

La Paz County, Arizona
Annual Financial and Single Audit Reports

Year ended June 30, 2022

Table of Contents

Page

Independent Auditors' Report	1-3
Management's Discussion and Analysis (Required Supplementary Information)	4-14
Basic Financial Statements:	
<i>Government-Wide Financial Statements:</i>	
Statement of Net Position	15
Statement of Activities.....	16
<i>Fund Financial Statements:</i>	
Governmental Funds:	
Balance Sheet.....	17
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	18
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	19
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities.....	20
Proprietary Funds:	
Statement of Net Position	21
Statement of Revenues, Expenses, and Changes in Fund Net Position	22
Statement of Cash Flows	23-24
Fiduciary Funds:	
Statement of Fiduciary Net Position.....	25
Statement of Changes in Fiduciary Net Position.....	26

Table of Contents – Continued

Page

Notes to Financial Statements.....27-75

Other Required Supplementary Information:

Budgetary Comparison Schedule – General Fund..... 76-78

Budgetary Comparison Schedule – Road Fund..... 79

Budgetary Comparison Schedule – Jail District Fund..... 80

Notes to Budgetary Comparison Schedules 81-82

Schedule of the County’s Proportionate Share
of the Net Pension/OPEB Liability – Cost Sharing Pension Plans 83-84

Schedule of Changes in the County’s Net
Pension/OPEB Liability and Related Ratios – Agent Plans..... 85-90

Schedule of County Pension/OPEB Contributions..... 91-94

Notes to Pension/OPEB Plan Schedules..... 95-96

Federal Reports:

Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with Government Auditing Standards.....97

Report on Compliance for Each Major Federal Program and Report on Internal Control
Over Compliance.....99

Schedule of Findings and Questioned costs:

Summary of Auditors’ Results.....101

Financial Statement Findings.....102

Federal Award Findings and Questioned Costs113

Schedule of Expenditures of Federal Awards.....114

Notes to the Schedule of Expenditures of Federal Awards.....116

Corrective Action Plan.....117

Summary Schedule of Prior Audit Findings.....119



HINTONBURDICK
CPAs & ADVISORS

Independent Auditors' Report

The Arizona Auditor General
The Board of Supervisors
La Paz County, Arizona
Parker, Arizona

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of La Paz County, Arizona, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of La Paz County, Arizona, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of La Paz County, Arizona and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principles

As described in Note 1 to the financial statements, in fiscal year 2022, the County implemented the provisions of GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

La Paz County, Arizona's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about La Paz County, Arizona's ability to continue as a going concern for one year after the date that the financial statements are issued or when applicable, one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of La Paz County, Arizona's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about La Paz County, Arizona's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedules related to pensions and OPEB and related notes, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise La Paz County, Arizona’s basic financial statements. The schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by Title 2 *U.S. Code of Federal Regulation (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Compliance Over the Use of Highway User Revenue Fund and Other Dedicated State Transportation Revenue Monies

In connection with our audit, nothing came to our attention that caused us to believe that the County failed to comply with the authorized transportation purposes, insofar as they relate to accounting matters, for Highway User Revenue Fund monies it received pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2, and any other dedicated state transportation revenues it received. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the County’s noncompliance with the authorized transportation purposes referred to above, insofar as they relate to accounting matters.

The communication related to compliance over the use of highway user revenue fund and other dedicated state transportation revenue monies in the preceding paragraph is intended solely for the information and use of the members of the Arizona State Legislature, the Arizona Auditor General, the Board of Supervisors, management, and other responsible parties within the County and is not intended to be and should not be used by anyone other than these specified parties.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 5, 2024, on our consideration of the La Paz County, Arizona’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering La Paz County, Arizona’s internal control over financial reporting and compliance.

HintonBurdick, PLLC

Gilbert, Arizona
April 5, 2024



Management's Discussion and Analysis

La Paz County
Management's Discussion and Analysis
Year ended June 30, 2022

This discussion and analysis, prepared by La Paz County's (the "County") management, is intended to be an easily readable analysis of the County's financial activities based on currently known facts, decisions or conditions during the fiscal year ended June 30, 2022. This analysis focuses on current year activities and should be read in conjunction with the County's basic financial statements following this section.

Financial Highlights

- The County's total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$53,770,028 (net position). Of this amount, \$25,880,830 is a deficit in unrestricted net position, \$17,675,159 is restricted for specific purposes (restricted net position), and \$61,975,699 is the County's net investment in capital assets.
- The County's total net position as reported in the Statement of Activities increased by \$11,342,854 in comparison to the prior year's increase in total net position of \$4,464,250.
- At June 30, 2022, the governmental funds reported combined fund balances of \$16,817,843, an increase of \$6,761,752 in comparison with the prior year. The components of fund balances consist of \$154,957 that is nonspendable, \$18,930,038 that is restricted or committed for specific purposes, and \$2,267,152 that is an accumulated deficit.
- At June 30, 2022, the unassigned fund balance for the General Fund was a surplus of \$2,767,894.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. Required supplementary information is included in addition to the basic financial statements.

Government-wide Financial Statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to private-sector businesses.

The *Statement of Net Position* presents information on all County assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *Statement of Activities* presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Management's Discussion and Analysis - Continued

Overview of the Financial Statements - Continued

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or part of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, highways and streets, sanitation, health, welfare, culture and recreation, and education. The County has four business-type activities consisting of the Emerald Canyon Golf Course, the La Paz County Park, the La Paz County Landfill and the La Paz County Solar Field.

Component units are included in our basic financial statements and consist of legally separate entities for which the County is financially accountable and that have substantially the same board as the County or provide services entirely to the County. The County has one major component unit, the La Paz County Jail District, and several street lighting districts that are also component units. Refer to Note 1.A, Reporting Entity, on page 27 of this report for more information on the County's component units.

The government-wide financial statements can be found on pages 15-16 of this report.

Fund Financial Statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the County can be divided into three categories: *governmental funds*, *proprietary funds*, and *fiduciary funds*.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of usable resources, as well as on balances of usable resources available at the end of the fiscal year. Such information may be useful in evaluating a county's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County reports six major governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Road, Jail District, Coronavirus Recovery, Opioid Settlement and Debt Service funds. Data from the other governmental funds (non-major) are combined into a single, aggregated presentation.

Management's Discussion and Analysis - Continued

Overview of the Financial Statements - Continued

The governmental fund financial statements can be found on pages 17-20 of this report.

Proprietary funds, or enterprise funds, are used to report the same functions presented as business-type activities in the government-wide financial statements. La Paz County uses enterprise funds to account for the Emerald Canyon Golf Course, the County Parks fund, the Landfill fund and the Solar Field fund. Fund financial statements for the enterprise funds provide the same type of information as the government-wide financial statements, only in more detail.

The enterprise fund financial statements can be found on pages 21-24 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs.

The fiduciary funds financial statements can be found on pages 25-26 of this report.

Notes to financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes can be found on pages 27-75 of this report.

Required supplementary information presents budgetary comparison schedules for the General, Road and Jail District funds of the County. It also includes required pension and other postemployment benefits schedules.

Required supplementary information can be found on pages 76-96 of this report.

Government-Wide Financial Analysis

Net Position

The largest portion of the County's net position reflects the investment in capital assets (e.g., land, water rights, gravel and dirt roads, construction in progress, buildings, improvements, machinery and equipment, and infrastructure), less accumulated depreciation and related outstanding debt used to acquire those assets. The County uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related outstanding debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to the citizens and creditors.

Management's Discussion and Analysis - Continued

Government-Wide Financial Analysis - Continued

The following table summarizes the Statement of Net Position at June 30, 2022 and 2021:

	2022 Governmental Activities	2021 Governmental Activities	2022 Business- Type Activities	2021 Business- Type Activities	2022 Total	2021 Total
Current and other assets	\$ 22,693,738	\$ 15,973,238	\$ 4,476,627	\$ 4,363,977	\$ 27,170,365	\$ 20,337,215
Capital assets	62,141,446	62,216,086	5,173,754	5,303,371	67,315,200	67,519,457
Total assets	<u>84,835,184</u>	<u>78,189,324</u>	<u>9,650,381</u>	<u>9,667,348</u>	<u>94,485,565</u>	<u>87,856,672</u>
Deferred outflows of resources	6,060,240	7,406,473	310,380	253,517	6,370,620	7,659,990
Other liabilities	2,425,055	4,398,701	848,680	828,052	3,273,735	5,226,753
Long-term liabilities	31,833,306	41,426,204	5,533,805	5,785,521	37,367,111	47,211,725
Total liabilities	<u>34,258,361</u>	<u>45,824,905</u>	<u>6,382,485</u>	<u>6,613,573</u>	<u>40,640,846</u>	<u>52,438,478</u>
Deferred inflows of resources	6,071,386	382,720	373,925	11,771	6,445,311	394,491
Net position:						
Net investment in capital assets	60,951,945	61,514,401	1,023,754	1,153,371	61,975,699	62,667,772
Restricted	17,675,159	18,074,879	-	-	17,675,159	18,074,879
Unrestricted (deficit)	<u>(28,061,427)</u>	<u>(40,201,108)</u>	<u>2,180,597</u>	<u>2,142,150</u>	<u>(25,880,830)</u>	<u>(38,058,958)</u>
Total net position	<u>\$ 50,565,677</u>	<u>\$ 39,388,172</u>	<u>\$3,204,351</u>	<u>\$3,295,521</u>	<u>\$ 53,770,028</u>	<u>\$ 42,683,693</u>

As noted earlier, net position may serve over time as a useful indicator of whether the financial position of the County is improving or deteriorating. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$53,770,028 at June 30, 2022, which is primarily the result of the County's investment in long-lived assets.

Also, the County's financial position increased due to a \$3.4 million increase in government grant revenues, a \$1.9 million decrease in general government expenses and a \$1.7 million decrease in public safety expenses.

Governmental activities capital assets had decreases of \$74,640 and business-type activities capital assets had decreases of \$129,617. The governmental activities decrease was attributable to capital asset additions being less than depreciation during fiscal year 2022. The business-type activities decrease was also caused by capital asset additions being less than depreciation expense. Governmental activities long-term liabilities decreased by \$9,592,898 and business-type activities long-term liabilities decreased by \$251,716. The governmental activities decrease was primarily due to decreases in bonds payable and the net pension liability. The business-type activities decrease was primarily due to decreases in bonds payable and the net pension liability. Additional information on the County's long-term liabilities can be found in Note 9 of the notes to the financial statements on pages 44-49 of this report.

The decrease in overall deferred outflows of resources and increase in overall deferred inflows of resources of \$1,289,370 and \$6,050,820, respectively, consist of the changes in estimates and assumptions used to calculate the net pension liability, net of the contributions to the pension plans after the measurement date. Additional information on the County's pension plan activity can be found in Note 11 of the notes to the financial statements on pages 50-73 of this report.

Management's Discussion and Analysis - Continued

Government-Wide Financial Analysis - Continued

Changes in Net Position

The following table indicates the changes in net position for governmental and business-type activities:

	2022 Governmental Activities	2021 Governmental Activities	2022 Business-Type Activities	2021 Business-Type Activities	2022 Total	2021 Total
<u>Revenues</u>						
Program revenues:						
Charges for services	\$ 3,761,894	\$ 3,226,124	\$ 4,568,691	\$ 4,721,139	\$ 8,330,585	\$ 7,947,263
Operating grants & contributions	9,750,153	6,457,571	-	-	9,750,153	6,457,571
Capital grants & contributions	6,106,527	5,723,340	-	-	6,106,527	5,723,340
General revenues:						
Property taxes	5,838,311	5,960,131	-	-	5,838,311	5,960,131
Share of state sales taxes	3,238,273	2,933,053	-	-	3,238,273	2,933,053
Excise tax	5,552,035	6,515,055	-	-	5,552,035	6,515,055
Payments in lieu of taxes	2,264,699	2,213,648	-	-	2,264,699	2,213,648
Vehicle license tax	932,241	955,983	-	-	932,241	955,983
State appropriation	550,050	550,050	-	-	550,050	550,050
Contributions not restricted to specific programs	32,446	28,822	-	-	32,446	28,822
Investment earnings	22,132	43,492	62	-	22,194	43,492
Proceeds from sale of capital assets	244,038	8,925	-	-	244,038	8,925
Lease and other revenues	501,297	411,555	1,719	810	503,016	412,365
Transfers	1,200,000	-	(1,200,000)	-	-	-
Total revenues	<u>39,994,096</u>	<u>35,027,749</u>	<u>3,370,472</u>	<u>4,721,949</u>	<u>43,364,568</u>	<u>39,749,698</u>
<u>Expenses</u>						
General government	9,166,595	11,096,567	193,795	139,121	9,360,390	11,235,688
Public safety	11,005,375	12,678,863	-	-	11,005,375	12,678,863
Highways and streets	4,234,154	5,020,144	-	-	4,234,154	5,020,144
Sanitation	575	575	50,884	41,715	51,459	42,290
Health	3,194,681	2,673,140	-	-	3,194,681	2,673,140
Welfare	201,684	260,626	-	-	201,684	260,626
Culture and recreation	206,822	206,020	2,998,103	2,459,871	3,204,925	2,665,891
Education	369,648	323,210	-	-	369,648	323,210
Interest on long-term debt	211,956	167,018	187,442	218,578	399,398	385,596
Total expenses	<u>28,591,490</u>	<u>32,426,163</u>	<u>3,430,224</u>	<u>2,859,285</u>	<u>32,021,714</u>	<u>35,285,448</u>
Change in net position	<u>11,402,606</u>	<u>2,601,586</u>	<u>(59,752)</u>	<u>1,862,664</u>	<u>11,342,854</u>	<u>4,464,250</u>
Beginning net position, as restated	<u>39,163,071</u>	<u>36,786,586</u>	<u>3,264,103</u>	<u>1,432,857</u>	<u>42,427,174</u>	<u>38,219,443</u>
Ending net position	<u>\$ 50,565,677</u>	<u>\$ 39,388,172</u>	<u>\$ 3,204,351</u>	<u>\$ 3,295,521</u>	<u>\$ 53,770,028</u>	<u>\$ 42,683,693</u>

Management's Discussion and Analysis - Continued

Government-Wide Financial Analysis - Continued

Net position of the governmental activities increased during the year by \$11,402,606. Total revenues increased by \$4,966,347, which is primarily related to an increase in operating grants and contributions of \$3,292,582, transfers from the Solar Field Fund of \$1,200,000, and an increase of charges for services of \$535,770, net of a decrease in excise tax of \$963,020.

Governmental activities expenses decreased from 2021 by a total of \$3,834,673. The expense decrease was primarily from a decrease in general government expenses of \$1,929,972. Additionally, public safety expenses decreased by \$1,673,488 and highways and streets expenses decreased by \$785,990, which were partially offset by an increase in health expenses of \$521,541.

Business-type activities reported a decrease in net position of \$59,752. Revenues decreased by \$1,351,477, primarily resulting from a \$1,200,000 transfer from the Solar Field Fund to the General Fund, and a decrease of \$152,448 in charges for services primarily due to insurance proceeds that were received in the prior year within the Parks Fund. Expenses increased by \$570,939, primarily due to increased personnel services and other costs in the Golf Course Fund.

Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds – The focus of the County's governmental funds is to provide information of near-term inflows, outflows, and balances of useable resources. Such information is useful in assessing the County's financial requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At June 30, 2022, the County's governmental funds reported combined fund balances of \$16,817,843, an increase of \$6,761,752 in comparison with the prior year.

The General Fund is the County's primary operating fund. At the end of the current fiscal year, the General Fund carried a surplus fund balance of \$3,783,623. Total General Fund revenue increased \$1,561,781 from 2021 and is primarily the result of an increase in tax revenue of \$924,696 and increased intergovernmental revenues of \$610,418. General Fund expenditures decreased by \$3,638,280, resulting primarily from decreases in general government expenditures of \$648,543, public safety expenditures of \$2,541,782, debt service of \$250,529 and health expenditures of \$190,331.

The Road Fund, a major County fund, is used for various road projects within the County. During 2022, the fund experienced an increase in revenues of \$347,468 and an overall increase of \$390,789 in expenditures.

The Jail District Fund, also a major County fund, is used to report the activity of the County's jail facility. During 2022, the Fund's overall revenues increased by \$111,099, primarily due to an increased population of federal inmates, while expenditures decreased by \$105,103. The fund incurred a negative change in fund balance of \$450,199, which led to a deficit fund balance of \$984,217 at year-end.

Management's Discussion and Analysis - Continued

Financial Analysis of the County's Funds - Continued

The Coronavirus Recovery Fund incurred \$4,102,309 of public safety expenditures that were transferred from the General Fund as allowed under the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) lost revenue provision. The fund is further discussed in the Economic Factors section on page 13.

The Opioid Settlement Fund was established during the 2022 fiscal year and accounts for the activity related to the One Arizona Agreement that will distribute opioid settlement funds over 18 years to the County. Funds received by the County on behalf of the towns of Parker and Quartzsite are accounted for in a fiduciary fund.

The Debt Service Fund was established during the 2012 fiscal year and accounts for unexpended bond proceeds and for a transaction privilege tax levy collected for the purpose of principal and interest repayment on County issued excise tax revenue judgment bonds. Bond principal of \$3,295,000 was fully paid off in 2022. The fund had a decrease in total excise taxes collected during 2022 of \$2,193,959 while total interest expense incurred was \$42,047.

Other Governmental funds had a decrease in revenues totaling \$1,375,849, which was primarily due to decreases in intergovernmental revenues, while expenditures decreased by \$1,304,737.

The Golf Course Fund, a County enterprise fund, had an increase in revenues totaling \$345,653 due to an increase in golf fees earned. This resulted from an increase in the number of golf players during 2022. Meanwhile, expenses increased by \$423,081 primarily due to an increased personnel and supply costs.

The Parks Fund, also a County enterprise fund, had a decrease in revenues totaling \$276,267 while expenses increased by \$115,151. The increase in expenses is primarily from increased personnel and supply costs during the year.

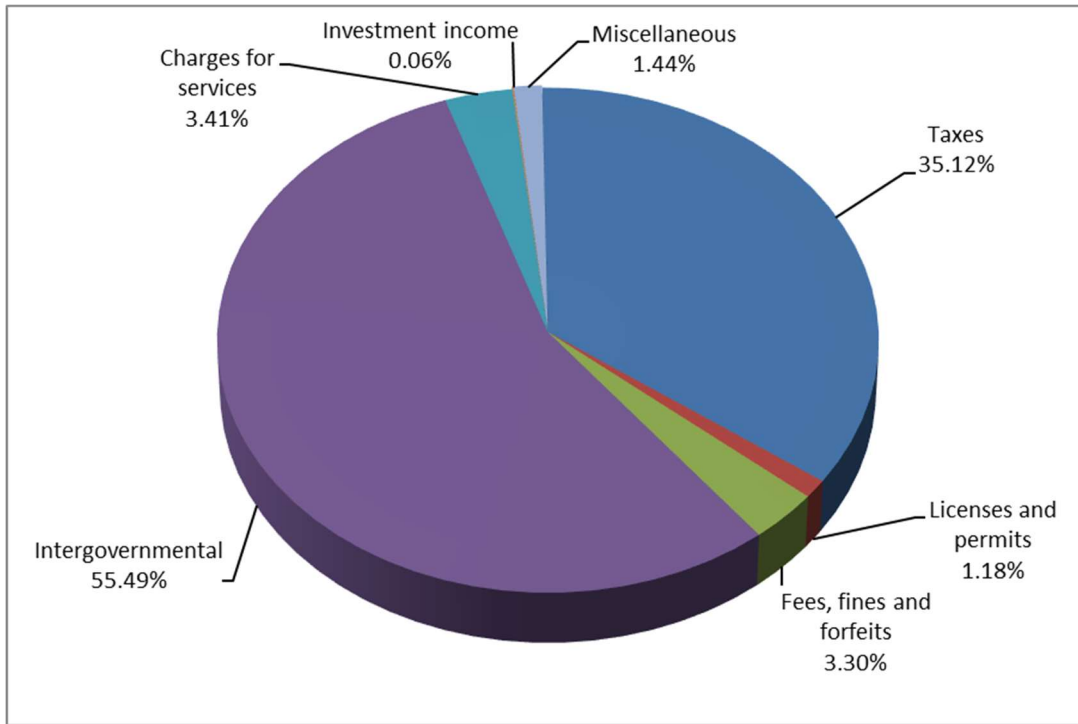
The Landfill Fund, also a County enterprise fund, had an increase in revenues of \$75,290, while expenses increased by \$9,169.

The Solar Field Fund, also a County enterprise fund, had a decrease in revenues totaling \$296,153, an increase in operating expenses of \$54,674 and incurred bond interest costs of \$187,442.

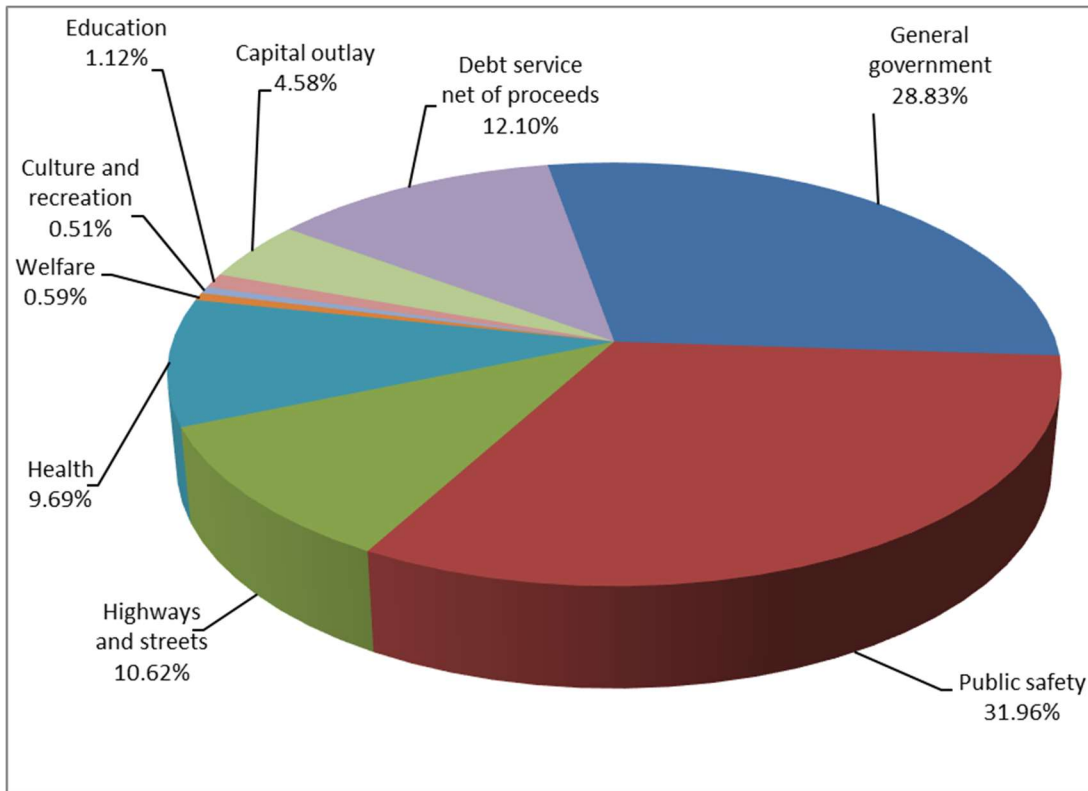
The following graphs present the amount of governmental revenues from various sources and expenditures by function:

Management's Discussion and Analysis - Continued

Financial Analysis of the County's Funds – Continued



The composition of revenues saw an increase in intergovernmental revenue along with decreases in fees, fines and forfeits, and charges for services.



Management's Discussion and Analysis - Continued

Financial Analysis of the County's Funds – Continued

The composition of 2022 County expenditures changed for general government, which decreased to 28.83% of total expenditures, public safety, which decreased to 31.96% of total expenditures and highways and streets, which decreased to 10.62% of total expenditures. Capital outlay increased to 4.58% of total expenditures, health increased to 9.69% of total expenditures and debt service net of proceeds increased to 12.10% of total expenditures.

General Fund Budgetary Highlights

General Fund actual revenues were approximately \$3.1 million in excess of the adopted budget, and actual expenditures were less than estimated expenditures by approximately \$4.0 million.

Tax revenues were greater than the budgeted amount by \$795,182 predominantly due to higher than anticipated real estate taxes and collection of delinquent tax interest. Intergovernmental revenues exceeded the budgeted amount by \$2,150,133, primarily due to greater than anticipated sales tax and unanticipated collection of judgment tax. Fees, fines and forfeits were less than budget by \$298,947 due to less than anticipated Justice Court fees and fines. Miscellaneous revenues were greater than the budgeted amount by \$197,771 due to unanticipated commission revenue.

The following General Fund departments had variances in actual expenditures from their original (and final) budget by more than ten percent and \$20,000:

Budget versus actual variances

- Assessor expenditures were \$119,602 less than anticipated due to a year-to-year increase in the budget while actual expenditures were reduced from the prior year.
- County attorney expenditures were \$200,586 below the budget due to lower than anticipated personnel costs.
- Clerk of the superior court expenditures were \$124,995 less than anticipated due to reduced personnel and professional services costs.
- Elections was \$104,903 less than anticipated due to reduced personnel and professional services costs.
- Justice of the Peace #5 was \$91,470 less than anticipated due to a significant year-to-year increase in the budget while actual expenditures increased slightly from the prior year.
- Recorder expenditures were \$94,889 in excess of the budget due to budget reductions that were not realized.
- Human resources was \$49,564 below budget due to vacancy savings.
- Court administration exceeded the budget by \$256,784, primarily due to unanticipated security costs.
- Management information services exceeded the budget by \$82,029, primarily due to higher than expected software and hardware support costs.
- General administration expenditures exceeded the budget by \$70,339, primarily due to higher than anticipated professional services costs.

