

La Paz County, Arizona
Annual Financial Report

Year ended June 30, 2023

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INDEPENDENT AUDITORS' REPORT

Arizona Auditor General
Board of Supervisors
La Paz County, Arizona
Parker, Arizona

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of La Paz County, Arizona, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise La Paz County, Arizona's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of La Paz County, Arizona, 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 accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 La Paz County, Arizona 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 these matters.

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 County's Board of Supervisors and 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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 La Paz County, Arizona's ability to continue as a going concern for twelve 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 an auditors' 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 GAAS 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 GAAS 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 La Paz County, Arizona's internal control. Accordingly, no such opinion is expressed.
- 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 La Paz County, Arizona'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 planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

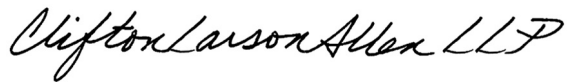
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules related to pensions and OPEB and related notes, be presented to supplement the basic financial statements. Such information is the responsibility of management 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 GAAS, 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.

Arizona Auditor General
Board of Supervisors
La Paz County, Arizona

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2025, on our consideration of La Paz County, Arizona'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 La Paz County, Arizona'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 La Paz County, Arizona's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Phoenix, Arizona
June 11, 2025

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Management's Discussion and Analysis

La Paz County
Management's Discussion and Analysis
Year ended June 30, 2023

This discussion and analysis, prepared by La Paz County's (the "County") management, is intended to be an easily readable analysis of the County's financial activities based on currently known facts, decisions or conditions during the fiscal year ended June 30, 2023. This analysis focuses on current year activities and should be read in conjunction with the County's basic financial statements following this section.

Financial Highlights

- The County's total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$70,547,817 (net position). Of this amount, \$13,801,788 is a deficit in unrestricted net position, \$18,400,650 is restricted for specific purposes (restricted net position), and \$65,948,955 is the County's net investment in capital assets.
- The County's total net position as reported in the Statement of Activities increased by \$15,764,548 in comparison to the prior year's increase in total net position of \$11,342,854. See Note 2 for additional information on the restatement of prior year net position.
- At June 30, 2023, the governmental funds reported combined fund balances of \$27,167,231, an increase of \$9,983,155 in comparison with the prior year. The components of fund balances consist of \$103,569 that is nonspendable, \$28,117,505 that is restricted or committed for specific purposes, and a deficit of \$1,053,843 that is unassigned.
- At June 30, 2023, the unassigned fund balance for the General Fund was a surplus of \$3,861,660.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. Required supplementary information is included in addition to the basic financial statements.

Government-wide Financial Statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to private-sector businesses.

The *Statement of Net Position* presents information on all County assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *Statement of Activities* presents information showing how 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 result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Management's Discussion and Analysis - Continued

Overview of the Financial Statements - Continued

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or part of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, highways and streets, sanitation, health, welfare, culture and recreation, and education. The County has four business-type activities consisting of the Emerald Canyon Golf Course, the La Paz County Park, the La Paz County Landfill and the La Paz County Solar Field.

Component units are included in our basic financial statements and consist of legally separate entities for which the County is financially accountable and that have substantially the same board as the County or provide services entirely to the County. The County has one major component unit, the La Paz County Jail District, and several street lighting districts that are also component units. Refer to Note 1.A, Reporting Entity, on page 27 of this report for more information on the County's component units.

The government-wide financial statements can be found on pages 15-16 of this report.

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. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the County can be divided into three categories: *governmental funds*, *proprietary funds*, and *fiduciary 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 funds financial statements focus on near-term inflows and outflows of usable resources, as well as on balances of usable resources available at the end of the fiscal year. Such information may be useful in evaluating a county's near-term financing requirements.

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*.

The County reports five major 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, Road, Jail District, Coronavirus Recovery and Opioid Settlement funds. Data from the other governmental funds (non-major) are combined into a single, aggregated presentation.

Management's Discussion and Analysis - Continued

Overview of the Financial Statements - Continued

The governmental fund financial statements can be found on pages 17-20 of this report.

Proprietary funds, or enterprise funds, are used to report the same functions presented as business-type activities in the government-wide financial statements. La Paz County uses enterprise funds to account for the Emerald Canyon Golf Course, the County Parks fund, the Landfill fund and the Solar Field fund. Fund financial statements for the enterprise funds provide the same type of information as the government-wide financial statements, only in more detail.

The enterprise fund financial statements can be found on pages 21-24 of this report.

Fiduciary funds are used to 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 the County's own programs.

The fiduciary funds financial statements can be found on pages 25-26 of this report.

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

The notes can be found on pages 27-75 of this report.

Required supplementary information presents budgetary comparison schedules for the General, Road and Jail District funds of the County. It also includes required pension and other postemployment benefits schedules.

Required supplementary information can be found on pages 76-95 of this report.

Government-Wide Financial Analysis

Net Position

The largest portion of the County's net position reflects the investment in capital assets (e.g., land, water rights, gravel and dirt roads, construction in progress, buildings, improvements, machinery and equipment, infrastructure and right-to use intangible assets), less accumulated depreciation/amortization and related outstanding debt used to acquire those assets. The County uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related outstanding debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to the citizens and creditors.

Management's Discussion and Analysis - Continued

Government-Wide Financial Analysis - Continued

The following table summarizes the Statement of Net Position at June 30, 2023 and 2022:

	2023	2022	2023	2022	2023	2022
	Governmental	Governmental	Business-Type	Business-Type	2023	2022
	Activities	Activities	Activities	Activities	Total	Total
Current and other assets	\$ 32,847,886	\$ 22,693,738	\$ 29,129,373	\$ 4,476,627	\$ 61,977,259	\$ 27,170,365
Capital assets	66,244,539	62,141,446	5,586,046	5,173,754	71,830,585	67,315,200
Total assets	99,092,425	84,835,184	34,715,419	9,650,381	133,807,844	94,485,565
Deferred outflows of resources	5,523,990	6,060,240	211,937	310,380	5,735,927	6,370,620
Other liabilities	3,089,572	2,425,055	307,116	848,680	3,396,688	3,273,735
Long-term liabilities	34,837,647	31,833,306	5,889,512	5,533,805	40,727,159	37,367,111
Total liabilities	37,927,219	34,258,361	6,196,628	6,382,485	44,123,847	40,640,846
Deferred inflows of resources	2,255,059	6,071,386	22,617,048	373,925	24,872,107	6,445,311
Net position:						
Net investment in capital assets	64,871,875	60,951,945	1,077,080	1,023,754	65,948,955	61,975,699
Restricted	18,357,644	17,675,159	43,006	-	18,400,650	17,675,159
Unrestricted (deficit)	(18,795,382)	(28,061,427)	4,993,594	2,180,597	(13,801,788)	(25,880,830)
Total net position	\$ 64,434,137	\$ 50,565,677	\$ 6,113,680	\$ 3,204,351	\$ 70,547,817	\$ 53,770,028

As noted earlier, net position may serve over time as a useful indicator of whether the financial position of the County is improving or deteriorating. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$70,547,817 at June 30, 2023, which is primarily the result of the County's investment in long-lived assets.

Also, the County's financial position increased due to a \$7.5 million increase in government grant revenues and a \$1.2 million increase in other revenues, net of a \$1.7 million increase in public safety expenses, a \$1.5 million decrease in property taxes and a \$1.1 million decrease in excise tax.

Governmental activities current and other assets had increases of \$10,154,148 and business-type activities current and other assets had increases of \$24,652,746. The governmental activities increase was attributable to increased intergovernmental revenues during fiscal year 2023, as further discussed on page 11. The business-type activities increase was caused by the recognition of leases and lease interest receivable pursuant to GASB 87, *Leases*, as discussed in Note 7 of the notes to the financial statements on page 41 of this report.

Governmental activities capital assets had increases of \$4,103,093 and business-type activities capital assets had increases of \$412,292. The governmental activities increase was attributable to capital asset additions being greater than depreciation/amortization during fiscal year 2023. The business-type activities increase was also caused by capital asset additions being greater than depreciation/amortization expense.

Governmental activities long-term liabilities increased by \$3,004,341 and business-type activities long-term liabilities increased by \$355,707. The governmental activities increase was primarily due to an increase in the net pension liability. The business-type activities increase was primarily due to an increase in leases payable. Additional information on the County's long-term liabilities can be found in Note 8 of the notes to the financial statements on pages 43-48 of this report.

Management's Discussion and Analysis - Continued

Government-Wide Financial Analysis - Continued

The decrease in overall deferred outflows of resources and the increase in overall deferred inflows of resources of \$634,693 and \$18,426,796, respectively, consist of two factors: 1) the changes in estimates and assumptions used to calculate the net pension liability, net of the contributions to the pension plans after the measurement date and 2) the change in deferred inflows related to leases. Additional information on the County's pension plan activity can be found in Note 11 of the notes to the financial statements on pages 50-73 of this report.

Changes in Net Position

The following table indicates the changes in net position for governmental and business-type activities:

	2023 Governmental Activities	2022 Governmental Activities	2023 Business-Type Activities	2022 Business-Type Activities	2023 Total	2022 Total
<u>Revenues</u>						
Program revenues:						
Charges for services	\$ 3,208,085	\$ 3,761,894	\$ 5,643,982	\$ 4,568,691	\$ 8,852,067	\$ 8,330,585
Operating grants & contributions	17,257,342	9,750,153	-	-	17,257,342	9,750,153
Capital grants & contributions	5,970,359	6,106,527	-	-	5,970,359	6,106,527
General revenues:						
Property taxes	4,344,183	5,838,311	-	-	4,344,183	5,838,311
Excise tax	4,488,874	5,552,035	-	-	4,488,874	5,552,035
Payments in lieu of taxes	1,999,542	2,264,699	-	-	1,999,542	2,264,699
Share of state sales taxes	3,601,875	3,238,273	-	-	3,601,875	3,238,273
Vehicle license tax	972,247	932,241	-	-	972,247	932,241
State appropriation	550,050	550,050	-	-	550,050	550,050
Contributions not restricted to specific programs	73,029	32,446	-	-	73,029	32,446
Investment earnings	253,870	22,132	-	62	253,870	22,194
Proceeds from sale of capital assets	4,520	244,038	-	-	4,520	244,038
Other revenues	625,631	501,297	1,033,227	1,719	1,658,858	503,016
Transfers	857,000	1,200,000	(857,000)	(1,200,000)	-	-
Total revenues	44,206,607	39,994,096	5,820,209	3,370,472	50,026,816	43,364,568
<u>Expenses</u>						
General government	8,635,826	9,166,595	170,828	193,795	8,806,654	9,360,390
Public safety	12,702,985	11,005,375	-	-	12,702,985	11,005,375
Highways and streets	4,729,749	4,234,154	-	-	4,729,749	4,234,154
Sanitation	125,575	575	59,018	50,884	184,593	51,459
Health	3,671,104	3,194,681	-	-	3,671,104	3,194,681
Welfare	222,702	201,684	-	-	222,702	201,684
Culture and recreation	237,465	206,822	3,140,778	2,998,103	3,378,243	3,204,925
Education	312,302	369,648	-	-	312,302	369,648
Interest on long-term debt	66,672	211,956	187,264	187,442	253,936	399,398
Total expenses	30,704,380	28,591,490	3,557,888	3,430,224	34,262,268	32,021,714
Change in net position	13,502,227	11,402,606	2,262,321	(59,752)	15,764,548	11,342,854
Beginning net position, as restated	50,931,910	39,163,071	3,851,359	3,264,103	54,783,269	42,427,174
Ending net position	\$ 64,434,137	\$ 50,565,677	\$ 6,113,680	\$ 3,204,351	\$ 70,547,817	\$ 53,770,028

Management's Discussion and Analysis - Continued

Government-Wide Financial Analysis - Continued

Net position of the governmental activities increased during the year by \$13,502,227. Total governmental activities revenues increased by \$4,212,511, which is primarily related to an increase in operating grants and contributions of \$7,507,189, net of a decrease in property tax of \$1,494,128 and a decrease in excise tax of \$1,063,161.

Governmental activities expenses increased from 2022 by a total of \$2,112,890. The expense increase was primarily from an increase in public safety expenses of \$1,697,610, an increase in highways and streets expenses of \$495,595 and an increase in health expenses of \$476,423, which were partially offset by a decrease in general government expenses of \$530,769.

Business-type activities reported an increase in net position of \$2,262,321. Revenues increased by \$2,449,737, mostly due to an increase in Solar Field revenue of \$1,866,482 and a decrease of \$343,000 in transfers to the General Fund. Expenses increased by \$127,664, primarily due to increased personnel services and other costs in the Golf Course Fund and the Parks Fund.

Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds – The focus of the County's governmental funds is to provide information of near-term inflows, outflows, and balances of useable resources. Such information is useful in assessing the County's financial requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At June 30, 2023, the County's governmental funds reported combined fund balances of \$27,167,231, an increase of \$9,983,155 in comparison with the prior year.

The General Fund is the County's primary operating fund. At the end of the current fiscal year, the General Fund carried a fund balance of \$4,966,214. Total General Fund revenue decreased \$1,602,051 from 2022 and is primarily the result of a decrease in tax revenue of \$1,887,266. General Fund expenditures increased by \$3,573,976, resulting primarily from increases in public safety expenditures of \$3,911,048 and health expenditures of \$398,607, which were partially offset by decreases in general government expenditures of \$624,749 and capital outlays of \$170,875.

The Road Fund, a major County fund, is used for various road projects within the County. During 2023, the fund experienced a decrease in revenues of \$229,366 and an overall increase of \$3,599,055 in expenditures.

The Jail District Fund, also a major County fund, is used to report the activity of the County's jail facility. During 2023, the Fund's overall revenues increased by \$980,156, primarily due to an increased population of federal inmates and an increase in excise tax revenues, while expenditures increased by \$360,078. The fund experienced a positive change in fund balance of \$169,879, which led to a reduced deficit fund balance of \$814,338 at year-end.

Management's Discussion and Analysis - Continued

Financial Analysis of the County's Funds - Continued

The Coronavirus Recovery Fund recorded \$9,844,800 of intergovernmental revenues that were received from the Local Assistance and Tribal Consistency Fund (LATCF). The fund is further discussed in the Economic Factors section on page 14.

The Opioid Settlement Fund was established during the 2022 fiscal year and accounts for the activity related to the One Arizona Agreement that will distribute opioid settlement funds over 18 years to the County. Funds received by the County on behalf of the towns of Parker and Quartzsite are accounted for in a fiduciary fund.

Other Governmental funds had an increase in revenues totaling \$2,836,956, which was primarily due to increases in intergovernmental revenues, while expenditures increased by \$2,325,917.

The Golf Course Fund, a County enterprise fund, had an increase in revenues totaling \$101,612 due to an increase in golf fees earned. This resulted from an increase in the number of golf players during 2023. Meanwhile, expenses increased by \$57,366 primarily due to increased supply costs.

The Parks Fund, also a County enterprise fund, had a decrease in revenues totaling \$10,145 while expenses increased by \$85,309. The increase in expenses is primarily from increased personnel costs during the year.

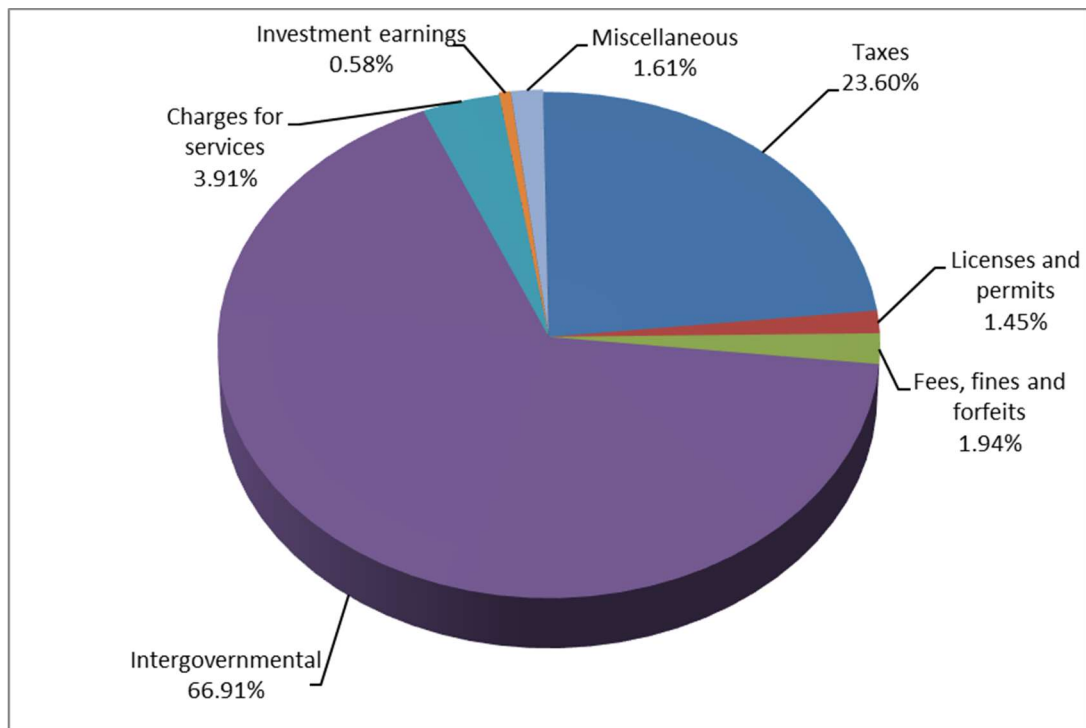
The Landfill Fund, also a County enterprise fund, had an increase in revenues of \$148,788, while expenses increased by \$8,134.

The Solar Field Fund, also a County enterprise fund, had an increase in revenues totaling \$1,866,482, a decrease in operating expenses of \$22,967 and incurred bond interest costs of \$180,770. Additional information on the fund's increased revenue can be found in Note 7 of the notes to the financial statements on page 41 of this report.

