

Mohave County, Arizona
Annual Financial Report

Year ended June 30, 2024

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Independent Auditors' Report

The Arizona Auditor General

Honorable Board of Supervisors of
Mohave County, Arizona

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Mohave County, Arizona (the County), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Mohave County as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

As discussed in Note 1 to the financial statements, for the year ended June 30, 2024, the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 100, *Accounting Changes and Error Corrections*. 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 of its financial statements for the year ended June 30, 2024, to correct misstatements in its previously issued financial statements. Our opinions are not modified with respect to this matter.

Other Matters

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

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

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

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 15, the budgetary comparison information on pages 74 through 80, the schedule of the County's proportionate share of the net pension/OPEB liability – cost sharing plans on pages 81 through 83, the schedule of changes in the County's net pension/OPEB liability and related ratios – agent plans on pages 84 and 87, the schedule of County pension/OPEB contributions on pages 88 through 89, and the notes to pension/OPEB plan schedules on pages 90 and 91 be presented to supplement the basic financial statements.

Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2025, 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.

Wahne & Armstrong, LLP

Phoenix, Arizona
March 27, 2025

Management's Discussion and Analysis

Mohave County, Arizona
Management's Discussion and Analysis
Year ended June 30, 2024

This discussion and analysis, prepared by Mohave County's (the "County") management, is intended to be an easily readable analysis of the County's financial activities based on currently known facts, decisions or conditions during the fiscal year ended June 30, 2024. This analysis focuses on current year activities and should be read in conjunction with the County's basic financial statements following this section.

Financial Highlights

- The County's total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$428,615,265 (net position). Of this amount, \$27,683,210 is unrestricted net position, \$98,993,156 is restricted for specific purposes (restricted net position), and \$301,938,899 is the County's net investment in capital assets.
- The County's total net position as reported in the statement of activities increased by \$49,228,278. The increase is comprised of a \$49,204,972 increase in governmental activities net position and \$23,306 in business-type activities net position.
- Total liabilities decreased \$21,922,882 from the prior year primarily due to a decrease in the net pension liability of \$17,938,083.
- Total assets increased \$39,238,505 from prior year due to an increase in cash and cash equivalents of \$15,427,329, increase of \$5,372,379 in settlement receivable related to the One Arizona Opioid Settlement Fund, and an increase in capital assets of \$18,402,049.
- At June 30, 2024, the governmental funds reported combined fund balances of \$177,355,116, an increase of \$20,511,659 in comparison with the prior year. The components of fund balances consist of \$451,326 that is nonspendable, \$99,853,174 that is restricted or committed for specific purposes, and \$77,050,616 that is unassigned.
- At June 30, 2024, the unassigned fund balance for the General Fund was a surplus of \$77,071,908.

Overview of the Financial Statements

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

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

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

The *Statement of Activities* presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*.

Management's Discussion and Analysis - Continued

Overview of the Financial Statements - Continued

Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

Component units are included in our basic financial statements and consist of legally separate entities for which the County is financially accountable and that have substantially the same board as the County or provide services entirely to the County. The County has four major component units: the Mohave County Flood Control District, the Mohave County Library District, the Mohave County Television District and the Mohave County Holiday Shores Light District. Refer to Note 1.A, Reporting Entity, on page 28 of this report for more information on the County's component units.

The government-wide financial statements can be found on pages 16-17 of this report.

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

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of usable resources, as well as on balances of usable resources available at the end of the fiscal year. Such information may be useful in evaluating a county's near-term financing requirements.

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

The County reports six major governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Road, Flood Control, County Capital Improvement, American Rescue Plan Act, and One Arizona Opioid Settlement funds. Data from the other governmental funds (non-major) are combined into a single, aggregated presentation.

The governmental fund financial statements can be found on pages 18-21 of this report.

Management's Discussion and Analysis - Continued

Overview of the Financial Statements - Continued

Proprietary funds are maintained in two types, enterprise funds and internal service funds. The enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the water utilities, park services and landfill operations. Fund financial statements for the enterprise funds provide the same type of information as the government-wide financial statements, only in more detail.

The internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its fleet of vehicles, employee benefit health insurance trust, self-insurance trust, janitorial services, communication services, and management information systems. Because all of these services predominantly benefit the governmental functions rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The County reports three major enterprise funds. Information is presented separately in the proprietary funds statement of net position and in the proprietary funds statement of revenues, expenditures, and changes in net position for the Landfill, G.V.I.D, and Parks funds. Data from the other enterprise funds (non-major) are combined into a single, aggregated presentation. All of the internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements.

The proprietary fund financial statements can be found on pages 22-25 of this report.

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

The fiduciary funds financial statements can be found on pages 26-27 of this report.

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

The notes can be found on pages 28-73 of this report.

Required supplementary information presents budgetary comparison schedules for the General, Road, Flood Control, ARPA and One Arizona Opioid Settlement funds of the County. It also includes required pension and other postemployment benefits schedules.

Required supplementary information can be found on pages 74-91 of this report.

Government-Wide Financial Analysis

Net Position

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

Management's Discussion and Analysis - Continued

Government-Wide Financial Analysis - Continued

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

The following table summarizes the Statement of Net Position at June 30, 2024 and 2023:

	<u>Condensed Statement of Net Position</u>					
	2024 Governmental Activities	2023 Governmental Activities (as restated)	2024 Business-Type Activities	2023 Business-Type Activities	2024 Total	2023 Total (as restated)
Current and other assets	\$ 254,497,539	\$ 233,704,785	\$ 22,823,569	\$ 22,999,760	\$ 277,321,108	\$ 256,704,545
Net pension and other postemployment benefit asset	4,277,302	4,061,007	103,985	100,387	4,381,287	4,161,394
Capital assets	285,285,827	269,054,689	21,826,378	19,655,467	307,112,205	288,710,156
Total assets	544,060,668	506,820,481	44,753,932	42,755,614	588,814,600	549,576,095
Deferred outflows of resources related to pensions and other post employment benefits	24,453,799	31,754,896	460,487	496,621	24,914,286	32,251,517
Other liabilities	38,778,195	46,604,952	1,318,815	864,148	40,397,010	47,469,100
Long-term liabilities	120,191,012	136,207,673	15,332,391	14,166,522	135,523,403	150,374,195
Total liabilities	158,969,207	182,812,625	16,951,206	15,030,670	175,920,413	197,843,295
Deferred inflows of resources related to pensions, other post employment benefits and leases	9,028,630	4,451,094	164,578	146,236	9,193,208	4,597,330
Net position:						
Net investment in capital assets	280,180,796	264,895,611	21,758,103	19,655,468	301,938,899	284,551,079
Restricted	91,743,161	78,199,554	7,249,995	9,282,449	98,993,156	87,482,003
Unrestricted	28,592,673	8,216,493	(909,463)	(862,588)	27,683,210	7,353,905
Total net position	\$ 400,516,630	\$ 351,311,658	\$ 28,098,635	\$ 28,075,329	\$ 428,615,265	\$ 379,386,987

As noted earlier, net position may serve over time as a useful indicator of whether the financial position of the County is improving or deteriorating. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$428.6 million at June 30, 2024, which is primarily the result of the County's investment in long-lived assets.

The governmental activities current and other assets had increases of \$20.8 million primarily due to an increase in cash and cash equivalents of \$19.9 million primarily due to revenues exceeding expenses, additional settlement receivable from the One Arizona Opioid settlement of \$5.4 million; offset by a decrease in the internal balances of \$3.7 million due to advances funded from the landfill to the general fund for additional pension contributions. Governmental activities capital assets had increases of \$16.2 million and business-type activities capital assets had increases of \$2.2 million. The increases were attributable to the capital asset additions of an animal shelter building, a sheriff substation, a landfill septage pond, road construction, two motor graders, and a chip spreader, less accumulated depreciation/amortization during fiscal year 2024. Governmental activities long-term liabilities decreased by \$16.0 million and business-type activities long-term liabilities increased by \$1.2 million. The governmental activities decrease was primarily due to decreases in the net pension liability. The business-type activities increase was primarily due to increases in landfill closure and postclosure care costs liability and the net pension liability. Additional information on the County's long-term liabilities can be found in Note 11 of the notes to the financial statements on pages 47-50 of this report.

Management's Discussion and Analysis - Continued

Government-Wide Financial Analysis - Continued

The decrease in overall deferred outflows of resources and increase in overall deferred inflows of resources of \$7.4 million and \$4.6 million, respectively, consist of the changes in estimates and assumptions used to calculate the net pension/OPEB liability, net of the contributions to the pension/OPEB plans after the measurement date. Additional information on the County's pension/OPEB plan activity can be found in Note 13 of the notes to the financial statements on pages 51-71 of this report.

Changes in Net Position

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

	<u>Condensed Statement of Activities</u>					
	2024 Governmental Activities	2023 Governmental Activities (as restated)	2024 Business-Type Activities	2023 Business-Type Activities	2024 Total	2023 Total (as restated)
Revenue:						
Program revenues:						
Charges for services	\$ 31,821,110	\$ 23,442,600	\$ 8,646,127	\$ 8,562,936	\$ 40,467,237	\$ 32,005,536
Operating grants and contributions	71,585,811	59,098,153	1,073,205	1,052,336	72,659,016	60,150,489
General revenues:						
Property taxes	63,231,825	60,331,595	-	-	63,231,825	60,331,595
Other taxes	59,760,663	58,085,992	-	-	59,760,663	58,085,992
Other revenues	10,798,213	5,954,396	1,716,099	1,393,001	12,514,312	7,347,397
Total revenues	237,197,622	206,912,736	11,435,431	11,008,273	248,633,053	217,921,009
Expenses:						
General government	79,010,922	77,087,492	-	-	79,010,922	77,087,492
Public safety	58,639,656	56,418,471	-	-	58,639,656	56,418,471
Highways and streets	17,412,776	24,123,365	-	-	17,412,776	24,123,365
Health	16,605,150	16,704,587	-	-	16,605,150	16,704,587
Welfare	7,340,673	6,535,162	-	-	7,340,673	6,535,162
Sanitation	123,843	128,713	-	-	123,843	128,713
Culture and recreation	5,077,247	4,632,617	-	-	5,077,247	4,632,617
Education	3,633,535	3,367,870	-	-	3,633,535	3,367,870
Interest on long-term debt	142,439	116,996	-	-	142,439	116,996
Landfill	-	-	2,984,156	2,772,277	2,984,156	2,772,277
Recreation	-	-	4,346,593	4,569,422	4,346,593	4,569,422
Water companies	-	-	4,087,785	3,756,643	4,087,785	3,756,643
Total expenses	187,986,241	189,115,273	11,418,534	11,098,342	199,404,775	200,213,615
Increase (decrease) before transfers	49,211,381	17,797,463	16,897	(90,069)	49,228,278	17,707,394
Transfers	(6,409)	48,120	6,409	(48,120)	-	-
Change in net position	49,204,972	17,845,583	23,306	(138,189)	49,228,278	17,707,394
Net position, beginning of year	351,311,658	333,466,075	28,075,329	28,213,518	379,386,987	361,679,593
Net position, end of year	<u>\$ 400,516,630</u>	<u>\$ 351,311,658</u>	<u>\$ 28,098,635</u>	<u>\$ 28,075,329</u>	<u>\$ 428,615,265</u>	<u>\$ 379,386,987</u>

The total net position of the County increased during the year by \$49.2 million, which consists of an increase in governmental activities net position of \$49,204,972 and business-type activities net position of \$23,306.

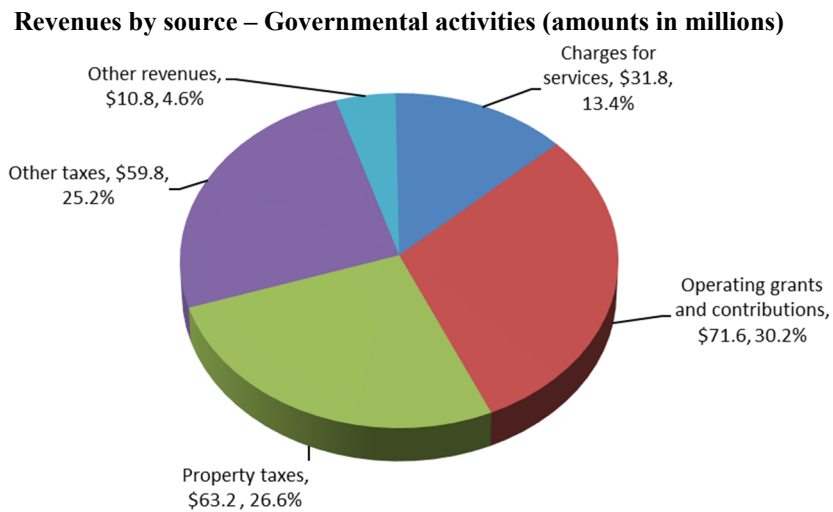
The governmental activities total revenues increased by \$30.3 million, which is primarily related to an increase in operating grants and contributions of \$12.5 million mostly attributable to increased awards related to the Sheriff Substations, LATCF, and ARPA, an increase in charges for services of \$8.4 million primarily due to opioid settlement revenues, an increase of other revenues of \$4.8 million due to an increase in investment earnings from higher interest rates and improved market performance, an increase in property taxes of \$2.9 million, and an increase of other taxes of \$1.6 million due to increased share of state sales taxes.

Management’s Discussion and Analysis - Continued

Government-Wide Financial Analysis - Continued

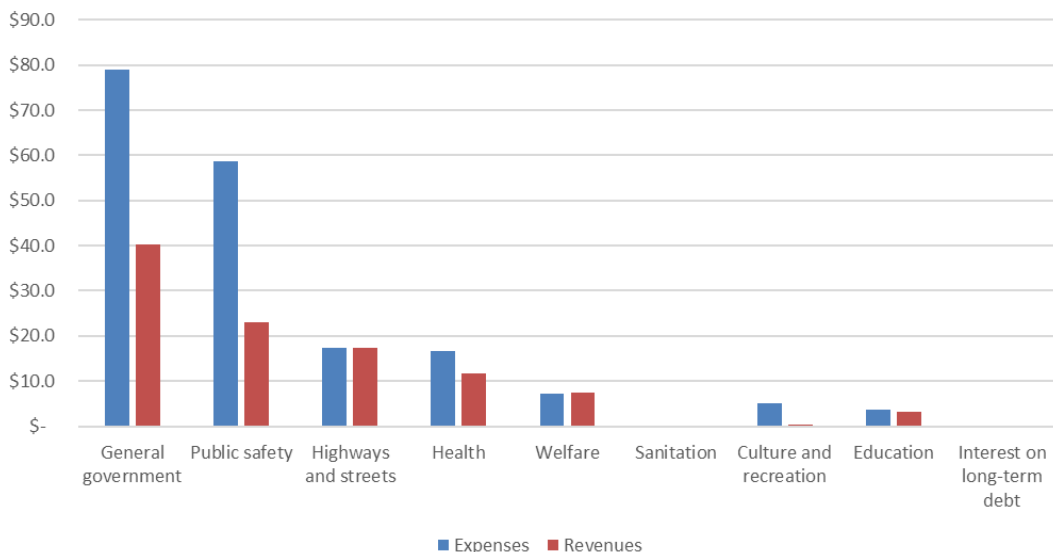
Governmental activities expenses decreased from 2023 by a total of \$1.1 million. The expense decrease was primarily from a decrease in highways and streets expenses of \$6.7 million due to decreased road maintenance, materials, supplies and aide to other governments; offset by an increase in general government expenses of \$1.9 million due to increases in salaries and related health insurance, and an increase of public safety expenses of \$2.2 million due to increases to land purchases related to flood control and improvements to the Grace Neal Channel.

The chart below represents all fiscal year 2024 revenues collected from governmental activities, including general revenues, as reported in the statement of activities.



The following graph represents the fiscal year 2024 expenses and program revenues for governmental activities as reported in the statement of activities. Program revenue does not include the general revenues listed on the bottom portion of the statement of activities.

Expenses and Program Revenues – Governmental activities (amounts in millions)

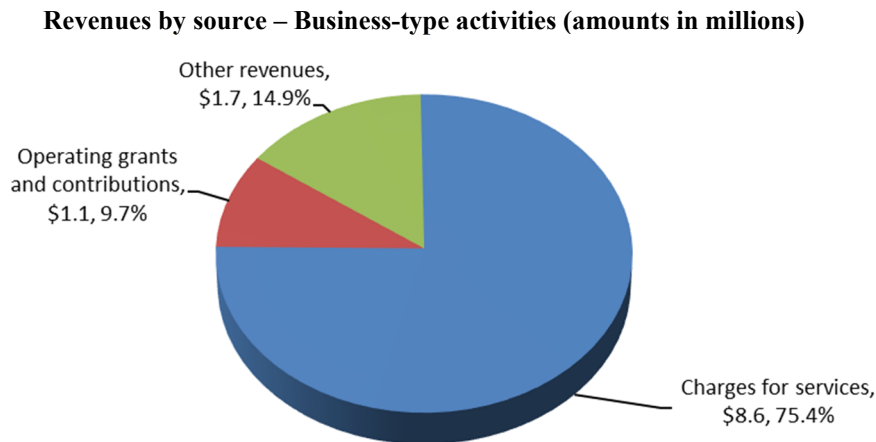


Management’s Discussion and Analysis - Continued

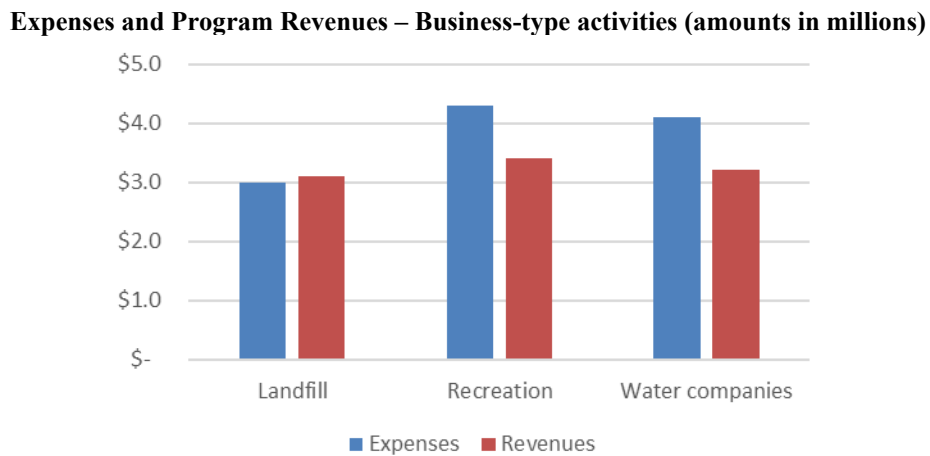
Government-Wide Financial Analysis - Continued

Business-type activities reported an increase in net position of \$23,306. Revenues increased by \$427,158, primarily resulting from an increase of \$323,098 in other revenues due to the fairgrounds fund having an increase from a legal settlement. Expenses increased by \$320,192, primarily due to an increase in landfill expenses of \$211,879, and an increase in water company expenses of \$331,142, both primarily due to an increase in professional services and personnel services, offset by a decrease in recreation expenses of \$222,829 due to a decrease in professional services in the parks fund.

The chart below represents all fiscal year 2024 revenues collected from business-type activities, including general revenues, as reported in the statement of activities.



The following graph represents the fiscal year 2024 expenses and program revenues for business-type activities as reported in the statement of activities. Program revenue does not include the general revenues listed on the bottom portion of the statement of activities.



Management's Discussion and Analysis - Continued

Financial Analysis of the County's Funds

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

Governmental funds – The focus of the County's governmental funds is to provide information of near-term inflows, outflows, and balances of useable resources. Such information is useful in assessing the County's financial requirements. In particular, 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. At June 30, 2024, the County's governmental funds reported combined fund balances of \$177,355,116, an increase of \$20,511,659 in comparison with the prior year.

The General Fund is the County's primary operating fund. At the end of the current fiscal year, the General Fund carried a fund balance of \$77,150,650. As a measure of liquidity, it may be useful to compare the spendable fund balance to total fund expenditures. Spendable fund balance represents 76.9% of total general fund expenditures of \$100,260,107. Total General Fund revenue increased \$5.9 million from 2023 and is primarily the result of an increase in tax revenue of \$2.1 million from an increase in property valuations, an increase of investment earnings of \$1.7 million primarily due to higher interest rates and improved market performance, an increase of intergovernmental revenues of \$1.4 million, and an increase of charges for services of \$0.9 million related to increased deed sales in 2024. General Fund expenditures increased by \$2.0 million, resulting primarily from an increase in salary and health insurance costs in general government expenditures of \$1.8 million, public safety expenditures of \$0.6 million, and capital outlay of \$0.6 million, offset by a decrease in health expenditures of \$0.8 million.

The Road Fund, a major County fund, is used for various road projects and other approved highway user funds projects within the County. During 2024, the fund experienced an increase in revenues of \$0.2 million and an overall decrease of \$2.4 million in expenditures primarily due to a decrease in road maintenance, materials, supplies and aide to other governments related to ADOT projects. The total fund balance of \$15,821,960 decreased from 2023 in the amount of \$636,089.

