

# **CITY OF BULLHEAD CITY, ARIZONA**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**



**CITY OF BULLHEAD CITY, ARIZONA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**



Prepared by the Finance Department  
Rudy Vera, Finance Director



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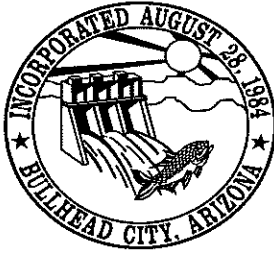
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# Introductory Section

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# CITY OF BULLHEAD CITY

## FINANCE DEPARTMENT

2355 Trane Road

Bullhead City, AZ 86442

(928) 763-9400 TDD (928) 763-9400

December 9, 2019

TO: The Honorable Mayor, Members of the City Council,  
and Citizens of the City of Bullhead City, Arizona

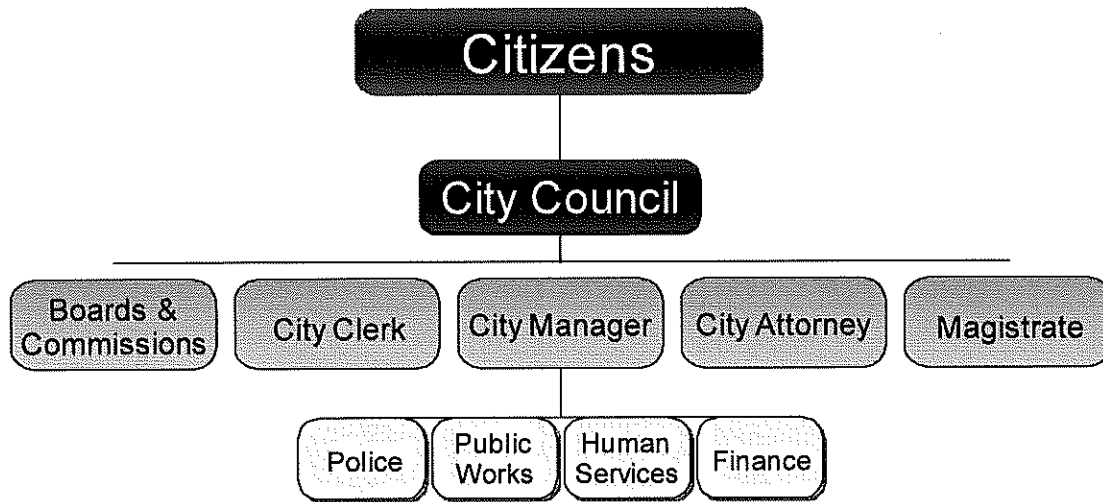
The Comprehensive Annual Financial Report (CAFR) of the City of Bullhead City, Arizona (the City) for the fiscal year ended June 30, 2019 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City.

Henry & Horne, LLP, has audited the City of Bullhead City financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Bullhead City for the fiscal year ended June 30, 2019 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial presentation. The independent auditors' report is presented as the first component of the financial section of this report.

The City is required to undergo an annual single audit in conformity with the provisions requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to this single audit, including the schedule of expenditure of federal awards, findings and recommendations, and the auditors' reports on the internal control over financial reporting and compliance with applicable laws and regulations are included in a separately issued report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Bullhead City's MD&A can be found immediately following the report of the independent auditors.

## CITY ORGANIZATIONAL CHART



The City provides a useful range of services, which includes general government; police protection; wastewater services; the construction and maintenance of highways, streets and infrastructure; recreational activities and cultural events. In addition to general government activities, the City Council is financially accountable for the Municipal Property Corporation and special assessment districts; therefore, these activities are included in the reporting entity.

### ECONOMIC CONDITION AND OUTLOOK

Bullhead City's economic activities are mainly related to tourism and retail sales, although recent developments are helping to diversify the economy. The City as well as community groups have been working diligently to attract visitors from throughout the United States and beyond for events being held within the community.

The City hosts many sport tournaments and special events throughout the year. The City hosts an annual youth soccer tournament in February of each year. The tournament attracts upwards of 120 teams from California, Nevada, and Arizona. Softball leagues and tournaments are held throughout the year. The largest tournaments take place in March including the annual senior softball tournament that attracts 70 teams from throughout the United States. The City estimates more than \$30 million is spent locally because of sports tourism.

There are nine casinos in Laughlin, Nevada located just across the Colorado River from Bullhead City, employing approximately 9,000 people in full-time positions. Most casino employees reside in Bullhead City. The resorts and casinos have added income and an influx of jobs to the retail, service and tourism sectors of the economy from the estimated 2 million annual visitors. Tourism is a primary economic activity centered on the Laughlin resort/gaming industry, area water sports, golfing and fishing. Laughlin hotels have approximately 10,000 rooms with an average occupancy rate of 66%. Bullhead City hotels have approximately 900 rooms available for occupancy. In addition, there are approximately 2,250 full hook-up RV spots in the Bullhead City/Laughlin area, and hundreds of homes are also available for daily rental in the community.

## GENERAL INFORMATION - CITY OF BULLHEAD CITY

Bullhead City is located in west-central Mohave County on the east side of the Colorado River in the tri-state area of Arizona, California and Nevada. Among Arizona's fastest growing communities, it is the sister city to Laughlin, Nevada and just 90 minutes south of Las Vegas.

The early human settlement of the Bullhead City area began with the Mojave Indians and then transitioned to the American soldiers who inhabited Fort Mohave in the 1850-60's.

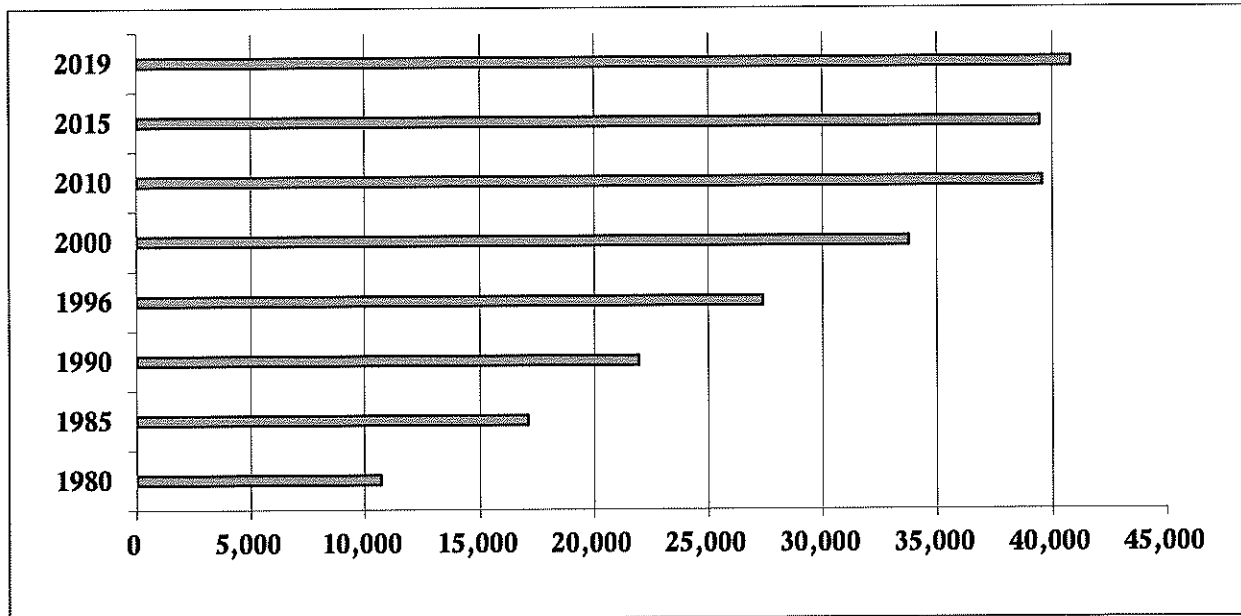
In 1945 Bullhead City was the headquarters for the construction of Davis Dam. The city name was derived from its proximity to Bullhead Rock, now largely concealed by Lake Mohave.

Bullhead City was incorporated in August 1984. Since then, it has operated under a Council/Manager form of government with a seven-member City Council.

The following graph illustrates the population growth from 1980 and projected until 2019.

**Population Growth**

1980	10,719
1985	17,091
1990	21,951
1996 DES Estimate	27,270
2000	33,769
2010	39,540
2015 Census Estimate	39,445
2019 Projection	40,804



The City will continue to work with its community partners on both sides of the Colorado River to bring visitors from all over the United States and beyond to Bullhead City for these events and more. The economic impact from these events and future events assist the entire region in building a positive future.

The City has made great progress in North Bullhead from Community Park north to the Laughlin Bridge. The City has invested \$1.5 million in infrastructure and the private sector has invested greatly into improving the area. The City is very excited about several new developments being planned for this area. The Human Bean recently opened on 1st Street and several other new businesses are actively looking at this area.

Plans have been submitted and approved for the following new businesses: Dutch Bros, Burger King, Dairy Queen, Jersey Mike's Subs, Southern Maid Donuts, River Rat Motorsports and Meoni's Italian Kitchen. These new businesses recently opened: Hobby Lobby, Sports Clips, Culvers, Smart & Final Extra, Ashley Homestore, Happy Subs, Bullhead Powersports along with a new engineering company, Engineering Alliance, Inc., and Mark Blomquist Architects. The Holiday Inn Express is also taking shape with the fourth floor currently under construction, and Starbucks is already looking at expansion.

More than 350 new homes have been built this year in Bullhead City, Laughlin and Fort Mohave. Many more are in the planning process. The City is seeing very strong numbers in Fox Creek, Laughlin Ranch and in the Hancock Road corridor. National homebuilder Wade Journey Homes has started building homes in Bullhead City. The total number of single family residential building permits for FY 19 increased by 44% or 64 permits compared to the prior year.

The City's sales tax revenues increased 5% over last year collections. Revenue from the contracting prime class has increased by 12%, and the restaurant and bar category has increased by 8% over the prior year collections.

The City plans to maintain all service levels during the upcoming year and will continue to monitor costs and programs. The City will also continue to take advantage of opportunities to enhance the local economy through economic development in partnership with the Bullhead Area Chamber of Commerce by attending retail conventions and continually working to attract new retail and distribution companies.

## FINANCIAL INFORMATION

*Management* of the City is responsible for establishing and maintaining an internal control structure to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. This concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefit likely to be derived; and 2) the valuation of cost and benefits requires estimates and judgments by management.

As a recipient of federal, state and county financial assistance, the City is responsible for ensuring that an adequate internal control structure is in place, which is in compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic

evaluation by management and the finance department staff of the City.

*Budgetary Controls.* In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds and Enterprise Funds are included in the annual appropriated budget. Project-length financial plans are adopted for the Capital Projects Funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department level in the General Fund and at the individual fund level for all other funds. The City also maintains an encumbrance accounting system as a technique of accomplishing budgetary control.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

## **CASH MANAGEMENT**

All cash not necessary to meet current obligations is invested in the Local Government Investment Pool (LGIP). The State of Arizona manages this pool. The City had \$14,786,173 invested at June 30, 2019. The average yield for fiscal year 2019 was 2.35%. The City continues to monitor the benefit of investing in long-term investments other than LGIP.

## **INDEPENDENT AUDIT**

State law requires an annual audit of the City's financial records and transactions supporting the financial statements. This requirement has been complied with and the auditors' opinion has been included in this report.

Henry & Horne, LLP, independent certified public accountants, have examined the accompanying financial statements. The firm is engaged by the City Council to render an opinion on the City's financial statements in accordance with auditing standards generally accepted in the United States of America.

The City Council is responsible for:

- Assuring that the City administration fulfills its responsibilities in the preparation of the financial statements; and,
- Engaging the independent public accountants with whom the City Council determines the scope of the audit.

Henry & Horne, LLP has full and free access to meet with the City Council to discuss the results of their examination, their assessment of the adequacy of internal accounting controls, and the quality of financial reporting.


## ACKNOWLEDGMENTS

The preparation of this report could not be accomplished without the dedicated efforts of the Finance Department staff.

We also express appreciation to the Mayor and City Council for their interest and support in planning and conducting the financial operations of the City in a fiscally responsible manner.

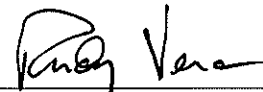
Respectfully submitted,

*City of Bullhead City, Arizona*



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Toby Cotter  
City Manager



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Rudy Vera  
Finance Director





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Bullhead City  
Arizona**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morrill*

Executive Director/CEO

# CITY OF BULLHEAD CITY, ARIZONA



## LIST OF PRINCIPAL OFFICIALS

### **City Council**

Tom Brady, Mayor

Mark R. Clark, Vice Mayor

Sheila Shutts, Council Member

Steve D'Amico, Council Member

Annette Wegmann, Council Member

Kathy Bruck, Council Member

Tami Ring, Council Member

### **City Manager**

Toby Cotter

### **Finance Director**

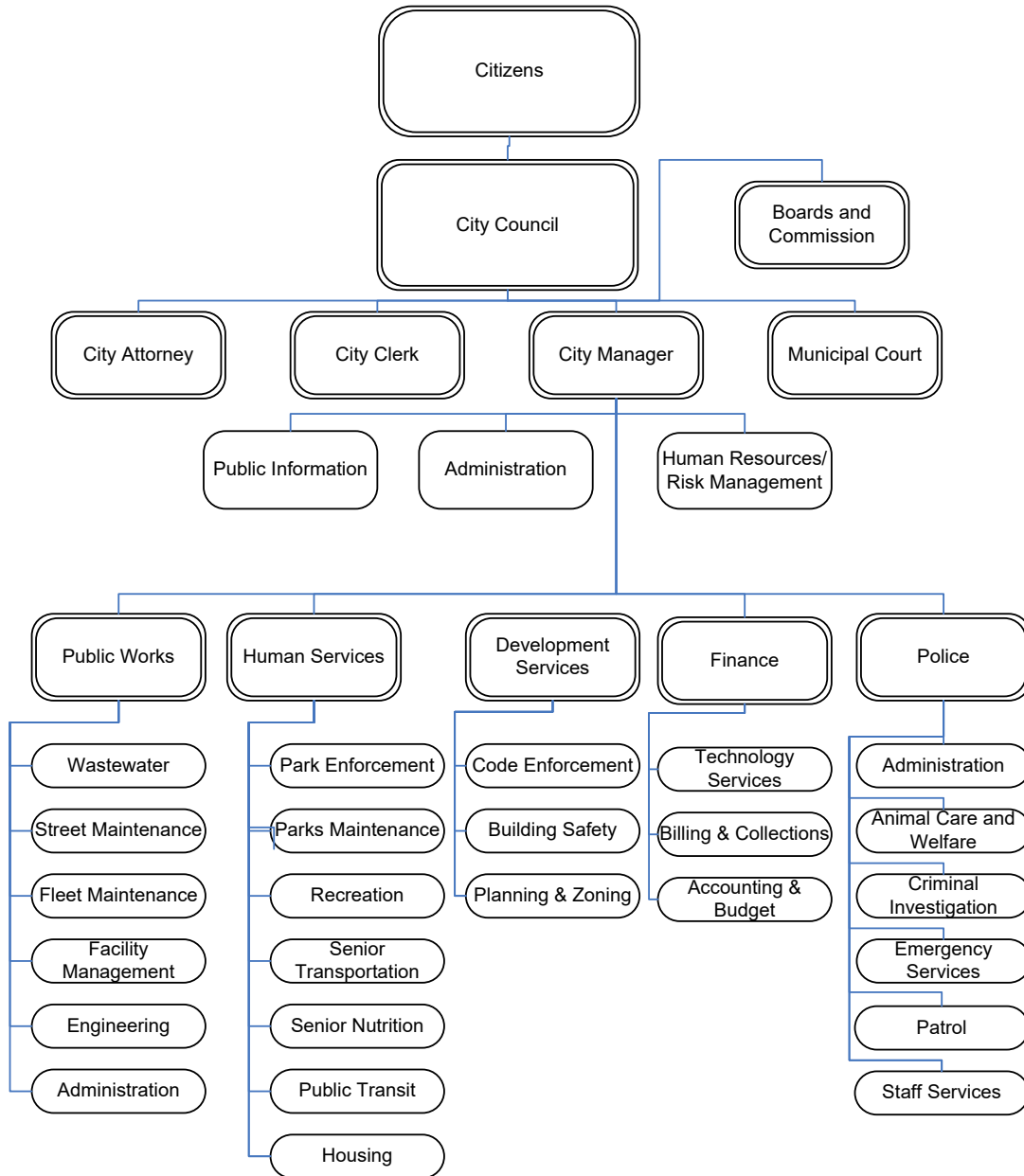
Rudy Vera



# INTRODUCTION

## ORGANIZATIONAL CHART

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# Financial Section

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## INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Council  
City of Bullhead City  
Bullhead City, Arizona

