

**LA PAZ COUNTY, ARIZONA  
REPORT ON AUDIT OF ANNUAL EXPENDITURE  
LIMITATION REPORT  
YEAR ENDED JUNE 30, 2010**

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## INDEPENDENT AUDITORS' REPORT

The Auditor General of the State of Arizona and  
The Board of Supervisors  
of La Paz County, Arizona

We have audited the accompanying Annual Expenditure Limitation Report of La Paz County, Arizona, for the year ended June 30, 2010. This report is the responsibility of the La Paz County, Arizona's management. Our responsibility is to express an opinion on this report based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the report. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall report presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Annual Expenditure Limitation Report was prepared for the purpose of complying with the uniform expenditure reporting system as discussed in Note 1, and is not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the Annual Expenditure Limitation Report of La Paz County, Arizona, for the year ended June 30, 2010, referred to above presents fairly, in all material respects, the information required by the uniform expenditure reporting system on the basis of accounting described in Note 1.

This report is intended solely for the information and use of the members of the Arizona State Legislature, the Board of Supervisors, management, and others within the County, and for filing with the Auditor General of the State of Arizona, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

*Heinfeld, Meech & Co., P.C.*

HEINFELD, MEECH & CO., P.C.  
CPAs and Business Consultants

January 27, 2014

**LA PAZ COUNTY, ARIZONA  
ANNUAL EXPENDITURE LIMITATION REPORT - PART I  
YEAR ENDED JUNE 30, 2010**

1. Economic Estimates Commission expenditure limitation	\$11,852,264
2. Amount subject to the expenditure limitation (total amount from Part II, Line C)	<u>11,852,264</u>
3. Amount (over) under the expenditure limitation	<u>\$ 0</u>

I hereby certify, to the best of my knowledge and belief, that the information contained in this report is accurate and in accordance with the requirements of the uniform expenditure reporting system.

Signature of Chief Fiscal Officer: \_\_\_\_\_

Name and Title: Dan Field, County Administrator

Telephone Number: (928) 669-6615

Date: 1-27-14

See accompanying notes to report.

**LA PAZ COUNTY, ARIZONA**  
**ANNUAL EXPENDITURE LIMITATION REPORT - PART II**  
**YEAR ENDED JUNE 30, 2010**

Description	<u>Governmental Funds</u>	<u>Enterprise Fund</u>	<u>Fiduciary Funds</u>	<u>Total</u>
A. Amounts reported on the Reconciliation, Line D	\$ 25,014,999	\$ 1,621,634	\$ 42,173,647	\$ 68,810,280
B. Less exclusions claimed:				
Debt service requirements on other long-term obligations (Note 2)	384,483	226,159		610,642
Proceeds from other long-term obligations (Note 13)	195,232			195,232
Dividends, interest, and gains on the sale or redemption of investment securities (Note 3)	192,978	1,182		194,160
Trustee or custodian (Note 4)	429,502		42,173,647	42,603,149
Grants and aid from the federal government (Note 5)	3,751,744			3,751,744
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 8)	48,423			48,423
Amounts received from the State of Arizona (Notes 5 and 6)	3,692,629			3,692,629
Highway user revenues in excess of those received in fiscal year 1979-80 (Note 5)	3,465,179			3,465,179
Contracts with other political subdivisions (Note 7)	466,948			466,948
Refunds, reimbursements, and other recoveries (Note 10)	565,027			565,027
Prior years carryforward (Note 9)	<u>1,364,883</u>			<u>1,364,883</u>
Total exclusions claimed	<u>14,557,028</u>	<u>227,341</u>	<u>42,173,647</u>	<u>56,958,016</u>
C. Amount subject to the expenditure limitation	<u>\$ 10,457,971</u>	<u>\$ 1,394,293</u>	<u>\$</u>	<u>\$ 11,852,264</u>

**LA PAZ COUNTY, ARIZONA  
ANNUAL EXPENDITURE LIMITATION REPORT - RECONCILIATION  
YEAR ENDED JUNE 30, 2010**

Description	<u>Governmental Funds</u>	<u>Enterprise Fund</u>	<u>Fiduciary Funds</u>	<u>Total</u>
A. Total expenditures/expenses/ deductions and applicable other financing uses reported within the fund financial statements	\$ 29,040,647	\$ 1,495,394	\$ 42,173,647	\$ 72,709,688
B. Subtractions:				
Items not requiring use of working capital:				
Depreciation		156,826		156,826
Expenditures of separate legal entities established under Arizona Revised Statutes (Note 11)	3,626,282			3,626,282
Long-term care contributions withheld by the State Treasurer (Note 12)	<u>399,366</u>			<u>399,366</u>
Total subtractions	<u>4,025,648</u>	<u>156,826</u>		<u>4,182,474</u>
C. Additions:				
Principal payments on long-term debt		222,968		222,968
Acquisition of capital assets		<u>60,098</u>		<u>60,098</u>
Total additions		<u>283,066</u>		<u>283,066</u>
D. Amounts reported on Part II, Line A	<u>\$ 25,014,999</u>	<u>\$ 1,621,634</u>	<u>\$ 42,173,647</u>	<u>\$ 68,810,280</u>

**LA PAZ COUNTY, ARIZONA**  
**NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT**  
**YEAR ENDED JUNE 30, 2010**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Annual Expenditure Limitation Report (AELR) is presented on the basis of accounting prescribed by the Uniform Expenditure Reporting System (UERS), as required by Arizona Revised Statutes §41-1279.07, which excludes expenditures/expenses or deductions of certain revenues specified in the Arizona Constitution, Article IX, §20, from the total expenditures, expenses or deductions reported in the fund financial statements.

