Greenlee County, Arizona

Annual Financial Report

June 30, 2022

(This page left intentionally blank)

Greenlee County, Arizona

ANNUAL FINANCIAL REPORT

Year ended June 30, 2022

TABLE OF CONTENTS

(This page left intentionally blank)

Independent Auditors' Report

The Arizona Auditor General
Members of the Arizona State Legislature
The Board of Supervisors of
Greenlee County, Arizona

Report on the audit of the financial statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Greenlee County as of and for the year ended June 30, 2022, 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, each major fund, and aggregate remaining fund information of the County as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for opinions

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the U.S. Comptroller General. Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are required to be independent of 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.

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.

Management's responsibilities for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, 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 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a 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 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 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, we express no such opinion.
- 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 audit's planned scope and timing, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 7 through 17, budgetary comparison schedules on pages 65 through 67, schedule of the County's proportionate share of the net pension/OPEB liability—cost-sharing plans on pages 68 through 69, schedule of county pension/OPEB contributions on pages 70 through 71 and the schedule of changes in the county's net pension/OPEB liability and related ratios—Public Safety Personnel Retirement System on pages 72 through 77, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2024, 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 at a future date. 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.

Snyder & Brown CPAs. PLLC

Tempe, Arizona
January 8, 2024

(This page left intentionally blank)

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(Required Supplementary Information)

(This page left intentionally blank)

As management of Greenlee County, Arizona (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended 2022. Please read it in conjunction with the County's basic financial statements, which begin on page 21.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $17.4 million (*net position*).

- The County's total net position increased $6,317,587, which represents a 57 percent increase from the prior fiscal year, primarily due to increases in state shared revenues and decrease of net pension liabilities.

- At the close of the current fiscal year, the County's governmental funds reported combined fund balances of $26.3 million, an increase of $5,756,786 in comparison with the prior year. Approximately 73 percent of this amount **(**$19.1 million**)** is available for spending at the County's discretion (*unassigned fund balance*).

- At the end of the current fiscal year, unrestricted fund balance (the total of the assigned and unassigned components of fund balance) for the General Fund was $20.9 million, or approximately 144 percent of total General Fund expenditures.

- The County's total outstanding long-term liabilities decreased by $(6.2) million during the current fiscal year primarily due to an decrease in the liability for pensions.

OVERVIEW OF FINANCIAL STATEMENTS

The discussion and analysis provided here are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes required supplementary information intended to furnish additional detail to support the basic financial statements themselves.

<u>Government-wide financial statements</u> - The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. The accrual basis of accounting is used for government-wide financial statements.

The *Statement of Net Position* presents information on all of the County's assets, liabilities, and deferred inflows/outflows 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.

OVERVIEW OF FINANCIAL STATEMENTS - Continued

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

Both of the government-wide financial statements outline functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the County include general government, public safety, highways and streets, sanitation, health and welfare, culture and recreation, education, economic development, and interest on long-term debt.

The government-wide financial statements can be found on pages 21 and 22 of this report.

<ins>Fund financial statements</ins> - A *fund* is a grouping of related accounts that is 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 compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds - *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements use the modified accrual basis of accounting and focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the 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 County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The County maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General and Health Services funds, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation.

The basic governmental fund financial statements can be found on pages 23 through 26 of this report.

OVERVIEW OF FINANCIAL STATEMENTS - Continued

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside of the County. 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 fund financial statements can be found on pages 27 and 28 of this report.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's budget process, pension plans and its progress in funding its obligation to provide retirement benefits to its employees. The County adopts an annual budget for all governmental funds. Budgetary comparison schedules have been provided for the General and major Special Revenue Funds as required supplementary information. Schedules for the pension plans have been provided as required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position - As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows by $17.4 million at the close of the most recent fiscal year.

The following table presents a summary of the County's net position for the fiscal years ended June 30, 2022 and 2021.

	2022	2021
Current and other assets	$ 28,426,135	$ 21,643,869
Capital assets, net	8,369,365	9,220,112
Total assets, net	36,795,500	30,863,981
Deferred outflows of resources	4,473,387	6,165,941
Long-term liabilities outstanding	18,094,369	24,245,904
Other liabilities	1,322,274	748,761
Total liabilities	19,416,643	24,994,665
Deferred inflows of resources	4,494,462	995,063
Net investment in capital assets	7,661,417	8,426,720
Restricted	5,467,998	5,013,217
Unrestricted	4,228,367	(2,399,743)
Total net position	$ 17,357,782	$ 11,040,194

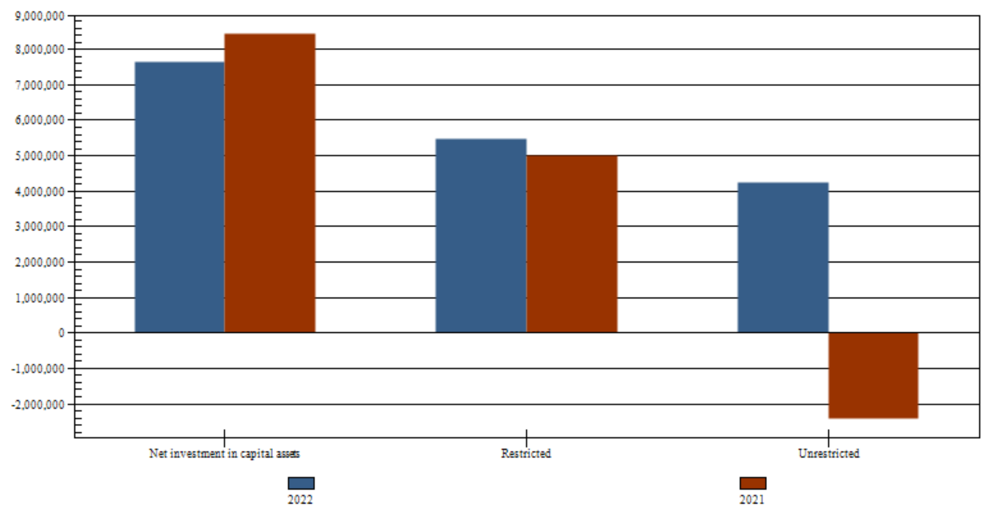
GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

The largest portion of the County's net position reflects its investment in capital assets (e.g., land, buildings, improvements, machinery, equipment, and construction in progress), less any related outstanding debt that was used to acquire those assets. The County uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related 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.

An additional portion of the County's net position represents resources that are subject to external restrictions on how they may be used. These resources are restricted for the following purposes: information systems, judicial activities, law enforcement activities, jail facilities and operations, public health services, waste tire program, fair and racing program, airport improvements, roads and schools, flood control, environmental programs, and election.

At the end of the current fiscal year the County reported positive balances in two categories of net position. Unrestricted net position, which is normally used to meet the County's mission reported a net position of $4.2 million.

Net Position - Comparison
June 30, 2022 and 2021



During the current fiscal year, net position increased $6.3 million from a beginning balance of $11.0 million to an ending balance of $17.4 million.

The County's financial position is the product of several financial transactions including the net result of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation/amortization of capital assets. The following are significant transactions that have had an impact on the Statement of Net Position for the fiscal year ended June 30, 2022:

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

The principal retirement of $327,202 of financed purchases.
The decrease of $6.2 million of pension/OPEB liabilities.

Changes in net position - The County's total revenues for the fiscal year ended June 30, 2022 were $27.7 million. The total cost of all programs and services was $21.4 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2022 and 2021.

Statement of Activities - Governmental Activities

	Year Ended June 30, 2022	2021
Revenues:		
Program revenues:		
Charges for services	$ 906,610	$ 850,950
Operating grants and contributions	7,644,968	6,700,874
General revenues:		
Property taxes	4,824,986	4,581,867
County sales taxes for general purposes	1,790,853	1,421,085
Other taxes		14,400
Share of state sales taxes	9,083,161	7,598,695
Share of state vehicle license tax	387,266	454,345
Grants and contributions not restricted to specific programs	2,868,324	2,830,247
Other	241,242	357,589
Total revenues	27,747,410	24,810,052
Expenses:		
General government	8,196,464	7,405,803
Public safety	6,773,916	5,983,066
Highways and streets	2,029,428	2,334,184
Sanitation	577,312	537,191
Health and welfare	2,531,035	2,254,199
Culture and recreation	447,986	367,367
Education	759,027	624,891
Economic development	66,062	142,271
Interest on long-term debt	48,593	43,956
Total expenses	21,429,823	19,692,928
Change in net position	6,317,587	5,117,124
Net position, beginning	11,040,195	5,923,070
Net position, ending	$ 17,357,782	$ 11,040,194

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

The following are significant transactions that have had an impact on the change in net position during the fiscal year ended June 30, 2022.

Operating grants and contributions increased $944,094 primarily due to American Rescue Plan Act grant and National Forest Fee funding increase in current fiscal year.

Property taxes increased by $243,119 due to increase in the overall property tax levy.

County sales taxes for general purposes increased by $369,768 due to increased mining operations in the County.

State shared sales tax increased by $1,484,466 due to improvement in economy.

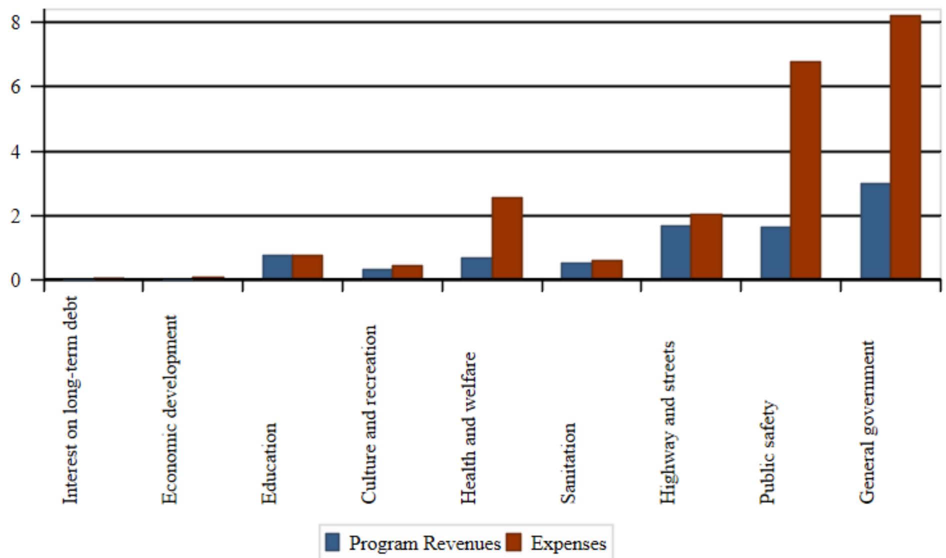
General government expenses increased $0.8 million primarily due to increases in county's community college reimbursements.