The Flood Control Fund, also a major County fund, had total fund balance of \$13,388,903, an increase of \$1,333,294 from 2023. During 2024, the fund's overall revenues increased by \$1.0 million, primarily due to an increase in property taxes of \$0.7 million from higher property valuations, and an increase in investment earnings of \$0.4 million primarily from improved interest rates and market conditions, while expenditures increased by \$1.2 million primarily due to land purchases and improvements to the Grace Neal Channel.

The County Capital Improvement Fund, another major County fund, had total fund balance of \$27,162,335, a decrease of \$10,855,423 from 2023. During 2024, the fund's overall revenues increased by \$7.3 million, primarily due to an increase in intergovernmental revenues of \$6.6 million due to an increase in state appropriation for a sheriff substation, and an increase in investment earnings of \$0.9 million from increased interest and improved market conditions, while expenditures increased by \$7.6 million primarily due to construction and building acquisition costs related to the animal shelter and sheriff substations.

The American Rescue Plan Act Fund had no fund balance. During 2024, the fund experienced a decrease of \$9.2 million in unearned revenues as planned projects are moving forward throughout the County. The primary projects responsible for the activity during the year include a sewer expansion project, water system redundancy project, Gary Keith Memorial Park Pavilion, and the Horizon 6 waterline.

Management's Discussion and Analysis - Continued

Financial Analysis of the County's Funds - Continued

The Opioid Settlement Fund was established during the 2022 fiscal year and accounts for the activity related to the One Arizona Agreement that will distribute opioid settlement funds over 18 years to the County. As of June 30, 2024, the fund had an ending fund balance of \$2,600,198, which was an increase of \$1,481,129 from 2023 primarily due to additional settlements that occurred during 2014 offset by the first round of grant approvals for qualifying expenditures.

Other Governmental funds had a fund balance of \$41,231,070, which was an increase of \$4,479,122 from 2023. The funds had an increase in revenues totaling \$6.4 million, which was primarily due to increases in intergovernmental revenues of \$4.3 million, increases in investment earnings of \$1.3 million, increases in property taxes of \$0.4 million, and increases in contributions of \$0.4 million. The expenditures also increased by \$1.5 million, primarily due to increases in culture and recreation of \$1.0 million and welfare expenditures of \$0.9 million, offset by various decreases.

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

At June 30, 2024, the County's business-type activities reported combined net position of \$28,098,635, an increase of \$23,306 in comparison with the prior year.

The Landfill Fund, a major County fund, had total net position of \$11,660,175, an increase of \$854,869 from 2023. During 2024, the fund's overall revenues increased by \$86,066, while expenses increased by \$211,879.

The G.V.I.D. Fund, also major County fund, had total net position of \$4,747,632, an increase of \$48,944 from 2023. During 2024, the fund's overall revenues increased by \$233,431, while expenses decreased by \$207,056.

The Parks Fund, another major County fund, had total net position of \$5,920,715, a decrease of \$143,688 from 2023. During 2024, the fund's overall revenues decreased by \$291,724, while expenses also decreased by \$235,085.

Other enterprise funds had total net position of \$5,770,113, which was a decrease of \$736,819 from 2023. The funds had an increase in revenues totaling \$188,677, and expenses also increased by \$550,453.

General Fund Budgetary Highlights

General Fund actual revenues were approximately \$4.7 million in excess of the adopted budget, and actual expenditures were less than estimated expenditures by approximately \$38.5 million.

Property taxes were \$635,590 less than budget due to the timing of the collection of the taxes. Intergovernmental revenues exceeded the budgeted amount by \$2,507,313, primarily due to greater than anticipated sales tax and unanticipated grants received. Charges for services were \$631,658 greater than budgeted due to more than anticipated jail contract billing and treasurer fees collected. Fees, fines and forfeits were less than budget by \$152,740 due to less than anticipated Justice Court fees and fines. Investment earnings were greater than budgeted amount by \$1.6 million due to better earnings than anticipated. Miscellaneous revenues were more than the budgeted amount by \$591,674 due to unanticipated property sales.

Management’s Discussion and Analysis - Continued

General Fund Budgetary Highlights - Continued

Total expenditures were less than budget primarily due to the County not utilizing the \$15.1 million in contingency funds. The other \$23.4 million was spread throughout the other general fund departments that spent below their budget amounts, with general administration \$1.0 million under budget, public defender \$1.1 million under budget, county attorney \$0.7 million under budget, public legal defender \$0.7 million under budget, building inspector \$0.6 million under budget, planning and zoning \$0.5 million under budget, clerk of the superior court, \$0.5 million under budget, jail \$4.5 million under budget, sheriff \$7.9 million under budget, and A.H.C.C.C.S \$2.5 million under budget and the rest spread across the remaining departments.

Capital Assets and Debt Administration

Capital Assets

The County’s investment in capital assets as of June 30, 2024, totaled \$301.9 million (net of accumulated depreciation and related debt). This investment in capital assets includes land, construction in progress, buildings, equipment, infrastructure, utility systems, software, right-to-use subscription assets, and right-to-use lease assets. The County’s net investment in capital assets increased 6.1% from the prior period.

Mohave County’s Capital Assets
(net of accumulated depreciation/amortization)

	2024 Governmental Activities	2023 Governmental Activities	2024 Business-Type Activities	2023 Business-Type Activities
Land	\$ 29,114,619	\$ 28,758,411	\$ 1,969,993	\$ 1,969,993
Construction in progress	10,333,825	4,777,782	3,631,888	564,774
Buildings	119,761,847	116,508,384	923,759	966,811
Utility systems	-	-	12,787,743	13,630,931
Infrastructure	88,012,619	83,288,680	-	-
Equipment	32,415,428	30,906,497	2,512,995	2,522,958
Software	154,942	223,258	-	-
Right-to-use subscription assets	3,026,257	3,535,643	-	-
Right-to-use lease assets	2,466,290	1,056,034	-	-
Capital assets, net, end of year	<u>\$ 285,285,827</u>	<u>\$ 269,054,689</u>	<u>\$ 21,826,378</u>	<u>\$ 19,655,467</u>

Additional information on the County’s capital assets activity and balances can be found in Note 9 of the notes to the financial statements on pages 45-46 of this report.

Long-Term Liabilities

At June 30, 2024, the County had total long-term liabilities outstanding of \$135.5 million, a decrease of \$14.9 million. This amount consists of \$120.2 million for governmental activities and \$15.3 million for business-type activities. The governmental activities amount consists of primarily of \$105.0 million in net pension and other post-employment benefit liabilities, compensated absences payable of \$6.8 million, claims and judgements payable of \$3.3 million, subscription liabilities of \$2.6 million, lease payable of \$2.5 million, and financed purchases of \$0.1 million. The business-type activities amount consists of \$12.0 million in landfill closure and postclosure costs payable, \$3.1 million in net pension and other post-employment benefit liabilities, and \$0.3 million in compensated absences payable.

Management's Discussion and Analysis - Continued

Capital Assets and Debt Administration - Continued

The major change in liabilities was a combined decrease of \$17.9 million in net pension and other post-employment benefit liabilities, offset by an increase in lease liabilities of \$1.4 million and \$1.0 million in landfill closure and postclosure care costs payable.

Additional information on the County's long-term debt can be found in Note 11 of the notes to the financial statements on pages 47-50 of this report.

Economic Factors and Next Year's Budgets and Rates

Population in Mohave County and Arizona has continued to grow at a modest rate and is projected to grow steadily over the next several years. Arizona's population growth rates exceed the national average, and the job creation rate is also higher than the national average at 2.1% as compared to 1.4% for non-farm jobs. Property market values have risen in Arizona and Mohave County and are expected to remain stable. 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 2024 was 4.28 percent, down from 4.4 percent from the prior year's average. At June 30, 2024, the unemployment rate was 4.4 percent, which is 1.1 percent higher than the State's 3.3 percent rate. Mohave County economic activity continues to remain strong and is moving in a positive trajectory with robust new investment in the area.

Each year during the budget planning process, the Financial Services Department evaluates the U.S. and Arizona coincident index and other economic indicators along with reviewing economic momentum information and State estimates provided by the office of the Arizona Joint Legislative Budget Committee, the U.S. Bureau of Labor Statistics and other sources. Also, considered in overall budget development are the status of the U.S. federal budget and anticipated changes, State budget impacts, and local economic conditions specific to Mohave County such as net assessed property valuations and changes from prior years, local sales tax revenue and year-over-year changes, local employment, tourism, fuel sales, building permit data and other types of information. In summary, all of these factors were considered in preparing and developing Mohave County's budget for the 2025 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Mohave County Finance Department, P.O. Box 7000, Kingman, Arizona 86402-700.

Basic Financial Statements

Mohave County, Arizona
Statement of Net Position
June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 234,123,412	\$ 10,606,825	\$ 244,730,237
Receivables (net of allowance for uncollectibles):			
Property taxes	2,760,272	-	2,760,272
Accounts	1,523,321	672,958	2,196,279
Accrued interest	785,267	265,659	1,050,926
Settlements	13,749,726	-	13,749,726
Leases	225,581	-	225,581
Due from other governments	8,943,632	189,665	9,133,297
Inventories	252,108	193,954	446,062
Prepaid items	667,449	18,056	685,505
Cash and investments held by trustees	700,568	-	700,568
Restricted cash	-	776,726	776,726
Internal balances	(10,099,726)	10,099,726	-
Restricted assets - HUD properties	865,929	-	865,929
Net other postemployment benefits asset	4,277,302	103,985	4,381,287
Capital assets, not being depreciated/amortized	39,448,444	5,601,881	45,050,325
Capital assets, being depreciated/amortized, net	245,837,383	16,224,497	262,061,880
Total assets	<u>544,060,668</u>	<u>44,753,932</u>	<u>588,814,600</u>
Deferred Outflows of Resources			
Deferred outflows related to pensions and other postemployment benefits	24,453,799	460,487	24,914,286
Total deferred outflows of resources	<u>24,453,799</u>	<u>460,487</u>	<u>24,914,286</u>
Liabilities			
Accounts payable	5,193,167	1,097,215	6,290,382
Accrued payroll and employee benefits	4,087,743	144,032	4,231,775
Accrued interest	21,967	-	21,967
Due to other governments	2,582	6,943	9,525
Deposits held for others	1,337,196	179,714	1,516,910
Unearned revenue	28,135,540	190,911	28,326,451
Noncurrent liabilities:			
Due within one year	11,401,074	256,041	11,657,115
Due in more than one year	108,789,938	15,076,350	123,866,288
Total liabilities	<u>158,969,207</u>	<u>16,951,206</u>	<u>175,920,413</u>
Deferred Inflows of Resources			
Deferred inflows related to pensions and other postemployment benefits	8,813,800	164,578	8,978,378
Deferred inflows related to leases	214,830	-	214,830
Total deferred inflows of resources	<u>9,028,630</u>	<u>164,578</u>	<u>9,193,208</u>
Net Position			
Net investment in capital assets	280,180,796	21,758,103	301,938,899
Restricted for:			
General government	25,216,372	-	25,216,372
Public safety	26,907,196	-	26,907,196
Highways and streets	15,693,287	-	15,693,287
Health and welfare	7,230,101	-	7,230,101
Sanitation	660,633	6,369,284	7,029,917
Culture and recreation	9,470,438	-	9,470,438
Education	964,460	-	964,460
Capital projects	-	776,726	776,726
Net other postemployment benefits asset	4,277,302	103,985	4,381,287
Other purposes	1,323,372	-	1,323,372
Unrestricted (deficit)	28,592,673	(909,463)	27,683,210
Total net position	<u>\$ 400,516,630</u>	<u>\$ 28,098,635</u>	<u>\$ 428,615,265</u>

See the accompanying notes to the financial statements.

**Mohave County, Arizona
Statement of Activities
Year Ended June 30, 2024**

Functions/Programs	Net (Expenses) Revenues and Changes in Net Position					
	Expenses	Program Revenues		Governmental Activities	Business-Type Activities	Total
		Charges for Services	Operating Grants and Contributions			
Primary government:						
Governmental activities						
General government	\$ 79,010,922	\$ 18,109,352	\$ 22,175,348	\$ (38,726,222)	\$ -	\$ (38,726,222)
Public safety	58,639,656	3,748,316	19,277,681	(35,613,659)	-	(35,613,659)
Highways and streets	17,412,776	227,576	17,212,330	27,130	-	27,130
Health	16,605,150	9,180,933	2,431,277	(4,992,940)	-	(4,992,940)
Welfare	7,340,673	196,503	7,204,758	60,588	-	60,588
Sanitation	123,843	212,131	-	88,288	-	88,288
Culture and recreation	5,077,247	91,961	177,880	(4,807,406)	-	(4,807,406)
Education	3,633,535	54,338	3,106,537	(472,660)	-	(472,660)
Interest on long-term debt	142,439	-	-	(142,439)	-	(142,439)
Total governmental activities	187,986,241	31,821,110	71,585,811	(84,579,320)	-	(84,579,320)
Business-type activities						
Landfill	2,984,156	2,408,674	714,489	-	139,007	139,007
Recreation	4,346,593	3,049,784	358,716	-	(938,093)	(938,093)
Water companies	4,087,785	3,187,669	-	-	(900,116)	(900,116)
Total business-type activities	11,418,534	8,646,127	1,073,205	-	(1,699,202)	(1,699,202)
Total primary government	<u>\$ 199,404,775</u>	<u>\$ 40,467,237</u>	<u>\$ 72,659,016</u>	(84,579,320)	(1,699,202)	(86,278,522)
General revenues:						
Taxes:						
Property taxes, levied for general purposes				52,476,076	-	52,476,076
Property taxes, levied for flood control				10,744,564	-	10,744,564
Property taxes, levied for debt service				11,185	-	11,185
Share of state sales taxes				38,809,678	-	38,809,678
Special county sales tax for capital projects				18,411	-	18,411
Shared revenue - state vehicle license tax				15,873,745	-	15,873,745
Federal in-lieu tax				4,502,915	100,000	4,602,915
Local in-lieu tax				44,153	-	44,153
Utilities franchise tax				511,761	-	511,761
County equalization revenue				208,914	-	208,914
Contributions not restricted to specific programs				800,050	-	800,050
Investment earnings				9,371,466	894,139	10,265,605
Miscellaneous				1,144,745	592,169	1,736,914
Rent				223,180	127,989	351,169
Gain (loss) on disposal of assets				(950,142)	1,802	(948,340)
Transfers				(6,409)	6,409	-
Total general revenues and transfers				<u>133,784,292</u>	<u>1,722,508</u>	<u>135,506,800</u>
Changes in net position				49,204,972	23,306	49,228,278
Net position - July 1, 2023, as originally reported				350,993,934	28,075,329	379,069,263
Aggregate amount of error corrections				317,724	-	317,724
Net position - July 1, 2023, as restated				<u>351,311,658</u>	<u>28,075,329</u>	<u>379,386,987</u>
Net position - June 30, 2024				<u>\$ 400,516,630</u>	<u>\$ 28,098,635</u>	<u>\$ 428,615,265</u>

See the accompanying notes to the financial statements.

Mohave County, Arizona
Balance Sheet - Governmental Funds
June 30, 2024

	Major Funds							Total Governmental Funds
	General Fund	Road Fund	Flood Control Fund	County Capital Improvement Fund	American Rescue Plan Act Fund	One Arizona Opioid Settlement Fund	Other Governmental Funds	
Assets								
Cash and investments	\$ 87,039,758	\$ 14,641,520	\$ 13,366,029	\$ 29,497,123	\$ 21,474,331	\$ 2,652,763	\$ 45,114,934	\$ 213,786,458
Receivables: (net of allowance for uncollectibles):								
Property taxes	1,903,131	-	502,776	-	-	-	354,365	2,760,272
Accounts	533,573	7,500	50	-	-	-	464,691	1,005,814
Accrued interest	272,805	55,678	63,013	101,888	-	8,875	221,133	723,392
Settlements	-	-	-	-	-	13,749,726	-	13,749,726
Leases	-	-	-	-	-	-	225,581	225,581
Due from other governments	4,331,392	1,972,609	-	-	-	-	2,636,999	8,941,000
Due from other funds	71,975	308	-	-	499,026	-	394,348	965,657
Inventories	-	118,001	57,421	-	-	-	-	175,422
Prepaid items	78,742	10,672	28,980	-	21,292	-	136,218	275,904
Total assets	<u>\$ 94,231,376</u>	<u>\$ 16,806,288</u>	<u>\$ 14,018,269</u>	<u>\$ 29,599,011</u>	<u>\$ 21,994,649</u>	<u>\$ 16,411,364</u>	<u>\$ 49,548,269</u>	<u>\$ 242,609,226</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances								
Liabilities:								
Accounts payable	\$ 1,482,181	\$ 599,212	\$ 196,075	\$ 82,959	\$ 1,068,499	\$ 61,441	\$ 1,065,965	\$ 4,556,332
Accrued payroll and employee benefits	2,636,375	384,373	48,445	-	4,418	-	820,731	3,894,342
Due to other governments	272	22	-	-	-	-	2,288	2,582
Due to other funds	211,322	721	163	-	-	-	597,441	809,647
Deposits held for others	1,225,414	-	-	-	-	-	111,782	1,337,196
Unearned revenue	1,705	-	-	2,353,717	20,921,732	-	4,858,386	28,135,540
Advances payable - landfill	10,000,000	-	-	-	-	-	-	10,000,000
Total liabilities	<u>15,557,269</u>	<u>984,328</u>	<u>244,683</u>	<u>2,436,676</u>	<u>21,994,649</u>	<u>61,441</u>	<u>7,456,593</u>	<u>48,735,639</u>
Deferred inflows of resources:								
Unavailable revenues - property taxes	1,456,740	-	384,683	-	-	-	293,499	2,134,922
Unavailable revenues - intergovernmental	66,717	-	-	-	-	-	352,277	418,994
Unavailable revenues - settlements	-	-	-	-	-	13,749,725	-	13,749,725
Deferred inflows related to leases	-	-	-	-	-	-	214,830	214,830
Total deferred inflows of resources	<u>1,523,457</u>	<u>-</u>	<u>384,683</u>	<u>-</u>	<u>-</u>	<u>13,749,725</u>	<u>860,606</u>	<u>16,518,471</u>
Fund balances:								
Nonspendable	78,742	128,673	86,401	-	21,292	-	136,218	451,326
Restricted	-	15,693,287	13,302,502	-	-	2,600,198	39,105,683	70,701,670
Committed	-	-	-	27,162,335	-	-	1,989,169	29,151,504
Unassigned (deficit)	77,071,908	-	-	-	(21,292)	-	-	77,050,616
Total fund balances (deficit)	<u>77,150,650</u>	<u>15,821,960</u>	<u>13,388,903</u>	<u>27,162,335</u>	<u>-</u>	<u>2,600,198</u>	<u>41,231,070</u>	<u>177,355,116</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 94,231,376</u>	<u>\$ 16,806,288</u>	<u>\$ 14,018,269</u>	<u>\$ 29,599,011</u>	<u>\$ 21,994,649</u>	<u>\$ 16,411,364</u>	<u>\$ 49,548,269</u>	<u>\$ 242,609,226</u>

See the accompanying notes to the financial statements.

Mohave County, Arizona
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position
June 30, 2024

Fund balances—total governmental funds		\$ 177,355,116
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		275,090,816
Restricted assets for HUD properties used in governmental activities are not financial resources and, therefore, are not reported in the funds.		865,929
Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.		16,303,641
Net pension and other postemployment benefits assets held in trust for future benefits are not available for County operations and therefore, are not reported in the funds		4,139,436
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Obligations under financed purchases of capital assets	\$ (79,273)	
Leases payable	(1,217,609)	
Subscriptions payable	(1,747,272)	
Compensated absences payable	(6,453,334)	
Net pension/OPEB liability	<u>(100,878,907)</u>	(110,376,395)
Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future reporting periods and, therefore, are not reported in the funds.		15,223,655
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.		<u>21,914,432</u>
Net position of governmental activities		<u><u>\$ 400,516,630</u></u>

See the accompanying notes to the financial statements.

