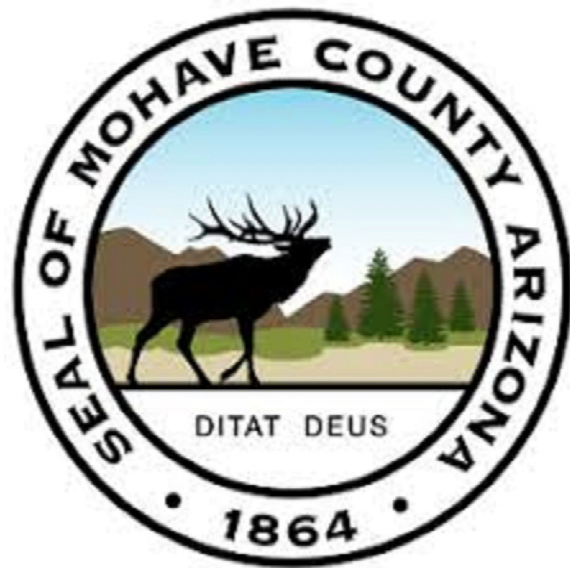


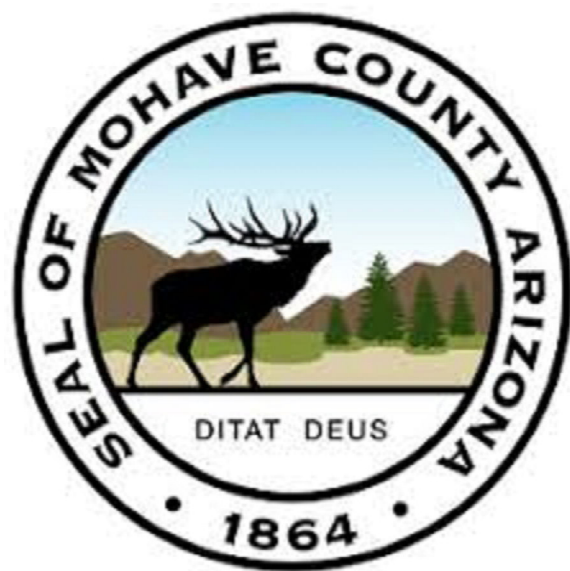
MOHAVE COUNTY
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2022



MOHAVE COUNTY
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2022

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INDEPENDENT AUDITORS' REPORT

The Arizona Auditor General

The Board of Supervisors of
Mohave County, Arizona

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and aggregate remaining fund information of Mohave County (the County) 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, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and aggregate remaining fund information of the County 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 U.S. generally accepted accounting principles.

We did not audit the financial statements of the Mohave County Self-Insured Trust Fund and Employee Benefits Trust Fund, which account for the following percentages of the opinion units affected, as of June 30, 2022:

<u>Opinion Unit/Department</u>	<u>Assets and deferred outflows</u>	<u>Liabilities and deferred inflows</u>	<u>Revenues</u>	<u>Expenses/ expenditures</u>
<u>Government-wide statements</u>				
Governmental activities:				
Self-insured trust	0.48 %	0.43 %	1.04 %	0.87 %
Employee benefits trust	1.96 %	1.12 %	8.05 %	9.44 %
 <u>Fund Statements</u>				
Aggregate remaining fund information:				
Self-insured trust	1.69 %	2.41 %	1.06 %	0.93 %
Employee benefits trust	6.96 %	6.20 %	8.23 %	10.10 %

Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as they relate to the amounts included for the self-insured trust fund and employee benefits trust fund, are based solely on the other auditors' report.

Basis for Opinions

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the U.S. Comptroller General. Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are required to be independent of the County 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, for the year ended June 30, 2022, the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, *Leases*, as amended. Our opinions are not modified with respect to this matter.

Other Matters

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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles, 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 the County's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 a 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 generally accepted auditing standards and *Government Auditing Standards* 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 generally accepted auditing standards and *Government Auditing Standards*, 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 the County's internal control. Accordingly, we express no such opinion.
- 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 the County'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 audit's planned scope and timing, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

U.S. generally accepted accounting principles require that the Management’s Discussion and Analysis on pages 7 through 24, Budgetary Comparison Schedules on pages 86 through 90, Schedule of the County’s Proportionate Share of the Net Pension/OPEB Liability – Cost-Sharing Plans on pages 92 through 94, Schedule of Changes in the County’s Net Pension/OPEB Liability (Asset) and Related Ratios – Agent Plans on pages 95 through 98, and Schedule of the County’s Pension Contributions on pages 99 through 100 be presented to supplement the basic financial statements. Such information is management’s responsibility and, 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 U.S. generally accepted auditing standards, 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.

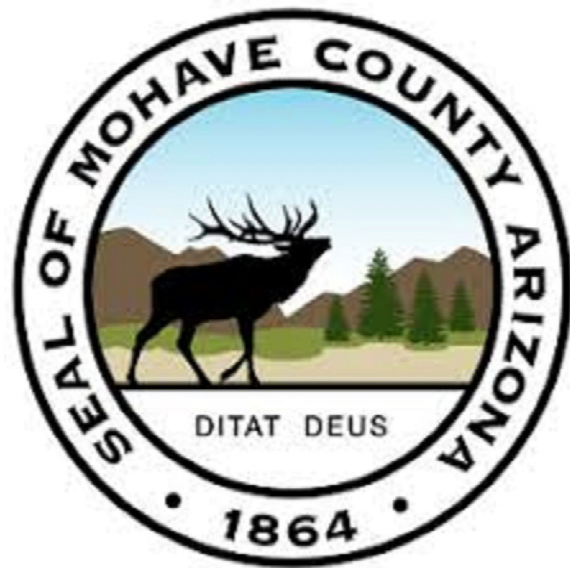
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2023 on our consideration of the County’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 solely 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 the County’s internal control over financial reporting and compliance.

Fester & Chapman, PLLC

March 30, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(REQUIRED SUPPLEMENTARY INFORMATION)



MOHAVE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

Our discussion and analysis of the County's financial performance provides an overview of the County's financial activities for the year ended June 30, 2022. Please read the following discussion in conjunction with the County's basic financial statements.

FINANCIAL HIGHLIGHTS

- The County's total net position, reported in the Statement of Activities, increased by \$19.8 million. The increase is comprised of a \$19.9 increase in governmental activities net position and a decrease of \$140.2 thousand in business-type activities net position.
- Total governmental liabilities decreased by \$6.3 million from the prior year due to total pension liability decreasing by \$23.9 million from the prior year, primarily due to actuarial valuation changes, offset by an increase of \$18.7 million in American Rescue Plan Act of 2021 (ARPA) funds that were received but remained unspent at the end of the fiscal year.
- Total governmental assets increased by \$40.0 million primarily attributable to the County Capital Improvement Fund increase of cash of \$19.9 million and American Rescue Plan Act Fund increase of cash of \$18.8 million.
- The County Capital Improvement Fund balance increased \$19.7 million, primarily due to \$12.5 million transferred from the General Fund. The remaining increase was primarily due to \$5 million of revenue received related to the County Reentry Services Program and reductions in expenditures due to the completion of large capital projects such as the Law & Justice Center in the prior year.
- The General Fund balance decreased \$2.3 million. Revenues decreased \$3.0 million to a total of \$106.4 million in revenues. Revenues were offset by \$90.6 million in expenditures, a \$2.4 million increase, and a net transfer out of \$18.2 million.
- The total pension liability decreased by \$23.9 million from the prior year, primarily due to actuarial valuation changes. The liability includes five different pension plan discussed in detail in the notes to the financial statements.

OVERVIEW OF FINANCIAL STATEMENTS

The intent of this discussion and analysis is to serve as an introduction to Mohave County's basic financial statements. Mohave County's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements.

The government-wide financial statements are designed to provide readers with a broad overview of Mohave County's finances, in a manner similar to private-sector business.

The statement of net position presents information on all of Mohave County's assets, liabilities, deferred outflows, and deferred inflows, 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 Mohave County is improving or deteriorating.

The statement of activities presents information showing how the government's 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 only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

MOHAVE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

Both of these government-wide financial statements distinguish functions of Mohave County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Mohave County include general government, public safety, highways and streets, health, welfare, sanitation, education, culture and recreation, and interest on long-term debt. The business-type activities of Mohave County include water utilities, recreation, and landfill operations.

The government-wide financial statements include not only Mohave County itself (known as the primary government), but blended component units. The blended component units are legally separate entities for which Mohave County is financially accountable.

Blended component units include the following: four tax-levying districts, special assessment districts, and a finance corporation. The County's Board of Supervisors serves as the board of directors for all of the component units except for the finance corporation, which has a separate board of directors made up of County management. The list of blended component units follows:

- Mohave County Television District provides and maintains communication equipment for TV signals.
- Mohave County Library District provides and maintains library services for County residents.
- Mohave County Flood Control District provides and maintains flood control systems for the County.
- Mohave County Special Assessment Districts provide funds to construct or improve roads, bridges, and water distribution systems.
- Mohave Jail Finance Corporation which provided financing and oversight of the construction and equipping of a jail facility for use by and ultimate ownership by Mohave County, is now inactive.
- Mohave County Holiday Shores Lighting District provides street lighting for the Holiday Shores area of Bullhead City.

Financial information for the blended component units is combined with the financial information presented for the primary government itself.

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. Mohave County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Mohave County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental 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 fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

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.

MOHAVE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

Mohave County maintains numerous individual 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 Fund, Road Fund, Flood Control Fund, County Capital Improvement Fund, and American Rescue Plan Act Fund, all of which are major governmental funds. Data from the other non-major governmental funds are combined into a single, aggregated presentation, under the heading Other Governmental Funds.

Mohave County adopts an annual appropriated budget for all its funds. A budgetary comparison schedule has been provided for the General Fund and the major special revenue funds to demonstrate compliance with their budgets.

Proprietary funds—Mohave County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Mohave County uses enterprise funds to account for its water utilities, park services, and landfill operations.

Internal service funds are an accounting device used to accumulate and allocate costs internally among Mohave County's various functions. Mohave County uses internal service funds to account for its fleet of vehicles, employee benefit health insurance trust, self-insurance trust, janitorial services, communication services, and management information systems. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for the water utilities, park services and the landfill operations, which are major funds of Mohave County. Conversely, all of the internal service funds are combined into a single, aggregated presentation in the proprietary funds' financial statements.

Fiduciary funds—Fiduciary funds 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 Mohave County's own programs.

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

Other information—In addition to the basic financial statements and accompanying notes, the required supplementary information, includes budgetary comparison schedules and Mohave County's progress in funding its obligation to provide pension and other postemployment benefits to eligible employees.

MOHAVE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, the County's assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$351.6 million, \$19.8 million higher than the prior year.

The largest portion of Mohave County's net position, 79 percent, reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment) less accumulated depreciation. Mohave County uses these capital assets to provide services to citizens; thus, these assets are not available for future spending.

The remaining 21 percent of the net position is divided into restricted and unrestricted net position. Restricted net position represents resources subject to external restrictions on how they may be used. At the end of the fiscal year, unrestricted net position changed from negative to positive in governmental activities primarily due to the County's net pension and other postemployment benefits liability. The largest change in the net position occurred in the governmental activities. The business-type activities accounted for a small percent of the changes in the Government-wide net position. The changes are discussed separately under the following sections: Governmental activities-net position highlights, Business-type activities-net position highlights, and Capital Assets and Debt Administration.

The explanations for the differences between the fund-based statements and the government-wide statements can be seen in the reconciliations on pages 34 and 36 of the financial statements.

Current and other assets experienced an increase of \$41.3 million from of an increase in cash and investments primarily attributable to the County Capital Improvement Fund increase of cash of \$19.9 million and ARPA Fund increase of cash of \$18.8 million. The \$16.5 million increase in other liabilities is primarily due to ARPA funds remaining unspent at year-end. The government-wide restricted net position increased from the prior year by \$8.6 million. This increase in restricted net position was primarily driven in increases in General Government of \$5.8 million. The increases in General Government were due to increased transfers from the General Fund and timing differences related to grant funds received, but not spent by year end. The increase of \$2.7 million for Highways and Streets is primarily due to decreases in road repair materials and supplies, and reductions in capital equipment purchased. The increase of \$3.5 million for Debt Service is due to a transfer from the General Fund to be used for payment of pension related liabilities.

The government-wide unrestricted net position reflects an increase of \$15.2 million in the net position. This increase has two sources; current year pension adjustments and increased unrestricted revenues.

MOHAVE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

**Government-wide
Net Position
As of June 30,**

	2022	2021	Increase (Decrease)	% Change
Current and Other Assets	\$ 243,896,062	\$ 202,628,858	\$ 41,267,204	20.37 %
Capital Assets	280,638,581	284,260,617	(3,622,036)	(1.27)%
Net pension and other postemployment benefits asset	<u>4,272,240</u>	<u>1,911,246</u>	<u>2,360,994</u>	<u>123.53 %</u>
Total Assets	<u>528,806,883</u>	<u>488,800,721</u>	<u>40,006,162</u>	<u>8.18 %</u>
Deferred outflows related to pensions and other postemployment benefits	<u>25,870,173</u>	<u>28,745,969</u>	<u>(2,875,796)</u>	<u>(10.00)%</u>
Long-term liabilities outstanding	126,565,722	149,368,778	(22,803,056)	(15.27)%
Other liabilities	<u>50,964,592</u>	<u>34,426,757</u>	<u>16,537,835</u>	<u>48.04 %</u>
Total liabilities	<u>177,530,314</u>	<u>183,795,535</u>	<u>(6,265,221)</u>	<u>(3.41)%</u>
Deferred inflows related to pensions and other postemployment benefits	<u>25,528,052</u>	<u>1,920,737</u>	<u>23,607,315</u>	<u>1,229.08 %</u>
Net Position				
Net investment in capital assets	279,500,602	283,526,705	(4,026,103)	(1.42)%
Restricted	69,503,833	60,900,696	8,603,137	14.13 %
Unrestricted	<u>2,614,255</u>	<u>(12,596,983)</u>	<u>15,211,238</u>	<u>(120.75)%</u>
Total Net Position	<u>\$ 351,618,690</u>	<u>\$ 331,830,418</u>	<u>\$ 19,788,272</u>	<u>5.96 %</u>

**Governmental Activities
Net Position
As of June 30,**

	2022	2021	Increase (Decrease)	% Change
Current and Other Assets	\$ 221,806,494	\$ 180,904,888	\$ 40,901,606	22.61 %
Capital Assets	261,224,497	264,729,047	(3,504,550)	(1.32)%
Net pension and other postemployment benefits asset	<u>4,190,307</u>	<u>1,900,115</u>	<u>2,290,192</u>	<u>120.53 %</u>
Total Assets	<u>487,221,298</u>	<u>447,534,050</u>	<u>39,687,248</u>	<u>8.87 %</u>
Deferred outflows related to pensions and other postemployment benefits	<u>25,194,272</u>	<u>28,159,012</u>	<u>(2,964,740)</u>	<u>(10.53)%</u>
Long-term liabilities outstanding	114,027,475	136,548,537	(22,521,062)	(16.49)%
Other liabilities	<u>49,971,264</u>	<u>33,544,164</u>	<u>16,427,100</u>	<u>48.97 %</u>
Total liabilities	<u>163,998,739</u>	<u>170,092,701</u>	<u>(6,093,962)</u>	<u>(3.58)%</u>
Deferred inflows related to pensions and other postemployment benefits	<u>24,765,462</u>	<u>1,877,506</u>	<u>22,887,956</u>	<u>1,219.06 %</u>
Net Position				
Net investment in capital assets	260,086,518	263,995,135	(3,908,617)	(1.48)%
Restricted	61,134,584	52,402,916	8,731,668	16.66 %
Unrestricted	<u>2,430,267</u>	<u>(12,675,196)</u>	<u>15,105,463</u>	<u>(119.17)%</u>
Total Net Position	<u>\$ 323,651,369</u>	<u>\$ 303,722,855</u>	<u>\$ 19,928,514</u>	<u>6.56 %</u>

MOHAVE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

Governmental activities—net position highlights: Cash balances increased by \$40.0 million. County Capital Improvement Fund had an increase of cash of \$19.9 million. American Rescue Plan Act Fund had an increase of cash of \$18.8 million. As a result of an actuarial valuation of the total pension liability performed as of June 30, 2022 and measurement date of June 30, 2021, deferred outflows related to pensions decreased by \$3.0 million and deferred inflows of resources increased by \$22.9 million, and pension asset increased by \$2.3 million. The pension liability decreased by \$23.4 million, accounting for the largest portion of the decrease in long-term liabilities. Leases accounted for the remaining increase in long-term liabilities outstanding. No large new debt was incurred and with payments on the remaining long-term liabilities, the total decrease was \$22.5 million or (16.5) percent from the prior year. Other liabilities had a net increase of \$16.4 million due to the \$18.7 million increase in unearned revenue for the ARPA cash received, offset by decreases in accounts payable and due to other governments. Decreases in accounts payable and due to other governments reflect timing differences in payments from one year to the next. The reason for the increase in net position is the same as government-wide.

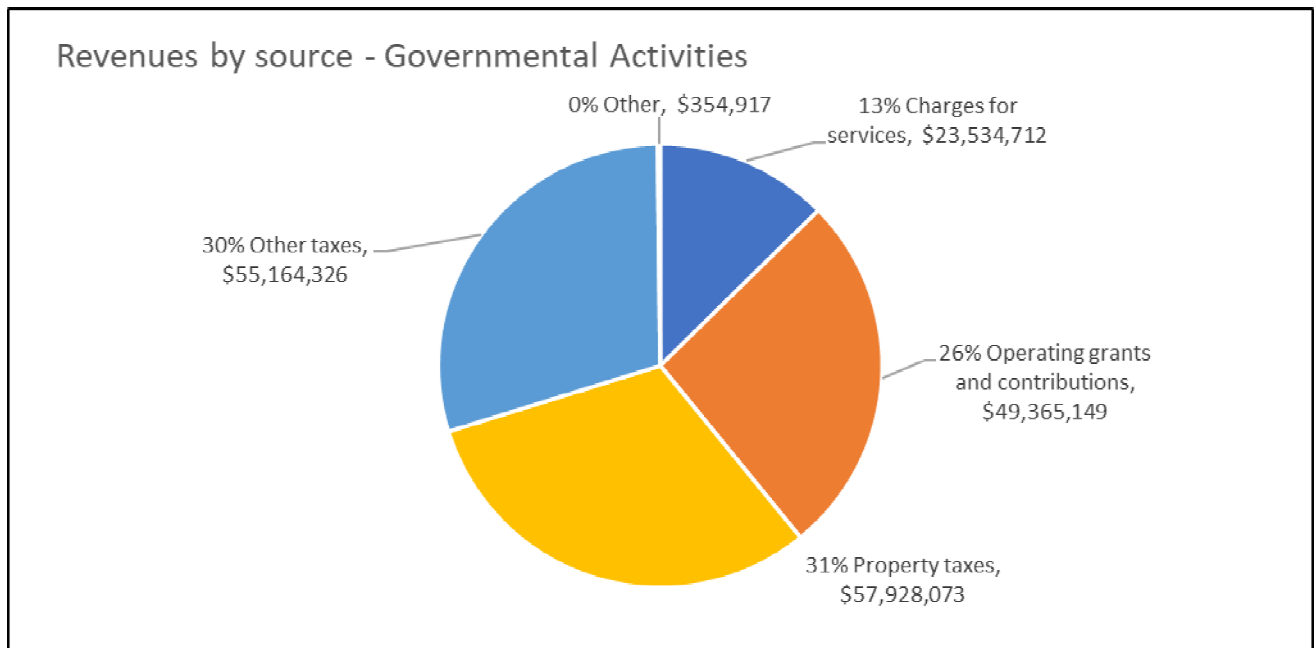
**Governmental Activities
Comparative Statement of Activities
Year Ended June 30,**

	2022	2021	Increase (Decrease)	% Change
Revenues:				
Program revenues				
Charges for services	\$ 23,534,712	\$ 25,564,837	\$ (2,030,125)	(7.94)%
Operating grants and contributions	<u>49,365,149</u>	<u>43,121,137</u>	<u>6,244,012</u>	<u>14.48 %</u>
Total program revenues	<u>72,899,861</u>	<u>68,685,974</u>	<u>4,213,887</u>	<u>6.14 %</u>
General revenues				
Property taxes	57,928,073	56,826,466	1,101,607	1.94 %
Other taxes	55,164,326	51,912,105	3,252,221	6.26 %
Other revenues	<u>354,917</u>	<u>2,486,872</u>	<u>(2,131,955)</u>	<u>(85.73)%</u>
Total general revenues	<u>113,447,316</u>	<u>111,225,443</u>	<u>2,221,873</u>	<u>2.00 %</u>
Total revenues	<u>186,347,177</u>	<u>179,911,417</u>	<u>6,435,760</u>	<u>3.58 %</u>
Expenses:				
General government	60,668,750	54,911,793	5,756,957	10.48 %
Public safety	53,769,546	53,969,092	(199,546)	(0.37)%
Highways and streets	20,249,300	17,581,680	2,667,620	15.17 %
Health	15,241,789	16,801,319	(1,559,530)	(9.28)%
Welfare	9,984,247	8,598,614	1,385,633	16.11 %
Sanitation	197,143	84,823	112,320	132.42 %
Culture and recreation	4,515,099	4,310,020	205,079	4.76 %
Education	2,897,592	2,797,860	99,732	3.56 %
Interest on long-term debt	<u>17,384</u>	<u>21,834</u>	<u>(4,450)</u>	<u>(20.38)%</u>
Total expenses	<u>167,540,850</u>	<u>159,077,035</u>	<u>8,463,815</u>	<u>5.32 %</u>
Inc. (Dec.) in net position before transfers	18,806,327	20,834,382	(2,028,055)	9.73 %
Transfers	<u>915,215</u>	<u>1,078,861</u>	<u>(163,646)</u>	<u>(15.17)%</u>
Inc. (Dec.) in net position after transfers	19,721,542	21,913,243	(2,191,701)	(10.00)%
Net position beginning of year, as restated	<u>303,929,827</u>	<u>281,809,612</u>	<u>22,120,215</u>	<u>7.85 %</u>
Net position end of year	<u>\$ 323,651,369</u>	<u>\$ 303,722,855</u>	<u>\$ 19,928,514</u>	<u>6.56 %</u>

MOHAVE COUNTY
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2022

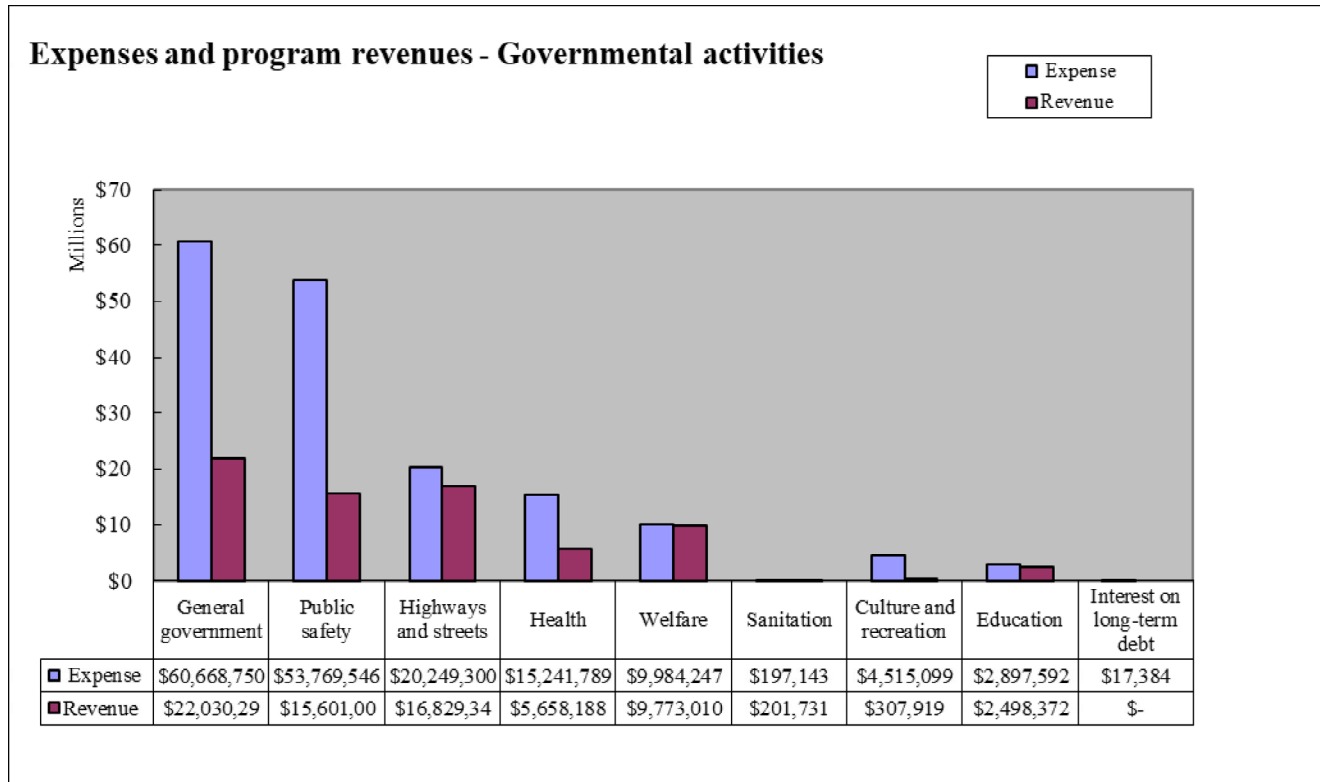
Governmental activities—comparative statement of activities highlights: The current year governmental activities financial statements reflect an increase in total general revenue and program revenue. The largest increase in program revenue was in operating grants and contributions, mostly attributable to increased awards related to the County Reentry Planning Services Program. The largest increase in general revenue was due to increased share of state sales taxes. Other revenue decreased by 86 percent primarily due to a \$1.9 million decrease in investment earnings. Expenses increased 5 percent while general government expenses increased 10 percent. The increase to expenses in the general government category was primarily due to increased expenditures related to the American Rescue Plan Act and insurance claims related to the Health Insurance Retention Fund. The increase in the highways and streets category was primarily due to fewer capital assets being capitalized in the current year than the prior year, and higher depreciation in the current year. The decrease in the health category of \$1.6 million is primarily due to a favorable adjustment to long term care costs from the State of Arizona. The increase in the welfare category corresponds with the increase in emergency rental assistance grants of \$650 thousand, housing rehabilitation of \$157 thousand, and HUD housing vouchers of \$611 thousand. The increase in sanitation reflects additional efforts in nuisance abatement. Mohave County does not have any capital project related long-term debt and the interest noted is attributable to leases. The decrease in transfers in the current year primarily reflects transfers to the General Fund from the Landfill Fund. Other increases are discussed later in a detailed discussion of the General Fund.

