

**LA PAZ COUNTY, ARIZONA
REPORT ON AUDIT OF ANNUAL EXPENDITURE
LIMITATION REPORT
YEAR ENDED JUNE 30, 2004**

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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, 2004. 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, 2004, 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 and the Board of Supervisors, 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

February 19, 2009

**LA PAZ COUNTY, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - PART I
YEAR ENDED JUNE 30, 2004**

- | | |
|--|------------------|
| 1. Economic Estimates Commission expenditure limitation | \$ 9,609,762 |
| 2. Amount subject to the expenditure limitation
(total amount from Part II, Line C) | <u>9,609,761</u> |
| 3. Amount under the expenditure limitation | <u>\$ 1</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: Ava Alcaida, Finance Director

Telephone Number: (928) 669-2247

Date: February 19, 2009

See accompanying notes to report.

LA PAZ COUNTY, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - PART II
YEAR ENDED JUNE 30, 2004

Description	<u>Governmental Funds</u>	<u>Enterprise Fund</u>	<u>Fiduciary Funds</u>	<u>Total</u>
A. Amounts reported on the Reconciliation, Line D	\$ 18,271,689	\$ 1,376,882	\$ 33,265,287	\$ 52,913,858
B. Less exclusions claimed:				
Debt service requirements on other long-term obligations (Note 2)	98,793	120,542		219,335
Dividends, interest, and gains on the sale or redemption of investment securities (Note 3)	301,835	1,325		303,160
Trustee or custodian (Note 4)	348,021		33,265,287	33,613,308
Grants and aid from the federal government (Note 5)	2,258,658			2,258,658
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 9)	159,135			159,135
Amounts received from the State of Arizona (Note 5 & Note 6)	3,286,657			3,286,657
Quasi-external interfund transactions (Note 7)	12,000			12,000
Highway user revenues in excess of those received in fiscal year 1979-80 (Note 5)	3,371,399			3,371,399
Contracts with other political subdivisions (Note 8)	31,397			31,397
Prior years carryforward (Note 10)	<u>49,048</u>			<u>49,048</u>
Total exclusions claimed	<u>9,916,943</u>	<u>121,867</u>	<u>33,265,287</u>	<u>43,304,097</u>
C. Amount subject to the expenditure limitation	<u>\$ 8,354,746</u>	<u>\$ 1,255,015</u>	<u>\$ -</u>	<u>\$ 9,609,761</u>

**LA PAZ COUNTY, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - RECONCILIATION
YEAR ENDED JUNE 30, 2004**

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	\$ 21,871,185	\$ 1,373,190	\$ 33,265,287	\$ 56,509,662
B. Subtractions:				
Items not requiring use of working capital:				
Depreciation		157,767		157,767
Loss on disposal of capital assets		12,540		12,540
Expenditures of separate legal entities established under Arizona Revised Statutes (Note 11)	3,050,962			3,050,962
Long-term care contributions withheld by the State Treasurer (Note 12)	<u>548,534</u>			<u>548,534</u>
Total subtractions	<u>3,599,496</u>	<u>170,307</u>		<u>3,769,803</u>
C. Additions:				
Principal payments on long-term debt		95,000		95,000
Acquisition of capital assets		<u>78,999</u>		<u>78,999</u>
Total additions		<u>173,999</u>		<u>173,999</u>
D. Amounts reported on Part II, Line A	<u>\$ 18,271,689</u>	<u>\$ 1,376,882</u>	<u>\$ 33,265,287</u>	<u>\$ 52,913,858</u>

LA PAZ COUNTY, ARIZONA
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2004

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 Enterprise Fund, the Statement of Cash Flows for the Enterprise 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 \$98,793 consists of expenditures recorded as principal and interest. The exclusion does not include \$255,717 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 \$301,835 in the Governmental Funds includes interest on investments expended of \$87,184 and interest on delinquent taxes expended of \$214,651, which was recorded as tax revenue. This exclusion does not include \$1,360 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 \$348,021 in the Governmental Funds consists of \$229,116 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, \$99,853 of general government expenditures from revenues in the Anti-Racketeering (RICO) Fund, and \$19,052 of general government expenditures from revenues in the County Attorney RICO Fund, which benefited other governmental entities.

LA PAZ COUNTY, ARIZONA
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2004
(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, and highway user revenues, 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	\$ 2,258,658
Amounts received from the State of Arizona	2,788,088
Highway user revenues in excess of those received in fiscal year 1979-80	3,371,399
Grants, aid, contributions, or gifts from a private agency, organization, or individual (Note 9)	103,562
Other revenues – nonexcludable	<u>2,233,517</u>
Total intergovernmental revenues as reported in the fund financial statements	<u>\$ 10,755,224</u>

NOTE 6 – Amounts received from the State of Arizona include an exclusion of \$498,571 for motor vehicle license tax reported as taxes in the Road Fund in the fund financial statements.

NOTE 7 – The exclusion for quasi-external interfund transactions consists of \$12,000 of general government expenditures that were also recorded as miscellaneous revenues in Governmental Funds.

NOTE 8 – The exclusion claimed for contracts with other political subdivisions of \$31,397 consists of revenues expended pursuant to a contract with the Town of Quartzsite to provide services for elections.

LA PAZ COUNTY, ARIZONA
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2004
(Concluded)

NOTE 9 – The exclusion claimed for grants, aid, contributions, or gifts from a private agency organization, or individual consists of \$103,962 of grants and \$55,573 of miscellaneous private contributions.

NOTE 10 – Carryforward consists of constitutionally excludable revenues unexpended in the year of receipt that have been accumulated and were expended in the current year in the Governmental Funds as follows.

Description	
Carryforward balance from fiscal year 2002-03	\$ 5,017,123
Carryforward utilized in fiscal year 2003-04:	
Amounts received from the State of Arizona	49,048
Total carryforward available for use in future years	\$ 4,968,075

NOTE 11 – The subtraction of \$3,050,962 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	\$ 2,572,567
Debt service expenditures for the Jail District	255,717
Public safety expenditures for various street lighting districts	6,995
Health expenditures for the Health Services District	215,683
Total	\$ 3,050,962

NOTE 12 – The amount of transaction privilege taxes withheld by the State Treasurer to meet the County’s share of long-term care costs was reported as a revenue and an offsetting expenditure in the County’s Governmental Funds. Consequently, this expenditure has been subtracted on the Reconciliation.