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Bullhead City, Arizona (the City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### **Auditors' Responsibility**

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bullhead City, Arizona, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bullhead City, Arizona's basic financial statements. The introductory section, the financial information listed as other supplementary information in the financial section, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The financial information listed as other supplementary information in the table of contents and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial information listed as other supplementary information in the table of contents and the schedule of expenditures of federal awards, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



*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 City of Bullhead City, Arizona failed to use highway user revenue fund monies received by the City pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2, and any other dedicated state transportation revenues received by the City of Bullhead City solely for the authorized transportation purposes, insofar as they relate to accounting matters. 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 City of Bullhead City's noncompliance with the use of highway user revenue fund monies and other dedicated state transportation revenues, insofar as they relate to accounting matters.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2019 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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 City of Bullhead City, Arizona's, internal control over financial reporting and compliance.

*Henry + Horne, LLP*

Tempe, Arizona  
December 9, 2019



# Financial Section

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## MANAGEMENT'S DISCUSSION & ANALYSIS (Required Supplementary Information)



**CITY OF BULLHEAD CITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended June 30, 2019**

Bullhead City's discussion and analysis offers readers of the City's financial statements a narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, and in the financial statements and notes to the financial statements (which immediately follow this discussion).

**FINANCIAL HIGHLIGHTS**

- Bullhead City total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources at the close of fiscal year 2019 by \$127,658,944 (net position). Of this amount, Net investment of capital assets was \$120,370,657; restricted net position was \$9,276,198 and -\$1,987,911 represents unrestricted net position.
- Bullhead City's total net position increased in fiscal year 2019 \$161,415 or .13%.
- At the end of fiscal year 2019, Bullhead City's governmental funds reported combined fund balances of \$20,635,798, an increase of \$3,859,273 in comparison to the prior fiscal year. Approximately 48% of this amount (\$9,856,336) is available for spending at the city's discretion (unassigned fund balance).
- At the end of fiscal year 2019, unassigned fund balance for the General Fund is \$11,647,135 or 45% of total general fund expenditures.
- Bullhead City's total outstanding long-term liabilities decreased by \$1,067,618 or 1.5% during fiscal year 2019.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of four parts – management's discussion and analysis (this portion); the basic financial statements; required supplementary information; and optional combining statements for non-major governmental funds, non-major enterprise fund, and internal service funds. The basic financial statements include two kinds of statements that present different views of the City:

- The government-wide financial statements provide both long-term and short-term information about the City's overall financial status.
- Fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
  - Governmental fund statements tell how general government services such as police and public works were financed in the short-term as well as what remains for future spending.
  - Proprietary fund statements offer short-term and long-term financial information about the activities the City operates like businesses, such as wastewater services.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

## **Government-wide Financial Statements**

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the City's assets and liabilities. All of the current year's revenues and expenses are reported in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the City's net assets and how they have changed during the fiscal year. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating.

The government-wide financial statements of the City are divided as follows:

- *Governmental activities* – Most of the City's basic services are included here such as police, public works, parks and recreation, and general administration. Taxes and intergovernmental revenues finance most of these activities.
- *Business-type activities* – Customer fees fund certain services provided by the City. The City currently has only one active utility service - wastewater services.

## **Fund Financial Statements**

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide more detailed information about the City's major funds, not the City as a whole.

The City has three types of funds:

- *Governmental funds* – Most of the City's basic services are included in governmental funds, which focus on (1) short-term inflows and outflows of spendable resources, and (2) the remaining year-end balances available for spending. Because this information does not encompass the additional long-term focus of the government-wide statements, reconciliation that explains the relationship (or difference) between governmental funds and governmental activities follow each of the governmental fund statements.
- *Proprietary funds* – Services for which the City charges customers a fee generally are reported in proprietary funds. Proprietary fund financial statements, like the government-wide statements, provide both short-term and long-term financial information.
  - Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements.
  - Internal service funds report activities that provide services for the City's other programs and activities, such as the City's fleet fund and risk management fund.

## FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

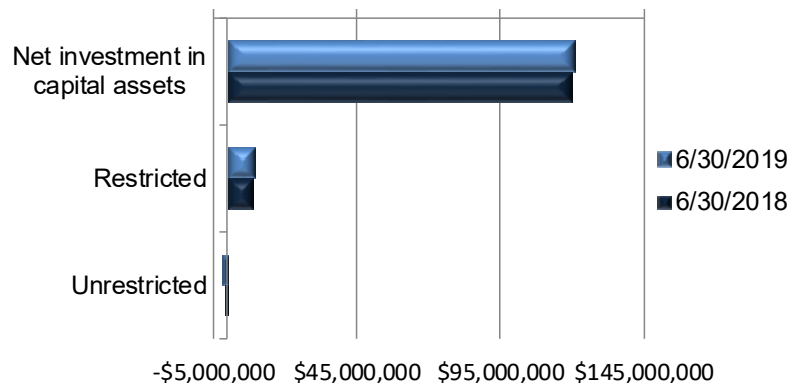
The government-wide financial statements provide short-term and long-term information about the City's overall financial condition. Net assets or net position over time serves as a useful indicator of financial position. Bullhead City assets and deferred outflows exceeded liabilities by \$127,658,944 at the close of fiscal year 2019.

Net position of the City represents the difference between the City's resources and its obligations. As of June 30, 2019, the largest portion of the City's total net position approximately 94% reflects the investment in capital assets, (e.g., land, buildings, machinery, equipment, vehicles and infrastructure) less related debt outstanding used to acquire capital assets. These capital assets are used by the City to provide services to its citizens. As such, these assets are not available for future spending.

Bullhead City's restricted net position \$9,276,196 represents amounts that are to be used in accordance with external restrictions. The remaining balance of -\$1,987,911 is unrestricted.

City of Bullhead City, Arizona Condensed Statement of Net Position						
	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/2019	6/30/2018	6/30/2019	6/30/2018	6/30/2019	6/30/2018
Current and other assets	36,133,383	\$ 34,780,876	5,346,049	\$ 3,232,050	\$ 41,479,432	\$ 38,012,926
Capital assets	49,225,923	49,735,385	106,675,609	110,421,261	\$ 155,901,532	\$ 160,156,646
Total assets	85,359,306	84,516,261	112,021,658	113,653,311	197,380,964	198,169,572
Total Deferred outflows of resources	5,031,556	6,711,946	415,467	474,819	5,447,023	7,186,765
Other liabilities	3,792,657	4,419,988	1,079,326	898,105	4,871,983	5,318,093
Long-term liabilities	53,066,519	52,192,105	16,786,202	18,728,435	69,852,721	70,920,540
Total liabilities	56,859,176	56,612,093	17,865,528	19,626,540	74,724,704	76,238,633
Total deferred inflows of resources	444,339	1,620,175	-	-	444,339	1,620,175
Net position:						
Net investment in capital assets	29,690,757	26,472,245	90,679,900	92,549,433	120,370,657	119,021,678
Restricted	7,026,623	6,994,573	2,249,575	2,210,463	9,276,198	9,205,036
Unrestricted	(3,630,033)	(470,879)	1,642,122	(258,306)	(1,987,911)	(729,185)
Total net position	\$ 33,087,347	\$ 32,995,939	\$ 94,571,597	\$ 94,501,590	\$ 127,658,944	\$ 127,497,529

### City of Bullhead City Net Position June 30, 2018 and 2019



The City's overall net position increased \$161,415 from the prior fiscal year. The following sections will discuss the reasons for the increase.

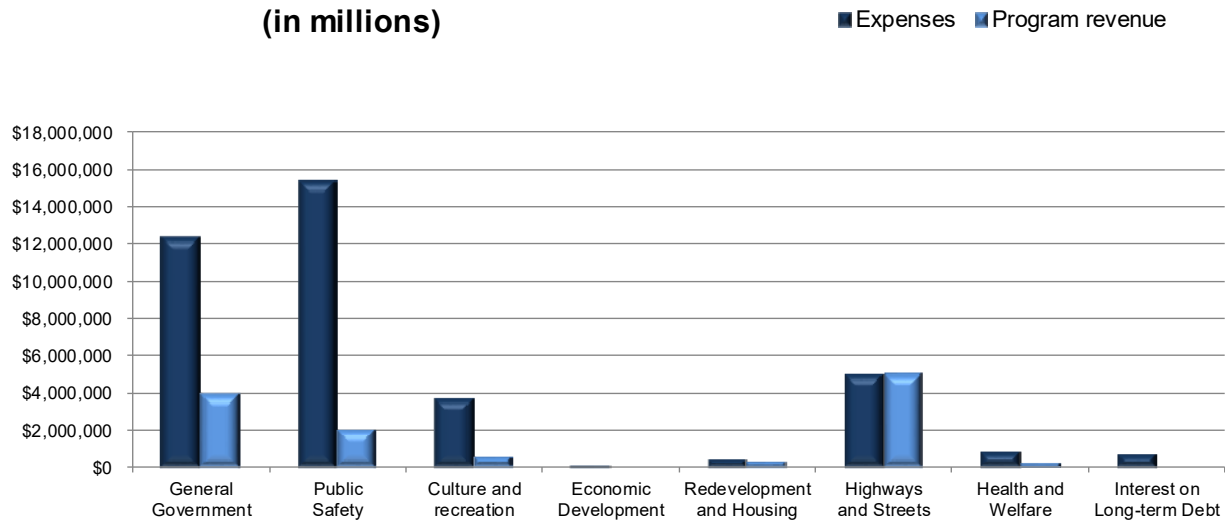
### **Governmental Activities**

Bullhead City's net position for governmental activities increased \$91,408 from the prior fiscal year to an ending balance of \$33,087,347.

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/2019	6/30/2018	6/30/2019	6/30/2018	6/30/2019	6/30/2018
Revenues:						
Program revenues:						
Charges for services	5,271,272	\$ 4,660,168	10,105,411	\$ 9,080,687	\$ 15,376,683	\$ 13,740,855
Operating grants and contributions	6,639,115	5,933,804	-	-	6,639,115	5,933,804
Capital grants and contributions	190,128	3,437,948	-	243,928	190,128	3,681,876
General revenues:						
City sales tax	14,334,405	13,578,753	-	-	14,334,405	13,578,753
State shared sales tax	4,050,177	3,841,727	-	-	4,050,177	3,841,727
Urban revenue sharing	4,874,512	4,950,665	-	-	4,874,512	4,950,665
Franchise tax	743,605	739,185	-	-	743,605	739,185
State shared vehicle license tax	2,672,200	2,530,005	-	-	2,672,200	2,530,005
Investment earnings	280,871	151,847	70,821	18,442	351,692	170,289
Gain (loss) on disposition of capital assets	-	-	-	-	-	-
Total revenues	<u>39,056,285</u>	<u>39,824,102</u>	<u>10,176,232</u>	<u>9,343,057</u>	<u>49,232,517</u>	<u>49,167,159</u>
Expenses:						
Government activities:						
General government	12,391,108	12,894,018	-	-	12,391,108	12,894,018
Public safety	15,405,139	14,400,367	-	-	15,405,139	14,400,367
Culture and recreation	3,712,566	3,836,922	-	-	3,712,566	3,836,922
Economic development	84,844	103,511	-	-	84,844	103,511
Redevelopment and housing	418,315	171,184	-	-	418,315	171,184
Highways and streets	5,006,194	4,509,681	-	-	5,006,194	4,509,681
Health and welfare	884,404	868,540	-	-	884,404	868,540
Interest on long-term debt	738,957	741,581	-	-	738,957	741,581
Business-type activities						
Water	-	-	514,757	65,579	514,757	65,579
Wastewater	-	-	9,914,818	10,791,632	9,914,818	10,791,632
Total expenses	<u>38,641,527</u>	<u>37,525,804</u>	<u>10,429,575</u>	<u>10,857,211</u>	<u>49,071,102</u>	<u>48,383,015</u>
Change in net position before transfers	414,758	2,298,298	(253,343)	(1,514,154)	161,415	784,144
Transfers in (out)	(323,350)	(133,000)	323,350	133,000	-	-
Change in net position	<u>91,408</u>	<u>2,165,298</u>	<u>70,007</u>	<u>(1,381,154)</u>	<u>161,415</u>	<u>784,144</u>
Net position - beginning	<u>32,995,939</u>	<u>30,830,641</u>	<u>94,501,590</u>	<u>95,882,744</u>	<u>127,497,529</u>	<u>126,713,385</u>
Net position - ending	<u>\$ 33,087,347</u>	<u>\$ 32,995,939</u>	<u>\$ 94,571,597</u>	<u>\$ 94,501,590</u>	<u>\$ 127,658,944</u>	<u>\$ 127,497,529</u>



## Expenses and Program Revenues Governmental Activities (in millions)



### Business-type Activities

Bullhead City’s business-type activities for fiscal year 2019 show that the overall net position increased to an ending balance of \$94,571,597. The total increase in net position for business-type activities was \$70,007 or 0.1% from the prior fiscal year.

Revenue from business-type activities totaled \$10,176,232 compared to \$9,343,057 in FY 2018. This is an increase of 8.9% or \$833,175 from the prior fiscal year. Wastewater customer accounts billed in June 2018 were 18,785 and in June 2019 there were 18,894 customer accounts billed.

