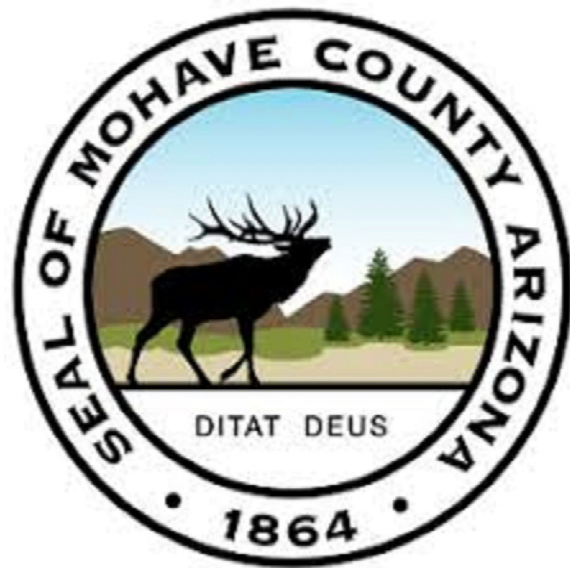


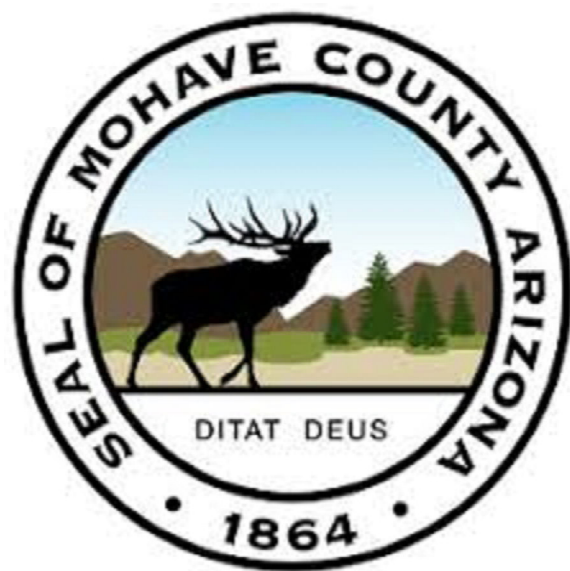
**MOHAVE COUNTY**  
**ANNUAL FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 2023**



MOHAVE COUNTY  
ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2023

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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, 2023, 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, 2023, 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, 2023:

<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	0.51 %	0.56 %	0.96 %	0.98 %
Employee benefits trust	1.81 %	1.08 %	7.85 %	8.84 %
 <u>Fund Statements</u>				
Aggregate remaining fund information:				
Self-insured trust	1.47 %	2.13 %	0.98 %	0.95 %
Employee benefits trust	5.23 %	4.10 %	7.97 %	8.54 %

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 Matters***

As discussed in Note 1 to the financial statements, for the year ended June 30, 2023, the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

As discussed in Note 2 to the financial statements, the County restated beginning net position/fund balances of its financial statements for the year ended June 30, 2023, to correct misstatements in its previously issued financial statements. 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 25, Budgetary Comparison Schedules on pages 93 through 99, Schedule of the County's Proportionate Share of the Net Pension/OPEB Liability – Cost-Sharing Plans on pages 100 through 102, Schedule of Changes in the County's Net Pension/OPEB Liability (Asset) and Related Ratios – Agent Plans on pages 103 through 106, and Schedule of the County's Pension Contributions on pages 107 through 108 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***

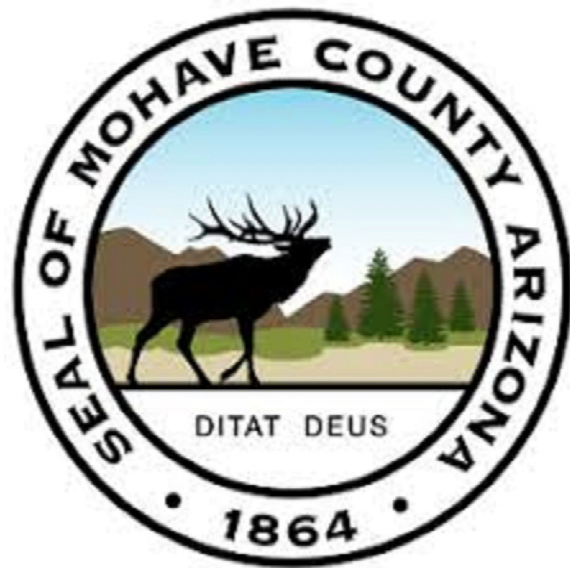
In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2024 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other 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 28, 2024



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



MOHAVE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023

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, 2023. 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 \$17.4 million. The increase is comprised of a \$17.5 increase in governmental activities net position and a decrease of \$138 thousand in business-type activities net position.
- Total liabilities increased by \$17.8 million from the prior year due to total pension liability increasing by \$20.1 million from the prior year.
- Total assets increased by \$7.9 million primarily attributable to an increase of \$8.4 million for settlement receivables related to the One Arizona Opioid Settlement Fund, an increase of \$3.7 million cash and investments primarily due to increased investment earnings and intergovernmental revenue, an increase of \$4.3 million in capital assets, not being depreciated primarily caused by building of the Animal Shelter, Horizon Six water project, and Legal Center, and an increase of \$2.9 million of capital assets being depreciated primarily caused by the implementation of GASB No. 96 and capital equipment purchases.
- The County Capital Improvement Fund balance increased \$5.6 million, primarily due to \$6.5 million transferred from the General Fund.
- The General Fund balance decreased \$3.1 million. Revenues increased \$7.3 million to a total of \$113.7 million in revenues. Revenues were offset by \$98.3 million in expenditures, a \$7.7 million increase, and a net transfer out of \$18.8 million.
- The County's total net investment in capital assets is \$284.2 million, including land, buildings, water systems, improvements other than buildings, machinery and equipment, park facilities, roads, highways, intangible right-to-use assets, and bridges.

**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, 2023

**OVERVIEW OF FINANCIAL STATEMENTS (Continued)**

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, 2023

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, American Rescue Plan Act Fund, and One Arizona Opioid Settlement 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 G.V.I.D. 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, 2023

**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 \$379.1 million, \$17.4 million higher than the prior year.

The largest portion of Mohave County's net position, 75 percent, reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, equipment, intangible software, and intangible right-to-use assets) less accumulated depreciation and amortization. Mohave County uses these capital assets to provide services to citizens; thus, these assets are not available for future spending.

The remaining 25 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 \$3.4 million from of an increase in cash and investments and receivables. Cash increased primarily due to LATCF Funds of \$2.0 million and \$2.3 million from a state appropriation for the Re-Entry program. Receivables increased primarily due to Opioid Settlement receivables of \$8.4 million. The \$3.2 million decrease in other liabilities is primarily due to reduction in unearned revenues due to spending on ARPA funds on projects. 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 \$16.7 million and Public Safety of \$2.6 million. The increases in General Government and Public Safety were primarily due to an increase of cash caused by an increase to intergovernmental revenues and investment earnings.

The government-wide unrestricted net position reflects an increase of \$4.5 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, 2023

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

	2023	2022 (as restated)	Increase (Decrease)	% Change
Current and other assets	\$ 256,704,545	\$ 253,323,376	\$ 3,381,169	1.33 %
Capital assets	287,828,978	283,233,740	4,595,238	1.62 %
Net pension and other postemployment benefits asset	<u>4,161,394</u>	<u>4,272,240</u>	<u>(110,846)</u>	<u>(2.59)%</u>
Total assets	<u>548,694,917</u>	<u>540,829,356</u>	<u>7,865,561</u>	<u>1.45 %</u>
Deferred outflows	<u>32,251,517</u>	<u>25,870,173</u>	<u>6,381,344</u>	<u>24.67 %</u>
Long-term liabilities outstanding	149,810,741	128,791,441	21,019,300	16.32 %
Other liabilities	<u>47,469,100</u>	<u>50,700,443</u>	<u>(3,231,343)</u>	<u>(6.37)%</u>
Total liabilities	<u>197,279,841</u>	<u>179,491,884</u>	<u>17,787,957</u>	<u>9.91 %</u>
Deferred inflows	<u>4,597,330</u>	<u>25,528,052</u>	<u>(20,930,722)</u>	<u>(81.99)%</u>
Net position				
Net investment in capital assets	284,233,355	279,870,042	4,363,313	1.56 %
Restricted	87,482,003	78,931,147	8,550,856	10.83 %
Unrestricted	<u>7,353,905</u>	<u>2,878,404</u>	<u>4,475,501</u>	<u>155.49 %</u>
Total net position	<u>\$ 379,069,263</u>	<u>\$ 361,679,593</u>	<u>\$ 17,389,670</u>	<u>4.81 %</u>

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

	2023	2022 (as restated)	Increase (Decrease)	% Change
Current and other assets	\$ 233,704,785	\$ 231,233,808	\$ 2,470,977	1.07 %
Capital assets	268,173,511	263,819,656	4,353,855	1.65 %
Net pension and other postemployment benefits asset	<u>4,061,007</u>	<u>4,190,307</u>	<u>(129,300)</u>	<u>(3.09)%</u>
Total assets	<u>505,939,303</u>	<u>499,243,771</u>	<u>6,695,532</u>	<u>1.34 %</u>
Deferred outflows	<u>31,754,896</u>	<u>25,194,272</u>	<u>6,560,624</u>	<u>26.04 %</u>
Long-term liabilities outstanding	135,644,219	116,235,242	19,408,977	16.70 %
Other liabilities	<u>46,604,952</u>	<u>49,971,264</u>	<u>(3,366,312)</u>	<u>(6.74)%</u>
Total liabilities	<u>182,249,171</u>	<u>166,206,506</u>	<u>16,042,665</u>	<u>9.65 %</u>
Deferred inflows	<u>4,451,094</u>	<u>24,765,462</u>	<u>(20,314,368)</u>	<u>(82.03)%</u>
Net position				
Net investment in capital assets	264,577,887	260,473,910	4,103,977	1.58 %
Restricted	78,199,554	70,561,898	7,637,656	10.82 %
Unrestricted	<u>8,216,493</u>	<u>2,430,267</u>	<u>5,786,226</u>	<u>238.09 %</u>
Total net position	<u>\$ 350,993,934</u>	<u>\$ 333,466,075</u>	<u>\$ 17,527,859</u>	<u>5.26 %</u>

MOHAVE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023

**Governmental activities—net position highlights:** Cash balances increased by \$9.1 million primarily due to receipt of LATCF funds of \$2.0 million, \$2.3 million from a state appropriation for the Re-Entry program, \$1.3 million from Opioid Settlements, and an increase of \$2.4 million in the Flood Control Fund primarily from tax revenues. As a result of an actuarial valuation of the total pension liability performed as of June 30, 2023 and measurement date of June 30, 2022, deferred outflows related to pensions increased by \$6.6 million and deferred inflows of resources decreased by \$20.3 million, and pension asset decreased by \$0.1 million. The pension liability increased by \$19.4 million, accounting for the largest portion of the increase in long-term liabilities. The total increase to long-term liabilities was \$19.4 million or 16.7 percent. Other liabilities had a net decrease of \$3.4 million due to the \$9.8 million decrease in unearned revenue largely due to the spending of ARPA funds, offset by increases in accounts payable. Increases 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,**

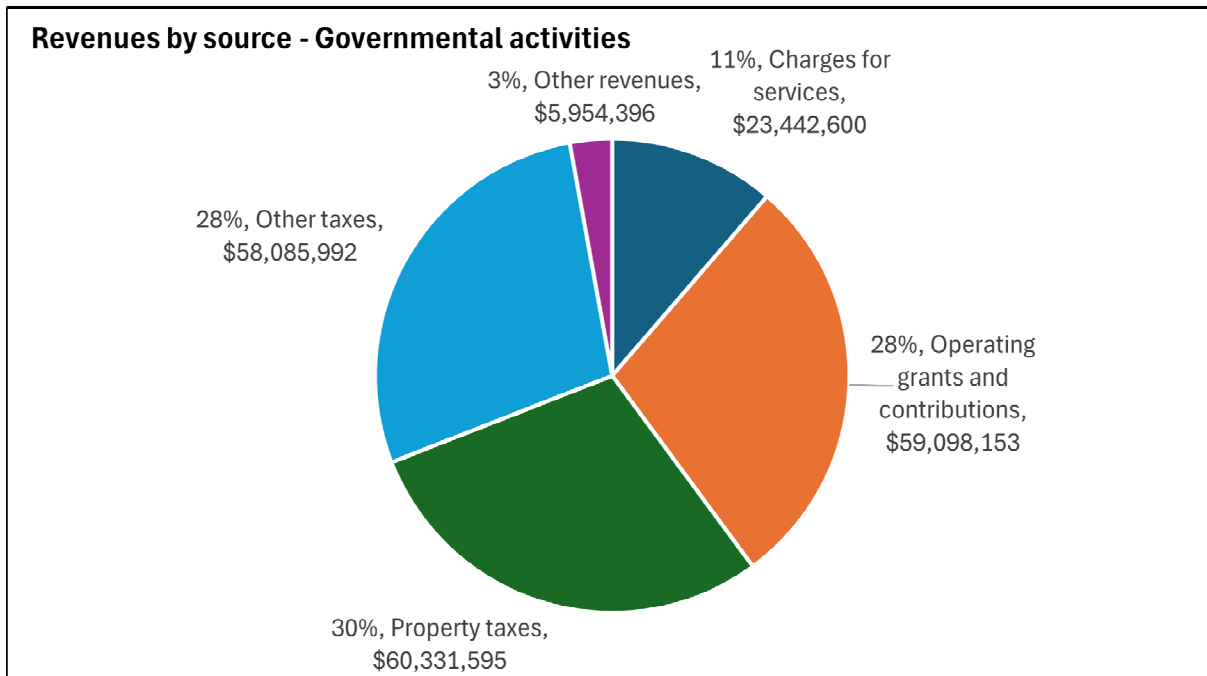
	2023	2022 (as restated)	Increase (Decrease)	% Change
<b>Revenues:</b>				
Program revenues				
Charges for services	\$ 23,442,600	\$ 33,349,418	\$ (9,906,818)	(29.71)%
Operating grants and contributions	<u>59,098,153</u>	<u>49,365,149</u>	<u>9,733,004</u>	<u>19.72 %</u>
Total program revenues	<u>82,540,753</u>	<u>82,714,567</u>	<u>(173,814)</u>	<u>(0.21)%</u>
General revenues				
Property taxes	60,331,595	57,928,073	2,403,522	4.15 %
Other taxes	58,085,992	55,164,326	2,921,666	5.30 %
Other revenues	<u>5,954,396</u>	<u>354,917</u>	<u>5,599,479</u>	<u>1,577.69 %</u>
Total general revenues	<u>124,371,983</u>	<u>113,447,316</u>	<u>10,924,667</u>	<u>9.63 %</u>
Total revenues	<u>206,912,736</u>	<u>196,161,883</u>	<u>10,750,853</u>	<u>5.48 %</u>
<b>Expenses:</b>				
General government	77,405,216	60,668,750	16,736,466	27.59 %
Public safety	56,418,471	53,769,546	2,648,925	4.93 %
Highways and streets	24,123,365	20,249,300	3,874,065	19.13 %
Health	16,704,587	15,241,789	1,462,798	9.60 %
Welfare	6,535,162	9,984,247	(3,449,085)	(34.55)%
Sanitation	128,713	197,143	(68,430)	(34.71)%
Culture and recreation	4,632,617	4,515,099	117,518	2.60 %
Education	3,367,870	2,897,592	470,278	16.23 %
Interest on long-term debt	<u>116,996</u>	<u>17,384</u>	<u>99,612</u>	<u>573.01 %</u>
Total expenses	<u>189,432,997</u>	<u>167,540,850</u>	<u>21,892,147</u>	<u>13.07 %</u>
Inc. (Dec.) in net position before transfers	17,479,739	28,621,033	(11,141,294)	(38.93)%
Transfers	<u>48,120</u>	<u>915,215</u>	<u>(867,095)</u>	<u>(94.74)%</u>
Inc. (Dec.) in net position after transfers	17,527,859	29,536,248	(12,008,389)	(40.66)%
Net position beginning of year, as restated	<u>333,466,075</u>	<u>303,929,827</u>	<u>29,536,248</u>	<u>9.72 %</u>
Net position end of year	<u>\$ 350,993,934</u>	<u>\$ 333,466,075</u>	<u>\$ 17,527,859</u>	<u>5.26 %</u>



MOHAVE COUNTY  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 JUNE 30, 2023

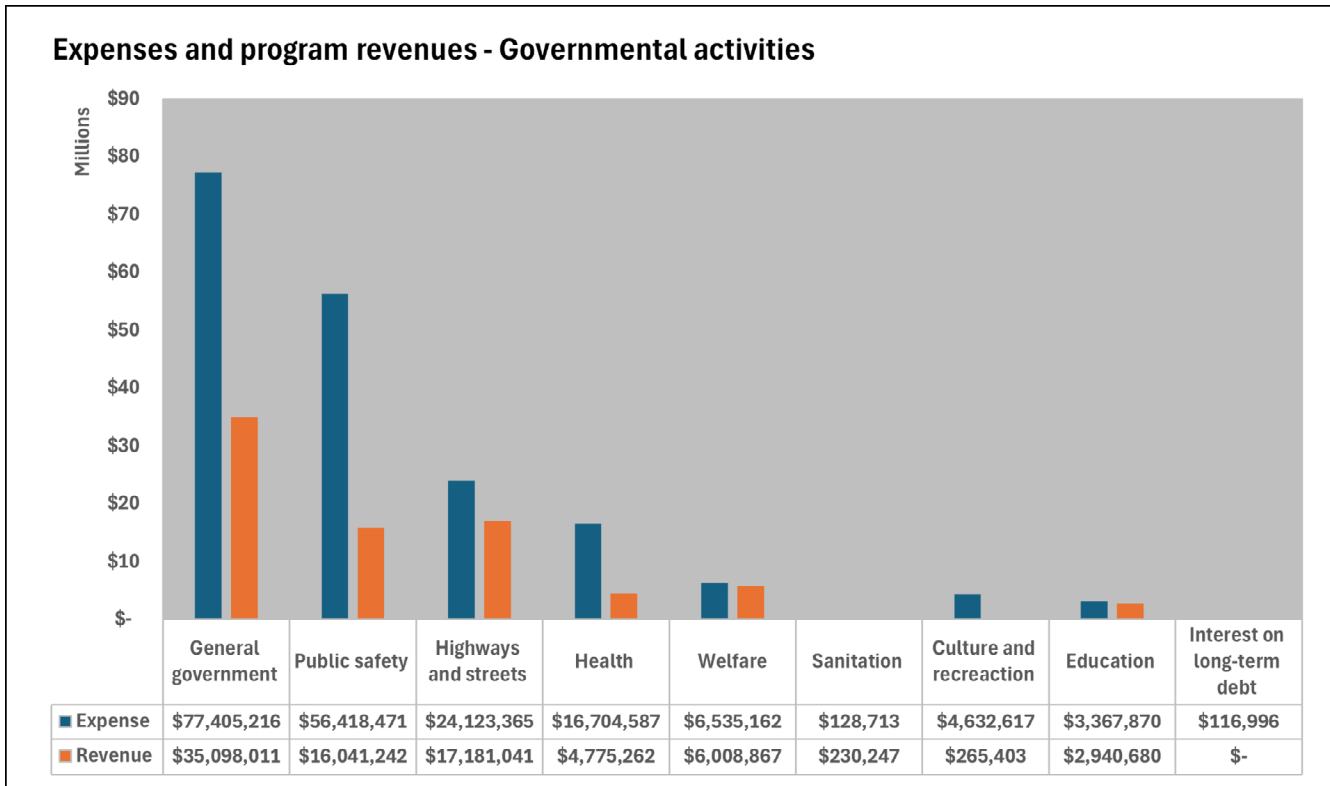
**Governmental activities—comparative statement of activities highlights:** The current year governmental activities financial statements reflect an increase in total general revenue and a decrease in program revenue. The largest increase in program revenue was in operating grants and contributions, mostly attributable to increased awards related to the County Re-Entry Planning Services Program, LATCF, and ARPA, and the decrease is due to the prior period adjustment recognizing revenue related to the opioid settlement revenue received in the prior year (see Note 2 for additional information). The largest increase in general revenue was due to increased share of state sales taxes and property taxes. Other revenue increased by \$5.6 million primarily due to a \$6.0 million increase in investment earnings due to higher interest rates and improved market performance. Total expenses increased 13 percent while general government expenses increased 28 percent. The increase to expenses in the general government category was primarily due to increased expenditures related to salaries and increased costs due to inflation as well as increases to expenses related to ARPA projects. The increase in the highways and streets category was primarily due to increased road maintenance, increases in rates for emulsions and paving asphalt as well as increases capital equipment purchases. The increase in the health category of \$1.5 million is primarily due to increased ALTCS costs and inmate health care. The decrease to expenses in the welfare category corresponds with a \$3.2 million reduction in expenses related to the Emergency Rental Assistance Program. The decrease in sanitation reflects a comparative reduction in nuisance abatement spending due to additional efforts in nuisance abatement in 2022. Mohave County does not have any capital project related long-term debt, and the interest noted is attributable to leases and subscription-based information technology arrangements. The decrease in transfers in the current year primarily reflects a decrease in transfers 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.