Management's Discussion and Analysis - Continued

General Fund Budgetary Highlights – Continued

- Finance was \$221,318 less than the budget, primarily due to vacancy savings and elimination of third party payroll processing fees.
- BLM conveyance land was below budget by \$347,442 due to recording of certain budgeted expenditures in general administration and the Solar Field Fund.
- The Sheriff was \$3,040,723 below budget due to transfers of personnel costs to the Coronavirus Recovery Fund.
- Juvenile probation was below budget by \$34,749 due to a year-to-year increase in the budget while actual expenditures were slightly lower than the prior year.
- Emergency management exceeded budget by \$129,266 due to unanticipated expenditures.
- Indigent health expenditures were below the budget by \$45,943, primarily due to recording of eligible personnel costs to other funds.
- The County long term care ALTCS exceeded budget by \$357,000 due to greater than anticipated contributions to the Arizona Long-Term Care System.
- Chronically Mentally Ill was \$141,225 below the budget due to less than anticipated assisted living costs.
- The health department was below budget by \$485,171 primarily due to certain salaries and related expenditures being recorded in other funds.
- Library services was below budget by \$20,184 due to operating cost reductions.
- Proceeds from loan were \$199,472 greater than budgeted due to an unanticipated financed purchase.
- Transfers in were \$1,402,155 greater than budgeted due to an unanticipated transfer from the debt service fund related to the judgment bond payoff.
- Transfers out were \$727,000 greater than budgeted due to unbudgeted provision of maintenance of effort to the Jail District Fund.

Budget Modifications

There were no budget modifications during 2022.

Capital Assets and Debt Administration

Capital Assets

The County's investment in capital assets as of June 30, 2022, totaled \$62.0 million (net of accumulated depreciation and related debt). This investment in capital assets includes land and land improvements, water rights, gravel and dirt roads, golf course, buildings, machinery and equipment, construction equipment and vehicles, and infrastructure purchased, constructed or donated after July 1, 1982 (the year of the County's inception). The County's net investment in capital assets decreased 1.1% from the prior period.

Management's Discussion and Analysis - Continued

Capital Assets and Debt Administration - Continued

Additional information on the County's capital assets activity and balances can be found in Note 8 of the notes to the financial statements on pages 42-44 of this report.

Long-Term Liabilities

At June 30, 2022, the County had total long-term liabilities outstanding of \$37.4 million. This amount consists primarily of \$4.5 million in bonds payable, financed purchases of \$1.1 million, compensated absences payable of \$1.1 million, and \$30.5 million in net pension and other postemployment benefits liabilities.

Additional information on the County's long-term debt can be found in Note 9 of the notes to the financial statements on pages 44-49 of this report.

Economic Factors

The County's financial position improved significantly in 2022 due to various factors that have created opportunities, as follows:

- The County's General Fund had a net increase in fund balance during Fiscal Year 2022 that eliminated the accumulated deficit and created a surplus. The County used federal financial assistance from the State and Local Fiscal Recovery Fund to fund government operations, thereby reducing the deficit.
- The County completed a land purchase in Fiscal Year 2020 that is a platform for several projects that are providing a reliable source of revenue.
- The County is pursuing an additional land conveyance that is intended to generate additional economic activity.
- The County paid off the Yakima judgment bonds and received a distribution of \$1.4 million, which provided additional economic support.
- Subsequent to year-end, the County was allocated \$9.8 million from the Local Assistance and Tribal Consistency Fund (LATCF), which will provide further economic support.
- The County is considering options to provide funding to the Public Safety Personnel Retirement System that will reduce the unfunded pension liability.
- The County has taken into consideration the above economic factors in preparing future years' budgets.

Requests for Information

This financial report is designed to provide a general overview of the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the La Paz County Finance Department, 1108 Joshua Avenue, Parker, Arizona 85344.

Basic Financial Statements

La Paz County
Statement of Net Position
June 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 18,944,655	\$ 2,206,120	\$ 21,150,775
Property taxes receivable	196,464	-	196,464
Internal balances	(1,693,435)	1,693,435	-
Due from others	907,289	146,005	1,053,294
Due from other governments	2,491,017	-	2,491,017
Lease receivable - current	15,267	-	15,267
Cash and cash equivalents restricted for debt service	-	377,738	377,738
Prepaid items	154,957	15,984	170,941
Lease receivable - non-current	316,084	-	316,084
Net other postemployment benefits asset	1,361,440	37,345	1,398,785
Capital assets, not being depreciated/amortized	43,641,762	4,155,000	47,796,762
Capital assets, being depreciated/amortized, net	18,499,684	1,018,754	19,518,438
Total assets	84,835,184	9,650,381	94,485,565
Deferred Outflows of Resources			
Deferred outflows related to pensions and other postemployment benefits	6,060,240	310,380	6,370,620
Total deferred outflows of resources	6,060,240	310,380	6,370,620
Liabilities			
Accounts payable	882,305	144,371	1,026,676
Accrued liabilities	849,481	75,563	925,044
Interest payable	-	-	-
Unearned revenue	368,586	597,345	965,931
Due to:			
Others	205,944	31,401	237,345
Other governments	118,739	-	118,739
Noncurrent liabilities:			
Due within one year	250,463	16,645	267,108
Due in more than one year	31,582,843	5,517,160	37,100,003
Total liabilities	34,258,361	6,382,485	40,640,846
Deferred Inflows of Resources			
Deferred inflows related to pensions and other postemployment benefits	5,740,360	373,925	6,114,285
Deferred inflows related to leases	331,026	-	331,026
Total deferred inflows of resources	6,071,386	373,925	6,445,311
Net Position			
Net investment in capital assets	60,951,945	1,023,754	61,975,699
Restricted for:			
Highways and streets	11,846,560	-	11,846,560
Health and welfare	1,809,836	-	1,809,836
Judicial	1,170,546	-	1,170,546
Public safety	1,054,254	-	1,054,254
Debt service	906,419	-	906,419
Education	585,155	-	585,155
Other purposes	302,389	-	302,389
Unrestricted (deficit)	(28,061,427)	2,180,597	(25,880,830)
Total net position	\$ 50,565,677	\$ 3,204,351	\$ 53,770,028

See the accompanying notes to the financial statements.

La Paz County
Statement of Activities
Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities							
General government	\$ 9,166,595	\$ 2,241,632	\$ 5,297,940	\$ -	\$ (1,627,023)	\$ -	\$ (1,627,023)
Public safety	11,005,375	467,442	1,804,008	-	(8,733,925)	-	(8,733,925)
Highways and streets	4,234,154	-	717,858	6,106,527	2,590,231	-	2,590,231
Sanitation	575	-	81,530	-	80,955	-	80,955
Health	3,194,681	1,018,237	1,608,219	-	(568,225)	-	(568,225)
Welfare	201,684	-	1,708	-	(199,976)	-	(199,976)
Culture and recreation	206,822	25,068	159,762	-	(21,992)	-	(21,992)
Education	369,648	9,515	79,128	-	(281,005)	-	(281,005)
Interest on long-term debt	211,956	-	-	-	(211,956)	-	(211,956)
Total governmental activities	28,591,490	3,761,894	9,750,153	6,106,527	(8,972,916)	-	(8,972,916)
Business-type activities							
Golf course	1,843,614	1,996,921	-	-	-	153,307	153,307
Parks	1,154,489	1,106,417	-	-	-	(48,072)	(48,072)
Landfill	50,884	314,169	-	-	-	263,285	263,285
Solar Field	381,237	1,151,184	-	-	-	769,947	769,947
Total business-type activities	3,430,224	4,568,691	-	-	-	1,138,467	1,138,467
Total primary government	\$ 32,021,714	\$ 8,330,585	\$ 9,750,153	\$ 6,106,527	(8,972,916)	1,138,467	(7,834,449)
General revenues:							
					5,820,130	-	5,820,130
					18,181	-	18,181
					5,552,035	-	5,552,035
					2,264,699	-	2,264,699
					3,238,273	-	3,238,273
					932,241	-	932,241
					550,050	-	550,050
					32,446	-	32,446
					22,132	62	22,194
					244,038	-	244,038
					501,297	1,719	503,016
Transfers					1,200,000	(1,200,000)	-
Total general revenues and transfers					20,375,522	(1,198,219)	19,177,303
Changes in net position					11,402,606	(59,752)	11,342,854
Net position - June 30, 2021, as restated					39,163,071	3,264,103	42,427,174
Net position - June 30, 2022					\$ 50,565,677	\$ 3,204,351	\$ 53,770,028

See the accompanying notes to the financial statements.

**La Paz County
Balance Sheet
Governmental Funds
June 30, 2022**

	Major Funds							Total Governmental Funds
	General Fund	Road Fund	Jail District Fund	Coronavirus Recovery Fund	Opioid Settlement Fund	Debt Service Fund	Other Governmental Funds	
Assets								
Cash and cash equivalents	\$ 5,045,760	\$ 11,478,995	\$ 110,786	\$ 36	\$ -	\$ -	\$ 2,309,078	\$ 18,944,655
Cash and investments held by trustees	-	-	-	-	-	-	-	-
Property tax receivable	194,628	-	-	-	-	-	1,836	196,464
Due from:								
Others	310,965	-	-	-	596,324	-	-	907,289
Other governments	332,746	608,813	188,645	-	-	-	1,360,813	2,491,017
Lessees	331,351	-	-	-	-	-	-	331,351
Other funds	2,223,843	10,494	-	-	-	-	919,683	3,154,020
Prepaid items	109,310	500	7,759	-	-	-	37,388	154,957
Total assets	<u>\$ 8,548,603</u>	<u>\$ 12,098,802</u>	<u>\$ 307,190</u>	<u>\$ 36</u>	<u>\$ 596,324</u>	<u>\$ -</u>	<u>\$ 4,628,798</u>	<u>\$ 26,179,753</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances								
Liabilities:								
Accounts payable	\$ 670,081	\$ 62,698	\$ 68,388	\$ -	\$ -	\$ -	\$ 81,138	\$ 882,305
Accrued liabilities	556,375	103,377	61,872	-	-	-	127,857	849,481
Unearned revenue	112,500	-	-	-	-	-	256,086	368,586
Due to:								
Others	121,450	1,133	74,376	-	-	-	8,985	205,944
Other governments	106,676	-	-	-	-	-	12,063	118,739
Other funds	2,716,131	84,534	1,086,771	-	-	-	960,019	4,847,455
Total liabilities	<u>4,283,213</u>	<u>251,742</u>	<u>1,291,407</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,446,148</u>	<u>7,272,510</u>
Deferred inflows of resources:								
Unavailable revenues:								
Property taxes	150,741	-	-	-	-	-	1,744	152,485
Grants and contracts	-	-	-	-	-	-	1,009,565	1,009,565
Settlements	-	-	-	-	596,324	-	-	596,324
Deferred inflows related to leases	331,026	-	-	-	-	-	-	331,026
Total deferred inflows of resources	<u>481,767</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>596,324</u>	<u>-</u>	<u>1,011,309</u>	<u>2,089,400</u>
Fund balances:								
Nonspendable:								
Prepaid items	109,310	500	7,759	-	-	-	37,388	154,957
Restricted	906,419	11,846,560	-	36	-	-	4,922,144	17,675,159
Committed	-	-	-	-	-	-	1,254,879	1,254,879
Unassigned (deficit)	2,767,894	-	(991,976)	-	-	-	(4,043,070)	(2,267,152)
Total fund balances (deficit)	<u>3,783,623</u>	<u>11,847,060</u>	<u>(984,217)</u>	<u>36</u>	<u>-</u>	<u>-</u>	<u>2,171,341</u>	<u>16,817,843</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,548,603</u>	<u>\$ 12,098,802</u>	<u>\$ 307,190</u>	<u>\$ 36</u>	<u>\$ 596,324</u>	<u>\$ -</u>	<u>\$ 4,628,798</u>	<u>\$ 26,179,753</u>

See the accompanying notes to the financial statements.

La Paz County
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position
June 30, 2022

Fund balances—total governmental funds	\$	16,817,843
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$128,056,118 and the accumulated depreciation/amortization is \$65,914,672.		62,141,446
Net pension and other postemployment benefits asset is not reported in the governmental funds.		1,361,440
Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.		1,758,374
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		-
Obligations under financed purchases of capital assets	\$ (1,099,761)	
Leases payable	(89,740)	
Compensated absences payable	(1,007,993)	
Net pension/OPEB liability	(29,450,982)	
Bonds payable	(184,830)	(31,833,306)
Deferred outflows and inflows of resources related to pensions/OPEB and deferred charges related to bond refunding are applicable to future reporting periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions/OPEB	6,060,240	
Deferred inflows of resources related to pensions/OPEB	(5,740,360)	319,880
Net position of governmental activities	\$	<u>50,565,677</u>

See the accompanying notes to the financial statements.

La Paz County
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2022

	Major Funds							Total Governmental Funds
	General Fund	Road Fund	Jail District Fund	Coronavirus Recovery Fund	Opioid Settlement Fund	Debt Service Fund	Other Governmental Funds	
Revenues:								
Taxes	\$ 9,472,408	\$ 706,176	\$ 1,790,856	\$ -	\$ -	\$ 1,063,374	\$ 18,180	\$ 13,050,994
Licenses and permits	437,978	-	-	-	-	-	-	437,978
Fees, fines and forfeits	1,216,165	-	-	-	-	-	9,975	1,226,140
Intergovernmental	6,589,063	6,118,209	-	4,099,982	-	-	3,817,052	20,624,306
Charges for services	566,801	-	392,137	-	-	-	309,907	1,268,845
Investment earnings	3,134	10,871	-	2,363	-	-	5,764	22,132
Miscellaneous	432,960	56,457	887	-	-	-	43,442	533,746
Total revenues	18,718,509	6,891,713	2,183,880	4,102,345	-	1,063,374	4,204,320	37,164,141
Expenditures:								
Current:								
General government	8,699,583	-	-	-	-	17,000	725,762	9,442,345
Public safety	1,711,347	-	3,107,214	4,102,309	-	-	1,546,570	10,467,440
Highways and streets	-	3,478,403	-	-	-	-	-	3,478,403
Health	1,504,497	-	-	-	-	-	1,670,303	3,174,800
Welfare	193,438	-	-	-	-	-	502	193,940
Culture and recreation	101,443	-	-	-	-	-	66,790	168,233
Education	256,251	-	-	-	-	-	109,187	365,438
Capital outlay	212,542	834,218	7,577	-	-	-	444,858	1,499,195
Debt service:								
Principal	94,138	177,692	240,000	-	-	3,295,000	56,447	3,863,277
Interest and other fiscal charges	18,728	20,056	6,288	-	-	42,047	10,713	97,832
Total expenditures	12,791,967	4,510,369	3,361,079	4,102,309	-	3,354,047	4,631,132	32,750,903
Excess (deficiency) of revenues over expenditures	5,926,542	2,381,344	(1,177,199)	36	-	(2,290,673)	(426,812)	4,413,238
Other financing sources (uses):								
Proceeds from sale of capital assets	30,760	124,894	-	-	-	-	88,384	244,038
Proceeds from financed purchases	199,472	705,004	-	-	-	-	-	904,476
Transfers in	2,602,155	-	727,000	-	-	-	1,656,377	4,985,532
Transfers out	(727,000)	-	-	-	-	(1,388,544)	(1,669,988)	(3,785,532)
Total other financing sources (uses)	2,105,387	829,898	727,000	-	-	(1,388,544)	74,773	2,348,514
Net change in fund balances	8,031,929	3,211,242	(450,199)	36	-	(3,679,217)	(352,039)	6,761,752
Fund balances (deficits), July 1, 2021, as restated	(4,248,306)	8,635,818	(534,018)	-	-	3,679,217	2,523,380	10,056,091
Fund balances (deficit), June 30, 2022	\$ 3,783,623	\$ 11,847,060	\$ (984,217)	\$ 36	\$ -	\$ -	\$ 2,171,341	\$ 16,817,843

See the accompanying notes to the financial statements.

La Paz County
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Government-Wide Statement of Activities
Year Ended June 30, 2022

Net change in fund balances - total governmental funds		\$ 6,761,752
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.		
Expenditures for general capital assets	\$ 1,499,195	
Depreciation/amortization expense	<u>(1,669,005)</u>	(169,810)
Collections of revenues in the governmental funds exceeded revenues reported in the Statement of Activities.		
		(22,232)
Change in deferred inflows of resources related to grant, contract and settlement revenue that is not considered available and, therefore, is excluded from fund financial statements.		
		1,408,150
Repayment of debt principal is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:		
Bonds payable	3,351,447	
Obligations under financed purchases	506,400	
Obligations under leases payable	<u>5,430</u>	3,863,277
County pension/OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension/OPEB liability is measured a year before the County's report date. Pension/OPEB expense, which is the change in the net pension/OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the Statement of Activities.		
County pension/OPEB contributions	2,923,976	
State pension contribution	154,249	
Pension/OPEB expense	<u>(2,343,800)</u>	734,425
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Issuance of long-term debt obligations	(904,476)	
Amortization of deferred charge on debt refunding	<u>(143,361)</u>	(1,047,837)
Some expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:		
Net increase in allowance for doubtful accounts	(232,607)	
Net decrease in compensated absences	78,251	
Net decrease in interest accrued on debt obligations	<u>29,237</u>	(125,119)
Change in net position of governmental activities		<u>\$ 11,402,606</u>

See the accompanying notes to the financial statements.

La Paz County
Statement of Net Position
Proprietary Funds
June 30, 2022

	Business-Type Activities -				Total
	Enterprise Funds				
	Golf	Parks	Landfill	Solar Field	Enterprise
	Course Fund	Fund	Fund	Fund	Funds
Assets					
Current assets:					
Cash and cash equivalents	\$ 951,533	\$ 666,199	\$ 323,297	\$ 265,091	\$ 2,206,120
Prepaid and other items	15,984	-	-	-	15,984
Due from others	-	-	101,005	45,000	146,005
Due from other funds	-	5,754	998,040	782,160	1,785,954
Noncurrent assets:					
Restricted assets:					
Cash and cash equivalents	-	-	-	377,738	377,738
Net other postemployment benefits asset	21,015	16,330	-	-	37,345
Capital assets, not being depreciated/amortized	-	5,000	-	4,150,000	4,155,000
Capital assets, being depreciated/amortized, net	118,596	468,356	431,802	-	1,018,754
Total assets	1,107,128	1,161,639	1,854,144	5,619,989	9,742,900
Deferred Outflows					
Deferred outflows related to pensions and other postemployment benefits	186,306	124,074	-	-	310,380
Total deferred outflows	186,306	124,074	-	-	310,380
Liabilities					
Current liabilities:					
Accounts payable	39,041	76,400	8,314	20,616	144,371
Accrued payroll and employee benefits	47,525	28,038	-	-	75,563
Unearned revenue	-	-	-	597,345	597,345
Due to others	37	31,364	-	-	31,401
Due to other funds	92,519	-	-	-	92,519
Compensated absences payable, current portion	11,260	5,385	-	-	16,645
Total current liabilities	190,382	141,187	8,314	617,961	957,844
Noncurrent liabilities:					
Compensated absences payable, net of current portion	69,166	33,078	-	-	102,244
Net pension and other postemployment benefits liability	648,682	431,234	-	-	1,079,916
Revenue bonds payable	-	-	-	4,335,000	4,335,000
Total liabilities	908,230	605,499	8,314	4,952,961	6,475,004
Deferred Inflows					
Deferred inflows related to pensions and other postemployment benefits	223,528	150,397	-	-	373,925
Total deferred inflows	223,528	150,397	-	-	373,925
Net Position					
Net investment in capital assets	118,596	473,356	431,802	-	1,023,754
Unrestricted	43,080	56,461	1,414,028	667,028	2,180,597
Total net position	\$ 161,676	\$ 529,817	\$ 1,845,830	\$ 667,028	\$ 3,204,351

See the accompanying notes to the financial statements.

La Paz County
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year Ended June 30, 2022

	Business-Type Activities -				Total
	Enterprise Funds				
	Golf	Parks	Landfill	Solar Field	Enterprise
	Course Fund	Fund	Fund	Fund	Funds
Operating revenues:					
Fees	\$ 1,996,921	\$ 1,106,417	\$ 314,169	\$ 1,151,184	\$ 4,568,691
Other revenue	510	1,209	62	-	1,781
Total operating revenues	<u>1,997,431</u>	<u>1,107,626</u>	<u>314,231</u>	<u>1,151,184</u>	<u>4,570,472</u>
Operating expenses:					
Personnel services	997,756	561,521	-	-	1,559,277
Professional services	26,457	12,570	25,852	193,795	258,674
Supplies	519,526	177,819	-	-	697,345
Communications	15,030	43,676	-	-	58,706
Utilities	37,696	267,359	-	-	305,055
Repairs and maintenance	149,805	41,111	-	-	190,916
Depreciation and amortization	59,603	49,983	25,032	-	134,618
Other	37,741	450	-	-	38,191
Total operating expenses	<u>1,843,614</u>	<u>1,154,489</u>	<u>50,884</u>	<u>193,795</u>	<u>3,242,782</u>
Operating income (loss)	153,817	(46,863)	263,347	957,389	1,327,690
Nonoperating revenues (expenses):					
Interest expense	-	-	-	(187,442)	(187,442)
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(187,442)</u>	<u>(187,442)</u>
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(1,200,000)	(1,200,000)
Increase (decrease) in net position	153,817	(46,863)	263,347	(430,053)	(59,752)
Net position, July 1, 2021, as restated	<u>7,859</u>	<u>576,680</u>	<u>1,582,483</u>	<u>1,097,081</u>	<u>3,264,103</u>
Net position, June 30, 2022	<u>\$ 161,676</u>	<u>\$ 529,817</u>	<u>\$ 1,845,830</u>	<u>\$ 667,028</u>	<u>\$ 3,204,351</u>

See the accompanying notes to the financial statements.

La Paz County
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2022

	Business-Type Activities - Enterprise Funds				Total Enterprise Funds
	Golf Course Fund	Parks Fund	Landfill Fund	Solar Field Fund	
Cash flows from operating activities:					
Receipts from customers	\$ 1,997,431	\$ 1,371,006	\$ 287,162	\$ 1,061,184	\$ 4,716,783
Payments to suppliers and providers of goods and services	(818,227)	(526,122)	(17,538)	(173,280)	(1,535,167)
Payments for employee wages and benefits	(880,258)	(498,397)	-	-	(1,378,655)
Net cash provided by operating activities	298,946	346,487	269,624	887,904	1,802,961
Cash flows from noncapital financing activities:					
Cash transfers to other funds	-	-	-	(1,200,000)	(1,200,000)
Cash transfers from other funds	553,739	183,384	-	-	737,123
Net cash provided by (used for) noncapital financing activities	553,739	183,384	-	(1,200,000)	(462,877)
Cash flows from capital and related financing activities:					
Principal payments on revenue bonds	-	-	-	(160,000)	(160,000)
Interest paid on revenue bonds	-	-	-	(187,442)	(187,442)
Capital asset purchases	-	(5,000)	-	-	(5,000)
Net cash used for capital and related financing activities	-	(5,000)	-	(347,442)	(352,442)
Net change in cash and cash equivalents	852,685	524,871	269,624	(659,538)	987,642
Cash and cash equivalents, July 1, 2021	98,848	141,328	53,673	1,302,367	1,596,216
Cash and cash equivalents, June 30, 2022	<u>\$ 951,533</u>	<u>\$ 666,199</u>	<u>\$ 323,297</u>	<u>\$ 642,829</u>	<u>\$ 2,583,858</u>
Cash and cash equivalents are reported on the statement of net position - proprietary funds according to the following classifications					
Cash and cash equivalents	\$ 951,533	\$ 666,199	\$ 323,297	\$ 265,091	\$ 2,206,120
Restricted cash and cash equivalents	-	-	-	377,738	377,738
Total cash and cash equivalents	<u>\$ 951,533</u>	<u>\$ 666,199</u>	<u>\$ 323,297</u>	<u>\$ 642,829</u>	<u>\$ 2,583,858</u>

See the accompanying notes to the financial statements.

La Paz County
Statement of Cash Flows - Continued
Proprietary Funds
Year Ended June 30, 2022

	Business-Type Activities - Enterprise Funds				
	Golf Course Fund	Parks Fund	Landfill Fund	Solar Field Fund	Total Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ 153,817	\$ (46,863)	\$ 263,347	\$ 957,389	\$ 1,327,690
<i>Adjustments to reconcile operating income (loss) to net cash provided by operating activities:</i>					
Depreciation/amortization	59,603	49,983	25,032	-	134,618
Changes in assets, deferred outflows and inflows of resources and liabilities:					
Decrease (increase) in:					
Prepaid and other items	(15,984)	-	-	-	(15,984)
Due from others	-	258,313	(27,069)	(45,000)	186,244
Net pension and other postemployment benefits asset	(18,128)	(14,263)	-	-	(32,391)
Deferred outflows of resources related to pensions and other postemployment benefits	(38,631)	(18,232)	-	-	(56,863)
Increase (decrease) in:					
Accounts payable	(19,147)	16,862	8,314	20,515	26,544
Accrued payroll and employee benefits	3,159	(561)	-	-	2,598
Unearned revenue	-	-	-	(45,000)	(45,000)
Due to others	-	5,067	-	-	5,067
Net pension and other postemployment benefits liability	(47,915)	(68,050)	-	-	(115,965)
Deferred inflows of resources related to pensions and other postemployment benefits	216,669	145,485	-	-	362,154
Compensated absences payable	5,503	18,746	-	-	24,249
Net cash provided by operating activities	<u>\$ 298,946</u>	<u>\$ 346,487</u>	<u>\$ 269,624</u>	<u>\$ 887,904</u>	<u>\$ 1,802,961</u>

See the accompanying notes to the financial statements.

La Paz County
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

	Private Purpose Trust Fund	Custodial Funds		Total Fiduciary Funds
		External Investment Pool	Other Custodial	
Assets				
Cash and investments	\$ 300,425	\$ 23,995,515	\$ 1,992,154	\$ 26,288,094
Property taxes receivable	-	-	734,676	734,676
Opioid settlements receivable	-	-	75,893	75,893
Total assets	<u>300,425</u>	<u>23,995,515</u>	<u>2,802,723</u>	<u>27,098,663</u>
Net Position				
Restricted for:				
Pool participants	-	23,995,515	-	23,995,515
Individuals, organizations and other governments	<u>300,425</u>	<u>-</u>	<u>2,802,723</u>	<u>3,103,148</u>
Total net position	<u><u>\$ 300,425</u></u>	<u><u>\$ 23,995,515</u></u>	<u><u>\$ 2,802,723</u></u>	<u><u>\$ 27,098,663</u></u>

See the accompanying notes to the financial statements.

