

**MINUTES
OF THE
LA PAZ COUNTY BOARD OF SUPERVISORS
Wednesday, March 31, 2021, 9:00 a.m.
Special Meeting**

Chairman Minor called the March 31, 2021, Special Meeting of the La Paz County Board of Supervisors to order at 9:00 a.m. Elected Officials and Department Heads present were: Chairman Duce Minor, Vice-Chairman Holly Irwin (telephonically), Supervisor David Plunkett, Chief Deputy County Attorney Ryan Dooley, County Administrator Megan Spielman, Finance Director Terry Krukemyer, Assessor Ana Camacho, Treasurer Leah Castro, Sheriff William Ponce, and Clerk of the Board Diane Green.

Discussion and possible action regarding fund balances and the audit - Finance

County Administrator Spielman, stated that the issue being discussed were the fund balances, noting that the issue was of exceptional "magnitude".

Jay Parke of Walker and Armstrong, LLP, who often assisted the County in preparation of the annual audits, explained the process of the audit, and what was currently being done.

He explained the cash balance highs and lows during different times of the year, noting that the majority of the County's cash balance was from Highway User Revenue Funds (HURF). He explained the various "buckets of money", noting that there has not been any increase in "unrestricted" cash, and it has not be able to support the General Fund.

County Administrator Spielman explained that a journal entry is proposed to "borrow" from restricted funds for the balance sheet; and to also find out what the General Fund looked like when the restricted funds were put back.

Mr. Parke explained that this process is done every year. He described deficits as an "operational" issue and the "accounting issue" would require that the deficit be adjusted to zero for those purposes, financed by positive cash balances, and should be done when the cash balances are higher. The issue thereafter would be to take care of the negative cash balances, which would include any Jail District deficits. He added that, although borrowing from other funds is not uncommon, the problems arise when those funds continued to be in deficit from year to year, becoming a liability.

Discussion ensued at length, noting that although the Jail District budget indicated cash of \$1.518 million, it did not actually have it as that amount was the Maintenance of Effort due the Jail that has been unpaid for the last three years because the General Fund did not have the cash balance to do so; and to the "bleeding" to the General Fund due to the expected but lack

of prisoners, and the probability of an ongoing deficit.

Discussion ensued regarding special funds, grants/reimbursable grants, and speculation whether there were funds that still needed to be reimbursed to the General Fund, and the need to have "real numbers" to be able to reconcile the previous six months of last year.

Accounts Operation Manager MacFarland stated the meeting was for the purpose of making the Board understand what the journal entry was needed for and to approve the request for the audit.

Discussion ensued at length as to the correct amount of the journal entry, noting the entry should be for \$1,965,738.18.

Karen Ziegler, consultant for the Finance Department stated that there were procedures that could be put in place that would not allow spending money if it was not available, and she was looking forward to establishing such procedures.

CHAIRMAN MINOR MOVED to approve a journal entry of \$1,965,738.18 (in preparation of the audit). Motion seconded by Supervisor Plunkett, passed unanimously. (Vice-Chairman Irwin left the meeting for a prior engagement).

Adjournment

Chairman Minor adjourned the meeting at 10:50 a.m.

APPROVED:

Duce Minor, Chairman

ATTEST:

Diane Green, Clerk of the Board