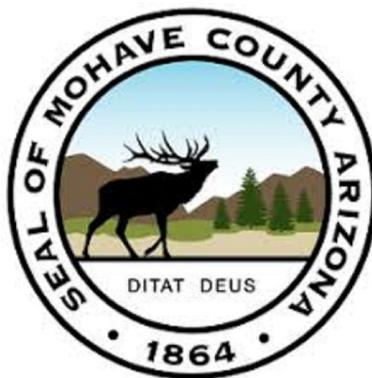


Mohave County
Annual Expenditure Limitation Report
Year Ended June 30, 2021



Mohave County
Annual Expenditure Limitation Report
Year ended June 30, 2021

| Table of contents | Page |
|---|------|
| Independent accountants' report | 1 |
| Annual expenditure limitation report—part I | 2 |
| Annual expenditure limitation report—part II | 3 |
| Annual expenditure limitation report—reconciliation | 4 |
| Notes to annual expenditure limitation report | 5-8 |



Independent Accountants' Report

The Arizona Auditor General

The Board of Supervisors of
Mohave County, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of Mohave County, Arizona (the County) for the year ended June 30, 2021, and the related notes to the report. The County's management is responsible for presenting this report in accordance with the Uniform Expenditure Reporting System as described in Note 1. Our responsibility is to express an opinion on this report based on our examination.

We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether this report is presented in accordance with the uniform expenditure reporting system in all material respects. An examination involves performing procedures to obtain evidence about the amounts and disclosures in the report. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material misstatement of the report, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Annual Expenditure Limitation Report referred to above is presented in accordance with the Uniform Expenditure Reporting System as described in Note 1 in all material respects.

Fester & Chapman, PLLC

July 29, 2022

Mohave County
Annual Expenditure Limitation Report—Part I
Year ended June 30, 2021

| | | |
|---|----------------|----------------|
| 1. Economic Estimates Commission expenditure limitation | | \$ 209,605,154 |
| 2. Amount subject to the expenditure limitation (total amount from part II, line C) | \$ 102,597,594 | |
| 3. Total adjusted amount subject to the expenditure limitation | | \$ 102,597,594 |
| 4. Amount under (in excess of) the expenditure limitation | | \$ 107,007,560 |

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: Coral Loyd

Name and title: Coral Loyd, Financial Services Director

Telephone number: (928) 753-0735 ext 4110 Date: 7/29/2022

See accompanying notes to report.

Mohave County
Annual Expenditure Limitation Report—Part II
Year ended June 30, 2021

| 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 | \$ 150,328,389 | \$ 8,440,216 | \$ 25,057,834 | \$ 445,224,026 | \$ 629,050,465 |
| B. Less exclusions claimed: | | | | | |
| 1. Debt service requirements (Note 2) | 142,635 | - | 349,380 | - | 492,015 |
| 2. Dividends, interest, and gains on the sale or redemption of investment securities (Note 3) | 4,292,340 | 31,380 | 48,479 | - | 4,372,199 |
| 3. Trustee or custodian (Note 4) | 2,032,183 | - | - | 445,224,026 | 447,256,209 |
| 4. Grants and aid from the federal government (Note 6) | 21,926,652 | 100,000 | - | - | 22,026,652 |
| 5. Amounts received from the State of Arizona (Note 6) | 8,214,057 | 529,685 | - | - | 8,743,742 |
| 6. Quasi-external interfund transactions (Note 5) | - | - | 19,403,029 | - | 19,403,029 |
| 7. Highway user revenues in excess of those received in fiscal year 1979-80 (Note 6) | 14,852,191 | - | - | - | 14,852,191 |
| 8. Contracts with other political subdivisions (Note 7) | 1,263,286 | - | 117,827 | - | 1,381,113 |
| 9. Refunds, reimbursements, and other recoveries (Note 8) | 577,463 | - | 1,267,775 | - | 1,845,238 |
| 10. Prior years carryforward (Note 9) | 5,938,700 | - | 141,783 | - | 6,080,483 |
| 11. Total exclusions claimed | <u>59,239,507</u> | <u>661,065</u> | <u>21,328,273</u> | <u>445,224,026</u> | <u>526,452,871</u> |
| C. Amounts subject to the expenditure limitation | <u>\$ 91,088,882</u> | <u>\$ 7,779,151</u> | <u>\$ 3,729,561</u> | <u>\$ -</u> | <u>\$ 102,597,594</u> |

See accompanying notes to report.