The following table presents the cost of the County's major functional activities. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid and contributions provided for specific programs). The net cost shows the financial burden that was placed on the state and County's taxpayers by each of these functions.

	2022		2021	
Governmental Activities	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
General government	$ 8,196,464	$ (5,226,317)	$ 7,405,803	$ (4,828,987)
Public safety	6,773,916	(5,149,647)	5,983,066	(4,486,899)
Highway and streets	2,029,428	(356,036)	2,334,184	(861,669)
Sanitation	577,312	(46,919)	537,191	17,553
Health and welfare	2,531,035	(1,844,089)	2,254,199	(1,542,260)
Culture and recreation	447,986	(135,645)	367,367	(207,245)
Education	759,027	(4,937)	624,891	(45,370)
Economic development	66,062	(66,062)	142,271	(142,271)
Interest on long-term debt	48,593	(48,593)	43,956	(43,956)
Total	$ 21,429,823	$ (12,878,245)	$ 19,692,928	$ (12,141,104)

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Expenses and Program Revenues - by category
Year ended June 30, 2022
(in millions)



The cost of all governmental activities this year was $21.4 million.

Federal and state governments and charges for services subsidized certain programs with grants and contributions and other local revenues of $8.6 million.

Net cost of governmental activities of $12.9 million was financed by general revenues, which are made up primarily of taxes of $6.6 million, shared state tax revenues of $9.5 million, and grants and contributions not restricted to specific programs of $2.9 million.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

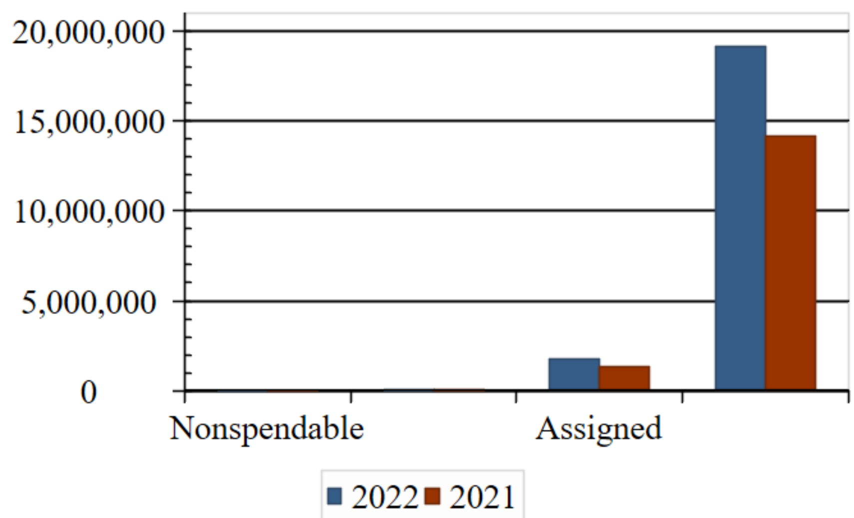
As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds - The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the County's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the County itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the County's Board.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS - Continued

At June 30, 2022, the County's governmental funds reported a combined fund balance of $26.3 million, an increase of $5,756,786 in comparison with the prior year. Approximately 73 percent of this amount ($19.1 million) constitutes *unassigned fund balance*, which is available for spending at the County's discretion. The remainder of the fund balance is either restricted or assigned to indicate that it is (1) restricted for particular purposes ($5,468,045) or (2) assigned for particular purposes ($1,746,719).

Components of Fund Balance - General Fund
June 30, 2022 and 2021

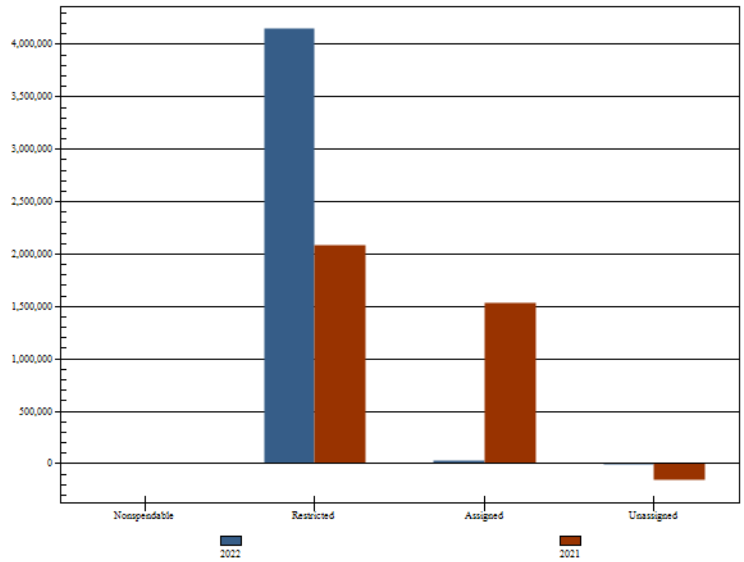


The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was $19.1 million, while total fund balance increased to $20.9 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 132 percent of total General Fund expenditures, while total fund balance represents approximately 144 percent of that same amount.

The fund balance of the County's General Fund increased $5,382,289 during the current fiscal year. The increase was due to the significant increase in sales tax revenue due to the economy and federal assistance received during the pandemic.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS - Continued

Components of Fund Balance - Other Governmental Funds
June 30, 2022 and 2021



The Health Services Fund, a major fund, had a decrease in fund balance during the current year of $(5,257) to bring the year end fund balance to $838,799. The amount of the maintenance of effort for the year ended June 30, 2022 was $356,000.

GENERAL FUND BUDGETARY HIGHLIGHTS

The significant difference between estimated revenues and expenditures and actual revenues and expenditures for the General Fund were as follows:

- Intergovernmental revenues were $4,750,404 more than budgeted, due to primarily from State Shared Transaction Privilege Tax.
- Sales tax revenues exceeded estimates by $314,572 due to the increase in increased mining operations.

Public safety – probation expenditures and public safety – sheriff expenditures were less than the budgeted, $278,209 and $259,082, due to staffing vacancies.

General Service expenditures were $401,818 less than what was budgeted. The budgeted merit increases were not needed. The professional services budget line items were used in a conservative approach for the fiscal year.

Ground and maintenance expenditures were $236,519 less than the budgeted amount with a conservative approach, staffing vacancies, and lower costs than anticipated for the year.

Information system expenditures were $502,924 less than the budgeted amount with a conservative approach, staffing vacancies, hardware/software, and costs being less than expected for the year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets - The County's investment in capital assets as of June 30, 2022 totaled $8.4 million (net of accumulated depreciation/amortization). This investment includes land, infrastructure, buildings, improvements, machinery, equipment, and construction in progress. The total decrease in capital assets for the current fiscal year was approximately 9.23 percent.

The following schedule presents a summary of capital asset balances (net of accumulated depreciation/amortization) as of June 30, 2022 and 2021.

	2022	2021
Land	$ 283,992	$ 283,992
Land improvements	679,663	804,109
Infrastructure	1,256,334	1,295,476
Buildings and improvements	3,597,410	3,779,144
Machinery and equipment	2,467,245	3,057,391
Construction in progress	84,721	-
Total capital assets, net	$ 8,369,365	$ 9,220,112

Major capital asset events during the current fiscal year included vehicles for the Public Works department, improvements to county parks as listed in the Capital Improvement Plan and as specifically approved by the Board, and the installation of new security camera and lights for the County Jail.

Additional information on the County's capital assets can be found in Note 5 in the notes to the financial statements.

Long-term debt - At the end of the current fiscal year, the County had $0.7 million in financed purchases and other long-term liabilities, with $245,025 due within one year. This represents the principal payments totaling $85,444.

Additional information on the County's long-term debt and other long-term liabilities can be found in Note 7 in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The County lobbied for the Community College Tuition Reimbursement formula to be revised.

The fiscal year 2023 budget was adopted at a 1.37% increase in the general fund, and the overall budget increased 8.99%. The increase in the general fund budget is due primarily to salary increases for all employees. The real wage increase is in between 10% at the lower end of the scale and 3.5% at the higher end of the scale, and additional market leveling wage adjustments for Law Enforcement, Detention and Control Room Operators. The budget also includes additional money to pay down or pay off the PSPRS UAAL balance. This budget accounts for a $1.1M reduction in Out of County Tuition liability. The County has taken a very conservative approach to revenue projections after reviewing the current inflation levels and possible recession pressures in our future. Previous years one-time monies will serve the County well for fiscal year 2023. The County will continue with a conservative approach to spending in the current economy during our fiscal year 2023.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Greenlee County Government, Board of Supervisor's Office, 253 Fifth Street, Clifton, Arizona 85533.

(This page left intentionally blank)

BASIC FINANCIAL STATEMENTS

(This page left intentionally blank)

Greenlee County, Arizona

STATEMENT OF NET POSITION

June 30, 2022

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 26,161,709
Property taxes receivable	11,337
Accounts receivable	42,656
Due from governmental entities	1,217,801
Other assets	198,714
Net pension and other postemployment benefits asset	793,918
Capital assets, not being depreciated/amortized	368,713
Capital assets, being depreciated/amortized, net	8,000,652
Total assets	36,795,500
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions and other postemployment benefits	4,473,387
LIABILITIES	
Accounts payable	324,823
Accrued payroll and employee benefits	434,944
Unearned revenues	562,507
Noncurrent liabilities	
Due within 1 year	666,614
Due in more than 1 year	17,427,755
Total liabilities	19,416,643
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions and other postemployment benefits	4,494,462
NET POSITION	
Net investment in capital assets	7,661,417
Restricted for:	
Information systems	285,254
Judicial activities	1,035,630
Law enforcement activities	410,251
Jail facilities and operations	380,014
Public health services	1,124,433
Waste tire program	124,552
Fair and racing program	169,884
Airport improvements	1,184
Roads and schools	1,447,384
Flood control	482,717
Environmental programs	373
Election	6,322
Unrestricted (deficit)	4,228,367
Total net position	$ 17,357,782

See accompanying notes to financial statements.