La Paz County
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2022

	Private Purpose Trust Fund	Custodial		Total Fiduciary Funds
		External Investment Pool	Other Custodial	
Additions:				
Contributions from pool participants	\$ -	\$ 56,437,281	\$ -	\$ 56,437,281
Property tax collections for other governments	-	-	19,928,148	19,928,148
Investment earnings	-	28,367	616	28,983
Other	615,156	-	5,547,983	6,163,139
Total additions	615,156	56,465,648	25,476,747	82,557,551
Deductions:				
Distributions to pool participants	-	52,126,740	-	52,126,740
Property tax distributions to other governments	-	-	19,917,862	19,917,862
Other	548,740	-	4,910,740	5,459,480
Total deductions	548,740	52,126,740	24,828,602	77,504,082
Net increase in fiduciary net position	66,416	4,338,908	648,145	5,053,469
Net position, July 1, 2021	234,009	19,656,607	2,154,578	22,045,194
Net position, June 30, 2022	<u>\$ 300,425</u>	<u>\$ 23,995,515</u>	<u>\$ 2,802,723</u>	<u>\$ 27,098,663</u>

See the accompanying notes to the financial statements.

La Paz County
Notes to the Financial Statements
Year Ended June 30, 2022

Note 1 - Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies

The accounting policies of La Paz County conform to generally accepted accounting principles applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB).

For the year ended June 30, 2022, the County implemented the provisions of GASB Statement No. 87, *Leases*, as amended, which establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. As a result, the County's financial statements have been modified to reflect the recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows or outflows of resources based on the contract payment provisions.

The County's significant accounting policies are described below:

A. Reporting Entity

The County is a general-purpose local government located in southwestern Arizona that was established in 1983. It is governed by a separately elected board of three county supervisors. The accompanying financial statements present the activities of the County (the primary government) and its component units.

Component units are legally separate entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are so intertwined with the County that they are in substance part of the County's operations. Therefore, data from these units is combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the County. Each blended component unit discussed below has a June 30 year-end. The County has no discretely presented component units.

The following table describes the County's component units:

Component Unit	Description; Criteria for Inclusion	Reporting Method	Separate Financial Statements
Jail District	A tax-levying public improvement district that acquires, constructs, operates, maintains, and finances county jails and jail systems pursuant to Arizona Revised Statutes; All budgetary and operational activities are administered by the La Paz County Board of Supervisors and meet the criteria for a blended component unit.	Blended	Not available

Notes to the Financial Statements - Continued

Note 1 - Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies
- Continued

Component Unit	Description; Criteria for Inclusion	Reporting Method	Separate Financial Statements
Various Street Lighting Districts	Operates and maintains street lighting in areas outside local city jurisdictions; All budgetary and operational activities are administered by the La Paz County Board of Supervisors and meet the criteria for a blended component unit.	Blended	Not available

Related Organization:

The Industrial Development Authority of La Paz County (Authority) is a legally separate entity that was created to assist in the financing of commercial and industrial enterprises. The Authority fulfills its function through the issuance of tax exempt or taxable revenue bonds. The County's Board of Supervisors appoints the Authority's Board of Directors. The Authority's operations are completely separate from the County and the County is not financially accountable for the Authority. Therefore, the financial activities of the Authority have not been included in the accompanying financial statements.

B. Basis of Presentation

The basic financial statements include both government-wide statements and fund financial statements. The government-wide statements focus on the County as a whole, while the fund financial statements focus on major funds. Each presentation provides valuable information that can be analyzed and compared between years and between governments to enhance the usefulness of the information.

Government-wide statements — provide information about the primary government (the County) and its component units. The statements include a Statement of Net Position and a Statement of Activities. These statements report the financial activities of the overall government, except for fiduciary activities. They also distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties.

A statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and segments of its business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The County does not allocate indirect expenses to programs or functions. Program revenues include:

- charges to customers or applicants for goods, services, or privileges provided,
- operating and capital grants and contributions, including special assessments.

Revenues that are not classified as program revenues, including internally dedicated resources and all taxes levied or imposed by the County, are reported as general revenues.

Notes to the Financial Statements - Continued

Note 1 - Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies **- Continued**

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements to minimize the double counting of internal activities. However, charges for interfund services provided and used are not eliminated if the prices approximate their external exchange values.

Fund financial statements — provide information about the County's funds, including fiduciary funds and blended component units. Separate statements are presented for the governmental, proprietary, and fiduciary fund categories. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Fiduciary funds are aggregated and reported by fund type.

Proprietary fund revenues and expenses are classified as either operating or nonoperating. Operating revenues and expenses generally result from transactions associated with the fund's principal activity. Accordingly, revenues, such as golf course fees, in which each party receives and gives up essentially equal values, are operating revenues. Nonoperating revenues, such as investment earnings, result from transactions in which the parties do not exchange equal values. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. Other expenses, such as interest expense, are considered to be nonoperating expenses.

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Road Fund*, a special revenue fund, accounts for monies from Highway User Revenue Fund and Vehicle License Tax that are restricted for road maintenance and operations, pavement preservation, and fleet services.

The *Jail District Fund* was established by La Paz County resolution §89-5845 under the authority of Article 1, Chapter 25, and Title 48, of the Arizona Revised Statutes on November 20, 1989. On June 18, 1990, the Jail District Board of Directors adopted Resolution JD90-12, under the authority of Arizona Revised Statutes §48-4022, establishing a one-half cent excise sales tax effective January 1, 1991, through perpetuity. The Jail District Fund accounts for monies received from excise sales tax revenue that is restricted for debt service, maintenance of effort payments received from the County General Fund and charges for services for prisoner incarceration. The monies are expended for the operating expenditures of the County's jail.

Notes to the Financial Statements - Continued

Note 1 - Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies **- Continued**

The *Coronavirus Recovery Fund*, a special revenue fund, accounts for monies from the U.S. Department of the Treasury that are restricted for COVID-19 related recovery activities.

The *Opioid Settlement Fund*, a special revenue fund, accounts for monies from the One Arizona Agreement that are restricted for opioid harm mitigation activities.

The *Debt Service Fund* accounts for activity pertaining to the County's judgement bonds payable.

The County reports the following major enterprise funds:

The *Golf Course Fund* accounts for the activities and related operations and maintenance of an 18 hole golf course and pro-shop.

The *Parks Fund* accounts for the activities and related operations and maintenance of the County's six public parks.

The *Landfill Fund* accounts for the County's share of the activities and related operations and maintenance of the County landfill and eight transfer stations.

The *Solar Field Fund* accounts for the activities and related operations and maintenance of County land that is leased to a solar energy field developer.

The County reports the following fiduciary fund types:

The fiduciary funds consist of private-purpose trust funds, which account for assets the County's Public Fiduciary holds in trust for the benefit of various parties; and custodial funds, which account for other fiduciary activities, including the pooled assets the County Treasurer holds and invests on behalf of other governmental entities that are not held in trust and the County Treasurer's receipt and distribution of taxes for other governmental entities.

C. Basis of Accounting

The government-wide, proprietary fund, and fiduciary fund financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Grants and donations are recognized as revenue as soon as all eligibility requirements the provider imposed have been met.

Governmental funds in the fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available.

Notes to the Financial Statements - Continued

Note 1 - Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies **- Continued**

The County considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. The County's major revenue sources that are susceptible to accrual are property taxes, sales taxes, licenses and permits, intergovernmental, charges for services, and investment earnings. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, compensated absences, landfill closure and postclosure care costs, pollution remediation obligations, and asset retirement obligations, which are recognized as expenditures to the extent they are due and payable. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of general long-term debt and acquisitions under financed purchase agreements are reported as other financing sources.

Under the terms of grant agreements, the County funds certain programs by a combination of grants and general revenues. Therefore, when program expenses are incurred, there are both restricted and unrestricted resources available to finance the program. The County applies grant resources to such programs before using general revenues.

D. Cash and Investments

For purposes of its statement of cash flows, the County's cash equivalents are considered to be cash on hand, demand deposits, cash and investments held by the County Treasurer, investments in the State Treasurer's local government investment pool, and only those highly liquid investments with a maturity of 3 months or less when purchased.

All investments are stated at fair value.

E. Inventories

Purchases of inventory items in governmental funds are recorded at the time of purchase as expenses or expenditures in the funds from which the purchases were made, and because the amounts on hand at June 30, 2022, were immaterial, they are not included in the Statement of Net Position or the Balance Sheet.

F. Property Tax Calendar

The County levies real and personal property taxes on or before the third Monday in August that become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May.

Notes to the Financial Statements - Continued

Note 1 - Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies
- Continued

A lien assessed against real and personal property attaches on the first day of January preceding assessment and levy.

G. Capital Assets

Capital assets are reported at actual cost. Donated assets are reported at estimated acquisition value.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation/amortization methods, and estimated useful lives of capital assets reported in the government-wide statements and enterprise funds are as follows:

	Capitalization Threshold	Depreciation/ Amortization Method	Estimated Useful Life
Land	All	N/A	N/A
Water rights	All	N/A	N/A
Gravel and dirt roads	All	N/A	N/A
Infrastructure	10,000	Straight-line	20-75 years
Land improvements	5,000	Straight-line	5-30 years
Buildings and improvements	10,000	Straight-line	25-50 years
Improvements other than buildings	5,000	Straight-line	7-30 years
Machinery and equipment	5,000	Straight-line	5-20 years
Golf course and improvements	5,000	Straight-line	30 years
Right-to-use lease assets:			
Infrastructure	\$25,000	Straight-line	Varies

Unlike paved roads, gravel and dirt roads are not depreciated since once they are placed in operation, only annual maintenance is required to keep them operational for an indefinite period. Intangible right-to-use lease assets are amortized over the useful life of the underlying asset.

Notes to the Financial Statements - Continued

Note 1 - Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies **- Continued**

H. Postemployment Benefits

For purposes of measuring the net pension and other postemployment benefits (OPEB) assets and liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the plans' fiduciary net position and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

I. Fund Balance Classifications

The governmental funds' fund balances are reported separately within classifications based on a hierarchy of the constraints placed on those resources' use. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, and unrestricted, which includes committed, assigned, and unassigned fund balance classifications.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form, such as inventories, or are legally or contractually required to be maintained intact. Restricted fund balances are those that have externally imposed restrictions on their usage by creditors (such as through debt covenants), grantors, contributors, or laws and regulations.

The unrestricted fund balance category is composed of committed, assigned, and unassigned resources. Committed fund balances are self-imposed limitations that the County's Board of Supervisors approved, which is the highest level of decision-making authority within the County. The constraints placed on committed fund balances can only be removed or changed by the Board in a public meeting.

Assigned fund balances are resources constrained by the County's intent to be used for specific purposes, but that are neither restricted nor committed. The Board of Supervisors has authorized the County Manager, Elected Officials and the Finance Director to make the assignments of resources for specific purposes pursuant to resolution by the Board in a public meeting.

The unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not reported in the other classifications. Also, deficits in fund balances of the other governmental funds are reported as unassigned.

When an expenditure is incurred that can be paid from either restricted or unrestricted fund balance, it is the County's policy to use the restricted fund balance first. It is the County's policy to use committed amounts first when disbursing unrestricted fund balance, followed by assigned amounts, and lastly unassigned amounts.

Notes to the Financial Statements - Continued

Note 1 - Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies **- Continued**

J. Investment Earnings

Investment earnings are composed of interest and net changes in the fair value of applicable investments.

K. Compensated Absences

Compensated absences payable consist of vacation leave and a calculated amount of sick leave earned by employees based on services already rendered.

Employees may accumulate up to 160 hours of vacation depending on years of service, but any vacation hours in excess of the maximum amount that are unused at year end are forfeited. Upon termination of employment, the County pays all unused and unforfeited vacation benefits to employees. Accordingly, vacation benefits are accrued as a liability in the government-wide and proprietary funds' financial statements. A liability for these amounts is reported in the governmental funds' financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal year-end.

Employees may accumulate an unlimited number of sick leave hours. Generally, sick leave benefits provide for ordinary sick pay and are cumulative but are forfeited upon termination of employment. However, employees who accumulate unused sick leave in excess of 384 hours are paid a percentage of the excess unused sick leave based on the number of years of consecutive service with the County; therefore, the excess sick leave is accrued in the government-wide and proprietary funds' financial statements. A liability for these amounts is reported in the governmental funds' financial statements only for employees who have resigned or retired by fiscal year-end.

L. Leases

As lessee, the County recognizes lease liabilities with an initial, individual value of \$25,000 or more. The County uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The County's estimated incremental borrowing rate is based on the County's current borrowing rate.

As lessor, the County recognizes lease receivables with an initial, individual value of \$25,000 or more. If there is no stated rate in the lease contract (or if the stated rate is not the rate the County charges the lessee) and the implicit rate cannot be determined, the County uses its own estimated incremental borrowing rate as the discount rate to measure lease receivables. The County's estimated incremental borrowing rate is calculated as described above.

Notes to the Financial Statements - Continued

Note 2 – Correction of Misstatements – Prior-period Adjustment

Subsequent to the issuance of the audited financial statements for the year ended June 30, 2021, it was determined that the County made an error in calculating accounts payable as of year-end. The effect was that the County understated current liabilities in the amount of \$225,101 in Governmental Activities, understated current liabilities in the amount of \$31,418 in Business-Type Activities, understated current liabilities in the amount of \$225,101 in the General Fund, understated current liabilities in the amount of \$225,101 in Governmental Funds, understated current liabilities in the amount of \$23,840 in the Golf Course Fund and understated current liabilities in the amount of \$7,578 in the Parks Fund.

	Governmental Activities Net Position	Business-Type Activities Net Position	General Fund Fund Balance	Governmental Funds Fund Balance	Golf Course Fund Net Position	Parks Fund Net Position
Beginning net position	\$ 39,388,172	\$ 3,295,521	\$ (4,023,205)	\$ 10,281,192	\$ 31,699	\$ 584,258
Overstatement (understatement) of accounts payable	<u>(225,101)</u>	<u>(31,418)</u>	<u>(225,101)</u>	<u>(225,101)</u>	<u>(23,840)</u>	<u>(7,578)</u>
Beginning net position, as restated	<u>\$ 39,163,071</u>	<u>\$ 3,264,103</u>	<u>\$ (4,248,306)</u>	<u>\$ 10,056,091</u>	<u>\$ 7,859</u>	<u>\$ 576,680</u>

The effect of these misstatements on the fiscal year 2021 government-wide change in net position would be to decrease the change in net position in the governmental activities column by \$225,101 and decrease the change in net position in the Business-Type Activities column by \$31,418. The effect of these corrections on the General Fund’s change in net position would have been a decrease of \$225,101 while the Total Governmental Fund’s change in net position would have decreased by \$225,101. The effect of these corrections on the Golf Course fund’s change in net position would have been a decrease of \$23,840 while the Parks Fund’s change in net position would have decreased by \$7,578.

Note 3 - Stewardship, Compliance, and Accountability

Seventeen (17) General Fund departments had an excess of actual expenditures over appropriations. General Fund departments with expenditures in excess of appropriations are caused mainly by excess expenditures for which budget modifications were not made. To resolve future excesses, the County has retained outside consultants to assist in fiscal year 2023 and 2024 budget preparation, as well as a grants management program, and the County has also hired a Finance Director who is monitoring the budget versus actual results.

Notes to the Financial Statements - Continued

Note 3 - Stewardship, Compliance, and Accountability - Continued

Deficit fund balances — At June 30, 2022, the following governmental funds reported deficit fund balances exceeding \$50,000:

Fund	Deficit
Governmental funds:	
Uncollectible grants fund	\$ 1,009,565
Jail District Fund	984,217
Buckskin Sanitary District Debt Service	268,640
Emergency Services	235,494
Drug, Gang, Violent Crime Grant – Task Force	188,733
Workforce Investment	159,783
Public Health Emergency Preparedness	154,892
Centennial Library	149,875
HIDTA Grant	128,688
ADEM HMGP	120,319
Drug, Gang, Violent Crime Grant – County Attorney	110,980
Statewide Fiscal Stabilization Funds	97,597
County Anti-Racketeering	97,027
EMPG FFY19 Emergency Services	95,206
FY20 Covid 19 PHEP ADHS17-121993-A7	93,277
Deferred Prosecution Fees	85,869
Highway Safety Grant	79,932
COVID-19	74,392
AZ Game & Fish Boating Grant	70,606
Criminal Justice Enhancement Fund	69,334
Arizona Antitheft Vehicle Authority	68,027
GIITEM Grant	63,278
Animal Control	60,543
Adult Education - Ella/Civics - Federal	56,659
Anti-Meth Initiative Grant	55,096
Juvenile Division Fund Intake	53,965

The deficit in the uncollectible grants fund was due to revenues that were considered to be unavailable for funds that were received after the 60-day revenue recognition period. The other fund deficits resulted from operations during the year or carryovers from prior years and are expected to be settled by future transfers between funds including, if necessary, the General Fund.

Notes to the Financial Statements - Continued

Note 4 - Fund Balance Classifications of the Governmental Funds

The fund balance categories and classifications for governmental funds as of June 30, 2022, were as follows:

	<u>Major Funds</u>							<u>Total</u>
	<u>General Fund</u>	<u>Road Fund</u>	<u>Jail District Fund</u>	<u>Coronavirus Recovery Fund</u>	<u>Opioid Settlement Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	
Fund balances:								
Nonspendable	\$ 109,310	\$ 500	\$ 7,759	\$ -	\$ -	\$ -	\$ 37,388	\$ 154,957
Restricted for:								
Education	-	-	-	-	-	-	585,155	585,155
Health	-	-	-	-	-	-	1,242,164	1,242,164
Highways and streets	-	11,846,560	-	-	-	-	-	11,846,560
Judicial	-	-	-	-	-	-	1,170,546	1,170,546
Public safety	-	-	-	36	-	-	1,054,218	1,054,254
Transit	-	-	-	-	-	-	-	-
Water and sanitation	-	-	-	-	-	-	215,627	215,627
Welfare	-	-	-	-	-	-	567,672	567,672
Debt service	906,419	-	-	-	-	-	-	906,419
Other purposes	-	-	-	-	-	-	86,762	86,762
Total restricted	906,419	11,846,560	-	36	-	-	4,922,144	17,675,159
Committed to:								
Judicial	-	-	-	-	-	-	1,106,738	1,106,738
Public safety	-	-	-	-	-	-	68,936	68,936
Welfare	-	-	-	-	-	-	55,842	55,842
Other	-	-	-	-	-	-	23,363	23,363
Total committed	-	-	-	-	-	-	1,254,879	1,254,879
Unassigned (deficit)	2,767,894	-	(991,976)	-	-	-	(4,043,070)	(2,267,152)
Total fund balances	<u>\$ 3,783,623</u>	<u>\$11,847,060</u>	<u>\$ (984,217)</u>	<u>\$ 36</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,171,341</u>	<u>\$16,817,843</u>

Note 5 - Deposits and Investments

Arizona Revised Statutes (A.R.S.) authorize the County to invest public monies in the State Treasurer’s investment pool; obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations, or instrumentalities; specified state and local government bonds, notes and other evidence of indebtedness; interest-earning investments such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; specified commercial paper issued by corporations organized and doing business in the United States; specified bonds, debentures, notes, and other evidence of indebtedness that are denominated in United States dollars; and certain open-end and closed-end mutual funds, including exchange traded funds. In addition, the County Treasurer may invest trust funds in certain fixed income securities of corporations doing business in the United States or District of Columbia.

Notes to the Financial Statements - Continued

Note 5 - Deposits and Investments - Continued

Credit risk

Statutes have the following requirements for credit risk:

1. Commercial paper must be of prime quality and be rated within the top two ratings by a nationally recognized rating agency.
2. Specified bonds, debentures, notes, and other evidences of indebtedness that are denominated in United States dollars must be rated "A" or better, at the time of purchase, by at least two nationally recognized rating agencies.
3. Fixed income securities must carry one of the two highest ratings by Moody's investors service and Standard and Poor's rating service. If only one of these services rates the security, it must carry the highest rating of that service.

Custodial credit risk - Statutes require collateral for deposits at 102 percent of all deposits not covered by federal depository insurance.

Concentration of credit risk - Statutes do not include any requirements for concentration of credit risk.

Interest rate risk - Statutes require that public monies invested in securities and deposits have a maximum maturity of 5 years. The maximum maturity for investments in repurchase agreements is 180 days.

Foreign currency risk - Statutes do not allow foreign investments unless the investment is denominated in United States dollars.

Deposits - At June 30, 2022, the carrying amount of the County's total cash in the bank was \$37,317,354 and the bank balance was \$38,361,190. All County deposits are collateralized for the amount not covered by depository insurance.

Notes to the Financial Statements - Continued

Note 5 - Deposits and Investments - Continued

Investments - The County had total investments of \$10,425,694 at June 30, 2022. The County categorizes certain investments measured at fair value within the fair value hierarchy established by generally accepted accounting principles as follows:

	<u>Amount</u>	<u>Fair value measurement using</u>		
		<u>Quoted Prices in active markets for identical assets (Level 1)</u>	<u>Significant other observable inputs (Level 2)</u>	<u>Significant unobservable inputs (Level 3)</u>
U.S. agency securities	\$ 9,507,982	\$ 9,507,982	\$ -	\$ -
U.S. government money market funds	917,712	917,712	-	-
Total investments	<u>\$ 10,425,694</u>	<u>\$ 10,425,694</u>	<u>\$ -</u>	<u>\$ -</u>

Investments categorized as Level 1 are valued using prices quoted in active markets for those investments.

Credit risk - The County does not have a formal investment policy with respect to credit risk. However, the credit risk for the County's investments at June 30, 2022, was as follows:

<u>Investment Type</u>	<u>Rating</u>	<u>Rating Agency</u>	<u>Amount</u>
U.S. agency securities	Aaa	Moody's	\$ 9,507,982
U.S. government money market funds	Aaa	Moody's	917,712
			<u>\$ 10,425,694</u>

Interest rate risk - The County does not have a formal policy regarding interest rate risk. At June 30, 2022, the County had the following investments in debt securities:

<u>Investment Type</u>	<u>Amount</u>	<u>Investment Maturities</u>	
		<u>Less than 1 Year</u>	<u>1-5 Years</u>
U.S. agency securities	\$ 9,507,982	\$ 4,706,088	\$ 4,801,894
U.S. government money market	917,712	917,712	-
	<u>\$ 10,425,694</u>	<u>\$ 5,623,800</u>	<u>\$ 4,801,894</u>

Notes to the Financial Statements - Continued

Note 5 - Deposits and Investments - Continued

A reconciliation of cash and investments to amounts shown on the Statements of Net Position follows:

	County Treasurer's Investment Pool	Other	Total
Cash on hand	\$ 66,954	\$ 6,605	\$ 73,559
Carrying amount of deposits	34,555,897	2,761,457	37,317,354
Reported amount of investments	10,425,694	-	10,425,694
Total	\$ 45,048,545	\$ 2,768,062	\$ 47,816,607

A reconciliation of cash, deposits, and investments to amounts shown on the Statements of Net Position as follows:

	Govern- mental Activities	Business- Type Activities	Private- Purpose Trust Funds	Custodial Funds		Total
				External Investment Pools	Other Custodial Funds	
Cash and cash equivalents	\$ 18,944,655	\$ 2,206,120	\$ 300,425	\$ 23,995,515	\$ 1,992,154	\$ 47,438,869
Cash restricted for debt service	-	377,738	-	-	-	377,738
	\$ 18,944,655	\$ 2,583,858	\$ 300,425	\$ 23,995,515	\$ 1,992,154	\$ 47,816,607

Note 6 - County Treasurer's Investment Pool

Arizona Revised Statutes require community colleges, school districts, and other local governments to deposit certain public monies with the County Treasurer. The Treasurer has a fiduciary responsibility to administer those and the County's monies under her stewardship. The Treasurer invests, on a pool basis, all idle monies not specifically invested for a fund or program. In addition, the Treasurer determines the fair value of those pooled investments annually at June 30.

The County Treasurer's investment pool is not registered with the Securities and Exchange Commission as an investment company, and there is no regulatory oversight of its operations. The pool's structure does not provide for shares, and the County has not provided or obtained any legally binding guarantees to support the value of the participants' investments. The Treasurer allocates interest earnings to each of the pool's participants.

Notes to the Financial Statements - Continued

Note 6 - County Treasurer's Investment Pool - Continued

The County's deposits and investments are included in the County Treasurer's investment pool, except for \$6,605 of cash on hand and \$2,761,457 of deposits held in bank. Therefore, deposit and investment risks of the Treasurer's investment pool are substantially the same as the County's deposit and investment risks. See Note 5 for disclosure of the County's deposit and investment risks.

Details of each major asset classification follow:

<u>Investment Type</u>	<u>Principal</u>	<u>Interest Rate(s)</u>	<u>Maturities</u>	<u>Fair Value</u>
U.S. agency securities	\$ 10,040,000	1.38% to 2.88%	1 - 5 years	\$ 10,425,694
Cash on hand				66,954
Deposits	N/A	N/A	N/A	<u>34,555,897</u>
				<u><u>\$ 45,048,545</u></u>

A condensed statement of the investment pool's net position and changes in net position follows:

Statement of Fiduciary Net Position

Assets	<u>\$ 45,048,545</u>
Net position	<u>\$ 45,048,545</u>
Net position held for:	
Internal participants	\$ 18,760,451
External participants	<u>26,288,094</u>
Total net position	<u>\$ 45,048,545</u>

Statement of Changes in Fiduciary Net Position

Total additions	\$ 113,131,584
Total deductions	<u>(101,610,166)</u>
Net increase	11,521,418
Net position:	
July 1, 2021	<u>33,527,127</u>
June 30, 2022	<u>\$ 45,048,545</u>

Note 7 – Receivables

The County leases certain real property to a third party under the provisions of an option and license agreement. The County had accounts receivable related to the lease of \$331,351 and deferred inflows related to the lease of \$331,026 as of June 30, 2022. The County did not restate prior year balances because the net effect on fund balance was insignificant. During the fiscal year ended June 30, 2022, the County recognized total lease-related revenues of \$17,527.

