aggregated and reported by fund type.

Proprietary fund revenues and expenses are classified as either operating or nonoperating. Operating revenues and expenses generally result from transactions associated with the fund's principal activity. Accordingly, revenues, such as golf course fees, in which each party receives and gives up essentially equal values, are operating revenues. Nonoperating revenues, such as investment earnings, result from transactions in which the parties do not exchange equal values. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. Other expenses, such as interest expense, are considered to be nonoperating expenses.

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Road Fund*, a special revenue fund, accounts for monies from Highway User Revenue Fund and Vehicle License Tax that are restricted for road maintenance and operations, pavement preservation, and fleet services.

The *Jail District Fund* was established by La Paz County resolution §89-5845 under the authority of Article 1, Chapter 25, and Title 48, of the Arizona Revised Statutes on November 20, 1989. On June 18, 1990, the Jail District Board of Directors adopted Resolution JD90-12, under the authority of Arizona Revised Statutes §48-4022, establishing a one-half cent excise sales tax effective January 1, 1991, through perpetuity. The Jail District Fund accounts for monies received from excise sales tax revenue that is restricted for debt service, maintenance of effort payments received from the County General Fund and charges for services for prisoner incarceration. The monies are expended for the operating expenditures of the County's jail.

## Notes to the Financial Statements - Continued

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### **Note 1 - Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies** **- Continued**

The *Coronavirus Recovery Fund*, a special revenue fund, accounts for monies from the U.S. Department of the Treasury that are restricted for COVID-19 related recovery activities.

The *Debt Service Fund* accounts for activity pertaining to the County's judgement bonds payable.

The County reports the following major enterprise funds:

The *Golf Course Fund* accounts for the activities and related operations and maintenance of an 18 hole golf course and pro-shop.

The *Parks Fund* accounts for the activities and related operations and maintenance of the County's six public parks.

The *Landfill Fund* accounts for the County's share of the activities and related operations and maintenance of the County landfill and eight transfer stations.

The *Solar Field Fund* accounts for the activities and related operations and maintenance of County land that is leased to a solar energy field developer.

The County reports the following fiduciary fund types:

The fiduciary funds consist of private-purpose trust funds, which account for assets the County's Public Fiduciary holds in trust for the benefit of various parties; and custodial funds, which account for other fiduciary activities, including the pooled assets the County Treasurer holds and invests on behalf of other governmental entities that are not held in trust and the County Treasurer's receipt and distribution of taxes for other governmental entities.

### ***C. Basis of Accounting***

The government-wide, proprietary fund, and fiduciary fund financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Grants and donations are recognized as revenue as soon as all eligibility requirements the provider imposed have been met.

Governmental funds in the fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available.

## Notes to the Financial Statements - Continued

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### **Note 1 - Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies** **- Continued**

The County considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. The County's major revenue sources that are susceptible to accrual are property taxes, sales taxes, licenses and permits, intergovernmental, charges for services, and investment earnings. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they are due and payable. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of general long-term debt and acquisitions under capital lease agreements are reported as other financing sources.

Under the terms of grant agreements, the County funds certain programs by a combination of grants and general revenues. Therefore, when program expenses are incurred, there are both restricted and unrestricted resources available to finance the program. The County applies grant resources to such programs before using general revenues.

#### ***D. Cash and Investments***

For purposes of its statement of cash flows, the County's cash equivalents are considered to be cash on hand, demand deposits, cash and investments held by the County Treasurer, investments in the State Treasurer's local government investment pool, and only those highly liquid investments with a maturity of 3 months or less when purchased.

All investments are stated at fair value.

#### ***E. Inventories***

Purchases of inventory items are recorded at the time of purchase as expenses or expenditures in the funds from which the purchases were made, and because the amounts on hand at June 30, 2021, were immaterial, they are not included in the Statement of Net Position or the Balance Sheet.

#### ***F. Property Tax Calendar***

The County levies real and personal property taxes on or before the third Monday in August that become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May.

A lien assessed against real and personal property attaches on the first day of January preceding assessment and levy.

**Notes to the Financial Statements - Continued**

**Note 1 - Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies**  
**- Continued**

**G. Capital Assets**

Capital assets are reported at actual cost. Donated assets are reported at estimated acquisition value.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements and enterprise funds are as follows:

	<b>Capitalization Threshold</b>	<b>Depreciation Method</b>	<b>Estimated Useful Life</b>
Land	All	N/A	N/A
Gravel and dirt roads	All	N/A	N/A
Water rights	All	N/A	N/A
Land improvements	\$10,000	Straight-line	10-30 years
Infrastructure	10,000	Straight-line	20-75 years
Buildings and improvements	10,000	Straight-line	25-50 years
Improvements other than buildings	5,000	Straight-line	7-30 years
Machinery and equipment	5,000	Straight-line	5-20 years
Golf course and improvements	5,000	Straight-line	30 years

Unlike paved roads, gravel and dirt roads are not depreciated since once they are placed in operation, only annual maintenance is required to keep them operational for an indefinite period.

**H. Deferred Outflows/Inflows of Resources**

The statement of net position and balance sheet include separate sections, as appropriate, for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense or expenditure in future periods.

Deferred inflows of resources represent an acquisition of net position or fund balance that applies to future periods and will be recognized as revenue in future periods.

## Notes to the Financial Statements - Continued

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### **Note 1 - Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies** **- Continued**

#### ***I. Postemployment benefits***

For purposes of measuring the net pension and other postemployment benefits (OPEB) assets and liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the plans' fiduciary net position and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### ***J. Fund balance classifications***

The governmental funds' fund balances are reported separately within classifications based on a hierarchy of the constraints placed on those resources' use. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, and unrestricted, which includes committed, assigned, and unassigned fund balance classifications.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form, such as inventories, or are legally or contractually required to be maintained intact. Restricted fund balances are those that have externally imposed restrictions on their usage by creditors (such as through debt covenants), grantors, contributors, or laws and regulations.

The unrestricted fund balance category is composed of committed, assigned, and unassigned resources. Committed fund balances are self-imposed limitations that the County's Board of Supervisors approved, which is the highest level of decision-making authority within the County. The constraints placed on committed fund balances can only be removed or changed by the Board in a public meeting.

Assigned fund balances are resources constrained by the County's intent to be used for specific purposes, but that are neither restricted nor committed. The Board of Supervisors has authorized the County Manager, Elected Officials and the Finance Director to make the assignments of resources for specific purposes pursuant to resolution by the Board in a public meeting.

The unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not reported in the other classifications. Also, deficits in fund balances of the other governmental funds are reported as unassigned.

**Notes to the Financial Statements - Continued**

**Note 1 - Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies**  
**- Continued**

When an expenditure is incurred that can be paid from either restricted or unrestricted fund balance, it is the County’s policy to use the restricted fund balance first. It is the County’s policy to use committed amounts first when disbursing unrestricted fund balance, followed by assigned amounts, and lastly unassigned amounts.

***K. Investment earnings***

Investment earnings is composed of interest and net changes in the fair value of applicable investments.

***L. Compensated Absences***

Compensated absences payable consist of vacation leave and a calculated amount of sick leave earned by employees based on services already rendered.

Employees may accumulate up to 160 hours of vacation depending on years of service, but any vacation hours in excess of the maximum amount that are unused at year end are forfeited. Upon termination of employment, the County pays all unused and unforfeited vacation benefits to employees. Accordingly, vacation benefits are accrued as a liability in the government-wide and proprietary funds’ financial statements. A liability for these amounts is reported in the governmental funds’ financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal year-end.

Employees may accumulate an unlimited number of sick leave hours. Generally, sick leave benefits provide for ordinary sick pay and are cumulative but are forfeited upon termination of employment. However, employees who accumulate unused sick leave in excess of 384 hours are paid a percentage of the excess unused sick leave based on the number of years of consecutive service with the County; therefore, the excess sick leave is accrued in the government-wide and proprietary funds’ financial statements. A liability for these amounts is reported in the governmental funds’ financial statements only for employees who have resigned or retired by fiscal year-end.

**Note 2 – Change in Accounting Principle**

Net position as of July 1, 2020, has been restated as follows for the implementation of GASB Statement No. 84, *Fiduciary Activities*:

	<b>Investment Trust Funds</b>	<b>Private- Purpose Trust Funds</b>	<b>Custodial Funds</b>	
			<b>External Investment Pool</b>	<b>Other</b>
Net position as previously reported at June 30, 2020	\$ 18,133,901	\$ -	\$ -	\$ -
Prior period adjustment – implementation of GASB 84:				
Reclassification of investment pools	( 18,133,901)		17,141,661	992,240
Reclassification of agency fund activities		292,545	-	780,150
Net position as restated, July 1, 2020	<u>\$ -</u>	<u>\$ 292,545</u>	<u>\$ 17,141,661</u>	<u>\$ 1,772,390</u>

**Notes to the Financial Statements - Continued**

**Note 3 - Stewardship, Compliance, and Accountability**

Eight (8) General Fund departments had an excess of actual expenditures over appropriations. General Fund departments with expenditures in excess of appropriations are caused mainly by excess expenditures for which budget modifications were not made. To resolve future excesses, the County has retained outside consultants to assist in fiscal year 2022 and 2023 budget preparation, as well as a grants management program, and the County intends to implement additional procedures to monitor the budget versus actual results.

**Deficit fund balances** — At June 30, 2021, the following governmental funds reported deficit fund balances exceeding \$50,000:

<b>Fund</b>	<b>Deficit</b>
<b>Governmental funds:</b>	
General Fund	\$ 4,023,205
Jail District Fund	534,018
Uncollectible grants fund	430,346
Emergency Services	235,581
Drug, Gang, Violent Crime Grant – Task Force	204,442
Buckskin Sanitary District Debt Service	201,480
FY20 ACJC TF DC-21-008	188,733
Workforce Investment	159,783
Centennial Library	149,875
Boat Patrol - AZ GFD	137,217
Bio Terrorism	123,974
ADEM HMGP	120,319
HIDTA Grant	115,488
Drug, Gang, Violent Crime Grant – County Attorney	105,465
Statewide Fiscal Stabilization Funds	97,597
County Anti-Racketeering	97,136
EMPG FFY19 Emergency Services	95,206
FY20 Covid 19 PHEP ADHS17-121993-A7	93,277
Solar Field Reserve Bond Fund	89,090
Highway Safety Grant	79,932
County Attorney RICO Expense Fund	74,511
AZ Game & Fish Boating Grant	70,606
Arizona Antitheft Vehicle Authority	69,378
Criminal Justice Enhancement Fund	69,334
GIITEM Grant	61,813
Animal Control	60,543
COVID-19	57,754
Deferred Prosecution Fees	57,089
Adult Education - Ella/Civics - Federal	56,659
Anti-Meth Initiative Grant	55,096
Juvenile Division Fund Intake	53,938
FY20 Tran E86-0445604-401-01-20	51,273

The above fund deficits resulted from operations during the year or carryovers from prior years and are expected to be settled by future transfers between funds including, if necessary, the General Fund.



**Notes to the Financial Statements - Continued**

**Note 4 - Fund Balance Classifications of the Governmental Funds**

The fund balance categories and classifications for governmental funds as of June 30, 2021, were as follows:

	<b>Major Funds</b>					<b>Other Governmental Funds</b>	<b>Total</b>
	<b>General Fund</b>	<b>Road Fund</b>	<b>Jail District Fund</b>	<b>Coronavirus Recovery Fund</b>	<b>Debt Service Fund</b>		
<b>Fund balances:</b>							
Nonspendable	\$ 74,965	\$ 500	\$ 11,525	\$ -	\$ -	\$ 17,150	\$ 104,140
Restricted for:							
Education	-	-	-	-	-	608,749	608,749
Health	-	-	-	-	-	2,070,065	2,070,065
Highways and streets	-	8,635,318	-	-	-	-	8,635,318
Judicial	-	-	-	-	-	1,275,499	1,275,499
Public safety	-	-	-	-	-	922,865	922,865
Transit	-	-	-	-	-	206,558	206,558
Water and sanitation	-	-	-	-	-	127,291	127,291
Welfare	-	-	-	-	-	471,510	471,510
Debt service	-	-	-	-	3,679,217	-	3,679,217
Other purposes	-	-	-	-	-	77,807	77,807
Total restricted	-	8,635,318	-	-	3,679,217	5,760,344	18,074,879
Committed to:							
Judicial	-	-	-	-	-	989,564	989,564
Welfare	-	-	-	-	-	5,190	5,190
Other	-	-	-	-	-	33,388	33,388
Total committed	-	-	-	-	-	1,028,142	1,028,142
Unassigned (deficit)	(4,098,170)	-	(545,543)	-	-	(4,282,256)	(8,925,969)
Total fund balances	<u>\$ (4,023,205)</u>	<u>\$ 8,635,818</u>	<u>\$ (534,018)</u>	<u>\$ -</u>	<u>\$ 3,679,217</u>	<u>\$ 2,523,380</u>	<u>\$ 10,281,192</u>

**Note 5 - Deposits and Investments**

Arizona Revised Statutes (A.R.S.) authorize the County to invest public monies in the State Treasurer’s investment pool; obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations, or instrumentalities; specified state and local government bonds, notes and other evidence of indebtedness; interest-earning investments such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; specified commercial paper issued by corporations organized and doing business in the United States; specified bonds, debentures, notes, and other evidence of indebtedness that are denominated in United States dollars; and certain open-end and closed-end mutual funds, including exchange traded funds. In addition, the County Treasurer may invest trust funds in certain fixed income securities of corporations doing business in the United States or District of Columbia.

## Notes to the Financial Statements - Continued

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### **Note 5 - Deposits and Investments - Continued**

#### *Credit risk*

Statutes have the following requirements for credit risk:

1. Commercial paper must be of prime quality and be rated within the top two ratings by a nationally recognized rating agency.
2. Specified bonds, debentures, notes, and other evidences of indebtedness that are denominated in United States dollars must be rated "A" or better, at the time of purchase, by at least two nationally recognized rating agencies.
3. Fixed income securities must carry one of the two highest ratings by Moody's investors service and Standard and Poor's rating service. If only one of the above-mentioned services rates the security, it must carry the highest rating of that service.

*Custodial credit risk* - Statutes require collateral for deposits at 102 percent of all deposits not covered by federal depository insurance.

*Concentration of credit risk* - Statutes do not include any requirements for concentration of credit risk.

*Interest rate risk* - Statutes require that public monies invested in securities and deposits have a maximum maturity of 5 years. The maximum maturity for investments in repurchase agreements is 180 days.

*Foreign currency risk* - Statutes do not allow foreign investments unless the investment is denominated in United States dollars.

*Deposits* - At June 30, 2021, the carrying amount of the County's total cash in the bank was \$24,334,861 and the bank balance was \$25,626,743. All County deposits are collateralized for the amount not covered by depository insurance.

**Notes to the Financial Statements - Continued**

**Note 5 - Deposits and Investments - Continued**

*Investments* - The County had total investments of \$13,788,738 at June 30, 2021. The County categorizes certain investments measured at fair value within the fair value hierarchy established by generally accepted accounting principles as follows:

	<u>Amount</u>	<u>Fair value measurement using</u>		
		<u>Quoted Prices in active markets for identical assets (Level 1)</u>	<u>Significant other observable inputs (Level 2)</u>	<u>Significant unobservable inputs (Level 3)</u>
U.S. agency securities	\$ 10,164,289	\$ 10,164,289	\$ -	\$ -
U.S. government money market funds	3,624,449	3,624,449	-	-
<b>Total investments</b>	<b>\$ 13,788,738</b>	<b>\$ 13,788,738</b>	<b>\$ -</b>	<b>\$ -</b>

Investments categorized as Level 1 are valued using prices quoted in active markets for those investments.

*Credit risk* - The County does not have a formal investment policy with respect to credit risk. However, the credit risk for the County's investments was as follows:

<u>Investment Type</u>	<u>Rating</u>	<u>Rating Agency</u>	<u>Amount</u>
U.S. agency securities	Aaa	Moody's	\$ 10,164,289
U.S. government money market funds	Aaa	Moody's	3,624,449
			<u>\$ 13,788,738</u>

*Interest rate risk* - The County does not have a formal policy regarding interest rate risk. At June 30, 2021, the County had the following investments in debt securities:

<u>Investment Type</u>	<u>Amount</u>	<u>Investment Maturities</u>	
		<u>Less than 1 Year</u>	<u>1-5 Years</u>
U.S. agency securities	\$ 10,164,289	\$ 6,712,597	\$ 3,451,692
U.S. government money market	3,624,449	3,624,449	-
	<u>\$ 13,788,738</u>	<u>\$ 10,337,046</u>	<u>\$ 3,451,692</u>

**Notes to the Financial Statements - Continued**

**Note 5 - Deposits and Investments - Continued**

A reconciliation of cash and investments to amounts shown on the Statements of Net Position follows:

	<b>County Treasurer's Investment Pool</b>	<b>Other</b>	<b>Total</b>
Cash on hand	\$ 84,426	\$ 6,605	\$ 91,031
Carrying amount of deposits	23,070,886	1,263,975	24,334,861
Reported amount of investments	10,371,815	3,416,923	13,788,738
<b>Total</b>	<b>\$ 33,527,127</b>	<b>\$ 4,687,503</b>	<b>\$ 38,214,630</b>

A reconciliation of cash, deposits, and investments to amounts shown on the Statements of Net Position as follows:

	<b>Govern- mental Activities</b>	<b>Business- Type Activities</b>	<b>Private- Purpose Trust Funds</b>	<b>Custodial Funds</b>		<b>Total</b>
				<b>External Investment Pools</b>	<b>Other Custodial Funds</b>	
Cash and cash equivalents	\$ 11,880,688	\$ 1,218,478	\$ 234,009	\$ 19,656,607	\$ 1,430,187	\$ 34,419,969
Cash restricted for debt service	-	377,738	-	-	-	377,738
Cash and investments held by trustee	3,416,923	-	-	-	-	3,416,923
	<b>\$ 15,297,611</b>	<b>\$ 1,596,216</b>	<b>\$ 234,009</b>	<b>\$ 19,656,607</b>	<b>\$ 1,430,187</b>	<b>\$ 38,214,630</b>

**Note 6 - County Treasurer's Investment Pool**

Arizona Revised Statutes require community colleges, school districts, and other local governments to deposit certain public monies with the County Treasurer. The Treasurer has a fiduciary responsibility to administer those and the County's monies under her stewardship. The Treasurer invests, on a pool basis, all idle monies not specifically invested for a fund or program. In addition, the Treasurer determines the fair value of those pooled investments annually at June 30.

The County Treasurer's investment pool is not registered with the Securities and Exchange Commission as an investment company, and there is no regulatory oversight of its operations. The pool's structure does not provide for shares, and the County has not provided or obtained any legally binding guarantees to support the value of the participants' investments. The Treasurer allocates interest earnings to each of the pool's participants.

**Notes to the Financial Statements - Continued**

**Note 6 - County Treasurer's Investment Pool - Continued**

The County's deposits and investments are included in the County Treasurer's investment pool, except for \$6,605 of cash on hand, \$1,263,977 of deposits held in bank and \$3,416,923 held in U.S. government money market funds. Therefore, deposit and investment risks of the Treasurer's investment pool are substantially the same as the County's deposit and investment risks. See Note 5 for disclosure of the County's deposit and investment risks.