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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 \$206.9 million. General revenues of \$124.4 million are not included in this graph, though they represent 60.1 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 \$17.5 million for the fiscal year as indicated on the Statement of Activities.



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**Business-type Activities**  
**Net Position**  
**As of June 30,**

	2023	2022 (as restated)	Increase (Decrease)	% Change
Current and other assets	\$ 22,999,760	\$ 22,089,568	\$ 910,192	4.12 %
Capital assets	19,655,467	19,414,084	241,383	1.24 %
Net pension and other postemployment benefits asset	<u>100,387</u>	<u>81,933</u>	<u>18,454</u>	<u>22.52 %</u>
Total assets	<u>42,755,614</u>	<u>41,585,585</u>	<u>1,170,029</u>	<u>2.81 %</u>
Deferred outflows related to pensions and other postemployment benefits	<u>496,621</u>	<u>675,901</u>	<u>(179,280)</u>	<u>(26.52)%</u>
Long-term liabilities outstanding	14,166,522	12,556,199	1,610,323	12.82 %
Other liabilities	<u>864,148</u>	<u>729,179</u>	<u>134,969</u>	<u>18.51 %</u>
Total liabilities	<u>15,030,670</u>	<u>13,285,378</u>	<u>1,745,292</u>	<u>13.14 %</u>
Deferred inflows related to pensions and other postemployment benefits	<u>146,236</u>	<u>762,590</u>	<u>(616,354)</u>	<u>(80.82)%</u>
Net position				
Net investment in capital assets	19,655,468	19,396,132	259,336	1.34 %
Restricted	9,282,449	8,369,249	913,200	10.91 %
Unrestricted (deficit)	<u>(862,588)</u>	<u>448,137</u>	<u>(1,310,725)</u>	<u>(292.48)%</u>
Total net position	<u>\$ 28,075,329</u>	<u>\$ 28,213,518</u>	<u>\$ (138,189)</u>	<u>(0.49)%</u>

**Business-type activities—net position highlights:** As a result of an actuarial valuation of the total pension liability performed as of June 30, 2023 and measurement date of June 30, 2022, deferred outflows related to pensions decreased by \$179 thousand, deferred inflows of resources decreased by \$616 thousand, and pension asset increased by \$18 thousand. Deferred outflows related to pensions and deferred inflows related to pensions should be netted together for net of \$350 thousand. This is a \$437 thousand deferred outflow decrease, or 80 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 \$135 thousand as a result of an decrease in accounts payable claims of \$205 thousand offset by an increase of \$19 thousand in unearned revenue, an increase of \$17 thousand in accrued payroll and employee benefits, and an increase of \$39 thousand in deposits held for others. The decrease in unrestricted net position was primarily due to a increase in pension liabilities.

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

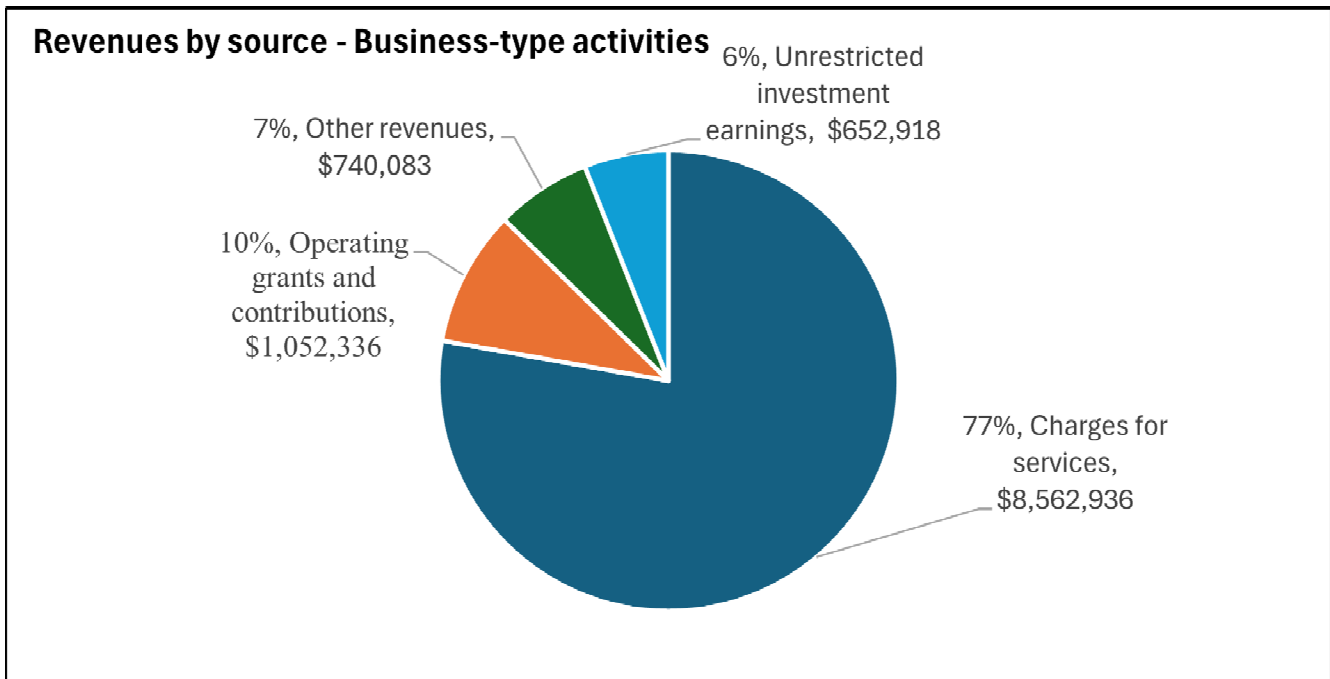
	2023	2022 (as restated)	Increase (Decrease)	% Change
<b>Revenues:</b>				
Program revenues				
Charges for services	\$ 8,562,936	\$ 8,586,233	\$ (23,297)	(0.27)%
Operating grants and contributions	<u>1,052,336</u>	<u>1,066,987</u>	<u>(14,651)</u>	<u>(1.37)%</u>
Total program revenues	<u>9,615,272</u>	<u>9,653,220</u>	<u>(37,948)</u>	<u>(0.39)%</u>
General revenues				
Other revenues	740,083	178,148	561,935	315.43 %
Unrestricted investment earnings	<u>652,918</u>	<u>(174,460)</u>	<u>827,378</u>	<u>(474.25)%</u>
Total general revenues	<u>1,393,001</u>	<u>3,688</u>	<u>1,389,313</u>	<u>37,671.18 %</u>
Total revenues	<u>11,008,273</u>	<u>9,656,908</u>	<u>1,351,365</u>	<u>13.99 %</u>
<b>Expenses:</b>				
Landfill	2,772,277	2,145,317	626,960	29.22 %
Recreation	4,569,422	3,275,720	1,293,702	39.49 %
Water companies	<u>3,756,643</u>	<u>3,214,701</u>	<u>541,942</u>	<u>16.86 %</u>
Total expenses	<u>11,098,342</u>	<u>8,635,738</u>	<u>2,462,604</u>	<u>28.52 %</u>
Inc. (Dec.) in net position before transfers	(90,069)	1,021,170	(1,111,239)	(108.82)%
Transfers	<u>(48,120)</u>	<u>(915,215)</u>	<u>867,095</u>	<u>94.74 %</u>
Inc. (Dec.) in net position after transfers	(138,189)	105,955	(244,144)	230.42 %
Net position beginning of year, as restated	<u>28,213,518</u>	<u>28,107,563</u>	<u>105,955</u>	<u>0.38 %</u>
Net position end of year	<u>\$ 28,075,329</u>	<u>\$ 28,213,518</u>	<u>\$ (138,189)</u>	<u>(0.49)%</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 14 percent increase in total revenues for the year and nearly an 29 percent increase in total expenses.

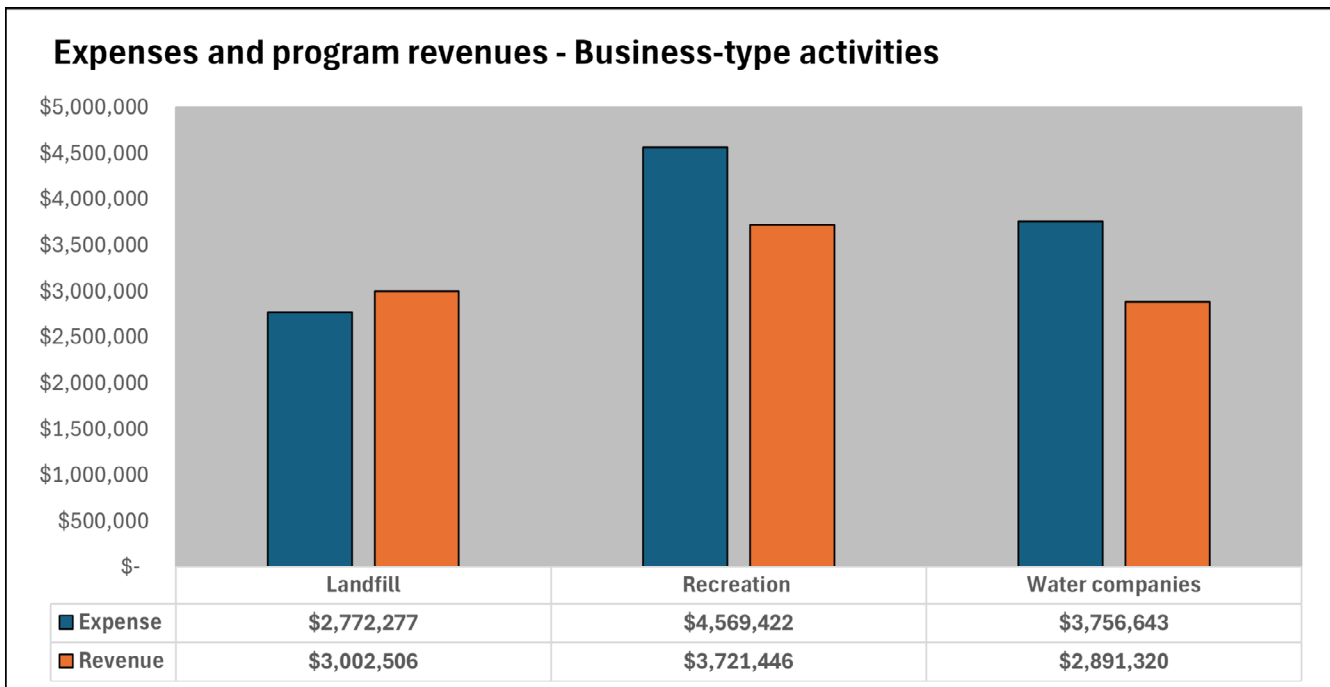
- Total general revenues experienced a net increase of \$1.4 million resulting from an increase in investment earnings, due to increased interest rates and improved market performance.
- The net increase in Landfill expenses is primarily due to a \$627 thousand increase in the landfill closure and post closure expenses.
- The net increase in Recreation expenses is primarily due to the new inclusion of the Fairgrounds Fund, with expenses of \$637 thousand. The remaining increase in Recreation expenses is due to grant related expenses for Parks forest health and increases in personnel services, supplies, and professional services.
- The net increase to water companies was primarily due to increases in repairs and maintenance of \$90 thousand and the related design costs of a well.
- Net transfers increased by \$867 thousand primarily due to not having a transfer out from the Landfill Fund to the County Capital Improvement Fund.

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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.



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**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, American Rescue Plan Act Fund, One Arizona Opioid Settlement 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	One Arizona Opioid Settlement Fund	Other Governmental Funds	Total Governmental Funds
<b>2022</b>								
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	1,574,713	-	438,649	-	-	-	841,756	2,855,118
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>-</u>	<u>33,220,600</u>	<u>148,434,038</u>
<b>2023</b>								
Assets	64,569,022	18,317,037	12,784,805	38,303,294	35,349,522	9,496,416	46,245,698	225,065,794
Liabilities	12,494,153	1,856,788	289,806	285,536	35,349,522	-	6,184,436	56,460,241
Deferred inflows	1,617,850	2,200	439,390	-	-	8,377,347	1,325,309	11,762,096
Fund balance	<u>50,457,019</u>	<u>16,458,049</u>	<u>12,055,609</u>	<u>38,017,758</u>	<u>-</u>	<u>1,119,069</u>	<u>38,735,953</u>	<u>156,843,457</u>
<b>Increase (decrease)</b>								
Assets	5,069,026	(2,150,612)	2,553,602	5,887,399	(4,077,049)	9,496,416	6,758,933	23,537,715
Liabilities	8,119,255	1,025,270	116,937	276,878	(4,077,049)	-	760,027	6,221,318
Deferred inflows	43,137	2,200	741	-	-	8,377,347	483,553	8,906,978
Fund balance	<u>(3,093,366)</u>	<u>(3,178,082)</u>	<u>2,435,924</u>	<u>5,610,521</u>	<u>-</u>	<u>1,119,069</u>	<u>5,515,353</u>	<u>8,409,419</u>
<b>% change</b>								
Assets	9 %	(11)%	25 %	18 %	(10)%	100 %	17 %	12 %
Liabilities	186 %	123 %	68 %	3,198 %	(10)%	100 %	14 %	12 %
Deferred inflows	3 %	100 %	0 %	0 %	0 %	100 %	57 %	312 %
Fund balance	(6)%	(16)%	25 %	17 %	0 %	100 %	17 %	6 %

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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 \$50.4 million. As a measure of liquidity, it may be useful to compare unassigned fund balance to total expenditures. The unassigned balance is 51 percent of expenditures. The deferred inflows represent deferred property tax collections and deferred intergovernmental income in 2023. The liabilities increased by \$8.1 million due to a \$6.5 million advance payable from the Landfill to the General Fund and an increase of \$377 thousand in accrued payroll and employee benefits. Assets increased by \$5.1 million primarily due to an increase of cash caused by an increase to intergovernmental revenues and investment earnings.

**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 increased by \$1.0 million due to an increase in accounts payable for three large vehicle purchases. Assets decreased by \$2.2 million, due to a \$2.2 million decrease in cash cause by increases to expenditures for road maintenance.

**The Flood Control Fund** assets increased by \$2.6 million due to increases to cash of \$2.5 million, caused by increases to tax revenues collected and interest earned. The \$117 thousand, or 68 percent, increase in liabilities was due to an increase in accounts payable obligations and a due to between the Flood Control Fund and the Emergency Management Fund.

**The County Capital Improvement Fund** had an overall increase in cash assets and fund balance from the prior year. The \$5.9 million increases to assets and \$5.6 million increase to fund balance is due to transfers from other funds for the purpose of capital projects. There was a \$277 thousand increase in liabilities due to a increase in accounts payable balance for Animal Shelter construction related invoicing. The remaining \$38.0 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 a decrease in assets of \$4.1 million and a decrease of liabilities of \$4.1 million. Both decreases are due to projects moving forward for Allo Communications Fiber Broadband network, Centennial Park Domestic Water Well, and Davis Camp Restroom/Shower Buildings/Sewer Main extension decreasing previously reported as unearned revenue.

**The One Arizona Opioid Settlements Fund** had a \$1.1 million fund balance, a 100% increase from the prior year. Deferred inflows are due to settlement funds unavailable revenue for settlement amounts owed to the County but not yet received. Assets increased 100% and represent the receivable net of allowance for legal settlements.

**The Other Governmental Funds** assets increased \$6.8 million due to increases in cash due to transfers from other funds and growth in grant revenue. The increase in liabilities of \$760 thousand reflects increases due to the funds offset by decrease in unearned revenue. The increase in deferred inflows of \$484 thousand is primarily due to increases in unavailable revenue caused by the recognition of a lessor lease that brought \$211 thousand of unavailable revenue and an increase of \$265 thousand of intergovernmental unavailable revenue.

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**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	One Arizona Opioid Settlement Fund	Other Governmental Funds	Total Governmental Funds
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>-</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>-</u>	<u>6,817,490</u>	<u>28,364,069</u>
2023								
Revenues	113,747,000	22,377,570	10,497,436	1,138,281	9,215,150	1,119,069	45,543,334	203,637,840
Expenditures	98,275,127	25,709,164	7,542,295	2,777,988	9,215,150	-	52,471,738	195,991,462
Other financing sources (uses)	<u>(18,565,239)</u>	<u>195,098</u>	<u>(549,642)</u>	<u>7,250,228</u>	<u>-</u>	<u>-</u>	<u>12,443,757</u>	<u>774,202</u>
Net change in fund balance	<u>(3,093,366)</u>	<u>(3,136,496)</u>	<u>2,405,499</u>	<u>5,610,521</u>	<u>-</u>	<u>1,119,069</u>	<u>5,515,353</u>	<u>8,420,580</u>
Increase (decrease)								
Revenues	7,309,186	1,485,274	989,059	(3,754,100)	7,352,804	1,119,069	6,696,370	21,197,662
Expenditures	7,672,942	6,910,574	281,650	2,531,347	7,269,317	-	14,751,158	39,416,988
Other financing sources (uses)	<u>(393,224)</u>	<u>(363,432)</u>	<u>79,614</u>	<u>(7,799,772)</u>	<u>-</u>	<u>-</u>	<u>6,752,651</u>	<u>(1,724,163)</u>
% change								
Revenues	7 %	7 %	10 %	(77)%	395 %	100 %	17 %	12 %
Expenditures	8 %	37 %	4 %	1,026 %	374 %	0 %	39 %	25 %
Other financing sources (uses)	(2)%	(65)%	13 %	(52)%	0 %	0 %	119 %	(69)%

**Governmental revenues and expenditures:**

**The General Fund** experienced an increase in other financing uses of \$393 thousand, primarily due to increased transfers to other funds, including increased transfers to the Capital Project Fund. Revenues increased by \$7.3 million. The increase to revenue was primarily due to increases to taxes of \$1.1 million primarily from property tax increases, an increase of intergovernmental revenue of \$4.1 million caused by grant funds from various sources, and increases of investment earnings of \$1.7 million caused by increased interest rates and improved market performance. Expenditures increased by \$7.6 million. The increase was primarily due to increases in salary and benefit costs, legal services, health costs, janitorial, and security services.

**The Road Fund** experienced a \$363 thousand decrease in other financing sources and uses. Other financing sources and uses decreased due to a reduction in sales of County capital assets. Expenditures increased \$6.9 million, primarily due to increases in road maintenance, materials, and supplies, and increases in capital equipment vehicles purchased. Revenues increased by \$1.5 million primarily due to increases to investment income of \$700 thousand due to increased interest rates and improved market performance and increases of \$500 thousand from intergovernmental revenue sources of shared gas tax and auto lieu tax.



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**Flood Control Fund** experienced a \$282 thousand increase in expenses due to increased spending on infrastructure repair and maintenance costs. Revenue increased \$989 thousand due to an increase of \$420 thousand due to investment income driven by higher interest rates and improved market performance and an increase of \$631 thousand of taxes revenue from an increase to property taxes from increased property valuations and new construction. Other financing sources and uses decreased by \$80 thousand due to a reduction of transfers out of the fund.

**County Capital Improvement Fund** revenue decreased \$3.8 million due to a \$5.0 million reduction in funds designated for the County Re-Entry Planning Services Program offset by \$1.2 million increased investment income from higher interest rates and improved investment market performance. Expenditures increased \$2.5 million mostly due to the Animal Shelter and Legal Center construction and design costs. Other financing sources decreased \$7.8 million primarily due to less transfers into the fund from other funds.

**American Rescue Plan Act Fund** revenue increased by \$7.4 million and expenditures increased by \$7.3 million due to increased project spending as projects have moved forward spending funds previously reported as unearned. In fiscal year 2023 the County was able to plan for and begin work on projects related to the American Rescue Plan Act Fund.