Notes to the Financial Statements - Continued

Note 8 - Capital Assets

Capital asset activity for the year ended June 30, 2022, was as follows:

	Primary Government			Balance June 30, 2022
	Balance July 1, 2021	Increases	Decreases	
Governmental activities:				
<i>Capital assets</i>				
<i>not being depreciated/amortized:</i>				
Land	\$ 687,166	\$ -	\$ -	\$ 687,166
Water rights	1,096,646	-	-	1,096,646
Gravel and dirt roads	41,460,031	-	-	41,460,031
Construction in progress	364,617	33,302	-	397,919
Total capital assets, not being depreciated/amortized	43,608,460	33,302	-	43,641,762
<i>Capital assets being depreciated/amortized:</i>				
Land improvements	63,554	27,150	-	90,704
Building and improvements	16,796,298	164,654	-	16,960,952
Machinery and equipment	16,582,585	1,274,089	(633,652)	17,223,022
Improvements other than buildings	435,325	-	-	435,325
Infrastructure	49,609,183	-	-	49,609,183
Intangibles:				
Right-to-use lease infrastructure	-	95,170	-	95,170
Total capital assets being depreciated/amortized	83,486,945	1,561,063	(633,652)	84,414,356
Total	127,095,405	1,594,365	(633,652)	128,056,118
<i>Less accumulated depreciation/amortization for:</i>				
Land improvements	38,662	10,556	-	49,218
Buildings and improvements	9,135,251	518,792	-	9,654,043
Machinery and equipment	14,920,794	634,752	(633,652)	14,921,894
Improvements other than buildings	242,091	26,002	-	268,093
Infrastructure	40,542,521	473,263	-	41,015,784
Intangibles:				
Right-to-use lease infrastructure	-	5,640	-	5,640
Total accumulated depreciation/amortization	64,879,319	1,669,005	(633,652)	65,914,672
Total capital assets being depreciated/amortized, net	18,607,626	(107,942)	-	18,499,684
Governmental activities capital assets, net	<u>\$ 62,216,086</u>	<u>\$ (74,640)</u>	<u>\$ -</u>	<u>\$ 62,141,446</u>

Notes to the Financial Statements - Continued

Note 8 - Capital Assets – Continued

	Primary Government			Balance June 30, 2022
	Balance July 1, 2021	Increases	Decreases	
Business-type activities:				
<i>Capital assets</i>				
<i>not being depreciated/amortized:</i>				
Land	\$ 4,150,000	\$ -	\$ -	\$ 4,150,000
Construction in progress	93,258	5,000	(93,258)	5,000
Total capital assets, not being depreciated/amortized	4,243,258	5,000	(93,258)	4,155,000
<i>Capital assets being depreciated/amortized:</i>				
Golf course and improvements	2,848,510	-	-	2,848,510
Land improvements	519,771	-	-	519,771
Building and improvements	765,665	-	-	765,665
Improvements other than buildings	540,549	93,259	-	633,808
Machinery and equipment	1,567,705	-	(20,934)	1,546,771
Total capital assets being depreciated/amortized	6,242,200	93,259	(20,934)	6,314,525
<i>Less accumulated depreciation/amortization for:</i>				
Golf course and improvements	2,809,824	5,081	-	2,814,905
Land improvements	61,180	25,669	-	86,849
Buildings and improvements	494,972	20,735	-	515,707
Improvements other than buildings	407,465	15,160	-	422,625
Machinery and equipment	1,408,646	67,973	(20,934)	1,455,685
Total accumulated depreciation/amortization	5,182,087	134,618	(20,934)	5,295,771
Total capital assets being depreciated/amortized, net	1,060,113	(41,359)	-	1,018,754
Business-type activities capital assets, net	<u>\$ 5,303,371</u>	<u>\$ (36,359)</u>	<u>\$ (93,258)</u>	<u>\$ 5,173,754</u>

Notes to the Financial Statements - Continued

Note 8 - Capital Assets – Continued

Depreciation/amortization expense was charged to functions as follows:

Governmental activities:	
General government	\$ 306,143
Public safety	536,112
Highways and streets	755,751
Health	19,881
Welfare	7,744
Sanitation	575
Culture and recreation	38,589
Education	4,210
Total governmental activities depreciation/amortization expense	\$ 1,669,005
Business-type activities:	
Culture and recreation – Golf Course	\$ 59,603
Culture and recreation – Parks	49,983
Sanitation – Landfill	25,032
Total business-type activities depreciation/amortization expense	\$ 134,618

Note 9 - Long-Term Liabilities

The following schedule details the County’s long-term liability and obligation activity for the year ended June 30, 2022:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due within 1 year
Governmental activities					
Bonds payable	\$ 3,536,277	\$ -	\$ 3,351,447	\$ 184,830	\$ -
Financed purchases	701,685	904,476	506,400	1,099,761	144,104
Leases payable	-	95,170	5,430	89,740	5,561
Compensated absences payable	1,086,244	1,007,993	1,086,244	1,007,993	100,798
Net pension and other postemployment benefits liability	36,101,998	-	6,651,016	29,450,982	-
Governmental activities long-term liabilities	\$ 41,426,204	\$ 2,007,639	\$ 11,600,537	\$ 31,833,306	\$ 250,463
Business-type activities					
Bonds payable	\$ 4,495,000	\$ -	\$ 160,000	\$ 4,335,000	\$ -
Compensated absences payable	94,640	118,889	94,640	118,889	16,645
Net pension and other postemployment benefits liability	1,195,881	-	115,965	1,079,916	-
Business-type activities long-term liabilities	\$ 5,785,521	\$ 118,889	\$ 370,605	\$ 5,533,805	\$ 16,645

Notes to the Financial Statements - Continued

Note 9 - Long-Term Liabilities – Continued

Financed purchases

The County has acquired jail facilities and equipment under the provisions of various contracts classified as financed purchases for accounting purposes because they provide for a bargain purchase option or a transfer of ownership by the end of the contract term.

During 2013, the County refinanced an obligation originally entered into in 2007 to expand the County's jail facility. The obligation was refinanced under a contract on August 23, 2012, at \$1,585,000. The interest rate decreased from 4.6% per annum to 2.62% per annum and the maturity date was extended from July 2019 to July 2022, with principal and interest payments due biannually. The balance was paid in full in fiscal year 2022.

During 2015, the County entered into a purchase contract to finance solar panels in the amount of \$489,121. The contract term extends through fiscal year 2035 with principal and interest paid monthly. Interest on the obligation accrues at 3%. The outstanding balance on this obligation was \$359,544 at June 30, 2022.

During 2018, the County entered into a purchase contract to finance radios for police communications in the amount of \$140,054. The contract term extends through fiscal year 2025 with principal and interest paid annually. Interest on the obligation accrues at 3.5%. The outstanding balance on this obligation was \$64,230 at June 30, 2022.

During 2020, the County entered into a purchase contract to finance road maintenance equipment in the amount of \$349,955. The contract term extends through fiscal year 2027 with principal and interest paid annually. Interest on the obligation accrues at 4.13%. The outstanding balance on this obligation was \$245,821 at June 30, 2022.

During 2021, the County entered into a purchase contract to finance road maintenance equipment in the amount of \$355,049. The contract term extends through fiscal year 2028 with principal and interest paid annually. Interest on the obligation accrues at 2.99%. The outstanding balance on this obligation was \$281,491 at June 30, 2022.

During 2022, the County entered into a purchase contract to finance patrol vehicles in the amount of \$199,472. The contract term extends through fiscal year 2025 with principal and interest paid annually. Interest on the obligation accrues at 4.88%. The outstanding balance on this obligation was \$148,675 at June 30, 2022.

Notes to the Financial Statements - Continued

Note 9 - Long-Term Liabilities – Continued

The following schedule details debt service requirements to maturity for the County’s financed purchases related to governmental activities at June 30, 2022:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 144,104	\$ 37,211	\$ 181,315
2024	150,165	32,150	182,315
2025	155,405	26,911	182,316
2026	84,398	21,485	105,883
2027	178,488	18,732	197,220
2028-2032	240,114	37,051	277,165
2033-2035	147,087	8,429	155,516
Total	<u>\$ 1,099,761</u>	<u>\$ 181,969</u>	<u>\$ 1,281,730</u>

The Jail District has pledged the maintenance of effort payments from the County’s general fund to the Jail District and voter approved excise tax for the payment of the debt service on the jail facility financed purchase through 2022. Principal payments and interest expense incurred on this debt during 2022 totaled \$247,445 while voter approved excise taxes and maintenance of effort revenues were \$1,628,856 and \$720,000, respectively.

Notes to the Financial Statements - Continued

Note 9 - Long-Term Liabilities – Continued

Bonds payable – The bonds issued by the County are described as follows:

<u>Description</u>	<u>Original Amount</u>	<u>Maturity Range</u>	<u>Interest Rates</u>	<u>Outstanding Principal</u>
Excise Tax Revenue Judgement Bonds, Series 2016 A (Tax Exempt)	\$ 13,760,000	2016- 2025	1.2% to 2.25%	\$ -
Excise Tax Revenue Buckskin Sanitary District Utility Project (Taxable)	\$ 489,494	2017- 2025	4.44%	<u>184,830</u>
Total bonds payable – governmental activities				<u>\$ 184,830</u>
Excise Tax Revenue Solar Field Fund (Taxable) – Direct Placement	\$ 4,625,000	2022- 2041	4.17%	<u>\$ 4,335,000</u>
Total bonds payable – business-type activities				<u>\$ 4,335,000</u>

On September 12, 2011, the County’s Board of Supervisors authorized a levy of excise tax to be collected until all debt service costs have been paid relating to the County's judgement bonds. On July 12, 2016, the County refunded the bonds in the amount of \$13,760,000 with interest rates ranging from 1.2% to 2.25% and maturing between 2016 and 2025. The 2011 Series bonds were then redeemed as part of the refunding. During 2022, \$1,969,792 was levied and collected for these bonds. The 2016 Series bonds were redeemed on December 3, 2021.

On September 4, 2015, the County issued excise tax revenue bonds to finance the cost for the Buckskin Sanitary District Utility Project.

On May 13, 2020, the County made a direct placement of excise tax revenue bonds to finance the cost of the land purchase for the Solar Field Project. Total bonds payable – business-type activities in the above table relates to this direct placement.

B

Notes to the Financial Statements - Continued

Note 9 - Long-Term Liabilities – Continued

The following schedule details debt service requirements to maturity for the County’s bonds payable at June 30, 2022:

Year Ending June 30	Governmental Activities		Business-type Activities (Direct Placement)	
	Principal	Interest	Principal	Interest
2023	\$ -	\$ 4,103	\$ -	\$ 90,384
2024	58,954	6,898	165,000	177,329
2025	61,571	4,222	175,000	170,240
2026	64,305	1,428	180,000	162,839
2027	-	-	190,000	155,124
2028-2032	-	-	1,065,000	648,331
2033-2037	-	-	1,305,000	402,301
2038-2041	-	-	1,255,000	107,481
Total	<u>\$ 184,830</u>	<u>\$ 16,651</u>	<u>\$ 4,335,000</u>	<u>\$ 1,914,029</u>

Line of credit – The County entered into a revolving line of credit agreement on July 1, 2021. The revolving line of credit is renewed annually and the total unused amount for the County during 2022 was \$2,000,000.

Leases - The County has acquired the right to use telecommunication infrastructure under the provisions of various lease agreements. The total amount of lease assets and the related accumulated amortization are as follows:

Total intangible right-to-use lease assets	\$ 95,170
Less: accumulated amortization	<u>(5,640)</u>
Carrying value	<u>\$ 89,530</u>

Notes to the Financial Statements - Continued

Note 9 - Long-Term Liabilities – Continued

The following schedule details minimum lease payments to maturity for the County’s leases payable at June 30, 2022:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2023	\$ 5,561	\$ 439	\$ 6,000
2024	5,702	298	6,000
2025	5,846	154	6,000
2026	6,039	411	6,450
2027	6,238	662	6,900
2028-2032	33,794	2,259	36,053
2033-2035	26,560	1,207	27,767
Total	\$ 89,740	\$ 5,430	\$ 95,170

Landfill closure and postclosure care costs - The County has contracted with an outside agency to provide operations for its solid waste facilities. The contract requires the outside agency to reserve funds in accordance with the closure plan for closure and postclosure care costs. In the event of termination of the contract, the required reserve funds are to be remitted to the County. Consequently, no liability for landfill closure and postclosure care costs has been recorded on the Statement of Net Position.

Compensated absences - Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs. During fiscal year 2022, the County paid for compensated absences as follows: 58 percent from the general fund, 27 percent from major funds, and 15 percent from other funds.

Note 10 - Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss the County joined and is covered by three public entity risk pools: the Arizona Counties Property and Casualty Pool, the Arizona Counties Workers’ Compensation Pool and the Arizona Local Government Employee Benefit Trust, which are described below.

Notes to the Financial Statements - Continued

Note 10 - Risk Management – Continued

The Arizona Counties Property and Casualty Pool is a public entity risk pool currently composed of 13 member counties. The pool provides member counties catastrophic loss coverage for risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; cyber security; and natural disasters; and provides risk management services. Such coverage includes all defense costs as well as the amount of any judgment or settlement. The County is responsible for paying a premium, based on its exposure in relation to the exposure of the other participants, and a deductible of \$5,000 per occurrence for property claims and \$5,000 per occurrence for liability claims.

The County is also responsible for any payments in excess of the maximum coverage of \$300 million per occurrence for property claims and \$15 million per occurrence for liability claims. However, lower limits apply to certain categories of losses. A county must participate in the pool at least 3 years after becoming a member; however, it may withdraw after the initial 3-year period.

The Arizona Counties Workers' Compensation Pool is a public entity risk pool currently composed of 13 member counties. The pool provides member counties with workers' compensation coverage, as required by law, and risk management services. The County is responsible for paying a premium, based on an experience rating formula that allocates pool expenditures and liabilities among the members.

The Arizona Local Government Employee Benefit Trust is a public entity risk pool currently composed of nine member entities. The pool provides member entities with health, prescription, dental, vision, life, short-term disability, and accidental death benefits for the entities' employees and their dependents. The County is responsible for paying a premium based on enrolled employees and dependents.

The Arizona Counties Property and Casualty Pool, the Arizona Counties Workers' Compensation Pool, and the Arizona Local Government Employee Benefit Trust receive independent audits annually and an audit by the Arizona Department of Insurance every 5 years. All pools accrue liabilities for losses that have been incurred but not reported. These liabilities are determined annually based on an independent actuarial valuation. If a pool were to become insolvent, the County would be assessed an additional contribution.

Note 11 – Pensions and Other Postemployment Benefits

The County contributes to the Arizona State Retirement System (ASRS), the Corrections Officer Retirement Plan, consisting of La Paz County Detention Officers and Administrative Office of the Courts (CORP AOC), the Public Safety Personnel Retirement System (PSPRS), consisting of La Paz County Sheriffs and La Paz County Attorney Investigators, and the Elected Officials Retirement Plan (EORP). The plans are component units of the State of Arizona.

Notes to the Financial Statements - Continued

Note 11 – Pensions and Other Postemployment Benefits – Continued

At June 30, 2022, the County reported the following aggregate amounts related to pensions and other postemployment benefits (OPEB) for all plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities	Business-Type Activities	Total
Net pension and OPEB asset	\$ 1,361,440	\$ 37,345	\$ 1,398,785
Net pension and OPEB liability	(29,450,982)	(1,079,916)	(30,530,898)
Deferred outflows of resources related to pensions and OPEB	6,060,240	310,380	6,370,620
Deferred inflows of resources related to pensions and OPEB	(5,740,360)	(373,925)	(6,114,285)
Pension and OPEB expense	2,343,800	263,002	2,606,802

The County’s accrued payroll and employee benefits includes \$98,844 of outstanding pension and OPEB contribution amounts payable to all plans for the year ended June 30, 2022. Also, the County reported \$2,923,976 of pension and OPEB contributions as expenditures in the governmental funds related to all pension plans to which it contributes.

A. Arizona State Retirement System

Plan description - County employees not covered by the other pension plans described below participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at www.azasrs.gov.

Benefits provided - The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

	Retirement initial membership date	
	<i>Before July 1, 2011</i>	<i>On or after July 1, 2011</i>
Years of service and age required to receive benefits	Sum of years and age equals 80 10 years, age 62 5 years, age 50* any years, age 65	30 years, age 55 25 years, age 60 10 years, age 62 5 years, age 50* Any years, age 65
Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

* With actuarially reduced benefits

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earning. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member’s death. For retired members, the survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member’s account balance that includes the member’s contribution and employer’s contributions, plus interest earned.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents. For members with 5 to 9 years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

Active members are eligible for a monthly long-term disability benefit equal to two-thirds of monthly earnings. Members receiving benefits continue to earn service credit up to their normal retirement dates. Members with long-term disability commencement dates after June 30, 1999, are limited to 30 years of service or the service on record as of the effective disability date if their service is greater than 30 years.

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

Contributions — In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2022, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.41 percent (12.22 percent for retirement and 0.19 percent for long-term disability) of the members’ annual covered payroll, and the County was required by statute to contribute at the actuarially determined rate of 12.41 percent (12.01 percent retirement, 0.21 percent for health insurance premiums and 0.19 percent for long-term disability) of the active members' annual covered payroll. The County's contributions to pension, health insurance premium benefit, and long-term disability plan for the year ended June 30, 2022, were \$910,995, \$15,929, and \$14,260, respectively.

During fiscal year 2022, the County paid for ASRS pension and OPEB contributions as follows: 57.4 percent from the General Fund, 25.4 percent from major funds, and 17.2 percent from other funds.

Liability – At June 30, 2022, the County reported the following assets and liabilities for its proportionate share of the ASRS’ net pension/OPEB asset or liability.

ASRS	Net pension/OPEB (asset) liability
Pension	\$ 9,553,771
Health insurance premium benefit	(362,288)
Long-term disability	15,183

The net assets and net liabilities were measured as of June 30, 2021. The total liability used to calculate the net asset or liability was determined using updated procedures to roll forward the total liability from an actuarial valuation as of June 30, 2020, to the measurement date of June 30, 2021. The total liabilities as of June 30, 2021, reflect changes in actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2020, including decreasing the discount rate from 7.5 percent to 7.0 percent and changing the projected salary increases from 2.7–7.2 percent to 2.9–8.4 percent.

The County’s proportion of the net asset or net liability was based on the County’s actual contributions to the plan relative to the total of all employers’ contributions for the year ended June 30, 2021. The County’s proportions measured as of June 30, 2021, and the change from its proportions measured as of June 30, 2020, were:

ASRS	Proportion June 30, 2021	Increase (decrease) from June 30, 2020
Pension	0.07271%	0.00294
Health insurance premium benefit	0.07436%	0.00331
Long-term disability	0.07355%	0.00308

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

Expense – For the year ended June 30, 2022, the County recognized the following pension and OPEB expense.

<u>Expense</u>	<u>Pension/OPEB expenses</u>
Pension	\$ 1,140,683
Health insurance premium benefit	(57,151)
Long-term disability	10,982

Deferred Outflows / Inflows of Resources – At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

ASRS	Pension		Health Insurance premium		Long-term disability	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 145,638	\$ -	\$ -	\$ 125,642	\$ 4,386	\$ 1,237
Changes of assumptions or other inputs	1,243,500	-	17,961	14,647	4,856	19,130
Net difference between projected and actual earnings on plan investments		3,026,971	-	134,391	-	10,515
Changes in proportion and differences between contributions and proportionate share of contributions	393,314	-	-	1,698	2,248	2,898
County contributions subsequent to the measurement date	910,995	-	15,929	-	14,260	-
Total	<u>\$ 2,693,447</u>	<u>\$ 3,026,971</u>	<u>\$ 33,890</u>	<u>\$ 276,378</u>	<u>\$ 25,750</u>	<u>\$ 33,780</u>

The amounts reported as deferred outflows of resources related to ASRS pensions and OPEB resulting from the County’s contributions subsequent to the measurement date will be recognized as an increase of the net asset or a reduction of the net liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions and OPEB will be recognized as expenses as follows:

<u>Year ending June 30</u>	<u>Pension</u>	<u>Health insurance premium benefit</u>	<u>Long-term disability</u>
2023	\$ 290,564	\$ (60,701)	\$ (3,287)
2024	175,326	(58,140)	(3,104)
2025	(667,292)	(63,603)	(3,485)
2026	(1,043,117)	(70,218)	(5,076)
2027	-	(5,755)	(1,590)
Thereafter	-	-	(5,748)

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

Actuarial Assumptions – The significant actuarial assumptions used to measure the total pension/OPEB liability are as follows:

ASRS	
Actuarial valuation date	June 30, 2020
Actuarial roll forward date	June 30, 2021
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9-8.4% for pensions/not applicable for OPEB
Inflation	2.3%
Permanent benefit increase	Included for pensions/not applicable for OPEB
Mortality rates	2017 SRA Scale U-MP for pensions and health insurance premium benefit
Recovery rates	2012 GLDT for long-term disability
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2020.

The long-term expected rate of return on ASRS plan investments was determined to be 7.0 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
Equity	50%	4.90%
Fixed income - credit	20%	5.20%
Fixed income - interest rate sensitive	10%	0.70%
Real estate	20%	5.70%
Total	<u>100%</u>	

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

Discount Rate – At June 30, 2021, the discount rate used to measure the ASRS total pension/OPEB liability was 7.0 percent, which was a decrease of 0.5 from the discount rate used as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plans’ fiduciary net position was projected to be available to make all projected future payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

Sensitivity of the County’s proportionate share of the ASRS net pension/OPEB (asset) liability to changes in the discount rate – The following table presents the County’s proportionate share of the net pension/OPEB (asset) liability calculated using the discount rate of 7.0 percent, as well as what the County’s proportionate share of the net pension/OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate.

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
The County’s proportionate share of the Net pension liability	\$ 15,027,282	\$ 9,553,771	\$ 4,990,378
Net insurance premium benefit liability (asset)	(239,872)	(362,288)	(466,382)
Net long-term disability liability	19,770	15,183	10,744

Plan Fiduciary Net Position – Detailed information about the plans’ fiduciary net position is available in the separately issued ASRS financial report.

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

B. Public Safety Personnel Retirement System and Corrections Officer Retirement Plan

Plan Descriptions – County sheriff employees and County attorney investigators who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS) or employees who became members on or after July 1, 2017, may participate in the Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP). The PSPRS administers agent and cost-sharing multiple-employer defined benefit pension plans and agent and cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plans. A nine-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S Title 38, Chapter 5, Article 4. Employees who were PSPRS members before July 1, 2017, participate in the agent plans, and those who became PSPRS members on or after July 1, 2017, participate in the cost-sharing plans (PSPRS Tier 3 Risk Pool) which are not further disclosed because of their relative insignificance to the County’s financial statements.

County detention officers and Administrative Office of the Courts (AOC) probation, surveillance, and juvenile detention officers participate in the Corrections Officer Retirement Plan (CORP) or the Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP). The CORP administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium benefit (OPEB) plan for county detention officers (agent plans), which were closed to new members as of July 1, 2018, and a cost-sharing multiple-employer defined benefit pension plan and a cost-sharing multiple-employer defined benefit (OPEB) plan for AOC officers (cost sharing plans). Employees who were CORP members before July 1, 2018, participate in CORP, and AOC probation and surveillance officers who became members on or after July 1, 2018, participate in CORP or PSPDCRP. Detention officers and juvenile detention officers who became members on or after July 1, 2018, participate in PSPDCRP. The PSPRS Board of Trustees and the participating local boards govern CORP according to the provisions of A.R.S. Title 38, Chapter 5, Article 6.

The PSPRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPRS and CORP plans. The report is available on the PSPRS website at www.psprs.com.

Benefits Provided - The PSPRS and CORP provide retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefit terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

PSPRS	Initial membership date:	
	<u>Before January 1, 2012</u>	<u>On or after January 1, 2012 and before July 1, 2017</u>
Retirement and Disability		
Years of service and age required to receive benefit	20 years of service, any age 15 years of service, age 62	25 years of service or 15 years of credited service, age 52.5
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years
Benefit percent		
Normal Retirement	50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5 % to 2.5% per year of credited service, not to exceed 80%
Accidental Disability Retirement	50% or normal retirement, whichever is greater	
Catastrophic Disability Retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	
Ordinary Disability Retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20	
Survivor Benefit		
Retired Members	80% to 100% of retired members pension benefit	
Active Members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job	

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

CORP

	Initial membership date:		
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2018	AOC Probation and Surveillance Officers; on or after July 1, 2018
Retirement and Disability			
Years of service and age required to receive benefit	Sum of years and age equals 80 20 years, any age 10 years, age 62	25 years, age 52.5 10 years, age 62	10 or more years, age 55 10 years, age 52.5 (early retirement)
Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive months of last 10 years	
Benefit percent			
Normal retirement	2.0% to 2.5% per year of credited service, not to exceed 80%	2.5% per year of credited service, not to exceed 80%	1.25% to 2.25% per year of credited service, not to exceed 80%
Accidental Disability Retirement	50% or normal retirement if more than 20 years of credited service	50% or normal retirement if more than 25 years of credited service	
Total and Permanent Disability Retirement	50% or normal retirement if more than 25 years of credited service		
Ordinary Disability Retirement	2.5% per year of credited service		
Survivor Benefit			
Retired Members	80% of retired members pension benefit		
Active Members	40% of average monthly compensation or 100% of average monthly compensation if death was the result of injuries received on the job. If there is no surviving spouse or eligible children, the beneficiary is entitled to 2 times the member's contribution.		

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on inflation. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. Benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents.

Employees covered by benefit terms - At June 30, 2022, the following employees were covered by the agent pension plan's benefit terms:

	PSPRS Sheriff		PSPRS Attorney Investigators		CORP Detention	
	Pension	Health	Pension	Health	Pension	Health
Inactive employees or beneficiaries currently receiving benefits	27	27	-	-	1	1
Inactive employees entitled to but not yet receiving benefits	8	4	-	-	8	-
Active employees	14	14	-	-	13	13
Total	49	45	-	-	22	14

Contributions - State statutes establish the pension contribution requirements for active PSPRS and CORP employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS and CORP pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contribution rates for the year ended June 30, 2022, are indicated below. Rates are a percentage of active members' annual covered payroll.

	<u>Active member pension</u>	<u>County- pension</u>	<u>County-health insurance premium benefit</u>
PSPRS Sheriff	7.65% - 12.01%	56.20%	0.25%
PSPRS Attorney Investigators	7.65% - 12.01%	0.00	0.00
CORP Detention	8.41%	25.47	0.00
CORP AOC	8.41 or 10.18%	35.48 or 36.30	0.49 or 0.36

The County's contributions to the plan for the year ended June 30, 2022, were:

	<u>Pension</u>	<u>Health insurance premium benefit</u>
PSPRS Sheriff	\$ 1,357,579	\$ 5,926
CORP Detention	139,598	-
CORP AOC	119,059	-

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

During fiscal year 2022, the County paid for PSPRS and CORP pension and OPEB contributions as follows: 48.9 percent from the General Fund, 8.1 percent from major funds, and 43.0 percent from other funds.

Liability – At June 30, 2022, the County reported the following assets and liabilities:

	Net pension liability (asset)	Net OPEB (asset) liability
PSPRS Sheriff	\$ 12,475,618	\$ (476,906)
PSPRS Attorney Investigators	(200,392)	(16,729)
CORP Detention	990,926	35,066
CORP AOC (County’s proportionate share)	957,507	353

The net asset and net liabilities were measured as of June 30, 2021, and the total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date.