The chart below represents all revenues collected from governmental activities, including general revenues, as reported in the Statement of Activities.



MOHAVE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

The following graph represents the expenses and program revenues for governmental activities as reported in the Statement of Activities. Program revenue does not include the general revenues listed on the bottom portion of the Statement of Activities. Total revenues generated by governmental activities (program revenues and general revenues) were \$186 million. General revenues of \$113 million are not included in this graph, though they represent 61 percent of total revenues reported for governmental activities. While this graph indicates expenses exceeded program revenues, the addition of general revenues resulted in an increase to net position of \$20 million for the fiscal year as indicated on the Statement of Activities.



MOHAVE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

Business-type Activities
Net Position
As of June 30,

	2022	2021	Increase (Decrease)	% Change
Current and Other Assets	\$ 22,089,568	\$ 21,723,970	\$ 365,598	1.68 %
Capital Assets	19,414,084	19,531,570	(117,486)	(0.60)%
Net pension and other postemployment benefits asset	<u>81,933</u>	<u>11,131</u>	<u>70,802</u>	<u>636.08 %</u>
Total assets	<u>41,585,585</u>	<u>41,266,671</u>	<u>318,914</u>	<u>0.77 %</u>
Deferred outflows related to pensions and other postemployment benefits	<u>675,901</u>	<u>586,957</u>	<u>88,944</u>	<u>15.15 %</u>
Long-term liabilities outstanding	12,538,247	12,820,241	(281,994)	(2.20)%
Other liabilities	<u>993,328</u>	<u>882,593</u>	<u>110,735</u>	<u>12.55 %</u>
Total liabilities	<u>13,531,575</u>	<u>13,702,834</u>	<u>(171,259)</u>	<u>(1.25)%</u>
Deferred inflows related to pensions and other postemployment benefits	<u>762,590</u>	<u>43,231</u>	<u>719,359</u>	<u>1,663.99 %</u>
Net Position				
Net investment in capital assets	19,414,084	19,531,570	(117,486)	(0.60)%
Restricted	8,369,249	8,497,780	(128,531)	(1.51)%
Unrestricted	<u>183,988</u>	<u>78,213</u>	<u>105,775</u>	<u>135.24 %</u>
Total net position	<u>\$ 27,967,321</u>	<u>\$ 28,107,563</u>	<u>\$ (140,242)</u>	<u>(0.50)%</u>

Business-type activities—net position highlights: As a result of an actuarial valuation of the total pension liability performed as of June 30, 2022 and measurement date of June 30, 2021, deferred outflows related to pensions increased by \$89 thousand, deferred inflows of resources increased by \$719 thousand, and pension asset increased by \$71 thousand. Deferred outflows related to pensions and deferred inflows related to pensions should be netted together for net of \$(630) thousand. This is a \$87 thousand deferred outflow decrease, or 116 percent net decrease from the prior year in net deferred inflows and outflows and represents County contributions to the pension plan for employees in the business-type funds. Other liabilities increased \$111 thousand as a result of an increase in accounts payable claims of \$63 thousand, an increase of \$20 thousand in accrued payroll and employee benefits, and an increase of \$22 thousand in deposits held for others. The increase in unrestricted net position was primarily due to a decrease in net investment in capital assets in the landfill, water utilities, and other enterprise funds.

MOHAVE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

Business-type Activities
Comparative Statement of Activities
Year Ended June 30,

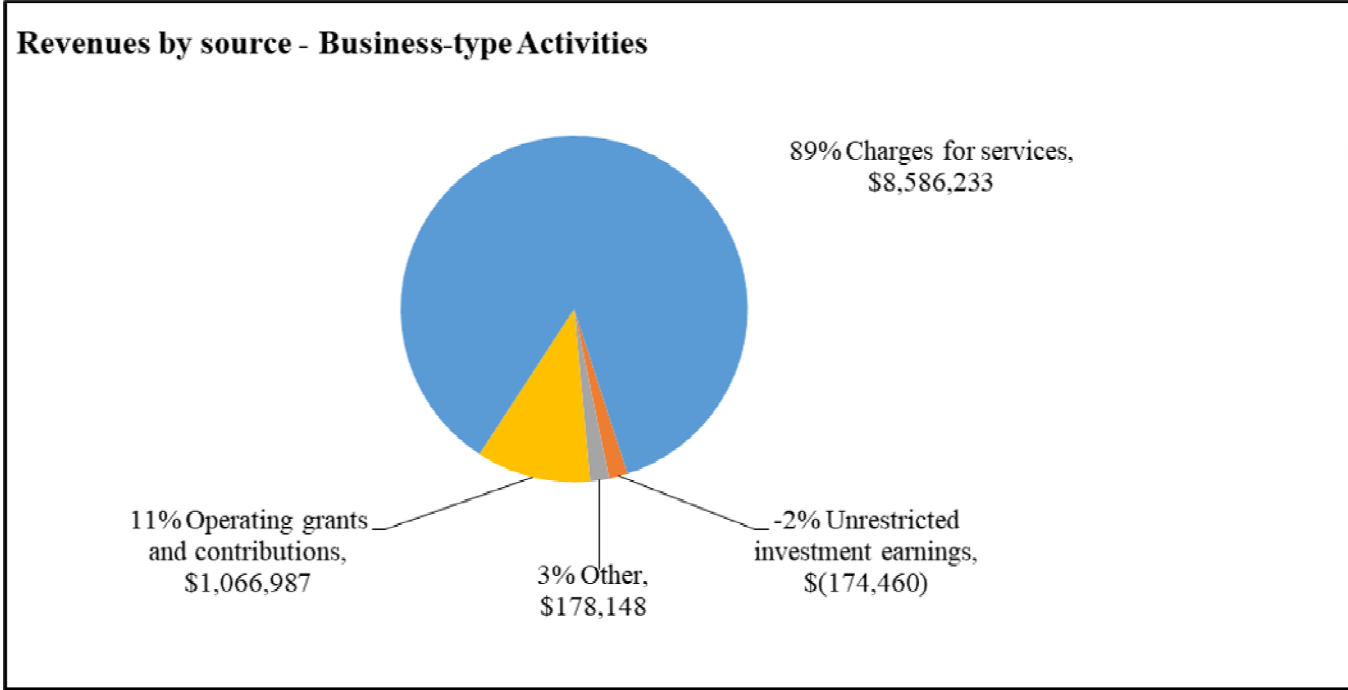
	2022	2021	Increase (Decrease)	% Change
Revenues:				
Program revenues				
Charges for services	\$ 8,586,233	\$ 7,932,026	\$ 654,207	8.25 %
Operating grants and contributions	<u>1,066,987</u>	<u>529,685</u>	<u>537,302</u>	<u>101.44 %</u>
Total program revenues	<u>9,653,220</u>	<u>8,461,711</u>	<u>1,191,509</u>	<u>14.08 %</u>
General revenues				
Other revenues	178,148	302,182	(124,034)	(41.05)%
Unrestricted investment earnings	<u>(174,460)</u>	<u>31,380</u>	<u>(205,840)</u>	<u>(655.96)%</u>
Total general revenues	<u>3,688</u>	<u>333,562</u>	<u>(329,874)</u>	<u>(98.89)%</u>
Total revenues	<u>9,656,908</u>	<u>8,795,273</u>	<u>861,635</u>	<u>9.80 %</u>
Expenses:				
Landfill	2,145,317	1,932,772	212,545	11.00 %
Recreation	3,257,768	2,934,907	322,861	11.00 %
Water companies	<u>3,478,850</u>	<u>3,168,633</u>	<u>310,217</u>	<u>9.79 %</u>
Total expenses	<u>8,881,935</u>	<u>8,036,312</u>	<u>845,623</u>	<u>10.52 %</u>
Increase in net position before transfers	774,973	758,961	16,012	2.11 %
Transfers	<u>(915,215)</u>	<u>(1,078,861)</u>	<u>163,646</u>	<u>15.17 %</u>
Decrease in net position after transfers	<u>(140,242)</u>	<u>(319,900)</u>	<u>179,658</u>	<u>56.16 %</u>
Net position beginning of year	<u>28,107,563</u>	<u>28,427,463</u>	<u>(319,900)</u>	<u>(1.13)%</u>
Net position end of year	<u>\$ 27,967,321</u>	<u>\$ 28,107,563</u>	<u>\$ (140,242)</u>	<u>(0.50)%</u>

Business-type activities—comparative statement of activities highlights: Analysis of revenue and expense changes—The Business-type activities comparative statement of activities schedule, above, shows a 10 percent increase in total revenues for the year and nearly an 11 percent increase in total expenses.

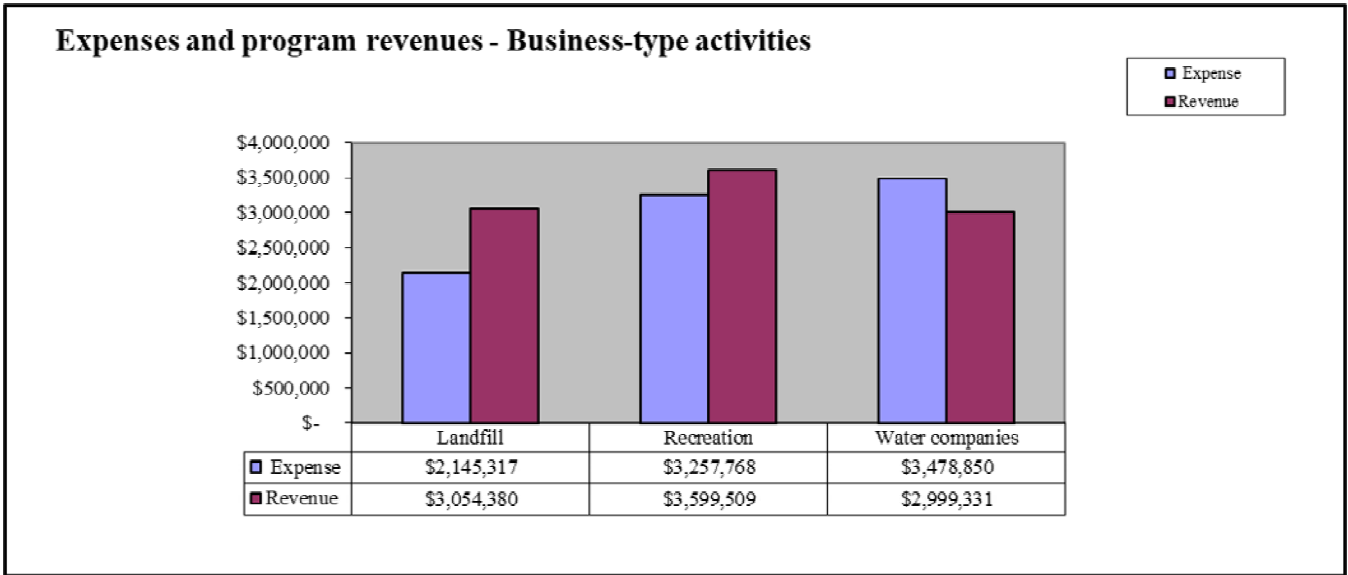
- Charges for services increased in the landfill and water companies resulted in 8 percent increase overall.
- Operating grants and contributions increased \$537 thousand, mainly due to capital contributions to the Parks Fund related to Davis Camp improvements and increases in grants received by the Landfill Fund.
- Total general revenues experienced a net decrease of \$330 thousand resulting from a \$206 thousand decrease in investment earnings, due to a decline in funds invested. General revenues further decreased due to \$124 thousand decrease in miscellaneous revenue.
- The net increase in Landfill expenses is primarily due to a \$188 thousand in professional services.
- The net increase in Recreation expenses is primarily due to the new inclusion of the Fairgrounds Fund, with expenses of \$185 thousand. The remaining increase in Recreation expenses is due to increases in personnel services, supplies, and professional services.
- The net increase to water companies was primarily due to increases in repairs and maintenance of \$207 thousand, with the remaining increase in water companies expenses due to increases in depreciation.
- Net transfers increased by \$164 thousand primarily due to a transfer from the General Fund to the Fairgrounds Fund.

MOHAVE COUNTY
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2022

The chart below represents all revenues collected from business-type activities, including general revenues, as reported in the Statement of Activities.



The graph below represents the expenses and program revenues for business-type activities as reported in the Statement of Activities. Please note that program revenue does not include the general revenues on the bottom portion of the statement.



MOHAVE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

Financial Analysis of the Government's Funds

As noted earlier, Mohave County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and generally accepted accounting principles (GAAP).

Governmental funds—The focus of Mohave County’s governmental funds is to provide information on near- term inflows, outflows, and balances of spendable sources. Such information is useful in assessing Mohave County’s financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

Mohave County’s governmental funds reported a combined increase in ending fund balances from the prior year. Fund balances for the Road Fund, Flood Control Fund, County Capital Improvement Fund, and the Other Governmental Funds are nonspendable, restricted, or committed and can only be used for specific purposes.

**Comparative Balance Sheet
Government Funds
As of June 30,**

	General Fund	Road Fund	Flood Control Fund	County Capital Improvement Fund	American Rescue Plan Act Fund	Other Governmental Funds	Total Governmental Funds
2021							
Assets	\$ 61,563,016	\$ 19,108,733	\$ 8,563,717	\$ 12,845,528	\$ 20,690,323	\$ 33,797,870	\$ 156,569,187
Liabilities	3,857,425	2,049,976	114,090	134,031	20,606,836	6,228,472	32,990,830
Deferred inflows	<u>1,818,820</u>	<u>75,554</u>	<u>465,406</u>	<u>-</u>	<u>-</u>	<u>1,166,288</u>	<u>3,526,068</u>
Fund balance	<u>55,886,771</u>	<u>16,983,203</u>	<u>7,984,221</u>	<u>12,711,497</u>	<u>83,487</u>	<u>26,403,110</u>	<u>120,052,289</u>
2022							
Assets	59,499,996	20,467,649	10,231,203	32,415,895	39,426,571	39,486,765	201,528,079
Liabilities	4,374,898	831,518	172,869	8,658	39,426,571	5,424,409	50,238,923
Deferred inflows	<u>1,574,713</u>	<u>-</u>	<u>438,649</u>	<u>-</u>	<u>-</u>	<u>841,756</u>	<u>2,855,118</u>
Fund balance	<u>53,550,385</u>	<u>19,636,131</u>	<u>9,619,685</u>	<u>32,407,237</u>	<u>-</u>	<u>33,220,600</u>	<u>148,434,038</u>
Increase (decrease)							
Assets	(2,063,020)	1,358,916	1,667,486	19,570,367	18,736,248	5,688,895	44,958,892
Liabilities	517,473	(1,218,458)	58,779	(125,373)	18,819,735	(804,063)	17,248,093
Deferred inflows	<u>(244,107)</u>	<u>(75,554)</u>	<u>(26,757)</u>	<u>-</u>	<u>-</u>	<u>(324,532)</u>	<u>(670,950)</u>
Fund balance	<u>(2,336,386)</u>	<u>2,652,928</u>	<u>1,635,464</u>	<u>19,695,740</u>	<u>(83,487)</u>	<u>6,817,490</u>	<u>28,381,749</u>
% change							
Assets	(3)%	7 %	19 %	152 %	91 %	17 %	29 %
Liabilities	13 %	(59)%	52 %	(94)%	91 %	(13)%	52 %
Deferred inflows	(13)%	(100)%	(6)%	0 %	0 %	(28)%	(19)%
Fund balance	(4)%	16 %	20 %	155 %	(100)%	26 %	24 %

MOHAVE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

Significant changes reflected in the schedule above will follow:

The General Fund is the chief operating fund of Mohave County. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$53.5 million. As a measure of liquidity, it may be useful to compare unassigned fund balance to total expenditures. The unassigned balance is 59 percent of expenditures. The deferred inflows represent deferred property tax collections and deferred intergovernmental income in 2022. The liabilities increased by \$517 thousand due to an increase in accrued payroll and benefits of \$392 thousand, an increase of \$349 thousand in deposits held for others offset by decreases in accounts payable of \$243 thousand. Deferred inflows decreased by \$244 thousand due to decreases in unavailable revenue.

The Road Fund's fund balance is restricted for road maintenance and other approved highway user funds projects with the exception of amounts tied up in inventories and prepaid expenses, designated as nonspendable. Liabilities decreased by \$1.2 million due to a decrease in accounts payable. Deferred inflows decrease by \$76 thousand due to a decrease in unavailable revenue. Assets increased by \$1.4 million, primarily due to a \$1.7 million increase in cash, offset by a decrease of \$243 thousand due to investment market adjustments.

The Flood Control Fund assets increased by \$1.7 million due to increases to cash of \$1.8 million, offset by a \$122 thousand decrease due to investment market adjustments. The 52 percent increase in liabilities was due to an increase in accounts payable obligations.

The County Capital Improvement Fund had an overall increase in cash assets and fund balance from the prior year. The increases to assets and fund balance were due to transfers from other funds for the purpose of capital projects. There was a \$125 thousand decrease in liabilities due to a decrease in accounts payable. The remaining \$32.4 million fund balance is committed for capital projects such as a Legal Services Center, Kingman Animal Shelter, and Sheriff substation projects.

The American Rescue Plan Act Fund had an increase in assets of \$18.7 million and an increase of liabilities of \$18.8 million. Both increases are due to the funding received in fiscal year 2022 being received in advance and not spent by year-end.

The Other Governmental Funds assets increased \$5.7 million due to increases in cash due to transfers from other funds and growth in grant revenue. The decrease in liabilities of \$804 thousand reflects decreases in unearned revenue. The decrease in deferred inflows of \$325 thousand is primarily due to decreases in unavailable revenue.

MOHAVE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

**Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30,**

	General Fund	Road Fund	Flood Control Fund	County Capital Improvement Fund	American Rescue Plan Act Fund	Other Governmental Funds	Total Governmental Funds
2021							
Revenues	\$ 109,427,372	\$ 20,593,717	\$ 9,024,292	\$ 202,707	\$ 83,487	\$ 35,935,093	\$ 175,266,668
Expenditures	88,246,256	20,609,511	8,332,732	6,969,894	-	35,756,174	159,914,567
Other financing sources (uses)	<u>(10,709,524)</u>	<u>19,292</u>	<u>(666,856)</u>	<u>10,500,000</u>	<u>-</u>	<u>1,944,141</u>	<u>1,087,053</u>
Net change in fund balance	<u>10,471,592</u>	<u>3,498</u>	<u>24,704</u>	<u>3,732,813</u>	<u>83,487</u>	<u>2,123,060</u>	<u>16,439,154</u>
2022							
Revenues	106,437,814	20,892,296	9,508,377	4,892,381	1,862,346	38,846,964	182,440,178
Expenditures	90,602,185	18,798,590	7,260,645	246,641	1,945,833	37,720,580	156,574,474
Other financing sources (uses)	<u>(18,172,015)</u>	<u>558,530</u>	<u>(629,256)</u>	<u>15,050,000</u>	<u>-</u>	<u>5,691,106</u>	<u>2,498,365</u>
Net change in fund balance	<u>(2,336,386)</u>	<u>2,652,236</u>	<u>1,618,476</u>	<u>19,695,740</u>	<u>(83,487)</u>	<u>6,817,490</u>	<u>28,364,069</u>
Increase (decrease)							
Revenues	(2,989,558)	298,579	484,085	4,689,674	1,778,859	2,911,871	7,173,510
Expenditures	2,355,929	(1,810,921)	(1,072,087)	(6,723,253)	1,945,833	1,964,406	(3,340,093)
Other financing sources (uses)	<u>7,462,491</u>	<u>539,238</u>	<u>(37,600)</u>	<u>4,550,000</u>	<u>-</u>	<u>3,746,965</u>	<u>1,411,312</u>
% change							
Revenues	(3)%	1 %	5 %	2,314 %	2,131 %	8 %	4 %
Expenditures	3 %	(9)%	(13)%	(96)%	100 %	5 %	(2)%
Other financing sources (uses)	70 %	2,795 %	(6)%	43 %	0 %	193 %	130 %

Significant changes reflected in the schedule above will be discussed on the next page

Governmental revenues and expenditures:

The General Fund experienced an increase in other financing uses of \$7.5 million, primarily due to increased transfers to other funds, including increased transfers of \$2 million to the Capital Project Fund, \$3.5 million to the Debt Service Fund, and \$411 thousand more to the Info Service Fund.

The Road Fund experienced a \$539 thousand increase in other financing sources. Other financing sources increased due to increased sales of County capital assets. The amount of vehicles sold increased in fiscal year 2022 compared to fiscal year 2021 due to the delay of vehicle replacements caused by global supply chain difficulties. Expenditures decreased \$1.8 million, primarily due to \$1.1 million decrease in road repair materials and supplies and reductions in capital equipment purchased.