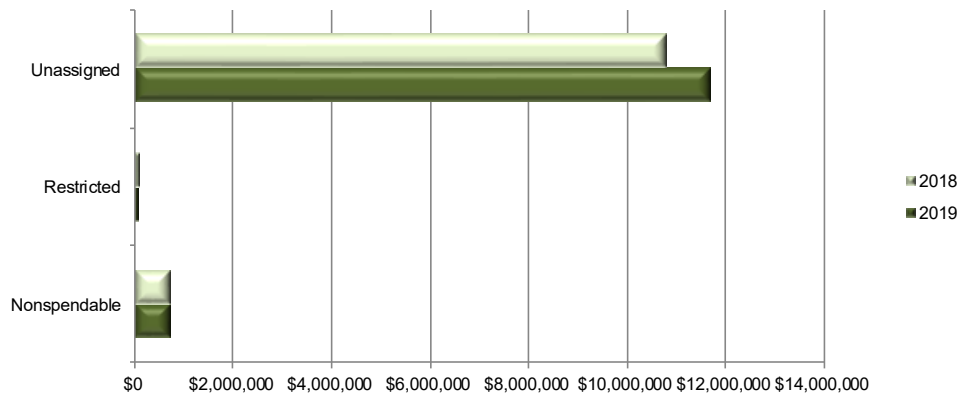
### **FINANCIAL ANALYSIS OF THE FUND STATEMENTS**

The City uses fund accounting to assure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of the City government while reporting the City operations in more detail than the government-wide statements. The City’s governmental funds provide information on near-term inflows, outflows and balances of spendable resources.

### Governmental Funds

The City’s governmental funds reported combined fund balances at June 30, 2019 of \$20,635,798, which is an increase of \$3,859,273 compared to the previous fiscal year. Approximately 47.8% of this amount (\$9,856,879) constitutes unassigned fund balance, which is available for spending at the city’s discretion. The remainder of the fund balance is either 1) not in spendable form (\$715,296), or 2) restricted for a particular purpose (\$10,063,623).

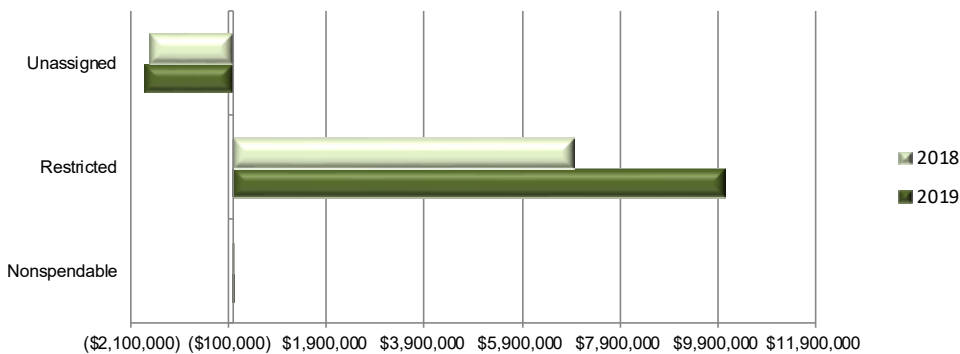
**General Fund  
Components of Fund Balance  
June 30, 2018 and 2019**



The general fund is the chief operating fund of Bullhead City. At the end of the fiscal year unassigned fund balance of the general fund was \$11,647,135. 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 45.4% of the total general fund expenditures, while total fund balance represents approximately 48.4% of the same amount.

The fund balance of Bullhead City’s general fund grew by \$896,011 during the 2019 fiscal year.

**Other Governmental Funds  
Components of Fund Balance  
June 30, 2018 and 2019**



The fund balances of Bullhead City’s other governmental funds increased by \$2,963,262 during the 2019 fiscal year.

The Non-Major Governmental Fund Balances increased \$2,669,586 from the prior fiscal year.

The timing of fund expenditures and fund reimbursements account for fund balances. The Special Revenue Funds ended with a balance of \$1,115,902. Capital Project Funds ended with a balance of \$4,889,354. The Debt Service Funds ended with a negative fund balance of \$1,172,855. The City intends to sell a property acquired from a delinquent special assessment that represents the fund balance deficit in the Debt Service Funds. The City is waiting for the real estate market to be sufficient to recover the investment of the City.

## **Proprietary Funds**

The total net position of the proprietary funds increased \$70,007 or 0.1% in FY 2019. The Wastewater Fund total net position increased \$169,424 or 0.2%. This minimal change is attributed to increased operating revenue and decreased operating expenses. The City conducted a Wastewater Rate Study and determined with the maintenance and capital improvement needs there would need to be rate increase. The prior fixed wastewater user charge was adopted in 2003. After multiple work sessions, the City Council approved on June 5, 2018 a small user charge increase to be phased in over five years. Year one of rate phase-in is fiscal year 2019.

The Water Fund's total net position decreased by 3.3% or \$99,417 in FY 2019. However, commercial and residential development has shown increases in FY 2019 resulting in revenue growth for this fund.

Unrestricted net position of the Wastewater Fund was \$2,569,914 and for the Water Fund was (\$927,792). The total change in unrestricted net position for both funds was \$2,099,744 and \$199,316, respectively.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

### **Original budget compared to final budget**

During the year there was no need for significant budget amendments to increase original budgeted appropriations. However, there were additional needs for capital improvements that occurred during the fiscal year requiring transfers from the budgeted General Services contingency. The exceptions were Parks Improvements for Rotary Park Firebird Field \$150,000; Rotary Park Court Upgrades \$31,947; Water Valuation and Rate Study \$389,281 and mail exchange server upgrade of \$32,000. Minor budget amendments were also completed to reallocate appropriations within departments when it became necessary.

### **Final budget compared to actual results**

The most significant differences between estimated revenues and actual revenues were as follows:

<b>Revenue source</b>	<b>Estimated Revenues</b>	<b>Actual Revenues</b>	<b>Variance</b>
Taxes	\$ 14,612,260	\$ 15,078,010	\$ 465,750
Intergovernmental revenue	11,489,191	11,596,889	107,698
Charges for services	1,656,636	1,826,371	169,735
Other	204,700	381,181	176,481
	<u>\$ 27,962,787</u>	<u>\$ 28,882,451</u>	<u>\$ 919,664</u>

The increases in the above revenue sources were caused by a combination of an improving economy and the impact of visitors from sporting events. The City continues to employ a conservative forecast for estimated revenues. Taxes were greater than estimated because of growth in two tax classifications. Contracting prime tax classification increased \$120,219 or 12%; and restaurant and bar tax classification increased \$111,285 or 8% compared to the prior fiscal year.

Intergovernmental revenue increases were attributable to vehicle license tax \$56,747 or 2% and state sales tax \$83,191 or 2%.

A review of actual expenditures compared to the appropriations in the final budget shows the following variances.

Classification	Final Budget	Actual Amount	Variance
Personnel costs	\$ 19,106,243	\$ 18,889,102	\$ (217,141)
Services and other charges	5,938,570	4,944,049	(994,521)
Supplies	1,180,438	878,208	(302,230)
Property	300,688	297,758	(2,930)
Capital Outlay	673,843	640,784	(33,059)
Debt service	640,784	3,574	(637,210)
Transfers	4,023,283	4,329,234	305,951
	<u>\$ 31,863,849</u>	<u>\$ 29,982,709</u>	<u>\$ (1,881,140)</u>

Staffing turnover will usually result in some budgetary savings in personnel costs. Long-time employees at top of pay plan are retiring and replaced with new employees at beginning of pay plan. Staffing vacancies in public safety areas will result in higher overtime.

Savings in the services and other charges classification included a new animal care program of \$100,000 that was not implemented; Savings in prison inmate costs of \$76,759; Due to accumulated retained earnings in the Risk Management Fund Departments were not charged the full amount budgeted. Contract labor for recreation programs of \$59,102 was not implemented.

Supplies savings included gasoline and diesel savings of \$102,188.

Transfers included from General Fund contingency budget in the amount of \$571,228. These transfers were for park improvements and water rate study and water system valuation.

Overall budget savings were \$1,242,480 for the General Fund.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

As of June 30, 2019, the City had invested \$155,901,532 (net of accumulated depreciation) in a broad range of capital assets, including police equipment, buildings, park improvements, roads, and sewer transmission and distribution systems. The total decrease in capital assets for the fiscal year was approximately -\$4,255,114 or 2.7%.

**City of Bullhead City, Arizona**  
**Capital Assets**  
 As of June 30, 2019  
 (Net of Depreciation)

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Capital assets not being depreciated:						
Land and improvements	\$ 3,120,533	\$ 3,164,161	\$ 620,883	\$ 620,883	\$ 3,741,416	\$ 3,785,044
Water			3,806,784	3,706,886	3,806,784	3,706,886
Construction in progress	1,264,834	3,703,451	144,995	794,118	1,409,829	4,497,569
Depreciable capital assets:						
Buildings	5,533,957	6,257,425	104,753	108,495	5,638,710	6,365,920
Improvements, other than buildings	2,148,446	1,735,627	30,106	40,141	2,178,552	1,775,768
Furniture, vehicles and equipment	4,022,791	3,813,755	588,419	799,546	4,611,210	4,613,301
Infrastructure	33,135,362	31,060,966	101,379,669	104,351,192	134,515,031	135,412,158
<b>Total</b>	<b><u>\$ 49,225,923</u></b>	<b><u>\$ 49,735,385</u></b>	<b><u>\$ 106,675,609</u></b>	<b><u>\$ 110,421,261</u></b>	<b><u>\$ 155,901,532</u></b>	<b><u>\$ 160,156,646</u></b>

Major capital asset events during the year include the following:

- The purchase of police van for forensics at cost of \$22,844.
- The purchase of portable generator at cost of \$34,679 for the Street Division.
- The purchase of computer related equipment a cost of \$145,233.
- The purchase of portable screening plant at cost of \$191,874.
- The purchase of replacement Transit Bus primarily grant funded at a cost of \$153,296.
- The purchase of six police replacement vehicles at a cost of \$288,234.
- Construction in Progress additions during fiscal year 2019 with \$2.5 million in Governmental Capital Projects.

The City had commitments of approximately \$2,991,321 for capital expenditures commitments as of June 30, 2019.

Additional information on Bullhead City's capital assets can be found in Note 6 starting on page 53 of this report.

## Long-Term Debt

As of June 30, 2019, the City had \$38,820,176 in bonded, and note debt. Of this amount, \$25,191,787 is debt backed by the full faith and credit of the City and \$13,628,389 is special assessment debt for which the City is liable in the event of default by the property owners subject to the assessment. The remainder of the City's long-term obligations is comprised of net pension liabilities, compensated absences, and capital leases.

**City of Bullhead City, Arizona  
Outstanding Debt  
As of June 30, 2019**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Revenue bonds, net of premiums and discounts	\$ 12,221,999	\$ 10,778,999	\$ 16,199,788	\$ 18,103,746	\$ 28,421,787	\$ 28,882,745
Notes payable- Water Infrastructure Financing Authority	10,398,389	12,580,321			10,398,389	12,580,321
Capital lease obligation	-	-	211,388	242,900	211,388	242,900
Net pension liabilities	27,614,479	26,209,658			27,614,479	26,209,658
Compensated absences	<u>2,831,652</u>	<u>2,623,127</u>	<u>375,026</u>	<u>381,788</u>	<u>3,206,678</u>	<u>3,004,915</u>
<b>Total</b>	<u><u>\$ 53,066,519</u></u>	<u><u>\$ 52,192,105</u></u>	<u><u>\$ 16,786,202</u></u>	<u><u>\$ 18,728,434</u></u>	<u><u>\$ 69,852,721</u></u>	<u><u>\$ 70,920,539</u></u>

During fiscal year 2019, the City's total long-term liabilities decreased by \$1,067,818 or 1.5 percent. The reason for reduction of debt can be attributed to regularly scheduled debt payments; issuance of new debt; refinancing of outstanding debt; and completion of a note payable.

Bullhead City issued Series 2018 Excise Taxes Revenue Obligation Bonds for Bridge Improvement Project Bonds for the construction of roadway extension from Bullhead Parkway to Colorado River for \$3,100,000.

The City's debt per capita is a useful indicator to citizens and investors of the City's debt position. The debt per capita as of June 30 in 2019 was \$1,735 and 2018 was \$1,762 based on 2017 US Census Estimate of 40,252.

Fitch Ratings on September 13, 2018 has affirmed the 'AA-' rating for the Series 2009 Bullhead City's Municipal Property Corporation Bonds.

Standard & Poor on November 16, 2017 assigned its 'A-' rating for the Laughlin Ranch Boulevard Improvement District Bonds.

Additional information on Bullhead City's long-term liabilities can be found in Note 7 starting on page 55 of this report.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The following economic factors were taken into consideration in developing the fiscal year 2019-20 budget.

- Estimated city sales tax revenue with an increase of 3.6 percent compared to estimated 2019 budget.
- State shared revenue distributions were estimated to increase 7.6 percent per the State of Arizona projections.
- No increase of the City's engineering and building fees on comprehensive fee schedule by the social security consumer price index.
- An increase of 10.7 percent in employer public safety retirement costs for a total of 56.54 percent for Tier 1 employees; An increase of 9.9 percent in employer public safety retirement costs for a total of 54.70 percent for Tier 2 employees; and an increase of 10.7 percent in employer public safety retirement costs for a total of 55.40 percent for Tier 3 employees
- The unemployment rate for Bullhead City at April 2019 was 5.4% compared to the April 2018 rate of 5.6%.

All of these factors were considered in preparing Bullhead City's budget.

The General Fund operating budget for fiscal year 2019-20 appropriation is \$30,269,967, an increase of 7.5%, or \$2,117,932 over the prior year.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, City of Bullhead City, 2355 Trane Road, Bullhead City, Arizona, 86442.





# Financial Section

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## BASIC FINANCIAL STATEMENTS

**Government-wide Financial Statements** - include the Statement of Net Position and Statement of Activities and use the accrual basis of accounting for financial reporting.

**Governmental Funds Financial Statements** - include the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance for the major governmental funds that use the modified accrual basis of reporting. Also includes the reconciliations to the government-wide financial statements and the Budget and Actual statements for the General Fund and all major Special Revenue Funds.

**Proprietary Funds Financial Statements** - include the Statement of Net Position, Statement of Revenues, Expenses and Changes in Fund Net Position and Statement of Cash Flows for the business-type activities that use the accrual basis of accounting for financial reporting.