Actuarial assumptions - The significant actuarial assumptions used to measure the total pension/OPEB liability are as follows:

PSPRS and CORP	
Actuarial valuation date	June 30, 2021
Actuarial cost method	Entry age normal
Investment rate of return	7.3%
Wage inflation	3.5% for pensions/not applicable for OPEB
Price inflation	2.5% for pensions/not applicable for OPEB
Cost-of-living adjustment	1.75% for pensions/not applicable for OPEB
Mortality rates	PubS-2010 tables
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actual experience study for the 5-year period ended June 30, 2017.

The long-term expected rate of return on PSPRS and CORP plan investments was determined to be 7.3 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class.

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. public equity	24%	4.08%
International public equity	16%	5.20%
Global private equity	20%	7.67%
Other assets (capital appreciation)	7%	5.43%
Core bonds	2%	0.42%
Private credit	20%	5.74%
Diversifying strategies	10%	3.99%
Cash - Mellon	1%	-0.31%
Total	<u>100%</u>	

Discount Rates – At June 30, 2021, the discount rate used to measure the PSPRS and CORP total pension/OPEB liabilities was 7.3 percent, which was unchanged from the prior years. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the plans’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments for these plans to determine the total pension/OPEB liability.

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

Changes in the Net Pension/OPEB Liability

PSPRS - Sheriff	Pension Increase (Decrease)			Health insurance premium benefit Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB (Asset) Liability
	(a)	(b)	(a) - (b)	(a)	(b)	(a) - (b)
Balances at June 30, 2021	\$ 20,402,201	\$ 6,501,142	\$ 13,901,059	\$ 184,381	\$ 504,575	\$ (320,194)
Changes for the current year:						
Service cost	180,655	-	180,655	4,526	-	4,526
Interest on the total liability	1,452,549	-	1,452,549	13,654	-	13,654
Differences between expected and actual experience in the measurement of the pension liability	140,567	-	140,567	(36,693)	-	(36,693)
Changes of assumptions or other inputs	-	-	-	-	-	-
Contribution - employer	-	1,211,476	(1,211,476)	-	-	-
Contribution - employee	-	104,724	(104,724)	-	-	-
Net investment income	-	1,891,870	(1,891,870)	-	138,770	(138,770)
Benefit payments, including refunds of employee contribution	(1,369,838)	(1,369,838)	-	(3,730)	(3,730)	-
Administrative expense	-	(8,858)	8,858	-	(571)	571
Net changes	403,933	1,829,374	(1,425,441)	(22,243)	134,469	(156,712)
Balances at June 30, 2022	\$ 20,806,134	\$ 8,330,516	\$ 12,475,618	\$ 162,138	\$ 639,044	\$ (476,906)

Changes in the Net Pension/OPEB Liability

PSPRS - Attorney Investigators	Pension Increase (Decrease)			Health insurance premium benefit Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB (Asset) Liability
	(a)	(b)	(a) - (b)	(a)	(b)	(a) - (b)
Balances at June 30, 2021	\$ -	\$ 156,963	\$ (156,963)	\$ -	\$ 13,102	\$ (13,102)
Changes for the current year:						
Interest on the total liability	-	-	-	-	-	-
Differences between expected and actual experience	-	-	-	-	-	-
Net investment income	-	43,640	(43,640)	-	3,642	(3,642)
Administrative expense	-	(211)	211	-	(15)	15
Net changes	-	43,429	(43,429)	-	3,627	(3,627)
Balances at June 30, 2022	\$ -	\$ 200,392	\$ (200,392)	\$ -	\$ 16,729	\$ (16,729)

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

Changes in the Net Pension/OPEB Liability

CORP - Detention	Pension			Health insurance premium benefit		
	Increase (Decrease)			Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
(a)	(b)	(a) - (b)	(a)	(b)	(a) - (b)	
Balances at June 30, 2021	\$ 2,745,338	\$ 1,395,848	\$ 1,349,490	\$ 51,540	\$ 13,004	\$ 38,536
Changes for the current year:						
Service cost	85,301	-	85,301	1,701	-	1,701
Interest on the total liability	205,304	-	205,304	3,887	-	3,887
Differences between expected and actual experience in the measurement of the pension liability	(84,381)	-	(84,381)	(1,382)	-	(1,382)
Changes of assumptions or other inputs	-	-	-	-	-	-
Contribution - employer	-	110,627	(110,627)	-	4,164	(4,164)
Contribution - employee	-	49,987	(49,987)	-	-	-
Net investment income	-	405,979	(405,979)	-	3,527	(3,527)
Benefit payments, including refunds of employee contribution	(36,507)	(36,507)	-	-	-	-
Administrative expense	-	(1,805)	1,805	-	(15)	15
Net changes	169,717	528,281	(358,564)	4,206	7,676	(3,470)
Balances at June 30, 2022	\$ 2,915,055	\$ 1,924,129	\$ 990,926	\$ 55,746	\$ 20,680	\$ 35,066

The County's proportion of the CORP AOC net pension and OPEB liabilities was based on the County's actual contributions to the plans relative to the total of all participating counties' actual contributions for the year ended June 30, 2021. The County's proportion measured as of June 30, 2021, and the change from its proportions measured as of June 30, 2020, were

CORP AOC	Proportion June 30, 2021	Increase (decrease) from June 30, 2020
Pension	0.258%	(0.083)
Health insurance premium benefit	0.264%	(0.000)

Sensitivity of the County's net pension/OPEB (asset) liability to changes in the discount rate – The following table presents the County's net pension/OPEB (assets) liabilities calculated using the discount rate of 7.3 percent, as well as what the County's net position/OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.3 percent) or 1 percentage point higher (8.3 percent) than the current rate:

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

	1% Decrease (6.3%)	Current Discount Rate (7.3%)	1% Increase (8.3%)
PSPRS Sheriff			
Net pension liability	\$ 14,992,927	\$ 12,475,618	\$ 10,405,683
Net OPEB (asset) liability	(456,750)	(476,906)	(493,737)
CORP Detention			
Net pension liability	1,444,544	990,926	625,323
Net OPEB liability	42,515	35,066	28,866
CORP AOC			
County's proportionate share of the net pension liability	1,295,698	957,507	680,461
County's proportionate share of the OPEB liability	4,098	(353)	(4,110)

Plan fiduciary net position - Detailed information about the plans' fiduciary net position is available in the separately issued PSPRS and CORP financial reports.

Expense - For the year ended June 30, 2022, the County recognized the following pension and OPEB expense:

	Pension expense	OPEB Expense
PSPRS Sheriff	\$ 1,319,956	\$ (68,163)
PSPRS Attorney Investigators	(43,429)	(3,627)
CORP Detention	319,769	6,826
CORP AOC (County's proportionate share)	96,018	(3,365)

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

Deferred outflows/inflows of resources - At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

PSPRS – Sheriff

	Pension		Health insurance premium benefit	
	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 225,267	\$ 6,708	\$ 868	\$ 86,610
Changes of assumptions or other inputs	154,706	-	654	1,255
Net difference between projected and actual earnings on plan investments	-	849,666	-	59,372
County contributions subsequent to the measurement date	1,357,579	-	5,926	-
Total	\$ 1,737,552	\$ 856,374	\$ 7,448	\$ 147,237

CORP – Detention

	Pension		Health insurance premium benefit	
	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 769,774	\$ 70,320	\$ 39,806	\$ 25,536
Changes of assumptions or other inputs	42,537	-	395	6,537
Net difference between projected and actual earnings on plan investments	-	194,241	-	1,412
County contributions subsequent to the measurement date	139,598	-	-	-
Total	\$ 951,909	\$ 264,561	\$ 40,201	\$ 33,485

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

CORP – AOC

	Pension		Health insurance premium benefit	
	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 91,386	\$ 28,076	\$ -	\$ 7,515
Changes of assumptions or other inputs	19,638	-	231	932
Net difference between projected and actual earnings on plan investments	-	154,580	1,264	3,687
Changes in proportion and differences between county contributions and proportionate share of contributions	181,336	264,620	-	678
County contributions subsequent to the measurement date	119,059	-	-	-
Total	\$ 411,419	\$447,276	\$ 1,495	\$ 12,812

The amounts reported as deferred outflows of resources related to pensions and OPEB resulting from contributions subsequent to the measurement date will be recognized as an increase in the net asset or a reduction of the net liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized as expense as follows:

Year ending June 30	PSPRS Sheriff		PSPRS Attorney Investigators	
	Pension	Health	Pension	Health
2023	\$ 155,126	\$ (52,839)	\$ -	\$ -
2024	(138,310)	(48,903)	-	-
2025	(209,303)	(23,554)	-	-
2026	(283,914)	(20,419)	-	-

Year ending June 30	CORP Detention		CORP AOC	
	Pension	Health	Pension	Health
2023	\$ 170,378	\$ 1,995	\$ 9,542	\$ (3,464)
2024	169,899	1,995	3,500	(2,337)
2025	164,316	1,959	(46,536)	(2,427)
2026	57,221	1,807	(121,422)	(2,969)
2027	(14,064)	1,101	-	(793)
thereafter	-	(2,141)	-	-

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

PSPDCRP plan - County sheriff employees, County attorney investigators, County detention officers, County dispatchers, and AOC probation, surveillance, and juvenile detention officers who are not members of PSPRS or CORP participate in the PSPDCRP. The PSPDCRP is a defined contribution pension plan. The PSPRS Board of Trustees governs the PSPDCRP according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.1. Benefit terms, including contribution requirements, are established by State statute. The PSPDCRP is not further disclosed because of its relative insignificance to the County's financial statements.

C. Elected Officials Retirement Plan

Plan description - Elected officials and judges participate in the Elected Officials Retirement Plan (EORP), ASRS, or the Elected Officials Defined Contribution Retirement System (EODCRS). EORP administers a cost-sharing multiple-employer defined benefit pension plan and a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan for elected officials and judges who were members of the plan on December 31, 2013. The EORP pension and OPEB plans were closed to new members as of January 1, 2014.

The PSPRS Board of Trustees governs the EORP according to the provisions of A.R.S. Title 38, Chapter 5, Article 3. The PSPRS issues a publicly available financial report that includes financial statements and required supplementary information for the EORP plans. The report is available on PSPRS's Web site at www.psprs.com.

Benefits provided - The EORP provides retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefit terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average yearly compensation, and service credit as follows:

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

EORP	Initial membership date:	
	<u>Before January 1, 2012</u>	<u>On or after January 1, 2012</u>
Retirement and Disability		
Years of service and age required to receive benefit	20 years, any age 10 years, age 62 5 years, age 65 5 years, any age* any years and age if disabled	10 years, age 62 5 years, age 65 any years and age if disabled
Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive months of last 20 years
Benefit percent		
Normal Retirement	4% per year of service, not to exceed 80%	3% per year of service, not to exceed 75%
Disability Retirement	80% with 10 or more years of service 40% with 5 to 10 years of service 20% with less than 5 years of service	75% with 10 or more years of service 37.5% with 5 to 10 years of service 18.75% with less than 5 years of service
Survivor Benefit		
Retired Members	75% of retired member's benefit	50% of retired member's benefit
Active Members and Other Inactive Members	75% of retired member's benefit	50% of retired member's benefit

* With reduced benefits of 0.25% for each month early retirement precedes the member's normal retirement age, with a maximum reduction of 30%

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on inflation. In addition, the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget Committee analysis of the increase's effects on the plan.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 8 or more years of service, benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents. For members with 5 to 7 years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

Contributions— State statutes establish active member and employer contribution requirements. Statute also appropriates \$5 million annually through fiscal year 2043 for the EORP from the State of Arizona to supplement the normal cost plus an amount to amortize the unfunded accrued liability and designates a portion of certain court fees for the EORP. For the year ended June 30, 2022, statute required active EORP members to contribute 7 or 13 percent of the members’ annual covered payroll and the County to contribute at the actuarially determined rate of 61.43 percent of all active EORP members’ annual covered payroll. Also, statute required the County to contribute 49.21 percent to EORP of the annual covered payroll of elected officials and judges who were ASRS members and 55.43 percent to EORP of the annual covered payroll of elected officials and judges who were EODCRS members, in addition to the County’s required contributions to ASRS and EODCRS for these elected officials and judges. In addition, statute required the County to contribute 41.59 percent of annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the EORP would typically fill. The County’s contributions to the pension and health insurance premium benefit plans for the year ended June 30, 2022, were \$466,697 and \$0, respectively.

During fiscal year 2022, the County paid for EORP pension contributions 100 percent from the General Fund.

Liability - At June 30, 2022, the County reported a liability for its proportionate share of the EORP’s net pension liability that reflected a reduction for the County’s proportionate share of the State’s appropriation for EORP. The amount the County recognized as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the County were as follows:

County’s proportionate share of the EORP net pension liability	\$ 6,502,827
State’s proportionate share of the EORP net pension liability associated with the County	<u>653,639</u>
Total	<u>\$ 7,156,466</u>

The County also reported an asset of \$342,116 for its proportionate share of EORP’s net OPEB asset.

The net asset and net liability were measured as of June 30, 2021, and the total liability used to calculate the net asset or net liability was determined by an actuarial valuation as of that date.

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

The County’s proportion of the net pension liability was based on the County’s required contributions to the pension plan relative to the total of all participating employers’ required contributions for the year ended June 30, 2021. The County’s proportion of the net OPEB asset was based on the County’s present value of benefits relative to the total of all participating employers’ present value of benefits for the year ended June 30, 2021. The County’s proportion measured as of June 30, 2021, and the change from its proportions measured as of June 30, 2020, were:

EORP

	Proportion June 30, 2021	Increase (decrease) from June 30, 2020
Pension	1.069%	(0.150)
Health insurance premium benefit	2.145%	0.241

Expense - For the year ended June 30, 2022, the County recognized pension and OPEB expenses for EORP of \$(56,725) and \$(54,972), respectively, and negative revenue of \$154,249 for the County’s proportionate share of the State’s appropriation to EORP and the designated court fees.

Deferred outflows/inflows of resources - At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

EORP

	Pension		Health insurance premium benefit	
	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ -	\$ 86,539	\$ -	\$ 29,039
Changes of assumptions or other inputs	-	-	-	-
Net difference between projected and actual earnings on plan investments	-	331,309	-	53,484
Changes in proportion and differences between county contributions and proportionate share of contributions	-	497,828	280	16,684
County contributions subsequent to the measurement date	466,697	-	-	-
Total	\$ 466,697	\$ 915,676	\$ 280	\$ 99,207

The amounts reported as deferred outflows of resources related to EORP pensions and OPEB resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net asset or a reduction of the net liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to EORP pensions and OPEB will be recognized as expenses as follows:

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

Year ended June 30	Pension	Health insurance premium benefit
2023	\$ (652,387)	\$ (35,627)
2024	(68,990)	(31,754)
2025	(81,483)	(13,187)
2026	(112,816)	(18,359)

Actuarial assumptions - The significant actuarial assumptions used to measure the total pension/OPEB liability are as follows:

EORP

Actuarial valuation date	June 30, 2021
Actuarial cost method	Entry age normal
Investment rate of return	7.3%
Wage inflation	3.75% for pensions/not applicable for OPEB
Price inflation	2.5% for pensions/not applicable for OPEB
Permanent benefit increase	1.75% for pensions/not applicable for OPEB
Mortality rates	PubG-2010 tables
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2017.

The long-term expected rate of return on EORP plan investments was determined to be 7.3 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

EORP Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. public equity	24%	4.08%
International public equity	16%	5.20%
Global private equity	20%	7.67%
Other assets (capital appreciation)	7%	5.43%
Core bonds	2%	0.42%
Private credit	20%	5.74%
Diversifying strategies	10%	3.99%
Cash - Mellon	1%	-0.31%
Total	100%	

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

Discount rate - At June 30, 2021, the discount rate used to measure the EORP total pension liability and total OPEB liability was 7.3 percent. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rate, employer contributions will be made at the actuarially determined rates, and State contributions will be made as currently required by statute. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

Sensitivity of the County's proportionate share of the EORP net pension/OPEB (asset) liability to changes in the discount rate - The following table presents the County's proportionate share of the net pension/OPEB (asset) liability calculated using the discount rate of 7.3 percent, as well as what the County's proportionate share of the net pension/OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.3 percent) or 1 percentage point higher (8.3 percent) than the current rate:

EORP	1% Decrease (6.3%)	Current discount Rate (7.3%)	1% Increase (8.3%)
County's proportionate share of the net pension liability	\$ 7,472,255	\$ 6,502,827	\$ 5,670,831
County's proportionate share of the net OPEB (asset)	(321,076)	(342,116)	(360,478)

Plan Fiduciary Net Position - Detailed information about the plans' fiduciary net position is available in the separately issued EORP financial report.

EOCDRS plan – Elected officials and judges who are not members of EORP or ASRS participate in the EODCRS and the Elected Officials Defined Contribution Retirement System Disability Program (EODCDP). The EODCRS is a defined contribution pension plan. The EODCDP is a cost-sharing multiple-employer defined benefit disability (OPEB) plan for EODCRS members. The PSPRS Board of Trustees governs the EODCRS and EODCDP according to the provisions of A.R.S. Title 38, Chapter 5, Articles 3.1 and 3.2. Benefit terms, including contribution requirements, are established by State statute. The EODCDP and EODCRS are not further disclosed because of their relative insignificance to the County's financial statements.

Notes to the Financial Statements - Continued

Note 12 - Interfund Activity and Balances

Interfund receivables and payables — Interfund balances at June 30, 2022, were as follows:

	<u>Payable To</u>						<u>Total</u>
	<u>General Fund</u>	<u>Road Fund</u>	<u>Nonmajor - Governmental Funds</u>	<u>Parks Fund</u>	<u>Landfill Fund</u>	<u>Solar Field Fund</u>	
Payable From:							
General Fund	\$ -	\$ 10,494	\$ 919,683	\$ 5,754	\$ 998,040	\$ 782,160	\$ 2,716,131
Road Fund	84,534	-	-	-	-	-	84,534
Jail District Fund	1,086,771	-	-	-	-	-	1,086,771
Nonmajor - Governmental Funds	960,019	-	-	-	-	-	960,019
Golf Course Fund	92,519	-	-	-	-	-	92,519
Total	<u>\$2,223,843</u>	<u>\$ 10,494</u>	<u>\$ 919,683</u>	<u>\$ 5,754</u>	<u>\$ 998,040</u>	<u>\$ 782,160</u>	<u>\$ 4,939,974</u>

Interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Except as noted below, the balances are not expected to be repaid within 1 year from the date of the financial statements. There is no scheduled repayment plan but the balances will be repaid as funds become available for the various funds.

Interfund transfers—Interfund transfers for the year ended June 30, 2022, were as follows:

	<u>Transfer To</u>			<u>Total</u>
	<u>General Fund</u>	<u>Jail District Fund</u>	<u>Nonmajor - Governmental Funds</u>	
Transfer From:				
General Fund	\$ -	\$ 727,000	\$ -	\$ 727,000
Debt Service Fund	1,388,544	-	-	1,388,544
Nonmajor - Governmental Funds	13,611	-	1,656,377	1,669,988
Solar Field Fund	1,200,000	-	-	1,200,000
Total	<u>\$ 2,602,155</u>	<u>\$ 727,000</u>	<u>\$ 1,656,377</u>	<u>\$ 4,985,532</u>

Notes to the Financial Statements - Continued

Note 12 - Interfund Activity and Balances – Continued

The reasons for the above transfers are:

- The County transferred \$727,000 to the Jail District Fund for the required annual maintenance of effort payment for the year ended June 30, 2022.
- The Debt Service Fund transferred \$1,388,544 to the General Fund to close out the Debt Service Fund due to the payoff of the 2016 Series Judgment Bonds.
- Interfund transfers between nonmajor governmental funds are to cover over-expenditures in certain special revenue funds.
- The Solar Field Fund transferred \$1,200,000 to the General Fund to support County programs and services.

Note 13 – Opioid Settlement

The State of Arizona, along with other states, settled claims that certain prescription drug companies and pharmaceutical distributors engaged in misleading and fraudulent conduct in the marketing and sale of opioids and failed to monitor for, detect and prevent diversion of the drugs. The County is a party to the opioid settlement agreements facilitated by the State of Arizona Attorney General. As settlements are finalized, the County records a receivable, net of uncollectible, for amounts anticipated to be received. The County is expected to receive revenue over the next 18 years. At June 30, 2022, the County has total deferred inflows of \$596,324 related to the settlements receivable in the fund statements.

Note 14 – Subsequent Events

Under the One Arizona Opioid Settlement memorandum of Understanding (One Arizona Plan) related to national opioid settlements, La Paz County is allocated a portion of settlement monies as the cases are settled. The Arizona Attorney General's Office handles the settlements for all parties in the One Arizona Plan. Five settlements have occurred since June 30, 2022, and the County will recognize \$75,861 in revenues in fiscal year 2023.

Required Supplementary Information

La Paz County
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:				
Taxes	\$ 8,677,226	\$ 8,677,226	\$ 9,472,408	\$ 795,182
Licenses and permits	331,500	331,500	437,978	106,478
Fees, fines, and forfeits	1,515,112	1,515,112	1,216,165	(298,947)
Intergovernmental	4,438,930	4,438,930	6,589,063	2,150,133
Charges for services	332,178	332,178	566,801	234,623
Investment earnings	55,000	55,000	3,134	(51,866)
Miscellaneous	235,189	235,189	432,960	197,771
Total revenues	15,585,135	15,585,135	18,718,509	3,133,374
Expenditures:				
Current:				
General government:				
Assessor	637,122	637,122	517,520	119,602
County attorney	1,067,833	1,067,833	867,247	200,586
Board of supervisors	706,143	706,143	725,456	(19,313)
Clerk of the superior court	584,746	584,746	459,751	124,995
Elections	219,904	219,904	115,001	104,903
Justice of the Peace #4	600,102	600,102	547,699	52,403
Justice of the Peace #5	381,447	381,447	289,977	91,470
Justice of the Peace #6	343,432	343,432	349,464	(6,032)
Planning and zoning	405,746	405,746	366,688	39,058
Recorder	148,201	148,201	243,090	(94,889)
Human resources	181,475	181,475	131,911	49,564
Superior court	242,112	242,112	260,613	(18,501)
Treasurer	307,449	307,449	304,323	3,126
Court administration	931,340	931,340	1,188,124	(256,784)
Management information services	420,263	420,263	502,292	(82,029)
Public defender	528,447	528,447	517,831	10,616
General administration	702,050	702,050	772,389	(70,339)
Finance	444,609	444,609	223,291	221,318
Facilities management	356,824	356,824	359,419	(2,595)
BLM conveyance land	347,442	347,442	-	347,442
Total general government	9,556,687	9,556,687	8,742,086	814,601

See accompanying notes to budgetary comparison schedule.

La Paz County
Required Supplementary Information
Budgetary Comparison Schedule
General Fund - Continued
Year Ended June 30, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Public safety:				
Regional dispatch	\$ 828,213	\$ 828,213	\$ 909,007	\$ (80,794)
Sheriff	3,792,467	3,792,467	751,744	3,040,723
Probation	87,607	87,607	101,636	(14,029)
Juvenile probation	136,575	136,575	101,826	34,749
Boat patrol grant	2,998	2,998	774	2,224
Emergency management	-	-	25,952	(25,952)
Total public safety	<u>4,847,860</u>	<u>4,847,860</u>	<u>1,890,939</u>	<u>2,956,921</u>
Health:				
Indigent health	316,255	316,255	270,312	45,943
County long term care ALTCS	600	600	357,600	(357,000)
C.M.I (chronically mentally ill)	320,000	320,000	178,775	141,225
Animal control	165,769	165,769	160,012	5,757
Health	933,511	933,511	448,340	485,171
Public health emergency prep	90,000	90,000	89,458	542
Total health	<u>1,826,135</u>	<u>1,826,135</u>	<u>1,504,497</u>	<u>321,638</u>
Welfare:				
Public fiduciary	179,000	179,000	189,400	(10,400)
Parker food bank	-	-	765	(765)
Quartzsite food bank	-	-	3,184	(3,184)
McMullen Valley food bank	-	-	89	(89)
Total welfare	<u>179,000</u>	<u>179,000</u>	<u>193,438</u>	<u>(14,438)</u>

See accompanying notes to budgetary comparison schedule.

La Paz County
Required Supplementary Information
Budgetary Comparison Schedule
General Fund - Continued
Year Ended June 30, 2022

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Culture and recreation:				
Library Services	\$ 121,627	\$ 121,627	\$ 101,443	\$ 20,184
Total culture and recreation	<u>121,627</u>	<u>121,627</u>	<u>101,443</u>	<u>20,184</u>
Education:				
School superintendent	<u>253,826</u>	<u>253,826</u>	<u>256,251</u>	<u>(2,425)</u>
Total education	<u>253,826</u>	<u>253,826</u>	<u>256,251</u>	<u>(2,425)</u>
Total expenditures	<u>16,785,135</u>	<u>16,785,135</u>	<u>12,688,654</u>	<u>4,096,481</u>
Excess (deficiency) of revenues over expenditures	<u>(1,200,000)</u>	<u>(1,200,000)</u>	<u>6,029,855</u>	<u>7,229,855</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	30,760	30,760
Proceeds from loan	-	-	199,472	199,472
Transfers in	1,200,000	1,200,000	2,602,155	1,402,155
Transfers out	-	-	(727,000)	(727,000)
Total other financing sources (uses)	<u>1,200,000</u>	<u>1,200,000</u>	<u>2,105,387</u>	<u>905,387</u>
Net change in fund balances	-	-	8,135,242	8,135,242
Fund balance (deficit), July 1, 2021, as restated	<u>-</u>	<u>-</u>	<u>(4,248,306)</u>	<u>(4,248,306)</u>
Fund balance, June 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,886,936</u>	<u>\$ 3,886,936</u>

See accompanying notes to budgetary comparison schedule.

