

**LA PAZ COUNTY, ARIZONA**  
**ANNUAL EXPENDITURE LIMITATION REPORT**  
**Year Ended June 30, 2023**  
**WITH REPORT OF**  
**CERTIFIED PUBLIC ACCOUNTANTS**

La Paz County  
Annual Expenditure Limitation Report  
Year ended June 30, 2023

Table of contents	Page
<a href="#">Independent accountants' report</a>	<a href="#">1</a>
<a href="#">Annual Expenditure Limitation Report—Part I</a>	<a href="#">2</a>
<a href="#">Annual Expenditure Limitation Report—Part II</a>	<a href="#">3</a>
<a href="#">Annual Expenditure Limitation Report—Reconciliation</a>	<a href="#">4</a>
<a href="#">Notes to Annual Expenditure Limitation Report</a>	<a href="#">5</a>



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## INDEPENDENT ACCOUNTANTS' REPORT

Auditor General of the State of Arizona and

Board of Supervisors  
La Paz County, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of La Paz County, Arizona (County) for the year ended June 30, 2023, and related notes to the report. The County's management is responsible for presenting this report in accordance with the *Uniform Expenditure Reporting System* (UERS) as described in Note 1. Our responsibility is to express an opinion on this report based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether this report is presented in accordance with the UERS in all material respects. An examination involves performing procedures to obtain evidence about the amounts and disclosures in the report. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risks of material misstatement of the report, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the Annual Expenditure Limitation Report of La Paz County, Arizona, referred to above is presented in accordance with the *Uniform Expenditure Reporting System* as described in Note 1, in all material respects.

**CliftonLarsonAllen LLP**

Phoenix, Arizona  
August 5, 2025

La Paz County  
Annual Expenditure Limitation Report - Part I  
Year ended June 30, 2023

Economic Estimates Commission expenditure limitation	\$ <u>\$26,765,924</u>
Amount subject to the expenditure limitation (total amount from Part II, line C)	\$ <u>17,178,951</u>
Amount under (in excess of) the expenditure limitation	\$ <u>\$9,586,973</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: Megan Spielman

Name and title: Megan Spielman, Interim Administrative and Fiscal Services Director

Telephone number: 928-669-2247 Date: August 5, 2025

See accompanying notes to report.

La Paz County  
Annual Expenditure Limitation Report - Part II  
Year ended June 30, 2023

Description	Governmental Funds	Enterprise Funds	Fiduciary Funds	Total
Amounts reported on the reconciliation, line D	\$ 30,684,260	\$ 4,410,324	\$ 85,351,924	\$ 120,446,508
Less exclusions claimed:				
Debt service requirements <i>(note 2)</i>	239,728	345,770	-	585,498
Trustee or custodian <i>(note 4)</i>	252,830	-	85,351,924	85,604,754
Grants and aid from the federal government <i>(note 5)</i>	4,485,128	-	-	4,485,128
Amounts received from the State of Arizona <i>(note 5)</i>	4,559,203	-	-	4,559,203
Highway user revenues in excess of those received in fiscal year 1979-80 <i>(note 5)</i>	5,970,359	-	-	5,970,359
Prior years carryforward <i>(note 9)</i>	2,062,615	-	-	2,062,615
Total exclusions claimed	17,569,863	345,770	85,351,924	103,267,557
Amounts subject to the expenditure limitation	<u>\$ 13,114,397</u>	<u>\$ 4,064,554</u>	<u>\$ -</u>	<u>\$ 17,178,951</u>

See accompanying notes to the report.

La Paz County  
Annual Expenditure Limitation Report - Reconciliation  
Year ended June 30, 2023

Description	Governmental funds	Enterprise funds	Fiduciary funds	Total
Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements	\$35,153,573	\$ 3,557,888	\$85,361,096	\$ 124,072,557
Subtractions:				
Items not requiring use of current financial resources:				
Depreciation	-	175,199	-	175,199
Pension and other postemployment benefits (OPEB) expense ( <i>note 6</i> )	475,698	(157,419)	-	318,279
Total expenditures of separate legal entities established under Arizona Revised Statutes (A.R.S.) ( <i>note 7</i> )	3,739,623	-	-	3,739,623
Contributions to fire districts	-	-	9,172	9,172
Long-term care contributions the State Treasurer withheld ( <i>note 8</i> )	653,700	-	-	653,700
Present value of net minimum lease, financed purchase, and subscription-based information technology arrangement (SBITA) contract payments recorded as expenditures at the agreements' inception	327,292	-	-	327,292
Total subtractions	5,196,313	17,780	9,172	5,223,265
Additions:				
Principal payments on long-term debt	-	165,000	-	165,000
Capital asset acquisitions	-	587,492	-	587,492
Pension and OPEB contributions paid in the current year ( <i>note 6</i> )	-	117,724	-	117,724
County transfers to separate legal entities ( <i>note 7</i> )	727,000	-	-	727,000
Total additions	727,000	870,216	-	1,597,216
Amounts reported on part II, line A	\$30,684,260	\$ 4,410,324	\$85,351,924	\$ 120,446,508

See accompanying notes to the report.

La Paz County  
Notes to the Annual Expenditure Limitation Report

Year ended June 30, 2023

Note 1 - Summary of Significant Accounting Policies

The Annual Expenditure Limitation Report (AELR) is presented as prescribed by the Uniform Expenditure Reporting System (UERS), as required by Arizona Revised Statutes (A.R.S.) §41-1279.07. The AELR 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, 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; statement of revenues, expenses, and changes in fund net position for the proprietary funds; statement of cash flows for the proprietary funds; and the statement of changes in fiduciary net position for the fiduciary funds.

