

REPORT HIGHLIGHTS
 SINGLE AUDIT

Subject

La Paz County spent \$2.3 million of federal monies and additional required matching monies this past year for 22 programs. The major federal grants were for public assistance and drug enforcement. In return, the County must be accountable for its use of both federal and state monies, maintain strong internal controls, and comply with federal program requirements.

Our Conclusion

The County's financial statements are included in the Single Audit Reporting Package. We audited those statements and concluded the information is reliable. The County maintained adequate internal controls over financial reporting and federal compliance, with one exception. Our report recommends that the County should follow their established policies and procedures to ensure that only the actual costs are charged to its Public Assistance Grants.



2002

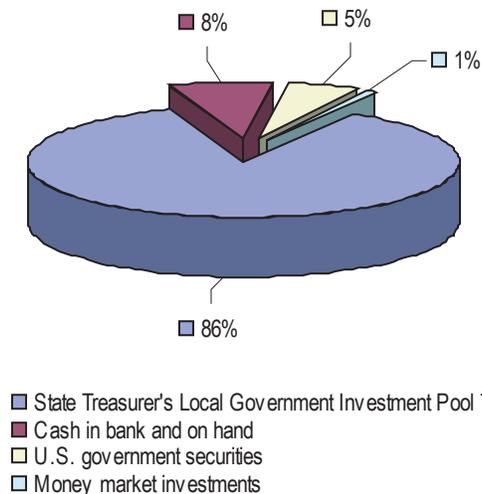
Year Ended June 30, 2002

**Treasurer's Office
 Manages the County's
 Investments**

The County Treasurer's Office manages investments totaling \$25 million for the County, various school districts, and other local governments. The County's investments comprise approximately 30 percent of all the Treasurer's investments. It is the Treasurer's fiduciary responsibility to administer these monies under her stewardship. The Treasurer invests, on a pool basis, all idle monies not specifically invested for a fund or program.

The \$25 million in cash and investments with the Treasurer were composed primarily of investment in the State Treasurer's Local Government Investment Pool-GOV (Pool 7). This pool was not impacted by the loss from National Capital Financial Enterprises NPF-XII securities invested in the State Treasurer's Local Government Investment Pool (Pool 5) as the County did not participate in Pool 5. The chart below shows the composition of the County Treasurer's investments.

Composition of County Treasurer Investments



The County did not comply with Federal Requirements for the Public Assistance Grants

The County did not comply with program requirements for activities allowed or unallowed for its Public Assistance Grants. The County received reimbursements of \$125,415 for materials the County never paid for. Instead, these materials were received under a Free Use Permit from the Bureau of Land Management.

Additionally, costs totaling \$16,387 for renting equipment from private contractors were charged as a direct cost of the program and were also included on the worksheets used by the County to obtain reimbursement for the internal use of county equipment. These two expenditures were considered questioned costs.

TO OBTAIN MORE INFORMATION

A copy of the full report can be obtained by calling
(602) 553-0333



or by visiting our Web site at:
www.auditorgen.state.az.us

Contact person for this report:
Doug Haywood

The Single Audit Fact Sheet

- No weaknesses in financial reporting internal controls.
- One internal control weakness in federal compliance.
- One material violation of federal program compliance requirements.
- Program costs totaling \$141,802 that were questioned as a result of our audit.

REPORT
HIGHLIGHTS
SINGLE AUDIT

Year Ended June 30, 2002