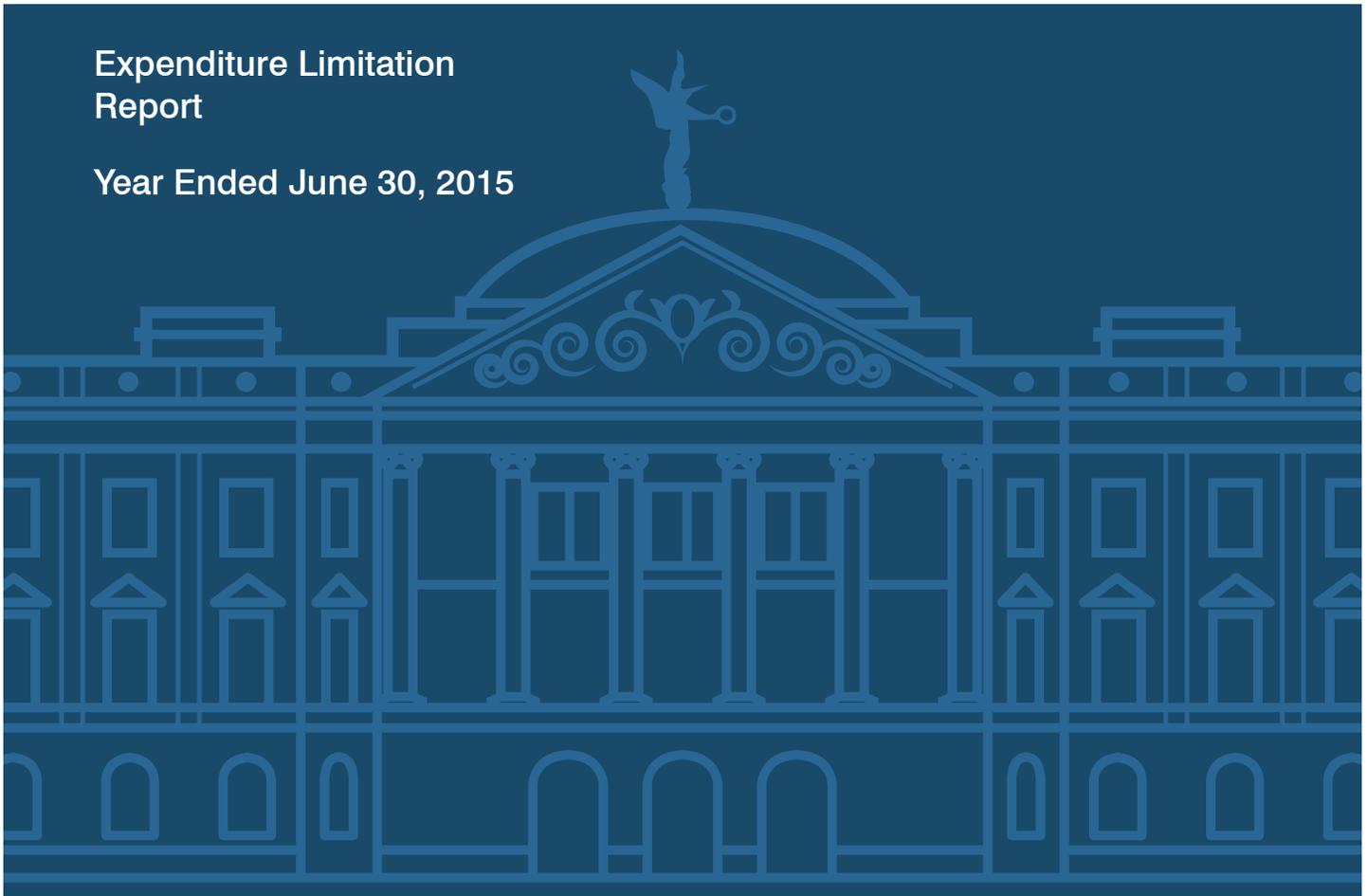


# Mohave County

Expenditure Limitation  
Report

Year Ended June 30, 2015



A Report to the Arizona Legislature

Debra K. Davenport  
Auditor General





The Auditor General is appointed by the Joint Legislative Audit Committee, a bipartisan committee composed of five senators and five representatives. Her mission is to provide independent and impartial information and specific recommendations to improve the operations of state and local government entities. To this end, she provides financial audits and accounting services to the State and political subdivisions, investigates possible misuse of public monies, and conducts performance audits and special reviews of school districts, state agencies, and the programs they administer.