Details of each major asset classification follow:

<u>Investment Type</u>	<u>Principal</u>	<u>Interest Rate(s)</u>	<u>Maturities</u>	<u>Fair Value</u>
U.S. agency securities	\$ 10,040,000	1.38% to 2.88%	1 - 5 years	\$ 10,371,815
Cash on hand				84,426
Deposits	N/A	N/A	N/A	<u>23,070,886</u>
				<u>\$ 33,527,127</u>

A condensed statement of the investment pool's net position and changes in net position follows:

**Statement of Fiduciary Net Position**

Assets	<u>\$ 33,527,127</u>
Net position	<u>\$ 33,527,127</u>
Net position held for:	
Internal participants	\$ 13,870,520
External participants	<u>19,656,607</u>
Total net position	<u>\$ 33,527,127</u>

**Statement of Changes in Fiduciary Net Position**

Total additions	\$ 107,378,592
Total deductions	<u>(100,413,436)</u>
Net increase	6,965,156
Net position:	
July 1, 2020	<u>26,561,971</u>
June 30, 2021	<u>\$ 33,527,127</u>

**Notes to the Financial Statements - Continued**

**Note 7 - Capital Assets**

Capital asset activity for the year ended June 30, 2021, was as follows:

	<b>Primary Government</b>			<b>Balance June 30, 2021</b>
	<b>Balance July 1, 2020</b>	<b>Increases</b>	<b>Decreases</b>	
<b>Governmental activities:</b>				
<i>Capital assets</i>				
<i>not being depreciated:</i>				
Land	\$ 687,166	\$ -	\$ -	\$ 687,166
Water rights	1,096,646	-	-	1,096,646
Gravel and dirt roads	41,460,031	-	-	41,460,031
Construction in progress	729,084	90,791	(455,258)	364,617
Total capital assets, not being depreciated	43,972,927	90,791	(455,258)	43,608,460
<i>Capital assets being depreciated:</i>				
Land improvements	63,554	-	-	63,554
Building and improvements	16,740,041	56,258	-	16,796,299
Machinery and equipment	16,169,639	475,512	(62,567)	16,582,584
Improvements other than buildings	435,325	-	-	435,325
Infrastructure	49,518,808	90,375	-	49,609,183
Total capital assets being depreciated	82,927,367	622,145	(62,567)	83,486,945
Total	126,900,294	712,936	(517,825)	127,095,405
<i>Less accumulated depreciation for:</i>				
Land improvements	30,430	8,232	-	38,662
Buildings and improvements	8,623,295	511,956	-	9,135,251
Machinery and equipment	14,416,220	567,141	(62,567)	14,920,794
Improvements other than buildings	216,089	26,002	-	242,091
Infrastructure	40,070,763	471,758	-	40,542,521
Total	63,356,797	1,585,089	(62,567)	64,879,319
Total capital assets being depreciated, net	19,570,570	(962,944)	-	18,607,626
Governmental activities capital assets, net	<u>\$ 63,543,497</u>	<u>\$ (872,153)</u>	<u>\$ (455,258)</u>	<u>\$ 62,216,086</u>

**Notes to the Financial Statements - Continued**

**Note 7 - Capital Assets – Continued**

	<b>Primary Government</b>			<b>Balance June 30, 2021</b>
	<b>Balance July 1, 2020</b>	<b>Increases</b>	<b>Decreases</b>	
<b>Business-type activities:</b>				
<i>Capital assets</i>				
<i>not being depreciated:</i>				
Land	\$ 4,150,000	\$ -	\$ -	\$ 4,150,000
Construction in progress	87,211	6,047	-	93,258
Total capital assets, not being depreciated	4,237,211	6,047	-	4,243,258
<i>Capital assets being depreciated:</i>				
Golf course and improvements	2,848,510	-	-	2,848,510
Land improvements	519,771	-	-	519,771
Building and improvements	765,665	-	-	765,665
Improvements other than buildings	533,682	6,867	-	540,549
Machinery and equipment	1,567,705	-	-	1,567,705
Total capital assets being depreciated	6,235,333	6,867	-	6,242,200
<i>Less accumulated depreciation for:</i>				
Golf course and improvements	2,804,743	5,081	-	2,809,824
Land improvements	35,510	25,670	-	61,180
Buildings and improvements	474,237	20,735	-	494,972
Improvements other than buildings	392,993	14,472	-	407,465
Machinery and equipment	1,333,777	74,869	-	1,408,646
Total	5,041,260	140,827	-	5,182,087
Total capital assets being depreciated, net	1,194,073	(133,960)	-	1,060,113
Business-type activities capital assets, net	\$ 5,431,284	\$ (127,913)	\$ -	\$ 5,303,371

**Notes to the Financial Statements - Continued**

**Note 7 - Capital Assets – Continued**

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 302,596
Public safety	506,164
Highways and streets	707,926
Health	18,458
Welfare	7,744
Sanitation	575
Culture and recreation	37,416
Education	4,210
Total governmental activities depreciation expense	\$ 1,585,089
Business-type activities:	
Culture and recreation – Golf Course	\$ 66,476
Culture and recreation – Parks	49,319
Sanitation – Landfill	25,032
Total business-type activities depreciation expense	\$ 140,827

**Note 8 - Long-Term Liabilities**

The following schedule details the County’s long-term liability and obligation activity for the year ended June 30, 2021:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Due within 1 year
<b>Governmental activities</b>					
Notes payable	\$ 165,000	\$ -	\$ 165,000	\$ -	\$ -
Bonds payable	6,503,325	-	2,967,048	3,536,277	1,655,000
Obligations under capital leases	1,013,716	-	312,031	701,685	37,910
Compensated absences payable	1,147,540	1,086,244	1,147,540	1,086,244	108,623
Net pension and other					
postemployment benefits liability	33,162,593	2,939,405	-	36,101,998	-
Governmental activities					
long-term liabilities	\$ 41,992,174	\$ 4,025,649	\$ 4,591,619	\$ 41,426,204	\$ 1,801,533
<b>Business-type activities</b>					
Bonds payable	\$ 4,625,000	\$ -	\$ 130,000	\$ 4,495,000	\$ -
Compensated absences payable	142,037	94,640	142,037	94,640	13,249
Net pension and other					
postemployment benefits liability	1,076,130	119,751	-	1,195,881	-
Business-type activities					
long-term liabilities	\$ 5,843,167	\$ 214,391	\$ 272,037	\$ 5,785,521	\$ 13,249



## Notes to the Financial Statements - Continued

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### **Note 8 - Long-Term Liabilities – Continued**

#### **Notes Payable**

In August 2008, the County entered into a financing agreement for the purchase of Colorado River water rights. In August 2012, the obligation was refinanced at \$1,015,000 in which the original interest rate of 7.75% per annum decreased to 4% per annum and the maturity date was extended from July 2018 to July 2021. The note balance was paid in full in fiscal year 2021.

Pursuant to this agreement, the County has pledged General Fund transaction privilege taxes. For the current year, principal and interest paid on the note was \$171,600 and the total pledged transaction privilege tax revenues was \$1,497,823.

#### **Capital leases**

The County has acquired jail facilities and equipment under the provisions of various long-term lease agreements classified as capital leases for accounting purposes because they provide for a bargain purchase option or a transfer of ownership by the end of the lease term.

During 2013, the County refinanced a capital lease obligation originally entered into in 2007 to expand the County's jail facility. The obligation was refinanced under a lease purchase agreement on August 23, 2012, at \$1,585,000. The interest rate decreased from 4.6% per annum to 2.62% per annum and the maturity date was extended from July 2019 to July 2022, with principal and interest payments due biannually. The outstanding balance on this obligation was \$240,000 at June 30, 2021.

During 2015, the County entered into a lease purchase agreement to finance solar panels in the amount of \$489,121. The lease term extends through fiscal year 2033 with principal and interest paid monthly. Interest on the obligation accrues at 3%. The outstanding balance on this obligation was \$377,496 at June 30, 2021.

During 2018, the County entered into a lease purchase agreement to finance election equipment in the amount of \$146,762. The lease term ended in fiscal year 2021 with principal and interest paid annually. Interest on the obligation accrued at 9.98%.

During 2018, the County entered into a lease purchase agreement to finance radios for police communications in the amount of \$140,054. The lease term extends through fiscal year 2025 with principal and interest paid annually. Interest on the obligation accrues at 3.5%. The outstanding balance on this obligation was \$84,189 at June 30, 2021.

**Notes to the Financial Statements - Continued**

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**Note 8 - Long-Term Liabilities – Continued**

The following schedule details debt service requirements to maturity for the County’s capital leases payable at June 30, 2021:

<b>Year Ending June 30,</b>	<b>Governmental Activities</b>
2022	\$ 55,525
2023	295,525
2024	52,381
2025	52,381
2026	29,433
2027-2031	147,165
2032-2033	184,951
Total minimum lease payments	817,361
Less amount representing interest	115,676
Present value of net minimum lease payments	\$ 701,685

The assets acquired through capital leases are as follows:

	<b>Governmental Activities</b>
Jail facility	\$ 2,051,038
Infrastructure	489,121
Machinery and equipment	286,816
Less: accumulated depreciation	1,249,945
Carrying value	\$ 1,577,030

The Jail District has pledged the maintenance of effort payments from the County’s general fund to the Jail District and voter approved excise tax for the payment of the debt service on the lease through 2020. Principal payments and interest expense incurred on this debt during 2021 totaled \$247,445 while voter approved excise taxes and maintenance of effort revenues were \$1,628,856 and \$720,000, respectively. Annual principal and interest payments on the lease are expected to require 15% of total pledged revenue.

**Notes to the Financial Statements - Continued**

**Note 8 - Long-Term Liabilities – Continued**

**Bonds payable** – The bonds issued by the County are described as follows:

<u>Description</u>	<u>Original Amount</u>	<u>Maturity Range</u>	<u>Interest Rates</u>	<u>Outstanding Principal</u>
Excise Tax Revenue Judgement Bonds, Series 2016 A (Tax Exempt)	\$13,760,000	2016- 2025	1.2% to 2.25%	\$ 3,295,000
Excise Tax Revenue Buckskin Sanitary District Utility Project (Taxable)	\$ 489,494	2017- 2025	4.44%	<u>241,277</u>
Total bonds payable – governmental activities				<u>\$ 3,536,277</u>
Excise Tax Revenue Solar Field Fund (Taxable) – Direct Placement	\$ 4,625,000	2022- 2041	4.17%	<u>\$ 4,495,000</u>
Total bonds payable – business-type activities				<u>\$ 4,495,000</u>

On September 12, 2011, the County’s Board of Supervisors authorized a levy of excise tax to be collected until all debt service costs have been paid relating to the County's judgement bonds. On July 12, 2016, the County refunded the bonds in the amount of \$13,760,000 with interest rates ranging from 1.2% to 2.25% and maturing between 2016 and 2025. The 2011 Series bonds were then redeemed as part of the refunding. Annual principal and interest payments are expected to require 100% of total pledged transaction privilege tax revenues specifically assessed for this debt. During 2021, \$3,257,333 was levied and collected for these bonds.

On September 4, 2015, the County issued excise tax revenue bonds to finance the cost for the Buckskin Sanitary District Utility Project.

On May 13, 2020, the County made a direct placement of excise tax revenue bonds to finance the cost of the land purchase for the Solar Field Project. Total bonds payable – business-type activities in the above table relates to this direct placement.

**Notes to the Financial Statements - Continued**

**Note 8 - Long-Term Liabilities – Continued**

The following schedule details debt service requirements to maturity for the County’s bonds payable at June 30, 2021:

<b>Year Ending June 30</b>	<b>Governmental Activities</b>		<b>Business-type Activities (Direct Placement)</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2022	\$ 1,655,000	\$ 134,704	\$ -	\$ 93,721
2023	1,696,447	109,200	160,000	184,105
2024	58,954	73,948	165,000	177,329
2025	61,571	10,578	175,000	170,240
2026	64,305	1,428	180,000	162,839
2027-2031	-	-	1,025,000	691,907
2032-2036	-	-	1,250,000	455,573
2037-2041	-	-	1,540,000	165,757
<b>Total</b>	<b>\$ 3,536,277</b>	<b>\$ 329,858</b>	<b>\$ 4,495,000</b>	<b>\$ 2,101,471</b>

**Line of credit** – The County entered into a revolving line of credit agreement on July 1, 2017. The revolving line of credit is renewed annually and the total unused amount for the County during 2021 was \$2,000,000.

**Landfill closure and postclosure care costs** - The County has contracted with an outside agency to provide operations for its solid waste facilities. The contract requires the outside agency to reserve funds in accordance with the closure plan for closure and postclosure care costs. In the event of termination of the contract, the required reserve funds are to be remitted to the County. Consequently, no liability for landfill closure and postclosure care costs has been recorded on the Statement of Net Position.

**Compensated absences** - Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs. During fiscal year 2021, the County paid for compensated absences as follows: 57 percent from the general fund, 28 percent from major funds, and 15 percent from other funds.

**Note 9 - Risk Management**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss the County joined and is covered by three public entity risk pools: the Arizona Counties Property and Casualty Pool, the Arizona Counties Workers’ Compensation Pool and the Arizona Local Government Employee Benefit Trust, which are described below.

## Notes to the Financial Statements - Continued

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### **Note 9 - Risk Management – Continued**

The Arizona Counties Property and Casualty Pool is a public entity risk pool currently composed of 13 member counties. The pool provides member counties catastrophic loss coverage for risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; cyber security; and natural disasters; and provides risk management services. Such coverage includes all defense costs as well as the amount of any judgment or settlement. The County is responsible for paying a premium, based on its exposure in relation to the exposure of the other participants, and a deductible of \$5,000 per occurrence for property claims and \$5,000 per occurrence for liability claims.

The County is also responsible for any payments in excess of the maximum coverage of \$300 million per occurrence for property claims and \$15 million per occurrence for liability claims. However, lower limits apply to certain categories of losses. A county must participate in the pool at least 3 years after becoming a member; however, it may withdraw after the initial 3-year period.

The Arizona Counties Workers' Compensation Pool is a public entity risk pool currently composed of 13 member counties. The pool provides member counties with workers' compensation coverage, as required by law, and risk management services. The County is responsible for paying a premium, based on an experience rating formula that allocates pool expenditures and liabilities among the members.

The Arizona Local Government Employee Benefit Trust is a public entity risk pool currently composed of nine member entities. The pool provides member entities with health, prescription, dental, vision, life, short-term disability, and accidental death benefits for the entities' employees and their dependents. The County is responsible for paying a premium based on enrolled employees and dependents.

The Arizona Counties Property and Casualty Pool, the Arizona Counties Workers' Compensation Pool, and the Arizona Local Government Employee Benefit Trust receive independent audits annually and an audit by the Arizona Department of Insurance every 5 years. All pools accrue liabilities for losses that have been incurred but not reported. These liabilities are determined annually based on an independent actuarial valuation. If a pool were to become insolvent, the County would be assessed an additional contribution.

### **Note 10 – Pensions and Other Postemployment Benefits**

The County contributes to the Arizona State Retirement System (ASRS), the Corrections Officer Retirement Plan, consisting of La Paz County Detention Officers and Administrative Office of the Courts (CORP AOC), the Public Safety Personnel Retirement System (PSPRS), consisting of La Paz County Sheriffs and La Paz County Attorney Investigators, and the Elected Officials Retirement Plan (EORP). The plans are component units of the State of Arizona.

**Notes to the Financial Statements - Continued**

**Note 10 – Pensions and Other Postemployment Benefits – Continued**

At June 30, 2021, the County reported the following aggregate amounts related to pensions and other postemployment benefits (OPEB) for all plans to which it contributes:

<b>Statement of Net Position and Statement of Activities</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Net pension and OPEB asset	\$ 717,519	\$ 4,954	\$ 722,473
Net pension and OPEB liability	36,101,998	1,195,881	37,297,879
Deferred outflows of resources related to pensions and OPEB	7,263,112	253,517	7,516,629
Deferred inflows of resources related to pensions and OPEB	382,720	11,771	394,491
Pension and OPEB expense	3,725,818	1,020,073	4,745,891

The County’s accrued payroll and employee benefits includes \$40,492 of outstanding pension and OPEB contribution amounts payable to all plans for the year ended June 30, 2021. Also, the County reported \$2,881,595 of pension and OPEB contributions as expenditures in the governmental funds related to all pension plans to which it contributes.

**A. Arizona State Retirement System**

**Plan description** - County employees not covered by the other pension plans described below participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at [www.azasrs.gov](http://www.azasrs.gov).

**Benefits provided** - The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

**Notes to the Financial Statements - Continued**

**Note 10 - Pensions and Other Postemployment Benefits – Continued**

	Retirement initial membership date	
	<i>Before July 1, 2011</i>	<i>On or after July 1, 2011</i>
Years of service and age required to receive benefits	Sum of years and age equals 80 10 years, age 62 5 years, age 50* any years, age 65	30 years, age 55 25 years, age 60 10 years, age 62 5 years, age 50* Any years, age 65
Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

\* With actuarially reduced benefits

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earning. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member’s death. For retired members, the survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member’s account balance that includes the member’s contribution and employer’s contributions, plus interest earned.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents. For members with 5 to 9 years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

Active members are eligible for a monthly long-term disability benefit equal to two-thirds of monthly earnings. Members receiving benefits continue to earn service credit up to their normal retirement dates. Members with long-term disability commencement dates after June 30, 1999, are limited to 30 years of service or the service on record as of the effective disability date if their service is greater than 30 years.

**Notes to the Financial Statements - Continued**

**Note 10 - Pensions and Other Postemployment Benefits – Continued**

**Contributions** — In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2021, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.22 percent (12.04 percent for retirement and 0.18 percent for long-term disability) of the members' annual covered payroll, and the County was required by statute to contribute at the actuarially determined rate of 12.22 percent (11.65 percent retirement, .39 percent for health insurance premiums and .18 percent for long-term disability) of the active members' annual covered payroll. The County's contributions to pension, health insurance premium benefit, and long-term disability plan for the year ended June 30, 2021, were \$968,622, \$16,937, and \$14,729, respectively.

During fiscal year 2021, the County paid for ASRS pension and OPEB contributions as follows: 55.3 percent from the General Fund, 26.5 percent from major funds, and 18.1 percent from other funds.

**Liability** – At June 30, 2021, the County reported the following assets and liabilities for its proportionate share of the ASRS' net pension/OPEB asset or liability.