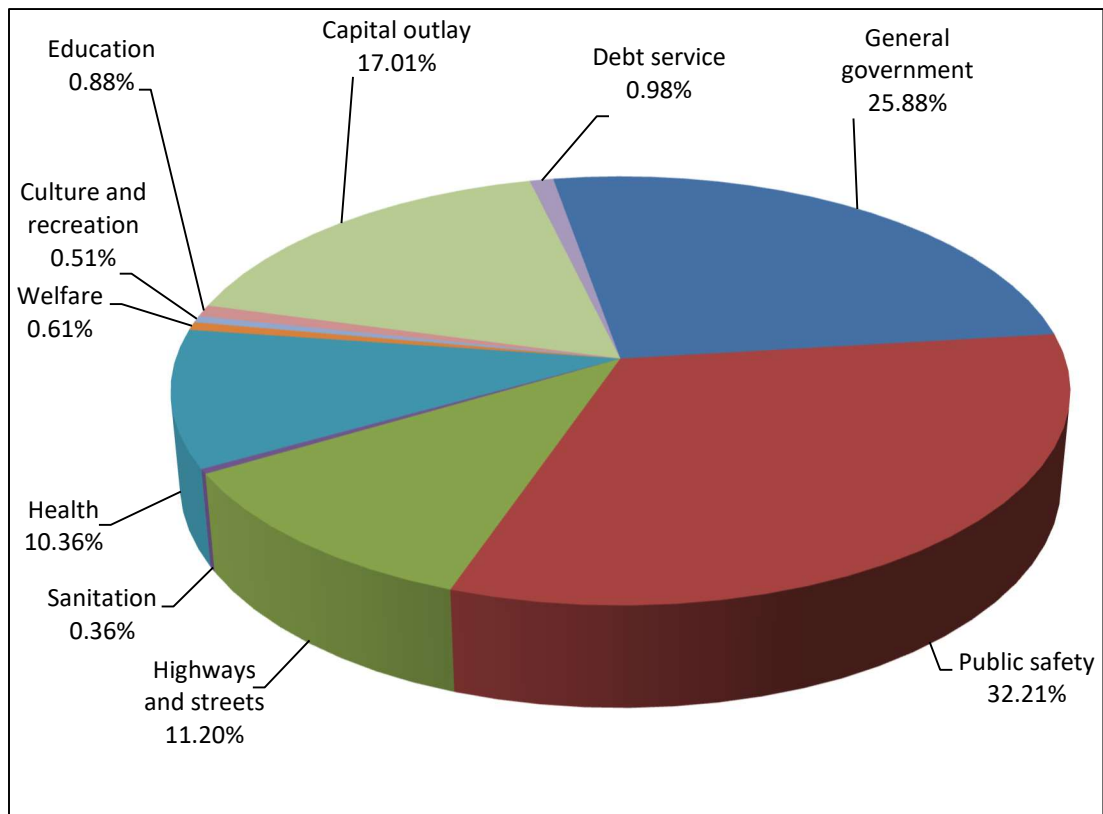
The following graphs present the amount of governmental revenues from various sources and expenditures by function:

Management's Discussion and Analysis - Continued

Financial Analysis of the County's Funds – Continued



The composition of revenues saw an increase in intergovernmental revenue along with a decrease in taxes.



Management's Discussion and Analysis - Continued

Financial Analysis of the County's Funds – Continued

The composition of 2023 County expenditures changed for general government, which decreased to 25.88% of total expenditures, public safety, which increased to 32.21% of total expenditures, highways and streets, which increased to 11.20% of total expenditures, and health, which increased to 10.36% of total expenditures. Capital outlay increased to 17.01% of total expenditures and debt service decreased to 0.98% of total expenditures.

General Fund Budgetary Highlights

General Fund actual revenues were approximately \$0.4 million greater than the adopted budget, and actual expenditures were less than estimated expenditures by approximately \$1.8 million.

Intergovernmental revenues exceeded the budgeted amount by \$632,786, primarily due to greater than anticipated sales tax. Fees, fines and forfeits were less than budget by \$548,274 due to less than anticipated Justice Court fees and fines.

The following General Fund departments had variances in actual expenditures from their original (and final) budget by more than ten percent and \$20,000:

Budget versus actual variances

- County attorney expenditures were \$142,625 below the budget due to lower than anticipated personnel costs.
- Clerk of the superior court expenditures were \$73,905 less than anticipated due to expenditure increases that were lower than the budgeted increases.
- Elections was \$26,498 less than anticipated due to expenditure increases that were lower than the budgeted increases.
- Justice of the Peace #5 was \$157,681 less than anticipated due to consolidation of the court into the remaining Justice courts.
- Justice of the Peace #6 expenditures exceeded the budget by \$42,119 due to absorbing costs from court consolidation that were greater than anticipated.
- Recorder expenditures were \$46,444 below the budget due to budget increases that were not realized.
- Human resources was \$36,481 below budget due to vacancy savings.
- Treasurer was \$38,958 less than anticipated due to expenditure increases that were lower than the budgeted increases.
- Court administration was \$107,325 below the budget, primarily due to reduced costs of conflict counsel.
- Public defender was \$100,344 less than anticipated, primarily due to expenditure increases that were lower than the budgeted increases.
- General administration was \$190,319 below the budget, primarily due to lower than anticipated professional services costs.

Management's Discussion and Analysis - Continued

General Fund Budgetary Highlights – Continued

- The Sheriff was \$754,496 below budget due to budgeted cost increases that were not realized.
- Emergency management exceeded budget by \$68,087 due to unanticipated expenditures.
- Indigent health expenditures exceeded the budget by \$38,764 due to greater than anticipated contributions to the Arizona Long-Term Care System.
- The County long term care ALTCS exceeded the budget by \$368,507 due to greater than anticipated contributions to the Arizona Long-Term Care System.
- The health department was below budget by \$470,151 primarily due to certain salaries and related expenditures being recorded in other funds.
- Public fiduciary was below budget by \$44,478 due to expenditure increases that were lower than the budgeted increases.
- Transfers in were \$284,753 less than budgeted due to health department costs being recorded in other funds rather than recording budgeted transfers from other funds.
- Transfers out were \$736,605 lower than budgeted due to not providing the budgeted additional subsidy to the Jail District Fund.

Budget Modifications

There were no budget modifications during 2023.

Capital Assets and Debt Administration

Capital Assets

The County's investment in capital assets as of June 30, 2023, totaled \$65.9 million (net of accumulated depreciation/amortization and related debt). This investment in capital assets includes land and land improvements, water rights, gravel and dirt roads, golf course, buildings, machinery and equipment, construction equipment and vehicles, infrastructure and intangible right-to use assets purchased, constructed or donated after July 1, 1982 (the year of the County's inception). The County's net investment in capital assets increased 6.4% from the prior period.

Additional information on the County's capital assets activity and balances can be found in Note 8 of the notes to the financial statements on pages 42-44 of this report.

Long-Term Liabilities

At June 30, 2023, the County had total long-term liabilities outstanding of \$40.7 million. This amount consists primarily of \$4.3 million in bonds payable, financed purchases of \$1.0 million, compensated absences payable of \$1.0 million, and \$33.8 million in net pension and other postemployment benefits liabilities.

Additional information on the County's long-term debt can be found in Note 9 of the notes to the financial statements on pages 44-49 of this report.

Management's Discussion and Analysis - Continued

Economic Factors

The County's financial position improved significantly in 2023 due to various factors that have created opportunities, as follows:

- The County's General Fund had a net increase in fund balance during Fiscal Year 2023 for the second consecutive year. The County achieved the increase by making expenditures that were below budget and less than revenues.
- The County completed a land purchase in Fiscal Year 2020 that is a platform for several solar projects that are providing a reliable source of revenue. Additional information on the solar lease revenue can be found in Note 7 of the notes to the financial statements on page 41 of this report. Subsequent to year-end, the solar leases were restructured, as discussed in Note 14 of the notes to the financial statements on page 75 of this report
- The County was allocated \$9.8 million from the Local Assistance and Tribal Consistency Fund (LATCF), which will provide further economic support as follows:
 - Subsequent to year-end, the County provided funding of \$5.0 million to the Public Safety Personnel Retirement System (PSPRS) to reduce the unfunded pension liability. The County is considering options to provide further funding to PSPRS.
 - Subsequent to year-end, the County transferred \$3.9 million from the LATCF to establish a reserve fund, which will be supplemented in future years with transfers from enterprise funds.
- The County has taken into consideration the above economic factors in preparing future years' budgets.

Requests for Information

This financial report is designed to provide a general overview of the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the La Paz County Finance Department, 1108 Joshua Avenue, Parker, Arizona 85344.

Basic Financial Statements

La Paz County
Statement of Net Position
June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 23,836,067	\$ 2,790,811	\$ 26,626,878
Property taxes receivable	174,454	-	174,454
Internal balances	(1,693,435)	1,693,435	-
Due from others	903,856	171,589	1,075,445
Due from other governments	8,078,225	-	8,078,225
Lease receivable - current	10,998	45,000	55,998
Lease interest receivable	-	488,628	488,628
Cash and cash equivalents restricted for debt service	-	377,738	377,738
Prepaid items	103,569	30,902	134,471
Lease receivable - non-current	201,510	23,488,264	23,689,774
Net pension and other postemployment benefits assets	1,232,642	43,006	1,275,648
Capital assets, not being depreciated/amortized	47,337,889	4,157,126	51,495,015
Capital assets, being depreciated/amortized, net	18,906,650	1,428,920	20,335,570
Total assets	99,092,425	34,715,419	133,807,844
Deferred Outflows of Resources			
Deferred outflows related to pensions and other postemployment benefits	5,523,990	211,937	5,735,927
Total deferred outflows of resources	5,523,990	211,937	5,735,927
Liabilities			
Accounts payable	739,142	161,007	900,149
Accrued liabilities	639,042	51,610	690,652
Interest payable	14,681	-	14,681
Unearned revenue	1,321,058	63,098	1,384,156
Due to:			
Others	256,910	31,401	288,311
Other governments	118,739	-	118,739
Noncurrent liabilities:			
Due within one year	319,058	90,928	409,986
Due in more than one year	34,518,589	5,798,584	40,317,173
Total liabilities	37,927,219	6,196,628	44,123,847
Deferred Inflows of Resources			
Deferred inflows related to pensions and other postemployment benefits	2,047,002	169,784	2,216,786
Deferred inflows related to leases	208,057	22,447,264	22,655,321
Total deferred inflows of resources	2,255,059	22,617,048	24,872,107
Net Position			
Net investment in capital assets	65,164,410	1,436,046	66,600,456
Restricted for:			
Net other postemployment benefits asset	1,232,642	43,006	1,275,648
Highways and streets	10,399,984	-	10,399,984
Health and welfare	2,187,976	-	2,187,976
Judicial	1,186,609	-	1,186,609
Public safety	1,438,395	-	1,438,395
Debt service	1,010,060	-	1,010,060
Education	651,204	-	651,204
Other purposes	250,774	-	250,774
Unrestricted (deficit)	(19,087,917)	4,634,628	(14,453,289)
Total net position	\$ 64,434,137	\$ 6,113,680	\$ 70,547,817

See the accompanying notes to the financial statements.

La Paz County
Statement of Activities
Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities							
General government	\$ 8,635,826	\$ 2,080,337	\$ 12,332,509	\$ -	\$ 5,777,020	\$ -	\$ 5,777,020
Public safety	12,702,985	1,038,764	2,276,334	-	(9,387,887)	-	(9,387,887)
Highways and streets	4,729,749	-	760,062	5,970,359	2,000,672	-	2,000,672
Sanitation	125,575	-	84,703	-	(40,872)	-	(40,872)
Health	3,671,104	53,761	1,140,921	-	(2,476,422)	-	(2,476,422)
Welfare	222,702	-	207	-	(222,495)	-	(222,495)
Culture and recreation	237,465	13,074	209,027	-	(15,364)	-	(15,364)
Education	312,302	22,149	453,579	-	163,426	-	163,426
Interest on long-term debt	66,672	-	-	-	(66,672)	-	(66,672)
Total governmental activities	30,704,380	3,208,085	17,257,342	5,970,359	(4,268,594)	-	(4,268,594)
Business-type activities							
Golf course	1,907,474	2,098,074	-	-	-	190,600	190,600
Parks	1,239,798	1,082,858	-	-	-	(156,940)	(156,940)
Landfill	59,018	461,080	-	-	-	402,062	402,062
Solar Field	351,598	2,001,970	-	-	-	1,650,372	1,650,372
Total business-type activities	3,557,888	5,643,982	-	-	-	2,086,094	2,086,094
Total primary government	\$ 34,262,268	\$ 8,852,067	\$ 17,257,342	\$ 5,970,359	(4,268,594)	2,086,094	(2,182,500)
General revenues:							
					4,312,320	-	4,312,320
					31,863	-	31,863
					4,488,874	-	4,488,874
					1,999,542	-	1,999,542
					3,601,875	-	3,601,875
					972,247	-	972,247
					550,050	-	550,050
					73,029	-	73,029
					253,870	-	253,870
					4,520	-	4,520
					625,631	1,033,227	1,658,858
Transfers					857,000	(857,000)	-
Total general revenues and transfers					17,770,821	176,227	17,947,048
Changes in net position					13,502,227	2,262,321	15,764,548
Net position - June 30, 2022, as restated					50,931,910	3,851,359	54,783,269
Net position - June 30, 2023					\$ 64,434,137	\$ 6,113,680	\$ 70,547,817

See the accompanying notes to the financial statements.

**La Paz County
Balance Sheet
Governmental Funds
June 30, 2023**

	Major Funds						
	General Fund	Road Fund	Jail District Fund	Coronavirus Recovery Fund	Opioid Settlement Fund	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 5,969,141	\$ 9,950,547	\$ 110,785	\$ 4,922,937	\$ 108,978	\$ 2,773,679	\$ 23,836,067
Property tax receivable	173,780	-	-	-	-	674	174,454
Due from:							
Others	318,103	-	-	-	585,753	-	903,856
Other governments	390,386	631,843	224,800	4,922,400	-	1,908,796	8,078,225
Lessees	212,508	-	-	-	-	-	212,508
Other funds	2,024,673	10,494	-	-	-	919,692	2,954,859
Prepaid items	94,494	500	8,075	-	-	500	103,569
Total assets	<u>\$ 9,183,085</u>	<u>\$ 10,593,384</u>	<u>\$ 343,660</u>	<u>\$ 9,845,337</u>	<u>\$ 694,731</u>	<u>\$ 5,603,341</u>	<u>\$ 36,263,538</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities:							
Accounts payable	\$ 432,114	\$ 48,559	\$ 118,296	\$ -	\$ -	\$ 140,173	\$ 739,142
Accrued liabilities	397,559	59,175	75,806	-	-	106,502	639,042
Unearned revenue	37,500	-	-	-	-	1,283,558	1,321,058
Due to:							
Others	170,497	1,133	76,295	-	-	8,985	256,910
Other governments	106,676	-	-	-	-	12,063	118,739
Other funds	2,716,140	84,534	887,601	-	-	960,019	4,648,294
Total liabilities	<u>3,860,486</u>	<u>193,401</u>	<u>1,157,998</u>	<u>-</u>	<u>-</u>	<u>2,511,300</u>	<u>7,723,185</u>
Deferred inflows of resources:							
Unavailable revenues:							
Property taxes	148,328	-	-	-	-	562	148,890
Grants and contracts	-	-	-	-	-	430,422	430,422
Settlements	-	-	-	-	585,753	-	585,753
Deferred inflows related to leases	<u>208,057</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>208,057</u>
Total deferred inflows of resources	<u>356,385</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>585,753</u>	<u>430,984</u>	<u>1,373,122</u>
Fund balances:							
Nonspendable:							
Prepaid items	94,494	500	8,075	-	-	500	103,569
Restricted	1,010,060	10,399,483	-	537	108,978	5,605,944	17,125,002
Committed	-	-	-	9,844,800	-	1,147,703	10,992,503
Unassigned (deficit)	<u>3,861,660</u>	<u>-</u>	<u>(822,413)</u>	<u>-</u>	<u>-</u>	<u>(4,093,090)</u>	<u>(1,053,843)</u>
Total fund balances (deficit)	<u>4,966,214</u>	<u>10,399,983</u>	<u>(814,338)</u>	<u>9,845,337</u>	<u>108,978</u>	<u>2,661,057</u>	<u>27,167,231</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 9,183,085</u>	<u>\$ 10,593,384</u>	<u>\$ 343,660</u>	<u>\$ 9,845,337</u>	<u>\$ 694,731</u>	<u>\$ 5,603,341</u>	<u>\$ 36,263,538</u>

See the accompanying notes to the financial statements.

La Paz County
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position
June 30, 2023

Fund balances—total governmental funds		\$ 27,167,231
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$ 134,007,836 and the accumulated depreciation/amortization is \$ 67,763,297.		66,244,539
Net pension and other postemployment benefits assets are not reported in the governmental funds.		1,232,642
Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.		1,165,065
Interest payable on long-term debt is not reported in the governmental funds because it is not due and payable until after year-end.		(14,681)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Obligations under financed purchases of capital assets	\$ (992,627)	
Leases payable	(87,502)	
Subscription based information technology arrangements liability	(202,767)	
Compensated absences payable	(891,237)	
Net pension/OPEB liability	(32,537,638)	
Bonds payable	<u>(125,876)</u>	(34,837,647)
Deferred outflows and inflows of resources related to pensions/OPEB and deferred charges related to bond refunding are applicable to future reporting periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions/OPEB	5,523,990	
Deferred inflows of resources related to pensions/OPEB	<u>(2,047,002)</u>	<u>3,476,988</u>
Net position of governmental activities		<u><u>\$ 64,434,137</u></u>

See the accompanying notes to the financial statements.

La Paz County
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2023

	Major Funds						
	General Fund	Road Fund	Jail District Fund	Coronavirus Recovery Fund	Opioid Settlement Fund	Other Governmental Funds	Total Governmental Funds
Revenues:							
Taxes	\$ 7,585,142	\$ 560,063	\$ 2,191,892	\$ -	\$ -	\$ 31,863	\$ 10,368,960
Licenses and permits	638,700	-	-	-	-	-	638,700
Fees, fines and forfeits	840,883	-	-	-	-	9,723	850,606
Intergovernmental	6,919,631	5,970,359	-	9,844,800	108,978	6,554,481	29,398,249
Charges for services	405,895	-	972,144	-	-	340,741	1,718,780
Investment earnings	92,284	112,626	-	501	-	48,459	253,870
Lease and other revenues	633,923	19,299	-	-	-	56,009	709,231
Total revenues	17,116,458	6,662,347	3,164,036	9,845,301	108,978	7,041,276	43,938,396
Expenditures:							
Current:							
General government	8,074,834	-	-	-	-	1,024,313	9,099,147
Public safety	5,622,395	-	3,708,507	-	-	1,992,248	11,323,150
Highways and streets	-	3,937,803	-	-	-	1,238	3,939,041
Sanitation	-	-	-	-	-	125,000	125,000
Health	1,903,104	-	-	-	-	1,738,480	3,641,584
Welfare	214,670	-	-	-	-	288	214,958
Culture and recreation	111,889	-	-	-	-	66,951	178,840
Education	271,191	-	-	-	-	36,901	308,092
Capital outlay	41,667	4,095,171	12,650	-	-	1,829,430	5,978,918
Debt service:							
Principal	105,978	57,781	-	-	-	129,093	292,852
Interest and other fiscal charges	20,215	18,669	-	-	-	13,107	51,991
Total expenditures	16,365,943	8,109,424	3,721,157	-	-	6,957,049	35,153,573
Excess (deficiency) of revenues over expenditures	750,515	(1,447,077)	(557,121)	9,845,301	108,978	84,227	8,784,823
Other financing sources (uses):							
Proceeds from sale of capital assets	-	-	-	-	-	14,040	14,040
Proceeds from financed purchases	17,417	-	-	-	-	309,875	327,292
Transfers in	857,000	-	727,000	-	-	523,457	2,107,457
Transfers out	(808,574)	-	-	-	-	(441,883)	(1,250,457)
Total other financing sources (uses)	65,843	-	727,000	-	-	405,489	1,198,332
Net change in fund balances	816,358	(1,447,077)	169,879	9,845,301	108,978	489,716	9,983,155
Fund balances (deficit), July 1, 2022, as restated	4,149,856	11,847,060	(984,217)	36	-	2,171,341	17,184,076
Fund balances (deficit), June 30, 2023	\$ 4,966,214	\$ 10,399,983	\$ (814,338)	\$ 9,845,337	\$ 108,978	\$ 2,661,057	\$ 27,167,231

See the accompanying notes to the financial statements.