MOHAVE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

Flood Control Fund experienced a decrease in expenses due to less spending on infrastructure. \$1.5 million in fiscal year 2021 expenses related to Bison Channel construction compared to only \$153 thousand in fiscal year 2022.

County Capital Improvement Fund revenue increased due to \$5 million received in funds designated for the County Reentry Planning Services Program. Expenditures decreased in fiscal year 2022 mostly due to the completion of the construction of the Law & Justice Center. Other financing sources increased \$4.6 million in fiscal year 2022 due to a \$2 million transfer from the General Fund for additional projects, a \$1.5 million transfer from the Vehicle Use Fund, a \$1 million transfer from the Anti Racketeering Fund towards the construction of the Legal Services Center, a \$850 thousand transfer from the Landfills Fund, and a \$200 thousand transfer from the ERACE Fund. The increase in transfers was partially offset by a \$1 million transfer out to the State Grants Sheriff Fund.

American Rescue Plan Act Fund revenue increased by \$1.8 million and expenditures increased by \$1.9 million due to funds being received in advance in fiscal year 2021. In fiscal year 2022 the County was able to plan for and begin work on projects related to the American Rescue Plan Act Fund.

The Other Governmental Funds other financing sources increased by \$3.7 million partially due to a \$3.5 million transfer from the General Fund to the Pension Fund.

Proprietary funds

Reports for Mohave County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Statement of Net Position—Business-type Activities—Net position for the enterprise funds, decreased 1 percent or \$140 thousand compared to the prior year. The Parks Fund reported a \$530 thousand increase in net position, and all other funds reflected a decrease in net position. The decreases in the business-type activity funds were the result of depreciation and operating transfers out to other funds.

Statement of Net Position—Governmental Activities-Internal Service Funds—Net position for the internal service funds decreased by \$2.3 million over the prior year. A 15 percent or \$3.4 million decrease in cash was the primary reason for the decrease in total assets and net position. The current liabilities decreased by \$313 thousand due to decreases in accounts payable. Noncurrent liabilities also increased \$1 million, or 24 percent, primarily due to net pension and other postemployment liabilities. Deferred inflows increased by \$1 million, primarily due to net pension and other postemployment liabilities.

Statement of Revenues, Expenses, and Changes in Fund Net Position—Business-type Activities—The only difference between this statement and the Statement of Activities-Business type, discussed previously, is the presentation. The expenses are more detailed on this statement and the revenues are shown as operating or non-operating. Total operating expense increased \$846 thousand or 11 percent and reflects an increase in personnel services, professional services, and repairs and maintenance. Investment earnings were down \$124 thousand across all enterprise funds.

MOHAVE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

Statement of Revenues, Expenses, and Changes in Fund Net Position—Governmental Activities Internal Service Funds- Total operating revenues increased by \$1.7 million due to increases in charges for services. Total operating expenses rose by \$2.8 million or 11 percent and reflects increases in personnel services, rents and leases, insurance claims, and depreciation expense. The majority of the increase in expenses were from an increase in medical insurance claims. Investment earnings were down \$244 thousand across all internal service funds.

General Fund Budgetary Highlights

Variations between Original Budget and Final Revised Budget

Revenues: There were no significant changes between the original budget and final revised budget. The largest variance was a result of a net increase of \$81 thousand to charges for services.

Expenditures: Differences between the original and revised budget resulted primarily from slight variances in line items throughout the year. There was an overall budget increase of \$1.3 million allowing for expenditure from unbudgeted contributions. Budgeted expenditures increased \$4.3 million compared to 2021, to account for additional personnel and grant related expenditures.

Variations between Final Revised Budget and Actual Revenues or Expenditures

Revenues: Growth was seen for intergovernmental, fines and forfeits, contributions, and miscellaneous revenues. Declines were seen in taxes, licenses and permits, charges for services, and investment earnings. General Fund revenue was greater than the amount budgeted by \$4.8 million, or 4.7 percent. State shared sales tax revenue was \$5.8 million more than the budget and auto in-lieu was higher by \$1.3 million. Investment earnings were down due to changes in the investment market, lower returns and a negative unrealized market adjustment.

Expenditures: Actual expenditures were less than budgeted expenditures by \$19.4 million primarily because the County did not need to spend \$8.8 million in contingency funds that are annually reserved for unknown or unanticipated events combined with supply chain issues. The other \$10.6 million was spread throughout other general fund departments that spent below their budgeted amounts, with health \$1.9 million under budget, sheriff \$1.1 million under budget, jail \$712 thousand under budget, superior courts \$732 thousand under budget, treasurer \$524 thousand under budget, public defender \$811 thousand under budget, and general administration \$775 thousand under budget, with the rest spread throughout other general fund departments. The Discussion and Analysis of Governmental Activities provides a comparison of actual expenditures between fiscal year 2021 and 2022 on a government-wide basis. Similar to other agencies, the County also experience challenges retaining and recruiting qualified employees; and while taking strides to become more competitive, many positions remained vacant resulting in unspent salary budgets in most departments.

MOHAVE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

Capital Assets and Debt Administration

Capital assets—Mohave County’s investment in capital assets for its governmental and business-type activities as of June 30, 2022, is \$281 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, water systems, improvements other than buildings, machinery and equipment, park facilities, roads, highways, and bridges. Capital assets not being depreciated in the governmental activities decreased due to completion of the construction of the Grace Neal Parkway, the Suffock Wash-Jagerson Ave, and the Kingman Railroad Diversion Channel Project. Capital assets being depreciated in the governmental activities had an overall decrease primarily due to disposals and depreciation that exceeded current year additions. The business-type activities capital assets not being depreciated increased due to the start of the Mohave Valley Septage Pond Project. Totals for 2021 have been restated to include leases due to the implementation of GASB Statement No. 87. Total capital assets decrease by \$4.2 million.

There were decreases in both Governmental and Business-type activities. See table below:

**Capital Assets, net of accumulated depreciation
As of June 30,**

	2022	2021	Increase (Decrease)	% Change
Governmental activities				
Capital assets, not being depreciated	\$ 29,529,995	\$ 30,172,430	\$ (642,435)	(2.13)%
Capital assets, being depreciated	<u>231,694,502</u>	<u>235,127,649</u>	<u>(3,433,147)</u>	<u>(1.46)%</u>
Total governmental capital assets	<u>261,224,497</u>	<u>265,300,079</u>	<u>(4,075,582)</u>	<u>(1.54)%</u>
Business-type activities				
Capital assets, not being depreciated	2,209,395	2,195,145	14,250	0.65 %
Capital assets, being depreciated	<u>17,204,689</u>	<u>17,336,425</u>	<u>(131,736)</u>	<u>(0.76)%</u>
Total business-type capital assets	<u>19,414,084</u>	<u>19,531,570</u>	<u>(117,486)</u>	<u>(0.60)%</u>
Total governmental and business-type activities				
Capital assets, not being depreciated	31,739,390	32,367,575	(628,185)	(1.94)%
Capital assets, being depreciated	<u>248,899,191</u>	<u>252,464,074</u>	<u>(3,564,883)</u>	<u>(1.41)%</u>
Total capital assets	<u>\$ 280,638,581</u>	<u>\$ 284,831,649</u>	<u>\$ (4,193,068)</u>	<u>(1.47)%</u>

Major capital asset events during the current fiscal year included the following:

- The County acquired 55 vehicles for the fleet at a total cost of \$3.1 million. Various sources funded these purchases: 38 from the Vehicle Use fund, 5 from the Road fund, 7 from business-type funds, and 5 from other other governmental funds.
- The Road fund also purchased 5 pieces of heavy equipment totaling \$660 thousand. This included 1 hydro jet-vac, 1 road broom, 1 lowboy trailer, and 2 pneumatic compactors.
- Construction work for the Grace Neal Parkway totaled \$542 thousand.
- Construction work for Suffock Wash-Jagerson Ave totaled \$460 thousand.
- Construction work for Kingman Diversion Channel totaled \$367 thousand.
- Roads were donated valuing \$315 thousand.
- Road improvements on Shinarump and Alamo roads totaled \$1.8 million.
- Detention Center CCTV upgrade totaled \$762 thousand.

MOHAVE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

Note 6 contains additional information on Mohave County's capital assets.

Long-term liabilities—At the end of the fiscal year, Mohave County had total long-term liabilities outstanding of \$127 million. Mohave County's long-term liabilities are comprised of actuarial calculated net pension and other postemployment benefits liabilities, claims and judgments payable, estimated landfill closure and post closure care costs, leases payable, and liabilities for compensated absences. The major change in liabilities was a combined decrease of \$23.9 million in pension liabilities in the governmental and business-type activities arising from actuarial valuation changes.

State statutes limit the amount of general obligation debt a government entity may issue to 6 percent of its total secondary assessed valuation, without taxpayer approval, and up to 15 percent with the approval of a majority of taxpayers. The debt limitation for Mohave County for fiscal year 2022 was \$128.6 million (6 percent of \$2.14 billion secondary assessed value). Mohave County does not have any outstanding general obligation debt and does not have forecasted plans to issue any.

Note 9 contains additional information on Mohave County's long-term liabilities.

Economic Factors and Next Year's Budgets and Rates

Population in Mohave County and Arizona has continued to grow at a modest rate and is projected to grow steadily over the next several years. Arizona's population growth rates exceed the national average but job creation is slightly lower (U.S. Census Bureau, U.S. Joint Economic Committee). Property market values have risen in Arizona and Mohave County. Effective in fiscal year 2016, and going forward, growth in net assessed valuations for property tax purposes is restricted on most property types to the lesser of the full cash value or 5 percent.

The average unemployment rate for Mohave County in 2022 was 4.3 percent, a decrease of 3.7 percent from the prior year average. At June 30, 2022 the unemployment rate was 4.6 percent, 0.6 percent higher than the State's 4.0 percent rate at June 30, 2021. Mohave County economic activity continues to remain strong and is moving in a positive trajectory with robust new investment in the area allowing the County to remain on track in recovery from the effects of the pandemic.

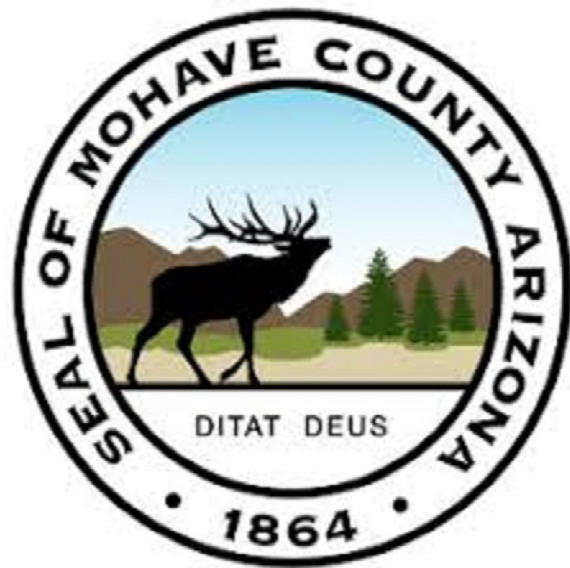
Each year during the budget planning process, the Financial Services Department evaluates the U.S. and Arizona coincident index and other economic indicators along with reviewing economic momentum information and State estimates provided by the office of the Arizona Joint Legislative Budget Committee, the U.S. Bureau of Labor Statistics and other sources. Also, considered in overall budget development are the status of the U.S. federal budget and anticipated changes, State budget impacts, and local economic conditions specific to Mohave County such as net assessed property valuations and changes from prior years, local sales tax revenue and year-over-year changes, local employment, tourism, fuel sales, building permit data and other types of information. In summary, all of these factors were considered in preparing and developing Mohave County's budget for the 2023 fiscal year.

MOHAVE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

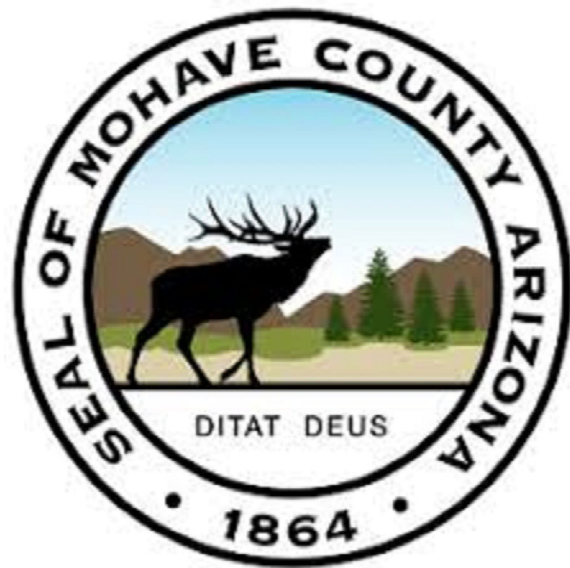
Requests for Information

This financial report is designed to provide a general overview of Mohave County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Mohave County Finance
PO Box 7000
Kingman, AZ 86402-700



BASIC FINANCIAL STATEMENTS



MOHAVE COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and investments	\$ 205,277,952	\$ 20,476,743	\$ 225,754,695
Receivables (net of allowance for uncollectibles):			
Property taxes	2,954,642	-	2,954,642
Accounts	1,414,483	700,803	2,115,286
Accrued interest	47,485	5,441	52,926
Due from other governments	9,730,235	205,933	9,936,168
Inventory	397,133	114,878	512,011
Prepaid items	441,192	20,674	461,866
Cash and investments held by trustee	644,832	-	644,832
Restricted cash	-	544,302	544,302
Internal balances	(20,794)	20,794	-
Restricted assets - HUD properties	919,334	-	919,334
Capital assets, not being depreciated	29,529,995	2,209,395	31,739,390
Capital assets, being depreciated, net	231,694,502	17,204,689	248,899,191
Net pension and other postemployment benefits asset	4,190,307	81,933	4,272,240
Total assets	<u>487,221,298</u>	<u>41,585,585</u>	<u>528,806,883</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows related to pensions and other postemployment benefits	<u>25,194,272</u>	<u>675,901</u>	<u>25,870,173</u>
Total deferred outflows of resources	<u>25,194,272</u>	<u>675,901</u>	<u>25,870,173</u>
LIABILITIES:			
Accounts payable	2,847,980	591,980	3,439,960
Accrued payroll and employee benefits	3,172,664	109,042	3,281,706
Due to other governments	18,752	6,562	25,314
Deposits held for others	1,303,184	134,999	1,438,183
Unearned revenue	42,628,684	150,745	42,779,429
Noncurrent liabilities:			
Due within one year	9,257,950	270,797	9,528,747
Due in more than one year	104,769,525	12,267,450	117,036,975
Total liabilities	<u>163,998,739</u>	<u>13,531,575</u>	<u>177,530,314</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows related to pensions and other postemployment benefits	<u>24,765,462</u>	<u>762,590</u>	<u>25,528,052</u>
Total deferred inflows of resources	<u>24,765,462</u>	<u>762,590</u>	<u>25,528,052</u>
NET POSITION:			
Net investment in capital assets	260,086,518	19,414,084	279,500,602
Restricted for:			
General government	10,257,112	-	10,257,112
Public safety	15,902,160	-	15,902,160
Highways and streets	19,437,403	-	19,437,403
Health	2,997,796	-	2,997,796
Welfare	2,555,385	-	2,555,385
Sanitation	420,645	7,824,947	8,245,592
Culture and recreation	7,445,214	-	7,445,214
Education	736,908	-	736,908
Capital projects	-	544,302	544,302
Other purposes	1,381,961	-	1,381,961
Unrestricted	<u>2,430,267</u>	<u>183,988</u>	<u>2,614,255</u>
Total net position	<u>\$ 323,651,369</u>	<u>\$ 27,967,321</u>	<u>\$ 351,618,690</u>

See accompanying notes to financial statements.

MOHAVE COUNTY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary government:			
Governmental activities:			
General government	\$ 60,668,750	\$ 17,756,918	\$ 4,273,373
Public safety	53,769,546	3,308,014	12,292,988
Highways and streets	20,249,300	96,097	16,733,251
Health	15,241,789	1,726,169	3,932,019
Welfare	9,984,247	262,813	9,510,197
Sanitation	197,143	201,731	-
Culture and recreation	4,515,099	84,344	223,575
Education	2,897,592	98,626	2,399,746
Interest on long-term debt	17,384	-	-
Total governmental activities	<u>167,540,850</u>	<u>23,534,712</u>	<u>49,365,149</u>
Business-Type activities:			
Landfill	2,145,317	2,415,569	638,811
Recreation	3,257,768	3,171,333	428,176
Water companies	3,478,850	2,999,331	-
Total business-type activities	<u>8,881,935</u>	<u>8,586,233</u>	<u>1,066,987</u>
Total primary government	<u>\$ 176,422,785</u>	<u>\$ 32,120,945</u>	<u>\$ 50,432,136</u>

General revenues:

Taxes:

- Property taxes, levied for general purposes
- Property taxes, levied for flood control
- Property taxes, levied for debt service
- Share of state sales taxes
- Special county sales tax for capital projects
- Shared revenue - state vehicle license tax
- Federal in-lieu tax
- Local in-lieu tax
- Utilities franchise tax

County equalization revenue

Grants and contributions not restricted to specific programs

Investment earnings

Miscellaneous

Rent

Gain (loss) on sale / trade of capital assets

Transfers

Total general revenues

Change in net position

Net position, July 1, 2021, as restated

Net position, June 30, 2022

See accompanying notes to financial statements.

Net (Expense) Revenue and
Changes in Net Position
Primary Government

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (38,638,459)	-	\$ (38,638,459)
(38,168,544)	-	(38,168,544)
(3,419,952)	-	(3,419,952)
(9,583,601)	-	(9,583,601)
(211,237)	-	(211,237)
4,588	-	4,588
(4,207,180)	-	(4,207,180)
(399,220)	-	(399,220)
(17,384)	-	(17,384)
<u>(94,640,989)</u>		<u>(94,640,989)</u>
-	\$ 909,063	909,063
-	341,741	341,741
-	(479,519)	(479,519)
-	<u>771,285</u>	<u>771,285</u>
<u>(94,640,989)</u>	<u>771,285</u>	<u>(93,869,704)</u>
48,432,284	-	48,432,284
9,487,300	-	9,487,300
8,489	-	8,489
35,737,148	-	35,737,148
37,223	-	37,223
14,806,859	-	14,806,859
3,953,646	100,000	4,053,646
41,780	-	41,780
587,670	-	587,670
175,003	-	175,003
800,050	-	800,050
(1,397,771)	(174,460)	(1,572,231)
526,530	43,071	569,601
235,724	15,106	250,830
15,381	19,971	35,352
<u>915,215</u>	<u>(915,215)</u>	-
<u>114,362,531</u>	<u>(911,527)</u>	<u>113,451,004</u>
19,721,542	(140,242)	19,581,300
<u>303,929,827</u>	<u>28,107,563</u>	<u>332,037,390</u>
<u>\$ 323,651,369</u>	<u>\$ 27,967,321</u>	<u>\$ 351,618,690</u>



MOHAVE COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Road Fund	Flood Control Fund	County Capital Improvement Fund	American Rescue Plan Act Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:							
Cash and investments	\$ 52,038,957	\$ 18,357,087	\$ 9,532,453	\$ 32,405,629	\$ 39,426,571	\$ 34,695,599	\$ 186,456,296
Receivables: (net of allowances for uncollectibles):							
Property taxes	2,003,312	-	556,200	-	-	395,130	2,954,642
Accounts	695,628	49,188	-	-	-	418,650	1,163,466
Accrued interest	12,837	4,981	3,407	7,717	-	14,096	43,038
Due from other governments	4,486,834	1,800,202	-	2,549	-	3,396,758	9,686,343
Due from other funds	209,589	57,463	-	-	-	494,616	761,668
Inventories	-	198,728	121,025	-	-	-	319,753
Prepaid items	52,839	-	18,118	-	-	71,916	142,873
Total assets	<u>\$ 59,499,996</u>	<u>\$ 20,467,649</u>	<u>\$ 10,231,203</u>	<u>\$ 32,415,895</u>	<u>\$ 39,426,571</u>	<u>\$ 39,486,765</u>	<u>\$ 201,528,079</u>
LIABILITIES:							
Accounts payable	\$ 1,140,714	\$ 480,255	\$ 119,481	\$ 8,658	\$ 118,984	\$ 611,223	\$ 2,479,315
Accrued payroll and employee benefits	2,076,212	275,241	46,303	-	2,972	631,733	3,032,461
Due to other governments	-	-	-	-	-	18,752	18,752
Due to other funds	25,077	76,022	7,085	-	26	668,317	776,527
Deposits held for others	1,132,895	-	-	-	-	170,289	1,303,184
Unearned revenue	-	-	-	-	39,304,589	3,324,095	42,628,684
Total liabilities	<u>4,374,898</u>	<u>831,518</u>	<u>172,869</u>	<u>8,658</u>	<u>39,426,571</u>	<u>5,424,409</u>	<u>50,238,923</u>
DEFERRED INFLOWS OF RESOURCES:							
Unavailable revenue - property taxes	1,555,426	-	438,649	-	-	335,424	2,329,499
Unavailable revenue - intergovernmental	19,287	-	-	-	-	506,332	525,619
Total deferred inflows of resources	<u>1,574,713</u>	<u>-</u>	<u>438,649</u>	<u>-</u>	<u>-</u>	<u>841,756</u>	<u>2,855,118</u>
FUND BALANCES:							
Nonspendable	52,839	198,728	139,143	-	-	71,916	462,626
Restricted	-	19,437,403	9,480,542	-	-	29,133,630	58,051,575
Committed	-	-	-	32,407,237	-	3,989,514	36,396,751
Unassigned	53,497,546	-	-	-	-	25,540	53,523,086
Total fund balances	<u>53,550,385</u>	<u>19,636,131</u>	<u>9,619,685</u>	<u>32,407,237</u>	<u>-</u>	<u>33,220,600</u>	<u>148,434,038</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 59,499,996</u>	<u>\$ 20,467,649</u>	<u>\$ 10,231,203</u>	<u>\$ 32,415,895</u>	<u>\$ 39,426,571</u>	<u>\$ 39,486,765</u>	<u>\$ 201,528,079</u>

See accompanying notes to financial statements.

MOHAVE COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2022

Fund balances - total governmental funds		\$ 148,434,038
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital and restricted assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		255,206,015
Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.		
Property taxes receivable	\$ 2,329,499	
Grant receivables	<u>525,619</u>	2,855,118
Long-term liabilities, such as net pension/OPEB liabilities, claims and judgments payable, leases payable, and compensated absences are not due and payable in the current period and, therefore, are not reported as a liability in the funds.		(107,924,842)
Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future reporting periods and, therefore, are not reported in the funds.		571,056
Internal service funds are used by management to charge the costs of certain activities, such as insurance, automotive maintenance and operation, information systems, and telecommunications to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the Statement of Net Position.		20,430,606
Net pension/OPEB assets held in trust for future benefits are not available for County operations and, therefore, are not reported in the funds.		<u>4,079,378</u>
Net position of governmental activities		<u>\$ 323,651,369</u>

See accompanying notes to financial statements.