**The One Arizona Opioid Settlements Fund** had \$1.1 million of revenue, a 100% increase. This fund is new in 2023 and all revenue is related to legal settlements received.

**The Other Governmental Funds** other financing sources increased by \$6.8 million due to an increase to transfers in from the general fund of \$6.5 million to fund additional PSPRS pension contributions. Revenues increased by \$6.7 million. The increase to revenues was primarily caused by an increase of \$5 million to intergovernmental revenue primarily caused by \$4 million of LATCF revenue. Additional increases to revenue were caused by \$1.3 million in investment earnings caused by higher interest rates and improved market performance. Expenditures increased by \$14.7 million. Increases to expenditures was primarily caused by public safety expenditure of \$10 million for PSPRS pension contribution and increases in salaries and benefits.

#### **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 \$138 thousand compared to the prior year. The Landfill Fund reported a \$755 thousand increase in net position mostly due to increased investment earnings, other Enterprise Funds reported a decrease of \$26 thousand due to the addition of Juniper Lake fund, GVID had a decrease of \$417 thousand due to an increase in expenses and a decrease in revenue, Parks had a decrease of \$450 thousand in net position due to an increase in personnel expenses.

**Statement of Net Position—Governmental Activities-Internal Service Funds**—Net position for the internal service funds decreased by \$856 thousand over the prior year. This was primarily caused by an increase in transfers out of \$776 thousand.

**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 \$2.5 million or 29 percent and reflects an increase in personnel services, professional services, landfill closure and postclosure costs, and depreciation. Investment earnings were up \$827 thousand across all enterprise funds.

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**Statement of Revenues, Expenses, and Changes in Fund Net Position—Governmental Activities Internal Service Funds-** Total operating revenues increased by \$2.7 million due to increases in charges for services. Total operating expenses rose by \$3.0 million or 11 percent and reflects increases in personnel services, supplies, professional services, insurance claims, and depreciation expense. Investment earnings were up \$680 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 \$124 thousand to contributions and a net decrease of \$60 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 \$2.0 million due to \$1.9 million being transferred to the County Capital Improvement Fund for construction of the Animal Shelter. Budgeted expenditures increased \$13.2 million compared to 2022, which includes an increase of \$8.7 million in public safety and an increase of \$4.5 million spread throughout general government and health departments for additional personnel and grant related expenditures.

**Variations between Final Revised Budget and Actual Revenues or Expenditures**

**Revenues:** Growth was seen for intergovernmental, licenses and permits, miscellaneous revenue, and investment earnings. Declines were seen in taxes, charges for services, fines and forfeits, and contributions. General Fund revenue was greater than the amount budgeted by \$309 thousand, or 3 percent. State shared sales tax revenue was \$2 million more than the budget, current year real estate taxes was \$1.25 million more than budget, and interest earnings was \$715 thousand more than budget due to increase in interest rates. Tax revenues were down due to prior year real estate taxes being down \$1.6 million.

**Expenditures:** Actual expenditures were less than budgeted expenditures by \$25.0 million primarily because the County did not need to spend \$6.7 million in contingency funds that are annually reserved for unknown or unanticipated events combined with supply chain issues. The other \$18.3 million was spread throughout other general fund departments that spent below their budgeted amounts, with health \$1.3 million under budget, sheriff \$6.2 million under budget, jail \$4.0 million under budget, superior courts \$632 thousand under budget, treasurer \$350 thousand under budget, public defender \$1.4 million under budget, and general administration \$604 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 2022 and 2023 on a government-wide basis. Similar to other agencies, the County also experiences 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.

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**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, 2023, is \$288 million (net of accumulated depreciation/amortization). This investment in capital assets includes land, buildings, water systems, improvements other than buildings, machinery and equipment, intangible software, intangible right-to-use assets, park facilities, roads, highways, and bridges. Capital assets not being depreciated in the governmental activities increased due to construction work on the Legal Service Center Project, Animal Shelter, and Horizon Six Water Project. The business-type activities capital assets not being depreciated increased due to construction work on the Mohave Valley Septage Pond Project and Cerbat Landfill Weighing Kiosk. Totals for 2022 have been restated to include subscription-based information technology arrangements due to the implementation of GASB Statement No. 96, as described in Note 2. Total capital assets increased by \$4.6 million.

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

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

	2023	2022 (restated)	Increase (Decrease)	% Change
<b>Governmental activities</b>				
Capital assets, not being depreciated	\$ 33,536,193	\$ 29,529,995	\$ 4,006,198	13.57 %
Capital assets, being depreciated	<u>234,637,318</u>	<u>234,289,661</u>	<u>347,657</u>	<u>0.15 %</u>
Total governmental capital assets	<u>268,173,511</u>	<u>263,819,656</u>	<u>4,353,855</u>	<u>1.65 %</u>
<b>Business-type activities</b>				
Capital assets, not being depreciated	2,534,767	2,209,395	325,372	14.73 %
Capital assets, being depreciated	<u>17,120,700</u>	<u>17,204,689</u>	<u>(83,989)</u>	<u>(0.49)%</u>
Total business-type capital assets	<u>19,655,467</u>	<u>19,414,084</u>	<u>241,383</u>	<u>1.24 %</u>
<b>Total governmental and business-type activities</b>				
Capital assets, not being depreciated	36,070,960	31,739,390	4,331,570	13.65 %
Capital assets, being depreciated	<u>251,758,018</u>	<u>251,494,350</u>	<u>263,668</u>	<u>0.10 %</u>
Total capital assets	<u>\$ 287,828,978</u>	<u>\$ 283,233,740</u>	<u>\$ 4,595,238</u>	<u>1.62 %</u>

MOHAVE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023

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

- The County acquired 74 vehicles for the fleet at a total cost of \$4.0 million. Various sources funded these purchases: 56 from the Vehicle Use fund, 9 from the Road fund, 2 from business-type funds, and 7 from other governmental funds.
- The Road fund also purchased 16 pieces of heavy equipment totaling \$4.9 million. This included 6 motor graders, 1 compactor, 6 tractor trucks, 1 crack sealer, 1 road widener, and 1 skid steer.
- Construction work for the Legal Service Center Project totaled \$745 thousand.
- Construction work for the Bullhead City Nursing Building Renovation totaled \$353 thousand..
- Construction work for the Animal Shelter totaled \$1.7 million.
- Roads were donated valuing \$3.3 million.
- Lake Juniper Improvement District fund acquired 2 wells, 1 water tank, 1 booster station, fencing, and 3 parcels of land totaling \$434 thousand.

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 \$150 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, subscription liabilities, and liabilities for compensated absences. The major change in liabilities was a combined increase of \$20.1 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 2023 was \$137.9 million (6 percent of \$2.29 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 and the job creation rate is also higher than the national average. 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 2023 was 4.4 percent, down from 4.5 percent from the prior year's average. At June 30, 2023 the unemployment rate was 4.7 percent, which is 1.2 percent higher than the State's 3.5 percent rate. 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.

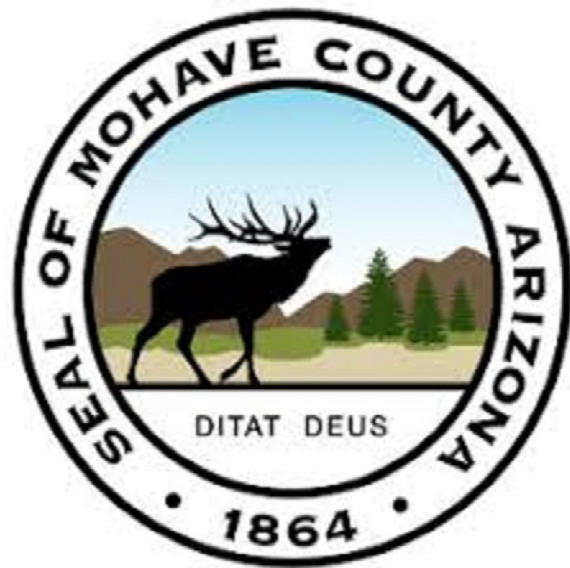
MOHAVE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023

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 2024 fiscal year.

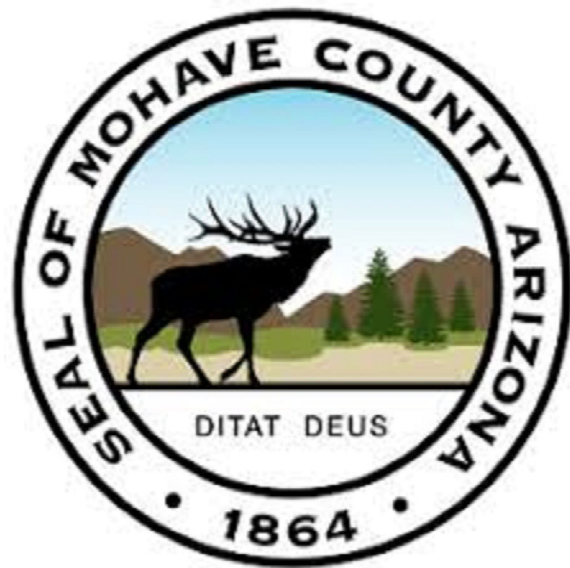
**Requests for Information**

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, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and investments	\$ 214,239,397	\$ 15,063,511	\$ 229,302,908
Receivables (net of allowance for uncollectibles):			
Property taxes	2,925,081	-	2,925,081
Accounts	2,602,732	385,177	2,987,909
Accrued interest	586,088	66,895	652,983
Settlements	8,377,347	-	8,377,347
Leases	214,381	-	214,381
Due from other governments	8,815,503	181,767	8,997,270
Inventory	390,754	133,322	524,076
Prepaid items	426,942	19,411	446,353
Cash and investments held by trustee	666,245	-	666,245
Restricted cash	-	717,107	717,107
Internal balances	(6,432,570)	6,432,570	-
Restricted assets - HUD properties	892,885	-	892,885
Capital assets, not being depreciated	33,536,193	2,534,767	36,070,960
Capital assets, being depreciated, net	234,637,318	17,120,700	251,758,018
Net pension and other postemployment benefits asset	<u>4,061,007</u>	<u>100,387</u>	<u>4,161,394</u>
Total assets	<u>505,939,303</u>	<u>42,755,614</u>	<u>548,694,917</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred outflows related to pensions and other postemployment benefits	<u>31,754,896</u>	<u>496,621</u>	<u>32,251,517</u>
Total deferred outflows of resources	<u>31,754,896</u>	<u>496,621</u>	<u>32,251,517</u>
<b>LIABILITIES:</b>			
Accounts payable	8,536,066	387,528	8,923,594
Accrued payroll and employee benefits	3,812,865	126,042	3,938,907
Accrued interest	14,101	-	14,101
Due to other governments	802	7,087	7,889
Deposits held for others	1,393,578	173,798	1,567,376
Unearned revenue	32,847,540	169,693	33,017,233
Noncurrent liabilities:			
Due within one year	9,896,804	234,209	10,131,013
Due in more than one year	<u>125,747,415</u>	<u>13,932,313</u>	<u>139,679,728</u>
Total liabilities	<u>182,249,171</u>	<u>15,030,670</u>	<u>197,279,841</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred inflows related to pensions and other postemployment benefits	4,239,850	146,236	4,386,086
Deferred inflows related to leases	<u>211,244</u>	<u>-</u>	<u>211,244</u>
Total deferred inflows of resources	<u>4,451,094</u>	<u>146,236</u>	<u>4,597,330</u>
<b>NET POSITION:</b>			
Net investment in capital assets	264,577,887	19,655,468	284,233,355
Restricted for:			
General government	19,111,878	-	19,111,878
Public safety	21,646,438	-	21,646,438
Highways and streets	16,302,007	-	16,302,007
Health	4,083,544	-	4,083,544
Welfare	2,297,524	-	2,297,524
Sanitation	536,938	8,569,913	9,106,851
Culture and recreation	8,484,563	-	8,484,563
Education	892,733	-	892,733
Debt service	3,500,000	-	3,500,000
Capital projects	-	712,536	712,536
Other purposes	1,343,929	-	1,343,929
Unrestricted	<u>8,216,493</u>	<u>(862,588)</u>	<u>7,353,905</u>
Total net position	<u>\$ 350,993,934</u>	<u>\$ 28,075,329</u>	<u>\$ 379,069,263</u>

See accompanying notes to financial statements.

MOHAVE COUNTY  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
<b>Primary government:</b>			
Governmental activities:			
General government	\$ 77,405,216	\$ 17,536,482	\$ 17,561,529
Public safety	56,418,471	3,286,954	12,754,288
Highways and streets	24,123,365	326,124	16,854,917
Health	16,704,587	1,755,942	3,019,320
Welfare	6,535,162	171,231	5,837,636
Sanitation	128,713	230,247	-
Culture and recreation	4,632,617	84,826	180,577
Education	3,367,870	50,794	2,889,886
Interest on long-term debt	116,996	-	-
Total governmental activities	<u>189,432,997</u>	<u>23,442,600</u>	<u>59,098,153</u>
Business-Type activities:			
Landfill	2,772,277	2,322,608	679,898
Recreation	4,569,422	3,349,008	372,438
Water companies	3,756,643	2,891,320	-
Total business-type activities	<u>11,098,342</u>	<u>8,562,936</u>	<u>1,052,336</u>
Total primary government	<u>\$ 200,531,339</u>	<u>\$ 32,005,536</u>	<u>\$ 60,150,489</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, 2022, as restated

Net position, June 30, 2023

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>
\$ (42,307,205)	-	\$ (42,307,205)
(40,377,229)	-	(40,377,229)
(6,942,324)	-	(6,942,324)
(11,929,325)	-	(11,929,325)
(526,295)	-	(526,295)
101,534	-	101,534
(4,367,214)	-	(4,367,214)
(427,190)	-	(427,190)
(116,996)	-	(116,996)
<u>(106,892,244)</u>	<u>-</u>	<u>(106,892,244)</u>
-	\$ 230,229	230,229
-	(847,976)	(847,976)
-	(865,323)	(865,323)
<u>-</u>	<u>(1,483,070)</u>	<u>(1,483,070)</u>
<u>(106,892,244)</u>	<u>(1,483,070)</u>	<u>(108,375,314)</u>
50,181,079	-	50,181,079
10,145,833	-	10,145,833
4,683	-	4,683
37,684,999	-	37,684,999
30,544	-	30,544
15,640,312	-	15,640,312
4,236,180	100,000	4,336,180
34,013	-	34,013
459,944	-	459,944
192,791	-	192,791
862,428	433,947	1,296,375
4,528,228	652,918	5,181,146
1,578,159	106,961	1,685,120
616,019	92,386	708,405
(1,823,229)	6,789	(1,816,440)
48,120	(48,120)	-
<u>124,420,103</u>	<u>1,344,881</u>	<u>125,764,984</u>
17,527,859	(138,189)	17,389,670
<u>333,466,075</u>	<u>28,213,518</u>	<u>361,679,593</u>
<u>\$ 350,993,934</u>	<u>\$ 28,075,329</u>	<u>\$ 379,069,263</u>



**MOHAVE COUNTY**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2023**

	General Fund	Road Fund	Flood Control Fund	County Capital Improvement Fund	American Rescue Plan Act Fund	One Arizona Opioid Settlement Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>								
Cash and investments	\$ 56,482,991	\$ 16,125,478	\$ 12,018,462	\$ 38,178,332	\$ 34,797,370	\$ 1,115,776	\$ 40,277,136	\$ 198,995,545
Receivables: (net of allowances for uncollectibles):								
Property taxes	1,990,884	-	543,178	-	-	-	391,019	2,925,081
Accounts	783,945	16,409	466	-	3,500	-	435,179	1,239,499
Accrued interest	157,925	61,447	50,764	118,098	-	3,293	149,440	540,967
Settlements	-	-	-	-	-	8,377,347	-	8,377,347
Leases	-	-	-	-	-	-	214,381	214,381
Due from other governments	4,712,817	1,882,839	-	6,864	-	-	2,209,940	8,812,460
Due from other funds	376,791	72,622	888	-	548,652	-	2,510,518	3,509,471
Inventories	-	157,142	151,529	-	-	-	-	308,671
Prepaid items	63,669	1,100	19,518	-	-	-	58,085	142,372
Total assets	<u>\$ 64,569,022</u>	<u>\$ 18,317,037</u>	<u>\$ 12,784,805</u>	<u>\$ 38,303,294</u>	<u>\$ 35,349,522</u>	<u>\$ 9,496,416</u>	<u>\$ 46,245,698</u>	<u>\$ 225,065,794</u>
<b>LIABILITIES:</b>								
Accounts payable	\$ 1,453,435	\$ 1,436,446	\$ 148,970	\$ 285,536	\$ 4,419,727	-	\$ 689,018	\$ 8,433,132
Accrued payroll and employee benefits	2,453,172	342,854	50,918	-	1,197	-	768,131	3,616,272
Due to other governments	93	284	76	-	-	-	344	797
Due to other funds	838,237	77,204	89,842	-	762,789	-	1,900,851	3,668,923
Deposits held for others	1,247,223	-	-	-	-	-	146,355	1,393,578
Unearned revenue	1,993	-	-	-	30,165,809	-	2,679,737	32,847,539
Advances payable- Landfill	6,500,000	-	-	-	-	-	-	6,500,000
Total liabilities	<u>12,494,153</u>	<u>1,856,788</u>	<u>289,806</u>	<u>285,536</u>	<u>35,349,522</u>	<u>-</u>	<u>6,184,436</u>	<u>56,460,241</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>								
Unavailable revenue- property taxes	1,592,810	-	439,390	-	-	-	322,604	2,354,804
Unavailable revenue- intergovernmental	25,040	2,200	-	-	-	-	791,461	818,701
Unavailable revenue- settlements	-	-	-	-	-	8,377,347	-	8,377,347
Deferred inflows related to leases	-	-	-	-	-	-	211,244	211,244
Total deferred inflows of resources	<u>1,617,850</u>	<u>2,200</u>	<u>439,390</u>	<u>-</u>	<u>-</u>	<u>8,377,347</u>	<u>1,325,309</u>	<u>11,762,096</u>
<b>FUND BALANCES:</b>								
Nonspendable	63,669	158,242	171,047	-	-	-	58,085	451,043
Restricted	-	16,299,807	11,884,562	-	-	1,119,069	33,582,249	62,885,687
Committed	-	-	-	38,017,758	-	-	5,090,191	43,107,949
Unassigned	50,393,350	-	-	-	-	-	5,428	50,398,778
Total fund balances	<u>50,457,019</u>	<u>16,458,049</u>	<u>12,055,609</u>	<u>38,017,758</u>	<u>-</u>	<u>1,119,069</u>	<u>38,735,953</u>	<u>156,843,457</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 64,569,022</u>	<u>\$ 18,317,037</u>	<u>\$ 12,784,805</u>	<u>\$ 38,303,294</u>	<u>\$ 35,349,522</u>	<u>\$ 9,496,416</u>	<u>\$ 46,245,698</u>	<u>\$ 225,065,794</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, 2023

Fund balances - total governmental funds		\$ 156,843,457
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.		259,900,498
Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.		
Property taxes receivable	\$ 2,354,804	
Grant receivables	818,701	
Legal settlements	<u>8,377,347</u>	11,550,852
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.		(119,401,632)
Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future reporting periods and, therefore, are not reported in the funds.		27,054,202
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.		19,574,176
Some assets and liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Leases payable	(586,794)	
Subscriptions liability	(1,656,721)	
Financed purchases	(157,663)	
Compensated absences	<u>(6,060,982)</u>	(8,462,160)
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>3,934,541</u>
Net position of governmental activities		<u>\$ 350,993,934</u>

See accompanying notes to financial statements.