La Paz 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		\$ 9,983,155
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.		
Expenditures for general capital assets	\$ 5,978,918	
Depreciation/amortization expense of capital assets	<u>(1,866,305)</u>	4,112,613
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.		(9,520)
Collections of property tax revenues in the governmental funds exceeded revenues reported in the Statement of Activities.		(3,595)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, including the change in deferred inflows of resources related to grants and contracts and settlements revenues.		(589,714)
Repayment of debt principal is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:		
Bonds payable	58,954	
Obligations under financed purchases	164,789	
Obligations under leases payable	19,655	
Payment on subscription based information technology arrangements	<u>49,453</u>	292,851
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	2,856,440	
County's proportionate share of the State's appropriation to EORP	194,412	
Pension/OPEB expense	<u>(3,109,198)</u>	(58,346)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Financed purchases incurred for capital assets	(57,655)	
Leases incurred	(17,417)	
Subscription based information technology arrangements incurred	<u>(252,220)</u>	(327,292)
Some expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:		
Net decrease in compensated absences	116,756	
Net increase in interest accrued on debt obligations	<u>(14,681)</u>	102,075
Change in net position of governmental activities		<u><u>\$ 13,502,227</u></u>

See the accompanying notes to the financial statements.

La Paz County
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-Type Activities - Enterprise Funds				
	Golf Course Fund	Parks Fund	Landfill Fund	Solar Field Fund	Total Enterprise Funds
Assets					
Current assets:					
Cash and cash equivalents	\$ 1,037,355	\$ 557,363	\$ 451,076	\$ 745,017	\$ 2,790,811
Prepaid and other items	30,902	-	-	-	30,902
Due from others	-	13,822	157,767	-	171,589
Due from lessees	-	-	-	45,000	45,000
Lease interest receivable	-	-	-	488,628	488,628
Due from other funds	-	5,754	998,040	782,160	1,785,954
Noncurrent assets:					
Restricted assets:					
Cash and cash equivalents	-	-	-	377,738	377,738
Leases receivable	-	-	-	23,488,264	23,488,264
Net other postemployment benefits asset	24,124	18,882	-	-	43,006
Capital assets, not being depreciated/amortized	-	7,126	-	4,150,000	4,157,126
Capital assets, being depreciated/amortized, net	541,997	480,153	406,770	-	1,428,920
Total assets	1,634,378	1,083,100	2,013,653	30,076,807	34,807,938
Deferred Outflows					
Deferred outflows related to pensions and other postemployment benefits	118,942	92,995	-	-	211,937
Total deferred outflows	118,942	92,995	-	-	211,937
Liabilities					
Current liabilities:					
Accounts payable	54,277	69,567	20,822	16,341	161,007
Accrued payroll and employee benefits	30,685	20,925	-	-	51,610
Unearned revenue	-	-	-	63,098	63,098
Due to others	37	31,364	-	-	31,401
Due to other funds	92,519	-	-	-	92,519
Leases payable, current portion	72,910	-	-	-	72,910
Compensated absences payable, current portion	10,723	7,295	-	-	18,018
Total current liabilities	261,151	129,151	20,822	79,439	490,563
Noncurrent liabilities:					
Compensated absences payable, net of current portion	65,873	44,813	-	-	110,686
Net pension and other postemployment benefits liability	690,843	540,127	-	-	1,230,970
Leases payable, net of current portion	286,928	-	-	-	286,928
Bonds payable	-	-	-	4,170,000	4,170,000
Total liabilities	1,304,795	714,091	20,822	4,249,439	6,289,147
Deferred Inflows					
Deferred inflows related to pensions and other postemployment benefits	95,280	74,504	-	-	169,784
Deferred inflows related to leases	-	-	-	22,447,264	22,447,264
Total deferred inflows	95,280	74,504	-	22,447,264	22,617,048
Net Position					
Net investment in capital assets	541,997	487,279	406,770	-	1,436,046
Restricted for net other postemployment benefits asset	24,124	18,882	-	-	43,006
Unrestricted	(212,876)	(118,661)	1,586,061	3,380,104	4,634,628
Total net position	\$ 353,245	\$ 387,500	\$ 1,992,831	\$ 3,380,104	\$ 6,113,680

See the accompanying notes to the financial statements.

La Paz County
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds				
	Golf Course Fund	Parks Fund	Landfill Fund	Solar Field Fund	Total Enterprise Funds
Operating revenues:					
Fees	\$ 2,098,074	\$ 1,082,858	\$ 461,080	\$ 184,000	\$ 3,826,012
Lease revenue	-	-	-	1,817,970	1,817,970
Other revenue	969	14,623	1,939	1,015,696	1,033,227
Total operating revenues	<u>2,099,043</u>	<u>1,097,481</u>	<u>463,019</u>	<u>3,017,666</u>	<u>6,677,209</u>
Operating expenses:					
Personnel services	879,097	679,680	-	-	1,558,777
Professional services	35,465	20,647	33,986	170,828	260,926
Supplies	646,784	168,175	-	-	814,959
Communications	25,534	58,395	-	-	83,929
Utilities	58,486	227,244	-	-	285,730
Repairs and maintenance	123,771	22,941	-	-	146,712
Depreciation and amortization	87,451	62,716	25,032	-	175,199
Other	44,392	-	-	-	44,392
Total operating expenses	<u>1,900,980</u>	<u>1,239,798</u>	<u>59,018</u>	<u>170,828</u>	<u>3,370,624</u>
Operating income (loss)	198,063	(142,317)	404,001	2,846,838	3,306,585
Nonoperating revenues (expenses):					
Interest expense	(6,494)	-	-	(180,770)	(187,264)
Total nonoperating revenues (expenses)	<u>(6,494)</u>	<u>-</u>	<u>-</u>	<u>(180,770)</u>	<u>(187,264)</u>
Transfers out	-	-	(257,000)	(600,000)	(857,000)
Increase (decrease) in net position	191,569	(142,317)	147,001	2,066,068	2,262,321
Net position, July 1, 2022, as restated	<u>161,676</u>	<u>529,817</u>	<u>1,845,830</u>	<u>1,314,036</u>	<u>3,851,359</u>
Net position, June 30, 2023	<u><u>\$ 353,245</u></u>	<u><u>\$ 387,500</u></u>	<u><u>\$ 1,992,831</u></u>	<u><u>\$ 3,380,104</u></u>	<u><u>\$ 6,113,680</u></u>

See the accompanying notes to the financial statements.

La Paz County
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds				
	Golf Course Fund	Parks Fund	Landfill Fund	Solar Field Fund	Total Enterprise Funds
Cash flows from operating activities:					
Receipts from customers	\$ 2,099,043	\$ 1,083,659	\$ 406,257	\$ 1,600,799	\$ 5,189,758
Payments to suppliers and providers of goods and services	(950,953)	(504,235)	(21,478)	(175,103)	(1,651,769)
Payments for employee wages and benefits	(904,759)	(611,621)	-	-	(1,516,380)
Net cash provided by (used for) operating activities	243,331	(32,197)	384,779	1,425,696	2,021,609
Cash flows from noncapital financing activities:					
Cash transfers to other funds	-	-	(257,000)	(600,000)	(857,000)
Net cash used for noncapital financing activities	-	-	(257,000)	(600,000)	(857,000)
Cash flows from capital and related financing activities:					
Principal payments on revenue bonds	-	-	-	(165,000)	(165,000)
Interest paid on revenue bonds	-	-	-	(180,770)	(180,770)
Interest paid on right of use lease liability	(6,494)	-	-	-	(6,494)
Proceeds from right of use lease liability	359,838	-	-	-	359,838
Capital asset purchases	(510,853)	(76,639)	-	-	(587,492)
Net cash used for capital and related financing activities	(157,509)	(76,639)	-	(345,770)	(579,918)
Net change in cash and cash equivalents	85,822	(108,836)	127,779	479,926	584,691
Cash and cash equivalents, July 1, 2022	951,533	666,199	323,297	642,829	2,583,858
Cash and cash equivalents, June 30, 2023	<u>\$ 1,037,355</u>	<u>\$ 557,363</u>	<u>\$ 451,076</u>	<u>\$ 1,122,755</u>	<u>\$ 3,168,549</u>
Cash and cash equivalents are reported on the statement of net position - proprietary funds according to the following classifications					
Cash and cash equivalents	\$ 1,037,355	\$ 557,363	\$ 451,076	\$ 745,017	\$ 2,790,811
Restricted cash and cash equivalents	-	-	-	377,738	377,738
Total cash and cash equivalents	<u>\$ 1,037,355</u>	<u>\$ 557,363</u>	<u>\$ 451,076</u>	<u>\$ 1,122,755</u>	<u>\$ 3,168,549</u>

See the accompanying notes to the financial statements.

La Paz County
Statement of Cash Flows - Continued
Proprietary Funds
Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds				
	<u>Golf Course Fund</u>	<u>Parks Fund</u>	<u>Landfill Fund</u>	<u>Solar Field Fund</u>	<u>Total Enterprise Funds</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ 198,063	\$ (142,317)	\$ 404,001	\$ 2,846,838	\$ 3,306,585
<i>Adjustments to reconcile operating income (loss) to net cash provided by operating activities:</i>					
Depreciation/amortization	87,451	62,716	25,032	-	175,199
Changes in assets, deferred outflows and inflows of resources and liabilities:					
Decrease (increase) in:					
Prepaid and other items	(14,918)	-	-	-	(14,918)
Due from others	-	(13,822)	(56,762)	-	(70,584)
Lease interest receivable	-	-	-	(94,997)	(94,997)
Net pension and other postemployment benefits asset	(3,109)	(2,552)	-	-	(5,661)
Deferred outflows of resources related to pensions and other postemployment benefits	67,364	31,079	-	-	98,443
Increase (decrease) in:					
Accounts payable	15,237	(6,833)	12,508	(4,275)	16,637
Accrued payroll and employee benefits	(16,840)	(7,113)	-	-	(23,953)
Unearned revenue	-	-	-	(534,247)	(534,247)
Net pension and other postemployment benefits liability	42,161	108,893	-	-	151,054
Deferred inflows of resources related to pensions and other postemployment benefits	(128,248)	(75,893)	-	-	(204,141)
Deferred inflows of resources related to leases	-	-	-	(787,623)	(787,623)
Compensated absences payable	(3,830)	13,645	-	-	9,815
Net cash provided by (used for) operating activities	<u>\$ 243,331</u>	<u>\$ (32,197)</u>	<u>\$ 384,779</u>	<u>\$ 1,425,696</u>	<u>\$ 2,021,609</u>
Schedule of non-cash capital and related financing activities:					
Acquisition of right-to-use assets through proceeds from lease obligation	<u>\$ 384,606</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 384,606</u>

See the accompanying notes to the financial statements.

La Paz County
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	Custodial Funds			
	Private Purpose Trust Fund	External Investment Pool	Other Custodial	Total Fiduciary Funds
Assets				
Cash and investments	\$ 1,380,974	\$ 27,873,887	\$ 1,085,125	\$ 30,339,986
Property taxes receivable	-	-	842,147	842,147
Opioid settlements receivable	-	-	74,548	74,548
Total assets	<u>1,380,974</u>	<u>27,873,887</u>	<u>2,001,820</u>	<u>31,256,681</u>
Net Position				
Restricted for:				
Pool participants	-	27,873,887	-	27,873,887
Individuals, organizations and other governments	<u>1,380,974</u>	<u>-</u>	<u>2,001,820</u>	<u>3,382,794</u>
Total net position	<u>\$ 1,380,974</u>	<u>\$ 27,873,887</u>	<u>\$ 2,001,820</u>	<u>\$ 31,256,681</u>

See the accompanying notes to the financial statements.

La Paz County
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2023

	Private Purpose Trust Fund	Custodial External Investment Pool	Other Custodial	Total Fiduciary Funds
Additions:				
Contributions from pool participants	\$ -	\$ 63,462,305	\$ -	\$ 63,462,305
Property tax collections for other governments	-	-	21,137,245	21,137,245
Investment earnings	-	222,677	4,660	227,337
Other	1,708,272	-	2,983,955	4,692,227
Total additions	1,708,272	63,684,982	24,125,860	89,519,114
Deductions:				
Distributions to pool participants	-	59,806,610	-	59,806,610
Property tax distributions to other governments	-	-	21,029,775	21,029,775
Other	627,723	-	3,896,988	4,524,711
Total deductions	627,723	59,806,610	24,926,763	85,361,096
Net increase (decrease) in fiduciary net position	1,080,549	3,878,372	(800,903)	4,158,018
Net position, July 1, 2022	300,425	23,995,515	2,802,723	27,098,663
Net position, June 30, 2023	<u>\$ 1,380,974</u>	<u>\$ 27,873,887</u>	<u>\$ 2,001,820</u>	<u>\$ 31,256,681</u>

See the accompanying notes to the financial statements.

La Paz County
Notes to the Financial Statements
Year Ended June 30, 2023

Note 1 - Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies

The accounting policies of La Paz County (the County) conform to generally accepted accounting principles 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 this new standard.

The County's significant accounting policies are described below:

A. Reporting Entity

The County is a general-purpose local government located in southwestern Arizona that was established in 1983. It is governed by a separately elected board of three county supervisors. 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 they are legally separate from the County. Each blended component unit discussed below has a June 30 year-end. The County has no discretely presented component units.

The following table describes the County's component units:

Component Unit	Description; Criteria for Inclusion	Reporting Method	Separate Financial Statements
Jail District	A tax-levying public improvement district that acquires, constructs, operates, maintains, and finances county jails and jail systems pursuant to Arizona Revised Statutes; All budgetary and operational activities are administered by the La Paz County Board of Supervisors and meet the criteria for a blended component unit.	Blended	Not available

Notes to the Financial Statements - Continued

Note 1 - Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies **- Continued**

Component Unit	Description; Criteria for Inclusion	Reporting Method	Separate Financial Statements
Various Street Lighting Districts	Operates and maintains street lighting in areas outside local city jurisdictions; All budgetary and operational activities are administered by the La Paz County Board of Supervisors and meet the criteria for a blended component unit.	Blended	Not available

Related Organization:

The Industrial Development Authority of La Paz County (Authority) is a legally separate entity that was created to assist in the financing of commercial and industrial enterprises. 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 financial activities of the Authority 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 usefulness of the information.

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 financial activities of the overall government, except for fiduciary activities. They also distinguish between the governmental and business-type activities of the County. 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 segments 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. The County does not allocate indirect expenses to programs or functions. Program revenues include:

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

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

Notes to the Financial Statements - Continued

Note 1 - Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies **- Continued**

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 golf course fees, in which each party receives and gives up essentially equal values, are operating revenues. Nonoperating revenues, such as investment earnings, result from transactions in which the parties do not exchange equal values. Operating expenses include the cost of services, administrative expenses, and depreciation/amortization on capital assets. Other expenses, such as interest expense, are considered to be 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*, a special revenue fund, accounts for monies from Highway User Revenue Fund and Vehicle License Tax that are restricted for road maintenance and operations, pavement preservation, and fleet services.

The *Jail District Fund* was established by La Paz County resolution §89-5845 under the authority of Article 1, Chapter 25, and Title 48, of the Arizona Revised Statutes on November 20, 1989. On June 18, 1990, the Jail District Board of Directors adopted Resolution JD90-12, under the authority of Arizona Revised Statutes §48-4022, establishing a one-half cent excise sales tax effective January 1, 1991, through perpetuity. The Jail District Fund accounts for monies received from excise sales tax revenue that is restricted for debt service, maintenance of effort payments received from the County General Fund and charges for services for prisoner incarceration. The monies are expended for the operating expenditures of the County's jail.

The *Coronavirus Recovery Fund*, a special revenue fund, accounts for monies from the U.S. Department of the Treasury that are restricted for COVID-19 related recovery activities. During the year, receipts from the unrestricted Local Assistance and Tribal Consistency Fund were added to the Fund.

Notes to the Financial Statements - Continued

Note 1 - Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies **- Continued**

The *Opioid Settlement Fund*, a special revenue fund, accounts for monies received from a court appointed trustee who distributed the proceeds from the settlement with several pharmaceutical distributors and prescription drug companies.

The County reports the following major enterprise funds:

The *Golf Course Fund* accounts for the activities and related operations and maintenance of an 18 hole golf course and pro-shop.

The *Parks Fund* accounts for the activities and related operations and maintenance of the County's six public parks.

The *Landfill Fund* accounts for the County's share of the activities and related operations and maintenance of the County landfill and eight transfer stations.

The *Solar Field Fund* accounts for the activities and related operations and maintenance of County land that is leased to a solar energy field developer.

The County reports the following fiduciary fund types:

The fiduciary funds consist of private-purpose trust funds, which account for assets the County's Public Fiduciary holds in trust for the benefit of various parties; and custodial funds, which account for other fiduciary activities, including the pooled assets the County Treasurer holds and invests on behalf of other governmental entities that are not held in trust and the County Treasurer's receipt and distribution of taxes for other governmental entities.

C. Basis of Accounting

The government-wide, proprietary fund, and fiduciary fund 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.

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.

Notes to the Financial Statements - Continued

Note 1 - Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies **- Continued**

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, sales taxes, licenses and permits, intergovernmental, charges for services, settlement revenue, lease revenue 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, and compensated absences, 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 capital lease agreements are reported as other financing sources.

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.

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, settlement revenue, lease revenue 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, landfill closure and postclosure care costs, pollution remediation obligations, and asset retirement obligations, which are recognized as expenditures in governmental funds. 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 agreements are reported as other financing sources.

D. Cash and Investments

For purposes of its statement of cash flows, the County's 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

Purchases of inventory items in governmental funds are recorded at the time of purchase as expenses or expenditures in the funds from which the purchases were made, and because the amounts on hand at June 30, 2023, were immaterial, they are not included in the Statement of Net Position or the Balance Sheet.