Mohave County, Arizona
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2024

	Major Funds							Total Governmental Funds
	General Fund	Road Fund	Flood Control Fund	County Capital Improvement Fund	American Rescue Plan Act Fund	One Arizona Opioid Settlement Fund	Other Governmental Funds	
Revenues:								
Taxes	\$ 45,592,896	\$ -	\$ 10,799,271	\$ 18,411	\$ -	\$ -	\$ 7,769,030	\$ 64,179,608
Special assessments	-	-	-	-	-	-	11,185	11,185
Licenses and permits	2,219,118	160,000	2,700	-	-	-	885,016	3,266,834
Intergovernmental	57,092,929	21,413,158	35	6,646,283	9,135,577	-	34,795,081	129,083,063
Charges for services	9,624,081	66,025	-	-	-	2,056,947	5,114,222	16,861,275
Fees, fines and forfeits	1,122,260	1,551	-	-	-	-	201,083	1,324,894
Investment earnings	2,924,493	810,647	717,371	1,778,974	-	60,983	2,264,267	8,556,735
Rents	-	69,710	-	36,134	-	-	117,336	223,180
Contributions	50,295	-	-	-	-	-	763,839	814,134
Miscellaneous	995,174	103,737	-	-	-	-	45,158	1,144,069
Total revenues	119,621,246	22,624,828	11,519,377	8,479,802	9,135,577	2,117,930	51,966,217	225,464,977
Expenditures:								
Current:								
General government	52,666,970	-	-	-	9,135,577	-	6,519,153	68,321,700
Public safety	36,049,453	-	8,789,818	-	-	-	23,925,706	68,764,977
Highways and streets	-	23,348,100	-	-	-	-	-	23,348,100
Sanitation	-	-	-	-	-	-	123,843	123,843
Health	9,869,047	-	-	-	-	636,801	6,249,291	16,755,139
Welfare	-	-	-	-	-	-	7,435,329	7,435,329
Culture and recreation	-	-	-	-	-	-	5,462,097	5,462,097
Education	440,076	-	-	-	-	-	3,211,437	3,651,513
Capital outlay	765,355	-	-	10,335,225	-	-	682,323	11,782,903
Debt service:								
Principal	409,525	3,727	-	-	-	-	324,584	737,836
Interest and other fiscal charges	59,681	1,193	-	-	-	-	16,458	77,332
Total expenditures	100,260,107	23,353,020	8,789,818	10,335,225	9,135,577	636,801	53,950,221	206,460,769
Excess (deficiency) of revenues over expenditures	19,361,139	(728,192)	2,729,559	(1,855,423)	-	1,481,129	(1,984,004)	19,004,208
Other financing sources (uses):								
Proceeds from sale of capital assets	14,556	231,244	22,701	-	-	-	23,675	292,176
Subscription-based IT arrangements	63,678	-	-	-	-	-	493,506	557,184
Lease agreements	701,677	-	-	-	-	-	179,817	881,494
Transfers in	10,472,873	-	-	-	-	-	6,516,602	16,989,475
Transfers out	(3,920,292)	(100,000)	(1,324,858)	(9,000,000)	-	-	(2,734,479)	(17,079,629)
Total other financing sources (uses)	7,332,492	131,244	(1,302,157)	(9,000,000)	-	-	4,479,121	1,640,700
Net change in fund balances	26,693,631	(596,948)	1,427,402	(10,855,423)	-	1,481,129	2,495,117	20,644,908
Fund balances, July 1, 2023	50,457,019	16,458,049	12,055,609	38,017,758	-	1,119,069	38,735,953	156,843,457
Changes in nonspendable resources:								
Increase (decrease) in inventories	-	(39,141)	(94,108)	-	-	-	-	(133,249)
Fund balances, June 30, 2024	\$ 77,150,650	\$ 15,821,960	\$ 13,388,903	\$ 27,162,335	\$ -	\$ 2,600,198	\$ 41,231,070	\$ 177,355,116

See the accompanying notes to the financial statements.

Mohave County, Arizona
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, 2024

Net change in fund balances - total governmental funds		\$ 20,644,908
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.		
Expenditures for general capital assets	\$ 29,584,744	
Depreciation/amortization expense	<u>(12,185,906)</u>	17,398,838
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.		
		(1,342,592)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		5,372,378
Collections of revenues in the governmental funds exceeded revenues reported in the statement of activities.		
		(619,589)
County pension/OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the statement of net position because the reported net pension/OPEB liability is measured a year before the County's report date. Pension/OPEB expense, which is the change in the net pension/OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the statement of activities.		
County pension/OPEB contributions	16,635,027	
State pension contribution	1,608,741	
Pension/OPEB expense	<u>(11,346,694)</u>	6,897,074
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 principal is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:		
Subscription-based information technology arrangements incurred	(557,184)	
Leases incurred	(881,494)	
Subscription-based information technology arrangements paid	466,633	
Leases principal paid	250,679	
Financed purchases principal paid	<u>78,390</u>	(642,976)
Under the modified accrual basis of 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 are reported regardless of when the financial resources are available.		
		(392,352)
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.		
		(133,249)
Internal service funds are used by management to charge the costs of certain activities, such as insurance, automotive maintenance and operation, information technology and telecommunications, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities in the statement of activities.		
		<u>2,022,532</u>
Change in net position of governmental activities		<u>\$ 49,204,972</u>

See the accompanying notes to the financial statements.

Mohave County, Arizona
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-Type Activities - Enterprise Funds				Governmental Activities	
	Landfill Fund	G.V.I.D Fund	Parks Fund	Other Enterprise Funds	Total Enterprise Total	Internal Service Funds
Assets						
Current assets:						
Cash and investments	\$ 8,305,359	\$ 473,524	\$ 724,163	\$ 1,103,779	\$ 10,606,825	\$ 20,336,954
Cash and investments held by trustee	-	-	-	-	-	700,568
Receivables (net of allowance for uncollectibles):						
Accounts	230,768	74,210	294,047	73,933	672,958	517,507
Interest	254,095	2,703	3,150	5,711	265,659	61,875
Due from other governments	167,038	-	-	22,627	189,665	2,632
Due from other funds	-	-	100,000	-	100,000	525,735
Inventory	-	120,511	1,961	71,482	193,954	76,686
Prepaid and other items	-	626	5,371	12,059	18,056	391,545
Total current assets	8,957,260	671,574	1,128,692	1,289,591	12,047,117	22,613,502
Noncurrent assets:						
Restricted cash and cash equivalents	-	238,106	-	538,620	776,726	-
Advance from other funds	10,000,000	-	-	-	10,000,000	-
Net other postemployment benefits asset	20,537	12,624	42,675	28,149	103,985	137,866
Capital assets, net of accumulated depreciation/ amortization:						
Land	441,049	40,388	1,481,772	6,784	1,969,993	-
Infrastructure, net	1,922,235	3,633,114	2,763,384	4,469,010	12,787,743	-
Buildings, net	-	31,476	799,325	92,958	923,759	-
Equipment, net	376,220	612,885	766,584	757,306	2,512,995	5,946,200
Intangibles, net	-	-	-	-	-	2,453,360
Construction in progress	3,064,866	142,961	350,078	73,983	3,631,888	1,795,451
Total assets	24,782,167	5,383,128	7,332,510	7,256,401	44,754,206	32,946,379
Deferred Outflows						
Deferred outflows related to pensions and other postemployment benefits	105,806	48,329	189,993	116,359	460,487	634,543
Total deferred outflows	105,806	48,329	189,993	116,359	460,487	634,543
Liabilities						
Current liabilities:						
Accounts payable	498,099	97,498	38,875	462,743	1,097,215	636,835
Accrued payroll and employee benefits	35,212	14,744	60,440	33,636	144,032	193,401
Interest payable	-	-	-	-	-	21,967
Due to other funds	-	31	-	243	274	781,471
Due to other governments	-	6,798	145	-	6,943	-
Deposits held for others	-	104,306	52,354	23,054	179,714	-
Unearned revenue	-	43,431	5,250	142,230	190,911	-
Claims Payable	-	-	-	-	-	3,311,628
Leases payable, current portion	-	-	-	-	-	350,962
Financed purchases, current portion	-	-	2,508	2,006	4,514	-
Subscription liability, current portion	-	-	-	-	-	457,793
Compensated absences payable, current portion	62,707	23,140	107,417	58,263	251,527	356,134
Total current liabilities	596,018	289,948	266,989	722,175	1,875,130	6,110,191
Noncurrent liabilities:						
Compensated absences payable, net of current portion	1,588	586	2,720	1,476	6,370	9,019
Landfill closure and postclosure care cost payable	11,990,366	-	-	-	11,990,366	-
Financed purchases	-	-	2,537	2,030	4,567	-
Leases payable	-	-	-	-	-	902,569
Subscription liability	-	-	-	-	-	349,553
Net pension and other postemployment benefits liability	607,322	373,311	1,261,999	832,415	3,075,047	4,076,959
Total noncurrent liabilities	12,599,276	373,897	1,267,256	835,921	15,076,350	5,338,100
Total liabilities	13,195,294	663,845	1,534,245	1,558,096	16,951,480	11,448,291
Deferred Inflows						
Deferred inflows related to pensions and other postemployment benefits	32,504	19,980	67,543	44,551	164,578	218,199
Total deferred inflows	32,504	19,980	67,543	44,551	164,578	218,199
Net Position						
Net investment in capital assets	5,804,370	4,392,549	6,161,143	5,400,041	21,758,103	8,134,134
Restricted for:						
Capital projects	-	238,106	-	538,620	776,726	-
Sanitation	6,369,284	-	-	-	6,369,284	-
Net other postemployment benefits asset	20,537	12,624	42,675	28,149	103,985	137,866
Unrestricted	(534,016)	104,353	(283,103)	(196,697)	(909,463)	13,642,432
Total net position	\$ 11,660,175	\$ 4,747,632	\$ 5,920,715	\$ 5,770,113	\$ 28,098,635	\$ 21,914,432

See the accompanying notes to the financial statements.

Mohave County, Arizona
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year Ended June 30, 2024

	Business-Type Activities - Enterprise Funds				Governmental Activities	
	Landfill Fund	G.V.I.D Fund	Parks Fund	Other Enterprise Funds	Total Enterprise Total	Internal Service Funds
Operating revenues:						
Charges for services	\$ 2,408,674	\$ 1,177,066	\$ 2,390,142	\$ 2,670,245	\$ 8,646,127	\$ 34,294,576
Other revenue	-	9,985	1,491	62,136	73,612	675
Total operating revenues	2,408,674	1,187,051	2,391,633	2,732,381	8,719,739	34,295,251
Operating expenses:						
Personnel services	745,011	348,296	1,581,458	1,073,161	3,747,926	5,012,285
Supplies	38,725	57,269	215,231	112,503	423,728	551,352
Professional services	608,490	108,864	168,440	172,700	1,058,494	3,389,320
Communications	6,175	28,838	17,240	14,310	66,563	872,489
Insurance	-	11,193	42,783	99,163	153,139	1,018,805
Landfill closure and postclosure care costs	981,464	-	-	-	981,464	-
Insurance claims	-	-	-	-	-	17,172,174
Lawsuit judgments	-	-	-	-	-	9,833
Repairs and maintenance	151,841	74,709	145,519	252,501	624,570	59,216
Public utility service	93,300	123,474	350,080	994,825	1,561,679	-
Rent and leases	12,554	11,944	16,221	11,134	51,853	1,187,420
Depreciation and amortization	181,820	351,702	399,144	1,288,390	2,221,056	2,743,008
Other	164,776	67,998	177,604	117,684	528,062	1,615,759
Total operating expenses	2,984,156	1,184,287	3,113,720	4,136,371	11,418,534	33,631,661
Operating income (loss)	(575,482)	2,764	(722,087)	(1,403,990)	(2,698,795)	663,590
Nonoperating revenues (expenses):						
Investment earnings	740,862	30,498	58,880	63,899	894,139	814,731
Rent income	-	-	-	127,989	127,989	-
Grants	714,489	-	137,000	221,716	1,073,205	500,000
Gain on disposal of assets	-	-	1,802	-	1,802	15,452
Interest expense	-	-	-	-	-	(65,107)
Total nonoperating revenues (expenses)	1,455,351	30,498	197,682	413,604	2,097,135	1,265,076
Contributions	-	4,273	385,717	228,567	618,557	10,121
Transfers in	-	11,409	-	80,718	92,127	570,265
Transfers out	(25,000)	-	(5,000)	(55,718)	(85,718)	(486,520)
Increase (decrease) in net position	854,869	48,944	(143,688)	(736,819)	23,306	2,022,532
Net position, July 1, 2023, as originally reported	10,805,306	4,698,688	6,064,403	6,506,932	28,075,329	19,574,176
Aggregate amount of error corrections	-	-	-	-	-	317,724
Net position, July 1, 2023, as restated	10,805,306	4,698,688	6,064,403	6,506,932	28,075,329	19,891,900
Net position, June 30, 2024	<u>\$ 11,660,175</u>	<u>\$ 4,747,632</u>	<u>\$ 5,920,715</u>	<u>\$ 5,770,113</u>	<u>\$ 28,098,635</u>	<u>\$ 21,914,432</u>

See the accompanying notes to the financial statements.

Mohave County, Arizona
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2024

	Business-Type Activities - Enterprise Funds				Governmental Activities	
	Landfill Fund	G.V.I.D Fund	Parks Fund	Other Enterprise Funds	Total Enterprise Total	Internal Service Funds
Cash flows from operating activities:						
Receipts from customers	\$ 2,335,927	\$ 1,193,591	\$ 2,181,882	\$ 2,741,776	\$ 8,453,176	\$ 492,869
Receipts from interfund services provided	-	-	-	-	-	34,648,108
Payments to suppliers and providers of goods and services	(765,783)	(465,935)	(1,136,513)	(1,443,675)	(3,811,906)	(25,444,050)
Payments for employee wages and benefits	(826,539)	(327,101)	(1,466,513)	(870,038)	(3,490,191)	(3,814,618)
Net cash provided by (used for) operating activities	743,605	400,555	(421,144)	428,063	1,151,079	5,882,309
Cash flows from noncapital financing activities:						
Advances to other fund	(3,500,000)	-	-	-	(3,500,000)	-
Transfers to other funds	(25,252)	(1,140)	(176,579)	(49,903)	(252,874)	-
Transfers from other funds	-	11,409	-	80,718	92,127	566,363
Rent income	-	-	-	127,989	127,989	-
Non-capital grant and contributions receipts	704,906	4,273	522,717	451,968	1,683,864	510,532
Net cash provided by (used for) noncapital financing activities	(2,820,346)	14,542	346,138	610,772	(1,848,894)	1,076,895
Cash flows from capital and related financing activities:						
Principal payments on capital debt	-	-	(2,479)	(1,983)	(4,462)	(902,794)
Interest paid on debt	-	-	-	-	-	(57,241)
Purchases of capital assets	(3,141,106)	(165,117)	(554,641)	(534,182)	(4,395,046)	(1,855,578)
Proceeds from sale of capital assets	-	-	4,881	-	4,881	185,857
Net cash used for capital and related financing activities	(3,141,106)	(165,117)	(552,239)	(536,165)	(4,394,627)	(2,629,756)
Cash flows from investing activities:						
Interest received on investments	545,254	29,321	59,665	61,135	695,375	797,977
Net cash provided by investing activities	545,254	29,321	59,665	61,135	695,375	797,977
Net change in cash and cash equivalents	(4,672,593)	279,301	(567,580)	563,805	(4,397,067)	5,127,425
Cash and cash equivalents, July 1, 2023	12,977,952	432,329	1,291,743	1,078,594	15,780,618	15,910,097
Cash and cash equivalents, June 30, 2024	<u>\$ 8,305,359</u>	<u>\$ 711,630</u>	<u>\$ 724,163</u>	<u>\$ 1,642,399</u>	<u>\$ 11,383,551</u>	<u>\$ 21,037,522</u>
Cash and cash equivalents are reported on the statement of net position - proprietary funds according to the following classifications						
Cash and investments	\$ 8,305,359	\$ 473,524	\$ 724,163	\$ 1,103,779	\$ 10,606,825	\$ 20,336,954
Cash and investments held by trustee	-	-	-	-	-	700,568
Restricted cash and cash equivalents	-	238,106	-	538,620	776,726	-
Total cash and cash equivalents	<u>\$ 8,305,359</u>	<u>\$ 711,630</u>	<u>\$ 724,163</u>	<u>\$ 1,642,399</u>	<u>\$ 11,383,551</u>	<u>\$ 21,037,522</u>

See the accompanying notes to the financial statements.

Mohave County, Arizona
Statement of Cash Flows - Continued
Proprietary Funds
Year Ended June 30, 2024

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Landfill Fund	G.V.I.D Fund	Parks Fund	Other Enterprise Funds	Total Enterprise Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	\$ (575,482)	\$ 2,764	\$ (722,087)	\$ (1,403,990)	\$ (2,698,795)	\$ 663,590
<i>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</i>						
Depreciation/amortization	181,820	351,702	399,144	1,288,390	2,221,056	2,743,008
Changes in assets, deferred outflows and inflows of resources and liabilities:						
Decrease (increase) in:						
Accounts receivable	(72,747)	7,558	(214,001)	(8,591)	(287,781)	845,726
Inventories	-	(53,270)	135	(7,497)	(60,632)	5,397
Prepaid and other items	442	558	74	281	1,355	(106,975)
Net pension and other postemployment benefits asset	3,847	35	(1,887)	(5,593)	(3,598)	(11,400)
Deferred outflows of resources related to pensions and other postemployment benefits	1,560	12,914	12,994	8,666	36,134	10,524
Increase (decrease) in:						
Accounts payable	309,636	87,233	(41,047)	353,865	709,687	533,901
Accrued payroll and employee benefits	9,074	125	8,847	(56)	17,990	(3,192)
Due to other governments	-	(3,929)	145	3,640	(144)	(5)
Deposits held for others	-	(12,238)	37,298	(19,144)	5,916	-
Unearned revenue	-	(1,018)	4,250	17,986	21,218	-
Claims payable	-	-	-	-	-	780,018
Compensated absences payable	5,607	(256)	5,662	9,026	20,039	(28,073)
Landfill closure and postclosure care costs	981,464	-	-	-	981,464	-
Net pension and other postemployment benefits liability	(98,599)	6,837	81,202	179,388	168,828	415,814
Deferred inflows of resources related to pensions and other postemployment benefits	(3,017)	1,540	8,127	11,692	18,342	33,976
Net cash provided by (used for) operating activities	<u>\$ 743,605</u>	<u>\$ 400,555</u>	<u>\$ (421,144)</u>	<u>\$ 428,063</u>	<u>\$ 1,151,079</u>	<u>\$ 5,882,309</u>
Schedule of non-cash capital and related financing activities:						
Purchase of capital assets through proceeds from lease obligations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,181,198</u>
Purchase of capital assets through proceeds from subscription liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,617</u>

See the accompanying notes to the financial statements.

Mohave County, Arizona
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	Pension and Other Employee Benefit Trust Funds	Private Purpose Trust Fund	Custodial Funds		Total Fiduciary Funds
			External Investment Pool	Other Custodial	
Assets					
Cash and investments	\$ -	\$ 3,227,416	\$ 188,169,427	\$ 6,033,263	\$ 197,430,106
Cash and investments held by trustee	17,305,468	500,948	-	-	17,806,416
Property taxes receivable	-	-	-	8,057,396	8,057,396
Accrued interest receivable	-	-	-	594,012	594,012
Total assets	17,305,468	3,728,364	188,169,427	14,684,671	223,887,930
Liabilities					
Due to others	-	-	2,883,048	74,271	2,957,319
Total liabilities	-	-	2,883,048	74,271	2,957,319
Net Position					
Restricted for:					
Postemployment benefits other than pensions	17,305,468	-	-	-	17,305,468
Pool participants	-	-	185,286,379	8,678,536	193,964,915
Individuals, organizations and other governments	-	3,728,364	-	5,931,864	9,660,228
Total net position	\$ 17,305,468	\$ 3,728,364	\$ 185,286,379	\$ 14,610,400	\$ 220,930,611

See the accompanying notes to the financial statements.

Mohave County, Arizona
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2024

	Pension and Other Employee Benefit Trust Funds	Private Purpose Trust Fund	Custodial		Total Fiduciary Funds
			External Investment Pool	Other Custodial	
Additions:					
Contributions from pool participants	\$ -	\$ -	\$ 382,448,291	\$ -	\$ 382,448,291
Contributions from pool members	504,783	-	-	-	504,783
Property tax collections for other governments	-	-	-	155,450,049	155,450,049
Collections for individuals	-	11,226,140	-	37,664,153	48,890,293
Investment earnings	1,638,739	29,235	8,505,182	544,879	10,718,035
Inmate collections	-	-	-	1,914,527	1,914,527
Other	97,296	-	-	1,747,415	1,844,711
Total additions	2,240,818	11,255,375	390,953,473	197,321,023	601,770,689
Deductions:					
Distributions to pool participants	-	-	367,450,538	-	367,450,538
Benefits payments to individuals	1,192,963	11,467,981	-	-	12,660,944
Payments to inmates	-	-	-	1,914,527	1,914,527
Property tax distributions to other governments	-	-	-	155,868,786	155,868,786
Other	57,624	-	-	39,900,849	39,958,473
Total deductions	1,250,587	11,467,981	367,450,538	197,684,162	577,853,268
Net increase (decrease) in fiduciary net position	990,231	(212,606)	23,502,935	(363,139)	23,917,421
Net position, July 1, 2023, as originally reported	-	3,940,970	161,783,444	14,973,539	180,697,953
Aggregate amount of error corrections	16,315,237	-	-	-	16,315,237
Net position, July 1, 2023, as restated	16,315,237	3,940,970	161,783,444	14,973,539	197,013,190
Net position, June 30, 2024	\$ 17,305,468	\$ 3,728,364	\$ 185,286,379	\$ 14,610,400	\$ 220,930,611

See the accompanying notes to the financial statements.