<b>ASRS</b>	<b>Net pension/OPEB (asset) liability</b>
Pension	\$ 12,088,713
Health insurance premium benefit	(50,303)
Long-term disability	53,459

The net assets and net liabilities were measured as of June 30, 2020. The total liability used to calculate the net asset or liability was determined using updated procedures to roll forward the total liability from an actuarial valuation as of June 30, 2019, to the measurement date of June 30, 2020. The County's proportion of the net asset or net liability was based on the County's actual contributions to the plan relative to the total of all employers' contributions for the year ended June 30, 2020. The County's proportions measured as of June 30, 2020, and the change from its proportions measured as of June 30, 2019, were:

<b>ASRS</b>	<b>Proportion June 30, 2020</b>	<b>Increase (decrease) from June 30, 2019</b>
Pension	0.06977%	0.00205
Health insurance premium benefit	0.07105%	0.00213
Long-term disability	0.07047%	0.00196



**Notes to the Financial Statements - Continued**

**Note 10 - Pensions and Other Postemployment Benefits – Continued**

**Expense** – For the year ended June 30, 2021, the County recognized the following pension and OPEB expense.

<u>Expense</u>	<u>Pension/OPEB expenses</u>
Pension	\$ 373,509
Health insurance premium benefit	16,183
Long-term disability	16,429

**Deferred Outflows / Inflows of Resources** – At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	<u>Pension</u>		<u>Health Insurance premium</u>		<u>Long-term disability</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
ASRS						
Differences between expected and actual experience	\$ 109,363	\$ -	\$ -	\$ 99,119	\$ 4,652	\$ 1,377
Changes of assumptions or other inputs	-	-	27,888	-	5,760	-
Net difference between projected and actual earnings on plan investments	1,165,971	-	51,469	-	5,886	-
Changes in proportion and differences between contributions and proportionate share of contributions	201,834	14,684	-	758	907	3,589
County contributions subsequent to the measurement date	968,622	-	16,937	-	14,729	-
Total	<u>\$ 2,445,790</u>	<u>\$ 14,684</u>	<u>\$ 96,294</u>	<u>\$ 99,877</u>	<u>\$ 31,934</u>	<u>\$ 4,966</u>

The amounts reported as deferred outflows of resources related to ASRS pensions and OPEB resulting from the County’s contributions subsequent to the measurement date will be recognized as an increase of the net asset or a reduction of the net liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions and OPEB will be recognized as expenses as follows:

<u>Year ending June 30</u>	<u>Pension</u>	<u>Health insurance premium benefit</u>	<u>Long-term disability</u>
2023	\$ 226,974	\$ (10,939)	\$ 1,883
2024	453,137	( 45)	2,840
2025	421,744	2,405	3,016
2026	360,629	( 2,811)	2,652
2027	-	( 9,130)	1,127
Thereafter	-	-	721

**Notes to the Financial Statements - Continued**

**Note 10 - Pensions and Other Postemployment Benefits – Continued**

*Actuarial Assumptions* – The significant actuarial assumptions used to measure the total pension/OPEB liability are as follows:

<b>ASRS</b>	
Actuarial valuation date	June 30, 2019
Actuarial roll forward date	June 30, 2020
Actuarial cost method	Entry age normal
Investment rate of return	7.5%
Projected salary increases	2.7-7.2% for pensions/not applicable for OPEB
Inflation	2.3%
Permanent benefit increase	Included for pensions/not applicable for OPEB
Mortality rates	2017 SRA Scale U-MP for pensions and health insurance premium benefit
Recovery rates	2012 GLDT for long-term disability
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on ASRS plan investments was determined to be 7.5 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
Equity	50%	6.39%
Fixed income - credit	20%	5.44%
Fixed income - interest rate sensitive	10%	0.22%
Real estate	20%	5.85%
Total	<u>100%</u>	

**Notes to the Financial Statements - Continued**

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**Note 10 - Pensions and Other Postemployment Benefits – Continued**

**Discount Rate** – The discount rate used to measure the ASRS total pension/OPEB liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plans’ fiduciary net position was projected to be available to make all projected future payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

**Sensitivity of the County’s proportionate share of the ASRS net pension/OPEB (asset) liability to changes in the discount rate** – The following table presents the County’s proportionate share of the net pension/OPEB (asset) liability calculated using the discount rate of 7.5 percent, as well as what the County’s proportionate share of the net pension/OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5 percent) or 1 percentage point higher (8.5 percent) than the current rate.

	<b>1% Decrease (6.5%)</b>	<b>Current Discount Rate (7.5%)</b>	<b>1% Increase (8.5%)</b>
The County’s proportionate share of the Net pension liability	\$ 16,531,151	\$ 12,088,713	\$ 8,375,063
Net insurance premium benefit liability (asset)	66,003	(50,303)	(149,284)
Net long-term disability liability	58,369	53,459	48,694

**Plan Fiduciary Net Position** – Detailed information about the plans’ fiduciary net position is available in the separately issued ASRS financial report.

## Notes to the Financial Statements - Continued

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### **Note 10 - Pensions and Other Postemployment Benefits – Continued**

#### **B. Public Safety Personnel Retirement System and Corrections Officer Retirement Plan**

**Plan Descriptions** – County sheriff employees and County attorney investigators who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS) or employees who became members on or after July 1, 2017, may participate in the Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP). The PSPRS administers agent and cost-sharing multiple-employer defined benefit pension plans and agent and cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plans. A nine-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S Title 38, Chapter 5, Article 4. Employees who were PSPRS members before July 1, 2017, participate in the agent plans, and those who became PSPRS members on or after July 1, 2017, participate in the cost-sharing plans (PSPRS Tier 3 Risk Pool) which are not further disclosed because of their relative insignificance to the County's financial statements.

County detention officers and Administrative Office of the Courts (AOC) probation, surveillance, and juvenile detention officers participate in the Corrections Officer Retirement Plan (CORP) or the Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP). The CORP administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium benefit (OPEB) plan for county detention officers (agent plans), which were closed to new members as of July 1, 2018, and a cost-sharing multiple-employer defined benefit pension plan and a cost-sharing multiple-employer defined benefit (OPEB) plan for AOC officers (cost sharing plans). Employees who were CORP members before July 1, 2018, participate in CORP, and AOC probation and surveillance officers who became members on or after July 1, 2018, participate in CORP or PSPDCRP. Detention officers and juvenile detention officers who became members on or after July 1, 2018, participate in PSPDCRP. The PSPRS Board of Trustees and the participating local boards govern CORP according to the provisions of A.R.S. Title 38, Chapter 5, Article 6.

The PSPRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPRS and CORP plans. The report is available on the PSPRS website at [www.psprs.com](http://www.psprs.com).

**Benefits Provided** - The PSPRS and CORP provide retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefit terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

**Notes to the Financial Statements - Continued**

**Note 10 - Pensions and Other Postemployment Benefits – Continued**

**PSPRS**

	<b>Initial membership date:</b>	
	<b><u>Before January 1, 2012</u></b>	<b><u>On or after January 1, 2012 and before July 1, 2017</u></b>
<b><u>Retirement and Disability</u></b>		
Years of service and age required to receive benefit	20 years of service, any age 15 years of service, age 62	25 years of service or 15 years of credited service, age 52.5
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years
Benefit percent		
Normal Retirement	50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5 % to 2.5% per year of credited service, not to exceed 80%
Accidental Disability Retirement	50% or normal retirement, whichever is greater	
Catastrophic Disability Retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	
Ordinary Disability Retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20	
<b><u>Survivor Benefit</u></b>		
Retired Members	80% to 100% of retired members pension benefit	
Active Members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job	

**Notes to the Financial Statements - Continued**

**Note 10 - Pensions and Other Postemployment Benefits – Continued**

**CORP**

	<b>Initial membership date:</b>		
	<b>Before January 1, 2012</b>	<b>On or after January 1, 2012 and before July 1, 2018</b>	<b>AOC Probation and Surveillance Officers; on or after July 1, 2018</b>
<b>Retirement and Disability</b>			
Years of service and age required to receive benefit	Sum of years and age equals 80 20 years, any age 10 years, age 62	25 years, age 52.5 10 years, age 62	10 or more years, age 55 10 years, age 52.5 (early retirement)
Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive months of last 10 years	
<b>Benefit percent</b>			
Normal retirement	2.0% to 2.5% per year of credited service, not to exceed 80%	2.5% per year of credited service, not to exceed 80%	1.25% to 2.25% per year of credited service, not to exceed 80%
Accidental Disability Retirement	50% or normal retirement if more than 20 years of credited service	50% or normal retirement if more than 25 years of credited service	
Total and Permanent Disability Retirement	50% or normal retirement if more than 25 years of credited service		
Ordinary Disability Retirement	2.5% per year of credited service		
<b>Survivor Benefit</b>			
Retired Members	80% of retired members pension benefit		
Active Members	40% of average monthly compensation or 100% of average monthly compensation if death was the result of injuries received on the job. If there is no surviving spouse or eligible children, the beneficiary is entitled to 2 times the member's contribution.		

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on inflation. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

**Notes to the Financial Statements - Continued**

**Note 10 - Pensions and Other Postemployment Benefits – Continued**

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. Benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents

**Employees covered by benefit terms** - At June 30, 2021, the following employees were covered by the agent pension plan's benefit terms:

	PSPRS Sheriff		PSPRS Attorney Investigators		CORP Detention	
	Pension	Health	Pension	Health	Pension	Health
Inactive employees or beneficiaries currently receiving benefits	26	26	-	-	1	1
Inactive employees entitled to but not yet receiving benefits	9	5	-	-	9	-
Active employees	15	15	-	-	14	14
<b>Total</b>	<b>50</b>	<b>46</b>	<b>-</b>	<b>-</b>	<b>24</b>	<b>15</b>

**Contributions** - State statutes establish the pension contribution requirements for active PSPRS and CORP employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS and CORP pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contribution rates for the year ended June 30, 2021, are indicated below. Rates are a percentage of active members' annual covered payroll.

	Active member Pension	County - Pension	County-health insurance premium benefit
PSPRS Sheriff	7.65% - 11.65%	54.38%	0.30%
PSPRS Attorney Investigators	7.65% - 11.65%	0.00%	0.00%
CORP Detention	8.41%	16.74%	0.63%
CORP AOC	8.41 or 10.18%	33.58 or 32.79%	0.53 or .35%

The County's contributions to the plan for the year ended June 30, 2021, were:

	<u>Pension</u>	<u>Health insurance premium benefit</u>
PSPRS Sheriff	\$ 1,235,609	\$ 6,210
CORP Detention	119,310	4,490
CORP AOC	106,169	745

**Notes to the Financial Statements - Continued**

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**Note 10 - Pensions and Other Postemployment Benefits – Continued**

During fiscal year 2021, the County paid for PSPRS and CORP pension and OPEB contributions as follows: 48.9 percent from the General Fund, 8.1 percent from major funds, and 43.0 percent from other funds.

*Liability* – At June 30, 2021, the County reported the following assets and liabilities:

	<b>Net pension liability (asset)</b>	<b>Net OPEB (asset) liability</b>
PSPRS Sheriff	\$ 13,901,059	\$ (320,194)
PSPRS Attorney Investigators	(156,963)	(13,102)
CORP Detention	1,349,490	38,536
CORP AOC (County’s proportionate share)	1,629,527	10,384

The net asset and net liabilities were measured as of June 30, 2020, and the total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date.

*Actuarial assumptions* - The significant actuarial assumptions used to measure the total pension/OPEB liability are as follows:

<b>PSPRS and CORP</b>	
Actuarial valuation date	June 30, 2020
Actuarial cost method	Entry age normal
Investment rate of return	7.3%
Wage inflation	3.5% for pensions/not applicable for OPEB
Price inflation	2.5% for pensions/not applicable for OPEB
Cost-of-living adjustment	1.75% for pensions/not applicable for OPEB
Mortality rates	PubS-2010 tables
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actual experience study for the 5-year period ended June 30, 2017.

The long-term expected rate of return on PSPRS and CORP plan investments was determined to be 7.3 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class.



**Notes to the Financial Statements - Continued**

**Note 10 - Pensions and Other Postemployment Benefits – Continued**

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Geometric Real Rate of Return</b>
U.S. public equity	23%	4.93%
International public equity	15%	6.09%
Global private equity	18%	8.42%
Other assets (capital appreciation)	7%	5.61%
Core bonds	2%	0.22%
Private credit	22%	5.31%
Diversifying strategies	12%	3.22%
Cash - Mellon	1%	-0.60%
Total	<u>100%</u>	

**Discount Rates** – At June 30, 2020, the discount rate used to measure the PSPRS and CORP total pension/OPEB liabilities was 7.3 percent. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the plans’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments for these plans to determine the total pension/OPEB liability.

**Notes to the Financial Statements - Continued**

**Note 10 - Pensions and Other Postemployment Benefits – Continued**

**Changes in the Net Pension/OPEB Liability**

PSPRS - Sheriff	Pension Increase (Decrease)			Health insurance premium benefit Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension	Total OPEB	Plan Fiduciary	Net OPEB
	Liability	Net Position	Liability	Liability	Net Position	Liability (Asset)
	(a)	(b)	(a) - (b)	(a)	(b)	(a) - (b)
Balances at June 30, 2020	\$ 19,968,934	\$ 6,315,660	\$ 13,653,274	\$ 178,878	\$ 502,682	\$ (323,804)
Adjustment to Beginning of Year	-	(273,005)	273,005			
Changes for the current year:						
Service Cost	230,878	-	230,878	5,979	-	5,979
Interest on the total liability	1,430,259	-	1,430,259	13,534	-	13,534
Differences between expected and actual experience in the measurement of the pension liability	(13,416)	-	(13,416)	(10,074)	-	(10,074)
Changes of assumptions or other inputs	-	-	-	-	-	-
Contribution - Employer	-	1,439,074	(1,439,074)	-	-	-
Contribution - Employee	-	158,729	(158,729)	-	-	-
Net investment income	-	81,809	(81,809)	-	6,345	(6,345)
Benefit payments, including refunds of employee contribution	(1,214,454)	(1,214,454)	-	(3,936)	(3,936)	-
Administrative Expense	-	(6,671)	6,671	-	(516)	516
Net Changes	433,267	458,487	(25,220)	5,503	1,893	3,610
Balances at June 30, 2021	<u>\$ 20,402,201</u>	<u>\$ 6,501,142</u>	<u>\$ 13,901,059</u>	<u>\$ 184,381</u>	<u>\$ 504,575</u>	<u>\$ (320,194)</u>

**Changes in the Net Pension/OPEB Liability**

PSPRS - Attorney Investigators	Pension Increase (Decrease)			Health insurance premium benefit Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension	Total OPEB	Plan Fiduciary	Net OPEB
	Liability	Net Position	(Asset) Liability	Liability	Net Position	(Asset) Liability
	(a)	(b)	(a) - (b)	(a)	(b)	(a) - (b)
Balances at June 30, 2020	\$ -	\$ 155,148	\$ (155,148)	\$ -	\$ 12,950	\$ (12,950)
Changes for the current year:						
Interest on the total liability	-	-	-	-	-	-
Differences between expected and actual experience	-	-	-	-	-	-
Net investment income	-	1,976	(1,976)	-	165	(165)
Administrative Expense	-	(161)	161	-	(13)	13
Net Changes	-	1,815	(1,815)	-	152	(152)
Balances at June 30, 2021	<u>\$ -</u>	<u>\$ 156,963</u>	<u>\$ (156,963)</u>	<u>\$ -</u>	<u>\$ 13,102</u>	<u>\$ (13,102)</u>

**Notes to the Financial Statements - Continued**

**Note 10 - Pensions and Other Postemployment Benefits – Continued**

**Changes in the Net Pension/OPEB Liability**

CORP - Detention	Pension Increase (Decrease)			Health insurance premium benefit Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)	(a)	(b)	(a) - (b)
Balances at June 30, 2020	\$ 2,441,594	\$ 1,192,684	\$ 1,248,910	\$ 54,020	\$ 7,814	\$ 46,206
Adjustment to Beginning of Year	-	(41,010)	41,010			
Changes for the current year:						
Service Cost	123,593	-	123,593	2,103	-	2,103
Interest on the total liability	186,389	-	186,389	4,097	-	4,097
Differences between expected and actual experience in the measurement of the pension liability	17,596	-	17,596	(8,680)	-	(8,680)
Changes of assumptions or other inputs	-	-	-	-	-	-
Contribution - Employer	-	148,956	(148,956)	-	5,190	(5,190)
Contribution - Employee	-	85,076	(85,076)	-	-	-
Net investment income	-	35,344	(35,344)	-	-	-
Benefit payments, including refunds of employee contribution	(23,834)	(23,834)	-	-	-	-
Administrative Expense	-	(1,368)	1,368	-	-	-
Net Changes	303,744	244,174	59,570	(2,480)	5,190	(7,670)
Balances at June 30, 2021	\$ 2,745,338	\$ 1,395,848	\$ 1,349,490	\$ 51,540	\$ 13,004	\$ 38,536

The County's proportion of the CORP AOC net pension and OPEB liabilities was based on the County's actual contributions to the plans relative to the total of all participating counties' actual contributions for the year ended June 30, 2020. The County's proportion measured as of June 30, 2020, and the change from its proportions measured as of June 30, 2019, were

CORP AOC	Proportion June 30, 2020	Increase (decrease) from June 30, 2019
Pension	0.341%	0.063
Health insurance premium benefit	0.264%	(0.014)

**Sensitivity of the County's net pension/OPEB (asset) liability to changes in the discount rate**

– The following table presents the County's net pension/OPEB (assets) liabilities calculated using the discount rate of 7.3 percent, as well as what the County's net position/OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.3 percent) or 1 percentage point higher (8.3 percent) than the current rate:

**Notes to the Financial Statements - Continued**

**Note 10 - Pensions and Other Postemployment Benefits – Continued**

	<u>1% Decrease (6.3%)</u>	<u>Current Discount Rate (7.3%)</u>	<u>1% Increase (8.3%)</u>
<b>PSPRS Sheriff</b>			
Net pension liability	\$ 16,363,441	\$ 13,901,059	\$ 11,874,081
Net OPEB (asset) liability	(297,141)	(320,194)	(339,407)
<b>CORP Detention</b>			
Net pension liability	1,790,730	1,349,490	993,347
Net OPEB liability	45,773	38,536	32,501
<b>CORP AOC</b>			
County's proportionate share of the net pension liability	2,070,024	1,629,527	1,269,697
County's proportionate share of the OPEB liability	15,097	10,384	6,409

**Plan fiduciary net position** - Detailed information about the plans' fiduciary net position is available in the separately issued PSPRS and CORP financial reports.

**Expense** - For the year ended June 30, 2021, the County recognized the following pension and OPEB expense:

	<u>Pension expense</u>	<u>OPEB Expense</u>
PSPRS Sheriff	\$ 1,916,145	\$ (39,073)
PSPRS Attorney Investigators	258	( 120)
CORP Detention	428,405	3,477
CORP AOC (County's proportionate share)	238,521	( 335)

**Notes to the Financial Statements - Continued**

**Note 10 - Pensions and Other Postemployment Benefits – Continued**

**Deferred outflows/inflows of resources** - At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

**PSPRS – Sheriff**

	<b>Pension</b>		<b>Health insurance premium benefit</b>	
	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
Differences between expected and actual experience	\$ 320,974	\$ 10,062	\$ 1,763	\$ 90,595
Changes of assumptions or other inputs	375,736		981	2,544
Net difference between projected and actual earnings on plan investments	346,739	-	27,019	-
County contributions subsequent to the measurement date	1,235,609	-	6,210	-
<b>Total</b>	<b>\$ 2,279,058</b>	<b>\$ -</b>	<b>\$ 35,973</b>	<b>\$ 93,139</b>

**CORP – Detention**

	<b>Pension</b>		<b>Health insurance premium benefit</b>	
	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
Differences between expected and actual experience	\$ 985,809	\$ -	\$ 48,052	\$ 28,829
Changes of assumptions or other inputs	53,536	-	474	7,891
Net difference between projected and actual earnings on plan investments	67,428	-	716	-
County contributions subsequent to the measurement date	119,310	-	4,490	-
<b>Total</b>	<b>\$ 1,226,083</b>	<b>\$ -</b>	<b>\$ 53,732</b>	<b>\$ 36,720</b>

**Notes to the Financial Statements - Continued**

**Note 10 - Pensions and Other Postemployment Benefits – Continued**

**CORP – AOC**

	Pension		Health insurance premium benefit	
	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 169,726	\$ 19,383	\$ -	\$ 5,063
Changes of assumptions or other inputs	52,404	-	308	2,240
Net difference between projected and actual earnings on plan investments	70,641	-	1,356	-
Changes in proportion and differences between county contributions and proportionate share of contributions	254,388	20,822	1,787	838
County contributions subsequent to the measurement date	106,168	-	745	-
<b>Total</b>	<b>\$ 653,327</b>	<b>\$ 40,205</b>	<b>\$ 4,196</b>	<b>\$ 8,141</b>

The amounts reported as deferred outflows of resources related to pensions and OPEB resulting from contributions subsequent to the measurement date will be recognized as an increase in the net asset or a reduction of the net liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized as expense as follows:

Year ending June 30	PSPRS Sheriff		PSPRS Attorney Investigators	
	Pension	Health	Pension	Health
2022	\$ 467,844	\$ (26,856)	\$ -	\$ -
2023	392,184	(23,247)	-	-
2024	98,748	(19,311)	-	-
2025	74,611	6,038	-	-

Year ending June 30	CORP Detention		CORP AOC	
	Pension	Health	Pension	Health
2022	\$ 249,007	\$ 2,634	\$ 127,974	\$ (2,136)
2023	244,366	2,634	149,926	(1,472)
2024	243,887	2,634	144,963	( 344)
2025	238,304	2,598	84,089	( 434)
2026	131,209	2,446	-	( 304)
thereafter	-	( 424)	-	-

## Notes to the Financial Statements - Continued

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### **Note 10 - Pensions and Other Postemployment Benefits – Continued**

**PSPDCRP plan** - County sheriff employees, County attorney investigators, County detention officers, County dispatchers, and AOC probation, surveillance, and juvenile detention officers who are not members of PSPRS or CORP participate in the PSPDCRP. The PSPDCRP is a defined contribution pension plan. The PSPRS Board of Trustees governs the PSPDCRP according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.1. Benefit terms, including contribution requirements, are established by State statute. The PSPDCRP is not further disclosed because of its relative insignificance to the County's financial statements.

