

**LA PAZ COUNTY, ARIZONA**  
**ANNUAL EXPENDITURE LIMITATION REPORT**  
**JUNE 30, 2022**  
**WITH REPORT OF**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**LA PAZ COUNTY, ARIZONA**  
**Annual Expenditure Limitation Report**  
**June 30, 2022**

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## Independent Accountants' Report

Members of the Arizona State Legislature  
The Board of Supervisors  
of La Paz County, Arizona

We have examined the accompanying Annual Expenditure Limitation Report (report) of La Paz County, Arizona (the County), for the year ended June 30, 2022 and the related notes to the report. The County's management is responsible for presenting this report in accordance with the Uniform Expenditure Reporting System as described in note 1. Our responsibility is to express an opinion on this report based on our examination.

We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether this report is presented in accordance with the Uniform Expenditure Reporting System in all material respects. An examination involves performing procedures to obtain evidence about the amounts and disclosures in the report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the 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 referred to above is presented in accordance with the uniform expenditure reporting system as described in note 1 in all material respects.

*HintonBurdick, PLLC*


Gilbert, Arizona  
April 5, 2024

**LA PAZ COUNTY, ARIZONA**  
**Annual Expenditure Limitation Report – Part I**  
**Fiscal Year Ended June 30, 2022**

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Economic Estimates Commission expenditure limitation		\$ <u>34,400,063</u>
Amount subject to the expenditure limitation (total amount from Part II, line C)	\$ <u>13,778,800</u>	
Subtotal	\$ <u>13,778,800</u>	
Total adjusted amount subject to the expenditure limitation		\$ <u>13,778,800</u>
Amount under (in excess of) the expenditure limitation		\$ <u>20,621,263</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: Megan Spielman, La Paz County Administrator

Telephone number: 928-669-6115

Date: 4/5/2024

See accompanying notes to report

**LA PAZ COUNTY, ARIZONA**  
**Annual Expenditure Limitation Report – Part II**  
**Fiscal Year Ended June 30, 2022**

Description	Governmental funds	Enterprise funds	Fiduciary funds	Total
A. Amounts reported on the reconciliation, line D	\$ 29,759,724	\$ 3,617,541	\$ 77,504,082	\$ 110,881,347
B. Less exclusions claimed:				
Debt proceeds	904,476	-	-	904,476
Debt service requirements (Note 2)	3,714,821	347,442	-	4,062,263
Trustee or custodian (Note 4)	250,539	-	77,504,082	77,754,621
Grants and aid from the federal government (Note 5)	8,465,051	-	-	8,465,051
Amounts received from the State of Arizona (Note 5)	2,308,519	-	-	2,308,519
Highway user revenues in excess of those received in fiscal year 1979-80 (Note 5)	3,607,617	-	-	3,607,617
Total exclusions claimed	<u>19,251,023</u>	<u>347,442</u>	<u>77,504,082</u>	<u>97,102,547</u>
C. Amounts subject to the expenditure limitation	<u>\$ 10,508,701</u>	<u>\$ 3,270,099</u>	<u>\$ -</u>	<u>\$ 13,778,800</u>

See accompanying notes to report

**LA PAZ COUNTY, ARIZONA**  
**Annual Expenditure Limitation Report - Reconciliation**  
**Fiscal Year Ended June 30, 2022**

Description	Governmental <u>funds</u>	Enterprise <u>funds</u>	Fiduciary <u>funds</u>	<u>Total</u>
A. Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements	\$ 32,750,903	\$ 3,430,224	\$ 77,504,082	\$ 113,685,209
B. Subtractions:				
Items not requiring use of current financial resources:				
Depreciation	-	134,618	-	134,618
Pension and other postemployment benefits (OPEB) expense (Note 7)	-	239,215	-	239,215
Expenditures of separate legal entities established under Arizona Revised Statutes (A.R.S.) (Note 8)	3,361,079	-	-	3,361,079
Long-term care contributions the State Treasurer withheld (Note 9)	<u>357,100</u>	<u>-</u>	<u>-</u>	<u>357,100</u>
Total subtractions	<u>3,718,179</u>	<u>373,833</u>	<u>-</u>	<u>4,092,012</u>
C. Additions:				
Principal payments on long-term debt (Note 2)	-	160,000	-	160,000
Capital asset acquisitions	-	5,000	-	5,000
Pension and OPEB contributions paid in the current year (Note 7)	-	396,150	-	396,150
County transfers to separate legal entities (Note 8)	<u>727,000</u>	<u>-</u>	<u>-</u>	<u>727,000</u>
Total additions	<u>727,000</u>	<u>561,150</u>	<u>-</u>	<u>1,288,150</u>
D. Amounts reported on part II, line A	<u>\$ 29,759,724</u>	<u>\$ 3,617,541</u>	<u>\$ 77,504,082</u>	<u>\$ 110,881,347</u>

See accompanying notes to report

**LA PAZ COUNTY, ARIZONA**  
**Notes to the Annual Expenditure Limitation Report**  
**June 30, 2022**

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**Note 1. Summary of Significant Accounting Policies**

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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 §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 requirements, a note to the AELR is presented below for any exclusion claimed in 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.