**Notes to the Financial Statements**



CITY OF BULLHEAD CITY, ARIZONA  
STATEMENT OF NET POSITION  
June 30, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 15,722,612	\$ 2,882,965	\$ 18,605,577
Receivables (net of allowances)			
Accounts	2,349,747	1,014,560	3,364,307
Taxes	267,302	-	267,302
Intergovernmental	2,793,865	-	2,793,865
Prepays and inventory	281,114	-	281,114
Restricted cash	5,377,871	2,249,575	7,627,446
Special assessment receivable	8,290,904	-	8,290,904
Internal balances	800,698	(800,698)	-
Net OPEB asset	249,270	-	249,270
Capital assets:			
Non-depreciable	4,385,367	4,572,662	8,958,029
Depreciable (net)	44,840,556	102,102,947	146,943,503
Total assets	<u>85,359,306</u>	<u>112,022,011</u>	<u>197,381,317</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions and OPEB	4,983,334	-	4,983,334
Deferred charge on debt refunding	48,222	415,467	463,689
Total deferred outflows of resources	<u>5,031,556</u>	<u>415,467</u>	<u>5,447,023</u>
<b>LIABILITIES</b>			
Accounts payable	842,165	428,058	1,270,223
Accrued payroll and related liabilities	764,428	66,541	830,969
Other liabilities	956,649	30,004	986,653
Deposits held for others	894,875	294,820	1,189,695
Interest payable	334,540	260,256	594,796
Long-term liabilities:			
Due within one year:			
Compensated absences	707,913	93,757	801,670
Capital leases payable	-	65,724	65,724
Notes payable	2,181,932	-	2,181,932
Bonds payable	2,113,000	1,970,000	4,083,000
Due in more than one year:			
Compensated absences	2,123,739	281,270	2,405,009
Capital leases payable	-	145,664	145,664
Notes payable	8,216,457	-	8,216,457
Bonds payable	10,108,999	14,229,788	24,338,787
Net pension liabilities	27,614,479	-	27,614,479
Total liabilities	<u>56,859,176</u>	<u>17,865,881</u>	<u>74,725,057</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions and OPEB	444,339	-	444,339
<b>NET POSITION</b>			
Net investment in capital assets	29,690,757	90,679,900	120,370,657
Restricted for:			
Highways and streets	1,368,338	-	1,368,338
Community development	1,220,672	-	1,220,672
Public safety	144,482	-	144,482
Other purposes	142,984	-	142,984
Capital projects	1,851,048	-	1,851,048
Debt service	2,299,099	2,249,575	4,548,674
Unrestricted (deficit)	(3,630,033)	1,642,122	(1,987,911)
Total net position	<u>\$ 33,087,347</u>	<u>\$ 94,571,597</u>	<u>\$ 127,658,944</u>

CITY OF BULLHEAD CITY, ARIZONA  
STATEMENT OF ACTIVITIES  
Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 12,391,108	\$ 2,882,539	\$ 881,175	\$ 190,128
Public safety	15,405,139	1,853,141	172,612	-
Culture and recreation	3,712,566	411,732	200,705	-
Economic development	84,844	-	-	-
Redevelopment and housing	418,315	44,749	226,515	-
Highways and streets	5,006,194	77,547	4,943,315	-
Health and welfare	884,404	1,564	214,793	-
Interest on long-term debt	738,957			
Total governmental activities	<u>38,641,527</u>	<u>5,271,272</u>	<u>6,639,115</u>	<u>190,128</u>
Business-type activities				
Wastewater	9,914,818	9,991,232	-	-
Water utility	514,757	114,179	-	-
Total business-type activities	<u>10,429,575</u>	<u>10,105,411</u>	<u>-</u>	<u>-</u>
Total government	<u>\$ 49,071,102</u>	<u>\$ 15,376,683</u>	<u>\$ 6,639,115</u>	<u>\$ 190,128</u>

General revenues  
Taxes:  
  City sales tax  
  Franchise tax  
Intergovernmental:  
  State shared sales taxes (unrestricted)  
  Urban revenue sharing (unrestricted)  
  Stated shared vehicle license tax  
  Unrestricted investment earnings  
Transfers in (out)  
  Total general revenues and transfers  
Change in net position

Net position, beginning of year

Net position, end of year

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (8,437,266)	\$ -	\$ (8,437,266)
(13,379,386)	-	(13,379,386)
(3,100,129)	-	(3,100,129)
(84,844)	-	(84,844)
(147,051)	-	(147,051)
14,668	-	14,668
(668,047)	-	(668,047)
(738,957)	-	(738,957)
<u>(26,541,012)</u>	<u>-</u>	<u>(26,541,012)</u>
-	76,414	76,414
-	(400,578)	(400,578)
-	(324,164)	(324,164)
<u>(26,541,012)</u>	<u>(324,164)</u>	<u>(26,865,176)</u>
14,334,405	-	14,334,405
743,605	-	743,605
4,050,177	-	4,050,177
4,874,512	-	4,874,512
2,672,200	-	2,672,200
280,871	70,821	351,692
(323,350)	323,350	-
<u>26,632,420</u>	<u>394,171</u>	<u>27,026,591</u>
<u>91,408</u>	<u>70,007</u>	<u>161,415</u>
<u>32,995,939</u>	<u>94,501,590</u>	<u>127,497,529</u>
<u>\$ 33,087,347</u>	<u>\$ 94,571,597</u>	<u>\$ 127,658,944</u>



# Government Funds Financial Statements

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## Major Funds

### General Fund

This fund is the city's operating fund. It accounts for all financial resources of the City, except those required to be accounted for in other funds.

### HURF Fund

This fund accounts for the City's share of Arizona's highway user tax revenues and associated expenditures legally restricted for road construction and maintenance.

### Special Improvement District (SID) Fund

This fund is used to account for resources accumulated and payments made for principal and interest on long-term special assessment debt of the governmental funds.

### Excise Revenue Bond Refunding

This fund is used to account for all governmental fund debt activity for Excise Tax Revenue Bonds

### Non - Major Funds

Other governmental funds are the non-major funds and are special revenue, debt service and capital project funds.





CITY OF BULLHEAD CITY, ARIZONA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2019

	General	HURF	SID Debt Service Funds	Excise Revenue Bond Refunding Funds	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 9,389,752	\$ 834,999	\$ 2,548,288	\$ 40,634	\$ 2,559,958	\$ 15,373,631
Restricted cash	45,281	3,026	-	1,775,058	3,554,506	5,377,871
Receivables, net of allowances for uncollectibles:						
Accounts	874,239	1,216	-	-	1,110,516	1,985,971
Taxes	210,015	-	-	-	64,338	274,353
Intergovernmental	2,084,143	369,275	-	-	340,447	2,793,865
Due from other funds	2,306,469	-	-	-	-	2,306,469
Inventory and Prepays	21,176	-	-	-	543	21,719
Special assessments receivable	-	-	8,289,760	-	1,144	8,290,904
Advance to other funds	693,577	-	-	-	-	693,577
<b>Total assets</b>	<b>\$ 15,624,652</b>	<b>\$ 1,208,516</b>	<b>\$ 10,838,048</b>	<b>\$ 1,815,692</b>	<b>\$ 7,631,452</b>	<b>\$ 37,118,360</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 418,853	\$ 42,719	\$ -	\$ -	\$ 235,291	\$ 696,863
Accrued payroll and related liabilities	675,222	38,187	-	-	40,841	754,250
Due to other funds	-	-	-	-	1,976,534	1,976,534
Other liabilities	903,859	1,001	3,607	-	43,673	952,140
Deposits held for others	549,594	-	345,281	-	-	894,875
Interest payable	-	-	-	70,282	109,148	179,430
Matured bonds payable	-	-	-	1,705,000	308,000	2,013,000
<b>Total liabilities</b>	<b>2,547,528</b>	<b>81,907</b>	<b>348,888</b>	<b>1,775,282</b>	<b>2,713,487</b>	<b>7,467,092</b>
Deferred inflows of resources						
Unavailable revenue - other	669,955	1,216	-	-	73,124	744,295
Unavailable revenue - special assessments	-	-	8,258,735	-	12,440	8,271,175
<b>Total deferred inflows of resources</b>	<b>669,955</b>	<b>1,216</b>	<b>8,258,735</b>	<b>-</b>	<b>85,564</b>	<b>9,015,470</b>
<b>FUND BALANCES</b>						
<b>Nonspendable</b>						
Inventory and Prepays	21,176	-	-	-	543	21,719
Advances to other funds	693,577	-	-	-	-	693,577
<b>Restricted</b>						
Highways and streets	-	1,125,393	-	-	242,945	1,368,338
Community development	-	-	-	-	1,220,672	1,220,672
Public safety	8,481	-	-	-	136,001	144,482
Capital projects	-	-	-	-	4,888,048	4,888,048
Debt service	-	-	2,230,425	40,410	28,264	2,299,099
Other purposes	36,800	-	-	-	106,184	142,984
Unassigned	11,647,135	-	-	-	(1,790,256)	9,856,879
<b>Total fund balances</b>	<b>12,407,169</b>	<b>1,125,393</b>	<b>2,230,425</b>	<b>40,410</b>	<b>4,832,401</b>	<b>20,635,798</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 15,624,652</b>	<b>\$ 1,208,516</b>	<b>\$ 10,838,048</b>	<b>\$ 1,815,692</b>	<b>\$ 7,631,452</b>	<b>\$ 37,118,360</b>

CITY OF BULLHEAD CITY, ARIZONA  
 RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION  
 GOVERNMENTAL FUNDS  
 June 30, 2019

Fund balances - total governmental funds		\$ 20,635,798
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		49,225,923
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		9,015,470
Deferred charges and credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.		48,222
Long-term liabilities are not due and payable in the current period and, therefore, they are not reported in the funds:		
Revenue bonds	\$ (6,978,999)	
Improvement bonds	(3,230,000)	
Notes payable	(10,398,389)	
Accrued interest payable	(155,110)	
Net pension liability	(27,614,479)	
Net OPEB asset	249,270	
Compensated absences	<u>(2,831,652)</u>	(50,959,359)
Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future reporting periods and, therefore are not reported in the funds.		4,538,995
Internal service funds are used by management to charge the cost of certain activities, such as fleet management, risk management and employee benefits to individual funds. The assets and liabilities of internal service funds, net of long-term assets and liabilities reconciled above, are included in governmental activities in the Statement of Net Position:		<u>582,298</u>
Total net position of governmental activities		<u>\$ 33,087,347</u>

CITY OF BULLHEAD CITY, ARIZONA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2019

	General Fund	HURF	SID Debt Service Funds	Excise Revenue Bond Refunding Funds	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
City tax revenue	\$ 15,078,010	\$ -	\$ -	\$ -	\$ -	\$ 15,078,010
Intergovernmental	11,596,889	4,013,553	-	-	2,517,891	18,128,333
Charges for services	1,826,371	-	-	-	734,298	2,560,669
Special assessments	-	-	2,372,430	-	143,930	2,516,360
Licenses and permits	905,074	-	-	-	90	905,164
Fines and forfeitures	744,532	-	-	-	78,255	822,787
Rents	83,461	-	-	-	-	83,461
Investment earnings	144,005	16,608	31,636	11,873	76,748	280,870
Other revenues	381,181	8,555	1,965	-	448,023	839,724
Total revenues	<u>30,759,523</u>	<u>4,038,716</u>	<u>2,406,031</u>	<u>11,873</u>	<u>3,999,235</u>	<u>41,215,378</u>
<b>EXPENDITURES</b>						
Current:						
General government	8,320,196	-	68,378	-	1,863,080	10,251,654
Public safety	13,060,704	-	-	-	226,035	13,286,739
Culture and recreation	2,962,106	-	-	-	140,877	3,102,983
Economic development	96,777	-	-	-	-	96,777
Redevelopment and housing	-	-	-	-	367,323	367,323
Highways and streets	-	3,383,503	-	-	353,945	3,737,448
Health and welfare	559,707	-	-	-	324,802	884,509
Debt service:						
Principal	2,124	-	2,181,932	1,705,001	308,000	4,197,057
Interest and fiscal charges	-	-	307,453	142,802	167,277	617,532
Bond issuance costs	-	-	-	-	76,423	76,423
Capital outlay	651,857	121,810	-	-	2,503,610	3,277,277
Total expenditures	<u>25,653,471</u>	<u>3,505,313</u>	<u>2,557,763</u>	<u>1,847,803</u>	<u>6,331,372</u>	<u>39,895,722</u>
Excess (deficiency) of revenues over (under) expenditures	5,106,052	533,403	(151,732)	(1,835,930)	(2,332,137)	1,319,656
<b>OTHER FINANCING SOURCES (USES)</b>						
Sale of capital assets	49,204	-	39,679	-	38,528	127,411
Issuance of debt	-	-	-	23,933	3,100,000	3,123,933
Transfers in	69,989	1,218,038	-	1,845,563	1,902,081	5,035,671
Transfers out	(4,329,234)	(1,379,278)	-	-	(38,886)	(5,747,398)
Total other financing (uses) sources	<u>(4,210,041)</u>	<u>(161,240)</u>	<u>39,679</u>	<u>1,869,496</u>	<u>5,001,723</u>	<u>2,539,617</u>
Net change in fund balances	896,011	372,163	(112,053)	33,566	2,669,586	3,859,273
Fund balances - beginning of year	11,511,158	753,230	2,342,478	6,844	2,162,815	16,776,525
Fund balances - end of year	<u>\$ 12,407,169</u>	<u>\$ 1,125,393</u>	<u>\$ 2,230,425</u>	<u>\$ 40,410</u>	<u>\$ 4,832,401</u>	<u>\$ 20,635,798</u>

CITY OF BULLHEAD CITY, ARIZONA  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2019

Net change in fund balances - total governmental funds \$ 3,859,273

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 expense.

Capital outlay	\$ 3,487,846	
Contributed capital	142,565	
Sale of capital assets	(43,628)	
Depreciation expense	<u>(4,096,245)</u>	(509,462)

Pension and 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 City's report date. Pension/OPEB  
expense, which is the change in the net pension liability adjusted for changes in  
deferred outflows and inflows of resources related to pensions/OPEB, is reported  
in the Statement of Activities.

(1,832,285)

Collection of revenues in the governmental funds exceed revenues  
reported in the Statement of Activities

(2,384,722)

Debt proceeds provide current financial resources to governmental funds,  
but issuing debt increases long-term liabilities in the Statement of Net Position  
Repayment of debt principal is an expenditure in the governmental funds,  
but the repayment reduces long-term liabilities in the Statement of Net Position.  
Also, governmental funds report the effect of premiums, discounts, and similar  
items when debt is issued, whereas these amounts are amortized in the  
Statement of Activities.

Debt issued or incurred	(3,100,000)	
Principal repaid	4,194,933	
Amortization of deferred charge/credit on debt refunding	<u>(24,110)</u>	1,070,823

Some expenses reported in the Statement of Activities do not require the use of  
current financial resources, and therefore, are not reported as  
expenses in governmental funds.

Increase in compensated absences payable		(208,525)
Interest on debt		32,805

Internal service funds are used by management to charge the costs of certain  
activities, such as fleet management, risk management and employee benefits to individual  
funds. The change in net position of internal service funds less the change in non-current assets  
and liabilities is reported with governmental activities in the Statement of Activities.

