

**LA PAZ COUNTY, ARIZONA
REPORT ON AUDIT OF ANNUAL EXPENDITURE
LIMITATION REPORT
YEAR ENDED JUNE 30, 2011**

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<u>CONTENTS</u>	<u>PAGE</u>
Independent Auditors' Report	1
Annual Expenditure Limitation Report – Part I	2
Annual Expenditure Limitation Report – Part II	3
Annual Expenditure Limitation Report – Reconciliation	4
Notes to Annual Expenditure Limitation Report	5

Independent Auditors' Report

The Auditor General of the State of Arizona
The Board of Supervisors of
La Paz County, Arizona

We have audited the accompanying Annual Expenditure Limitation Report of La Paz County, Arizona (the "County") for the year ended June 30, 2011. This report is the responsibility of the County's management. Our responsibility is to express an opinion on this report based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. 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 U.S. generally accepted accounting principles.

In our opinion, the Annual Expenditure Limitation Report of La Paz County, Arizona for the year ended June 30, 2011, 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, management, and others within the County, 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.

REDW LLC

Phoenix, Arizona
June 9, 2014

**LA PAZ COUNTY, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - PART I
YEAR ENDED JUNE 30, 2011**

1. Economic Estimates Commission expenditure limitation	\$ 12,078,050
2. Amount subject to the expenditure limitation (total amount from Part II, Line C)	<u>11,601,001</u>
3. Amount under the expenditure limitation	<u>\$ 477,049</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: Daniel Field, County Administrator

Telephone Number: (928) 669-6615

Date: 6/19/14

See accompanying notes to report.

**LA PAZ COUNTY, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - PART II
YEAR ENDED JUNE 30, 2011**

Description	Governmental Funds	Enterprise Funds	Fiduciary Funds	Total
A. Amounts reported on the Reconciliation, Line D	\$ 22,701,333	\$ 2,174,248	\$ 37,727,242	\$ 62,602,823
B. Less exclusions claimed:				
Debt service requirements on other long-term obligations (Note 2)	294,963			294,963
Dividends, interest, and gains on the sale or redemption of investment securities (Note 3)	233,336			233,336
Trustee or custodian (Note 4)	665,426		37,727,242	38,392,668
Grants and aid from the federal government (Note 5)	4,599,208			4,599,208
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 8)	12,532			12,532
Amounts received from the State of Arizona (Notes 5 and 6)	2,796,228			2,796,228
Highway user revenues in excess of those received in fiscal year 1979-80 (Note 5)	3,567,555			3,567,555
Contracts with other political subdivisions (Note 7)	691,120			691,120
Refunds, reimbursements, and other recoveries (Note 9)	414,212			414,212
Total exclusions claimed	<u>13,274,580</u>		<u>37,727,242</u>	<u>51,001,822</u>
C. Amount subject to the expenditure limitation	<u>\$ 9,426,753</u>	<u>\$ 2,174,248</u>	<u>\$ -</u>	<u>\$ 11,601,001</u>

**LA PAZ COUNTY, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - RECONCILIATION
YEAR ENDED JUNE 30, 2011**

Description	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
A. Total expenditures/expenses/ deductions and applicable other financing uses reported within the fund financial statements	\$ 26,938,829	\$ 2,397,986	\$ 37,727,242	\$ 67,064,057
B. Subtractions:				
Items not requiring use of working capital:				
Depreciation		239,719		239,719
Expenditures of separate legal entities established under Arizona Revised Statutes (Note 10)	3,600,696			3,600,696
Long-term care contributions withheld by the State Treasurer (Note 11)	<u>636,800</u>			<u>636,800</u>
Total subtractions	<u>4,237,496</u>	<u>239,719</u>		<u>4,477,215</u>
C. Additions:				
Acquisition of capital assets		<u>15,981</u>		<u>15,981</u>
Total additions		<u>15,981</u>		<u>15,981</u>
D. Amounts reported on Part II, Line A	<u>\$ 22,701,333</u>	<u>\$ 2,174,248</u>	<u>\$ 37,727,242</u>	<u>\$ 62,602,823</u>

LA PAZ COUNTY, ARIZONA
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2011

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 \$294,963 consists of expenditures classified as principal and interest and recorded as debt service expenditures. The exclusion does not include \$247,811 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 \$233,336 in the Governmental Funds includes interest on investments expended of \$2,902 and interest on delinquent taxes expended of \$230,434, which was recorded as tax revenue. This exclusion does not include \$372 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 \$665,426 in the Governmental Funds consists of \$266,396 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 and \$399,030 of general government expenditures from revenues in the County Attorney RICO Fund.

LA PAZ COUNTY, ARIZONA
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2011
(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	\$ 4,599,208
Amounts received from the State of Arizona	2,317,249
Highway user revenues in excess of those received in fiscal year 1979-80	3,567,555
Contracts with other political subdivisions (Note 7)	121,567
Other revenues – nonexcludable	2,123,986
Total intergovernmental revenues as reported in the fund financial statements	\$ 12,729,565

NOTE 6 – Amounts received from the State of Arizona include an exclusion of \$478,979 for motor vehicle license tax reported as taxes in the Road Fund in the fund financial statements.

NOTE 7 – The exclusions claimed for contracts with other political subdivisions consists of the following:

- \$64,126 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.
- \$121,567 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 \$505,427 in the B95 Fund from the proceeds of the ADOT intergovernmental agreement which are reported as capital outlays.

LA PAZ COUNTY, ARIZONA
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2011
(Continued)

NOTE 8 – The exclusion claimed for grants, aid, contributions, or gifts from a private agency organization, or individual, except amounts received in lieu of taxes, consists of \$12,532 of private contributions reported as miscellaneous revenues in the General Fund.

NOTE 9 – The exclusions claimed for refunds, reimbursements, and other recoveries consist of recovery of expenditures in which \$414,212 are reported as charges for services in the fund financial statements.

NOTE 10 – The subtraction of \$3,600,696 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	\$ 3,256,378
Debt service expenditures for the Jail District	247,811
Public safety expenditures for the Jail Commissary Fund	85,770
Public safety expenditures for various street lighting districts	<u>10,737</u>
Total expenditures of separate legal entities established under Arizona Revised Statutes subtraction	<u>\$ 3,600,696</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.