### **C. Elected Officials Retirement Plan**

**Plan description** - Elected officials and judges participate in the Elected Officials Retirement Plan (EORP), ASRS, or the Elected Officials Defined Contribution Retirement System (EODCRS). EORP administers a cost-sharing multiple-employer defined benefit pension plan and a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan for elected officials and judges who were members of the plan on December 31, 2013. The EORP pension and OPEB plans were closed to new members as of January 1, 2014.

The PSPRS Board of Trustees governs the EORP according to the provisions of A.R.S. Title 38, Chapter 5, Article 3. The PSPRS issues a publicly available financial report that includes financial statements and required supplementary information for the EORP plans. The report is available on PSPRS's Web site at [www.psprs.com](http://www.psprs.com).

**Benefits provided** - The EORP provides retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefit terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average yearly compensation, and service credit as follows:

**Notes to the Financial Statements - Continued**

**Note 10 - Pensions and Other Postemployment Benefits – Continued**

<b>EORP</b>	<b>Initial membership date:</b>	
	<b><u>Before January 1, 2012</u></b>	<b><u>On or after January 1, 2012</u></b>
<b><u>Retirement and Disability</u></b>		
Years of service and age required to receive benefit	20 years, any age 10 years, age 62 5 years, age 65 5 years, any age* any years and age if disabled	10 years, age 62 5 years, age 65 any years and age if disabled
Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive months of last 20 years
Benefit percent		
Normal Retirement	4% per year of service, not to exceed 80%	3% per year of service, not to exceed 75%
Disability Retirement	80% with 10 or more years of service 40% with 5 to 10 years of service 20% with less than 5 years of service	75% with 10 or more years of service 37.5% with 5 to 10 years of service 18.75% with less than 5 years of service
<b><u>Survivor Benefit</u></b>		
Retired Members	75% of retired member's benefit	50% of retired member's benefit
Active Members and Other Inactive Members	75% of retired member's benefit	50% of retired member's benefit

\* With reduced benefits of 0.25% for each month early retirement precedes the member's normal retirement age, with a maximum reduction of 30%

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on inflation. In addition, the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget Committee analysis of the increase's effects on the plan.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 8 or more years of service, benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents. For members with 5 to 7 years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.



**Notes to the Financial Statements - Continued**

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**Note 10 - Pensions and Other Postemployment Benefits – Continued**

**Contributions**— State statutes establish active member and employer contribution requirements. Statute also appropriates \$5 million annually through fiscal year 2043 for the EORP from the State of Arizona to supplement the normal cost plus an amount to amortize the unfunded accrued liability and designates a portion of certain court fees for the EORP. For the year ended June 30, 2021, statute required active EORP members to contribute 7 or 13 percent of the members’ annual covered payroll and the County to contribute at the actuarially determined rate of 61.43 percent of all active EORP members’ annual covered payroll. Also, statute required the County to contribute 49.39 percent to EORP of the annual covered payroll of elected officials and judges who were ASRS members and 55.43 percent to EORP of the annual covered payroll of elected officials and judges who were EODCRS members, in addition to the County’s required contributions to ASRS and EODCRS for these elected officials and judges. In addition, statute required the County to contribute 39.72 percent of annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the EORP would typically fill. The County’s contributions to the pension and health insurance premium benefit plans for the year ended June 30, 2021, were \$507,294.33 and \$0, respectively.

During fiscal year 2021, the County paid for EORP pension contributions 100 percent from the General Fund.

**Liability** - At June 30, 2021, the County reported a liability for its proportionate share of the EORP’s net pension liability that reflected a reduction for the County’s proportionate share of the State’s appropriation for EORP. The amount the County recognized as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the County were as follows:

County’s proportionate share of the EORP net pension liability	\$ 8,226,711
State’s proportionate share of the EORP net pension liability associated with the County	<u>781,884</u>
Total	<u>\$ 9,008,595</u>

The County also reported an asset of \$181,910 for its proportionate share of EORP’s net OPEB asset.

**Notes to the Financial Statements - Continued**

**Note 10 - Pensions and Other Postemployment Benefits – Continued**

The net asset and net liability were measured as of June 30, 2020, and the total liability used to calculate the net asset or net liability was determined by an actuarial valuation as of that date.

The County’s proportion of the net pension liability was based on the County’s required contributions to the pension plan relative to the total of all participating employers’ required contributions for the year ended June 30, 2020. The County’s proportion of the net OPEB asset was based on the County’s present value of benefits relative to the total of all participating employers’ present value of benefits for the year ended June 30, 2020. The County’s proportion measured as of June 30, 2020, and the change from its proportions measured as of June 30, 2019, were:

**EORP**

	<b>Proportion June 30, 2020</b>	<b>Increase (decrease) from June 30, 2019</b>
Pension	1.219%	(0.019)
Health insurance premium benefit	1.905%	(0.008)

**Expense** - For the year ended June 30, 2021, the County recognized pension and OPEB expenses for EORP of \$1,809,540 and \$(17,086), respectively, and negative revenue of \$215,110 for the County’s proportionate share of the State’s appropriation to EORP and the designated court fees.

**Deferred outflows/inflows of resources** - At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

**EORP**

	<b>Pension</b>		<b>Health insurance premium benefit</b>	
	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
Differences between expected and actual experience	\$ -	\$ 6,752	\$ 2,988	\$ 7,560
Changes of assumptions or other inputs	-	-	210	-
Net difference between projected and actual earnings on plan investments	158,536	-	20,650	-
Changes in proportion and differences between county contributions and proportionate share of contributions	-	61,844	559	10,540
County contributions subsequent to the measurement date	507,294	-	-	-
<b>Total</b>	<b>\$ 665,830</b>	<b>\$ 68,596</b>	<b>\$ 24,407</b>	<b>\$ 18,100</b>

**Notes to the Financial Statements - Continued**

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**Note 10 - Pensions and Other Postemployment Benefits – Continued**

The amounts reported as deferred outflows of resources related to EORP pensions and OPEB resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net asset or a reduction of the net liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to EORP pensions and OPEB will be recognized as expenses as follows:

<b>Year ended June 30</b>	<b>Pension</b>	<b>Health insurance premium benefit</b>
2022	\$ (46,882)	\$ ( 7,910)
2023	51,095	3,109
2024	49,989	6,515
2025	35,738	4,592

**Actuarial assumptions** - The significant actuarial assumptions used to measure the total pension/OPEB liability are as follows:

**EORP**

Actuarial valuation date	June 30, 2020
Actuarial cost method	Entry age normal
Investment rate of return	7.3%
Wage inflation	3.75% for pensions/not applicable for OPEB
Price inflation	2.5% for pensions/not applicable for OPEB
Permanent benefit increase	1.75% for pensions/not applicable for OPEB
Mortality rates	PubG-2010 tables
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2017.

The long-term expected rate of return on EORP plan investments was determined to be 7.3 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

**Notes to the Financial Statements - Continued**

**Note 10 - Pensions and Other Postemployment Benefits – Continued**

<b>EORP</b>	<b>Target</b>	<b>Long-Term Expected Geometric Real</b>
<b>Asset Class</b>	<b>Allocation</b>	<b>Rate of Return</b>
U.S. public equity	23%	4.93%
International public equity	15%	6.09%
Global private equity	18%	8.42%
Other assets (capital appreciation)	7%	5.61%
Core bonds	2%	0.22%
Private credit	22%	5.31%
Diversifying strategies	12%	3.22%
Cash - Mellon	1%	-0.60%
<b>Total</b>	<b>100%</b>	

**Discount rate** - At June 30, 2020, the discount rate used to measure the EORP total pension liability and total OPEB liability was 7.3 percent. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rate, employer contributions will be made at the actuarially determined rates, and State contributions will be made as currently required by statute. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

**Sensitivity of the County's proportionate share of the EORP net pension/OPEB (asset) liability to changes in the discount rate** - The following table presents the County's proportionate share of the net pension/OPEB (asset) liability calculated using the discount rate of 7.3 percent, as well as what the County's proportionate share of the net pension/OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.3 percent) or 1 percentage point higher (8.3 percent) than the current rate:

<b>EORP</b>	<b>1% Decrease (6.3%)</b>	<b>Current discount Rate (7.3%)</b>	<b>1% Increase (8.3%)</b>
County's proportionate share of the net pension liability	\$ 9,384,965	\$ 8,226,711	\$ 7,236,371
County's proportionate share of the net OPEB (asset)	(160,914)	(181,910)	(200,235)

**Notes to the Financial Statements - Continued**

**Note 10 - Pensions and Other Postemployment Benefits – Continued**

**Plan Fiduciary Net Position** - Detailed information about the plans' fiduciary net position is available in the separately issued EORP financial report.

**EODCRS plan** – Elected officials and judges who are not members of EORP or ASRS participate in the EODCRS and the Elected Officials Defined Contribution Retirement System Disability Program (EODCDP). The EODCRS is a defined contribution pension plan. The EODCDP is a cost-sharing multiple-employer defined benefit disability (OPEB) plan for EODCRS members. The PSPRS Board of Trustees governs the EODCRS and EODCDP according to the provisions of A.R.S. Title 38, Chapter 5, Articles 3.1 and 3.2. Benefit terms, including contribution requirements, are established by State statute. The EODCDP and EODCRS are not further disclosed because of their relative insignificance to the County's financial statements.

**Note 11 - Interfund Activity and Balances**

**Interfund receivables and payables** — Interfund balances at June 30, 2021 were as follows:

	Payable To									Total
	General Fund	Road Fund	Jail District Fund	Coronavirus Recovery Fund	Nonmajor - Governmental Funds	Golf Course Fund	Parks Fund	Landfill Fund	Solar Field Fund	
<b>Payable From:</b>										
General Fund	\$ -	\$ 10,494	\$ 2,876,353	\$ -	\$ 279,525	\$ 461,220	\$ 189,138	\$ 998,040	\$ 782,160	\$ 5,596,930
Road Fund	84,534	-	-	-	-	-	-	-	-	84,534
Jail District Fund	1,377,787	-	-	2,049,991	-	-	-	-	-	3,427,778
Nonmajor - Governmental Funds	319,861	-	-	-	-	-	-	-	-	319,861
<b>Total</b>	<u>\$1,782,182</u>	<u>\$ 10,494</u>	<u>\$ 2,876,353</u>	<u>\$ 2,049,991</u>	<u>\$ 279,525</u>	<u>\$ 461,220</u>	<u>\$ 189,138</u>	<u>\$ 998,040</u>	<u>\$ 782,160</u>	<u>\$ 9,429,103</u>

Interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Except as noted below, the balances are not expected to be repaid within 1 year from the date of the financial statements. There is no scheduled repayment plan but the balances will be repaid as funds become available for the various funds.

The Coronavirus Recovery Fund advanced \$2,049,991 to the General Fund during the year in anticipation of transferring funds subsequent to year-end pursuant to the lost revenue election in the State and Local Fiscal Recovery Fund. The General Fund advanced \$2,582,280 to the Jail District Fund during the year in partial satisfaction of Maintenance of Effort payments that were due from the General Fund to the Jail District Fund.

**Notes to the Financial Statements - Continued**

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**Note 11 - Interfund Activity and Balances – Continued**

**Interfund transfers**—Interfund transfers for the year ended June 30, 2021 were as follows:

	<u>Transfer To</u>	
	<u>Jail District Fund</u>	<u>Total</u>
<b>Transfer From:</b>		
General Fund	\$ 720,000	\$ 720,000
Total	<u>\$ 720,000</u>	<u>\$ 720,000</u>

Interfund transfers between funds are to cover over-expenditures in certain special revenue funds. The County transferred \$720,000 to the Jail District Fund for the required annual maintenance of effort payment for the year ended June 30, 2021.

## **Required Supplementary Information**

**La Paz County**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Year Ended June 30, 2021**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>Revenues:</b>				
Taxes	\$ 7,844,270	\$ 7,844,270	\$ 8,547,712	\$ 703,442
Licenses and permits	477,500	477,500	429,026	(48,474)
Fees, fines, and forfeits	1,676,000	1,676,000	1,413,240	(262,760)
Intergovernmental	6,080,636	6,080,636	5,978,645	(101,991)
Charges for services	761,900	761,900	689,211	(72,689)
Investment income	92,920	92,920	377	(92,543)
Miscellaneous	2,144,900	2,144,900	1,784,795	(360,105)
Total revenues	19,078,126	19,078,126	18,843,006	(235,120)
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Assessor	566,348	566,348	562,969	3,379
County attorney	1,036,103	1,036,103	1,009,319	26,784
Board of supervisors	708,165	708,165	751,509	(43,344)
Clerk of the superior court	560,631	560,631	512,014	48,617
Elections	335,237	335,237	226,870	108,367
Justice of the Peace #4	608,057	608,057	568,311	39,746
Justice of the Peace #5	313,678	313,678	273,978	39,700
Justice of the Peace #6	418,604	418,604	385,007	33,597
Planning and zoning	442,451	442,451	413,445	29,006
Recorder	288,364	288,364	247,968	40,396
Human resources	202,814	202,814	173,909	28,905
Superior court	262,183	262,183	235,819	26,364
Treasurer	307,466	307,466	290,143	17,323
Contingency	1,051,682	1,051,682	174,450	877,232
Court administration	1,017,340	1,017,340	1,116,551	(99,211)
Management information services	436,182	436,182	378,158	58,024
Public defender	633,669	633,669	627,104	6,565
General administration	803,083	803,083	795,279	7,804
Finance	463,433	463,433	597,343	(133,910)
Facilities management	435,864	435,864	365,508	70,356
BLM conveyance land	348,578	348,578	139,121	209,457
Total general government	11,239,932	11,239,932	9,844,775	1,395,157

See accompanying notes to budgetary comparison schedule.



**La Paz County**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund - Continued**  
**Year Ended June 30, 2021**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>Public safety:</b>				
Emergency services	\$ 101,168	\$ 101,168	\$ -	\$ 101,168
Regional dispatch	994,541	994,541	636,193	358,348
Sheriff	4,399,645	4,399,645	3,570,109	829,536
Probation	122,081	122,081	119,779	2,302
Juvenile probation	154,122	154,122	109,990	44,132
Boat patrol grant	34,770	34,770	33,235	1,535
Total public safety	<u>5,806,327</u>	<u>5,806,327</u>	<u>4,469,306</u>	<u>1,337,021</u>
<b>Sanitation:</b>				
Sanitary landfill	60,000	60,000	41,715	18,285
Total sanitation	<u>60,000</u>	<u>60,000</u>	<u>41,715</u>	<u>18,285</u>
<b>Health:</b>				
Indigent health	354,817	354,817	340,394	14,423
County long term care ALTCS	600	600	652,877	(652,277)
C.M.I (chronically mentally ill)	200,000	200,000	226,480	(26,480)
Animal control	183,622	183,622	187,137	(3,515)
Health	487,481	487,481	209,489	277,992
Public health emergency prep	-	-	78,451	(78,451)
Total health	<u>1,226,520</u>	<u>1,226,520</u>	<u>1,694,828</u>	<u>(468,308)</u>
<b>Welfare:</b>				
Public fiduciary	186,728	186,728	177,235	9,493
Parker food bank	7,429	7,429	3,049	4,380
Quartzsite food bank	6,148	6,148	2,652	3,496
McMullen Valley food bank	2,227	2,227	1,700	527
Total welfare	<u>202,532</u>	<u>202,532</u>	<u>184,636</u>	<u>17,896</u>

See accompanying notes to budgetary comparison schedule.

**La Paz County**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund - Continued**  
**Year Ended June 30, 2021**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
Culture and recreation:				
Library Services	\$ 118,898	\$ 118,898	\$ 124,660	\$ (5,762)
Total culture and recreation	<u>118,898</u>	<u>118,898</u>	<u>124,660</u>	<u>(5,762)</u>
Education:				
School superintendent	261,793	261,793	251,163	10,630
Total education	<u>261,793</u>	<u>261,793</u>	<u>251,163</u>	<u>10,630</u>
Total expenditures	<u>18,916,002</u>	<u>18,916,002</u>	<u>16,611,083</u>	<u>2,304,919</u>
Excess (deficiency) of revenues over expenditures	<u>162,124</u>	<u>162,124</u>	<u>2,231,923</u>	<u>2,069,799</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	\$ -	\$ -	\$ 6,425	\$ 6,425
Transfers in	561,300	561,300	-	(561,300)
Transfers out	(811,949)	(811,949)	(720,000)	91,949
Total other financing sources (uses)	<u>(250,649)</u>	<u>(250,649)</u>	<u>(713,575)</u>	<u>(462,926)</u>
Net change in fund balances	(88,525)	(88,525)	1,518,348	1,606,873
Fund balances (deficit), July 1, 2020	<u>144,827</u>	<u>144,827</u>	<u>(4,036,111)</u>	<u>(4,180,938)</u>
Fund balances (deficit), June 30, 2021	<u>\$ 56,302</u>	<u>\$ 56,302</u>	<u>\$ (2,517,763)</u>	<u>\$ (2,574,065)</u>

See accompanying notes to budgetary comparison schedule.

**La Paz County**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund - Continued**  
**Year Ended June 30, 2021**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>Reconciliation of General Fund Budgetary Basis Revenues and Expenditures to Statement of Revenues, Expenditures and Changes in Fund Balances</b>				
<b>Revenues</b>				
Budgetary Basis Revenues	\$ 19,078,126	\$ 19,078,126	\$ 18,843,006	\$ (235,120)
Less enterprise fund revenues:				
Landfill fees	-	-	(238,941)	(238,941)
Solar field lease revenues	-	-	(1,447,337)	(1,447,337)
<b>Total general fund revenues</b>	<b>19,078,126</b>	<b>19,078,126</b>	<b>17,156,728</b>	<b>(1,921,398)</b>
<b>Expenditures</b>				
Budgetary Basis Expenditures	18,916,002	18,916,002	16,611,083	2,304,919
Less enterprise fund expenditures:				
Landfill operating expenses	-	-	(41,715)	(41,715)
Solar field operating expenses	-	-	(139,121)	(139,121)
<b>Total general fund expenditures</b>	<b>18,916,002</b>	<b>18,916,002</b>	<b>16,430,247</b>	<b>(2,485,755)</b>
Excess (deficiency) of revenues over expenditures	162,124	162,124	726,481	564,357
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	-	-	6,425	6,425
Transfers in	561,300	561,300	-	(561,300)
Transfers out	(811,949)	(811,949)	(720,000)	91,949
<b>Total other financing sources (uses)</b>	<b>(250,649)</b>	<b>(250,649)</b>	<b>(713,575)</b>	<b>(462,926)</b>
<b>Net change in fund balances</b>	<b>\$ (88,525)</b>	<b>\$ (88,525)</b>	<b>\$ 12,906</b>	<b>\$ 101,431</b>

See accompanying notes to budgetary comparison schedule.