MOHAVE COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	General Fund	Road Fund	Flood Control Fund	County Capital Improvement Fund	American Rescue Plan Act Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:							
Taxes	\$ 42,399,666	-	\$ 9,514,231	\$ 37,223	-	\$ 6,864,050	\$ 58,815,170
Special assessments	-	-	-	-	-	8,489	8,489
Licenses and permits	2,237,280	\$ 41,593	3,450	-	-	769,964	3,052,287
Intergovernmental	51,657,643	20,678,001	25,475	5,000,000	\$ 1,862,346	25,514,688	104,738,153
Charges for services	8,960,577	51,459	28,500	-	-	5,287,730	14,328,266
Fines and forfeits	1,097,283	3,045	-	-	-	425,686	1,526,014
Investment earnings	(457,677)	(147,551)	(70,885)	(237,899)	-	(288,296)	(1,202,308)
Rents	-	79,660	-	93,057	-	63,007	235,724
Contributions	210,876	-	-	-	-	198,128	409,004
Miscellaneous	332,166	186,089	7,606	-	-	3,518	529,379
Total revenues	<u>106,437,814</u>	<u>20,892,296</u>	<u>9,508,377</u>	<u>4,892,381</u>	<u>1,862,346</u>	<u>38,846,964</u>	<u>182,440,178</u>
EXPENDITURES:							
Current:							
General government	45,906,801	-	-	-	1,945,833	5,035,698	52,888,332
Public safety	35,252,765	-	7,260,645	-	-	9,147,009	51,660,419
Highways and streets	-	18,793,790	-	-	-	-	18,793,790
Sanitation	-	-	-	-	-	196,661	196,661
Health	8,795,452	-	-	-	-	6,408,573	15,204,025
Welfare	-	-	-	-	-	9,937,231	9,937,231
Culture and recreation	-	-	-	-	-	4,346,681	4,346,681
Education	436,705	-	-	-	-	2,460,399	2,897,104
Capital outlay	15,015	-	-	246,641	-	157,140	418,796
Debt service:							
Principal retirement	181,934	3,610	-	-	-	30,207	215,751
Interest and fiscal charges	13,513	1,190	-	-	-	981	15,684
Total expenditures	<u>90,602,185</u>	<u>18,798,590</u>	<u>7,260,645</u>	<u>246,641</u>	<u>1,945,833</u>	<u>37,720,580</u>	<u>156,574,474</u>
(Deficiency) excess of revenues (under) over expenditures	<u>15,835,629</u>	<u>2,093,706</u>	<u>2,247,732</u>	<u>4,645,740</u>	<u>(83,487)</u>	<u>1,126,384</u>	<u>25,865,704</u>
OTHER FINANCING SOURCES (USES):							
Transfers in	1,727,665	72,932	-	16,050,000	-	8,210,618	26,061,215
Transfers out	(19,915,195)	-	(629,256)	(1,000,000)	-	(2,695,977)	(24,240,428)
Lease agreements	15,015	-	-	-	-	157,140	172,155
Sale of capital assets	500	485,598	-	-	-	19,325	505,423
Total other financing sources (uses)	<u>(18,172,015)</u>	<u>558,530</u>	<u>(629,256)</u>	<u>15,050,000</u>	<u>-</u>	<u>5,691,106</u>	<u>2,498,365</u>
Net change in fund balances	(2,336,386)	2,652,236	1,618,476	19,695,740	(83,487)	6,817,490	28,364,069
Fund balances, July 1, 2021	55,886,771	16,983,203	7,984,221	12,711,497	83,487	26,403,110	120,052,289
Changes in nonspendable resources:							
Increase (decrease) in inventories	-	692	16,988	-	-	-	17,680
Fund balances, June 30, 2022	<u>\$ 53,550,385</u>	<u>\$ 19,636,131</u>	<u>\$ 9,619,685</u>	<u>\$ 32,407,237</u>	<u>\$ -</u>	<u>\$ 33,220,600</u>	<u>\$ 148,434,038</u>

See accompanying notes to financial statements.

MOHAVE 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 \$ 28,364,069

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 expense.

Capital outlay	\$ 6,689,707	
Depreciation/amortization expense	<u>(10,904,047)</u>	(4,214,340)

In the Statement of Activities, only the gain/loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the book value of the capital assets sold. (617,733)

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	11,267,825	
Pension/OPEB expense	<u>(11,560,805)</u>	(292,980)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Leases incurred	215,751	
Lease-principal repaid	<u>(172,157)</u>	43,594

Under the modified accrual basis accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available resources. In the Statement of Activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when the financial resources are available.

Increase in claims payable	(517,629)	
Increase in compensated absences	<u>(186,900)</u>	(704,529)

Collections of revenues in the governmental funds exceeded revenues reported in the statement of activities. (533,325)

Some cash outlays, such as the purchase of supply inventories, are recorded as expenditures in the governmental funds when purchased. In the Statement of Activities, however, they are reported as expenses when consumed.

Increase in supply inventory		17,680
------------------------------	--	--------

Internal service funds are used by management to charge the costs of certain activities such as technology, maintenance and insurance to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities in the Statement of Activities.

Change in net position of governmental activities	<u>(2,340,894)</u>	
	<u>\$ 19,721,542</u>	

See accompanying notes to financial statements.

MOHAVE COUNTY
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2022

	Business-type Activities Enterprise Funds				Total	Governmental- Internal Service Funds
	Landfill Fund	G.V.I.D. Fund	Parks Fund	Other Enterprise Funds		
ASSETS:						
Current assets:						
Cash and investments	\$ 17,682,879	\$ 262,665	\$ 1,729,410	\$ 801,789	\$ 20,476,743	\$ 18,821,656
Cash and investments held by trustee	-	-	-	-	-	644,832
Receivables (net of allowances for uncollectibles):						
Accounts	299,501	92,737	8	308,557	700,803	251,017
Accrued interest	4,553	120	403	365	5,441	4,447
Due from other governments	146,902	-	59,031	-	205,933	43,892
Due from other funds	-	-	-	83,255	83,255	320
Inventory	-	48,652	2,543	63,683	114,878	77,380
Prepaid items	1,030	4,091	-	15,553	20,674	298,319
Total current assets	<u>18,134,865</u>	<u>408,265</u>	<u>1,791,395</u>	<u>1,273,202</u>	<u>21,607,727</u>	<u>20,141,863</u>
Noncurrent assets:						
Restricted cash	-	232,955	-	311,347	544,302	-
Net other postemployment benefits asset	20,221	11,020	35,739	14,953	81,933	110,929
Capital assets:						
Land	441,049	40,388	1,481,772	-	1,963,209	-
Infrastructure, net	1,701,405	4,128,696	2,818,259	5,361,440	14,009,800	-
Buildings, net	-	33,900	926,405	50,400	1,010,705	-
Equipment, net	379,657	775,270	726,539	302,718	2,184,184	6,531,360
Intangible RTU-Equipment, net	-	-	-	-	-	406,456
Construction in progress	246,186	-	-	-	246,186	-
Total noncurrent assets	<u>2,788,518</u>	<u>5,222,229</u>	<u>5,988,714</u>	<u>6,040,858</u>	<u>20,040,319</u>	<u>7,048,745</u>
Total assets	<u>20,923,383</u>	<u>5,630,494</u>	<u>7,780,109</u>	<u>7,314,060</u>	<u>41,648,046</u>	<u>27,190,608</u>
DEFERRED OUTFLOWS OF RESOURCES:						
Deferred outflows related to pensions and other postemployment benefits	<u>165,782</u>	<u>88,679</u>	<u>286,922</u>	<u>134,518</u>	<u>675,901</u>	<u>890,232</u>
Total deferred outflows of resources	<u>165,782</u>	<u>88,679</u>	<u>286,922</u>	<u>134,518</u>	<u>675,901</u>	<u>890,232</u>

See accompanying notes to financial statements.

MOHAVE COUNTY
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2022

(CONCLUDED)

	Business-type Activities - Enterprise Funds					Governmental- Internal Service Funds
	Landfill Fund	G.V.I.D. Fund	Parks Fund	Other Enterprise Funds	Total	
LIABILITIES:						
Current liabilities:						
Accounts payable	\$ 121,049	\$ 7,042	\$ 112,511	\$ 351,378	\$ 591,980	\$ 368,665
Accrued payroll and employee benefits	24,525	10,684	45,942	27,891	109,042	140,203
Due to other funds	323	1,122	6,330	54,686	62,461	6,255
Due to other governments	-	6,360	-	202	6,562	-
Deposits held for others	-	109,157	-	25,842	134,999	-
Unearned revenue	-	39,833	-	110,912	150,745	-
Current portion of:						
Compensated absences	99,915	29,558	83,732	57,592	270,797	324,767
Claims and judgments payable	-	-	-	-	-	2,323,158
Leases payable	-	-	-	-	-	279,968
Total current liabilities	245,812	203,756	248,515	628,503	1,326,586	3,443,016
Noncurrent liabilities:						
Compensated absences payable	7,286	2,155	6,106	4,200	19,747	81,191
Landfill closure and postclosure care costs payable	10,056,819	-	-	-	10,056,819	-
Leases payable	-	-	-	-	-	127,288
Net pension/OPEB liabilities	540,710	294,674	955,663	399,837	2,190,884	2,966,261
Total noncurrent liabilities	10,604,815	296,829	961,769	404,037	12,267,450	3,174,740
Total liabilities	10,850,627	500,585	1,210,284	1,032,540	13,594,036	6,617,756
DEFERRED INFLOWS OF RESOURCES:						
Deferred inflow related to pensions and other postemployment benefits						
	188,207	102,568	332,642	139,173	762,590	1,032,478
Total deferred inflows of resources	188,207	102,568	332,642	139,173	762,590	1,032,478
NET POSITION:						
Net investment in capital assets	2,768,297	4,978,254	5,952,975	5,714,558	19,414,084	6,530,560
Restricted for:						
Capital projects	-	232,955	-	311,347	544,302	-
Sanitation	7,824,947	-	-	-	7,824,947	-
Unrestricted (deficit)	(542,913)	(95,189)	571,130	250,960	183,988	13,900,046
Total net position	\$ 10,050,331	\$ 5,116,020	\$ 6,524,105	\$ 6,276,865	\$ 27,967,321	\$ 20,430,606

See accompanying notes to financial statements.

MOHAVE COUNTY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Business-type Activities Enterprise Funds				Total	Governmental Activities Internal Service Funds
	Landfill Fund	G.V.I.D Fund	Park Fund	Other Enterprise Funds		
Operating revenues:						
Charges for services	\$ 2,415,569	\$ 964,630	\$ 2,730,241	\$ 2,475,793	\$ 8,586,233	\$ 26,181,623
Miscellaneous		28,916	6,277	7,878	43,071	-
Total operating revenues	<u>2,415,569</u>	<u>993,546</u>	<u>2,736,518</u>	<u>2,483,671</u>	<u>8,629,304</u>	<u>26,181,623</u>
Operating expenses:						
Personnel services	769,873	408,900	1,266,424	619,988	3,065,185	3,863,940
Supplies	46,881	52,177	339,476	102,002	540,536	626,272
Professional services	547,277	51,087	199,190	151,089	948,643	2,264,748
Communications	9,086	20,387	17,679	10,059	57,211	770,503
Insurance	-	12,678	41,282	85,962	139,922	1,112,455
Landfill closure and postclosure care costs	139,644	-	-	-	139,644	-
Insurance claims	-	-	-	-	-	13,385,177
Lawsuit judgments	-	-	-	-	-	138,076
Repairs and maintenance	144,497	220,283	61,749	226,583	653,112	237,885
Public utility service	150,968	122,831	324,647	730,967	1,329,413	-
Rents and leases	6,638	10,126	11,962	10,204	38,930	1,727,031
Depreciation/amortization	155,247	332,508	327,803	704,936	1,520,494	1,902,560
Other	175,206	79,039	131,273	63,327	448,845	1,494,170
Total operating expenses	<u>2,145,317</u>	<u>1,310,016</u>	<u>2,721,485</u>	<u>2,705,117</u>	<u>8,881,935</u>	<u>27,522,817</u>
Operating (loss) income	<u>270,252</u>	<u>(316,470)</u>	<u>15,033</u>	<u>(221,446)</u>	<u>(252,631)</u>	<u>(1,341,194)</u>
Nonoperating revenues (expenses):						
Investment earnings	(149,579)	(3,666)	(12,820)	(8,395)	(174,460)	(195,463)
Rent income				15,106	15,106	
Interest expense						(1,700)
Federal in-lieu taxes			100,000		100,000	
Grants	638,811		59,031		697,842	
Gain on disposal of assets		19,971			19,971	103,035
Total nonoperating revenues	<u>489,232</u>	<u>16,305</u>	<u>146,211</u>	<u>6,711</u>	<u>658,459</u>	<u>(94,128)</u>
Income (loss) before contributions and transfers	759,484	(300,165)	161,244	(214,735)	405,828	(1,435,322)
Contributions			369,145		369,145	
Transfers in		8,504		126,281	134,785	760,226
Transfers out	<u>(850,000)</u>			<u>(200,000)</u>	<u>(1,050,000)</u>	<u>(1,665,798)</u>
Increase (decrease) in net position	(90,516)	(291,661)	530,389	(288,454)	(140,242)	(2,340,894)
Total net position - beginning, as restated	<u>10,140,847</u>	<u>5,407,681</u>	<u>5,993,716</u>	<u>6,565,319</u>	<u>28,107,563</u>	<u>22,771,500</u>
Total net position - ending	<u>\$ 10,050,331</u>	<u>\$ 5,116,020</u>	<u>\$ 6,524,105</u>	<u>\$ 6,276,865</u>	<u>\$ 27,967,321</u>	<u>\$ 20,430,606</u>

See accompanying notes to financial statements.

MOHAVE COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Business-type Activities Enterprise Funds				Total	Governmental Activities Internal Service Funds
	Landfill Fund	G.V.I.D Fund	Park Fund	Other Enterprise Funds		
Cash flows from operating activities:						
Receipts from customers and users	\$ 2,323,807	\$ 1,012,701	\$ 2,736,560	\$ 2,319,113	\$ 8,392,181	\$ 2,174,508
Receipts from interfund services provided	-	-	-	-	-	24,057,017
Payments to suppliers	(1,022,553)	(511,901)	(975,624)	(1,265,473)	(3,775,551)	(21,414,616)
Payments for employee wages and benefits	(628,435)	(330,249)	(1,102,933)	(491,359)	(2,552,976)	(3,782,994)
Payments for interfund services used	(120,228)	(113,713)	(271,325)	(202,609)	(707,875)	(661,366)
Net cash provided by operating activities	<u>552,591</u>	<u>56,838</u>	<u>386,678</u>	<u>359,672</u>	<u>1,355,779</u>	<u>372,549</u>
Cash flows from noncapital financing activities:						
Transfer from other funds	-	8,504	-	126,281	134,785	760,226
Transfer to other funds	(850,000)	-	-	(200,000)	(1,050,000)	(1,665,798)
Rent income	-	-	-	15,106	15,106	-
Subsidy from non-capital grant	629,885	-	106,849	-	736,734	-
Net cash (used for) provided by noncapital financing activities	<u>(220,115)</u>	<u>8,504</u>	<u>106,849</u>	<u>(58,613)</u>	<u>(163,375)</u>	<u>(905,572)</u>
Cash flows from capital and related financing activities:						
Purchases of capital assets	(88,063)	(27,400)	(250,843)	(677,850)	(1,044,156)	(2,405,110)
Principal paid on capital debt	-	-	-	-	-	(286,721)
Interest paid on capital debt	-	-	-	-	-	5,792
Proceeds from sales of capital assets	-	23,410	-	-	23,410	(1,700)
Net cash used for capital and related financing activities	<u>(88,063)</u>	<u>(3,990)</u>	<u>(250,843)</u>	<u>(677,850)</u>	<u>(1,020,746)</u>	<u>(2,687,739)</u>
Cash flows from investing activities:						
Purchase of investments	(239,504)	(6,489)	(21,098)	(16,646)	(283,737)	(270,175)
Interest and dividends received	87,660	2,796	8,035	8,064	106,555	72,787
Net cash (used for) provided by investing activities	<u>(151,844)</u>	<u>(3,693)</u>	<u>(13,063)</u>	<u>(8,582)</u>	<u>(177,182)</u>	<u>(197,388)</u>
Net increase (decrease) in cash and cash equivalents	92,569	57,659	229,621	(385,373)	(5,524)	(3,418,150)
Cash and cash equivalents, July 1, 2021	<u>17,590,310</u>	<u>437,961</u>	<u>1,499,789</u>	<u>1,498,509</u>	<u>21,026,569</u>	<u>22,884,638</u>
Cash and cash equivalents, June 30, 2022	<u>\$ 17,682,879</u>	<u>\$ 495,620</u>	<u>\$ 1,729,410</u>	<u>\$ 1,113,136</u>	<u>\$ 21,021,045</u>	<u>\$ 19,466,488</u>

See accompanying notes to financial statements.

MOHAVE COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

(CONCLUDED)

	Business-type Activities Enterprise Funds					Governmental Activities- Internal Service Funds
	Landfill Fund	G.V.I.D. Fund	Park Funds	Other Enterprise Funds	Total	
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	
Reconciliation of operating (loss) income to net cash (used) provided by operating activities:						
Operating (loss) income	\$ 270,252	\$ (316,470)	\$ 15,033	\$ (221,446)	\$ (252,631)	\$ (1,341,194)
Adjustments to reconcile operating (loss) income to net cash (used) provided by operating activities:						
Depreciation/amortization expense	155,247	332,508	327,803	704,936	1,520,494	1,902,560
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:						
Receivables	(91,761)	(15,189)	42	(168,512)	(275,420)	(3,403)
Due from other funds	-	-	-	(83,255)	(83,255)	(170)
Due from other governments	-	-	457	-	457	48,595
Inventories	-	10,303	-	1,243	11,546	5,739
Prepaid items	1,689	4,092	1,857	(15,553)	(7,915)	(8,304)
Deferred outflows of resources related to pensions and other postemployment benefits	(22,063)	(10,780)	(28,956)	(27,145)	(88,944)	(86,570)
Accounts payable	18,861	(25,503)	7,084	62,492	62,934	(282,777)
Due to other funds	66	214	1,606	52,260	54,146	1,475
Due to other governments	-	754	-	(760)	(6)	-
Accrued payroll and employee benefits	(3,824)	(37)	10,462	12,904	19,505	29,380
Compensated absences payable	43,491	17,848	9,149	25,887	96,375	30,281
Landfill closure and postclosure care costs	139,644	-	-	-	139,644	-
Net pension and other postemployment benefits liability	(119,177)	(61,817)	(240,586)	(96,433)	(518,013)	(769,434)
Net pension and other postemployment benefits asset	(17,510)	(9,555)	(30,824)	(12,913)	(70,802)	(95,578)
Unearned revenue	-	2,005	-	3,872	5,877	(2,358)
Deposits held for others	-	31,586	-	(9,158)	22,428	7,237
Claims and judgments payable	-	-	-	-	-	(35,791)
Deferred inflow of resources related to pensions and other postemployment benefits	<u>177,676</u>	<u>96,879</u>	<u>313,551</u>	<u>131,253</u>	<u>719,359</u>	<u>972,861</u>
Total adjustments	<u>282,339</u>	<u>373,308</u>	<u>371,645</u>	<u>581,118</u>	<u>1,608,410</u>	<u>1,713,743</u>
Net cash (used) provided by operating activities	<u>\$ 552,591</u>	<u>\$ 56,838</u>	<u>\$ 386,678</u>	<u>\$ 359,672</u>	<u>\$ 1,355,779</u>	<u>\$ 372,549</u>
Cash and investments:						
Unrestricted cash and investments	\$ 17,682,879	\$ 262,665	\$ 1,729,410	\$ 801,789	\$ 20,476,743	\$ 18,821,656
Restricted cash	<u>-</u>	<u>232,955</u>	<u>-</u>	<u>311,347</u>	<u>544,302</u>	<u>644,832</u>
Total cash and investments at June 30, 2022	<u>\$ 17,682,879</u>	<u>\$ 495,620</u>	<u>\$ 1,729,410</u>	<u>\$ 1,113,136</u>	<u>\$ 21,021,045</u>	<u>\$ 19,466,488</u>

Noncash investing, capital, and noncapital financing activities during the year ended June 30, 2022:

The County's Internal Service Funds obtained computer equipment financed by a lease in the amount of \$132,044.

See accompanying notes to financial statements.

MOHAVE COUNTY
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022

	Private-purpose Trust Funds	Custodial	
		External Investment Pool	Other
ASSETS:			
Cash and investments	\$ 3,590,776	\$ 133,672,575	\$ 7,284,766
Cash and investments held by trustee	327,129		
Taxes receivable for other governments			9,054,631
Accrued interest receivable			30,877
Total assets	<u>\$ 3,917,905</u>	<u>\$ 133,672,575</u>	<u>\$ 16,370,274</u>
LIABILITIES:			
Due to others	<u>-</u>	<u>\$ 2,935,888</u>	<u>\$ 64,716</u>
Total liabilities	<u>-</u>	<u>2,935,888</u>	<u>64,716</u>
NET POSITION:			
Restricted for:			
Pool participants	-	130,736,687	9,187,610
Individuals, organizations, and other governments	<u>\$ 3,917,905</u>	<u>-</u>	<u>7,117,948</u>
Total net position	<u>\$ 3,917,905</u>	<u>\$ 130,736,687</u>	<u>\$ 16,305,558</u>

See accompanying notes to financial statements.

MOHAVE COUNTY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2022

	Private-purpose Trust Funds	Custodial	
		External Investment Pool	Other
ADDITIONS:			
Contributions from pool participants		\$ 347,094,421	
Property tax collections for governments			\$ 155,971,470
Collections for individuals	\$ 10,128,049		27,351,408
Investment earnings:			
Interest and dividend income	4,483	530,716	28,320
Net decrease in fair value of investments		(1,730,997)	
Net investment earnings	<u>4,483</u>	<u>(1,200,281)</u>	<u>28,320</u>
Inmate collections			1,641,774
Other			<u>1,494,723</u>
Total additions	<u>10,132,532</u>	<u>345,894,140</u>	<u>186,487,695</u>
DEDUCTIONS:			
Distributions to pool participants	-	(318,986,229)	-
Beneficiary payments to individuals	(9,654,748)	-	-
Property tax distributions to other governments	-	-	(154,816,987)
Payments to inmates	-	-	(1,641,774)
Other	-	-	<u>(29,045,701)</u>
Total deductions	<u>(9,654,748)</u>	<u>(318,986,229)</u>	<u>(185,504,462)</u>
Change in fiduciary net position	477,784	26,907,911	983,233
Net position, beginning of year	<u>3,440,121</u>	<u>103,828,776</u>	<u>15,322,325</u>
Net position, end of year	<u>\$ 3,917,905</u>	<u>\$ 130,736,687</u>	<u>\$ 16,305,558</u>

See accompanying notes to financial statements.

MOHAVE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Mohave County’s accounting policies conform to generally accepted accounting principles applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB).

The accompanying financial statements of Mohave County, Arizona (the County) have been prepared in conformity with accounting principles generally accepted in the United States of America 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.

A summary of the County's more significant accounting policies follows:

A. Reporting Entity

Mohave County is a general purpose local government that a separately elected board of supervisors governs. 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 that they are legally separate from the County. The County has no discretely presented component units. Each blended component unit discussed in the table has a June 30 year-end.

The following table describes the County’s component units:

<u>Component unit</u>	<u>Description; criteria for inclusion</u>	<u>Reporting method</u>	<u>For separate financial statements</u>
Mohave County Flood Control District	A tax-levying district that provides flood control systems; the County Board of Supervisors serves as the board of directors and has operational responsibility for the district. There is also a financial benefit between the County and the component unit.	Blended	Not available
Mohave County Library District	A tax-levying district that provides and maintains library services for county residents; the County Board of Supervisors serves as the board of directors and has operational responsibility for the district. There is also a financial benefit between the County and the component unit.	Blended	Not available

MOHAVE COUNTY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

<u>Component unit</u>	<u>Description; criteria for inclusion</u>	<u>Reporting method</u>	<u>For separate financial statements</u>
Mohave County Television District	A tax-levying district that provides and maintains communication equipment resources to provide television signals to residents; the County Board of Supervisors serves as the board of directors and has operational responsibility for the district. There is also a financial benefit between the County and the component unit.	Blended	Not available
Mohave County Holiday Shores Light District	A tax-levying district that provides street lighting for the Holiday Shores area of Bullhead City in Mohave County; the County Board of Supervisors serves as the board of directors and has operational responsibility for the district.	Blended	Not available

Related organization—The Industrial Development Authority of Mohave County (Authority) is a legally separate entity that was created to assist in the financing of commercial and industrial enterprises; affordable housing; healthcare facilities; and various facilities. 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 Authority’s financial activities 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 information’s usefulness.