Greenlee County, Arizona

STATEMENT OF ACTIVITIES

Year ended June 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities:					
General government	$ 8,196,464	$ 192,550	$ 2,777,597		$ (5,226,317)
Public safety	6,773,916	111,394	1,512,875		(5,149,647)
Highways and streets	2,029,428		1,673,392		(356,036)
Sanitation	577,312	530,393			(46,919)
Health and welfare	2,531,035	13,141	673,805		(1,844,089)
Culture and recreation	447,986	59,132	253,209		(135,645)
Education	759,027		754,090		(4,937)
Economic development	66,062				(66,062)
Interest on long-term debt	48,593				(48,593)
Total governmental activities	$ 21,429,823	$ 906,610	$ 7,644,968		(12,878,245)

General revenues:	
Taxes:	
Property taxes, levied for general purposes	3,517,533
Property taxes, levied for public health services	1,189,671
Property taxes, levied for flood control	117,782
County sales taxes for general purposes	1,790,853
Other taxes	
State shared sales tax	9,083,161
State shared vehicle license tax	387,266
Grants and contributions not restricted to specific programs	2,868,324
Investment earnings	6,270
Miscellaneous	234,972
Total general revenues	19,195,832
Change in net position	6,317,587
Net position, July 1, 2021	11,040,195
Net position, June 30, 2022	$ 17,357,782

See accompanying notes to financial statements.

Greenlee County, Arizona

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2022

	General Fund	Health Services Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 20,162,677	$ 868,401	$ 5,130,631	$ 26,161,709
Property taxes receivable	7,109	2,417	1,811	11,337
Accounts receivable	42,656			42,656
Due from governmental entities	786,326	37,790	393,685	1,217,801
Due from other funds	76,065		11,591	87,656
Other assets	198,714			198,714
Total assets	$ 21,273,547	$ 908,608	$ 5,537,718	$ 27,719,873
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 96,588	$ 18,117	$ 210,118	$ 324,823
Accrued payroll and employee benefits	276,432	50,156	108,356	434,944
Unearned revenue			562,507	562,507
Due to other funds	11,834		75,822	87,656
Total liabilities	384,854	68,273	956,803	1,409,930
Deferred inflows of resources:				
Unavailable revenues - property taxes	4,518	1,536	1,204	7,258
Unavailable revenues - intergovernmental			36,204	36,204
Total deferred inflows of resources	4,518	1,536	37,408	43,462
Fund balances (deficit):				
Restricted	17,357	838,799	4,611,889	5,468,045
Assigned	1,745,348		1,371	1,746,719
Unassigned	19,121,470		(69,753)	19,051,717
Total fund balances (deficits)	20,884,175	838,799	4,543,507	26,266,481
Total liabilities, deferred inflows of resources, and fund balances	$ 21,273,547	$ 908,608	$ 5,537,718	$ 27,719,873

See accompanying notes to financial statements.

Greenlee County, Arizona

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

June 30, 2022

Fund balances - total governmental funds		$ 26,266,481
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.		
Governmental capital assets	$ 34,788,237	
Less accumulated depreciation/amortization	(26,418,872)	8,369,365
Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future reporting periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	4,473,387	
Deferred inflows of resources related to pensions	(4,494,462)	(21,075)
Some receivables are not available to pay for current-period expenditures and, therefore, are unavailable in the funds		43,462
Some liabilities, including capital leases, compensated absences, and net pension liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Financed purchase agreements	(707,948)	
Compensated absences payable	(415,050)	
Landfill closure and postclosure care costs payable	(1,725,841)	
Net pension and OPEB assets	793,918	
Net pension and OPEB liability	(15,245,530)	(17,300,451)
Net position of governmental activities		$ 17,357,782

See accompanying notes to financial statements.

Greenlee County, Arizona
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year ended June 30, 2022

	General Fund	Health Services Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	$ 3,517,533	$ 1,189,671	$ 117,782	$ 4,824,986
Taxes	1,790,853			1,790,853
Licenses and permits	2,558			2,558
Intergovernmental	12,387,536	673,805	5,178,155	18,239,496
Charges for services	636,680	10,864	121,717	769,261
Fines and forfeits	86,993		1,523	88,516
Investment earnings	4,898	209	1,163	6,270
Contributions	1,809,452			1,809,452
Miscellaneous	34,224	12,410	188,338	234,972
Total revenues	20,270,727	1,886,959	5,608,678	27,766,364
EXPENDITURES				
Current:				
General government	8,049,238		995,803	9,045,041
Public safety	4,614,770	139,584	1,814,342	6,568,696
Highways and streets	2,392		1,733,620	1,736,012
Sanitation	386,141			386,141
Health and welfare	206,596	2,108,632	168,822	2,484,050
Culture and recreation	145,683		291,728	437,411
Education	301,051		457,976	759,027
Economic development	63,661		2,401	66,062
Capital outlay	362,879		30,222	393,101
Debt service:				
Principal retirement	327,202			327,202
Interest and fiscal charges	48,593			48,593
Total expenditures	14,508,206	2,248,216	5,494,914	22,251,336
Excess (deficiency) of revenues over (under) expenditures	5,762,521	(361,257)	113,764	5,515,028
OTHER FINANCING SOURCES (USES)				
Financed purchase agreements	241,758			241,758
Transfers in		356,000	265,990	621,990
Transfers out	(621,990)			(621,990)
Total other financing sources (uses)	(380,232)	356,000	265,990	241,758
Net change in fund balances	5,382,289	(5,257)	379,754	5,756,786
Fund balances (deficit), beginning of year	15,501,886	844,056	4,163,753	20,509,695
Fund balances (deficit), end of year	$ 20,884,175	$ 838,799	$ 4,543,507	$ 26,266,481

See accompanying notes to financial statements.

Greenlee 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, 2022

Net change in fund balances - total governmental funds		$ 5,756,786
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.		
Capital outlay	$ 393,101	
Depreciation expense	(1,243,848)	(850,747)
Collections of revenues in the governmental funds exceeded revenues reported in the Statement of Activities		38,733
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 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 pension/OPEB, is reported in the Statement of Activities.		
Pension/OPEB expense	(974,811)	
Pension/OPEB contributions	2,428,425	1,453,614
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal of long-term debt consumes the current financial resources of governmental funds. However, these payments reduce long-term liabilities in the Statement of Net Position. This amount is the effect of the difference in the treatment of repayments of long-term debt and related items.		
Principal repaid	327,202	
Financed purchases	(241,758)	85,444
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 and liabilities are reported regardless of when the financial resources are available.		
Decrease in compensated absences	325	
Increase in landfill closure and postclosure care costs	(166,568)	(166,243)
Change in net position of governmental activities		$ 6,317,587

See accompanying notes to financial statements.

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2022

		Custodial funds	
	Private-purpose trust funds	External investment pool	Other
ASSETS			
Cash and cash equivalents	$ 21,717	$ 9,730,344	$ 118,062
Taxes receivable for other governments			57,203
Total assets	21,717	9,730,344	175,265
LIABILITIES			
NET POSITION			
Restricted for:			
Pool participants		9,730,344	
Individuals, organizations, and other governments	21,717		175,265
Total net position	$ 21,717	$ 9,730,344	$ 175,265

See accompanying notes to financial statements.

Greenlee County, Arizona

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year ended June 30, 2022

		Custodial funds	
	Private-purpose trust funds	External investment pool	Other
ADDITIONS:			
Contribution from other governments		$ 31,451,416	
Property tax collections for other governments			$ 13,066,614
Collections for individuals	$ 10,269		
Interest and dividends			2,339
Inmate collections			5,371
Other			2,013
Total additions	10,269	31,451,416	13,076,337
DEDUCTIONS:			
Distributions to pool participants		29,007,752	2,339
Beneficiary payments to individuals	1,997		
Property tax distributions to other governments			13,045,247
Payments to inmates			288
Other	1,683		60,582
Total deductions	3,680	29,007,752	13,108,456
Net increase (decrease) in fiduciary net position	6,589	2,443,664	(32,119)
Net position, beginning of year	15,128	7,286,680	207,384
Net position, end of year	$ 21,717	$ 9,730,344	$ 175,265

See accompanying notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

For the year ended June 30, 2022, the County implemented the provisions of GASB Statement No. 87, *Leases*, as amended, which establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The implementation of GASB 87 did not have a material impact on the County's 2022 financial statements.

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 are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County. 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	For Separate Financial Statements
Greenlee County Flood Control District	A tax-levying district that provides flood control systems; the County’s Board of Supervisors serves as the board of directors, and County management has operational responsibility for the district.	Blended	Not available

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Component Unit	Description; Criteria for Inclusion	Reporting Method	For Separate Financial Statements
Greenlee County Public Health Services District	A tax-levying district that provides public health services; the County's Board of Supervisors serves as the board of directors, and County management has operational responsibility for the district.	Blended	Not available
Greenlee County Municipal Property Corporation (MPC)	A nonprofit corporation that assists in the acquisition of tangible real and personal property; the County's Board of Supervisors appoints all members of the governing board, is able to impose its will on the MPC, the MPC exists only to serve the County, and County management has operational responsibility for the MPC.	Blended	Not available

B. Basis of Presentation

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

Government-Wide Statements - Provide information about the primary government (the County) and its component units. The statements include a statement of net position and a statement of activities. These statements report the overall government's financial activities, except for fiduciary activities. Governmental activities generally are financed through taxes and intergovernmental revenues.

A statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental 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 grants and contributions.
- Capital grants and contributions.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenues that are not classified as program revenues, including internally dedicated resources and all taxes the County levies and imposes, 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 and fiduciary fund categories. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds. Fiduciary funds are aggregated and reported by fund type.

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 *Health Services Fund* accounts for the activity of the Greenlee County Public Health Services District, including the receipt and expenditure of property taxes, public health grants, environmental safety programs, home health programs, inmate health care, animal control, and ambulance services.

The County also reports the following fund types:

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

C. Basis of Accounting

The government-wide 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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

D. Cash and Investments

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

All investments are stated at fair value.

E. 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

F. Capital Assets

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

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

	Capitalization Threshold	Depreciation/ Amortization Method	Estimated Useful Life
Land	$5,000		
Land improvements	$5,000	Straight Line	10-40 years
Infrastructure	$5,000	Straight Line	50 years
Buildings and improvements	$5,000	Straight Line	3-50 years
Machinery and equipment (including intangibles)	$5,000	Straight Line	3-20 years

G. Deferred Outflows and Inflows of Resources

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

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 plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

NOTE 1 - 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 sub-classifications.

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

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

Assigned fund balances are resources constrained by the County’s intent to be used for specific purposes, but are neither restricted nor committed. The Board of Supervisors reserves the authority to make these assignments of resources based on its adopted policy.