Mohave County, Arizona
Notes to the Financial Statements
Year Ended June 30, 2024

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

The accounting policies of Mohave County, Arizona (the County) conform to generally accepted accounting principles applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB).

For the year ended June 30, 2024, the County implemented the provisions of GASB Statement No. 100, *Accounting Changes and Error Corrections*, which enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. As a result, the County’s financial statements have been modified to reflect the implementation of these new standards.

The County’s significant accounting policies are described below:

A. Reporting Entity

The 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 they are legally separate from the County. Each blended component unit discussed below has a June 30 year-end. The County has no discretely presented component units.

The following table describes the County’s component units:

Component Unit	Description; Criteria for Inclusion	Reporting Method	Separate Financial Statements
Flood Control District	A tax-levying public 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
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

Notes to the Financial Statements - Continued

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

Component Unit	Description; Criteria for Inclusion	Reporting Method	Separate Financial Statements
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
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. The Authority fulfills its function through the issuance of tax exempt or taxable revenue bonds. The County's Board of Supervisors appoints the Authority's Board of Directors. The Authority's operations are completely separate from the County and the County is not financially accountable for the Authority. Therefore, the financial activities of the Authority have not been included in the accompanying financial statements.

Notes to the Financial Statements - Continued

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

B. Basis of Presentation

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

Government-wide statements – Provide information about the primary government (the County) and its component units. The statements include a statement of net position and a statement of activities. These statements report the financial activities of the overall government, except for fiduciary activities. They also distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties.

A statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and segments of its business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The County does not allocate indirect expenses to programs or functions. Program revenues include:

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

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

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.

Notes to the Financial Statements - Continued

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

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 park fees, in which each party receives and gives up essentially equal values, are operating revenues. Nonoperating revenues, such as investment earnings, result from transactions in which the parties do not exchange equal values. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. Other expenses, such as interest expense, are considered to be nonoperating expenses.

The County reports the following major governmental funds:

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

The *Road Fund* 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 growth of the American economy and infrastructure.

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

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.

Notes to the Financial Statements - Continued

Note 1 – Reporting Entity, Basis of Presentation and 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 pension and other employee benefit trust funds, which account for assets held in a qualifying 457 deferred compensation plan; private-purpose trust funds, which account for assets the County's Public Fiduciary holds in trust for the benefit of various parties; and custodial funds, which account for other fiduciary activities, including the pooled assets the County Treasurer holds and invests on behalf of other governmental entities that are not held in trust and the County Treasurer's receipt and distribution of taxes for other governmental entities.

C. Basis of Accounting

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

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

Governmental funds in the fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. The County's major revenue sources that are susceptible to accrual are property taxes, sales taxes, licenses and permits, 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, landfill closure and postclosure care costs, pollution remediation obligations, and asset retirement obligations, which are recognized as expenditures to the extent they are due and payable. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of general long-term debt and acquisitions under lease contracts, financed purchase agreements and subscription-based information technology arrangements are reported as other financing sources.

Notes to the Financial Statements - Continued

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

D. Cash and Investments

For purposes of its statement of cash flows, the County’s cash equivalents are considered to be cash on hand, demand deposits, cash and investments held by the County Treasurer, investments in the State Treasurer’s local government investment pool, and only those highly liquid investments with a maturity of 3 months or less when purchased.

All investments are stated at fair value.

E. Inventories

Inventories in the government-wide and 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.

F. Property Tax Calendar

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

A lien assessed against real and personal property attaches on the first day of January preceding assessment and levy.

G. Capital Assets

Capital assets are reported at actual cost (or estimated historical cost if historical records are not available). Donated assets are reported at acquisition value.

Notes to the Financial Statements - Continued

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

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation/amortization methods, and estimated useful lives of capital assets reported in the government-wide statements and enterprise funds are as follows:

	Capitalization Threshold	Depreciation/ Amortization Method	Estimated Useful Life
Land	All	N/A	N/A
Construction in progress	\$ 5,000	N/A	N/A
Buildings	\$ 5,000	Straight-line	20-50 years
Infrastructure	\$ 5,000	Straight-line	10-50 years
Equipment	\$ 5,000	Straight-line	3-20 years
Utility systems	\$ 5,000	Straight-line	10-50 years
Intangibles:			
Software	\$ 10,000	Straight-line	3-7 years
Right-to-use subscription assets	\$ 25,000	Straight-line	1-8 years
Right-to-use lease assets:			
Land	\$ 100,000	Straight-line	10-20 years
Buildings	\$ 100,000	Straight-line	2-10 years
Equipment	\$ 100,000	Straight-line	1-5 years
Infrastructure	\$ 100,000	Straight-line	5-21 years

Intangible right-to-use lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the County is reasonably certain of being exercised, in which case the lease asset is amortized over the useful life of the underlying asset.

Intangible right-to-use subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying IT asset.

H. Postemployment Benefits

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

Notes to the Financial Statements - Continued

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

I. Fund Balance Classifications

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

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

The unrestricted fund balance category is composed of committed, assigned, and unassigned resources. Committed fund balances are self-imposed limitations that the County's Board of Supervisors approved, which is the highest level of decision-making authority within the County. The constraints placed on committed fund balances can only be removed or changed by the Board in a public meeting.

Assigned fund balances are resources constrained by the County's intent to be used for specific purposes, but that are neither restricted nor committed. The Board of Supervisors has authorized the County Manager, Elected Officials and the Finance Director to make the assignments of resources for specific purposes pursuant to resolution by the Board in a public meeting.

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

When an expenditure is incurred that can be paid from either restricted or unrestricted fund balance, it is the County's policy to use the restricted fund balance first. It is the County's policy to use committed amounts first when disbursing unrestricted fund balance, followed by assigned amounts, and lastly unassigned amounts.

J. Investment Earnings

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

K. Compensated Absences

Compensated absences payable consist of personal time off earned by employees based on services already rendered.

Notes to the Financial Statements - Continued

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

The County uses personal time off, which is a combination of vacation and sick leave. Personal time off benefits do not vest with employees until they have satisfactorily completed their probationary period. Public safety employees and those employees covered under the Judicial Merit System have a 1-year probationary period; all other employees have a 6-month probationary period.

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

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

L. Leases and Subscription-Based Information Technology Arrangements

Leases – As lessee, the County recognizes lease liabilities with an initial, individual value of \$100,000 or more. The County uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The County’s estimated incremental borrowing rate is based on the County’s current borrowing rate. Factors used to determine this rate include the County’s rate history and interest rate market changes.

As lessor, the County recognizes lease receivables with an initial, individual value of \$100,000 or more. If there is no stated rate in the lease contract (or if the stated rate is not the rate the County charges the lessee) and the implicit rate cannot be determined, the County uses its estimated incremental borrowing rate as the discount rate to measure lease receivables. The County’s estimated incremental borrowing rate is calculated as described above.

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

Notes to the Financial Statements - Continued

Note 2 – Accounting Changes and Error Corrections

Adjustments to and restatements of beginning balances

During fiscal year 2024, accounting changes and error corrections resulted in adjustments to and restatements of beginning net position as follows:

	Net position June 30, 2023, as previously reported	Error corrections	Net position July 1, 2023, as restated
Government-wide			
Governmental activities	\$ 350,993,934	\$ 317,724	\$ 351,311,658
Proprietary funds			
Internal Service Funds	\$ 19,574,176	\$ 317,724	\$ 19,891,900
Fiduciary funds			
Pension and other employee benefit trust funds	\$ -	\$ 16,315,237	\$ 16,315,237

Correction of Errors in Previously Issued Financial Statements - During fiscal year 2024, the County determined that a subscription asset and liability in the prior year was not reported in the internal service fund and governmental activities. Therefore, the subscription asset and related subscription liability, was understated by a net \$317,724 for the fiscal year ended June 30, 2023. The effect of this error is shown on the table above.

Also during 2024, the County determined that the 457 deferred compensation plan was not reported as a fiduciary activity. Therefore, the cash and investments held by trustee of the pension and other employee benefit trust fund were understated by a net \$16,315,237 for the fiscal year ended June 30, 2023. The effect of correcting that error is shown on the table above.

Note 3 – Stewardship, Compliance, and Accountability

Deficit fund balances – At June 30, 2024, the following nonmajor funds reported deficit fund balances:

Fund	Deficit
Proprietary funds:	
Fleet	\$ 184,419
Janitorial	207,639
Fairgrounds	57,839

The deficit in fund balances for the fleet, janitorial and fairgrounds funds were due to the pension liability.

Notes to the Financial Statements - Continued

Note 4 – Fund Balance Classifications of the Governmental Funds

The fund balance categories and classifications for governmental funds as of June 30, 2024, were as follows:

	General Fund	Road Fund	Flood Control Fund	County Capital Improvement Fund	American Rescue Plan Act Fund	One Arizona Opioid Settlement Fund	Other Governmental Funds	Total Governmental Funds
Fund balances:								
Nonspendable:								
Inventories	\$ -	\$ 118,001	\$ 57,421	\$ -	\$ -	\$ -	\$ -	\$ 175,422
Prepaid items	78,742	10,672	28,980	-	21,292	-	136,218	275,904
Total nonspendable	78,742	128,673	86,401	-	21,292	-	136,218	451,326
Restricted for:								
Government services	-	-	-	-	-	-	11,398,714	11,398,714
Public safety	-	-	13,302,502	-	-	-	13,024,490	26,326,992
Highway and streets	-	15,693,287	-	-	-	-	-	15,693,287
Health	-	-	-	-	-	2,600,198	1,848,021	4,448,219
Welfare	-	-	-	-	-	-	2,638,181	2,638,181
Education	-	-	-	-	-	-	951,403	951,403
Culture and recreation	-	-	-	-	-	-	9,244,873	9,244,873
Total restricted	-	15,693,287	13,302,502	-	-	2,600,198	39,105,683	70,701,670
Committed to:								
Pension	-	-	-	-	-	-	660,733	660,733
Sanitation	-	-	-	-	-	-	1,328,436	1,328,436
Capital projects	-	-	-	27,162,335	-	-	-	27,162,335
Total committed	-	-	-	27,162,335	-	-	1,989,169	29,151,504
Unassigned:	77,071,908	-	-	-	(21,292)	-	-	77,050,616
Total fund balances	<u>\$ 77,150,650</u>	<u>\$ 15,821,960</u>	<u>\$ 13,388,903</u>	<u>\$ 27,162,335</u>	<u>\$ -</u>	<u>\$ 2,600,198</u>	<u>\$ 41,231,070</u>	<u>\$ 177,355,116</u>

Note 5 – Deposits and Investments

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

Notes to the Financial Statements - Continued

Note 5 – Deposits and Investments – Continued

Credit risk – Statutes have the following requirements for credit risk:

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

Custodial credit risk – Statutes require collateral for deposits at 102 percent of all deposits not covered by federal depository insurance.

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

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

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

Deposits – At June 30, 2024, the carrying amount of the County’s total cash in the bank was \$7,101,999 and the bank balance was \$14,339,850. All County deposits are collateralized for the amount not covered by depository insurance.

Notes to the Financial Statements - Continued

Note 5 – Deposits and Investments – Continued

Investments – The County’s investments at June 30, 2024, are 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)
Investments by fair value level			
U.S. Treasury notes and bills	\$ 302,831,729	\$ 302,831,729	\$ -
U.S. Agency securities	15,309,379	-	15,309,379
Mutual funds	17,305,468	17,305,468	-
Corporate bonds	26,000	-	26,000
Total investments by fair value level	335,472,576	\$ 320,137,197	\$ 15,335,379
External investment pools measured at fair value			
State treasurer’s investment pools	118,858,384		
Total	\$ 454,330,960		

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 pool.

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 issues by United States companies with AA or greater ratings by Standard & Poor’s or Moody’s rating services.

Notes to the Financial Statements - Continued

Note 5 – Deposits and Investments – Continued

<u>Investment Type</u>	<u>Rating</u>	<u>Rating Agency</u>	<u>Amount</u>
U.S. Treasury notes and bills	AAA	Moody's	\$ 302,831,729
U.S. Agency securities	AAA	Moody's	15,309,379
Mutual funds	Unrated	Not applicable	17,305,468
Corporate bonds	Unrated	Not applicable	26,000
State treasurer's investment pool 7 and 700	Unrated	Not applicable	118,858,384
			<u>\$ 454,330,960</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 represent less than 1 percent of the total portfolio at June 30, 2024. All other securities are structured with varying maturity dates, not to exceed 5 years, and in various types of investments described under credit risk.

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

At June 30, 2024, the County had the following investments in debt securities:

<u>Investment Type</u>	<u>Amount</u>	<u>Investment Maturities</u>	
		<u>Less than 1. Year</u>	<u>1-5 Years</u>
U.S. Treasury notes and bills	\$ 302,831,729	\$ 94,577,238	\$ 208,254,491
U.S. Agency securities	15,309,379	15,309,379	-
Mutual funds	17,305,468	17,305,468	-
Corporate bonds	26,000	26,000	-
State Treasurer's Investment Pool 7 and 700	118,858,384	118,858,384	-
	<u>\$ 454,330,960</u>	<u>\$ 246,076,469</u>	<u>\$ 208,254,491</u>

At June 30, 2024, no investments in U.S. agency securities were considered to be highly sensitive to interest rate changes.

Notes to the Financial Statements - Continued

Note 5 – Deposits and Investments – Continued

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

Cash on hand	\$	11,094
Carrying amount of deposits		7,101,999
Reported amount of investments		454,330,960
Total	\$	461,444,053

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

	<u>Govern- mental Activities</u>	<u>Business- Type Activities</u>	<u>Pension and Other Employee Benefit Trust Funds</u>	<u>Private- Purpose Trust Funds</u>	<u>Custodial Funds</u>		<u>Total</u>
					<u>External Investment Pools</u>	<u>Other Custodial Funds</u>	
Cash and cash equivalents	\$ 234,123,412	\$ 10,606,825	\$ -	\$ 3,227,416	\$ 188,169,427	\$ 6,033,263	\$ 442,160,343
Cash and investments held by trustee	700,568	-	17,305,468	500,948	-	-	18,506,984
Restricted cash and cash equivalents	-	776,726	-	-	-	-	776,726
	\$ 234,823,980	\$ 11,383,551	\$ 17,305,468	\$ 3,728,364	\$ 188,169,427	\$ 6,033,263	\$ 461,444,053

Note 6 – County Treasurer’s Investment Pool

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

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

Notes to the Financial Statements - Continued

Note 6 – County Treasurer’s Investment Pool – Continued

The County’s deposits and investments are included in the County Treasurer’s investment pool, except for \$11,094 of cash on hand, \$2,256,847 of deposits held in bank and \$17,305,468 in mutual funds. Therefore, deposit and investment risks of the Treasurer’s investment pool are substantially the same as the County’s deposit and investment risks. See Note 5 for disclosure of the County’s deposit and investment risks.

Details of each major asset classification follow:

<u>Investment Type</u>	<u>Principal</u>	<u>Interest Rate(s)</u>	<u>Maturities</u>	<u>Fair Value</u>
U.S. Treasury notes and bills	\$ 304,455,727	1.125% – 5.5%	6/24 – 9/28	\$ 302,831,729
U.S. Agency securities	15,387,657	4.625% – 5.0%	9/24 – 2/25	15,309,379
Corporate bonds	2,657,300	N/A	N/A	26,000
State treasurer’s investment pool	<u>118,832,603</u>	N/A	N/A	<u>118,858,384</u>
	<u>\$ 441,333,287</u>			<u>\$ 437,025,492</u>

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

Statement of Fiduciary Net Position

Assets	\$ 444,753,692
Liabilities	<u>2,883,048</u>
Net position	<u>\$ 441,870,644</u>
Net position held for:	
Internal participants	\$ 255,841,198
External participants	<u>186,029,446</u>
Total net position	<u>\$ 441,870,644</u>

Statement of Changes in Fiduciary Net Position

Total additions	\$ 622,109,865
Total deductions	<u>(580,166,173)</u>
Net increase	41,943,692
Net position:	
July 1, 2023	<u>399,926,952</u>
June 30, 2024	<u>\$ 441,870,644</u>

Notes to the Financial Statements - Continued

Note 7 – 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, 2024, were as follows:

	General Fund	Flood Control Fund	Other Governmental Funds	Total Governmental Funds
Fiscal year 2024	\$ 1,293,631	\$ 346,578	\$ 229,751	\$ 1,869,960
Fiscal year 2023	153,388	29,134	27,210	209,732
Prior	456,112	127,064	97,404	680,580
Total receivable	\$ 1,903,131	\$ 502,776	\$ 354,365	\$ 2,760,272

The portion of property taxes receivable, not collected within 60 days after June 30, 2024, is 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.

Note 8 – Restricted Assets

As of June 30, 2024, the County had restricted assets as follows:

Governmental activities assets:		
HUD properties	\$ 865,929	U.S Housing and Urban Development (HUD) rehabilitated homes restricted for sale to qualified buyers
Total governmental activities	\$ 865,929	
Business-type activities assets:		
Restricted cash	\$ 538,620	I-40 Replacement fund collections, restricted for future repairs of infrastructure by agreement with customer.
Restricted cash	238,106	GVID water corridor collections restricted for future infrastructure repairs by agreement with customers.
Total business-type activities	\$ 776,726	

Notes to the Financial Statements - Continued

Note 9 – Capital Assets

Capital asset activity for the year ended June 30, 2024, was as follows:

Governmental activities	Balance July 1, 2023 (as restated)	Increase	Decreases	Balance June 30, 2024
Capital assets not being depreciated/amortized:				
Land	\$ 28,758,411	\$ 356,208	\$ -	\$ 29,114,619
Construction in progress	4,777,782	14,777,660	(9,221,617)	10,333,825
Total capital assets not being depreciated/amortized	33,536,193	15,133,868	(9,221,617)	39,448,444
Capital assets being depreciated/amortized:				
Buildings	189,505,562	8,909,161	(222,891)	198,191,832
Infrastructure and improvements other than buildings	195,176,062	7,563,877	(10,950)	202,728,989
Equipment	65,901,103	7,833,927	(5,096,869)	68,638,161
Intangibles:				
Software	1,028,090	11,500	(47,287)	992,303
Right-to-use subscription assets	4,321,756	595,801	(208,131)	4,709,426
Right-to-use lease assets:				
Land	22,595	-	(22,595)	-
Buildings	138,558	833,175	-	971,733
Equipment	1,120,879	1,217,791	(858,139)	1,480,531
Infrastructure	603,618	17,842	(41,816)	579,644
Total	457,818,223	26,983,074	(6,508,678)	478,292,619
Less accumulated depreciation/amortization:				
Buildings	(72,997,178)	(5,626,327)	193,520	(78,429,985)
Infrastructure and improvements other than buildings	(111,887,382)	(2,839,938)	10,950	(114,716,370)
Equipment	(34,994,606)	(4,766,397)	3,538,270	(36,222,733)
Intangibles:				
Software	(804,832)	(78,466)	45,937	(837,361)
Right-to-use subscription assets	(786,113)	(1,083,411)	186,355	(1,683,169)
Right-to-use lease assets:				
Land	(508)	(6)	514	-
Buildings	(47,156)	(118,498)	-	(165,654)
Equipment	(694,341)	(411,134)	858,139	(247,336)
Infrastructure	(87,611)	(65,017)	-	(152,628)
Total accumulated depreciation/amortization	(222,299,727)	(14,989,194)	4,833,685	(232,455,236)
Total capital assets being depreciated/amortized, net	235,518,496	11,993,880	(1,674,993)	245,837,383
Governmental activities capital assets, net	<u>\$ 269,054,689</u>	<u>\$ 27,127,748</u>	<u>\$ (10,896,610)</u>	<u>\$ 285,285,827</u>
Business-type activities				
Capital assets not being depreciated:				
Land	\$ 1,969,993	\$ -	\$ -	\$ 1,969,993
Construction in progress	564,774	3,264,853	(197,739)	3,631,888
Total capital assets not being depreciated	2,534,767	3,264,853	(197,739)	5,601,881
Capital assets being depreciated				
Buildings	2,476,966	222,891	-	2,699,857
Utility systems	34,458,128	580,266	-	35,038,394
Equipment	5,241,744	524,775	(9,497)	5,757,022
Total capital assets being depreciated	42,176,838	1,327,932	(9,497)	43,495,273
Less accumulated depreciation for:				
Buildings	(1,510,155)	(265,943)	-	(1,776,098)
Utility systems	(20,827,197)	(1,423,454)	-	(22,250,651)
Equipment	(2,718,786)	(531,659)	6,418	(3,244,027)
Total accumulated depreciation	(25,056,138)	(2,221,056)	6,418	(27,270,776)
Total capital assets being depreciated, net	17,120,700	(893,124)	(3,079)	16,224,497
Business-type activities capital assets, net	<u>\$ 19,655,467</u>	<u>\$ 2,371,729</u>	<u>\$ (200,818)</u>	<u>\$ 21,826,378</u>

Notes to the Financial Statements - Continued

Note 9 – Capital Assets – Continued

On July 1, 2023, the County restated the County’s governmental activities subscription assets beginning balance; see Note 2 for additional information.