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 overall government’s financial activities, except for fiduciary activities. They also distinguish between the County’s governmental and business-type activities. 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 segment 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. Program revenues include:

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

MOHAVE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 user charges and insurance premiums, in which each party receives and gives up essentially equal values are operating revenues. Other revenues, such as noncapital grants, result from transactions in which the parties do not exchange equal values and are considered nonoperating revenues along with investment earnings and revenues ancillary activities generate. Operating expenses include the cost of services, administrative expenses, and depreciation/amortization on capital assets. Other expenses, such as interest expense, are considered 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** accounts for all taxes on gas and auto license fees collected for building and maintaining county roads.

The **Flood Control Fund** accounts for all monies collected from local taxpayers in the form of a levy on real property. These funds are used in planning, engineering, constructing, repairing, and maintaining flood control channels in Mohave County.

The **County Capital Improvement Fund** accounts for a ¼ cent sales tax collected to provide for major capital improvements of the County.

The **American Rescue Plan Act Fund** accounts for funding from the Federal government, in the form of a grant, to support the growth of the American economy and infrastructure.

The County reports the following major enterprise funds:

The **Landfill Fund** accounts for the operations of two landfills located in Mohave County.

The **Golden Valley Improvement District Fund (GVID)** accounts for the operations of a water company located in Golden Valley.

MOHAVE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The *Parks Fund* accounts for the operations of two revenue generating parks and several other nonrevenue parks located throughout Mohave County.

The County also reports the following fund types:

The *Internal Service Funds* account for automotive maintenance and operation, insurance, computer services, janitorial services, and telecommunications services provided to the County's departments or to other governments on a cost-reimbursement basis.

The **Fiduciary funds** consist of the following type of funds:

The *Private Purpose Trust Funds* account for assets the County holds in trust for the public fiduciary clients and courts.

The *Custodial Funds* account for other fiduciary activities, including pooled assets the County Treasurer holds and invests on behalf of other governmental entities that are not held in a trust and the County Treasurer's receipt and distribution of taxes for other governmental entities. Also, assets are held for future distribution of anti-racketeering funds to various other governmental entities, and deposits are held for other individuals and inmate funds.

C. Basis of Accounting

The government-wide, proprietary fund and fiduciary 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.

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 except where matching requirements exist.

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. 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, special assessments, 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, and landfill closure and postclosure care costs, 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 lease agreements are reported as other financing sources.

MOHAVE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Investments

For the statement of cash flows, the County's cash and 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 and Prepaid Items

Inventories in the government-wide and the proprietary funds' financial statements are recorded as assets when purchased and expensed when consumed. These inventories are stated at cost using the first-in, first-out method.

The County accounts for its inventories in the governmental funds using the purchase method. Inventories of the governmental funds consist of expendable supplies held for consumption and are recorded as expenditures at the time of purchase. Amounts on hand at year-end are shown on the balance sheet as an asset for informational purposes only and as nonspendable fund balance to indicate that they do not constitute "available spendable resources." These inventories are stated at cost using the first-in, first-out method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. They are also reflected as nonspendable fund balance in the fund financial statements.

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

MOHAVE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets

Capital assets are reported at actual cost, (or estimated historical cost if historical records are not available). Certain infrastructure costs were estimated by calculating the current replacement cost of a similar asset and deflating this cost through the use of price-level indexes. Donated assets are reported at acquisition value. Certain types of road improvements are expensed rather than capitalized. The improvement types that are expensed are millings and soil stabilization.

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 are as follows:

	<u>Capitalization threshold</u>	<u>Depreciation/ amortization method</u>	<u>Estimated useful life</u>
Land	All		
Construction in progress	\$5,000		
Buildings	\$5,000	Straight-line	20-50 years
Equipment	\$5,000	Straight-line	3-20 years
Infrastructure and improvements other than buildings	\$5,000	Straight-line	10-50 years
Utility systems	\$5,000	Straight-line	10-50 years
Intangibles:			
Right-to-use lease assets:			
Buildings	\$100,000	Straight-line	2-5 years
Equipment	\$100,000	Straight-line	1-3 years
Infrastructure	\$100,000	Straight-line	18-21 years

Intangible right-to-use lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset.

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.

MOHAVE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Only the Board can remove or change the constraints placed on committed fund balances.

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 County does not have any assigned fund balances.

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 balances, the County will use restricted fund balance first. The County will use committed amounts first when disbursing unrestricted fund balances, followed by unassigned amounts.

J. Investment Earnings

Investment earnings is composed of interest, dividends, and net changes in the fair value of applicable investments.

K. Compensated Absences

Compensated absences payable consists of vacation leave and a calculated amount of sick leave employees earned based on services already rendered. The County uses personal time off, which is a combination of vacation and sick leave, for compensating employees. Personal time off benefits do not vest with employees until they have satisfactorily completed their probationary period. Public Safety employees and those employees covered under the Judicial Merit System have a 1-year probationary period. All other employees have a 6-month probationary period.

Effective April 4, 2016, the Board of Supervisors approved changes to the paid time off (PTO) policy modifying the accrual rates and maximum payout schedules for employees hired after January 23, 2016.

MOHAVE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The table below summarizes the maximum carryover and payouts at separation of employment. Any unused PTO is forfeited. 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.

	Maximum carryover at December 31	Maximum payout at separation of employment
Hired before January 23, 2016	900	400
At-will employees - hired before January 23, 2016	900	600
All hired after January 23, 2016	300	300

L. Leases

As lessee, the County recognizes lease liabilities with an initial, individual value of \$100,000 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. Factors used to determine this rate include our rate history and interest rate market changes.

As lessor, the County recognizes lease receivables with an initial, individual value of \$100,000 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. As of June 30, 2022, the County was not a lessor, and did not recognize any lease receivables.

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE

Net position and fund balance as of July 1, 2021, has been restated as follows for the implementation of GASB Statement No. 87, *Leases*, as amended.

	<u>Governmental activities</u>	<u>Internal Service Funds</u>
Net position/fund balance as previously reported at June 30, 2021	\$ 303,722,855	\$ 22,670,816
Prior period adjustment - implementation of GASB 87:		
Changes in capital assets	571,032	(5,046)
Changes in leases payable	<u>(364,060)</u>	<u>105,730</u>
Total prior period adjustment	<u>206,972</u>	<u>100,684</u>
Net position/fund balance as restated, July 1, 2021	<u>\$ 303,929,827</u>	<u>\$ 22,771,500</u>

MOHAVE COUNTY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2022

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit fund balances or net position—At June 30, 2022, the following nonmajor funds reported deficit fund balances/net position:

Fund	Deficit
Governmental funds:	
Fare Program Justice Courts	\$ 134
Proprietary funds:	
Fleet	259,465
Janitorial	291,819
Fairgrounds	21,782

Fare Programs Justice Courts had a deficit fund balance due to timing differences of reimbursements.

The deficits in fund balances for Fleet and Janitorial were due to the pension liability.

Mohave County's new enterprise fund, Fairgrounds, had a deficit balance due to its startup cost.

NOTE 4 - 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 evidences 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 evidences 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.

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 federal depository insurance does not cover. The Arizona State Treasurer's office administers a Statewide Pooled Collateral Program. The County's deposits are covered under the Statewide Pooled Collateral program.

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

MOHAVE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 - DEPOSITS AND INVESTMENTS (CONTINUED)

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.

A. Deposits

As of June 30, 2022, the carrying amount of the County's deposits was \$12,237,727 and the bank balance was \$19,597,712. There was cash on hand of \$13,670. It is the County's policy to collateralize all deposits not covered by depository insurance.

B. Investments

The County's investments at June 30, 2022, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

	Fair value measurement using		
	Amount	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)
Investments by fair value level			
U.S. Treasury notes	\$ 196,771,215	\$ 196,771,215	
U.S. Agency securities	9,025,824		\$ 9,025,824
Corporate bonds	<u>26,000</u>		<u>26,000</u>
Total investments by fair value level	<u>205,823,039</u>	<u>\$ 196,771,215</u>	<u>\$ 9,051,824</u>
External investment pools measured at fair value			
State Treasurer's investment pools	<u>153,744,639</u>		
Total	<u>\$ 359,567,678</u>		

Investments categorized as Level 1 are valued using prices quoted in active markets for those investments. The investments categorized at Level 2 of the fair value hierarchy are valued using a conservative methodology based on multiple criteria, including asset class and observability of price. Inputs are observable but do not solely rely on quoted market prices to establish fair value. Investments in the State Treasurer's investment pools are valued at the pool's share price multiplied by the number of shares the County held. The fair value of a participant's position in the pools approximates the value of that participant's pool shares. The State Board of Investment provides oversight for the State Treasurer's investment pools.

MOHAVE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 - DEPOSITS AND INVESTMENTS (CONTINUED)

Credit risk—It is the County’s investment policy to invest to preserve the principal value of the portfolio. This is to be accomplished through limiting the types of securities purchased, the percent of the portfolio of each type of security, and the length of time they can be held. Investments allowed are obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations, or instrumentalities. The County can also invest in certificates of deposits, commercial paper, obligations of Arizona state and local governments, repurchase agreements, money market mutual funds, and corporate bonds, debentures, or notes issued by United States companies with AA or greater ratings by Standard & Poor’s or Moody’s rating services.

Investment Type	Rating	Rating Agency	Amount
U.S. Agency securities	AAA	Moody's	9,025,824
Corporate bonds	Unrated	Not applicable	26,000
State Treasurer's Investment Pool 7 and 700	Unrated	Not applicable	<u>153,744,639</u>
			<u>\$ 162,796,463</u>

Custodial credit risk— For an investment, custodial credit risk is the risk that, in the event of the counterparty’s failure, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County’s formal policy for custodial credit risk states that an independent third-party custodian, selected by the Mohave County Treasurer, will hold the securities in the County’s name.

Concentration of credit risk—The County’s formal investment policy requires at least 10 percent of the overall portfolio to be invested in highly liquid accounts such as local government pools, money market funds, or overnight repurchase agreements to ensure the ability to meet ongoing obligations. It also limits the total amount of corporate securities to 20 percent of the total portfolio, with not more than 5 percent invested in any single corporation. Corporate bonds represented less than 1 percent of the total portfolio at June 30, 2022. All other securities are structured with varying maturity dates, not to exceed 5 years, and in various types of investments described under credit risk.

Interest rate risk—The County’s formal policy with respect to interest rate risk minimizes the risk by structuring the portfolio into two accounts to meet cash needs. The return on investment is secondary to safety and liquidity. One account consists of highly liquid securities with maturities of 120 days or less. The second account has maturities of greater than 120 days. Both accounts will have active secondary markets.

At June 30, 2022, the County had the following investments in debt securities:

Investment type	Investment maturities		
	Amount	Less than 1 year	1 to 5 years
State Treasurer's Investment Pool 7 and 700	\$ 153,744,639	\$ 153,744,639	
U.S. Treasury notes	196,771,215	108,366,028	\$ 88,405,187
U.S. Agency securities	9,025,824	4,171,284	4,854,540
Corporate bonds	26,000	26,000	
Total	<u>\$ 359,567,678</u>	<u>\$ 266,307,951</u>	<u>\$ 93,259,727</u>

MOHAVE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 - DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2022, no investments in U.S. agency securities were considered to be highly sensitive to interest rate changes.

A reconciliation of cash, deposits, and investments to amounts shown on the statements of net position follows:

Cash, deposits, and investments:

	<u>Amount</u>
Cash on hand	\$ 13,670
Amount of deposits	12,237,727
Amount of investments	<u>359,567,678</u>
Total	<u>\$ 371,819,075</u>

Statements of net position:

	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Private- purpose trust funds</u>	<u>Custodial funds</u>		<u>Total</u>
				<u>External investment pools</u>	<u>Other</u>	<u>Total</u>
Statement of net position:						
Cash and investments	\$ 205,277,952	\$ 20,476,743	\$ 3,590,776	\$ 133,672,575	\$ 7,284,766	\$ 370,302,812
Cash and investments held by trustee(s)	644,832	-	327,129	-	-	971,961
Restricted cash	-	<u>544,302</u>	-	-	-	<u>544,302</u>
Total	<u>\$ 205,922,784</u>	<u>\$ 21,021,045</u>	<u>\$ 3,917,905</u>	<u>\$ 133,672,575</u>	<u>\$ 7,284,766</u>	<u>\$ 371,819,075</u>

NOTE 5 - PROPERTY TAXES RECEIVABLE

Property taxes receivable consist of uncollected real and personal property taxes as determined from the records of the County Treasurer's Office and at June 30, 2022, were as follows:

	<u>General Fund</u>	<u>Flood control Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fiscal year 2021	\$ 1,135,050	\$ 291,165	\$ 193,939	\$ 1,620,154
Fiscal year 2020	90,522	18,687	15,798	125,007
Prior	<u>777,740</u>	<u>246,348</u>	<u>185,393</u>	<u>1,209,481</u>
Total receivable	<u>\$ 2,003,312</u>	<u>\$ 556,200</u>	<u>\$ 395,130</u>	<u>\$ 2,954,642</u>

The portion of property taxes receivable, not collected within 60 days after June 30, 2022, has been deferred, and consequently is not included in current-year revenues on the fund statements. For the government-wide statements, the entire receivable balance has been recognized as revenue. The total receivable amount is considered collectable, as the property can be sold for non-payment of taxes.

MOHAVE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 - CAPITAL ASSETS

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

Governmental activities:	July 1, 2021 (restated)	Increases	Decreases	June 30, 2022
Capital assets not being depreciated/amortized:				
Land	\$ 28,780,097	\$ 108,476		\$ 28,888,573
Construction in progress	<u>1,392,333</u>	<u>618,544</u>	\$ (1,369,455)	<u>641,422</u>
Total capital assets not being depreciated/amortized	<u>30,172,430</u>	<u>727,020</u>	<u>(1,369,455)</u>	<u>29,529,995</u>
Capital assets being depreciated/amortized:				
Buildings	188,625,816	240,039	(705,639)	188,160,216
Infrastructure and improvements other than buildings	186,748,931	4,594,180		191,343,111
Equipment	60,027,349	4,884,662	(2,794,542)	62,117,469
Intangibles:				
Right-to-use lease assets:				
Buildings	139,390	128,895		268,285
Equipment	854,148	175,305		1,029,453
Infrastructure	<u>342,710</u>			<u>342,710</u>
Total	<u>436,738,344</u>	<u>10,023,081</u>	<u>(3,500,181)</u>	<u>443,261,244</u>
Less accumulated depreciation/amortization for:				
Buildings	62,293,944	5,580,772	(427,834)	67,446,882
Infrastructure and improvements other than buildings	106,556,854	2,640,147		109,197,001
Equipment	32,759,897	4,063,213	(2,422,726)	34,400,384
Intangibles:				
Right-to-use lease assets:				
Buildings		90,489		90,489
Equipment		413,158		413,158
Infrastructure		<u>18,828</u>		<u>18,828</u>
Total accumulated depreciation/amortization	<u>201,610,695</u>	<u>12,806,607</u>	<u>(2,850,560)</u>	<u>211,566,742</u>
Total capital assets being depreciated/amortized, net	<u>235,127,649</u>	<u>(2,783,526)</u>	<u>(649,621)</u>	<u>231,694,502</u>
Governmental activities capital assets, net	<u>\$ 265,300,079</u>	<u>\$ (2,056,506)</u>	<u>\$ (2,019,076)</u>	<u>\$ 261,224,497</u>

The capital asset beginning balance was restated due to the prior period adjustment for the implementation of GASB 87, see Note 2 for additional information.

MOHAVE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 - CAPITAL ASSETS (CONTINUED)

<u>Business-type activities:</u>	<u>July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2022</u>
Capital assets not being depreciated:				
Land	\$ 1,960,709	\$ 2,500		\$ 1,963,209
Construction in progress	<u>234,436</u>	<u>11,750</u>		<u>246,186</u>
Total capital assets not being depreciated	<u>2,195,145</u>	<u>14,250</u>		<u>2,209,395</u>
Capital assets being depreciated:				
Buildings	2,401,667	50,400		2,452,067
Utility systems	32,491,594	1,033,087		33,524,681
Equipment	<u>3,707,589</u>	<u>309,293</u>	\$ (34,080)	<u>3,982,802</u>
Total capital assets being depreciated	<u>38,600,850</u>	<u>1,392,780</u>	<u>(34,080)</u>	<u>39,959,550</u>
Less accumulated depreciation for:				
Buildings	1,375,133	66,229		1,441,362
Utility systems	18,344,294	1,170,587		19,514,881
Equipment	<u>1,544,998</u>	<u>283,678</u>	(30,058)	<u>1,798,618</u>
Total accumulated depreciation	<u>21,264,425</u>	<u>1,520,494</u>	<u>(30,058)</u>	<u>22,754,861</u>
Total capital assets being depreciated, net	<u>17,336,425</u>	<u>(127,714)</u>	<u>(4,022)</u>	<u>17,204,689</u>
Business-type activities capital assets, net	<u>\$ 19,531,570</u>	<u>\$ (113,464)</u>	<u>\$ (4,022)</u>	<u>\$ 19,414,084</u>

Depreciation/amortization expense was charged to functions as follows:

Governmental activities:	
General government	\$ 2,099,507
Public safety	4,425,354
Highways and streets	3,785,348
Health	97,715
Welfare	57,899
Sanitation	1,248
Culture and recreation	435,758
Education	1,218
Internal service funds	<u>1,902,560</u>
Total governmental activities depreciation/amortization expense	<u>\$ 12,806,607</u>
Business-Type activities:	
Landfill	\$ 155,247
Recreation	345,389
Water companies	<u>1,019,858</u>
Total business-type activities depreciation expense	<u>\$ 1,520,494</u>

MOHAVE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 - CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

The County had nine major contractual commitments at June 30, 2022, as follows.

<u>Contractual commitments</u>	<u>Funding source</u>	<u>Expenditures to date</u>	<u>Total contractual commitment</u>	<u>Remaining commitment</u>
Prison health care contract 07/01/22 - 06/30/23	Tax Revenues		4,380,598	4,380,598
Heavy equipment 10/04/21	HURF		2,202,000	2,202,000
Vehicles - 23 total 10/04/21 - 3/15/22	Tax Revenues		2,663,205	2,663,205
Medical Examiner services 11/15/21	Tax Revenues	647,500	3,330,000	2,682,500
Detention Facility maintenance 02/07/22	Tax Revenues	173,791	486,038	312,247
Detention Food Service 12/20/21	Tax Revenues	663,323	1,423,301	759,978
Permits System Software 09/03/19	Tax Revenues	245,142	641,011	395,869
Security Services 12/06/21	Tax Revenues	346,630	492,324	145,694
Courts Security Services 03/21/22	Tax Revenues	103,646	723,646	620,000
Senior Meals 06/02/22	Grants and Donations		219,045	219,045
Centennial Park Domestic Water 01/03/22	ARPA		2,500,000	2,500,000
Colorado City Water 05/02/22	ARPA		1,400,000	1,400,000
Kingman Superior Court Building 09/24/20 - 03/07/22	Tax Revenues	2,315,607	2,607,332	291,725
BHC Complex Nursing Remodel 06/20/22	Tax Revenues		360,000	360,000
Restroom Shower Buildings 12/20/21	ARPA		941,094	941,094
Earthworks and Channel Maintenance 02/01/21 - 04/06/22	Tax Revenues		347,312	347,312
Hualapai Mountain Park Vegetation Mitigation 04/18/22	Grant	30,000	200,000	170,000
Pine Street Jail 01/05/22	Tax Revenues		375,850	375,850
Horizon Six Waterline 02/04/22	ARPA		294,979	294,979
New Kingman/Butler Sewer Expansion 11/04/21	ARPA	137,146	282,954	145,808
Jail Trash Grease Interceptor 03/21/22	Tax Revenues	21,408	116,855	95,447
Lipan Blvd Earthworks and Channel Maintenance 05/04/22	Tax Revenues		145,865	145,865
Landscape and maintenance 03/22/22	Tax Revenues	10,393	150,000	139,607
Antares Road Bridge 09/07/21	HURF	71,914	560,375	488,461
Total		<u>\$ 4,766,500</u>	<u>\$ 26,843,784</u>	<u>\$ 22,077,284</u>

MOHAVE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 - CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS (CONTINUED)

The County had contractual commitments related to leases for which the lease term had not yet commenced at June 30, 2022, as follows.

<u>RTU Asset Type</u>	<u>RTU Asset Description</u>	<u>Payments made to lessor</u>	<u>Total contractual commitment</u>
RTU- Buildings	Office Space	\$ -	\$ 25,200
RTU- Infrastructure	Fiber Optic Lines	-	<u>253,800</u>
Total		<u>\$ -</u>	<u>\$ 279,000</u>

At June 30, 2022, the County had made payments of \$0 to the lessors and had remaining contractual commitments with lessors of \$279,000 including the lease liabilities that will be recognized at the commencement of the lease terms.

NOTE 8 - RESTRICTED ASSETS

As of June 30, 2022, the County had restricted assets as follows:

Governmental activities assets:

HUD properties		919,334	U.S. Housing and Urban Development (HUD) rehabilitated homes restricted for sale to qualified buyers.
Total governmental activities	\$	<u>919,334</u>	

Business-type activities assets:

Restricted cash		311,347	I-40 Replacement fund collections, restricted for future repairs of infrastructure by agreement with customer.
Restricted cash		232,955	GVID water corridor collections restricted for future infrastructure repairs by agreement with customers.
Total business-type activities	\$	<u>544,302</u>	

MOHAVE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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, (restated)	Additions	Reductions	Balance June 30, 2022	Due within 1 year
Governmental activities:					
Net pension and other postemployment benefits liability	\$ 127,088,506		\$ (23,385,876)	\$ 103,702,630	
Leases payable	1,336,243	\$ 304,200	(502,464)	1,137,979	\$ 524,864
Compensated absences payable	6,128,898	547,910		6,676,808	6,223,028
Claims and judgments payable	2,358,949	13,403,364	(13,252,255)	2,510,058	2,510,058
Total governmental activities long-term liabilities	<u>\$ 136,912,596</u>	<u>\$ 14,255,474</u>	<u>\$ (37,140,595)</u>	<u>\$ 114,027,475</u>	<u>\$ 9,257,950</u>
Business-type activities:					
Landfill closure and postclosure care costs payable	\$ 9,917,175	\$ 139,644		\$ 10,056,819	
Net pension and other postemployment benefits liability	2,708,897		\$ (518,013)	2,190,884	
Compensated absences payable	194,169	96,375		290,544	\$ 270,797
Total business-type activities long-term liabilities	<u>\$ 12,820,241</u>	<u>\$ 236,019</u>	<u>\$ (518,013)</u>	<u>\$ 12,538,247</u>	<u>\$ 270,797</u>

The lease payable beginning balance was restated due to the prior period adjustment for the implementation of GASB 87, see Note 2 for additional information.

Leases—The County, as a lessee, has entered into fourteen lease agreements involving office space, office equipment, and communication tower infrastructures. As of June 30, 2022, the lease liability was \$1.1 million. The leases have interest rates between 0.2% and 4.5%, and an estimated life of 1-21 years. The County made \$0.5 million in principal payments and \$17,000 in interest payments related to these leases for the fiscal year ended June 30, 2022.