**La Paz County**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Road Fund**  
**Year Ended June 30, 2021**

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:				
Taxes	\$ 526,300	\$ 526,300	\$ 720,171	\$ 193,871
Intergovernmental	3,970,000	3,970,000	5,747,086	1,777,086
Investment income	-	-	24,687	24,687
Miscellaneous	-	-	52,301	52,301
Total revenues	<u>4,496,300</u>	<u>4,496,300</u>	<u>6,544,245</u>	<u>2,047,945</u>
Expenditures:				
Current:				
Highways and streets	<u>5,328,418</u>	<u>5,328,418</u>	<u>4,119,580</u>	<u>1,208,838</u>
Total expenditures	<u>5,328,418</u>	<u>5,328,418</u>	<u>4,119,580</u>	<u>1,208,838</u>
Excess of revenues over expenditures	(832,118)	(832,118)	2,424,665	3,256,783
Other financing sources (uses):				
Transfers out	<u>(395,400)</u>	<u>(395,400)</u>	-	395,400
Total other financing uses	<u>(395,400)</u>	<u>(395,400)</u>	-	395,400
Net change in fund balances	(1,227,518)	(1,227,518)	2,424,665	3,652,183
Fund balances, July 1, 2020	<u>1,227,518</u>	<u>1,227,518</u>	<u>6,211,153</u>	<u>4,983,635</u>
Fund balances, June 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,635,818</u>	<u>\$ 8,635,818</u>

See accompanying notes to budgetary comparison schedule.

**La Paz County**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Jail District Fund**  
**Year Ended June 30, 2021**

	<b>Original and Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>Revenues:</b>			
Taxes	\$ 1,300,000	\$ 1,628,867	\$ 328,867
Charges for services	1,219,500	443,914	(775,586)
Total revenues	<u>2,519,500</u>	<u>2,072,781</u>	<u>(446,719)</u>
<b>Expenditures:</b>			
<b>Current:</b>			
Public safety	3,225,576	3,218,737	6,839
<b>Debt Service:</b>			
Principal retirement	235,000	235,000	-
Interest and other charges	12,445	12,445	-
Total expenditures	<u>3,473,021</u>	<u>3,466,182</u>	<u>6,839</u>
Excess (deficiency) of revenues over expenditures	<u>(953,521)</u>	<u>(1,393,401)</u>	<u>(439,880)</u>
<b>Other financing sources:</b>			
Transfers in	720,000	720,000	-
Total other financing sources	<u>720,000</u>	<u>720,000</u>	<u>-</u>
Net change in fund balances	(233,521)	(673,401)	(439,880)
Fund balances (deficit), July 1, 2020	<u>(80,450)</u>	<u>139,383</u>	<u>219,833</u>
Fund balances (deficit), June 30, 2021	<u><u>\$ (313,971)</u></u>	<u><u>\$ (534,018)</u></u>	<u><u>\$ (220,047)</u></u>

See accompanying notes to budgetary comparison schedule.

**La Paz County**  
**Required Supplementary Information**  
**Notes to Budgetary Comparison Schedule**  
**June 30, 2021**

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**Note 1 - Budgeting and Budgetary Control**

A.R.S. requires the County to prepare and adopt a balanced budget annually for each governmental fund. The Board of Supervisors must approve such operating budgets on or before the third Monday in July to allow sufficient time for the legal announcements and hearings required for the adoption of the property tax levy on the third Monday in August. A.R.S. prohibits expenditures or liabilities in excess of the amounts budgeted.

Expenditures may not legally exceed appropriations at the department level. In certain instances, transfers of appropriations between departments or from the contingency account to a department may be made upon the Board of Supervisors' approval. With the exception of the General Fund, each fund includes only one department.

For the General Fund, capital outlay and debt service expenditures are budgeted by department and accumulated by function on the Budgetary Comparison Schedule.

**Note 2 - Budgetary Basis of Accounting**

The County's budget is prepared on a basis that is not consistent with generally accepted accounting principles because the General Fund budget includes revenues and expenditures of the Landfill Fund and the Solar Field Fund. The actual revenues and expenditures of the Landfill Fund and the Solar Field Fund are reported on the Proprietary Funds Statement of Revenues, Expenses, and Changes in Fund Net Position but are also reported on the General Fund Budgetary Comparison Schedule to be consistent with the budget. The County has prepared a reconciliation between budgetary basis revenues and expenditures and the Statement of Revenues, Expenditures and Changes in Fund Balance on page 77.

**La Paz County**  
**Required Supplementary Information**  
**Notes to Budgetary Comparison Schedule - Continued**  
**June 30, 2021**

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**Note 3 - Expenditures in Excess of Appropriations**

For the year ended June 30, 2021, expenditures that exceeded final budget amounts at the department level (the legal level of budgetary control) were as follows:

<u>Fund/Department</u>	<u>Excess</u>
<b>General Fund:</b>	
Board of Supervisors	\$ 43,344
Court Administration	99,211
Finance	133,910
County Long-term Care ALTCS	652,277
C.M.I. (Chronically Mentally Ill)	26,480
Animal Control	3,515
Public health emergency preparedness	78,451
Library Services	5,762

The excesses were primarily the result of unexpected expenditures and expenditures made as a result of unanticipated revenues, or both. To resolve future excesses, the County has retained outside consultants to assist in fiscal year 2022 and 2023 budget preparation, as well as a grants management program, and the County intends to implement additional procedures to monitor the budget versus actual results.

**La Paz County**  
**Required Supplementary Information**  
**Schedule of the County's Proportionate Share of the Net Pension/OPEB Liability**  
**Cost-Sharing Plans**  
**June 30, 2021**

	Reporting Fiscal Year (Measurement Date)							2014 through 2012
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
ASRS - Pension								
County's proportion of the net pension liability	0.06977%	0.06772%	0.06803%	0.08144%	0.09606%	0.94330%	0.09326%	Information not available
County's proportionate share of the net pension liability	\$ 12,088,713	\$ 9,854,047	\$ 9,487,791	\$12,686,765	\$15,505,049	\$14,692,914	\$13,799,620	
County's covered payroll	7,687,563	9,607,815	6,764,073	8,337,449	9,308,691	9,159,101	8,406,925	
County's proportionate share of the net pension liability as a percentage of its covered payroll	157.25%	102.56%	140.27%	152.17%	166.57%	160.42%	164.15%	
Plan fiduciary net position as a percentage of the total pension liability	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%	

	Reporting Fiscal Year (Measurement Date)				2017 through 2012
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	
ASRS - Health Insurance Premium Benefit					
County's proportion of the net OPEB (asset)	0.07105%	0.06892%	0.06903%	0.82450%	Information not available
County's proportionate share of the net OPEB (asset)	\$ (50,303)	\$ (19,046)	\$ (24,857)	\$ (44,886)	
County's covered payroll	7,687,563	9,607,815	6,764,073	8,337,449	
County's proportionate share of the net OPEB (asset) as a percentage of its covered payroll	-0.65%	-0.20%	-0.37%	-0.54%	
Plan fiduciary net position as a percentage of the total pension liability	104.33%	101.62%	102.20%	103.57%	

	Reporting Fiscal Year (Measurement Date)				2017 through 2012
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	
ASRS - Long-term Disability					
County's proportion of the net OPEB Liability	0.07047%	0.06851%	0.06818%	0.08170%	Information not available
County's proportionate share of the net OPEB Liability	\$ 53,459	\$ 44,631	\$ 35,624	\$ 29,614	
County's covered payroll	7,687,563	9,607,815	6,764,073	8,337,449	
County's proportionate share of the net OPEB Liability as a percentage of its covered payroll	0.70%	0.46%	0.53%	0.36%	
Plan fiduciary net position as a percentage of the total pension liability	68.01%	72.85%	77.83%	84.44%	

See accompanying notes to pension/OPEB plan schedules.



**La Paz County**  
**Required Supplementary Information**  
**Schedule of the County's Proportionate Share of the Net Pension/OPEB Liability - Continued**  
**Cost-Sharing Plans**  
**June 30, 2021**

<b>CORP AOC - Pension</b>	<b>Reporting Fiscal Year (Measurement Date)</b>							<b>2014 through 2012</b>
	<b>2021 (2020)</b>	<b>2020 (2019)</b>	<b>2019 (2018)</b>	<b>2018 (2017)</b>	<b>2017 (2016)</b>	<b>2016 (2015)</b>	<b>2015 (2014)</b>	
County's proportion of the net pension liability	0.34114%	0.27830%	0.25459%	0.24088%	0.28221%	0.30928%	0.36516%	Information not available
County's proportionate share of the net pension liability	\$ 1,629,527	\$ 1,174,239	\$ 916,472	\$ 966,450	\$ 796,270	\$ 751,897	\$ 819,403	
County's covered payroll	323,700	412,014	325,745	792,077	325,471	374,128	391,648	
County's proportionate share of the net pension liability as a percentage of its covered payroll	503.41%	285.00%	281.35%	122.01%	244.65%	200.97%	209.22%	
Plan fiduciary net position as a percentage of the total pension liability	50.07%	51.99%	53.72%	49.21%	54.81%	57.89%	58.59%	
<b>CORP AOC - Health Insurance Premium Benefit</b>	<b>Reporting Fiscal Year (Measurement Date)</b>				<b>2017 through 2012</b>			
	<b>2021 (2020)</b>	<b>2020 (2019)</b>	<b>2019 (2018)</b>	<b>2018 (2017)</b>				
County's proportion of the net OPEB liability	0.26370%	0.27805%	0.25572%	0.24184%	Information not available			
County's proportionate share of the net OPEB liability	\$ 10,384	\$ 10,296	\$ 13,149	\$ 14,231				
County's covered payroll	323,700	412,014	325,745	792,077				
County's proportionate share of the net OPEB liability as a percentage of its covered payroll	3.21%	2.50%	4.04%	1.80%				
Plan fiduciary net position as a percentage of the total OPEB liability	75.08%	75.64%	67.75%	62.21%				
<b>EORP - Pension</b>	<b>Reporting Fiscal Year (Measurement Date)</b>							<b>2014 through 2012</b>
	<b>2021 (2020)</b>	<b>2020 (2019)</b>	<b>2019 (2018)</b>	<b>2018 (2017)</b>	<b>2017 (2016)</b>	<b>2016 (2015)</b>	<b>2015 (2014)</b>	
County's proportion of the net pension liability	1.21884%	1.23755%	1.03716%	0.93122%	0.99939%	0.93617%	1.04762%	Information not available
County's proportionate share of the net pension liability	\$ 8,226,711	\$ 8,207,120	\$ 6,535,520	\$ 11,347,472	\$ 9,441,755	\$ 7,315,675	\$ 7,025,059	
State's proportionate share of the net pension liability associated with the County	\$ 781,884	\$ 651,821	\$ 1,658,855	\$ 2,112,527	\$ 1,949,481	\$ 2,280,723	\$ 2,153,948	
Total County's net pension liability	<u>\$ 9,008,595</u>	<u>\$ 8,858,941</u>	<u>\$ 8,194,375</u>	<u>\$ 13,459,999</u>	<u>\$ 11,391,236</u>	<u>\$ 9,596,398</u>	<u>\$ 9,179,007</u>	
County's covered payroll	\$ 1,138,522	\$ 854,892	\$ 1,034,035	\$ 759,974	794,562	849,419	953,936	
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	791.25%	1036.26%	792.47%	1771.11%	1433.65%	1129.76%	962.22%	
Plan fiduciary net position as a percentage of the total pension liability	29.80%	30.14%	30.36%	19.66%	23.42%	28.32%	31.91%	
<b>EORP - Health Insurance Premium Benefit</b>	<b>Reporting Fiscal Year (Measurement Date)</b>				<b>2017 through 2012</b>			
	<b>2021 (2020)</b>	<b>2020 (2019)</b>	<b>2019 (2018)</b>	<b>2018 (2017)</b>				
County's proportion of the net OPEB (asset)	1.90472%	1.91305%	1.57850%	1.55196%	Information not available			
County's proportionate share of the net OPEB (asset)	\$ (181,910)	\$ (187,372)	\$ (163,121)	\$ (141,324)				
County's covered payroll	1,138,522	854,892	1,034,035	759,974				
County's proportionate share of the net OPEB (asset) as a percentage of its covered payroll	-15.98%	-21.92%	-15.78%	-18.60%				
Plan fiduciary net position as a percentage of the total pension liability	169.89%	169.72%	177.16%	164.84%				

See accompanying notes to pension/OPEB plan schedules.

**La Paz County**  
**Required Supplementary Information**  
**Schedule of Changes in the County's**  
**Net Pension/OPEB Liability and Related Ratios - Agent Plans**  
**June 30, 2021**

	Reporting Fiscal Year (Measurement Date)							2014 through 2012
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
<b>PSPRS - Sheriff - Pension</b>								
<b>Total pension liability</b>								
Service cost	\$ 230,878	\$ 283,040	\$ 279,940	\$ 351,267	\$ 356,348	\$ 271,882	\$ 258,299	Information not available
Interest on total pension liability	1,430,259	1,385,767	1,314,548	1,208,951	1,156,186	1,105,013	904,564	
Changes of benefit terms	-	-	-	243,566	316,334	-	325,930	
Difference between expected and actual experience in the measurement of the pension liability	(13,416)	143,573	418,257	346,773	76,314	237,456	538,156	
Changes of assumptions or other inputs	-	339,251	-	685,158	572,944	-	1,592,778	
Benefit payments, including refunds of employee contributions	(1,214,454)	(1,252,475)	(1,134,319)	(1,176,148)	(993,292)	(1,016,114)	(1,129,939)	
Net change in pension liability	433,267	899,156	878,426	1,659,567	1,484,834	598,237	2,489,788	
Total pension liability - beginning	19,968,934	19,069,778	18,191,352	16,531,785	15,046,951	14,448,714	11,958,926	
Total pension liability - ending (a)	<u>\$ 20,402,201</u>	<u>\$ 19,968,934</u>	<u>\$ 19,069,778</u>	<u>\$ 18,191,352</u>	<u>\$ 16,531,785</u>	<u>\$ 15,046,951</u>	<u>\$ 14,448,714</u>	
<b>Plan fiduciary net position</b>								
Contributions - employer	\$ 1,439,074	\$ 950,338	\$ 757,330	\$ 854,831	\$ 791,496	\$ 537,234	\$ 538,163	
Contributions - employee	158,729	112,999	159,019	192,207	343,870	166,848	156,266	
Net investment income	81,809	313,914	407,527	662,076	31,841	197,454	683,282	
Benefit payments, including refunds of employee contributions	(1,214,454)	(1,252,475)	(1,134,319)	(1,176,148)	(993,292)	(1,016,114)	(1,129,939)	
Hall/Parker Settlement	-	-	(179,279)	-	-	-	-	
Administrative expense	(6,671)	(6,471)	(6,903)	(6,258)	(4,982)	(5,190)	-	
Other changes	-	-	77	13,819	48,942	(9,829)	300,315	
Net change in plan fiduciary net position	458,487	118,305	3,452	540,527	217,875	(129,597)	548,087	
Plan fiduciary net position - beginning	6,315,660	6,197,355	6,193,903	5,653,376	5,435,501	5,565,098	5,017,011	
Adjustment to Beginning of Year	(273,005)	-	-	-	-	-	-	
Plan fiduciary net position - ending (b)	<u>\$ 6,501,142</u>	<u>\$ 6,315,660</u>	<u>\$ 6,197,355</u>	<u>\$ 6,193,903</u>	<u>\$ 5,653,376</u>	<u>\$ 5,435,501</u>	<u>\$ 5,565,098</u>	
County's net pension liability - ending (a) - (b)	<u>\$ 13,901,059</u>	<u>\$ 13,653,274</u>	<u>\$ 12,872,423</u>	<u>\$ 11,997,449</u>	<u>\$ 10,878,409</u>	<u>\$ 9,611,450</u>	<u>\$ 8,883,616</u>	
Plan fiduciary net position as a percentage of the total pension liability	31.9%	31.6%	32.5%	34.0%	34.2%	36.1%	38.5%	
Covered payroll	\$ 2,599,373	\$ 1,564,068	\$ 1,527,180	\$ 1,931,347	\$ 1,630,734	\$ 1,574,754	\$ 1,510,785	
County's net pension liability as a percentage of covered payroll	535%	873%	843%	621%	667%	610%	588%	

See accompanying notes to pension/OPEB plan schedules.

**La Paz County**  
**Required Supplementary Information**  
**Schedule of Changes in the County's**  
**Net Pension/OPEB Liability and Related Ratios - Agent Plans - Continued**  
**June 30, 2021**

<b>PSPRS OPEB - Sheriff</b>	<b>Reporting Fiscal Year</b> <b>(Measurement Date)</b>				<b>2017 through 2012</b>
	<b>2021 (2020)</b>	<b>2020 (2019)</b>	<b>2019 (2018)</b>	<b>2018 (2017)</b>	
<b>Total OPEB liability</b>					
Service cost	\$ 5,979	\$ 5,336	\$ 5,481	\$ 6,093	Information not available
Interest on total OPEB liability	13,534	20,971	21,114	20,119	
Changes of benefit terms	-	-	-	2,575	
Difference between expected and actual experience in the measurement of the OPEB liability	(10,074)	(123,208)	(22,141)	5,343	
Changes of assumptions or other inputs	-	1,637	-	(7,700)	
Benefit payments	(3,936)	(7,836)	(10,126)	(7,982)	
Net change in OPEB liability	5,503	(103,100)	(5,672)	18,448	
Total OPEB liability - beginning	178,878	281,978	287,650	269,202	
Total OPEB liability - ending (a)	<u>\$ 184,381</u>	<u>\$ 178,878</u>	<u>\$ 281,978</u>	<u>\$ 287,650</u>	
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ -	\$ -	\$ (17)	\$ -	
Net investment income	6,345	26,025	32,072	49,374	
Benefit payments	(3,936)	(7,836)	(10,126)	(7,982)	
Administrative Expense	(516)	(433)	(488)	(437)	
Other changes	-	-	1	-	
Net change in plan fiduciary net position	1,893	17,756	21,442	40,955	
Plan fiduciary net position - beginning	502,682	484,926	463,484	422,529	
Plan fiduciary net position - ending (b)	<u>\$ 504,575</u>	<u>\$ 502,682</u>	<u>\$ 484,926</u>	<u>\$ 463,484</u>	
County's net OPEB (asset) liability - ending (a) - (b)	<u>\$ (320,194)</u>	<u>\$ (323,804)</u>	<u>\$ (202,948)</u>	<u>\$ (175,834)</u>	
Plan fiduciary net position as a percentage of the total OPEB liability	273.7%	281.0%	172.0%	161.1%	
Covered payroll	\$ 2,599,373	\$ 1,564,068	\$ 1,527,180	\$ 1,931,347	
County's net OPEB (asset) liability as a percentage of covered payroll	-12%	-21%	-13%	-9%	

See accompanying notes to pension/OPEB plan schedules.