**MOHAVE COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	General Fund	Road Fund	Flood Control Fund	County Capital Improvement Fund	American Rescue Plan Act Fund	One Arizona Opioid Settlement Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>								
Taxes	\$ 43,463,216	-	\$ 10,145,092	\$ 30,544	-	-	\$ 7,346,033	\$ 60,984,885
Special assessments	-	-	-	-	-	-	4,683	4,683
Licenses and permits	2,279,863	\$ 173,872	3,910	-	-	-	804,775	3,262,420
Intergovernmental	55,733,183	20,999,701	33	-	\$ 9,210,530	-	30,529,768	116,473,215
Charges for services	8,696,968	152,252	-	-	-	\$ 1,108,510	4,917,135	14,874,865
Fines and forfeits	1,153,284	-	-	-	-	-	174,005	1,327,289
Investment earnings	1,242,995	554,740	348,350	922,528	-	10,559	965,032	4,044,204
Rents	-	73,357	-	92,499	-	-	450,163	616,019
Contributions	131,336	-	-	-	-	-	345,179	476,515
Miscellaneous	1,046,155	423,648	51	92,710	4,620	-	6,561	1,573,745
Total revenues	<u>113,747,000</u>	<u>22,377,570</u>	<u>10,497,436</u>	<u>1,138,281</u>	<u>9,215,150</u>	<u>1,119,069</u>	<u>45,543,334</u>	<u>203,637,840</u>
<b>EXPENDITURES:</b>								
<b>Current:</b>								
General government	50,916,954	-	-	-	9,215,150	-	6,143,309	66,275,413
Public safety	35,485,527	-	7,542,295	-	-	-	25,084,974	68,112,796
Highways and streets	-	25,704,364	-	-	-	-	-	25,704,364
Sanitation	-	-	-	-	-	-	127,465	127,465
Health	10,703,308	-	-	-	-	-	6,132,660	16,835,968
Welfare	-	-	-	-	-	-	6,532,689	6,532,689
Culture and recreation	-	-	-	-	-	-	4,823,390	4,823,390
Education	428,926	-	-	-	-	-	2,941,363	3,370,289
Capital outlay	197,038	-	-	2,777,988	-	-	415,822	3,390,848
<b>Debt service:</b>								
Principal retirement	461,626	3,553	-	-	-	-	259,551	724,730
Interest and fiscal charges	81,748	1,247	-	-	-	-	10,515	93,510
Total expenditures	<u>98,275,127</u>	<u>25,709,164</u>	<u>7,542,295</u>	<u>2,777,988</u>	<u>9,215,150</u>	<u>-</u>	<u>52,471,738</u>	<u>195,991,462</u>
(Deficiency) excess of revenues (under) over expenditures	<u>15,471,873</u>	<u>(3,331,594)</u>	<u>2,955,141</u>	<u>(1,639,707)</u>	<u>-</u>	<u>1,119,069</u>	<u>(6,928,404)</u>	<u>7,646,378</u>
<b>OTHER FINANCING SOURCES (USES):</b>								
Transfers in	1,554,333	-	-	7,250,228	-	-	14,531,309	23,335,870
Transfers out	(20,330,665)	-	(549,642)	-	-	-	(2,516,424)	(23,396,731)
Lease agreements	54,508	-	-	-	-	-	81,848	136,356
Subscription-based IT arrangements (SBITA)	142,530	-	-	-	-	-	333,974	476,504
Sale of capital assets	14,055	195,098	-	-	-	-	13,050	222,203
Total other financing sources (uses)	<u>(18,565,239)</u>	<u>195,098</u>	<u>(549,642)</u>	<u>7,250,228</u>	<u>-</u>	<u>-</u>	<u>12,443,757</u>	<u>774,202</u>
Net change in fund balances	<u>(3,093,366)</u>	<u>(3,136,496)</u>	<u>2,405,499</u>	<u>5,610,521</u>	<u>-</u>	<u>1,119,069</u>	<u>5,515,353</u>	<u>8,420,580</u>
Fund balances, July 1, 2022	53,550,385	19,636,131	9,619,685	32,407,237	-	-	33,220,600	148,434,038
<b>Changes in nonspendable resources:</b>								
Increase (decrease) in inventories	-	(41,586)	30,425	-	-	-	-	(11,161)
Fund balances, June 30, 2023	<u>\$ 50,457,019</u>	<u>\$ 16,458,049</u>	<u>\$ 12,055,609</u>	<u>\$ 38,017,758</u>	<u>\$ -</u>	<u>\$ 1,119,069</u>	<u>\$ 38,735,953</u>	<u>\$ 156,843,457</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, 2023

Net change in fund balances - total governmental funds		\$ 8,420,580
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 are allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	\$ 16,351,854	
Depreciation/amortization expense	<u>(11,663,682)</u>	4,688,172
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.		
		(2,163,397)
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	22,407,706	
Pension/OPEB expense	<u>(14,985,561)</u>	7,422,145
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	(134,506)	
Subscription-based IT arrangements incurred	(476,504)	
Principal repaid	<u>722,877</u>	111,867
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	186,900	
Increase in compensated absences	<u>209,869</u>	396,769
Collections of revenues in the governmental funds exceeded revenues reported in the Statement of Activities.		
		(480,686)
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.		
Decrease in supply inventory		(11,161)
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.		
		<u>(856,430)</u>
Change in net position of governmental activities		<u>\$ 17,527,859</u>

See accompanying notes to financial statements.



MOHAVE COUNTY  
STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
JUNE 30, 2023

	Business-type Activities Enterprise Funds				Total	Governmental- Internal Service Funds
	Landfill Fund	G.V.I.D. Fund	Parks Fund	Other Enterprise Funds		
<b>ASSETS:</b>						
Current assets:						
Cash and investments	\$ 12,977,952	\$ 147,953	\$ 1,291,743	\$ 645,863	\$ 15,063,511	\$ 15,243,852
Cash and investments held by trustee	-	-	-	-	-	666,245
Receivables (net of allowances for uncollectibles):						
Accounts	158,021	81,768	80,046	65,342	385,177	1,363,233
Accrued interest	58,487	1,526	3,935	2,947	66,895	45,121
Due from other governments	157,455	-	-	24,312	181,767	3,043
Due from other funds	-	-	-	10,061	10,061	378,790
Inventory	-	67,241	2,096	63,985	133,322	82,083
Prepaid items	442	1,184	5,445	12,340	19,411	284,570
Total current assets	<u>13,352,357</u>	<u>299,672</u>	<u>1,383,265</u>	<u>824,850</u>	<u>15,860,144</u>	<u>18,066,937</u>
Noncurrent assets:						
Restricted cash	-	284,376	-	432,731	717,107	-
Advance to other funds	6,500,000	-	-	-	6,500,000	-
Net other postemployment benefits asset	24,384	12,659	40,788	22,556	100,387	126,466
Capital assets:						
Land	441,049	40,388	1,481,772	6,784	1,969,993	-
Infrastructure, net	1,637,120	3,880,543	2,756,153	5,357,115	13,630,931	-
Buildings, net	-	32,688	862,588	71,535	966,811	-
Equipment, net	341,102	693,790	827,100	660,966	2,522,958	6,945,490
Intangibles, net	-	-	-	-	-	1,339,657
Construction in progress	425,813	-	81,112	57,849	564,774	880,750
Total noncurrent assets	<u>9,369,468</u>	<u>4,944,444</u>	<u>6,049,513</u>	<u>6,609,536</u>	<u>26,972,961</u>	<u>9,292,363</u>
Total assets	<u>22,721,825</u>	<u>5,244,116</u>	<u>7,432,778</u>	<u>7,434,386</u>	<u>42,833,105</u>	<u>27,359,300</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>						
Deferred outflows related to pensions and other postemployment benefits	107,366	61,243	202,987	125,025	496,621	645,067
Total deferred outflows of resources	<u>107,366</u>	<u>61,243</u>	<u>202,987</u>	<u>125,025</u>	<u>496,621</u>	<u>645,067</u>

See accompanying notes to financial statements.

MOHAVE COUNTY  
STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
JUNE 30, 2023

(CONCLUDED)

	Business-type Activities - Enterprise Funds					Governmental- Internal Service Funds
	Landfill Fund	G.V.I.D. Fund	Parks Fund	Other Enterprise Funds	Total	
<b>LIABILITIES:</b>						
Current liabilities:						
Accounts payable	\$ 188,463	\$ 10,265	\$ 79,922	\$ 108,878	\$ 387,528	\$ 102,934
Accrued payroll and employee benefits	26,138	14,619	51,593	33,692	126,042	196,593
Interest payable	-	-	-	-	-	14,101
Due to other funds	252	1,171	71,579	4,489	77,491	151,908
Due to other governments	-	10,727	-	(3,640)	7,087	5
Deposits held for others	-	116,544	15,056	42,198	173,798	-
Unearned revenue	-	44,449	1,000	124,244	169,693	-
Current portion of:						
Compensated absences	56,687	23,164	100,913	48,983	229,747	379,817
Financed purchases	-	-	2,479	1,983	4,462	-
Claims and judgments payable	-	-	-	-	-	2,531,610
Leases payable	-	-	-	-	-	216,703
Subscriptions liability	-	-	-	-	-	350,836
Total current liabilities	<u>271,540</u>	<u>220,939</u>	<u>322,542</u>	<u>360,827</u>	<u>1,175,848</u>	<u>3,944,507</u>
Noncurrent liabilities:						
Compensated absences payable	2,001	818	3,562	1,730	8,111	13,409
Landfill closure and postclosure care costs payable	11,008,902	-	-	-	11,008,902	-
Financed purchases	-	-	5,045	4,036	9,081	-
Leases payable	-	-	-	-	-	273,913
Subscriptions liability	-	-	-	-	-	352,994
Net pension/OPEB liabilities	<u>705,921</u>	<u>366,474</u>	<u>1,180,797</u>	<u>653,027</u>	<u>2,906,219</u>	<u>3,661,145</u>
Total noncurrent liabilities	<u>11,716,824</u>	<u>367,292</u>	<u>1,189,404</u>	<u>658,793</u>	<u>13,932,313</u>	<u>4,301,461</u>
Total liabilities	<u>11,988,364</u>	<u>588,231</u>	<u>1,511,946</u>	<u>1,019,620</u>	<u>15,108,161</u>	<u>8,245,968</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>						
Deferred inflow related to pensions and other postemployment benefits						
	<u>35,521</u>	<u>18,440</u>	<u>59,416</u>	<u>32,859</u>	<u>146,236</u>	<u>184,223</u>
Total deferred inflows of resources	<u>35,521</u>	<u>18,440</u>	<u>59,416</u>	<u>32,859</u>	<u>146,236</u>	<u>184,223</u>
<b>NET POSITION:</b>						
Net investment in capital assets	2,845,084	4,647,409	6,008,726	6,154,249	19,655,468	7,971,451
Restricted for:						
Capital projects	-	279,805	-	432,731	712,536	-
Sanitation	8,569,913	-	-	-	8,569,913	-
Unrestricted (deficit)	<u>(609,691)</u>	<u>(228,526)</u>	<u>55,677</u>	<u>(80,048)</u>	<u>(862,588)</u>	<u>11,602,725</u>
Total net position	<u>\$ 10,805,306</u>	<u>\$ 4,698,688</u>	<u>\$ 6,064,403</u>	<u>\$ 6,506,932</u>	<u>\$ 28,075,329</u>	<u>\$ 19,574,176</u>

See accompanying notes to financial statements.

MOHAVE COUNTY  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2023

	Business-type Activities Enterprise Funds					Governmental Internal Service Funds
	Landfill Fund	G.V.I.D Fund	Parks Fund	Other Enterprise Funds	Total	
Operating revenues:						
Charges for services	\$ 2,322,608	\$ 939,592	\$ 2,680,719	\$ 2,620,017	\$ 8,562,936	\$ 28,902,440
Miscellaneous	-	14,028	2,638	90,295	106,961	4,414
Total operating revenues	<u>2,322,608</u>	<u>953,620</u>	<u>2,683,357</u>	<u>2,710,312</u>	<u>8,669,897</u>	<u>28,906,854</u>
Operating expenses:						
Personnel services	675,265	402,608	1,529,021	1,069,892	3,676,786	4,498,952
Supplies	38,290	70,749	266,250	126,998	502,287	1,042,518
Professional services	495,612	116,722	418,915	212,594	1,243,843	3,288,307
Communications	6,843	23,584	17,212	13,573	61,212	780,138
Insurance	-	10,573	39,393	89,030	138,996	1,035,353
Landfill closure and postclosure care costs	952,083	-	-	-	952,083	-
Insurance claims	-	-	-	-	-	13,973,336
Lawsuit judgments	-	-	-	-	-	11,808
Repairs and maintenance	143,210	219,585	175,518	185,242	723,555	110,371
Public utility service	127,855	124,835	348,204	898,861	1,499,755	-
Rents and leases	7,933	12,834	14,241	11,144	46,152	1,394,817
Depreciation/amortization	161,102	332,508	361,989	887,556	1,743,155	2,635,056
Other	164,084	77,345	178,062	91,027	510,518	1,716,066
Total operating expenses	<u>2,772,277</u>	<u>1,391,343</u>	<u>3,348,805</u>	<u>3,585,917</u>	<u>11,098,342</u>	<u>30,486,722</u>
Operating (loss) income	<u>(449,669)</u>	<u>(437,723)</u>	<u>(665,448)</u>	<u>(875,605)</u>	<u>(2,428,445)</u>	<u>(1,579,868)</u>
Nonoperating revenues (expenses):						
Investment earnings	549,746	16,593	49,040	37,539	652,918	484,024
Rent income	-	-	-	92,386	92,386	-
Interest expense	-	-	-	-	-	(23,486)
Federal in-lieu taxes	-	-	100,000	-	100,000	-
Grants	676,325	-	93,830	253,741	1,023,896	-
Gain on disposal of assets	-	-	-	6,789	6,789	91,541
Total nonoperating revenues	<u>1,226,071</u>	<u>16,593</u>	<u>242,870</u>	<u>390,455</u>	<u>1,875,989</u>	<u>552,079</u>
Income (loss) before contributions and transfers	776,402	(421,130)	(422,578)	(485,150)	(552,456)	(1,027,789)
Contributions	3,573	-	24,767	434,047	462,387	62,378
Transfers in	-	3,798	8,191	25,000	36,989	998,825
Transfers out	<u>(25,000)</u>	<u>-</u>	<u>(60,109)</u>	<u>-</u>	<u>(85,109)</u>	<u>(889,844)</u>
Increase (decrease) in net position	754,975	(417,332)	(449,729)	(26,103)	(138,189)	(856,430)
Total net position - beginning, as restated	<u>10,050,331</u>	<u>5,116,020</u>	<u>6,514,132</u>	<u>6,533,035</u>	<u>28,213,518</u>	<u>20,430,606</u>
Total net position - ending	<u>\$ 10,805,306</u>	<u>\$ 4,698,688</u>	<u>\$ 6,064,403</u>	<u>\$ 6,506,932</u>	<u>\$ 28,075,329</u>	<u>\$ 19,574,176</u>

See accompanying notes to financial statements.

MOHAVE COUNTY  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2023

	Business-type Activities Enterprise Funds					Governmental Activities Internal Service Funds
	Landfill Fund	G.V.I.D Fund	Park Fund	Other Enterprise Funds	Total	
	Fund	Fund	Fund	Funds	Total	
Cash flows from operating activities:						
Receipts from customers and users	\$ 2,464,089	\$ 980,959	\$ 2,623,274	\$ 2,685,629	\$ 8,753,951	\$ 895,632
Receipts from interfund services provided	-	-	-	(9,201)	(9,201)	26,574,911
Payments to suppliers	(866,178)	(592,870)	(1,319,090)	(1,235,070)	(4,013,208)	(23,031,273)
Payments for employee wages and benefits	(592,992)	(349,253)	(1,326,747)	(813,074)	(3,082,066)	(4,393,825)
Payments for interfund services used	(112,114)	(119,449)	(266,135)	(180,546)	(678,244)	(222,754)
Net cash (used for) provided by operating activities	<u>892,805</u>	<u>(80,613)</u>	<u>(288,698)</u>	<u>447,738</u>	<u>971,232</u>	<u>(177,309)</u>
Cash flows from noncapital financing activities:						
Payment on advance to other fund	(6,500,000)	-	-	-	(6,500,000)	-
Transfer from other funds	-	3,798	8,191	25,000	36,989	998,825
Transfer to other funds	(25,000)	-	(60,109)	-	(85,109)	(889,844)
Rent income	-	-	-	92,386	92,386	-
Subsidy from non-capital grant	<u>669,334</u>	<u>-</u>	<u>252,861</u>	<u>253,933</u>	<u>1,176,128</u>	<u>-</u>
Net cash (used for) provided by noncapital financing activities	<u>(5,855,666)</u>	<u>3,798</u>	<u>200,943</u>	<u>371,319</u>	<u>(5,279,606)</u>	<u>108,981</u>
Cash flows from capital and related financing activities:						
Purchases of capital assets	(237,878)	(1,663)	(396,866)	(895,703)	(1,532,110)	(3,788,946)
Principal paid on capital debt	-	-	(2,450)	(1,960)	(4,410)	(414,191)
Interest paid on capital debt	-	-	-	9,201	9,201	295,212
Proceeds from sales of capital assets	<u>-</u>	<u>-</u>	<u>(118)</u>	<u>(94)</u>	<u>(212)</u>	<u>(23,486)</u>
Net cash used for capital and related financing activities	<u>(237,878)</u>	<u>(1,663)</u>	<u>(399,434)</u>	<u>(888,556)</u>	<u>(1,527,531)</u>	<u>(3,931,411)</u>
Cash flows from investing activities:						
Purchase of investments	32,055	177	4,397	(207)	36,422	19,255
Interest and dividends received	<u>463,757</u>	<u>15,010</u>	<u>45,125</u>	<u>35,164</u>	<u>559,056</u>	<u>424,093</u>
Net cash provided by investing activities	<u>495,812</u>	<u>15,187</u>	<u>49,522</u>	<u>34,957</u>	<u>595,478</u>	<u>443,348</u>
Net increase (decrease) in cash and cash equivalents	(4,704,927)	(63,291)	(437,667)	(34,542)	(5,240,427)	(3,556,391)
Cash and cash equivalents, July 1, 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>
Cash and cash equivalents, June 30, 2023	<u>\$ 12,977,952</u>	<u>\$ 432,329</u>	<u>\$ 1,291,743</u>	<u>\$ 1,078,594</u>	<u>\$ 15,780,618</u>	<u>\$ 15,910,097</u>

See accompanying notes to financial statements.

MOHAVE COUNTY  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2023

(CONCLUDED)

	Business-type Activities Enterprise Funds					Governmental Activities- Internal Service Funds
	Landfill Fund	G.V.I.D. Fund	Park Funds	Other Enterprise Funds	Total	
	_____	_____	_____	_____	_____	
Reconciliation of operating (loss) income to net cash (used) provided by operating activities:						
Operating (loss) income	\$ (449,669)	\$ (437,723)	\$ (665,448)	\$ (875,605)	\$ (2,428,445)	\$ (1,579,868)
Adjustments to reconcile operating (loss) income to net cash (used) provided by operating activities:						
Depreciation/amortization expense	161,102	332,508	361,989	887,556	1,743,155	2,635,056
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:						
Receivables	141,480	10,969	(80,038)	243,215	315,626	(1,112,216)
Due from other funds	-	-	-	73,194	73,194	(378,470)
Due from other governments	-	-	-	(24,312)	(24,312)	40,849
Inventories	-	(18,589)	446	(302)	(18,445)	(4,703)
Prepaid items	588	2,907	(5,445)	3,213	1,263	13,749
Deferred outflows of resources related to pensions and other postemployment benefits	58,416	27,436	83,935	9,493	179,280	245,165
Accounts payable	67,414	3,223	(32,589)	21,642	59,690	(265,731)
Due to other funds	(71)	49	65,249	(50,197)	15,030	145,653
Due to other governments	-	4,367	-	(3,842)	525	5
Accrued payroll and employee benefits	1,613	3,935	5,651	5,801	17,000	56,390
Compensated absences payable	(48,513)	(7,731)	14,637	(11,079)	(52,686)	(12,732)
Landfill closure and postclosure care costs	952,083	-	-	-	952,083	-
Net pension and other postemployment benefits liability	165,211	71,800	225,134	253,190	715,335	694,884
Net pension and other postemployment benefits asset	(4,163)	(1,639)	(5,049)	(7,603)	(18,454)	(15,537)
Unearned revenue	-	4,616	1,000	13,332	18,948	-
Deposits held for others	-	7,387	15,056	16,356	38,799	-
Claims and judgments payable	-	-	-	-	-	208,452
Deferred inflow of resources related to pensions and other postemployment benefits	(152,686)	(84,128)	(273,226)	(106,314)	(616,354)	(848,255)
Total adjustments	<u>1,342,474</u>	<u>357,110</u>	<u>376,750</u>	<u>1,323,343</u>	<u>3,399,677</u>	<u>1,402,559</u>
Net cash (used) provided by operating activities	<u>\$ 892,805</u>	<u>\$ (80,613)</u>	<u>\$ (288,698)</u>	<u>\$ 447,738</u>	<u>\$ 971,232</u>	<u>\$ (177,309)</u>
Cash and investments:						
Unrestricted cash and investments	\$ 12,977,952	\$ 147,953	\$ 1,291,743	\$ 645,863	\$ 15,063,511	\$ 15,910,097
Restricted cash	<u>-</u>	<u>284,376</u>	<u>-</u>	<u>432,731</u>	<u>717,107</u>	<u>-</u>
Total cash and investments at June 30, 2023	<u>\$ 12,977,952</u>	<u>\$ 432,329</u>	<u>\$ 1,291,743</u>	<u>\$ 1,078,594</u>	<u>\$ 15,780,618</u>	<u>\$ 15,910,097</u>

Noncash investing, capital, and noncapital financing activities during the year ended June 30, 2023:

The County's Internal Service Funds obtained computer equipment financed by a lease in the amount of \$418,313.