Depreciation/amortization expense was charged to functions as follows:

Governmental activities:	
General government	\$ 2,369,878
Public safety	4,924,923
Highways and streets	4,205,584
Health	105,050
Welfare	85,176
Culture and recreation	542,984
Education	12,591
Internal service funds	<u>2,743,008</u>
Total governmental activities depreciation/amortization expense	<u>\$ 14,989,194</u>
Business-type activities:	
Landfill	\$ 181,820
Recreation	440,173
Water companies	<u>1,599,063</u>
Total business-type activities depreciation/amortization expense	<u>\$ 2,221,056</u>

Note 10 – Construction and other Significant Commitments

The County had major contractual commitments at June 30, 2024, as follows:

<u>Contractual Commitment</u>	<u>Funding Sources</u>	<u>Expenditures to Date</u>	<u>Total Contractual Commitment</u>	<u>Remaining Commitment</u>
Well Capacity Replacement	G.V.I.D / ARPA	\$ 1,086,378	\$ 1,241,248	\$ 154,870
Feldspar Basin Channel Earthworks	Flood	180,463	299,898	119,435
LHC Sheriff Building	Grant	62,224	936,877	874,653
Horizon 6 Water Project	ARPA	1,466,141	2,821,930	1,355,789
Town of Colorado City Water Project	ARPA	98,869	1,400,000	1,301,131
Sheriff Mobile Command Center	Grant / ARPA	-	972,224	972,224
Chloride Domestic Water Improvement	ARPA	158,155	1,000,000	841,845
Centennial Park Domestic Water System	ARPA	1,888,212	2,500,000	611,788
MT Tipton Water Well	ARPA	160,067	535,015	374,948
LHC Library renovation	ARPA	-	238,500	238,500
Transfer Switch Replacement	Tax Revenues	-	228,758	228,758
Gary Keith Memorial Park Pavilion	ARPA	1,000,000	1,200,000	200,000
Juvenile Detention Door Lock Upgrade	Tax Revenues	-	171,063	171,063
Grace Neal Channel	Tax Revenues	569,056	659,466	90,410
Golden Shores Replacement Lighting and Carpet	ARPA	18,028	72,000	53,972
		<u>\$ 6,687,593</u>	<u>\$ 14,276,979</u>	<u>\$ 7,589,386</u>

Notes to the Financial Statements - Continued

Note 10 – Construction and other Significant Commitments – Continued

The County had contractual commitments related to leases for which the lease term had not yet commenced at June 30, 2024, for buildings. At June 30, 2024, the County had made payments of \$0 to the lessors and had remaining contractual commitments with lessors of \$243,600 including the lease payable that will be recognized at the commencement of the lease terms.

The County had contractual commitments related to subscription-based information technology arrangements for which the subscription term had not yet commenced at June 30, 2024, for software. At June 30, 2024, the County had made payments of \$232,181 to the vendors and had remaining contractual commitments with vendors of \$349,130 including the subscription liabilities that will be recognized at the commencement of the subscription terms.

Note 11 – Long-Term Liabilities

The following schedule details the County’s long-term liability and obligation activity for the year ended June 30, 2024:

	Balance July 1, 2023 (as restated)	Additions	Reductions	Balance June 30, 2024	Due within 1 year
Governmental activities:					
Net pension and other postemployment benefits liability	\$123,062,777	\$ -	\$(18,106,911)	\$ 104,955,866	\$ -
Financed purchases	157,663	-	(78,390)	79,273	79,273
Leases payable	1,077,410	2,062,692	(668,962)	2,471,140	492,143
Subscription liability, as restated	2,924,005	581,757	(951,144)	2,554,618	867,963
Compensated absences payable	6,454,208	364,279	-	6,818,487	6,650,067
Claims and judgments payable	2,531,610	780,018	-	3,311,628	3,311,628
Total governmental activities long-term liabilities	<u>\$136,207,673</u>	<u>\$ 3,788,746</u>	<u>\$(19,805,407)</u>	<u>\$ 120,191,012</u>	<u>\$11,401,074</u>
Business-type activities:					
Net pension and other postemployment benefits liability	\$ 2,906,219	\$ 168,828	\$ -	\$ 3,075,047	\$ -
Financed purchases	13,543	-	(4,462)	9,081	4,514
Landfill closure and postclosure care costs payable	11,008,902	981,464	-	11,990,366	-
Compensated absences payable	237,858	20,039	-	257,897	251,527
Total business-type activities long-term liabilities	<u>\$ 14,166,522</u>	<u>\$ 1,170,331</u>	<u>\$(4,462)</u>	<u>\$ 15,332,391</u>	<u>\$ 256,041</u>

On July 1, 2023, the County restated the County’s governmental activities subscription liability beginning balance; see Note 2 for additional information.

Notes to the Financial Statements - Continued

Note 11 – Long-Term Liabilities

Financed purchases – The County has acquired equipment under contract agreements at a total purchase amount of \$253,153. The following schedule details debt service requirements to maturity for the County’s financed purchases:

Year ending June 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 79,273	\$ 228	\$ 4,514	\$ 107
2026	-	-	4,567	54
	\$ 79,273	\$ 228	\$ 9,081	\$ 161

Leases – The County has obtained the right to use office space, office equipment and communication tower infrastructure under the provisions of various lease agreements. The leases have interest rates between 0.24% and 7.82%, and estimated lives of 1-21 years.

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

	Governmental activities
Total intangible right-to-use lease assets	\$ 3,031,908
Less: accumulated amortization	(565,618)
Carrying value	\$ 2,466,290

The following schedule details minimum lease payments to maturity for the County’s leases payable at June 30, 2024:

Year ending June 30,	Governmental Activities	
	Principal	Interest
2025	\$ 492,143	\$ 97,637
2026	400,314	76,938
2027	408,428	57,460
2028	357,989	37,507
2029	194,333	18,998
2030 – 2034	493,774	38,444
2035 – 2039	112,665	5,098
2040 – 2042	11,494	229
	\$ 2,471,140	\$ 332,311

Subscription-based information technology arrangements – The County has obtained the right to use various cloud platforms, court reporting systems, public safety related software, and library systems under the provisions of various subscription-based information technology arrangements (SBITA). The subscription arrangements have interest rates between 1.80% and 3.76%.

Notes to the Financial Statements - Continued

Note 11 – Long-Term Liabilities – Continued

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

	Governmental activities
Total intangible right-to-use subscription assets	\$ 4,709,426
Less: accumulated amortization	<u>(1,683,169)</u>
Carrying value	<u>\$ 3,026,257</u>

The following schedule details minimum subscription payments to maturity for the County’s subscriptions liability at June 30, 2024:

Year ending June 30,	Governmental Activities	
	Principal	Interest
2025	\$ 867,963	\$ 71,328
2026	551,472	48,538
2027	532,257	32,263
2028	274,015	17,101
2029	164,571	9,619
2030 – 2031	<u>164,340</u>	<u>4,851</u>
	<u>\$ 2,554,618</u>	<u>\$ 183,700</u>

Landfill closure and postclosure care costs – The County owns two landfill sites, Cerbat which covers 320 acres and Mohave Valley which covers 160 acres. Both are operated by independent contractors under contract with the County and began operation 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 site when they stop accepting waste and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. Although closure and postclosure care costs will not be paid until near or after the date that the landfills stop accepting waste, the County reports a portion of these closure and postclosure care costs in each period that the County operates the landfills. These costs will be paid from the enterprise fund.

The amount of cost recognized each year is based on landfill capacity used at the end of each fiscal year. The \$11,990,366 reported as landfill closure and postclosure care liability at June 30, 2024, represents the cumulative amount reported to date at the Cerbat and Mohave Valley landfills. The calculation is based on the use of 77 percent of Cells 1-6 at Cerbat landfill and 96 percent of the estimated capacity at Mohave Valley landfill. The County will recognize the remaining costs of closure and postclosure care costs of \$2,259,397 as the remaining estimated capacity is filled. The County expects the existing cells to reach their capacity at the Mohave Valley landfill in 2025 and the Cerbat landfill in 2029, and the actual cost may be higher because of inflation, changes in technology, or changes in regulations.

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.

Notes to the Financial Statements - Continued

Note 11 – Long-Term Liabilities – Continued

Compensated absences – 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 2024, the county’s liability for compensated absences is allocated as follows: 67 percent to the general fund, 9 percent to other major funds, and 24 percent to other nonmajor funds.

Claims and judgments payable – The employee benefit trust fund (an internal service fund) accounts for the financing of the uninsured risk of loss for certain health benefits (comprehensive, major medical, and dental) to eligible employees and their dependents. The claims paid from the EBT Fund were medical claims funded through payroll deductions and contributions from county funds. The self-insured trust fund is used to fund accounts for the financing of general liabilities within the County and provides coverage for up to a maximum of \$75,000 per occurrence for liability claims. The SIR fund participates in the Arizona Counties Property and Casualty Pool and the Arizona Counties Workers’ Compensation Pool. Settled claims did not exceed this insurance coverage in any of the past 3 fiscal years.

The insurance claims payable liability of the SIR and EBT Funds totaling \$3,311,628 included in the balance below at June 30, 2024, 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, 2024) 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, 2023, and 2024, were as follows:

	2023	2024
Claims payable, beginning of year	\$ 2,510,058	\$ 2,531,610
Claims incurred and changes in estimates	14,163,223	15,820,365
Claims payable	(14,141,671)	(15,040,347)
Claims payable, end of year	\$ 2,531,610	\$ 3,311,628

Notes to the Financial Statements - Continued

Note 12 – 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; natural disasters; and comprehensive automotive; and provides risk management services. Such coverage includes all defense costs as well as the amount of any judgment or settlement. The County is responsible for paying a premium, based on its exposure in relation to the exposure of the other participants, and a deductible ranging from \$10,000 to \$50,000 per occurrence for property claims and \$75,000 per occurrence for liability claims and \$5,000 per occurrence for comprehensive and collision automotive claims.

The County is also responsible for any payments in excess of the maximum coverage of \$300 million per occurrence for property claims and \$15 million per occurrence for liability claims. However, lower limits apply to certain categories of losses. A county must participate in the pool at least 3 years after becoming a member; however, it may withdraw after the initial 3-year period.

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

The Arizona 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 13 – Pensions and Other Postemployment Benefits

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

Notes to the Financial Statements - Continued

Note 13 – Pensions and Other Postemployment Benefits – Continued

The County contributes to the plans described below. At June 30, 2024, the County reported the following aggregate amounts related to pensions and other postemployment benefits (OPEB) for all plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities	Business-Type Activities	Total
Net pension and OPEB asset	\$ 4,277,302	\$ 103,985	\$ 4,381,287
Net pension and OPEB liability	104,955,866	3,075,047	108,030,913
Deferred outflows of resources related to pensions and OPEB	24,453,799	460,487	24,914,286
Deferred inflows of resources related to pensions and OPEB	8,813,800	164,578	8,978,378
Pension and OPEB expense	12,214,532	517,562	12,732,094

The County’s accrued payroll and employee benefits includes \$555,645 of outstanding pension and OPEB contribution amounts payable to all plans for the year ended June 30, 2024. Also, the County reported \$16,635,027 of pension and OPEB contributions as expenditures in the governmental funds related to all pension plans to which it contributes.

A. Arizona State Retirement System

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

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

Notes to the Financial Statements - Continued

Note 13 – Pensions and Other Postemployment Benefits – Continued

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

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

* With actuarially reduced benefits

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment 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 survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contribution and employer's contributions, plus interest earned.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents. For members with 5 to 9 years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

Active members are eligible for a monthly long-term disability benefit equal to two-thirds of monthly earnings. Members receiving benefits continue to earn service credit up to their normal retirement dates. Members with long-term disability commencement dates after June 30, 1999, are limited to 30 years of service or the service on record as of the effective disability date if their service is greater than 30 years.

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.

Notes to the Financial Statements - Continued

Note 13 – Pensions and Other Postemployment Benefits – Continued

For the year ended June 30, 2024, statute required active ASRS members to contribute at the actuarially determined rate of 12.29 percent (12.14 percent for retirement and 0.15 percent for long-term disability) of the members’ annual covered payroll, and the County was required by statute to contribute at the actuarially determined rate of 12.29 percent (12.03 percent retirement, 0.11 percent for health insurance premiums and 0.15 percent for long-term disability) of the active members' annual covered payroll. In addition, the County was required by statute to contribute at the actuarially determined rate of 9.99 percent (9.94 percent for retirement and 0.05 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 pension, health insurance premium benefit, and long term disability for the year ended June 30, 2024, were \$6,001,581, \$54,877, and \$74,833, respectively.

During fiscal year 2024, the County paid for ASRS pension and OPEB contributions as follows: 53.9 percent from the General Fund, 18.4 percent from major funds, and 27.7 percent from other funds.

Liability – At June 30, 2024, the County reported the following assets and liabilities for its proportionate share of the ASRS’ net pension/OPEB asset or liability.

ASRS	Net pension/OPEB (asset) liability
Pension	\$ 62,962,003
Health insurance premium benefit	(2,130,826)
Long-term disability	51,256

The net assets and net liabilities were measured as of June 30, 2023. The total liability used to calculate the net asset or liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2022, to the measurement date of June 30, 2023.

The County’s proportion of the net asset or net liability was based on the County’s actual contributions to the plan relative to the total of all employers’ contributions for the year ended June 30, 2023. The County’s proportions measured as of June 30, 2023, and the change from its proportions measured as of June 30, 2022, were:

ASRS	Proportion June 30, 2023	Increase (decrease) from June 30, 2022
Pension	0.38910%	(0.01721)
Health insurance premium benefit	0.39465%	(0.01874)
Long-term disability	0.39116%	(0.01803)

Notes to the Financial Statements - Continued

Note 13 – Pensions and Other Postemployment Benefits – Continued

Expense – For the year ended June 30, 2024, the County recognized the following pension and OPEB expense.

<u>Expense</u>	<u>Pension/OPEB expenses</u>
Pension	\$ 9,893,223
Health insurance premium benefit	(264,809)
Long-term disability	50,992

Deferred Outflows / Inflows of Resources – At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

ASRS	<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>
	Difference between expected and actual experience	\$ 1,422,690	\$ -	\$ 89,917	\$ 794,637	\$ 46,278
Changes of assumptions or other inputs	-	-	-	42,403	13,527	74,609
Net difference between projected and actual earnings on plan investments	-	2,227,650	-	93,590	-	4,102
Changes in proportion and differences between County contributions and proportionate share of contributions	1,776,765	63,312	873	41,032	12,789	2,304
County contributions subsequent to the measurement date	6,001,581	-	54,877	-	74,833	-
Total	<u>\$ 9,201,036</u>	<u>\$ 2,290,962</u>	<u>\$ 145,667</u>	<u>\$ 971,662</u>	<u>\$ 147,427</u>	<u>\$ 109,864</u>

The amounts reported as deferred outflows of resources related to ASRS pensions and OPEB resulting from the County’s contributions subsequent to the measurement date will be recognized as an increase of the net asset or a reduction of the net liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions and OPEB will be recognized as expenses as follows:

<u>Year ending June 30</u>	<u>Pension</u>	<u>Health insurance premium benefit</u>	<u>Long-term disability</u>
2025	\$ 586,029	\$ (366,083)	\$ (4,219)
2026	(1,831,690)	(401,189)	(12,682)
2027	2,400,748	(59,249)	2,776
2028	(246,594)	(57,988)	(11,892)
2029	-	3,637	(11,495)
Thereafter	-	-	242

Notes to the Financial Statements - Continued

Note 13 – Pensions and Other Postemployment Benefits – Continued

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

ASRS	
Actuarial valuation date	June 30, 2022
Actuarial roll forward date	June 30, 2023
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9-8.4% for pensions/not applicable for OPEB
Inflation	2.3%
Permanent benefit increase	Included for pensions/not applicable for OPEB
Mortality rates	2017 SRA Scale U-MP for pensions and health insurance premium benefit
Recovery rates	2012 GLDT for long-term disability
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2020.

The long-term expected rate of return on ASRS plan investments was determined to be 7.0 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage 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:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Public equity	44%	3.50%
Credit	23%	5.90%
Real estate	17%	5.90%
Private equity	10%	6.70%
Interest rate sensitive	6%	1.50%
Total	100%	

Discount Rate – At June 30, 2023, the discount rate used to measure the ASRS total pension/OPEB liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plans’ fiduciary net position was projected to be available to make all projected future payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

Notes to the Financial Statements - Continued

Note 13 – Pensions and Other Postemployment Benefits – Continued

Sensitivity of the County’s proportionate share of the ASRS net pension/OPEB (asset) liability to changes in the discount rate – The following table presents the County’s proportionate share of the net pension/OPEB (asset) liability calculated using the discount rate of 7.0 percent, as well as what the County’s proportionate share of the net pension/OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate.

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
The County’s proportionate share of the			
Net pension liability	\$ 94,307,832	\$ 62,962,003	\$ 36,825,125
Net insurance premium benefit liability (asset)	(1,489,352)	(2,130,826)	(2,675,930)
Net long-term disability liability	74,953	51,256	27,944

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 and Corrections Officer Retirement Plan

Plan Descriptions – County sheriff employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS) or employees who became members on or after July 1, 2017, may participate in the Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP). The PSPRS administers agent and cost-sharing multiple-employer defined benefit pension plans and agent and cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plans. A nine-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S Title 38, Chapter 5, Article 4. Employees who were PSPRS members before July 1, 2017, participate in the agent plans, and those who became PSPRS members on or after July 1, 2017, participate in the cost-sharing plans (PSPRS Tier 3 Risk Pool) which are not further disclosed because of their relative insignificance to the County’s financial statements.

County Detention officers and Administrative Office of the Courts (AOC) probation, surveillance, and juvenile detention officers participate in the Corrections Officer Retirement Plan (CORP) or the Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP). The CORP administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium benefit (OPEB) plan for county detention officers (agent plans), which were closed to new members as of July 1, 2018, and a cost-sharing multiple-employer defined benefit pension plan and a cost-sharing multiple-employer defined benefit (OPEB) plan for AOC officers (cost sharing plans). Employees who were CORP members before July 1, 2018, participate in CORP, and AOC probation and surveillance officers who became members on or after July 1, 2018, participate in CORP or PSPDCRP.

Notes to the Financial Statements - Continued

Note 13 – Pensions and Other Postemployment Benefits – Continued

Detention officers and juvenile detention officers who became members on or after July 1, 2018, participate in PSPDCRP. The PSPRS Board of Trustees and the participating local boards govern CORP according to the provisions of A.R.S. Title 38, Chapter 5, Article 6.

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

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

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

Notes to the Financial Statements - Continued

Note 13 – Pensions and Other Postemployment Benefits – Continued

CORP	Initial membership date:		
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2018	AOC Probation and Surveillance Officers; on or after July 1, 2018
Retirement and Disability			
Years of service and age required to receive benefit	Sum of years and age equals 80 20 years, any age 10 years, age 62	25 years, age 52.5 10 years, age 62	10 or more years, age 55 10 years, age 52.5* (early retirement)
Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive months of last 10 years	
Benefit percent			
Normal retirement	2.0% to 2.5% per year of credited service, not to exceed 80%	2.5% per year of credited service, not to exceed 80%	1.25% to 2.25% per year of credited service, not to exceed 80%
Accidental Disability Retirement	50% or normal retirement if more than 20 years of credited service	50% or normal retirement if more than 25 years of credited service	
Total and Permanent Disability Retirement	50% or normal retirement if more than 25 years of credited service		
Ordinary Disability Retirement	2.5% per year of credited service		
Survivor Benefit			
Retired Members	80% of retired members pension benefit		
Active Members	40% of average monthly compensation or 100% of average monthly compensation if death was the result of injuries received on the job. If there is no surviving spouse or eligible children, the beneficiary is entitled to 2 times the member's contribution.		

* 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.

Notes to the Financial Statements - Continued

Note 13 – Pensions and Other Postemployment Benefits – Continued

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

Employees covered by benefit terms – At June 30, 2024, the following employees were covered by the agent pension plan’s benefit terms:

	<u>PSPRS Sheriff</u>		<u>CORP Detention</u>	
	<u>Pension</u>	<u>Health</u>	<u>Pension</u>	<u>Health</u>
Inactive employees or beneficiaries currently receiving benefits	55	55	22	22
Inactive employees entitled to but not receiving benefits	28	7	89	-
Active employees	42	42	33	33
Total	125	104	144	55

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, 2024, are indicated below. Rates are a percentage of active members’ annual covered payroll.