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

When an expenditure is incurred that can be paid from either restricted or unrestricted fund balances, it is the County’s policy to use restricted fund balance first. For the disbursement of unrestricted fund balances, it is the County’s policy to use committed amounts first, followed by assigned amounts, and, lastly, unassigned amounts.

J. Investment Earnings

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

K. Compensated Absences

Compensated absences payable consists of vacation leave and accrued compensatory time earned by employees based on services already rendered.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Employees may accumulate compensatory time up to 240 hours for Sheriff deputies and jailors and up to 120 hours for other employees and is payable at termination. An eligible employee who had 120 hours, 240 hours for Sheriff deputies and jailors, of compensatory time accrued is not eligible to accrue any additional compensatory time and is to be paid for future authorized overtime worked. If compensatory time is accrued, it cannot be converted back to pay except as provided in the termination policy or with the approval of the Board of Supervisors.

Accordingly, vacation benefits and compensatory time are accrued as a liability in the government-wide financial statements. A liability for these amounts is reported in the governmental funds' financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal year end.

Employees may accumulate up to 1,920 hours of sick leave depending on years of service, but any sick leave hours in excess of the maximum amount that are unused at calendar year-end are forfeited. Generally, sick leave benefits provide for ordinary sick pay and are cumulative but are forfeited upon termination of employment. Because sick leave benefits do not vest with employees, a liability for sick leave benefits is not accrued in the financial statements.

L. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

M. Leases

As lessee, the County recognizes lease liabilities with an initial, individual value of $10,000 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 borrowing rates at the time of implementation and agreed by the County Treasurer's office.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Deficit Fund Balances - At June 30, 2022, the following non-major funds reported deficits in fund balance:

Fund	Deficit
Non-Major Governmental Funds:	
State Crime Victim Comp Fund	2,961
State Library Grant Fund	9,651
Drug gang & violent crime	5,867
Health-COVID- ELC Enhancement	36,204
Probation - State aid enhancement	8,797
Probation - Juvenile standard probation	2,176

NOTE 3 - CASH AND CASH EQUIVALENTS

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, or instrumentalities; specified state and local government bonds, notes and other evidences of indebtedness; interest-earning investments such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; specified commercial paper issued by corporations organized and doing business in the United States; specified bonds, debentures, notes and other evidences of indebtedness that are denominated in United States dollars and certain open-ended and close-ended 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.

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 the 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 investor's service and Standard and Poor's rating service. If only one of the above-mentioned services rates the security, it must carry the highest rating of that service.

Custodial Credit Risk - Statutes require collateral for deposits at 102 percent of all deposits not covered by federal depository insurance.

Concentration of Credit Risk - Statutes do not include any requirements for concentration of credit risk.

NOTE 3 - CASH AND CASH EQUIVALENTS - Continued

Interest Rate Risk - Statutes require that public monies invested in securities and deposits have a maximum maturity of five 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, 2022, the carrying amount of the County's deposits was $36,022,332 and the bank balance was $36,781,406.

Statutes require a pooled collateral program for public deposits and a Statewide Collateral Pool Administrator (Administrator) in the State Treasurer's office. The purpose of the pooled collateral program is to ensure that governmental entities' public deposits placed in participating depositories are secured with collateral of 102 percent of the public deposits, less any applicable deposit insurance. An eligible depository may not retain or accept any public deposit unless it has deposited the required collateral with a qualified escrow agent or the Administrator. The Administrator manages the pooled collateral program, including reporting on each depository's compliance with the program.

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

Cash and Deposits	
Cash on hand	$ 9,500
Amount of deposits	36,022,332
Total	$36,031,832
Statements of Net Position	
Governmental activities	$26,161,709
Private-purpose trust fund	21,717
External investment pool	9,730,344
Other custodial funds	118,062
Total	$36,031,832

NOTE 4 - RECEIVABLES

Amounts due from governmental entities at June 30, 2022, as reported in the Statement of Net Position, include $128,645 in Highway User Revenues, $15,181 in state shared auto lieu taxes, $265,557 in County sales tax, $471,908 in state shared sales tax, and $336,510 in grants and assistance.

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

Governmental activities:	July 1, 2021	Increases	Decreases	June 30, 2022
Capital assets not being depreciated/amortized:				
Land	$ 283,992			$ 283,992
Construction in progress		$ 84,721	$	84,721
Total capital assets not being depreciated/amortized	283,992	84,721		368,713
Capital assets being depreciated/amortized:				
Land improvements	5,757,305			5,757,305
Infrastructure	1,486,387			1,486,387
Buildings and improvements	11,977,400			11,977,400
Machinery and equipment	14,890,052	308,380		15,198,432
Total	34,111,144	308,380		34,419,524
Less accumulated depreciation/amortization for:				
Land improvements	(4,953,196)	(124,446)		(5,077,642)
Infrastructure	(190,911)	(39,142)		(230,053)
Buildings and improvements	(8,198,256)	(181,734)		(8,379,990)
Machinery and equipment	(11,832,661)	(898,526)		(12,731,187)
Total	(25,175,024)	(1,243,848)		(26,418,872)
Total capital assets being depreciated/amortized, net	8,936,120	(935,468)		8,000,652
Governmental activities capital assets, net	$ 9,220,112	$ (850,747)	$	$ 8,369,365

Depreciation/Amortization expense was charged to functions as follows:

Governmental activities:	
General government	$ 358,260
Public safety	207,920
Highways and streets	620,618
Health and welfare	46,475
Culture and recreation	10,575
Total	$ 1,243,848

NOTE 6 - LINE OF CREDIT

The County maintains a revolving line of credit with Zions First National Bank, dba National Bank of Arizona to cover cash flow needs in a fiduciary capacity for school districts that are political subdivisions of the county. This line of credit has a $3,500,000 limit with interest payable at the same time as principal, which is contingent on the County's receipt of "nonrestricted operating revenues" as defined by A.R.S. §11-604.01(7). The credit line is secured by "nonrestricted operating revenues" received by the County Treasurer. Any unpaid principal and interest became due on the maturity date of June 30, 2022. The interest rate is at a rate per annum equal to sixty five percent of the bank's prime rate provided that in no event shall the interest rate exceed ten percent per annum. The schedule presented below is a summation of the activity related to the line of credit during the fiscal year ended June 30, 2022:

	Beginning Balance	Drawdowns	Principal Payments	Ending Balance	Interest Payments
Line of credit	$ -	$3,694,504	$3,694,504	$ -	$ 6,813
Total	$ -	$3,694,504	$3,694,504	$ -	$ 6,813

NOTE 7 - LONG-TERM LIABILITIES

The following schedule details the County's long-term liability and obligation activity for the fiscal year ended June 30, 2022:

	Balance at July 1, 2021	Additions	Reductions	Balance at June 30, 2022	Due Within One Year
Governmental activities:					
Financed purchases	$ 793,392	$ 241,758	$ 327,202	$ 707,948	$ 245,025
Compensated absences payable	415,375	389,059	389,384	415,050	415,050
Landfill closure and postclosure care costs payable	1,559,273	166,568		1,725,841	6,539
Net pension and other postemployment benefits liability	21,477,864		6,232,334	15,245,530	
Total	$24,245,904	$ 797,385	$6,948,920	$ 18,094,369	$ 666,614

NOTE 7 - LONG-TERM LIABILITIES - Continued

Financed Purchases - The County has acquired machinery and equipment under the contract agreements classified as financed purchases for accounting purposes.

The following schedule details debt service requirements to maturity for the County's financed purchases at June 30, 2022:

Year ending June 30:	Principal	Interest
2023	$ 245,025	$ 24,479
2024	179,638	15,369
2025	124,491	8,446
2026	40,425	4,425
2027	18,705	3,628
Thereafter	99,664	3,892
Total	$ 707,948	$ 60,239

Landfill Closure and Postclosure Care Costs - State and federal laws and regulations require the County to place a final cover on its three landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. Although closure and postclosure care costs will not be paid until near or after the date that the landfills stop accepting waste, the County reports a portion of these closure and postclosure care costs in the government-wide financial statements in each period that the County operates the landfill. These costs will be paid from the Landfill Fund.

The amount recognized each year is based on landfill capacity used at the end of each fiscal year. The $1,725,841 reported as landfill closure and postclosure care liability at June 30, 2022, represents the cumulative amount reported to date based on the use of 91% of the estimated capacity of the landfills less expenditures already paid as follows:

Landfill	Estimated Capacity Used to Date
Blue	100%
Loma Linda	94%
Loma Linda Construction and Demolition	86%

The County will recognize the remaining estimated cost of closure and post closure care of $171,573 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in fiscal year 2022. The County expects to close the Loma Linda Landfill in or after the year 2025 and expects to close the Loma Linda Construction and Demolition Landfill in or after the year 2025. The actual costs may differ due to landfill expansions, inflation, changes in technology, or changes in regulations. The estimated remaining service life for each is 6 years. The Blue Landfill was closed in March 2006.

NOTE 7 - LONG-TERM LIABILITIES - Continued

According to state and federal laws and regulations, the County must comply with the local government financial test requirements that ensure the County can meet the costs of landfill closure, postclosure, and corrective action when needed. The County is in compliance with these requirements.

Compensated Absences **-** Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs. During fiscal year 2022, the County paid for compensated absences as follows: 66 percent from the general fund, 18 percent from a major fund, and 17 percent from other funds.

NOTE 8 - FUND BALANCE CLASSIFICATIONS OF THE GOVERNMENTAL FUNDS

The fund balance classifications of the governmental funds as of June 30, 2022, were as follows:

	General Fund	Health Services Fund	Non-Major Governmental Funds	Total
Fund balances (deficit):				
Restricted for:				
Information systems			$ 285,254	$ 285,254
Judicial activities			1,035,630	1,035,630
Law enforcement			410,251	410,251
Jail facilities and operations	$ 17,357		362,657	380,014
Waste tire program			124,552	124,552
Fair and racing program			169,884	169,884
Airport improvement			1,184	1,184
Public health services		$ 838,799	285,634	1,124,433
Roads and schools			1,447,431	1,447,431
Flood control			482,717	482,717
Environmental programs			373	373
Election			6,322	6,322
Total restricted	17,357	838,799	4,611,889	5,468,045
Assigned to:				
Information systems	35,183			35,183
Judicial activities	105,913			105,913
Law enforcement	16,156			16,156
Jail facilities and operations	691			691
Public health services	5,445		1,371	6,816
Landfill closure and development	1,502,509			1,502,509
Wellness program	79,451			79,451
Total assigned	1,745,348		1,371	1,746,719
Unassigned	19,121,470		(69,753)	19,051,717
Total fund balances (deficits)	$ 20,884,175	$ 838,799	$ 4,543,507	$ 26,266,481

NOTE 9 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the County joined and is covered by three public entity risk pools: the Arizona Counties Property and Casualty Pool, the Arizona Counties Workers' Compensation Pool, and the Arizona Local Government Employee Benefit Trust.