Notes to the Financial Statements - Continued

Note 1 - Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies **- Continued**

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.

G. Capital Assets

Capital assets are reported at actual cost. Donated assets are reported at estimated acquisition value.

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 reported in the government-wide statements and enterprise funds are as follows:

	Capitalization Threshold	Depreciation/ Amortization Method	Estimated Useful Life
Land	All	N/A	N/A
Water rights	All	N/A	N/A
Gravel and dirt roads	All	N/A	N/A
Infrastructure	10,000	Straight-line	20-75 years
Land improvements	All	Straight-line	7-30 years
Buildings and improvements	10,000	Straight-line	25-50 years
Improvements other than buildings	5,000	Straight-line	7-30 years
Machinery and equipment	5,000	Straight-line	5-20 years
Golf course and improvements	5,000	Straight-line	30 years
Right-to-use subscription assets	25,000	Straight-line	Varies
Right-to-use lease assets:			
Infrastructure	25,000	Straight-line	Varies
Equipment	25,000	Straight-line	Varies

Unlike paved roads, gravel and dirt roads are not depreciated since once they are placed in operation, only annual maintenance is required to keep them operational for an indefinite period. 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 asset is amortized over the useful life of the underlying asset. Intangible right-to-use subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying IT assets.

Notes to the Financial Statements - Continued

Note 1 - Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies **- Continued**

H. Postemployment benefits

For purposes of measuring the net pension and other postemployment benefits (OPEB) assets and liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the plans' fiduciary net position and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

I. Fund balance classifications

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

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. The constraints placed on committed fund balances can only be removed or changed by the Board in a public meeting.

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 Board of Supervisors has authorized the County Manager, Elected Officials and the Finance Director to make the assignments of resources for specific purposes pursuant to resolution by the Board in a public meeting.

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 balance, it is the County's policy to use the restricted fund balance first. It is the County's policy to use committed amounts first when disbursing unrestricted fund balance, followed by assigned amounts, and lastly unassigned amounts.

Notes to the Financial Statements - Continued

Note 1 - Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies **- Continued**

J. Investment earnings

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

K. Compensated Absences

Compensated absences payable consist of vacation leave and a calculated amount of sick leave earned by employees based on services already rendered.

Employees may accumulate up to 160 hours of vacation depending on years of service, but any vacation hours in excess of the maximum amount that are unused at year end are forfeited. Upon termination of employment, the County pays all unused and unforfeited vacation benefits to employees. Accordingly, vacation 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.

Employees may accumulate an unlimited number of sick leave hours. Generally, sick leave benefits provide for ordinary sick pay and are cumulative but are forfeited upon termination of employment. However, employees who accumulate unused sick leave in excess of 384 hours are paid a percentage of the excess unused sick leave based on the number of years of consecutive service with the County; therefore, the excess sick leave is accrued in the government-wide and proprietary funds' financial statements. A liability for these amounts is reported in the governmental funds' financial statements only for employees who have resigned or retired by fiscal year-end.

L. Leases and subscription-based information technology arrangements

Leases

As lessee, the County recognizes lease liabilities with an initial, individual value of \$25,000 or more. The County uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The County's estimated incremental borrowing rate is based on the County's weighted average borrowing rate of non-lease indebtedness during the year of lease inception.

As lessor, the County recognizes lease receivables with an initial, individual value of \$25,000 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.

Notes to the Financial Statements - Continued

Note 1 - Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies – Continued

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 for leases on the previous page.

Note 2 - Correction of Misstatements – Prior-period Adjustments

Subsequent to the issuance of the audited financial statements for the year ended June 30, 2022, it was determined that the County was required to record a lease receivable, interest receivable and deferred inflow related to leases in the solar field fund in accordance with GASB 87, *Leases*. The effect was that the County understated lease interest receivable in the amount of \$393,631, understated leases receivable in the amount of \$23,488,264 and understated deferred inflows related to leases in the amount of \$23,234,887 in business-type activities and the solar field fund.

Subsequent to the issuance of the audited financial statements for the year ended June 30, 2022, it was determined that the County made an error in calculating accrued liabilities as of year-end. The effect was that the County overstated current liabilities in the amount of \$366,233 in governmental activities, the general fund and total governmental funds.

	Governmental Activities	Business-Type Activities	General Fund	Total Governmental Funds	Solar Field Fund
Beginning net position/fund balance	\$ 50,565,677	\$ 3,204,351	\$ 3,783,623	\$ 16,817,843	\$ 667,028
Net effect of GASB 87, <i>Leases</i>	-	647,008	-	-	647,008
Overstatement of accrued liabilities	366,233	-	366,233	366,233	-
Beginning net position/fund balance as restated	<u>\$ 50,931,910</u>	<u>\$ 3,851,359</u>	<u>\$ 4,149,856</u>	<u>\$ 17,184,076</u>	<u>\$ 1,314,036</u>

The effect of these misstatements on the fiscal year 2022 government-wide change in net position would be to increase the change in net position in the governmental activities column by \$366,233 and in the business-type activities column by \$647,008. The effect of these corrections on the general fund's and total governmental funds' change in fund balances would have been an increase of \$366,233. The effect of these corrections on the solar field fund's change in net position would have been an increase of \$647,008.

Notes to the Financial Statements - Continued

Note 3 - Stewardship, Compliance, and Accountability

Nine (9) General Fund departments had an excess of actual expenditures over appropriations. General Fund departments with expenditures in excess of appropriations are caused mainly by excess expenditures for which budget modifications were not made. To resolve future excesses, the County has retained outside consultants to assist in fiscal year 2024 and 2025 budget preparation, as well as a grants management program, and the County has also hired a Finance Director who is monitoring the budget versus actual results.

Deficit fund balances — At June 30, 2023, the following governmental funds reported deficit fund balances exceeding \$50,000:

Fund	Deficit
Governmental funds:	
Jail District Fund	\$ 814,338
Uncollected grants fund	430,422
Buckskin Sanitary District Debt Service	268,640
Emergency Services	235,493
Drug, Gang & Violent Crime Grant - Task Force	188,733
Workforce Investment	159,783
Centennial Library	149,875
High Intensity Drug Trafficking Areas (HIDTA) Grant	135,865
AZDEMA Hazard Mitigation Grant Program (HMGP)	120,319
Public Health Emergency Preparedness	109,519
Drug, Gang, & Violent Crime Grant - County Attorney	105,814
Statewide Fiscal Stabilization Funds	97,597
Emergency Management Performance Grant (EMPG)	
FFY19 Emergency Services	95,206
COVID - Public Health Emergency Preparedness	93,806
County Anti-Racketeering	91,452
Deferred Prosecution Fees	84,700
Highway Safety Grant	79,932
JCEF Payment	74,392
AZ Game & Fish Boating Grant	70,606
Local JCEF Grant	69,334
GIITEM Grant	65,599
Animal Control	60,543
Adult Education - Ella/Civics - Federal	56,659
Arizona Antitheft Vehicle Authority	55,736
Anti-Meth Initiative Grant	55,096
Juvenile Division Fund Intake	51,777

The deficit in the uncollected grants fund was due to revenues that were considered to be unavailable for funds that were received after the 60-day revenue recognition period. The other fund deficits resulted from operations during the year or carryovers from prior years and are expected to be settled by future transfers between funds including, if necessary, the General Fund.

Notes to the Financial Statements - Continued

Note 4 - Fund Balance Classifications of the Governmental Funds

The fund balance categories and classifications for governmental funds as of June 30, 2023, were as follows:

	Major Funds					Other Governmental Funds	Total
	General Fund	Road Fund	Jail District Fund	Coronavirus Recovery Fund	Opioid Settlement Fund		
Fund balances:							
Nonspendable	\$ 94,494	\$ 500	\$ 8,075	\$ -	\$ -	\$ 500	\$ 103,569
Restricted for:							
Education	-	-	-	-	-	651,204	651,204
Health	-	-	-	-	108,978	1,267,449	1,376,427
Highways and streets	-	10,399,483	-	-	-	501	10,399,984
Judicial	-	-	-	-	-	1,186,609	1,186,609
Public safety	-	-	-	537	-	1,437,858	1,438,395
Transit	-	-	-	-	-	-	-
Water and sanitation	-	-	-	-	-	179,902	179,902
Welfare	-	-	-	-	-	811,549	811,549
Debt service	1,010,060	-	-	-	-	-	1,010,060
Other purposes	-	-	-	-	-	70,872	70,872
Total restricted	1,010,060	10,399,483	-	537	108,978	5,605,944	17,125,002
Committed to:							
Judicial	-	-	-	-	-	954,451	954,451
Public safety	-	-	-	9,844,800	-	176,225	10,021,025
Welfare	-	-	-	-	-	5,198	5,198
Other	-	-	-	-	-	11,829	11,829
Total committed	-	-	-	9,844,800	-	1,147,703	10,992,503
Unassigned (deficit)	3,861,660	-	(822,413)	-	-	(4,093,090)	(1,053,843)
Total fund balances	<u>\$ 4,966,214</u>	<u>\$10,399,983</u>	<u>\$ (814,338)</u>	<u>\$ 9,845,337</u>	<u>\$ 108,978</u>	<u>\$ 2,661,057</u>	<u>\$27,167,231</u>

Note 5 - 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 evidence 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 evidence 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.

Notes to the Financial Statements - Continued

Note 5 - Deposits and Investments - Continued

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 not covered by federal depository insurance.

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.

Deposits - At June 30, 2023, the carrying amount of the County's total cash in the bank was \$46,334,525 and the bank balance was \$48,608,255. All County deposits are collateralized for the amount not covered by depository insurance.

Investments - The County and Fiduciary Funds had total investments of \$10,510,736 at June 30, 2023. The County categorizes certain investments measured at fair value within the fair value hierarchy established by generally accepted accounting principles as follows:

Notes to the Financial Statements - Continued

Note 5 - Deposits and Investments - Continued

	Amount	Fair value measurement using		
		Quoted Prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
U.S. agency securities	\$ 10,234,280	\$ 10,234,280	\$ -	\$ -
U.S. government money market funds	276,456	276,456	-	-
Total investments	<u>\$ 10,510,736</u>	<u>\$ 10,510,736</u>	<u>\$ -</u>	<u>\$ -</u>

Investments categorized as Level 1 are valued using prices quoted in active markets for those investments.

Credit risk - The County does not have a formal investment policy with respect to credit risk. However, the credit risk for the County's investments at June 30, 2023 was as follows:

Investment Type	Rating	Rating Agency	Amount
U.S. agency securities	Aaa	Moody's	\$ 10,234,280
U.S. government money market funds	Aaa	Moody's	276,456
			<u>\$ 10,510,736</u>

Interest rate risk - The County does not have a formal policy regarding interest rate risk. At June 30, 2023, the County had the following investments in debt securities:

Investment Type	Amount	Investment Maturities	
		Less than 1 Year	1-5 Years
U.S. agency securities	\$ 10,234,280	\$ 3,259,375	\$ 6,974,905
U.S. government money market funds	276,456	276,456	-
	<u>\$ 10,510,736</u>	<u>\$ 3,535,831</u>	<u>\$ 6,974,905</u>

Notes to the Financial Statements - Continued

Note 5 - Deposits and Investments - Continued

A reconciliation of cash and investments to amounts shown on the Statements of Net Position follows:

	County Treasurer's Investment Pool	Other	Total
Cash on hand	\$ 112,998	\$ 8,605	\$ 121,603
Carrying amount of deposits	44,557,759	1,776,766	46,334,525
Reported amount of investments	10,510,736	-	10,510,736
Total	<u>\$ 55,181,493</u>	<u>\$ 1,785,371</u>	<u>\$ 56,966,864</u>

A reconciliation of cash, deposits, and investments to amounts shown on the Statements of Net Position as follows:

	Govern- mental Activities	Business- Type Activities	Total Primary Government	Private- Purpose Trust Funds	Custodial Funds External Investment Pools	Other Custodial Funds	Grand Total
Cash and cash equivalents	\$ 23,836,067	\$ 2,790,811	\$ 26,626,878	\$ 1,380,974	\$ 27,873,887	\$ 1,085,125	\$ 56,966,864
	<u>\$ 23,836,067</u>	<u>\$ 2,790,811</u>	<u>\$ 26,626,878</u>	<u>\$ 1,380,974</u>	<u>\$ 27,873,887</u>	<u>\$ 1,085,125</u>	<u>\$ 56,966,864</u>

Note 6 - 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 County's deposits and investments are included in the County Treasurer's investment pool, except for \$8,605 of cash on hand and \$1,776,766 of deposits held. Therefore, deposit and investment risks of the Treasurer's investment pool are substantially the same as the County's deposit and investment risks. See Note 5 for disclosure of the County's deposit and investment risks.

Details of each major asset classification follow:

Notes to the Financial Statements - Continued

Note 6 - County Treasurer's Investment Pool - Continued

Investment Type	Principal	Interest Rate(s)	Maturities	Fair Value
U.S. agency securities	\$ 10,234,280	1.38% to 2.88%	1 - 5 years	\$ 10,234,280
U.S. government money market funds	N/A	N/A	N/A	276,456
Cash on hand	N/A	N/A	N/A	112,998
Deposits	N/A	N/A	N/A	44,557,759
				<u>\$ 55,181,493</u>

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

Statement of Fiduciary Net Position

Assets	\$ 55,181,493
Net position	<u>\$ 55,181,493</u>
Net position held for:	
Internal participants	\$ 24,841,507
External participants	30,339,986
Total net position	<u>\$ 55,181,493</u>

Statement of Changes in Fiduciary Net Position

Total additions	\$ 119,805,830
Total deductions	(109,672,882)
Net increase	10,132,948
Net position:	
July 1, 2022	45,048,545
June 30, 2023	<u>\$ 55,181,493</u>

Note 7 - Receivables

The County leases land and infrastructure assets to third parties under long-term, noncancelable lease agreements. The leases expire at various dates through May 30, 2039, and provide for renewal options up to 25 years. During the year ended June 30, 2023, the County recognized \$1,831,044 and \$1,015,696 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Governmental Activities - cell tower lease. Annual installments totaling \$16,200, including interest at 2.5%, due dates ranging from 2024 to 2039.

Business-type Activities - solar field land lease. Annual installments totaling \$568,324, due dates ranging from 2024 to 2026 during the initial lease term, and annual installments ranging from \$1,260,058 to \$2,316,243, due dates ranging from 2027 to 2051 during the option period that is likely to be exercised. All installments include interest at 4.17%, which was the County's borrowing rate for the underlying land purchase.

Notes to the Financial Statements - Continued

Note 8 - Capital Assets

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

	Primary Government		
	Balance July 1, 2022	Increases	Decreases
			Balance June 30, 2023
Governmental activities:			
<i>Capital assets</i>			
<i>not being depreciated/amortized:</i>			
Land	\$ 687,166	\$ -	\$ 687,166
Water rights	1,096,646	-	1,096,646
Gravel and dirt roads	41,460,031	-	41,460,031
Construction in progress	397,919	3,944,633	4,094,046
Total capital assets, not being depreciated/amortized	43,641,762	3,944,633	47,337,889
<i>Capital assets being depreciated/amortized:</i>			
Land improvements	90,704	-	90,704
Building and improvements	16,960,952	397,657	17,358,609
Machinery and equipment	17,223,022	985,633	18,181,455
Improvements other than buildings	435,325	629,864	1,065,189
Infrastructure	49,609,183	-	49,609,183
Intangibles:			
Right-to-use lease infrastructure	95,170	17,417	112,587
Right-to-use subscriptions	-	252,220	252,220
Total capital assets being depreciated/amortized	84,414,356	2,282,791	86,669,947
Total	128,056,118	6,227,424	134,007,836
<i>Less accumulated depreciation/amortization for:</i>			
Land improvements	49,218	12,537	61,755
Buildings and improvements	9,654,042	545,585	10,199,627
Machinery and equipment	14,921,894	715,146	15,619,360
Improvements other than buildings	268,093	53,142	321,235
Infrastructure	41,015,785	473,263	41,489,048
Intangibles:			
Right-to-use lease infrastructure	5,640	19,556	25,196
Right-to-use subscriptions	-	47,076	47,076
Total accumulated depreciation/amortization	65,914,672	1,866,305	67,763,297
Total capital assets being depreciated/amortized, net	18,499,684	416,486	18,906,650
Governmental activities capital assets, net	\$ 62,141,446	\$ 4,361,119	\$ 66,244,539

Notes to the Financial Statements - Continued

Note 8 - Capital Assets – Continued

	Primary Government		
	Balance July 1, 2022	Increases	Decreases
Business-type activities:			
<i>Capital assets</i>			
<i>not being depreciated/amortized:</i>			
Land	\$ 4,150,000	\$ -	\$ -
Construction in progress	5,000	14,014	(11,888)
Total capital assets, not being depreciated/amortized	4,155,000	14,014	(11,888)
<i>Capital assets being depreciated/amortized:</i>			
Golf course and improvements	2,848,510	-	-
Land improvements	519,771	-	-
Building and improvements	765,665	84,794	-
Improvements other than buildings	633,808	48,187	-
Machinery and equipment	1,546,771	67,777	-
Intangibles:			
Right-to-use lease equipment	-	384,606	-
Total capital assets being depreciated/amortized	6,314,525	585,365	-
Less accumulated depreciation/amortization for:			
Golf course and improvements	2,814,905	5,080	-
Land improvements	86,850	25,669	-
Buildings and improvements	515,707	24,608	-
Improvements other than buildings	422,624	27,095	-
Machinery and equipment	1,455,685	67,107	-
Intangibles:			
Right-to-use lease equipment	-	25,640	-
Total accumulated depreciation/amortization	5,295,771	175,199	-
Total capital assets being depreciated/amortized, net	1,018,754	410,166	-
Business-type activities capital assets, net	<u>\$ 5,173,754</u>	<u>\$ 424,180</u>	<u>\$ (11,888)</u>

Beginning balances were not restated for the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* as the amounts were immaterial to the financial statements.