The County's Internal Service Funds obtained software financed by a lease in the amount of \$697,409.

Juniper Lake Improvement District Enterprise Fund received county built water management equipment valued at \$433,947. These contributions were recorded as an increase in capital assets and capital contributions.

The Parks Fund received asset improvements from ARPA funds valued at \$20,867. These contributions were recorded as an increase in capital assets and capital contributions.

The County's Internal Service Funds accrued interest payable from software leases in the amount of \$14,100.

See accompanying notes to financial statements.

MOHAVE COUNTY  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2023

	Private-purpose Trust Funds	Custodial	
		External Investment Pool	Other
<b>ASSETS:</b>			
Cash and investments	\$ 3,544,709	\$ 164,011,685	\$ 6,110,335
Cash and investments held by trustee	396,261	-	-
Taxes receivable for other governments	-	-	8,476,133
Accrued interest receivable	-	-	451,303
Total assets	<u>\$ 3,940,970</u>	<u>\$ 164,011,685</u>	<u>\$ 15,037,771</u>
<b>LIABILITIES:</b>			
Due to others	<u>-</u>	<u>\$ 2,228,241</u>	<u>\$ 64,232</u>
Total liabilities	<u>-</u>	<u>2,228,241</u>	<u>64,232</u>
<b>NET POSITION:</b>			
Restricted for:			
Pool participants	-	161,783,444	8,963,158
Individuals, organizations, and other governments	<u>\$ 3,940,970</u>	<u>-</u>	<u>6,010,381</u>
Total net position	<u>\$ 3,940,970</u>	<u>\$ 161,783,444</u>	<u>\$ 14,973,539</u>

See accompanying notes to financial statements.

MOHAVE COUNTY  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED JUNE 30, 2023

	Private-purpose Trust Funds	Custodial	
		External Investment Pool	Other
<b>ADDITIONS:</b>			
Contributions from pool participants	-	\$ 363,968,688	-
Property tax collections for governments	-	-	\$ 146,553,349
Collections for individuals	\$ 11,364,724	-	29,850,375
Investment earnings:			
Interest and dividend income	18,046	4,011,797	772,933
Net decrease in fair value of investments	-	(450,725)	-
Net investment earnings	<u>18,046</u>	<u>3,561,072</u>	<u>772,933</u>
Inmate collections	-	-	1,894,909
Other	-	-	965,880
Total additions	<u>11,382,770</u>	<u>367,529,760</u>	<u>180,037,446</u>
<b>DEDUCTIONS:</b>			
Distributions to pool participants	-	(336,483,003)	-
Beneficiary payments to individuals	(11,359,705)	-	-
Property tax distributions to other governments	-	-	(147,131,846)
Payments to inmates	-	-	(1,894,909)
Other	-	-	(32,342,710)
Total deductions	<u>(11,359,705)</u>	<u>(336,483,003)</u>	<u>(181,369,465)</u>
Change in fiduciary net position	23,065	31,046,757	(1,332,019)
Net position, beginning of year	<u>3,917,905</u>	<u>130,736,687</u>	<u>16,305,558</u>
Net position, end of year	<u>\$ 3,940,970</u>	<u>\$ 161,783,444</u>	<u>\$ 14,973,539</u>

See accompanying notes to financial statements.

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**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, 2023, the County implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which (1) defines a subscription-based information technology arrangement (SBITA); (2) establishes that a SBITA results in a right-to-use subscription asset -an intangible asset- and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. As a result, the County’s financial statements have been modified to reflect the implementation of these new standards.

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, 2023

**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, 2023

**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 **One Arizona Opioid Settlement Fund** accounts for monies received from the opioid settlement through the One Arizona Agreement to be used for opioid abatement and remediation activities.

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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.

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.

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 contracts and subscription-based information technology arrangements are reported as other financing sources.

**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, 2023

**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:			
Software	\$10,000	Straight-line	3-7 years
Right-to-use subscription assets	\$25,000	Straight-line	1-8 years
Right-to-use lease assets:			
Land	\$100,000	Straight-line	10-20 years
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, unless the lease contains a purchase option that the County is reasonably certain of being exercised - then the lease is amortized over the useful life of the underlying asset.

Intangible right-to-use subscription 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.

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Fund Balance Classifications**

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

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

The unrestricted fund balance category is composed of committed, assigned, and unassigned resources. Committed fund balances are self-imposed limitations that the County's Board of Supervisors approved, which is the highest level of decision-making authority within the County. 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, 2023

**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 and Subscription-Based Information Technology Arrangements**

**Leases**

As lessee, the County recognizes lease payable with an initial, individual value of \$100,000 or more. The County uses its estimated incremental borrowing rate to measure lease payable 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.

**Subscription-Based Information Technology Arrangements**

The County recognizes subscription liabilities with an initial, individual value of \$25,000 or more. The County uses its estimated incremental borrowing rate to measure subscription liabilities unless it can readily determine the interest rate implicit in the arrangement. The County's estimated incremental borrowing rate is calculated as described above.

**M. Settlements**

The County is a participant in the One Arizona Distribution of Opioid Settlement Funds agreement which is part of a nationwide Opioid Settlement. The County received \$1,108,510 through June 30, 2023, and anticipates receiving additional payments through 2038. As of June 30, 2023, the County recorded an estimated balance of the receivable, net of allowance for uncollectibles, of \$8,377,347. In the fund-based financial statements, the county recorded \$8,377,347 in accounts receivable, net of allowance for uncollectibles, \$8,377,347 in unavailable revenue- settlements, and \$1,108,510 in charges for services revenue based on the modified accrual basis of accounting (see Note 15 for additional information).

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE AND CORRECTION OF A MISSTATEMENT - PRIOR PERIOD ADJUSTMENT**

On July 1, 2022, the County restated the Governmental Activities net position for the implementation of GASB Statement No. 96, *Subscription-based Information Technology Arrangements*, as amended.

On July 1, 2022, the County restated the Governmental Activities, Park Fund, and Other Enterprise Funds financed purchase liability and net position for prior period corrections. These corrections that were a result of financed purchases that should have been placed in service and depreciated or expensed in a prior fiscal year.

On July 1, 2022, the County restated Governmental Activities equipment, infrastructure other than buildings, intangible software, equipment accumulated depreciation, and intangible software accumulated amortization and net position for prior period corrections. These corrections were a result of a capital acquisition of Juniper Lake Property and body camera equipment that should have been placed in service and depreciated/amortized or expensed in a prior fiscal year.

On July 1, 2022, the County restated Governmental Activities settlement receivable, net of uncollectible accounts, and net position for a prior period. This correction was a result of a receivable and revenues related to opioid settlements that should have been recognized in the prior fiscal year (see Note 15 for additional information).

On July 1, 2022, the County restated Other Enterprise Funds net position for corrections of prior period that were a result of an accrued liability that should have been recorded as revenue in a prior fiscal year.

Beginning net position was adjusted for the above as follows:

	Governmental activities	Parks fund	Other enterprise funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net position as previously reported at June 30, 2022	\$ 323,651,369	\$ 6,524,105	\$ 6,276,865
Prior period adjustment:			
Implementation of GASB 96			
Intangible right-to-use subscription assets	2,131,581	-	-
Subscriptions liability	(1,972,567)	-	-
Correction of error:			
Equipment corrections	144,957	-	-
Infrastructure corrections	(57,431)	-	-
Intangible software corrections	986,913	-	-
Accumulated depreciation - equipment	117,543	-	-
Accumulated amortization - intangible software	(728,404)	-	-
Financed purchase liabilities	(235,200)	(9,973)	(7,979)
Settlement receivable, net of uncollectible amounts	9,427,314	-	-
Accrued liability	-	-	264,149
Total adjustments	<u>9,814,706</u>	<u>(9,973)</u>	<u>256,170</u>
Net position as of July 1, 2022, as restated	<u>\$ 333,466,075</u>	<u>\$ 6,514,132</u>	<u>\$ 6,533,035</u>



MOHAVE COUNTY  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2023

**NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Deficit fund balances or net position—At June 30, 2023, the following nonmajor funds reported deficit fund balances/net position:

Fund	Deficit
Proprietary funds:	
Fleet	220,218
Janitorial	194,633
Fairgrounds	180,176

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

**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.

**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.

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 4 - DEPOSITS AND INVESTMENTS (CONTINUED)**

A. Deposits

As of June 30, 2023, the carrying amount of the County's deposits was \$31,538,485 and the bank balance was \$44,546,655. There was cash on hand of \$13,400. It is the County's policy to collateralize all deposits not covered by depository insurance.

B. Investments

The County's investments at June 30, 2023, 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)
<b>Investments by fair value level</b>			
U.S. Treasury notes	\$ 246,078,100	\$ 246,078,100	-
U.S. Agency securities	20,215,185	-	\$ 20,215,185
Corporate bonds	<u>26,000</u>	<u>-</u>	<u>26,000</u>
Total investments by fair value level	<u>266,319,285</u>	<u>\$ 246,078,100</u>	<u>\$ 20,241,185</u>
 <b>External investment pools measured at fair value</b>			
State Treasurer's investment pools	<u>106,878,080</u>		
Total	<u>\$ 373,197,365</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.

**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.

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 4 - DEPOSITS AND INVESTMENTS (CONTINUED)**

Investment Type	Rating	Rating Agency	Amount
U.S. Agency securities	AAA	Moody's	20,215,185
Corporate bonds	Unrated	Not applicable	26,000
State Treasurer's Investment Pool 7 and 700	Unrated	Not applicable	<u>106,878,080</u>
			<u>\$ 127,119,265</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, 2023. 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, 2023, the County had the following investments in debt securities:

Investment type	Amount	Investment maturities	
		Less than 1 year	1 to 5 years
State Treasurer's Investment Pool 7 and 700	\$ 106,878,080	\$ 106,878,080	-
U.S. Treasury notes	246,078,100	132,228,667	\$ 113,849,433
U.S. Agency securities	20,215,185	4,964,510	15,250,675
Corporate bonds	<u>26,000</u>	<u>26,000</u>	<u>-</u>
Total	<u>\$ 373,197,365</u>	<u>\$ 244,097,257</u>	<u>\$ 129,100,108</u>

At June 30, 2023, no investments in U.S. agency securities were considered to be highly sensitive to interest rate changes.

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 4 - DEPOSITS AND INVESTMENTS (CONTINUED)**

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

**Cash, deposits, and investments:**

	Amount
Cash on hand	\$ 13,400
Amount of deposits	31,538,485
Amount of investments	<u>373,197,365</u>
Total	<u>\$ 404,749,250</u>

Statements of net position:

	Governmental activities	Business-type activities	Private- purpose trust funds	Custodial funds		Total
				External investment pools	Other	Total
Statement of net position:						
Cash and investments	\$ 214,239,397	\$ 15,063,511	\$ 3,544,709	\$ 164,011,685	\$ 6,110,335	\$ 402,969,637
Cash and investments held by trustee(s)	666,245	-	396,261	-	-	1,062,506
Restricted cash	<u>-</u>	<u>717,107</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>717,107</u>
Total	<u>\$ 214,905,642</u>	<u>\$ 15,780,618</u>	<u>\$ 3,940,970</u>	<u>\$ 164,011,685</u>	<u>\$ 6,110,335</u>	<u>\$ 404,749,250</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, 2023, were as follows:

	General Fund	Flood Control Fund	Other Governmental Funds	Total Governmental Funds
Fiscal year 2022	\$ 1,220,230	\$ 318,814	\$ 216,554	\$ 1,755,598
Fiscal year 2021	91,385	16,491	15,586	123,462
Prior	<u>679,269</u>	<u>207,873</u>	<u>158,879</u>	<u>1,046,021</u>
Total receivable	<u>\$ 1,990,884</u>	<u>\$ 543,178</u>	<u>\$ 391,019</u>	<u>\$ 2,925,081</u>

The portion of property taxes receivable, not collected within 60 days after June 30, 2023, 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, 2023

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2023, was as follows:

<u>Governmental activities:</u>	July 1, 2022 (restated)	Increases	Decreases	June 30, 2023
Capital assets not being depreciated/amortized:				
Land	\$ 28,888,573	\$ 4,715	\$ (134,877)	\$ 28,758,411
Construction in progress	<u>641,422</u>	<u>4,209,101</u>	<u>(72,741)</u>	<u>4,777,782</u>
Total capital assets not being depreciated/amortized	<u>29,529,995</u>	<u>4,213,816</u>	<u>(207,618)</u>	<u>33,536,193</u>
Capital assets being depreciated/amortized:				
Buildings	188,160,216	1,424,607	(79,261)	189,505,562
Infrastructure and improvements other than buildings	191,285,680	3,919,462	(29,080)	195,176,062
Equipment	62,262,426	9,547,386	(5,908,709)	65,901,103
Intangibles:				
Software	986,913	41,177	-	1,028,090
Right-to-use subscription assets	2,131,581	1,248,858	-	3,380,439
Right-to-use lease assets:				
Land	-	22,595	-	22,595
Buildings	268,285	24,678	(154,405)	138,558
Equipment	1,029,453	246,487	(155,061)	1,120,879
Infrastructure	<u>342,710</u>	<u>260,908</u>	<u>-</u>	<u>603,618</u>
Total	<u>446,467,264</u>	<u>16,736,158</u>	<u>(6,326,516)</u>	<u>456,876,906</u>
Less accumulated depreciation/amortization for:				
Buildings	67,446,882	5,586,162	(35,866)	72,997,178
Infrastructure and improvements other than buildings	109,197,001	2,719,461	(29,080)	111,887,382
Equipment	34,282,841	4,574,105	(3,862,340)	34,994,606
Intangibles:				
Software	728,404	76,428	-	804,832
Right-to-use subscription assets	-	725,974	-	725,974
Right-to-use lease assets:				
Land	-	508	-	508
Buildings	90,489	111,073	(154,406)	47,156
Equipment	413,158	436,244	(155,061)	694,341
Infrastructure	<u>18,828</u>	<u>68,783</u>	<u>-</u>	<u>87,611</u>
Total accumulated depreciation/amortization	<u>212,177,603</u>	<u>14,298,738</u>	<u>(4,236,753)</u>	<u>222,239,588</u>
Total capital assets being depreciated/amortized, net	<u>234,289,661</u>	<u>2,437,420</u>	<u>(2,089,763)</u>	<u>234,637,318</u>
Governmental activities capital assets, net	<u>\$ 263,819,656</u>	<u>\$ 6,651,236</u>	<u>\$ (2,297,381)</u>	<u>\$ 268,173,511</u>

The capital asset beginning balance was restated due to the prior period adjustment for the implementation of GASB 96, and corrections relating to body camera equipment and property acquisition that should have been placed into service in a prior period. See Note 2 for additional information.

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 6 - CAPITAL ASSETS (CONTINUED)**

<u>Business-type activities:</u>	<u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2023</u>
Capital assets not being depreciated:				
Land	\$ 1,963,209	\$ 6,784	-	\$ 1,969,993
Construction in progress	<u>246,186</u>	<u>318,588</u>	-	<u>564,774</u>
Total capital assets not being depreciated	<u>2,209,395</u>	<u>325,372</u>	-	<u>2,534,767</u>
Capital assets being depreciated:				
Buildings	2,452,067	24,899	-	2,476,966
Utility systems	33,524,681	933,447	-	34,458,128
Equipment	<u>3,982,802</u>	<u>1,283,060</u>	\$ (24,118)	<u>5,241,744</u>
Total capital assets being depreciated	<u>39,959,550</u>	<u>2,241,406</u>	<u>(24,118)</u>	<u>42,176,838</u>
Less accumulated depreciation for:				
Buildings	1,441,362	68,793	-	1,510,155
Utility systems	19,514,881	1,312,316	-	20,827,197
Equipment	<u>1,798,618</u>	<u>941,874</u>	<u>(21,706)</u>	<u>2,718,786</u>
Total accumulated depreciation	<u>22,754,861</u>	<u>2,322,983</u>	<u>(21,706)</u>	<u>25,056,138</u>
Total capital assets being depreciated, net	<u>17,204,689</u>	<u>(81,577)</u>	<u>(2,412)</u>	<u>17,120,700</u>
Business-type activities capital assets, net	<u>\$ 19,414,084</u>	<u>\$ 243,795</u>	<u>\$ (2,412)</u>	<u>\$ 19,655,467</u>

Depreciation/amortization expense was charged to functions as follows:

Governmental activities:	
General government	\$ 2,265,965
Public safety	4,818,575
Highways and streets	3,929,945
Health	117,371
Welfare	58,580
Sanitation	1,248
Culture and recreation	466,088
Education	5,910
Internal service funds	<u>2,635,056</u>
Total governmental activities depreciation/amortization expense	<u>\$ 14,298,738</u>
Business-Type activities:	
Landfill	\$ 161,102
Recreation	390,968
Water companies	<u>1,770,913</u>
Total business-type activities depreciation expense	<u>\$ 2,322,983</u>

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 7 - CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

The County had major contractual commitments at June 30, 2023, as follows.

<u>Contractual commitments</u>	<u>Funding source</u>	<u>Expenditures to date</u>	<u>Total contractual commitment</u>	<u>Remaining commitment</u>
Vehicles - 2 total				
11/17/2022	Tax Revenues	-	119,263	119,263
Rigging				
02/22/2022 - 09/24/2023	Tax Revenues	-	428,837	428,837
Improvement Projects Boys & Girls Clubs				
09/19/2022	ARPA	42,586	250,000	207,414
Waste Tire Disposal				
06/03/2023 - 06/02/2024	Tax Revenues	-	250,000	250,000
Heavy Equipment - 5 total				
10/5/2022 - 10/4/2023	HURF	-	1,488,639	1,488,639
Lake Mead Community Co-Op Water Improvements				
07/05/2022	ARPA	11,338	573,500	562,162
Davis Camp Dock and Launch Ramp Design				
04/05/2023	ARPA	7,112	192,156	185,044
Sawmill RV Park	Grant & Tax Revenues			
04/17/2023		13,755	311,503	297,748
Landscape and Maintenance				
12/28/2022	Tax Revenues	10,393	150,000	139,607
Andy Devine Sewer Expansion				
12/05/2022	Tax Revenues	658,470	1,996,350	1,337,880
Security Services				
01/01/2023 - 12/31/2023	Tax Revenues	91,281	180,326	89,045
Medical Examiner				
11/15/2021 - 11/14/2024	Tax Revenues	1,757,500	3,330,000	1,572,500
TV District Service				
11/01/2021 - 10/31/2031	Tax Revenues	266,814	2,001,107	1,734,293
TV District Maintenance				
08/04/2022 - 08/03/2023	Tax Revenues	251,789	280,983	29,194
ADC Food Services				
12/31/2021 - 12/30/2024	Tax Revenues	1,294,210	2,495,810	1,201,600
911 Upgrades				
08/18/2022	Grant	786,300	2,481,509	1,695,209
Security Services				
01/01/2023 - 12/31/2023	Tax Revenues	52,824	104,861	52,037
S/O Substation Design, LHC				
07/05/22	Tax Revenues	17,673	238,906	221,233
Patrol Boats (3)				
07/18/2022	SLIF Grant	-	799,682	799,682
Grace Neal Channel Water Line				
06/05/2023	Flood	-	450,000	450,000
BHC Fire Communication Equipment				
04/17/2023	ARPA	-	810,000	810,000
Desert Hills Fire Communication Equipment				
02/06/2023	ARPA	-	100,000	100,000
Grace Neal Channel Water Line P3				
04/03/2023	Flood Tax Revenues/ HURF/Grant/ Enterprise	4,103	152,579	148,476
Bulk Fuel				
08/06/2022-08/05/2023		1,552,782	1,667,887	115,105
Animal Shelter Build/Construction				

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 7 - CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS (CONTINUED)**

<u>Contractual commitments</u>	<u>Funding source</u>	<u>Expenditures to date</u>	<u>Total contractual commitment</u>	<u>Remaining commitment</u>
01/03/2023	Tax Revenues	1,705,816	5,050,228	3,344,412
Chloride Water Imp District				
07/05/2022	ARPA	-	1,000,000	1,000,000
Centennial Park Water				
01/03/2022	ARPA	1,279,544	2,500,000	1,220,456
Mt. Tipton Water				
07/05/2022	ARPA	-	535,015	535,015
BHHS Legacy				
06/19/2023	ARPA	-	150,000	150,000
Trucks (2) Animal Control				
02/09/2022	Tax Revenues	-	141,535	141,535
Trucks (2) Animal Control				
11/07/2022	Tax Revenues	-	220,290	220,290
Alamo Rd Phase 2				
05/01/2023	HURF	85,500	2,259,250	2,173,750
	Tax Revenues/ HURF/Grant/ Enterprise			
County Fuel Cards				
01/18/2022 - 12/31/2025	Enterprise	193,100	2,500,000	2,306,900
Reach Out Facility				
07/18/2022	Tax Revenues	160,200	412,100	251,900
Juv Detention Facility Maintenance				
06/19/2023	Tax Revenues	-	171,063	171,063
Gary Keith Park Improvements				
01/17/2023	ARPA	-	1,200,000	1,200,000
Court Automation				
10/01/2018 - 06/30/2025	Court Auto Fund	987,963	1,248,975	261,012
CBLF Weighing and Pay Kiosk w/ software				
05/15/2023	Landfill	100,886	158,475	57,589
BMX Track				
01/03/2022	ARPA	51,882	100,000	48,118
Horizon 6				
09/07/2021	ARPA	664,798	3,050,000	2,385,202
CBLF Monitoring Well				
09/20/2021	Landfill	220	35,090	34,870
MV LF Septage Ponds				
07/18/2022	Landfill	48,961	91,900	42,939
MV LF Drainage Channel				
03/19/2018	Landfill	182,541	214,725	32,184
Total		<u>\$ 12,280,341</u>	<u>\$ 41,892,544</u>	<u>\$ 29,612,203</u>



MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**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, 2023, as follows.