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**DEBRA K. DAVENPORT, CPA**  
AUDITOR GENERAL

**STATE OF ARIZONA**  
OFFICE OF THE  
**AUDITOR GENERAL**

**MELANIE M. CHESNEY**  
DEPUTY AUDITOR GENERAL

**Independent accountants' report**

Members of the Arizona State Legislature

The Board of Supervisors of  
Mohave County, Arizona

We have examined the accompanying annual expenditure limitation report of Mohave County for the year ended June 30, 2015. The County's management is responsible for this report. Our responsibility is to express an opinion on this report based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the amounts and disclosures in the report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the annual expenditure limitation report referred to above presents, in all material respects, the information prescribed by the uniform expenditure reporting system as described in Note 1.

Jay Zsorey, CPA  
Financial Audit Director

August 31, 2016



**Mohave County**  
**Annual expenditure limitation report—part I**  
**Year ended June 30, 2015**

1. Economic Estimates Commission expenditure limitation	\$177,073,856
2. Amount subject to the expenditure limitation (total amount from part II, line C)	<u>82,339,955</u>
3. Amount under the expenditure limitation	<u>\$ 94,733,901</u>

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

Signature of Chief Fiscal Officer: \_\_\_\_\_

Name and Title: Coral Loyd, Financial Services Director

Telephone Number: (928) 753-0735 Date: August 31, 2016

See accompanying notes to report.

**Mohave County**  
**Annual expenditure limitation report—part II**  
**Year ended June 30, 2015**

Description	<u>Governmental funds</u>	<u>Enterprise funds</u>	<u>Internal service funds</u>	<u>Fiduciary funds</u>	<u>Total</u>
A. Amounts reported on the reconciliation, line D	\$ 120,091,953	\$ 6,716,947	\$ 19,179,197	\$ 281,980,963	\$ 427,969,060
B. Less exclusions claimed:					
Debt service requirements on other long-term obligations (Note 2)	5,038,507				5,038,507
Dividends, interest, and gains on the sale or redemption of investment securities (Note 3)	2,743,027	152,728	132,816		3,028,571
Trustee or custodian (Note 4)	2,323,968			281,980,963	284,304,931
Grants and aid from the federal government (Note 6)	10,844,169	124,486			10,968,655
Amounts received from the State of Arizona (Note 6)	7,973,394	437,219			8,410,613
Quasi-external interfund transactions (Note 5)	1,055,236		18,725,597		19,780,833
Highway user revenues in excess of those received in fiscal year 1979-80 (Note 6)	10,448,005				10,448,005
Contracts with other political subdivisions (Note 7)	2,415,706				2,415,706
Refunds, reimbursements, and other recoveries (Note 8)	1,233,284				1,233,284
Total exclusions claimed	<u>44,075,296</u>	<u>714,433</u>	<u>18,858,413</u>	<u>281,980,963</u>	<u>345,629,105</u>
C. Amounts subject to the expenditure limitation	<u>\$ 76,016,657</u>	<u>\$ 6,002,514</u>	<u>\$ 320,784</u>	<u>\$ -</u>	<u>\$ 82,339,955</u>

See accompanying notes to report.

**Mohave County**  
**Annual expenditure limitation report—reconciliation**  
**Year ended June 30, 2015**

Description	<u>Governmental funds</u>	<u>Enterprise funds</u>	<u>Internal service funds</u>	<u>Fiduciary funds</u>	<u>Total</u>
A. Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements	\$ 128,874,395	\$ 5,410,128	\$ 18,993,678	\$ 281,980,963	\$ 435,259,164
B. Subtractions:					
Items not requiring use of working capital:					
Depreciation		1,161,702	1,466,761		2,628,463
Claims incurred but not reported			1,564,364		1,564,364
Pension expense (Note 14)		106,070	210,700		316,770
Expenditures of separate legal entities established under Arizona Revised Statutes (Note 9)	597,454				597,454
Long-term care contributions withheld by the State Treasurer (Note 10)	7,977,787				7,977,787
Payments made to reimburse the Arizona Department of Health Services (Note 11)	<u>207,201</u>				<u>207,201</u>
Total subtractions	<u>8,782,442</u>	<u>1,267,772</u>	<u>3,241,825</u>		<u>13,292,039</u>
C. Additions:					
Principal payments on long-term debt			404,199		404,199
Acquisition of capital assets		2,294,064	1,083,235		3,377,299
Claims paid in the current year but reported as expenses incurred but not reported in previous years (Note 12)			1,732,310		1,732,310
Landfill closure and postclosure care costs (Note 13)		176,017			176,017
Pension contributions paid in the current year (Note 14)		<u>104,510</u>	<u>207,600</u>		<u>312,110</u>
Total additions		<u>2,574,591</u>	<u>3,427,344</u>		<u>6,001,935</u>
D. Amounts reported on part II, line A	<u>\$ 120,091,953</u>	<u>\$ 6,716,947</u>	<u>\$ 19,179,197</u>	<u>\$ 281,980,963</u>	<u>\$ 427,969,060</u>

See accompanying notes to report.