**La Paz County**  
**Required Supplementary Information**  
**Schedule of Changes in the County's**  
**Net Pension/OPEB Liability and Related Ratios - Agent Plans - Continued**  
**June 30, 2021**

<b>Public Safety Personnel Retirement System - Attorney Investigators</b>	<b>Reporting Fiscal Year (Measurement Date)</b>							<b>2014 through 2012</b>
	<b>2021 (2020)</b>	<b>2020 (2019)</b>	<b>2019 (2018)</b>	<b>2018 (2017)</b>	<b>2017 (2016)</b>	<b>2016 (2015)</b>	<b>2015 (2014)</b>	
<b>Total pension liability</b>								
Interest on total pension liability	\$ -	\$ 22,991	\$ 21,028	\$ 17,223	\$ 18,656	\$ 23,957	\$ 23,458	Information not available
Changes of benefit terms	-	-	-	14,580	16,878	-	-	
Difference between expected and actual experience in the measurement of the pension liability	-	(475,574)	(1,149)	34,463	9,524	10,341	2,025	
Changes of assumptions or other inputs	-	-	(33,605)	(11,962)	34,797	107,233	12,082	
Benefit payments, including refunds of employee contributions	-	-	(34,194)	(33,557)	(31,210)	(31,210)	(31,210)	
Net change in pension liability	-	(452,583)	(47,920)	20,747	48,645	110,321	6,355	
Total pension liability - beginning	-	452,583	500,503	479,756	431,111	320,790	314,435	
Total pension liability - ending (a)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 452,583</u>	<u>\$ 500,503</u>	<u>\$ 479,756</u>	<u>\$ 431,111</u>	<u>\$ 320,790</u>	
<b>Plan fiduciary net position</b>								
Contributions - employer	\$ -	\$ -	\$ 8,979	\$ 8,827	\$ 10,527	\$ -	\$ -	
Net investment income	1,976	8,043	10,833	19,327	1,047	7,335	27,730	
Benefit payments, including refunds of employee contributions	-	-	(34,194)	(33,557)	(31,210)	(31,210)	(31,210)	
Hall/Parker Settlement	-	-	(152)	-	-	-	-	
Administrative expense	(161)	(1,140)	(865)	(571)	(551)	(558)	-	
Other changes	-	-	3	3	3	(220)	(10,642)	
Net change in plan fiduciary net position	1,815	6,903	(15,396)	(5,971)	(20,184)	(24,653)	(14,122)	
Plan fiduciary net position - beginning	155,148	148,245	163,641	169,612	189,796	214,449	228,571	
Plan fiduciary net position - ending (b)	<u>\$ 156,963</u>	<u>\$ 155,148</u>	<u>\$ 148,245</u>	<u>\$ 163,641</u>	<u>\$ 169,612</u>	<u>\$ 189,796</u>	<u>\$ 214,449</u>	
County's net pension (asset) liability - ending (a) - (b)	<u>\$ (156,963)</u>	<u>\$ (155,148)</u>	<u>\$ 304,338</u>	<u>\$ 336,862</u>	<u>\$ 310,144</u>	<u>\$ 241,315</u>	<u>\$ 106,341</u>	
Plan fiduciary net position as a percentage of the total pension liability	0%	0%	33%	33%	35%	44%	67%	
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
County's net pension liability as a percentage of covered payroll	0%	0%	0%	0%	0%	0%	0%	

See accompanying notes to pension/OPEB plan schedules.

**La Paz County**  
**Required Supplementary Information**  
**Schedule of Changes in the County's**  
**Net Pension/OPEB Liability and Related Ratios - Agent Plans - Continued**  
**June 30, 2021**

<b>PSPRS OPEB - Attorney Investigators</b>	<b>Reporting Fiscal Year</b> <b>(Measurement Date)</b>				<b>2017</b> <b>through</b> <b>2012</b>
	<b>2021</b> <b>(2020)</b>	<b>2020</b> <b>(2019)</b>	<b>2019</b> <b>(2018)</b>	<b>2018</b> <b>(2017)</b>	
<b>Total OPEB liability</b>					
Interest on total OPEB liability	\$ -	\$ -	\$ 858	\$ 913	Information not available
Difference between expected and actual experience in the measurement of the OPEB liability	-	-	(13,111)	(1,322)	
Changes of assumptions or other inputs	-	-	-	1,111	
Benefit payments	-	-	(422)	(413)	
Net change in OPEB liability	-	-	(12,675)	289	
Total OPEB liability - beginning	-	-	12,675	12,386	
Total OPEB liability - ending (a)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,675</u>	
<b>Plan fiduciary net position</b>					
Net investment income	\$ 165	\$ 668	\$ 819	\$ 1,280	
Benefit payments	-	-	(422)	(413)	
Administrative Expense	(13)	(12)	(12)	(12)	
Net change in plan fiduciary net position	152	656	385	855	
Plan fiduciary net position - beginning	12,950	12,294	11,909	11,054	
Plan fiduciary net position - ending (b)	<u>\$ 13,102</u>	<u>\$ 12,950</u>	<u>\$ 12,294</u>	<u>\$ 11,909</u>	
County's net OPEB liability - ending (a) - (b)	<u>\$ (13,102)</u>	<u>\$ (12,950)</u>	<u>\$ (12,294)</u>	<u>\$ 766</u>	
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	94.0%	
Covered payroll	\$ -	\$ -	\$ -	\$ -	
County's net OPEB liability as a percentage of covered payroll	0%	0%	0%	0%	

See accompanying notes to pension/OPEB plan schedules.

**La Paz County**  
**Required Supplementary Information**  
**Schedule of Changes in the County's**  
**Net Pension/OPEB Liability and Related Ratios - Agent Plans - Continued**  
**June 30, 2021**

<b>CORP - Detention</b>	<b>Reporting Fiscal Year (Measurement Date)</b>			
	<b>2021 (2020)</b>	<b>2020 (2019)</b>	<b>2019 (2018)</b>	<b>2018 (2017)</b>
<b>Total pension liability</b>				
Service cost	\$ 123,593	\$ 138,009	\$ 136,423	\$ -
Interest on total pension liability	186,389	167,357	107,212	-
Changes of benefit terms	-	-	240,188	-
Difference between expected and actual experience in the measurement of the pension liability	17,596	12,727	360,618	1,401,188
Changes of assumptions or other inputs	-	58,575	-	22,220
Benefit payments, including refunds of employee contributions	(23,834)	(117,298)	(85,625)	-
Net change in pension liability	303,744	259,370	758,816	1,423,408
Total pension liability - beginning	2,441,594	2,182,224	1,423,408	-
Total pension liability - ending (a)	<u>\$ 2,745,338</u>	<u>\$ 2,441,594</u>	<u>\$ 2,182,224</u>	<u>\$ 1,423,408</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 148,956	\$ 88,965	\$ 134,312	\$ 102,641
Contributions - employee	85,076	75,076	84,469	58,923
Net investment income	35,344	54,635	69,049	10,434
Benefit payments, including refunds of employee contributions	(23,834)	(117,298)	(85,625)	-
Administrative expense	(1,368)	(1,675)	(1,745)	(491)
Other changes	-	-	(14,680)	735,694
Net change in plan fiduciary net position	244,174	99,703	185,780	907,201
Plan fiduciary net position - beginning	1,192,684	1,092,981	907,201	-
Adjustment to Beginning of Year	(41,010)	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ 1,395,848</u>	<u>\$ 1,192,684</u>	<u>\$ 1,092,981</u>	<u>\$ 907,201</u>
County's net pension liability - ending (a) - (b)	<u>\$ 1,349,490</u>	<u>\$ 1,248,910</u>	<u>\$ 1,089,243</u>	<u>\$ 516,207</u>
Plan fiduciary net position as a percentage of the total pension liability	51%	49%	50%	64%
Covered payroll	\$ 494,069	\$ 489,495	\$ 1,078,400	\$ 635,781
County's net pension liability as a percentage of covered payroll	273%	255%	101%	81%

Reporting Fiscal Year 2018 was the Plan's first year.

**La Paz County**  
**Required Supplementary Information**  
**Schedule of Changes in the County's**  
**Net Pension/OPEB Liability and Related Ratios - Agent Plans - Continued**  
**June 30, 2021**

<b>CORP OPEB - Detention</b>	<b>Reporting Fiscal Year (Measurement Date)</b>			
	<b>2021 (2020)</b>	<b>2020 (2019)</b>	<b>2019 (2018)</b>	<b>2018 (2017)</b>
<b>Total OPEB liability</b>				
Service cost	\$ 2,103	\$ 2,050	\$ 3,792	\$ -
Interest on total OPEB liability	4,097	4,580	5,152	-
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience in the measurement of the OPEB liability	(8,680)	(13,085)	(16,830)	81,036
Changes of assumptions or other inputs	-	632	-	(13,307)
Net change in OPEB liability	(2,480)	(5,823)	(7,886)	67,729
Total OPEB liability - beginning	54,020	59,843	67,729	-
Total OPEB liability - ending (a)	<u>\$ 51,540</u>	<u>\$ 54,020</u>	<u>\$ 59,843</u>	<u>\$ 67,729</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 5,190	\$ 7,710	\$ -	\$ -
Net investment income	-	106	-	-
Benefit payments	-	-	-	-
Administrative Expense	-	(2)	-	-
Other changes	-	-	-	-
Net change in plan fiduciary net position	5,190	7,814	-	-
Plan fiduciary net position - beginning	7,814	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ 13,004</u>	<u>\$ 7,814</u>	<u>\$ -</u>	<u>\$ -</u>
County's net OPEB liability - ending (a) - (b)	<u>\$ 38,536</u>	<u>\$ 46,206</u>	<u>\$ 59,843</u>	<u>\$ 67,729</u>
Plan fiduciary net position as a percentage of the total OPEB liability	25.2%	14.5%	0.0%	0.0%
Covered payroll	\$ 494,069	\$ 489,495	\$ 1,078,400	\$ 635,781
County's net OPEB liability as a percentage of covered payroll	8%	9%	6%	11%

Reporting Fiscal Year 2018 was the Plan's first year.

**La Paz County**  
**Required Supplementary Information**  
**Schedule of County Pension/OPEB Contributions**  
**June 30, 2021**

**ASRS - Pension**

	Reporting Fiscal Year								2013 through 2012
	2021	2020	2019	2018	2017	2016	2015	2014	
Statutorily determined contribution	\$ 968,622	\$ 880,226	\$ 1,074,154	\$ 737,284	\$ 898,777	\$ 1,009,993	\$ 998,342	\$ 899,541	Information not available
County's contributions in relation to the statutorily determined contribution	<u>968,622</u>	<u>880,226</u>	<u>1,074,154</u>	<u>737,284</u>	<u>898,777</u>	<u>1,009,993</u>	<u>998,342</u>	<u>899,541</u>	
County's contribution deficiency (excess)	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	<u>8,314,352</u>	<u>7,687,563</u>	<u>\$ 9,607,815</u>	<u>\$ 6,764,073</u>	<u>\$ 8,337,449</u>	<u>\$ 9,308,691</u>	<u>\$ 9,159,101</u>	<u>\$ 8,406,925</u>	
County's contributions as a percentage of covered payroll	<u>11.65%</u>	<u>11.45%</u>	<u>11.18%</u>	<u>10.90%</u>	<u>10.78%</u>	<u>10.85%</u>	<u>10.90%</u>	<u>10.70%</u>	

**ASRS - Health Insurance Premium  
Benefit**

	Reporting Fiscal Year					2016 through 2012
	2021	2020	2019	2018	2017	
Statutorily determined contribution	\$ 16,937	\$ 37,669	\$ 44,196	\$ 29,762	\$ 46,690	Information not available
County's contributions in relation to the statutorily determined contribution	<u>16,937</u>	<u>37,669</u>	<u>44,196</u>	<u>29,762</u>	<u>46,690</u>	
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	<u>\$ 8,314,352</u>	<u>\$ 7,687,563</u>	<u>\$ 9,607,815</u>	<u>\$ 6,764,073</u>	<u>\$ 8,337,449</u>	
County's contributions as a percentage of covered payroll	<u>0.20%</u>	<u>0.49%</u>	<u>0.46%</u>	<u>0.44%</u>	<u>0.56%</u>	

**ASRS-Long-term Disability**

	Reporting Fiscal Year					2016 through 2012
	2021	2020	2019	2018	2017	
Statutorily determined contribution	\$ 14,729	\$ 13,002	\$ 11,393	\$ 10,807	\$ 11,672	Information not available
County's contributions in relation to the statutorily determined contribution	<u>14,729</u>	<u>13,002</u>	<u>11,393</u>	<u>10,807</u>	<u>11,672</u>	
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	<u>\$ 8,314,352</u>	<u>\$ 7,687,563</u>	<u>\$ 9,607,815</u>	<u>\$ 6,764,073</u>	<u>\$ 8,337,449</u>	
County's contributions as a percentage of covered payroll	<u>0.18%</u>	<u>0.17%</u>	<u>0.12%</u>	<u>0.16%</u>	<u>0.14%</u>	



**La Paz County**  
**Required Supplementary Information**  
**Schedule of County Pension/OPEB Contributions - Continued**  
**June 30, 2021**

<b>CORP AOC - Pension</b>	<b>Reporting Fiscal Year</b>								<b>2013 through 2012</b>
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	
Statutorily determined contribution	\$ 106,169	\$ 104,976	\$ 92,744	\$ 65,377	\$ 159,049	\$ 62,165	\$ 55,745	\$ 56,789	Information not available
County's contributions in relation to the statutorily determined contribution	<u>106,169</u>	<u>104,976</u>	<u>92,744</u>	<u>65,377</u>	<u>159,049</u>	<u>62,165</u>	<u>55,745</u>	<u>56,789</u>	
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	<u>\$ 345,715</u>	<u>\$ 323,700</u>	<u>\$ 412,014</u>	<u>\$ 325,745</u>	<u>\$ 792,077</u>	<u>\$ 325,471</u>	<u>\$ 374,128</u>	<u>\$ 391,648</u>	
County's contributions as a percentage of covered payroll	<u>30.71%</u>	<u>32.43%</u>	<u>22.51%</u>	<u>20.07%</u>	<u>20.08%</u>	<u>19.10%</u>	<u>14.90%</u>	<u>14.50%</u>	

<b>CORP AOC - Health insurance premium benefit</b>	<b>Reporting Fiscal Year</b>					<b>2016 through 2012</b>
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	
Statutorily determined contribution	\$ 745	\$ 1,780	\$ 3,420	\$ 2,605	\$ 6,733	Information not available
County's contributions in relation to the statutorily determined contribution	<u>745</u>	<u>1,780</u>	<u>3,420</u>	<u>2,605</u>	<u>6,733</u>	
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	<u>\$ 345,715</u>	<u>\$ 323,700</u>	<u>\$ 412,014</u>	<u>\$ 325,745</u>	<u>\$ 792,077</u>	
County's contributions as a percentage of covered payroll	<u>0.22%</u>	<u>0.55%</u>	<u>0.83%</u>	<u>0.80%</u>	<u>0.85%</u>	

<b>EORP - Pension</b>	<b>Reporting Fiscal Year</b>								<b>2013 through 2012</b>
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	
Statutorily determined contribution	\$ 651,787	\$ 555,698	\$ 578,049	\$ 407,945	\$ 178,594	\$ 186,722	\$ 198,764	\$ 223,221	Information not available
County's contributions in relation to the statutorily determined contribution	<u>507,294</u>	<u>700,191</u>	<u>525,160</u>	<u>242,998</u>	<u>178,594</u>	<u>186,722</u>	<u>198,764</u>	<u>223,221</u>	
County's contribution deficiency (excess)	<u>\$ 144,493</u>	<u>\$ (144,493)</u>	<u>\$ 52,889</u>	<u>\$ 164,947</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	<u>\$ 825,808</u>	<u>\$ 1,138,522</u>	<u>\$ 854,892</u>	<u>\$ 1,034,035</u>	<u>\$ 759,974</u>	<u>\$ 794,562</u>	<u>\$ 849,419</u>	<u>\$ 953,936</u>	
County's contributions as a percentage of covered payroll	<u>61.43%</u>	<u>61.50%</u>	<u>61.43%</u>	<u>23.50%</u>	<u>23.50%</u>	<u>23.50%</u>	<u>23.40%</u>	<u>23.40%</u>	

The County was not required and did not contribute to the EORP health insurance premium benefit plan for fiscal years 2020, 2019, 2018 or 2017. Information for fiscal years 2016 through 2011 is not available.

**La Paz County**  
**Required Supplementary Information**  
**Schedule of County Pension/OPEB Contributions - Continued**  
**June 30, 2021**

	Reporting Fiscal Year								2013 through 2012
	2021	2020	2019	2018	2017	2016	2015	2014	
Actuarially determined contribution	\$ 1,460,247	\$ 1,135,094	\$1,036,858	\$ 924,197	\$ 993,292	\$ 786,666	\$ 567,384	\$ 538,163	Information not available
County's contributions in relation to the actuarially determined contribution	<u>1,235,609</u>	<u>1,359,732</u>	<u>812,220</u>	<u>744,653</u>	<u>993,292</u>	<u>786,666</u>	<u>567,384</u>	<u>538,163</u>	
County's contribution deficiency (excess)	<u>\$ 224,638</u>	<u>\$ (224,638)</u>	<u>\$ 224,638</u>	<u>\$ 179,544</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	<u>\$ 2,272,176</u>	<u>\$ 2,599,373</u>	<u>\$ 1,564,068</u>	<u>\$ 1,527,180</u>	<u>\$ 1,931,347</u>	<u>\$ 1,630,734</u>	<u>\$ 1,574,754</u>	<u>\$ 1,510,785</u>	
County's contributions as a percentage of covered payroll	<u>54.38%</u>	<u>52.31%</u>	<u>51.93%</u>	<u>48.76%</u>	<u>51.43%</u>	<u>48.24%</u>	<u>36.03%</u>	<u>35.62%</u>	

	Reporting Fiscal Year					2016 through 2012
	2021	2020	2019	2018	2017	
Actuarially determined contribution	\$ 6,210	\$ 4,287	\$ 2,759	\$ -	\$ -	Information not available
County's contributions in relation to the actuarially determined contribution	<u>6,210</u>	<u>4,287</u>	<u>2,759</u>	<u>-</u>	<u>-</u>	
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	<u>\$ 2,272,176</u>	<u>\$ 2,599,373</u>	<u>\$ 1,564,068</u>	<u>\$ 1,527,180</u>	<u>\$ 1,931,347</u>	
County's contributions as a percentage of covered payroll	<u>0.27%</u>	<u>0.16%</u>	<u>0.18%</u>	<u>0.00%</u>	<u>0.00%</u>	

	Reporting Fiscal Year								2013 through 2012
	2021	2020	2019	2018	2017	2016	2015	2014	
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ 17,654	\$ 8,827	\$ 10,527	\$ -	\$ -	Information not available
County's contributions in relation to the actuarially determined contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,654</u>	<u>8,827</u>	<u>10,527</u>	<u>-</u>	<u>-</u>	
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	

	Reporting Fiscal Year					2016 through 2012
	2021	2020	2019	2018	2017	
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ 28	\$ 81	Information not available
County's contributions in relation to the actuarially determined contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>28</u>	<u>81</u>	
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	

See accompanying notes to pension/OPEB plan schedules.

**La Paz County**  
**Required Supplementary Information**  
**Schedule of County Pension/OPEB Contributions - Continued**  
**June 30, 2021**

<b>CORP Detention - Pension</b>	<b>Reporting Fiscal Year</b>				
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Statutorily determined contribution	\$ 119,310	\$ 152,766	\$ 135,052	\$ 114,742	\$ 102,641
County's contributions in relation to the statutorily determined contribution	119,310	152,766	135,052	114,742	102,641
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	<u>\$ 712,724</u>	<u>\$ 494,069</u>	<u>\$ 489,495</u>	<u>\$ 1,078,400</u>	<u>\$ 635,781</u>
County's contributions as a percentage of covered payroll	<u>16.74%</u>	<u>30.92%</u>	<u>27.59%</u>	<u>10.64%</u>	<u>16.14%</u>

<b>CORP Detention - Health Insurance Premium Benefit</b>	<b>Reporting Fiscal Year</b>				
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Statutorily determined contribution	\$ 4,490	\$ 593	\$ -	\$ 12,617	\$ -
County's contributions in relation to the statutorily determined contribution	4,490	593	-	12,617	-
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	<u>\$ 712,724</u>	<u>\$ 494,069</u>	<u>\$ 489,495</u>	<u>\$ 1,078,400</u>	<u>\$ 635,781</u>
County's contributions as a percentage of covered payroll	<u>0.63%</u>	<u>0.12%</u>	<u>0.00%</u>	<u>1.17%</u>	<u>0.00%</u>

Reporting Fiscal Year 2017 was the Plan's first year.

**La Paz County**  
**Required Supplementary Information**  
**Notes to Pension/OPEB Plan Schedules**  
**June 30, 2021**

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**Note 1 – Actuarially Determined Contribution Rates**

Actuarially determined contribution rates for PSPRS and CORP are calculated as of June 30 two years prior to the end of the fiscal year in which contributions are made. The actuarial methods and assumptions used to establish the contribution requirements are as follows:

Actuarial cost method	Entry age normal
Amortization method	Level percent-of-pay, closed
Remaining amortization period as of the 2019 actuarial valuation	17 years
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	In the 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.5%. In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%.
Projected salary increases	In the 2017 actuarial valuation, projected salary increases were decreased from 4.0%-8.0% to 3.5%-7.5% for PSPRS and from 4.0%-7.25% to 3.5%-6.5% for CORP. In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%-8.5% to 4.0%-8.0% for PSPRS and from 4.5%-7.75% to 4.0% to 7.25% for CORP. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%-9.0% to 4.5%-8.5% for PSPRS and from 5.0%-8.25% to 4.5%-7.75% for CORP.
Wage growth	In the 2017 actuarial valuation, wage growth was decreased from 4% to 3.5% for PSPRS and CORP. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0% for PSPRS and CORP. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS and CORP.