The Arizona Counties Property and Casualty Pool is a public entity risk pool currently composed of 13 member counties. The pool provides member counties catastrophic loss coverage for risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; cyber security; and natural disasters; and provides risk management services. Such coverage includes all defense costs as well as the amount of any judgment or settlement. The County is responsible for paying a premium, based on its exposure in relation to the exposure of the other participants, and a deductible of $5,000 per occurrence for property claims and $1,500 per occurrence for liability claims. The County is also responsible for any payments in excess of the maximum coverage of $300 million per occurrence for property claims and $15 million per occurrence for liability claims. However, lower limits apply to certain categories of losses. A county must participate in the pool at least three years after becoming a member; however, it may withdraw after the initial three-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 the law requires, and risk management services. The County is responsible for paying a premium, based on an experience-rating formula that allocates pool expenditures and liabilities among the members.

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

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

The County purchases commercial insurance for other miscellaneous risks of loss. Settled claims resulting from these risks have not exceeded this commercial insurance coverage in any of the past three fiscal years.

NOTE 10 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The County contributes to the plans described below. The plans are component units of the State of Arizona.

At June 30, 2022, 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	
Net pension and OPEB liability	$ 15,245,530
Net pension and OPEB asset	793,918
Deferred outflows of resources related to pensions and OPEB	4,473,387
Deferred inflows of resources related to pensions and OPEB	4,494,462
Pension and OPEB expense	975,684

The County's accrued payroll and employee benefits includes $82,069 of outstanding pension and OPEB contribution amounts payable to all plans for the year ended June 30, 2022.

The County reported $2,428,425 of pension and OPEB contributions as expenditures in the governmental funds related to all plans to which it contributes.

The ASRS pension, CORP-AOC pension, PSPRS - Sheriff pension and OPEB, and EORP pension and OPEB plans are described below. The PSPRS County Investigators pension and OPEB, ASRS OPEB, CORP-AOC OPEB, PSPDCRP, and EODCRS plans are not described due to their relative insignificance to the County's financial statements.

A. Arizona State Retirement System

Plan Description - The County's employees that are not covered by the other pension plans described after this section participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension 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 the ASRS website at www.azasrs.gov.

Benefits Provided - The ASRS provides retirement and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

NOTE 10 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS - Continued

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

*With actuarially reduced benefits.

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

Contributions - In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended, June 30, 2022, statutes required active ASRS members to contribute at the actuarially determined rate of 12.22 percent for retirement of the members' annual covered payroll, and statute required the County to contribute at the actuarially determined rate of 12.01 percent for retirement of the active members' annual covered payroll. The County's contributions to the pension plan for the year ended June 30, 2022, were $841,792.

During fiscal year 2022, the County paid for ASRS pension as follows: 63 percent from the General Fund, 30 percent from major funds, and 8 percent from other funds.

Liability - At June 30, 2022, the County reported the following assets and liabilities for its proportionate share of ASRS' net pension asset or liability.

ASRS	**Net pension liability**
Pension	6,812,860

The net pension liability was measured as of June 30, 2021. The total liability used to calculate the net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2020, to the measurement date of June 30, 2021. The total liabilities as of June 30, 2021, reflect changes in actuarial assumptions based on the results of an

NOTE 10 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS - Continued

actuarial experience study for the 5-year period ended June 30, 2020, including decreasing the discount rate from 7.5 percent to 7.0 percent and changing the projected salary increases from 2.7–7.2 percent to 2.9–8.4 percent.

The County's proportion of the net liability was based on the County's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2021. The County's proportion measured as of June 30, 2021 was 0.05181 percent, which was a decrease of 0.00333 percent from the prior year.

Expense - For the year ended June 30, 2022, the County recognized $249,384 in pension expense for ASRS.

Deferred Outflows/Inflows of Resources - For the year ended June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ASRS	Pension	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 106,987	$ 90,706
Changes of assumptions or other inputs	903,057	24,132
Net difference between projected and actual earnings on pension plan investments		2,262,138
Changes in proportion and differences between County contributions and proportionate share of contributions	39,953	341,701
County contributions subsequent to the measurement date	841,792	
Total	$ 1,891,789	$ 2,718,677

The amounts reported as deferred outflows of resources related to ASRS pensions resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as expenses as follows:

Year ending June 30,	Pension
2023	$ (159,853)
2024	(177,391)
2025	(523,424)
2026	(797,302)
2027	(5,612)
Thereafter	(5,098)

NOTE 10 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS - Continued

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

ASRS	
Actuarial valuation date	June 30, 2020
Actuarial roll forward date	June 30, 2021
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9-8.4% for pensions
Inflation	2.3%
Permanent benefit increase	Included for pensions
Mortality rates	2017 SRA Scale U-MP for pensions

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the five-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 pension 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.

NOTE 10 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS - Continued

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

ASRS Asset Class	Target Allocation	Long-Term expected Geometric Real Rate of Return
Equity	50%	4.90%
Fixed income - credit	20%	5.20%
Fixed income - interest rate sensitive	10%	0.70%
Real estate	20%	5.70%
Total	100%	

Discount Rate - At June 30, 2021, the discount rate used to measure the ASRS total pension liability was 7.0 percent, which was a decrease of 0.5 from the discount rate used as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the proportionate share of the net pension 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:

ASRS	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Pension liability	$ 10,718,058	$ 6,812,860	$ 3,558,672

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

NOTE 10 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS - Continued

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

Plan Descriptions **-** The County's 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.

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 a cost-sharing multiple-employer defined benefit pension plan (cost-sharing plan). 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. 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 publicly available financial reports that include 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 benefits terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average monthly compensation, and service credit as follows**:**

NOTE 10 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS - Continued

PSPRS	Initial membership date: Before January 1, 2012	On or after January 1, 2012 and before July 1, 2017
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 member's pension benefit	
Active Members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job	

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 years, age 52.5* 10 or more years, age 55
Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive months of last 10 years	
Benefit percent			
Normal Retirement	2.0% to 2.5% per year of credited service, not to exceed 80%	2.5% per year of credited service, not to exceed 80%	1.25% to 2.25% per year of credited service, not to exceed 80%
Accidental Disability Retirement	50% or normal retirement if more than 20 years of credited service	50% or normal retirement if more than 25 years of credited service	
Total and permanent disability retirement	50% or normal retirement if more than 25 years of credited service		
Ordinary Disability Retirement	2.5% per year of credited service		
Survivor Benefit:			
Retired Members	80% of retired member's pension benefit		
Active Members	40% of average monthly compensation or 100% of average monthly compensation if death was the result of injuries received on the job. If there is no surviving spouse or eligible children, the beneficiary is entitled to 2 times the member's contributions.		

*With actuarially reduced benefits.

NOTE 10 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS - Continued

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

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

Employees Covered by Benefit Terms - At June 30, 2022, the following employees were covered by the agent plans' benefit terms:

	PSPRS - Sheriff	
	Pension	OPEB
Inactive employees or beneficiaries currently receiving benefits	8	8
Inactive employees entitled to but not yet receiving benefits	5	0
Active employees	11	12
Total	24	20

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, 2022, are indicated below. Rates are a percentage of active members' annual covered payroll.

	Active member - pension	County - pension
PSPRS - Sheriff	7.65%	38.84%
CORP - AOC	8.41% or 10.18%	35.48 or 36.30%

For the agent plan, the contributions to the pension plans for the year ended June 30, 2022 were:

	Pension
PSPRS - Sheriff	$ 1,001,960
CORP - AOC	90,451

During the fiscal year 2022, the County paid for PSPRS and CORP pension and contributions as follows: 95 percent from the General Fund, and 5 percent from other non-major funds.

NOTE 10 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS - Continued

Liability - At June 30, 2022, Greenlee County, Arizona reported the following net pension assets and liabilities:

	Net pension liability	Net OPEB (asset) liability
PSPRS - Sheriff	$ 1,253,035	$ (233,851)
CORP - AOC	761,290	

The net assets and net liabilities were measured as of June 30, 2021, 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, 2021
Actuarial cost method	Entry age normal
Investment rate of return	7.3%
Wage inflation	3.5% for pensions/not applicable for OPEB
Price inflation	2.5% for pensions/not applicable for OPEB
Cost-of-living adjustment	1.75% for pensions/not applicable for OPEB
Mortality rates	PubS-2010 tables
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2017.

NOTE 10 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS - Continued

The long-term expected rate of return on PSPRS and CORP pension plan investments was determined to be 7.3 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 for all pension plans are summarized in the following table:

PSPRS and CORP Asset Class	Target Allocation	Long-term expected geometric real rate of return
U.S. public equity	24 %	4.08 %
International public equity	16 %	5.20 %
Global private equity	20 %	7.67 %
Other assets (capital appreciation)	7 %	5.43 %
Core bonds	2 %	0.42 %
Private credit	20 %	5.74 %
Diversifying strategies	10 %	3.99 %
Cash - Melon	1 %	(0.31)%
Total	100 %	

Discount Rates - At June 30, 2021, the discount rate used to measure the PSPRS and CORP total pension/OPEB liabilities was 7.3 percent. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

NOTE 10 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS - Continued

Changes in the Net Pension/OPEB Liability -

PSPRS - Sheriff:	Pension Increase (Decrease)			OPEB 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 Pension (Asset) Liability (a) – (b)
Balances at June 30, 2021	$ 8,485,609	$ 4,666,044	$ 3,819,565	$ 120,523	$ 291,002	$ (170,479)
Changes for the year:						
Service cost	165,271		165,271	3,785		3,785
Interest on the total liability	616,746		616,746	8,923		8,923
Changes of benefit terms						
Differences between expected and actual experience in the measurement of the liability	(166,643)		(166,643)	3,612		3,612
Changes of assumptions or other inputs						
Contributions—employer		1,804,464	(1,804,464)			
Contributions—employee		71,772	(71,772)			
Net investment income		1,335,140	(1,335,140)		80,021	(80,021)
Benefit payments, including refunds of employee contributions	(404,606)	(404,606)		(4,153)	(4,153)	
Administrative expense		(6,316)	6,316		(329)	329
Other changes		(23,156)	23,156			
Net changes	210,768	2,777,298	(2,566,530)	12,167	75,539	(63,372)
Balances at June 30, 2022	$ 8,696,377	$ 7,443,342	$ 1,253,035	$ 132,690	$ 366,541	$ (233,851)

The County's proportion of the CORP AOC net pension liability was based on the County's actual contributions to the plan relative to the participating counties' actual contributions for the year ended June 30, 2021. The County's proportion measured as of June 30, 2021, was 0.20508 percent, which was an increase of 0.01676 percent from its proportion measured as of June 30, 2020.