# **Mohave County**

## **Notes to annual expenditure limitation report**

### **Year ended June 30, 2015**

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

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

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

#### **Note 2**

The exclusion claimed for debt service requirements on other long-term obligations in the governmental funds consists of principal retirement and interest on beneficial interest certificates of \$4,871,313 and capital leases of \$167,194, for a total of \$5,038,507.

#### **Note 3**

The exclusion claimed in the governmental funds for dividends, interest, and gains on the sale or redemption of investment securities of \$2,743,027 is made up of amounts from the general fund and other governmental funds. From the general fund, it includes interest on investments expensed of \$65,953 and interest on delinquent taxes expensed of \$2,299,401, which was recorded as tax revenue, for a total of \$2,365,354. From the other governmental funds (both major and other), it consists of interest on investments of \$407,157 reduced by interest on investments of \$27,775 for the special assessment districts that were not included in the base limit, \$18 carryforward, and \$1,691 interest income on beneficial interest certificates monies.

#### **Note 4**

The exclusion claimed for trustee or custodian in the governmental funds consists of \$1,664,682 in county contributions to the Arizona Health Care Cost Containment System for acute care, uncompensated care, and administrative costs, and \$659,286 in expenditures made from anti-racketeering revenues reported as fines and forfeits in the governmental funds, for a total exclusion of \$2,323,968. Unspent anti-racketeering revenues of \$272,319 have been carried forward for exclusion when expended in future years. In the fiduciary funds, the exclusion consists of \$281,980,963 in distributions to investment pool participants.

**Mohave County**  
**Notes to annual expenditure limitation report**  
**Year ended June 30, 2015**

**Note 5**

The exclusion claimed for quasi-external interfund transactions in the internal service funds is the amount of expenses recorded in the internal service funds for revenues received for services provided to governmental funds. The exclusion claimed for quasi-external interfund transactions in the governmental funds is the amount of expenses recorded, equal to the revenues received for services provided to other governmental funds. The carryforward of \$2,719,601 represents the excess revenue over expenditures in the internal service funds.

**Note 6**

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

Description	Revenues	Amount excluded	Amount carried forward
Grants and aid from the federal government	\$10,868,075	\$10,844,169	\$ 23,906
Amounts received from the State of Arizona	8,074,060	7,973,394	100,666
Highway user revenues in excess of those received in fiscal year 1979-80	10,448,005	10,448,005	
Highway user revenues 1979-80—(nonexcludable)	1,099,723		
Other revenues—(nonexcludable)	<u>30,148,290</u>		
Total intergovernmental revenues as reported in the fund financial statements	<u>\$60,638,153</u>	<u>\$29,265,568</u>	<u>\$124,572</u>

The exclusion claimed for amounts received from the State of Arizona in the enterprise funds consists of \$437,219 in grant revenues in the landfill fund.

The exclusion claimed for grants and aid from the federal government of \$124,486 in the enterprise funds consists of grant revenues.

**Note 7**

The exclusion claimed for contracts with other political subdivisions of \$2,415,706 includes \$2,348,657 of charges for services expended and \$67,049 of miscellaneous revenues expended.

**Note 8**

The exclusion claimed for refunds, reimbursements, and other recoveries of \$1,233,284 includes \$1,148,742 of reimbursements expended for charges for services in the governmental and internal service funds, and \$84,542 of refunds expended for miscellaneous expenses in the governmental and internal service funds.

**Mohave County**  
**Notes to annual expenditure limitation report**  
**Year ended June 30, 2015**

**Note 9**

The subtraction of \$597,454 for separate legal entities established under Arizona Revised Statutes consists of expenditures of the television district that are included within the County's reporting entity, but not included in the Economic Estimates Commission base limit calculations, and are reported as general government expenditures in the other governmental funds.

**Note 10**

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

**Note 11**

The subtraction of \$207,201 for payments made to reimburse the Arizona Department of Health Services consists of county payments to reimburse the State for the cost of inpatient competency restoration treatment and part of the costs of committing an individual that the court determined to be sexually violent, as required by Laws 2014, Chapter 11, Sections 10 and 11, which were recorded as health expenditures.

**Note 12**

The addition of \$1,732,310 for claims paid in the current year, but reported as expenses incurred but not reported in previous years, consists of cash payments in the current year for claims recognized as an expense in previous years in the internal service funds.

**Note 13**

The addition of \$176,017 for landfill closure and postclosure care costs consists of the current year reduction in the estimated liability reported as a reduction of expenses in the current year in the enterprise funds.

**Note 14**

The subtraction of \$316,770 for pension expense consists of the change in the net pension liability recognized in the current year in the enterprise and internal service funds. The addition of \$312,110 for pension contributions paid in the current year consists of the required pension contributions made to Arizona State Retirement System from the enterprise and internal service funds.

