

## Mohave County

### Annual financial statement and compliance audits

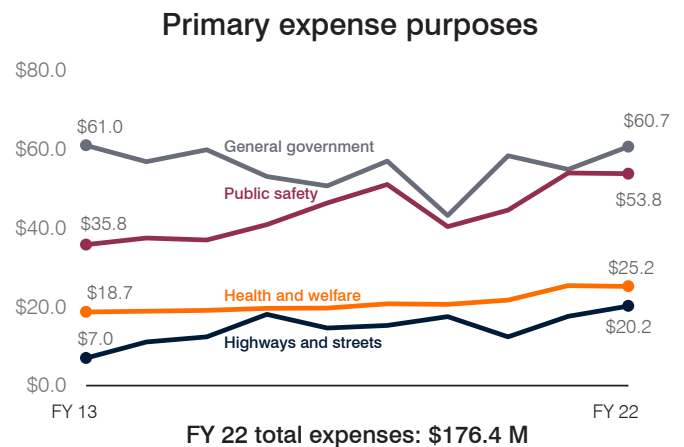
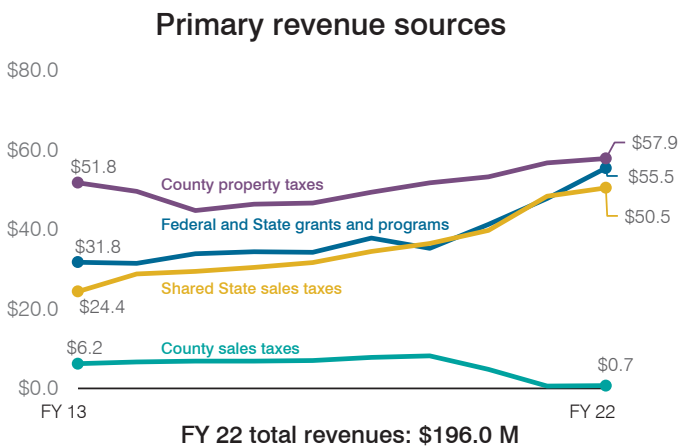
The County's fiscal year 2022 reported financial information is reliable. However, the County's auditors reported deficiencies over financial reporting, summarized on the next page.<sup>1</sup>

#### Audits' purpose

To express opinions on the County's financial statements and on compliance with certain federal requirements and, if applicable, to report findings over noncompliance with certain laws and regulations or other financial deficiencies.

#### Primary revenue sources and how they were spent

Fiscal years (FY) 2013 through 2022  
(In millions)



Source: Auditor General staff summary of information obtained from the County's financial statements.

#### Largest primary revenue sources FY 2022

- **County property taxes 29.6%**—Levied and collected from property owners based on the assessed value of real and personal property within the County.
- **Federal and State grants and programs 28.3%**—Includes federal and State government grants and programs awarded as assistance to the County and its residents, including highway user tax revenues for authorized transportation purposes.

#### Largest primary expense purposes FY 2022

- **General government 34.4%**—Costs for general operation, oversight, and administration of County operations, including property assessments and taxes, budgeting and finance, and elections.
- **Public safety 30.5%**—Costs for protecting the County's persons and property with the largest portion for County jail operations, County Sheriff's office services, and probation services.

#### County's net position increased in FY 2022

County revenues were \$19.6 million greater than its expenses, increasing total net position to \$351.6 million at June 30, 2022. Net position includes all assets, such as buildings, vehicles, and cash and investments, less all liabilities, such as unpaid pension and other payroll obligations and accounts payable. Of the total net position, \$349.0 is restricted by external parties or is not in spendable form, and the remaining \$2.6 million is unrestricted.

<sup>1</sup> The certified public accounting firm Fester and Chapman, PLLC conducted these audits under contract with the Arizona Auditor General in accordance with Arizona Revised Statutes §41-1279.21.

## Auditor findings and recommendations

Summarized below are the findings and recommendations included in the County's [Single Audit Report](#) where there is further information and the County's responses.

The County needs to evaluate its fiscal year-end financial closing process and develop comprehensive policies and procedures to help ensure its financial statements and related note disclosures are accurate and prepared in accordance with GAAP. The County's auditors reported that the County provided numerous post-closing journal entries for various general ledger accounts after the audit had already commenced. Specifically, inventory balances in the County's general ledger were not updated timely, and an additional expense of approximately \$35,000 was recorded to reflect changes in inventory. Further, capital asset schedules were not reconciled to the County's general ledger, and numerous post-closing journal entries were provided and posted within its business-type activities to properly state the capital assets and corresponding depreciation expense and accumulated depreciation balances.

## Auditor General website report links

- The June 30, 2022, Mohave County Annual Financial Report and Single Audit Report that are summarized in these highlights can be found at this [link](#). These reports should be read to fully understand the County's overall financial picture and the County auditors' reporting responsibilities.
- The County's reports from prior years are available at this [link](#).
- For help in understanding important information presented in these reports, please refer to our user guides at the following links:
  - [Financial Report User Guide for State and Local Governments](#).
  - [Internal Control and Compliance Reports User Guide](#).