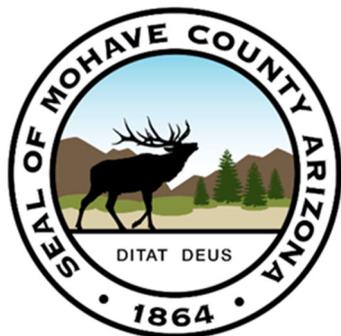


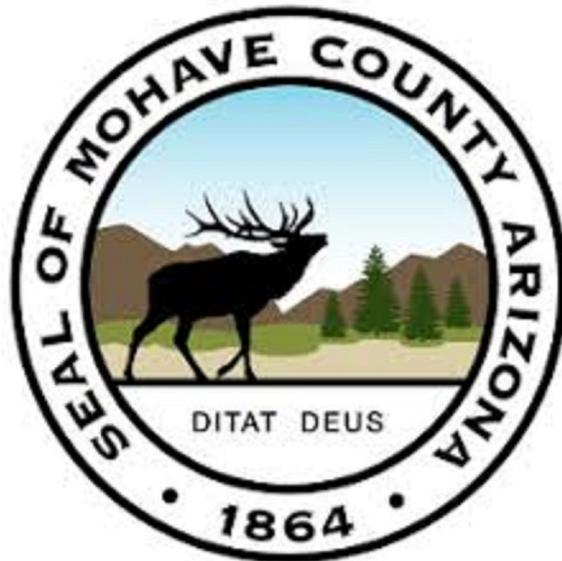
# Mohave County, Arizona



**Fiscal Year 2020-2021  
Annual Financial Report  
June 30, 2021**



**MOHAVE COUNTY**  
**ANNUAL FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 2021**



MOHAVE COUNTY  
ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2021

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## INDEPENDENT AUDITORS' REPORT

The Arizona Auditor General

The Board of Supervisors of  
Mohave County, Arizona

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and aggregate remaining fund information of Mohave County as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes 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.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and aggregate remaining fund information of Mohave County as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

## ***Emphasis of Matter***

As discussed in Note 1 to the financial statements, for the year ended June 30, 2021, the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities. 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, 2021, to correct a misstatement in its previously issued financial statements. Our opinions are not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis on pages 7 through 24, Budgetary Comparison Schedules on pages 86 through 90, Schedule of the County's Proportionate Share of the Net Pension/OPEB Liability – Cost-Sharing Plans on pages 92 through 94, Schedule of Changes in the County's Net Pension/OPEB Liability (Asset) and Related Ratios – Agent Plans on pages 95 through 98, and Schedule of County's Pension Contributions on pages 99 through 101 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Compliance over the Use of Highway User Revenue Fund and Other Dedicated State Transportation Revenue Monies***

In connection with our audit, nothing came to our attention that caused us to believe that the County failed to comply with the authorized transportation purposes, insofar as they relate to accounting matters, for highway user revenue fund monies it received pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2, and any other dedicated State transportation revenues it received. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the County's noncompliance with the authorized transportation purposes referred to above, insofar as they relate to accounting matters.

The communication related to compliance over the use of highway user revenue fund and other dedicated State transportation revenue monies in the preceding paragraph is intended solely for the information and use of the members of the Arizona State Legislature, the Arizona Auditor General, the Board of Supervisors, management, and other responsible parties within the County and is not intended to be and should not be used by anyone other than these specified parties.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2022 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*Fester & Chapman, PLLC*

June 21, 2022



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



MOHAVE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021

Our discussion and analysis of the County's financial performance provides an overview of the County's financial activities for the year ended June 30, 2021. Please read the following discussion in conjunction with the County's basic financial statements.

**FINANCIAL HIGHLIGHTS**

- The County's total net position reported in the Statement of Activities increased by \$21.6 million. The increase is comprised of a \$21.9 million increase in governmental activities net position and a decrease of \$.3 million in business-type activities net position.
- Total governmental liabilities increased by \$41.9 million from the prior year primarily due to \$20.6 million in American Rescue Plan Act of 2021 (ARPA) funds that were received but remained unspent at the end of the fiscal year; \$3.6 million in unearned revenue for federal emergency rental assistance grants, and a \$19 million increase in pension liabilities, offset by decreases in accounts payable and deposits held for others.
- Total governmental assets increased by \$45 million because of a \$38 million increase in cash and investments from Coronavirus Aid, Relief, and Economic Security Act (CARES) and ARPA funding and a \$9.6 million increase in new capital assets from a library expansion project and completion of a law and justice center project.
- A major fund was established for the ARPA relief funding allocation of \$20.6 million.
- The Capital Improvement Fund balance increased \$3.7 million primarily due to \$10.5 million transferred from the General Fund offset by \$7 million in final construction expenditures for the Law and Justice Center.
- The General Fund balance increased \$10.5 million. Revenues increased \$12.7 million to a total of \$109.4 million in revenues. Revenues were offset by \$88.2 million in expenditures, a \$2.4 million increase, and a net transfer out of \$10.8 million. There was also a \$100 thousand inflow of other financing sources from sale of assets.
- Construction in progress decreased by \$25 million because of completion of the Law and Justice Center, flood control projects, landfill improvements and the Kingman library expansion.
- The total pension liability increased by \$19.6 million from the prior year, primarily due to actuarial valuation changes. The liability includes five different pension plans discussed in detail in the notes to the financial statements.

**OVERVIEW OF FINANCIAL STATEMENTS**

The intent of the discussion and analysis is to serve as an introduction to Mohave County's basic financial statements. Mohave County's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements.

The government-wide financial statements are designed to provide readers with a broad overview of Mohave County's finances, in a manner similar to private-sector business.

MOHAVE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021

The *Statement of Net Position* presents information on all of Mohave County's assets, liabilities, deferred outflows and deferred inflows 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 Mohave County is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of Mohave County that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Mohave County include general government, public safety, highways and streets, health and welfare, sanitation, culture and recreation, and education. The business-type activities of Mohave County include water utilities, recreation, and landfill operations.

The government-wide financial statements not only include Mohave County itself (the primary government) but also the legally separate Library District, Flood Control District, Television District and other County governed district(s). These districts function for all practical purposes as departments of the County, and therefore have been included as an integral part of the County. The Mohave County Television District provides and maintains communication equipment for TV signals. The Library District provides and maintains library services for County residents. The Flood Control District provides for flood control infrastructure throughout the County. And the Holiday Shores Lighting District provides street lighting for the Holiday Shores area of Bullhead City. Financial information for these blended component units is combined with the financial information presented for the primary government itself.

**Fund financial statements** are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. Mohave County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Mohave County can be divided into three categories: *governmental funds, proprietary funds, and fiduciary funds*.

**Governmental funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenue, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

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MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021

Mohave County maintains numerous individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenue, expenditures, and changes in fund balances for the General Fund, Road Fund, Flood Control Fund, County Capital Improvement Fund and American Rescue Plan Act Fund all of which are major governmental funds. Data from the other non-major governmental funds are combined into a single, aggregated presentation, under the heading Other Governmental Funds.

Mohave County adopts an annual appropriated budget for all its funds. A budgetary comparison schedule has been provided for the General Fund and the major special revenue funds to demonstrate compliance with their budgets.

**Proprietary funds** include two different types of funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Mohave County uses enterprise funds to account for its water utilities, park services, and landfill operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among Mohave County's various functions. Mohave County uses internal service funds to account for its fleet of vehicles, employee benefit health insurance trust, self-insurance trust, janitorial services, communication services, and management information systems. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for the water utilities, park services and the landfill operations, which are major funds of Mohave County. The internal service funds are combined into a single, aggregated presentation in the proprietary funds' financial statements.

**Fiduciary funds** account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Mohave County's own programs.

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

**Required supplementary information** includes budgetary comparison schedules and Mohave County's progress in funding its obligation to provide pension and other postemployment benefits to eligible employees.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, the County's assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$331.8 million, \$21.6 million higher than the prior year.

The largest portion of Mohave County's net position, 85 percent, reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment) less accumulated depreciation. Mohave County uses these capital assets to provide services to citizens; thus, these assets are not available for future spending. The remaining 15 percent of net position is divided into restricted and unrestricted net position. Restricted net position represents resources subject to external restrictions on how the resources may be used. At the end of the fiscal year, unrestricted net position was negative in governmental activities primarily due to the County's net pension and other post-employment benefits liability. The largest change in the net position occurred in the governmental activities. The business-type activities accounted for a small percent of the changes in the Government-wide net position. The changes are discussed separately under the following sections: Governmental activities-net position highlights,

MOHAVE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021

Business-type activities-net position highlights, and Capital Assets and Debt Administration.

The explanations for the differences between the fund-based statements and the government-wide statements can be seen in the reconciliations on pages 32 and 34 of the financial statements.

Current and other assets experienced an increase of \$33.6 million from of an increase in cash and investments attributable to a \$10 million increase in program revenue primarily in operating grants and contributions; \$5 million increase in general revenue; and \$20 million in ARPA funding that was received but remained unspent at year-end; and offset mainly by a decrease in receivables.

The \$21.6 million increase in other liabilities is primarily due to ARPA funds remaining unspent at year-end.

The government-wide restricted net position decreased from the prior year by \$ 8.4 million. This decrease reflects amounts the County expended from the Federal government for the CARES Act stimulus award and a federal emergency rental assistance program grant award.

The government-wide unrestricted net position reflects a decrease of \$17 million in the negative net position. The negative fund balance is the result of adding the pension liability and related accounts. This reduction has two sources; current year pension adjustments and increased unrestricted revenues.

The increase of 3.5 percent or \$9.8 million in the net investment in capital assets can be attributed to the completion of the Law and Justice Center, the Kingman library expansion, landfill improvements, and Golden Valley Improvement District standpipe project.

MOHAVE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021

<b>Government-wide Net Position As of June 30,</b>				
	2021	As Restated 2020	Increase (Decrease)	% Change
Current assets and other assets	\$ 202,628,858	\$ 163,839,337	\$ 38,789,521	23.68%
Capital assets	284,260,617	273,755,048	10,505,569	3.84%
Net pension and other postemployment benefits asset	1,911,246	1,826,548	84,698	4.64%
Total assets	488,800,721	439,420,933	49,379,788	11.24%
Deferred outflows related to pensions and other postemployment benefits	28,745,969	18,589,986	10,155,983	54.63%
Long-term liabilities outstanding	149,368,778	128,931,473	20,437,305	15.85%
Other liabilities	34,426,757	10,885,235	23,541,522	216.27%
Total liabilities	183,795,535	139,816,708	43,978,827	31.45%
Deferred inflows related to pensions and other postemployment benefits	1,920,737	7,957,136	(6,036,399)	-75.86%
Net position:				
Net investment in capital assets	283,526,705	273,755,048	9,771,657	3.57%
Restricted	60,900,696	66,084,319	(5,183,623)	-7.84%
Unrestricted	(12,596,983)	(29,602,292)	17,005,309	-57.45%
Total net position	\$ 331,830,418	\$ 310,237,075	\$ 21,593,343	6.96%

MOHAVE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021

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

	2021	As Restated 2020	Increase (Decrease)	% Change
Current assets and other assets	\$ 180,904,888	\$140,560,145	\$ 40,344,743	28.70%
Capital assets	264,729,047	255,144,675	9,584,372	3.76%
Net pension and other postemployment benefits asset	1,900,115	1,822,681	77,434	4.25%
Total assets	<u>447,534,050</u>	<u>397,527,501</u>	<u>50,006,549</u>	<u>12.58%</u>
Deferred outflows related to pensions and other postemployment benefits	<u>28,159,012</u>	<u>18,320,323</u>	<u>9,838,689</u>	<u>53.70%</u>
Long-term liabilities outstanding	136,548,537	117,149,172	19,399,365	16.56%
Other liabilities	33,544,164	9,113,661	24,430,503	268.06%
Total liabilities	<u>170,092,701</u>	<u>126,262,833</u>	<u>43,829,868</u>	<u>34.71%</u>
Deferred inflows related to pensions and other postemployment benefits	<u>1,877,506</u>	<u>7,775,379</u>	<u>(5,897,873)</u>	<u>-75.85%</u>
Net position:				
Net investment in capital assets	263,995,135	255,144,675	8,850,460	3.47%
Restricted	52,402,916	56,827,859	(4,424,943)	-7.79%
Unrestricted	<u>(12,675,196)</u>	<u>(30,162,922)</u>	<u>17,487,726</u>	<u>-57.98%</u>
Total net position	<u>\$ 303,722,855</u>	<u>\$281,809,612</u>	<u>\$ 21,913,243</u>	<u>7.78%</u>

**Governmental activities—net position highlights** Cash balances increased by \$40 million. More than half of that balance was due to unspent grant revenue, mostly ARPA and COVID related. The balance was due to a booming state economy that produced increased charges for services revenue, sales tax revenue and other intergovernmental state shared revenue. Expenses increased, but only at 18% of that of revenues. Long-term liabilities: As a result of an actuarial valuation of the total pension liability performed as of June 30, 2021 and measurement date of June 30, 2020, deferred outflows related to pensions increased by \$9.8 million and deferred inflows of resources decreased by \$5.9 million. The pension liability increased by \$18.9 million, accounting for the largest portion of the increase in long-term liabilities. Capital leases and compensated absences accounted for the remaining increase in long-term liabilities outstanding. No large new debt was incurred and with payments on the remaining long-term liabilities, the total increase was \$19.4 million or 16.56 percent from the prior year. Other liabilities had a net increase of \$24.4 million due to the \$20.6 increase in unearned revenue for ARPA award and \$3.9 in unearned revenue for ERAP award and other grants, offset by decreases in deposits held for others and accounts payable. Decreases in accounts payable and in the deposits held for others reflect timing differences in payments from one year to the next. The reason for the decrease in negative unrestricted net position is the same as government-wide.

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MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021

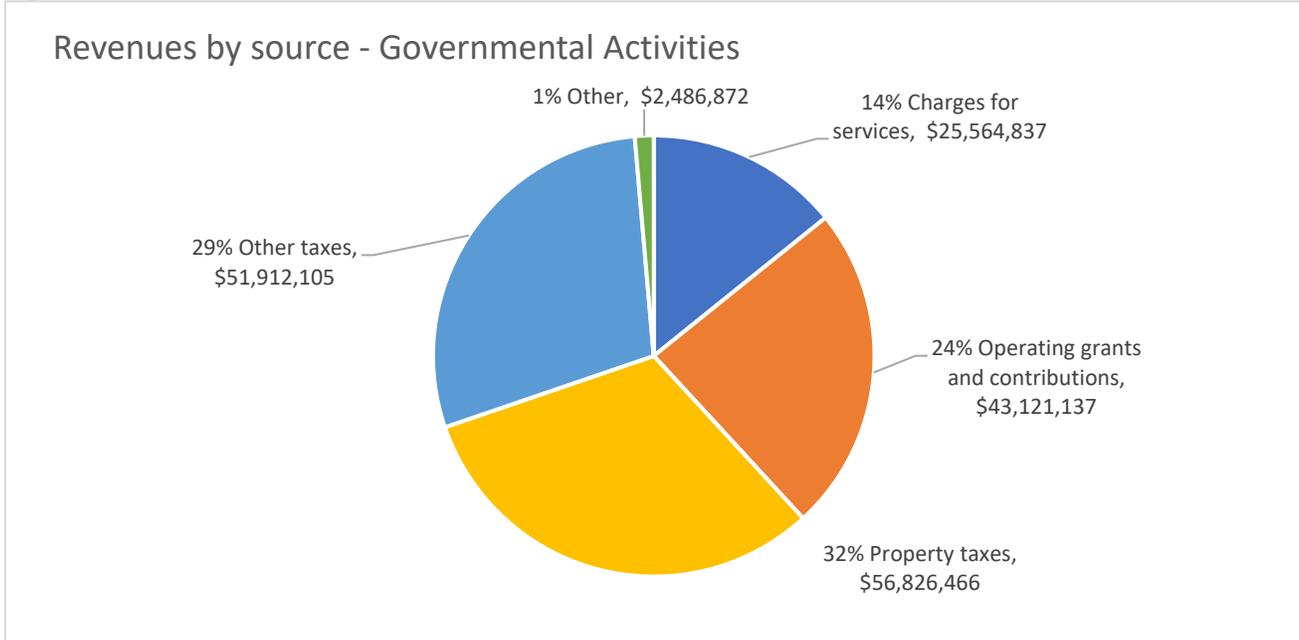
**Governmental Activities**  
**Comparative Statement of Activities**  
**Year Ended June 30,**

	As Restated 2021	As Restated 2020	Increase (Decrease)	% Change
<b>Revenues:</b>				
Program revenues				
Charges for services	\$ 25,564,837	\$ 22,368,412	\$ 3,196,425	14.29%
Operating grants and contributions	43,121,137	36,803,389	6,317,748	17.17%
Total program revenues	<u>68,685,974</u>	<u>59,171,801</u>	<u>9,514,173</u>	<u>16.08%</u>
General revenues				
Property taxes	56,826,466	53,328,407	3,498,059	6.56%
Other taxes	51,912,105	47,804,926	4,107,179	8.59%
Other revenues	2,486,872	5,092,070	(2,605,198)	-51.16%
Total general revenues	<u>111,225,443</u>	<u>106,225,403</u>	<u>5,000,040</u>	<u>4.71%</u>
Total revenues	<u>179,911,417</u>	<u>165,397,204</u>	<u>14,514,213</u>	<u>8.78%</u>
<b>Expenses:</b>				
General government	54,911,793	58,353,487	(3,441,694)	-5.90%
Public safety	53,969,092	44,594,368	9,374,724	21.02%
Highways and streets	17,581,680	12,350,952	5,230,728	42.35%
Health	16,801,319	16,582,460	218,859	1.32%
Welfare	8,598,614	5,086,151	3,512,463	69.06%
Sanitation	84,823	46,358	38,465	82.97%
Culture and recreation	4,310,020	5,957,236	(1,647,216)	-27.65%
Education	2,797,860	2,636,480	161,380	6.12%
Interest on long-term debt	21,834	34,881	(13,047)	-37.40%
Total expenses	<u>159,077,035</u>	<u>145,642,373</u>	<u>13,434,662</u>	<u>9.22%</u>
Inc. (Dec.) in net position before transfers	20,834,382	19,754,831	1,079,551	5.46%
Transfers	1,078,861	225,899	852,962	377.59%
Inc. (Dec.) in net position after transfers	21,913,243	19,980,730	1,932,513	9.67%
Net position beginning of year	281,809,612	261,828,882	19,980,730	7.63%
Net position end of year	<u>\$ 303,722,855</u>	<u>\$ 281,809,612</u>	<u>\$ 21,913,243</u>	<u>7.78%</u>

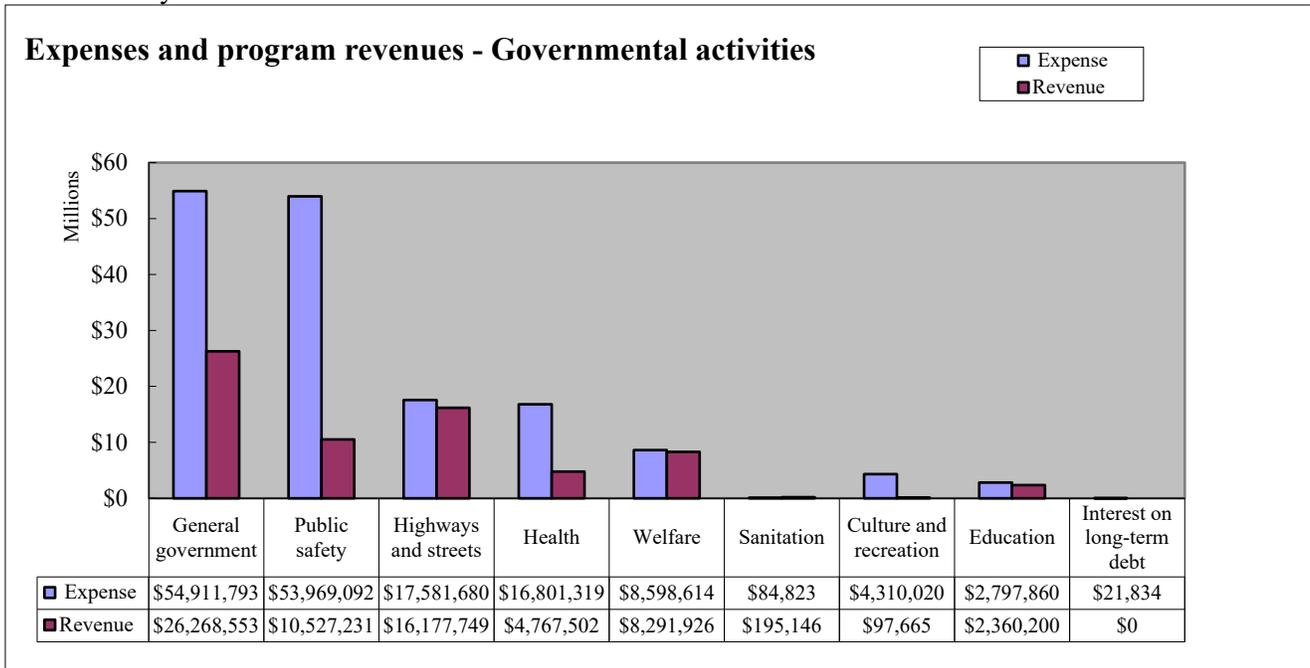
**Governmental activities—comparative statement of activities highlights:** The current year governmental activities financial statements reflect an increase in total general revenue and program revenue. The largest increase in program revenue was in operating grants and contributions mostly attributable to increased Federal awards for emergency rental assistance affiliated with Covid-19 and an increase in highway user funds. The largest increase in general revenue was due to increased collections of delinquent property tax through the tax deed sale process, and other tax receipts. Other revenue decreased by 51 percent primarily due to a \$3 million decrease in investment earnings from lower interest rates offset by an increase in miscellaneous revenue. Expenses increased 9 percent and while general government expenses decreased slightly, public safety expenses increased 21 percent accounting for a full year of prior year retention adjustments combined with a 2.5 percent increase in compensation provided to all eligible employees, and an increase in the number of public safety officers. These increases were offset somewhat by vacancy savings. Additions of pension activity and capital asset activity are also reflected in public safety and highways and streets. The increase in the welfare category corresponds with the increase in emergency rental assistance grants. The increase in sanitation reflects additional efforts in nuisance abatement. Mohave County does not have any capital project related long-term debt and the interest noted is attributable to computer and copy machine leases. The transfer in the current year reflects transfers to the General Fund from the Landfill Fund. Other increases are discussed later in a detailed discussion of the General Fund.

MOHAVE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021

The chart below represents all revenues collected from governmental activities, including general revenues, as reported in the Statement of Activities.



The following graph represents the expenses and program revenue for governmental activities reported in the *Statement of Activities*. Program revenue does not include the general revenue listed on the bottom portion of the *Statement of Activities*. Total revenue generated by governmental activities (program revenue and general revenue) were \$183.5 million. General revenue of \$111.2 million are not included in this graph, though they represent 61 percent of total revenue reported for governmental activities. While this graph indicates expenses exceeded program revenue, the addition of general revenue resulted in an increase to net position of \$25.5 million for the fiscal year.



MOHAVE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021

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

	2021	2020	Increase (Decrease)	% Change
Current assets and other assets	\$ 21,723,970	\$ 23,279,192	\$ (1,555,222)	-6.68%
Capital assets	19,531,570	18,610,373	921,197	4.95%
Net pension and other postemployment benefits asset	11,131	3,867	7,264	187.85%
Total assets	<u>41,266,671</u>	<u>41,893,432</u>	<u>(626,761)</u>	<u>-1.50%</u>
Deferred outflows related to pensions and other postemployment benefits	586,957	269,663	317,294	117.66%
Long-term liabilities outstanding	12,820,241	11,782,301	1,037,940	8.81%
Other liabilities	882,593	1,771,574	(888,981)	-50.18%
Total liabilities	<u>13,702,834</u>	<u>13,553,875</u>	<u>148,959</u>	<u>1.10%</u>
Deferred inflows related to pensions and other postemployment benefits	43,231	181,757	(138,526)	-76.21%
Net position:				
Net investment in capital assets	19,531,570	18,610,373	921,197	4.95%
Restricted	8,497,780	9,256,460	(758,680)	-8.20%
Unrestricted	78,213	560,630	(482,417)	-86.05%
Total net position	<u>\$ 28,107,563</u>	<u>\$ 28,427,463</u>	<u>\$ (319,900)</u>	<u>-1.13%</u>

**Business-type activities—net position highlights:** Deferred outflows related to pensions and deferred inflows related to pensions should be netted together for net of \$543 thousand. This is a \$456 thousand deferred outflow increase or 519 percent net increase from the prior year in net deferred inflows and outflows and represents County contributions to the pension plan for employees in the business-type funds. Long-term liabilities increased \$1 million for two primary reasons 1) \$300 thousand increase in landfill closure and post-closure costs that provide for estimated future closure costs of the Cerbat and Mohave Valley landfills; and 2) \$700 thousand increase in net pension and other postemployment benefits liability. Other liabilities decreased \$889 thousand as a result of a decrease in accounts payable claims. The decline in restricted net position was primarily due to an increase in net investment in capital assets in the landfill, water utilities, and other enterprise funds. A decrease of \$482 thousand in unrestricted net position is attributable to pension adjustments and increase in capital asset investment in the Parks Fund.