Notes to the Financial Statements - Continued

Note 8 - Capital Assets – Continued

Depreciation/amortization expense was charged to functions as follows:

Governmental activities:	
General government	\$ 312,196
Public safety	662,727
Highways and streets	790,708
Health	29,520
Welfare	7,744
Sanitation	575
Culture and recreation	58,625
Education	4,210
Total governmental activities depreciation/amortization expense	<u>\$ 1,866,305</u>
Business-type activities:	
Culture and recreation – Golf Course	\$ 87,451
Culture and recreation – Parks	62,716
Sanitation – Landfill	25,032
Total business-type activities depreciation/amortization expense	<u>\$ 175,199</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	Additions	Reductions	Balance June 30, 2023	Due within 1 year
Governmental activities					
Bonds payable	\$ 184,830	\$ -	\$ 58,954	\$ 125,876	\$ -
Financed purchases	1,099,761	57,655	164,789	992,627	167,952
Leases payable	89,740	17,417	19,655	87,502	12,530
Subscription liability	-	252,220	49,453	202,767	49,453
Compensated absences payable	1,007,993	891,237	1,007,993	891,237	89,123
Net pension and other postemployment benefits liability	29,450,982	3,086,656	-	32,537,638	-
Governmental activities long-term liabilities	<u>\$ 31,833,306</u>	<u>\$ 4,305,185</u>	<u>\$ 1,300,844</u>	<u>\$ 34,837,647</u>	<u>\$ 319,058</u>
Business-type activities					
Bonds payable	\$ 4,335,000	\$ -	\$ 165,000	\$ 4,170,000	\$ -
Compensated absences payable	118,889	128,704	118,889	128,704	18,018
Leases payable	-	384,606	24,768	359,838	72,910
Net pension and other postemployment benefits liability	1,079,916	151,054	-	1,230,970	-
Business-type activities long-term liabilities	<u>\$ 5,533,805</u>	<u>\$ 664,364</u>	<u>\$ 308,657</u>	<u>\$ 5,889,512</u>	<u>\$ 90,928</u>

Notes to the Financial Statements - Continued

Note 9 - Long-Term Liabilities – Continued

Beginning balances were not restated for the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* as the amounts were immaterial to the financial statements.

Financed purchases

During 2015, the County entered into a purchase contract to finance solar panels in the amount of \$489,121. The contract term extends through fiscal year 2035 with principal and interest paid monthly. Interest on the obligation accrues at 3%. The outstanding balance on this obligation was \$341,047 at June 30, 2023.

During 2018, the County entered into a purchase contract to finance radios for police communications in the amount of \$140,054. The contract term extends through fiscal year 2025 with principal and interest paid annually. Interest on the obligation accrues at 3.5%. The outstanding balance on this obligation was \$43,562 at June 30, 2023.

During 2020, the County entered into a purchase contract to finance road maintenance equipment in the amount of \$349,955. The contract term extends through fiscal year 2027 with principal and interest paid annually. Interest on the obligation accrues at 4.13%. The outstanding balance on this obligation was \$217,344 at June 30, 2023.

During 2021, the County entered into a purchase contract to finance road maintenance equipment in the amount of \$355,049. The contract term extends through fiscal year 2028 with principal and interest paid annually. Interest on the obligation accrues at 2.99%. The outstanding balance on this obligation was \$252,187 at June 30, 2023.

During 2022, the County entered into a purchase contract to finance patrol vehicles in the amount of \$199,472. The contract term extends through fiscal year 2025 with principal and interest paid annually. Interest on the obligation accrues at 4.88%. The outstanding balance on this obligation was \$101,518 at June 30, 2023.

During 2023, the County entered into a purchase contract to finance health department vehicles in the amount of \$57,655. The contract term extends through 2025 with principal and interest paid annually. Interest on the obligations accrues at 7.84%. The outstanding balance on this obligation was \$36,969 at June 30, 2023.

Notes to the Financial Statements - Continued

Note 9 - Long-Term Liabilities – Continued

The following schedule details debt service requirements to maturity for the County's financed purchases related to governmental activities at June 30, 2023:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 167,952	\$ 35,049	\$ 203,001
2025	174,586	28,414	203,000
2026	84,398	21,485	105,883
2027	178,488	18,732	197,220
2028	147,431	12,002	159,433
2029-2033	117,643	29,522	147,165
2034-2035	122,129	3,956	126,085
Total	<u>\$ 992,627</u>	<u>\$ 149,160</u>	<u>\$ 1,141,787</u>

Bonds payable – The bonds issued by the County are described as follows:

Description	Original Amount	Maturity Range	Interest Rates	Outstanding Principal
Excise Tax Revenue Buckskin Sanitary District Utility Project (Taxable)	\$ 489,494	2017- 2025	4.44%	<u>\$ 125,876</u>
Total bonds payable – governmental activities				<u>\$ 125,876</u>
Excise Tax Revenue Solar Field Fund (Taxable) – Direct Placement	\$ 4,625,000	2022- 2041	4.17%	<u>\$ 4,170,000</u>
Total bonds payable – business-type activities				<u>\$ 4,170,000</u>

On September 4, 2015, the County issued excise tax revenue bonds to finance the cost for the Buckskin Sanitary District Utility Project.

On September 12, 2011, the County's Board of Supervisors authorized a levy of excise tax to be collected until all debt service costs have been paid relating to the County's judgement bonds. On July 12, 2016, the County refunded the bonds in the amount of \$13,760,000 with interest rates ranging from 1.2% to 2.25% and maturing between 2016 and 2025. The 2011 Series bonds were then redeemed as part of the refunding. During 2023, \$103,641 was levied and collected for these bonds. The 2016 Series bonds were redeemed on December 3, 2021.

Notes to the Financial Statements - Continued

Note 9 - Long-Term Liabilities – Continued

On May 13, 2020, the County made a direct placement of excise tax revenue bonds to finance the cost of the land purchase for the Solar Field Project. Total bonds payable – business-type activities in the above table relate to this direct placement.

The following schedule details debt service requirements to maturity for the County's bonds payable at June 30, 2023:

Year Ending June 30,	Governmental Activities		Business-type Activities (Direct Placement)	
	Principal	Interest	Principal	Interest
2024	\$ -	\$ 2,794	\$ -	\$ 86,945
2025	61,571	4,222	175,000	170,240
2026	64,305	1,428	180,000	162,839
2027	-	-	190,000	155,124
2028	-	-	195,000	147,097
2029-2033	-	-	1,110,000	602,982
2034-2038	-	-	1,360,000	346,735
2039-2041	-	-	960,000	61,299
Total	<u>\$ 125,876</u>	<u>\$ 8,444</u>	<u>\$ 4,170,000</u>	<u>\$ 1,733,261</u>

Line of credit – The County entered into a revolving line of credit agreement on July 1, 2017. The revolving line of credit is renewed annually and the total unused amount for the County during 2023 was \$2,000,000.

Leases - The County has acquired the right to use telecommunication infrastructure and golf course equipment under the provisions of various lease agreements. The total amount of lease assets and the related accumulated amortization are as follows:

	Governmental Activities	Business-type Activities
Total intangible right-to-use lease assets	\$ 112,587	\$ 384,606
Less: accumulated amortization	(25,196)	(25,640)
Carrying value	<u>\$ 87,391</u>	<u>\$ 358,966</u>

Notes to the Financial Statements - Continued

Note 9 - Long-Term Liabilities – Continued

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

Governmental Activities Year Ending June 30,	Principal	Interest	Total
2024	\$ 12,530	\$ 2,111	\$ 14,641
2025	10,543	1,767	12,310
2026	9,139	1,508	10,647
2027	9,393	1,251	10,644
2028	4,905	1,085	5,990
2029-2033	26,466	3,482	29,948
2034-2038	14,526	445	14,971
Total	<u>\$ 87,502</u>	<u>\$ 11,649</u>	<u>\$ 99,151</u>

Business-Type Activities Year Ending June 30,	Principal	Interest	Total
2024	\$ 72,910	\$ 9,652	\$ 82,562
2025	75,154	7,404	82,558
2026	77,440	5,112	82,552
2027	79,795	2,751	82,546
2028	54,540	488	55,028
Total	<u>\$ 359,839</u>	<u>\$ 25,407</u>	<u>\$ 385,246</u>

Subscription-based information technology arrangements (SBITAs) – The County has obtained the right to use various IT software and underlying assets to facilitate healthcare and public safety operations under the provisions of various subscription-based information technology arrangements.

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

	Governmental Activities
Total intangible right-to-use subscription assets	\$ 252,220
Less: accumulated amortization	<u>(47,076)</u>
Carrying value	<u>\$ 205,144</u>

Notes to the Financial Statements - Continued

Note 9 - Long-Term Liabilities – Continued

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

Governmental Activities Year Ending June 30,	Principal	Interest	Total
2024	\$ 49,453	\$ 5,370	\$ 54,823
2025	41,560	3,932	45,492
2026	36,013	2,814	38,827
2027	37,108	1,719	38,827
2028	38,633	592	39,225
Total	<u>\$ 202,767</u>	<u>\$ 14,427</u>	<u>\$ 217,194</u>

Landfill closure and postclosure care costs - The County has contracted with an outside agency to provide operations for its solid waste facilities. The contract requires the outside agency to reserve funds in accordance with the closure plan for closure and postclosure care costs. In the event of termination of the contract, the required reserve funds are to be remitted to the County. Consequently, no liability for landfill closure and postclosure care costs has been recorded on the Statement of Net Position.

Compensated absences - Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs. During fiscal year 2023, the County paid for compensated absences as follows: 59 percent from the general fund, 23 percent from major funds, and 18 percent from other funds.

Note 10 - 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 three public entity risk pools: the Arizona Counties Property and Casualty Pool, the Arizona Counties Workers' Compensation Pool and the Arizona Local Government Employee Benefit Trust, which are described below.

Notes to the Financial Statements - Continued

Note 10 - Risk Management – Continued

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 of \$5,000 per occurrence for property claims and \$5,000 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 required by law, 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.

The Arizona Local Government Employee Benefit Trust is a public entity risk pool currently composed of nine member entities. The pool provides member entities with health, prescription, dental, vision, life, short-term disability, and accidental death benefits for the entities' employees and their dependents. The County is responsible for paying a premium based on enrolled employees and dependents.

The Arizona Counties Property and Casualty Pool, the Arizona Counties Workers' Compensation Pool, and the Arizona Local Government Employee Benefit Trust receive independent audits annually and an audit by the Arizona Department of Insurance every 5 years. All pools accrue liabilities for losses that have been incurred but not reported. These liabilities are determined annually based on an independent actuarial valuation. If a pool were to become insolvent, the County would be assessed an additional contribution.

Note 11 – Pensions and Other Postemployment Benefits

The County contributes to the Arizona State Retirement System (ASRS), the Corrections Officer Retirement Plan, consisting of La Paz County Detention Officers and Administrative Office of the Courts (CORP AOC), the Public Safety Personnel Retirement System (PSPRS), consisting of La Paz County Sheriffs and La Paz County Attorney Investigators, and the Elected Officials Retirement Plan (EORP). The plans are component units of the State of Arizona.

Notes to the Financial Statements - Continued

Note 11 – Pensions and Other Postemployment Benefits – Continued

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 asset	\$ 1,232,642	\$ 43,006	\$ 1,275,648
Net pension and OPEB liability	(32,537,638)	(1,230,970)	(33,768,608)
Deferred outflows of resources related to pensions and OPEB	5,523,990	211,937	5,735,927
Deferred inflows of resources related to pensions and OPEB	(2,047,002)	(169,784)	(2,216,786)
Pension and OPEB expense	3,109,198	160,407	3,269,605

The County's accrued payroll and employee benefits includes \$112,055 of outstanding pension and OPEB contribution amounts payable to all plans for the year ended June 30, 2023. Also, the County reported \$3,078,225 of pension and OPEB contributions as expenditures in the governmental funds related to all pension plans to which it contributes.

A. Arizona State Retirement System

Plan description - County employees not covered by the other pension plans described below participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at www.azasrs.gov.

Benefits provided - The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

	Retirement initial membership date	
	<i>Before July 1, 2011</i>	<i>On or after July 1, 2011</i>
Years of service and age required to receive benefits	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 survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contribution 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.

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

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

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 the County was required by statute to contribute at the actuarially determined rate of 12.17 percent (11.92 percent retirement, 0.11 percent for health insurance premiums and 0.14 percent for long-term disability) of the active members' annual covered payroll. The County's contributions to pension, health insurance premium benefit, and long-term disability plan for the year ended June 30, 2023, were \$996,986, \$9,200, and \$11,724, respectively.

During fiscal year 2023, the County paid for ASRS pension and OPEB contributions as follows: 52.2 percent from the General Fund, 30.5 percent from major funds, and 17.3 percent from other funds.

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

ASRS	Net pension/OPEB (asset) liability
Pension	\$ 10,374,404
Health insurance premium benefit	(362,652)
Long-term disability	5,918

The net assets and net liabilities were measured as of June 30, 2022. The total liability used to calculate the net asset or liability was determined using updated 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 employers' contributions for the year ended June 30, 2022. The County's proportions 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	0.06356%	(0.00915)
Health insurance premium benefit	0.06498%	(0.00938)
Long-term disability	0.06408%	(0.00947)

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

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

Expense	Pension/OPEB expenses (income)
Pension	\$ 939,593
Health insurance premium benefit	(51,207)
Long-term disability	1,026

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		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	\$ 88,396	\$ -	\$ -	\$ 185,077	\$ 3,080	\$ 5,515
Changes of assumptions or other inputs	514,902	-	5,886	9,891	3,223	14,445
Net difference between projected and actual earnings on plan investments	-	273,272	-	12,216	-	184
Changes in proportion and differences between contributions and proportionate share of contributions	141,019	923,529	10,836	1,183	1,923	6,403
County contributions subsequent to the measurement date	996,986	-	9,200	-	11,724	-
Total	<u>\$ 1,741,303</u>	<u>\$ 1,196,801</u>	<u>\$ 25,922</u>	<u>\$ 208,367</u>	<u>\$ 19,950</u>	<u>\$ 26,547</u>

The amounts reported as deferred outflows of resources related to ASRS pensions and OPEB resulting from the County's 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 ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions and OPEB will be recognized as expenses as follows:

Year ending June 30,	Pension	Health insurance premium benefit	Long-term disability
2023	\$ 146,359	\$ (53,354)	\$ (2,158)
2024	(561,763)	(58,115)	(2,488)
2025	(474,464)	(63,892)	(3,874)
2026	437,384	(7,535)	(766)
2027	-	(8,749)	(3,106)
Thereafter	-	-	(5,929)

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

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, 2021.

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:

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	10%	(0.20%)
Real estate	20%	6.00%
Total	100%	

Notes to the Financial Statements - Continued

Note 11 - 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 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%)
The County’s proportionate share of the			
Net pension liability	\$ 15,307,124	\$ 10,374,404	\$ 6,261,285
Net insurance premium benefit			
liability (asset)	(260,767)	(362,652)	(449,100)
Net long-term disability liability	9,811	5,918	2,146

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

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

B. Public Safety Personnel Retirement System and Corrections Officer Retirement Plan

Plan Descriptions – County sheriff employees and County attorney investigators 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 nine-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 relative insignificance to the County's financial statements.

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 (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 (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 includes financial statements and required supplementary information for the PSPRS and CORP plans. The report is available on the PSPRS website at www.psprs.com.

Benefits Provided - The PSPRS and CORP provide retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefit terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

PSPRS

	Initial membership date:	
	<u>Before January 1, 2012</u>	<u>On or after January 1, 2012 and before July 1, 2017</u>
<u>Retirement and Disability</u>		
Years of service and age required to receive benefit	20 years of service, any age 15 years of service, age 62	25 years of service or 15 years of credited service, age 52.5
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years
Benefit percent		
Normal Retirement	50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5 % to 2.5% per year of credited service, not to exceed 80%
Accidental Disability Retirement	50% or normal retirement, whichever is greater	
Catastrophic Disability Retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	
Ordinary Disability Retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20	
<u>Survivor Benefit</u>		
Retired Members	80% to 100% of retired members 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	

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

CORP

	Initial membership date:		
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2018	AOC Probation and Surveillance Officers; on or after July 1, 2018
Retirement and Disability			
Years of service and age required to receive benefit	Sum of years and age equals 80 20 years, any age 10 years, age 62	25 years, age 52.5 10 years, age 62	10 or more years, age 55 10 years, age 52.5 (early retirement)
Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive months of last 10 years	
Benefit percent			
Normal retirement	2.0% to 2.5% per year of credited service, not to exceed 80%	2.5% per year of credited service, not to exceed 80%	1.25% to 2.25% per year of credited service, not to exceed 80%
Accidental Disability Retirement	50% or normal retirement if more than 20 years of credited service	50% or normal retirement if more than 25 years of credited service	
Total and Permanent Disability Retirement	50% or normal retirement if more than 25 years of credited service		
Ordinary Disability Retirement	2.5% per year of credited service		
Survivor Benefit			
Retired Members	80% of retired members 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 contribution.		

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.

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

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 pension plan's benefit terms:

	PSPRS Sheriff		PSPRS Attorney Investigators		CORP Detention	
	Pension	Health	Pension	Health	Pension	Health
Inactive employees or beneficiaries currently receiving benefits	29	29	-	-	1	1
Inactive employees entitled to but not yet receiving benefits	9	5	-	-	9	-
Active employees	10	10	-	-	10	10
Total	48	44	-	-	20	11

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. Contribution rates for the year ended June 30, 2023, are indicated below. Rates are a percentage of active members' annual covered payroll.

	Active member Pension	County - Pension	County-health insurance premium benefit
PSPRS Sheriff	7.65% - 12.01%	45.20%	0.27%
PSPRS Attorney Investigators	7.65% - 12.01%	0.00%	0.00%
CORP Detention	8.41%	12.30%	0.00%
CORP AOC	8.41 or 10.18%	35.48%	0.00%

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

	Pension	Health insurance premium benefit
PSPRS Sheriff	\$ 1,226,024	\$ 8,297
CORP Detention	121,804	4,298
CORP AOC	121,925	1,196

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

During fiscal year 2023, the County paid for PSPRS and CORP pension and OPEB contributions as follows: 66.5 percent from the General Fund, 8.1 percent from major funds, and 25.4 percent from other funds.

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

	Net pension liability (asset)	Net OPEB (asset) liability
PSPRS Sheriff	\$ 14,329,810	\$ (459,186)
PSPRS Attorney Investigators	(192,284)	(16,052)
CORP Detention	949,726	33,071
CORP AOC (County's proportionate share)	1,244,812	1,120

The net asset 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 pensions/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	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 actual 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.

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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 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 for these plans to determine the total pension/OPEB liability.