Mohave County
Annual Expenditure Limitation Report—Reconciliation
Year ended June 30, 2021

| Description | Governmental funds | Enterprise funds | Internal service funds | Fiduciary funds | Total |
|---|-----------------------|---------------------|------------------------------|-----------------------|-----------------------|
| A. Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements | \$ 159,914,568 | \$ 8,036,312 | \$ 24,743,503 | \$ 445,224,026 | \$ 637,918,409 |
| B. Subtractions: | | | | | |
| 1. Items not requiring use of current financial resources: | | | | | |
| a. Depreciation | - | 1,382,640 | 1,544,242 | - | 2,926,882 |
| b. Pension and other postemployment benefits (OPEB) expense (Note 10) | - | 454,341 | 362,659 | - | 817,000 |
| c. Claims incurred but not reported (IBNR) (Note 15) | - | - | 2,358,949 | - | 2,358,949 |
| d. Landfill closure and postclosure care costs and pollution remediation (Note 11) | - | 314,965 | - | - | 314,965 |
| 2. Expenditures of separate legal entities established under Arizona Revised Statutes (A.R.S.) (Note 12) | 538,720 | - | - | - | 538,720 |
| 3. Long-term care contributions the State Treasurer withheld (Note 13) | 9,047,459 | - | - | - | 9,047,459 |
| 4. Total subtractions | <u>9,586,179</u> | <u>2,151,946</u> | <u>4,265,850</u> | <u>-</u> | <u>16,003,975</u> |
| C. Additions: | | | | | |
| 1. Principal payments on long-term debt (Note 14) | - | - | 343,050 | - | 343,050 |
| 2. Capital asset acquisitions | - | 2,325,929 | 1,775,342 | - | 4,101,271 |
| 3. Amounts paid in the current year but reported as expenses in previous years: | | | | | |
| a. Claims previously recognized as IBNR (Note 15) | - | - | 2,150,495 | - | 2,150,495 |
| 4. Pension and OPEB contributions paid in the current year (Note 10) | - | 229,921 | 311,294 | - | 541,215 |
| 5. Total additions | <u>-</u> | <u>2,555,850</u> | <u>4,580,181</u> | <u>-</u> | <u>7,136,031</u> |
| D. Amounts reported on part II, line A | <u>\$ 150,328,389</u> | <u>\$ 8,440,216</u> | <u>\$ 25,057,834</u> | <u>\$ 445,224,026</u> | <u>\$ 629,050,465</u> |

See accompanying notes to report.

Mohave County
Notes to annual expenditure limitation report
Year ended June 30, 2021

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 (A.R.S.) §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 consists of principal retirement and interest expenditures on capital leases of \$492,015, including \$349,380 of expenditures in the internal service funds for capital leases.

Note 3 -The exclusion claimed for dividends, interest, and gains on the sale or redemption of investment securities of \$4,292,340, in the governmental funds, is comprised of the following: in the general fund includes investment earnings expended of \$170,368 and interest on delinquent taxes expended of \$3,877,765, which was recorded as tax revenue. From the other governmental funds (both major and other), it consists of interest on investments of \$264,582 reduced by interest on investments of \$8,880 for the special assessment districts that were not included in the base limit and \$11,495 carried forward.

Note 4 - The exclusion claimed for trustee or custodian in the governmental funds consists of \$1,523,500 in county contributions to the Arizona Health Care Cost Containment System for acute care, uncompensated care, and administrative costs; and \$508,683 in expenditures made from anti-racketeering revenues reported as fines and forfeits in the governmental funds, for a

Mohave County
Notes to annual expenditure limitation report
Year ended June 30, 2021

total exclusion of \$2,032,183. In the fiduciary funds, the exclusion consists of \$445,224,026 in distributions to investment pool participants.