MOHAVE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021

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

	2021	2020	Increase (Decrease)	% Change
<b>Revenues:</b>				
Program revenues				
Charges for services	\$ 7,932,026	\$ 7,788,204	\$ 143,822	1.85%
Operating grants and contributions	529,685	466,974	62,711	13.43%
Total program revenues	<u>8,461,711</u>	<u>8,255,178</u>	<u>206,533</u>	<u>2.50%</u>
General revenues				
Other revenues	302,182	118,731	183,451	154.51%
Unrestricted investment earnings	31,380	600,016	(568,636)	-94.77%
Total general revenues	<u>333,562</u>	<u>718,747</u>	<u>(385,185)</u>	<u>-53.59%</u>
Total revenues	<u>8,795,273</u>	<u>8,973,925</u>	<u>(178,652)</u>	<u>-2.03%</u>
<b>Expenses:</b>				
Landfill	1,932,772	2,093,886	(161,114)	-7.69%
Recreation	2,934,907	2,510,042	424,865	16.93%
Water companies	3,168,633	2,410,833	757,800	31.43%
Total expenses	<u>8,036,312</u>	<u>7,014,761</u>	<u>1,021,551</u>	<u>14.56%</u>
Increase in net position before transfers	758,961	1,959,164	(1,200,203)	-61.26%
Transfers	(1,078,861)	(225,899)	(852,962)	-377.59%
Inc. (Dec.) in net position after transfers	<u>(319,900)</u>	<u>1,733,265</u>	<u>(2,053,165)</u>	<u>-118.46%</u>
Net position beginning of year	28,427,463	26,694,198	1,733,265	6.49%
Net position end of year	<u>\$ 28,107,563</u>	<u>\$ 28,427,463</u>	<u>\$ (319,900)</u>	<u>-1.13%</u>

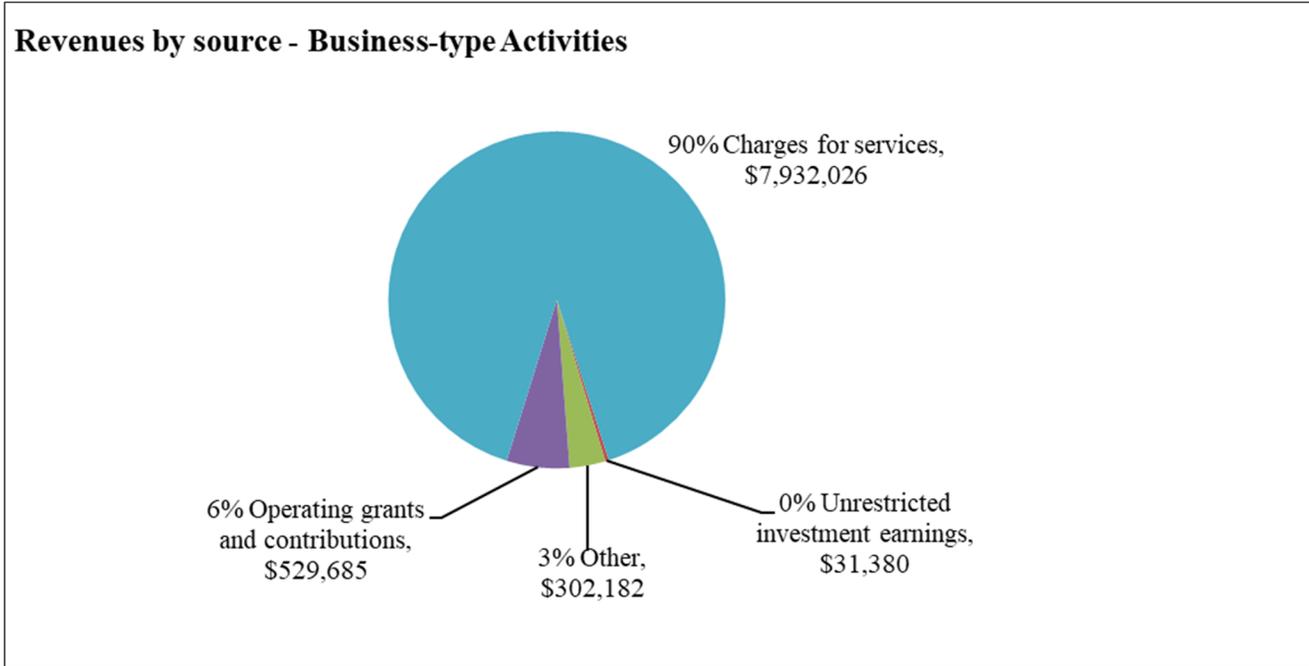
**Business-type activities—comparative statement of activities highlights: Analysis of revenue and expense changes—** The *Business-type activities comparative statement of activities* schedule above shows a 2 percent decrease in total revenue for the year and nearly a 15 percent increase in total expenses.

Charges for services increased in the landfill and water companies and was offset by slight decreases in the parks and other enterprise funds resulting in 2 percent increase overall. Operating grants and contributions increased mainly due to growth in State monies distributed to counties for operation of waste tire collection sites. Total general revenue experienced a net decrease of \$385 thousand resulting from a \$569 thousand decrease in investment earnings, due to a decline in funds invested and low interest rates, that was offset by a \$183 thousand increase in miscellaneous revenue, mainly from a contractual related water utilities payment.

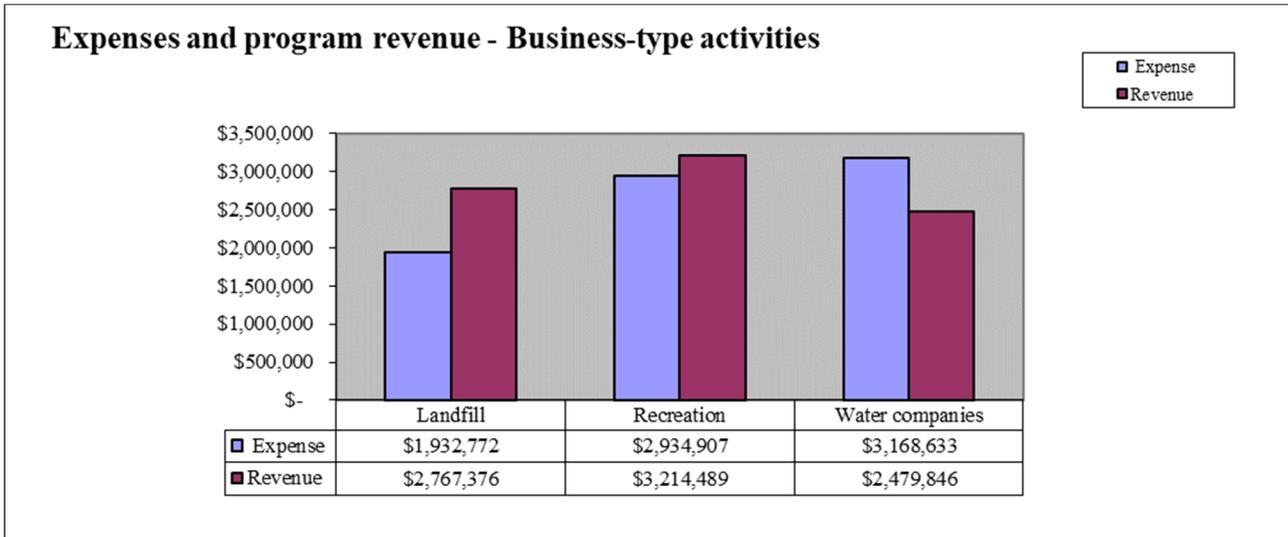
The net increase in expenses is a result of increases in recreation due to the need for additional personnel arising from an influx in visitors to the area combined with an increase in supply costs; the water companies expenses reflect an increase in personnel services, supply costs, professional services and repair and maintenance. The increases were offset slightly by a decrease in landfill expenses primarily in professional services. Transfers out increased by \$853 thousand due to a transfer from the Landfill Fund to the General Fund.

MOHAVE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021

The chart below represents all revenues collected from business-type activities, including general revenues, as reported in the Statement of Activities.



The graph below represents the expenses and program revenues for business-type activities as reported in the Statement of Activities. Please note that program revenue does not include the general revenues on the bottom portion of the statement.



MOHAVE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021

**Financial Analysis of the Government's Funds**

Mohave County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and generally accepted accounting principles (GAAP).

Governmental funds—The focus of Mohave County’s governmental funds is to provide information on near- term inflows, outflows, and balances of spendable sources. Such information is useful in assessing Mohave County’s financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

Mohave County’s governmental funds reported a combined increase in ending fund balances from the prior year. Fund balances for the Road Fund, Flood Control Fund, County and Capital Improvement Fund are nonspendable, restricted, or committed and can only be used for specific purposes. The Other Governmental Funds have all the same types of fund balances listed above, and in addition, have unrestricted fund balances. The American Rescue Plan Act Fund has only unrestricted fund balances, per the Federal grant guidelines. This is a new Federal grant. The first installment was received at end of the current year and this, and future funding, must be obligated by December 31, 2024 and spent by December 31, 2025. The performance period is March 2021 to December 2025.

**Comparative Balance Sheet  
Governmental Funds  
As of June 30,**

	General Fund	Road Fund	Flood Control Fund	County Capital Improvement Fund	American Rescue Plan Act Fund	Other Governmental Funds	Total Governmental Funds
<b>2020, as restated</b>							
Assets	\$ 51,124,562	\$ 17,737,849	\$ 9,413,983	\$ 10,545,195	-	\$ 27,398,418	\$ 116,220,007
Liabilities	3,551,770	801,467	769,716	1,566,511	-	2,238,969	8,928,433
Deferred inflows	2,157,613	-	659,278	-	-	879,399	3,696,290
Fund balance	<u>45,415,179</u>	<u>16,936,382</u>	<u>7,984,989</u>	<u>8,978,684</u>	<u>-</u>	<u>24,280,050</u>	<u>103,595,284</u>
<b>2021</b>							
Assets	61,563,016	19,108,733	8,563,717	12,845,528	\$ 20,690,323	33,797,870	156,569,187
Liabilities	3,857,425	2,049,976	114,090	134,031	20,606,836	6,228,472	32,990,830
Deferred inflows	1,818,820	75,554	465,406	-	-	1,166,288	3,526,068
Fund balance	<u>55,886,771</u>	<u>16,983,203</u>	<u>7,984,221</u>	<u>12,711,497</u>	<u>83,487</u>	<u>26,403,110</u>	<u>120,052,289</u>
<b>Increase (decrease)</b>							
Assets	10,438,454	1,370,884	(850,266)	2,300,333	20,690,323	6,399,452	40,349,180
Liabilities	305,655	1,248,509	(655,626)	(1,432,480)	20,606,836	3,989,503	24,062,397
Deferred inflows	(338,793)	75,554	(193,872)	-	-	286,889	(170,222)
Fund balance	<u>\$ 10,471,592</u>	<u>\$ 46,821</u>	<u>\$ (768)</u>	<u>\$ 3,732,813</u>	<u>\$ 83,487</u>	<u>\$ 2,123,060</u>	<u>\$ 16,457,005</u>
<b>% change</b>							
Assets	20.42%	7.73%	-9.03%	21.81%	100%	23.36%	34.72%
Liabilities	8.61%	155.78%	-85.18%	-191%	100%	178.18%	269.50%
Deferred inflows	-15.70%	-	-29.41%	-	-	32.62%	-4.61%
Fund balance	23.06%	0.28%	-0.01%	41.57%	-	8.74%	15.89%

Significant changes reflected in the schedule above will follow:

MOHAVE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021

**The General Fund** is the chief operating fund of Mohave County. At the end of the fiscal year, the unassigned fund balance of the General Fund was \$55.9 million. As a measure of liquidity, it may be useful to compare unassigned fund balance to total expenditures. The unassigned balance is 63 percent of expenditures. Almost \$9 million serves as the General Fund contingency and more than \$16 million is being considered for projects and future public safety needs. The deferred inflows represent deferred property tax collections and deferred intergovernmental income in 2021. The \$8.6 million increase in assets is due primarily to the net of increased cash of \$12.7 million in revenue growth and a \$3.6 million decrease in monies due from other governments as well as a decrease in property tax receivables. The liabilities decreased by \$1.5 million due to a \$2 million decrease in deposits held for others offset by increases in accounts payable and accrued payroll and employee benefits.

**The Road Fund's** fund balance is restricted for road maintenance and other approved highway user funds projects with the exception of amounts tied up in inventories and prepaid expenses, designated as nonspendable. The current year road project expenses slightly exceeded current year road revenue but was offset by sale of retired capital assets. The \$1 million increase in liabilities is a timing difference in payments of routine road department expenses and due to this timing difference, there was a corresponding increase in cash and assets. Total fund balances remained the same at \$16.9 million.

**The Flood Control Fund** total fund balance remained \$7.9 million in 2021. Assets decreased by \$850 thousand due to decreases in cash and property taxes receivable. The 85 percent decrease in liabilities was due to a reduction in accounts payable obligations.

**The County Capital Improvement Fund** received a \$10.5 million transfer from the General fund resulting in an overall increase in cash assets and fund balance from the prior year. There was a \$1.4 million decrease in accounts payable due with final construction payments for the Law and Justice Center made prior to the end of the fiscal year. The remaining \$12.7 million fund balance is committed for capital projects such as a Legal Services Center, Kingman Animal Shelter, a court remodel project and Sheriff substation projects.

**The American Rescue Plan Act Fund** was established as a major fund due to the \$20.6 million receipt in relief funding related to the pandemic. The funding was received in advance and accounts for the unearned revenue liability.

**The Other Governmental Fund** assets increased nearly \$6.3 million due to growth in grant revenue. The increase in liabilities reflects unearned revenue from grants received and not spent by year-end.

MOHAVE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021

**Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30,**

	General Fund	Road Fund	Flood Control Fund	County Capital Improvement Fund	American Rescue Plan Act Fund	Other Governmental Funds	Total Governmental Funds
<b>2020, as restated</b>							
Revenues	\$ 96,683,521	\$ 18,402,497	\$ 8,773,015	\$ 4,791,631	-	\$ 32,162,614	\$ 160,813,278
Expenditures	85,825,096	17,559,617	10,771,150	14,134,339	-	33,254,621	161,544,823
Other financing sources (uses)	(292,450)	10,374	(601,145)	-	-	1,061,635	178,414
Net change in fund balance	10,565,975	853,254	(2,599,280)	(9,342,708)	-	(30,372)	(553,131)
<b>2021</b>							
Revenues	109,427,372	20,593,717	9,024,292	202,707	\$ 83,487	35,935,093	175,266,668
Expenditures	88,246,256	20,609,511	8,332,732	6,969,894	-	35,756,174	159,914,567
Other financing sources (uses)	(10,709,524)	19,292	(666,856)	10,500,000	-	1,944,141	1,087,053
Net change in fund balance	\$ 10,471,592	\$ 3,497	\$ 24,705	\$ 3,732,813	\$ 83,487	\$ 2,123,060	\$ 16,439,154
<b>Increase (decrease)</b>							
Revenues	12,743,851	2,191,220	251,277	(4,588,924)	83,487	3,772,479	14,453,390
Expenditures	2,421,160	3,049,894	(2,438,418)	(7,164,445)	-	2,501,553	(1,630,256)
Other financing sources (uses)	(10,417,074)	8,918	(65,711)	10,500,000	-	882,506	908,639
<b>% change</b>							
Revenues	13.18%	11.91%	2.86%	-95.77%	100.00%	11.73%	8.99%
Expenditures	2.82%	17.37%	-22.64%	-50.69%	0.00%	7.52%	-1.01%
Other financing sources (uses)	3562.00%	85.96%	10.93%	100.00%	0.00%	83.13%	509.29%

Significant changes reflected in the schedule above will be discussed here, with the exception of the General Fund, which will be discussed separately under the heading General Fund budgetary highlights:

**Governmental revenues and expenditures:**

**The Road Fund** experienced a 12 percent increase in intergovernmental revenue, and a 17 percent increase in expenditures. The expenditure increase was primarily a result of increases in capital expenditures for road machinery and motor vehicle purchases, and an increase in road repair materials and supplies.

**Flood Control Fund** decrease in expenses is due to a timing difference of remitting a revenue sharing payment to Lake Havasu City during the prior year. The prior fiscal year included 2 revenue sharing payments representing 2019 and 2020. Fiscal year 2021 reflects only the current year remittance resulting in the variance decrease.

**County Capital Improvement Fund** revenue decreased \$4.6 million due to sunseting of the quarter cent sales tax midyear 2020, and a decrease in investment earnings. Expenditures included \$7 million for completion of the Law and Justice Center, compared with more than \$14.1 million spent on the project the prior year. Other financing sources increased \$10.5 million (100 percent) noted as a transfer from the General Fund for additional projects including a Legal Services Center, Kingman Animal Shelter, a court remodel project and Sheriff substation projects.

MOHAVE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021

**The Other Governmental Funds** revenue increased \$4 million in 2021. Most of the increase was due to increased grants, for COVID 19. The balance of the increase was of a variety of onetime revenues, such as auction proceeds and donations, offset by decreases in investment earnings. The investment earnings were down due to a lower ratio of investments to cash, as well as, a decrease in the unrealized market adjustment. The other governmental funds \$2.5 million increase in expense reflects a timing difference in spending the prior year's revenue, which included COVID-19 grants received late in the year and Antiracketeering money, as well as, salary increases which included a 2.5 percent market adjustment.

**Proprietary funds**

Reports for Mohave County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

**Statement of Net Position—Business-type Activities**— Net position for the enterprise funds decreased 1 percent or \$320 thousand compared to the prior year. The Parks Fund reported a \$312 thousand increase in net position and all other funds reflected a decrease in net position. The decreases in the Landfill fund and G.V.I.D were the result of depreciation and operating transfers out to other funds. The decrease in the Other enterprise funds was from depreciation.

**Statement of Net Position—Governmental Activities-Internal Service Funds**— Net position for the internal service funds increased by \$61 thousand over the prior year. A 14 percent or \$757 thousand increase in capital assets was due to vehicle replacements. The current liabilities increased \$810 thousand due to increases in accounts payable, capital leases payable, and claims and judgements payable. Noncurrent liabilities also increased \$691 thousand, or 20 percent, primarily due to net pension and other postemployment liabilities.

**Statement of Revenues, Expenses, and Changes in Fund Net Position—Business-type Activities**— The only difference between this statement and the *Statement of Activities-Business type*, discussed previously, is the presentation. The expenses are more detailed on this statement and the revenues are shown as operating or non-operating. Total operating expense increased \$1 million or 15 percent and reflects an increase in the Landfill Fund repairs and maintenance for operation of the Mohave Valley gas remediation system and increases in the Water Utilities Funds for professional services and repairs and maintenance for water system repairs. Investment earnings were down \$569 thousand or 95 percent across all enterprise funds.

**Statement of Revenues, Expenses, and Changes in Fund Net Position—Governmental Activities Internal Service Funds**- The income before transfers increased from the prior year by 5 percent. Total operating expense rose by \$2.9 million or 13 percent and reflects increases in personnel services, professional services, insurance claims, and depreciation expense. The majority of the increase in expenses were from an increase in medical insurance claims.

MOHAVE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021

**General Fund Budgetary Highlights**

**Variations between Original Budget and Final Revised Budget**

**Revenues:** There were no significant changes between the original and revised budget. The largest variance was a result of a net increase of \$109 thousand from unbudgeted contributions.

**Expenditures:** Differences between the original and revised budget resulted primarily from slight variances in line items throughout the year. There was an overall budget increase of \$94 thousand allowing for expenditure from unbudgeted contributions. Budgeted expenditures increased \$8.5 million compared to 2020, to account for additional personnel and grant related expenditures.

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

**Revenues:** Growth was seen in most areas with the exception of investment earnings and fines and forfeits. General Fund revenue was greater than the amount budgeted by \$4.7 million, or 3.9 percent. State shared sales tax revenue was \$6.9 million more than the budget and auto in-lieu tax was higher by \$1.9 million. Charges for services were up \$1.6 million primarily from Recorder and Treasurer fees sourced to increased real estate activity throughout the County. The County experienced an influx of new residents and visitors to the area resulting in new construction and an expanding real estate market. There were a few exceptions to revenue increases. One exception was reduced contract billing affiliated with the Adult Detention Center. Another exception was a reduction in fines and forfeiture revenue caused by delays in Court proceedings as a result of Covid-19 restrictions. Investment earnings were down due to changes in the investment market, lower returns and a negative unrealized market adjustment.

**Expenditures:** Actual expenditures were less than budgeted by \$17.5 million primarily because the County did not need to spend contingency funds that are annually reserved for unknown or unanticipated events combined with supply chain issues. Of that amount, \$1.7 million was invested in public safety expenditures, \$0.9 million was budgeted in general administration for potential outflows, and \$8.7 million was unused contingency. The other \$6.2 million was spread throughout other general fund departments. The *Discussion and Analysis of Governmental Activities* provides a comparison of actual expenditures between fiscal year 2020 and 2021 on a government-wide basis. Similar to other agencies, the County also experienced challenges retaining and recruiting qualified employees; and while taking strides to become more competitive, many positions remained vacant resulting in unspent salary budgets in most departments.

Actual expenditures increased from the prior year by \$2.4 million primarily for compensation with public safety costs accounting for \$1.3 million. General governmental expenditures increased by \$1.2 million and participation in Arizona Health Cost Containment System costs decreased \$175 thousand as a result of Federal relief funds passed through the State to the County.

**Transfers:** Operating transfers to other funds were \$13.5 million this year, a \$6.3 million increase over the prior year. This includes \$10.5 million transferred to the Capital Projects Fund to complete ongoing capital projects.

MOHAVE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021

**Capital Assets and Debt Administration**

**Capital assets**— Mohave County’s investment in capital assets for its governmental and business-type activities as of June 30, 2021, is \$284 million net of accumulated depreciation. This investment in capital assets includes land, buildings, water systems, improvements other than buildings, machinery and equipment, park facilities, roads, highways, and bridges. Capital assets not being depreciated in the governmental activities decreased due to completion of the construction of the Law and Justice Center and completion of the Kingman Library expansion construction project. The business-type activities capital assets not being depreciated decreased due to completion of landfill improvements, various flood control projects and a water utilities standpipe project. These reductions resulted in corresponding increases in capital assets being depreciated. Total capital assets being depreciated increased by \$34.8 million. There were increases in both Governmental activities and Business-type activities. See the table below:

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

	2021	2020	Increase (Decrease)	% Change
<b>Governmental activities</b>				
Capital assets, not being depreciated	\$ 30,172,430	\$ 53,202,446	\$(23,030,016)	-43.29%
Capital assets, being depreciated	234,556,617	201,942,229	32,614,388	16.15%
Total governmental capital assets	<u>264,729,047</u>	<u>255,144,675</u>	<u>9,584,372</u>	<u>3.76%</u>
<b>Business-type activities</b>				
Capital assets, not being depreciated	2,195,145	3,539,431	(1,344,286)	-37.98%
Capital assets, being depreciated	17,336,425	15,070,942	2,265,483	15.03%
Total business-type capital assets	<u>19,531,570</u>	<u>18,610,373</u>	<u>921,197</u>	<u>4.95%</u>
<b>Total governmental and business-type activities</b>				
Capital assets, not being depreciated	32,367,575	56,741,877	(24,374,302)	-42.96%
Capital assets, being depreciated	251,893,042	217,013,171	34,879,871	16.07%
Total capital assets	<u>\$ 284,260,617</u>	<u>\$ 273,755,048</u>	<u>\$ 10,505,569</u>	<u>3.84%</u>

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

- The County expended \$3.3 million to replace 74 aged fleet vehicles with 33 sourced from the Vehicle Use Fund, 27 from the Road Fund, 7 from business-type funds, and 7 from other governmental funds.
- The Road fund purchased 21 pieces of heavy equipment totaling \$2.4 million including 1 loader, 1 tractor truck, 4 dump trucks, 3 water trucks, 1 service truck, 1 equipment rack, 4 road brooms, 2 crack sealers, 3 belly dump trailers, 1 roller.
- Landfill projects totaled \$1.7 million.
- Final construction expenditures for the Law and Justice Center totaled \$7.7 million this fiscal year.
- Final construction work on the Kingman Library expansion project totaled \$2 million this fiscal year.
- The Bison channel construction totaled \$1.5 million.
- The Park fund spent \$760 thousand on improvements to Davis Camp and Hualapai Mountain Park.
- Donated roads to the County were valued at \$1 million.
- Road improvements on Apache and Vanderslice roads totaled \$1.3 million.
- Improvements to water infrastructure wells 3 and 8 totaled \$527 thousand.