63,501

Change in net position of governmental activities

\$ 91,408

# Proprietary Fund Financial Statements

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## **Enterprise Fund**

## **Wastewater Fund**

This fund is used to account for the administration, operations and maintenance of the wastewater collection lines and treatment facility.

## **Water Fund**

This fund is used to account for the activities of the City's water utility operations.



CITY OF BULLHEAD CITY, ARIZONA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2019

ASSETS	Business-type Activities-Enterprise Funds			Governmental
	Wastewater	Water	Total	Activities
	Fund	Fund		Internal Services Funds
Current assets				
Cash and cash equivalents	\$ 2,804,475	\$ 78,490	\$ 2,882,965	\$ 348,981
Accounts receivable, net	1,014,560	-	1,014,560	363,776
Inventory	-	-	-	35,694
Prepaid expenses	-	-	-	223,701
Total current assets	<u>3,819,035</u>	<u>78,490</u>	<u>3,897,525</u>	<u>972,152</u>
Noncurrent assets				
Restricted cash	2,249,575	-	2,249,575	-
Capital assets:				
Capital assets, not being depreciated	765,878	3,806,784	4,572,662	-
Capital assets, being depreciated, net	102,102,947	-	102,102,947	2,781,466
Total noncurrent assets	<u>105,118,400</u>	<u>3,806,784</u>	<u>108,925,184</u>	<u>2,781,466</u>
Total assets	<u>108,937,435</u>	<u>3,885,274</u>	<u>112,822,709</u>	<u>3,753,618</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on debt refunding	415,467	-	415,467	-
LIABILITIES				
Current liabilities				
Accounts payable	222,474	205,584	428,058	152,353
Accrued payroll and related liabilities	66,541	-	66,541	10,178
Due to other funds	-	107,121	107,121	222,814
Other liabilities	30,004	-	30,004	4,509
Deposits held for others	294,820	-	294,820	-
Current portion of:				
Interest payable	260,256	-	260,256	-
Bonds payable	1,970,000	-	1,970,000	-
Capital lease payable	32,862	-	32,862	-
Compensated absences	93,757	-	93,757	-
Total current liabilities	<u>2,970,714</u>	<u>312,705</u>	<u>3,283,419</u>	<u>389,854</u>
Noncurrent liabilities				
Compensated absences	281,270	-	281,270	-
Advance from other funds	-	693,577	693,577	-
Capital leases payable	178,526	-	178,526	-
Bonds payable, net	14,229,788	-	14,229,788	-
Total noncurrent liabilities	<u>14,689,584</u>	<u>693,577</u>	<u>15,383,161</u>	<u>-</u>
Total liabilities	<u>17,660,297</u>	<u>1,006,282</u>	<u>18,666,579</u>	<u>389,854</u>
NET POSITION				
Net investment in capital assets	86,873,116	3,806,784	90,679,900	2,781,466
Restricted for debt service	2,249,575	-	2,249,575	-
Unrestricted (deficit)	2,569,914	(927,792)	1,642,122	582,298
Total net position	<u>\$ 91,692,605</u>	<u>\$ 2,878,992</u>	<u>\$ 94,571,597</u>	<u>\$ 3,363,764</u>





CITY OF BULLHEAD CITY, ARIZONA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
Year Ended June 30, 2019

	Business-type Activities-Enterprise Funds			Governmental
	Wastewater		Total	Activities
	Fund	Fund		Internal Services Funds
Operating revenues				
Charges for services	\$ 9,674,417	\$ -	\$ 9,674,417	\$ 5,536,541
Application fees, tap fees and other	-	113,991	113,991	-
Other revenues	292,913	188	293,101	742,130
Total operating revenue	<u>9,967,330</u>	<u>114,179</u>	<u>10,081,509</u>	<u>6,278,671</u>
Operating expenses				
Salaries and related expenses	2,411,342	-	2,411,342	425,563
Medical claims and self-insurance	-	-	-	4,246,083
Administration	682,793	514,757	1,197,550	1,431,319
Utilities	865,642	-	865,642	31,454
Maintenance, supplies and equipment	274,010	-	274,010	18,408
Depreciation	4,011,771	-	4,011,771	382,461
Other	296,858	-	296,858	26,634
Total operating expenses	<u>8,542,416</u>	<u>514,757</u>	<u>9,057,173</u>	<u>6,561,922</u>
Operating income (loss)	<u>1,424,914</u>	<u>(400,578)</u>	<u>1,024,336</u>	<u>(283,251)</u>
Non-operating Revenues (Expenses)				
Investment income	69,660	1,161	70,821	7,829
Gain (loss) on disposal of capital assets	(749,935)	-	(749,935)	7,214
Interest expense and fiscal charges	(598,565)	-	(598,565)	-
Total nonoperating revenue (expense)	<u>(1,278,840)</u>	<u>1,161</u>	<u>(1,277,679)</u>	<u>15,043</u>
Income (loss) before contributions and transfers	146,074	(399,417)	(253,343)	(268,208)
Capital contributions	-	-	-	142,565
Transfers in	93,339	300,000	393,339	388,377
Transfers out	(69,989)	-	(69,989)	-
Change in net position	<u>169,424</u>	<u>(99,417)</u>	<u>70,007</u>	<u>262,734</u>
Net position, beginning of year	<u>91,523,181</u>	<u>2,978,409</u>	<u>94,501,590</u>	<u>3,101,030</u>
Total net position-end of year	<u>\$ 91,692,605</u>	<u>\$ 2,878,992</u>	<u>\$ 94,571,597</u>	<u>\$ 3,363,764</u>

CITY OF BULLHEAD CITY, ARIZONA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended June 30, 2019

	Business-type Activities-Enterprise Funds			Governmental
	Wastewater Fund	Water Fund	Total	Activities Internal Services Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 9,608,135	\$ 113,991	\$ 9,722,126	\$ -
Receipts from interfund services	-	-	-	5,361,070
Other operating receipts	292,913	188	293,101	742,130
Payments to suppliers	(2,177,161)	(333,127)	(2,510,288)	(5,923,408)
Payments to employees	(2,386,142)	-	(2,386,142)	(420,571)
Cash flows provided (used) by operating activities	<u>5,337,745</u>	<u>(218,948)</u>	<u>5,118,797</u>	<u>(240,779)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Interfund borrowings	-	96,176	96,176	71,928
Interfund transfers	23,350	300,000	323,350	388,377
Cash flows provided (used) by noncapital and related financing activities	<u>23,350</u>	<u>396,176</u>	<u>419,526</u>	<u>460,305</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of capital assets	(940,057)	(99,899)	(1,039,956)	(439,128)
Proceeds from sale of capital assets	23,902	-	23,902	7,214
Principal paid on long term debt	(1,941,513)	-	(1,941,513)	-
Interest paid on long-term debt	(563,199)	-	(563,199)	-
Cash flows provided (used) by capital and related financing activities	<u>(3,420,867)</u>	<u>(99,899)</u>	<u>(3,520,766)</u>	<u>(431,914)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	69,660	1,161	70,821	7,829
Cash flows provided (used) by investing activities	<u>69,660</u>	<u>1,161</u>	<u>70,821</u>	<u>7,829</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>2,009,888</u>	<u>78,490</u>	<u>2,088,378</u>	<u>(204,559)</u>
Cash and cash equivalents at beginning of year	3,044,162	-	3,044,162	553,540
Cash and cash equivalents at end of year	<u>\$ 5,054,050</u>	<u>\$ 78,490</u>	<u>\$ 5,132,540</u>	<u>\$ 348,981</u>

	Business-type Activities-Enterprise Funds			Governmental
	Wastewater Fund	Water Fund	Total	Activities Internal Services Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Net operating income (loss)	\$ 1,424,914	\$ (400,578)	\$ 1,024,336	\$ (283,251)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/amortization expense	4,011,771	-	4,011,771	382,461
Changes in operating assets and liabilities				
Payments from other funds				
Accounts receivable	(122,150)	-	(122,150)	(172,981)
Inventory and prepaid items	-	-	-	(136,710)
Increase/(decrease) in:				
Accounts payable	(73,146)	181,630	108,484	(33,352)
Accrued payroll and related liabilities	31,962	-	31,962	4,992
Other liabilities	15,288	-	15,288	552
Customer deposits	55,868	-	55,868	-
Unearned revenue	-	-	-	(2,490)
Compensated absences	(6,762)	-	(6,762)	-
Net cash provided (used) by operating activities:	<u>\$ 5,337,745</u>	<u>\$ (218,948)</u>	<u>\$ 5,118,797</u>	<u>\$ (240,779)</u>
Noncash investing, capital, and financing activities:				
Contributions of capital assets	\$ -	\$ -	\$ -	\$ 142,565
Loss on disposal of capital asset	749,935	-	749,935	-
Amortization of bond premium	6,042	-	6,042	-
Amortization of deferred charge on refunding	59,352	-	59,352	-
Reconciliation of cash and cash equivalents to the statement of net position				
Cash and cash equivalents	2,804,475	78,490	2,882,965	348,981
Restricted cash	2,249,575	-	2,249,575	-
Total cash and cash equivalents	<u>\$ 5,054,050</u>	<u>\$ 78,490</u>	<u>\$ 5,132,540</u>	<u>\$ 348,981</u>



# Notes to the Financial Statements

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CITY OF BULLHEAD CITY, ARIZONA  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Bullhead City, Arizona (the City) conform to U.S. generally accepted accounting principles applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB). A summary of the City's more significant accounting policies follows.

A. Reporting Entity

The City, incorporated in 1984, is a general purpose local government that is governed by an elected Mayor and Council. As required under generally accepted accounting principles, these financial statements present the activities of the City (a primary government) and its component units. Component units are legally separate entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are in substance part of the City's operations. Therefore, data from these component units is combined with data of the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in combined financial statements to emphasize that it is legally separate from the government. The City has no discretely presented component units.

Blended Component Units

The Bullhead City Municipal Property Corporation (MPC) was formed as a nonprofit corporation that assists in the acquisition and financing of municipal projects and facilities. The City Council appoints all members of the board of directors. The City has no liability for the Corporations' debt. For financial reporting purposes, transactions of the Corporation are combined together and included as if they were part of the City's operations.

The Bullhead City Sewer Improvement Districts #1, 2 and 3 were formed as improvement districts that were created to fund sewer services for specific property owners. The City Council serves as the board of directors and have ability to significantly influence operations. The City has no liability for the Districts' debt. For financial reporting purposes, transactions of the Districts are combined together and included as if they were part of the City's operations.

The Bullhead City Parkway Road Improvement District and East Branch Sewer District were formed as Improvement districts that were created to fund construction of a roadway and a supporting sewer line. The City Council serves as the board of directors and has the ability to significantly influence operations. The City has no liability for the Districts' debt. For financial reporting purposes, transactions of the Districts are combined together and included as if they were part of the City's operations.

Financial data for each of the individual component units may be obtained at the City's administrative offices.

B. Basis of Presentation – Government-Wide Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report the information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from the business-type activities, which rely to a significant extent on fees and charges for support.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation – Government-Wide Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment (e.g. special assessments). Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements; all non-major funds are aggregated and presented in a single column.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Special assessments are recognized as revenues in the year for which the related capital projects are substantially complete. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the next fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.



NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

The City reports the following major governmental funds:

The *General Fund* is the City'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 *High User Revenue Fund (HURF)* accounts for the City's share of Arizona highway user tax revenues and associated expenditures legally restricted for road construction and maintenance.

The *Special Improvement District (SID) Debt Service Fund* is used to account for the resources accumulated and payments made for principal and interest on long-term special assessment debt of the governmental funds.

The *Excise Revenue Bond Refunding Fund* is used to account for the resources accumulated and payments made for principal and interest on long-term excise tax debt of the governmental funds.

The City reports the following major proprietary fund:

The *Wastewater Fund* is used to account for the administration, operations and maintenance of the wastewater collection lines and treatment facility.

The *Water Fund* is used to account for the activities of the City's water utility operations.

Additionally, the City reports the following fund type:

*Internal Service Funds* account for the fleet management services and insurance services provided to other departments or agencies of the government on a cost reimbursement basis.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to the general rule are charges between the City's wastewater function and various other functions of the City. Elimination of these charges would distort the costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the wastewater and water funds, and of the City's internal service funds, are charges to customers and departments for sales and services provided. The wastewater fund also recognizes as operating revenue the tap fees intended to recover the cost of connecting new customers to the collection system. Operating expense for enterprise and internal service funds include the cost of sales and services, administration expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

CITY OF BULLHEAD CITY, ARIZONA  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments for the City, as well as for its component unit, are reported at fair value. The Arizona State Treasurer's local government investment pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

All trade receivables are shown net of an allowance for uncollectibles. The amount of the estimated uncollectible trade receivables at June 30, 2019 was \$108,000, which represents approximately 3.1% of the current trade receivables balance. There is no allowance for uncollectibles on special assessments receivable as the City has a subordinated lien on all properties subject to the special assessments.

F. Inventories and Prepaid Items

All inventories are valued at cost (determined by weighted average method) and consist of expendable supplies held for consumption. Inventories of the City are recorded as expenditures when consumed.

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

G. Restricted Assets

Certain proceeds of the City's revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

H. Capital assets

The City's capital assets, which include land, buildings and related improvements, furniture, vehicles, equipment, construction in progress and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than infrastructure, are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. The City reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported consistent with all other capital assets and are presented in the government-wide financial statements.

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

CITY OF BULLHEAD CITY, ARIZONA  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital assets (Continued)

Property, plant and equipment of the City, as well as its component unit, is depreciated using the straight-line method over the following estimated useful lives:

Buildings	25 to 40 years
Building improvements	5 to 25 years
Public domain infrastructure	15 to 25 years
System infrastructure (wastewater system)	40 to 45 years
Furniture, vehicles and equipment	3 to 10 years

I. Compensated absences

It is the City's policy to permit employees to accumulate earned but unused personal leave and vacation. Upon termination, the employee would be entitled to 50 – 100% of unused personal leave. Compensated absences are accrued and reported as liabilities in the government-wide and proprietary fund financial statements. Governmental funds report only the current portion of compensated absences payable as a result of employee termination, resignation or retirement.

J. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the period of bond issuance. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Post-employment benefits

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

M. Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

N. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance.

Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Fund Balance Policies (Continued)

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Manager is authorized to assign amounts to a specific purpose in accordance with the City's budget policy. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The City has adopted a policy whereby it will set a minimum unassigned fund balance, equal to thirty percent of current year expenditures in the General Fund, to provide for any shortfalls in the enterprise funds and for required redemptions related to special assessment debt, should the collections of special assessments not cover the current liability.

O. Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues

P. Special assessments

The City has made certain special assessments, in lieu of adopting a property tax, to pay for the cost of constructing wastewater collection lines. Revenue from special assessments is recognized upon completion of the related improvement and is recorded in governmental capital project funds, to the extent available.

Q. Intergovernmental grants and aid

Money received from other government agencies in the form of grants or aid based on an entitlement period is recorded as intergovernmental receivables and revenues when entitlement occurs. Reimbursement grants are recorded as intergovernmental receivables and revenues when the related expenditures are incurred.