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. In the current year, \$141,783 was excluded in note 9, from prior year carryforwards and represents the excess expenditures over revenue 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 | \$ 21,989,677 | \$ 21,926,652 | \$ 63,025 |
| Amounts received from the State of Arizona | 8,335,815 | 8,214,057 | 121,758 |
| Highway user revenues in excess of those received in fiscal year 1979-80 | 14,852,191 | 14,852,191 | |
| Highway user revenues -(nonexcludable) | 1,103,869 | | |
| Other revenues—(nonexcludable) | 47,781,541 | | |
| Total intergovernmental revenues as reported in the fund financial statements | \$ 94,063,093 | \$ 44,992,900 | \$ 184,783 |

The exclusion claimed for amounts received from the State of Arizona in the Enterprise funds consists of \$529,685 in grant revenues in the landfill fund.

The exclusion claimed for grants and aid from the federal government of \$100,000 in the enterprise funds consists of federal in lieu revenues.

Mohave County
Notes to annual expenditure limitation report
Year ended June 30, 2021

Note 7 - The exclusion claimed for contracts with other political subdivisions of \$1,381,113 includes \$1,287,308 of charges for services expended (\$1,169,481 in the governmental funds and \$117,827 in the internal service funds) and \$93,805 of miscellaneous revenues expended.

Note 8 - The exclusion claimed for refunds, reimbursements, and other recoveries of \$1,845,238, includes \$1,478,717 of charges for services broken down as follows: the governmental funds had \$139,635 of Private health Insurance reimbursements, \$69,759 prosecution reimbursements and misc. reimbursements of \$1,548. The internal service funds had \$570,418 in Charges for services of health insurance reimbursements, \$683,654 of other insurance reimbursements, and \$13,703 in miscellaneous reimbursements. The remaining miscellaneous income of \$366,521 was refunds expended in the governmental funds and included reimbursements for road projects of \$275,147, \$85,308 of rebates in the General fund and a \$6,066 legal refund.

Note 9 - Prior years' carryforward consists of constitutionally excludable revenues unexpended in the year of receipt that have been accumulated and were expended in the current year as follows:

| Description | Governmental funds | Internal service funds |
|--------------------------------------|---------------------|------------------------|
| Amounts accumulated for construction | \$ 5,722,705 | |
| Trustee or custodian | \$ 28,728 | |
| Grant funds | \$ 187,267 | |
| Quasi-external | | \$141,783 |
| Total Carry forward applied | <u>\$ 5,938,700</u> | <u>\$ 141,783</u> |

Mohave County
Notes to annual expenditure limitation report
Year ended June 30, 2021

Note 10 - The subtraction of \$817,000 for pension and other postemployment benefit (OPEB) expense consists of the change in the net pension and OPEB liability recognized in the current year in the enterprise and internal service funds. The addition of \$ 541,215 for pension and OPEB contributions paid in the current year consists of the required pension and OPEB contributions made to the Arizona State Retirement System from the enterprise and internal service funds.

Note 11 - The subtraction of \$314,965 for landfill closure and postclosure care costs consists of that portion of the total estimated liability reported as expenses in the current year but not yet paid in the enterprise funds.

Note 12 - The subtraction of \$538,720 for separate legal entities established under Arizona Revised Statutes consists of expenditures of the television district. This is included within the County's reporting entity, but not included in the Economic Estimates Commission base limit calculations and are reported in the governmental funds category in the fund financial statements.

Note 13 - The subtraction for long-term care contributions the State Treasurer withheld consists of transaction privilege taxes the State Treasurer withheld to meet the County's share of long-term care costs that was reported as a revenue and an offsetting expenditure in the governmental funds. Consequently, this expenditure has been subtracted on the reconciliation.

Note 14 - The addition of \$343,050 for principal payments on long-term debt in the Internal service funds consists of capital lease payments on leased computers and copiers.

Note 15 - The subtraction of \$2,358,949 for claims incurred but not reported consists of the estimated costs of claims incurred and expensed in the current year but not yet paid in the internal service funds. The addition of \$2,150,495 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.