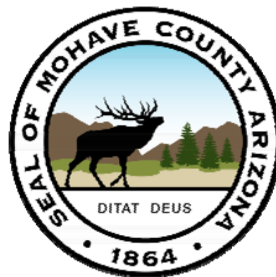


# Mohave County

## Annual expenditure limitation report

Year Ended June 30, 2019



Mohave County  
Annual expenditure limitation report  
Year ended June 30, 2019

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Independent Accountants' Report

The Auditor General of the State of Arizona

The Board of Supervisors of  
Mohave County, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of Mohave County, Arizona (the County) for the year ended June 30, 2019, and the related notes to the report. The County's management is responsible for presenting this report in accordance with the uniform expenditure reporting system as described in Note 1. Our responsibility is to express an opinion on this report based on our examination.

We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether this report is presented in accordance with the uniform expenditure reporting system in all material respects. An examination involves performing procedures to obtain evidence about the amounts and disclosures in the report. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material misstatement of the report, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the annual expenditure limitation report referred to above is presented in accordance with the uniform expenditure reporting system as described in Note 1 in all material respects.

*Fester & Chapman, PLLC*

June 29, 2020

Mohave County  
Annual expenditure limitation report—part I  
Year ended June 30, 2019

1. Economic Estimates Commission expenditure limitation		\$ 194,378,690
2. Amount subject to the expenditure limitation (total amount from part II, line C	\$ 90,525,583	
8. Total adjusted amount subject to the expenditure limitation		\$ 90,525,583
9. Amount under (in excess of) the expenditure limitation		\$ 103,853,107

*If excess expenditures are reported, provide an explanation.*

*Delete all line item descriptions not used.*

I hereby certify, to the best of my knowledge and belief, that the information contained in this report is accurate and in accordance with the requirements of the uniform expenditure reporting system.

Signature of chief fiscal officer:

Name and title: Coral A. Loyd - Financial Services Director

Telephone number: (928) 753 -0735 ext 4110

Date: 6/29/20

See accompanying notes to report.

Mohave County  
Annual expenditure limitation report—part II  
Year ended June 30, 2019

Description	<u>Governmental funds</u>	<u>Enterprise funds</u>	<u>Internal service funds</u>	<u>Fiduciary funds</u>	<u>Total</u>
A. Amounts reported on the reconciliation, line D	\$ 127,775,642	\$ 6,038,524	\$ 21,012,014	\$ 311,657,189	\$ 466,483,369
B. Less exclusions claimed:					
1. Debt service requirements (Note 2)	153,354		303,138		456,492
2. Dividends, interest, and gains on the sale or redemption of investment securities (Note 3)	5,049,881	494,695	494,464		6,039,040
3. Trustee or custodian (Note 4)	2,355,554			311,657,189	314,012,743
4. Grants and aid from the federal government (Note 6)	12,597,681	100,000			12,697,681
5. Amounts received from the State of Arizona (Note 6)	7,595,770	439,442			8,035,212
6. Quasi-external interfund transactions (Note 5)			17,494,411		17,494,411
7. Highway user revenues in excess of those received in fiscal year 1979-80 (Note 6)	13,203,079				13,203,079
8. Contracts with other political subdivisions (Note 7)	1,892,055		149,105		2,041,160
9. Refunds, reimbursements, and other recoveries (Note 8)	1,001,637		976,331		1,977,968
10. Total exclusions claimed	<u>43,849,011</u>	<u>1,034,137</u>	<u>19,417,449</u>	<u>311,657,189</u>	<u>375,957,786</u>
C. Amounts subject to the expenditure limitation	<u>\$ 83,926,631</u>	<u>\$ 5,004,387</u>	<u>\$ 1,594,565</u>	<u>\$ -</u>	<u>\$ 90,525,583</u>

See accompanying notes to report.