R. Proprietary Funds Operating and Non-operating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

CITY OF BULLHEAD CITY, ARIZONA  
 NOTES TO THE FINANCIAL STATEMENTS  
 June 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Use of estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual amounts may differ from such estimates.

T. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year-end. The City is subject to the State of Arizona's Spending Limitation Law for City's and Cities. This law does not permit the City to spend more than the budgeted revenues plus the prior year's carryover of unrestricted cash. The limitation is applied to the total of the combined funds.

U. Expenditures over Appropriations

The REO Fund, Street Lighting Fund, and Excise Revenue Bond Refunding Fund Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual each report an excess of expenditures over appropriations for the year ended June 30, 2019.

V. Postemployment Benefits Other than Pensions

The City implemented the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (OPEB), as amended by GASB Statement No. 85, Omnibus 2017, even though the impact to the City's financial statements is immaterial. GASB Statement No. 75 established standards for measuring and recognizing net assets or liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to OPEB provided through defined benefit OPEB plans. Although the City has chosen to report the amounts related to its OPEB plans in the basic financial statements, the related disclosures required by Statement No. 75 are not included in these financial statements due to the relative insignificance of the impact to the City's financial statements for the fiscal year ended June 30, 2019.

W. Deficit fund balance

At June 30, 2019, the following funds reported deficits in net position or fund balances:

Fund	Deficit
Bullhead Parkway Improvement District	\$1,201,119
REO	381,180
CDBG/HTF	131,919
Senior Nutrition Center	48,878
Police Grant	26,990
Victim Service Grant	170

The City anticipates resolving the deficits through transfers from other funds.

CITY OF BULLHEAD CITY, ARIZONA  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

X. Excess of expenditures over budget

For the year ended June 30, 2019, expenditures exceed budget in the Debt Service fund, Excise Revenue Bond Refunding fund, and the Court Improvement fund by \$136,899, \$2,240 and \$2,685, respectively. These excess expenditures were covered by available fund balance in the funds or by greater than anticipated revenues in that fund.

NOTE 2 DEPOSITS AND INVESTMENTS

State law limits deposits and investments to the Arizona State Treasurer's local government investment pool (LGIP), interest bearing savings accounts, certificates of deposit, United States Treasury Bills, notes or bonds which have a maturity date of not more than one year, and in accounts of any savings and loan associations insured by an agency of the government of the United States, up to the amount of such insurance or pledged collateral.

**Deposits:**

Statutes require collateral for demand deposits, certificates of deposit, and repurchase agreements at 102 percent of all deposits not covered by federal depository insurance. In the case of deposits, custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned.

As of June 30, 2019, the City's carrying amount of deposits was \$3,808,331 and the bank balance was \$4,077,603. As of June 30, 2019, the City's deposits were fully insured by the Federal Deposit Insurance Corporation or covered by collateral held by the pledging financial institution's trust department in the City's name. The City also maintains petty cash for use in daily operations that totals \$8,151.

Restricted cash of \$7,630,368 consists of cash held by a trustee. Future use will be for one or more of the following: 1) payments on current liabilities relating to outstanding bonds payable, 2) to reduce the employer portion of required contributions to the qualified retirement plan, or 3) for payments on future construction projects.

**Investments:**

As of June 30, 2019, the City's deposit with the State Treasurer's local government investment pool 5 was \$14,786,173.

The State Board of Investment provides oversight for the State Treasurer's pools, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the Treasurer. The fair value of a participant's position in the pool approximates the value of that participant's pool shares, and the participant's shares are not identified with specific investments and not subject to custodial credit risk.

CITY OF BULLHEAD CITY, ARIZONA  
 NOTES TO THE FINANCIAL STATEMENTS  
 June 30, 2019

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

**Investments (Continued):**

*Credit risk:* To manage risk, the City's formal investment policy restrict investments as follows: i) limiting investments to the safest types of securities, ii) pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the City will do business, and iii) diversifying the investment portfolio so that potential losses on individual securities will be minimized. At June 30, 2019, credit risk for the City's investments was as follows:

Investment Type	Total	Ratings		
		AAAF/S1+	AAA	Unrated
Primary Government LGIP	\$ 14,786,173	\$ 14,786,173	\$ -	\$ -
Total	\$ 14,786,173	\$ 14,786,173	\$ -	\$ -

*Interest rate risk:* In accordance with its formal investment policy, the City manages its exposure to declines in fair values by limiting a) structuring the investment portfolio to meet cash requirements for ongoing operations b) investing operating funds primarily in short-term securities. Currently, the City has no specific investment related risk that are not already addressed in their formal investment policy.

At June 30, 2019, the City had the following investments:

Investment Type	Remaining Maturity 12 Months or Less
Primary Government LGIP	\$ 14,786,173
Total	\$ 14,786,173

*Concentration of credit risk:* The City's policies do not limit the maximum amount that can be invested in any single issuer. At June 30, 2019, all of the City's investments were with the Arizona State Treasurer's local government investment pool.

*Custodial credit risk:* For investments, this is the risk that, in the event of a failure of a counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have an investment policy for custodial credit risk.



CITY OF BULLHEAD CITY, ARIZONA  
 NOTES TO THE FINANCIAL STATEMENTS  
 June 30, 2019

NOTE 3 RECEIVABLES

Receivables as of June 30, 2019 for the City's individual major funds, nonmajor funds, and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	HURF Funds	SID Debt Service Funds	Nonmajor Governmental Funds	Wastewater Fund	Internal Service Funds	Total
Receivables:							
Accounts	\$ 874,239	\$ 1,216	\$ -	\$ 1,110,516	\$1,123,439	\$363,776	\$ 3,473,186
Taxes	210,015	-	-	57,287	-	-	267,302
Intergovernmental	2,084,143	369,275	-	340,447	-	-	2,793,865
Special assessments	-	-	8,289,760	1,144	-	-	8,290,904
Gross receivables	3,168,397	370,491	8,289,760	1,509,394	1,123,439	363,776	14,825,257
Less: Allowance for uncollectibles	-	-	-	-	(108,879)	-	(108,879)
Net total receivables	<u>\$3,168,397</u>	<u>\$370,491</u>	<u>\$ 8,289,760</u>	<u>\$ 1,509,394</u>	<u>\$1,014,560</u>	<u>\$363,776</u>	<u>\$14,716,378</u>

NOTE 4 INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances as of June 30, 2019 is as follows:

**Due to/from other funds:**

Fund	Receivable Amount	Payable Amount
General Fund	\$ 2,306,469	\$ -
Non-Major Governmental Funds	-	1,976,534
Water Fund	-	107,121
Internal Service Funds	-	222,814
Total	<u>\$ 2,306,469</u>	<u>\$ 2,306,469</u>

The outstanding balances between funds results mainly from the time lag between the date that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These amounts also include balances of working capital loans made to several nonmajor governmental funds which the general fund expects to collect in the subsequent year. All interfund balances are expected to be repaid within one year.

**Advances from/to other funds:**

Receivable Fund	Payable Fund	Amount
General Fund	Water Fund	\$ 693,577

The amounts payable to the general fund relate to working capital loans made to the water fund. The balance is not expected to be collected in the subsequent year.

CITY OF BULLHEAD CITY, ARIZONA  
 NOTES TO THE FINANCIAL STATEMENTS  
 June 30, 2019

NOTE 5 INTERFUND TRANSFERS

The composition of interfund transfers for the year ended June 30, 2019 is as follows:

Fund	Transfers Out	Transfers In
General Fund	\$ 4,329,234	\$ 69,989
HURF Fund	1,379,278	1,218,038
SID Debt Service Funds	-	-
Excise Revenue Bond Refunding Funds		1,845,563
Non-Major Governmental Funds	38,886	1,902,081
Wastewater Fund	69,989	93,339
Water Fund	-	300,000
Fleet Internal Service Fund	-	388,377
	\$ 5,817,387	\$ 5,817,387
Total	\$ 5,817,387	\$ 5,817,387

Transfers are used to 1) move revenues from the special revenue funds with collection authorization to the debt service funds to pay principal and interest payments as they become due, 2) move designated revenues and proceeds to the capital project funds to pay for capital outlay, and 3) move unrestricted revenues to finance various programs that the City accounts for in other funds.

CITY OF BULLHEAD CITY, ARIZONA  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 3,164,161	\$ -	\$ (43,628)	\$ 3,120,533
Construction in progress	3,703,452	747,084	(3,185,702)	1,264,834
Total capital assets not being depreciated	6,867,613	747,084	(3,229,330)	4,385,367
Capital assets being depreciated:				
Buildings	20,173,238	-	-	20,173,238
Improvements, other than buildings	4,775,836	729,917	-	5,505,753
Furniture, vehicles and equipment	21,199,878	1,253,032	(265,613)	22,187,297
Infrastructure	154,359,589	4,086,080	-	158,445,669
Total capital assets being depreciated	200,508,541	6,069,029	(265,613)	206,311,957
Less accumulated depreciation:				
Buildings	(13,915,812)	(723,469)	-	(14,639,281)
Improvements, other than buildings	(3,040,209)	(317,098)	-	(3,357,307)
Furniture, vehicles and equipment	(17,386,125)	(1,043,994)	265,613	(18,164,506)
Infrastructure	(123,298,623)	(2,011,684)	-	(125,310,307)
Total accumulated depreciation	(157,640,769)	(4,096,245)	265,613	(161,471,401)
Total capital assets being depreciation, net	42,867,772	1,972,784	-	44,840,556
Governmental activities capital assets, net	\$ 49,735,385	\$ 2,719,868	\$ (3,229,330)	\$ 49,225,923

CITY OF BULLHEAD CITY, ARIZONA  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

NOTE 6 CAPITAL ASSETS (Continued)

Business-type activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 620,883	\$ -	\$ -	\$ 620,883
Water rights	3,706,886	99,898	-	3,806,784
Construction in progress	794,119	899,639	(1,548,763)	144,995
Total capital assets not being depreciated	<u>5,121,888</u>	<u>999,537</u>	<u>(1,548,763)</u>	<u>4,572,662</u>
Capital assets being depreciated:				
Buildings	149,647	-	-	149,647
Improvements, other than buildings	123,874	-	-	123,874
Equipment and vehicles	4,377,441	42,217	(21,861)	4,397,797
Wastewater facilities, equipment and collection lines	152,543,977	773,127	-	153,317,104
Total capital assets being depreciated	<u>157,194,939</u>	<u>815,344</u>	<u>(21,861)</u>	<u>157,988,422</u>
Less accumulated depreciation:				
Buildings	(41,153)	(3,741)	-	(44,894)
Improvements, other than buildings	(83,733)	(10,035)	-	(93,768)
Equipment and vehicles	(3,577,894)	(253,345)	21,861	(3,809,378)
Wastewater facilities, equipment and collection lines	(48,192,785)	(3,744,650)	-	(51,937,435)
Total accumulated depreciation	<u>(51,895,565)</u>	<u>(4,011,771)</u>	<u>21,861</u>	<u>(55,885,475)</u>
Total capital assets being depreciation, net	<u>105,299,374</u>	<u>(3,196,427)</u>	<u>-</u>	<u>102,102,947</u>
Business-type activities capital assets, net	<u>\$ 110,421,262</u>	<u>\$ (2,196,890)</u>	<u>\$ (1,548,763)</u>	<u>\$ 106,675,609</u>

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:	
General government	\$ 1,065,424
Highways and streets	1,877,806
Culture and recreation	550,347
Public safety	559,584
Redevelopment and Housing	43,084
Total depreciation expense - governmental activities	<u>\$ 4,096,245</u>
Business-type activities:	
Wastewater Fund	\$ 4,011,771
Total depreciation expense - business-type activities	<u>\$ 4,011,771</u>

CITY OF BULLHEAD CITY, ARIZONA  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

NOTE 7 LONG-TERM LIABILITIES

Long-term liabilities activity for the year ended June 30, 2019 was as follows:

<b>Governmental activities:</b>	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Bonds payable					
Revenue bonds	\$ 7,548,999	\$ 3,100,000	\$ (1,657,000)	\$ 8,991,999	\$ 2,013,000
Improvement Bond	3,230,000	-	-	3,230,000	100,000
Total bonds payable	10,778,999	3,100,000	(1,657,000)	12,221,999	2,113,000
Notes payable - Water					
Infrastructure Financing Authority	12,580,321	-	(2,181,932)	10,398,389	2,181,932
Net pension liabilities	26,209,658	1,404,821	-	27,614,479	-
Compensated absences	2,623,127	2,110,301	(1,901,776)	2,831,652	707,913
Governmental activities long term liabilities	\$ 52,192,105	\$ 6,615,122	\$ (5,740,708)	\$ 53,066,519	\$ 5,002,845
<b>Business type activities:</b>					
Revenue bonds	\$ 18,140,000	\$ -	\$ (1,910,000)	\$ 16,230,000	\$ 1,970,000
Less deferred amounts:					
For issuance discounts and premiums	(36,253)	-	6,041	(30,212)	-
Total bonds payable	18,103,747	-	(1,903,959)	16,199,788	1,970,000
Capital leases	242,900	-	(31,512)	211,388	32,862
Compensated absence	381,788	245,967	(252,729)	375,026	93,757
Business-type activities long term liabilities	\$ 18,728,435	\$ 245,967	\$ (2,188,200)	\$ 16,786,202	\$ 2,096,619

Internal service funds predominantly serve the governmental activities. Accordingly, long-term liabilities for all internal service funds are included as part of the above totals for governmental activities. Generally, for governmental activities, compensated absences and net pension liabilities are liquidated by the General Fund.

CITY OF BULLHEAD CITY, ARIZONA  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

NOTE 7 LONG-TERM LIABILITIES (Continued)

**Bonds payable:**

The City has pledged revenue derived from taxes collected or from the acquired or constructed assets to pay debt service on the excise tax revenue bonds.