RTU Asset Type	RTU Asset Description	Payments made to lessor	Total contractual commitment
RTU- Buildings	Office Space	\$ -	\$ 790,258
RTU- Building	Office Space	-	15,120
RTU- Equipment	Copiers	-	789,129
Total		<u>\$ -</u>	<u>\$ 1,594,507</u>

At June 30, 2023, the County had made payments of \$0 to the lessors and had remaining contractual commitments with lessors of \$1,594,507 including the lease payable that will be recognized at the commencement of the lease terms.

The County had contractual commitments related to subscription-based information technology arrangements for which the subscription term had not yet commenced at June 30, 2023, as follows.

RTU Subscription Asset Type	RTU Subscription Asset Description	Payments made to lessor	Total contractual commitment
RTU- Software	Software	\$ -	\$ 388,487
RTU- Software	Software	-	2,339,768
RTU- Software	Software	-	31,500
Total		<u>\$ -</u>	<u>\$ 2,759,755</u>

At June 30, 2023, the County had made payments of \$0 to the vendors and had remaining contractual commitments with vendors of \$2,759,755 including the subscription liabilities that will be recognized at the commencement of the subscription terms.

**NOTE 8 - RESTRICTED ASSETS**

As of June 30, 2023, the County had restricted assets as follows:

Governmental activities assets:

HUD properties

U.S. Housing and Urban Development (HUD)  
rehabilitated homes restricted for sale to qualified  
buyers.

	<u>892,885</u>
Total governmental activities	<u>\$ 892,885</u>

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 8 - RESTRICTED ASSETS (CONTINUED)**

Business-type activities assets:	
Restricted cash	I-40 Replacement fund collections, restricted for future repairs of infrastructure by agreement with customer.
432,731	
Restricted cash	GVID water corridor collections restricted for future infrastructure repairs by agreement with customers.
<u>284,376</u>	
Total business-type activities	\$ <u><u>717,107</u></u>

**NOTE 9 - LONG-TERM LIABILITIES**

The following schedule details the County's long-term liability and obligation activity for the year ended June 30, 2023:

	Balance July 1, 2022, (restated)	Additions	Reductions	Balance June 30, 2023	Due within 1 year
<b>Governmental activities:</b>					
Net pension and other postemployment benefits liability	\$ 103,702,630	\$ 19,360,147	-	\$ 123,062,777	-
Financed purchases, as restated	235,200	-	\$ (77,537)	157,663	\$ 78,390
Leases payable	1,137,979	552,819	(613,388)	1,077,410	363,032
Subscriptions liability, as restated	1,972,567	1,173,913	(785,929)	2,360,551	689,757
Compensated absences payable	6,676,808	-	(222,600)	6,454,208	6,234,015
Claims and judgments payable	<u>2,510,058</u>	<u>14,163,223</u>	<u>(14,141,671)</u>	<u>2,531,610</u>	<u>2,531,610</u>
Total governmental activities long-term liabilities	<u>\$ 116,235,242</u>	<u>\$ 35,250,102</u>	<u>\$ (15,841,125)</u>	<u>\$ 135,644,219</u>	<u>\$ 9,896,804</u>
<b>Business-type activities:</b>					
Financed purchases, as restated	\$ 17,952	-	\$ (4,409)	\$ 13,543	\$ 4,462
Landfill closure and postclosure care costs payable	10,056,819	\$ 952,083	-	11,008,902	-
Net pension and other postemployment benefits liability	2,190,884	715,335	-	2,906,219	-
Compensated absences payable	<u>290,544</u>	<u>-</u>	<u>(52,686)</u>	<u>237,858</u>	<u>229,747</u>
Total business-type activities long-term liabilities	<u>\$ 12,556,199</u>	<u>\$ 1,667,418</u>	<u>\$ (57,095)</u>	<u>\$ 14,166,522</u>	<u>\$ 234,209</u>

Due to the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, the County's governmental activities subscription liability beginning balance has been restated, see Note 2 for additional information.

On July 1, 2022 the County restated both the County's governmental activities and business-type financed purchase beginning balance, see Note 2 for additional information.

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 9 - LONG-TERM LIABILITIES (CONTINUED)**

**Financed purchases**— The County has acquired equipment under contract agreements at a total purchase of \$253,153. No new financed purchases were made during the current fiscal year. The following schedule details debt service requirements to maturity for the County's financed purchases:

Year ending June 30,	Governmental activities		Business-type activities	
	Principal	Interest	Principal	Interest
2024	\$ 78,390	\$ 1,111	\$ 4,462	\$ 160
2025	79,273	228	4,514	107
2026	-	-	4,567	54
Total	<u>\$ 157,663</u>	<u>\$ 1,339</u>	<u>\$ 13,543</u>	<u>\$ 321</u>

**Leases**—The County has obtained the right to use office space, office equipment, and communication tower infrastructures under the provisions of various lease agreements. As of June 30, 2023, the lease payable 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 \$0.6 million in principal payments and \$21,000 in interest payments related to these leases for the fiscal year ended June 30, 2023.

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

	Governmental activities
Total intangible right-to-use lease assets	\$ 1,885,650
Less: accumulated amortization	<u>829,616</u>
Carrying value	<u>\$ 1,056,034</u>

The following schedule details minimum lease payments to maturity for the County's leases payable at June 30, 2023:

Year ending June 30,	Governmental activities	
	Principal	Interest
2024	\$ 363,032	\$ 18,789
2025	145,938	13,953
2026	139,185	10,542
2027	128,845	7,109
2028	52,267	4,467
2029-33	103,215	15,301
2034-38	114,007	6,846
2039-42	<u>30,921</u>	<u>534</u>
Total	<u>\$ 1,077,410</u>	<u>\$ 77,541</u>

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 9 - LONG-TERM LIABILITIES (CONTINUED)**

**Subscription-based information technology arrangements**—The County has obtained the right to use IT software under the provisions of various subscription-based information technology arrangements (SBITA). As of June 30, 2023, the subscription liability was \$2.4 million. The subscription leases have interest rates between 1.8% and 3.4%, and an estimated life of 1-10 years. The County made \$0.8 million in principal payments and \$37,000 in interest payments related to these leases for the fiscal year ended June 30, 2023.

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

	Governmental activities
Total intangible right-to-use lease subscription assets	\$ 3,380,439
Less: accumulated amortization	<u>725,974</u>
Carrying value	<u><u>\$ 2,654,465</u></u>

The following schedule details minimum subscription payments to maturity for the County's subscriptions liability at June 30, 2023:

Year ending June 30,	Governmental activities	
	Principal	Interest
2024	\$ 689,757	\$ 64,169
2025	610,561	46,629
2026	272,804	30,598
2027	271,588	22,331
2028	186,931	14,597
2029-30	<u>328,910</u>	<u>14,471</u>
Total	<u><u>\$ 2,360,551</u></u>	<u><u>\$ 192,795</u></u>

**Landfill closure and postclosure care costs**—The County owns two landfill sites. Cerbat is 320 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 \$11,008,902 reported as landfill closure and postclosure care liability at June 30, 2023, represents the cumulative amount reported to date at the Cerbat and Mohave Valley landfills. The calculation is based on the use of 73 percent of Cells 1-6 at Cerbat landfill; and 91 percent of the estimated capacity at Mohave Valley landfill. The County will recognize the remaining estimated costs of closure and postclosure care costs of \$2,745,696 as the remaining estimated capacity is filled.

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 9 - LONG-TERM LIABILITIES (CONTINUED)**

These amounts are based on what it would cost to perform all closure and postclosure care in fiscal year 2023 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.

**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 2023, the County's liability for compensated absences is allocated as follows: 63 percent to the general fund, 12 percent to other major funds, and 25 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 \$1.99 million; \$1.413 million (71 percent) by the general fund, \$388 thousand (20 percent) by the road fund, \$30.3 thousand (1 percent) by the flood control fund, \$36.8 thousand (2 percent) by internal service funds, \$60.1 thousand (3 percent) by enterprise funds, and \$58.8 thousand (3 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 \$2,531,610 included in the balance below at June 30, 2023, 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, 2023) 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, 2022, and 2023, were as follows:

	<u>2022</u>	<u>2023</u>
Claims payable, beginning of year	\$ 2,358,949	\$ 2,510,058
Claims incurred and changes in estimates	13,403,364	14,163,223
Claims paid	<u>(13,252,255)</u>	<u>(14,141,671)</u>
Claims payable, end of year	<u>\$ 2,510,058</u>	<u>\$ 2,531,610</u>

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 10 - FUND BALANCE CLASSIFICATIONS OF THE GOVERNMENTAL FUNDS**

The fund balance classifications of the governmental funds as of June 30, 2023, were as follows:

Fund balances:	General Fund	Road Fund	Flood Control Fund	County Capital Improvement Fund	American Rescue Plan Act Fund	One Arizona Opioid Settlement Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:								
Inventories	-	\$ 157,142	\$ 151,529	-	-	-	-	\$ 308,671
Prepaid items	\$ 63,669	1,100	19,518	-	-	-	\$ 58,085	142,372
Total nonspendable	<u>63,669</u>	<u>158,242</u>	<u>171,047</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,085</u>	<u>451,043</u>
Restricted for:								
Government services	-	-	-	-	-	-	10,640,662	10,640,662
Public safety	-	-	11,884,562	-	-	-	8,999,164	20,883,726
Highways and streets	-	16,299,807	-	-	-	-	-	16,299,807
Health	-	-	-	-	-	\$ 1,119,069	2,665,790	3,784,859
Welfare	-	-	-	-	-	-	2,182,230	2,182,230
Education	-	-	-	-	-	-	872,200	872,200
Culture and recreation	-	-	-	-	-	-	8,222,203	8,222,203
Total restricted	<u>-</u>	<u>16,299,807</u>	<u>11,884,562</u>	<u>-</u>	<u>-</u>	<u>1,119,069</u>	<u>33,582,249</u>	<u>62,885,687</u>
Committed to:								
Pension	-	-	-	-	-	-	3,500,000	3,500,000
Sanitation	-	-	-	-	-	-	536,938	536,938
Capital projects	-	-	-	\$ 38,017,758	-	-	1,053,253	39,071,011
Total committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,017,758</u>	<u>-</u>	<u>-</u>	<u>5,090,191</u>	<u>43,107,949</u>
Unassigned:	<u>50,393,350</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,428</u>	<u>50,398,778</u>
Total fund balances	<u>\$50,457,019</u>	<u>\$ 16,458,049</u>	<u>\$12,055,609</u>	<u>\$ 38,017,758</u>	<u>\$ -</u>	<u>\$ 1,119,069</u>	<u>\$ 38,735,953</u>	<u>\$156,843,457</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 \$50,000 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, 2023

**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.

**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 8 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 8 fiscal years.

**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, 2023, 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	\$ (4,061,007)	\$ (100,387)	\$ (4,161,394)
Net pension and OPEB liabilities	123,062,777	2,906,219	125,968,996
Deferred outflows of resources related to pensions and OPEB	31,754,896	496,621	32,251,517
Deferred inflows of resources related to pensions and OPEB	4,239,850	146,236	4,386,086
Pension and OPEB expense	15,559,494	552,113	16,111,607

The County's accrued payroll and employee benefits includes \$498,317 of outstanding pension and OPEB contribution amounts payable to all plans for the year ended June 30, 2023. Also, the County reported \$22,795,385 of pension and OPEB contributions as expenditures in the governmental funds related to all plans to which it contributes.

MOHAVE COUNTY  
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**NOTE 12 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**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](http://www.azasrs.gov).

**Benefits Provided** - The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefits terms.

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, 2023

**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, 2023, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.17 percent (12.03 percent for retirement and 0.14 percent for long-term disability) of the members' annual covered payroll, and statute required the County to contribute at the actuarially determined rate of 12.17 percent (11.92 percent for retirement, 0.11 percent for health insurance premium benefit, and 0.14 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 9.68 percent (9.62 percent for retirement and 0.06 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, 2023, were \$5,866,424, \$54,136, and \$68,901, respectively.

During fiscal year 2023, the County paid for ASRS pension and OPEB contributions as follows: 54% from the General Fund, 18% from the Other Major Funds, and 28% from the Other Funds.

**Liability** - At June 30, 2023, the County reported the following asset and liabilities for its proportionate share of the ASRS' net pension/OPEB asset or liability.

ASRS	Net Pension/OPEB (Asset) Liability
Pension	\$ 60,700,707
Health Insurance Premium Benefit	(2,097,946)
Long-term Disability	34,462

The net asset and net liabilities were measured as of June 30, 2022. 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, 2021, to the measurement date of June 30, 2022.

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, 2022. The County's proportion measured as of June 30, 2022, and the change from its proportions measured as of June 30, 2021, were:

ASRS	Proportion June 30, 2022	Increase (decrease) from June 30, 2021
Pension	0.37189 %	(0.00128)
Health Insurance Premium Benefit	0.37591 %	(0.00105)
Long-term Disability	0.37313 %	(0.00186)

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 12 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Expense** — For the year ended June 30, 2023, the County recognized the following pension and OPEB expense.

ASRS	Pension/OPEB Expense
Pension	\$ 8,099,108
Health Insurance Premium Benefit	(307,484)
Long-term Disability	13,976

**Deferred Outflows/Inflows of Resources** — At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

ASRS	Pension		Health Insurance Premium Benefit		Long-term Disability	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 517,206	-	-	\$ 1,070,673	\$ 17,937	\$ 32,111
Changes of assumptions or other inputs	3,012,693	-	\$ 34,049	57,218	18,768	84,111
Net difference between projected and actual earnings on plan investments	-	\$ 1,598,915	-	70,670	-	1,071
Changes in proportion and differences between County contributions and proportionate share of contributions	658,413	133,666	1,130	4,742	9,652	2,906
County contributions subsequent to the measurement date	<u>5,866,424</u>	<u>-</u>	<u>54,136</u>	<u>-</u>	<u>68,901</u>	<u>-</u>
Total	<u>\$10,054,736</u>	<u>\$ 1,732,581</u>	<u>\$ 89,315</u>	<u>\$ 1,203,303</u>	<u>\$ 115,258</u>	<u>\$ 120,199</u>

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**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, 2024. 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
2024	\$ 3,463,297	\$ (321,602)	\$ (6,068)
2025	(790,612)	(349,733)	(7,996)
2026	(2,776,093)	(383,164)	(16,068)
2027	2,559,139	(57,420)	(1,329)
2028	-	(56,205)	(15,304)
Thereafter	-	-	(27,077)
Totals	<u>\$ 2,455,731</u>	<u>\$ (1,168,124)</u>	<u>\$ (73,842)</u>

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

**ASRS**

Actuarial valuation date	June 30, 2021
Actuarial roll forward date	June 30, 2022
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, 2021, 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. 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%	3.90%
Fixed income - credit	20%	5.30%
Fixed income - interest rate sensitive bonds	10%	-0.20%
Real estate	20%	6.00%
Total	<u>100%</u>	

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 12 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Discount Rate** - At June 30, 2022, the discount rate used to measure the ASRS total pension/OPEB liability was 7.0 percent. 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	\$ 89,562,090	\$ 60,700,707	\$ 36,634,824
Net insurance premium benefit liability (asset)	(1,508,538)	(2,097,946)	(2,598,049)
Net long-term disability liability	57,129	34,462	12,495

**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.

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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**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](http://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:

<u>PSPRS</u>	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2017
<b>Retirement and Disability:</b>		
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
<b>Benefit percent:</b>		
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	
<b>Survivor Benefit:</b>		
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, 2023

**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
<b>Retirement and Disability:</b>	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
<b>Benefit percent:</b>			
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		
<b>Survivor Benefit:</b>			
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, 2023, 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	56	56	22	22
Inactive employees entitled to but not yet receiving benefits	27	6	88	-
Active employees	48	48	42	42
Total	<u>131</u>	<u>110</u>	<u>152</u>	<u>64</u>

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**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, 2023, 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%	55.17%	0%
CORP Detention	8.41%	7.97%	0%
CORP AOC	8.41%	36.70%	0.36%

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	44.14 %	- %
CORP Detention	6.00 %	- %
CORP AOC	32.79 %	0.09 %

The County's contributions to the plans for the year ended June 30, 2023, were:

	<u>Pension</u>	<u>Health Insurance Premium Benefit</u>
PSPRS Sheriff	\$ 13,400,750	-
CORP Detention	310,642	-
CORP AOC	1,546,976	\$ 15,175

During fiscal year 2023, the County paid for PSPRS and CORP pension and OPEB contributions as follows: 27% from the General Fund, and 73% from the Other Funds.

**Liability** - At June 30, 2023, the County reported the following assets and liabilities:

	<u>Net Pension (Asset) Liability</u>	<u>Net OPEB (Asset) Liability</u>
PSPRS Sheriff	\$ 26,689,284	\$ (927,553)
CORP Detention	1,846,765	(679,512)
CORP AOC (County's proportionate share)	14,301,882	12,316

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 12 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

The net assets and net liabilities were measured as of June 30, 2022, and the total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date. The total liabilities as of June 30, 2022, reflect changes of actuarial assumptions, including decreasing the investment rate of return from 7.3 percent to 7.2 percent, changing the wage inflation from 3.5 percent to a range of 3.0 - 6.25 percent, and increasing the cost-of-living adjustment from 1.75 percent to 1.85 percent.

**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, 2022
Actuarial cost method	Entry age normal
Investment rate of return	7.2%
Wage inflation	3.0 - 6.25% for pension/not applicable for OPEB
Price inflation	2.5% for pension/not applicable for OPEB
Cost-of-living adjustment	1.85% for pension/not applicable for OPEB
Mortality rates	PubS-2010 tables
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2021.