NOTE 10 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS - Continued

Sensitivity of the 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 7.3 percent, as well as what the County's net pension/OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.3 percent) or 1 percentage-point higher (8.3 percent) than the current rate:

	1% Decrease (6.3%)	Current Discount Rate (7.3%)	1% Increase (8.3%)
PSPRS - Sheriff:			
Net pension liability	$ 2,403,179	$ 1,253,035	$ 313,845
Net OPEB (asset)	(218,386)	(233,851)	(246,849)
CORP - AOC:			
County's proportionate share of net pension liability	1,030,177	761,290	541,018

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, 2022, the County recognized the following pension and OPEB expense:

	Pension expense	OPEB expense
PSPRS - Sheriff	$ 458,758	$ (18,250)
CORP - AOC (County's proportionate share)	43,712	

Deferred Outflows/Inflows of Resources - At June 30, 2022, Greenlee County, Arizona reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

PSPRS - Sheriff	Pension	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 690,605	$ 351,586
Changes of assumptions or other inputs	85,225	-
Net difference between projected and actual earnings on plan investments		548,022
County contributions subsequent to the measurement date	1,001,960	-
Total	$ 1,777,790	$ 899,608

NOTE 10 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS - Continued

PSPRS - Sheriff	Health Insurance Premium Benefit	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 12,178	$ 23,698
Changes of assumptions or other inputs	628	1,599
Net difference between projected and actual earnings on plan investments		34,253
Total	$ 12,806	$ 59,550

CORP - AOC	Pension	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 72,659	$ 27,817
Changes of assumptions or other inputs	15,782	125,598
Net difference between projected and actual earnings on pension plan investments	117,888	138,721
Changes in proportion and differences between County contributions and proportionate share of contributions	0	4,512
County contributions subsequent to the measurement date	90,451	
Total	$ 296,780	$ 296,648

The amounts reported as deferred outflows of resources related to pension 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized as expenses as follows:

Year ending June 30,	PSPRS - Sheriff Pension	PSPRS - Sheriff Health	CORP - AOC Pension
2023	$ 124,550	$ (8,144)	$ (54,209)
2024	(45,882)	(8,378)	(14,391)
2025	19,090	(13,485)	10,511
2026	(221,536)	(16,825)	(31,768)
2027		88	(462)
Thereafter			

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

NOTE 10 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS - Continued

and a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan for elected officials and judges who were members of the plan on December 31, 2013. The EORP pension and OPEB plans were closed to new members as of January 1, 2014. The PSPRS Board of Trustees governs the EORP according to the provisions of A.R.S. Title 38, Chapter 5, Article 3. The PSPRS issues a publicly available financial report that includes financial statements and required supplementary information for the EORP plans. The report is available on PSPRS's website at www.psprs.com.

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

EORP	Initial membership date: Before January 1, 2012	On or after January 1, 2012
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 10 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	75% with 10 or more years of service
	40% with 5 to 10 years of service	37.5% with 5 to 10 years of service
	20% with less than 5 years of service	18.75% with less than 5 years of service
Survivor Benefit:		
Retired Members	75% of retired member's benefit	50% of retired member's benefit
Active Members and Other Inactive Members	75% of disability retirement benefit	50% of disability retirement benefit

* With actuarially 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 effect on the plan.

NOTE 10 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS - Continued

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 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, 2022, 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 61.43 percent of all active EORP members' annual covered payroll. Also, statute required the County to contribute 49.21 percent to EORP of the annual covered payroll of elected officials and judges who were ASRS members and 55.43 percent to EORP of the annual covered payroll of elected officials and judges who were EODCRS members, in addition to the County's required contributions to ASRS and EODCRS for these elected officials and judges. The County's contributions to the pension and health insurance premium benefit plans for the year ended June 30, 2022, were $494,222 and $0, respectively. During fiscal year 2022, the County's general fund paid for EORP pension contributions.

Liability - At June 30, 2022, the County reported a liability for its proportionate share of the EORP's net pension liability that reflected a reduction for the County’s proportionate share of the State’s appropriation for EORP. The amount the County recognized as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the County were as follows:

County's proportionate share of the EORP net pension liability	$ 6,407,504
State's proportionate share of the EORP net pension liability associated with the County	644,058
Total	$ 7,051,562

The County also reported an asset of $300,809 for its proportionate share of EORP’s net OPEB asset.

The net asset and net liability were measured as of June 30, 2021, and the total liability used to calculate the net asset or net liability was determined by an actuarial valuation as of that date.

NOTE 10 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS - Continued

The County's proportion of 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, 2021. 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 employer's present value of benefits for the year ended June 30, 2021. The County's proportion measured as of June 30, 2021 , and the change from its proportions measured as of June 30, 2020 were:

	Proportion June 30, 2021	Increase (decrease) from June 30, 2020
Pension	1.05 %	(0.01) %
Health insurance premium benefit	1.89 %	0.10 %

Expense - For the year ended June 30, 2022, the Country recognized the pension and OPEB expense for EORP of $444,103 and $(45,281), respectively, and revenue of $(151,987) for the County's proportionate share of the State's appropriation to EORP and the designated court fees.

Deferred Outflows/Inflows of Resources - At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

EORP	Pension	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 85,270
Changes of assumptions or other inputs	-	326,453
Changes in proportion and differences between County contributions and proportionate share of contributions	-	23,953
County contributions subsequent to the measurement date	494,222	-
Total	$ 494,222	$ 435,676

EORP-Health Insurance Premium Benefit	Health Insurance Premium Benefit	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 25,533
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on plan investments	-	47,026
Changes in proportion and differences between County contributions and proportionate share of contributions	-	11,744
Total	$ -	$ 84,303

The amounts reported as deferred outflows of resources related to EORP pensions and OPEB resulting from county contributions subsequent to the measurement date will be recognized as an increase of the net asset or reduction of the net pension liability in the year ending June 30, 2023.

NOTE 10 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS - Continued

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to EORP pensions and OPEB will be recognized as expenses as follows:

Year ending June 30,	Pension	Health
2023	$ (176,247)	$ (32,394)
2024	(67,979)	(24,173)
2025	(80,289)	(11,595)
2026	(111,161)	(16,141)

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

EORP	
Actuarial valuation date	June 30, 2021
Actuarial cost method	Entry age normal
Investment rate of return	7.3%
Wage inflation	3.75% for pensions/not applicable for OPEB
Price inflation	2.5% for pensions/not applicable for OPEB
Cost-of-living adjustment	1.75% for pensions/not applicable for OPEB
Mortality rates	PubG-2010 tables
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2017.

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

EORP Asset Class	Target Allocation	Long-term expected geometric real rate of return
U.S. public equity	24 %	4.08 %
International public equity	16 %	5.20 %
Global private equity	20 %	7.67 %
Other assets (capital appreciation)	7 %	5.43 %
Core bonds	2 %	0.42 %
Private credit	20 %	5.74 %
Diversifying strategies	10 %	3.99 %
Cash - Mellon	1 %	(0.31) %
Total	100 %	

NOTE 10 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS - Continued

Discount Rate - At June 30, 2021, the discount rate used to measure the EORP total pension and total OPEB liability was 7.3 percent. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rate, employer contributions will be made at the actuarially determined rates, and state contributions will be made as currently required by statute. Based on those assumptions, the plan's 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 rates of 7.3 percent noted above, as well as what the County's proportionate share of the net pension/OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.3 percent) or 1 percentage point higher (8.3 percent) than the current rate:

EORP	1% Decrease (6.3%)	Current Discount Rate (7.3%)	1% Increase (8.3%)
County's proportionate share of the net pension liability	$7,362,722	$6,407,504	$5,587,704
County's proportionate share of the net OPEB (asset)	$(282,310)	$(300,809)	$(316,954)

Plan fiduciary net position - Detailed information about the plan's fiduciary net position is available in the separately issued EORP financial report.

NOTE 11 - INTERFUND BALANCES AND ACTIVITY

Interfund transfers - Interfund transfers for the year ended June 30, 2022 were as follows:

Transfers to	General Fund
Health Services Fund	$ 356,000
Non-Major Governmental Funds	265,990
Total	$ 621,990

The majority of interfund transfers result from interfund billing for services, products, or shared expenses. The General Fund also makes transfers to other funds to provide support for such items as matching funds for grants or to make up the shortfall of grant-funded programs that the County deems important.

NOTE 12 - COUNTY TREASURER'S INVESTMENT POOL

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

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

The Treasurer allocates interest earnings to each of the pool's participants.

The deposits held by the County are included in the County Treasurer's investment pool, except for $138,138 of deposits. Therefore, the deposit risks of the Treasurer's investment pool are substantially the same as the County's deposit risks. See Note 3 for disclosure of the County's deposit risks.

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

Statement of Fiduciary Net Position	
Assets	$ 35,884,194
Liabilities	-
Net Position	$ 35,884,194
Net position held for:	
Internal participants	$ 26,153,850
External participants	9,730,344
Total net position	$ 35,884,194
Statement of Changes in Fiduciary Net Position	
Total additions	$ 66,728,162
Total deductions	(58,145,681)
Net increase	8,582,481
Net position:	
July 1, 2021	27,301,713
June 30, 2022	$ 35,884,194

OTHER REQUIRED SUPPLEMENTARY INFORMATION

(This page left intentionally blank)

Greenlee County, Arizona

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Year ended June 30, 2022

	Original and Final Budget Amounts	Non-GAAP Actual Amounts	Variance Positive (Negative)
Revenues:			
Property taxes	$ 3,512,443	$ 3,517,533	$ 5,090
Taxes	1,476,281	1,790,853	314,572
License and permits	47,738	2,558	(45,180)
Intergovernmental revenue	7,637,132	12,387,536	4,750,404
Charges for services	95,900	106,287	10,387
Fines and forfeits	73,000	86,993	13,993
Investment earnings	5,000	4,898	(102)
Contributions	1,800,000	1,809,452	9,452
Miscellaneous	110,000	34,224	(75,776)
Total revenues	14,757,494	19,740,334	4,982,840
Expenditures			
General government			
Board of supervisors	540,053	446,458	93,595
Airport	17,000	3,764	13,236
Assessor	479,601	424,100	55,501
Attorney	660,728	611,829	48,899
Constable no. 1	39,503	37,767	1,736
Constable no. 2	50,795	46,355	4,440
Contingency	300,000	95,949	204,051
County administration	600,784	552,915	47,869
Elections	148,059	130,732	17,327
Fleet	426,264	432,298	(6,034)
Information systems	1,220,462	717,538	502,924
General services	2,529,090	2,127,272	401,818
Ground and maintenance	795,700	559,181	236,519
Justice of the peace no. 1	261,956	230,148	31,808
Justice of the peace no. 2	252,182	237,488	14,694
Planning and zoning	158,413	59,915	98,498
Public fiduciary	76,100	72,344	3,756
Recorder	273,731	269,465	4,266
Superior court	970,447	824,132	146,315
Treasurer	297,915	280,306	17,609
Voter registration	21,500	14,395	7,105
Total general government	10,120,283	8,174,351	1,945,932

See the accompanying notes to this schedule.