MOHAVE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021

**Long-term liabilities**— At the end of the fiscal year, Mohave County had total long-term liabilities outstanding of \$149 million. Mohave County's long-term liabilities are comprised of actuarial calculated net pension and other postemployment benefits liabilities, claims and judgments payable, estimated landfill closure and post closure care costs, capital leases payable, and liabilities for compensated absences. The major change in liabilities was a combined increase of \$19.6 million in pension liabilities in the governmental and business-type activities arising from actuarial valuation changes.

State statutes limit the amount of general obligation debt a governmental entity may issue to 6 percent of its total secondary assessed valuation without taxpayer approval, and up to 15 percent with the approval of a majority of taxpayers. The debt limitation for Mohave County for fiscal year 2021 was \$120.6 million (6 percent of \$2.01 billion secondary assessed value). Mohave County does not have any outstanding general obligation debt and does not have forecasted plans to issue any. Note 9 contains additional information on Mohave County's long-term liabilities.

**Economic Factors and Next Year's Budgets and Rates**

Population in Mohave County and Arizona continues to grow at a modest rate and is projected to grow steadily over the next several years. Arizona's job creation and population rate have grown at a faster rate than the nation and many other states and the economic benefit of this modest growth is projected to continue through the next few years (U.S. Census Bureau, U.S. Joint Economic Committee). Property market values have risen in Arizona and Mohave County. Effective in fiscal year 2016, and going forward, growth in net assessed valuations for property tax purposes is restricted on most property types to the lesser of the full cash value or 5 percent.

The average unemployment rate for Mohave County in 2021 was 8.0 percent, a decrease of 0.17 percent from the prior year average. At June 30, the unemployment rate was 6.1 percent, 1.6 percent higher than the State's 4.5 percent rate at June 30. Mohave County economic activity continues to remain strong and is moving in a positive trajectory with robust new investment in the area allowing the County to remain on track in recovery from the effects of the pandemic.

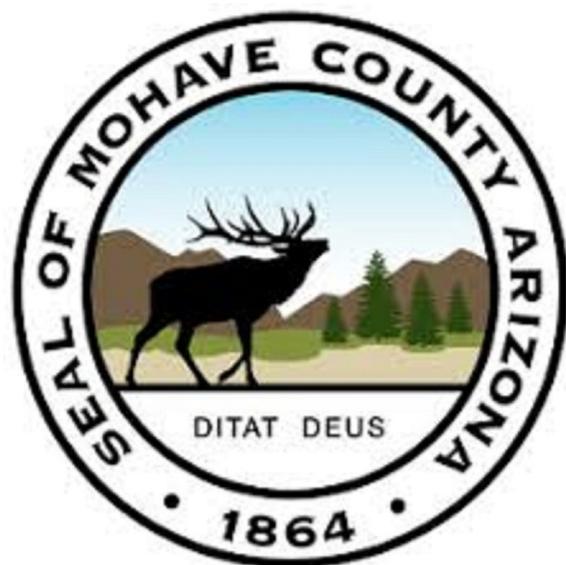
Each year during the budget planning process, the Financial Services Department evaluates the U.S. and Arizona coincident index and other economic indicators along with reviewing economic momentum information and State estimates provided by the office of the Arizona Joint Legislative Budget Committee, the U.S. Bureau of Labor Statistics and other sources. Also, considered in overall budget development are the status of the U.S. federal budget and anticipated changes, State budget impacts, and local economic conditions specific to Mohave County such as net assessed property valuations and changes from prior years, local community sales tax revenue and year-over-year changes, local employment, tourism, fuel sales, building permit data and other types of information. In summary, all of these factors were considered in preparing and developing Mohave County's budget for the 2022 fiscal year.

**Requests for Information**

This financial report is designed to provide a general overview of Mohave County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Mohave County Finance  
PO Box 7000  
Kingman, AZ 86402-7000

## BASIC FINANCIAL STATEMENTS



MOHAVE COUNTY  
STATEMENT OF NET POSITION  
JUNE 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and investments	\$ 163,745,093	\$ 20,358,141	\$ 184,103,234
Receivables (net of allowance for uncollectibles):			
Property taxes	3,025,808	-	3,025,808
Accounts	1,262,809	425,380	1,688,189
Accrued interest	18,240	2,721	20,961
Due from other governments	10,384,205	137,975	10,522,180
Inventory	385,188	126,881	512,069
Prepaid items	461,378	12,759	474,137
Cash and investments held by trustee	669,861	-	669,861
Restricted cash	-	668,428	668,428
Internal balances	8,315	(8,315)	-
Restricted assets – HUD properties	943,991	-	943,991
Capital assets, not being depreciated	30,172,430	2,195,145	32,367,575
Capital assets, being depreciated, net	234,556,617	17,336,425	251,893,042
Net pension and other postemployment benefits asset	1,900,115	11,131	1,911,246
Total assets	<u>447,534,050</u>	<u>41,266,671</u>	<u>488,800,721</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred outflows related to pensions and other postemployment benefits	28,159,012	586,957	28,745,969
Total deferred outflows of resources	<u>28,159,012</u>	<u>586,957</u>	<u>28,745,969</u>
<b>LIABILITIES:</b>			
Accounts payable	4,601,897	529,047	5,130,944
Accrued payroll and employee benefits	2,627,631	89,539	2,717,170
Due to other governments	708,623	6,568	725,191
Deposits held for others	866,184	112,571	978,755
Unearned revenue	24,729,830	144,868	24,874,698
Noncurrent liabilities:			
Due within one year	8,446,031	117,108	8,563,139
Due in more than one year	128,102,505	12,703,133	140,805,638
Total liabilities	<u>170,092,701</u>	<u>13,702,834</u>	<u>183,795,535</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred inflows related to pensions and other postemployment benefits	1,877,506	43,231	1,920,737
Total deferred inflows of resources	<u>1,877,506</u>	<u>43,231</u>	<u>1,920,737</u>
<b>NET POSITION:</b>			
Net investment in capital assets	263,995,135	19,531,570	283,526,705
Restricted for:			
General government	7,972,391	-	7,972,391
Public safety	12,812,039	-	12,812,039
Highways and streets	16,859,564	-	16,859,564
Health	2,693,051	-	2,693,051
Welfare	2,543,406	-	2,543,406
Sanitation	413,659	7,829,352	8,243,011
Culture and recreation	7,071,202	-	7,071,202
Education	634,218	-	634,218
Capital projects	-	668,428	668,428
Other purposes	1,403,386	-	1,403,386
Unrestricted (deficit)	(12,675,196)	78,213	(12,596,983)
Total net position	<u>\$ 303,722,855</u>	<u>\$ 28,107,563</u>	<u>\$ 331,830,418</u>

See accompanying notes to financial statements.

MOHAVE COUNTY  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
<b>Primary government:</b>			
Governmental activities:			
General government	\$ 54,911,793	\$ 19,305,752	\$ 6,962,801
Public safety	53,969,092	3,900,649	6,626,583
Highways and streets	17,581,680	141,958	16,035,791
Health	16,801,319	1,613,290	3,154,212
Welfare	8,598,614	301,236	7,990,691
Sanitation	84,823	195,146	-
Culture and recreation	4,310,020	22,251	75,414
Education	2,797,860	84,555	2,275,645
Interest on long-term debt	21,834	-	-
Total governmental activities	<u>159,077,035</u>	<u>25,564,837</u>	<u>43,121,137</u>
Business-Type activities:			
Landfill	1,932,772	2,237,691	529,685
Recreation	2,934,907	3,214,489	-
Water companies	3,168,633	2,479,846	-
Total business-type activities	<u>8,036,312</u>	<u>7,932,026</u>	<u>529,685</u>
Total primary government	<u>\$ 167,113,347</u>	<u>\$ 33,496,863</u>	<u>\$ 43,650,822</u>

General revenues:

Taxes:

- Property taxes, levied for general purposes
- Property taxes, levied for flood control
- Property taxes, levied for debt service
- Share of state sales taxes
- Special county sales tax for capital projects
- Shared revenue – state vehicle license tax
- Federal in-lieu tax
- Local in-lieu tax
- Utilities franchise tax
- Misc. State revenue
- County equalization revenue
- Investment earnings
- Miscellaneous
- Rent
- Gain (loss) on sale / trade of capital assets
  - Transfers

Total general revenues  
Change in net position  
Net position, July 1, 2020, as restated  
Net position, June 30, 2021

See accompanying notes to financial statements.

MOHAVE COUNTY  
STATEMENT OF ACTIVITIES (CONCLUDED)  
YEAR ENDED JUNE 30, 2021

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (28,643,240)	-	\$ (28,643,240)
(43,441,860)	-	(43,441,860)
(1,403,931)	-	(1,403,931)
(12,033,817)	-	(12,033,817)
(306,687)	-	(306,687)
110,323	-	110,323
(4,212,355)	-	(4,212,355)
(437,660)	-	(437,660)
(21,834)	-	(21,834)
(90,391,061)		(90,391,061)
-	\$ 834,604	834,604
-	279,582	279,582
-	(688,787)	(688,787)
-	425,399	425,399
(90,391,061)	425,399	(89,965,662)
47,879,922	-	47,879,922
8,946,026	-	8,946,026
518	-	518
32,400,243	-	32,400,243
47,869	-	47,869
15,015,605	-	15,015,605
3,863,220	100,000	3,963,220
41,262	-	41,262
543,906	-	543,906
973,925	-	973,925
174,408	-	174,408
483,428	31,380	514,808
1,016,277	168,807	1,185,084
409,354	-	409,354
(570,520)	33,375	(537,145)
1,078,861	(1,078,861)	-
112,304,304	(745,299)	111,559,005
21,913,243	(319,900)	21,593,343
281,809,612	28,427,463	310,237,075
\$ 303,722,855	\$ 28,107,563	\$ 331,830,418

See accompanying notes to financial statements.



MOHAVE COUNTY  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2021

	General Fund	Road Fund	Flood Control Fund	County Capital Improvement Fund	American Rescue Plan Act Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>							
Cash and investments	\$ 53,196,730	\$ 16,949,022	\$ 7,856,832	\$ 12,836,214	\$ 20,690,323	\$ 30,001,195	\$ 141,530,316
Receivables: (net of allowances for uncollectibles):							
Property taxes	2,036,317	-	571,800	-	-	417,691	3,025,808
Accounts	555,795	3,700	-	-	-	455,700	1,015,195
Accrued interest	6,654	2,284	1,500	1,724	-	3,559	15,721
Due from other governments	5,600,860	1,954,534	8,254	7,590	-	2,720,330	10,291,568
Due from other funds	127,650	-	8,341	-	-	95,193	231,184
Inventories	-	198,039	104,037	-	-	-	302,076
Prepaid items	39,010	1,154	12,953	-	-	104,202	157,319
Total assets	<u>\$ 61,563,016</u>	<u>\$ 19,108,733</u>	<u>\$ 8,563,717</u>	<u>\$ 12,845,528</u>	<u>\$ 20,690,323</u>	<u>\$ 33,797,870</u>	<u>\$ 156,569,187</u>
<b>Liabilities:</b>							
Accounts payable	\$ 1,384,513	\$ 1,730,890	\$ 69,260	\$ 99,466	-	\$ 666,325	\$ 3,950,454
Accrued payroll and employee benefits	1,684,468	247,016	44,336	-	-	538,517	2,514,337
Due to other governments	-	-	-	-	-	718,623	718,623
Due to other funds	4,321	72,070	494	34,414	-	106,792	218,091
Deposits held for others	784,123	-	-	151	-	77,579	861,853
Unearned revenue	-	-	-	-	20,606,836	4,120,636	24,727,472
Total liabilities	<u>3,857,425</u>	<u>2,049,976</u>	<u>114,090</u>	<u>134,031</u>	<u>20,606,836</u>	<u>6,228,472</u>	<u>32,990,830</u>
<b>Deferred inflows of resources:</b>							
Unavailable revenue – property taxes	1,601,353	-	465,406	-	-	358,430	2,425,189
Unavailable revenue – intergovernmental	217,467	75,554	-	-	-	807,858	1,100,879
Total deferred inflows of resources	<u>1,818,820</u>	<u>75,554</u>	<u>465,406</u>	<u>-</u>	<u>-</u>	<u>1,166,288</u>	<u>3,526,068</u>
<b>Fund balances:</b>							
Nonspendable	39,010	199,193	116,990	-	-	104,202	459,395
Restricted	824	16,784,010	7,867,231	-	-	24,009,091	48,661,156
Committed	101,281	-	-	12,711,497	-	1,316,557	14,129,335
Unassigned	55,745,656	-	-	-	83,487	973,260	56,802,403
Total fund balances	<u>55,886,771</u>	<u>16,983,203</u>	<u>7,984,221</u>	<u>12,711,497</u>	<u>83,487</u>	<u>26,403,110</u>	<u>120,052,289</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 61,563,016</u>	<u>\$ 19,108,733</u>	<u>\$ 8,563,717</u>	<u>\$ 12,845,528</u>	<u>\$ 20,690,323</u>	<u>\$ 33,797,870</u>	<u>\$ 156,569,187</u>

See accompanying notes to financial statements.

MOHAVE COUNTY  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION  
JUNE 30, 2021

Fund balances – total governmental funds		\$ 120,052,289
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital and restricted assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		259,462,010
Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.		
Property taxes receivable	\$ 2,425,189	
Grant receivables	<u>1,100,879</u>	3,526,068
Long-term liabilities, such as net pension/OPEB liabilities, are not due and payable in the current period and, therefore, are not reported as a liability in the funds.		(123,352,811)
Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future reporting periods and, therefore, are not reported in the funds.		25,537,461
Internal service funds are used by management to charge the costs of certain activities, such as insurance, automotive maintenance and operation, information systems, and telecommunications to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the Statement of Net Position.		22,670,816
Some long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Capital leases payable	(304,521)	
Compensated absences	<u>(5,753,221)</u>	(6,057,742)
Net pension assets held in trust for future benefits are not available for county operations and, therefore, are not reported in the funds.		
Net pension assets held in trust		<u>1,884,764</u>
Net position of governmental activities		<u>\$ 303,722,855</u>

See accompanying notes to financial statements.

MOHAVE COUNTY  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2021

	General Fund	Road Fund	Flood Control Fund	County Capital Improvement Fund	American Rescue Plan Act Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>							
Taxes	\$ 42,641,230	-	\$ 8,946,026	\$ 47,868	-	\$ 6,853,017	\$ 58,488,141
Special assessments	-	-	-	-	-	7,942	7,942
Licenses and permits	2,293,544	\$ 49,610	3,550	-	-	720,886	3,067,590
Intergovernmental	52,730,378	20,140,196	34	-	-	21,192,485	94,063,093
Charges for services	9,549,489	92,003	37,050	-	-	5,083,297	14,761,839
Fines and forfeits	1,215,412	345	-	-	-	1,404,115	2,619,872
Investment earnings	170,368	53,131	31,287	62,094	\$ 83,487	34,583	434,950
Rents	-	77,046	-	92,745	-	239,562	409,353
Contributions	160,328	-	-	-	-	271,959	432,287
Miscellaneous	666,623	181,385	6,346	-	-	127,247	981,601
Total revenues	<u>109,427,372</u>	<u>20,593,716</u>	<u>9,024,293</u>	<u>202,707</u>	<u>83,487</u>	<u>35,935,093</u>	<u>175,266,668</u>
<b>EXPENDITURES:</b>							
Current:							
General government	44,391,632	-	-	-	-	4,118,609	48,510,241
Public safety	32,406,496	-	8,332,733	-	-	8,758,659	49,497,888
Highways and streets	-	20,609,511	-	-	-	-	20,609,511
Sanitation	-	-	-	-	-	84,823	84,823
Health	10,570,967	-	-	-	-	6,327,250	16,898,217
Welfare	-	-	-	-	-	8,255,887	8,255,887
Culture and recreation	20,252	-	-	-	-	5,799,652	5,819,904
Education	419,179	-	-	-	-	2,376,273	2,795,452
Capital outlay	323,722	-	-	6,969,894	-	6,394	7,300,010
Debt service:							
Principal retirement	99,548	-	-	-	-	27,583	127,131
Interest and fiscal charges	14,460	-	-	-	-	1,044	15,504
Total expenditures	<u>88,246,256</u>	<u>20,609,511</u>	<u>8,332,733</u>	<u>6,969,894</u>	<u>-</u>	<u>35,756,174</u>	<u>159,914,568</u>
Excess/(Deficiency) of revenues over (under) expenditures	<u>21,181,116</u>	<u>(15,795)</u>	<u>691,560</u>	<u>(6,767,187)</u>	<u>83,487</u>	<u>178,919</u>	<u>15,352,100</u>
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers in	2,654,862	-	-	10,500,000	-	3,725,349	16,880,211
Transfers out	(13,465,029)	-	(666,856)	-	-	(1,782,108)	(15,913,993)
Sale of capital assets	100,643	19,292	-	-	-	900	120,835
Total other financing sources (uses)	<u>(10,709,524)</u>	<u>19,292</u>	<u>(666,856)</u>	<u>10,500,000</u>	<u>-</u>	<u>1,944,141</u>	<u>1,087,053</u>
Net change in fund balances	10,471,592	3,497	24,704	3,732,813	83,487	2,123,060	16,439,153
Fund balances, July 1, 2020, as restated	45,415,179	16,936,382	7,984,989	8,978,684	-	24,280,050	103,595,284
Changes in nonspendable resources:							
Increase (decrease) in inventories	-	43,324	(25,472)	-	-	-	17,852
Fund balances, June 30, 2021	<u>\$ 55,886,771</u>	<u>\$ 16,983,203</u>	<u>\$ 7,984,221</u>	<u>\$ 12,711,497</u>	<u>\$ 83,487</u>	<u>\$ 26,403,110</u>	<u>\$ 120,052,289</u>

See accompanying notes to financial statements.

MOHAVE COUNTY  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021

Net change in fund balances - total governmental funds		\$ 16,439,153
Amounts reported for governmental activities in the Statement of Activities are different because:		
<p>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 expense.</p>		
Capital outlay	\$ 19,112,405	
Depreciation expense	<u>(9,777,484)</u>	9,334,921
<p>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.</p>		
		(781,648)
<p>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.</p>		
County pension/OPEB contributions	10,573,728	
Pension/OPEB expense	<u>(13,831,021)</u>	(3,257,293)
<p>Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.</p>		
Capital lease-principal repaid		127,131
<p>Under the modified accrual basis accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available resources. In the Statement of Activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when the financial resources are available.</p>		
Increase in compensated absences		(44,604)
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		16,577
<p>Some cash outlays, such as the purchase of supply inventories, are recorded as expenditures in the governmental funds when purchased. In the Statement of Activities, however, they are reported as expenses when consumed.</p>		
Decrease in supply inventory		17,852
<p>Internal service funds are used by management to charge the costs of certain activities such as technology, maintenance and insurance to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities in the Statement of Activities.</p>		
		<u>61,154</u>
Change in net position of governmental activities		<u>\$ 21,913,243</u>

See accompanying notes to financial statements.

MOHAVE COUNTY  
STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
JUNE 30, 2021

	Business-type Activities Enterprise Funds				Total	Governmental Activities - Internal Service Funds
	Landfill Fund	G.V.I.D. Fund	Parks Fund	Other Enterprise Funds		
<b>ASSETS:</b>						
Current assets:						
Cash and investments	\$ 17,590,310	\$ 227,906	\$ 1,499,789	\$ 1,040,136	\$ 20,358,141	\$ 22,214,777
Cash and investments held by trustee	-	-	-	-	-	669,861
Receivables (net of allowances for uncollectibles):						
Accounts	207,739	77,547	50	140,044	425,380	247,614
Accrued interest	2,288	96	160	177	2,721	2,519
Due from other governments	137,975	-	-	-	137,975	92,637
Inventory	-	58,955	2,999	64,927	126,881	83,112
Prepaid items	2,719	8,182	1,858	-	12,759	304,059
Total current assets	<u>17,941,031</u>	<u>372,686</u>	<u>1,504,856</u>	<u>1,245,284</u>	<u>21,063,857</u>	<u>23,614,579</u>
Noncurrent assets:						
Restricted cash	-	210,055	-	458,373	668,428	-
Net other postemployment benefits asset	2,711	1,465	4,915	2,040	11,131	15,351
Capital assets:						
Land	438,549	40,388	1,481,772	-	1,960,709	-
Infrastructure, net	1,740,990	4,349,450	2,600,089	5,456,771	14,147,300	-
Buildings, net	-	35,113	991,421	-	1,026,534	-
Equipment, net	421,508	861,850	594,357	284,876	2,162,591	6,211,028
Construction in progress	234,436	-	-	-	234,436	-
Total noncurrent assets	<u>2,838,194</u>	<u>5,498,321</u>	<u>5,672,554</u>	<u>6,202,060</u>	<u>20,211,129</u>	<u>6,226,379</u>
Total assets	<u>20,779,225</u>	<u>5,871,007</u>	<u>7,177,410</u>	<u>7,447,344</u>	<u>41,274,986</u>	<u>29,840,958</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>						
Deferred outflows related to pensions and other postemployment benefits	143,719	77,899	257,966	107,373	586,957	803,662
Total deferred outflows of resources	<u>143,719</u>	<u>77,899</u>	<u>257,966</u>	<u>107,373</u>	<u>586,957</u>	<u>803,662</u>

See accompanying notes to financial statements.

MOHAVE COUNTY  
STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
JUNE 30, 2021

(CONCLUDED)

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Landfill Fund	G.V.I.D. Fund	Parks Fund	Other Enterprise Funds	Total	
<b>LIABILITIES:</b>						
Current liabilities:						
Accounts payable	\$ 102,188	\$ 32,546	\$ 105,427	\$ 288,886	\$ 529,047	\$ 651,443
Accrued payroll and employee benefits	28,349	10,721	35,480	14,989	89,539	113,294
Due to other funds	257	908	4,724	2,426	8,315	4,778
Due to other governments	-	5,606	-	962	6,568	-
Deposits held for others	-	77,571	-	35,000	112,571	4,331
Unearned revenue	-	37,828	-	107,040	144,868	2,358
Current portion of:						
Compensated absences	12,472	11,092	64,551	28,723	117,108	300,540
Capital leases payable	-	-	-	-	-	320,046
Claims and judgments payable	-	-	-	-	-	2,358,949
Total current liabilities	<u>143,536</u>	<u>176,272</u>	<u>210,182</u>	<u>478,026</u>	<u>1,008,016</u>	<u>3,755,739</u>
Noncurrent liabilities:						
Compensated absences payable	50,968	2,773	16,138	7,182	77,061	75,137
Landfill closure and postclosure care costs payable	9,917,175	-	-	-	9,917,175	-
Capital leases payable	-	-	-	-	-	347,616
Net pension liabilities	659,887	356,491	1,196,249	496,270	2,708,897	3,735,695
Total noncurrent liabilities	<u>10,628,030</u>	<u>359,264</u>	<u>1,212,387</u>	<u>503,452</u>	<u>12,703,133</u>	<u>4,158,448</u>
Total liabilities	<u>10,771,566</u>	<u>535,536</u>	<u>1,422,569</u>	<u>981,478</u>	<u>13,711,149</u>	<u>7,914,187</u>
DEFERRED INFLOWS OF RESOURCES:						
Deferred inflow related to pensions and other postemployment benefits	10,531	5,689	19,091	7,920	43,231	59,617
Total deferred inflows of resources	<u>10,531</u>	<u>5,689</u>	<u>19,091</u>	<u>7,920</u>	<u>43,231</u>	<u>59,617</u>
NET POSITION:						
Net investment in capital assets	2,835,483	5,286,801	5,667,639	5,741,647	19,531,570	6,211,028
Restricted for:						
Capital projects	-	210,055	-	458,373	668,428	-
Sanitation	7,829,352	-	-	-	7,829,352	-
Unrestricted	(523,988)	(89,175)	326,077	365,299	78,213	16,459,788
Total net position	<u>\$ 10,140,847</u>	<u>\$ 5,407,681</u>	<u>\$ 5,993,716</u>	<u>\$ 6,565,319</u>	<u>\$ 28,107,563</u>	<u>\$ 22,670,816</u>

See accompanying notes to financial statements.