Bonds currently outstanding at year end are as follows:

	Original amount	Interest rates	Year of maturity	Outstanding principal
<b>Governmental activities:</b>				
MPC Excise Tax Revenue Bonds, Series 2013	\$ 6,605,000	2.48%	2021	\$ 4,779,999
MPC Excise Tax Revenue Bonds, Series 2015 B	1,554,000	1.98%	2026	1,112,000
Laughlin Ranch Improvement Bonds 2017	3,230,000	2.3% 4.00%	2042	3,230,000
Excise Tax Revenue Bonds, Series 2018	<u>3,100,000</u>	3.01%	2028	<u>3,100,000</u>
Total governmental activities	<u>\$ 14,489,000</u>			<u>\$ 12,221,999</u>
<b>Business-type activities:</b>				
MPC Municipal Facilities Bonds, Series 2009	\$ 17,960,000	3.795%	2027	\$ 5,270,000
Wastewater Revenue Bonds, Series 2013	<u>15,845,000</u>	3.25% - 5.00%	2025	<u>10,960,000</u>
Total business-type activities	<u>\$ 33,805,000</u>			<u>\$ 16,230,000</u>

Annual debt service requirements to maturity for the bonds are as follows:

Year ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 2,113,000	\$ 286,772	\$ 1,970,000	\$ 487,420
2021	2,122,000	275,140	2,030,000	423,108
2022	2,169,000	221,424	2,095,000	358,893
2023	556,000	187,075	2,165,000	291,097
2024	567,000	172,220	2,230,000	219,897
2025-2029	2,564,999	633,235	5,740,000	226,574
2030-2034	695,000	366,376	-	-
2035-2039	845,000	221,194	-	-
2040-2044	<u>590,000</u>	<u>47,800</u>	-	-
Total	<u>\$ 12,221,999</u>	<u>\$ 2,411,236</u>	<u>\$ 16,230,000</u>	<u>\$ 2,006,989</u>

CITY OF BULLHEAD CITY, ARIZONA  
 NOTES TO THE FINANCIAL STATEMENTS  
 June 30, 2019

NOTE 7 LONG-TERM LIABILITIES (Continued)

**Notes payable:**

The City received loans from the Water Infrastructure Financing Authority (WIFA) for the construction of wastewater collection lines and facilities. The debt is secured by, and to be repaid from, amounts levied against the property owners benefited by this construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the City must provide resources to cover the deficiency until other resources are received. Notes payable at year end are as follows:

	Original amount	Interest rates	Year of maturity	Outstanding principal
<u>Governmental activities:</u>				
Water Infrastructure Finance Authority, 2004	\$ 11,686,806	2.892%	2023	\$ 1,788,609
Water Infrastructure Finance Authority, 2006	<u>28,422,230</u>	2.340%	2025	<u>8,609,780</u>
Total	<u>\$ 40,109,036</u>			<u>\$ 10,398,389</u>

Annual debt service requirements to maturity for the notes are as follows:

Year ending June 30,	Governmental Activities	
	Principal	Interest
2021	\$ 2,181,932	\$ 277,415
2022	2,181,932	211,806
2023	2,181,932	146,196
2024	1,651,868	89,046
2024	1,602,265	25,748
2025-2030	<u>598,460</u>	<u>24,197</u>
Total	<u>\$ 10,398,389</u>	<u>\$ 774,408</u>

**Capital leases:**

The City acquired equipment under the provisions of long-term lease agreements classified as capital leases. The assets acquired through capital leases are as follows:

Asset:	Business-type Activities
Machinery and equipment	\$ 265,280
Less accumulated depreciation	<u>(42,371)</u>
Totals	<u>\$ 222,909</u>

CITY OF BULLHEAD CITY, ARIZONA  
 NOTES TO THE FINANCIAL STATEMENTS  
 June 30, 2019

NOTE 7 LONG-TERM LIABILITIES (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019, were as follows:

Year ended June 30,	Business-type Activities
2020	\$ 41,050
2021	41,050
2022	41,050
2023	109,462
Total minimum lease payments	232,612
Less amount representing	
Interest	(21,225)
Present value of future minimum payments	\$ 211,388

***Compensated absences and claims and judgments:***

Vacation and personal time accrue during each pay period at a rate determined by years of service. Both vacation and personal time can be taken as time off from work, within certain limitations, or may be payable to employees upon termination or retirement. Claims and judgments are generally paid from the fund that accounts for the activity that gave rise to the claim.

***Net pension and OPEB liability (asset):***

Net pension and OPEB liability (asset) are liquidated in the General fund.

NOTE 8 CONTINGENCIES

***Risk management:***

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City uses a combination of self-insurance and third-party insurance. The City is self-insured for general and automobile liability. An excess coverage insurance policy is available for individual claims in excess of \$75,000 and is provided by the Arizona Municipal Risk Retention Pool.

The City provides life, health, and disability benefits to its employees and their dependents through the Northwest Arizona Employee Benefit Trust, currently composed of three member cities. The Trust provides the benefits through a self-funding agreement with its participants and administers the program, and the City is responsible for paying the premium and requires its employees to contribute a portion of that premium. If it withdraws from the Trust, the City is responsible for any claims run-out costs, including claims reported but not settled, claims incurred but not reported, and administrative costs. If the Trust were to terminate, the City would be responsible for its proportional share of any Trust deficit. To protect the City against significant claims, a \$95,000 stop loss insurance policy is in place.



CITY OF BULLHEAD CITY, ARIZONA  
 NOTES TO THE FINANCIAL STATEMENTS  
 June 30, 2019

NOTE 8 CONTINGENCIES (Continued)

**Consent decree with Arizona Department of Environmental Quality:**

The City voluntarily entered into a Consent Decree with the Arizona Department of Environmental Quality (ADEQ) in 1997. This decree stipulated that the City would construct improvements and additions to the Bullhead City Wastewater System designed to expand the service area and capacity of the system.

The consent decree identified specific expansion requirements and the timeline in which those expansions must be completed. If the City fails to meet the specific performance requirements of the decree, ADEQ can impose monetary fines that range from \$1,000 to \$3,000 per day depending on the length of time that the City remains in non-compliance. The City is currently in compliance with the consent decree.

**Litigation:**

The City is a defendant in various lawsuits, which arise in the ordinary course of its operations. The City is unable to predict the outcomes of these proceedings; therefore no liability has been accrued in the accompanying financial statements.

**Construction commitments:**

The City has active construction projects and related commitments. The projects include a traffic signal, city street maintenance and roadway improvement projects, replacement of an underground fuel tank, a general material testing service project, and temporary city engineering services. At year end the City had approximately \$2,991,321 in commitments to contractors for construction projects.

NOTE 9 PENSIONS

The City contributes to two plans as described below. For public safety personnel, state statute regulates retirement, death, long-term disability, and survivor insurance premium benefits. The plan is a component unit of the State of Arizona. Benefits for non-public safety personnel are established based on contributions to the plan. At June 30, 2019, the City reported the following aggregate amounts related to pensions for all plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities
Net OPEB assets	\$ 249,270
Net pension liabilities	27,614,479
Deferred outflows of resources related to pensions and OPEB	4,983,334
Deferred inflows of resources related to pensions and OPEB	444,339
Pension and OPEB expense	5,231,317

The City reported \$2,344,982 of pension contributions as expenditures in the governmental funds related to all pension plans to which it contributes.

CITY OF BULLHEAD CITY, ARIZONA  
 NOTES TO THE FINANCIAL STATEMENTS  
 June 30, 2019

NOTE 9 PENSIONS (Continued)

**A. Defined Contribution Plan**

The City has established a mandatory defined contribution deferred compensation plan for all employees not covered under the PSPRS. Contributions to the plan are administered by a third-party, ICMA Retirement Corporation (ICMA-RC). In accordance with GASB Statement No. 32, the City provides neither administrative services nor investment advice. Consequently, no fiduciary relationship exists between the City and the compensation plan. Therefore, plan assets are not included as a fund of the City.

The ICMA-RC is the plan administrator and trustee for the defined contribution plan and provides statements to participants. Reports may be obtained by writing or calling the applicable plan.

ICMA-RC  
 777 North Capitol Street, NE  
 Washington, DC 20002  
 (202) 962-4600

Plan Description – In lieu of participating in FICA – Social Security, the City has defined contribution plan in accordance with Internal Revenue Code Section 401(a). The plan is available to all employees not covered under the Public Safety Personnel Retirement System (PSPRS). The plan is administered through ICMA Retirement Corporation (ICMA-RC), and participants are allowed to choose from various investment funds offered by the company. There are no securities of the City included in the plan assets.

Funding Policy – The plan is available to all full-time employees of the City, except police personnel who are covered under the Arizona Public Safety Personnel Retirement System (PSPRS). The plan requires participants to contribute 6.25 percent of their earnings and the City to contribute 9.05 percent. Normal retirement age is 65 (59 ½ effective July 1, 2002). Member and employee contributions are recognized in the period that the contributions are due. The employee’s contributions is on hundred percent (100%) per year of service for exempt employees and twenty-five percent (25%) per year of service for non-exempt employees. Thus exempt employees are vested at one hundred percent (100%) after four years of service. Employees who leave the City’s employment before one year of service do not receive any of the employer contribution. The following describes the payroll and contribution requirements for the year ended June 30, 2019.

	<u>Total Payroll</u>	<u>Covered Payroll</u>	<u>% of Covered Payroll</u>	<u>Required Contributions</u>	<u>Actual Contributions</u>
Employer	17,092,789	\$ 11,433,215	9.05%	1,034,706	\$ 1,034,706
Employee		11,353,913	6.25%	709,620	709,620

NOTE 9 PENSIONS (Continued)

**B. Public Safety Personnel Retirement System**

**Plan Description** – City police and fire department employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS). The PSPRS administers an agent and cost-sharing multiple-employer defined benefit pension plan and agent and cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan. Although the PSPRS net OPEB asset has been recorded at June 30, 2019, the plan has not been further disclosed due to the relative insignificance to the City's financial statements. 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).

The PSPRS issues a publicly available financial report that include their financial statements and required supplementary information. The reports are available on the PSPRS web site at [www.psprs.com](http://www.psprs.com).

CITY OF BULLHEAD CITY, ARIZONA  
 NOTES TO THE FINANCIAL STATEMENTS  
 June 30, 2019

NOTE 9 PENSIONS (Continued)

**Benefits Provided** - The PSPRS 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 monthly compensation, and service credit as follows:

PSPRS	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2017
<b>Retirement and Disability</b>		
Years of service and age required to receive benefit	20 years of service, any age 15 years of service, age 62	25 years of service or 15 years of credited service, age 52.5
Final average salary is based on	Highest 36 months of last 20 years	Highest 60 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	
<b>Survivor Benefits</b>		
Retired Members	80% 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	

CITY OF BULLHEAD CITY, ARIZONA  
 NOTES TO THE FINANCIAL STATEMENTS  
 June 30, 2019

NOTE 9 PENSIONS (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, 2019, the following employees were covered by the agent plans' benefit terms:

	PSPRS Police
Inactive employees or beneficiaries	
currently receiving benefits	43
Inactive employees entitled to	
by not yet receiving benefits	22
Active employees	57
Total	122

**Contributions** - State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS 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, 2019, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS Police
Active members - Pension	7.65% - 11.65%
City	
Pension	51.06%
Health insurance permium benefit	0.01%

In addition, the City was required by statute to contribute at the actuarially determined rate of 38.93 percent of the PSPRS of annual covered payroll of retired members who worked for the City in positions that would typically be filled by an employee who contributes to the PSPRS and employees participating in the PSPRS Tier 3 Risk Pool in addition to the City's required contributions to the PSPRS Tier 3 Risk Pool.

CITY OF BULLHEAD CITY, ARIZONA  
 NOTES TO THE FINANCIAL STATEMENTS  
 June 30, 2019

NOTE 9 PENSIONS (Continued)

For the agent plans, the City's contributions to the pension plan for the year ended June 30, 2019, were:

Pension	PSPRS
Contributions made	Police
	\$ 2,344,982

During fiscal year 2019, the City paid 100 percent of the PSPRS pension contributions from the General Fund.

**Pension Liability** - At June 30, 2019, the City reported a PSPRS net pension liability of \$27,614,479.

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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

PSPRS

Actuarial valuation date	June 30, 2018
Actuarial cost method	Entry age normal
Investment rate of return	7.40%
Wage inflation	3.5% for pensions/not applicable for OPEB
Price inflation	2.5% for pensions/not applicable for OPEB
Cost-of-living adjustment	Included for pensions/not applicable for OPEB
Mortality rates	RP-2014 tables using MP-2016 improvement scale with adjustments to match current experience.

Actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

CITY OF BULLHEAD CITY, ARIZONA  
 NOTES TO THE FINANCIAL STATEMENTS  
 June 30, 2019

NOTE 9 PENSIONS (Continued)

The long-term expected rate of return on PSPRS pension plan investments was determined to be 7.4 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

PSPRS	Target	Long-Term
Asset Class	Allocation	Expected Geometric Rate of Return
Short term investments	2%	0.25%
Risk parity	4%	5.00%
Fixed income	5%	1.25%
Real assets	9%	4.52%
GTS	12%	3.96%
Private credit	16%	6.75%
Real estate	10%	3.75%
Private equity	12%	5.83%
Non-U.S. equity	14%	8.70%
U.S. equity	16%	7.60%
Total	100.00%	

**Discount Rates** – At June 30, 2018, the discount rate used to measure the PSPRS total pension liabilities was 7.4 percent, which was the same as the discount rate used as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF BULLHEAD CITY, ARIZONA  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2019

NOTE 9 PENSIONS (Continued)

**Changes in the net pension liability**

PSPRS - Police	Increase (Decrease)		
	Total Pension Liability  (a)	Plan	
		Fiduciary Net Position  (b)	Net Pension Liability  (a) - (b)
Balances at June 30, 2018	\$ 48,483,769	\$ 22,274,111	\$ 26,209,658
Changes for the year:			
Service Cost	851,358	-	851,358
Interest on the total pension liability	3,530,344	-	3,530,344
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the pension liability	569,370	-	569,370
Changes of assumptions or other inputs	-	-	-
Contributions - employer	-	2,300,757	(2,300,757)
Contributions - employee	-	432,249	(432,249)
Net investment income	-	1,501,552	(1,501,552)
Benefit payments, including refunds of employee contributions	(2,404,182)	(2,404,182)	-
Administrative expense	-	(23,553)	23,553
Other changes	-	(664,754)	664,754
Net changes	2,546,890	1,142,069	1,404,821
Balances at June 30, 2018	\$ 51,030,659	\$ 23,416,180	\$ 27,614,479

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

PSPRS - Police	Current		
	1% Decrease	Discount Rate	1% increase
	6.40%	7.40%	8.40%
Total pension liability	\$ 57,825,118	\$ 51,030,659	\$ 45,471,053
Plan fiduciary net position	23,416,180	23,416,180	23,416,180
Net pension liability	\$ 34,408,938	\$ 27,614,479	\$ 22,054,873

**Pension Plan Fiduciary Net Position** - Detailed information about the pension plans' fiduciary net position is available in the separately issued PSPRS financial reports.



CITY OF BULLHEAD CITY, ARIZONA  
 NOTES TO THE FINANCIAL STATEMENTS  
 June 30, 2019

NOTE 9 PENSIONS (Continued)

**Pension Expense** - For the year ended June 30, 2019, the City recognized \$4,225,265 of PSPRS pension expense.

**Pension Deferred Outflows/Inflows of Resources** - At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PSPRS - Police	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 443,160	\$ 334,151
Changes of assumptions or other inputs	1,863,224	-
Net difference between projected and actual earnings on pension plan investments	331,509	-
City contributions subsequent to the measurement date	2,344,982	-
<b>Total</b>	<b>\$ 4,982,875</b>	<b>\$ 334,151</b>

The amounts reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	PSPRS Police
2020	\$ 999,213
2021	797,632
2022	367,534
2023	139,363
2024	-
Thereafter	-

NOTE 10 SUBSEQUENT EVENT

Subsequent to the June 30, 2019, reporting date, the City entered into a long-term debt obligation. On July 25, 2019, the Council authorized the issuance of the \$6,945,000 of excise tax revenue and refunding bonds to finance the costs of certain water rights of the Colorado River and to refund the MPC's series 2009 bonds outstanding. The original MPC series 2009 bonds were used to finance certain improvements and additions to the City's wastewater treatment facilities and to refund 1996s series and 1998 series bonds.



