

**LA PAZ COUNTY, ARIZONA
REPORT ON AUDIT OF ANNUAL EXPENDITURE
LIMITATION REPORT
YEAR ENDED JUNE 30, 2009**

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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, 2009. 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, 2009, 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 and management, 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.
Certified Public Accountants

September 11, 2013

**LA PAZ COUNTY, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - PART I
YEAR ENDED JUNE 30, 2009**

1. Economic Estimates Commission expenditure limitation	\$11,581,104
2. Amount subject to the expenditure limitation (total amount from Part II, Line C)	<u>11,581,104</u>
3. Amount 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: 9-11-13

See accompanying notes to report.

**LA PAZ COUNTY, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - PART II
YEAR ENDED JUNE 30, 2009**

Description	Governmental Funds	Enterprise Fund	Fiduciary Funds	Total
A. Amounts reported on the Reconciliation, Line D	\$ 24,551,928	\$ 1,674,353	\$ 38,459,289	\$ 64,685,570
B. Less exclusions claimed:				
Debt service requirements on other long-term obligations (Note 2)	207,763	339,549		547,312
Proceeds from other long-term obligations (Note 12)	231,998			231,998
Dividends, interest, and gains on the sale or redemption of investment securities (Note 3)	242,672	1,182		243,854
Trustee or custodian (Note 4)	769,779		38,459,289	39,229,068
Grants and aid from the federal government (Note 5)	4,327,652			4,327,652
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 8)	45,006			45,006
Amounts received from the State of Arizona (Notes 5 and 6)	4,135,510			4,135,510
Highway user revenues in excess of those received in fiscal year 1979-80 (Note 5)	3,776,344			3,776,344
Contracts with other political subdivisions (Note 7)	94,049			94,049
Refunds, reimbursements, and other recoveries (Note 9)	473,673			473,673
Total exclusions claimed	<u>14,304,446</u>	<u>340,731</u>	<u>38,459,289</u>	<u>53,104,466</u>
C. Amount subject to the expenditure limitation	<u>\$ 10,247,482</u>	<u>\$ 1,333,622</u>	<u>\$ -</u>	<u>\$ 11,581,104</u>

LA PAZ COUNTY, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - RECONCILIATION
YEAR ENDED JUNE 30, 2009

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	\$ 29,526,816	\$ 1,485,597	\$ 38,459,289	\$ 69,471,702
B. Subtractions:				
Items not requiring use of working capital:				
Depreciation		160,788		160,788
Expenditures of separate legal entities established under Arizona Revised Statutes (Note 10)	4,089,188			4,089,188
Long-term care contributions withheld by the State Treasurer (Note 11)	<u>885,700</u>			<u>885,700</u>
Total subtractions	<u>4,974,888</u>	<u>160,788</u>		<u>5,135,676</u>
C. Additions:				
Principal payments on long-term debt		339,549		339,549
Acquisition of capital assets		<u>9,995</u>		<u>9,995</u>
Total additions		<u>349,544</u>		<u>349,544</u>
D. Amounts reported on Part II, Line A	<u>\$ 24,551,928</u>	<u>\$ 1,674,353</u>	<u>\$ 38,459,289</u>	<u>\$ 64,685,570</u>

LA PAZ COUNTY, ARIZONA
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2009

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 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 \$207,763 consists of expenditures classified as principal and interest and recorded as debt service expenditures. The exclusion does not include \$161,849 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 \$242,672 in the Governmental Funds includes interest on investments expended of \$79,777 and interest on delinquent taxes expended of \$162,895, which was recorded as tax revenue. This exclusion does not include \$10,179 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 \$769,779 in the Governmental Funds consists of \$263,967 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, \$455,986 of general government expenditures from revenues in the Anti-Racketeering (RICO) Fund, \$41,742 of general government expenditures from revenues in the County Attorney RICO Fund and \$8,084 in the Sheriff's RICO Fund, which benefited other governmental entities.

LA PAZ COUNTY, ARIZONA
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2009
(Continued)

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, and contracts with other political subdivisions in the Governmental Funds. The amounts excluded do not exceed expenditures of such revenues.

Description	Governmental Funds
Grants and aid from the federal government	\$ 4,327,652
Amounts received from the State of Arizona (see Note 6)	3,626,229
Highway user revenues in excess of those received in fiscal year 1979-80	3,776,344
Contracts with other political subdivisions (Note 7)	38,178
Other revenues – nonexcludable	<u>3,072,173</u>
Total intergovernmental revenues as reported in the fund financial statements	<u>\$ 14,840,576</u>

NOTE 6 – Amounts received from the State of Arizona includes an exclusion of \$509,281 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:

- \$22,240 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.
- \$38,178 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 \$33,631 in the B95 Fund from the proceeds of the ADOT intergovernmental agreement which are reported in the highways and streets functional expenditure category.

LA PAZ COUNTY, ARIZONA
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2009
(Concluded)

NOTE 8 – The exclusion claimed for grants, aid, contributions, or gifts from private agency or individuals consists of \$45,006 of private contributions reported as miscellaneous revenues.

NOTE 9 – The exclusions claimed for refunds, reimbursements, and other recoveries consist of recovery of expenditures in which \$473,673 are reported as charges for services in the fund financial statements.

NOTE 10 – The subtraction of \$4,089,188 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	\$ 3,478,436
Capital outlay expenditures for the Jail District	355,671
Debt service expenditures for the Jail District	161,849
Public safety expenditures for the Jail Commissary Fund	82,054
Public safety expenditures for various street lighting districts	<u>11,178</u>
Total expenditures of separate legal entities established under Arizona Revised Statutes subtraction	<u>\$ 4,089,188</u>

NOTE 11 – 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.

NOTE 12 – During the year the County received proceeds from a note payable issued in the amount of \$1,600,000 of which \$231,998 was expended in the current year. The remaining unspent proceeds of \$1,368,002 were carried forward to future years.