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

Changes in the Net Pension/OPEB (Asset) Liability

PSPRS - Sheriff	Pension Increase (Decrease)			Health insurance premium benefit Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB (Asset) Liability
	(a)	(b)	(a) - (b)	(a)	(b)	(a) - (b)
Balances at June 30, 2022	\$ 20,806,134	\$ 8,330,516	\$ 12,475,618	\$ 162,138	\$ 639,044	\$ (476,906)
Changes for the current year:						
Service Cost	197,464	-	197,464	4,793	-	4,793
Interest on the total liability	1,486,908	-	1,486,908	12,071	-	12,071
Differences between expected and actual experience in the measurement of the pension liability	773,787		773,787	(25,507)		(25,507)
Changes of assumptions or other inputs	415,127	-	415,127	745	-	745
Contribution - Employer	-	1,258,201	(1,258,201)	-	-	-
Contribution - Employee	-	98,719	(98,719)	-	-	-
Net investment income	-	(331,841)	331,841	-	(25,170)	25,170
Benefit payments, including refunds of employee contribution	(1,269,985)	(1,269,985)	-	(3,139)	(3,139)	-
Administrative Expense	-	(5,985)	5,985	-	(448)	448
Net Changes	1,603,301	(250,891)	1,854,192	(11,037)	(28,757)	17,720
Balances at June 30, 2023	\$ 22,409,435	\$ 8,079,625	\$ 14,329,810	\$ 151,101	\$ 610,287	\$ (459,186)

Changes in the Net Pension/OPEB (Asset) Liability

PSPRS - Attorney Investigators	Pension Increase (Decrease)			Health insurance premium benefit Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB (Asset) Liability
	(a)	(b)	(a) - (b)	(a)	(b)	(a) - (b)
Balances at June 30, 2022	\$ -	\$ 200,392	\$ (200,392)	\$ -	\$ 16,729	\$ (16,729)
Changes for the current year:						
Net investment income	-	(7,964)	7,964	-	(665)	665
Administrative Expense	-	(144)	144	-	(12)	12
Net Changes	-	(8,108)	8,108	-	(677)	677
Balances at June 30, 2023	\$ -	\$ 192,284	\$ (192,284)	\$ -	\$ 16,052	\$ (16,052)

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

Changes in the Net Pension/OPEB Liability

CORP - Detention	Pension Increase (Decrease)			Health insurance premium benefit Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)	(a)	(b)	(a) - (b)
Balances at June 30, 2022	\$ 2,915,055	\$ 1,924,129	\$ 990,926	\$ 55,746	\$ 20,680	35,066
Changes for the current year:						
Service Cost	73,087	-	73,087	1,164	-	1,164
Interest on the total liability	216,836	-	216,836	4,154	-	4,154
Differences between expected and actual experience in the measurement of the pension liability	(253,921)	-	(253,921)	(4,519)	-	(4,519)
Changes of assumptions or other inputs	19,627	-	19,627	906	-	906
Contribution - Employer	-	128,849	(128,849)	-	4,487	(4,487)
Contribution - Employee	-	43,798	(43,798)	-	-	-
Net investment income	-	(74,459)	74,459	-	(773)	773
Benefit payments, including refunds of employee contribution	(35,572)	(35,572)	-	-	-	-
Administrative Expense	-	(1,359)	1,359	-	(14)	14
Net Changes	20,057	61,257	(41,200)	1,705	3,700	(1,995)
Balances at June 30, 2023	\$ 2,935,112	\$ 1,985,386	\$ 949,726	\$ 57,451	\$ 24,380	\$ 33,071

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

CORP AOC	Proportion June 30, 2022	Increase (decrease) from June 30, 2021
Pension	0.279%	0.021
Health insurance premium benefit	0.297%	0.033

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 position/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:

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

	1% Decrease (6.2%)	Current Discount Rate (7.2%)	1% Increase (8.2%)
PSPRS Sheriff			
Net pension liability	\$ 17,002,355	\$ 14,329,810	\$ 12,136,935
Net OPEB (asset) liability	(440,750)	(459,186)	(474,605)
CORP Detention			
Net pension liability	1,353,364	949,726	621,628
Net OPEB liability	40,444	33,071	26,901
CORP AOC			
County's proportionate share of the net pension liability	1,634,821	1,244,812	925,750
County's proportionate share of the OPEB liability	6,098	1,120	(3,082)

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 (income)
PSPRS Sheriff	\$ 1,819,947	\$ (70,037)
PSPRS Attorney Investigators	8,108	677
CORP Detention	280,312	1,208
CORP AOC (County's proportionate share)	164,361	(3,923)

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

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:

PSPRS – Sheriff

	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	\$ 562,714	\$ 3,354	\$ -	\$ 62,937
Changes of assumptions or other inputs	276,752	-	823	-
Net difference between projected and actual earnings on plan investments	79,311	-	10,082	-
County contributions subsequent to the measurement date	1,226,024	-	8,297	-
Total	<u>\$ 2,144,801</u>	<u>\$ 3,354</u>	<u>\$ 19,202</u>	<u>\$ 62,937</u>

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	\$ 553,739	\$ 259,392	\$ 31,560	\$ 24,812
Changes of assumptions or other inputs	47,238	-	1,107	5,183
Net difference between projected and actual earnings on plan investments	24,251	-	841	-
County contributions subsequent to the measurement date	121,804	-	4,298	-
Total	<u>\$ 747,032</u>	<u>\$ 259,392</u>	<u>\$ 37,806</u>	<u>\$ 29,995</u>

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

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	\$ 66,151	\$ 18,389	\$ -	\$ 8,273
Changes of assumptions or other inputs	40,518	-	291	-
Net difference between projected and actual earnings on plan investments	21,066	-	622	-
Changes in proportion and differences between county contributions and proportionate share of contributions	176,205	198,465	1,949	509
County contributions subsequent to the measurement date	121,925	-	1,196	-
Total	<u>\$ 425,865</u>	<u>\$ 216,854</u>	<u>\$ 4,058</u>	<u>\$ 8,782</u>

The amounts reported as deferred outflows of resources related to pensions and OPEB resulting from 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 ending 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	PSPRS Sheriff		PSPRS Attorney Investigators	
	Pension	Health	Pension	Health
2024	\$ 446,580	\$ (42,819)	\$ -	\$ -
2025	375,587	(17,470)	-	-
2026	(95,329)	(6,081)	-	-
2027	188,585	14,338	-	-

Year ending June 30	CORP Detention		CORP AOC	
	Pension	Health	Pension	Health
2024	\$ 167,015	\$ 2,032	\$ 68,475	\$ (1,879)
2025	161,432	1,996	15,703	(1,963)
2026	54,337	1,844	(61,507)	(1,778)
2027	(16,948)	1,138	64,416	(107)
2028	-	(2,285)	-	(194)
thereafter	-	(1,212)	-	-

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

PSPDCRP plan - County sheriff employees, County attorney investigators, County detention officers, County dispatchers, 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. The PSPDCRP is not further disclosed because of its relative insignificance to the County's financial statements.

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 Web site at www.psprs.com.

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:

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

EORP	Initial membership date:	
	<u>Before January 1, 2012</u>	<u>On or after January 1, 2012</u>
<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 20 years
Benefit percent		
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 retired member's benefit	50% of retired member's 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.

Notes to the Financial Statements - Continued

Note 11 - 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 members' 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. In addition, statute required the County to contribute 48.58 percent of annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the EORP would typically fill. The County's contributions to the pension and health insurance premium benefit plans for the year ended June 30, 2023, were \$475,698 and \$0, respectively.

During fiscal year 2023, the County paid for EORP pension contributions 100 percent from the General Fund.

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	\$ 6,829,747
State's proportionate share of the EORP net pension liability associated with the County	<u>664,995</u>
Total	<u>\$ 7,494,742</u>

The County also reported an asset of \$245,473 for its proportionate share of 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 increasing the cost-of-living adjustment from 1.75 percent to 1.85 percent.

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

The County's proportion of the net pension liability was based on the County's required contributions to the pension 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 June 30, 2022	Increase (decrease) from June 30, 2021
Pension	1.012%	(0.057)
Health insurance premium benefit	1.909%	(0.236)

Expense - For the year ended June 30, 2023, the County recognized pension and OPEB expenses for EORP of \$195,068 and \$(15,528), respectively, and negative revenue of \$194,412 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	\$ -	\$ -	\$ 4,462	\$ 11,025
Changes of assumptions or other inputs	-	-	4,003	-
Net difference between projected and actual earnings on plan investments	61,676	-	9,836	-
Changes in proportion and differences between county contributions and proportionate share of contributions	-	184,391	14,311	8,342
County contributions subsequent to the measurement date	475,698	-	-	-
Total	<u>\$ 537,374</u>	<u>\$ 184,391</u>	<u>\$ 32,612</u>	<u>\$ 19,367</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 a 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:

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

<u>Year ended June 30</u>	<u>Pension</u>	<u>Health insurance premium benefit</u>
2024	\$ (171,971)	\$ 5,529
2025	592	195
2026	(29,070)	(4,407)
2027	77,734	11,928

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 pensions/not applicable for OPEB
Price inflation	2.5% for pensions/not applicable for OPEB
Permanent benefit increase	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	Long-Term Expected Geometric Real Rate of Return	
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Rate of Return</u>
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>	

Notes to the Financial Statements - Continued

Note 11 - Pensions and Other Postemployment Benefits – Continued

Discount rate - 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 at the actuarially determined rates, and State contributions will be made as currently required by statute. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

Sensitivity of the County's proportionate share of the EORP net pension/OPEB (asset) liability to changes in the discount rate - The following table presents the County's proportionate share of the net pension/OPEB (asset) liability calculated using the discount rate of 7.2 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:

EORP	1% Decrease (6.2%)	Current discount Rate (7.2%)	1% Increase (8.2%)
County's proportionate share of the net pension liability	\$ 7,797,116	\$ 6,829,747	\$ 6,001,128
County's proportionate share of the net OPEB (asset)	(225,112)	(245,473)	(263,217)

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 Defined 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 provisions 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 and EODCRS are not further disclosed because of their relative insignificance to the County's financial statements.

Notes to the Financial Statements - Continued

Note 12 - Interfund Activity and Balances

Interfund receivables and payables — Interfund balances at June 30, 2023 were as follows:

	Payable To						Total
	General Fund	Road Fund	Nonmajor - Governmental Funds	Parks Fund	Landfill Fund	Solar Field Fund	
Payable From:							
General Fund	\$ -	\$ 10,494	\$ 919,692	\$ 5,754	\$ 998,040	\$ 782,160	\$ 2,716,140
Road Fund	84,534	-	-	-	-	-	84,534
Jail District Fund	887,601	-	-	-	-	-	887,601
Nonmajor - Governmental Funds	960,019	-	-	-	-	-	960,019
Golf Course Fund	<u>92,519</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,519</u>
Total	<u>\$2,024,673</u>	<u>\$ 10,494</u>	<u>\$ 919,692</u>	<u>\$ 5,754</u>	<u>\$ 998,040</u>	<u>\$ 782,160</u>	<u>\$ 4,740,813</u>

Interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Except as noted below, the balances are not expected to be repaid within 1 year from the date of the financial statements. There is no scheduled repayment plan but the balances will be repaid as funds become available for the various funds.

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

	Transfer To			Total
	General Fund	Jail District Fund	Nonmajor - Governmental Funds	
Transfer From:				
General Fund	\$ -	\$ 727,000	\$ 81,574	\$ 808,574
Nonmajor - Governmental Funds	-	-	441,883	441,883
Landfill Fund	257,000	-	-	257,000
Solar Field Fund	<u>600,000</u>	<u>-</u>	<u>-</u>	<u>600,000</u>
Total	<u>\$ 857,000</u>	<u>\$ 727,000</u>	<u>\$ 523,457</u>	<u>\$ 2,107,457</u>

Notes to the Financial Statements - Continued

Note 12 - Interfund Activity and Balances – Continued

The reasons for the above transfers are:

- The County transferred \$727,000 to the Jail District Fund for the required annual maintenance of effort payment for the year ended June 30, 2023.
- The General Fund transferred \$81,574 to nonmajor governmental funds to cover over-expenditures in certain special revenue funds.
- Interfund transfers between nonmajor governmental funds are to cover over-expenditures in certain special revenue funds.
- The Landfill Fund transferred \$257,000 to the General Fund to support County programs and services.
- The Solar Field Fund transferred \$600,000 to the General Fund to support County programs and services.

Note 13 – Opioid Settlement

The State of Arizona, along with other states, settled claims that certain prescription drug companies and pharmaceutical distributors engaged in misleading and fraudulent conduct in the marketing and sale of opioids and failed to monitor for, detect and prevent diversion of the drugs. The County is a party to the opioid settlement agreements facilitated by the State of Arizona Attorney General. As settlements are finalized, the County records a receivable, net of uncollectible, for amounts anticipated to be received. The County is expected to receive revenue over the next 18 years. At June 30, 2023 the County has total deferred inflows of \$585,753 related to the settlements receivable in the fund statements.

Note 14 – Subsequent Event

Subsequent to year-end, the County and the solar field developers entered into eight lease agreements and four option to lease agreements that were successor agreements to the lease agreement and three lease option agreements that were in place during the year ended June 30, 2023. The new agreements are anticipated to generate significantly greater cash flows for the County if the developers are able to achieve their construction, power generation and marketing goals.

Required Supplementary Information

La Paz County
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:				
Taxes	\$ 7,419,720	\$ 7,419,720	\$ 7,585,142	\$ 165,422
Licenses and permits	440,564	440,564	638,700	198,136
Fees, fines, and forfeits	1,389,157	1,389,157	840,883	(548,274)
Intergovernmental	6,286,845	6,286,845	6,919,631	632,786
Charges for services	529,831	529,831	405,895	(123,936)
Investment earnings	1,984	1,984	92,284	90,300
Miscellaneous	598,382	598,382	633,923	35,541
Total revenues	16,666,483	16,666,483	17,116,458	449,975
Expenditures:				
Current:				
General government:				
Assessor	711,835	711,835	690,533	21,302
County attorney	995,716	995,716	853,091	142,625
Board of supervisors	729,496	729,496	739,741	(10,245)
Clerk of the superior court	584,281	584,281	510,376	73,905
Elections	213,684	213,684	187,186	26,498
Justice of the Peace #4	-	-	(893)	893
Justice of the Peace #5	239,042	239,042	81,361	157,681
Justice of the Peace #6	388,871	388,871	430,990	(42,119)
Planning and zoning	377,773	377,773	403,806	(26,033)
Recorder	281,664	281,664	235,220	46,444
Human resources	214,115	214,115	177,634	36,481
Superior court	282,335	282,335	254,832	27,503
Treasurer	383,589	383,589	344,631	38,958
Court administration	989,100	989,100	881,775	107,325
Management information services	425,952	425,952	386,831	39,121
Public defender	644,902	644,902	544,558	100,344
General administration	734,600	734,600	544,281	190,319
Finance	450,907	450,907	471,605	(20,698)
Facilities management	393,848	393,848	392,876	972
Total general government	9,041,710	9,041,710	8,130,434	911,276

See accompanying notes to budgetary comparison schedule.

La Paz County
Required Supplementary Information
Budgetary Comparison Schedule
General Fund - Continued
Year Ended June 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Public safety:				
Regional dispatch	\$ 1,014,945	\$ 1,014,945	\$ 932,519	\$ 82,426
Sheriff	5,161,585	5,161,585	4,407,089	754,496
Probation	101,939	101,939	101,686	253
Juvenile probation	117,354	117,354	103,339	14,015
Boat patrol grant	-	-	394	(394)
Emergency management	121,541	121,541	189,628	(68,087)
Total public safety	6,517,364	6,517,364	5,734,655	782,709
Health:				
Indigent health	331,117	331,117	369,881	(38,764)
County long term care ALTCS	285,500	285,500	654,007	(368,507)
C.M.I (chronically mentally ill)	183,600	183,600	178,900	4,700
Animal control	218,654	218,654	207,349	11,305
Health	963,118	963,118	492,967	470,151
Total health	1,981,989	1,981,989	1,903,104	78,885
Welfare:				
Public fiduciary	254,815	254,815	210,337	44,478
Parker food bank	3,195	3,195	1,183	2,012
Quartzsite food bank	3,996	3,996	3,150	846
McMullen Valley food bank	1,328	1,328	-	1,328
Total welfare	263,334	263,334	214,670	48,664

See accompanying notes to budgetary comparison schedule.

La Paz County
Required Supplementary Information
Budgetary Comparison Schedule
General Fund - Continued
Year Ended June 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Culture and recreation:				
Library Services	\$ 124,074	\$ 124,074	\$ 111,889	\$ 12,185
Total culture and recreation	124,074	124,074	111,889	12,185
Education:				
School superintendent	264,778	264,778	271,191	(6,413)
Total education	264,778	264,778	271,191	(6,413)
Total expenditures	18,193,249	18,193,249	16,365,943	1,827,306
Excess (deficiency) of revenues over expenditures	(1,526,766)	(1,526,766)	750,515	2,277,281
Other financing sources (uses):				
Proceeds from loan	-	-	17,417	17,417
Transfers in	1,141,753	1,141,753	857,000	(284,753)
Transfers out	(1,545,179)	(1,545,179)	(808,574)	736,605
Total other financing sources (uses)	(403,426)	(403,426)	65,843	469,269
Net change in fund balances	(1,930,192)	(1,930,192)	816,358	2,746,550
Fund balance, July 1, 2022, as restated	3,882,985	3,882,985	4,149,856	266,871
Fund balance, June 30, 2023	\$ 1,952,793	\$ 1,952,793	\$ 4,966,214	\$ 3,013,421

See accompanying notes to budgetary comparison schedule.

La Paz County
Required Supplementary Information
Budgetary Comparison Schedule
Road Fund
Year Ended June 30, 2023

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget
Revenues:				
Taxes	\$ 440,179	\$ 440,179	\$ 560,063	\$ 119,884
Intergovernmental	6,245,892	6,245,892	5,970,359	(275,533)
Investment earnings	44,279	44,279	112,626	68,347
Miscellaneous	35,428	35,428	19,299	(16,129)
Total revenues	<u>6,765,778</u>	<u>6,765,778</u>	<u>6,662,347</u>	<u>(103,431)</u>
Expenditures:				
Current:				
Highways and streets	<u>9,410,160</u>	<u>9,410,160</u>	<u>8,109,424</u>	<u>1,300,736</u>
Total expenditures	<u>9,410,160</u>	<u>9,410,160</u>	<u>8,109,424</u>	<u>1,300,736</u>
Net change in fund balance	(2,644,382)	(2,644,382)	(1,447,077)	1,197,305
Fund balance July 1, 2022,	<u>10,927,503</u>	<u>10,927,503</u>	<u>11,847,060</u>	<u>919,557</u>
Fund balance, June 30, 2023	<u>\$ 8,283,121</u>	<u>\$ 8,283,121</u>	<u>\$ 10,399,983</u>	<u>\$ 2,116,862</u>

See accompanying notes to budgetary comparison schedule.

La Paz County
Required Supplementary Information
Budgetary Comparison Schedule
Jail District Fund
Year Ended June 30, 2023

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Taxes	\$ 1,775,254	\$ 2,191,892	\$ 416,638
Charges for services	594,109	972,144	378,035
Total revenues	<u>2,369,363</u>	<u>3,164,036</u>	<u>794,673</u>
Expenditures:			
Current:			
Public safety	3,742,784	3,721,157	21,627
Total expenditures	<u>3,742,784</u>	<u>3,721,157</u>	<u>21,627</u>
Excess (deficiency) of revenues over expenditures	(1,373,421)	(557,121)	816,300
Other financing sources:			
Transfers in	1,433,365	727,000	(706,365)
Total other financing sources	<u>1,433,365</u>	<u>727,000</u>	<u>(706,365)</u>
Net change in fund balance	59,944	169,879	109,935
Fund balance (deficit) July 1, 2022,	<u>84,523</u>	<u>(984,217)</u>	<u>(1,068,740)</u>
Fund balance (deficit) June 30, 2023	<u><u>\$ 144,467</u></u>	<u><u>\$ (814,338)</u></u>	<u><u>\$ (958,805)</u></u>

See accompanying notes to budgetary comparison schedule.