Greenlee County, Arizona

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Year ended June 30, 2022

	Original and Final Budget Amounts	Non-GAAP Actual Amounts	Variance Positive (Negative)
(continued)			
Public safety			
Emergency services	193,175	198,323	(5,148)
Probation	279,000	791	278,209
Sheriff	4,711,084	4,452,002	259,082
Total public safety	5,183,259	4,651,116	532,143
Health and welfare - AHCCCS/ALTCS payments	209,200	206,596	2,604
Culture and recreation			
County library	88,954	65,638	23,316
Parks and recreation	100,709	84,524	16,185
Total culture and recreation	189,663	150,162	39,501
Education			
School superintendent	282,637	271,051	11,586
U of A extension service	30,000	30,000	
Total education	312,637	301,051	11,586
Economic development	100,000	63,657	36,343
Capital outlay	1,438,400		1,438,400
Total expenditures	17,553,442	13,546,933	4,006,509
Excess (deficiency) of revenues over (under) expenditures	(2,795,948)	6,193,401	8,989,349
OTHER FINANCING SOURCES (USES)			
Transfer in	75,000		(75,000)
Transfer out	(1,265,592)	(621,990)	643,602
Total other financing uses	(1,190,592)	(621,990)	568,602
Net changes in fund balance	(3,986,540)	5,571,411	9,557,951
Fund balance, July 1, 2021	17,161,128	17,161,128	
Fund balance, June 30, 2022	$ 13,174,588	$ 22,732,539	$ 9,557,951

See the accompanying notes to this schedule.

Greenlee County, Arizona

BUDGETARY COMPARISON SCHEDULE - HEALTH SERVICES FUND

Year ended June 30, 2022

	Original and Final Budget Amounts	Actual Amounts	Variance Positive (Negative)
Revenues:			
Property taxes	$ 1,194,221	$ 1,189,671	$ (4,550)
Intergovernmental revenue	958,038	673,805	(284,233)
Charges for services		10,864	10,864
Investment earnings		209	209
Rents		12,410	12,410
Total revenues	2,152,259	1,886,959	(265,300)
Expenditures			
Current:			
Public safety		139,584	(139,584)
Health and welfare	2,612,795	2,108,632	504,163
Total expenditures	2,612,795	2,248,216	364,579
Excess (deficiency) of revenues over (under) expenditures	(460,536)	(361,257)	99,279
Other financing sources (uses)			
Transfer in	356,000	356,000	
Total other financing sources (uses)	356,000	356,000	
Net changes in fund balance	(104,536)	(5,257)	99,279
Fund balance, July 1, 2021	844,056	844,056	
Fund balance, June 30, 2022	$ 739,520	$ 838,799	$ 99,279

See the accompanying notes to this schedule.

Greenlee County, Arizona

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION/OPEB LIABILITY COST-SHARING PLANS

June 30, 2022

ASRS - Pension

	Reporting Fiscal Year (Measurement Date)								
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2013
County's proportion of the net pension liability	0.05 %	0.05 %	0.05 %	0.05 %	0.05 %	0.05 %	0.05 %	0.05 %	Information
County's proportionate share of the net pension liability	$ 6,812,860	$ 9,553,843	$ 7,936,415	$ 8,294,942	$ 8,983,928	$ 9,127,738	$ 8,451,877	$ 7,421,858	not
County's covered payroll	$ 6,046,264	$ 6,019,727	$ 5,737,661	$ 6,307,981	$ 5,812,078	$ 5,311,705	$ 4,839,651	$ 4,521,505	available
County's proportionate share of the net pension liability as a percentage of its covered payroll	112.68 %	158.71 %	138.32 %	131.50 %	154.57 %	171.84 %	174.64 %	164.15 %	
Plan fiduciary net position as a percentage of the total pension liability	78.58 %	69.33 %	73.24 %	73.40 %	69.92 %	67.06 %	68.35 %	69.49 %	

CORP - AOC Pension

	Reporting Fiscal Year (Measurement Date)								
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2013
County's proportion of the net pension liability	0.21 %	0.19 %	0.15 %	0.23 %	0.29 %	0.26 %	0.26 %	0.29 %	Information
County's proportionate share of the net pension liability	$ 761,290	$ 899,520	$ 674,420	$ 852,612	$ 1,164,581	$ 728,597	$ 620,393	$ 650,481	not
County's covered payroll	$ 1,037,836	$ 571,084	$ 371,104	$ 279,932	$ 362,136	$ 291,346	$ 285,739	$ 311,381	available
County's proportionate share of the net pension liability as a percentage of its covered payroll	73.35 %	157.51 %	181.73 %	304.58 %	321.59 %	250.08 %	217.12 %	208.90 %	
Plan fiduciary net position as a percentage of the total pension liability	62.53 %	50.07 %	51.99 %	53.72 %	49.21 %	54.81 %	57.89 %	58.59 %	

See the accompanying notes to this schedule.

Greenlee County, Arizona

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION/OPEB LIABILITY COST-SHARING PLANS

June 30, 2022

EORP - Pension

	Reporting Fiscal Year (Measurement Date)								
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2013
County's proportion of the net pension liability	1.05 %	1.06 %	1.05 %	1.26 %	1.01 %	0.99 %	0.94 %	0.93 %	Information
County's proportionate share of the net pension liability	$ 6,407,504	$ 7,155,424	$ 7,026,319	$ 7,943,505	$ 2,199,806	$ 9,409,348	$ 7,311,329	$ 6,222,698	not
State's proportionate share of the net pension liability associated with the County	644,058	680,061	660,401	1,361,068	2,559,564	1,942,787	2,279,368	1,907,937	available
Total	$ 7,051,562	$ 7,835,485	$ 7,686,720	$ 9,304,573	$ 4,759,370	$ 1,352,135	$ 9,590,697	$ 8,130,635	
County's covered payroll	$ 979,097	$ 800,083	$ 880,090	$ 1,008,209	$ 799,934	$ 749,936	$ 758,591	$ 841,387	
County's proportionate share of the net pension liability as a percentage of its covered payroll	654.43 %	894.34 %	798.36 %	787.88 %	1,525.10 %	1,254.69 %	963.80 %	739.58 %	
Plan fiduciary net position as a percentage of the total pension liability	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)					
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 through 2013
County's proportion of the net OPEB (asset)	(1.89)%	(1.78)%	(1.64)%	(1.48)%	(1.46)%	Information
County's proportionate share of the net OPEB (asset)	$ (300,809)	$ (170,268)	$ (161,268)	$ (153,272)	$ (132,786)	not
County's covered payroll	$ 979,097	$ 800,083	$ 880,090	$ 1,008,209	$ 799,934	available
County's proportionate share of the net OPEB (asset) as a percentage of its covered payroll	(30.72)%	(21.28)%	(18.32)%	(15.20)%	(16.60)%	
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	(231.29)%	(169.80)%	(169.72)%	(177.16)%	(164.84)%	

See the accompanying notes to this schedule.

Greenlee County, Arizona

SCHEDULE OF COUNTY PENSION/OPEB CONTRIBUTIONS

June 30, 2022

ASRS - Pension	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily required contribution	$ 841,792	$ 727,970	$ 728,987	$ 677,044	$ 687,570	$ 626,542	$ 576,320	$ 527,038	$ 483,801	
Contribution in relation to the statutorily required contribution	841,792	727,970	728,987	677,044	687,570	626,542	576,320	527,038	483,801	Information not
Contribution deficiency (excess)	$	$	$	$	$	$	$	$	$	available
County’s covered payroll	$ 6,885,375	$ 6,046,264	$ 6,019,727	$ 5,737,661	$ 6,307,981	$ 5,812,078	$ 5,311,705	$ 4,839,651	$ 4,521,505	
Contributions as a percentage of covered payroll	12.23 %	12.04 %	12.11 %	11.80 %	10.90 %	10.78 %	10.85 %	10.89 %	10.70 %	

PSPRS - Pension	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially required contribution	$ 501,960	$ 1,825,666	$ 384,003	$ 412,129	$ 253,165	$ 253,830	$ 238,095	$ 165,012	$ 160,337	
Contribution in relation to the actuarially required contribution	1,001,960	325,666	384,003	412,129	125,659	253,830	238,095	165,012	160,337	Information not
Contribution deficiency (excess)	$ (500,000)	$ 1,500,000	$	$	$ 127,506	$	$	$	$	available
County’s covered payroll	$ 1,292,282	$ 1,037,836	$ 1,117,683	$ 1,072,318	$ 936,772	$ 1,054,988	$ 1,011,019	$ 940,239	$ 846,389	
Contributions as a percentage of covered payroll	77.53 %	31.38 %	34.36 %	38.43 %	13.41 %	24.06 %	23.55 %	17.55 %	18.94 %	

CORP - AOC - Pension	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily required contribution	$ 90,451	$ 83,808	$ 76,716	$ 64,349	$ 63,294	$ 72,717	$ 55,647	$ 42,518	$ 45,088	
Contribution in relation to the statutorily required contribution	90,451	83,808	76,716	64,349	63,294	72,717	55,647	42,518	45,088	Information not
Contribution deficiency (excess)	$	$	$	$	$	$	$	$	$	available
County’s covered payroll	$ 530,910	$ 532,718	$ 571,084	$ 371,104	$ 279,932	$ 362,136	$ 291,346	$ 285,739	$ 311,381	
Contributions as a percentage of covered payroll	17.04 %	15.73 %	13.43 %	17.34 %	22.61 %	20.08 %	19.10 %	14.88 %	14.48 %	

See the accompanying notes to this schedule.