MOHAVE COUNTY  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2021

	Business-type Activities Enterprise Funds				Total	Governmental Activities Internal Service Funds
	Landfill Fund	G.V.I.D. Fund	Parks Fund	Other Enterprise Funds		
Operating revenues:						
Charges for services	\$ 2,237,691	\$ 919,892	\$ 2,822,251	\$ 1,952,192	\$ 7,932,026	\$ 24,518,565
Miscellaneous	<u>30,144</u>	<u>2,315</u>	<u>136,348</u>	<u>168,807</u>	<u>24,553,241</u>	<u>34,676</u>
Total operating revenues	<u>2,237,691</u>	<u>950,036</u>	<u>2,824,566</u>	<u>2,088,540</u>	<u>8,100,833</u>	<u>24,553,241</u>
Operating expenses:						
Personnel services	685,165	396,692	1,244,849	549,640	2,876,346	3,662,423
Supplies	33,208	65,312	319,824	45,547	463,891	626,019
Professional services	359,324	126,760	151,433	93,704	731,221	2,615,287
Communications	8,047	23,062	19,665	9,754	60,528	737,018
Insurance	-	12,156	34,793	82,934	129,883	959,707
Landfill closure and postclosure care costs	314,965	-	-	-	314,965	-
Insurance claims	-	-	-	-	-	12,193,614
Lawsuit judgments	-	-	-	-	-	20,653
Repairs and maintenance	89,875	146,746	56,806	85,429	378,856	59,009
Public utility service	148,010	115,199	352,091	671,717	1,287,017	-
Rents and leases	6,914	11,412	11,312	10,178	39,816	1,328,155
Depreciation	146,094	325,162	307,403	603,981	1,382,640	1,544,242
Other	<u>141,170</u>	<u>70,412</u>	<u>115,130</u>	<u>44,437</u>	<u>371,149</u>	<u>991,046</u>
Total operating expenses	<u>1,932,772</u>	<u>1,292,913</u>	<u>2,613,306</u>	<u>2,197,321</u>	<u>8,036,312</u>	<u>24,737,173</u>
Operating (loss) income	<u>304,919</u>	<u>(342,877)</u>	<u>211,260</u>	<u>(108,781)</u>	<u>64,521</u>	<u>(183,932)</u>
Nonoperating revenues (expenses):						
Investment earnings (loss)	31,354	145	(2,195)	2,076	31,380	48,479
Interest expense	-	-	-	-	-	(6,330)
Federal in-lieu taxes	-	-	100,000	-	100,000	-
Grants	529,685	-	-	-	529,685	-
Gain on disposal of assets	<u>-</u>	<u>22,047</u>	<u>3,245</u>	<u>8,083</u>	<u>33,375</u>	<u>90,293</u>
Total nonoperating revenues	<u>561,039</u>	<u>22,192</u>	<u>101,050</u>	<u>10,159</u>	<u>694,440</u>	<u>132,442</u>
Income (loss) before contributions and transfers	865,958	(320,685)	312,310	(98,622)	758,961	(51,490)
Transfers in	-	-	-	-	-	372,392
Transfers out	<u>(1,020,000)</u>	<u>(58,861)</u>	<u>-</u>	<u>-</u>	<u>(1,078,861)</u>	<u>(259,748)</u>
Increase (decrease) in net position	<u>(154,042)</u>	<u>(379,546)</u>	<u>312,310</u>	<u>(98,622)</u>	<u>(319,900)</u>	<u>61,154</u>
Total net position - beginning	<u>10,294,889</u>	<u>5,787,227</u>	<u>5,681,406</u>	<u>6,663,941</u>	<u>28,427,463</u>	<u>20,609,662</u>
Total net position - ending	<u>\$ 10,140,847</u>	<u>\$ 5,407,681</u>	<u>\$ 5,993,716</u>	<u>\$ 6,565,319</u>	<u>\$ 28,107,563</u>	<u>\$ 22,670,816</u>

See accompanying notes to financial statements.

MOHAVE COUNTY  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2021

	Business-type Activities Enterprise Funds					Governmental Activities Internal Service Funds
	Landfill Fund	G.V.I.D. Fund	Parks Fund	Other Enterprise Funds	Total	
Cash flows from operating activities:						
Receipts from customers and users	\$ 2,247,796	\$ 970,124	\$ 2,824,529	\$ 2,311,339	\$ 8,353,788	\$ 974,323
Receipts from interfund services provided	-	-	-	-	-	23,393,573
Payments to suppliers	(1,149,017)	(480,623)	(1,185,817)	(1,288,844)	(4,104,301)	(18,754,731)
Payments for employee wages and benefits	(548,213)	(304,794)	(1,008,969)	(417,702)	(2,279,678)	(3,092,433)
Payments for interfund services used	(92,250)	(122,295)	(245,674)	(143,576)	(603,795)	(902,726)
Net cash provided by operating activities	<u>458,316</u>	<u>62,412</u>	<u>384,069</u>	<u>461,217</u>	<u>1,366,014</u>	<u>1,618,006</u>
Cash flows from noncapital financing activities:						
Payment on advance to other fund	68,743	-	-	-	68,743	-
Transfer from other funds	-	-	-	-	-	372,392
Transfer to other funds	(1,020,000)	(58,861)	-	-	(1,078,861)	(259,749)
Subsidy from non-capital grant	498,105	-	100,000	-	598,105	-
Net cash (used) provided by noncapital financing activities	<u>(453,152)</u>	<u>(58,861)</u>	<u>100,000</u>	<u>-</u>	<u>(412,013)</u>	<u>112,643</u>
Cash flows from capital and related financing activities:						
Purchases of capital assets	(418,826)	(613,671)	(890,811)	(402,621)	(2,325,929)	(1,775,342)
Principal paid on capital debt	-	-	-	-	-	(343,050)
Interest paid on capital debt	-	30,260	-	-	-	(6,330)
Proceeds from sales of capital assets	-	-	11,597	13,609	55,466	223,813
Net cash used for capital and related financing activities	<u>(418,826)</u>	<u>(583,411)</u>	<u>(879,214)</u>	<u>(389,012)</u>	<u>(2,270,463)</u>	<u>(1,900,909)</u>
Cash flows from investing activities:						
Interest and dividends received	45,751	1,102	(899)	3,045	48,999	65,646
Net cash provided (used) by investing activities	<u>45,751</u>	<u>1,102</u>	<u>(899)</u>	<u>3,045</u>	<u>48,999</u>	<u>65,646</u>
Net increase (decrease) in cash and cash equivalents	(367,911)	(578,758)	(396,044)	75,250	(1,267,463)	(104,612)
Cash and cash equivalents, July 1, 2020	<u>17,958,221</u>	<u>1,016,719</u>	<u>1,895,833</u>	<u>1,423,259</u>	<u>22,294,032</u>	<u>22,989,252</u>
Cash and cash equivalents, June 30, 2021	<u>\$ 17,590,310</u>	<u>\$ 437,961</u>	<u>\$ 1,499,789</u>	<u>\$ 1,498,509</u>	<u>\$ 21,026,569</u>	<u>\$ 22,884,638</u>

See accompanying notes to financial statements.

MOHAVE COUNTY  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2021

(CONCLUDED)

	Business-type Activities Enterprise Funds					Governmental Activities- Internal Service Funds
	Landfill Fund	G.V.I.D. Fund	Parks Funds	Other Enterprise Funds	Total	
Reconciliation of operating (loss) income to net cash provided by operating activities:						
Operating (loss) income	\$ 304,919	\$ (342,877)	\$ 211,260	\$ (108,781)	\$ 64,521	\$ (183,932)
Adjustments to reconcile operating (loss) income to net cash provided by operating activities:						
Depreciation expense	146,094	325,162	307,403	603,981	1,382,640	1,544,242
Landfill closure and postclosure care costs	314,965	-	-	-	314,965	-
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:						
Receivables	10,104	5,847	(36)	186,553	202,466	698,417
Due from other funds	43	957	-	33	1,033	(6,156)
Due from other governments	-	-	-	18,879	18,879	(49,321)
Inventories	-	17,489	(2,205)	(1,206)	14,078	(25,992)
Prepaid items	(2,719)	(8,183)	17	-	(10,885)	(74,984)
Net OPEB asset	(1,771)	(973)	(3,199)	(1,321)	(7,264)	(9,541)
Deferred outflows of resources related to pensions and OPEB	(78,075)	(42,684)	(138,753)	(57,782)	(317,294)	(424,145)
Accounts payable	(388,189)	7,317	(247,359)	(306,377)	(934,608)	233,248
Due to other funds	257	-	4,724	2,426	7,407	4,780
Due to other governments	-	(725)	-	718	(7)	-
Accrued payroll and employee benefits	13,531	1,399	(2,837)	1,926	14,019	15,445
Compensated absences payable	4,545	2,780	17,252	10,894	35,471	30,919
Net Pension and OPEB Liability	168,284	99,370	299,357	120,493	687,504	698,527
Unearned revenue	-	6,074	-	16,650	22,724	530
Deposits held for others	-	8,892	-	-	8,892	132
Claims and judgments payable	-	-	-	-	-	(130,725)
Deferred inflow of resources related to pensions and OPEB	(33,672)	(17,431)	(61,555)	(25,868)	(138,526)	(213,476)
Total adjustments	153,398	405,290	172,809	569,998	1,301,495	1,801,937
Net cash provided by operating activities	<u>\$ 458,316</u>	<u>\$ 62,412</u>	<u>\$ 384,069</u>	<u>\$ 461,217</u>	<u>\$ 1,366,014</u>	<u>\$ 1,618,006</u>
Cash and investments:						
Unrestricted cash and investments	\$ 17,590,310	\$ 227,906	\$ 1,499,789	\$ 1,040,136	\$ 20,358,141	\$ 22,884,638
Restricted cash	-	210,055	-	458,373	668,428	-
Total cash and investments at June 30, 2021	<u>\$ 17,590,310</u>	<u>\$ 437,961</u>	<u>\$ 1,499,789</u>	<u>\$ 1,498,509</u>	<u>\$ 21,026,569</u>	<u>\$ 22,884,638</u>

**Noncash investing, capital and noncapital financing activities during the year ended June 30, 2021:**

The internal Service Funds obtained computer equipment financed by a capital lease in the amount of \$619,714

See accompanying notes to financial statements.

MOHAVE COUNTY  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2021

	Private-purpose Trust Funds	Custodial	
		External Investment Pool	Other
<b>ASSETS:</b>			
Cash and investments	\$ 3,440,121	\$ 106,756,673	\$ 7,494,385
Taxes receivable for other governments	-	-	7,900,147
Accrued interest receivable	-	-	12,378
	<u>3,440,121</u>	<u>106,756,673</u>	<u>15,406,910</u>
<b>LIABILITIES:</b>			
Due to others	-	2,927,897	84,585
	<u>-</u>	<u>2,927,897</u>	<u>84,585</u>
<b>NET POSITION:</b>			
Restricted for:			
Pool participants	-	\$ 103,828,776	\$ 8,813,331
Individuals, organizations, and other governments	\$ 3,440,121	-	6,508,994
Total Net Position	<u>\$ 3,440,121</u>	<u>\$ 103,828,776</u>	<u>\$ 15,322,325</u>

See accompanying notes to financial statements.

MOHAVE COUNTY  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED JUNE 30, 2021

	Private-purpose Trust Funds	Custodial funds	
		External Investment Pool	Other
<b>ADDITIONS:</b>			
Contributions from pool participants	-	\$ 315,996,773	-
Property tax collections for governments	-	-	\$ 93,083,989
Collections for individuals	\$ 9,053,863	-	26,155,029
Investment earnings:			
Interest and dividend income	4,005	1,026,291	(71,721)
Net decrease in fair value of investments	-	(858,855)	-
Net investment earnings	<u>4,005</u>	<u>167,436</u>	<u>(71,721)</u>
Inmate collections	-	-	1,641,637
Other	-	-	<u>3,871,591</u>
Total additions	<u>9,057,868</u>	<u>316,164,209</u>	<u>124,768,407</u>
<b>DEDUCTIONS:</b>			
Distributions to pool participants	-	(322,271,153)	-
Beneficiary payments to individuals	(9,377,384)	-	-
Property tax distributions to other governments	-	-	(85,183,842)
Payments to inmates	-	-	(1,623,326)
Other	-	-	<u>(26,768,321)</u>
Total deductions	<u>(9,377,384)</u>	<u>(322,271,153)</u>	<u>(113,575,489)</u>
Change in fiduciary net position	(319,516)	(6,106,944)	11,105,036
Net position, beginning of year, as restated	<u>3,759,637</u>	<u>109,935,720</u>	<u>4,217,289</u>
Net position, end of year	<u>\$ 3,440,121</u>	<u>\$ 103,828,776</u>	<u>\$ 15,322,325</u>

MOHAVE COUNTY  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2021

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Mohave County’s accounting policies conform to generally accepted accounting principles applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB).

The accompanying financial statements of Mohave County, Arizona (the County) have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB).

For the year ended June 30, 2021, the County implemented the provisions of GASB Statement No. 84, Fiduciary Activities, which establishes criteria for identifying fiduciary activities for accounting and financial reporting purposes. As a result, the County’s fiduciary fund financial statements have been modified to reflect the implementation of this new guidance, including reclassifying activities previously reported in agency funds to custodial or governmental funds, as applicable.

A summary of the County's more significant accounting policies follows:

**A. Financial Reporting Entity**

Mohave County is a general purpose local government that a separately elected board of supervisors governs. The accompanying financial statements present the activities of the County (the primary government) and its component units.

Component units are legally separate entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are so intertwined with the County that they are in substance part of the County's operations. Therefore, data from these units is combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County. The County has no discretely presented component units. Each blended component unit discussed in the table has a June 30 year-end.

The following table describes the County’s component units:

<u>Component unit</u>	<u>Description; criteria for inclusion</u>	<u>Reporting method</u>	<u>For separate financial statements</u>
Mohave County Flood Control District	A tax-levying district that provides flood control systems; the County Board of Supervisors serves as the board of directors and has operational responsibility for the district. There is also a financial benefit between the County and the component unit.	Blended	Not available
Mohave County Library District	A tax-levying district that provides and maintains library services for county residents; the County Board of Supervisors serves as the board of directors and has operational responsibility for the district. There is also a financial benefit between the County and the component unit.	Blended	Not available

MOHAVE COUNTY  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2021

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

Mohave County Television District	A tax-levying district that provides and maintains communication equipment resources to provide television signals to residents; the County Board of Supervisors serves as the board of directors and has operational responsibility for the district. There is also a financial benefit between the County and the component unit.	Blended	Not available
<u>Component unit</u>	<u>Description; criteria for inclusion</u>	<u>Reporting method</u>	<u>For separate financial statements</u>
Mohave County Holiday Shores Light District	A tax-levying district that provides street lighting for the Holiday Shores area of Bullhead City in Mohave County; the County Board of Supervisors serves as the board of directors and has operational responsibility for the district.	Blended	Not available

Related organization—The Industrial Development Authority of Mohave County (Authority) is a legally separate entity that was created to assist in the financing of commercial and industrial enterprises; affordable housing; healthcare facilities; and various facilities. The Authority fulfills its function through the issuance of tax-exempt or taxable revenue bonds. The County’s Board of Supervisors appoints the Authority’s Board of Directors. The Authority’s operations are completely separate from the County, and the County is not financially accountable for the Authority. Therefore, the Authority’s financial activities have not been included in the accompanying financial statements.

**B. Basis of presentation**

The basic financial statements include both government-wide statements and fund financial statements. The government-wide statements focus on the County as a whole, while the fund financial statements focus on major funds. Each presentation provides valuable information that can be analyzed and compared between years and between governments to enhance the information’s usefulness.

Government-wide statements—provide information about the primary government (the County) and its component units. The statements include a statement of net position and a statement of activities. These statements report the overall government’s financial activities, except for fiduciary activities. They also distinguish between the County’s governmental and business-type activities. Governmental activities generally are financed through taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties. A statement of activities presents a comparison between direct expenses and program revenues for each function of the County’s governmental activities and segment of its business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include:

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

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

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

**NOTE 1 - 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 user charges and insurance premiums, in which each party receives and gives up essentially equal values are operating revenues. Other revenues, such as noncapital grants, result from transactions in which the parties do not exchange equal values and are considered nonoperating revenues along with investment earnings and revenues ancillary activities generate. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. Other expenses, such as interest expense, are considered nonoperating expenses.

The County reports the following **major governmental funds**:

The **General Fund** is the County’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Road Fund** accounts for all taxes on gas and auto license fees collected for building and maintaining county roads.

The **Flood Control Fund** accounts for all monies collected from local taxpayers in the form of a levy on real property. These funds are used in planning, engineering, constructing, repairing, and maintaining flood control channels in Mohave County.

The **County Capital Improvement Fund** accounts for a ¼ cent sales tax collected to provide for major capital improvements of the County.

The **American Rescue Plan Act Fund** accounts for funding from the Federal government, in the form of a grant, to support the growth of the American economy and infrastructure.

The County reports the following major enterprise funds:

The **Landfill Fund** accounts for the operations of two landfills located in Mohave County.

The **Golden Valley Improvement District Fund (GVID)** accounts for the operations of a water company located in Golden Valley.

The **Parks Fund** accounts for the operations of two revenue generating parks and several other nonrevenue parks located throughout Mohave County.

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

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

The County also reports the following fund types:

The *Internal Service Funds* account for automotive maintenance and operation, insurance, computer services, janitorial services, and telecommunications services provided to the County's departments or to other governments on a cost-reimbursement basis.

The **Fiduciary funds** consist of the following type of funds:

The *Private Purpose Trust Funds* account for assets the County holds in trust for the public fiduciary clients and courts.

The *Custodial Funds* account for other fiduciary activities, including pooled assets the County Treasurer holds and invests on behalf of other governmental entities that are not held in a trust and the County Treasurer's receipt and distribution of taxes for other governmental entities. Also, assets are held for future distribution of anti-racketeering funds to various other governmental entities, and deposits are held for other individuals and inmate funds.

**C. Basis of accounting**

The government-wide, proprietary fund and fiduciary financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Grants and donations are recognized as revenue as soon as all eligibility requirements the provider imposed have been met.

Under the terms of grant agreements, the County funds certain programs by a combination of grants and general revenues. Therefore, when program expenses are incurred, there are both restricted and unrestricted resources available to finance the program. The County applies grant resources to such programs before using general revenues except where matching requirements exist.

Governmental funds in the fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. The County's major revenue sources that are susceptible to accrual are property taxes, special assessments, intergovernmental, charges for services, and investment earnings. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, compensated absences, and landfill closure and postclosure care costs, which are recognized as expenditures to the extent they are due and payable. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of general long-term debt and acquisitions under capital lease agreements are reported as other financing sources.

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

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

**D. Cash and Investments**

For the statement of cash flows, the County's cash and cash equivalents are considered to be cash on hand, demand deposits, cash and investments held by the County Treasurer, investments in the State Treasurer's Local Government Investment Pool, and only those highly liquid investments with a maturity of 3 months or less when purchased.

All investments are stated at fair value.

**E. Inventories and Prepaid Items**

Inventories in the government-wide and the proprietary funds' financial statements are recorded as assets when purchased and expensed when consumed. These inventories are stated at cost using the first-in, first-out method.

The County accounts for its inventories in the governmental funds using the purchase method. Inventories of the governmental funds consist of expendable supplies held for consumption and are recorded as expenditures at the time of purchase. Amounts on hand at year-end are shown on the balance sheet as an asset for informational purposes only and as nonspendable fund balance to indicate that they do not constitute "available spendable resources." These inventories are stated at cost using the first-in, first-out method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. They are also reflected as nonspendable fund balance in the fund financial statements.

**F. Property tax calendar**

The County levies real and personal property taxes on or before the third Monday in August that become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May. A lien assessed against real and personal property attaches on the first day of January preceding assessment and levy.

MOHAVE COUNTY  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2021

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

**G. Capital assets**

Capital assets are reported at actual cost, (or estimated historical cost if historical records are not available). Certain infrastructure costs were estimated by calculating the current replacement cost of a similar asset and deflating this cost through the use of price-level indexes. Donated assets are reported at acquisition value. Certain types of road improvements are expensed rather than capitalized. The improvement types that are expensed are millings and soil stabilization.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets are as follows:

	<u>Capitalization threshold</u>	<u>Depreciation method</u>	<u>Estimated useful life</u>
Land	All		
Construction in progress	\$5,000		
Buildings	\$5,000	Straight-line	20-50 years
Equipment	\$5,000	Straight-line	3-20 years
Infrastructure and improvements other than buildings	\$5,000	Straight-line	10-50 years
Utility systems	\$5,000	Straight-line	10-50 years
Intangibles	\$5,000	Straight-line	7-15 years

**H. Deferred outflows and inflows of resources**

The statement of net position and balance sheet include separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense or expenditure in future periods. Deferred inflows of resources represent an acquisition of net position or fund balance that applies to future periods and will be recognized as a revenue in future periods.

**I. 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 pension 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 plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

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

**J. Fund balance classifications**

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

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

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

Assigned fund balances are resources constrained by the County's intent to be used for specific purposes, but that are neither restricted nor committed. The County does not have any assigned fund balances.

The unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not reported in the other classifications. Also, deficits in fund balances of the other governmental funds are reported as unassigned.

When an expenditure is incurred that can be paid from either restricted or unrestricted fund balances, the County will use restricted fund balance first. The County will use committed amounts first when disbursing unrestricted fund balances, followed by unassigned amounts.

**K. Investment earnings**

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

**L. Compensated Absences**

Compensated absences payable consists of vacation leave and a calculated amount of sick leave employees earned based on services already rendered. The County uses personal time off, which is a combination of vacation and sick leave, for compensating employees. Personal time off benefits do not vest with employees until they have satisfactorily completed their probationary period. Public Safety employees and those employees covered under the Judicial Merit System have a 1-year probationary period. All other employees have a 6-month probationary period.

MOHAVE COUNTY  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2021

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

Effective April 4, 2016, the Board of Supervisors approved changes to the paid time off (PTO) policy modifying the accrual rates and maximum payout schedules for employees hired after January 23, 2016. The following table summarizes the maximum carryover and payouts at separation of employment. Any unused PTO is forfeited. Benefits are accrued as a liability in the government-wide and proprietary funds' financial statements. A liability for these amounts is reported in the governmental funds' financial statements only if they have matured; for example, as a result of employee resignations and retirements by fiscal year-end.

	Maximum carryover at December 31	Maximum payout at separation of employment
Hired before January 23, 2016	900	400
At-will employees - hired before January 23, 2016	900	600
All hired after January 23, 2016	300	300

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

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

Net position and fund balance as of July 1, 2020, have been restated as follows for the implementation of GASB Statement No. 84, *Fiduciary Activities* and for correction of an error in recording fiduciary activities on the Statement of activities and Statement of revenues, expenditures, and changes in fund balances - governmental.