Mohave County  
Annual expenditure limitation report—reconciliation  
Year ended June 30, 2019

Description	Governmental funds	Enterprise funds	Internal service funds	Fiduciary funds	Total
<b>A.</b> Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements	\$ 137,493,150	\$ 6,147,081	\$ 21,410,083	\$ 311,657,189	\$ 476,707,503
<b>B.</b> Subtractions:					
<b>1.</b> Items not requiring use of current financial resources:					
<b>a.</b> Depreciation		916,103	1,059,599		1,975,702
<b>b.</b> Pension and other postemployment benefits (OPEB) expense (Note 10)		360,910	(34,789)		326,121
<b>c.</b> Claims incurred but not reported (IBNR)			2,104,379		2,104,379
<b>d.</b> Landfill closure and postclosure care costs and pollution remediation (Note 11)		175,814			175,814
<b>2.</b> Expenditures of separate legal entities established under Arizona Revised Statutes (A.R.S.) (Note 12)	683,952				683,952
<b>3.</b> Long-term care contributions the State Treasurer withheld (Note 13)	8,479,400				8,479,400
<b>4.</b> Present value of net minimum capital lease and installment purchase contract payments recorded as expenditures at the agreements' inception	554,156				554,156
<b>5.</b> Total subtractions	<u>9,717,508</u>	<u>1,452,827</u>	<u>3,129,189</u>	<u>-</u>	<u>14,299,524</u>
<b>C.</b> Additions:					
<b>1.</b> Principal payments on long-term debt (Note 14)			292,686		292,686
<b>2.</b> Capital asset acquisitions		1,171,881	232,555		1,404,436
<b>3.</b> Amounts paid in the current year but reported as expenses in previous years:					
<b>a.</b> Claims previously recognized as IBNR (Note 9)			1,946,862		1,946,862
<b>4.</b> Pension and OPEB contributions paid in the current year (Note 10)		172,389	259,017		431,406
<b>5.</b> Total additions	<u>-</u>	<u>1,344,270</u>	<u>2,731,120</u>	<u>-</u>	<u>4,075,390</u>
<b>D.</b> Amounts reported on part II, line A	<u>\$ 127,775,642</u>	<u>\$ 6,038,524</u>	<u>\$ 21,012,014</u>	<u>\$ 311,657,189</u>	<u>\$ 466,483,369</u>

See accompanying notes to report.

**Mohave County**  
Notes to annual expenditure limitation report  
Year ended June 30, 2019

**Note 1 - Summary of significant accounting policies**

The annual expenditure limitation report (AELR) is presented as prescribed by the uniform expenditure reporting system (UERS), as required by Arizona Revised Statutes (A.R.S.) §41-1279.07. The AELR excludes expenditures, expenses, or deductions of certain revenues specified in the Arizona Constitution, Article IX, §20, from the total expenditures, expenses, or deductions reported in the fund financial statements.

In accordance with the UERS, a note to the AELR is presented below for any exclusion claimed on part II and each subtraction or addition in the reconciliation that cannot be traced directly to an amount reported in the fund financial statements. All references to financial statement amounts in the following notes refer to the statement of revenues, expenditures, and changes in fund balances for the governmental funds; statement of revenues, expenses, and changes in fund net position for the proprietary funds; statement of cash flows for the proprietary funds; and the statement of changes in fiduciary net position for the fiduciary funds.

**Note 2** - The exclusion claimed for debt service requirements in the governmental funds and internal service funds consists of principal retirement and interest expenditures on capital leases.

**Note 3** - The exclusion claimed for dividends, interest, and gains on the sale or redemption of investment securities of \$5,049,881 in the governmental funds, is comprised of the following: in the general fund includes investment earnings expended of \$731,024 and interest on delinquent taxes expended of \$2,751,635, which was recorded as tax revenue. From the other governmental funds (both major and other), it consists of interest on investments of \$1,591,476 reduced by interest on investments of \$24,206 for the special assessment districts that were not included in the base limit and \$48 carried forward.

**Note 4** - The exclusion claimed for trustee or custodian in the governmental funds consists of \$1,503,601 in county contributions to the Arizona Health Care Cost Containment System for acute care, uncompensated care, and administrative costs; and \$851,953 in expenditures made from anti-racketeering revenues reported as fines and forfeits in the governmental funds, for a total exclusion of \$2,355,554. In the fiduciary funds, the exclusion consists of \$311,657,189 in distributions to investment pool participants.