**La Paz County**  
**Required Supplementary Information**  
**Notes to Pension/OPEB Plan Schedules – Continued**  
**June 30, 2021**

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**Note 1 – Actuarially Determined Contribution Rates – Continued**

Retirement age	Experience- based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 – June 30, 2011.
Mortality	In the 2017 actuarial valuation, changed RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females)

**Note 2 – Factors that affect trends**

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law’s effective date. As a result, the PSPRS, CORP, CORP–AOC, and EORP changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. PSPRS and EORP also reduced those members’ employee contribution rates. These changes are reflected in the plans’ pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law’s effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law’s effective date. These changes also increased the PSPRS-, CORP-, and CORP–AOC-required pension contributions beginning in fiscal year 2016 for members who were retired as of the law’s effective date. These changes increased the PSPRS-, CORP-, and CORP–AOC-required contributions beginning in fiscal year 2019 for members who retired or will retire after the law’s effective date. EORP-required contributions are not based on actuarial valuations, and therefore, these changes did not affect them. Also, the County refunded excess employee contributions to PSPRS and EORP members. PSPRS and EORP allowed the County to reduce its actual employer contributions for the refund amounts. As a result, the County’s pension contributions were less than the actuarially or statutorily determined contributions for 2018 and 2019.

The fiscal year 2019 (measurement date 2018) pension liabilities for EORP and CORP reflect the replacement of the permanent benefit increase (PBI) for retirees based on investment returns with a cost of living adjustment based on inflation. Also, the EORP liability and required pension contributions for fiscal year 2019 reflect a statutory change that requires the employer contribution rate to be actuarially determined. This change increased the discount rate used to calculate liability thereby reducing the total pension liability.

**FEDERAL REPORTS**

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**HINTONBURDICK**  
CPAs & ADVISORS

**Independent Auditors' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed  
in Accordance with *Government Auditing Standards***

The Arizona Auditor General  
The Board of Supervisors  
La Paz County, Arizona  
Parker, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of La Paz County, Arizona, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise La Paz County, Arizona's basic financial statements, and have issued our report thereon dated April 20, 2023.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered La Paz County, Arizona's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of La Paz County, Arizona's internal control. Accordingly, we do not express an opinion on the effectiveness of La Paz County, Arizona's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items **2021-001, 2021-002, 2021-003, 2021-004, 2021-005, and 2021-006**, to be material weaknesses.



A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items **2021-007**, **2021-008**, **2021-009**, **2021-010**, **2021-011**, and **2021-012**, to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether La Paz County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the schedule of findings and questioned costs as item **2021-013**.

### **La Paz County's Response to Findings**

La Paz County's responses to the findings identified in our audit are presented in its corrective action plan at the end of this report. The County is responsible for preparing a corrective action plan to address each finding. La Paz County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*HintonBurdick, PLLC*

Gilbert, Arizona

April 20, 2023



**HINTONBURDICK**  
CPAs & ADVISORS

## **Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance**

The Arizona Auditor General  
The Board of Supervisors of  
La Paz County, Arizona

### **Report on Compliance for Each Major Federal Program**

We have audited the La Paz County, Arizona's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have direct and material effect on each of the La Paz County, Arizona's major federal programs for the year ended June 30, 2021. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the La Paz County, Arizona's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2021.

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2021-101. Our opinion on each major federal program is not modified with respect to these matters.

### **Report on Internal Control Over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are

appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-101 to be a material weakness

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **La Paz County's Response to Findings**

La Paz County's responses to the findings identified in our audit are presented in its corrective action plan at the end of this report. The County is responsible for preparing a corrective action plan to address each finding. La Paz County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

*HintonBurdick, PLLC*

HintonBurdick, PLLC

Gilbert, Arizona

April 20, 2023



**LA PAZ COUNTY, ARIZONA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2021**

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**Section I - Summary of Auditors' Results**

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Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles  
Internal control over financial reporting:

Unmodified

- Material weakness (es) identified?  yes  no
- Significant deficiency (ies) identified?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

Federal Awards

Internal Control over major programs:

- Material weakness (es) identified?  yes  no
- Significant deficiency (ies)?  yes  none reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  yes  no

Identification of major programs.

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.019	COVID 19 – Coronavirus Relief Fund

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee?  yes  no

**LA PAZ COUNTY, ARIZONA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2021**

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**Section II - Financial Statement Findings**

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**INTERNAL CONTROL OVER FINANCIAL REPORTING**

**Material Weaknesses:**

**2021-001 Parks Fund Documentation and Reconciliation (Reissue of prior year finding 2020-001, reworded)**

*Criteria:* Documentation should be maintained to support the activity of the fund.

*Condition:* During our cash receipting and revenue testwork, Parks was unable to locate a few of the supporting documents for cash receipts that were initially selected for testing. For completeness, the March 2021 daily receipts were substituted and reviewed. We noted several daily Z-tapes did not agree to the amount of funds recorded on the month end summary sheet. We also noted there was no reconciliation or approval of the deposit. The cash deposits were dropped at the Treasurer sporadically and revenues are recorded as the funds are received by the Treasurer's office instead of when earned. In addition, detailed information is not documented and could not be provided for items like number of camp sites rented, permits issued, stalls rented, etc.

*Cause and Effect:* During fiscal year 2021 the Parks department changed its office space which disorganized the documentation. Shortly thereafter staffing changed, and the Parks department has not reorganized and refiled its information from fiscal year 2021. Staffing appears to be contributing to the lack of documentation and reconciliation, as there is insufficient time to perform ongoing operations and organize the documentation from fiscal year 2021. There does not appear to be a system in place to capture and retain detailed information related to rentals and permits. Without proper documentation and reconciliation, proper oversight cannot occur. Delays in making deposits with the Treasurer's office are causing delays in revenues being recorded in the correct period. Misappropriation of assets could occur without being prevented or detected in a timely manner.

*Auditor's Recommendation:* The County should enact policies and procedures to sufficiently prepare and retain documentation to support the activities of the Parks fund and allow for proper oversight of those activities.

**2021-002 Grant Management, Accounting and Preparation of Schedule of Expenditures Federal Awards (Reissue of prior year finding 2020-002)**

*Criteria:* Policies and procedures should be established to ensure that general ledger activity for Federal and State grants and contracts is recorded in the proper County fund. In addition, grant agreements typically specify billing frequencies for submitting reimbursement requests. For those agreements that do not, best practice requires reimbursement requests are processed within a reasonable amount of time. In addition, grant revenues should be reported in the same period as the related reimbursed expenditures. Modified accrual accounting focuses on whether resources can be collected. If a government is in a position to obtain resources to which it has claim during its availability period, but fails to do so, those resources should be considered to be available for revenue recognition purposes, even if they were not actually collected during the availability period. This ensures timely receipt of amounts earned and ensures that all eligible expenditures are reimbursed, allowing for the adequate monitoring of grant activities. A thorough understanding and tracking process of all Federal and State

**LA PAZ COUNTY, ARIZONA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2021**

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**Section II - Financial Statement Findings, Continued**

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contracts ensures a complete and accurate Schedule of Expenditures of Federal Awards as well as proper reporting to the granting agency and compliance with grant requirements.

*Condition:* Timely analysis of grants and contracts, including an analysis of expenditures versus drawdowns, was not performed. Reimbursements were significantly delayed due to untimely requests being filed.

*Cause and Effect:* The County does not have a centralized process specifically established for the ongoing accounting of federal and state awards. As a result, there is an increased risk that accounting errors may occur and an increase in difficulty identifying and summarizing all Federal awards for the preparation of the Schedule of Expenditures of Federal Awards.

*Auditors' Recommendations:* We recommend that the County establish policies and procedures to appropriately track its federal and state awards within the general ledger on an ongoing basis. In addition, we recommend that the County create policies and procedures to monitor grants to ensure timely filing of reimbursement requests.

**2021-003 Timely Account Reconciliation and Financial Statement Preparation (Reissue of prior year finding 2020-004, reworded)**

*Criteria:* To help ensure that financial reports, including audited financial statements and the SEFA, are accurate and prepared timely enough to meet filing requirements and provide useful information for decision making, general ledger accounts, including the County Treasurer Investment Pool, should be reconciled monthly and annual financial statements should be prepared within a reasonable amount of time after year-end.

*Condition:* During the fiscal year, the County Treasurer system was not reconciled to the County's general ledger on a timely basis, and inter-fund due to/due from activity and balances were not reconciled by the County until subsequent to fiscal year end.

*Cause and Effect:* Due to employee turnover within the finance department the County did not have the necessary resources to properly reconcile and adjust account balances on a timely basis. As a result, the County may not have had accurate and timely financial information for accurate and reliable decision making and increasing the risk of errors in the annual financial statements. The County may also have over expended resources for a particular grant or project without being aware of the unintended commitment and use of non-grant or non-project resources.

*Auditors' Recommendations:* The County should evaluate its resources necessary to complete monthly reconciliations, inter-fund and available fund balance or net position; and the year-end closing and financial reporting process and consider the need to devote additional resources to the financial reporting process.

**LA PAZ COUNTY, ARIZONA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2021**

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**Section II - Financial Statement Findings, Continued**

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**2021-004 Golf Course Volunteers (Reissue of prior year finding 2020-005)**

*Criteria:* The County should ensure that individuals providing services to the County are properly compensated and those amounts reported under the Internal Revenue Code whether compensated with a paycheck or with other forms of remuneration. The County should also ensure that adequate records are maintained for any benefits received and used by these individuals.

*Condition:* The County Golf Course relies heavily on what the County considers “volunteer” services. These individuals receive green fee vouchers that systematically accumulate based on each hour worked. As such, these green fees may be considered wages under the Internal Revenue Code. The County has not formally determined or recorded the potential payroll liability for the costs associated with these services provided. In addition, controls were not sufficient to ensure that all vouchers redeemed were subsequently reduced from the voucher tracking system. Finally, the County’s policies do not clearly state if the individuals that received green fee vouchers and have vouchers outstanding at year end (totaling approximately \$36,173 in vouchers) have any recourse to the County if these are not redeemed through the normal process.

*Cause and Effect:* The Golf Course utilizes the services of these individuals and provides them “free” green fees as a benefit for their services in an attempt to reduce overall costs. However, adequate written policies regarding recourse to the County were not provided to these individuals and the County was not aware of the potential classification of employee issues outlined in the Internal Revenue Code. As a result, there may be unrecorded liabilities at the Golf Course, and/or the County may not be adhering to Fair Labor Standards Act requirements.

*Auditor’s Recommendations:* The County should strengthen its procedures for tracking volunteer service hours and green fee vouchers provided and used. In addition, the County should consult legal Counsel to determine its position regarding whether these individuals are considered employees under the Internal Revenue Code and whether there is any potential recourse that the employees could demand if the vouchers are not redeemed.

**LA PAZ COUNTY, ARIZONA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2021**

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**Section II - Financial Statement Findings, Continued**

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**2021-005 Credit Card Controls (Reissue of prior year finding 2020-006)**

*Criteria:* The Uniform Accounting Manual for Arizona Counties (UAMAC), section VI-C, published by the State of Arizona Auditor General's office requires Counties to develop and adhere to written policies and procedures to safeguard assets.

*Condition:* A lack of policies and procedures related to credit cards have led to circumstances with the County credit cards which increases the risk of error or misuse occurring without being caught in the normal course of operations. The noted circumstances are:

- active credit cards for 27 employees who have been, but are no longer employed by the County,
- several employees have more than one active card issued to them,
- credit card expenditures are not reviewed and approved as part of the normal purchase order process before they are incurred by the departments.

*Cause and Effect:* The County does not have procedures in place to monitor active cards assigned to employees in order to inactive multiple cards held by one person or cards for former employees. The County also lacks processes to authorize credit card purchases prior to the liability being incurred.

*Auditor's Recommendations:* The County should put procedures in place to ensure credit cards are closed when an employee's employment is terminated. In addition, the active credit card listing should be periodically reviewed for any anomalies, such as multiple cards issued to the same person. Lastly, procedures should be put in place for credit card purchases to follow normal authorization policies prior to the expense being incurred.

**2021-006 Cash Monitoring and Reconciliations (Reissue of prior year finding 2020-007)**

*Criteria:* Policies and procedures should be established to ensure that cash activity relating to County departments is appropriately understood as to the availability of these resources, and that these accounts are appropriately reconciled and recorded in the County's general ledger.

*Condition:* The cash on deposit at the courts and enterprises are not recorded by the County on an ongoing basis. Rather, these accounts and any unrecorded activity are adjusted subsequent to year-end during the preparation of the annual financial statements.

*Cause and Effect:* The County has not established appropriate policies and procedures to monitor and reconcile all cash accounts on an ongoing basis. This prevents the County's accounting system from giving complete and accurate information during the year.

*Auditor's Recommendations:* The County should perform regular analysis of all cash accounts at decentralized departments and at the County Treasurer to ensure that balances are properly recorded in the County funds and to ensure that these accounts are reconciled timely.



**LA PAZ COUNTY, ARIZONA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2021**

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**Section II - Financial Statement Findings, Continued**

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**Significant Deficiencies:**

**2021-007 Segregation of Duties (Reissue of prior year finding 2020-008, reworded)**

*Criteria:* To help ensure the accuracy of financial records and to help reduce the risk of misappropriation of assets, duties should be segregated to separate the responsibilities of custody of assets, authorizing the use of assets, recording the use of assets, and monitoring the use of assets between multiple people. The Uniform Accounting Manual for Arizona Counties (UAMAC), section VI-C, published by the State of Arizona Auditor General's office requires Counties to develop and adhere to written policies and procedures to safeguard assets.

*Condition:* Adequate segregation of accounting duties was not in place in the Treasurer's office, Parks Department and Sheriff's office as the personnel responsible for collecting various fees are often also responsible for reconciling, depositing, and recordkeeping of these receipts. Independent verification and reconciliations of amounts collected to amounts deposited were not performed. In addition, the Finance Director is responsible for reviewing pay changes but was also processing payroll. No secondary review and approval was documented. In addition, per review of a sample of 10 personnel files, documentation of approved payrates did not agree to what was being paid in 3 instances.

*Cause and Effect:* A detailed risk assessment was not performed for all County departments. As a result, policies have not been implemented to help ensure that duties are segregated, to the extent possible, to minimize control situations where individuals have the opportunity to misappropriate assets.

*Auditor's Recommendation:* The County should perform a formal risk assessment considering the responsibilities of custody, authorization, recording, and monitoring the use of assets in each of its departments. In departments where more than one responsibility is held by one person, the County should implement additional procedures to mitigate the risk created by a lack of proper segregation of duties.

**2021-008 Budgetary Control (Reissue of prior year finding 2020-009)**

*Criteria:* Arizona Revised Statutes (A.R.S.) §42-17101 and §42-17107 require the County to prepare and adopt a balanced budget for each governmental fund on an annual basis. The Board of Supervisors must approve such operating budgets on or before the third Monday in July to allow sufficient time for the legal announcements and hearings required for the adoption of the property tax levy on the third Monday in August. A.R.S. §42-17106(A) prohibits the expenditure of funds or the creation of liabilities in excess of the adopted budget for the fiscal year. Expenditures may not legally exceed appropriations at the department level. In certain instances, transfers of appropriations between departments or from the contingency account to a department may be made upon the Board of Supervisors' approval.

**LA PAZ COUNTY, ARIZONA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2021**

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**Section II - Financial Statement Findings, Continued**

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*Condition:* The General Fund and Jail District Fund both have significant deficit fund balances which the County has not considered or addressed through its balanced budget. There were also several instances where budgetary line items were over-expended in fiscal year 2021.

*Cause and Effect:* Although budgets are monitored on an ongoing basis, procedures have not been implemented to ensure that all departments comply with budget requirements. As such, the County over-expended funds contrary to Arizona Revised Statutes.

*Auditor's Recommendations:* Implement policies and procedures to ensure that budget requirements are enforced at all levels of the County's departments.

**2021-009** **Golf Course Pro Shop and Parks Inventory (Reissue of prior year finding 2020-010, reworded)**

*Criteria:* Inventory held for sale should be identified and recorded in the accounting records for the golf course and parks enterprise funds. Additionally, physical inventory counts should be performed periodically and reconciled to the accounting records.

*Condition:* The golf course pro shop and parks department have goods held for sale at the end of the fiscal year, but no inventory was recorded and a physical inventory was not performed at the parks department. The golf course pro shop did complete a physical inventory but the information was not recorded.

*Cause and Effect:* The Golf Course and Parks do not have adequate policies and procedures to ensure all inventory held for sale is recorded and safeguarded. As a result, inventory and expenses in the golf fund and in the parks fund could be misstated in the accounting records, due to error or fraud, and not be caught in the normal course of operations.

*Auditor's Recommendations:* The County should implement policies and procedures to ensure inventories in all departments are identified and recorded. Physical inventories should be performed periodically and reconciled to the accounting records.

**2021-010** **Capital Asset Inventory (Reissue of prior year finding 2020-011)**

*Criteria:* To help safeguard the County's assets, to help ensure accurate accounting records, and to comply with federal guidelines related to grants, physical inventories of capital assets should be performed at least every two years and reconciled to the accounting records. According to the Uniform Accounting Manual for Arizona Counties (UAMAC), section VI-E, the standards required for recipients of federal monies, a physical inventory of furniture, equipment, and vehicles purchased with federal monies costing \$5,000 or more, and having useful lives over 1 year should be conducted and reconciled to the capital asset list at least once every two years.

**LA PAZ COUNTY, ARIZONA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2021**

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**Section II - Financial Statement Findings, Continued**

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*Condition:* Since the audit of fiscal year 2019, the County performed an inventory of capital assets, but did not reconcile the results of the inventory observation performed to the capital asset records and make the appropriate adjustments as a result of the observation.

*Cause and Effect:* Due to turnover in the department, the County did not reconcile the results of the inventory observation to the capital asset records, thereby not fully complying with the UAMAC or federal regulations.

*Auditor's Recommendations:* The County should perform a physical inventory observation at least every two years and reconcile the inventory observation to the capital asset records and investigate differences and adjust records, as necessary.

**2021-011 Excessive Number of Funds (Reissue of prior year finding 2020-012)**

*Criteria:* Governments should establish and maintain those funds required by law and sound financial administration. Only the minimum number of funds consistent with legal and operating requirements should be established and maintained because unnecessary funds result in inflexibility, undue complexity, and inefficient financial administration. Governments should discontinue reporting a special revenue fund, and instead report the fund's remaining resources in the general fund, if the government no longer expects that a substantial portion of the inflows will derive from restricted or committed revenue sources.

*Condition:* The County has established and maintains 240 open funds in its accounting system. Many of these funds are special revenue funds which are carrying consistent fund deficits or fund balances from year to year, without any current activity, and should be closed.

*Cause and Effect:* With a significant number of funds, there is an increased risk, related activity which should be recorded in the same fund may be recorded across multiple funds. There is also additional effort and cost in tracking, reconciling, researching and resolving any noted issues due to the volume of locations the activity may go. It was noted a number of times in the year under audit, revenues for grants or projects were recorded in one fund while expenses were recorded in a different fund, having to be reconciled and corrected at year-end. Inconsistent placement of revenue and expenses related to specific grants and projects in prior years appears to have contributed to the amounts that are carrying forward in the open funds without current year activity.