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**Note 2. Debt Service Requirements**

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The exclusion claimed for debt service requirements in the Governmental Funds of \$3,714,821 consists of \$3,863,277 of expenditures classified as principal and \$97,832 classified as interest, less \$246,288 attributable to the Jail District for which total expenditures were subtracted on the Reconciliation. The exclusion for the Enterprise funds is \$160,000 of principal payments and \$187,442 in interest payments made in the Solar Field Fund.

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**Note 3. Dividends, Interest, and Gains on the Sale or Redemption of Investment Securities**

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Amounts for dividends, interest, and gains on the sale or redemption of investment securities are \$291,452 consisting of investment income reported in the Governmental Funds of \$22,132 and interest on delinquent taxes of \$269,320 which was recorded as tax revenue. These amounts have not been claimed as exclusions in the current year but are being carried forward for utilization in subsequent years.

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**Note 4. Trustee or Custodian**

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The exclusion claimed for trustee or custodian of \$250,539 in the Governmental Funds consists of 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

**LA PAZ COUNTY, ARIZONA**  
**Notes to the Annual Expenditure Limitation Report**  
**June 30, 2022**

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contributions.

**Note 5. Federal Grants & Aid, Amounts from the State of Arizona, & Highway User Revenues**

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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. The amounts excluded do not exceed expenditures of such revenues.

Grants and aid from the Federal government	\$ 6,200,352
Federal Payments in lieu of taxes	2,264,699
Subtotal grants and aid from federal government	<u>8,465,051</u>
Amounts received from the State of Arizona (Note 6)	2,308,519
Highway user revenues in excess of those received in fiscal year 1979-80	3,607,617
Highway user revenues received but not expended and carried forward to future years (Note 10)	2,324,887
Other revenues-nonexcludable	<u>3,918,232</u>
Total intergovernmental revenues as reported in the fund financial statements	<u><u>\$ 20,624,306</u></u>

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**Note 6. Amounts from the State of Arizona**

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During fiscal year 2022 the County received \$706,176 from the State of Arizona for motor vehicle license tax reported as taxes in the Road Fund in the fund financial statements. Of this amount, \$694,133 was expended. The remaining \$12,043 has been carried forward to future years and is included as part of the \$2,324,887 exclusion for Highway User carryforwards. See also Note 10.

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**Note 7. Pensions and OPEB**

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The \$239,215 subtraction for pension and other post employment benefit (OPEB) expense consists of changes in the net pension and OPEB liabilities, changes in deferred outflows related to pensions and OPEB, and changes in deferred inflows related to pensions and OPEB, recognized in the current year in the enterprise funds. The \$396,150 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:



**LA PAZ COUNTY, ARIZONA**  
**Notes to the Annual Expenditure Limitation Report**  
**June 30, 2022**

**Note 7. Pensions and OPEB, Continued**

<u>Statement of cash flows</u>	<b>Enterprise funds</b>
Change in net pension and OPEB asset	\$ (32,391)
Change in deferred inflows related to pensions and OPEB	362,154
Change in deferred outflows related to pensions and OPEB	(56,863)
Change in net pension and OPEB liability	(115,965)
Total	\$ <u>156,935</u>
<u><b>AE LR-Reconciliation</b></u>	
Pension/OPEB contributions – addition	\$ 396,150
Pension/OPEB expense(income) – subtraction	(239,215)
Total	\$ <u>156,935</u>

**Note 8. Separate Legal Entities**

The subtraction of \$3,361,079 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.

Public safety expenditures for the Jail District	\$ 3,107,214
Capital expenditures for the Jail District	7,577
Debt service expenditures for the Jail District	<u>246,288</u>
Total expenditures of separate legal entities established under Arizona Revised Statutes subtraction	<u>\$ 3,361,079</u>

The \$727,000 addition for County monies transferred to separate legal entities consists of the County's required maintenance of effort payment to the jail district that are reported as transfers in to these separate legal entities.

**Note 9. Long Term Care Contributions**

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.

**LA PAZ COUNTY, ARIZONA**  
**Notes to the Annual Expenditure Limitation Report**  
**June 30, 2022**

**Note 10. 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. A summary of the revenue sources and the changes in their balances is shown in the table below:

<b>Description</b>	<b>Balance June 30 2021</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30 2022</b>
Proceeds from dividends, interest, and gains on the sale or redemption of investment securities	\$ -	\$ 291,452	\$ -	\$ 291,452
Highway user revenues in excess of those received in fiscal year 1979-80	3,470,093	2,324,887	-	5,794,980
Total carryforward	<u>\$ 3,470,093</u>	<u>\$ 2,616,339</u>	<u>\$ -</u>	<u>\$ 6,086,432</u>