	Governmental activities	Other governmental funds	Investment trust funds	Agency	Private-purpose trust funds	Custodial funds	
						External investment pools	Other
Net position/fund balance as previously reported at June 30, 2020	\$285,013,870	\$27,484,308	\$113,639,052	\$ -			
Prior period adjustment— implementation of GASB 84:							
Reclassification of investment pools			(113,639,052)		\$3,615,450	\$109,935,720	\$87,882
Reclassification of agency fund - Liabilities				(1,069,336)	144,187		925,149
Correction of error Governmental funds to Custodial Other	(3,204,258)	(3,204,258)					3,204,258
Net position/fund balance as restated, July 1, 2020	\$ 281,809,612	\$ 24,280,050	\$ -	\$ -	\$ 3,759,637	\$ 109,935,720	\$ 4,217,289

MOHAVE COUNTY  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2021

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

Deficit fund balances or net position—At June 30, 2021, the following nonmajor funds reported deficit fund balances:

Fund	Deficit
Governmental funds:	
Senior Programs	\$ 75,113
Proprietary funds:	
Janitorial	273,684

Senior Programs had a deficit fund balance due to timing differences of reimbursements from federal grants.

The Janitorial fund deficit is due to the pension liability.

**NOTE 4 - DEPOSITS AND INVESTMENTS**

Arizona Revised Statutes (A.R.S.) authorize the County to invest public monies in the State Treasurer’s investment pool; obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations, or instrumentalities; specified state and local government bonds, notes and other evidences of indebtedness; interest-earning investments such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; specified commercial paper issued by corporations organized and doing business in the United States; specified bonds, debentures, notes, and other evidences of indebtedness that are denominated in United States dollars; and certain open-end and closed-end mutual funds, including exchange traded funds. In addition, the County Treasurer may invest trust funds in certain fixed income securities of corporations doing business in the United States or District of Columbia.

**Credit risk**—Statutes have the following requirements for credit risk:

1. Commercial paper must be of prime quality and be rated within the top two ratings by a nationally recognized rating agency.
2. Specified bonds, debentures, notes, and other evidences of indebtedness that are denominated in United States dollars must be rated “A” or better, at the time of purchase, by at least two nationally recognized rating agencies.
3. Fixed income securities must carry one of the two highest ratings by Moody’s investors service and Standard and Poor’s rating service. If only one of the above-mentioned services rates the security, it must carry the highest rating of that service.

**Custodial credit risk**—Statutes require collateral for deposits at 102 percent of all deposits federal depository insurance does not cover. The Arizona State Treasurer’s office administers a Statewide Pooled Collateral Program. The County’s deposits are covered under the Statewide Pooled Collateral program.

**Concentration of credit risk**—Statutes do not include any requirements for concentration of credit risk.

**Interest rate risk**—Statutes require that public monies invested in securities and deposits have a maximum maturity of 5 years. The maximum maturity for investments in repurchase agreements is 180 days.

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

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

**Foreign currency risk**—Statutes do not allow foreign investments unless the investment is denominated in United States dollars.

A. Deposits

As of June 30, 2021, the carrying amount of the County's deposits was \$5,799,396 and the bank balance was \$14,501,043. There was cash on hand of \$13,570. It is the County's policy to collateralize all deposits not covered by depository insurance.

B. Investments

The County's investments at June 30, 2021, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

	Fair value measurement using		
	Amount	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)
<b>Investments by fair value level</b>			
U.S. Treasury notes	\$ 85,432,245	\$ 85,432,245	
U.S. agency securities	36,345,497		\$ 36,345,497
Corporate bonds	<u>35,000</u>		<u>35,000</u>
Total investments by fair value level	<u>\$ 121,812,742</u>	<u>\$ 85,432,245</u>	<u>\$ 36,380,497</u>
<b>External investment pools measured at fair value</b>			
State Treasurer's investment pools	<u>175,506,994</u>		
Total investment pools measured at fair value	<u>\$ 297,319,736</u>		

Investments categorized as Level 1 are valued using prices quoted in active markets for those investments. The investments categorized at Level 2 of the fair value hierarchy are valued using a conservative methodology based on multiple criteria, including asset class and observability of price. Inputs are observable but do not solely rely on quoted market prices to establish fair value. Investments in the State Treasurer's investment pools are valued at the pool's share price multiplied by the number of shares the County held. The fair value of a participant's position in the pools approximates the value of that participant's pool shares. The State Board of Investment provides oversight for the State Treasurer's investment pools.

**Credit risk**—It is the County's investment policy to invest to preserve the principal value of the portfolio. This is to be accomplished through limiting the types of securities purchased, the percent of the portfolio of each type of security, and the length of time they can be held. Investments allowed are obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations, or instrumentalities. The County can also invest in certificates of deposits, commercial paper, obligations of Arizona state and local governments, repurchase agreements, money market mutual funds, and corporate bonds, debentures, or notes issued by United States companies with AA or greater ratings by Standard & Poor's or Moody's rating services.

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

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

Investment Type	Rating	Rating Agency	Amount
U.S. agency securities	AAA	Moody's	\$ 36,345,497
Corporate bonds	Unrated	Not applicable	35,000
State Treasurer's Investment Pool 7	Unrated	Not applicable	175,506,994
			<u>\$ 211,887,491</u>

**Custodial credit risk**—for an investment, custodial credit risk is the risk that, in the event of the counterparty’s failure, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County’s formal policy for custodial credit risk states that an independent third-party custodian, selected by the Mohave County Treasurer, will hold the securities in the County’s name.

**Concentration of credit risk**—The County’s formal investment policy requires at least 10 percent of the overall portfolio to be invested in highly liquid accounts such as local government pools, money market funds, or overnight repurchase agreements to ensure the ability to meet ongoing obligations. It also limits the total amount of corporate securities to 20 percent of the total portfolio, with not more than 5 percent invested in any single corporation. Corporate bonds represented less than 1 percent of the total portfolio at June 30, 2021. All other securities are structured with varying maturity dates, not to exceed 5 years, and in various types of investments described under credit risk. The County had investments at June 30, 2021, of 5 percent or more in Federal National Mortgage Association. These investments were 5.01 percent of the County’s total investments.

**Interest rate risk**—The County’s formal policy with respect to interest rate risk minimizes the risk by structuring the portfolio into two accounts to meet cash needs. The return on investment is secondary to safety and liquidity. One account consists of highly liquid securities with maturities of 120 days or less. The second account has maturities of greater than 120 days. Both accounts will have active secondary markets.

At June 30, 2021, the County had the following investments in debt securities:

Investment type	Amount	Investment maturities	
		Less than 1 year	1 to 5 years
State Treasurer's Investment Pool 7	\$ 175,506,994	\$ 175,506,994	\$ -
U.S. Treasury notes	85,432,245	27,937,802	57,494,443
U.S. Agency securities	36,345,497	27,163,887	9,181,610
Corporate bonds	35,000	35,000	-
Total	<u>\$ 297,319,736</u>	<u>\$ 230,643,683</u>	<u>\$ 66,676,053</u>

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

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

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

**Cash, deposits, and investments:**

	<u>Amount</u>
Cash on hand	\$ 13,570
Amount of deposits	5,799,396
Amount of investments	297,319,736
Total	\$ 303,132,702

Statements of net position:

	Custodial funds					
	Governmental activities	Business-type activities	Private-purpose trust funds	External investment pools	Other	
Statement of net position:						
Cash and investments	\$ 163,745,093	\$ 20,358,141	\$ 3,440,121	\$ 106,756,673	\$ 7,494,385	\$ 301,794,413
Cash and investments held by trustee(s)	669,861	-	-	-	-	669,861
Restricted cash	-	668,428	-	-	-	668,428
Total	\$ 164,414,954	\$ 21,026,569	\$ 3,440,121	\$ 106,756,673	\$ 7,494,385	\$ 303,132,702

**NOTE 5 - PROPERTY TAXES RECEIVABLE**

Property taxes receivable consist of uncollected real and personal property taxes as determined from the records of the County Treasurer's Office and at June 30, 2021, were as follows:

	General Fund	Flood control Fund	Other Governmental Funds	Total Governmental Funds
Fiscal year 2020	\$ 1,056,708	\$ 261,675	\$ 184,560	\$ 1,502,943
Fiscal year 2019	99,370	23,668	15,884	138,922
Prior	880,239	286,457	217,247	1,383,943
Total receivable	\$ 2,036,317	\$ 571,800	\$ 417,691	\$ 3,025,808

The portion of property taxes receivable, not collected within 60 days after June 30, 2021, has been deferred, and consequently is not included in current-year revenues on the fund statements. For the government-wide statements, the entire receivable balance has been recognized as revenue. The total receivable amount is considered collectable, as the property can be sold for non-payment of taxes.

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2021, was as follows:

<b>Governmental activities:</b>	July 1, 2020	Increases	Decreases	June 30, 2021
Capital assets not being depreciated:				
Land	\$ 28,773,446	\$ 6,651	\$ -	\$ 28,780,097
Construction in progress	24,429,000	6,028	(23,042,695)	1,392,333
Total capital assets not being depreciated	<u>53,202,446</u>	<u>12,679</u>	<u>(23,042,695)</u>	<u>30,172,430</u>
Capital assets being depreciated:				
Buildings	158,695,513	30,250,051	(319,748)	188,625,816
Infrastructure and improvements other than buildings	179,750,096	6,998,835	-	186,748,931
Intangibles	64,501	-	(64,501)	-
Equipment	57,658,590	7,602,397	(4,172,525)	61,088,462
Total	<u>396,168,700</u>	<u>44,851,283</u>	<u>(4,556,774)</u>	<u>436,463,209</u>
Less accumulated depreciation for:				
Buildings	57,515,485	4,914,584	(136,125)	62,293,944
Infrastructure and improvements other than buildings	103,993,269	2,563,585	-	106,556,854
Intangibles	64,500	-	(64,500)	-
Equipment	32,653,217	3,843,557	(3,440,980)	33,055,794
Total accumulated depreciation	<u>194,226,471</u>	<u>11,321,726</u>	<u>(3,641,605)</u>	<u>201,906,592</u>
Total capital assets being depreciated, net	<u>201,942,229</u>	<u>33,529,557</u>	<u>(915,169)</u>	<u>234,556,617</u>
Governmental activities capital assets, net	<u>\$ 255,144,675</u>	<u>\$ 33,542,236</u>	<u>\$ (23,957,864)</u>	<u>\$ 264,729,047</u>
<b>Business-type activities:</b>	July 1, 2020	Increases	Decreases	June 30, 2021
Capital assets not being depreciated:				
Land	\$ 1,960,709			\$ 1,960,709
Construction in progress	1,578,722	\$ 358,140	\$ (1,702,426)	234,436
Total capital assets not being depreciated	<u>3,539,431</u>	<u>358,140</u>	<u>(1,702,426)</u>	<u>2,195,145</u>
Capital assets being depreciated:				
Buildings	2,401,667	-	-	2,401,667
Utility systems	29,701,157	2,790,437	-	32,491,594
Equipment	3,048,734	885,707	(226,852)	3,707,589
Total capital assets being depreciated	<u>35,151,558</u>	<u>3,676,144</u>	<u>(226,852)</u>	<u>38,600,850</u>
Less accumulated depreciation for:				
Buildings	1,308,904	66,229	-	1,375,133
Utility systems	17,299,234	1,045,060	-	18,344,294
Equipment	1,472,478	271,351	(198,831)	1,544,998
Total accumulated depreciation	<u>20,080,616</u>	<u>1,382,640</u>	<u>(198,831)</u>	<u>21,264,425</u>
Total capital assets being depreciated, net	<u>15,070,942</u>	<u>2,293,504</u>	<u>(28,021)</u>	<u>17,336,425</u>
Business-type activities capital assets, net	<u>\$ 18,610,373</u>	<u>\$ 2,651,644</u>	<u>\$ (1,730,447)</u>	<u>\$ 19,531,570</u>

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

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

Depreciation expense was charged to functions as follows:

Governmental activities:		
General government	\$	1,476,914
Public safety		4,252,476
Highways and streets		3,540,068
Health		82,542
Welfare		56,786
Culture and recreation		367,408
Education		1,290
Internal service funds		<u>1,544,242</u>
Total governmental activities depreciation expense	\$	<u>11,321,726</u>
Business-Type activities:		
Landfill	\$	146,094
Recreation		325,136
Water companies		<u>911,410</u>
Total business-type activities depreciation expense	\$	<u>1,382,640</u>

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

The County had eight major contractual commitments at June 30, 2021, as follows.

<u>Contractual commitments</u>	<u>Funding source</u>	<u>Expenditures to date</u>	<u>Total contractual commitment</u>	<u>Remaining commitment</u>
Prison health care				
07/01/20 - 06/30/22	Tax Revenues	\$ 3,650,320	\$ 6,415,320	\$ 2,765,000
Alamo Road Low Water Crossing				
06/07/21 - 06/06/22	HURF		310,779	310,779
Heavy equipment				
10/05/20 - 10/04/21	HURF		131,671	131,671
Production and stockpiling of gravel				
02/01/21 - 01/31/22	HURF	399,630	509,776	110,146
Well Design and Replacement				
01/19/21 - 02/17/22	User Fees	279,009	687,423	400,414
Apache Road Surface Roadway				
03/15/21 - 03/14/22	HURF		750,482	750,482
Prisoner transport bus				
01/18/21 - 01/18/22 -	Tax Revenue		270,503	270,503
Vehicles -62 total				
10/20/20 - 03/21/22	Multiple	<u>1,093,601</u>	<u>3,705,873</u>	<u>2,612,272</u>
Total		<u>\$ 5,422,560</u>	<u>\$ 12,781,827</u>	<u>\$ 7,351,267</u>

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

**NOTE 8 - RESTRICTED ASSETS**

As of June 30, 2021, the County had restricted assets as follows:

Governmental activities assets:

HUD properties			U.S. Housing and Urban Development (HUD) rehabilitated homes restricted for sale to qualified buyers.
	\$	<u>943,991</u>	
Total governmental activities	\$	<u><u>943,991</u></u>	

Business-type activities assets:

Restricted cash			I-40 Replacement fund collections, restricted for future repairs of infrastructure by agreement with customer.
	\$	458,373	
Restricted cash		<u>210,055</u>	GVID water corridor collections restricted for future infrastructure repairs by agreement with customers.
Total business-type activities	\$	<u><u>668,428</u></u>	

**NOTE 9 - LONG-TERM LIABILITIES**

The following schedule details the County's long-term liability and obligation activity for the year ended June 30, 2021:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Due within 1 year
<b>Governmental activities:</b>					
Net pension and other postemployment benefits liability	\$ 108,152,651	\$ 18,935,855	-	\$ 127,088,506	
Capital leases payable	792,650	649,714	\$ (470,181)	972,183	\$ 448,496
Compensated absences payable	6,053,376	75,522	-	6,128,898	5,638,586
Claims and judgments payable	<u>2,150,495</u>	<u>208,454</u>	-	<u>2,358,949</u>	<u>2,358,949</u>
Total governmental activities long-term liabilities	<u><u>\$ 117,149,172</u></u>	<u><u>\$ 19,869,545</u></u>	<u><u>\$ (470,181)</u></u>	<u><u>\$ 136,548,536</u></u>	<u><u>\$ 8,446,031</u></u>
<b>Business-type activities:</b>					
Landfill closure and postclosure care costs payable	\$ 9,602,210	\$ 314,965	\$ -	\$ 9,917,175	-
Net pension and other postemployment benefits liability	2,021,393	687,504	-	2,708,897	-
Compensated absences payable	<u>158,698</u>	<u>35,471</u>	-	<u>194,169</u>	<u>\$ 117,108</u>
Total business-type activities long-term liabilities	<u><u>\$ 11,782,301</u></u>	<u><u>\$ 1,037,940</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 12,820,241</u></u>	<u><u>\$ 117,108</u></u>

**Capital leases**—The County has acquired copiers and computers under the provisions of various long-term lease agreements classified as capital leases for accounting purposes because they provide for a bargain purchase option or a transfer of ownership by the end of the lease term.

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

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

The following assets were acquired through capital leases:

	Governmental activities
Machinery & equipment-copiers	\$ 363,659
Machinery & equipment-computers	<u>665,029</u>
Total capital assets	1,028,688
Less: accumulated depreciation	<u>(294,776)</u>
Carrying value	<u><u>\$ 733,912</u></u>

The following schedule details debt service requirements to maturity for the County's capital leases payable at June 30, 2021:

Year ending June 30:	Governmental activities
2022	\$ 461,348
2023	345,425
2024	<u>185,090</u>
Total minimum lease payments	991,863
Less amount representing interest	<u>(19,680)</u>
Present value of net minimum lease payments	<u><u>\$ 972,183</u></u>

The present value of net minimum lease payments at June 30, 2021, of \$972,183 exceeds the total capital assets of \$733,912 because a significant portion of the assets acquired through capital leases were for computer equipment that fell below the County's capitalization threshold.

**Landfill closure and postclosure care costs**— The County owns two landfill sites. Cerbat is 160-acres and Mohave Valley is 320 acres. Both are operated by independent contractors under contract with the County and began operations in January 1989. The County operates its landfills on a cell basis. The County owns additional unused parcels of land adjacent to the existing landfill sites that will be used, as needed, to open additional cells.

State and federal laws and regulations require the County to place a final cover on its Cerbat and Mohave Valley landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. Although closure and postclosure care costs will not be paid until near or after the date that the landfills stop accepting waste, the County reports a portion of these closure and postclosure care costs in each period that the County operates the landfills. These costs will be paid from the enterprise fund. The amount of cost recognized each year is based on landfill capacity used at the end of each fiscal year. The \$9,917,175 reported as landfill closure and postclosure care liability at June 30, 2021, represents the cumulative amount reported to date at the Cerbat and Mohave Valley landfills. The calculation is based on the use of 99 percent of Cells 1-5 and 12 percent of Cell 6 at Cerbat landfill; and 94 percent of the estimated capacity at Mohave Valley landfill. The County will recognize the remaining estimated costs of closure and postclosure care costs of \$1,003,427 as the remaining estimated capacity is filled.

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

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

These amounts are based on what it would cost to perform all closure and postclosure care in fiscal year 2021 for existing open cells. The actual costs may be higher because of inflation, changes in technology, or changes in regulations. The County expanded the Cerbat Cell #6 in fiscal year 2020. The existing open cells at the Cerbat landfill are expected to reach capacity at the end 2033. The existing open cells at the Mohave landfill are expected to reach capacity by the end of 2023. The County expects to reach capacity of the landfills' unopened cells in the years 2065 and 2066, respectively. The landfills are expected to have in excess of 50 years remaining, considering unopened cells. According to state and federal laws and regulations, the County must comply with the local government financial test requirements that ensure that the County can meet the costs of landfill closure, postclosure, and corrective action when needed. The County is in compliance with these requirements.

**Insurance Internal Service Funds**— The County established two internal service funds, Employee Benefits Trust (EBT) and Self-Insured Trust (SIR). The EBT fund accounts for employee health benefits through a combination of self-insured and commercial insurance. The SIR fund provides property, casualty, and general liability coverage up to \$75,000 per claim (increased from \$50,000), and also accounts for premium payments to the Arizona Counties Workers' Compensation Pool for workers' compensation coverage.

The SIR fund accounts for the risk financing of certain benefits and losses through combinations of cost-reimbursement, self-insurance for losses up to certain limits, participation in public entity risk pools, and the purchase of insurance for losses above the limits. Settled claims have not exceeded risk pool coverage or the purchased commercial insurance in any of the past 6 fiscal years. The EBT Fund accounts for the financing of the uninsured risk of loss for certain health benefits (comprehensive major medical, prescriptions, dental, life, and accidental death and dismemberment) to eligible employees and their dependents. The County is self-insured up to certain limits, with commercial insurance to cover losses above the limits. The life insurance is 100 percent commercial insurance. Under the health insurance program, the employees have a preferred provider organization program. The County is fully self-insured for dental, which is administered by Delta Dental. Settled medical and dental claims have not exceeded available self-insurance funds, or the purchased commercial insurance, in any of the past 6 fiscal years.

**Compensated absences and insurance claims**— Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs. Insurance claims are paid from the internal service funds. During fiscal year 2021, the County's liability for compensated absences is allocated as follows: 63 percent to the general fund, 13 percent to other major funds, and 24 percent to other nonmajor funds.

The County paid for health insurance claims through the EBT Fund. The claims paid from the EBT Fund were medical claims funded through payroll deductions and contributions from county funds. The self-insured trust fund was funded \$1.6 million; \$1.257 million (70.3 percent) by the general fund, \$363 thousand (20.3 percent) by the road fund, \$30.6 thousand (1.7 percent) by the flood control fund, \$25.4 thousand (1.4 percent) by internal service funds, \$55 thousand (3.1 percent) by enterprise funds, and \$57.6 thousand (3.2 percent) by other governmental funds this past year to cover insurance expense and possible settlements.

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

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

The insurance claims payable liability of the SIR and EBT Funds totaling \$2,358,949 included in the balance below at June 30, 2021, is the estimated ultimate cost of settling claims that have been reported but not settled, and claims that have been incurred but not reported. This estimate is based on actuarial estimates provided by the County's healthcare administrator (based on claims received subsequent to June 30, 2021) and Arizona Counties Property and Casualty Pool (based on expected outcomes of outstanding lawsuits and incurred but not reported occurrences). Changes in the funds' claims payable for the years ended June 30, 2020, and 2021, were as follows:

	2020	2021
Claims payable, beginning of year	\$ 2,104,379	\$ 2,150,495
Claims incurred and changes in estimates	10,616,421	12,431,324
Claims paid	<u>(10,570,305)</u>	<u>(12,222,870)</u>
Claims payable, end of year	<u>\$ 2,150,495</u>	<u>\$ 2,358,949</u>

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

The fund balance classifications of the governmental funds as of June 30, 2021, were as follows:

	General Fund	Road Fund	Flood Control Fund	County Capital Improvement Fund	American Rescue Plan Act Fund	Other Governmental Fund	Total
Fund balances:							
Nonspendable:							
Inventories	-	\$ 198,039	\$ 104,037	-	-	-	\$ 302,076
Prepaid items	<u>\$ 39,010</u>	<u>1,154</u>	<u>12,953</u>	-	-	<u>\$ 104,202</u>	<u>157,319</u>
Total nonspendable	<u>39,010</u>	<u>199,193</u>	<u>116,990</u>	-	-	<u>104,202</u>	<u>459,395</u>
Restricted for:							
Government services	824	-	-	-	-	7,675,815	7,676,639
Public safety	-	-	7,867,231	-	-	4,433,267	12,300,498
Highways and streets	-	16,784,010	-	-	-	-	16,784,010
Health	-	-	-	-	-	1,946,048	1,946,048
Welfare	-	-	-	-	-	2,532,808	2,532,808
Education	-	-	-	-	-	630,097	630,097
Culture and recreation	-	-	-	-	-	6,791,056	6,791,056
Total restricted	<u>824</u>	<u>16,784,010</u>	<u>7,867,231</u>	<u>-</u>	<u>-</u>	<u>24,009,091</u>	<u>48,661,156</u>
Committed to:							
Culture and recreation	101,281	-	-	-	-	-	101,281
Sanitation	-	-	-	-	-	413,659	413,659
Capital projects	-	-	-	12,711,497	-	902,898	13,614,395
Total committed	<u>101,281</u>	<u>-</u>	<u>-</u>	<u>12,711,497</u>	<u>-</u>	<u>1,316,557</u>	<u>14,129,335</u>
Unassigned:	<u>55,745,656</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 83,487</u>	<u>973,260</u>	<u>56,802,403</u>
Total fund balances	<u>\$ 55,886,771</u>	<u>\$ 16,983,203</u>	<u>\$ 7,984,221</u>	<u>\$ 12,711,497</u>	<u>\$ 83,487</u>	<u>\$ 26,403,110</u>	<u>\$ 120,052,289</u>

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 11 – RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the County joined and is covered by two public entity risk pools: the Arizona Counties Property and Casualty Pool and the Arizona Counties Workers’ Compensation Pool, which are described below.

The Arizona Counties Property and Casualty Pool is a public entity risk pool currently composed of 13 member counties. The pool provides member counties catastrophic loss coverage for risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; cyber security; and natural disasters; and provides risk management services. Such coverage includes all defense costs as well as the amount of any judgment or settlement. The County is responsible for paying a premium, based on its exposure in relation to the exposure of the other participants, and a deductible ranging from \$10,000 to \$500,000 per occurrence for property claims and \$75,000 per occurrence for liability claims. The County is also responsible for any payments, in excess of the maximum coverage of \$300 million per occurrence for property claims and \$15 million per occurrence for liability claims. However, lower limits apply to certain categories of losses. A county must participate in the pool at least 3 years after becoming a member; however, it may withdraw after the initial 3-year period.