*Auditor's Recommendations:* The County should review and evaluate existing funds to determine if the fund is still needed. Any funds without current or known future activity should be closed. Fund deficits and fund balances should be investigated to determine what the carry forward amounts relate to and determine how to resolve the balances.

**LA PAZ COUNTY, ARIZONA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2021**

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**Section II - Financial Statement Findings, Continued**

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**2021-012 Purchasing Policies (Reissue of prior year finding 2020-013)**

*Criteria:* The Uniform Accounting Manual for Arizona Counties (UAMAC), section VI-C, published by the State of Arizona Auditor General's office requires Counties to develop and adhere to written policies and procedures to safeguard assets. UAMAC, section VI-F-Purchasing, states that requisitions should be prepared, reviewed for budgetary approval, and then a purchase order should be prepared, prior to purchases being made.

*Condition:* Purchase requisitions and purchase orders are often prepared and approved after the purchase has been made and the liability for the County has already been incurred.

*Cause and Effect:* Purchasing policies and controls are being bypassed and disbursements are being made without following County policy. This increases the risk that unapproved expenditures could be made and budgetary overruns occur.

*Auditor's Recommendation:* The County should enforce purchasing policies to ensure compliance with state law and the UAMAC. Training should be provided to departments to ensure the policies and procedures are understood and departments follow purchasing policies.

**COMPLIANCE AND OTHER MATTERS:**

**Compliance:**

**2021-013 Cash Deficits Financed by Restricted Proceeds (Reissue of prior year finding 2020-014, reworded)**

*Criteria:* Various statutes and contract agreements require that cash balances reported in the County's special revenue funds are to be used solely for the intended purposes.

*Condition:* During the fiscal year the County appears to have generated deficit cash on deposit with the Treasurer balances in various special revenue funds. At fiscal year-end special revenue funds are reflecting a restricted fund balance of \$5,760,344, a committed fund balance of \$1,028,142, and unrestricted fund deficit of \$4,282,256 leaving, at best, assets of only \$2,506,230 available to cover the \$5,760,344 in restricted fund balance. As a result, the County does not appear to be in compliance with State Statutes and contracts governing the use of these restricted funds.

*Cause and Effect:* The County does not have sufficient policies and procedures to adequately monitor cash and budget balances in various funds and departments. As a result, expenditures in excess of budgeted amounts and available cash in the applicable fund are paid, and because the County does not have sufficient unrestricted cash, these amounts are essentially paid from restricted resources in other special revenue funds.

**LA PAZ COUNTY, ARIZONA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2021**

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**Section II - Financial Statement Findings, Continued**

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*Auditors' Recommendations:* The County should develop a formal plan to reimburse the restricted amounts in the other special revenue funds. In addition, policies should be adopted that require any expenditure in excess of budget or available cash be approved by the Board of Supervisors.

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**Section III – Federal Award Findings and Questioned Costs**

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**2021-101 Grant Management, Accounting and Preparation of Schedule of Expenditures Federal Awards (Material Weakness, Reissue of prior year finding 2020-102, 2019-009)**

*Criteria:* Policies and procedures should be established to ensure that general ledger activity for Federal and State grants and contracts is recorded in the proper County fund. In addition, grant agreements typically specify billing frequencies for submitting reimbursement requests. For those agreements that do not, best practice requires reimbursement requests are processed within a reasonable amount of time. In addition, grant revenues should be reported in the same period as the related reimbursed expenditures.

Modified accrual accounting focuses on whether resources can be collected. If a government is in a position to obtain resources to which it has claim during its availability period, but fails to do so, those resources should be considered to be available for revenue recognition purposes, even if they were not actually collected during the availability period. This ensures timely receipt of amounts earned and ensures that all eligible expenditures are reimbursed, allowing for the adequate monitoring of grant activities. A thorough understanding and tracking process of all Federal and State contracts ensures a complete and accurate Schedule of Expenditures of Federal Awards as well as proper reporting to the granting agency and compliance with grant requirements.

*Condition:* Timely analysis of grants and contracts, including an analysis of expenditures versus drawdowns, was not performed. In some cases reimbursements were significantly delayed due to untimely requests being filed.

*Cause and Effect:* The County does not have a centralized process specifically established for the ongoing accounting of federal and state contracts. As a result, there is an increased risk that accounting errors may occur and an increase in difficulty identifying and summarizing all Federal awards for the preparation of the Schedule of Expenditures of Federal Awards.

*Auditors' Recommendations:* We recommend the County establish policies and procedures to appropriately track its federal and state contracts within the general ledger on an ongoing basis. In addition, we recommend that the County create policies and procedures to monitor grants to ensure timely filing of reimbursement requests.

**LA PAZ COUNTY, ARIZONA**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2021**

Federal Grantor / Pass Through Grantor/Program or Cluster Title	CFDA Number	Entity Identifying Number	Pass-Through to Subrecipients	Total Federal Expenditures
<b><u>Department of Housing and Urban Development:</u></b>				
Passed through State of Arizona:				
Department of Housing				
Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii	14.228	104-19	\$ -	\$ 1,376
Home Investment Partnerships Program	14.239	308-19	-	66,068
Total Department of Housing and Urban Development			-	67,444
<b><u>Department of Justice:</u></b>				
Passed through State of Arizona:				
Criminal Justice Commission				
Crime Victim Assistance	16.575	2017-VA-GX-0046	-	23,355
Edward Byrne Memorial Justice Assistance Grant Program (JAG)	16.738	DC-20-026, DC-21-026	-	67,473
Edward Byrne Memorial Justice Assistance Grant Program (JAG)	16.738	DC-21-008	-	56,821
Edward Byrne Memorial Justice Assistance Grant Program (JAG)	16.738		-	84,967
Subtotal program 16.738			-	209,261
Bulletproof Vest Partnership Program	16.607		-	4,180
Total Department of Justice			-	236,796
<b><u>Department of Transportation:</u></b>				
Passed through State of Arizona:				
Governor's Office of Highway Safety				
Highway Safety Cluster				
State and Community Highway Safety	20.600	2019-PTS-023	-	156
State and Community Highway Safety	20.600	2020-PTS-028	-	14,902
State and Community Highway Safety	20.600	2021-PTS-023	-	10,612
State and Community Highway Safety	20.600	2021-405D-026	-	17,700
State and Community Highway Safety	20.600	2020-405D-022, 2021-405D-022	-	5,155
Subtotal program 20.600			-	48,525
Total State and Community Highway Cluster			-	48,525
National Priority Safety Programs	20.616	2021-CIOT-015	-	2,740
Total Highway Safety Cluster			-	51,265
Total Department of Transportation			-	51,265
<b><u>Department of Treasury</u></b>				
Passed through State of Arizona:				
Office of the Governor				
COVID-19 - Coronavirus Relief Fund	21.019	ERMT-20-053	-	1,500,174
COVID-19 - Coronavirus Relief Fund	21.019	ERMT-CRF-21-1018	-	94,879
Subtotal program 21.019			-	1,595,053
Total Department of Treasury			-	1,595,053
<b><u>Election Assistance Commission</u></b>				
Passed through State of Arizona:				
Secretary of State's Office				
2018 HAVA Election Security Grant	90.404	AZ18101001	-	55,423
Total Election Assistance Commission			-	55,423

(continued)

**LA PAZ COUNTY, ARIZONA**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended June 30, 2021**

Federal Grantor / Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Total Federal Expenditures
<b><u>Department of Health and Human Services:</u></b>				
Passed through State of Arizona				
Department of Health and Human Services				
Public Health Emergency Preparedness	93.069	ADHS 17-133193	-	73,032
Injury Prevention and Control Research and State and Community Based Programs	93.136	CTR48905	-	42,025
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Disease (ELC)	93.323	IGA2021-059, CRR059134	-	238,329
COVID-19 - Public Health Emergency Response:				
Agreement for Emergency Response:				
Public Health Crisis Response	93.354	ADHS 17-133193-A7	-	342,846
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance	93.539	ADHS 18-177682	-	107,796
Maternal and Child Health Services Block Grant to the States	93.994	ADHS 16-098348	-	98,318
Passed through Western Arizona Council of Governments				
Aging Cluster:				
Special Programs for the Aging, Title III, Part B				
Grants for Supportive Services and Senior Centers	93.044	E86-0445604-401-01-20	-	56,635
Total Aging Cluster			-	56,635
Social Services Block Grant	93.667	E86-0445604-401-01-20	-	13,834
Total Department of Health and Human Services			-	972,815
<b><u>Executive Office of the President</u></b>				
Passed through the City of Tucson:				
High Intensity Drug Trafficking Areas Program	95.001	HT-18-2812	-	28,766
Total Executive Office of the President			-	28,766
<b><u>Department of Homeland Security:</u></b>				
Passed through State of Arizona:				
Department of Emergency and Military Affairs				
Emergency Management Performance Grants	97.042	EMF-2020-EP-00009	-	102,528
Department of Homeland Security				
Homeland Security Grant Program	97.067	190508-02	-	55,800
Homeland Security Grant Program	97.067	190508-03	-	20,305
Homeland Security Grant Program	97.067	200439-01	-	26,845
Homeland Security Grant Program	97.067	200504-01	-	8,110
Subtotal program 97.067			-	213,588
Total Department of Homeland Security			-	213,588
Total Expenditures of Federal Awards			\$ -	\$ 3,221,150

**LA PAZ COUNTY, ARIZONA**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2021**

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**Reporting Entity:**

The accompanying schedule of expenditures of federal awards presents the activity or expenditure of all federal awards programs of the La Paz County, Arizona for the year ended June 30, 2021. The County's reporting entity is defined in Note 1 of the basic financial statements. All expenditure of federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule.

**Basis of Accounting:**

This accompanying schedule of expenditures of federal awards has been prepared on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

**Indirect Cost Rate:**

The County did not elect to use the 10% de minimis indirect cost rate for fiscal year 2021. There were no indirect cost allocations made to any of the federal grants as listed in the accompanying schedule of expenditures of federal awards.

**Federal Loans Outstanding:**

There are no outstanding balances for federal loan or loan guarantee programs with continuing compliance requirements at June 30, 2021.





# La Paz County Board of Supervisors

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David Plunkett - District 1 Megan Spielman - County Administrator  
Duce Minor - District 2 Diane Green - Clerk of the Board  
Holly Irwin - District 3

FY2021

## Audit Findings and Corrective Action Plan

Section	Finding	Corrective Action	Responsible Party	Target Date
Financial Statements	<b>2021-001 Parks Fund Documentation and Reconciliation. Documentation should be maintained to support the activity of the fund. (Reissue of prior year finding 2020-001)</b>	The County has retained a consultant to develop and enact policies and procedures to sufficiently prepare and retain documentation to support the activities of the Parks fund and allow for proper oversight of those activities. Policies such as credit card handling have been implemented while others are still in progress.	Board of Supervisors, La Paz County Administrator, La Paz County, La Paz County Parks Director	By 6/30/2023
	<b>2021-002 Grant Management, Accounting and Preparation of Schedule of Expenditures Federal Awards (Reissue of prior year finding 2020-002)</b>	The County implemented a grants management policy and the grant module to the Visions software. Grants approved by the Board of Supervisors are entered in accounting system including the grant/contract number, <u>Federal Assistance Listing</u> , budget and period of performance. The data in the system will be used to accurately prepare the SEFA.	Board of Supervisors, La Paz County Administrator, La Paz County Finance Department	Completed
	<b>2021-003 Timely Account Reconciliation and Financial Statement Preparation (Reissue of prior year finding 2020-004)</b>	The County has an accounting firm on contract to prepare financial statements and account reconciliation. The County will ensure both will be prepared and completed in a timely manner.	Board of Supervisors, La Paz County Administrator, La Paz County Finance Department	By 6/30/2023
	<b>2021-004 Golf Course Volunteers (Reissue of prior year finding 2020-005)</b>	The County has consulted with a Tax Attorney and has determined that the volunteers fall under the IRS revenue code. The County has strengthened its procedures for tracking volunteers but will seek the advice from our Insurance labor law attorney regarding the potential classification of employee issues raised.	Board of Supervisors, La Paz County Administrator, La Paz County Golf Course Director	6/30/2023
	<b>2021-005 Credit Card Controls (Reissue of prior year finding 2020-006)</b>	The County has created and implemented a new credit card policy and the Finance Department reviews all charges during the AP process. The policy includes a review of active card holders to ensure cards are canceled upon employee termination.	Board of Supervisors, La Paz County Administrator, La Paz County Finance Department	Completed
	<b>2021-006 Cash Monitoring and Reconciliations (Reissue of prior year finding 2020-007)</b>	The County has hired a consulting firm to handle cash monitoring and as well as timely reconciliation of the county's General Ledger to the Treasurer's system and year end closing activities.	Board of Supervisors, La Paz County Administrator, La Paz County Finance Department, La Paz County Treasurer	By 6/30/2023

<b>2021-007 Segregation of Duties (Reissue of prior year finding 2020-008, reworded)</b>	The County has assessed the work flow of finance and other departments and has implemented the procedures to address appropriate segregation of duties. Policies and procedures and being developed.	Board of Supervisors, La Paz County Administrator, La Paz County Finance Department By 6/30/2023	
<b>2021-008 Budgetary Control (Reissue of prior year finding 2020-009)</b>	The County has produced a balanced budget. Policies and procedures are in place to ensure budget requirements are enforced.	Board of Supervisors, La Paz County Administrator, La Paz County Finance Department Completed	
<b>2021-009 Golf Course Pro Shop and Parks Inventory (Reissue of prior year finding 2020-010, reworded)</b>	The Golf Course Pro Shop competes physical inventory every two years and has policies and procedures in place. The County will implement policies and procedures to ensure that inventories are identified and recorded. Physical inventories will be performed at least every two years and reconciled to the accounting records.	Board of Supervisors, La Paz County Administrator, La Paz County Finance Department, La Paz County Golf Course Director By 6/30/2023	
<b>2021-010 Capital Asset Inventory (Reissue of prior year finding 2020-011)</b>	A full physical asset inventory was conducted in July 2020 by a third party vendor. Policies are being developed to address updating and reconciling the asset inventory list for the county.	Board of Supervisors, La Paz County Administrator, La Paz County Finance Department By 6/30/2023	
<b>2021-011 Excessive Number of Funds (Reissue of prior year finding 2020-012)</b>	The County is progress of reviewing and consolidating funds as appropriate and clearing fund deficit balances. The County will limit adding any new funds in accordance with UAMAC.	Board of Supervisors, La Paz County Administrator, La Paz County Finance Department By 6/30/2023	
<b>2021-012 Purchasing Policies (Reissue of prior year finding 2020-013)</b>	The County has trained the departments on the County purchasing policies and now ensures compliance with state law and UAMAC. The County continues to improve our purchasing policies and procedures.	Board of Supervisors, La Paz County Administrator, La Paz County Finance Department By 6/30/2023	
<b>COMPLIANCE :</b>	<b>2021-013 Cash Deficits Financed by Restricted Proceeds (Reissue of prior year finding 2020-014, reworded)</b>	The County has a procedure in place to ensure restricted funds are not used to support General Fund activity. FY 2021 cash reclassification was done to cover cash deficits and did not draw upon restricted cash.	Board of Supervisors, La Paz County Administrator, La Paz County Finance Department Completed
<b>Federal Award Findings and Questioned Costs</b>	<b>2021-101 Grant Management, Accounting and Preparation of Schedule of Expenditures Federal Awards (Material Weakness, Reissue of prior year finding 2020-102, 2019-009)</b>	The County implemented a grants management policy and the grant module to the Visions software. Grants approved by the Board of Supervisors are entered in accounting system including the grant/contract number, <u>Federal Assistance Listing</u> , budget and period of performance. The data in the system will be used to accurately prepare the SEFA.	Board of Supervisors, La Paz County Administrator, La Paz County Finance Department Completed

/s/ Megan Spielman 5/8/2023  
Megan Spielman, County Administrator Date

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# La Paz County Board of Supervisors

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## La Paz County

### Summary Schedule of Prior Audit Findings Audit Findings and Corrective Action Plan Status

Section	Finding	Finding description	Status	Corrective Action
Financial Statements	2020-001	Parks Fund documentation should be maintained to support the activity of the fund. (Material Weakness)	Not corrected	In Process, Please see 2021-001
	2020-002, 2019-009 and 2018-009	Grant Accounting and Preparation of Schedule of Expenditures of Federal Awards (Material Weakness: Repeat Finding)	Not corrected	In Process. Please see 2021-002
	2020-003, 2019-007, 2018-007 and 2017-008	Monitoring of Liability Accounts (Material Weakness: Repeat Finding)	Corrected	Resolved
	2020-004, 2019-006, 2018-006, 2017-007 and 2016-013	Timely Account Reconciliation and Financial Statement Preparation (Material Weakness: Repeat Finding)	Not corrected	In Process. Please see 2021-003
	2020-005, 2019-004, 2018-004, 2017-005 and 2020-006	Golf Course Volunteers (Material Weakness: Repeat Finding)	Not corrected	In Process. Please see 2021-004
	2020-006	Credit Card Controls (Material Weakness: Repeat Finding)	Not corrected	In Process. Please see 2021-005
	2020-007, 2019-010 and 2018-010	Cash Monitoring and Reconciliations (Material Weakness: Repeat Finding)	Not corrected	In Process. Please see 2021-006
	2020-008, 2019-001, 2018-001, 2017-001 and 2016-001	Lack of Adequate Segregation of Accounting Duties (Significant Deficiency: Repeat Finding)	Not corrected	In Process, Please see 2021-007
	2020-009, 2019-002, 2018-002, 2017-002 and 2016-004	Budgetary Control (Compliance with Laws and Regulations/ Significant Deficiency: Repeat Finding)	Not corrected	In Process, Please see 2021-008
	2020-010, 2019-005, 2018-005, 2017-006 and 2016-010	Golf Course Pro Shop Inventory (Significant Deficiency: Repeat Finding)	Not corrected	In Process. Please see 2021-009
	2020-011, 2019-003, 2018-003, 2017-003 and 2016-005	Capital Asset Inventory (Significant Deficiency: Repeat Finding)	Partially corrected	Partially resolved. A full physical asset inventory was conducted in by a third party vendor. Policies are being developed to address updating and reconciling the asset inventory list for the county.
	2020-012	Excessive number of funds (Significant Deficiency: Repeat Finding)	Not corrected	In Process. Please see 2021-011
	2020-013	Purchasing Policies and Purchase Orders (Significant Deficiency: Repeat Finding)	Not corrected	In Process. Please see 2021-012
	2020-014, 2019-011 and 2018-011	Cash Deficits Financed by Restricted Proceeds (Compliance with Laws and Regulations: Repeat Finding)	Not corrected	In Process. Please see 2021-013

**Federal Award Findings and Questioned Costs**

Community Development Block Grant  
 Highway Safety Cluster  
 HAVA Election Security Grant  
 Public Health Emergency Preparedness  
 Public Health Emergency Response

<b>2020-101, 2019-101, 2018-101, 2017-101 and 2016-101</b>	Capital Asset Inventory (Significant deficiency, Compliance finding: Repeat Finding)	Partially corrected.	Partially resolved. A full physical asset inventory was conducted by a third party vendor. Policies are being developed to address updating and reconciling the asset inventory list for the county.
<b>2019-102, 2018-102 and 2017-103</b>	Timely Account Reconciliation and Financial Statement Preparation (Material Weakness: Repeat Finding)	Not corrected	In Progress. Included as a part of 2021-101.
<b>2020-102, 2019-103 and 2018-103</b>	Grant Accounting and Preparation of Schedule of Expenditures of Federal Awards (Material Weakness: Repeat Finding)	Not corrected	In Progress. Please see 2021-102
<b>2020-103</b>	Purchasing Policies and Payroll Approval (Significant Deficiency: Repeat Finding)	Partially corrected.	Time card issues have been resolved. See 2021-012 regarding purchasing policies.

/s/ Megan Spielman 6/30/2021  
 Megan Spielman, County Administrator Date

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 Vacant, Finance Director Date