**Mohave County**  
**Notes to annual expenditure limitation report**  
**Year ended June 30, 2019**

**Note 5** - The exclusion claimed for quasi-external interfund transactions in the internal service funds is the amount of expenses recorded in the internal service funds for revenues received for services provided to governmental funds. The carryforward of \$1,345,424 represents the excess revenue over expenditures in the internal service funds.

**Note 6** - The following schedule presents revenues from which exclusions have been claimed for federal grants and aid, amounts received from the State of Arizona, and highway user revenues in the governmental funds:

Description	Revenues	Amount excluded	Amount carried forward
Grants and aid from the federal government	\$ 12,626,263	\$ 12,597,681	\$ 28,582
Amounts received from the State of Arizona	7,662,868	7,595,770	67,098
Highway user revenues in excess of those received in fiscal year 1979-80	13,203,079	13,203,079	
Highway user revenues -(nonexcludable)	1,103,869		
Other revenues—(nonexcludable)	37,184,070		
<b>Total intergovernmental revenues as reported in the fund financial statements</b>	<b>\$ 71,780,149</b>	<b>\$ 33,396,530</b>	<b>\$ 95,680</b>

The exclusion claimed for amounts received from the State of Arizona in the Enterprise funds consists of \$439,442 in grant revenues in the landfill fund.

The exclusion claimed for grants and aid from the federal government of \$100,000 in the enterprise funds consists of federal in lieu revenues.

**Note 7** - The exclusion claimed for contracts with other political subdivisions of \$2,041,160 includes \$1,948,936 of charges for services expended (\$1,799,831 in the governmental funds and \$149,105 in the internal service funds) and \$92,224 of miscellaneous revenues expended in the governmental funds.



**Mohave County**  
Notes to annual expenditure limitation report  
Year ended June 30, 2019

**Note 8** - The exclusion claimed for refunds, reimbursements, and other recoveries of \$1,977,968 includes \$1,330,511 of charges for services broken down as follow: the governmental funds had \$282,024 of private health insurance reimbursements, \$39,595 prosecution reimbursements and miscellaneous insurance reimbursements of \$32,561. The internal service funds had \$976,331 in health insurance reimbursements. The remaining \$647,457 of refunds expended for in the governmental funds included an overpayment of \$208,811 from a road project in prior years, ADJC relief of \$352,600 and \$86,046 of rebates in the general fund.

**Note 9** - The addition of \$1,946,862 for claims paid in the current year, but reported as expenses incurred but not reported in previous years, consists of cash payments in the current year for claims recognized as an expense in previous years in the internal service funds.

**Note 10** - The subtraction of \$ 326,121 for pension and other postemployment benefit (OPEB) expense consists of the change in the net pension and OPEB liability recognized in the current year in the enterprise and internal service funds. The addition of \$ 431,406 for pension and OPEB contributions paid in the current year consists of the required pension and OPEB contributions made to the Arizona State Retirement System from the enterprise and internal service funds.

**Note 11** - The subtraction of \$175,814 for landfill closure and postclosure care costs consists of that portion of the total estimated liability reported as expenses in the current year but not yet paid in the enterprise funds.

**Note 12** - The subtraction of \$683,952 for separate legal entities established under Arizona Revised Statutes consists of expenditures of the television district included within the County's reporting entity, but not included in the Economic Estimates Commission base limit calculations, and are reported in the governmental funds category in the fund financial statements.

**Note 13** - The subtraction for long-term care contributions the State Treasurer withheld consists of transaction privilege taxes the State Treasurer withheld to meet the County's share of long-term care costs that was reported as a revenue and an offsetting expenditure in the County's governmental funds. Consequently, this expenditure has been subtracted on the reconciliation.

Mohave County  
Notes to annual expenditure limitation report  
Year ended June 30, 2019

Note 14 - The addition of \$292,686 for principal payments on long-term debt in the internal service funds consists of capital lease payments on leased computers.