The Arizona Counties Workers’ Compensation Pool is a public entity risk pool currently composed of 13 member counties. The pool provides member counties with workers’ compensation coverage, as law requires, and risk management services. The County is responsible for paying a premium, based on an experience-rating formula that allocates pool expenditures and liabilities among the members.

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

**NOTE 12 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

The County contributes to the plans described below. The plans are component units of the State of Arizona. At June 30, 2021, the County reported the following aggregate amounts related to pensions and other postemployment benefits (OPEB) for all plans to which it contributes:

Statement of net position and statement of activities	Governmental activities	Business-type activities	Total
Net pension and OPEB assets	\$ (1,900,115)	\$ (11,131)	\$ (1,911,246)
Net pension and OPEB liabilities	127,088,506	2,708,897	129,797,403
Deferred outflows of resources related to pensions and OPEB	28,159,012	586,957	28,745,969
Deferred inflows of resources related to pensions and OPEB	1,877,506	43,231	1,920,737
Pension and OPEB expense	14,341,507	454,341	14,795,848

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

The County's accrued payroll and employee benefits includes \$347,863 of outstanding pension and OPEB contribution amounts payable to all plans for the year ended June 30, 2021. Also, the County reported \$10,573,727 of pension and OPEB contributions as expenditures in the governmental funds related to all 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](http://www.azasrs.gov).

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

Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

ASRS	Retirement Initial membership date:	
	Before July 1, 2011	On or after July 1, 2011
Years of service and age required receive benefit	Sum of years and age equals 80 10 years, age 62 5 years, age 50* Any years, age 65	30 years, age 55 25 years, age 60 10 years, age 62 5 years, age 50* Any years, age 65
Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

\*With actuarially reduced benefits.

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earnings. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the retirement benefit option chosen determines the survivor benefit. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

MOHAVE COUNTY  
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**NOTE 12 - 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. 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.

**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, 2021, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.22 percent (12.04 percent for retirement and 0.18 percent for long-term disability) of the members' annual covered payroll, and statute required the County to contribute at the actuarially determined rate of 12.22 percent (11.65 percent for retirement, 0.39 percent for health insurance premium benefit, and 0.18 percent for long-term disability) of the active members' annual covered payroll. In addition, the County was required by statute to contribute at the actuarially determined rate of 10.21 percent (10.14 percent for retirement, and 0.07 percent for long-term disability) of annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the ASRS would typically fill. The County's contributions to the pension, health insurance premium benefits and long-term disability plans for the year end June 30, 2021, were \$4,913,473, \$164,485, and \$75,916, respectively.

During fiscal year 2021, the County paid for ASRS pension and OPEB contributions as follows: 54 percent from the General Fund, 28 percent from the Other Major Funds, and 18 percent from the Other Funds.

**Liability** - At June 30, 2021, the County reported the following asset and liabilities for its proportionate share of the ASRS' net pension/OPEB asset or liability.

ASRS	Net Pension/OPEB (Asset) Liability
Pension	\$ 62,278,444
Health Insurance Premium Benefit	(257,031)
Long-term Disability	274,018

The net asset and net liabilities were measured as of June 30, 2020. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2019, to the measurement date of June 30, 2020.

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 12 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

The County's proportion of the net asset or net liability was based on the County's actual contributions to the plan relative to the total of all participating employer contributions for the year ended June 30, 2020. The County's proportions measured as of June 30, 2020, and the change from its proportions measured as of June 30, 2019, were:

<u>ASRS</u>	<u>Proportion June 30, 2020</u>	<u>Increase (decrease) from June 30, 2019</u>
Pension	0.35944%	0.01197
Health Insurance Premium Benefit	0.36304%	0.01145
Long-term Disability	0.36121%	0.01146

**Expense** — For the year ended June 30, 2021, the County recognized the following pension and OPEB expense.

<u>ASRS</u>	<u>Pension/OPEB Expense</u>
Pension	\$ 5,932,288
Health Insurance Premium Benefit	80,908
Long-term Disability	87,007

**Deferred Outflows/Inflows of Resources** — At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	<u>Pension</u>		<u>Health Insurance Premium Benefit</u>		<u>Long-term Disability</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
ASRS						
Differences between expected and actual experience	\$ 563,416	\$ -		\$ 506,463	\$ 23,846	\$ 7,056
Changes of assumptions or other inputs	-	-	\$ 142,496	-	29,524	
Net difference between projected and actual earnings on plan investments	6,006,829	-	262,989	-	30,169	-
Changes in proportion and differences between County contributions and proportionate share of contributions	1,179,573	480,124	5	1,646	5,618	2,967
County contributions subsequent to the measurement date	4,913,473	-	164,485	-	75,916	-
Total	<u>\$12,663,291</u>	<u>\$ 480,124</u>	<u>\$ 569,975</u>	<u>\$ 508,109</u>	<u>\$ 165,073</u>	<u>\$ 10,023</u>

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

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

The amounts reported as deferred outflows of resources related to ASRS pensions and OPEB resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net asset or a reduction of the net liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized as expense as follows:

Year ending June 30,	Pension	Health Insurance Premium Benefit	Long-term Disability
2022	\$ 838,405	\$ (55,014)	\$ 12,887
2023	2,400,674	626	17,783
2024	2,172,734	12,795	18,681
2025	1,857,881	(14,373)	16,816
2026	-	(46,653)	9,002
Thereafter	-	-	3,965
Totals	<u>\$ 7,269,694</u>	<u>\$ (102,619)</u>	<u>\$ 79,134</u>

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

**ASRS**

Actuarial valuation date	June 30, 2019
Actuarial roll forward date	June 20, 2020
Actuarial cost method	Entry age normal
Investment rate of return	7.5%
Projected salary increases	2.7-7.2% 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, 2019, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on ASRS plan investments was determined to be 7.5 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 and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

ASRS Asset Class	Target allocation	Long-term expected geometric real rate of return
Equity	50%	6.39%
Fixed income - credit	20%	5.44%
Fixed income - interest rate sensitive	10%	0.22%
Real estate	20%	5.85%
Total	<u>100%</u>	

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 12 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Discount Rate** - The discount rate used to measure the ASRS total pension/OPEB liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

**Sensitivity of the County’s proportionate share of the ASRS net pension/OPEB (asset) liability to changes in the discount rate** - The following table presents the County’s proportionate share of the net pension/OPEB (asset) liability calculated using the discount rate of 7.5 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 (6.5 percent) or 1 percentage point higher (8.5 percent) than the current rate:

ASRS	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
County's proportionate share of the			
Net pension liability	\$ 85,164,927	\$ 62,278,444	\$ 43,146,520
Net insurance premium benefit liability (asset)	337,252	(257,031)	(762,787)
Net long-term disability liability	299,183	274,018	204,263

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

**B. Public Safety Personnel Retirement System**

**Plan Descriptions** - The Public Safety Personnel Retirement System (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 that cover public safety personnel who are regularly assigned hazardous duty as employees of the State of Arizona or participating political subdivisions. Employees who became members on or after July 1, 2017, may participate in the Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP). The PSPRS, acting as a common investment and administrative agent, is governed by a nine-member board, known as Board of Trustees, and the participating local boards according to the provisions of A.R.S. Title 38, Chapter 5, Article 4. Employees who were PSPRS members before July 1, 2017, participate in the agent plans, and those who became PSPRS members on or after July 1, 2017, participate in the cost-sharing plans (PSPRS Tier 3 Risk Pool) which are not further disclosed because of their insignificance to the County's financial statements.

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

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

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 health insurance premium benefit (OPEB) plan for AOC officers (cost-sharing plans). Employees who were CORP members before July 1, 2018, participate in CORP, and AOC probation and surveillance officers who became members on or after July 1, 2018, participate in CORP or PSPDCRP. Detention officers who became members on or after July 1, 2018, participate in PSPDCRP. The PSPRS Board of Trustees and the participating local boards govern CORP according to the provisions of A.R.S. Title 38, Chapter 5, Article 6.

The PSPRS issues a publicly available financial report that included their financial statements and required supplementary information for the PSPRS plan. The report is available on the PSPRS website at [www.psprs.com](http://www.psprs.com).

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

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

MOHAVE COUNTY  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2021

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

<u>CORP</u>	Initial membership date:		
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2018	AOC probation and surveillance officers: On or after July 1, 2018
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 years, age 52.5* 10 or more years, age 55
Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive months of last 10 years	
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 member's pension benefit		
Active members	40% of average monthly compensation or 100% of average monthly compensation if death was the result of injuries received on the job. If there is no surviving spouse or eligible children, the beneficiary is entitled to 2 times the member's contributions.		

\* With actuarially reduced benefits.

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on inflation. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. Benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents

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NOTES TO FINANCIAL STATEMENTS  
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**NOTE 12 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Employees Covered by Benefit Terms** - At June 30, 2021, the following employees were covered by the agent plans' benefit terms:

	PSPRS Sheriff		CORP Detention	
	Pension	Health	Pension	Health
Inactive employees or beneficiaries currently receiving benefits	54	59	19	19
Inactive employees entitled to but not yet receiving benefits	29	6	91	0
Active employees	59	54	60	60
Total	142	119	170	79

**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, 2021, are indicated below. Rates are a percentage of active members' annual covered payroll.

	Active member pension	County-pension	County-health insurance premium benefits
PSPRS Sheriff	7.65% - 11.65%	54.67%	0%
CORP Detention	8.41%	6.82%	0%
CORP AOC	8.41%	33.58%	0.53%

In addition, statute required the County to contribute at the actuarially determined rate indicated below of annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the PSPRS or CORP would typically fill and employees participating in the PSPRS Tier 3 Risk Pool and PSPDCRP members in addition to the County's required contributions to the PSPRS Tier 3 Risk Pool and PSPDCRP.

	Pension	Health Insurance Premium Benefit
PSPRS Sheriff	42.73%	- %
CORP Detention	6.00%	- %
CORP AOC	27.84%	0.21%

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

The County's contributions to the plans for the year ended June 30, 2021, were:

	<u>Pension</u>	<u>Health Insurance Premium Benefit</u>
PSPRS Sheriff	\$ 2,787,673	-
CORP Detention	287,043	-
CORP AOC	1,297,947	\$ 20,486

During fiscal year 2021, the County paid for PSPRS and CORP pension and OPEB contributions as follows: 80 percent from the General Fund, and 20% from the Other Funds.

**Liability** - At June 30, 2021, the County reported the following assets and liabilities:

	<u>Net Pension (Asset) Liability</u>	<u>Net OPEB (Asset) Liability</u>
PSPRS Sheriff	\$ 28,643,864	\$ (772,150)
CORP Detention	1,555,828	(529,534)
CORP AOC (County's proportionate share)	14,382,427	119,892

The net assets and net liabilities were measured as of June 30, 2020, and the total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date.

**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, 2020
Actuarial cost method	Entry age normal
Investment rate of return	7.3%
Wage inflation	3.5% for pension/not applicable for OPEB
Price inflation	2.5% for pension/not applicable for OPEB
Cost-of-living adjustment	1.75% for pension/not applicable for OPEB
Mortality rates	PubS – 2010 tables.
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2017.

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 12 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

The long-term expected rate of return on PSPRS and CORP plans investments was determined to be 7.3 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. public equity	23%	4.93%
International public equity	15%	6.09%
Global private equity	18%	8.42%
Other assets (capital appreciation)	7%	5.61%
Core bonds	2%	.22%
Private credit	22%	5.31%
Diversifying strategies	12%	3.22%
Private equity	12%	8.40%
Cash - Mellon	1%	-0.60%
Total	100%	

**Discount Rates** - At June 30, 2020, the discount rate used to measure the PSPRS and CORP total pension/OPEB liabilities was 7.3 percent. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

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

**Changes in the Net Pension/OPEB Liability** - Changes in the net pension/OPEB liability are as follows for the year ended June 30, 2021:

PSPRS - Sheriff:	Pension			Health Insurance Premium Benefit		
	Increase (Decrease)			Increase (Decrease)		
	Total Position Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a) – (b)	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB (Asset) Liability (a) – (b)
Balances at June 30, 2020	<u>49,329,822</u>	<u>\$ 23,636,860</u>	<u>\$ 25,692,962</u>	<u>\$ 674,399</u>	<u>\$ 1,508,632</u>	<u>\$ (834,233)</u>
Adjustment to the beginning of the year:						
Service cost	732,194	(15,800)	15,800	20,115	-	20,115
Interest on the total liability	3,541,781	-	3,541,781	50,210	-	50,210
Changes of benefit terms	-	-	-	9,198	-	9,198
Differences between expected and actual experience in the measurement of the liability	1,910,084	-	1,910,084	-	-	-
Changes of assumptions or other inputs	-	-	-	-	-	-
Contributions—employer	-	2,602,728	(2,602,728)	-	-	-
Contributions—employee	-	370,865	(370,865)	-	-	-
Net investment income	-	299,816	(299,816)	-	18,984	(18,984)
Benefit payments, including refunds of employee contributions	(3,088,939)	(3,088,939)	-	(31,995)	(31,995)	-
Administrative expense	-	(24,452)	24,452	-	(1,544)	1,544
Other changes	-	-	-	-	-	-
Net changes	<u>3,095,120</u>	<u>160,018</u>	<u>2,935,102</u>	<u>47,528</u>	<u>(14,555)</u>	<u>62,083</u>
Balances at June 30, 2021	<u>\$ 52,424,942</u>	<u>\$ 23,781,078</u>	<u>\$ 28,643,864</u>	<u>\$ 721,927</u>	<u>\$ 1,508,632</u>	<u>\$ (772,150)</u>

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

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

<b>CORP - Detention</b>	Pension			Health Insurance Premium Benefit Increase		
	Increase (Decrease)			(Decrease)		
	Total Position Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a) – (b)	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a) – (b)
Balances at June 30, 2020	\$ 8,678,060	\$ 8,343,314	\$ 334,746	\$ 175,627	\$ 713,042	\$ (537,415)
Changes for the year:						
Service cost	414,356	-	414,356	9,359	-	9,359
Interest on the total liability	648,230	-	648,230	13,335	-	13,335
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience in the measurement of the pension liability	782,236	-	782,236	4,224	-	4,224
Changes of assumptions or other inputs	-	-	-	-	-	-
Contributions—employer	-	181,055	(181,055)	-	-	-
Contributions—employee	-	220,355	(220,355)	-	-	-
Net investment income	-	232,485	(232,485)	-	19,803	(19,803)
Benefit payments, including refunds of employee contributions	(425,110)	(425,110)	-	(4,635)	(4,635)	-
Administrative expense	-	(8,998)	8,998	-	(766)	766
Other changes	-	(1,157)	1,157	-	-	-
Net changes	<u>1,419,712</u>	<u>198,630</u>	<u>1,221,082</u>	<u>(22,283)</u>	<u>14,402</u>	<u>7,881</u>
Balances at June 30, 2021	<u>\$ 10,097,772</u>	<u>\$ 8,541,944</u>	<u>\$ 1,555,828</u>	<u>\$ 197,910</u>	<u>\$ 727,444</u>	<u>\$ (529,534)</u>

The County's proportion of the CORP AOC net pension and OPEB liabilities was based on the County's actual contributions to the plans relative to the total of all participating counties' actual contributions for the year ended June 30, 2020. The County's proportion measured as of June 30, 2020, and the change from its proportions measured as of June 30, 2019, were:

<b><u>CORP AOC</u></b>	Proportion June 30, 2020 %	Increase (decrease) from June 30, 2019
Pension	3.010974%	(0.076204)
Health insurance premium benefit	3.044476%	(0.033502)

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

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

**Sensitivity of the County's Net Pension/OPEB (Asset) Liability to Changes in the Discount Rate** - The following table presents the County's net pension/OPEB (assets) liabilities calculated using the discount rates noted above, as well as what the County's net pension/OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (6.3%)	Current Discount Rate (7.3%)	1% Increase (8.3%)
<b>PSPRS Sheriff</b>			
Net pension liability	\$ 35,521,641	\$ 28,643,864	\$ 23,034,785
Net OPEB (asset) liability	(684,603)	(772,150)	(845,272)
<b>CORP Detention</b>			
Net pension liability	3,023,892	1,555,828	373,420
Net OPEB (asset) liability	(502,909)	(529,534)	(551,708)
<b>CORP AOC</b>			
County's proportionate share of the net pension liability	18,270,308	14,382,427	11,206,514
County's proportionate share of the net OPEB liability	174,298	119,892	73,995

**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, 2021, the County recognized the following pension and OPEB expense:

	Pension Expense	OPEB Expense
PSPRS Sheriff	\$ 4,138,229	\$ (60,790)
CORP Detention	517,978	(41,822)
CORP AOC	2,203,112	(4,327)

**Deferred Outflows/Inflows of Resources** - At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

<b>PSPRS</b>	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	\$1,674,079	\$ -	\$ 7,360	\$ 101,196
Changes of assumptions or other inputs	719,782	-	5,340	8,276
Net difference between projected and actual earnings on pension plan investments	1,302,002	-	80,478	
County contributions subsequent to the measurement date	<u>2,787,673</u>			
<b>Total</b>	<u>\$ 6,483,536</u>	<u>\$ -</u>	<u>\$ 93,178</u>	<u>\$ 109,472</u>

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

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

<b>CORP - Detention</b>	Pension		Health Insurance Premium Benefit	
	Deferred	Deferred	Deferred	Deferred
	Outflows of Resources	Inflows of Resources	Outflows of Resources	Inflows of Resources
Differences between expected and actual experience	\$ 679,617	\$ 334,290	\$ 3,618	\$ 82,937
Changes of assumptions or other inputs	178,777		2,496	14,232
Net difference between projected and actual earnings on pension plan investments	340,237		28,881	
County contributions subsequent to the measurement date	<u>287,043</u>		<u>20,486</u>	
Total	<u>\$ 1,485,674</u>	<u>\$ 334,290</u>	<u>\$ 55,481</u>	<u>\$ 97,169</u>

<b>CORP - AOC</b>	Pension		Health Insurance Premium Benefit	
	Deferred	Deferred	Deferred	Deferred
	Outflows of Resources	Inflows of Resources	Outflows of Resources	Inflows of Resources
Differences between expected and actual experience	\$ 1,498,021	\$ 171,078		\$ 58,452
Changes of assumptions or other inputs	462,525		\$ 3,553	25,858
Net difference between projected and actual earnings on pension plan investments	623,482		15,658	
Changes in proportion and differences between County contribution and proportionate share of contributions	622,967	83,705	16,963	2,226
County contributions subsequent to the measurement date	<u>1,128,054</u>		<u>19,392</u>	
Total	<u>\$ 4,335,049</u>	<u>\$ 254,783</u>	<u>\$ 55,566</u>	<u>\$ 86,536</u>

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

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

The amounts reported as deferred outflows of resources related to pensions and OPEB resulting from County contributions subsequent to the measurement date will be recognized as an increase in the net asset or a reduction of the net liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized as expenses as follows:

Year Ending June 30,	PSPRS Sheriff		CORP Detention		CORP-AOC	
	Pension	Health	Pension	Health	Pension	Health
2022	\$ 1,360,530	\$ (23,755)	\$ 209,315	\$ (13,431)	\$ 915,472	\$ (23,914)
2023	1,200,401	(10,247)	294,581	(8,350)	893,967	(16,246)
2024	851,048	(2,116)	287,917	(8,563)	753,541	(3,837)
2025	283,884	19,824	72,528	(11,195)	389,232	(5,945)
2026				(11,715)		(420)
Thereafter				(8,920)		
	<u>\$ 3,695,863</u>	<u>\$ (16,294)</u>	<u>\$ 864,341</u>	<u>\$ (62,174)</u>	<u>\$ 2,952,212</u>	<u>\$ (50,362)</u>

**PSPDCRP Plan**—County sheriff employees, County detention officers and AOC probation, surveillance, and juvenile detention officers who are not members of PSPRS or CORP participate in the PSPDCRP. The PSPDCRP is a defined contribution pension plan. The PSPRS Board of Trustees governs the PSPDCRP according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.1. Benefit terms, including contribution requirements, are established by State statute.

For the year ended June 30, 2021, active PSPDCRP members were required by statute to contribute at least 9 percent (County sheriff employees) or 5 percent (County detention officers and AOC probation, surveillance, and juvenile detention officers) of the members' annual covered payroll, and the County was required by statute to contribute 9 percent or 5 percent, respectively, of active members' annual covered payroll to an individual employee account. Employees are immediately vested in their own contributions and the earnings of those contributions. Employees vest in a portion of the County's contributions each year as set forth in statute. The plan retains nonvested County contributions when forfeited because of employment terminations. For the year ended June 30, 2021, the County recognized pension expense of \$24,490.

**C. Elected Officials Retirement Plan**

**Plan description**—Elected officials and judges participate in the Elected Officials Retirement Plan (EORP), ASRS, or the Elected Officials Defined Contribution Retirement System (EODCRS). EORP administers a cost-sharing multiple-employer defined benefit pension plan and a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan for elected officials and judges who were members of the plan on December 31, 2013. The EORP pension and OPEB plans were closed to new members as of January 1, 2014. The PSPRS Board of Trustees governs the EORP according to the provisions of A.R.S. Title 38, Chapter 5, Article 3. The PSPRS issues a publicly available financial report that includes financial statements and required supplementary information for the EORP plans. The report is available on PSPRS's website at [www.psprs.com](http://www.psprs.com).

**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:

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

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

<u>EORP</u>	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012
<u>Retirement and disability</u>		
Years of service and age required to receive benefit	20 years, any age 10 years, age 62 5 years, age 65 5 years, any age* any years and age if disabled	10 years, age 62 5 years, age 65 any years and age if disabled
Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive months of last 10 years
<u>Benefit percent</u>		
Normal retirement	4% per year of service, not to exceed 80%	3% per year of service, not to exceed 75%
Disability retirement	80% with 10 or more years of service 40% with 5 to 10 years of service 20% with less than 5 years of service	75% with 10 or more years of service 37.5% with 5 to 10 years of service 18.75% with less than 5 years of service
<u>Survivor benefit</u>		
Retired members	75% of retired member's benefit	50% of retired member's benefit
Active members and other inactive members	75% of disability retirement benefit	50% of disability retirement benefit

\*With reduced benefits of 0.25% for each month early retirement precedes the member's normal retirement age, with a maximum reduction of 30%.

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on inflation. In addition, the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget Committee analysis of the increase's effects on the plan. Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 8 or more years of service, benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents. For members with 5 to 7 years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

**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, 2021, statute required active EORP members to contribute 7 or 13 percent of the member's annual covered payroll and the County to contribute at the actuarially determined rate of 61.43 percent of all active EORP members' annual covered payroll. Also, statute required the County to contribute 49.39 percent to EORP of the annual covered payroll of elected officials and judges who were ASRS members and 55.43 percent to EORP of the annual covered payroll of elected officials and judges who were EODCRS members, in addition to the County's required contributions to ASRS and EODCRS for these elected officials and judges. The County made \$1,567,920 in contributions to the pension plan for the year ended June 30, 2021.

MOHAVE COUNTY  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2021

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

The health insurance premium benefit plan was 100% funded and required no contribution. During fiscal year 2021, the County paid for EORP pension contributions as follows: 95 percent from the General Fund, and 5 percent from other funds.

**Liability**—At June 30, 2021, the County reported a liability for its proportionate share of the EORP’s net pension liability that reflected a reduction for the County’s proportionate share of the State’s appropriation for EORP. The amount the County recognized as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the County were as follows:

County's proportionate share of the EORP net pension liability	\$ 22,542,930
State's proportionate share of the EORP net pension liability associated with the County	<u>2,142,526</u>
Total	<u>\$ 24,685,456</u>

The County also reported an asset of \$352,530 for its proportionate share of the EORP’s net OPEB asset. The net asset and net liability were measured as of June 30, 2020, and the total liability used to calculate the net asset or net liability was determined by an actuarial valuation as of that date.

