

**LA PAZ COUNTY, ARIZONA
REPORT ON AUDIT OF ANNUAL EXPENDITURE
LIMITATION REPORT
YEAR ENDED JUNE 30, 2012**

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Independent Auditor's Report

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

We have audited the accompanying Annual Expenditure Limitation Report of La Paz County, Arizona (the "County") for the year ended June 30, 2012. This report is the responsibility of the County's management. Our responsibility is to express an opinion on this report based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. 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 U.S. generally accepted accounting principles.

In our opinion, the Annual Expenditure Limitation Report of La Paz County, Arizona for the year ended June 30, 2012, 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.



Phoenix, Arizona
July 7, 2014

**LA PAZ COUNTY, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - PART I
YEAR ENDED JUNE 30, 2012**

1. Economic Estimates Commission expenditure limitation	\$ 11,545,690
2. Amount subject to the expenditure limitation (total amount from Part II, Line C)	<u>11,545,690</u>
3. Amount under the expenditure limitation	<u>\$ -</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: Daniel Field, County Administrator

Telephone Number: (928) 669-6615

Date: 7-7-14

See accompanying notes to report.

**LA PAZ COUNTY, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - PART II
YEAR ENDED JUNE 30, 2012**

Description	Governmental Funds	Enterprise Funds	Fiduciary Funds	Total
A. Amounts reported on the Reconciliation, Line D	\$ 35,871,118	\$ 2,460,809	\$ 34,815,615	\$ 73,147,542
B. Less exclusions claimed:				
Bond proceeds (Note 2)	15,413,099			15,413,099
Debt service requirements on other long-term obligations (Note 3)	294,965			294,965
Dividends, interest, and gains on the sale or redemption of investment securities (Note 4)	222,426			222,426
Trustee or custodian (Note 5)	533,002		34,815,615	35,348,617
Grants and aid from the federal government (Note 6)	3,295,485			3,295,485
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Notes 6 and 9)	78,286			78,286
Amounts received from the State of Arizona (Notes 6 and 7)	2,830,892			2,830,892
Highway user revenues in excess of those received in fiscal year 1979-80 (Note 6)	3,360,549			3,360,549
Contracts with other political subdivisions (Notes 6 and 8)	218,309			218,309
Refunds, reimbursements, and other recoveries (Note 10)	539,224			539,224
Total exclusions claimed	<u>26,786,237</u>		<u>34,815,615</u>	<u>61,601,852</u>
C. Amount subject to the expenditure limitation	<u>\$ 9,084,881</u>	<u>\$ 2,460,809</u>	<u>\$ -</u>	<u>\$ 11,545,690</u>

**LA PAZ COUNTY, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - RECONCILIATION
YEAR ENDED JUNE 30, 2012**

Description	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
A. Total expenditures/expenses/ deductions and applicable other financing uses reported within the fund financial statements	\$ 40,184,139	\$ 2,671,328	\$ 34,815,615	\$ 77,671,082
B. Subtractions:				
Items not requiring use of working capital:				
Depreciation		229,546		229,546
Expenditures of separate legal entities established under Arizona Revised Statutes (Note 11)	3,485,521			3,485,521
Long-term care contributions withheld by the State Treasurer (Note 12)	<u>827,500</u>			<u>827,500</u>
Total subtractions	<u>4,313,021</u>	<u>229,546</u>		<u>4,542,567</u>
C. Additions:				
Acquisition of capital assets		<u>19,027</u>		<u>19,027</u>
Total additions		<u>19,027</u>		<u>19,027</u>
D. Amounts reported on Part II, Line A	<u>\$ 35,871,118</u>	<u>\$ 2,460,809</u>	<u>\$ 34,815,615</u>	<u>\$ 73,147,542</u>

LA PAZ COUNTY, ARIZONA
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2012

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 Section 41-1279.07, which excludes expenditures, expenses, or deductions of certain revenues specified in the Arizona Constitution, Article IX, Section 20, from the total expenditures, expenses, or deductions reported in the fund financial statements.

In accordance with the UERS, 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 bond proceeds of \$15,413,099 consists of expenditures made from excise tax revenue judgment bonds proceeds of \$17,974,457, net of the \$140,543 discount, reported as face amount of long-term debt. The remaining amount of \$2,561,358 has been carried forward to future years.

NOTE 3 – The exclusion claimed for debt service requirements on other long-term obligations in the Governmental Funds of \$294,965 consists of expenditures classified as principal and interest and recorded as debt service expenditures. The exclusion does not include \$247,811 of debt service expenditures attributable to the Jail District for which total expenditures were subtracted on the Reconciliation.

NOTE 4 – The exclusion claimed for dividends, interest, and gains on the sale or redemption of investment securities of \$222,426 in the Governmental Funds includes interest on investments expended of \$2,140 and interest on delinquent taxes expended of \$220,286, which was recorded as tax revenue. This exclusion does not include \$21 of investment income attributable to the Jail District for which total expenditures were subtracted on the Reconciliation.

NOTE 5 – The exclusion claimed for trustee or custodian of \$533,002 in the Governmental Funds consists of \$249,212 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 and \$283,790 of general government expenditures from revenues in the County Attorney RICO Fund.

LA PAZ COUNTY, ARIZONA
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2012
(Continued)

NOTE 6 – 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	\$ 3,295,485
Amounts received from the State of Arizona (Note 7)	2,413,558
Highway user revenues in excess of those received in fiscal year 1979-80	3,360,549
Contracts with other political subdivisions (Note 8)	69,325
Grants, aid, contributions, or gifts from a private agency, organization, or individual (Note 9)	37,260
Other revenues – nonexcludable	2,294,035
Total intergovernmental revenues as reported in the fund financial statements	\$ 11,470,212

NOTE 7 – Amounts received from the State of Arizona include an exclusion of \$417,334 for motor vehicle license tax reported as taxes in the Road Fund in the fund financial statements.

NOTE 8 – The exclusions claimed for contracts with other political subdivisions consists of the following:

- \$60,971 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.
- \$69,325 of revenues expended for the employment of a school officer and other miscellaneous contracts reported as intergovernmental revenues in the fund financial statements.
- Also, the County expended \$88,013 in the B95 Fund from the proceeds of the ADOT intergovernmental agreement which are reported as highways and streets expenditures and capital outlays.

LA PAZ COUNTY, ARIZONA
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2012
(Continued)

NOTE 9 – 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 \$37,260 of grants reported as intergovernmental revenues and \$41,026 in private contributions reported as miscellaneous revenues.

NOTE 10 – The exclusions claimed for refunds, reimbursements, and other recoveries consist of recovery of expenditures in which \$539,224 are reported as charges for services in the fund financial statements.

NOTE 11 – The subtraction of \$3,485,521 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.

Description	
Public safety expenditures for the Jail District	\$ 3,160,963
Debt service expenditures for the Jail District	247,811
Public safety expenditures for the Jail Commissary Fund	67,002
Public safety expenditures for various street lighting districts	<u>9,745</u>
Total expenditures of separate legal entities established under Arizona Revised Statutes subtraction	<u>\$ 3,485,521</u>

NOTE 12 – The subtraction for long-term care contributions withheld by the State Treasurer consists of transaction privilege taxes withheld by the State Treasurer 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.