In accordance with the UERS requirements, a note to the AELR is presented below for any exclusion claimed on Part II and each subtraction or addition in the Reconciliation that cannot be traced directly to an amount reported in the fund financial statements. All references to financial statement amounts in the following notes refer to the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental Funds, the Statement of Revenues, Expenses, and Changes in Fund Net Assets for the Proprietary Fund, Statement of Cash Flows for the Proprietary Fund, and the Statement of Changes in Fiduciary Net Assets for the Fiduciary Funds.

**NOTE 2 –** The exclusion claimed for debt service requirements on other long-term obligations in the Governmental Funds of \$384,483 consists of expenditures classified as principal and interest and recorded as debt service expenditures. The exclusion does not include \$223,905 of debt service expenditures attributable to the Jail District for which total expenditures were subtracted on the Reconciliation.

**NOTE 3 –** The exclusion claimed for dividends, interest, and gains on the sale or redemption of investment securities of \$192,978 in the Governmental Funds includes interest on investments expended of \$6,177 and interest on delinquent taxes expended of \$186,801, which was recorded as tax revenue. This exclusion does not include \$682 of investment income attributable to the Jail District for which total expenditures were subtracted on the Reconciliation.

**NOTE 4 –** The exclusion claimed for trustee or custodian of \$429,502 in the Governmental Funds consists of \$218,240 in contributions recorded as health expenditures by the County to the Arizona Health Care Cost Containment System for acute care, administrative cost contributions and uncompensated care contributions, \$211,096 of general government expenditures from revenues in the Anti-Racketeering (RICO) Fund, and \$166 of general government expenditures from revenues in the County Attorney RICO Fund, which benefited other governmental entities.

**LA PAZ COUNTY, ARIZONA  
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT  
YEAR ENDED JUNE 30, 2010**

**NOTE 5** – The following schedule presents revenues from which exclusions have been claimed for federal grants and aid, amounts received from the State of Arizona, highway user revenues, contracts with other political subdivisions, and grants, aid, contributions or gifts from a private agency, organization, or individual in the Governmental Funds. The amounts excluded do not exceed expenditures of such revenues.

Description	Governmental Funds
Grants and aid from the federal government	\$ 3,751,744
Amounts received from the State of Arizona (see Note 6)	3,177,527
Highway user revenues in excess of those received in fiscal year 1979-80	3,465,179
Contracts with other political subdivisions (Note 7)	191,855
Grants, aid, contributions, or gifts from a private agency, organization, or individual (Note 8)	4,099
Other revenues – nonexcludable	2,090,456
Total intergovernmental revenues as reported in the fund financial statements	\$ 12,680,860

**NOTE 6** – Amounts received from the State of Arizona include an exclusion of \$515,102 for motor vehicle license tax reported as taxes in the Road Fund in the fund financial statements.

**NOTE 7** – The exclusion claimed for contracts with other political subdivisions consists of the following:

- \$31,158 expended pursuant to a contract with the Town of Quartzsite to provide services for elections reported as charges for services in the fund financial statements.
- \$191,855 of revenues expended for the employment of a school officer and other miscellaneous contracts reported as intergovernmental revenues in the fund financial statements.
- In addition, the County expended \$243,935 in the B95 Fund from the proceeds of the ADOT intergovernmental agreement which are reported as capital outlays.



**LA PAZ COUNTY, ARIZONA  
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT  
YEAR ENDED JUNE 30, 2010**

**NOTE 8** – The exclusion claimed for grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes, consists of \$4,099 of grants reported as intergovernmental revenues and \$44,324 of private contributions reported as miscellaneous revenues.

**NOTE 9** – Prior years’ carryforward expended in the current year consists of excludable proceeds received in 2009 from a note payable that were not fully expended in the year of receipt. During 2010, \$1,364,883 of the note payable proceeds was expended and the remaining unexpended amount of \$3,119 has been carried forward to future years.

**NOTE 10** – The exclusions claimed for refunds, reimbursements, and other recoveries consist of recovery of expenditures in which \$565,027 are reported as charges for services in the fund financial statements.

**NOTE 11** – The subtraction of \$3,626,282 for separate legal entities established under Arizona Revised Statutes consists of the following expenditures included within the County’s reporting entity but not included in the Economic Estimates Commission base limit calculations.

<b>Description</b>	
Public safety expenditures for the Jail District	\$ 3,316,004
Debt service expenditures for the Jail District	223,905
Public safety expenditures for the Jail Commissary Fund	76,857
Public safety expenditures for various street lighting districts	<u>9,516</u>
Total expenditures of separate legal entities established under Arizona Revised Statutes subtraction	<u><u>\$ 3,626,282</u></u>

**LA PAZ COUNTY, ARIZONA**  
**NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT**  
**YEAR ENDED JUNE 30, 2010**

**NOTE 12** – The subtraction for long-term care contributions withheld by the State Treasurer consists of transaction privilege taxes withheld to meet the County’s share of long-term care costs that was reported as revenue and an offsetting expenditure in the County’s Governmental Funds. Consequently, this expenditure has been subtracted on the Reconciliation.

**NOTE 13** – During the year, the County received proceeds from a capital lease obligation which was reported as capital outlay expenditures and other financing sources in the County’s General Fund the amount of \$195,232.