The County’s proportion of the net pension liability was based on the County’s required contributions to the plan relative to the total of all participating employers’ required contributions for the year ended June 30, 2020. 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, 2020. The County’s proportion measured as of June 30, 2020, and the change from its proportions measured as of June 30, 2019, were:

EORP	Proportion June 30, 2020 %	Increase (decrease) from June 30, 2019
Pension	3.339882 %	(0.193593)
Health insurance premium benefit	3.691217 %	0.038757

**Expense**— For the year ended June 30, 2021, the County recognized pension and OPEB expense for EORP of \$1,899,268 and \$(20,400) respectively, and revenue of \$(186,799) 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, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

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

**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		\$ 18,502	\$ 5,791	\$ 14,650
Changes of assumptions or other inputs			407	
Net difference between projected and actual earnings on plan investments	\$ 434,422		40,017	
Change in proportion and differences between county contributions and proportionate share of contributions	640,087			7,078
County contributions, subsequent to the measurement date	<u>1,567,920</u>			
Total	<u>\$ 2,642,429</u>	<u>\$ 18,502</u>	<u>\$ 46,215</u>	<u>\$ 21,728</u>

The amounts reported as deferred outflows of resources related to EORP pensions and OPEB resulting from county contributions subsequent to the measurement date will be recognized as an increase of the net asset or reduction of the net liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to EORP pensions and OPEB will be recognized as expenses, as follows:

Year ending June 30	Pension	Health insurance premium benefit
2022	\$ 681,087	\$ (1,221)
2023	140,011	4,183
2024	136,979	12,626
2025	97,930	8,899
Total	<u>\$ 1,056,007</u>	<u>\$ 24,487</u>

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

**EORP**

Actuarial valuation date	June 30, 2020
Actuarial cost method	Entry age normal
Investment rate of return	7.3%
Wage inflation	3.75% for pension/not applicable for OPEB
Price inflation	2.5% for pensions/not applicable for OPEB
Cost-of-living adjustment	1.75% for pensions/not applicable for OPEB
Mortality rates	PubG-2010 tables
Healthcare cost trend rate	Not applicable

OHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

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

Actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2017.

The long-term expected rate of return on EORP plan investments was determined to be 7.3 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

**EORP**

Asset class	Target allocation	Long-term expected geometric real rate of return
U.S. public equity	23%	4.93%
International public equity	15%	6.09%
Global private equity	18%	8.42%
Other assets (capital appreciation)	7%	5.61%
Core bonds	2%	.22%
Private credit	22%	5.31%
Diversifying strategies	12%	3.22%
Cash - Mellon	1%	-0.60%
Total	<u>100%</u>	

**Discount rates**— At June 30, 2020, the discount rate used to measure the EORP total pension liability and total OPEB liability was 7.3 percent. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rate, employer contributions will be made actuarially determined rates, and State contributions will be made as currently required by statute. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

**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 7.3, 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 (6.3 percent) or 1 percentage point higher (8.3 percent) than the current rate:

	1% Decrease (6.3%)	Current Discount Rate (7.3%)	1% Increase (8.3%)
<b>EORP</b>			
County's proportionate share of the net pension liability	\$ 25,716,790	\$ 22,542,930	\$ 19,829,187
County's proportionate share of the net OPEB (asset)	(311,840)	(352,530)	(388,041)

OHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

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

**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 provision of A.R.S. Title 38, Chapter 5, Articles 3.1 and 3.2. Benefit terms, including contribution requirements, are established by state statute. The EODCDP is not further disclosed because of its relative insignificance to the County’s financial statements.

For the year ended June 30, 2021, active EODCRS members were required by statute to contribute 8 percent of the members’ annual covered payroll, and the County was required by statute to contribute 6 percent of the active members’ annual covered payroll to an individual employee account. Employees are immediately vested in their own contributions and the County’s contributions to the individual employee account and the earnings on those contributions. For the year ended June 30, 2021, the County recognized pension expense of \$1,567,920.

**NOTE 13 - INTERFUND BALANCES AND ACTIVITY**

Interfund receivable and payables - Interfund balances as of June 30, 2021, were as follows:

	<u>Payable from</u>			Total
	<u>General fund</u>	<u>Flood control fund</u>	<u>Other governmental funds</u>	
<b><u>Payable to</u></b>				
General fund			\$ 4,321	\$ 4,321
Road fund	\$ 63,729	\$ 8,341		72,070
Flood control fund	494			494
City capital improvement fund	34,414			34,414
Other governmental funds	15,920		90,872	106,792
Landfill fund	257			257
GVID fund	908			908
Parks fund	4,724			4,724
Other Enterprise funds	2,426			2,426
Internal service funds	4,778			4,778
Total	<u>\$ 127,650</u>	<u>\$ 8,341</u>	<u>\$ 95,193</u>	<u>\$ 231,184</u>

The interfund receivables and payables result from year-end accruals and adjustments. Cash will be transferred within the first few months of the next fiscal year for these transactions

OHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

**NOTE 13– INTERFUND BALANCES AND ACTIVITY (CONTINUED)**

**Interfund transfers**—Interfund transfers for the year ended June 30, 2021, were as follows:

	<b>Transfer to</b>				Total
	General fund	County capital fund	Other governmental funds	Internal service funds	
<b><u>Transfer from</u></b>					
General fund		\$ 10,500,000	\$ 2,592,637	\$ 372,392	\$ 13,465,029
Flood control fund	\$ 405,256		261,600		666,856
Other governmental funds	1,249,606		532,503		1,782,108
Landfill	1,000,000		20,000		1,020,000
GVID			58,861		58,861
Internal service funds			259,748		259,748
Total	<u>\$ 2,654,862</u>	<u>\$ 10,500,000</u>	<u>\$ 3,725,349</u>	<u>\$ 372,392</u>	<u>\$ 17,252,602</u>

The general fund transfers monies to other funds to provide support for such items as matching funds for grants or to make up the shortfall of grant-funded programs that the County feels are important. Other funds also transfer monies to reimburse for shared expenses and to cover matching grants.

**NOTE 14 - COUNTY TREASURER'S INVESTMENT POOL**

Arizona Revised Statutes require community colleges, school districts, and other local governments to deposit certain public monies with the County Treasurer. The Treasurer has a fiduciary responsibility to administer those and the County's monies under her stewardship. The Treasurer invests, on a pool basis, all idle monies not specifically invested for a fund or program. In addition, the Treasurer determines the fair value of those pooled investments annually at June 30.

The County Treasurer's investment pool is not registered with the Securities and Exchange Commission as an investment company, and there is no regulatory oversight of its operations. The pool's structure does not provide for shares, and the County has not provided or obtained any legally binding guarantees to support the value of the participants' investments. The Treasurer allocates interest earnings to each of the pool's participants.

The deposits and investments held by the County are included in the County Treasurer's investment pool, except for \$5,112,127 of deposits held by other county departments and \$669,861 of deposits held by trustees in the County's name. Therefore, the deposit and investment risks of the Treasurer's investment pool are substantially the same as the County's deposit and investment risks. See Note 4 for disclosure of the County's deposit and investment risks.

OHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

**NOTE 14 – COUNTY TREASURER’S INVESTMENT POOL (CONTINUED)**

Details of each major investment classification follow:

Investment type	Principal	Interest rate(s)	Maturities	Amount
U.S. agency securities	\$ 36,201,128	.250-2.25%	7/21-7/22	\$ 36,345,497
U.S. Treasury notes	84,411,784	1.25-2.875%	7/21-11/23	85,432,245
Corporate bonds	2,671,146	N/A	N/A	35,000
State Treasurer's Investment Pool	<u>175,506,994</u>	None stated	N/A	<u>175,506,994</u>
	<u>\$ 298,791,052</u>			<u>\$ 297,319,736</u>

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

Statement of fiduciary net position	
Assets	<u>\$ 297,384,053</u>
Net position	<u>\$ 297,384,053</u>
Net position held for:	
Internal participants	\$ 184,106,008
External participants	<u>113,278,045</u>
Total net position	<u>\$ 297,384,053</u>
Statement of changes in fiduciary net position	
Total additions	\$ 530,481,103
Total deductions	<u>(489,719,962)</u>
Net increase	40,761,141
Net position:	
July 1, 2020	<u>256,622,912</u>
June 30, 2021	<u>\$ 297,384,053</u>

**NOTE 15 – SUBSEQUENT EVENT**

Subsequent to June 30, 2021, Mohave County received notice from the State of Arizona that the State will receive a settlement from Johnson & Johnson as part of a class action opiate litigation. Mohave County’s share of the settlement is expected to be \$5,880,990 and will be received during fiscal year 2022-2023.

In the prior year’s subsequent event note, it was disclosed that the Arizona court found in favor of TransWestern pipeline and that the balance owed was paid on November 19, 2020. Subsequent to that date, the State of AZ decided to reimburse all the local governments for the payouts they made, due to the fact that the taxes were centrally assessed by the State. The reimbursement was received after June 30, 2021 and accrued to these financials. The resulting net effect on Mohave County’s financials was zero, for this fiscal year.

MOHAVE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

**NOTE 16 – CONTINGENT LIABILITY**

There is a lawsuit that is still outstanding. The payout is estimated at \$2.47 million statewide, and .5 million for Mohave County and its blended component units, if the plaintiffs prevail. It has been outstanding for several years. The tax court found in favor of the plaintiff; however, the case is now in the appeals process. At the date of this report, there has been no decision from the appellate court. No accrual was done for this contingent liability pending the outcome of the appeal.

**NOTE 17 - CREDIT CARD PAYMENTS BY GOVERNMENTAL ACTIVITIES**

A.R.S. §35-391 requires the annual financial report to disclose the amount of any reward, discount, incentive, or other financial consideration received resulting from the use of credit card payments by governmental entities. During fiscal year 2021, \$82,570 in rebates were received from the use of credit card payments by the County.

## OTHER REQUIRED SUPPLEMENTARY INFORMATION

MOHAVE COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 42,450,839	\$ 42,450,839	\$ 42,641,230	\$ 190,391
Licenses and permits	1,452,566	1,452,566	2,293,544	840,978
Intergovernmental	48,519,762	48,847,515	52,730,378	3,882,863
Charges for services	9,386,140	9,388,274	9,549,489	161,215
Fines and forfeits	1,414,627	1,414,627	1,215,412	(199,215)
Investment earnings	531,337	531,337	170,368	(360,969)
Contributions	80,665	109,891	160,328	50,437
Miscellaneous	813,300	563,300	666,623	103,323
Total revenues	<u>104,649,236</u>	<u>104,758,349</u>	<u>109,427,372</u>	<u>4,669,023</u>
<b>EXPENDITURES:</b>				
General government:				
Assessor	3,911,303	3,896,306	3,770,613	125,693
County attorney	4,940,800	4,940,800	4,606,744	334,056
County manager	401,588	401,588	329,759	71,829
Clerk of board	314,174	314,174	262,987	51,187
Community services department	404,562	404,562	388,339	16,223
General administration	2,754,118	2,742,343	1,838,463	903,880
Clerk of superior court	2,680,764	2,680,764	2,373,937	306,827
Constables	543,793	546,756	535,688	11,068
Contingency	8,837,834	8,703,229	-	8,703,229
Economic development department	641,040	641,040	299,911	341,129
Elections	811,904	826,509	766,572	59,937
Finance	1,266,215	1,266,215	1,229,034	37,181
Facilities maintenance	3,053,729	3,053,729	2,793,590	260,139
Justice courts	3,665,466	3,670,819	3,514,966	155,853
Juvenile detention	1,475,002	1,461,404	1,424,868	36,536
Human resources	424,374	424,374	390,336	34,038
Planning & zoning department	2,281,825	2,281,825	1,767,830	513,995
Public fiduciary	581,987	601,987	584,543	17,444
Public defender	6,934,413	6,934,413	6,265,251	669,162
Public legal defender	1,219,994	1,219,994	1,040,673	179,321
Building inspector	2,070,783	2,070,783	1,594,323	476,460
Procurement	469,758	469,758	458,626	11,132
Recorder	886,921	835,444	753,691	81,753
Superior courts	4,579,335	4,579,335	4,201,660	377,675
Treasurer	2,189,888	2,189,888	1,631,620	558,268
Voter registration	590,619	819,849	470,475	349,374
Supervisory districts	1,273,485	1,279,078	1,097,130	181,948
Total general government	<u>59,205,674</u>	<u>59,256,966</u>	<u>44,391,632</u>	<u>14,865,334</u>

See accompanying notes to budgetary comparison schedule.

MOHAVE COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
(Continued)				
Expenditures:				
Public safety:				
Adult detention center maintenance	\$ 1,033,912	\$ 1,033,912	\$ 750,697	\$ 283,215
Animal control	1,136,212	1,162,640	1,131,547	31,093
Jail	13,254,533	13,254,533	12,088,779	842,031
Medical examiner	701,740	701,740	701,740	-
Probation	2,089,780	2,103,378	2,103,378	-
Sheriff	15,889,496	15,892,294	15,306,631	585,663
Total public safety	<u>34,105,673</u>	<u>34,148,497</u>	<u>32,406,496</u>	<u>1,742,001</u>
Health:				
A.H.C.C.C.S.	<u>11,277,400</u>	<u>11,277,400</u>	<u>10,570,967</u>	<u>706,433</u>
Culture and recreation:				
Fairgrounds	<u>126,299</u>	<u>126,299</u>	<u>20,252</u>	<u>106,047</u>
Education:				
School superintendent	<u>461,272</u>	<u>461,272</u>	<u>419,179</u>	<u>42,093</u>
Capital outlay	<u>509,917</u>	<u>509,917</u>	<u>323,722</u>	<u>186,195</u>
Debt service:				
Principal retirement	-	-	99,548	(99,548)
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>14,460</u>	<u>(14,460)</u>
Total debt service	<u>-</u>	<u>-</u>	<u>114,008</u>	<u>(114,008)</u>
Total expenditures	<u>105,686,235</u>	<u>105,780,351</u>	<u>88,246,256</u>	<u>17,534,095</u>
Excess (deficiency) of revenues over (under) expenditures	(1,036,999)	(1,022,002)	21,181,116	22,303,762
OTHER FINANCING SOURCES (USES):				
Transfers in	2,979,461	2,979,461	2,654,862	(324,599)
Transfers out	(13,856,274)	(13,871,271)	(13,465,029)	406,242
Proceeds of sale of County property	<u>-</u>	<u>-</u>	<u>100,643</u>	<u>100,643</u>
Total other financing sources (uses)	<u>(10,876,813)</u>	<u>(10,891,810)</u>	<u>(10,709,524)</u>	<u>182,286</u>
Net changes in fund balance	(11,913,812)	(11,913,812)	10,471,592	22,385,404
Fund balances, July 1, 2020	<u>38,485,504</u>	<u>38,485,504</u>	<u>45,415,179</u>	<u>6,929,675</u>
Fund balances, June 30, 2021	<u>\$ 26,571,692</u>	<u>\$ 26,571,692</u>	<u>\$ 55,886,771</u>	<u>\$ 29,315,079</u>

See accompanying notes to budgetary comparison schedule.

MOHAVE COUNTY  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE - ROAD FUND  
 YEAR ENDED JUNE 30, 2021

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Licenses and permits	\$ 45,000	\$ 45,000	\$ 49,610	\$ 4,610
Intergovernmental	18,506,000	18,506,000	20,140,196	1,634,196
Charges for services	45,500	45,500	92,003	46,453
Fines and forfeits	500	500	345	(155)
Investment earnings	300,000	300,000	53,131	(246,869)
Rents	75,965	75,965	77,046	1,081
Miscellaneous	401,534	401,534	181,385	(220,149)
Total revenues	<u>19,374,549</u>	<u>19,374,549</u>	<u>20,593,716</u>	<u>1,219,167</u>
<b>EXPENDITURES:</b>				
Highway and streets	<u>35,630,757</u>	<u>35,630,757</u>	<u>20,609,511</u>	<u>15,021,246</u>
Total expenditures	<u>35,630,757</u>	<u>35,630,757</u>	<u>20,609,511</u>	<u>15,021,246</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,256,208)</u>	<u>(16,256,208)</u>	<u>(15,795)</u>	<u>16,240,413</u>
<b>OTHER FINANCING SOURCES:</b>				
Proceeds of sale of County property	<u>-</u>	<u>-</u>	<u>19,292</u>	<u>19,292</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>19,292</u>	<u>19,292</u>
Net changes in fund balances	(16,256,208)	(16,256,208)	3,497	16,259,705
Fund balances, July 1, 2020	16,256,208	16,256,208	16,936,382	680,174
Increase in reserve for inventory	<u>-</u>	<u>-</u>	<u>43,324</u>	<u>43,324</u>
Fund balances, June 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,983,203</u>	<u>\$ 16,983,203</u>

See accompanying notes to budgetary comparison schedule.

MOHAVE COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE – FLOOD CONTROL FUND  
YEAR ENDED JUNE 30, 2021

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 8,662,111	\$ 8,662,111	\$ 8,946,026	\$ 283,915
Licenses and permits	3,000	3,000	3,550	550
Intergovernmental	-	-	34	34
Charges for services	12,500	12,500	37,050	24,550
Investment earnings	100,000	100,000	31,287	(68,713)
Miscellaneous	20,000	20,000	6,346	(13,654)
Total revenues	<u>8,797,611</u>	<u>8,797,611</u>	<u>9,024,293</u>	<u>226,682</u>
<b>EXPENDITURES:</b>				
Public safety	<u>15,665,324</u>	<u>15,665,324</u>	<u>8,332,733</u>	<u>7,332,592</u>
Total expenditures	<u>15,665,324</u>	<u>15,665,324</u>	<u>8,332,733</u>	<u>7,332,592</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,867,713)</u>	<u>(6,867,713)</u>	<u>691,560</u>	<u>7,559,274</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	1,599	1,599	-	(1,599)
Transfers out	<u>(727,142)</u>	<u>(727,142)</u>	<u>(666,856)</u>	<u>60,286</u>
Total other financing sources	<u>(725,543)</u>	<u>(725,543)</u>	<u>(666,856)</u>	<u>58,687</u>
Net changes in fund balances	(7,593,256)	(7,593,256)	24,704	7,617,961
Fund balances, July 1, 2020	7,593,256	7,593,256	7,984,989	391,733
Decrease in reserve for inventory	<u>-</u>	<u>-</u>	<u>(25,472)</u>	<u>(25,472)</u>
Fund balances, June 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,984,221</u>	<u>\$ 7,984,221</u>

See accompanying notes to budgetary comparison schedule.

MOHAVE COUNTY  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE – AMERICAN RESUCE PLAN ACT FUND  
 YEAR ENDED JUNE 30, 2021

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 83,487	\$ 83,487
Total revenues	-	-	83,487	83,487
EXPENDITURES:				
General government	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	83,487	83,487
Net changes in fund balances	-	-	83,487	83,487
Fund balances, July 1, 2020	-	-	-	-
Fund balances, June 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,487</u>	<u>\$ 83,487</u>

MOHAVE COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO BUDGETARY COMPARISON SCHEDULES  
YEAR ENDED JUNE 30, 2021

**NOTE 1 BUDGETING AND BUDGETARY CONTROL**

A.R.S. requires the County to prepare and adopt a balanced budget annually for each governmental fund. The Board of Supervisors must approve such operating budgets on or before the third Monday in July to allow sufficient time for the legal announcements and hearings required for the adoption of the property tax levy on the third Monday in August. A.R.S. prohibits expenditures or liabilities in excess of the amounts budgeted.

Expenditures may not legally exceed appropriations at the department level. In certain instances, transfers of appropriations between departments or from the contingency account to a department may be made upon the Board of Supervisors' approval. With the exception of the general fund, each fund includes only one department.

**NOTE 2 BUDGETARY BASIS OF ACCOUNTING**

The County's budget is prepared on a basis consistent with generally accepted accounting principles. There are no differences between the budget and the annual financial report based on the basis of accounting used.

**NOTE 3 AMERICAN RESCUE PLAN ACT FUND**

The American rescue plan act did not have a fiscal year 2021-22 budget. Notification of the award came late in the year. The investment earnings reflected on the budgetary comparison schedule were accrued at the end of the year and no expenditures were expected to be incurred during this fiscal year, so no budget was added. There were no expenditures until well into the fiscal year 2022-23.

MOHAVE COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF NET PENSION/OPEB LIABILITY  
COST-SHARING PLANS  
JUNE 30, 2021

	Reporting Fiscal Year (Measurement Date)							2014 through 2012
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
<u>ASRS – Pension</u>								
County's proportion of the net pension liability	.36%	0.36%	0.36%	0.35%	0.37%	0.38%	0.39%	Information
County's proportionate share of the net pension liability	\$ 62,278,444	\$ 50,560,928	\$ 49,907,481	\$ 55,221,074	\$ 59,477,988	\$ 59,259,251	\$ 57,859,101	not available
County's covered payroll	\$ 39,618,550	\$ 36,706,673	\$ 35,556,097	\$ 34,720,762	\$ 34,138,216	\$ 35,153,250	\$ 35,362,673	
County's proportionate share of the net pension liability as a percentage of its covered payroll	157.20%	137.73%	140.36%	159.04%	174.23%	168.57%	163.62%	
Plan fiduciary net position as a percentage of the total pension liability	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%	
 <u>ASRS - Health Insurance Premium Benefit</u>								
County's proportion of the net OPEB (asset)	(.36%)	(0.36%)	(0.36%)	(0.36%)	(0.36%)	(0.36%)	(0.36%)	Information
County's proportionate share of the net OPEB (asset)	\$ (257,031)	\$ (97,163)	\$ (129,730)	\$ (129,730)	\$ (194,329)	\$ (194,329)	\$ (194,329)	not available
County's covered payroll	\$ 39,618,550	\$ 36,706,673	\$ 35,556,097	\$ 34,720,762	\$ 34,720,762	\$ 34,720,762	\$ 34,720,762	
County's proportionate share of the net OPEB (asset) as a percentage of its covered payroll	(0.65) %	(0.24) %	(0.36) %	(0.36) %	(0.56) %	(0.56) %	(0.56) %	
Plan fiduciary net position as a percentage of the total OPEB liability	104.33%	101.62%	102.20 %	102.20 %	103.57%	103.57%	103.57%	
 <u>ASRS - Long-term Disability</u>								
County's proportion of the net OPEB liability	0.36%	0.36%	0.36%	0.36%	0.35%	0.35%	0.35%	Information
County's proportionate share of the net OPEB liability	\$ 274,018	\$ 227,843	\$ 187,260	\$ 187,260	\$ 128,581	\$ 128,581	\$ 128,581	not available
County's covered payroll	\$ 39,618,550	\$ 36,706,673	\$ 35,556,097	\$ 34,720,762	\$ 34,720,762	\$ 34,720,762	\$ 34,720,762	
County's proportionate share of the net OPEB liability as a percentage of its covered payroll	.69%	0.62%	0.53%	0.53%	0.37%	0.37%	0.37%	
Plan fiduciary net position as a percentage of the total OPEB liability	68.01%	72.85%	77.83%	77.83%	84.44%	84.44%	84.44%	

See accompanying notes to pension plan schedule.

MOHAVE COUNTY  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF NET PENSION/OPEB LIABILITY  
 COST-SHARING PLANS  
 JUNE 30, 2021

	Reporting Fiscal Year (Measurement Date)							
<u>CORP AOC - Pension</u>	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2012
County's proportion of the net pension liability	3.01 %	2.93%	2.97%	2.71%	2.67%	2.65%	2.71%	Information
County's proportionate share of the net pension liability	\$14,382,427	\$ 12,382,985	\$10,709,213	\$10,884,138	\$ 7,523,107	\$6,438,542	\$6,077,411	not available
County's covered payroll	\$3,673,246	\$ 3,612,401	\$3,449,848	\$3,042,429	\$ 2,936,852	\$2,943,898	\$ 2,914,858	
County's proportionate share of the net pension liability as a percentage of its covered payroll	391.57 %	342.79%	310.43%	357.75%	256.16%	218.71%	208.50%	
Plan fiduciary net position as a percentage of the total pension liability	50.07%	51.99%	53.72%	49.21%	54.81%	57.89%	58.59%	
<hr/>								
<u>CORP AOC - Health Insurance Premium Benefit</u>	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 through 2012			
County's proportion of the net OPEB liability	3.01 %	2.95%	2.99%	2.72%	Information			
County's proportionate share of the net OPEB liability	\$119,892	\$ 109,109	\$ 153,649	\$ 160,270	not available			
County's covered payroll	\$3,673,246	\$ 3,612,401	\$ 3,449,848	\$ 3,042,429				
County's proportionate share of the net OPEB liability as a percentage of its covered payroll	3.26 %	3.03%	4.45%	5.27%				
Plan fiduciary net position as a percentage of the total OPEB liability	75.08%	75.64%	67.75%	62.21%				

See accompanying notes to pension plan schedule.