La Paz County
Required Supplementary Information
Budgetary Comparison Schedule
Road Fund
Year Ended June 30, 2022

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget
Revenues:				
Taxes	\$ 391,000	\$ 391,000	\$ 706,176	\$ 315,176
Intergovernmental	5,129,000	5,129,000	6,118,209	989,209
Investment earnings	-	-	10,871	10,871
Miscellaneous	50,000	50,000	56,457	6,457
Total revenues	<u>5,570,000</u>	<u>5,570,000</u>	<u>6,891,713</u>	<u>1,321,713</u>
Expenditures:				
Current:				
Highways and streets	6,045,374	6,045,374	4,510,369	1,535,005
Total expenditures	<u>6,045,374</u>	<u>6,045,374</u>	<u>4,510,369</u>	<u>1,535,005</u>
Excess (deficiency) of revenues over expenditures	(475,374)	(475,374)	2,381,344	2,856,718
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	124,894	124,894
Proceeds from loan	-	-	705,004	705,004
Transfers out	(395,400)	(395,400)	-	395,400
Total other financing uses	<u>(395,400)</u>	<u>(395,400)</u>	<u>829,898</u>	<u>1,225,298</u>
Net change in fund balances	(870,774)	(870,774)	3,211,242	4,082,016
as restated	<u>870,774</u>	<u>870,774</u>	<u>8,635,818</u>	<u>7,765,044</u>
Fund balances, June 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,847,060</u>	<u>\$ 11,847,060</u>

See accompanying notes to budgetary comparison schedule.

La Paz County
Required Supplementary Information
Budgetary Comparison Schedule
Jail District Fund
Year Ended June 30, 2022

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Taxes	\$ 1,772,325	\$ 1,790,856	\$ 18,531
Charges for services	480,390	392,137	(88,253)
Investment earnings	-	887	887
Total revenues	<u>2,252,715</u>	<u>2,183,880</u>	<u>(68,835)</u>
Expenditures:			
Current:			
Public safety	3,318,588	3,114,791	203,797
Debt Service:			
Principal retirement	240,000	240,000	-
Interest and other charges	6,288	6,288	-
Total expenditures	<u>3,564,876</u>	<u>3,361,079</u>	<u>203,797</u>
Excess (deficiency) of revenues over expenditures	<u>(1,312,161)</u>	<u>(1,177,199)</u>	<u>134,962</u>
Other financing sources:			
Transfers in	<u>1,312,161</u>	<u>727,000</u>	<u>(585,161)</u>
Total other financing sources	<u>1,312,161</u>	<u>727,000</u>	<u>(585,161)</u>
Net change in fund balances	-	(450,199)	(450,199)
as restated	<u>(80,450)</u>	<u>(534,018)</u>	<u>(453,568)</u>
Fund balances (deficit), June 30, 2022	<u>\$ (80,450)</u>	<u>\$ (984,217)</u>	<u>\$ (903,767)</u>

See accompanying notes to budgetary comparison schedule.

La Paz County
Required Supplementary Information
Notes to Budgetary Comparison Schedule
June 30, 2022

Note 1 - Budgeting and Budgetary Control

A.R.S. requires the County to prepare and adopt a balanced budget annually for each governmental fund. The Board of Supervisors must approve such operating budgets on or before the third Monday in July to allow sufficient time for the legal announcements and hearings required for the adoption of the property tax levy on the third Monday in August. A.R.S. prohibits expenditures or liabilities in excess of the amounts budgeted.

Expenditures may not legally exceed appropriations at the department level. In certain instances, transfers of appropriations between departments or from the contingency account to a department may be made upon the Board of Supervisors' approval. With the exception of the General Fund, each fund includes only one department.

For the General Fund, capital outlay and debt service expenditures are budgeted by department and accumulated by function on the Budgetary Comparison Schedule.

Note 2 - Expenditures in Excess of Appropriations

For the year ended June 30, 2022, expenditures that exceeded final budget amounts at the department level (the legal level of budgetary control) were as follows:

<u>Fund/Department</u>	<u>Excess</u>
General Fund:	
Board of supervisors	\$ 19,313
Justice of the peace #6	6,032
Recorder	94,889
Superior court	18,501
Court administration	256,784
Management information services	82,029
General administration	70,339
Facilities management	2,595
Regional dispatch	80,794
Probation	14,029
Emergency management	25,952
County long term care ALTCS	357,000
Public fiduciary	10,400
Parker food bank	765
Quartzsite food bank	3,184
McMullen Valley food bank	89
School superintendent	2,425

La Paz County
Required Supplementary Information
Notes to Budgetary Comparison Schedule - Continued
June 30, 2022

Note 2 – Expenditures in Excess of Appropriations – Continued

The excesses were primarily the result of unexpected expenditures and expenditures made as a result of unanticipated revenues, or both. To resolve future excesses, the County has retained outside consultants to assist in fiscal year 2023 and 2024 budget preparation, as well as a grants management program, and the County has hired a Finance Director who monitors the budget versus actual results.

La Paz County
Required Supplementary Information
Schedule of the County's Proportionate Share of the Net Pension/OPEB Liability
Cost-Sharing Plans
June 30, 2022

	Reporting Fiscal Year (Measurement Date)								2014 through 2013
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
ASRS - Pension									
County's proportion of the net pension liability	0.07271%	0.06977%	0.06772%	0.06803%	0.08144%	0.09606%	0.94330%	0.09326%	Information not available
County's proportionate share of the net pension liability	\$ 9,553,771	\$ 12,088,713	\$ 9,854,047	\$ 9,487,791	\$ 12,686,765	\$ 15,505,049	\$ 14,692,914	\$ 13,799,620	
County's covered payroll	8,314,352	7,687,563	9,607,815	6,764,073	8,337,449	9,308,691	9,159,101	8,406,925	
County's proportionate share of the net pension liability as a percentage of its covered payroll	114.91%	157.25%	102.56%	140.27%	152.17%	166.57%	160.42%	164.15%	
Plan fiduciary net position as a percentage of the total pension liability	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%	
ASRS - Health Insurance Premium Benefit									
	Reporting Fiscal Year (Measurement Date)					2017 through 2013			
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 through 2013			
County's proportion of the net OPEB (asset)	0.07436%	0.07105%	0.06892%	0.06903%	0.82450%	Information not available			
County's proportionate share of the net OPEB (asset)	\$ (362,288)	\$ (50,303)	\$ (19,046)	\$ (24,857)	\$ (44,886)				
County's covered payroll	8,314,352	7,687,563	9,607,815	6,764,073	8,337,449				
County's proportionate share of the net OPEB (asset) as a percentage of its covered payroll	-4.36%	-0.65%	-0.20%	-0.37%	-0.54%				
Plan fiduciary net position as a percentage of the total pension liability	130.24%	104.33%	101.62%	102.20%	103.57%				
ASRS - Long-term Disability									
	Reporting Fiscal Year (Measurement Date)					2017 through 2013			
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 through 2013			
County's proportion of the net OPEB Liability	0.07355%	0.07047%	0.06851%	0.06818%	0.08170%	Information not available			
County's proportionate share of the net OPEB Liability	\$ 15,183	\$ 53,459	\$ 44,631	\$ 35,624	\$ 29,614				
County's covered payroll	8,314,352	7,687,563	9,607,815	6,764,073	8,337,449				
County's proportionate share of the net OPEB Liability as a percentage of its covered payroll	0.18%	0.70%	0.46%	0.53%	0.36%				
Plan fiduciary net position as a percentage of the total pension liability	90.38%	68.01%	72.85%	77.83%	84.44%				

See accompanying notes to pension/OPEB plan schedules.

La Paz County
Required Supplementary Information
Schedule of the County's Proportionate Share of the Net Pension/OPEB Liability - Continued
Cost-Sharing Plans
June 30, 2022

	Reporting Fiscal Year (Measurement Date)								2014 through 2013
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
CORP AOC - Pension									
County's proportion of the net pension liability	0.25794%	0.34114%	0.27830%	0.25459%	0.24088%	0.28221%	0.30928%	0.36516%	Information not available
County's proportionate share of the net pension liability	\$ 957,507	\$ 1,629,527	\$ 1,174,239	\$ 916,472	\$ 966,450	\$ 796,270	\$ 751,897	\$ 819,403	
County's covered payroll	345,715	323,700	412,014	325,745	792,077	325,471	374,128	391,648	
County's proportionate share of the net pension liability as a percentage of its covered payroll	276.96%	503.41%	285.00%	281.35%	122.01%	244.65%	200.97%	209.22%	
Plan fiduciary net position as a percentage of the total pension liability	62.53%	50.07%	51.99%	53.72%	49.21%	54.81%	57.89%	58.59%	
CORP AOC - Health Insurance Premium Benefit									
	Reporting Fiscal Year (Measurement Date)								
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 through 2013			
County's proportion of the net OPEB liability (asset)	0.26355%	0.26370%	0.27805%	0.25572%	0.24184%	Information not available			
County's proportionate share of the net OPEB liability (asset)	\$ (353)	\$ 10,384	\$ 10,296	\$ 13,149	\$ 14,231				
County's covered payroll	345,715	323,700	412,014	325,745	792,077				
County's proportionate share of the net OPEB liability as a percentage of its covered payroll	-0.10%	3.21%	2.50%	4.04%	1.80%				
Plan fiduciary net position as a percentage of the total OPEB liability	100.90%	75.08%	75.64%	67.75%	62.21%				
EORP - Pension									
	Reporting Fiscal Year (Measurement Date)								2014 through 2013
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
County's proportion of the net pension liability	1.06856%	1.21884%	1.23755%	1.03716%	0.93122%	0.99939%	0.93617%	1.04762%	Information not available
County's proportionate share of the net pension liability	\$ 6,502,827	\$ 8,226,711	\$ 8,207,120	\$ 6,535,520	\$ 11,347,472	\$ 9,441,755	\$ 7,315,675	\$ 7,025,059	
State's proportionate share of the net pension liability associated with the County	\$ 653,639	\$ 781,884	\$ 651,821	\$ 1,658,855	\$ 2,112,527	\$ 1,949,481	\$ 2,280,723	\$ 2,153,948	
Total County's net pension liability	\$ 7,156,466	\$ 9,008,595	\$ 8,858,941	\$ 8,194,375	\$ 13,459,999	\$ 11,391,236	\$ 9,596,398	\$ 9,179,007	
County's covered payroll	\$ 825,808	\$ 1,138,522	\$ 854,892	\$ 1,034,035	\$ 759,974	794,562	849,419	953,936	
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	866.60%	791.25%	1036.26%	792.47%	1771.11%	1433.65%	1129.76%	962.22%	
Plan fiduciary net position as a percentage of the total pension liability	36.28%	29.80%	30.14%	30.36%	19.66%	23.42%	28.32%	31.91%	
EORP - Health Insurance Premium Benefit									
	Reporting Fiscal Year (Measurement Date)					2017 through 2013			
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	Information not available			
County's proportion of the net OPEB (asset)	2.14523%	1.90472%	1.91305%	1.57850%	1.55196%	Information not available			
County's proportionate share of the net OPEB (asset)	\$ (342,116)	\$ (181,910)	\$ (187,372)	\$ (163,121)	\$ (141,324)				
County's covered payroll	825,808	1,138,522	854,892	1,034,035	759,974				
County's proportionate share of the net OPEB (asset) as a percentage of its covered payroll	-41.43%	-15.98%	-21.92%	-15.78%	-18.60%				
Plan fiduciary net position as a percentage of the total pension (asset)	231.29%	169.89%	169.72%	177.16%	164.84%				

See accompanying notes to pension/OPEB plan schedules.

La Paz County
Required Supplementary Information
Schedule of Changes in the County's
Net Pension/OPEB Liability and Related Ratios - Agent Plans
June 30, 2022

	Reporting Fiscal Year (Measurement Date)								2014 through 2013
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
PSPRS - Sheriff - Pension									
Total pension liability									
Service cost	\$ 180,655	\$ 230,878	\$ 283,040	\$ 279,940	\$ 351,267	\$ 356,348	\$ 271,882	\$ 258,299	Information not available
Interest on total pension liability	1,452,549	1,430,259	1,385,767	1,314,548	1,208,951	1,156,186	1,105,013	904,564	
Changes of benefit terms	-	-	-	-	243,566	316,334	-	325,930	
Difference between expected and actual experience in the measurement of the pension liability	140,567	(13,416)	143,573	418,257	346,773	76,314	237,456	538,156	
Changes of assumptions or other inputs	-	-	339,251	-	685,158	572,944	-	1,592,778	
Benefit payments, including refunds of employee contributions	(1,369,838)	(1,214,454)	(1,252,475)	(1,134,319)	(1,176,148)	(993,292)	(1,016,114)	(1,129,939)	
Net change in pension liability	403,933	433,267	899,156	878,426	1,659,567	1,484,834	598,237	2,489,788	
Total pension liability - beginning	20,402,201	19,968,934	19,069,778	18,191,352	16,531,785	15,046,951	14,448,714	11,958,926	
Total pension liability - ending (a)	<u>\$ 20,806,134</u>	<u>\$ 20,402,201</u>	<u>\$ 19,968,934</u>	<u>\$ 19,069,778</u>	<u>\$ 18,191,352</u>	<u>\$ 16,531,785</u>	<u>\$ 15,046,951</u>	<u>\$ 14,448,714</u>	
Plan fiduciary net position									
Contributions - employer	\$ 1,211,476	\$ 1,439,074	\$ 950,338	\$ 757,330	\$ 854,831	\$ 791,496	\$ 537,234	\$ 538,163	
Contributions - employee	104,724	158,729	112,999	159,019	192,207	343,870	166,848	156,266	
Net investment income	1,891,870	81,809	313,914	407,527	662,076	31,841	197,454	683,282	
Benefit payments, including refunds of employee contributions	(1,369,838)	(1,214,454)	(1,252,475)	(1,134,319)	(1,176,148)	(993,292)	(1,016,114)	(1,129,939)	
Hall/Parker Settlement	-	-	-	(179,279)	-	-	-	-	
Administrative expense	(8,858)	(6,671)	(6,471)	(6,903)	(6,258)	(4,982)	(5,190)	-	
Other changes	-	-	-	77	13,819	48,942	(9,829)	300,315	
Net change in plan fiduciary net position	1,829,374	458,487	118,305	3,452	540,527	217,875	(129,597)	548,087	
Plan fiduciary net position - beginning	6,501,142	6,315,660	6,197,355	6,193,903	5,653,376	5,435,501	5,565,098	5,017,011	
Adjustment to beginning of year	-	(273,005)	-	-	-	-	-	-	
Plan fiduciary net position - ending (b)	<u>\$ 8,330,516</u>	<u>\$ 6,501,142</u>	<u>\$ 6,315,660</u>	<u>\$ 6,197,355</u>	<u>\$ 6,193,903</u>	<u>\$ 5,653,376</u>	<u>\$ 5,435,501</u>	<u>\$ 5,565,098</u>	
County's net pension liability - ending (a) - (b)	<u>\$ 12,475,618</u>	<u>\$ 13,901,059</u>	<u>\$ 13,653,274</u>	<u>\$ 12,872,423</u>	<u>\$ 11,997,449</u>	<u>\$ 10,878,409</u>	<u>\$ 9,611,450</u>	<u>\$ 8,883,616</u>	
Plan fiduciary net position as a percentage of the total pension liability	40.0%	31.9%	31.6%	32.5%	34.0%	34.2%	36.1%	38.5%	
Covered payroll	\$ 2,272,176	\$ 2,599,373	\$ 1,564,068	\$ 1,527,180	\$ 1,931,347	\$ 1,630,734	\$ 1,574,754	\$ 1,510,785	
County's net pension liability as a percentage of covered payroll	549%	535%	873%	843%	621%	667%	610%	588%	

See accompanying notes to pension/OPEB plan schedules.

La Paz County
Required Supplementary Information
Schedule of Changes in the County's
Net Pension/OPEB Liability and Related Ratios - Agent Plans - Continued
June 30, 2022

PSPRS OPEB - Sheriff	Reporting Fiscal Year (Measurement Date)					2017 through 2013
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	
Total OPEB liability						
Service cost	\$ 4,526	\$ 5,979	\$ 5,336	\$ 5,481	\$ 6,093	Information not available
Interest on total OPEB liability	13,654	13,534	20,971	21,114	20,119	
Changes of benefit terms	-	-	-	-	2,575	
Difference between expected and actual experience in the measurement of the OPEB liability	(36,693)	(10,074)	(123,208)	(22,141)	5,343	
Changes of assumptions or other inputs	-	-	1,637	-	(7,700)	
Benefit payments	(3,730)	(3,936)	(7,836)	(10,126)	(7,982)	
Net change in OPEB liability	(22,243)	5,503	(103,100)	(5,672)	18,448	
Total OPEB liability - beginning	184,381	178,878	281,978	287,650	269,202	
Total OPEB liability - ending (a)	\$ 162,138	\$ 184,381	\$ 178,878	\$ 281,978	\$ 287,650	
Plan fiduciary net position						
Contributions - employer	\$ -	\$ -	\$ -	\$ (17)	\$ -	
Net investment income	138,770	6,345	26,025	32,072	49,374	
Benefit payments	(3,730)	(3,936)	(7,836)	(10,126)	(7,982)	
Administrative expense	(571)	(516)	(433)	(488)	(437)	
Other changes	-	-	-	1	-	
Net change in plan fiduciary net position	134,469	1,893	17,756	21,442	40,955	
Plan fiduciary net position - beginning	504,575	502,682	484,926	463,484	422,529	
Plan fiduciary net position - ending (b)	\$ 639,044	\$ 504,575	\$ 502,682	\$ 484,926	\$ 463,484	
County's net OPEB (asset) liability - ending (a) - (b)	\$ (476,906)	\$ (320,194)	\$ (323,804)	\$ (202,948)	\$ (175,834)	
Plan fiduciary net position as a percentage of the total OPEB liability	394.1%	273.7%	281.0%	172.0%	161.1%	
Covered payroll	\$ 2,272,176	\$ 2,599,373	\$ 1,564,068	\$ 1,527,180	\$ 1,931,347	
County's net OPEB (asset) liability as a percentage of covered payroll	-21%	-12%	-21%	-13%	-9%	

See accompanying notes to pension/OPEB plan schedules.

La Paz County
Required Supplementary Information
Schedule of Changes in the County's
Net Pension/OPEB Liability and Related Ratios - Agent Plans - Continued
June 30, 2022

Public Safety Personnel Retirement System - Attorney Investigators	Reporting Fiscal Year (Measurement Date)								2014 through 2013
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
Total pension liability									
Interest on total pension liability	\$ -	\$ -	\$ 22,991	\$ 21,028	\$ 17,223	\$ 18,656	\$ 23,957	\$ 23,458	Information not available
Changes of benefit terms	-	-	-	-	14,580	16,878	-	-	
Difference between expected and actual experience in the measurement of the pension liability	-	-	(475,574)	(1,149)	34,463	9,524	10,341	2,025	
Changes of assumptions or other inputs	-	-	-	(33,605)	(11,962)	34,797	107,233	12,082	
Benefit payments, including refunds of employee contributions	-	-	-	(34,194)	(33,557)	(31,210)	(31,210)	(31,210)	
Net change in pension liability	-	-	(452,583)	(47,920)	20,747	48,645	110,321	6,355	
Total pension liability - beginning	-	-	452,583	500,503	479,756	431,111	320,790	314,435	
Total pension liability - ending (a)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 452,583</u>	<u>\$ 500,503</u>	<u>\$ 479,756</u>	<u>\$ 431,111</u>	<u>\$ 320,790</u>	
Plan fiduciary net position									
Contributions - employer	\$ -	\$ -	\$ -	\$ 8,979	\$ 8,827	\$ 10,527	\$ -	\$ -	
Net investment income	43,640	1,976	8,043	10,833	19,327	1,047	7,335	27,730	
Benefit payments, including refunds of employee contributions	-	-	-	(34,194)	(33,557)	(31,210)	(31,210)	(31,210)	
Hall/Parker Settlement	-	-	-	(152)	-	-	-	-	
Administrative expense	(211)	(161)	(1,140)	(865)	(571)	(551)	(558)	-	
Other changes	-	-	-	3	3	3	(220)	(10,642)	
Net change in plan fiduciary net position	43,429	1,815	6,903	(15,396)	(5,971)	(20,184)	(24,653)	(14,122)	
Plan fiduciary net position - beginning	156,963	155,148	148,245	163,641	169,612	189,796	214,449	228,571	
Plan fiduciary net position - ending (b)	<u>\$ 200,392</u>	<u>\$ 156,963</u>	<u>\$ 155,148</u>	<u>\$ 148,245</u>	<u>\$ 163,641</u>	<u>\$ 169,612</u>	<u>\$ 189,796</u>	<u>\$ 214,449</u>	
County's net pension (asset) liability - ending (a) - (b)	<u>\$ (200,392)</u>	<u>\$ (156,963)</u>	<u>\$ (155,148)</u>	<u>\$ 304,338</u>	<u>\$ 336,862</u>	<u>\$ 310,144</u>	<u>\$ 241,315</u>	<u>\$ 106,341</u>	
Plan fiduciary net position as a percentage of the total pension liability	0%	0%	0%	33%	33%	35%	44%	67%	
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
County's net pension liability as a percentage of covered payroll	0%	0%	0%	0%	0%	0%	0%	0%	

See accompanying notes to pension/OPEB plan schedules.

La Paz County
Required Supplementary Information
Schedule of Changes in the County's
Net Pension/OPEB Liability and Related Ratios - Agent Plans - Continued
June 30, 2022

PSPRS OPEB - Attorney Investigators	Reporting Fiscal Year (Measurement Date)					2017 through 2013
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	
Total OPEB liability						
Interest on total OPEB liability	\$ -	\$ -	\$ -	\$ 858	\$ 913	Information not available
Difference between expected and actual experience in the measurement of the OPEB liability	-	-	-	(13,111)	(1,322)	
Changes of assumptions or other inputs	-	-	-	-	1,111	
Benefit payments	-	-	-	(422)	(413)	
Net change in OPEB liability	-	-	-	(12,675)	289	
Total OPEB liability - beginning	-	-	-	12,675	12,386	
Total OPEB liability - ending (a)	\$ -	\$ -	\$ -	\$ -	\$ 12,675	
Plan fiduciary net position						
Net investment income	\$ 3,642	\$ 165	\$ 668	\$ 819	\$ 1,280	
Benefit payments	-	-	-	(422)	(413)	
Administrative expense	(15)	(13)	(12)	(12)	(12)	
Net change in plan fiduciary net position	3,627	152	656	385	855	
Plan fiduciary net position - beginning	13,102	12,950	12,294	11,909	11,054	
Plan fiduciary net position - ending (b)	\$ 16,729	\$ 13,102	\$ 12,950	\$ 12,294	\$ 11,909	
County's net OPEB liability - ending (a) - (b)	\$ (16,729)	\$ (13,102)	\$ (12,950)	\$ (12,294)	\$ 766	
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	94.0%	
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	
County's net OPEB liability as a percentage of covered payroll	0%	0%	0%	0%	0%	

See accompanying notes to pension/OPEB plan schedules.

La Paz County
Required Supplementary Information
Schedule of Changes in the County's
Net Pension/OPEB Liability and Related Ratios - Agent Plans - Continued
June 30, 2022

	Reporting Fiscal Year (Measurement Date)				
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
CORP - Detention					
Total pension liability					
Service cost	\$ 85,301	\$ 123,593	\$ 138,009	\$ 136,423	\$ -
Interest on total pension liability	205,304	186,389	167,357	107,212	-
Changes of benefit terms	-	-	-	240,188	-
Difference between expected and actual experience in the measurement of the pension liability	(84,381)	17,596	12,727	360,618	1,401,188
Changes of assumptions or other inputs	-	-	58,575	-	22,220
Benefit payments, including refunds of employee contributions	(36,507)	(23,834)	(117,298)	(85,625)	-
Net change in pension liability	169,717	303,744	259,370	758,816	1,423,408
Total pension liability - beginning	2,745,338	2,441,594	2,182,224	1,423,408	-
Total pension liability - ending (a)	<u>\$ 2,915,055</u>	<u>\$ 2,745,338</u>	<u>\$ 2,441,594</u>	<u>\$ 2,182,224</u>	<u>\$ 1,423,408</u>
Plan fiduciary net position					
Contributions - employer	\$ 110,627	\$ 148,956	\$ 88,965	\$ 134,312	\$ 102,641
Contributions - employee	49,987	85,076	75,076	84,469	58,923
Net investment income	405,979	35,344	54,635	69,049	10,434
Benefit payments, including refunds of employee contributions	(36,507)	(23,834)	(117,298)	(85,625)	-
Administrative expense	(1,805)	(1,368)	(1,675)	(1,745)	(491)
Other changes	-	-	-	(14,680)	735,694
Net change in plan fiduciary net position	528,281	244,174	99,703	185,780	907,201
Plan fiduciary net position - beginning	1,395,848	1,192,684	1,092,981	907,201	-
Adjustment to beginning of year	-	(41,010)	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ 1,924,129</u>	<u>\$ 1,395,848</u>	<u>\$ 1,192,684</u>	<u>\$ 1,092,981</u>	<u>\$ 907,201</u>
County's net pension liability - ending (a) - (b)	<u>\$ 990,926</u>	<u>\$ 1,349,490</u>	<u>\$ 1,248,910</u>	<u>\$ 1,089,243</u>	<u>\$ 516,207</u>
Plan fiduciary net position as a percentage of the total pension liability	66%	51%	49%	50%	64%
Covered payroll	\$ 712,724	\$ 494,069	\$ 489,495	\$ 1,078,400	\$ 635,781
County's net pension liability as a percentage of covered payroll	139%	273%	255%	101%	81%

Reporting Fiscal Year 2018 was the Plan's first year.

See accompanying notes to pension/OPEB plan schedules.

La Paz County
Required Supplementary Information
Schedule of Changes in the County's
Net Pension/OPEB Liability and Related Ratios - Agent Plans - Continued
June 30, 2022

	Reporting Fiscal Year (Measurement Date)				
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
CORP OPEB - Detention					
Total OPEB liability					
Service cost	\$ 1,701	\$ 2,103	\$ 2,050	\$ 3,792	\$ -
Interest on total OPEB liability	3,887	4,097	4,580	5,152	-
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience in the measurement of the OPEB liability	(1,382)	(8,680)	(13,085)	(16,830)	81,036
Changes of assumptions or other inputs	-	-	632	-	(13,307)
Net change in OPEB liability	4,206	(2,480)	(5,823)	(7,886)	67,729
Total OPEB liability - beginning	51,540	54,020	59,843	67,729	-
Total OPEB liability - ending (a)	<u>\$ 55,746</u>	<u>\$ 51,540</u>	<u>\$ 54,020</u>	<u>\$ 59,843</u>	<u>\$ 67,729</u>
Plan fiduciary net position					
Contributions - employer	\$ 4,164	\$ 5,190	\$ 7,710	\$ -	\$ -
Net investment income	3,527	-	106	-	-
Benefit payments	-	-	-	-	-
Administrative expense	(15)	-	(2)	-	-
Other changes	-	-	-	-	-
Net change in plan fiduciary net position	7,676	5,190	7,814	-	-
Plan fiduciary net position - beginning	13,004	7,814	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ 20,680</u>	<u>\$ 13,004</u>	<u>\$ 7,814</u>	<u>\$ -</u>	<u>\$ -</u>
County's net OPEB liability - ending (a) - (b)	<u>\$ 35,066</u>	<u>\$ 38,536</u>	<u>\$ 46,206</u>	<u>\$ 59,843</u>	<u>\$ 67,729</u>
Plan fiduciary net position as a percentage of the total OPEB liability	37.1%	25.2%	14.5%	0.0%	0.0%
Covered payroll	\$ 712,724	\$ 494,069	\$ 489,495	\$ 1,078,400	\$ 635,781
County's net OPEB liability as a percentage of covered payroll	5%	8%	9%	6%	11%

Reporting Fiscal Year 2018 was the Plan's first year.