Note 2 - Debt Service Requirements

The \$585,498 exclusion claimed for debt service requirements consists of principal retirement and interest expenditures/expenses of \$75,432 in the general fund and \$76,450 in the road fund, \$87,846 in other nonmajor governmental funds, and \$345,770 in the solar field enterprise fund.

Note 3 - Dividends, Interest, and Gains on the Sale or Redemption of Investment Securities

Amounts for dividends, interest, and gains on the sale or redemption of investment securities are \$253,870. These amounts have not been claimed as exclusions in the current year but are being carried forward for utilization in subsequent years.

Note 4 - Trustee or Custodian

The \$252,830 exclusion claimed for trustee or custodian in the governmental funds consists of \$252,678 in county contributions to the Arizona Health Care Cost Containment System for acute care, uncompensated care, and administrative costs, as well as \$152 in RICO funds. In the fiduciary funds, the exclusion consists of \$85,351,924 in distributions to investment pool participants.

Note 5 - Grants and Aid from the State and Federal Government

The following schedule presents revenues from which exclusions have been claimed for federal grants and aid, amounts received from the State of Arizona, and highway user revenues in the governmental funds:

Description	
Grants and aid from the federal government	\$ 2,485,586
Payments in lieu of taxes from the federal government	1,999,542
LATCF revenues received, carried forward (note 9)	9,844,800
Amounts received from the State of Arizona	4,559,203
Highway user revenues in excess of those received in fiscal year 1979-80	5,970,359
Nonexcludable revenues	<u>4,538,759</u>
Total intergovernmental revenues as reported in the fund financial statements	<u>\$ 29,398,249</u>

Note 6 - Pensions and OPEB

The \$157,419 subtraction for pension and other post employment benefit (OPEB) expense consists of changes in the net pension and OPEB assets and liabilities and changes in deferred inflows and outflows related to pensions and OPEB recognized in the current year in the enterprise funds. The \$117,724 addition for pension and OPEB contributions paid in the current year consists of the required pension and OPEB contributions made to the Arizona State Retirement System from the enterprise funds. The schedule below reconciles the net effect the subtraction and addition have on the expenditures subject to the limitation to the amounts reported on the statement of cash flows' net effect on cash.

La Paz County  
Notes to the Annual Expenditure Limitation Report  
Year ended June 30, 2023

**Enterprise Funds**

**Statement of cash flows**

Change in net pension and OPEB asset	\$ (5,661)
Change in deferred inflows related to pensions and OPEB	(204,141)
Change in deferred outflows related to pensions and OPEB	98,443
Change in net pension and OPEB liability	151,054
Total	<u>\$ 39,695</u>

**AELR-Reconciliation**

Pension/OPEB contributions – addition	\$ 117,724
Pension/OPEB expense(income) – subtraction	(157,419)
Net Subtraction	<u>\$ (39,695)</u>

The \$475,698 subtraction for pension expense in the governmental funds consists of nonemployer contributions to the Elected Officials Retirement Plan (EORP) that were reported as a revenue and an offsetting expenditure in the County's governmental funds. Consequently, this expenditure has been subtracted on the reconciliation.

**Note 7 - Expenditures of Separate Legal Entities Established under Arizona Revised Statutes**

The \$3,739,623 subtraction for separate legal entities established under Arizona Revised Statutes consists of expenditures of special assessment districts included within the County's reporting entity, but not included in the Economic Estimates Commission base limit calculations that are reported in the governmental funds:

Jail District Fund	
Public safety expenditures	\$ 3,708,507
Capital outlay	12,650
Lighting Districts - Nonmajor Funds	
Public safety expenditures	18,466
Total	<u>\$ 3,739,623</u>

The \$727,000 addition for county monies transferred to separate legal entities consists of the County's required maintenance of effort payment to the Jail District that is reported as transfers in this separate legal entity.

**Note 8 - Long-Term Care Contributions**

The subtraction for long-term care contributions the State Treasurer withheld consists entirely of transaction privilege taxes the State Treasurer withheld to meet the County's share of long-term care costs that was reported as a revenue and an offsetting expenditure in the County's governmental funds. Consequently, this expenditure has been subtracted on the reconciliation.



La Paz County  
Notes to the Annual Expenditure Limitation Report  
Year ended June 30, 2023

Note 9 - Carryforward Balances

Revenues that are constitutionally excludable that were not spent in the year of receipt may be accumulated and excluded in future years when spent. \$9,844,800 was received in the Coronavirus Recovery Fund and recognized as revenue during the current year from the U.S. Treasury's Local Assistance and Tribal Consistency Fund (LATCF - assistance listing 21.032); however, these funds were not expended as of the fiscal year end. A summary of the accumulated revenue sources and their balances is shown in the table below:

<b>Description</b>	<b>Balance June 30, 2022</b>	<b>Carryforward added</b>	<b>Carryforward used</b>	<b>Balance June 30, 2023</b>
Dividends, interest, and gains on the sale or redemption of investment securities	\$ 291,452	\$ 253,870	\$ -	\$ 545,322
Grants and aid from the federal government - LATCF revenues in Coronavirus Recovery Fund	-	9,844,800	-	9,844,800
Highway user revenues in excess of those received in fiscal year 1979-80	5,794,980	-	2,062,615	3,732,365
Total carryforward	<u>\$ 6,086,432</u>	<u>\$ 10,098,670</u>	<u>\$ 2,062,615</u>	<u>\$ 14,122,487</u>