Greenlee County, Arizona

SCHEDULE OF COUNTY PENSION/OPEB CONTRIBUTIONS

June 30, 2022

EORP - Pension	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily required contribution	$ 494,222	$ 470,261	$ 491,491	$ 362,621	$ 193,544	$ 181,863	$ 176,235	$ 178,269	$ 197,726	
Contribution in relation to the statutorily required contribution	494,222	470,261	491,491	362,621	25,997	181,863	176,235	178,269	197,726	Information not available
Contribution deficiency (excess)	$	$	$	$	$ 167,547	$	$	$	$	
County's covered payroll	$ 1,068,346	$ 979,097	$ 800,083	$ 880,090	$ 1,008,209	$ 799,934	$ 749,936	$ 758,591	$ 841,387	
Contributions as a percentage of covered payroll	46.26 %	48.03 %	61.43 %	41.20 %	2.58 %	22.73 %	23.50 %	23.50 %	23.50 %	

The County was not required and did not contribute to the EORP health insurance premium benefit plan for fiscal years 2022, 2021, 2020, 2019, 2018, or 2017. Information for fiscal years 2016 through 2013 is not available.

See the accompanying notes to this schedule.

Greenlee County, Arizona

SCHEDULE OF CHANGES IN THE COUNTY'S PENSION/OPEB LIABILITY AND RELATED RATIOS
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
June 30, 2022

PSPRS - Sheriff Pension

	Reporting Fiscal Year (Measurement Date)								
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2013
Total pension liability:									
Service cost	$ 165,271	$ 162,687	$ 181,679	$ 166,566	$ 160,116	$ 171,279	$ 170,932	$ 140,956	Information not available
Interest on the total pension liability	616,746	527,808	541,988	500,806	415,416	411,203	391,023	315,179	
Changes of benefit terms					68,497	77,036		100,080	
Differences between expected and actual experience in the measurement of the pension liability	(166,643)	925,885	(513,657)	147,053	685,944	(293,002)	(114,998)	16,756	
Changes of assumptions or other inputs			92,057		234,218	204,433		543,017	
Benefit payments, including refunds of employee contributions	(404,606)	(396,673)	(357,308)	(355,289)	(322,025)	(207,444)	(172,679)	(156,937)	
Net change in total pension liability	210,768	1,219,707	(55,241)	459,136	1,242,166	363,505	274,278	959,051	
Total pension liability—beginning	8,485,609	7,265,902	7,321,143	6,862,007	5,619,841	5,256,336	4,982,058	4,023,007	
Total pension liability—ending (a)	$ 8,696,377	$ 8,485,609	$ 7,265,902	$ 7,321,143	$ 6,862,007	$ 5,619,841	$ 5,256,336	$ 4,982,058	
Plan fiduciary net position:									
Contributions—employer	$ 1,804,464	$ 336,687	$ 395,675	$ 238,915	$ 198,711	$ 234,075	$ 165,012	$ 160,337	
Contributions—employee	71,772	75,402	78,797	76,777	91,411	116,399	103,877	94,828	
Net investment income	1,335,140	58,701	232,949	281,707	420,406	20,853	120,579	389,564	
Benefit payments, including refunds of employee contributions	(404,606)	(396,673)	(357,308)	(355,289)	(322,025)	(207,444)	(172,679)	(156,937)	
Hall/Parker settlement				(127,506)					
Administrative expense	(6,316)	(4,788)	(5,042)	(4,988)	(4,120)	(3,401)	(3,316)	(3,137)	
Other changes	(23,156)	-	(9,931)	55	200,342	(40,326)	(2,680)	-	
Net change in plan fiduciary net position	2,777,298	69,329	335,140	109,671	584,725	120,156	210,793	484,655	
Plan fiduciary net position—beginning	4,666,044	4,596,714	4,261,613	4,151,942	3,567,217	3,447,061	3,236,268	2,751,613	
Adjustment to beginning of year	-	1	(39)	-	-	-	-	-	
Plan fiduciary net position—ending (b)	$ 7,443,342	$ 4,666,044	$ 4,596,714	$ 4,261,613	$ 4,151,942	$ 3,567,217	$ 3,447,061	$ 3,236,268	
County's net pension liability - ending (a) – (b)	$ 1,253,035	$ 3,819,565	$ 2,669,188	$ 3,059,530	$ 2,710,065	$ 2,052,624	$ 1,809,275	$ 1,745,790	
Plan fiduciary net position as a percentage of the total pension liability	85.59 %	54.99 %	63.26 %	58.21 %	60.51 %	63.48 %	65.58 %	64.96 %	
Covered payroll	$ 1,037,836	$ 1,117,683	$ 1,072,318	$ 936,772	$ 1,054,988	$ 1,011,019	$ 940,239	$ 846,389	
County's net pension liability as a percentage of covered payroll	120.74 %	341.74 %	248.92 %	326.60 %	256.88 %	203.03 %	192.43 %	206.26 %	

See the accompanying notes to this schedule.

SCHEDULE OF CHANGES IN THE COUNTY'S PENSION/OPEB LIABILITY AND RELATED RATIOS
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
June 30, 2022

PSPRS - Sheriff OPEB

	Reporting Fiscal Year (Measurement Date)					
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 through 2013
Total OPEB liability:						
Service cost	$ 3,785	$ 3,645	$ 3,288	$ 3,461	$ 3,079	Information
Interest on the total OPEB liability	8,923	8,697	10,633	8,125	7,763	not
Changes of benefit terms					(3)	available
Differences between expected and actual experience in the measurement of the OPEB liability	3,612	(3,600)	(36,971)	24,965	2,578	
Changes of assumptions or other inputs			1,098		(4,774)	
Benefit payments, including refunds of employee contributions	(4,153)	(4,210)	(4,911)	(3,522)	(1,581)	
Net change in total OPEB liability	12,167	4,532	(26,863)	33,029	7,062	
Total OPEB liability—beginning	120,523	115,991	142,854	109,825	102,763	
Total OPEB liability—ending (a)	$ 132,690	$ 120,523	$ 115,991	$ 142,854	$ 109,825	
Plan fiduciary net position:						
Contributions—employer	$ -	$ -	$ -	$ (39)	$ -	
Contributions—employee	-	-	-	-	-	
Net investment income	80,021	3,677	15,129	18,582	28,277	
Benefit payments, including refunds of employee contributions	(4,153)	(4,210)	(4,911)	(3,522)	(1,581)	
Administrative expense	(329)	(299)	(261)	(283)	(250)	
Other changes	-	-	-	(1)	-	
Net change in plan fiduciary net position	75,539	(832)	9,957	14,737	26,446	
Plan fiduciary net position—beginning	291,002	291,834	281,838	267,101	240,655	
Adjustment to beginning of year	-	-	39	-	-	
Plan fiduciary net position—ending (b)	$ 366,541	$ 291,002	$ 291,834	$ 281,838	$ 267,101	
County’s net OPEB (asset) liability - ending (a) – (b)	$ (233,851)	$ (170,479)	$ (175,843)	$ (138,984)	$ (157,276)	
Plan fiduciary net position as a percentage of the total OPEB (asset) liability	276.24 %	241.45 %	251.60 %	197.29 %	243.21 %	
Covered payroll	$1,037,836	$1,117,683	$1,072,318	$ 936,772	$1,054,988	
County’s net OPEB (asset) liability as a percentage of covered payroll	(22.53)%	(15.25)%	(16.40)%	(14.84)%	(14.91)%	

See the accompanying notes to this schedule.

NOTE 1 - BUDGETING AND BUDGETARY CONTROL

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

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

NOTE 2 - BUDGETARY BASIS OF ACCOUNTING

The following schedule reconciles the statement of revenues, expenditures, and changes in the fund balances to the budgetary comparison schedule:

General Fund

	Total Revenues	Total Expenditures	Total Other Financing Sources (Uses)	Fund Balances, July 1, 2021,	Fund Balances, June 30, 2022
Statement of Revenues, Expenditures, and Changes in Fund Balances	$ 20,270,727	$ 14,508,206	$ (380,232)	$ 15,501,886	$ 20,884,175
Present value of net minimum capital lease payments	-	(241,758)	(241,758)	-	-
Activity budgeted as special revenue funds	(530,393)	(719,515)	-	1,659,242	1,848,364
Budgetary comparison schedule	$ 19,740,334	$ 13,546,933	$ (621,990)	$ 17,161,128	$ 22,732,539

NOTE 3 - EXPENDITURES IN EXCESS OF APPROPRIATIONS

For the year ended June 30, 2022, expenditures exceeded the budget amounts at department level (the legal level of budgetary control) as follows:

Fund/Department	Excess
General Fund:	
Fleet	6,034
Emergency services	5,148
County library	27,447

The excesses were primarily the result of unexpected expenditures or expenditures made as a result of unanticipated revenues, or both. When departments exceed their annual budget, the County Finance Department closely monitors departmental spending and discusses the overage with the departments to improve the accuracy of the budget and improve budget control. Material unbudgeted expenditures will be referred to the Board of Supervisors for approval of a budget transfer from contingency or other appropriate funds.

NOTE 4 - 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 requirement are as follows:

Actuarial cost method	Entry age normal
Amortization method	Level percent of pay, closed
Remaining amortization period as of the 2020 actuarial valuation	18 years
Asset valuation method	7-year smoothed market value; 80%/120% corridor
Actuarial assumptions:	
Investment rate of return	In the 2019 actuarial valuation, the investment rate of return was decreased from 7.4% to 7.3%. In the 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. In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%–8.5% to 4.0%–8.0% for PSPRS. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%–9.0% to 4.5%–8.5% for PSPRS.
Wage growth	In the 2017 actuarial valuation, wage growth was decreased from 4% to 3.5% for PSPRS. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0% for PSPRS. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS.
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 to RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females)

NOTE 5 - FACTORS THAT AFFECT TRENDS

Arizona courts have ruled that provision of a 2011 law that changes the mechanism for funding permanent pension benefit increases and increased employee pension contributions 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-AOC and EORP changed benefits terms to reflect the prior mechanism for funding permanent benefit increases for those members and revise actuarial assumptions to explicitly value future permanent benefit increases. PSPRS and EORP also reduced those members' employee contribution rates. These charges 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 increased the PSPRS- 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- and CORP-AOC-required contributions beginning in fiscal year 2019 for members who retired or will retire after 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.

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

(This page left intentionally blank)