La Paz County
Required Supplementary Information
Notes to Budgetary Comparison Schedule
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.

For the General Fund, capital outlay and debt service expenditures are budgeted by department and accumulated by function on the Budgetary Comparison Schedule.

Note 2 - Expenditures in Excess of Appropriations

For the year ended June 30, 2023, expenditures that exceeded final budget amounts at the department level (the legal level of budgetary control) were as follows:

Fund/Department	Excess
General Fund:	
Board of Supervisors	\$ 10,245
Justice of the Peace #6	42,119
Planning and Zoning	26,033
Finance	20,698
Boat Patrol Grant	394
Emergency Management	68,087
Indigent Health	38,764
County Long Term Care ALTCS	368,507
School Superintendent	6,413

The excesses were primarily the result of unexpected expenditures and expenditures made as a result of unanticipated revenues, or both. To resolve future excesses, the County has retained outside consultants to assist in fiscal year 2024 and 2025 budget preparation, as well as a grants management program, and the County Finance Director monitors the budget versus actual results.

La Paz County
Required Supplementary Information
Schedule of the County's Proportionate Share of the Net Pension/OPEB Liability
Cost-Sharing Plans
June 30, 2023

ASRS - Pension

	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)
County's proportion of the net pension liability	0.06356%	0.07271%	0.06977%	0.06772%	0.06803%	0.08144%	0.09606%	0.94330%	0.09326%	Information
County's proportionate share of the net pension liability	\$ 10,374,404	\$ 9,553,771	\$ 12,088,713	\$ 9,854,047	\$ 9,487,791	\$ 12,686,765	\$ 15,505,049	\$ 14,692,914	\$ 13,799,620	not available
County's covered payroll	7,585,304	8,314,352	7,687,563	9,607,815	6,764,073	8,337,449	9,308,691	9,159,101	8,406,925	
County's proportionate share of the net pension liability as a percentage of its covered payroll	136.77%	114.91%	157.25%	102.56%	140.27%	152.17%	166.57%	160.42%	164.15%	
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%	

ASRS - Health Insurance Premium Benefit

	Reporting Fiscal Year (Measurement Date)						
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 through 2014
County's proportion of the net OPEB (asset)	0.06498%	0.07436%	0.07105%	0.06892%	0.06903%	0.82450%	Information
County's proportionate share of the net OPEB (asset)	\$ (362,652)	\$ (362,288)	\$ (50,303)	\$ (19,046)	\$ (24,857)	\$ (44,886)	not available
County's covered payroll	7,585,304	8,314,352	7,687,563	9,607,815	6,764,073	8,337,449	
County's proportionate share of the net OPEB (asset) as a percentage of its covered payroll	-4.78%	-4.36%	-0.65%	-0.20%	-0.37%	-0.54%	
Plan fiduciary net position as a percentage of the total pension liability	137.79%	130.24%	104.33%	101.62%	102.20%	103.57%	

ASRS - Long-term Disability

	Reporting Fiscal Year (Measurement Date)						
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 through 2014
County's proportion of the net OPEB Liability	0.06408%	0.07355%	0.07047%	0.06851%	0.06818%	0.08170%	Information
County's proportionate share of the net OPEB Liability	\$ 5,918	\$ 15,183	\$ 53,459	\$ 44,631	\$ 35,624	\$ 29,614	not available
County's covered payroll	7,585,304	8,314,352	7,687,563	9,607,815	6,764,073	8,337,449	
County's proportionate share of the net OPEB Liability as a percentage of its covered payroll	0.08%	0.18%	0.70%	0.46%	0.53%	0.36%	
Plan fiduciary net position as a percentage of the total pension liability	95.40%	90.38%	68.01%	72.85%	77.83%	84.44%	

See accompanying notes to pension/OPEB plan schedules.

La Paz County
Required Supplementary Information
Schedule of the County's Proportionate Share of the Net Pension/OPEB Liability - Continued
Cost-Sharing Plans
June 30, 2023

CORP AOC - Pension	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)
County's proportion of the net pension liability	0.27894%	0.25794%	0.34114%	0.27830%	0.25459%	0.24088%	0.28221%	0.30928%	0.36516%	Information not available
County's proportionate share of the net pension liability	\$ 1,244,812	\$ 957,507	\$ 1,629,527	\$ 1,174,239	\$ 916,472	\$ 966,450	\$ 796,270	\$ 751,897	\$ 819,403	
County's covered payroll	354,553	345,715	323,700	412,014	325,745	792,077	325,471	374,128	391,648	
County's proportionate share of the net pension liability as a percentage of its covered payroll	351.09%	276.96%	503.41%	285.00%	281.35%	122.01%	244.65%	200.97%	209.22%	
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%	
CORP AOC - Health Insurance Premium Benefit										
	Reporting Fiscal Year (Measurement Date)									
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 through 2014			
County's proportion of the net OPEB liability (asset)	0.29663%	0.26355%	0.26370%	0.27805%	0.25572%	0.24184%	Information not available			
County's proportionate share of the net OPEB liability (asset)	\$ 1,120	\$ (353)	\$ 10,384	\$ 10,296	\$ 13,149	\$ 14,231				
County's covered payroll	354,553	345,715	323,700	412,014	325,745	792,077				
County's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.32%	-0.10%	3.21%	2.50%	4.04%	1.80%				
Plan fiduciary net position as a percentage of the total OPEB liability	97.46%	100.90%	75.08%	75.64%	67.75%	62.21%				
EORP - Pension										
	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)
County's proportion of the net pension liability	1.01162%	1.06856%	1.21884%	1.23755%	1.03716%	0.93122%	0.99939%	0.93617%	1.04762%	Information not available
County's proportionate share of the net pension liability	\$ 6,829,747	\$ 6,502,827	\$ 8,226,711	\$ 8,207,120	\$ 6,535,520	\$ 11,347,472	\$ 9,441,755	\$ 7,315,675	\$ 7,025,059	
State's proportionate share of the net pension liability associated with the County	\$ 664,995	\$ 653,639	\$ 781,884	\$ 651,821	\$ 1,658,855	\$ 2,112,527	\$ 1,949,481	\$ 2,280,723	\$ 2,153,948	
Total County's net pension liability	\$ 7,494,742	\$ 7,156,466	\$ 9,008,595	\$ 8,858,941	\$ 8,194,375	\$ 13,459,999	\$ 11,391,236	\$ 9,596,398	\$ 9,179,007	
County's covered payroll	\$ 759,722	\$ 825,808	\$ 1,138,522	\$ 854,892	\$ 1,034,035	\$ 759,974	794,562	849,419	953,936	
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	986.51%	866.60%	791.25%	1036.26%	792.47%	1771.11%	1433.65%	1129.76%	962.22%	
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%	
EORP - Health Insurance Premium Benefit										
	Reporting Fiscal Year (Measurement Date)									
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 through 2014			
County's proportion of the net OPEB (asset)	1.90871%	2.14523%	1.90472%	1.91305%	1.57850%	1.55196%	Information not available			
County's proportionate share of the net OPEB (asset)	\$ (245,473)	\$ (342,116)	\$ (181,910)	\$ (187,372)	\$ (163,121)	\$ (141,324)				
County's covered payroll	759,722	825,808	1,138,522	854,892	1,034,035	759,974				
County's proportionate share of the net OPEB (asset) as a percentage of its covered payroll	-32.31%	-41.43%	-15.98%	-21.92%	-15.78%	-18.60%				
Plan fiduciary net position as a percentage of the total pension (asset)	198.38%	231.29%	169.89%	169.72%	177.16%	164.84%				

See accompanying notes to pension/OPEB plan schedules.

La Paz County
Required Supplementary Information
Schedule of Changes in the County's
Net Pension/OPEB Liability and Related Ratios - Agent Plans
June 30, 2023

	Reporting Fiscal Year (Measurement Date)									
PSPRS - Sheriff - Pension	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)
Total pension liability										
Service cost	\$ 197,464	\$ 180,655	\$ 230,878	\$ 283,040	\$ 279,940	\$ 351,267	\$ 356,348	\$ 271,882	\$ 258,299	Information
Interest on total pension liability	1,486,908	1,452,549	1,430,259	1,385,767	1,314,548	1,208,951	1,156,186	1,105,013	904,564	not available
Changes of benefit terms	-	-	-	-	-	243,566	316,334	-	325,930	
Difference between expected and actual experience in the measurement of the pension liability	773,787	140,567	(13,416)	143,573	418,257	346,773	76,314	237,456	538,156	
Changes of assumptions or other inputs	415,127	-	-	339,251	-	685,158	572,944	-	1,592,778	
Benefit payments, including refunds of employee contributions	(1,269,985)	(1,369,838)	(1,214,454)	(1,252,475)	(1,134,319)	(1,176,148)	(993,292)	(1,016,114)	(1,129,939)	
Net change in pension liability	1,603,301	403,933	433,267	899,156	878,426	1,659,567	1,484,834	598,237	2,489,788	
Total pension liability - beginning	20,806,134	20,402,201	19,968,934	19,069,778	18,191,352	16,531,785	15,046,951	14,448,714	11,958,926	
Total pension liability - ending (a)	<u>\$ 22,409,435</u>	<u>\$ 20,806,134</u>	<u>\$ 20,402,201</u>	<u>\$ 19,968,934</u>	<u>\$ 19,069,778</u>	<u>\$ 18,191,352</u>	<u>\$ 16,531,785</u>	<u>\$ 15,046,951</u>	<u>\$ 14,448,714</u>	
Plan fiduciary net position										
Contributions - employer	\$ 1,258,201	\$ 1,211,476	\$ 1,439,074	\$ 950,338	\$ 757,330	\$ 854,831	\$ 791,496	\$ 537,234	\$ 538,163	
Contributions - employee	98,719	104,724	158,729	112,999	159,019	192,207	343,870	166,848	156,266	
Net investment income	(331,841)	1,891,870	81,809	313,914	407,527	662,076	31,841	197,454	683,282	
Benefit payments, including refunds of employee contributions	(1,269,985)	(1,369,838)	(1,214,454)	(1,252,475)	(1,134,319)	(1,176,148)	(993,292)	(1,016,114)	(1,129,939)	
Hall/Parker Settlement	-	-	-	-	(179,279)	-	-	-	-	
Administrative expense	(5,985)	(8,858)	(6,671)	(6,471)	(6,903)	(6,258)	(4,982)	(5,190)	-	
Other changes	-	-	-	-	77	13,819	48,942	(9,829)	300,315	
Net change in plan fiduciary net position	(250,891)	1,829,374	458,487	118,305	3,452	540,527	217,875	(129,597)	548,087	
Plan fiduciary net position - beginning	8,330,516	6,501,142	6,315,660	6,197,355	6,193,903	5,653,376	5,435,501	5,565,098	5,017,011	
Adjustment to Beginning of Year	-	-	(273,005)	-	-	-	-	-	-	
Plan fiduciary net position - ending (b)	<u>\$ 8,079,625</u>	<u>\$ 8,330,516</u>	<u>\$ 6,501,142</u>	<u>\$ 6,315,660</u>	<u>\$ 6,197,355</u>	<u>\$ 6,193,903</u>	<u>\$ 5,653,376</u>	<u>\$ 5,435,501</u>	<u>\$ 5,565,098</u>	
County's net pension liability - ending (a) - (b)	<u>\$ 14,329,810</u>	<u>\$ 12,475,618</u>	<u>\$ 13,901,059</u>	<u>\$ 13,653,274</u>	<u>\$ 12,872,423</u>	<u>\$ 11,997,449</u>	<u>\$ 10,878,409</u>	<u>\$ 9,611,450</u>	<u>\$ 8,883,616</u>	
Plan fiduciary net position as a percentage of the total pension liability	36.1%	40.0%	31.9%	31.6%	32.5%	34.0%	34.2%	36.1%	38.5%	
Covered payroll	\$ 2,415,621	\$ 2,272,176	\$ 2,599,373	\$ 1,564,068	\$ 1,527,180	\$ 1,931,347	\$ 1,630,734	\$ 1,574,754	\$ 1,510,785	
County's net pension liability as a percentage of covered payroll	593%	549%	535%	873%	843%	621%	667%	610%	588%	

See accompanying notes to pension/OPEB plan schedules.

La Paz County
Required Supplementary Information
Schedule of Changes in the County's
Net Pension/OPEB Liability and Related Ratios - Agent Plans - Continued
June 30, 2023

	Reporting Fiscal Year (Measurement Date)						
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 through 2014
PSPRS OPEB - Sheriff							
Total OPEB liability							
Service cost	\$ 4,793	\$ 4,526	\$ 5,979	\$ 5,336	\$ 5,481	\$ 6,093	Information not available
Interest on total OPEB liability	12,071	13,654	13,534	20,971	21,114	20,119	
Changes of benefit terms	-	-	-	-	-	2,575	
Difference between expected and actual experience in the measurement of the OPEB liability	(25,507)	(36,693)	(10,074)	(123,208)	(22,141)	5,343	
Changes of assumptions or other inputs	745	-	-	1,637	-	(7,700)	
Benefit payments	(3,139)	(3,730)	(3,936)	(7,836)	(10,126)	(7,982)	
Net change in OPEB liability	(11,037)	(22,243)	5,503	(103,100)	(5,672)	18,448	
Total OPEB liability - beginning	162,138	184,381	178,878	281,978	287,650	269,202	
Total OPEB liability - ending (a)	<u>\$ 151,101</u>	<u>\$ 162,138</u>	<u>\$ 184,381</u>	<u>\$ 178,878</u>	<u>\$ 281,978</u>	<u>\$ 287,650</u>	
Plan fiduciary net position							
Contributions - employer	\$ -	\$ -	\$ -	\$ -	\$ (17)	\$ -	
Net investment income	(25,170)	138,770	6,345	26,025	32,072	49,374	
Benefit payments	(3,139)	(3,730)	(3,936)	(7,836)	(10,126)	(7,982)	
Administrative Expense	(448)	(571)	(516)	(433)	(488)	(437)	
Other changes	-	-	-	-	1	-	
Net change in plan fiduciary net position	(28,757)	134,469	1,893	17,756	21,442	40,955	
Plan fiduciary net position - beginning	639,044	504,575	502,682	484,926	463,484	422,529	
Plan fiduciary net position - ending (b)	<u>\$ 610,287</u>	<u>\$ 639,044</u>	<u>\$ 504,575</u>	<u>\$ 502,682</u>	<u>\$ 484,926</u>	<u>\$ 463,484</u>	
County's net OPEB (asset) liability - ending (a) - (b)	<u>\$ (459,186)</u>	<u>\$ (476,906)</u>	<u>\$ (320,194)</u>	<u>\$ (323,804)</u>	<u>\$ (202,948)</u>	<u>\$ (175,834)</u>	
Plan fiduciary net position as a percentage of the total OPEB liability	403.9%	394.1%	273.7%	281.0%	172.0%	161.1%	
Covered payroll	\$ 2,415,621	\$ 2,272,176	\$ 2,599,373	\$ 1,564,068	\$ 1,527,180	\$ 1,931,347	
County's net OPEB (asset) liability as a percentage of covered payroll	-19%	-21%	-12%	-21%	-13%	-9%	

See accompanying notes to pension/OPEB plan schedules.

La Paz County
Required Supplementary Information
Schedule of Changes in the County's
Net Pension/OPEB Liability and Related Ratios - Agent Plans - Continued
June 30, 2023

	Reporting Fiscal Year (Measurement Date)									
Public Safety Personnel Retirement System - Attorney Investigators	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)
Total pension liability										
Interest on total pension liability	\$ -	\$ -	\$ -	\$ 22,991	\$ 21,028	\$ 17,223	\$ 18,656	\$ 23,957	\$ 23,458	Information
Changes of benefit terms	-	-	-	-	-	14,580	16,878	-	-	not available
Difference between expected and actual experience in the measurement of the pension liability	-	-	-	(475,574)	(1,149)	34,463	9,524	10,341	2,025	
Changes of assumptions or other inputs	-	-	-	-	(33,605)	(11,962)	34,797	107,233	12,082	
Benefit payments, including refunds of employee contributions	-	-	-	-	(34,194)	(33,557)	(31,210)	(31,210)	(31,210)	
Net change in pension liability	-	-	-	(452,583)	(47,920)	20,747	48,645	110,321	6,355	
Total pension liability - beginning	-	-	-	452,583	500,503	479,756	431,111	320,790	314,435	
Total pension liability - ending (a)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 452,583</u>	<u>\$ 500,503</u>	<u>\$ 479,756</u>	<u>\$ 431,111</u>	<u>\$ 320,790</u>	
Plan fiduciary net position										
Contributions - employer	\$ -	\$ -	\$ -	\$ -	\$ 8,979	\$ 8,827	\$ 10,527	\$ -	\$ -	
Net investment income	(7,964)	43,640	1,976	8,043	10,833	19,327	1,047	7,335	27,730	
Benefit payments, including refunds of employee contributions	-	-	-	-	(34,194)	(33,557)	(31,210)	(31,210)	(31,210)	
Hall/Parker Settlement	-	-	-	-	(152)	-	-	-	-	
Administrative expense	(144)	(211)	(161)	(1,140)	(865)	(571)	(551)	(558)	-	
Other changes	-	-	-	-	3	3	3	(220)	(10,642)	
Net change in plan fiduciary net position	(8,108)	43,429	1,815	6,903	(15,396)	(5,971)	(20,184)	(24,653)	(14,122)	
Plan fiduciary net position - beginning	200,392	156,963	155,148	148,245	163,641	169,612	189,796	214,449	228,571	
Plan fiduciary net position - ending (b)	<u>\$ 192,284</u>	<u>\$ 200,392</u>	<u>\$ 156,963</u>	<u>\$ 155,148</u>	<u>\$ 148,245</u>	<u>\$ 163,641</u>	<u>\$ 169,612</u>	<u>\$ 189,796</u>	<u>\$ 214,449</u>	
County's net pension (asset) liability - ending (a) - (b)	<u>\$ (192,284)</u>	<u>\$ (200,392)</u>	<u>\$ (156,963)</u>	<u>\$ (155,148)</u>	<u>\$ 304,338</u>	<u>\$ 336,862</u>	<u>\$ 310,144</u>	<u>\$ 241,315</u>	<u>\$ 106,341</u>	
Plan fiduciary net position as a percentage of the total pension liability	0%	0%	0%	0%	33%	33%	35%	44%	67%	
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
County's net pension liability as a percentage of covered payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	

See accompanying notes to pension/OPEB plan schedules.