	<u>Active member pension</u>	<u>County-pension</u>	<u>County-health insurance premium benefit</u>
PSPRS Sheriff	7.65% - 8.69%	51.99%	0.00%
CORP Detention	8.41%	8.74%	0.00%
CORP AOC	8.41%	39.43%	0.27%

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

	<u>Pension</u>	<u>Health insurance premium benefit</u>
PSPRS Sheriff	40.99%	-
CORP Detention	6.00%	-
CORP AOC	36.31%	0.01%

Notes to the Financial Statements - Continued

Note 13 – Pensions and Other Postemployment Benefits – Continued

The County’s contributions to the plans for the year ended June 30, 2024, were:

	<u>Pension</u>	<u>Health insurance premium benefit</u>
PSPRS Sheriff	\$ 6,786,968	\$ -
CORP Detention	490,019	-
CORP AOC	1,821,280	26,654

During fiscal year 2024, the County paid for PSPRS and CORP pension and OPEB contributions as follows: 47.2 percent from the General Fund, and 52.8 percent from other funds.

Liability – At June 30, 2024, the County reported the following assets and liabilities:

	<u>Net pension liability (asset)</u>	<u>Net OPEB (asset) liability</u>
PSPRS Sheriff	\$ 16,307,221	\$ (1,005,692)
CORP Detention	1,840,403	(738,525)
CORP AOC (County’s proportionate share)	15,340,767	(14,125)

The net asset and net liabilities were measured as of June 30, 2023, 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, 2023
Actuarial cost method	Entry age normal
Investment rate of return	7.2%
Wage inflation	3.0-6.25% for pensions/not applicable for OPEB
Price inflation	2.5% for pensions/not applicable for OPEB
Cost-of-living adjustment	1.85% for pensions/not applicable for OPEB
Mortality rates	PubS-2010 tables
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actual experience study for the 5-year period ended June 30, 2021.

The long-term expected rate of return on PSPRS and CORP plan investments was determined to be 7.2 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class.

Notes to the Financial Statements - Continued

Note 13 – Pensions and Other Postemployment Benefits – Continued

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

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. public equity	24%	3.98%
International public equity	16%	4.49%
Global private equity	20%	7.28%
Other assets (capital appreciation)	7%	4.49%
Core bonds	6%	1.90%
Private credit	20%	6.19%
Diversifying strategies	5%	3.68%
Cash - Mellon	2%	0.69%
Total	100%	

Discount Rates – At June 30, 2024, the discount rate used to measure the PSPRS and CORP total pension/OPEB liabilities was 7.2 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 for these plans to determine the total pension/OPEB liability.

Changes in the Net Pension/OPEB Liability –

PSPRS – Sheriff:	Pension Increase (Decrease)			Health Insurance Premium Benefit Increase (Decrease)		
	Total pension 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, 2023	\$ 55,952,708	\$ 29,263,424	\$ 26,689,284	\$ 816,857	\$ 1,744,410
Changes for the year:						
Service cost	770,293	-	770,293	16,934	-	16,934
Interest on the total liability	3,988,275	-	3,988,275	58,926	-	58,926
Differences between expected and actual experience in the measurement of the liability	1,041,976	-	1,041,976	(23,429)	-	(23,429)
Contributions-employer	-	13,288,009	(13,288,009)	-	-	-
Contributions-employee	-	375,352	(375,352)	-	-	-
Net investment income	-	2,546,790	(2,546,790)	-	132,083	(132,083)
Benefits payments, including refunds of employee contributions	(2,660,596)	(2,660,596)	-	(30,752)	(30,752)	-
Administrative expense	-	(27,544)	27,544	-	(1,513)	1,513
Net changes	3,139,948	13,522,011	(10,382,063)	21,679	99,818	(78,139)
Balances at June 30, 2024	\$ 59,092,656	\$ 42,785,435	\$ 16,307,221	\$ 838,536	\$ 1,844,228	\$(1,005,692)

Notes to the Financial Statements - Continued

Note 13 – Pensions and Other Postemployment Benefits – Continued

CORP Detention	Pension			Health Insurance Premium Benefit		
	Increase (Decrease)			Increase (Decrease)		
	Total pension 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, 2023	\$ 12,158,732	\$ 10,311,967	\$ 1,846,765	\$ 200,021	\$ 879,533	\$ (679,512)
Changes for the year:						
Service cost	284,779	-	284,779	5,752	-	5,752
Interest on the total liability	877,823	-	877,823	14,629	-	14,629
Differences between expected and actual experience in the measurement of the liability	(18,117)	-	(18,117)	(14,099)	-	(14,099)
Contributions-employer	-	400,111	(400,111)	-	-	-
Contributions-employee	-	172,636	(172,636)	-	-	-
Net investment income	-	792,862	(792,862)	-	67,758	(67,758)
Benefits payments, including refunds of employee contributions	(503,050)	(503,050)	-	(5,183)	(5,183)	-
Administrative expense	-	(29,295)	29,295	-	(2,463)	2,463
Tiers 1 & 2 adjustment	-	(186,033)	186,033	-	-	-
Other changes	-	566	(566)	-	-	-
Net changes	641,435	647,797	(6,362)	1,099	60,112	(59,013)
Balances at June 30, 2024	\$ 12,800,167	\$ 10,959,764	\$ 1,840,403	\$ 201,120	\$ 939,645	\$ (738,525)

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, 2023. The County’s proportion measured as of June 30, 2023, and the change from its proportions measured as of June 30, 2022, were:

CORP AOC	Proportion June 30, 2023	Increase (decrease) from June 30, 2022
Pension	3.39432%	0.1895
Health insurance premium benefit	3.39161%	0.12945

Sensitivity of the County’s net pension/OPEB (asset) liability to changes in the discount rate – The following table presents the County’s net pension/OPEB (assets) liabilities calculated using the discount rate of 7.2 percent, as well as what the County’s net position/OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.2 percent) or 1 percentage point higher (8.2 percent) than the current rate:

	1% Decrease (6.2%)	Current Discount Rate (7.2%)	1% Increase (8.2%)
PSPRS Sheriff			
Net pension liability	\$ 24,046,457	\$ 16,307,221	\$ 9,985,336
Net OPEB (asset) liability	(908,680)	(1,005,692)	(1,087,028)
CORP Detention			
Net pension liability	3,813,228	1,840,403	263,906
Net OPEB liability	(712,069)	(738,525)	(760,524)
CORP AOC			
County’s proportionate share of the net pension liability	20,557,765	15,340,767	11,090,344
County’s proportionate share of the OPEB liability	42,618	(14,125)	(62,036)

Notes to the Financial Statements - Continued

Note 13 – Pensions and Other Postemployment Benefits – Continued

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, 2024, the County recognized the following pension and OPEB expense:

	Pension expense	OPEB Expense
PSPRS Sheriff	\$ 3,036,048	\$ (66,309)
CORP Detention	807,642	(65,392)
CORP AOC (County’s proportionate share)	2,276,460	(14,122)

Deferred outflows/inflows of resources – At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

PSPRS – Sheriff

	Pension		Health insurance premium benefit	
	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 757,256	\$ 243,702	\$ 22,854	\$ 23,787
Changes of assumptions or other inputs	349,212	-	3,244	-
Net difference between projected and actual earnings on plan investments	348,827	-	15,946	-
County contributions subsequent to the measurement date	6,786,968	-	-	-
Total	\$ 8,242,263	\$ 243,702	\$ 42,044	\$ 23,787

CORP – Detention

	Pension		Health insurance premium benefit	
	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 231,390	\$ 12,078	\$ 1,809	\$ 75,209
Changes of assumptions or other inputs	30,781	-	1,248	3,779
Net difference between projected and actual earnings on plan investments	71,117	-	5,865	-
County contributions subsequent to the measurement date	490,019	-	-	-
Total	\$ 823,307	\$ 12,078	\$ 8,922	\$ 78,988

Notes to the Financial Statements - Continued

Note 13 – Pensions and Other Postemployment Benefits – Continued

CORP – AOC

	<u>Pension</u>		<u>Health insurance premium benefit</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>
Differences between expected and actual experience	\$ 830,026	\$ 149,175	\$ -	\$ 82,705
Changes of assumptions or other inputs	281,252	-	2,218	-
Net difference between projected and actual earnings on plan investments	168,821	-	4,670	-
Changes in proportion and differences between county contributions and proportionate share of contributions	1,027,946	69,833	11,926	557
County contributions subsequent to the measurement date	1,821,280	-	26,654	-
Total	<u>\$ 4,129,325</u>	<u>\$ 219,008</u>	<u>\$ 45,468</u>	<u>\$ 83,262</u>

The amounts reported as deferred outflows of resources related to pensions and OPEB resulting from contributions subsequent to the measurement date will be recognized as an increase in the net asset or a reduction of the net liability in the year ending June 30, 2025. 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:

<u>Year ending June 30</u>	<u>PSPRS Sheriff</u>		<u>CORP Detention</u>		<u>CORP AOC</u>	
	<u>Pension</u>	<u>Health</u>	<u>Pension</u>	<u>Health</u>	<u>Pension</u>	<u>Health</u>
2025	\$ 447,458	\$ 2,697	\$ 219,895	\$ (27,814)	\$ 710,139	\$ (27,312)
2026	100,968	(17,127)	(117,353)	(28,334)	278,508	(21,220)
2027	672,110	34,216	228,457	3,180	828,491	(5,179)
2028	(8,943)	(1,529)	(9,789)	(8,119)	271,899	(7,878)
2029	-	-	-	(6,965)	-	(2,859)
Thereafter	-	-	-	(2,014)	-	-

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. The PSPDCRP is not further disclosed because of its relative insignificance to the County’s financial statements.

Notes to the Financial Statements - Continued

Note 13 – Pensions and Other Postemployment Benefits – Continued

For the year ended June 30, 2024, 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 cover 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 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, 2024, the County recognized pension expense of \$0.

C. Elected Officials Retirement Plan

Plan description – Elected officials and judges participate in the Elected Officials Retirement Plan (EORP), ASRS, or the Elected Officials Defined Contribution Retirement System (EODCRS). EORP administers a cost-sharing multiple-employer defined benefit pension plan and a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan for elected officials and judges who were members of the plan on December 31, 2013. The EORP pension and OPEB plans were closed to new members as of January 1, 2014.

The PSPRS Board of Trustees governs the EORP according to the provisions of A.R.S. Title 38, Chapter 5, Article 3. The PSPRS issues a publicly available financial report that includes financial statements and required supplementary information for the EORP plans. The report is available on PSPRS’s web site at www.psprs.com.

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

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

Notes to the Financial Statements - Continued

Note 13 – Pensions and Other Postemployment Benefits – Continued

EORP	Initial membership date:	
	<u>Before January 1, 2012</u>	<u>On or after January 1, 2012</u>
Survivor Benefit		
Retired members	75% of retired member’s benefit	50% of retired member’s benefit
Active members and other inactive members	75% of retired member’s benefit	50% of retired member’s benefit

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

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on inflation. In addition, the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget Committee analysis of the increase’s effects on the plan.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 8 or more years of service, benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents. For members with 5 to 7 years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

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, 2024, statute required active EORP members to contribute 7 or 13 percent of the members’ annual covered payroll and the County to contribute at the actuarially determined rate of 76.51 percent of all active EORP members’ annual covered payroll. Also, statute required the County to contribute 64.37 percent to EORP of the annual covered payroll of elected officials and judges who were ASRS members and 70.51 percent to EORP of the annual covered payroll of elected officials and judges who were EODCRS members, in addition to the County’s required contributions to ASRS and EODCRS for these elected officials and judges. In addition, statute required the County to contribute 58.57 percent of annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the EORP would typically fill. The County’s contributions to the pension and health insurance premium benefit plans for the year ended June 30, 2024, were \$2,065,368 and \$0, respectively.

During fiscal year 2024, the County paid for EROP pension contributions as follows: 94.2 percent from the General Fund and 5.8 percent from other funds.

Notes to the Financial Statements - Continued

Note 13 – Pensions and Other Postemployment Benefits – Continued

Liability – At June 30, 2024, 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	\$	11,529,263
State’s proportionate share of the EORP net pension liability associated with the County		12,890,304
Total	\$	24,419,567

The County also reported an asset of \$492,119 for its proportionate share of EORP’s net OPEB asset.

The net asset and net liability were measured as of June 30, 2023, 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 pension plan relative to the total of all participating employers’ required contributions for the year ended June 30, 2023. 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, 2023. The County’s proportion measured as of June 30, 2023, and the change from its proportions measured as of June 30, 2022, were:

EORP	Proportion June 30, 2023	Increase (decrease) from June 30, 2022
Pension	1.83954%	(1.47589)
Health insurance premium benefit	3.66846%	0.11979

Expense – For the year ended June 30, 2024, the County recognized pension and OPEB expenses for EORP of \$(2,706,048) and \$(24,498), respectively, and revenue of \$1,608,741 for the County’s proportionate share of the State’s appropriation to EORP and the designated court fees.

Notes to the Financial Statements - Continued

Note 13 – Pensions and Other Postemployment Benefits – Continued

Deferred outflows/inflows of resources – At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

EORP	Pension		Health insurance premium benefit	
	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources
	Differences between expected and actual experience	\$ 48,358	\$ -	\$ 6,354
Changes of assumptions or other inputs	-	-	-	-
Net difference between projected and actual earnings on plan investments	-	-	8,747	-
Changes in proportion and differences between county contributions and proportionate share of contributions	-	4,937,134	-	7,931
County contributions subsequent to the measurement date	2,065,368	-	-	-
Total	\$ 2,113,726	\$ 4,937,134	\$ 15,101	\$ 7,931

The amounts reported as deferred outflows of resources related to EORP pensions and OPEB resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net asset or a reduction of the net liability in the year ending June 30, 2025. 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 ended June 30	Pension	Health insurance premium benefit
2025	\$ (4,946,360)	\$ (2,723)
2026	(63,164)	(9,991)
2027	131,050	21,404
2028	(10,302)	(1,520)

Notes to the Financial Statements - Continued

Note 13 – Pensions and Other Postemployment Benefits – Continued

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

EORP

Actuarial valuation date	June 30, 2023
Actuarial cost method	Entry age normal
Investment rate of return	7.2%
Wage inflation	3.25% for pensions/not applicable for OPEB
Price inflation	2.5% for pensions/not applicable for OPEB
Permanent benefit increase	1.85% for pensions/not applicable for OPEB
Mortality rates	PubG-2010 tables
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2021.

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

EORP	Long-Term Expected Geometric Real Rate of Return	
Asset Class	Target Allocation	Geometric Real Rate of Return
U.S. public equity	24%	3.98%
International public equity	16%	4.49%
Global private equity	20%	7.28%
Other assets (capital appreciation)	7%	4.49%
Core bonds	6%	1.90%
Private credit	20%	6.19%
Diversifying strategies	5%	3.68%
Cash - Mellon	2%	0.69%
Total	100%	

Notes to the Financial Statements - Continued

Note 13 – Pensions and Other Postemployment Benefits – Continued

Discount rate – At June 30, 2023, the discount rate used to measure the EORP total pension liability and total OPEB liability was 7.2 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 at the actuarially determined rates, and State contributions will be made as currently required by statute. Based on those assumptions, the plans’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

Sensitivity of the County’s proportionate share of the EORP net pension/OPEB (asset) liability to changes in the discount rate – The following table presents the County’s proportionate share of the net pension/OPEB (asset) liability calculated using the discount rate of 7.2 percent, as well as what the County’s proportionate share of the net pension/OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.2 percent) or 1 percentage point higher (8.2 percent) than the current rate:

EORP	1% Decrease (6.2%)	Current discount Rate (7.2%)	1% Increase (8.2%)
	<hr/>	<hr/>	<hr/>
County’s proportionate share of the net pension liability	\$ 13,319,357	\$ 11,529,263	\$ 9,994,439
County’s proportionate share of the net OPEB (asset)	(452,740)	(492,119)	(526,504)

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

EODCRS plan – Elected officials and judges who are not members of EORP or ASRS participate in the EODCRS and the Elected Officials Defined Contribution Retirement System Disability Program (EODCDP). The EODCRS is a defined contribution pension plan. The EODCDP is a cost-sharing multiple-employer defined benefit disability (OPEB) plan for EODCRS members. The PSPRS Board of Trustees governs the EODCRS and EODCDP according to the provisions of A.R.S. Title 38, Chapter 5, Articles 3.1 and 3.2. Benefit terms, including contribution requirements, are established by State statute. The EODCDP is not further disclosed because of their relative insignificance to the County’s financial statements.

For the year ended June 30, 2024, 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, 2024, the County recognized pension expense of \$54,623.

Notes to the Financial Statements - Continued

Note 14 – Interfund Activity and Balances

Interfund receivables and payables – Interfund balances at June 30, 2024, were as follows:

Payable From	Payable To						Total
	General Fund	Road Fund	ARPA Fund	Other Governmental Fund	Internal Service Fund	Park Fund	
General fund	\$ -	\$ 308	\$ 26,802	\$ 76,921	\$ 7,291	\$ 100,000	\$ 211,322
Road fund	-	-	-	-	721	-	721
Flood control fund	-	-	-	-	163	-	163
Other governmental funds	71,921	-	-	287,875	237,645	-	597,441
Internal service fund	54	-	472,224	29,552	279,641	-	781,471
GVID Fund	-	-	-	-	31	-	31
Other enterprise funds	-	-	-	-	243	-	243
Total	\$ 71,975	\$ 308	\$ 499,026	\$ 394,348	\$ 525,735	\$ 100,000	\$ 1,591,392

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.

Interfund transfers – Interfund transfers for the year ended June 30, 2024, were as follows:

Transfers Out	Transfers In					Total
	General Fund	Other Governmental Fund	Internal Service Fund	GVID Fund	Other Enterprise Fund	
General fund	\$ -	\$ 3,605,479	\$ 289,813	\$ -	\$ 25,000	\$ 3,920,292
Road fund	-	100,000	-	-	-	100,000
Flood control fund	426,365	898,493	-	-	-	1,324,858
County capital fund	9,000,000	-	-	-	-	9,000,000
Other governmental funds	1,046,508	1,676,562	-	11,409	-	2,734,479
Internal service fund	-	206,068	280,452	-	-	486,520
Landfill fund	-	25,000	-	-	-	25,000
Park fund	-	5,000	-	-	-	5,000
Other enterprise funds	-	-	-	-	55,718	55,718
Total	\$ 10,472,873	\$ 6,516,602	\$ 570,265	\$ 11,409	\$ 80,718	\$ 17,651,867

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. Other funds also transfer monies to reimburse for shared expenses and to cover matching grants.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental and business-type funds to indicate that they are not available for appropriation and are not expendable available financial resources. The Landfill Fund’s advance to the General Fund was \$10,000,000 as of June 30, 2024. The purpose of this advance was to provide additional funding to the PSPRS pension liability. The General Fund will begin its scheduled payments back to the Landfill Fund in 2026.

Notes to the Financial Statements - Continued

Note 15 – 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 2024, \$66,217 in rebates were received from the use of credit card payments by the County.

Note 16 – Subsequent Events

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

Due to the ongoing litigation and finalizing agreements with the defendants, additional settlements are expected to be measurable and available in subsequent reporting periods.

Required Supplementary Information

Mohave County, Arizona
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2024

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:				
Taxes	\$ 46,228,486	\$ 46,228,486	\$ 45,592,896	\$ (635,590)
Licenses and permits	2,046,500	2,046,500	2,219,118	172,618
Fees, fines, and forfeits	1,275,000	1,275,000	1,122,260	(152,740)
Intergovernmental	54,585,616	54,585,616	57,092,929	2,507,313
Charges for services	8,992,423	8,992,423	9,624,081	631,658
Investment earnings	1,305,137	1,305,137	2,924,493	1,619,356
Contributions	35,000	38,479	50,295	11,816
Miscellaneous	403,500	403,500	995,174	591,674
Total revenues	114,871,662	114,875,141	119,621,246	4,746,105
Expenditures:				
Current:				
General government:				
Assessor	4,611,753	4,611,753	4,309,988	301,765
County attorney	6,212,477	6,212,477	5,481,408	731,069
County manager	395,203	395,203	357,332	37,871
Clerk of board	403,457	403,457	385,893	17,564
Community services department	422,707	422,707	348,016	74,691
General administration	3,344,217	3,354,217	2,323,155	1,031,062
Clerk of superior court	3,266,120	3,266,120	2,766,026	500,094
Constables	538,010	538,010	529,111	8,899
Contingency	15,072,326	15,101,157	-	15,101,157
Economic development department	362,873	362,873	264,544	98,329
Elections	699,035	699,035	666,610	32,425
Finance	1,994,499	1,994,499	1,872,849	121,650
Facilities maintenance	3,829,028	3,829,028	3,795,427	33,601
Justice courts	4,480,545	4,480,545	4,113,891	366,654
Juvenile detention	2,295,755	2,295,755	2,130,686	165,069
Human resources	586,518	586,518	506,088	80,430
Planning & zoning department	2,732,813	2,732,813	2,196,559	536,254
Public fiduciary	692,854	692,854	655,486	37,368
Public defender	6,231,292	6,231,292	5,150,041	1,081,251
Public legal defender	3,914,007	4,116,145	3,444,068	672,077
Public relations	130,257	130,257	113,622	16,635
Building inspector	2,651,116	2,651,116	2,090,788	560,328
Procurement	555,817	555,817	510,066	45,751
Recorder	1,083,542	1,083,542	847,238	236,304
Superior courts	4,564,020	4,564,020	4,231,553	332,467
Treasurer	2,405,386	2,405,386	1,975,174	430,212
Voter registration	678,195	678,195	545,239	132,956
Supervisory districts	1,394,668	1,384,668	1,184,896	199,772
Total general government	75,548,490	75,779,459	52,795,754	22,983,705

See accompanying notes to budgetary comparison schedule.