See accompanying notes to pension/OPEB plan schedules.

La Paz County
Required Supplementary Information
Schedule of County Pension/OPEB Contributions
June 30, 2022

	Reporting Fiscal Year										
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	
ASRS - Pension											
Statutorily determined contribution	\$ 910,995	\$ 968,622	\$ 880,226	\$ 1,074,154	\$ 737,284	\$ 898,777	\$ 1,009,993	\$ 998,342	\$ 899,541	Information not available	
County's contributions in relation to the statutorily determined contribution	910,995	968,622	880,226	1,074,154	737,284	898,777	1,009,993	998,342	899,541		
County's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
County's covered payroll	\$ 7,585,304	\$ 8,314,352	\$ 7,687,563	\$ 9,607,815	\$ 6,764,073	\$ 8,337,449	\$ 9,308,691	\$ 9,159,101	\$ 8,406,925		
County's contributions as a percentage of covered payroll	12.01%	11.65%	11.45%	11.18%	10.90%	10.78%	10.85%	10.90%	10.70%		
ASRS - Health Insurance Premium Benefit											
	Reporting Fiscal Year						2016 through 2013				
	2022	2021	2020	2019	2018	2017					
Statutorily determined contribution	\$ 15,929	\$ 16,937	\$ 37,669	\$ 44,196	\$ 29,762	\$ 46,690	Information not available				
County's contributions in relation to the statutorily determined contribution	15,929	16,937	37,669	44,196	29,762	46,690					
County's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
County's covered payroll	\$ 7,585,304	\$ 8,314,352	\$ 7,687,563	\$ 9,607,815	\$ 6,764,073	\$ 8,337,449					
County's contributions as a percentage of covered payroll	0.21%	0.20%	0.49%	0.46%	0.44%	0.56%					
ASRS-Long-term Disability											
	Reporting Fiscal Year						2016 through 2013				
	2022	2021	2020	2019	2018	2017					
Statutorily determined contribution	\$ 14,260	\$ 14,729	\$ 13,002	\$ 11,393	\$ 10,807	\$ 11,672	Information not available				
County's contributions in relation to the statutorily determined contribution	14,260	14,729	13,002	11,393	10,807	11,672					
County's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
County's covered payroll	\$ 7,585,304	\$ 8,314,352	\$ 7,687,563	\$ 9,607,815	\$ 6,764,073	\$ 8,337,449					
County's contributions as a percentage of covered payroll	0.19%	0.18%	0.17%	0.12%	0.16%	0.14%					

See accompanying notes to pension/OPEB plan schedules.

La Paz County
Required Supplementary Information
Schedule of County Pension/OPEB Contributions - Continued
June 30, 2022

CORP AOC - Pension

	Reporting Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	
Statutorily determined contribution	\$ 119,059	\$ 106,169	\$ 104,976	\$ 92,744	\$ 65,377	\$ 159,049	\$ 62,165	\$ 55,745	\$ 56,789	Information not available
County's contributions in relation to the statutorily determined contribution	119,059	106,169	104,976	92,744	65,377	159,049	62,165	55,745	56,789	
County's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
County's covered payroll	\$ 354,553	\$ 345,715	\$ 323,700	\$ 412,014	\$ 325,745	\$ 792,077	\$ 325,471	\$ 374,128	\$ 391,648	
County's contributions as a percentage of covered payroll	33.58%	30.71%	32.43%	22.51%	20.07%	20.08%	19.10%	14.90%	14.50%	

CORP AOC - Health insurance premium benefit

	Reporting Fiscal Year						2016 through 2013
	2022	2021	2020	2019	2018	2017	
Statutorily determined contribution	\$ -	\$ 745	\$ 1,780	\$ 3,420	\$ 2,605	\$ 6,733	Information not available
County's contributions in relation to the statutorily determined contribution	-	745	1,780	3,420	2,605	6,733	
County's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
County's covered payroll	\$ 354,553	\$ 345,715	\$ 323,700	\$ 412,014	\$ 325,745	\$ 792,077	
County's contributions as a percentage of covered payroll	0.00%	0.22%	0.55%	0.83%	0.80%	0.85%	

EORP - Pension

	Reporting Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	
Statutorily determined contribution	\$ 466,697	\$ 651,787	\$ 555,698	\$ 578,049	\$ 407,945	\$ 178,594	\$ 186,722	\$ 198,764	\$ 223,221	Information not available
County's contributions in relation to the statutorily determined contribution	466,697	507,294	700,191	525,160	242,998	178,594	186,722	198,764	223,221	
County's contribution deficiency (excess)	\$ -	\$ 144,493	\$ (144,493)	\$ 52,889	\$ 164,947	\$ -	\$ -	\$ -	\$ -	
County's covered payroll	\$ 759,722	\$ 825,808	\$ 1,138,522	\$ 854,892	\$ 1,034,035	\$ 759,974	\$ 794,562	\$ 849,419	\$ 953,936	
County's contributions as a percentage of covered payroll	61.43%	61.43%	61.50%	61.43%	23.50%	23.50%	23.50%	23.40%	23.40%	

The County was not required and did not contribute to the EORP health insurance premium benefit plan for fiscal years 2022, 2021, 2020, 2019, 2018 or 2017. Information for fiscal years 2016 through 2013 is not available.

La Paz County
Required Supplementary Information
Schedule of County Pension/OPEB Contributions - Continued
June 30, 2022

PSPRS Pension - Sheriff	Reporting Fiscal Year										
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	
Actuarially determined contribution	\$ 1,357,579	\$ 1,460,247	\$ 1,135,094	\$ 1,036,858	\$ 924,197	\$ 993,292	\$ 786,666	\$ 567,384	\$ 538,163	Information not available	
County's contributions in relation to the actuarially determined contribution	1,357,579	1,235,609	1,359,732	812,220	744,653	993,292	786,666	567,384	538,163		
County's contribution deficiency (excess)	\$ -	\$ 224,638	\$ (224,638)	\$ 224,638	\$ 179,544	\$ -	\$ -	\$ -	\$ -		
County's covered payroll	<u>\$ 2,415,621</u>	<u>\$ 2,272,176</u>	<u>\$ 2,599,373</u>	<u>\$ 1,564,068</u>	<u>\$ 1,527,180</u>	<u>\$ 1,931,347</u>	<u>\$ 1,630,734</u>	<u>\$ 1,574,754</u>	<u>\$ 1,510,785</u>		
County's contributions as a percentage of covered payroll	<u>56.20%</u>	<u>54.38%</u>	<u>52.31%</u>	<u>51.93%</u>	<u>48.76%</u>	<u>51.43%</u>	<u>48.24%</u>	<u>36.03%</u>	<u>35.62%</u>		
PSPRS - Health Insurance Premium Benefit - Sheriff											
	Reporting Fiscal Year						2016 through 2013				
	2022	2021	2020	2019	2018	2017					
Actuarially determined contribution	\$ 5,926	\$ 6,210	\$ 4,287	\$ 2,759	\$ -	\$ -	Information not available				
County's contributions in relation to the actuarially determined contribution	5,926	6,210	4,287	2,759	-	-					
County's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
County's covered payroll	<u>\$ 2,415,621</u>	<u>\$ 2,272,176</u>	<u>\$ 2,599,373</u>	<u>\$ 1,564,068</u>	<u>\$ 1,527,180</u>	<u>\$ 1,931,347</u>					
County's contributions as a percentage of covered payroll	<u>0.25%</u>	<u>0.27%</u>	<u>0.16%</u>	<u>0.18%</u>	<u>0.00%</u>	<u>0.00%</u>					
PSPRS Pension - Attorney Investigators											
	Reporting Fiscal Year										
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ 17,654	\$ 8,827	\$ 10,527	\$ -	\$ -	Information not available	
County's contributions in relation to the actuarially determined contribution	-	-	-	-	17,654	8,827	10,527	-	-		
County's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
County's covered payroll	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
County's contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>		
PSPRS - Health Insurance Premium Benefit - Attorney Investigators											
	Reporting Fiscal Year						2016 through 2013				
	2022	2021	2020	2019	2018	2017					
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ 28	\$ 81	Information not available				
County's contributions in relation to the actuarially determined contribution	-	-	-	-	28	81					
County's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
County's covered payroll	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>					
County's contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>					

See accompanying notes to pension/OPEB plan schedules.

La Paz County
Required Supplementary Information
Schedule of County Pension/OPEB Contributions - Continued
June 30, 2022

CORP Detention - Pension	Reporting Fiscal Year					
	2022	2021	2020	2019	2018	2017
Statutorily determined contribution	\$ 139,598	\$ 119,310	\$ 152,766	\$ 135,052	\$ 114,742	\$ 102,641
County's contributions in relation to the statutorily determined contribution	139,598	119,310	152,766	135,052	114,742	102,641
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	<u>\$ 570,486</u>	<u>\$ 712,724</u>	<u>\$ 494,069</u>	<u>\$ 489,495</u>	<u>\$ 1,078,400</u>	<u>\$ 635,781</u>
County's contributions as a percentage of covered payroll	<u>24.47%</u>	<u>16.74%</u>	<u>30.92%</u>	<u>27.59%</u>	<u>10.64%</u>	<u>16.14%</u>

CORP Detention - Health Insurance Premium Benefit	Reporting Fiscal Year					
	2022	2021	2020	2019	2018	2017
Statutorily determined contribution	\$ -	\$ 4,490	\$ 593	\$ -	\$ 12,617	\$ -
County's contributions in relation to the statutorily determined contribution	-	4,490	593	-	12,617	-
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	<u>\$ 570,486</u>	<u>\$ 712,724</u>	<u>\$ 494,069</u>	<u>\$ 489,495</u>	<u>\$ 1,078,400</u>	<u>\$ 635,781</u>
County's contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.63%</u>	<u>0.12%</u>	<u>0.00%</u>	<u>1.17%</u>	<u>0.00%</u>

Reporting Fiscal Year 2017 was the Plan's first year.

See accompanying notes to pension/OPEB plan schedules.

La Paz County
Required Supplementary Information
Notes to Pension/OPEB Plan Schedules
June 30, 2022

Note 1 – Actuarially Determined Contribution Rates

Actuarially determined contribution rates for PSPRS and CORP are calculated as of June 30 two years prior to the end of the fiscal year in which contributions are made. The actuarial methods and assumptions used to establish the contribution requirements are as follows:

Actuarial cost method	Entry age normal
Amortization method	Level percent-of-pay, closed
Remaining amortization period as of the 2020 actuarial valuation	17 years
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	In the 2019 actuarial valuation, the investment rate of return was decreased from 7.4% to 7.3%. In the 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.5%. In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%.
Projected salary increases	In the 2017 actuarial valuation, projected salary increases were decreased from 4.0%-8.0% to 3.5%-7.5% for PSPRS and from 4.0%-7.25% to 3.5%-6.5% for CORP. In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%-8.5% to 4.0%-8.0% for PSPRS and from 4.5%-7.75% to 4.0% to 7.25% for CORP. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%-9.0% to 4.5%-8.5% for PSPRS and from 5.0%-8.25% to 4.5%-7.75% for CORP.
Wage growth	In the 2017 actuarial valuation, wage growth was decreased from 4% to 3.5% for PSPRS and CORP. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0% for PSPRS and CORP. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS and CORP.

La Paz County
Required Supplementary Information
Notes to Pension/OPEB Plan Schedules – Continued
June 30, 2022

Note 1 – Actuarially Determined Contribution Rates – Continued

Retirement age	Experience- based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 – June 30, 2011.
Mortality	In the 2019 actuarial valuation, changed to PubS-2010 tables. In the 2017 actuarial valuation, changed RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females)

Note 2 – Factors that affect trends

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law’s effective date. As a result, the PSPRS, CORP, CORP–AOC, and EORP changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. PSPRS and EORP also reduced those members’ employee contribution rates. These changes are reflected in the plans’ pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law’s effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law’s effective date. These changes also increased the PSPRS-, CORP-, and CORP–AOC-required pension contributions beginning in fiscal year 2016 for members who were retired as of the law’s effective date. These changes increased the PSPRS-, CORP-, and CORP–AOC-required contributions beginning in fiscal year 2019 for members who retired or will retire after the law’s effective date. EORP-required contributions are not based on actuarial valuations, and therefore, these changes did not affect them. Also, the County refunded excess employee contributions to PSPRS and EORP members. PSPRS and EORP allowed the County to reduce its actual employer contributions for the refund amounts. As a result, the County’s pension contributions were less than the actuarially or statutorily determined contributions for 2018 and 2019.

The fiscal year 2019 (measurement date 2018) pension liabilities for EORP and CORP reflect the replacement of the permanent benefit increase (PBI) for retirees based on investment returns with a cost of living adjustment based on inflation. Also, the EORP liability and required pension contributions for fiscal year 2019 reflect a statutory change that requires the employer contribution rate to be actuarially determined. This change increased the discount rate used to calculate liability thereby reducing the total pension liability.

FEDERAL REPORTS

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**Independent Auditors' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

The Arizona Auditor General
The Board of Supervisors
La Paz County, Arizona
Parker, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of La Paz County, Arizona, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise La Paz County, Arizona's basic financial statements, and have issued our report thereon dated April 5, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered La Paz County, Arizona's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of La Paz County, Arizona's internal control. Accordingly, we do not express an opinion on the effectiveness of La Paz County, Arizona's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items **2022-001, 2022-002, 2022-003, 2022-004, 2022-005, 2022-006, and 2022-007**, to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of

findings and questioned costs as items **2022-008**, **2022-009**, **2022-010**, **2022-011**, **2022-012**, **2022-013**, and **2022-014**, to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether La Paz County’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

La Paz County’s Response to Findings

La Paz County’s responses to the findings identified in our audit are presented in its corrective action plan at the end of this report. The County is responsible for preparing a corrective action plan to address each finding. La Paz County’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HintonBurdick, PLLC

Gilbert, Arizona

April 5, 2024



**Independent Auditors' Report on Compliance for
Each Major Federal Program; Report on Internal Control Over Compliance**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the La Paz County, Arizona's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have direct and material effect on each of the La Paz County, Arizona's major federal programs for the year ended June 30, 2022. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of La Paz County, Arizona and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve

collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

HintonBurdick, PLLC

HintonBurdick, PLLC

Gilbert, Arizona

April 5, 2024



LA PAZ COUNTY, ARIZONA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles
Internal control over financial reporting:

Unmodified

- Material weakness (es) identified? X yes no
- Significant deficiency (ies) identified? X yes none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal Control over major programs:

- Material weakness (es) identified? yes X no
- Significant deficiency (ies)? yes X none reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes X no

Identification of major programs.

Assistance Listing Number(s)

Name of Federal Program or Cluster

21.027

Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee? yes X no

LA PAZ COUNTY, ARIZONA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section II - Financial Statement Findings

INTERNAL CONTROL OVER FINANCIAL REPORTING

Material Weaknesses:

2022-001 Parks Fund Documentation and Reconciliation (Reissue of prior year finding 2021-001, reworded)

Criteria: Documentation should be maintained to support the activity of the fund.

Condition: During our cash receipting and revenue testwork, Parks was unable to locate the 2022 summary sheet. The June 2022 daily receipts were selected and reviewed. We noted several daily Z-tapes did not agree to the amount of funds recorded on the month end summary sheet received from the Treasurer. We also noted there was no reconciliation or approval of the deposit. The cash deposits were dropped at the Treasurer sporadically and revenues are recorded as the funds are received by the Treasurer's office instead of when earned. In addition, detailed information is not documented and could not be provided for items like number of camp sites rented, permits issued, stalls rented, etc.

Cause and Effect: There does not appear to be a system in place to capture and retain detailed information related to rentals and permits. There does not appear to be a reconciliation of differences between the receipting system report (Z-tape) and the amounts recorded on the summary sheet. Without proper documentation and reconciliation, proper oversight cannot occur. Delays in making deposits with the Treasurer's office are causing delays in revenues being recorded in the correct period. Misappropriation of assets could occur without being prevented or detected in a timely manner.

Auditor's Recommendation: The County should enact policies and procedures to sufficiently prepare and retain documentation to support the activities of the Parks fund and allow for proper oversight of those activities.

2022-002 Grant Management and Accounting (Reissue of prior year finding 2021-002, reworded)

Criteria: Policies and procedures should be established to ensure that general ledger activity for Federal and State grants and contracts is recorded in the proper County fund. In addition, grant agreements typically specify billing frequencies for submitting reimbursement requests. For those agreements that do not, best practice requires reimbursement requests are processed within a reasonable amount of time. In addition, grant revenues should be reported in the same period as the related reimbursed expenditures. Modified accrual accounting focuses on whether resources can be collected. If a government is in a position to obtain resources to which it has claim during its availability period, but fails to do so, those resources should be considered to be available for revenue recognition purposes, even if they were not actually collected during the availability period. This ensures timely receipt of amounts earned and ensures that all eligible expenditures are reimbursed, allowing for the adequate monitoring of grant activities. A thorough understanding and tracking process of all Federal and State

LA PAZ COUNTY, ARIZONA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section II - Financial Statement Findings, Continued

contracts ensures a complete and accurate Schedule of Expenditures of Federal Awards as well as proper reporting to the granting agency and compliance with grant requirements.

Condition: Timely analysis of grants and contracts, including an analysis of expenditures versus drawdowns, was not performed. Reimbursements were delayed due to untimely requests being filed.

Cause and Effect: The County does not have a centralized process specifically established for the ongoing accounting of federal and state awards. As a result, there is an increased risk that accounting errors may occur and an increase in difficulty identifying and summarizing all Federal awards for the preparation of the Schedule of Expenditures of Federal Awards.

Auditors' Recommendations: We recommend that the County establish policies and procedures to appropriately track its federal and state awards within the general ledger on an ongoing basis. In addition, we recommend that the County create policies and procedures to monitor grants to ensure timely filing of reimbursement requests.

2022-003 Timely Account Reconciliation and Financial Statement Preparation (Reissue of prior year finding 2021-003)

Criteria: To help ensure that financial reports, including audited financial statements and the SEFA, are accurate and prepared timely enough to meet filing requirements and provide useful information for decision making, general ledger accounts, including the County Treasurer Investment Pool, should be reconciled monthly and annual financial statements should be prepared within a reasonable amount of time after year-end.

Condition: During the fiscal year, the County Treasurer system was not reconciled to the County's general ledger on a timely basis, and inter-fund due to/due from activity and balances were not reconciled by the County until subsequent to fiscal year end.

Cause and Effect: Due to employee turnover within the finance department the County did not have the necessary resources to properly reconcile and adjust account balances on a timely basis. As a result, the County may not have had accurate and timely financial information for accurate and reliable decision making and increasing the risk of errors in the annual financial statements. The County may also have over expended resources for a particular grant or project without being aware of the unintended commitment and use of non-grant or non-project resources.

Auditors' Recommendations: The County should evaluate its resources necessary to complete monthly reconciliations, inter-fund and available fund balance or net position; and the year-end closing and financial reporting process and consider the need to devote additional resources to the financial reporting process.

LA PAZ COUNTY, ARIZONA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section II - Financial Statement Findings, Continued

2022-004 Golf Course Volunteers (Reissue of prior year finding 2021-004)

Criteria: The County should ensure that individuals providing services to the County are properly compensated and those amounts reported under the Internal Revenue Code whether compensated with a paycheck or with other forms of remuneration. The County should also ensure that adequate records are maintained for any benefits received and used by these individuals.

Condition: The County Golf Course relies heavily on what the County considers “volunteer” services. These individuals receive green fee vouchers that systematically accumulate based on each hour worked. As such, these green fees may be considered wages under the Internal Revenue Code. The County has not formally determined or recorded the potential payroll liability for the costs associated with these services provided. In addition, controls were not sufficient to ensure that all vouchers redeemed were subsequently reduced from the voucher tracking system. Finally, the County’s policies do not clearly state if the individuals that received green fee vouchers and have vouchers outstanding at year end have any recourse to the County if these are not redeemed through the normal process.

Cause and Effect: The Golf Course utilizes the services of these individuals and provides them “free” green fees as a benefit for their services in an attempt to reduce overall costs. However, adequate written policies regarding recourse to the County were not provided to these individuals and the County was not aware of the potential classification of employee issues outlined in the Internal Revenue Code. As a result, there may be unrecorded liabilities at the Golf Course, and/or the County may not be adhering to Fair Labor Standards Act requirements.

Auditor’s Recommendations: The County should strengthen its procedures for tracking volunteer service hours and green fee vouchers provided and used. In addition, the County should consult legal Counsel to determine its position regarding whether these individuals are considered employees under the Internal Revenue Code and whether there is any potential recourse that the employees could demand if the vouchers are not redeemed.

LA PAZ COUNTY, ARIZONA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section II - Financial Statement Findings, Continued

2022-005 Cash Monitoring and Reconciliations (Reissue of prior year finding 2021-006)

Criteria: Policies and procedures should be established to ensure that cash activity relating to County departments is appropriately understood as to the availability of these resources, and that these accounts are appropriately reconciled and recorded in the County's general ledger.

Condition: The cash on deposit at the courts and enterprises are not recorded by the County on an ongoing basis. Rather, these accounts and any unrecorded activity are adjusted subsequent to year-end during the preparation of the annual financial statements.

Cause and Effect: The County has not established appropriate policies and procedures to monitor and reconcile all cash accounts on an ongoing basis. This prevents the County's accounting system from giving complete and accurate information during the year.

Auditor's Recommendations: The County should perform regular analysis of all cash accounts at decentralized departments and at the County Treasurer to ensure that balances are properly recorded in the County funds and to ensure that these accounts are reconciled timely.

2022-006 Information Systems Risk Management

Criteria: Establishing a process for managing risk that follows a credible industry source, such as the National Institute of Standards and Technology, helps the County to effectively manage risk related to IT systems and data. Effectively managing risk includes an entity-wide risk assessment process that involves members of the County's administration and IT management. An effective risk assessment process helps the County determine the risks it faces as the County seeks to achieve its objectives to not only report accurate financial information and protect its IT systems and data but to also carry out its overall mission and compliance and service objectives. Additionally, an effective risk management process provides the County the basis for developing appropriate responses based on identified risk tolerances and specific potential risks to which it might be subjected. To help ensure the County's objectives can be met, an effective annual risk assessment considers and identifies IT risk in the County's operating environment, analyzes and prioritizes each identified risk, and develops a plan to respond to each risk within the context of the County's defined objectives and risk tolerances. Finally, effectively managing risk includes the County's process for identifying, classifying, and inventorying sensitive information that might need stronger access and security controls to address the risk of unauthorized access and use, modification, or loss of that sensitive information and the process of evaluating risk of losing the continuity of business operations in the event of a disaster or system interruption.

Condition: The County's process for managing and documenting its risks did not include an overall risk assessment process that included identifying, analyzing, and responding to the County-wide information technology (IT) risks, such as potential harm from unauthorized access, use, disclosure, disruption, modification, or destruction of IT systems and data. Also, it did not include identifying, classifying, and inventorying sensitive information that might need stronger access and security controls and evaluating and determining the business

LA PAZ COUNTY, ARIZONA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section II - Financial Statement Findings, Continued

functions and IT systems that would need to be restored quickly if the County were impacted by disasters or other system interruptions.

Cause and Effect: The County has reported to us it does not have written policies and procedures for these items. The change-overs in management, administrative and IT staff and the County's focus in other areas in recent years have kept the County from being able to allot the needed personnel and management resources to properly develop, implement, and document written policies and procedures. The County had begun the process of developing the required written policies and procedures at the time of the audit, but was not ready to complete and deploy them. The County's administration and IT management may put the County's operations and IT systems and data at unintended and unnecessary risk of potential harm.

Auditor's Recommendations: The County's administration and IT management should:

1. Continue its development of the needed written policies and procedures
2. Plan for where to allocate resources and where to implement critical controls
3. Perform an annual entity-wide IT risk assessment process that includes evaluating and documenting risks and safeguards. Such risks may include inappropriate access that would affect financial data, system changes that could adversely impact or disrupt system operations, and inadequate or outdated system security.
4. Evaluate and manage the risks of holding sensitive information by identifying, classifying, and inventorying the information the County holds to assess where stronger access and security controls may be needed to protect data in accordance with State statutes and federal regulations.
5. Evaluate and determine the critical organization functions and IT systems that would need to be restored quickly given the potential impact disasters or other IT system interruptions could have on the organization's operations, such as public safety and payroll and accounting, and determine how to prioritize and plan for recovery.

2022-007 Information Systems Oversight and Management

Criteria: Implementing effective internal controls that follow a credible industry source, such as the National Institute of Standards and Technology, help the County to protect its IT systems and ensure the integrity and accuracy of the data it maintains as it seeks to achieve its financial reporting, compliance, and operational objectives. Effective internal controls include the following:

- Restrict access through logical and physical access controls—Help to ensure systems and data are accessed by users who have a need, systems and data access granted is appropriate, key systems and data access is monitored and reviewed, and physical access to its system infrastructure is protected.
- Manage system configurations and changes through well-defined, documented configuration management process—Ensures the County's IT system configurations are documented and that changes to the systems are identified, documented, evaluated for security implications, tested, and approved prior to implementation.

LA PAZ COUNTY, ARIZONA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section II - Financial Statement Findings, Continued

- This helps limit the possibility of an adverse impact on the system's security or operation. Separating responsibilities is an important control for system changes; the same person who has authority to make system changes should not put the change into production. If those responsibilities cannot be separated, a post-implementation review should be performed to ensure the change was implemented as designed and approved.
- Secure systems and data through IT security internal control policies and procedures—Help prevent, detect, and respond to instances of unauthorized or inappropriate access or use, manipulation, damage, or loss to its IT systems and data.
- Ensure operations continue through a comprehensive, documented, and tested contingency plan—Provides the preparation necessary to place the plan in operation and helps to ensure business operations continue and systems and data can be recovered in the event of a disaster, system or equipment failure, or other interruption.