The total amount of lease assets and the related accumulated amortization are as follows:

Total intangible right-to-use lease assets	\$ 1,640,448
Less: accumulated amortization	<u>522,475</u>
Carrying value	<u>\$ 1,117,973</u>

MOHAVE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 - LONG-TERM LIABILITES (CONTINUED)

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

Year ending June 30	Governmental activities	
	Principal	Interest
2023	\$ 524,864	\$ 13,146
2024	243,642	6,802
2025	48,291	5,060
2026	39,587	4,510
2027	26,150	4,027
2028-32	90,626	16,093
2033-37	109,870	8,537
2038-42	<u>54,949</u>	<u>1,200</u>
Total	<u>\$ 1,137,979</u>	<u>\$ 59,375</u>

Landfill closure and postclosure care costs—The County owns two landfill sites. Cerbat is 312 acres and Mohave Valley is 160 acres. Both are operated by independent contractors under contract with the County and began operations in January 1989. The County operates its landfills on a cell basis. The County owns additional unused parcels of land adjacent to the existing landfill sites that will be used, as needed, to open additional cells.

State and federal laws and regulations require the County to place a final cover on its Cerbat and Mohave Valley landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. Although closure and postclosure care costs will not be paid until near or after the date that the landfills stop accepting waste, the County reports a portion of these closure and postclosure care costs in each period that the County operates the landfills. These costs will be paid from the enterprise fund.

The amount of cost recognized each year is based on landfill capacity used at the end of each fiscal year. The \$10,056,819 reported as landfill closure and postclosure care liability at June 30, 2022, represents the cumulative amount reported to date at the Cerbat and Mohave Valley landfills. The calculation is based on the use of 99 percent of Cells 1-5 and 32 percent of Cell 6 at Cerbat landfill; and 86 percent of the estimated capacity at Mohave Valley landfill. The County will recognize the remaining estimated costs of closure and postclosure care costs of \$1,631,993 as the remaining estimated capacity is filled.

These amounts are based on what it would cost to perform all closure and postclosure care in fiscal year 2022 for existing open cells. The actual costs may be higher because of inflation, changes in technology, or changes in regulations. The existing open cells at the Cerbat landfill are expected to reach capacity by the end of 2029. The existing open cells at the Mohave landfill are expected to reach capacity by the end of 2025. The County expects to reach capacity of the landfills' unopened cells in the years 2065 and 2066, respectively. According to state and federal laws and regulations, the County must comply with the local government financial test requirements that ensure that the County can meet the costs of landfill closure, postclosure, and corrective action when needed. The County is in compliance with these requirements.

MOHAVE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 - LONG-TERM LIABILITIES (CONTINUED)

Insurance Internal Service Funds—The County established two internal service funds, Employee Benefits Trust (EBT) and Self-Insured Trust (SIR). The EBT fund accounts for employee health benefits through a combination of self-insured and commercial insurance. The SIR fund provides property, casualty, and general liability coverage up to \$75,000 per claim, and also accounts for premium payments to the Arizona Counties Workers’ Compensation Pool for workers’ compensation coverage.

The SIR fund accounts for the risk financing of certain benefits and losses through combinations of cost reimbursement, self-insurance for losses up to certain limits, participation in public entity risk pools, and the purchase of insurance for losses above the limits. Settled claims have not exceeded risk pool coverage or the purchased commercial insurance in any of the past 7 fiscal years. The EBT Fund accounts for the financing of the uninsured risk of loss for certain health benefits (comprehensive major medical, prescriptions, dental, life, and accidental death and dismemberment) to eligible employees and their dependents. The County is self-insured up to certain limits, with commercial insurance to cover losses above the limits. The life insurance is 100 percent commercial insurance. Under the health insurance program, the employees have a preferred provider organization program. The County is fully self-insured for dental, which is administered by Delta Dental. Settled medical and dental claims have not exceeded available self-insurance funds, or the purchased commercial insurance, in any of the past 7 fiscal years.

Compensated absences and insurance claims—Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs. Insurance claims are paid from the internal service funds. During fiscal year 2022, the County’s liability for compensated absences is allocated as follows: 63 percent to the general fund, 13 percent to other major funds, and 24 percent to other nonmajor funds.

The County paid for health insurance claims through the EBT Fund. The claims paid from the EBT Fund were medical claims funded through payroll deductions and contributions from county funds. The self-insured trust fund was funded \$1.9 million; \$1,342 million (69.2 percent) by the general fund, \$402.7 thousand (20.8 percent) by the road fund, \$33.1 thousand (1.7 percent) by the flood control fund, \$35 thousand (1.8 percent) by internal service funds, \$64.5 thousand (3.3 percent) by enterprise funds, and \$62.4 thousand (3.2 percent) by other governmental funds this past year to cover insurance expense and possible settlements.

The insurance claims payable liability of the SIR and EBT Funds totaling \$2,510,058 included in the balance below at June 30, 2022, is the estimated ultimate cost of settling claims that have been reported but not settled, and claims that have been incurred but not reported. This estimate is based on actuarial estimates provided by the County’s healthcare administrator (based on claims received subsequent to June 30, 2022) and Arizona Counties Property and Casualty Pool (based on expected outcomes of outstanding lawsuits and incurred but not reported occurrences).

Changes in the funds' claims payable for the years ended June 30, 2021, and 2022, were as follows:

	<u>2021</u>	<u>2022</u>
Claims payable, beginning of year	\$ 2,150,495	\$ 2,358,949
Claims incurred and changes in estimates	12,431,324	13,403,364
Claims paid	<u>(12,222,870)</u>	<u>(13,252,255)</u>
Claims payable, end of year	<u>\$ 2,358,949</u>	<u>\$ 2,510,058</u>

MOHAVE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 - FUND BALANCE CLASSIFICATIONS OF THE GOVERNMENTAL FUNDS

The fund balance classifications of the governmental funds as of June 30, 2022, were as follows:

Fund balances:	General Fund	Road Fund	Flood Control Fund	County Capital Improvement Fund	American Rescue Plan Act Fund	Other Governmental Fund	Total Governmental Funds
Nonspendable:							
Inventories	-	\$ 198,728	\$ 121,025	-	-	-	\$ 319,753
Prepaid items	\$ 52,839	-	18,118	-	-	\$ 71,916	142,873
Total nonspendable	<u>52,839</u>	<u>198,728</u>	<u>139,143</u>	<u>-</u>	<u>-</u>	<u>71,916</u>	<u>462,626</u>
Restricted for:							
Government services	-	-	-	-	-	10,169,242	10,169,242
Public safety	-	-	9,480,542	-	-	5,922,084	15,402,626
Highways and streets	-	19,437,403	-	-	-	-	19,437,403
Health	-	-	-	-	-	2,679,679	2,679,679
Welfare	-	-	-	-	-	2,444,157	2,444,157
Education	-	-	-	-	-	734,208	734,208
Culture and recreation	-	-	-	-	-	7,184,260	7,184,260
Total restricted	<u>-</u>	<u>19,437,403</u>	<u>9,480,542</u>	<u>-</u>	<u>-</u>	<u>29,133,630</u>	<u>58,051,575</u>
Committed to:							
Pension	-	-	-	-	-	3,500,000	3,500,000
Sanitation	-	-	-	-	-	420,645	420,645
Capital projects	-	-	-	\$ 32,407,237	-	68,869	32,476,106
Total committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,407,237</u>	<u>-</u>	<u>3,989,514</u>	<u>36,396,751</u>
Unassigned:	<u>53,497,546</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,540</u>	<u>53,523,086</u>
Total fund balances	<u>\$ 53,550,385</u>	<u>\$ 19,636,131</u>	<u>\$ 9,619,685</u>	<u>\$ 32,407,237</u>	<u>\$ -</u>	<u>\$ 33,220,600</u>	<u>\$ 148,434,038</u>

NOTE 11 - 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 two public entity risk pools: the Arizona Counties Property and Casualty Pool and the Arizona Counties Workers' Compensation Pool, which are described below.

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 ranging from \$10,000 to \$500,000 per occurrence for property claims and \$75,000 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 law requires, 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.

MOHAVE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 - RISK MANAGEMENT (CONTINUED)

The Arizona Counties Property and Casualty Pool and the Arizona Counties Workers' Compensation Pool receive independent audits annually and an audit by the Arizona Department of Insurance every 5 years. Both 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 12 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The County contributes to the plans described below. The plans are component units of the State of Arizona. 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 assets	\$ (4,190,307)	\$ (81,933)	\$ (4,272,240)
Net pension and OPEB liabilities	103,702,630	2,190,884	105,893,514
Deferred outflows of resources related to pensions and OPEB	25,194,272	675,901	25,870,173
Deferred inflows of resources related to pensions and OPEB	24,765,462	762,590	25,528,052
Pension and OPEB expense	11,914,961	305,839	12,220,800

The County's accrued payroll and employee benefits includes \$427,976 of outstanding pension and OPEB contribution amounts payable to all plans for the year ended June 30, 2022. Also, the County reported \$11,600,702 of pension and OPEB contributions as expenditures in the governmental funds related to all 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 benefits terms.

MOHAVE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

ASRS	Retirement Initial membership date:	
	Before July 1, 2011	On or after July 1, 2011
Years of service and age required to receive benefit	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 retirement benefit option chosen determines the survivor benefit. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions 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.

MOHAVE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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 of the service on record as of the effective disability date if their service is greater than 30 years.

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 statute required the County to contribute at the actuarially determined rate of 12.41 percent (12.01 percent for retirement, 0.21 percent for health insurance premium benefit, and 0.19 percent for long-term disability) of the active members' annual covered payroll. In addition, the County was required by statute to contribute at the actuarially determined rate of 10.22 percent (10.13 percent for retirement and 0.09 percent for long-term disability) of annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the ASRS would typically fill. The County's contributions to the pension, health insurance premium benefits and long-term disability plans for the year end June 30, 2022, were \$5,344,142, \$93,445, and \$84,545, respectively.

During fiscal year 2022, the County paid for ASRS pension and OPEB contributions as follows: 54% from the General Fund, 19% from the Other Major Funds, and 28% from the Other Funds.

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

<u>ASRS</u>	<u>Net Pension/OPEB (Asset) Liability</u>
Pension	\$ 49,032,881
Health Insurance Premium Benefit	(1,836,580)
Long-term Disability	77,407

The net asset and net liabilities were measured as of June 30, 2021. The total liability used to calculate the net asset or net liability was determined using update 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, changing the projected salary increases from 2.7-7.2 percent to 2.9-8.4 percent.

MOHAVE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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 participating employer 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:

<u>ASRS</u>	Proportion June 30, 2021	Increase (decrease) from June 30, 2020
Pension	0.37317 %	0.01373
Health Insurance Premium Benefit	0.37696 %	0.01392
Long-term Disability	0.37499 %	0.01378

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

<u>ASRS</u>	Pension/OPEB Expense
Pension	\$ 5,394,733
Health Insurance Premium Benefit	(209,996)
Long-term Disability	59,905

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:

	<u>Pension</u>		<u>Health Insurance Premium Benefit</u>		<u>Long-term Disability</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
ASRS						
Differences between expected and actual experience	\$ 747,461			\$ 636,929	\$ 22,360	\$ 6,308
Changes of assumptions or other inputs	6,382,021		\$ 91,052	74,254	24,756	97,534
Net difference between projected and actual earnings on plan investments	-	\$15,535,342	-	681,278	-	53,610
Changes in proportion and differences between County contributions and proportionate share of contributions	1,948,731		1	6,279	11,356	2,486
County contributions subsequent to the measurement date	<u>5,344,142</u>	<u>-</u>	<u>93,445</u>	<u>-</u>	<u>84,545</u>	<u>-</u>
Total	<u>\$14,422,355</u>	<u>\$15,535,342</u>	<u>\$ 184,498</u>	<u>\$ 1,398,740</u>	<u>\$ 143,017</u>	<u>\$ 159,938</u>

MOHAVE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

The amounts reported as deferred outflows of resources related to ASRS 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 ended 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,	Pension	Health Insurance Premium Benefit	Long-term Disability
2023	\$ 1,486,724	\$ (306,638)	\$ (13,675)
2024	834,489	(294,005)	(12,744)
2025	(3,424,747)	(322,215)	(14,680)
2026	(5,353,595)	(355,740)	(22,792)
2027	-	(29,089)	(7,979)
Thereafter	-	-	(29,596)
Totals	<u>\$ (6,457,129)</u>	<u>\$ (1,307,687)</u>	<u>\$ (101,466)</u>

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:

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

MOHAVE COUNTY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2022

NOTE 12 - 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 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 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%)
ASRS			
County's proportionate share of the	<u> </u>	<u> </u>	<u> </u>
Net pension liability	\$ 77,124,615	\$ 49,032,881	\$ 25,612,148
Net insurance premium benefit liability (asset)	(1,216,007)	(1,836,580)	(2,364,272)
Net long-term disability liability	100,795	77,407	54,779

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

B. Public Safety Personnel Retirement System

Plan Description - County sheriff employees 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 9-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 insignificance to the County's financial statements.

MOHAVE COUNTY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2022

NOTE 12 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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 and dispatchers (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 health insurance premium 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 included their 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 benefits terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2017
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 member's 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	

MOHAVE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

<u>CORP</u>	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:	Sum of years and age equals 80		
Years of service and age required to receive benefit	20 years, any age 10 years, ages 62	25 years, age 52.5 10 years, age 62	10 years, age 52.5* 10 or more years, age 55
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 member's 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 contributions.		

*With actuarially reduced benefits.

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.

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 plans' benefit terms:

	PSPRS Sheriff		CORP Detention	
	Pension	Health	Pension	Health
Inactive employees or beneficiaries currently receiving benefits	57	57	20	20
Inactive employees entitled to but not yet receiving benefits	30	6	93	
Active employees	50	50	53	53
Total	<u>137</u>	<u>113</u>	<u>166</u>	<u>73</u>

MOHAVE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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. Contributions rates for the year ended June 30, 2022, are indicated below. Rates are a percentage of active members' annual covered payroll.

	Active member <u>pension</u>	<u>County-pension</u>	County-health insurance <u>premium benefits</u>
PSPRS Sheriff	7.65% - 11.65%	53.63%	0%
CORP Detention	8.41%	8.25%	0%
CORP AOC	8.41%	35.48%	0.49%

In addition, statute required the County to contribute at the actuarially determined rate indicated below of annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the PSPRS or CORP would typically fill and employees participating in the PSPRS Tier 3 Risk Pool and PSPDCRP members in addition to the County's required contributions to the PSPRS Tier 3 Risk Pool and PSPDCRP.

	<u>Pension</u>	<u>Health Insurance Premium Benefit</u>
PSPRS Sheriff	42.23 %	- %
CORP Detention	6.00 %	- %
CORP AOC	31.35 %	0.22 %

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

	<u>Pension</u>	<u>Health Insurance Premium Benefit</u>
PSPRS Sheriff	\$ 3,095,355	-
CORP Detention	328,503	-
CORP AOC	1,358,999	\$ 18,769

During fiscal year 2022, the County paid for PSPRS and CORP pension and OPEB contributions as follows: 79% from the General Fund, and 21% from the Other Funds.

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

	<u>Net Pension (Asset) Liability</u>	<u>Net OPEB (Asset) Liability</u>
PSPRS Sheriff	\$ 23,894,803	\$ (1,122,190)
CORP Detention	(39,975)	(703,663)
CORP AOC (County's proportionate share)	12,005,207	(4,298)

MOHAVE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

The net assets 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 pension/not applicable for OPEB
Price inflation	2.5% for pension/not applicable for OPEB
Cost-of-living adjustment	1.75% for pension/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 actuarial 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. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

PSPRS and CORP		Long-Term Expected Geometric
Asset Class	Target Allocation	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>	

MOHAVE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Discount Rates - At June 30, 2021, the discount rate used to measure the PSPRS and CORP total pension/OPEB liabilities 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 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 to determine the total pension/OPEB liability.

Changes in the Net Pension/OPEB Liability - Changes in the net pension/OPEB liability are as follows for the year ended June 30, 2022:

PSPRS - Sheriff:	Pension Increase (Decrease)			Health Insurance Premium Benefit Increase (Decrease)		
	Total Position 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	<u>\$ 52,424,942</u>	<u>\$ 23,781,078</u>	<u>\$ 28,643,864</u>	<u>\$ 721,927</u>	<u>\$ 1,494,077</u>	<u>\$ (772,150)</u>
Changes for the year:						
Service cost	800,840	-	800,840	20,449	-	20,449
Interest on the total liability	3,764,787	-	3,764,787	53,044	-	53,044
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience in the measurement of the liability	250,425	-	250,425	(15,540)	-	(15,540)
Changes of assumptions or other inputs	-	-	-	-	-	-
Contributions—employer	-	2,663,819	(2,663,819)	-	-	-
Contributions—employee	-	362,152	(362,152)	-	-	-
Net investment income	-	6,580,751	(6,580,751)	-	409,678	(409,678)
Benefit payments, including refunds of employee contributions	(3,306,714)	(3,306,714)	-	(31,499)	(31,499)	-
Administrative expense	-	(30,982)	30,982	-	(1,685)	1,685
Other changes	-	(10,627)	10,627	-	-	-
Net changes	<u>1,509,338</u>	<u>6,258,399</u>	<u>(4,749,061)</u>	<u>26,454</u>	<u>376,494</u>	<u>(350,040)</u>
Balances at June 30, 2022	<u>\$ 53,934,280</u>	<u>\$ 30,039,477</u>	<u>\$ 23,894,803</u>	<u>\$ 748,381</u>	<u>\$ 1,870,571</u>	<u>\$ (1,122,190)</u>

MOHAVE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

CORP - Detention	Pension			Health Insurance Premium Benefit Increase		
	Increase (Decrease)			(Decrease)		
	Total Position Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a) – (b)	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a) – (b)
Balances at June 30, 2021	<u>\$10,097,772</u>	<u>\$ 8,541,944</u>	<u>\$ 1,555,828</u>	<u>\$ 197,910</u>	<u>\$ 727,444</u>	<u>\$ (529,534)</u>
Changes for the year:						
Service cost	366,439	-	366,439	8,179	-	8,179
Interest on the total liability	749,211	-	749,211	14,882	-	14,882
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience in the measurement of the pension liability	10,694	-	10,694	(1,494)	-	(1,494)
Changes of assumptions or other inputs	-	-	-	-	-	-
Contributions—employer	-	204,850	(204,850)	-	-	-
Contributions—employee	-	205,719	(205,719)	-	-	-
Net investment income	-	2,322,336	(2,322,336)	-	196,504	(196,504)
Benefit payments, including refunds of employee contributions	(402,083)	(402,083)	-	(4,460)	(4,460)	-
Administrative expense	-	(10,758)	10,758	-	(808)	808
Other changes	-	-	-	-	-	-
Net changes	<u>724,261</u>	<u>2,320,064</u>	<u>(1,595,803)</u>	<u>17,107</u>	<u>191,236</u>	<u>(174,129)</u>
Balances at June 30, 2022	<u>\$10,822,033</u>	<u>\$10,862,008</u>	<u>\$ (39,975)</u>	<u>\$ 215,017</u>	<u>\$ 918,680</u>	<u>\$ (703,663)</u>

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:

<u>CORP AOC</u>	Proportion June 30, 2021 %	Increase (decrease) from June 30, 2020
Pension	3.23399 %	(0.22302)
Health insurance premium benefit	3.21196 %	(0.16748)

MOHAVE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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 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:

	1% Decrease (6.3%)	Current Discount Rate (7.3%)	1% Increase (8.3%)
PSPRS Sheriff			
Net pension liability	\$ 30,956,799	\$ 23,894,803	\$ 18,126,347
Net OPEB (asset) liability	(1,031,954)	(1,122,190)	(1,197,637)
CORP Detention			
Net pension (asset) liability	1,512,085	(39,975)	(1,294,386)
Net OPEB (asset) liability	(675,156)	(703,663)	(727,455)
CORP AOC			
County's proportionate share of the net pension liability	16,245,444	12,005,207	8,531,611
County's proportionate share of the net OPEB liability	49,937	(4,298)	(50,090)

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	\$ 3,096,212	\$ (119,907)
CORP Detention	249,957	(71,405)
CORP AOC (County's proportionate share)	1,769,511	(27,366)

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:

	Pension		Health Insurance Premium Benefit	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
PSPRS - Sheriff				
Differences between expected and actual experience	\$ 1,212,326		\$ 5,520	\$ 77,306
Changes of assumptions or other inputs	253,788		3,560	3,194
Net difference between projected and actual earnings on pension plan investments		\$ 2,827,851		175,007
County contributions subsequent to the measurement date	<u>3,095,355</u>			
Total	<u>\$ 4,561,469</u>	<u>\$ 2,827,851</u>	<u>\$ 9,080</u>	<u>\$ 255,507</u>

MOHAVE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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	\$ 444,718	\$ 139,412	\$ 3,015	\$ 69,102
Changes of assumptions	66,521		2,080	10,721
Net difference between projected and actual earnings on pension plan investments		1,066,203		90,169
County contributions subsequent to the measurement date	<u>328,503</u>			
Total	<u>\$ 839,742</u>	<u>\$ 1,205,615</u>	<u>\$ 5,095</u>	<u>\$ 169,992</u>

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	\$ 1,145,793	\$ 352,011		\$ 91,585
Changes of assumptions	246,216		\$ 2,811	11,351
Net difference between projected and actual earnings on pension plan investments		1,938,118		44,936
Changes in proportion and differences between County contribution and proportionate share of contributions	1,057,351	55,803	20,029	1,669
County contributions subsequent to the measurement date	<u>1,358,999</u>		<u>18,769</u>	
Total	<u>\$ 3,808,359</u>	<u>\$ 2,345,932</u>	<u>\$ 41,609</u>	<u>\$ 149,541</u>

MOHAVE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

The amounts reported as deferred outflows of resources related to pensions and OPEB resulting from County 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 ended 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 expenses as follows:

Year Ending June 30,	PSPRS Sheriff		CORP Detention		CORP-AOC	
	Pension	Health	Pension	Health	Pension	Health
2023	\$ 291,785	\$ (73,719)	\$ (41,625)	\$ (37,282)	\$ 429,160	\$ (39,983)
2024	(57,568)	(65,588)	(48,286)	(37,495)	291,628	(26,805)
2025	(624,732)	(43,648)	(264,694)	(40,127)	(101,731)	(28,881)
2026	(971,222)	(63,472)	(339,771)	(40,647)	(515,629)	(23,082)
2027				(9,133)		(7,950)
Thereafter				(213)		
	<u>\$ (1,361,737)</u>	<u>\$ (246,427)</u>	<u>\$ (694,376)</u>	<u>\$ (164,897)</u>	<u>\$ 103,428</u>	<u>\$ (126,701)</u>

PSPDCRP Plan—County sheriff employees, County detention officers, 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.

For the year ended June 30, 2022, active PSPDCRP members were required by statute to contribute at least 9 percent (County sheriff employees) or 5 percent (County detention officers, and AOC probation, surveillance, and juvenile detention officers) of the members' annual covered payroll, and the County was required by statute to contribute 9 percent or 5 percent, respectively, of active members' annual covered payroll to an individual employee account. Employees are immediately vested in their own contributions and the earnings of those contributions. Employees vest in a portion of the County's contributions each year as set forth in statute. The plan retains nonvested County contributions when forfeited because of employment terminations. For the year ended June 30, 2022, the County recognized pension expense of \$16,837.

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 website at www.psprs.com.

MOHAVE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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:

EORP	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012
<u>Retirement and disability</u>		
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 10 years
<u>Benefit percent</u>		
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
<u>Survivor benefit</u>		
Retired members	75% of retired member's benefit	50% of retired member's benefit
Active members and other inactive members	75% of disability retirement benefit	50% of disability retirement 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.

MOHAVE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 - 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 member’s 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. The County’s contributions to the pension plan for the year ended June 30, 2022, was \$1,541,183. The health insurance premium benefit plan was 100% funded and required no contribution. During fiscal year 2022, the County paid for EORP pension contributions as follows: 95 percent from the General Fund, and 5 percent from other funds.

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	\$ 20,883,216
State's proportionate share of the EORP net pension liability associated with the County	<u>2,099,102</u>
Total	<u><u>\$ 22,982,318</u></u>

The County also reported an asset of \$565,534 for its proportionate share of the 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.

