La Paz County, Arizona

Annual Expenditure Limitation Report

Year Ended June 30, 2024

La Paz County, Arizona
Annual Expenditure Limitation Report
Year ended June 30, 2024

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INDEPENDENT ACCOUNTANTS' REPORT

The Auditor General of the State of Arizona

Members of the Arizona State Legislature

The Board of Supervisors of
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, 2024, and related notes to the report. The County's management is responsible for presenting the Annual Expenditure Limitation Report in accordance with (or based on) the *Uniform Expenditure Reporting System* (UERS) as described in Note 1. Our responsibility is to express an opinion on the Annual Expenditure Limitation Report based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Annual Expenditure Limitation Report is in accordance with (or based on) the Uniform Expenditure Reporting System, in all material respects. An examination involves performing procedures to obtain evidence about the Annual Expenditure Limitation Report. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material misstatement of the Annual Expenditure Limitation Report, whether due to fraud or error. We believe that the evidence we 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 for the year ended June 30, 2024, is presented in accordance with (or based on) the *Uniform Expenditure Reporting System* as described in Note 1, in all material respects.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
June 18, 2026

La Paz County
Annual Expenditure Limitation Report - Part I
Year ended June 30, 2024

Economic Estimates Commission expenditure limitation		$ 28,825,955
Amount subject to the expenditure limitation (total amount from Part II, line C)	$	14,647,388
Amount under (in excess of) the expenditure limitation		$ 14,178,567

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: Stephanie McDowell

Name and title: Stephanie McDowell, Director of Administrative and Fiscal Services

Telephone number: 928-669-6115

Date: 6/18/2026

See accompanying notes to report.

Description	Governmental funds	Enterprise funds	Fiduciary funds	Total
Amounts reported on the reconciliation, line D	$ 37,954,804	$ 3,710,902	$ 93,005,326	$ 134,671,032
Less exclusions claimed:				
Debt service requirements (note 2)	681,641	348,889		1,030,530
Trustee or custodian (note 3)	256,177		93,005,326	93,261,503
Grants and aid from the federal government (note 4)	4,384,197			4,384,197
Amounts received from the State of Arizona (note 4)	4,682,652			4,682,652
Highway user revenues in excess of those received in fiscal year 1979-80 (note 4)	6,373,567			6,373,567
Prior years carryforward (note 8)	10,291,195			10,291,195
Total exclusions claimed	26,669,429	348,889	93,005,326	120,023,644
Amounts subject to the expenditure limitation	$ 11,285,375	$ 3,362,013	$ -	$ 14,647,388

See accompanying notes to report.

La Paz County
Annual Expenditure Limitation Report - Reconciliation
Year ended June 30, 2024

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	$ 42,326,404	$ 3,597,118	$ 93,005,326	$ 138,928,848
Subtractions:				
Items not requiring use of current financial resources:				
Depreciation and amortization		224,374		224,374
Pension and other postemployment benefits (OPEB) expense (note 5)	484,623	75,709		560,332
Total expenditures of separate legal entities established under Arizona Revised Statutes (A.R.S.) (note 6)	3,781,840			3,781,840
Long-term care contributions the State Treasurer withheld (note 7)	682,700			682,700
Present value of net minimum lease, financed purchase, and subscription-based information technology arrangement (SBITA) contract payments recorded as expenditures at the agreements' inception	486,396			486,396
Total subtractions	5,435,559	300,083	-	5,735,642
Additions:				
Principal payments on long-term debt		175,000		175,000
Capital asset acquisitions		118,344		118,344
Pension and OPEB contributions paid in the current year (note 5)		120,523		120,523
County transfers to separate legal entities (note 6)	1,063,959			1,063,959
Total additions	1,063,959	413,867	-	1,477,826
Amounts reported on part II, line A	$ 37,954,804	$ 3,710,902	$ 93,005,326	$ 134,671,032

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 $1,030,530 exclusion claimed for debt service requirements consists of principal retirement and interest expenditures/expenses of $105,865 in the general fund, $487,930 in the road fund, $87,846 in other nonmajor governmental funds, and $348,889 in the solar field enterprise fund.

Note 3 - Trustee or Custodian

The $256,177 exclusion claimed for trustee or custodian in the governmental funds consists of $256,131 in county contributions to the Arizona Health Care Cost Containment System for acute care, uncompensated care, and administrative costs, as well as $46 in RICO funds. In the fiduciary funds, the exclusion consists of $66,084,946 in distributions to investment pool participants, $1,660,082 of other deductions for private purpose trust fund, and $25,260,298 in various deductions to other custodial funds.

Note 4 - 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:

Grants and aid from the federal government	$ 2,160,247
Payments in lieu of taxes from the federal government	2,223,950
Amounts received from the State of Arizona	4,682,652
Highway user revenues in excess of those received in fiscal year 1979-80	6,373,567
Nonexcludable revenues	3,387,442
Total intergovernmental revenues as reported in the fund financial statements	$ 18,827,858

Note 5 - Pensions and OPEB

The $75,709 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 $120,523 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.

		Enterprise Funds
Statement of cash flows		
Change in net pension and OPEB asset		$ 2,680
Change in deferred inflows related to pensions and OPEB		(57,501)
Change in deferred outflows related to pensions and OPEB		58,788
Change in net pension and OPEB liability		(48,781)
	Total	$ (44,814)
AELR−Reconciliation		
Pension/OPEB contributions − addition		$ 120,523
Pension/OPEB expense(income) − subtraction		(75,709)
	Net Addition	$ 44,814

The $484,623 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 6 - Expenditures of Separate Legal Entities Established under Arizona Revised Statutes

The $3,781,840 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	$	3,745,021
Capital outlay		19,924
Lighting Districts - Nonmajor Funds		
Public safety expenditures		16,895
Total	$	3,781,840

The $1,063,959 addition for county monies transferred to separate legal entities consists of the County's required maintenance of effort payment to the Jail District of $1,057,000 that is reported as transfers in for this separate legal entity and a transfer of $6,959 to a special lighting district.

Note 7 - Long-Term Care Contributions

The $682,700 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.

Note 8 - 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. Carryforward was added for $486,159 of dividends, interest and gains on the sales or redemption of investment securities. $9,844,800 was received in the Coronavirus Recovery Fund and recognized as revenue during FY 2023 from the U.S. Treasury's Local Assistance and Tribal Consistency Fund (LATCF - assistance listing 21.032); however, these funds were largely expended as of the fiscal year end. The County used $918,795 of highway user revenue carryforward for road maintenance projects during the year. A summary of the accumulated revenue sources and their balances is shown in the table below:

Description	Balance June 30, 2023	Carryforward added	Carryforward used	Balance June 30, 2024
Dividends, interest, and gains on the sale or redemption of investment securities	$ 545,322	$ 486,159	$	$ 1,031,481
Grants and aid from the federal government - LATCF revenues in Coronavirus Recovery Fund	9,844,800		9,372,400	472,400
Highway user revenues in excess of those received in fiscal year 1979-80	3,732,365		918,795	2,813,570
Total carryforward	$ 14,122,487	$ 486,159	$ 10,291,195	$ 4,317,451