The long-term expected rate of return on PSPRS and CORP plan investments was determined to be 7.2 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 Real Rate of Return
Asset Class	Target Allocation	
U.S. public equity	24%	3.49%
International public equity	16%	4.47%
Global private equity	20%	7.18%
Other assets (capital appreciation)	7%	4.83%
Core bonds	2%	0.45%
Private credit	20%	5.10%
Diversifying strategies	10%	2.68%
Cash - Mellon	1%	-0.35%
Total	<u>100%</u>	



MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 12 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Discount Rates** - At June 30, 2022, the discount rate used to measure the PSPRS and CORP total pension/OPEB liabilities was 7.2 percent, which was a decrease of 0.1 from the discount rate used as of June 30, 2021. 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, 2023:

PSPRS - Sheriff:	Pension Increase (Decrease)			Health Insurance Premium Benefit Increase (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 OPEB (Asset) Liability (a) – (b)
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>
Changes for the year:						
Service cost	721,512	-	721,512	17,405	-	17,405
Interest on the total liability	3,887,610	-	3,887,610	54,024	-	54,024
Differences between expected and actual experience in the measurement of the liability	(487,402)	-	(487,402)	42,029	-	42,029
Changes of assumptions or other inputs	698,425	-	698,425	6,488	-	6,488
Contributions—employer	-	2,886,185	(2,886,185)	-	-	-
Contributions—employee	-	358,090	(358,090)	-	-	-
Net investment income	-	(1,197,016)	1,197,016	-	(73,385)	73,385
Benefit payments, including refunds of employee contributions	(2,801,717)	(2,801,717)	-	(51,470)	(51,470)	-
Administrative expense	-	(21,595)	21,595	-	(1,306)	1,306
Net changes	<u>2,018,428</u>	<u>(776,053)</u>	<u>2,794,481</u>	<u>68,476</u>	<u>(126,161)</u>	<u>194,637</u>
Balances at June 30, 2023	<u>\$ 55,952,708</u>	<u>\$ 29,263,424</u>	<u>\$ 26,689,284</u>	<u>\$ 816,857</u>	<u>\$ 1,744,410</u>	<u>\$ (927,553)</u>

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**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, 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>
Changes for the year:						
Service cost	333,918	-	333,918	7,872	-	7,872
Interest on the total liability	793,322	-	793,322	16,113	-	16,113
Differences between expected and actual experience in the measurement of the pension liability	694,171	-	694,171	(34,547)	-	(34,547)
Changes of assumptions or other inputs	92,342	-	92,342	(113)	-	(113)
Contributions—employer	-	238,087	(238,087)	-	-	-
Contributions—employee	-	199,986	(199,986)	-	-	-
Net investment income	-	(403,649)	403,649	-	(34,211)	34,211
Benefit payments, including refunds of employee contributions	(577,054)	(577,054)	-	(4,320)	(4,320)	-
Administrative expense	-	(7,411)	7,411	-	(615)	615
Net changes	<u>1,336,699</u>	<u>(550,041)</u>	<u>1,886,740</u>	<u>(14,995)</u>	<u>(39,146)</u>	<u>24,151</u>
Balances at June 30, 2023	<u>\$12,158,732</u>	<u>\$10,311,967</u>	<u>\$ 1,846,765</u>	<u>\$ 200,022</u>	<u>\$ 879,534</u>	<u>\$ (679,512)</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, 2022. The County's proportion measured as of June 30, 2022, and the change from its proportions measured as of June 30, 2021, were:

<u>CORP AOC</u>	Proportion June 30, 2022	Increase (decrease) from June 30, 2021
Pension	3.20482 %	(0.02917)
Health insurance premium benefit	3.26216 %	0.05020

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**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 7.2 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 (6.2 percent) or 1 percentage point higher (8.2 percent) than the current rate:

	1% Decrease (6.2%)	Current Discount Rate (7.2%)	1% Increase (8.2%)
<b>PSPRS Sheriff</b>			
Net pension liability	\$ 34,023,911	\$ 26,689,284	\$ 20,695,807
Net OPEB (asset) liability	(831,039)	(927,553)	(1,008,400)
<b>CORP Detention</b>			
Net pension (asset) liability	3,672,406	1,846,765	378,067
Net OPEB (asset) liability	(652,066)	(679,512)	(702,327)
<b>CORP AOC</b>			
County's proportionate share of the net pension liability	18,782,762	14,301,882	10,636,114
County's proportionate share of the net OPEB liability	67,064	12,316	(33,893)

**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, 2023, the County recognized the following pension and OPEB expense:

	Pension Expense	OPEB Expense
PSPRS Sheriff	\$ 3,299,144	\$ (81,877)
CORP Detention	696,295	(64,302)
CORP AOC (County's proportionate share)	1,979,463	(24,015)

**Deferred Outflows/Inflows of Resources** - At June 30, 2023, 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	\$ 602,733	\$ 365,553	\$ 35,201	\$ 38,741
Changes of assumptions or other inputs	523,818	-	6,646	-
Net difference between projected and actual earnings on pension plan investments	467,957	-	26,981	-
County contributions subsequent to the measurement date	<u>13,400,750</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$14,995,258</u>	<u>\$ 365,553</u>	<u>\$ 68,828</u>	<u>\$ 38,741</u>

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**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	\$ 661,904	\$ 13,926	\$ 2,412	\$ 83,386
Changes of assumptions or other inputs	61,562	-	1,664	7,306
Net difference between projected and actual earnings on pension plan investments	115,032	-	10,171	-
County contributions subsequent to the measurement date	<u>310,642</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,149,140</u>	<u>\$ 13,926</u>	<u>\$ 14,247</u>	<u>\$ 90,692</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	\$ 760,017	\$ 211,270	-	\$ 90,978
Changes of assumptions or other inputs	465,522	-	\$ 3,195	-
Net difference between projected and actual earnings on pension plan investments	242,033	-	6,840	-
Changes in proportion and differences between County contribution and proportionate share of contributions	644,347	121,011	14,753	1,113
County contributions subsequent to the measurement date	<u>1,546,976</u>	<u>-</u>	<u>15,175</u>	<u>-</u>
Total	<u>\$ 3,658,895</u>	<u>\$ 332,281</u>	<u>\$ 39,963</u>	<u>\$ 92,091</u>

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**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, 2024. 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
2024	\$ 676,240	\$ (11,857)	\$ 452,128	\$ (22,227)	\$ 815,070	\$ (20,958)
2025	109,076	10,083	235,723	(24,859)	425,511	(23,024)
2026	(237,414)	(9,741)	(101,525)	(25,379)	14,839	(17,143)
2027	681,053	41,602	238,246	6,135	524,218	(1,758)
2028	-	-	-	(5,164)	-	(4,420)
Thereafter	-	-	-	(4,951)	-	-
	<u>\$ 1,228,955</u>	<u>\$ 30,087</u>	<u>\$ 824,572</u>	<u>\$ (76,445)</u>	<u>\$ 1,779,638</u>	<u>\$ (67,303)</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, 2023, 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, 2023, the County recognized pension expense of \$0.

**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](http://www.psprs.com).

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**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:

<u>EORP</u>	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, 2023

**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, 2023, 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 70.42 percent of all active EORP members’ annual covered payroll. Also, statute required the County to contribute 58.39 percent to EORP of the annual covered payroll of elected officials and judges who were ASRS members and 64.42 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, 2023, was \$1,824,688. The health insurance premium benefit plan was 100% funded and required no contribution. During fiscal year 2023, the County paid for EORP pension contributions as follows: 94 percent from the General Fund, and 6 percent from other funds.

**Liability**—At June 30, 2023, 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	\$	22,383,580
State's proportionate share of the EORP net pension liability associated with the County		<u>2,179,427</u>
Total	\$	<u><u>24,563,007</u></u>

The County also reported an asset of \$456,383 for its proportionate share of the EORP’s net OPEB asset.

The net asset and net liability were measured as of June 30, 2022, and the total liability used to calculate the net asset or net liability was determined by an actuarial valuation as of that date. The total liabilities as of June 30, 2022, reflect changes of actuarial assumptions, including decreasing the investment rate of return from 7.3 percent to 7.2 percent, decreasing the wage inflation from 3.75 percent to 3.25 percent, and including the cost-of-living adjustment from 1.75 percent to 1.85 percent.

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, 2022. 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, 2022. The County’s proportion measured as of June 30, 2022, and the change from its proportions measured as of June 30, 2021, were:

EORP	Proportion <u>June 30, 2022</u>	Increase (decrease) from <u>June 30, 2021</u>
Pension	3.31543 %	(0.11613)
Health insurance premium benefit	3.54867 %	0.00250

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 12 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Expense**—For the year ended June 30, 2023, the County recognized pension and OPEB expense for EORP of \$2,428,205 and \$(36,906) respectively, and revenue of \$250,897 for the County’s proportionate share of the State’s appropriation to EORP and the designated court fees.

**Deferred outflows/inflows of resources**— At June 30, 2023, 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	-	-	\$ 8,295	\$ 20,497
Changes of assumptions or other inputs	-	-	7,442	-
Net difference between projected and actual earnings on plan investments	\$ 202,134	-	18,287	-
Change in proportion and differences between county contributions and proportionate share of contributions	-	\$ 376,071	5,031	151
County contributions subsequent to the measurement date	<u>1,824,688</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,026,822</u>	<u>\$ 376,071</u>	<u>\$ 39,055</u>	<u>\$ 20,648</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, 2024. 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
2024	\$ (335,367)	\$ 4,064
2025	1,941	362
2026	(95,273)	(8,194)
2027	<u>254,762</u>	<u>22,175</u>
Total	<u>\$ (173,937)</u>	<u>\$ 18,407</u>



MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 12 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

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

**EORP**

Actuarial valuation date	June 30, 2022
Actuarial cost method	Entry age normal
Investment rate of return	7.2%
Wage inflation	3.25% for pension/not applicable for OPEB
Price inflation	2.5% for pensions/not applicable for OPEB
Cost-of-living adjustment	1.85% for pensions/not applicable for OPEB
Mortality rates	PubG-2010 tables
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2021

The long-term expected rate of return on EORP plan investments was determined to be 7.2 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

**EORP**

Asset class	Target allocation	Long-term expected geometric real rate of return
U.S. public equity	24%	3.49%
International public equity	16%	4.47%
Global private equity	20%	7.18%
Other assets (capital appreciation)	7%	4.83%
Core bonds	2%	0.45%
Private credit	20%	5.10%
Diversifying strategies	10%	2.68%
Cash - Mellon	1%	-0.35%
Total	100%	

**Discount rates**—At June 30, 2022, the discount rate used to measure the EORP total pension liability and total OPEB liability was 7.2 percent, which was a decrease of 0.1 from the discount rate used as of June 30, 2021. 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.

MOHAVE COUNTY  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2023

**NOTE 12 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**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 7.2 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 (6.2 percent) or 1 percentage point higher (8.2 percent) than the current rate:

	1% Decrease (6.2%)	Current Discount Rate (7.2%)	1% Increase (8.2%)
<b>EORP</b>			
County's proportionate share of the net pension liability	\$ 25,554,001	\$ 22,383,580	\$ 19,667,894
County's proportionate share of the net OPEB (asset)	(418,528)	(456,383)	(489,372)

**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, 2023, 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, 2023, the County recognized pension expense of \$44,985.

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 13 - INTERFUND BALANCES AND ACTIVITY**

Interfund receivable and payables - Interfund balances as of June 30, 2023, were as follows:

Payable to	Payable from							Total
	General fund	Road fund	Flood control fund	ARPA fund	Other governmental funds	Other enterprise funds	Internal service funds	
General fund	-	\$ 6,400	-	-	\$ 662,077	\$ 9,201	\$ 160,559	\$ 838,237
Road fund	\$ 77,204	-	-	-	-	-	-	77,204
Flood control fund	516	-	-	-	89,326	-	-	89,842
ARPA fund	193,519	759	\$ 888	\$ 548,652	12,731	777	5,463	762,789
Other governmental funds	73,852	-	-	-	1,617,331	-	209,668	1,900,851
Landfill fund	252	-	-	-	-	-	-	252
Park fund	6,116	65,463	-	-	-	-	-	71,579
GVID fund	1,088	-	-	-	-	83	-	1,171
Other enterprise funds	4,489	-	-	-	-	-	-	4,489
Internal service funds	19,755	-	-	-	129,053	-	3,100	151,908
<b>Total</b>	<u>\$ 376,791</u>	<u>\$ 72,622</u>	<u>\$ 888</u>	<u>\$ 548,652</u>	<u>\$ 2,510,518</u>	<u>\$ 10,061</u>	<u>\$ 378,790</u>	<u>\$ 3,898,322</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.

**Interfund transfers**—Interfund transfers for the year ended June 30, 2023, were as follows:

Transfer From	Transfer to							Total
	General fund	County capital improvement fund	Other governmental funds	GVID fund	Park fund	Other enterprise funds	Internal service funds	
General fund	-	\$ 6,450,228	\$ 13,578,028	-	-	\$ 25,000	\$ 277,409	\$20,330,665
Flood control fund	-	-	549,642	-	-	-	-	549,642
Other governmental funds	\$ 1,554,333	800,000	158,293	\$ 3,798	-	-	-	2,516,424
Landfill fund	-	-	25,000	-	-	-	-	25,000
Park fund	-	-	51,918	-	\$ 8,191	-	-	60,109
Internal service funds	-	-	168,428	-	-	-	721,416	889,844
<b>Total</b>	<u>\$ 1,554,333</u>	<u>\$ 7,250,228</u>	<u>\$ 14,531,309</u>	<u>\$ 3,798</u>	<u>\$ 8,191</u>	<u>\$ 25,000</u>	<u>\$ 998,825</u>	<u>\$24,371,684</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.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental and business-type funds to indicate that they are not available for appropriation and are not expendable available financial resources. The General Fund's advance to the Landfill Fund was \$6,500,000 as of June 30, 2023.

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**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 \$13,400 of cash on hand, \$5,926,585 of deposits held by other county departments, and \$1,062,506 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	\$ 20,472,576	0.250-0.500%	9/23-2/25	\$ 20,215,185
U.S. Treasury notes	249,208,416	0.125-4.50%	7/23-5/26	246,078,100
Corporate bonds	2,662,765	N/A	N/A	26,000
State Treasurer's Investment Pool	<u>107,275,987</u>	None stated	N/A	<u>106,878,080</u>
	<u>\$379,619,744</u>			<u>\$373,197,365</u>

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

Statement of fiduciary net position	
Assets	\$ <u>399,926,952</u>
Net position	\$ <u>399,926,952</u>
Net position held for:	
Internal participants	\$ 229,839,029
External participants	<u>170,087,923</u>
Total net position held in trust	<u>\$ 399,926,952</u>
Statement of changes in fiduciary net position	
Total additions	\$ 569,381,801
Total deductions	<u>(535,886,759)</u>
Net decrease	33,495,042
Net position held in trust:	
July 1, 2022	<u>366,431,910</u>
June 30, 2023	<u>\$ 399,926,952</u>

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 15 - SUBSEQUENT EVENTS**

In August 2021, the Arizona Attorney General's Office announced that 90 cities and towns and all 15 counties signed on to a framework called the One Arizona Memorandum of Understanding (One Arizona Plan) to expeditiously distribute funds across Arizona from national opioid settlements against the pharmaceutical industry. The One Arizona Plan provides funding for programs to address opioid abuse, prevention, education and includes reporting requirements for greater transparency of how money is to be used. The pharmaceutical industry is currently expected to pay more than \$1.1 billion to Arizona over the next 18 years. The agreement specifies the framework to distribute the settlement funds across the state and into communities, sending 56 percent of the opioid settlement funds to the counties, cities, and towns, and 44 percent to the State. Allocation to counties, cities and towns is based on population and relative degree of harm suffered in the community because of the opioid epidemic.

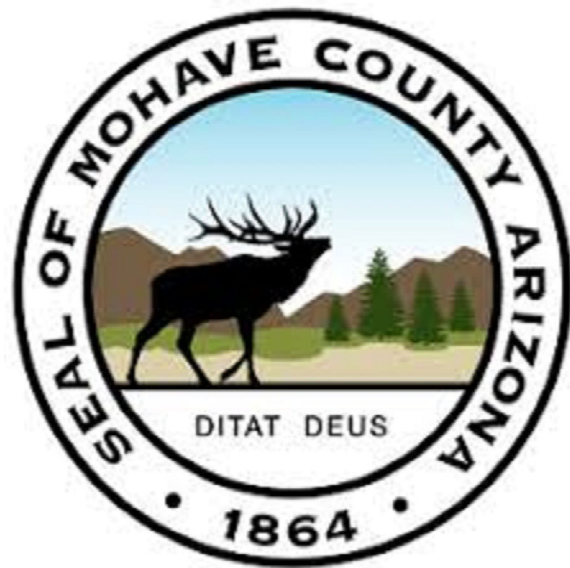
As of June 30, 2023, settlement agreements had been finalized with three (3) of the ten (10) known defendants resulting in the County recording a receivable, net of allowance for uncollectibles, of \$8,377,347, as of June 30, 2023. In fiscal year 2024 a second group of settlement agreements were finalized with five (5) of the remainder defendants, which will require the County to recognize additional receivables in the amount of \$7,249,790, net of allowance for uncollectibles, for the fiscal year ending June 30, 2024. Due to the on-going litigation and finalizing agreements with the defendants, additional settlements are expected to be measurable and available in subsequent reporting periods.

**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 2023, \$87,015 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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 44,472,553	\$ 44,472,553	\$ 43,463,216	\$ (1,009,337)
Licenses and permits	2,188,600	2,188,600	2,279,863	91,263
Intergovernmental	54,550,199	54,510,199	55,733,183	1,222,984
Charges for services	9,726,862	9,667,276	8,696,968	(970,308)
Fines and forfeits	1,239,500	1,239,500	1,153,284	(86,216)
Investment earnings	528,137	528,137	1,242,995	714,858
Contributions	128,000	251,917	131,336	(120,581)
Miscellaneous	579,700	579,700	1,046,155	466,455
Total revenues	<u>113,413,551</u>	<u>113,437,882</u>	<u>113,747,000</u>	<u>309,118</u>
<b>EXPENDITURES:</b>				
General government:				
Assessor	4,357,234	4,357,234	4,180,963	176,271
County attorney	5,906,147	5,906,147	5,347,552	558,595
County manager	372,117	372,117	351,636	20,481
Clerk of board	373,173	373,173	335,891	37,282
Community services department	416,131	416,131	388,786	27,345
General administration	3,173,489	3,023,607	2,419,133	604,474
Clerk of superior court	3,147,902	3,147,902	2,764,277	383,625
Constables	518,877	544,673	477,267	67,406
Contingency	8,800,000	6,698,895	-	6,698,895
Economic development department	689,370	689,370	346,236	343,134
Elections	865,504	865,504	811,915	53,589
Finance	1,816,384	1,862,049	1,801,056	60,993
Facilities maintenance	3,442,600	3,532,600	3,494,012	38,588
Justice courts	4,305,020	4,305,020	3,942,456	362,564
Juvenile detention	1,679,920	1,679,920	1,625,868	54,052
Human resources	445,773	489,372	489,372	-
Planning & zoning department	2,616,010	2,616,010	2,078,987	537,023
Public fiduciary	667,120	674,816	638,305	36,511
Public defender	7,270,077	7,230,077	5,835,858	1,394,219
Public legal defender	1,331,320	1,331,320	1,175,632	155,688
Public relations	125,128	125,128	109,599	15,529
Building inspector	2,443,322	2,443,322	2,062,497	380,825
Procurement	633,169	633,169	391,949	241,220
Recorder	1,026,860	1,026,860	873,003	153,857
Superior courts	5,977,248	6,005,887	5,373,454	632,433
Treasurer	2,268,927	2,268,927	1,919,386	349,541
Voter registration	658,466	658,466	503,770	154,696
Supervisory districts	1,343,171	1,343,171	1,178,094	165,077
Total general government	<u>66,670,459</u>	<u>64,620,867</u>	<u>50,916,954</u>	<u>13,703,913</u>

See accompanying notes to budgetary comparison schedule.