The County’s proportion of the net pension liability was based on the County’s required contributions to the 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
	<u> </u>	<u> </u>
Pension	3.43157 %	0.09168
Health insurance premium benefit	3.54617 %	(0.14505)

Expense—For the year ended June 30, 2022, the County recognized pension and OPEB expense for EORP of \$2,140,020 and \$(60,866) respectively, and revenue of \$(137,631) for the County’s proportionate share of the State’s appropriation to EORP and the designated court fees.

MOHAVE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 - 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:

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		\$ 277,911		\$ 48,003
Changes of assumptions or other inputs				
Net difference between projected and actual earnings on plan investments		1,063,969		88,410
Change in proportion and differences between county contributions and proportionate share of contributions	\$ 303,704		\$ 10,062	1,300
County contributions subsequent to the measurement date	<u>1,541,183</u>			
Total	<u>\$ 1,844,887</u>	<u>\$ 1,341,880</u>	<u>\$ 10,062</u>	<u>\$ 137,713</u>

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 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:

Year ending June 30	Pension	Health insurance premium benefit
2023	\$ (192,649)	\$ (41,833)
2024	(221,556)	(33,671)
2025	(261,676)	(21,799)
2026	<u>(362,295)</u>	<u>(30,348)</u>
Total	<u>\$ (1,038,176)</u>	<u>\$ (127,651)</u>

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 pension/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	PubG-2010 tables
Healthcare cost trend rate	Not applicable

MOHAVE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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:

<u>EORP</u>	Target allocation	Long-term expected geometric real rate of return
Asset class		
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 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 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	\$ 23,996,444	\$ 20,883,216	\$ 18,211,341
County's proportionate share of the net OPEB (asset)	(530,755)	(565,534)	(595,888)

MOHAVE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Plan fiduciary net position—Detailed information about the plans’ fiduciary net position is available in the separately issued EORP financial report

EODCRS Plan—Elected officials and judges who are not members of EORP or ASRS participate in the EODCRS and the Elected Officials Define 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 provision 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 is not further disclosed because of its relative insignificance to the County’s financial statements.

For the year ended June 30, 2022, active EODCRS members were required by statute to contribute 8 percent of the members’ annual covered payroll, and the County was required by statute to contribute 6 percent of the active members’ annual covered payroll to an individual employee account. Employees are immediately vested in their own contributions and the County’s contributions to the individual employee account and the earnings on those contributions. For the year ended June 30, 2022, the County recognized pension expense of \$42,239.

NOTE 13 - INTERFUND BALANCES AND ACTIVITY

Interfund receivable and payables - Interfund balances as of June 30, 2022, were as follows:

<u>Payable to</u>	<u>Payable from</u>					<u>Total</u>
	<u>General fund</u>	<u>Road fund</u>	<u>Other governmental funds</u>	<u>Other Enterprise Funds</u>	<u>Internal service funds</u>	
General fund			\$ 25,077			\$ 25,077
Road fund	\$ 75,702				\$ 320	76,022
Flood control fund	596	\$ 6,489				7,085
ARPA	26					26
Other governmental funds	114,740	783	469,539	\$ 83,255		668,317
Landfill fund	323					323
GVID fund	1,122					1,122
Parks fund	6,330					6,330
Other Enterprise funds	4,495	50,191				54,686
Internal service funds	6,255					6,255
Total	<u>\$ 209,589</u>	<u>\$ 57,463</u>	<u>\$ 494,616</u>	<u>\$ 83,255</u>	<u>\$ 320</u>	<u>\$ 845,243</u>

The interfund receivables and payables result from year-end accruals and adjustments. Cash will be transferred within the first few months of the next fiscal year for these transactions.

MOHAVE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 - INTERFUND BALANCES AND ACTIVITY (CONTINUED)

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

Transfer From	Transfer to							Total
	General Fund	Road Fund	County Capital Improvement Fund	Other Governmental Funds	GVID	Other Enterprise Funds	Internal Service Funds	
General fund	\$ 212,000		\$ 12,500,000	\$ 6,316,688		\$ 126,281	\$ 760,226	\$19,915,195
Flood control fund	425,324	\$ 72,932		131,000				629,256
County capital improvement fund				1,000,000				1,000,000
Other governmental funds	1,090,341		1,000,000	597,132	\$ 8,504			2,695,977
Landfill			850,000					850,000
Internal service funds			1,500,000	165,798				1,665,798
Other enterprise funds			200,000					200,000
Total	<u>\$ 1,727,665</u>	<u>\$ 72,932</u>	<u>\$ 16,050,000</u>	<u>\$ 8,210,618</u>	<u>\$ 8,504</u>	<u>\$ 126,281</u>	<u>\$ 760,226</u>	<u>\$26,956,226</u>

The general fund transfers monies to other funds to provide support for such items as matching funds for grants or to make up the shortfall of grant-funded programs that the County feels are important. Other funds also transfer monies to reimburse for shared expenses and to cover matching grants.

NOTE 14 - 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.

The deposits and investments held by the County are included in the County Treasurer's investment pool, except for \$4,499,007 of deposits held by other county departments and \$971,961 of deposits held by trustees in the County's name. Therefore, the deposit and investment risks of the Treasurer's investment pool are substantially the same as the County's deposit and investment risks. See Note 4 for disclosure of the County's deposit and investment risks.

Details of each major investment classification follow:

Investment type	Principal	Interest rate(s)	Maturities	Amount
U.S. agency securities	\$ 9,184,784	0.125-0.250%	7/22-9/23	\$ 9,025,824
U.S. Treasury notes	198,985,150	1.25-2.875%	7/22-6/24	196,771,215
Corporate bonds	2,664,449	N/A	N/A	26,000
State Treasurer's Investment Pool	<u>154,435,192</u>	None stated	N/A	<u>153,744,639</u>
	<u>\$365,269,575</u>			<u>\$359,567,678</u>

MOHAVE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 14 - COUNTY TREASURER'S INVESTMENT POOL (CONTINUED)

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

Statement of fiduciary net position	
Assets	\$ 366,431,910
Net position	<u>\$ 366,431,910</u>
Net position held for:	
Internal participants	\$ 225,610,509
External participants	<u>140,821,401</u>
Total net position held in trust	<u>\$ 366,431,910</u>
Statement of changes in fiduciary net position	
Total additions	\$ 553,638,640
Total deductions	<u>(484,590,783)</u>
Net decrease	69,047,857
Net position held in trust:	
July 1, 2021	<u>297,384,053</u>
June 30, 2022	<u>\$ 366,431,910</u>

NOTE 15 - SUBSEQUENT EVENTS

Subsequent to June 30, 2022, Mohave County received notice from the State of Arizona that the State will receive settlements from five additional defendants to the class action Opiate litigation. Mohave County expects to participate and begin receiving its share of these settlements during fiscal year 2022-2023 or 2023-2024.

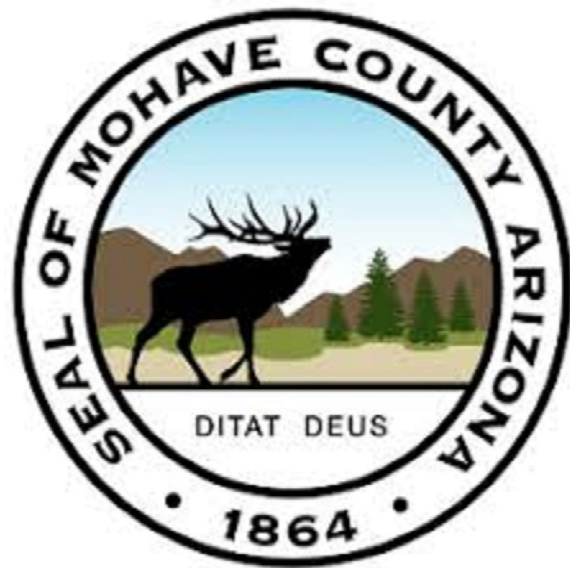
Subsequent to June 30, 2022, Mohave County was informed it would receive \$12,000,000 in Local Area Tribal Consistency Fund (LATCF) funding, an increase of \$2,000,000 over the budgeted amount of \$10,000,000. Mohave County received the first \$6,000,000 in Q2 FY2023 and expects to receive the remainder during the last quarter of fiscal year 2022-2023.

NOTE 16 - CREDIT CARD PAYMENTS BY GOVERNMENTAL ACTIVITIES

A.R.S. §35-391 requires the annual financial report to disclose the amount of any reward, discount, incentive, or other financial consideration received resulting from the use of credit card payments by governmental entities. During fiscal year 2022, \$86,468 in rebates were received from the use of credit card payments by the County.



OTHER REQUIRED SUPPLEMENTARY INFORMATION



MOHAVE COUNTY
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes	\$ 43,049,460	\$ 43,049,460	\$ 42,399,666	\$ (649,794)
Licenses and permits	1,805,030	1,805,030	2,237,280	432,250
Intergovernmental	45,250,124	45,290,124	51,657,643	6,367,519
Charges for services	8,837,913	8,919,032	8,960,577	41,545
Fines and forfeits	1,394,750	1,394,750	1,097,283	(297,467)
Investment earnings	530,137	530,137	(457,677)	(987,814)
Contributions	95,000	95,000	210,876	115,876
Miscellaneous	579,700	579,700	332,166	(247,534)
Total revenues	<u>101,542,114</u>	<u>101,663,233</u>	<u>106,437,814</u>	<u>4,774,581</u>
EXPENDITURES:				
General government:				
Assessor	4,035,155	4,121,673	3,664,332	457,341
County attorney	5,250,820	5,336,741	4,971,024	365,717
County manager	389,301	394,433	336,921	57,512
Clerk of board	309,720	316,942	286,203	30,739
Community services department	404,562	406,105	318,435	87,670
General administration	2,913,008	2,659,115	1,883,875	775,240
Clerk of superior court	2,895,163	2,982,596	2,619,244	363,352
Constables	548,389	548,389	488,562	59,827
Contingency	8,800,000	8,550,647	-	8,550,647
Economic development department	680,051	683,137	230,191	452,946
Elections	604,835	614,314	492,536	121,778
Finance	1,389,418	1,469,233	1,377,340	91,893
Facilities maintenance	3,189,789	3,220,722	2,886,409	334,313
Justice courts	3,857,081	3,946,587	3,784,100	162,487
Juvenile detention	1,490,406	1,511,099	1,405,976	105,123
Human resources	447,880	457,386	436,964	20,422
Planning & zoning department	2,327,113	2,376,393	1,872,565	503,828
Public fiduciary	618,069	630,631	607,873	22,758
Public defender	6,958,210	7,073,470	6,262,956	810,514
Public legal defender	1,219,415	1,236,385	1,120,341	116,044
Building inspector	2,206,092	2,248,970	1,844,230	404,740
Procurement	495,142	506,346	502,746	3,600
Recorder	932,371	955,093	820,470	134,623
Superior courts	5,238,320	5,294,079	4,561,711	732,368
Treasurer	2,161,928	2,198,331	1,674,182	524,149
Voter registration	456,119	464,324	338,942	125,382
Supervisory districts	1,273,308	1,288,434	1,118,673	169,761
Total general government	<u>61,091,665</u>	<u>61,491,575</u>	<u>45,906,801</u>	<u>15,584,774</u>

See accompanying notes to budgetary comparison schedule.

MOHAVE COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
(Continued)				
Expenditures:				
Public safety:				
Adult detention center maintenance	\$ 1,018,822	\$ 1,018,822	\$ 799,399	\$ 219,423
Animal control	1,210,806	1,338,900	1,310,488	28,412
Jail	13,672,241	13,869,823	13,157,566	712,257
Medical examiner	722,792	972,145	945,240	26,905
Probation	2,132,486	2,215,970	2,153,243	62,727
Sheriff	<u>17,727,748</u>	<u>17,993,423</u>	<u>16,901,844</u>	<u>1,091,579</u>
Total public safety	<u>36,484,895</u>	<u>37,409,083</u>	<u>35,267,780</u>	<u>2,141,303</u>
Health:				
A.H.C.C.C.S	<u>10,680,600</u>	<u>10,680,600</u>	<u>8,795,452</u>	<u>1,885,148</u>
Education:				
School superintendent	<u>458,770</u>	<u>464,944</u>	<u>436,705</u>	<u>28,239</u>
Debt service:				
Principal retirement	-	-	181,934	(181,934)
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>13,513</u>	<u>(13,513)</u>
Total debt service	<u>-</u>	<u>-</u>	<u>195,447</u>	<u>(195,447)</u>
Total expenditures	<u>108,715,930</u>	<u>110,046,202</u>	<u>90,602,185</u>	<u>19,444,017</u>
Excess (deficiency) of revenues over (under) expenditures	(7,173,816)	(8,382,969)	15,835,629	24,218,598
OTHER FINANCING SOURCES (USES)				
Transfers in	1,722,989	1,722,989	1,727,665	4,676
Transfers out	(20,125,490)	(20,125,490)	(19,915,195)	210,295
Lease agreements	-	-	15,015	15,015
Lien sale	<u>-</u>	<u>-</u>	<u>500</u>	<u>500</u>
Total other financing sources (uses)	<u>(18,402,501)</u>	<u>(18,402,501)</u>	<u>(18,172,015)</u>	<u>230,486</u>
Net changes in fund balance	(25,576,317)	(26,785,470)	(2,336,386)	24,449,084
Fund balances, July 1, 2021	<u>46,178,849</u>	<u>46,178,849</u>	<u>55,886,771</u>	<u>9,707,922</u>
Fund balances, June 30, 2022	<u>\$ 20,602,532</u>	<u>\$ 19,393,379</u>	<u>\$ 53,550,385</u>	<u>\$ 34,157,006</u>

See accompanying notes to budgetary comparison schedule.

MOHAVE COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - ROAD FUND
YEAR ENDED JUNE 30, 2022

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ 70,000	\$ 70,000	\$ 41,593	\$ (28,407)
Intergovernmental	19,106,000	19,336,000	20,678,001	1,342,001
Charges for services	45,050	45,050	51,459	6,409
Fines and forfeits	500	500	3,045	2,545
Investment earnings	250,000	250,000	(147,551)	(397,551)
Rents	75,965	75,965	79,660	3,695
Miscellaneous	<u>340,474</u>	<u>440,474</u>	<u>186,089</u>	<u>(254,385)</u>
Total revenues	<u>19,887,989</u>	<u>20,217,989</u>	<u>20,892,296</u>	<u>674,307</u>
EXPENDITURES:				
Highway and streets	38,025,256	38,615,935	18,793,790	19,822,145
Debt service:				
Principal retirement	-	-	3,610	3,610
Interest on long-term debt	-	-	<u>1,190</u>	<u>1,190</u>
Total expenditures	<u>38,025,256</u>	<u>38,615,935</u>	<u>18,798,590</u>	<u>19,817,345</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(18,137,267)</u>	<u>(18,397,946)</u>	<u>2,093,706</u>	<u>20,491,652</u>
OTHER FINANCING SOURCES:				
Transfers in	6,000	6,000	72,932	66,932
Proceeds of sale of County property	-	-	<u>485,598</u>	<u>485,598</u>
Total other financing sources	<u>6,000</u>	<u>6,000</u>	<u>558,530</u>	<u>552,530</u>
Net changes in fund balances	(18,131,267)	(18,391,946)	2,652,236	21,044,182
Fund balances, July 1, 2021	18,131,267	18,391,946	16,983,203	(1,408,743)
Increase in reserve for inventory	-	-	<u>692</u>	<u>692</u>
Fund balances, June 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,636,131</u>	<u>\$ 19,636,131</u>

See accompanying notes to budgetary comparison schedule.

MOHAVE COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - FLOOD CONTROL FUND
YEAR ENDED JUNE 30, 2022

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes	\$ 9,211,148	\$ 9,211,148	\$ 9,514,231	\$ 303,083
Licenses and permits	3,500	3,500	3,450	(50)
Intergovernmental	35	35	25,475	25,440
Charges for services	16,750	16,750	28,500	11,750
Investment earnings	110,000	110,000	(70,885)	(180,885)
Miscellaneous	8,000	8,000	7,606	(394)
Total revenues	<u>9,349,433</u>	<u>9,349,433</u>	<u>9,508,377</u>	<u>158,944</u>
EXPENDITURES:				
Public safety	<u>16,878,370</u>	<u>16,906,681</u>	<u>7,260,645</u>	<u>9,646,036</u>
Total expenditures	<u>16,878,370</u>	<u>16,906,681</u>	<u>7,260,645</u>	<u>9,646,036</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,528,937)</u>	<u>(7,557,248)</u>	<u>2,247,732</u>	<u>9,804,980</u>
OTHER FINANCING SOURCES:				
Transfers out	<u>-</u>	<u>-</u>	<u>(629,256)</u>	<u>(629,256)</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>(629,256)</u>	<u>(629,256)</u>
Net changes in fund balances	(7,528,937)	(7,557,248)	1,618,476	9,175,724
Fund balances, July 1, 2021	7,528,937	7,557,248	7,984,221	426,973
Decrease in reserve for inventory	<u>-</u>	<u>-</u>	<u>16,988</u>	<u>16,988</u>
Fund balances, June 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,619,685</u>	<u>\$ 9,619,685</u>

See accompanying notes to budgetary comparison schedule.

MOHAVE COUNTY
 BUDGETARY COMPARISON SCHEDULE - ARPA FUND
 YEAR ENDED JUNE 30, 2022

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 42,000,000	\$ 41,213,675	\$ 1,862,346	\$ (39,351,329)
Charges for services	<u>-</u>	<u>36,750</u>	<u>-</u>	<u>(36,750)</u>
Total revenues	<u>42,000,000</u>	<u>41,250,425</u>	<u>1,862,346</u>	<u>(39,388,079)</u>
EXPENDITURES:				
General government	<u>75,600,000</u>	<u>41,250,175</u>	<u>1,945,833</u>	<u>39,304,342</u>
Total expenditures	<u>75,600,000</u>	<u>41,250,175</u>	<u>1,945,833</u>	<u>39,304,342</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(33,600,000)</u>	<u>250</u>	<u>(83,487)</u>	<u>(83,737)</u>
OTHER FINANCING SOURCES:				
Transfers in	<u>33,600,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>33,600,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	-	250	(83,487)	(83,737)
Fund balances, July 1, 2021	<u>-</u>	<u>(250)</u>	<u>83,487</u>	<u>83,737</u>
Fund balances, June 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to budgetary comparison schedule.

MOHAVE COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY COMPARISON SCHEDULES
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.

NOTE 2 - BUDGETARY BASIS OF ACCOUNTING

The County's budget is prepared on a basis consistent with generally accepted accounting principles. There are no differences between the budget and the annual financial report based on the basis of accounting used.

NOTE 3 - EXPENDITURES IN EXCESS OF APPROPRIATIONS

For the year ended June 30, 2022, there were no expenditures that exceeded final budget amounts at the department level (the legal level of budgetary control) in the general fund or in any of the major special revenue funds presented.

MOHAVE COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF NET PENSION/OPEB LIABILITY
COST-SHARING PLANS
JUNE 30, 2022

	Reporting Fiscal Year (Measurement Date)								
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2013
<u>ASRS - Pension</u>									
County's proportion of the net pension liability	0.37%	0.36%	0.36%	0.36%	0.35%	0.37%	0.38%	0.39%	Information not available
County's proportionate share of the net pension liability	\$ 49,032,881	\$ 62,278,444	\$ 50,560,928	\$ 49,907,481	\$ 55,221,074	\$ 59,477,988	\$ 59,259,251	\$ 57,859,101	
County's covered payroll	\$ 42,175,734	\$ 39,618,550	\$ 36,706,673	\$ 35,556,097	\$ 34,720,762	\$ 34,138,216	\$ 35,153,250	\$ 35,362,673	
County's proportionate share of the net pension liability as a percentage of its covered payroll	116.26 %	157.20 %	137.74 %	140.36 %	159.04 %	174.23 %	168.57 %	163.62 %	
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 %	
<u>ASRS - Health Insurance Premium Benefit</u>									
County's proportion of the net OPEB (asset)	(0.38)%	(0.36)%	(0.36)%	(0.36)%	(0.36)%	(0.36)%	Information not available		
County's proportionate share of the net OPEB (asset)	\$ (1,836,580)	\$ (257,031)	\$ (97,163)	\$ (129,730)	\$ (194,329)				
County's covered payroll	\$ 42,175,734	\$ 39,618,550	\$ 36,706,673	\$ 35,556,097	\$ 34,720,762				
County's proportionate share of the net OPEB (asset) as a percentage of its covered payroll	(4.35)%	(0.65)%	(0.24)%	(0.36)%	(0.56)%				
Plan fiduciary net position as a percentage of the total OPEB liability	130.24 %	104.33 %	101.62 %	102.20 %	103.57 %				
<u>ASRS - Long-term Disability</u>									
County's proportion of the net OPEB liability	0.37%	0.36%	0.36%	0.36%	0.35%	Information not available			
County's proportionate share of the net OPEB liability	\$ 77,407	\$ 274,018	\$ 227,843	\$ 187,260	\$ 128,581				
County's covered payroll	\$ 42,175,734	\$ 39,618,550	\$ 36,706,673	\$ 35,556,097	\$ 34,720,762				
County's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.18 %	0.69 %	0.62 %	0.53 %	0.37 %				
Plan fiduciary net position as a percentage of the total OPEB liability	90.38 %	68.01 %	72.85 %	77.83 %	84.44 %				

See accompanying notes to pension plan schedule.

MOHAVE COUNTY
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF NET PENSION/OPEB LIABILITY
 COST-SHARING PLANS
 JUNE 30, 2022

	Reporting Fiscal Year (Measurement Date)								
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2013
<u>CORP AOC - Pension</u>									
County's proportion of the net pension liability	3.23%	3.01%	2.93%	2.97%	2.71%	2.67%	2.65%	2.71%	Information not available
County's proportionate share of the net pension liability	\$ 12,005,207	\$ 14,382,427	\$ 12,382,985	\$ 10,709,213	\$ 10,884,138	\$ 7,523,107	\$ 6,438,542	\$ 6,077,411	
County's covered payroll	\$ 3,865,238	\$ 3,673,246	\$ 3,612,401	\$ 3,449,848	\$ 3,042,429	\$ 2,936,852	\$ 2,943,898	\$ 2,914,858	
County's proportionate share of the net pension liability as a percentage of its covered payroll	310.59 %	391.57 %	342.79 %	310.43 %	357.75 %	256.16 %	218.71 %	208.50 %	
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 %	
<u>CORP AOC - Health Insurance Premium Benefit</u>									
County's proportion of the net OPEB liability/(asset)	(3.21)%	3.01%	2.95%	2.99%	2.72%	Information not available			
County's proportionate share of the net OPEB liability/(asset)	\$ (4,298)	\$ 119,892	\$ 109,109	\$ 153,649	\$ 160,270				
County's covered payroll	\$ 3,865,238	\$ 3,673,246	\$ 3,612,401	\$ 3,449,848	\$ 3,042,429				
County's proportionate share of the net OPEB liability/(asset) as a percentage of its covered payroll	(0.11)%	3.26 %	3.03 %	4.45 %	5.27 %				
Plan fiduciary net position as a percentage of the total OPEB liability	100.90 %	75.08 %	75.64 %	67.75 %	62.21 %				

See accompanying notes to pension plan schedule.