Condition: The County's control procedures were not sufficiently developed, documented, and implemented to respond to risks associated with its IT systems and data. The County lacked sufficient procedures over the following:

- Restricting access—Procedures did not consistently help prevent or detect unauthorized or inappropriate access to its IT systems and data.
- Managing system configurations and changes—Procedures did not ensure configuration settings were securely maintained and all IT system changes were adequately managed.
- Securing systems and data—IT security policies and procedures lacked controls to prevent unauthorized or inappropriate access or use, manipulation, damage, or loss.
- Ensuring operations continue—Contingency plan lacked key elements related to restoring operations in the event of a disaster or other system interruption. Plans should include steps necessary for identifying key systems, and necessary technology, steps, and timelines for restoring those systems.

Cause and Effect: The County has reported to us that changes in management, administrative and IT staff and the County's focus in other areas in recent years have kept the County from being able to allot the needed personnel and management resources to properly develop, implement, and document the policies and procedures for these items. The County had begun the process of developing the policies and procedures at the time of the audit, but was not ready to complete and deploy them. There is an increased risk that the County may not adequately protect its IT systems and data, which could result in unauthorized or inappropriate access and/or the loss of confidentiality or integrity of systems and data. It also increases the County's risk of not being able to effectively continue daily operations and completely and accurately recover vital IT systems and data in the event of a disaster or system interruption.

LA PAZ COUNTY, ARIZONA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section II - Financial Statement Findings, Continued

Auditor's Recommendations: The County should:

General

1. Fill vacant IT management-level positions in a timely manner.
2. Make it a priority to develop and document comprehensive IT policies and procedures and develop a process to ensure the procedures are being consistently followed.
3. Monitor County employees' adherence to the IT policies and procedures on a periodic basis to ensure they are consistently followed and inform employees of updates to the policies and procedures throughout the year.

Restrict access—To restrict access to its IT systems and data, develop, document, and implement official processes to:

4. Assign and periodically review employee user access ensuring appropriateness and compatibility with job responsibilities.
5. Remove terminated employees' access to IT systems and data.
6. Review all other account access to ensure it remains appropriate and necessary.
7. Evaluate the use and appropriateness of accounts shared by 2 or more users and manage the credentials for such accounts.
8. Enhance authentication requirements for IT systems.
9. Protect IT systems and data with session time-outs after defined period of inactivity.
10. Review data center physical access periodically to determine appropriateness.

Manage system configurations and changes—To configure IT systems securely and manage system changes, develop, document, and implement official processes to:

11. Establish and follow a documented change management process.
12. Review proposed changes for appropriateness, justification, and security impact.
13. Document changes, testing procedures and results, change approvals, and post-change review.
14. Develop and document a plan to roll back changes in the event of a negative impact to IT systems.
15. Test changes prior to implementation.
16. Separate responsibilities for the change management process or, if impractical, perform a post-implementation review to ensure the change was implemented as approved.
17. Maintain configurations for all system services, assets, and infrastructure; manage configuration changes; and monitor the system for unauthorized or unintended configuration changes.

Secure systems and data—To secure IT systems and data, develop, document, and implement official processes to:

18. Perform proactive key user and system activity logging and log monitoring, particularly for users with administrative access privileges.
19. Prepare and implement a security incident response plan clearly stating how to report and handle such incidents.

LA PAZ COUNTY, ARIZONA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section II - Financial Statement Findings, Continued

20. Adopt and enforce an official employee acceptable use agreement that addresses protecting confidential and sensitive information and consequences for sharing access or inappropriately accessing data.
21. Develop an information security plan to protect the integrity of the financial reporting systems and data.

Ensure operations continue—To ensure operations continue, develop, document, and implement official processes to:

22. Update the contingency plan, and ensure it includes all critical elements to restore critical operations, including being prepared to move critical operations to a separate alternative site if necessary.
23. Test the contingency plan.
24. Train staff responsible for implementing the contingency plan.
25. Back up and securely maintain and test backups of systems and data.

Significant Deficiencies:

2022-008 Credit Card Controls (Reissue and downgrade of prior year finding 2021-005)

Criteria: The Uniform Accounting Manual for Arizona Counties (UAMAC), section VI-C, published by the State of Arizona Auditor General’s office requires Counties to develop and adhere to written policies and procedures to safeguard assets.

Condition: A lack of complete policies and procedures related to credit cards have led to circumstances with the County credit cards which increases the risk of error or misuse occurring without being caught in the normal course of operations. Credit card transactions are not always going through the normal purchase order process prior to being incurred. Not all credit card expenditures are reviewed and approved as part of the normal approval process.

Cause and Effect: The County lacks processes to authorize credit card purchases prior to the liability being incurred. Not all departments have a review process for credit card purchases.

Auditor’s Recommendations: Procedures should be put in place for credit card purchases to follow normal authorization policies prior to the expense being incurred. All departments should follow a review process for credit card purchases.

LA PAZ COUNTY, ARIZONA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section II - Financial Statement Findings, Continued

2022-009 Segregation of Duties (Reissue of prior year finding 2021-007, reworded)

Criteria: To help ensure the accuracy of financial records and to help reduce the risk of misappropriation of assets, duties should be segregated to separate the responsibilities of custody of assets, authorizing the use of assets, recording the use of assets, and monitoring the use of assets between multiple people. The Uniform Accounting Manual for Arizona Counties (UAMAC), section VI-C, published by the State of Arizona Auditor General's office requires Counties to develop and adhere to written policies and procedures to safeguard assets.

Condition: Adequate segregation of accounting duties was not in place in the Treasurer's office, Parks Department and Sheriff's office as the personnel responsible for collecting various fees are often also responsible for reconciling, depositing, and recordkeeping of these receipts. Independent verification and reconciliations of amounts collected to amounts deposited were not performed.

Cause and Effect: A detailed risk assessment was not performed for all County departments. As a result, policies have not been implemented to help ensure that duties are segregated, to the extent possible, to minimize control situations where individuals have the opportunity to misappropriate assets.

Auditor's Recommendation: The County should perform a formal risk assessment considering the responsibilities of custody, authorization, recording, and monitoring the use of assets in each of its departments. In departments where more than one responsibility is held by one person, the County should implement additional procedures to mitigate the risk created by a lack of proper segregation of duties.

2022-010 Budgetary Control (Reissue of prior year finding 2021-008, reworded)

Criteria: Arizona Revised Statutes (A.R.S.) §42-17101 and §42-17107 require the County to prepare and adopt a balanced budget for each governmental fund on an annual basis. The Board of Supervisors must approve such operating budgets on or before the third Monday in July to allow sufficient time for the legal announcements and hearings required for the adoption of the property tax levy on the third Monday in August. A.R.S. §42-17106(A) prohibits the expenditure of funds or the creation of liabilities in excess of the adopted budget for the fiscal year. Expenditures may not legally exceed appropriations at the department level. In certain instances, transfers of appropriations between departments or from the contingency account to a department may be made upon the Board of Supervisors' approval.

LA PAZ COUNTY, ARIZONA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section II - Financial Statement Findings, Continued

Condition: The Jail District Fund has a significant deficit fund balance which the County has not considered or addressed through its balanced budget. There were also several instances where budgetary line items were over-expended in fiscal year 2022.

Cause and Effect: Although budgets are monitored on an ongoing basis, procedures have not been implemented to ensure that all departments comply with budget requirements. As such, the County over-expended funds contrary to Arizona Revised Statutes.

Auditor's Recommendations: Implement policies and procedures to ensure that budget requirements are enforced at all levels of the County's departments.

2022-011 Golf Course Pro Shop and Parks Inventory (Reissue of prior year finding 2021-009, reworded)

Criteria: Inventory held for sale should be identified and recorded in the accounting records for the golf course and parks enterprise funds. Additionally, physical inventory counts should be performed periodically and reconciled to the accounting records.

Condition: The golf course pro shop and parks department have goods held for sale at the end of the fiscal year, but not all inventory was recorded and a physical inventory was not performed at the parks department. The golf course pro shop did complete a physical inventory of pro shop items held for sale but did not include food and beverages including alcoholic beverages.

Cause and Effect: The Golf Course and Parks do not have adequate policies and procedures to ensure all inventory held for sale is recorded and safeguarded. As a result, inventory and expenses in the golf fund and in the parks fund could be misstated in the accounting records, due to error or fraud, and not be caught in the normal course of operations.

Auditor's Recommendations: The County should implement policies and procedures to ensure inventories in all departments are identified and recorded. Physical inventories should be performed periodically and reconciled to the accounting records.

2022-012 Capital Asset Inventory (Reissue of prior year finding 2021-010)

Criteria: To help safeguard the County's assets, to help ensure accurate accounting records, and to comply with federal guidelines related to grants, physical inventories of capital assets should be performed at least every two years and reconciled to the accounting records. According to the Uniform Accounting Manual for Arizona Counties (UAMAC), section VI-E, the standards required for recipients of federal monies, a physical inventory of furniture, equipment, and vehicles purchased with federal monies costing \$5,000 or more, and having useful lives over 1 year should be conducted and reconciled to the capital asset list at least once every two years.

LA PAZ COUNTY, ARIZONA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section II - Financial Statement Findings, Continued

Condition: Since the audit of fiscal year 2019, the County performed an inventory of capital assets, but did not reconcile the results of the inventory observation performed to the capital asset records and make the appropriate adjustments as a result of the observation.

Cause and Effect: Due to turnover in the department, the County did not reconcile the results of the inventory observation to the capital asset records, thereby not fully complying with the UAMAC or federal regulations.

Auditor's Recommendations: The County should perform a physical inventory observation at least every two years and reconcile the inventory observation to the capital asset records and investigate differences and adjust records, as necessary.

2022-013 Excessive Number of Funds (Reissue of prior year finding 2021-011)

Criteria: Governments should establish and maintain those funds required by law and sound financial administration. Only the minimum number of funds consistent with legal and operating requirements should be established and maintained because unnecessary funds result in inflexibility, undue complexity, and inefficient financial administration. Governments should discontinue reporting a special revenue fund, and instead report the fund's remaining resources in the general fund, if the government no longer expects that a substantial portion of the inflows will derive from restricted or committed revenue sources.

Condition: The County has established and maintains 268 open funds in its accounting system. Many of these funds are special revenue funds which are carrying consistent fund deficits or fund balances from year to year, without any current activity, and should be closed.

Cause and Effect: With a significant number of funds, there is an increased risk, related activity which should be recorded in the same fund may be recorded across multiple funds. There is also additional effort and cost in tracking, reconciling, researching and resolving any noted issues due to the volume of locations the activity may go. It was noted a number of times in the year under audit, revenues for grants or projects were recorded in one fund while expenses were recorded in a different fund, having to be reconciled and corrected at year-end. Inconsistent placement of revenue and expenses related to specific grants and projects in prior years appears to have contributed to the amounts that are carrying forward in the open funds without current year activity.

Auditor's Recommendations: The County should review and evaluate existing funds to determine if the fund is still needed. Any funds without current or known future activity should be closed. Fund deficits and fund balances should be investigated to determine what the carry forward amounts relate to and determine how to resolve the balances.

LA PAZ COUNTY, ARIZONA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section II - Financial Statement Findings, Continued

2022-014 Purchasing Policies (Reissue of prior year finding 2021-012)

Criteria: The Uniform Accounting Manual for Arizona Counties (UAMAC), section VI-C, published by the State of Arizona Auditor General's office requires Counties to develop and adhere to written policies and procedures to safeguard assets. UAMAC, section VI-F-Purchasing, states that requisitions should be prepared, reviewed for budgetary approval, and then a purchase order should be prepared, prior to purchases being made.

Condition: Purchase requisitions and purchase orders are often prepared and approved after the purchase has been made and the liability for the County has already been incurred.

Cause and Effect: Purchasing policies and controls are being bypassed and disbursements are being made without following County policy. This increases the risk that unapproved expenditures could be made and budgetary overruns occur.

Auditor's Recommendation: The County should enforce purchasing policies to ensure compliance with state law and the UAMAC. Training should be provided to departments to ensure the policies and procedures are understood and departments follow purchasing policies.

COMPLIANCE AND OTHER MATTERS:

Compliance:

None noted

Section III – Federal Award Findings and Questioned Costs

Material Weaknesses:

None noted

Significant Deficiencies:

None noted

LA PAZ COUNTY, ARIZONA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

<u>Federal Grantor / Pass Through Grantor/Program or Cluster Title</u>	<u>Federal ALN Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Pass-Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
<u>Department of Housing and Urban Development:</u>				
Passed through State of Arizona:				
Department of Housing				
Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii	14.228	104-19	\$ -	\$ 15,375
Total Department of Housing and Urban Development			-	15,375
<u>Department of Justice:</u>				
Passed through State of Arizona:				
Criminal Justice Commission				
Crime Victim Assistance	16.575	2017-VA-GX-0046	-	-
Edward Byrne Memorial Justice Assistance Grant Program (JAG)	16.738	DC-20-026, DC-21-026	-	65,062
Edward Byrne Memorial Justice Assistance Grant Program (JAG)	16.738	DC-21-008	-	87,703
Edward Byrne Memorial Justice Assistance Grant Program (JAG)	16.738	IR 2021-SWB-008	-	6,203
Subtotal program 16.738			-	158,968
Total Department of Justice			-	158,968
<u>Department of Transportation:</u>				
Passed through State of Arizona:				
Governor's Office of Highway Safety				
Highway Safety Cluster				
State and Community Highway Safety	20.600	2021-PTS-031, 2022-PT-034	-	14,856
State and Community Highway Safety	20.600	2021-405D-026	-	8,613
State and Community Highway Safety	20.600	2022-PTS-034	-	21,293
Subtotal program 20.600			-	44,762
National Priority Safety Programs	20.616	FY20 CIOT XXX	-	514
National Priority Safety Programs	20.616	2021-OP-009	-	12,396
Subtotal program 20.616			-	12,910
Total Highway Safety Cluster			-	57,672
Total Department of Transportation			-	57,672
<u>Department of Treasury</u>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		-	4,099,982
Total Department of Treasury			-	4,099,982
<u>Election Assistance Commission</u>				
Passed through State of Arizona:				
Department of Administration				
2018 HAVA Election Security Grant	90.404	AZ18101001	-	29,009
Total Election Assistance Commission			-	29,009

(continued)

LA PAZ COUNTY, ARIZONA
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2022

Federal Grantor / Pass Through Grantor/Program or Cluster Title	Federal ALN Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Total Federal Expenditures
<u>Department of Health and Human Services:</u>				
Passed through State of Arizona				
Department of Health and Human Services				
Hospital Preparedness Program and Public Health Emergency				
Preparedness Aligned Cooperative Agreements	93.069	ADHS 17-133193 CTR055213	-	188,017
Injury Prevention and Control Research and State and Community Based Programs	93.136	CTR48905	-	443
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Disease (ELC)	93.323	IGA2021-059, CTR059134	-	493,823
Public Health Emergency Response:				
Agreement for Emergency Response:				
Public Health Crisis Response	93.354	ADHS 17-133193-A5	-	73,423
COVID-19 - Workforce Development Grant	93.354	CTR04047	-	119,242
Subtotal program 93.354				192,665
COVID-19 - Health Disparities	93.391	CTR055998	-	245,013
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance	93.539	ADHS 18-177682	-	161,800
COVID-19 PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance	93.539	ADHS 18-177682	-	95,667
Subtotal program 93.539				257,467
Maternal and Child Health Services Block Grant to the States	93.994	ADHS 16-098348	-	98,318
Passed through Western Arizona Council of Governments				
Aging Cluster:				
Special Programs for the Aging, Title III, Part B				
Grants for Supportive Services and Senior Centers	93.044	E86-0445604-401-01-20	-	22,238
Total Aging Cluster			-	22,238
Social Services Block Grant	93.667	E86-0445604-401-01-20	-	99,554
Total Department of Health and Human Services			-	1,597,538
<u>Executive Office of the President</u>				
Passed through the City of Tucson:				
High Intensity Drug Trafficking Areas Program	95.001	HT-18-2812	-	39,626
Total Executive Office of the President			-	39,626
<u>Department of Homeland Security:</u>				
Passed through State of Arizona:				
Department of Emergency and Military Affairs				
Emergency Management Performance Grants	97.042	EMF-2020-EP-00009	-	31,005
Department of Homeland Security				
Homeland Security Grant Program	97.067	190508-03	-	19,313
Homeland Security Grant Program	97.067	200439-01	-	92,057
Homeland Security Grant Program	97.067	210504-02	-	40,607
Homeland Security Grant Program	97.067	210504-01	-	19,200
Subtotal program 97.067			-	171,177
Total Department of Homeland Security			-	202,182
Total Expenditures of Federal Awards			\$ -	\$ 6,200,352

LA PAZ COUNTY, ARIZONA
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Reporting Entity:

The accompanying schedule of expenditures of federal awards presents the activity or expenditure of all federal awards programs of the La Paz County, Arizona for the year ended June 30, 2022. The County's reporting entity is defined in Note 1 of the basic financial statements. All expenditure of federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule.

Basis of Accounting:

This accompanying schedule of expenditures of federal awards has been prepared on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Indirect Cost Rate:

The County did not elect to use the 10% de minimis indirect cost rate for fiscal year 2022. There were no indirect cost allocations made to any of the federal grants as listed in the accompanying schedule of expenditures of federal awards.

Federal Loans Outstanding:

There are no outstanding balances for federal loan or loan guarantee programs with continuing compliance requirements at June 30, 2022.



La Paz County Board of Supervisors

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Duce Minor - District 2 Diane Green - Clerk of the Board
Holly Irwin - District 3

FY2022

Audit Findings and Corrective Action Plan

Section	Finding	Corrective Action	Responsible Party	Target Date
Financial Statements	2022-001 Parks Fund Documentation and Reconciliation. Documentation should be maintained to support the activity of the fund. (Reissue of prior year finding 2021-001)	The County has retained a consultant to develop and enact policies and procedures to sufficiently prepare and retain documentation to support the activities of the Parks fund and allow for proper oversight of those activities. Policies such as credit card handling have been implemented while others are still in progress.	Board of Supervisors, La Paz County Administrator, La Paz County, La Paz County Parks Director	By 6/30/2023
	2022-002 Grant Management, Accounting and Preparation of Schedule of Expenditures Federal Awards (Reissue of prior year finding 2021-002)	The County implemented a grants management policy and the grant module to the Visions software. Grants approved by the Board of Supervisors are entered in accounting system including the grant/contract number, <u>Federal Assistance Listing</u> , budget and period of performance. The data in the system will be used to accurately prepare the SEFA. The County has implemented these procedures in FY 2023 but has not had the time or resources to go back into prior years.	Board of Supervisors, La Paz County Administrator, La Paz County Finance Department	By 6/30/2023
	2022-003 Timely Account Reconciliation and Financial Statement Preparation (Reissue of prior year finding 2021-003)	The County has an accounting firm on contract to prepare financial statements and account reconciliation. The County will ensure both will be prepared and completed in a timely manner.	Board of Supervisors, La Paz County Administrator, La Paz County Finance Department	By 6/30/2023
	2022-004 Golf Course Volunteers (Reissue of prior year finding 2021-004)	The County has consulted with a Tax Attorney and has determined that the volunteers fall under the IRS revenue code. The County has strengthened its procedures for tracking volunteers on a quarterly basis and will continue seeking the advice from our Insurance labor law attorney regarding the potential classification of employee issues raised.	Board of Supervisors, La Paz County Administrator, La Paz County Golf Course Director	By 6/30/2023
	2022-005 Cash Monitoring and Reconciliations (Reissue of prior year finding 2021-006)	The County has hired a consulting firm to handle cash monitoring and as well as timely reconciliation of the county's General Ledger to the Treasurer's system and year end closing activities.	Board of Supervisors, La Paz County Administrator, La Paz County Finance Department, La Paz County Treasurer	By 6/30/2023
	2022-006 Information Systems Risk Management (New)	The County has hired a long term company to manage all IT related aspects including providing a comprehensive risk assessment analysis and proposed solutions including policy development and enforcement. In addition the consultant will be supporting the IT department until staff is hired and properly trained.	Board of Supervisors, La Paz County Administrator	By 6/30/2025

2022-007 Information Systems Oversight and Management (New)	The County has hired a long term company to manage all IT related aspects including providing a comprehensive risk assessment analysis and proposed solutions including policy development and enforcement. In addition the consultant will be supporting the IT department until staff is hired and properly trained.	Board of Supervisors, La Paz County Administrator	By 6/30/2025
2022-008 Credit Card Controls (Reissue and downgrade of prior year finding 2021-005)	The County has created and implemented a new credit card policy and the Finance Department reviews all charges during the AP process. The policy includes a review of active card holders to ensure cards are canceled upon employee termination. A Secondary review of Policies and internal audit will be performed in FY 2024. The County closed all duplicate cards and cards for terminated employees.	Board of Supervisors, La Paz County Administrator, La Paz County Finance Department	Partially resolved. Remaining by 6/30/2024
2022-009 Segregation of Duties (Reissue of prior year finding 2021-007, reworded)	The County has assessed the work flow of finance and other departments and has implemented the procedures to address appropriate segregation of duties. Policies and procedures are being developed.	Board of Supervisors, La Paz County Administrator, La Paz County Finance Department	By 6/30/2023
2022-010 Budgetary Control (Reissue of prior year finding 2021-008, reworded)	The County has produced a balanced budget. Policies and procedures are in place to ensure budget requirements are enforced. The County has not yet addressed the deficit spending in the jail fund in the budget.	Board of Supervisors, La Paz County Administrator, La Paz County Finance Department	Partially resolved. Remaining by 6/30/2023
2022-011 Golf Course Pro Shop and Parks Inventory (Reissue of prior year finding 2020-010, reworded)	The Golf Course Pro Shop completes internal physical inventory every two years and has policies and procedures in place. The County will implement policies and procedures to ensure that inventories are identified and recorded. Physical inventories will be performed at least every two years and reconciled to the accounting records.	Board of Supervisors, La Paz County Administrator, La Paz County Finance Department, La Paz County Golf Course Director	By 12/30/2024
2022-012 Capital Asset Inventory Capital Asset Inventory (Reissue of prior year finding 2021-010)	A full physical asset inventory was conducted in July 2020 by a third party vendor. Policies are being developed to address updating and reconciling the asset inventory list for the county.	Board of Supervisors, La Paz County Administrator, La Paz County Finance Department	By 12/30/2025
2022-013 Excessive Number of Funds (Reissue of prior year finding 2021-011)	The County is in progress of reviewing and consolidating funds as appropriate and clearing fund deficit balances. The County will limit adding any new funds in accordance with UAMAC. The County is working to close out old funds but has not had the time or resources to complete this as of the date of these financial statements.	Board of Supervisors, La Paz County Administrator, La Paz County Finance Department	By 6/30/2025
2022-014 Purchasing Policies (Reissue of prior year finding 2021-012)	The County has trained the departments on the County purchasing policies and now ensures compliance with state law and UAMAC. The County continues to improve our purchasing policies and procedures.	Board of Supervisors, La Paz County Administrator, La Paz County Finance Department	By 6/30/2024

COMPLIANCE :

None noted

/s/ Megan Spielman 4/24/2024
Megan Spielman, County Administrator Date



La Paz County Board of Supervisors

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FY2021

Summary Schedule of Prior Audit Findings and Corrective Action Plan Status

Section	Finding	Finding Description	Status	Corrective Action
Financial Statements	2021-001 and 2020-001	Parks Fund documentation should be maintained to support the activity of the fund. (Material Weakness, Repeat Finding)	Not corrected	In process, Please see 2022-001
	2021-002, 2020-002, 2019-009 and 2018-009	Grant Accounting and Preparation of Schedule of Expenditures of Federal Awards (Material Weakness: Repeat Finding)	Not corrected	In process, Please see 2022-002
	2021-003, 2020-004, 2019-006, 2018-006, 2017-007 and 2016-013	Timely Account Reconciliation and Financial Statement Preparation (Material Weakness: Repeat Finding)	Not corrected	In process, Please see 2022-003
	2021-004, 2020-005, 2019-004, 2018-004 and 2017-005	Golf Course Volunteers (Material Weakness: Repeat Finding)	Not corrected	In process, Please see 2022-004
	2021-005 and 2020-006	Credit Card Controls (Downgraded to significant deficiency: Repeat Finding)	Partially corrected	In process, Please see 2022-008
	2021-006, 2020-007, 2019-010 and 2018-010	Cash Monitoring and Reconciliations (Material Weakness: Repeat Finding)	Not corrected	In process, Please see 2022-005
	2021-007, 2020-008, 2019-001, 2018-001, 2017-001 and 2016-001	Lack of Adequate Segregation of Accounting Duties (Significant Deficiency: Repeat Finding)	Not corrected	In process, Please see 2022-009
	2021-008, 2020-009, 2019-002, 2018-002, 2017-002 and 2016-004	Budgetary Control (Compliance with Laws and Regulations/ Significant Deficiency: Repeat Finding)	Partially corrected	In process, Please see 2022-010
	2021-009, 2020-010, 2019-005, 2018-005, 2017-006 and 2016-010	Golf Course Pro Shop Inventory (Significant Deficiency: Repeat Finding)	Not corrected	In process, Please see 2022-011
	2021-010, 2020-011, 2019-003, 2018-003, 2017-003 and 2016-005	Capital Asset Inventory (Significant Deficiency: Repeat Finding)	Partially corrected	In process, Please see 2022-012
	2021-011 and 2020-012	Excessive number of funds (Significant Deficiency: Repeat Finding).	Not corrected	In process, Please see 2022-013
	2021-012 and 2020-013	Purchasing Policies and Purchase Orders (Significant Deficiency: Repeat Finding)	Not corrected	In process, Please see 2022-014

COMPLIANCE :

2021-013 , 2020-014, 2019-011 and 2018-011	Cash Deficits Financed by Restricted Proceeds (Compliance with Laws and Regulations: Repeat Finding)	Corrected	Resolved
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Federal Award Findings and Questioned Costs

2021-101, 2020-102, 2019-103 and 2018-103	Grant Accounting and Preparation of Schedule of Expenditures of Federal Awards (Material Weakness: Repeat Finding)	Partially corrected.	SEFA issue has been resolved. Please see 2022-002 regarding remaining issues.
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/s/ Megan Spielman Megan Spielman, County Administrator	4/24/2024 Date
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