MOHAVE COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF NET PENSION/OPEB LIABILITY  
COST-SHARING PLANS  
JUNE 30, 2021

	Reporting Fiscal Year (Measurement Date)							2014 through 2012
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
<u>EORP - Pension</u>								Information
County's proportion of the net pension liability	3.40 %	3.15%	3.42%	2.62%	2.51%	2.37%	2.53%	not available
County's proportionate share of the net pension liability	\$ 22,542,930	\$ 20,865,471	\$ 21,581,830	\$ 31,957,961	\$ 23,741,585	\$ 18,541,752	\$ 16,967,857	
State's proportionate share of the net pension liability associated with the County	<u>2,142,510</u>	<u>1,961,138</u>	<u>3,697,907</u>	<u>6,632,705</u>	<u>4,899,011</u>	<u>5,780,547</u>	<u>5,202,503</u>	
Total	<u>\$ 24,685,440</u>	<u>\$ 22,826,609</u>	<u>\$ 25,279,737</u>	<u>\$ 38,590,666</u>	<u>\$ 28,640,596</u>	<u>\$ 24,322,299</u>	<u>\$ 22,170,360</u>	
County's covered payroll	\$ 2,553,611	\$ 2,437,576	\$ 2,311,048	\$ 2,180,142	\$ 1,753,759	\$ 2,157,272	\$ 2,366,603	
County's proportionate share of the net pension liability as a percentage of its covered payroll	882.79 %	855.99%	933.85%	1,465.87%	1,353.75%	859.50%	716.97%	
Plan fiduciary net position as a percentage of the total pension liability	29.80%	30.14%	30.36%	19.66%	23.42%	28.32%	31.91%	
<u>EORP - Health Insurance Premium Benefit</u>	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 through 2012			
County's proportion of the net OPEB (asset)	3.69 %	(3.65) %	3.51 %	3.32 %	Information			
County's proportionate share of the net OPEB (asset)	\$ (352,530)	\$ (357,737)	\$ (362,754)	\$ (302,772)	not available			
County's covered payroll	\$ 2,553,611	\$ 2,437,576	\$ 2,311,048	\$ 2,180,142				
County's proportionate share of the net OPEB (asset) as a percentage of its covered payroll	(13.81) %	(14.68) %	(15.70) %	(13.89) %				
Plan fiduciary net position as a percentage of the total OPEB liability	169.89%	169.72%	177.16%	164.84%				

See accompanying notes to pension plan schedule.

MOHAVE COUNTY  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION/OPEB LIABILITY (ASSET)  
 AND RELATED RATIOS – AGENT PLANS  
 JUNE 30, 2021

	Reporting Fiscal Year (Measurement Date)							
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2012
<b>PSPRS – Sheriff</b>								
Total pension liability:								
Service cost	\$ 732,194	\$ 844,346	\$ 788,297	\$ 966,017	\$ 738,110	\$ 856,128	\$ 841,853	Information not available
Interest on the total pension liability	3,541,781	3,402,084	3,214,798	3,003,684	2,932,447	2,908,448	2,507,303	
Changes of benefit terms	-	-	-	425,471	1,255,658	-	743,169	
Differences between expected and actual experience in the measurement of the pension liability	1,910,084	46,799	480,574	396,188	(569,078)	(797,687)	(926,693)	
Changes of assumptions or other inputs	-	1,015,153	-	1,538,482	1,409,917	-	3,668,599	
Benefit payments, including refunds of employee contributions	<u>(3,088,939)</u>	<u>(2,216,642)</u>	<u>(2,589,312)</u>	<u>(3,104,457)</u>	<u>(3,271,340)</u>	<u>(1,932,983)</u>	<u>(1,529,492)</u>	
Net change in total pension liability	3,095,120	3,091,740	1,894,357	3,225,385	2,495,714	1,033,906	5,304,739	
Total pension liability—beginning	<u>49,329,822</u>	<u>46,238,082</u>	<u>44,343,725</u>	<u>41,118,340</u>	<u>38,622,626</u>	<u>37,588,720</u>	<u>32,283,981</u>	
Total pension liability—ending (a)	<u>\$52,424,942</u>	<u>\$ 49,329,822</u>	<u>\$ 46,238,082</u>	<u>\$ 44,343,725</u>	<u>\$ 41,118,340</u>	<u>\$ 38,622,626</u>	<u>\$ 37,588,720</u>	
<b>Plan fiduciary net position:</b>								
Contributions—employer	\$ 2,602,728	\$ 3,186,768	\$ 2,809,701	\$ 1,836,800	\$ 1,623,099	\$ 1,232,825	\$ 1,174,898	
Contributions—employee	370,865	355,252	399,901	504,665	510,843	476,318	485,480	
Net investment income	299,816	1,166,370	1,334,686	2,131,234	110,794	708,906	2,343,758	
Benefit payments, including refunds of employee contributions	(3,088,939)	2,216,642	(2,589,312)	(3,104,457)	(3,271,340)	(1,932,983)	(1,529,492)	
Hall/Parker settlement	-	-	(535,232)	-	-	-	-	
Administrative expense	(24,452)	(21,271)	(21,014)	(19,258)	(16,343)	(17,672)	(18,876)	
Other changes	<u>(15,800)</u>	<u>-</u>	<u>246</u>	<u>(155,786)</u>	<u>(68,502)</u>	<u>10,751</u>	<u>(180,019)</u>	
Net change in plan fiduciary net position	144,214	2,470,477	1,398,976	1,193,198	(1,111,449)	478,145	2,275,749	
Plan fiduciary net position—beginning	<u>23,636,860</u>	<u>21,166,383</u>	<u>19,767,702</u>	<u>18,574,504</u>	<u>19,685,953</u>	<u>19,207,808</u>	<u>16,932,059</u>	
Plan fiduciary net position—ending (b)	<u>\$ 23,871,078</u>	<u>\$ 23,636,860</u>	<u>\$ 21,166,678</u>	<u>\$ 19,767,702</u>	<u>\$ 18,574,504</u>	<u>\$ 19,685,953</u>	<u>\$ 19,207,808</u>	
County's net pension liability (asset)—ending (a) – (b)	\$28,643,864	\$25,692,962	\$ 25,071,404	\$ 24,576,023	\$ 22,543,836	\$ 18,936,673	\$ 18,380,912	
Plan fiduciary net position as a percentage of the total pension liability	45.36%	47.92%	45.78%	44.58%	45.17%	50.97%	51.10%	
Covered payroll	\$4,891,043	\$4,357,353	\$ 4,414,050	\$ 4,241,502	\$ 4,188,771	\$ 4,310,395	\$ 4,486,194	
County's net pension liability (asset) as a percentage of covered payroll	585.64%	589.65%	567.99%	579.42%	538.20%	439.33%	409.72%	

See accompanying notes to pension plan schedule.

MOHAVE COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION/OPEB LIABILITY (ASSET)  
AND RELATED RATIOS - AGENT PLANS  
JUNE 30, 2021

	Reporting Fiscal Year (Measurement Date)				2017 through 2012
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	
<b><u>PSPRS - Sheriff OPEB</u></b>					
Total OPEB liability:					
Service cost	\$ 20,115	\$ 15,957	\$ 16,755	\$ 19,767	Information not available
Interest on the total OPEB liability	50,210	56,203	54,751	54,418	
Changes of benefit terms	-	-	-	6,427	
Differences between expected and actual experience in the measurement of the OPEB liability	9,198	(137,378)	(34,511)	(13,127)	
Changes of assumptions or other inputs	-	8,899	-	(28,604)	
Benefit payments, including refunds of employee contributions	<u>(31,995)</u>	<u>(25,646)</u>	<u>(24,275)</u>	<u>(21,852)</u>	
Net change in total OPEB liability	47,528	(81,965)	12,720	17,029	
Total OPEB liability—beginning	<u>674,399</u>	<u>756,364</u>	<u>743,644</u>	<u>726,615</u>	
Total OPEB liability—ending (a)	<u>\$ 721,927</u>	<u>\$ 674,399</u>	<u>\$ 756,364</u>	<u>\$ 743,644</u>	
<b>Plan fiduciary net position:</b>					
Contributions—employer	\$ -	\$ -	\$ (295)	\$ -	
Contributions—employee	-	-	-	-	
Net investment income	18,984	78,333	96,159	147,573	
Benefit payments, including refunds of employee contributions	(31,995)	(25,646)	(24,275)	(21,852)	
Administrative expense	<u>(1,544)</u>	<u>(1,352)</u>	<u>(1,464)</u>	<u>(1,306)</u>	
Net change in plan fiduciary net position	-	51,335	70,125	124,415	
Plan fiduciary net position—beginning	<u>1,508,632</u>	<u>1,457,297</u>	<u>1,386,877</u>	<u>1,262,462</u>	
Plan fiduciary net position—ending (b)	<u>\$ 1,494,077</u>	<u>\$ 1,508,632</u>	<u>\$ 1,457,002</u>	<u>\$ 1,386,877</u>	
County's net OPEB (asset) liability—ending (a) – (b)	\$ (772,150)	\$ (834,233)	\$ (700,638)	\$ (643,233)	
Plan fiduciary net position as a percentage of the total OPEB liability	206.96%	223.70%	192.63%	186.50%	
Covered payroll	\$4,891,043	\$ 4,357,353	\$ 4,414,050	\$ 4,341,502	
County's net OPEB (asset) liability as a percentage of covered payroll	(15.79) %	(19.15) %	(15.87) %	(14.82) %	

See accompanying notes to pension plan schedule.

MOHAVE COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION/OPEB LIABILITY (ASSET)  
AND RELATED RATIOS - AGENT PLANS  
JUNE 30, 2021

	Reporting Fiscal Year (Measurement Date)							2014 through 2012
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
<b>CORP - Detention</b>								
Total pension liability:								
Service cost	\$ 414,356	\$ 526,994	\$ 614,868	\$ 513,320	\$ 522,178	\$ 527,226	\$ 535,075	Information not available
Interest on the total pension liability	648,230	588,077	592,728	498,282	502,287	476,424	404,294	
Changes of benefit terms	-	-	(271,185)	1,002,759	23,016	-	52,115	
Differences between expected and actual experience in the measurement of the pension liability	782,235	185,879	(589,476)	(132,391)	(441,945)	(255,141)	(44,513)	
Changes of assumptions or other inputs	-	219,311	-	149,218	238,838	-	309,034	
Benefit payments, including refunds of employee contributions	<u>(425,110)</u>	<u>(524,394)</u>	<u>(734,302)</u>	<u>(697,451)</u>	<u>(492,035)</u>	<u>(341,013)</u>	<u>(325,442)</u>	
Net change in total pension liability	1,419,712	995,867	(387,367)	1,333,737	352,339	407,496	930,563	
Total pension liability—beginning	<u>8,678,060</u>	<u>7,682,193</u>	<u>8,069,560</u>	<u>6,735,823</u>	<u>6,383,484</u>	<u>5,975,988</u>	<u>5,045,425</u>	
Total pension liability—ending (a)	<u>\$ 10,097,772</u>	<u>\$ 8,678,060</u>	<u>\$ 7,682,193</u>	<u>\$ 8,069,560</u>	<u>\$ 6,735,823</u>	<u>\$ 6,383,484</u>	<u>\$ 5,975,988</u>	
<b>Plan fiduciary net position:</b>								
Contributions—employer	\$ 181,055	\$ 192,899	\$ 228,873	\$ 222,521	\$ 277,167	\$ 265,631	\$ 288,751	
Contributions—employee	220,355	243,273	300,474	311,185	331,483	330,465	328,515	
Net investment income	232,485	432,909	534,696	828,794	42,247	243,014	776,232	
Benefit payments, including refunds of employee contributions	(425,110)	(524,394)	(734,302)	(697,451)	(492,035)	(341,013)	(325,442)	
Administrative expense	(8,998)	(8,426)	(8,789)	(7,650)	(6,374)	(6,374)	-	
Other changes	<u>(1,157)</u>	<u>-</u>	<u>(158)</u>	<u>(47)</u>	<u>(66,110)</u>	<u>(82,072)</u>	<u>(439,949)</u>	
Net change in plan fiduciary net position	198,630	336,261	320,794	657,352	86,378	409,651	628,107	
Plan fiduciary net position—beginning	<u>8,343,314</u>	<u>8,007,053</u>	<u>7,686,259</u>	<u>7,028,907</u>	<u>6,942,529</u>	<u>6,532,878</u>	<u>5,904,771</u>	
Plan fiduciary net position—ending (b)	<u>\$ 8,541,944</u>	<u>\$ 8,343,314</u>	<u>\$ 8,007,053</u>	<u>\$ 7,686,259</u>	<u>\$ 7,028,907</u>	<u>\$ 6,942,529</u>	<u>\$ 6,532,878</u>	
County's net pension liability (asset)—ending (a) – (b)	\$ 1,555,828	\$ 334,746	\$ (324,860)	\$ 383,301	\$ (293,084)	\$ (559,045)	\$ (556,890)	
Plan fiduciary net position as a percentage of the total pension liability	84.59 %	96.14 %	104.23 %	95.25 %	104.35 %	108.76 %	109.32 %	
Covered payroll	\$ 4,313,915	\$ 3,370,075	\$ 3,582,040	\$ 3,697,257	\$ 3,910,641	\$ 3,910,769	\$ 4,107,411	
County's net pension liability (asset) as a percentage of covered payroll	36.07 %	9.93 %	(9.07) %	10.37 %	(7.49) %	(14.30) %	(13.56) %	

See accompanying notes to pension plan schedule.

MOHAVE COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION/OPEB LIABILITY (ASSET)  
AND RELATED RATIOS - AGENT PLANS  
JUNE 30, 2021

	Reporting Fiscal Year (Measurement Date)				
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 through 2012
<u>CORP - Detention OPEB</u>					
Total OPEB liability:					
Service cost	\$ 9,359	\$11,648	\$ 11,232	\$ 12,131	Information
Interest on the total OPEB liability	13,335	17,538	17,154	19,090	not available
Changes of benefit terms	-	-	-	-	
Differences between expected and actual experience in the measurement of the OPEB liability	4,224	(79,515)	(23,009)	(18,058)	
Changes of assumptions or other inputs	-	3,329	-	(28,276)	
Benefit payments, including refunds of employee contributions	<u>(4,635)</u>	<u>(5,440)</u>	<u>(7,012)</u>	<u>(7,301)</u>	
Net change in total OPEB liability	22,283	(52,440)	(1,635)	(22,414)	
Total OPEB liability—beginning	<u>175,627</u>	<u>228,067</u>	<u>229,702</u>	<u>252,116</u>	
Total OPEB liability—ending (a)	<u>\$ 727,444</u>	<u>\$ 175,627</u>	<u>\$ 228,067</u>	<u>\$ 229,702</u>	
Plan fiduciary net position:					
Contributions—employer	\$ -	\$ -	\$ -	\$ -	
Contributions—employee	-	-	-	-	
Net investment income	19,803	37,085	46,261	68,817	
Benefit payments, including refunds of employee contributions	(4,635)	(5,440)	(7,012)	(7,301)	
Administrative expense	(766)	(662)	(700)	(602)	
Other changes	-	-	-	-	
Net change in plan fiduciary net position	14,402	30,983	38,549	60,914	
Plan fiduciary net position—beginning	<u>713,042</u>	<u>682,059</u>	<u>643,510</u>	<u>582,596</u>	
Plan fiduciary net position—ending (b)	<u>\$ 727,444</u>	<u>\$ 713,042</u>	<u>\$ 682,059</u>	<u>\$ 643,510</u>	
County's net OPEB (asset) liability—ending (a) – (b)	\$ (529,534)	\$ (537,415)	\$ (453,992)	\$ (413,808)	
Plan fiduciary net position as a percentage of the total OPEB liability	367.56 %	406.00%	299.06%	280.15%	
Covered payroll	\$ 4,313,915	\$ 3,370,075	\$ 3,582,040	\$ 3,697,257	
County's net OPEB (asset) liability as a percentage of covered payroll	(12.28) %	(15.95) %	(12.67) %	(11.19) %	

See accompanying notes to pension plan schedule.

MOHAVE COUNTY  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE COUNTY'S PENSION CONTRIBUTIONS  
 JUNE 30, 2021

	Reporting Fiscal Year								2013 through 2012
	2021	2020	2019	2018	2017	2016	2015	2014	
<u>ASRS- Pension</u>									
Statutorily required contribution	\$ 4,913,473	\$ 4,536,324	\$ 4,103,806	\$ 3,876,705	\$ 3,742,898	\$ 3,771,411	\$ 3,828,189	\$ 3,771,598	Information not available
County's contributions in relation to the statutorily required contribution	<u>4,913,473</u>	<u>4,536,324</u>	<u>4,103,806</u>	<u>3,876,705</u>	<u>3,742,898</u>	<u>3,771,411</u>	<u>3,828,189</u>	<u>3,771,598</u>	
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	\$ 42,175,732	\$ 39,618,550	\$ 36,706,673	\$ 35,556,097	\$ 34,720,762	\$ 34,138,216	\$ 35,153,250	\$ 35,362,373	
County's contributions as a percentage of covered payroll	11.65 %	11.45 %	11.18 %	10.90 %	10.78 %	11.05 %	10.89 %	10.67 %	

\* No disclosure was provided on OPEB information as it was considered insignificant to the financial statements.

	Reporting Fiscal Year								2013 through 2012
	2021	2020	2019	2018	2017	2016	2015	2014	
<u>CORP AOC - Pension</u>									
Statutorily required contribution	\$ 1,297,947	\$ 1,128,054	\$ 1,191,370	\$ 776,560	\$ 609,950	\$ 564,751	\$ 438,052	\$ 421,197	Information not available
County's contributions in relation to the statutorily required contribution	<u>1,297,947</u>	<u>1,128,054</u>	<u>1,191,370</u>	<u>776,560</u>	<u>609,950</u>	<u>564,751</u>	<u>438,052</u>	<u>421,197</u>	
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	3,865,239	\$ 3,673,246	\$ 3,612,401	\$ 3,449,848	\$ 3,042,429	\$ 2,936,852	\$ 2,943,898	\$ 2,914,858	
County's contributions as a percentage of covered payroll	33.58 %	30.71 %	32.98 %	22.51 %	20.05 %	19.23 %	14.88 %	14.45 %	

\* No disclosure was provided on OPEB information as it was considered insignificant to the financial statements.

See accompanying notes to pension plan schedule.

MOHAVE COUNTY  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE COUNTY'S PENSION CONTRIBUTIONS  
 JUNE 30, 2021

	Reporting Fiscal Year								2013 through 2012
	2021	2020	2019	2018	2017	2016	2015	2014	
<u>EORP- Pension</u>									
Statutorily required contribution	\$1,567,920	\$ 1,568,683	\$ 1,627,129	\$ 543,096	\$ 512,333	\$ 421,134	\$ 506,959	\$ 539,153	Information not available
County's contributions in relation to the statutorily required contribution	<u>1,567,920</u>	<u>1,568,683</u>	<u>1,499,109</u>	<u>-</u>	<u>512,333</u>	<u>421,134</u>	<u>506,959</u>	<u>539,153</u>	
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 128,020</u>	<u>\$ 543,096</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	\$ 2,552,368	\$ 2,553,611	\$ 2,437,576	\$ 2,311,048	\$ 2,180,142	\$ 1,753,759	\$ 2,157,272	\$ 2,366,603	
County's contributions as a percentage of covered payroll	61.43 %	61.43 %	61.50 %	- %	23.50 %	24.01 %	23.50 %	22.78 %	

\* No disclosure was provided on OPEB information as it was considered insignificant to the financial statements.

	Reporting Fiscal Year								2013 through 2012
	2021	2020	2019	2018	2017	2016	2015	2014	
<u>PSPRS - Sheriff</u>									
Actuarially determined contribution	\$ 2,787,673	\$ 2,673,933	\$ 2,283,253	\$ 2,296,189	\$ 1,862,504	\$ 1,623,099	\$ 1,232,773	\$ 1,174,898	Information not available
County's contributions in relation to the actuarially determined contribution	<u>2,787,673</u>	<u>2,673,933</u>	<u>2,283,253</u>	<u>2,296,189</u>	<u>1,862,504</u>	<u>1,623,099</u>	<u>1,232,773</u>	<u>1,174,898</u>	
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	\$ 5,108,435	\$ 4,891,043	\$ 4,357,353	\$ 4,414,050	\$ 4,341,502	\$ 4,188,771	\$ 4,310,395	\$ 4,486,194	
County's contributions as a percentage of covered payroll	54.57 %	54.67 %	52.40 %	52.02 %	42.90 %	38.75 %	28.60 %	26.19 %	

\* No disclosure was provided on OPEB information as it was considered insignificant to the financial statements.

See accompanying notes to pension plan schedule.

MOHAVE COUNTY  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE COUNTY'S PENSION CONTRIBUTIONS  
 JUNE 30, 2021

	Reporting Fiscal Year								2013 through 2012 Information not available
	2021	2020	2019	2018	2017	2016	2015	2014	
<u>CORP - Detention</u>									
Actuarially determined contribution	\$287,043	\$ 294,209	\$ 225,795	\$ 229,251	\$ 221,835	\$ 277,167	\$ 265,631	\$288,751	
County's contributions in relation to the actuarially determined contribution	<u>287,043</u>	<u>294,209</u>	<u>225,795</u>	<u>229,251</u>	<u>221,835</u>	<u>277,167</u>	<u>265,631</u>	<u>288,751</u>	
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	\$ 3,552,512	\$ 4,313,915	\$3,370,075	\$ 3,582,040	\$ 3,697,257	\$ 3,910,641	\$ 3,910,769	\$4,107,411	
County's contributions as a percentage of covered payroll	8.08 %	6.82%	6.70%	6.40%	6.00%	7.09%	6.79%	7.03%	

\* No disclosure was provided on OPEB information as it was considered insignificant to the financial statements.

See accompanying notes to pension plan schedule.

MOHAVE COUNTY  
 REQUIRED SUPPLEMENTARY INFORMATION  
 NOTES TO THE COUNTY'S PENSION/OPEB PLAN SCHEDULES  
 JUNE 30, 2021

**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 2019 actuarial valuation	17 years
Asset valuation method	7-year smoothed market; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	In the 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2016 actuarial valuation, the investment rate of return was decrease from 7.85% to 7.5%. In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%
Projected salary increases	In the 2017 actuarial valuation, projected salary increases were decreased from 4.0%-8.0% to 3.5%-7.5% for PSPRS and from 4.0%-7.25% to 3.5%-6.5% for CORP. In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%-8.5% to 4.0%-8.0% for PSPRS and from 4.5%-7.75% to 4.0%-7.25% for CORP. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%-9.0% to 4.5%-8.5% for PSPRS and from 5.0%-8.25% to 4.5%-7.75% for CORP.
Wage growth	In the 2017 actuarial valuation, wage growth was decreased from 4% to 3.5% for PSPRS and CORP. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0% for PSPRS and CORP. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS and CORP.
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.
Mortality	In the 2017 actuarial valuation, changed to RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females)

MOHAVE COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO THE COUNTY'S PENSION/OPEB PLAN SCHEDULES  
YEAR ENDED JUNE 30, 2021

**NOTE 2 - FACTORS THAT AFFECT TRENDS**

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, the PSPRS, CORP, CORP-AOC, and EORP changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. PSPRS and EORP also reduced those members' employee contribution rates. These changes are reflected in the plans' pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS-, CORP-, and CORP-AOC required pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes increased the PSPRS-, CORP-, and CORP-AOC required contributions beginning in fiscal year 2019 for members who retired or will retire after the law's effective date. EORP-required contributions are based on actuarial valuation and therefore, these changes did not affect them. Also, the County refunded excess employee contributions to PSPRS and EORP members. PSPRS and EORP allowed the County to reduce its actual employer contributions for the refund amounts. As a result, the County's pension contributions were less than the actuarially or statutorily determined contributions for 2018 and 2019 for the EORP contributions. The County elected not to use the available credits for the PSPRS and made the required contributions.

The fiscal year 2019 (measurement date 2018) pension liabilities for EORP and CORP reflect the replacement of the permanent benefit increase (PBI) for retirees based on investment returns with a cost of living adjustment based on inflation. Also, the EORP liability and required pension contributions for fiscal year 2019 reflect a statutory change that requires the employer contribution rate to be actuarially determined. This change increased the discount rate used to calculate the liability thereby reducing the total pension liability.