MOHAVE COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF NET PENSION/OPEB LIABILITY
COST-SHARING PLANS
JUNE 30, 2022

	Reporting Fiscal Year (Measurement Date)								
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2013
<u>EORP - Pension</u>									
County's proportion of the net pension liability	3.43%	3.40%	3.15%	3.42%	2.62%	2.51%	2.37%	2.53%	Information not available
County's proportionate share of the net pension liability	\$ 20,883,216	\$ 22,542,930	\$ 20,865,471	\$ 21,581,830	\$ 31,957,961	\$ 23,741,585	\$ 18,541,752	\$ 16,967,857	
State's proportionate share of the net pension liability associated with the County	<u>2,099,102</u>	<u>2,142,510</u>	<u>1,961,138</u>	<u>3,697,907</u>	<u>6,632,705</u>	<u>4,899,011</u>	<u>5,780,547</u>	<u>5,202,503</u>	
Total	<u>\$ 22,982,318</u>	<u>\$ 24,685,440</u>	<u>\$ 22,826,609</u>	<u>\$ 25,279,737</u>	<u>\$ 38,590,666</u>	<u>\$ 28,640,596</u>	<u>\$ 24,322,299</u>	<u>\$ 2,170,360</u>	
County's covered payroll	\$ 2,552,369	\$ 2,553,611	\$ 2,437,576	\$ 2,311,048	\$ 2,180,142	\$ 1,753,759	\$ 2,157,272	\$ 2,366,603	
County's proportionate share of the net pension liability as a percentage of its covered payroll	818.19 %	882.79 %	855.99 %	933.85 %	1,465.87 %	1,353.75 %	859.50 %	716.97 %	
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 %	
 <u>EORP - Health Insurance Premium Benefit</u>									
County's proportion of the net OPEB (asset)	3.55%	3.69%	(3.65)%	3.51%	3.32%	Information not available			
County's proportionate share of the net OPEB (asset)	\$ (565,534)	\$ (352,530)	\$ (357,737)	\$ (362,754)	\$ (302,772)				
County's covered payroll	\$ 2,552,369	\$ 2,553,611	\$ 2,437,576	\$ 2,311,048	\$ 2,180,142				
County's proportionate share of the net OPEB (asset) as a percentage of its covered payroll	(22.16)%	(13.81)%	(14.68)%	(15.70)%	(13.89)%				
Plan fiduciary net position as a percentage of the total OPEB liability	231.29 %	169.89 %	169.72 %	177.16 %	164.84 %				

See accompanying notes to pension plan schedule.

MOHAVE COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION/OPEB LIABILITY (ASSET)
AND RELATED RATIOS - AGENT PLANS
JUNE 30, 2022

	Reporting Fiscal Year (Measurement Date)								
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2013
PSPRS - Sheriff									
Total pension liability:									
Service cost	\$ 800,840	\$ 732,194	\$ 844,346	\$ 788,297	\$ 966,017	\$ 738,110	\$ 856,128	\$ 841,853	Information not available
Interest on the total pension liability	3,764,787	3,541,781	3,402,084	3,214,798	3,003,684	2,932,447	2,908,448	2,507,303	
Changes of benefit terms	-	-	-	-	425,471	1,255,658	-	743,169	
Differences between expected and actual experience in the measurement of the pension liability	250,425	1,910,084	46,799	480,574	396,188	(569,078)	(797,687)	(926,693)	
Changes of assumptions or other inputs	-	-	1,015,153	-	1,538,482	1,409,917	-	3,668,599	
Benefit payments, including refunds of employee contributions	<u>(3,306,714)</u>	<u>(3,088,939)</u>	<u>(2,216,642)</u>	<u>(2,589,312)</u>	<u>(3,104,457)</u>	<u>(3,271,340)</u>	<u>(1,932,983)</u>	<u>(1,529,492)</u>	
Net change in total pension liability	1,509,338	3,095,120	3,091,740	1,894,357	3,225,385	2,495,714	1,033,906	5,304,739	
Total pension liability—beginning	<u>52,424,942</u>	<u>49,329,822</u>	<u>46,238,082</u>	<u>44,343,725</u>	<u>41,118,340</u>	<u>38,622,626</u>	<u>37,588,720</u>	<u>32,283,981</u>	
Total pension liability—ending (a)	<u>\$ 53,934,280</u>	<u>\$ 52,424,942</u>	<u>\$ 49,329,822</u>	<u>\$ 46,238,082</u>	<u>\$ 44,343,725</u>	<u>\$ 41,118,340</u>	<u>\$ 38,622,626</u>	<u>\$ 37,588,720</u>	
Plan fiduciary net position:									
Contributions—employer	\$ 2,663,819	\$ 2,602,728	\$ 3,186,768	\$ 2,809,701	\$ 1,836,800	\$ 1,623,099	\$ 1,232,825	\$ 1,174,898	
Contributions—employee	362,152	370,865	355,252	399,901	504,665	510,843	476,318	485,480	
Net investment income	6,580,751	299,816	1,166,370	1,334,686	2,131,234	110,794	708,906	2,343,758	
Benefit payments, including refunds of employee contributions	(3,306,714)	(3,088,939)	(2,216,642)	(2,589,312)	(3,104,457)	(3,271,340)	(1,932,983)	(1,529,492)	
Hall/Parker settlement	-	-	-	(535,232)	-	-	-	-	
Administrative expense	(30,982)	(24,452)	(21,271)	(21,014)	(19,258)	(16,343)	(17,672)	(18,876)	
Other changes	<u>(10,627)</u>	<u>(15,800)</u>	<u>-</u>	<u>246</u>	<u>(155,786)</u>	<u>(68,502)</u>	<u>10,751</u>	<u>(180,019)</u>	
Net change in plan fiduciary net position	6,258,399	144,218	2,470,477	1,398,976	1,193,198	(1,111,449)	478,145	2,275,749	
Plan fiduciary net position—beginning	23,781,078	23,636,860	21,166,678	19,767,702	18,574,504	19,685,953	19,207,808	16,932,059	
Adjustment to beginning of year	-	-	(295)	-	-	-	-	-	
Plan fiduciary net position—ending (b)	<u>\$ 30,039,477</u>	<u>\$ 23,781,078</u>	<u>\$ 23,636,860</u>	<u>\$ 21,166,678</u>	<u>\$ 19,767,702</u>	<u>\$ 18,574,504</u>	<u>\$ 19,685,953</u>	<u>\$ 19,207,808</u>	
County's net pension liability (asset)—ending (a) – (b)	\$ 23,894,803	\$ 28,643,864	\$ 25,692,962	\$ 25,071,404	\$ 24,576,023	\$ 22,543,836	\$ 18,936,673	\$ 18,380,912	
Plan fiduciary net position as a percentage of the total pension liability	55.70 %	45.36 %	47.92 %	45.78 %	44.58 %	45.17 %	50.97 %	51.10 %	
Covered payroll	\$ 5,108,435	\$ 4,891,043	\$ 4,357,353	\$ 4,414,050	\$ 4,241,502	\$ 4,188,771	\$ 4,310,395	\$ 4,486,194	
County's net pension liability (asset) as a percentage of covered payroll	467.75 %	585.64 %	589.65 %	567.99 %	579.42 %	538.20 %	439.33 %	409.72 %	

See accompanying notes to pension plan schedule.

MOHAVE COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION/OPEB LIABILITY (ASSET)
AND RELATED RATIOS - AGENT PLANS
JUNE 30, 2022

	Reporting Fiscal Year (Measurement Date)					2017 through 2013
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	
PSPRS - Sheriff OPEB						
Total OPEB liability:						
Service cost	\$ 20,449	\$ 20,115	\$ 15,957	\$ 16,755	\$ 19,767	Information not available
Interest on the total OPEB liability	53,044	50,210	56,203	54,751	54,418	
Changes of benefit terms	-	-	-	-	6,427	
Differences between expected and actual experience in the measurement of the OPEB liability	(15,540)	9,198	(137,378)	(34,511)	(13,127)	
Changes of assumptions or other inputs	-	-	8,899	-	(28,604)	
Benefit payments, including refunds of employee contributions	<u>(31,499)</u>	<u>(31,995)</u>	<u>(25,646)</u>	<u>(24,275)</u>	<u>(21,852)</u>	
Net change in total OPEB liability	26,454	47,528	(81,965)	12,720	17,029	
Total OPEB liability—beginning	<u>721,927</u>	<u>674,399</u>	<u>756,364</u>	<u>743,644</u>	<u>726,615</u>	
Total OPEB liability—ending (a)	<u>\$ 748,381</u>	<u>\$ 721,927</u>	<u>\$ 674,399</u>	<u>\$ 756,364</u>	<u>\$ 743,644</u>	
Plan fiduciary net position:						
Contributions—employer	\$ -	\$ -	\$ -	\$ (295)	\$ -	
Contributions—employee	-	-	-	-	-	
Net investment income	409,678	18,984	78,333	96,159	147,573	
Benefit payments, including refunds of employee contributions	(31,499)	(31,995)	(25,646)	(24,275)	(21,852)	
Administrative expense	(1,685)	(1,544)	(1,352)	(1,464)	(1,306)	
Other changes	-	-	-	-	-	
Net change in plan fiduciary net position	<u>376,494</u>	<u>(14,555)</u>	<u>51,335</u>	<u>70,125</u>	<u>124,415</u>	
Plan fiduciary net position—beginning	1,494,077	1,508,632	1,457,002	1,386,877	1,262,462	
Adjustment to beginning of year	-	-	295	-	-	
Plan fiduciary net position—ending (b)	<u>\$ 1,870,571</u>	<u>\$ 1,494,077</u>	<u>\$ 1,508,632</u>	<u>\$ 1,457,002</u>	<u>\$ 1,386,877</u>	
County's net OPEB (asset) liability—ending (a) – (b)	\$ (1,122,190)	\$ (772,150)	\$ (834,233)	\$ (700,638)	\$ (643,233)	
Plan fiduciary net position as a percentage of the total OPEB liability	249.95 %	206.96 %	223.70 %	192.63 %	186.50 %	
Covered payroll	\$ 5,108,435	\$ 4,891,043	\$ 4,357,353	\$ 4,414,050	\$ 4,341,502	
County's net OPEB (asset) liability as a percentage of covered payroll	(21.97)%	(15.79)%	(19.15)%	(15.87)%	(14.82)%	

See accompanying notes to pension plan schedule.

MOHAVE COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION/OPEB LIABILITY (ASSET)
AND RELATED RATIOS - AGENT PLANS
JUNE 30, 2022

	Reporting Fiscal Year (Measurement Date)								
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2013
CORP - Detention									
Total pension liability:									
Service cost	\$ 366,439	\$ 414,357	\$ 526,994	\$ 614,868	\$ 513,320	\$ 522,178	\$ 527,226	\$ 535,075	Information not available
Interest on the total pension liability	749,211	648,230	588,077	592,728	498,282	502,287	476,424	404,294	
Changes of benefit terms	-	-	-	(271,185)	1,002,759	23,016	-	52,115	
Differences between expected and actual experience in the measurement of the pension liability	10,694	782,235	185,879	(589,476)	(132,391)	(441,945)	(255,141)	(44,513)	
Changes of assumptions or other inputs	-	-	219,311	-	149,218	238,838	-	309,034	
Benefit payments, including refunds of employee contributions	<u>(402,083)</u>	<u>(425,110)</u>	<u>(524,394)</u>	<u>(734,302)</u>	<u>(697,451)</u>	<u>(492,035)</u>	<u>(341,013)</u>	<u>(325,442)</u>	
Net change in total pension liability	724,261	1,419,712	995,867	(387,367)	1,333,737	352,339	407,496	930,563	
Total pension liability—beginning	<u>10,097,772</u>	<u>8,678,060</u>	<u>7,682,193</u>	<u>8,069,560</u>	<u>6,735,823</u>	<u>6,383,484</u>	<u>5,975,988</u>	<u>5,045,425</u>	
Total pension liability—ending (a)	<u>\$ 10,822,033</u>	<u>\$ 10,097,772</u>	<u>\$ 8,678,060</u>	<u>\$ 7,682,193</u>	<u>\$ 8,069,560</u>	<u>\$ 6,735,823</u>	<u>\$ 6,383,484</u>	<u>\$ 5,975,988</u>	
Plan fiduciary net position:									
Contributions—employer	\$ 204,850	\$ 181,055	\$ 192,899	\$ 228,873	\$ 222,521	\$ 277,167	\$ 265,631	\$ 288,751	
Contributions—employee	205,719	220,355	243,273	300,474	311,185	331,483	330,465	328,515	
Net investment income	2,322,336	232,485	432,909	534,696	828,794	42,247	243,014	776,232	
Benefit payments, including refunds of employee contributions	(402,083)	(425,110)	(524,394)	(734,302)	(697,451)	(492,035)	(341,013)	(325,442)	
Administrative expense	(10,758)	(8,998)	(8,426)	(8,789)	(7,650)	(6,374)	(6,374)	-	
Other changes	<u>-</u>	<u>(1,157)</u>	<u>-</u>	<u>(158)</u>	<u>(47)</u>	<u>(66,110)</u>	<u>(82,072)</u>	<u>(439,949)</u>	
Net change in plan fiduciary net position	2,320,064	198,630	336,261	320,794	657,352	86,378	409,651	628,107	
Plan fiduciary net position—beginning	<u>8,541,944</u>	<u>8,343,314</u>	<u>8,007,053</u>	<u>7,686,259</u>	<u>7,028,907</u>	<u>6,942,529</u>	<u>6,532,878</u>	<u>5,904,771</u>	
Plan fiduciary net position—ending (b)	<u>\$ 10,862,008</u>	<u>\$ 8,541,944</u>	<u>\$ 8,343,314</u>	<u>\$ 8,007,053</u>	<u>\$ 7,686,259</u>	<u>\$ 7,028,907</u>	<u>\$ 6,942,529</u>	<u>\$ 6,532,878</u>	
County's net pension liability (asset)—ending (a) – (b)	\$ (39,975)	\$ 1,555,828	\$ 334,746	\$ (324,860)	\$ 383,301	\$ (293,084)	\$ (559,045)	\$ (556,890)	
Plan fiduciary net position as a percentage of the total pension liability	100.37 %	84.59 %	96.14 %	104.23 %	95.25 %	104.35 %	108.76 %	109.32 %	
Covered payroll	\$ 3,552,512	\$ 4,313,915	\$ 3,370,075	\$ 3,582,040	\$ 3,697,257	\$ 3,910,641	\$ 3,910,769	\$ 4,107,411	
County's net pension liability (asset) as a percentage of covered payroll	(1.13)%	36.07 %	9.93 %	(9.07)%	10.37 %	(7.49)%	(14.30)%	(13.56)%	

See accompanying notes to pension plan schedule.

MOHAVE COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION/OPEB LIABILITY (ASSET)
AND RELATED RATIOS - AGENT PLANS
JUNE 30, 2022

	Reporting Fiscal Year (Measurement Date)					2017 through 2013
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	
CORP - Detention OPEB						
Total OPEB liability:						Information not available
Service cost	\$ 8,179	\$ 9,359	\$ 11,648	\$ 11,232	\$ 12,131	
Interest on the total OPEB liability	14,882	13,335	17,538	17,154	19,090	
Changes of benefit terms	-	-	-	-	-	
Differences between expected and actual experience in the measurement of the OPEB liability	(1,494)	4,224	(79,515)	(23,009)	(18,058)	
Changes of assumptions or other inputs	-	-	3,329	-	(28,276)	
Benefit payments, including refunds of employee contributions	<u>(4,460)</u>	<u>(4,635)</u>	<u>(5,440)</u>	<u>(7,012)</u>	<u>(7,301)</u>	
Net change in total OPEB liability	17,107	22,283	(52,440)	(1,635)	(22,414)	
Total OPEB liability—beginning	<u>197,910</u>	<u>175,627</u>	<u>228,067</u>	<u>229,702</u>	<u>252,116</u>	
Total OPEB liability—ending (a)	<u>\$ 215,017</u>	<u>\$ 197,910</u>	<u>\$ 175,627</u>	<u>\$ 228,067</u>	<u>\$ 229,702</u>	
Plan fiduciary net position:						
Contributions—employer	\$ -	\$ -	\$ -	\$ -	\$ -	
Contributions—employee	-	-	-	-	-	
Net investment income	196,504	19,803	37,085	46,261	68,817	
Benefit payments, including refunds of employee contributions	(4,460)	(4,635)	(5,440)	(7,012)	(7,301)	
Administrative expense	(808)	(766)	(662)	(700)	(602)	
Other changes	-	-	-	-	-	
Net change in plan fiduciary net position	<u>191,236</u>	<u>14,402</u>	<u>30,983</u>	<u>38,549</u>	<u>60,914</u>	
Plan fiduciary net position—beginning	<u>727,444</u>	<u>713,042</u>	<u>682,059</u>	<u>643,510</u>	<u>582,596</u>	
Plan fiduciary net position—ending (b)	<u>\$ 918,680</u>	<u>\$ 727,444</u>	<u>\$ 713,042</u>	<u>\$ 682,059</u>	<u>\$ 643,510</u>	
County's net OPEB (asset) liability—ending (a) – (b)	\$ (703,663)	\$ (529,534)	\$ (537,415)	\$ (453,992)	\$ (413,808)	
Plan fiduciary net position as a percentage of the total OPEB liability	427.26 %	367.56 %	406.00 %	299.06 %	280.15 %	
Covered payroll	\$ 3,552,513	\$ 4,313,915	\$ 3,370,075	\$ 3,582,040	\$ 3,697,257	
County's net OPEB (asset) liability as a percentage of covered payroll	(19.81)%	(12.28)%	(15.95)%	(12.67)%	(11.19)%	

See accompanying notes to pension plan schedule.

MOHAVE COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNTY'S PENSION CONTRIBUTIONS
JUNE 30, 2022

	Reporting Fiscal Year										
	2022	2021	2020	2019	2018	2017	2016	2015	2014		2013
<u>ASRS- Pension</u>											
Statutorily required contribution	\$ 5,344,142	\$ 4,913,473	\$ 4,536,324	\$ 4,103,806	\$ 3,876,705	\$ 3,742,898	\$ 3,771,411	\$ 3,828,189	\$ 3,771,598	Information not available	
County's contributions in relation to the statutorily required contribution	<u>5,344,142</u>	<u>4,913,473</u>	<u>4,536,324</u>	<u>4,103,806</u>	<u>3,876,705</u>	<u>3,742,898</u>	<u>3,771,411</u>	<u>3,828,189</u>	<u>3,771,598</u>		
County's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
County's covered payroll	\$ 44,497,435	\$ 42,175,734	\$ 39,618,550	\$ 36,706,673	\$ 35,556,097	\$ 34,720,762	\$ 34,138,216	\$ 35,153,250	\$ 35,362,373		
County's contributions as a percentage of covered payroll	12.01 %	11.65 %	11.45 %	11.18 %	10.90 %	10.78 %	11.05 %	10.89 %	10.67 %		

* No disclosure was provided on OPEB information as it was considered insignificant to the financial statements.

	Reporting Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	
<u>CORP AOC - Pension</u>										
Statutorily required contribution	\$ 1,358,999	\$ 1,297,947	\$ 1,128,054	\$ 1,191,370	\$ 776,560	\$ 609,950	\$ 564,751	\$ 438,052	\$ 421,197	Information not available
County's contributions in relation to the statutorily required contribution	<u>1,358,999</u>	<u>1,297,947</u>	<u>1,128,054</u>	<u>1,191,370</u>	<u>776,560</u>	<u>609,950</u>	<u>564,751</u>	<u>438,052</u>	<u>421,197</u>	
County's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
County's covered payroll	\$ 3,830,324	\$ 3,865,238	\$ 3,673,246	\$ 3,612,401	\$ 3,449,848	\$ 3,042,429	\$ 2,936,852	\$ 2,943,898	\$ 2,914,858	
County's contributions as a percentage of covered payroll	35.48 %	33.58 %	30.71 %	32.98 %	22.51 %	20.05 %	19.23 %	14.88 %	14.45 %	

* No disclosure was provided on OPEB information as it was considered insignificant to the financial statements.

	Reporting Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	
<u>EORP- Pension</u>										
Statutorily required contribution	\$ 1,541,183	\$ 1,567,920	\$ 1,568,683	\$ 1,627,129	\$ 543,096	\$ 512,333	\$ 421,134	\$ 506,959	\$ 539,153	Information not available
County's contributions in relation to the statutorily required contribution	<u>1,541,183</u>	<u>1,567,920</u>	<u>1,568,683</u>	<u>1,499,109</u>	<u>-</u>	<u>512,333</u>	<u>421,134</u>	<u>506,959</u>	<u>539,153</u>	
County's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ 128,020	\$ 543,096	\$ -	\$ -	\$ -	\$ -	
County's covered payroll	\$ 2,508,844	\$ 2,552,369	\$ 2,553,611	\$ 2,437,576	\$ 2,311,048	\$ 2,180,142	\$ 1,753,759	\$ 2,157,272	\$ 2,366,603	
County's contributions as a percentage of covered payroll	61.43 %	61.43 %	61.43 %	61.50 %	- %	23.50 %	24.01 %	23.50 %	22.78 %	

* No disclosure was provided on OPEB information as it was considered insignificant to the financial statements.

See accompanying notes to pension plan schedule.

MOHAVE COUNTY
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE COUNTY'S PENSION CONTRIBUTIONS
 JUNE 30, 2022

	Reporting Fiscal Year									2013
	2022	2021	2020	2019	2018	2017	2016	2015	2014	
<u>PSPRS - Sheriff</u>										
Actuarially determined contribution	\$ 3,095,355	\$ 2,787,673	\$ 2,673,933	\$ 2,283,253	\$ 2,296,189	\$ 1,862,504	\$ 1,623,099	\$ 1,232,773	\$ 1,174,898	Information not available
County's contributions in relation to the actuarially determined contribution	<u>3,095,355</u>	<u>2,787,673</u>	<u>2,673,933</u>	<u>2,283,253</u>	<u>2,296,189</u>	<u>1,862,504</u>	<u>1,623,099</u>	<u>1,232,773</u>	<u>1,174,898</u>	
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	\$ 5,771,686	\$ 5,108,435	\$ 4,891,043	\$ 4,357,353	\$ 4,414,050	\$ 4,341,502	\$ 4,188,771	\$ 4,310,395	\$ 4,486,194	
County's contributions as a percentage of covered payroll	53.63 %	54.57 %	54.67 %	52.40 %	52.02 %	42.90 %	38.75 %	28.60 %	26.19 %	

* No disclosure was provided on OPEB information as it was considered insignificant to the financial statements.

	Reporting Fiscal Year									2013
	2022	2021	2020	2019	2018	2017	2016	2015	2014	
<u>CORP - Detention</u>										
Actuarially determined contribution	\$ 328,503	\$ 287,043	\$ 294,209	\$ 225,795	\$ 229,251	\$ 221,835	\$ 277,167	\$ 265,631	\$ 288,751	Information not available
County's contributions in relation to the actuarially determined contribution	<u>328,503</u>	<u>287,043</u>	<u>294,209</u>	<u>225,795</u>	<u>229,251</u>	<u>221,835</u>	<u>277,167</u>	<u>265,631</u>	<u>288,751</u>	
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	\$ 3,981,855	\$ 3,552,512	\$ 4,313,915	\$ 3,370,075	\$ 3,582,040	\$ 3,697,257	\$ 3,910,641	\$ 3,910,769	\$ 4,107,411	
County's contributions as a percentage of covered payroll	8.25 %	8.08 %	6.82 %	6.70 %	6.40 %	6.00 %	7.09 %	6.79 %	7.03 %	

* No disclosure was provided on OPEB information as it was considered insignificant to the financial statements.

See accompanying notes to pension plan schedule.

MOHAVE COUNTY
 REQUIRED SUPPLEMENTARY INFORMATION
 NOTES TO THE COUNTY'S 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	16 years
Asset valuation method	7-year smoothed market; 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 decrease 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%-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.
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 to RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females).

MOHAVE COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE COUNTY'S PENSION/OPEB PLAN SCHEDULES
JUNE 30, 2022

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 based on actuarial valuation 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 for the EORP contributions. The County elected not to use the available credits for the PSPRS and made the required contributions.

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 the liability thereby reducing the total pension liability.