Mohave County, Arizona
Required Supplementary Information
Budgetary Comparison Schedule
General Fund - Continued
Year Ended June 30, 2024

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Public safety:				
Adult detention center maintenance	\$ 981,745	\$ 981,745	842,454	\$ 139,291
Animal control	1,745,119	1,748,598	1,493,213	255,385
Jail	19,318,879	19,318,879	14,840,027	4,478,852
Medical examiner	1,110,000	1,110,000	1,110,000	-
Probation	2,676,609	2,676,609	2,445,564	231,045
Sheriff	23,510,487	23,510,487	15,658,617	7,851,870
Total public safety	<u>49,342,839</u>	<u>49,346,318</u>	<u>36,389,875</u>	<u>12,956,443</u>
Health:				
A.H.C.C.C.S.	12,415,740	12,415,740	9,869,047	2,546,693
Total health	<u>12,415,740</u>	<u>12,415,740</u>	<u>9,869,047</u>	<u>2,546,693</u>
Education:				
School superintendent	482,356	482,356	440,076	42,280
Total welfare	<u>482,356</u>	<u>482,356</u>	<u>440,076</u>	<u>42,280</u>
Total expenditures	<u>137,789,425</u>	<u>138,023,873</u>	<u>99,494,752</u>	<u>38,529,121</u>
Excess (deficiency) of revenues over expenditures	(22,917,763)	(23,148,732)	20,126,494	43,275,226
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	14,556	14,556
Transfers in	17,814,199	17,814,199	10,472,873	(7,341,326)
Transfers out	(8,482,195)	(8,482,195)	(3,920,292)	4,561,903
Total other financing sources (uses)	<u>9,332,004</u>	<u>9,332,004</u>	<u>6,567,137</u>	<u>(2,764,867)</u>
Net change in fund balances	(13,585,759)	(13,816,728)	26,693,631	40,510,359
Fund balance, July 1, 2023	<u>13,585,759</u>	<u>13,816,728</u>	<u>50,457,019</u>	<u>-</u>
Fund balance, June 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,150,650</u>	<u>\$ 40,510,359</u>

See accompanying notes to budgetary comparison schedule.

Mohave County, Arizona
Required Supplementary Information
Budgetary Comparison Schedule
Road Fund
Year Ended June 30, 2024

	<u>Original and Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Licenses and permits	\$ 60,000	\$ 160,000	\$ 100,000
Intergovernmental	20,306,000	21,413,158	1,107,158
Charges for services	80,550	66,025	(14,525)
Fees, fines and forfeits	500	1,551	1,051
Investment earnings	250,000	810,647	560,647
Rents	66,675	69,710	3,035
Miscellaneous	25,100	103,737	78,637
Total revenues	<u>20,788,825</u>	<u>22,624,828</u>	<u>1,836,003</u>
Expenditures:			
Current:			
Highways and streets	<u>35,914,570</u>	<u>23,353,020</u>	<u>12,561,550</u>
Total expenditures	<u>35,914,570</u>	<u>23,353,020</u>	<u>12,561,550</u>
Excess (deficiency) of revenues over expenditures	(15,125,745)	(728,192)	14,397,553
Other financing sources (uses):			
Proceeds from sale of capital assets	95,000	231,244	136,244
Transfers out	<u>(106,000)</u>	<u>(100,000)</u>	<u>6,000</u>
Total other financing uses	<u>(11,000)</u>	<u>131,244</u>	<u>142,244</u>
Net change in fund balances	(15,136,745)	(596,948)	14,539,797
Fund balance, July 1, 2023	15,136,745	16,458,049	1,321,304
Increase (decrease) in inventories	<u>-</u>	<u>(39,141)</u>	<u>(39,141)</u>
Fund balances, June 30, 2024	<u>\$ -</u>	<u>\$ 15,821,960</u>	<u>\$ 15,821,960</u>

See accompanying notes to budgetary comparison schedule.

Mohave County, Arizona
Required Supplementary Information
Budgetary Comparison Schedule
Flood Control Fund
Year Ended June 30, 2024

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Taxes	\$ 10,475,036	\$ 10,799,271	\$ 324,235
Licenses and permits	3,500	2,700	(800)
Intergovernmental	10,035	35	(10,000)
Investment earnings	110,000	717,371	607,371
Total revenues	<u>10,598,571</u>	<u>11,519,377</u>	<u>920,806</u>
Expenditures:			
Current:			
Public safety	20,951,907	8,789,818	12,162,089
Total expenditures	<u>20,951,907</u>	<u>8,789,818</u>	<u>12,162,089</u>
Excess (deficiency) of revenues over expenditures	(10,353,336)	2,729,559	13,082,895
Other financing sources:			
Proceeds from sale of capital assets	12,000	22,701	10,701
Transfers out	(1,325,628)	(1,324,858)	770
Total other financing sources	<u>(1,313,628)</u>	<u>(1,302,157)</u>	<u>11,471</u>
Net change in fund balances	(11,666,964)	1,427,402	13,094,366
Fund balances, July 1, 2023	11,666,964	12,055,609	388,645
Increase (decrease) in inventories	-	(94,108)	(94,108)
Fund balances, June 30, 2024	<u>\$ -</u>	<u>\$ 13,388,903</u>	<u>\$ 13,388,903</u>

See accompanying notes to budgetary comparison schedule.

Mohave County, Arizona
Required Supplementary Information
Budgetary Comparison Schedule
ARPA Fund
Year Ended June 30, 2024

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 9,135,577	\$ 9,135,577
Total revenues	<u>-</u>	<u>-</u>	<u>9,135,577</u>	<u>9,135,577</u>
Expenditures:				
Current:				
General government	34,645,516	30,165,809	9,135,577	21,030,232
Total expenditures	<u>34,645,516</u>	<u>30,165,809</u>	<u>9,135,577</u>	<u>21,030,232</u>
Excess (deficiency) of revenues over expenditures	(34,645,516)	(30,165,809)	-	30,165,809
Fund balances, July 1, 2023	<u>34,645,516</u>	<u>30,165,809</u>	<u>-</u>	<u>(30,165,809)</u>
Fund balances, June 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to budgetary comparison schedule.

Mohave County, Arizona
Required Supplementary Information
Budgetary Comparison Schedule
One Arizona Opioid Settlement Fund
Year Ended June 30, 2024

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Charges for services	\$ 5,002,095	\$ 2,056,947	\$ (2,945,148)
Investment earnings	-	60,983	60,983
Total revenues	<u>5,002,095</u>	<u>2,117,930</u>	<u>(2,884,165)</u>
Expenditures:			
Current:			
Health	5,871,948	636,801	5,235,147
Total expenditures	<u>5,871,948</u>	<u>636,801</u>	<u>5,235,147</u>
Excess (deficiency) of revenues over expenditures	(869,853)	1,481,129	2,350,982
Fund balances, July 1, 2023	<u>869,853</u>	<u>1,119,069</u>	<u>249,216</u>
Fund balances, June 30, 2024	<u>\$ -</u>	<u>\$ 2,600,198</u>	<u>\$ 2,600,198</u>

See accompanying notes to budgetary comparison schedule.

Mohave County, Arizona
Required Supplementary Information
Notes to Budgetary Comparison Schedule
June 30, 2024

Note 1 - Budgeting and Budgetary Control

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

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

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

Note 2 – Budgetary Basis of Accounting

The County's budget is prepared on a basis consistent with generally accepted accounting principles, except for the following unbudgeted items:

- Present value of lease payments
- Present value of subscription payments

The following schedule reconciles the excess (deficiency) of revenues over expenditures from the statement of revenues, expenditures, and changes in fund balances to the budgetary comparison schedules:

	General Fund
Excess (deficiency) of revenues over expenditures from the statement of revenues, expenditures, and changes in fund balances	\$ 19,361,139
Present value of lease payments	701,677
Present value of subscription payments	63,678
Excess (deficiency) of revenues over expenditures from the budgetary comparison schedules	\$ 20,126,494

Mohave County, Arizona
Required Supplementary Information
Schedule of the County's Proportionate Share of the Net Pension/OPEB Liability
Cost-Sharing Plans
June 30, 2024

ASRS - Pension

	Reporting Fiscal Year (Measurement Date)									
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
County's proportion of the net pension liability	0.39%	0.37%	0.37%	0.36%	0.36%	0.36%	0.35%	0.37%	0.38%	0.38%
County's proportionate share of the net pension liability	\$ 62,962,003	\$ 60,700,707	\$ 49,032,881	\$ 62,278,444	\$ 50,560,928	\$ 49,907,481	\$ 55,221,074	\$ 59,477,988	\$ 59,259,251	\$ 57,859,101
County's covered payroll	49,214,966	44,497,435	42,175,734	39,618,550	36,706,673	35,556,097	34,720,762	34,138,216	35,153,250	35,362,673
County's proportionate share of the net pension liability as a percentage of its covered payroll	127.93%	136.41%	116.26%	157.20%	137.74%	140.36%	159.04%	174.23%	168.57%	163.62%
Plan fiduciary net position as a percentage of the total pension liability	75.47%	74.26%	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%

ASRS - Health Insurance Premium Benefit

	Reporting Fiscal Year (Measurement Date)							2017 through 2015
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	
County's proportion of the net OPEB (asset)	0.39%	0.38%	0.38%	0.36%	0.36%	0.36%	0.36%	Information not available
County's proportionate share of the net OPEB (asset)	\$ (2,130,826)	\$ (2,097,946)	\$ (1,836,580)	\$ (257,031)	\$ (97,163)	\$ (129,730)	(194,329)	
County's covered payroll	49,214,966	44,497,435	42,175,734	39,618,550	36,706,673	35,556,097	34,720,762	
County's proportionate share of the net OPEB (asset) as a percentage of its covered payroll	-4.33%	-4.71%	-4.35%	-0.65%	-0.26%	-0.36%	-0.56%	
Plan fiduciary net position as a percentage of the total pension liability	134.37%	137.79%	130.24%	104.33%	101.62%	102.20%	103.57%	

ASRS - Long-term Disability

	Reporting Fiscal Year (Measurement Date)							2017 through 2015
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	
County's proportion of the net OPEB Liability	0.39%	0.37%	0.37%	0.36%	0.36%	0.36%	0.35%	Information not available
County's proportionate share of the net OPEB Liability	\$ 51,256	\$ 34,462	\$ 77,407	\$ 274,018	\$ 227,843	\$ 187,260	\$ 128,581	
County's covered payroll	49,214,966	44,497,435	42,175,734	39,618,550	36,706,673	35,556,097	34,720,762	
County's proportionate share of the net OPEB Liability as a percentage of its covered payroll	0.10%	0.08%	0.18%	0.69%	0.62%	0.53%	0.37%	
Plan fiduciary net position as a percentage of the total pension liability	93.70%	95.40%	90.38%	68.01%	72.85%	77.83%	84.44%	

See accompanying notes to pension/OPEB plan schedules.

Mohave County, Arizona
Required Supplementary Information
Schedule of the County's Proportionate Share of the Net Pension/OPEB Liability - Continued
Cost-Sharing Plans
June 30, 2024

CORP AOC - Pension

	Reporting Fiscal Year (Measurement Date)									
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
County's proportion of the net pension liability	3.39%	3.20%	3.23%	3.01%	2.93%	2.97%	2.71%	2.67%	2.65%	2.71%
County's proportionate share of the net pension liability	\$ 15,340,767	\$ 14,301,882	\$ 12,005,207	\$ 14,382,427	\$ 12,382,985	\$ 10,709,213	\$ 10,884,138	\$ 7,523,107	\$ 6,438,542	\$ 6,077,411
County's covered payroll	4,215,193	3,830,324	3,865,238	3,673,246	3,612,401	3,449,848	3,042,429	2,936,852	2,943,898	2,914,858
County's proportionate share of the net pension liability as a percentage of its covered payroll	363.94%	373.39%	310.59%	391.55%	342.79%	310.43%	357.75%	256.16%	218.71%	208.50%
Plan fiduciary net position as a percentage of the total pension liability	59.28%	57.52%	62.53%	50.07%	51.99%	53.72%	49.21%	54.81%	57.89%	58.59%

CORP AOC - Health Insurance Premium Benefit

	Reporting Fiscal Year (Measurement Date)							2017 through 2015
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	
County's proportion of the net OPEB liability (asset)	3.39%	3.26%	3.21%	3.01%	2.95%	2.99%	2.72%	Information not available
County's proportionate share of the net OPEB liability (asset)	\$ (14,125)	\$ 12,316	\$ (4,298)	\$ 119,892	\$ 109,109	\$ 153,649	\$ 160,270	
County's covered payroll	4,215,193	3,830,324	3,865,238	3,673,246	3,612,401	3,449,848	3,042,429	
County's proportionate share of the net OPEB liability as a percentage of its covered payroll	-0.34%	0.32%	-0.11%	3.26%	3.02%	4.45%	5.27%	
Plan fiduciary net position as a percentage of the total OPEB liability	102.78%	97.46%	100.90%	75.08%	75.64%	67.75%	62.21%	

See accompanying notes to pension/OPEB plan schedules.

Mohave County, Arizona
Required Supplementary Information
Schedule of the County's Proportionate Share of the Net Pension/OPEB Liability - Continued
Cost-Sharing Plans
June 30, 2024

EORP - Pension

	Reporting Fiscal Year (Measurement Date)									
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
County's proportion of the net pension liability	1.84%	3.32%	3.43%	3.40%	3.15%	3.42%	2.62%	2.51%	2.37%	2.53%
County's proportionate share of the net pension liability	\$ 11,529,263	\$ 22,383,580	\$ 20,883,216	\$ 22,542,930	\$ 20,865,471	\$ 21,581,830	\$ 31,957,961	\$ 23,741,585	\$ 18,541,752	\$ 16,967,857
State's proportionate share of the net pension liability associated with the County	<u>\$ 12,890,304</u>	<u>\$ 2,179,427</u>	<u>\$ 2,099,102</u>	<u>\$ 2,142,510</u>	<u>\$ 1,961,138</u>	<u>\$ 3,697,907</u>	<u>\$ 6,632,705</u>	<u>\$ 4,899,011</u>	<u>\$ 5,780,547</u>	<u>\$ 5,202,503</u>
Total County's net pension liability	<u>\$ 24,419,567</u>	<u>\$ 24,563,007</u>	<u>\$ 22,982,318</u>	<u>\$ 24,685,440</u>	<u>\$ 22,826,609</u>	<u>\$ 25,279,737</u>	<u>\$ 38,590,666</u>	<u>\$ 28,640,596</u>	<u>\$ 24,322,299</u>	<u>\$ 22,170,360</u>
County's covered payroll	\$ 2,591,150	\$ 2,508,844	\$ 2,552,369	\$ 2,553,611	\$ 2,437,576	\$ 2,311,048	\$ 2,180,142	\$ 1,753,759	\$ 2,157,272	\$ 2,366,603
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	444.95%	892.19%	818.19%	882.79%	855.99%	933.85%	1465.87%	1353.75%	859.50%	716.97%
Plan fiduciary net position as a percentage of the total pension liability	38.63%	32.01%	36.28%	29.80%	30.14%	30.36%	19.66%	23.42%	28.32%	31.91%

EORP - Health Insurance Premium Benefit

	Reporting Fiscal Year (Measurement Date)							2017 through 2015
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	
County's proportion of the net OPEB (asset)	3.67%	3.55%	3.55%	3.69%	3.65%	3.51%	3.32%	Information not available
County's proportionate share of the net OPEB (asset)	\$ (492,119)	\$ (456,383)	\$ (565,534)	\$ (352,530)	\$ (357,737)	\$ (362,754)	\$ (302,772)	
County's covered payroll	2,591,150	2,508,844	2,552,369	2,553,611	2,437,576	2,311,048	2,180,142	
County's proportionate share of the net OPEB (asset) as a percentage of its covered payroll	-18.99%	-18.19%	-22.16%	-13.81%	-14.68%	-15.70%	-13.89%	
Plan fiduciary net position as a percentage of the total pension (asset)	199.83%	198.38%	231.29%	169.89%	169.72%	177.16%	164.84%	

See accompanying notes to pension/OPEB plan schedules.

Mohave County, Arizona
Required Supplementary Information
Schedule of Changes in the County's
Net Pension/OPEB Liability and Related Ratios - Agent Plans
June 30, 2024

	Reporting Fiscal Year (Measurement Date)									
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
PSPRS - Sheriff - Pension										
Total pension liability										
Service cost	\$ 770,293	\$ 721,512	\$ 800,840	\$ 732,194	\$ 844,346	\$ 788,297	\$ 966,017	\$ 738,110	\$ 856,128	\$ 841,853
Interest on total pension liability	3,988,275	3,887,610	3,764,787	3,541,781	3,402,084	3,214,798	3,003,684	2,932,447	2,908,448	2,507,303
Changes of benefit terms	-	-	-	-	-	-	425,471	1,255,658	-	743,169
Difference between expected and actual experience in the measurement of the pension liability	1,041,976	(487,402)	250,425	1,910,084	46,799	480,574	396,188	(569,078)	(797,687)	(926,693)
Changes of assumptions or other inputs	-	698,425	-	-	1,015,153	-	1,538,482	1,409,917	-	3,668,599
Benefit payments, including refunds of employee contributions	(2,660,596)	(2,801,717)	(3,306,714)	(3,088,939)	(2,216,642)	(2,589,312)	(3,104,457)	(3,271,340)	(1,932,983)	(1,529,492)
Net change in pension liability	3,139,948	2,018,428	1,509,338	3,095,120	3,091,740	1,894,357	3,225,385	2,495,714	1,033,906	5,304,739
Total pension liability - beginning	55,952,708	53,934,280	52,424,942	49,329,822	46,238,082	44,343,725	41,118,340	38,622,626	37,588,720	32,283,981
Total pension liability - ending (a)	<u>\$ 59,092,656</u>	<u>\$ 55,952,708</u>	<u>\$ 53,934,280</u>	<u>\$ 52,424,942</u>	<u>\$ 49,329,822</u>	<u>\$ 46,238,082</u>	<u>\$ 44,343,725</u>	<u>\$ 41,118,340</u>	<u>\$ 38,622,626</u>	<u>\$ 37,588,720</u>
Plan fiduciary net position										
Contributions - employer	\$ 13,288,009	\$ 2,886,185	\$ 2,663,819	\$ 2,602,728	\$ 3,186,768	\$ 2,809,701	\$ 1,836,800	\$ 1,623,099	\$ 1,232,825	\$ 1,174,898
Contributions - employee	375,352	358,090	362,152	370,865	355,252	399,901	504,665	510,843	476,318	485,480
Net investment income	2,546,790	(1,197,016)	6,580,751	299,816	1,166,370	1,334,686	2,131,234	110,794	708,906	2,343,758
Benefit payments, including refunds of employee contributions	(2,660,596)	(2,801,717)	(3,306,714)	(3,088,939)	(2,216,642)	(2,589,312)	(3,104,457)	(3,271,340)	(1,932,983)	(1,529,492)
Hall/Parker Settlement	-	-	-	-	-	(535,232)	-	-	-	-
Administrative expense	(27,544)	(21,595)	(30,982)	(24,452)	(21,271)	(21,014)	(19,258)	(16,343)	(17,672)	(18,876)
Other changes	-	-	(10,627)	(15,800)	-	246	(155,786)	(68,502)	10,751	(180,019)
Net change in plan fiduciary net position	13,522,011	(776,053)	6,258,399	144,218	2,470,477	1,398,976	1,193,198	(1,111,449)	478,145	2,275,749
Plan fiduciary net position - beginning	29,263,424	30,039,477	23,781,078	23,636,860	21,166,678	19,767,702	18,574,504	19,685,953	19,207,808	16,932,059
Adjustment to beginning of year	-	-	-	-	(295)	-	-	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ 42,785,435</u>	<u>\$ 29,263,424</u>	<u>\$ 30,039,477</u>	<u>\$ 23,781,078</u>	<u>\$ 23,636,860</u>	<u>\$ 21,166,678</u>	<u>\$ 19,767,702</u>	<u>\$ 18,574,504</u>	<u>\$ 19,685,953</u>	<u>\$ 19,207,808</u>
County's net pension liability - ending (a) - (b)	<u>\$ 16,307,221</u>	<u>\$ 26,689,284</u>	<u>\$ 23,894,803</u>	<u>\$ 28,643,864</u>	<u>\$ 25,692,962</u>	<u>\$ 25,071,404</u>	<u>\$ 24,576,023</u>	<u>\$ 22,543,836</u>	<u>\$ 18,936,673</u>	<u>\$ 18,380,912</u>
Plan fiduciary net position as a percentage of the total pension liability	72.4%	52.3%	55.7%	45.4%	47.9%	45.8%	44.6%	45.2%	51.0%	51.1%
Covered payroll	\$ 6,164,129	\$ 5,771,686	\$ 5,108,435	\$ 4,891,043	\$ 4,357,353	\$ 4,414,050	\$ 4,341,501	\$ 4,188,643	\$ 4,310,395	\$ 4,486,194
County's net pension liability as a percentage of covered payroll	265%	462%	468%	586%	590%	568%	566%	538%	439%	410%

See accompanying notes to pension/OPEB plan schedules.