La Paz County
Required Supplementary Information
Schedule of Changes in the County's
Net Pension/OPEB Liability and Related Ratios - Agent Plans - Continued
June 30, 2023

	Reporting Fiscal Year (Measurement Date)						
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 through 2014
PSPRS OPEB - Attorney Investigators							
Total OPEB liability							
Interest on total OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ 858	\$ 913	Information not available
Difference between expected and actual experience in the measurement of the OPEB liability	-	-	-	-	(13,111)	(1,322)	
Changes of assumptions or other inputs	-	-	-	-	-	1,111	
Benefit payments	-	-	-	-	(422)	(413)	
Net change in OPEB liability	-	-	-	-	(12,675)	289	
Total OPEB liability - beginning	-	-	-	-	12,675	12,386	
Total OPEB liability - ending (a)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,675</u>	
Plan fiduciary net position							
Net investment income	\$ (665)	\$ 3,642	\$ 165	\$ 668	\$ 819	\$ 1,280	
Benefit payments	-	-	-	-	(422)	(413)	
Administrative Expense	(12)	(15)	(13)	(12)	(12)	(12)	
Net change in plan fiduciary net position	(677)	3,627	152	656	385	855	
Plan fiduciary net position - beginning	16,729	13,102	12,950	12,294	11,909	11,054	
Plan fiduciary net position - ending (b)	<u>\$ 16,052</u>	<u>\$ 16,729</u>	<u>\$ 13,102</u>	<u>\$ 12,950</u>	<u>\$ 12,294</u>	<u>\$ 11,909</u>	
County's net OPEB liability - ending (a) - (b)	<u>\$ (16,052)</u>	<u>\$ (16,729)</u>	<u>\$ (13,102)</u>	<u>\$ (12,950)</u>	<u>\$ (12,294)</u>	<u>\$ 766</u>	
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%	94.0%	
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
County's net OPEB liability as a percentage of covered payroll	0%	0%	0%	0%	0%	0%	

See accompanying notes to pension/OPEB plan schedules.

La Paz County
Required Supplementary Information
Schedule of Changes in the County's
Net Pension/OPEB Liability and Related Ratios - Agent Plans - Continued
June 30, 2023

	Reporting Fiscal Year (Measurement Date)					
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
CORP - Detention						
Total pension liability						
Service cost	\$ 73,087	\$ 85,301	\$ 123,593	\$ 138,009	\$ 136,423	\$ -
Interest on total pension liability	216,836	205,304	186,389	167,357	107,212	-
Changes of benefit terms	-	-	-	-	240,188	-
Difference between expected and actual experience in the measurement of the pension liability	(253,921)	(84,381)	17,596	12,727	360,618	1,401,188
Changes of assumptions or other inputs	19,627	-	-	58,575	-	22,220
Benefit payments, including refunds of employee contributions	(35,572)	(36,507)	(23,834)	(117,298)	(85,625)	-
Net change in pension liability	20,057	169,717	303,744	259,370	758,816	1,423,408
Total pension liability - beginning	2,915,055	2,745,338	2,441,594	2,182,224	1,423,408	-
Total pension liability - ending (a)	<u>\$ 2,935,112</u>	<u>\$ 2,915,055</u>	<u>\$ 2,745,338</u>	<u>\$ 2,441,594</u>	<u>\$ 2,182,224</u>	<u>\$ 1,423,408</u>
Plan fiduciary net position						
Contributions - employer	\$ 128,849	\$ 110,627	\$ 148,956	\$ 88,965	\$ 134,312	\$ 102,641
Contributions - employee	43,798	49,987	85,076	75,076	84,469	58,923
Net investment income	(74,459)	405,979	35,344	54,635	69,049	10,434
Benefit payments, including refunds of employee contributions	(35,572)	(36,507)	(23,834)	(117,298)	(85,625)	-
Administrative expense	(1,359)	(1,805)	(1,368)	(1,675)	(1,745)	(491)
Other changes	-	-	-	-	(14,680)	735,694
Net change in plan fiduciary net position	61,257	528,281	244,174	99,703	185,780	907,201
Plan fiduciary net position - beginning	1,924,129	1,395,848	1,192,684	1,092,981	907,201	-
Adjustment to Beginning of Year	-	-	(41,010)	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ 1,985,386</u>	<u>\$ 1,924,129</u>	<u>\$ 1,395,848</u>	<u>\$ 1,192,684</u>	<u>\$ 1,092,981</u>	<u>\$ 907,201</u>
County's net pension liability - ending (a) - (b)	<u>\$ 949,726</u>	<u>\$ 990,926</u>	<u>\$ 1,349,490</u>	<u>\$ 1,248,910</u>	<u>\$ 1,089,243</u>	<u>\$ 516,207</u>
Plan fiduciary net position as a percentage of the total pension liability	68%	66%	51%	49%	50%	64%
Covered payroll	\$ 483,554	\$ 712,724	\$ 494,069	\$ 489,495	\$ 1,078,400	\$ 635,781
County's net pension liability as a percentage of covered payroll	196%	139%	273%	255%	101%	81%

Reporting Fiscal Year 2018 was the Plan's first year.

See accompanying notes to pension/OPEB plan schedules.

La Paz County
Required Supplementary Information
Schedule of Changes in the County's
Net Pension/OPEB Liability and Related Ratios - Agent Plans - Continued
June 30, 2023

	Reporting Fiscal Year (Measurement Date)					
CORP OPEB - Detention	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
Total OPEB liability						
Service cost	\$ 1,164	\$ 1,701	\$ 2,103	\$ 2,050	\$ 3,792	\$ -
Interest on total OPEB liability	4,154	3,887	4,097	4,580	5,152	-
Changes of benefit terms	-	-	-	-	-	-
Difference between expected and actual experience in the measurement of the OPEB liability	(4,519)	(1,382)	(8,680)	(13,085)	(16,830)	81,036
Changes of assumptions or other inputs	906	-	-	632	-	(13,307)
Net change in OPEB liability	1,705	4,206	(2,480)	(5,823)	(7,886)	67,729
Total OPEB liability - beginning	55,746	51,540	54,020	59,843	67,729	-
Total OPEB liability - ending (a)	<u>\$ 57,451</u>	<u>\$ 55,746</u>	<u>\$ 51,540</u>	<u>\$ 54,020</u>	<u>\$ 59,843</u>	<u>\$ 67,729</u>
Plan fiduciary net position						
Contributions - employer	\$ 4,487	\$ 4,164	\$ 5,190	\$ 7,710	\$ -	\$ -
Net investment income	(773)	3,527	-	106	-	-
Benefit payments	-	-	-	-	-	-
Administrative Expense	(14)	(15)	-	(2)	-	-
Other changes	-	-	-	-	-	-
Net change in plan fiduciary net position	3,700	7,676	5,190	7,814	-	-
Plan fiduciary net position - beginning	20,680	13,004	7,814	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ 24,380</u>	<u>\$ 20,680</u>	<u>\$ 13,004</u>	<u>\$ 7,814</u>	<u>\$ -</u>	<u>\$ -</u>
County's net OPEB liability - ending (a) - (b)	<u>\$ 33,071</u>	<u>\$ 35,066</u>	<u>\$ 38,536</u>	<u>\$ 46,206</u>	<u>\$ 59,843</u>	<u>\$ 67,729</u>
Plan fiduciary net position as a percentage of the total OPEB liability	42.4%	37.1%	25.2%	14.5%	0.0%	0.0%
Covered payroll	\$ 483,554	\$ 712,724	\$ 494,069	\$ 489,495	\$ 1,078,400	\$ 635,781
County's net OPEB liability as a percentage of covered payroll	7%	5%	8%	9%	6%	11%

Reporting Fiscal Year 2018 was the Plan's first year.

See accompanying notes to pension/OPEB plan schedules.

La Paz County
Required Supplementary Information
Schedule of County Pension/OPEB Contributions
June 30, 2023

ASRS - Pension	Reporting Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily determined contribution	\$ 996,986	\$ 910,995	\$ 968,622	\$ 880,226	\$ 1,074,154	\$ 737,284	\$ 898,777	\$ 1,009,993	\$ 998,342	\$ 899,541
County's contributions in relation to the statutorily determined contribution	996,986	910,995	968,622	880,226	1,074,154	737,284	898,777	1,009,993	998,342	899,541
County's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 8,363,980	\$ 7,585,304	\$ 8,314,352	\$ 7,687,563	\$ 9,607,815	\$ 6,764,073	\$ 8,337,449	\$ 9,308,691	\$ 9,159,101	\$ 8,406,925
County's contributions as a percentage of covered payroll	11.92%	12.01%	11.65%	11.45%	11.18%	10.90%	10.78%	10.85%	10.90%	10.70%
ASRS - Health Insurance Premium Benefit	Reporting Fiscal Year							2016 through 2014		
	2023	2022	2021	2020	2019	2018	2017			
Statutorily determined contribution	\$ 9,200	\$ 15,929	\$ 16,937	\$ 37,669	\$ 44,196	\$ 29,762	\$ 46,690	Information not available		
County's contributions in relation to the statutorily determined contribution	9,200	15,929	16,937	37,669	44,196	29,762	46,690			
County's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
County's covered payroll	\$ 8,363,980	\$ 7,585,304	\$ 8,314,352	\$ 7,687,563	\$ 9,607,815	\$ 6,764,073	\$ 8,337,449			
County's contributions as a percentage of covered payroll	0.11%	0.21%	0.20%	0.49%	0.46%	0.44%	0.56%			
ASRS-Long-term Disability	Reporting Fiscal Year							2016 through 2014		
	2023	2022	2021	2020	2019	2018	2017			
Statutorily determined contribution	\$ 11,724	\$ 14,260	\$ 14,729	\$ 13,002	\$ 11,393	\$ 10,807	\$ 11,672	Information not available		
County's contributions in relation to the statutorily determined contribution	11,724	14,260	14,729	13,002	11,393	10,807	11,672			
County's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
County's covered payroll	\$ 8,363,980	\$ 7,585,304	\$ 8,314,352	\$ 7,687,563	\$ 9,607,815	\$ 6,764,073	\$ 8,337,449			
County's contributions as a percentage of covered payroll	0.14%	0.19%	0.18%	0.17%	0.12%	0.16%	0.14%			

See accompanying notes to pension/OPEB plan schedules.

La Paz County
Required Supplementary Information
Schedule of County Pension/OPEB Contributions - Continued
June 30, 2023

CORP AOC - Pension

	Reporting Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily determined contribution	\$ 121,925	\$ 119,059	\$ 106,169	\$ 104,976	\$ 92,744	\$ 65,377	\$ 159,049	\$ 62,165	\$ 55,745	\$ 56,789
County's contributions in relation to the statutorily determined contribution	121,925	119,059	106,169	104,976	92,744	65,377	159,049	62,165	55,745	56,789
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	<u>\$ 343,644</u>	<u>\$ 354,553</u>	<u>\$ 345,715</u>	<u>\$ 323,700</u>	<u>\$ 412,014</u>	<u>\$ 325,745</u>	<u>\$ 792,077</u>	<u>\$ 325,471</u>	<u>\$ 374,128</u>	<u>\$ 391,648</u>
County's contributions as a percentage of covered payroll	<u>35.48%</u>	<u>33.58%</u>	<u>30.71%</u>	<u>32.43%</u>	<u>22.51%</u>	<u>20.07%</u>	<u>20.08%</u>	<u>19.10%</u>	<u>14.90%</u>	<u>14.50%</u>

CORP AOC - Health insurance premium benefit

	Reporting Fiscal Year							2016 through 2014
	2023	2022	2021	2020	2019	2018	2017	
Statutorily determined contribution	\$ 1,196	\$ -	\$ 745	\$ 1,780	\$ 3,420	\$ 2,605	\$ 6,733	Information not available
County's contributions in relation to the statutorily determined contribution	1,196	-	745	1,780	3,420	2,605	6,733	
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	<u>\$ 343,644</u>	<u>\$ 354,553</u>	<u>\$ 345,715</u>	<u>\$ 323,700</u>	<u>\$ 412,014</u>	<u>\$ 325,745</u>	<u>\$ 792,077</u>	
County's contributions as a percentage of covered payroll	<u>0.35%</u>	<u>0.00%</u>	<u>0.22%</u>	<u>0.55%</u>	<u>0.83%</u>	<u>0.80%</u>	<u>0.85%</u>	

EORP - Pension

	Reporting Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily determined contribution	\$ 475,698	\$ 466,697	\$ 651,787	\$ 555,698	\$ 578,049	\$ 407,945	\$ 178,594	\$ 186,722	\$ 198,764	\$ 223,221
County's contributions in relation to the statutorily determined contribution	475,698	466,697	507,294	700,191	525,160	242,998	178,594	186,722	198,764	223,221
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 144,493</u>	<u>\$ (144,493)</u>	<u>\$ 52,889</u>	<u>\$ 164,947</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	<u>\$ 774,374</u>	<u>\$ 759,722</u>	<u>\$ 825,808</u>	<u>\$ 1,138,522</u>	<u>\$ 854,892</u>	<u>\$ 1,034,035</u>	<u>\$ 759,974</u>	<u>\$ 794,562</u>	<u>\$ 849,419</u>	<u>\$ 953,936</u>
County's contributions as a percentage of covered payroll	<u>61.43%</u>	<u>61.43%</u>	<u>61.43%</u>	<u>61.50%</u>	<u>61.43%</u>	<u>23.50%</u>	<u>23.50%</u>	<u>23.50%</u>	<u>23.40%</u>	<u>23.40%</u>

The County was not required and did not contribute to the EORP health insurance premium benefit plan for fiscal years 2023, 2022, 2021, 2020, 2019, 2018 or 2017. Information for fiscal years 2016 through 2014 is not available.

See accompanying notes to pension/OPEB plan schedules.

La Paz County
Required Supplementary Information
Schedule of County Pension/OPEB Contributions - Continued
June 30, 2023

PSPRS Pension - Sheriff	Reporting Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 1,226,024	\$ 1,357,579	\$ 1,460,247	\$ 1,135,094	\$ 1,036,858	\$ 924,197	\$ 993,292	\$ 786,666	\$ 567,384	\$ 538,163
County's contributions in relation to the actuarially determined contribution	1,226,024	1,357,579	1,235,609	1,359,732	812,220	744,653	993,292	786,666	567,384	538,163
County's contribution deficiency (excess)	\$ -	\$ -	\$ 224,638	\$ (224,638)	\$ 224,638	\$ 179,544	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 2,264,544	\$ 2,415,621	\$ 2,272,176	\$ 2,599,373	\$ 1,564,068	\$ 1,527,180	\$ 1,931,347	\$ 1,630,734	\$ 1,574,754	\$ 1,510,785
County's contributions as a percentage of covered payroll	54.14%	56.20%	54.38%	52.31%	51.93%	48.76%	51.43%	48.24%	36.03%	35.62%
PSPRS - Health Insurance Premium Benefit - Sheriff	Reporting Fiscal Year							2016 through 2014		
	2023	2022	2021	2020	2019	2018	2017			
Actuarially determined contribution	\$ 8,297	\$ 5,926	\$ 6,210	\$ 4,287	\$ 2,759	\$ -	\$ -	Information not available		
County's contributions in relation to the actuarially determined contribution	8,297	5,926	6,210	4,287	2,759	-	-			
County's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
County's covered payroll	\$ 2,264,544	\$ 2,415,621	\$ 2,272,176	\$ 2,599,373	\$ 1,564,068	\$ 1,527,180	\$ 1,931,347			
County's contributions as a percentage of covered payroll	0.37%	0.25%	0.27%	0.16%	0.18%	0.00%	0.00%			
PSPRS Pension - Attorney Investigators	Reporting Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,654	\$ 8,827	\$ 10,527	\$ -	\$ -
County's contributions in relation to the actuarially determined contribution	-	-	-	-	-	17,654	8,827	10,527	-	-
County's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
PSPRS - Health Insurance Premium Benefit - Attorney Investigators	Reporting Fiscal Year							2016 through 2014		
	2023	2022	2021	2020	2019	2018	2017			
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28	\$ 81	Information not available		
County's contributions in relation to the actuarially determined contribution	-	-	-	-	-	28	81			
County's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
County's covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
County's contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			

See accompanying notes to pension/OPEB plan schedules.

La Paz County
Required Supplementary Information
Schedule of County Pension/OPEB Contributions - Continued
June 30, 2023

CORP Detention - Pension

CORP Detention - Pension	Reporting Fiscal Year						
	2023	2022	2021	2020	2019	2018	2017
Statutorily determined contribution	\$ 121,804	\$ 139,598	\$ 119,310	\$ 152,766	\$ 135,052	\$ 114,742	\$ 102,641
County's contributions in relation to the							
statutorily determined contribution	121,804	139,598	119,310	152,766	135,052	114,742	102,641
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	<u>\$ 990,276</u>	<u>\$ 570,486</u>	<u>\$ 712,724</u>	<u>\$ 494,069</u>	<u>\$ 489,495</u>	<u>\$ 1,078,400</u>	<u>\$ 635,781</u>
County's contributions as a percentage of							
covered payroll	<u>12.30%</u>	<u>24.47%</u>	<u>16.74%</u>	<u>30.92%</u>	<u>27.59%</u>	<u>10.64%</u>	<u>16.14%</u>

**CORP Detention - Health Insurance Premium
Benefit**

Benefit	Reporting Fiscal Year						
	2023	2022	2021	2020	2019	2018	2017
Statutorily determined contribution	\$ 4,298	\$ -	\$ 4,490	\$ 593	\$ -	\$ 12,617	\$ -
County's contributions in relation to the							
statutorily determined contribution	4,298	-	4,490	593	-	12,617	-
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	<u>\$ 990,276</u>	<u>\$ 570,486</u>	<u>\$ 712,724</u>	<u>\$ 494,069</u>	<u>\$ 489,495</u>	<u>\$ 1,078,400</u>	<u>\$ 635,781</u>
County's contributions as a percentage of							
covered payroll	<u>0.54%</u>	<u>0.00%</u>	<u>0.63%</u>	<u>0.12%</u>	<u>0.00%</u>	<u>1.17%</u>	<u>0.00%</u>

Reporting Fiscal Year 2017 was the Plan's first year.

See accompanying notes to pension/OPEB plan schedules.

La Paz County
Required Supplementary Information
Notes to 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 value; 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 decreased 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% to 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.

La Paz County
Required Supplementary Information
Notes to Pension/OPEB Plan Schedules – Continued
June 30, 2023

Note 1 – Actuarially Determined Contribution Rates – Continued

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 RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females).

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 not based on actuarial valuations, 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.

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 liability thereby reducing the total pension liability.