MOHAVE COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
(Continued)				
Expenditures:				
Public safety:				
Adult detention center maintenance	\$ 931,436	\$ 931,436	\$ 799,703	\$ 131,733
Animal control	1,436,202	1,528,036	1,397,792	130,244
Jail	17,668,617	17,668,617	13,661,781	4,006,836
Medical examiner	1,110,000	1,110,000	1,110,000	-
Probation	2,458,846	2,458,846	2,267,562	191,284
Sheriff	<u>22,365,604</u>	<u>22,426,104</u>	<u>16,248,689</u>	<u>6,177,415</u>
Total public safety	<u>45,970,705</u>	<u>46,123,039</u>	<u>35,485,527</u>	<u>10,637,512</u>
Health:				
A.H.C.C.C.S	<u>12,015,000</u>	<u>12,015,000</u>	<u>10,703,308</u>	<u>1,311,692</u>
Education:				
School superintendent	<u>479,821</u>	<u>479,821</u>	<u>428,926</u>	<u>50,895</u>
Capital outlay				
	<u>-</u>	<u>-</u>	<u>197,038</u>	<u>(197,038)</u>
Debt service:				
Principal retirement	-	-	461,626	(461,626)
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>81,748</u>	<u>(81,748)</u>
Total debt service	<u>-</u>	<u>-</u>	<u>543,374</u>	<u>(543,374)</u>
Total expenditures	<u>125,135,985</u>	<u>123,238,727</u>	<u>98,275,127</u>	<u>24,963,600</u>
Excess of revenues over expenditures	(11,722,434)	(9,800,845)	15,471,873	25,272,718
OTHER FINANCING SOURCES (USES)				
Transfers in	15,579,194	15,607,833	1,554,333	(14,053,500)
Transfers out	(18,716,165)	(20,666,393)	(20,330,665)	335,728
Lease agreements	-	-	54,508	54,508
Subscription-based IT arrangements	-	-	142,530	142,530
Sale of capital assets	<u>-</u>	<u>-</u>	<u>14,055</u>	<u>14,055</u>
Total other financing sources (uses)	<u>(3,136,971)</u>	<u>(5,058,560)</u>	<u>(18,565,239)</u>	<u>(13,506,679)</u>
Net changes in fund balance	(14,859,405)	(14,859,405)	(3,093,366)	11,766,039
Fund balances, July 1, 2022	<u>53,550,385</u>	<u>53,550,385</u>	<u>53,550,385</u>	<u>-</u>
Fund balances, June 30, 2023	<u>\$ 38,690,980</u>	<u>\$ 38,690,980</u>	<u>\$ 50,457,019</u>	<u>\$ 11,766,039</u>

See accompanying notes to budgetary comparison schedule.

MOHAVE COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - ROAD FUND  
YEAR ENDED JUNE 30, 2023

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Licenses and permits	\$ 70,000	\$ 70,000	\$ 173,872	\$ 103,872
Intergovernmental	20,006,000	20,006,000	20,999,701	993,701
Charges for services	35,050	35,050	152,252	117,202
Fines and forfeits	500	500	-	(500)
Investment earnings	150,000	150,000	554,740	404,740
Rents	84,487	84,487	73,357	(11,130)
Miscellaneous	<u>110,000</u>	<u>110,000</u>	<u>423,648</u>	<u>313,648</u>
Total revenues	<u>20,456,037</u>	<u>20,456,037</u>	<u>22,377,570</u>	<u>1,921,533</u>
<b>EXPENDITURES:</b>				
Highway and streets	40,833,701	40,833,701	25,704,364	15,129,337
Capital Outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	3,553	3,553
Interest on long-term debt	-	-	<u>1,247</u>	<u>1,247</u>
Total expenditures	<u>40,833,701</u>	<u>40,833,701</u>	<u>25,709,164</u>	<u>15,124,537</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20,377,664)</u>	<u>(20,377,664)</u>	<u>(3,331,594)</u>	<u>17,046,070</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	6,000	6,000	-	(6,000)
Sale of capital assets	-	-	<u>195,098</u>	<u>195,098</u>
Total other financing sources	<u>6,000</u>	<u>6,000</u>	<u>195,098</u>	<u>189,098</u>
Net changes in fund balances	(20,371,664)	(20,371,664)	(3,136,496)	17,235,168
Fund balances, July 1, 2022	19,636,131	19,636,131	19,636,131	-
Decrease in reserve for inventory	-	-	<u>(41,586)</u>	<u>(41,586)</u>
Fund balances, June 30, 2023	<u>\$ (735,533)</u>	<u>\$ (735,533)</u>	<u>\$ 16,458,049</u>	<u>\$ 17,193,582</u>

See accompanying notes to budgetary comparison schedule.

MOHAVE COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - FLOOD CONTROL FUND  
YEAR ENDED JUNE 30, 2023

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes	\$ 9,852,260	\$ 9,852,260	\$ 10,145,092	\$ 292,832
Licenses and permits	3,500	3,500	3,910	410
Intergovernmental	35	35	33	(2)
Charges for services	10,000	10,000	-	(10,000)
Investment earnings	110,000	110,000	348,350	238,350
Miscellaneous	<u>8,000</u>	<u>8,000</u>	<u>51</u>	<u>(7,949)</u>
Total revenues	<u>9,983,795</u>	<u>9,983,795</u>	<u>10,497,436</u>	<u>513,641</u>
EXPENDITURES:				
Public safety	<u>19,063,622</u>	<u>19,063,622</u>	<u>7,542,295</u>	<u>11,521,327</u>
Total expenditures	<u>19,063,622</u>	<u>19,063,622</u>	<u>7,542,295</u>	<u>11,521,327</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,079,827)</u>	<u>(9,079,827)</u>	<u>2,955,141</u>	<u>12,034,968</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(757,683)</u>	<u>(757,683)</u>	<u>(549,642)</u>	<u>208,041</u>
Total other financing sources (uses)	<u>(757,683)</u>	<u>(757,683)</u>	<u>(549,642)</u>	<u>208,041</u>
Net changes in fund balances	(9,837,510)	(9,837,510)	2,405,499	12,243,009
Fund balances, July 1, 2022	9,619,685	9,619,685	9,619,685	-
Increase in reserve for inventory	<u>-</u>	<u>-</u>	<u>30,425</u>	<u>30,425</u>
Fund balances, June 30, 2023	<u><u>\$ (217,825)</u></u>	<u><u>\$ (217,825)</u></u>	<u><u>\$ 12,055,609</u></u>	<u><u>\$ 12,273,434</u></u>

See accompanying notes to budgetary comparison schedule.

MOHAVE COUNTY  
 BUDGETARY COMPARISON SCHEDULE - ARPA FUND  
 YEAR ENDED JUNE 30, 2023

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 20,606,840	\$ 20,606,840	\$ 9,210,530	\$ (11,396,310)
Charges for services	-	36,500	-	(36,500)
Miscellaneous	-	-	4,620	4,620
Total revenues	20,606,840	20,643,340	9,215,150	(11,428,190)
EXPENDITURES:				
General government	40,436,471	39,304,339	9,215,150	30,089,189
Total expenditures	40,436,471	39,304,339	9,215,150	30,089,189
Excess (deficiency) of revenues over (under) expenditures	(19,829,631)	(18,660,999)	-	18,660,999
Net changes in fund balances	(19,829,631)	(18,660,999)	-	18,660,999
Fund balances, July 1, 2022	-	-	-	-
Fund balances, June 30, 2023	\$ (19,829,631)	\$ (18,660,999)	\$ -	\$ 18,660,999

See accompanying notes to budgetary comparison schedule.

MOHAVE COUNTY  
 BUDGETARY COMPARISON SCHEDULE - ONE ARIZONA OPIOID SETTLEMENT FUND  
 YEAR ENDED JUNE 30, 2023

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	-	-	\$ 1,108,510	\$ 1,108,510
Investment earnings	-	-	10,559	10,559
Miscellaneous	-	\$ 1,391,544	-	(1,391,544)
Total revenues	-	1,391,544	1,119,069	(272,475)
<b>EXPENDITURES:</b>				
General government	-	1,391,544	-	1,391,544
Total expenditures	-	1,391,544	-	1,391,544
Excess of revenues over expenditures	-	-	1,119,069	1,119,069
Net changes in fund balances	-	-	1,119,069	1,119,069
Fund balances, July 1, 2022	-	-	-	-
Fund balances, June 30, 2023	\$ -	\$ -	\$ 1,119,069	\$ 1,119,069

See accompanying notes to budgetary comparison schedule.

MOHAVE COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO BUDGETARY COMPARISON SCHEDULES  
JUNE 30, 2023

**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, 2023, 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, 2023

	Reporting Fiscal Year (Measurement Date)									
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)
<u>ASRS - Pension</u>										
County's proportion of the net pension liability	0.37%	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	\$ 60,700,707	\$ 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	\$ 44,497,435	\$ 42,175,734	\$ 39,618,550	\$ 36,706,673	\$ 35,556,097	\$ 34,720,762	\$ 34,138,216	\$ 35,153,250	\$ 35,362,673	
County's proportionate share of the net pension liability as a percentage of its covered payroll	136.41 %	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	74.26 %	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)%	(0.38)%	(0.36)%	(0.36)%	(0.36)%	(0.36)%	(0.36)%	2017 through 2014	Information not available	
County's proportionate share of the net OPEB (asset)	\$ (2,097,946)	\$ (1,836,580)	\$ (257,031)	\$ (97,163)	\$ (129,730)	\$ (194,329)				
County's covered payroll	\$ 44,497,435	\$ 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	(4.71)%	(4.35)%	(0.65)%	(0.24)%	(0.36)%	(0.56)%				
Plan fiduciary net position as a percentage of the total OPEB liability	137.79 %	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%	0.37%	0.36%	0.36%	0.36%	0.35%	2017 through 2014	Information not available		
County's proportionate share of the net OPEB liability	\$ 34,462	\$ 77,407	\$ 274,018	\$ 227,843	\$ 187,260	\$ 128,581				
County's covered payroll	\$ 44,497,435	\$ 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	0.08 %	0.18 %	0.69 %	0.62 %	0.53 %	0.37 %				
Plan fiduciary net position as a percentage of the total OPEB liability	95.40 %	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, 2023

	Reporting Fiscal Year (Measurement Date)									
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)
<u>CORP AOC - Pension</u>										
County's proportion of the net pension liability	3.20%	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	\$ 14,301,882	\$ 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	\$ 3,830,324	\$ 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 proportionate share of the net pension liability as a percentage of its covered payroll	373.39 %	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	57.52 %	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)	3.26%	(3.21)%	3.01%	2.95%	2.99%	2.72%	2017 through 2014 Information not available			
County's proportionate share of the net OPEB liability/(asset)	\$ 12,316	\$ (4,298)	\$ 119,892	\$ 109,109	\$ 153,649	\$ 160,270				
County's covered payroll	\$ 3,830,324	\$ 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	0.32 %	(0.11)%	3.26 %	3.03 %	4.45 %	5.27 %				
Plan fiduciary net position as a percentage of the total OPEB liability	97.46 %	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, 2023

	Reporting Fiscal Year (Measurement Date)									
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)
<u>EORP - Pension</u>										
County's proportion of the net pension liability	3.32%	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	\$ 22,383,580	\$ 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>2,179,427</u>	<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>\$ 24,563,007</u>	<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>\$ 22,170,360</u>	
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 proportionate share of the net pension liability as a percentage of its covered payroll	892.19 %	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	32.01 %	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%	3.55%	3.69%	(3.65)%	3.51%	3.32%	2017 through 2014 Information not available			
County's proportionate share of the net OPEB (asset)	\$ (456,383)	\$ (565,534)	\$ (352,530)	\$ (357,737)	\$ (362,754)	\$ (302,772)				
County's covered payroll	\$ 2,508,844	\$ 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	(18.19)%	(22.16)%	(13.81)%	(14.68)%	(15.70)%	(13.89)%				
Plan fiduciary net position as a percentage of the total OPEB liability	198.38 %	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, 2023

	Reporting Fiscal Year (Measurement Date)									
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)
<b>PSPRS - Sheriff</b>										
Total pension liability:										
Service cost	\$ 721,512	\$ 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	3,887,610	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	(487,402)	250,425	1,910,084	46,799	480,574	396,188	(569,078)	(797,687)	(926,693)	
Changes of assumptions or other inputs	698,425	-	-	1,015,153	-	1,538,482	1,409,917	-	3,668,599	
Benefit payments, including refunds of employee contributions	<u>(2,801,717)</u>	<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	2,018,428	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>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>	<u>32,283,981</u>	
Total pension liability—ending (a)	<u>\$ 55,952,708</u>	<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	\$ 2,886,185	\$ 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	358,090	362,152	370,865	355,252	399,901	504,665	510,843	476,318	485,480	
Net investment income	(1,197,016)	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	(2,801,717)	(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	(21,595)	(30,982)	(24,452)	(21,271)	(21,014)	(19,258)	(16,343)	(17,672)	(18,876)	
Other changes	-	(10,627)	(15,800)	-	246	(155,786)	(68,502)	10,751	(180,019)	
Net change in plan fiduciary net position	(776,053)	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	30,039,477	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>\$ 29,263,424</u>	<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)	\$ 26,689,284	\$ 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	52.30 %	55.70 %	45.36 %	47.92 %	45.78 %	44.58 %	45.17 %	50.97 %	51.10 %	
Covered payroll	\$ 5,771,686	\$ 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	462.42 %	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, 2023

	Reporting Fiscal Year (Measurement Date)						
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	
<b>PSPRS - Sheriff OPEB</b>							
Total OPEB liability:							
Service cost	\$ 17,405	\$ 20,449	\$ 20,115	\$ 15,957	\$ 16,755	\$ 19,767	Information not available
Interest on the total OPEB liability	54,024	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	42,029	(15,540)	9,198	(137,378)	(34,511)	(13,127)	
Changes of assumptions or other inputs	6,488	-	-	8,899	-	(28,604)	
Benefit payments, including refunds of employee contributions	<u>(51,470)</u>	<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	68,476	26,454	47,528	(81,965)	12,720	17,029	
Total OPEB liability—beginning	<u>748,381</u>	<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>\$ 816,857</u>	<u>\$ 748,381</u>	<u>\$ 721,927</u>	<u>\$ 674,399</u>	<u>\$ 756,364</u>	<u>\$ 743,644</u>	
<b>Plan fiduciary net position:</b>							
Contributions—employer	\$ -	\$ -	\$ -	\$ -	\$ (295)	\$ -	
Contributions—employee	-	-	-	-	-	-	
Net investment income	(73,385)	409,678	18,984	78,333	96,159	147,573	
Benefit payments, including refunds of employee contributions	(51,470)	(31,499)	(31,995)	(25,646)	(24,275)	(21,852)	
Administrative expense	(1,306)	(1,685)	(1,544)	(1,352)	(1,464)	(1,306)	
Other changes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Net change in plan fiduciary net position	(126,161)	376,494	(14,555)	51,335	70,125	124,415	
Plan fiduciary net position—beginning	1,870,571	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>\$ 1,744,410</u>	<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)	\$ (927,553)	\$ (1,122,190)	\$ (772,150)	\$ (834,233)	\$ (700,638)	\$ (643,233)	
Plan fiduciary net position as a percentage of the total OPEB liability	213.55 %	249.95 %	206.96 %	223.70 %	192.63 %	186.50 %	
Covered payroll	\$ 5,771,686	\$ 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	(16.07)%	(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, 2023

	Reporting Fiscal Year (Measurement Date)									
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)
<b>CORP - Detention</b>										
Total pension liability:										
Service cost	\$ 333,918	\$ 366,439	\$ 414,357	\$ 526,994	\$ 614,868	\$ 513,320	\$ 522,178	\$ 527,226	\$ 535,075	Information
Interest on the total pension liability	793,322	749,211	648,230	588,077	592,728	498,282	502,287	476,424	404,294	not
Changes of benefit terms	-	-	-	-	(271,185)	1,002,759	23,016	-	52,115	available
Differences between expected and actual experience in the measurement of the pension liability	694,171	10,694	782,235	185,879	(589,476)	(132,391)	(441,945)	(255,141)	(44,513)	
Changes of assumptions or other inputs	92,342	-	-	219,311	-	149,218	238,838	-	309,034	
Benefit payments, including refunds of employee contributions	<u>(577,054)</u>	<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	1,336,699	724,261	1,419,712	995,867	(387,367)	1,333,737	352,339	407,496	930,563	
Total pension liability—beginning	<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>	<u>5,045,425</u>	
Total pension liability—ending (a)	<u>\$ 12,158,732</u>	<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	\$ 238,087	\$ 204,850	\$ 181,055	\$ 192,899	\$ 228,873	\$ 222,521	\$ 277,167	\$ 265,631	\$ 288,751	
Contributions—employee	199,986	205,719	220,355	243,273	300,474	311,185	331,483	330,465	328,515	
Net investment income	(403,649)	2,322,336	232,485	432,909	534,696	828,794	42,247	243,014	776,232	
Benefit payments, including refunds of employee contributions	(577,054)	(402,083)	(425,110)	(524,394)	(734,302)	(697,451)	(492,035)	(341,013)	(325,442)	
Administrative expense	(7,411)	(10,758)	(8,998)	(8,426)	(8,789)	(7,650)	(6,374)	(6,374)	-	
Other changes	<u>-</u>	<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	(550,041)	2,320,064	198,630	336,261	320,794	657,352	86,378	409,651	628,107	
Plan fiduciary net position—beginning	<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>	<u>5,904,771</u>	
Plan fiduciary net position—ending (b)	<u>\$ 10,311,967</u>	<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)	\$ 1,846,765	\$ (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	84.81 %	100.37 %	84.59 %	96.14 %	104.23 %	95.25 %	104.35 %	108.76 %	109.32 %	
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 net pension liability (asset) as a percentage of covered payroll	46.38 %	(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, 2023

	Reporting Fiscal Year (Measurement Date)						
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 through 2014
<b>CORP - Detention OPEB</b>							
Total OPEB liability:							
Service cost	\$ 7,872	\$ 8,179	\$ 9,359	\$ 11,648	\$ 11,232	\$ 12,131	Information not available
Interest on the total OPEB liability	16,113	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	(34,547)	(1,494)	4,224	(79,515)	(23,009)	(18,058)	
Changes of assumptions or other inputs	(113)	-	-	3,329	-	(28,276)	
Benefit payments, including refunds of employee contributions	<u>(4,320)</u>	<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	(14,995)	17,107	22,283	(52,440)	(1,635)	(22,414)	
Total OPEB liability—beginning	<u>215,017</u>	<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>\$ 200,022</u>	<u>\$ 215,017</u>	<u>\$ 197,910</u>	<u>\$ 175,627</u>	<u>\$ 228,067</u>	<u>\$ 229,702</u>	
<b>Plan fiduciary net position:</b>							
Contributions—employer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Contributions—employee	-	-	-	-	-	-	
Net investment income	(34,211)	196,504	19,803	37,085	46,261	68,817	
Benefit payments, including refunds of employee contributions	(4,320)	(4,460)	(4,635)	(5,440)	(7,012)	(7,301)	
Administrative expense	(615)	(808)	(766)	(662)	(700)	(602)	
Other changes	-	-	-	-	-	-	
Net change in plan fiduciary net position	<u>(39,146)</u>	<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>918,680</u>	<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>\$ 879,534</u>	<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)	\$ (679,512)	\$ (703,663)	\$ (529,534)	\$ (537,415)	\$ (453,992)	\$ (413,808)	
Plan fiduciary net position as a percentage of the total OPEB liability	439.72 %	427.26 %	367.56 %	406.00 %	299.06 %	280.15 %	
Covered payroll	\$ 3,981,855	\$ 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	(17.07)%	(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, 2023

	Reporting Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>ASRS- Pension</u>										
Statutorily required contribution	\$ 5,866,424	\$ 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
County's contributions in relation to the statutorily required contribution	<u>5,866,424</u>	<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	\$ 49,214,966	\$ 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	11.92 %	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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>CORP AOC - Pension</u>										
Statutorily required contribution	\$ 1,546,976	\$ 1,358,999	\$ 1,297,947	\$ 1,128,054	\$ 1,191,370	\$ 776,560	\$ 609,950	\$ 564,751	\$ 438,052	\$ 421,197
County's contributions in relation to the statutorily required contribution	<u>1,546,976</u>	<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	\$ 4,215,193	\$ 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	36.70 %	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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>EORP- Pension</u>										
Statutorily required contribution	\$ 1,824,688	\$ 1,541,183	\$ 1,567,920	\$ 1,568,683	\$ 1,627,129	\$ 543,096	\$ 512,333	\$ 421,134	\$ 506,959	\$ 539,153
County's contributions in relation to the statutorily required contribution	<u>1,824,688</u>	<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	\$ 2,591,150	\$ 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	70.42 %	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, 2023

	Reporting Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>PSPRS - Sheriff</u>										
Actuarially determined contribution	\$ 3,400,750	\$ 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
County's contributions in relation to the actuarially determined contribution	<u>13,400,750</u>	<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>\$10,000,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 6,164,129	\$ 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	55.17 %	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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>CORP - Detention</u>										
Actuarially determined contribution	\$ 310,642	\$ 328,503	\$ 287,043	\$ 294,209	\$ 225,795	\$ 229,251	\$ 221,835	\$ 277,167	\$ 265,631	\$ 288,751
County's contributions in relation to the actuarially determined contribution	<u>310,642</u>	<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>	<u>\$ -</u>
County's covered payroll	\$ 3,897,641	\$ 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	7.97 %	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, 2023

**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 2021 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, 2023

**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.