Mohave County, Arizona
Required Supplementary Information
Schedule of Changes in the County's
Net Pension/OPEB Liability and Related Ratios - Agent Plans - Continued
June 30, 2024

PSPRS OPEB - Sheriff	Reporting Fiscal Year (Measurement Date)							2017 through 2015
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	
Total OPEB liability								
Service cost	\$ 16,934	\$ 17,405	\$ 20,449	\$ 20,115	\$ 15,957	\$ 16,755	\$ 19,767	Information not available
Interest on total OPEB liability	58,926	54,024	53,044	50,210	56,203	54,751	54,418	
Changes of benefit terms	-	-	-	-	-	-	6,427	
Difference between expected and actual experience in the measurement of the OPEB liability	(23,429)	42,029	(15,540)	9,198	(137,378)	(34,511)	(13,127)	
Changes of assumptions or other inputs	-	6,488	-	-	8,899	-	(28,604)	
Benefit payments	(30,752)	(51,470)	(31,499)	(31,995)	(25,646)	(24,275)	(21,852)	
Net change in OPEB liability	21,679	68,476	26,454	47,528	(81,965)	12,720	17,029	
Total OPEB liability - beginning	816,857	748,381	721,927	674,399	756,364	743,644	726,615	
Total OPEB liability - ending (a)	<u>\$ 838,536</u>	<u>\$ 816,857</u>	<u>\$ 748,381</u>	<u>\$ 721,927</u>	<u>\$ 674,399</u>	<u>\$ 756,364</u>	<u>\$ 743,644</u>	
Plan fiduciary net position								
Contributions - employer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (295)	\$ -	
Contributions - employee	-	-	-	-	-	-	-	
Net investment income	132,083	(73,385)	409,678	18,984	78,333	96,159	147,573	
Benefit payments	(30,752)	(51,470)	(31,499)	(31,995)	(25,646)	(24,275)	(21,852)	
Administrative expense	(1,513)	(1,306)	(1,685)	(1,544)	(1,352)	(1,464)	(1,306)	
Other changes	-	-	-	-	-	-	-	
Net change in plan fiduciary net position	99,818	(126,161)	376,494	(14,555)	51,335	70,125	124,415	
Plan fiduciary net position - beginning	1,744,410	1,870,571	1,494,077	1,508,632	1,457,002	1,386,877	1,262,462	
Adjustment to beginning of year	-	-	-	-	295	-	-	
Plan fiduciary net position - ending (b)	<u>\$ 1,844,228</u>	<u>\$ 1,744,410</u>	<u>\$ 1,870,571</u>	<u>\$ 1,494,077</u>	<u>\$ 1,508,632</u>	<u>\$ 1,457,002</u>	<u>\$ 1,386,877</u>	
County's net OPEB (asset) liability - ending (a) - (b)	<u>\$ (1,005,692)</u>	<u>\$ (927,553)</u>	<u>\$ (1,122,190)</u>	<u>\$ (772,150)</u>	<u>\$ (834,233)</u>	<u>\$ (700,638)</u>	<u>\$ (643,233)</u>	
Plan fiduciary net position as a percentage of the total OPEB liability	219.9%	213.6%	249.9%	207.0%	223.7%	192.6%	186.5%	
Covered payroll	\$ 6,164,129	\$ 5,771,686	\$ 5,108,435	\$ 4,891,043	\$ 4,357,353	\$ 4,414,050	\$ 4,341,501	
County's net OPEB (asset) liability as a percentage of covered payroll	-16%	-16%	-22%	-16%	-19%	-16%	-15%	

See accompanying notes to pension/OPEB plan schedules.

Mohave County, Arizona
Required Supplementary Information
Schedule of Changes in the County's
Net Pension/OPEB Liability and Related Ratios - Agent Plans - Continued
June 30, 2024

CORP - Detention	Reporting Fiscal Year (Measurement Date)									
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Total pension liability										
Service cost	\$ 284,779	\$ 333,918	\$ 366,439	\$ 414,357	\$ 526,994	\$ 614,868	\$ 513,320	\$ 522,178	\$ 527,226	\$ 535,075
Interest on total pension liability	877,823	793,322	749,211	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
Difference between expected and actual experience in the measurement of the pension liability	(18,117)	694,171	10,694	782,235	185,879	(589,476)	(132,391)	(441,945)	(255,141)	(44,513)
Changes of assumptions or other inputs	-	92,342	-	-	219,311	-	149,218	238,838	-	309,034
Benefit payments, including refunds of employee contributions	(503,050)	(577,054)	(402,083)	(425,110)	(524,394)	(734,302)	(697,451)	(492,035)	(341,013)	(325,442)
Net change in pension liability	641,435	1,336,699	724,261	1,419,712	995,867	(387,367)	1,333,737	352,339	407,496	930,563
Total pension liability - beginning	12,158,732	10,822,033	10,097,772	8,678,060	7,682,193	8,069,560	6,735,823	6,383,484	5,975,988	5,045,425
Total pension liability - ending (a)	<u>\$ 12,800,167</u>	<u>\$ 12,158,732</u>	<u>\$ 10,822,033</u>	<u>\$ 10,097,772</u>	<u>\$ 8,678,060</u>	<u>\$ 7,682,193</u>	<u>\$ 8,069,560</u>	<u>\$ 6,735,823</u>	<u>\$ 6,383,484</u>	<u>\$ 5,975,988</u>
Plan fiduciary net position										
Contributions - employer	\$ 400,111	\$ 238,087	\$ 204,850	\$ 181,055	\$ 192,899	\$ 228,873	\$ 222,521	\$ 277,167	\$ 265,631	\$ 288,751
Contributions - employee	172,636	199,986	205,719	220,355	243,273	300,474	311,185	331,483	330,465	328,515
Net investment income	792,862	(403,649)	2,322,336	232,485	432,909	534,696	828,794	42,247	243,014	776,232
Benefit payments, including refunds of employee contributions	(503,050)	(577,054)	(402,083)	(425,110)	(524,394)	(734,302)	(697,451)	(492,035)	(341,013)	(325,442)
Administrative expense	(29,295)	(7,411)	(10,758)	(8,998)	(8,426)	(8,789)	(7,650)	(6,374)	(6,374)	-
Tiers 1 & 2 Adjustments	(186,033)	-	-	-	-	-	-	-	-	-
Other changes	566	-	-	(1,157)	-	(158)	(47)	(66,110)	(82,072)	(439,949)
Net change in plan fiduciary net position	647,797	(550,041)	2,320,064	198,630	336,261	320,794	657,352	86,378	409,651	628,107
Plan fiduciary net position - beginning	10,311,967	10,862,008	8,541,944	8,343,314	8,007,053	7,686,259	7,028,907	6,942,529	6,532,878	5,904,771
Adjustment to beginning of year	-	-	-	-	-	-	-	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ 10,959,764</u>	<u>\$ 10,311,967</u>	<u>\$ 10,862,008</u>	<u>\$ 8,541,944</u>	<u>\$ 8,343,314</u>	<u>\$ 8,007,053</u>	<u>\$ 7,686,259</u>	<u>\$ 7,028,907</u>	<u>\$ 6,942,529</u>	<u>\$ 6,532,878</u>
County's net pension liability - ending (a) - (b)	<u>\$ 1,840,403</u>	<u>\$ 1,846,765</u>	<u>\$ (39,975)</u>	<u>\$ 1,555,828</u>	<u>\$ 334,746</u>	<u>\$ (324,860)</u>	<u>\$ 383,301</u>	<u>\$ (293,084)</u>	<u>\$ (559,045)</u>	<u>\$ (556,890)</u>
Plan fiduciary net position as a percentage of the total pension liability	85.6%	84.8%	100.4%	84.6%	96.1%	104.2%	95.3%	104.4%	108.8%	109.3%
Covered payroll	\$ 3,897,641	\$ 3,981,855	\$ 3,552,512	\$ 4,313,915	\$ 3,370,075	\$ 3,582,040	\$ 3,697,257	\$ 3,910,641	\$ 3,910,769	\$ 4,107,411
County's net pension liability as a percentage of covered payroll	47.2%	46.4%	-1.1%	36.1%	9.9%	-9.1%	10.4%	-7.5%	-14.3%	-13.6%

See accompanying notes to pension/OPEB plan schedules.

Mohave County, Arizona
Required Supplementary Information
Schedule of Changes in the County's
Net Pension/OPEB Liability and Related Ratios - Agent Plans - Continued
June 30, 2024

CORP OPEB - Detention	Reporting Fiscal Year (Measurement Date)							2017 through 2015
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	
Total OPEB liability								
Service cost	\$ 5,752	\$ 7,872	\$ 8,179	\$ 9,359	\$ 11,648	\$ 11,232	\$ 12,131	Information not available
Interest on total OPEB liability	14,629	16,113	14,882	13,335	17,538	17,154	19,090	
Changes of benefit terms	-	-	-	-	-	-	-	
Difference between expected and actual experience in the measurement of the OPEB liability	(14,099)	(34,547)	(1,494)	4,224	(79,515)	(23,009)	(18,058)	
Changes of assumptions or other inputs	-	(113)	-	-	3,329	-	(28,276)	
Benefit payments	(5,183)	(4,320)	(4,460)	(4,635)	(5,440)	(7,012)	(7,301)	
Net change in OPEB liability	1,099	(14,995)	17,107	22,283	(52,440)	(1,635)	(22,414)	
Total OPEB liability - beginning	200,022	215,017	197,910	175,627	228,067	229,702	252,116	
Total OPEB liability - ending (a)	<u>\$ 201,121</u>	<u>\$ 200,022</u>	<u>\$ 215,017</u>	<u>\$ 197,910</u>	<u>\$ 175,627</u>	<u>\$ 228,067</u>	<u>\$ 229,702</u>	
Plan fiduciary net position								
Contributions - employer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Net investment income	67,758	(34,211)	196,504	19,803	37,085	46,261	68,817	
Benefit payments	(5,183)	(4,320)	(4,460)	(4,635)	(5,440)	(7,012)	(7,301)	
Administrative expense	(2,463)	(615)	(808)	(766)	(662)	(700)	(602)	
Other changes	-	-	-	-	-	-	-	
Net change in plan fiduciary net position	60,112	(39,146)	191,236	14,402	30,983	38,549	60,914	
Plan fiduciary net position - beginning	879,534	918,680	727,444	713,042	682,059	643,510	582,596	
Plan fiduciary net position - ending (b)	<u>\$ 939,646</u>	<u>\$ 879,534</u>	<u>\$ 918,680</u>	<u>\$ 727,444</u>	<u>\$ 713,042</u>	<u>\$ 682,059</u>	<u>\$ 643,510</u>	
County's net OPEB (asset) liability - ending (a) - (b)	<u>\$ (738,525)</u>	<u>\$ (679,512)</u>	<u>\$ (703,663)</u>	<u>\$ (529,534)</u>	<u>\$ (537,415)</u>	<u>\$ (453,992)</u>	<u>\$ (413,808)</u>	
Plan fiduciary net position as a percentage of the total OPEB liability	467.2%	439.7%	427.3%	367.6%	406.0%	299.1%	280.1%	
Covered payroll	\$ 3,897,641	\$ 3,981,855	\$ 3,552,513	\$ 4,313,915	\$ 3,370,075	\$ 3,582,040	\$ 3,697,257	
County's net OPEB liability as a percentage of covered payroll	-18.9%	-17.1%	-19.8%	-12.3%	-15.9%	-12.7%	-11.2%	

See accompanying notes to pension/OPEB plan schedules.

Mohave County, Arizona
Required Supplementary Information
Schedule of County Pension/OPEB Contributions
June 30, 2024

ASRS - Pension*

Reporting Fiscal Year

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily determined contribution	\$ 6,001,581	\$ 5,866,424	\$ 5,344,142	\$ 4,913,473	\$ 4,536,324	\$ 4,103,806	\$ 3,876,705	\$ 3,742,898	\$ 3,771,411	\$ 3,828,189
County's contributions in relation to the statutorily determined contribution	<u>6,001,581</u>	<u>5,866,424</u>	<u>5,344,142</u>	<u>4,913,473</u>	<u>4,536,324</u>	<u>4,103,806</u>	<u>1,009,993</u>	<u>998,342</u>	<u>899,541</u>	<u>899,541</u>
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,866,712</u>	<u>\$ 2,744,556</u>	<u>\$ 2,871,870</u>	<u>\$ 2,928,648</u>
County's covered payroll	<u>\$ 49,888,454</u>	<u>\$ 49,214,966</u>	<u>\$ 44,497,435</u>	<u>\$ 42,175,735</u>	<u>\$ 39,618,550</u>	<u>\$ 36,706,673</u>	<u>\$ 9,308,691</u>	<u>\$ 9,159,101</u>	<u>\$ 8,406,925</u>	<u>\$ 8,406,925</u>
County's contributions as a percentage of covered payroll	<u>12.03%</u>	<u>11.92%</u>	<u>12.01%</u>	<u>11.65%</u>	<u>11.45%</u>	<u>11.18%</u>	<u>10.90%</u>	<u>10.78%</u>	<u>11.05%</u>	<u>10.89%</u>

CORP AOC - Pension*

Reporting Fiscal Year

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily determined contribution	\$ 1,821,280	\$ 1,546,976	\$ 1,358,999	\$ 1,297,947	\$ 1,128,054	\$ 1,191,370	\$ 776,560	\$ 609,950	\$ 564,751	\$ 438,052
County's contributions in relation to the statutorily determined contribution	<u>1,821,280</u>	<u>1,546,976</u>	<u>1,358,999</u>	<u>1,297,947</u>	<u>1,128,054</u>	<u>1,191,370</u>	<u>776,560</u>	<u>609,950</u>	<u>564,751</u>	<u>438,052</u>
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	<u>\$ 4,619,021</u>	<u>\$ 4,215,193</u>	<u>\$ 3,830,324</u>	<u>\$ 3,865,238</u>	<u>\$ 3,673,246</u>	<u>\$ 3,612,401</u>	<u>\$ 3,449,848</u>	<u>\$ 3,042,429</u>	<u>\$ 2,936,852</u>	<u>\$ 2,943,898</u>
County's contributions as a percentage of covered payroll	<u>39.43%</u>	<u>36.70%</u>	<u>35.48%</u>	<u>33.58%</u>	<u>30.71%</u>	<u>32.98%</u>	<u>22.51%</u>	<u>20.05%</u>	<u>19.23%</u>	<u>14.88%</u>

EORP - Pension*

Reporting Fiscal Year

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily determined contribution	\$ 2,065,368	\$ 1,824,688	\$ 1,541,183	\$ 1,567,920	\$ 1,568,683	\$ 1,627,129	\$ 543,096	\$ 512,333	\$ 421,134	\$ 506,959
County's contributions in relation to the statutorily determined contribution	<u>2,065,368</u>	<u>1,824,688</u>	<u>1,541,183</u>	<u>1,567,920</u>	<u>1,568,683</u>	<u>1,499,109</u>	<u>-</u>	<u>512,333</u>	<u>421,134</u>	<u>506,959</u>
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 128,020</u>	<u>\$ 543,096</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	<u>\$ 2,699,475</u>	<u>\$ 2,591,150</u>	<u>\$ 2,508,844</u>	<u>\$ 2,552,369</u>	<u>\$ 2,553,611</u>	<u>\$ 2,437,576</u>	<u>\$ 2,311,048</u>	<u>\$ 2,180,142</u>	<u>\$ 1,753,759</u>	<u>\$ 2,157,272</u>
County's contributions as a percentage of covered payroll	<u>76.51%</u>	<u>70.42%</u>	<u>61.43%</u>	<u>61.43%</u>	<u>61.43%</u>	<u>61.50%</u>	<u>0.00%</u>	<u>23.50%</u>	<u>24.01%</u>	<u>23.50%</u>

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

See accompanying notes to pension/OPEB plan schedules.

Mohave County, Arizona
Required Supplementary Information
Schedule of County Pension/OPEB Contributions - Continued
June 30, 2024

PSPRS Pension - Sheriff*	Reporting Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 3,286,968	\$ 3,400,750	\$ 3,095,355	\$ 2,787,673	\$ 2,673,933	\$ 2,283,253	\$ 2,296,189	\$ 1,862,504	\$ 1,623,099	\$ 1,232,773
County's contributions in relation to the actuarially determined contribution	6,786,968	13,400,750	3,095,355	2,787,673	2,673,933	2,283,253	2,296,189	1,862,504	1,623,099	1,232,773
County's contribution deficiency (excess)	<u>\$ (3,500,000)</u>	<u>\$ (10,000,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	<u>\$ 6,322,308</u>	<u>\$ 6,164,129</u>	<u>\$ 5,771,686</u>	<u>\$ 5,108,435</u>	<u>\$ 4,891,043</u>	<u>\$ 4,357,353</u>	<u>\$ 4,414,050</u>	<u>\$ 4,341,502</u>	<u>\$ 4,188,643</u>	<u>\$ 4,310,395</u>
County's contributions as a percentage of covered payroll	<u>51.99%</u>	<u>55.17%</u>	<u>53.63%</u>	<u>54.57%</u>	<u>54.67%</u>	<u>52.40%</u>	<u>52.02%</u>	<u>42.90%</u>	<u>38.75%</u>	<u>28.60%</u>
CORP Pension - Detention*	Reporting Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 490,019	\$ 310,642	\$ 328,503	\$ 287,043	\$ 294,209	\$ 225,795	\$ 229,251	\$ 221,835	\$ 277,167	\$ 265,631
County's contributions in relation to the actuarially determined contribution	490,019	310,642	328,503	287,043	294,209	225,795	229,251	221,835	277,167	265,631
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	<u>\$ 5,606,625</u>	<u>\$ 3,897,641</u>	<u>\$ 3,981,855</u>	<u>\$ 3,552,512</u>	<u>\$ 4,313,915</u>	<u>\$ 3,370,075</u>	<u>\$ 3,582,040</u>	<u>\$ 3,697,257</u>	<u>\$ 3,910,641</u>	<u>\$ 3,910,769</u>
County's contributions as a percentage of covered payroll	<u>8.74%</u>	<u>7.97%</u>	<u>8.25%</u>	<u>8.08%</u>	<u>6.82%</u>	<u>6.70%</u>	<u>6.40%</u>	<u>6.00%</u>	<u>7.09%</u>	<u>6.79%</u>

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

Mohave County, Arizona
Required Supplementary Information
Notes to Pension/OPEB Plan Schedules
June 30, 2024

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 2022 actuarial valuation	15 years
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	In the 2022 actuarial valuation, the investment rate of return was decreased from 7.3% to 7.2%. In the 2019 actuarial valuation, the investment rate of return was decreased from 7.4% to 7.3%. In the 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.5%. In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%.
Projected salary increases	In the 2017 actuarial valuation, projected salary increases were decreased from 4.0%-8.0% to 3.5%-7.5% for PSPRS and from 4.0%-7.25% to 3.5%-6.5% for CORP. In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%-8.5% to 4.0%-8.0% for PSPRS and from 4.5%-7.75% to 4.0% to 7.25% for CORP. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%-9.0% to 4.5%-8.5% for PSPRS and from 5.0%-8.25% to 4.5%-7.75% for CORP.
Wage growth	In the 2022 actuarial valuation, wage growth was changed from 3.5% to a range 3.0-6.25% for PSPRS and CORP. 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.

Notes to Pension/OPEB Plan Schedules – Continued

Note 1 – Actuarially Determined Contribution Rates – Continued

Retirement age	Experience- based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 – June 30, 2011.
Mortality	In the 2019 actuarial valuation, changed to PubS-2010 tables. In the 2017 actuarial valuation, changed RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females)

Note 2 – Factors that affect trends

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

Note 3 – Excess Contributions

The County has made additional contributions for the County’s Public Safety Personnel Retirement System Plan to pay down its unfunded liability in the amount of \$3,500,000 and \$10,000,000 during the years ended June 30, 2024 and 2023, respectively.