# Required Supplementary Information

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CITY OF BULLHEAD CITY, ARIZONA  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget-Positive (Negative)
Budgetary fund balance, July 1, 2018	\$ 2,161,670	\$ 2,161,670	\$ 11,511,158	\$ 9,349,488
<b>RESOURCES (INFLOWS):</b>				
City tax revenue	14,612,260	14,612,260	15,078,010	465,750
Intergovernmental revenue	11,489,191	11,489,191	11,596,889	107,698
Charges for services	1,656,636	1,656,636	1,826,371	169,735
Licenses and permits	886,876	886,876	905,074	18,198
Fines and forfeitures	931,500	931,500	744,532	(186,968)
Rents	93,010	93,010	83,461	(9,549)
Investment income	31,000	31,000	144,005	113,005
Other revenue	204,700	204,700	381,181	176,481
Proceeds from sale of fixed assets	6,540	6,540	49,204	42,664
Total revenues	<u>29,911,713</u>	<u>29,911,713</u>	<u>30,808,727</u>	<u>897,014</u>
Other financing sources				
Transfers in	69,989	69,989	69,989	-
Transfers out	(3,991,336)	(4,023,283)	(4,329,234)	(305,951)
Amounts available for appropriations	<u>28,152,036</u>	<u>28,120,089</u>	<u>38,060,640</u>	<u>9,940,551</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS):</b>				
<b>General government:</b>				
Mayor and council	122,761	132,761	94,187	38,574
City manager	262,693	265,993	261,229	4,764
Information technology	1,181,567	1,183,967	1,128,099	55,868
Human resources	176,787	176,787	156,801	19,986
Public information	257,891	257,891	200,970	56,921
Municipal court	1,390,176	1,390,176	1,272,978	117,198
Finance	827,972	827,972	829,360	(1,388)
City clerk	275,256	275,256	233,621	41,635
City attorney	1,103,612	1,103,612	1,062,455	41,157
Planning	210,062	210,062	158,646	51,416
Building inspections	523,279	539,208	535,451	3,757
Code enforcement	484,643	497,688	496,088	1,600
Facilities management	700,787	701,070	751,460	(50,390)
Public works administration	30,576	30,576	29,011	1,565
Engineering	154,247	154,247	142,124	12,123
Non-departmental	2,199,917	1,215,742	967,716	248,026
Total general government	<u>9,902,226</u>	<u>8,963,008</u>	<u>8,320,196</u>	<u>642,812</u>
<b>Public safety:</b>				
Police administration	1,794,063	1,884,331	1,583,017	301,314
Patrol	7,500,615	7,527,174	7,241,182	285,992
Criminal investigations	2,283,719	2,296,667	2,287,953	8,714
Support services	490,164	491,534	478,099	13,435
Emergency services	1,369,413	1,374,913	1,470,453	(95,540)
Total public safety	<u>13,437,974</u>	<u>13,574,619</u>	<u>13,060,704</u>	<u>513,915</u>

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Culture and recreation:				
Recreation	453,136	454,798	437,616	17,182
Arts and culture	1,885	1,885	2,657	(772)
Water activities	192,470	192,470	171,161	21,309
Athletics	231,443	231,443	172,609	58,834
Suddenlink community center	150,981	150,981	65,997	84,984
Parks rangers	85,484	86,171	74,735	11,436
Parks maintenance	2,187,495	2,208,826	2,037,331	171,495
Total culture and recreation	<u>3,302,894</u>	<u>3,326,574</u>	<u>2,962,106</u>	<u>364,468</u>
Economic development:				
Economic development	119,477	124,477	96,777	27,700
Total economic development	<u>119,477</u>	<u>124,477</u>	<u>96,777</u>	<u>27,700</u>
Health and welfare				
Animal control	720,494	720,494	559,707	160,787
Total Health and welfare	<u>720,494</u>	<u>720,494</u>	<u>559,707</u>	<u>160,787</u>
Debt service:				
Principal retirement	2,124	2,124	2,124	-
Capital outlay	666,843	698,843	651,857	46,986
Total expenditures	<u>28,152,032</u>	<u>27,410,139</u>	<u>25,653,471</u>	<u>1,756,668</u>
Budgetary fund balance, June 30, 2019	<u>\$ 4</u>	<u>\$ 709,950</u>	<u>\$ 12,407,169</u>	<u>\$ 11,697,219</u>



CITY OF BULLHEAD CITY, ARIZONA  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO THE BUDGETARY COMPARISON SCHEDULE  
June 30, 2019

NOTE 1 BUDGETARY BASIS OF ACCOUNTING

The City prepares its annual budget on a basis which differs from the GAAP basis. A budgetary comparison schedule for the General Fund and the HURF Fund is included as required supplementary information to provide meaningful comparison of actual results to budget on a budget basis. As a result, the budgetary schedule includes a reconciliation of the adjustments to convert the budgetary revenues and expenditures to revenues and expenditures/expenses on a GAAP basis, where the amounts are different. During the year ended June 30, 2019, there was no variance between actual expenditures/expenses (budgetary) and expenditures/expenses on a GAAP basis.





CITY OF BULLHEAD CITY, ARIZONA

HURF FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 3,709,341	\$ 3,709,341	\$ 4,013,553	\$ 304,212
Investment earnings	900	900	16,608	15,708
Other revenues	1,000	1,000	8,555	7,555
Total revenues	<u>3,711,241</u>	<u>3,711,241</u>	<u>4,038,716</u>	<u>327,475</u>
<b>EXPENDITURES</b>				
Current:				
Highways and streets	3,664,249	3,668,496	3,383,503	284,993
Capital outlay	96,000	96,000	121,810	(25,810)
Total expenditures	<u>3,760,249</u>	<u>3,764,496</u>	<u>3,505,313</u>	<u>259,183</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(49,008)</u>	<u>(53,255)</u>	<u>533,403</u>	<u>586,658</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,218,038	1,218,038	1,218,038	-
Transfers out	(1,369,413)	(1,369,413)	(1,379,278)	(9,865)
Total other financing sources (uses)	<u>(151,375)</u>	<u>(151,375)</u>	<u>(161,240)</u>	<u>(9,865)</u>
Net change in fund balances	(200,383)	(204,630)	372,163	576,793
Fund balances - beginning of year	<u>200,383</u>	<u>200,383</u>	<u>753,230</u>	<u>552,847</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ (4,247)</u>	<u>\$ 1,125,393</u>	<u>\$ 1,129,640</u>

CITY OF BULLHEAD CITY, ARIZONA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS  
AGENT PENSION PLAN  
June 30, 2019

Bullhead City Police Dept. Public Safety Personnel Retirement System	Reporting Fiscal Year (Measurement Date)					2013 through 2010
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
Total pension liability						
Service cost	\$ 851,358	\$ 1,075,681	\$ 894,106	\$ 879,004	\$ 890,055	Information not available
Interest on the total pension liability	3,530,344	3,266,637	2,977,024	2,909,607	2,556,293	
Changes on benefit terms	-	534,607	2,485,509	-	608,014	
Differences between expected and actual experience in the measurement of the pension liability	569,370	(19,158)	(323,350)	(654,635)	(554,914)	
Changes of assumptions or other inputs	-	1,641,764	1,626,214	-	3,458,975	
Benefit payments, including refunds of employee contributions	(2,404,182)	(2,066,165)	(2,171,832)	(2,393,591)	(2,510,581)	
Net change in total pension liability	2,546,890	4,433,366	5,487,671	740,385	4,447,842	
Total pension liability - beginning	48,483,769	44,050,403	38,562,732	37,822,347	33,374,505	
Total pension liability - ending (a)	<u>\$ 51,030,659</u>	<u>\$ 48,483,769</u>	<u>\$ 44,050,403</u>	<u>\$ 38,562,732</u>	<u>\$ 37,822,347</u>	
Plan fiduciary net position						
Contributions - employer	\$ 2,300,757	\$ 1,422,995	\$ 1,391,558	\$ 1,240,272	\$ 1,103,933	
Contributions - employee	432,249	537,250	550,490	527,323	474,532	
Net investment income	1,501,552	2,375,192	118,139	734,235	2,495,831	
Benefit payments, including refunds of employee contributions	(2,404,182)	(2,066,165)	(2,171,832)	(2,393,591)	(2,510,581)	
Administrative expense	(660,764)	(21,416)	(17,400)	(18,296)	(20,101)	
Other changes	(27,543)	(95,324)	1,966	(16,165)	40,640	
Net change in plan fiduciary net position	1,142,069	2,152,532	(127,079)	73,778	1,584,254	
Plan fiduciary net position - beginning	22,274,111	20,121,579	20,248,658	20,174,880	18,590,626	
Plan fiduciary net position - ending (b)	<u>\$ 23,416,180</u>	<u>\$ 22,274,111</u>	<u>\$ 20,121,579</u>	<u>\$ 20,248,658</u>	<u>\$ 20,174,880</u>	
City's net pension liability - ending (a) - (b)	<u>\$ 27,614,479</u>	<u>\$ 26,209,658</u>	<u>\$ 23,928,824</u>	<u>\$ 18,314,074</u>	<u>\$ 17,647,467</u>	

CITY OF BULLHEAD CITY, ARIZONA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS  
 AGENT PENSION PLAN  
 June 30, 2019

Bullhead City Police Dept. Public Safety Personnel Retirement System	Reporting Fiscal Year (Measurement Date)					2014 through 2010
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
Plan fiduciary net position as a percentage of the total pension liability	45.94%	45.94%	45.68%	52.51%	53.34%	Information not available
Covered payroll	\$ 4,304,133	\$ 4,768,091	\$ 4,623,094	\$ 4,758,468	\$ 4,626,035	
City's net pension liability as a percentage of covered payroll	641.58%	549.69%	517.59%	384.87%	381.48%	

CITY OF BULLHEAD CITY, ARIZONA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CITY PENSION CONTRIBUTIONS  
 June 30, 2019

Bullhead City Police Dept. Public Safety Personnel Retirement System	Reporting Fiscal Year (Measurement Date)					2014 through 2010
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
Actuarially determined contribution	\$ 2,300,757	\$ 1,422,995	\$ 1,391,558	\$ 1,240,272	\$ 1,103,933	Information not available
City's contributions in relation to the actuarially determined contribution	<u>2,300,757</u>	<u>1,422,995</u>	<u>1,391,558</u>	<u>1,240,272</u>	<u>1,103,933</u>	
City's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
City's covered payroll	\$ 4,304,133	\$ 4,768,091	\$ 4,623,094	\$ 4,758,468	\$ 4,626,035	
City's contributions as a percentage of covered payroll	53.45%	29.84%	30.10%	26.06%	23.86%	

CITY OF BULLHEAD CITY, ARIZONA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 NOTES TO THE PENSION PLAN SCHEDULE  
 June 30, 2019

NOTE 1 ACTUARIALLY DETERMINED CONTRIBUTION RATES

Actuarial determined contribution rates for PSPRS are calculated as of June 30 two years prior to the end of the fiscal year in which contributions are made. The actuarial methods and assumptions used to establish the contribution requirements are as follows:

Actuarial cost method	Entry age normal
Amortization method	Level percent-of-pay, closed
Remaining amortization period as of the 2016 actuarial valuation	19 years for underfunded 20 years for overfunded
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions: Investment rate of return	PSPRS members with initial membership date before July 1, 2017: In the 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2016 actuarial valuation, the investment rate of return was decreased from 8% 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%-7.5% 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%-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 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)

CITY OF BULLHEAD CITY, ARIZONA  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO THE PENSION PLAN SCHEDULE  
June 30, 2019

NOTE 2 FACTORS THAT AFFECT TRENDS

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, the PSPRS changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. PSPRS also reduced those members' employee contribution rates. These changes are reflected in the plans' pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS- required pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes will increase the PSPRS- required contributions beginning in fiscal year 2019 for members who retired or will retire after the law's effective date. Also, the City refunded excess employee contributions to PSPRS members. PSPRS allowed the City to reduce its actual employer contributions for the refund amounts. As a result, the City's pension contributions were less than the actuarially or statutorily determined contributions for 2018 and 2019.

# **Other Supplementary Information**

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**COMBINING NON-MAJOR FUND FINANCIAL STATEMENTS**





CITY OF BULLHEAD CITY, ARIZONA  
 COMBINING BALANCE SHEET  
 ALL NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE  
 June 30, 2019

	Special Revenue	Capital Projects	Debt Service	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,415,362	\$ 1,121,341	\$ 23,255	\$ 2,559,958
Restricted cash	95,518	3,037,000	421,988	3,554,506
Receivables, net of allowances for uncollectibles:				
Accounts	212,506	898,010	-	1,110,516
Taxes	7,051	57,287	-	64,338
Intergovernmental	299,659	40,788	-	340,447
Inventory and Prepays	543	-	-	543
Special assessments receivable	-	-	1,144	1,144
<b>Total assets</b>	<b>\$ 2,030,639</b>	<b>\$ 5,154,426</b>	<b>\$ 446,387</b>	<b>\$ 7,631,452</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 108,258	\$ 127,033	\$ -	\$ 235,291
Accrued payroll and related liabilities	37,592	3,249	-	40,841
Due to other funds	713,874	60,566	1,202,094	1,976,534
Other liabilities	27,366	16,307	-	43,673
Interest payable	-	-	109,148	109,148
Matured bonds payable	-	-	308,000	308,000
<b>Total liabilities</b>	<b>887,090</b>	<b>207,155</b>	<b>1,619,242</b>	<b>2,713,487</b>
Deferred inflows of resources				
Unavailable revenue - other	15,837	57,287	-	73,124
Unavailable revenue - special assessments	11,810	630	-	12,440
<b>Total deferred inflows of resources</b>	<b>27,647</b>	<b>57,917</b>	<b>-</b>	<b>85,564</b>
<b>FUND BALANCES</b>				
Nonspendable				
Inventory and Prepays	543	-	-	543
Restricted				
Highways and streets	241,639	1,306	-	242,945
Community development	1,220,672	-	-	1,220,672
Public safety	136,001	-	-	136,001
Capital projects	-	4,888,048	-	4,888,048
Debt service	-	-	28,264	28,264
Other purposes	106,184	-	-	106,184
Unassigned	(589,137)	-	(1,201,119)	(1,790,256)
<b>Total fund balances</b>	<b>1,115,902</b>	<b>4,889,354</b>	<b>(1,172,855)</b>	<b>4,832,401</b>
Total liabilities, deferred inflows of resources, and fund balances	<b>\$ 2,030,639</b>	<b>\$ 5,154,426</b>	<b>\$ 446,387</b>	<b>\$ 7,631,452</b>

CITY OF BULLHEAD CITY, ARIZONA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 ALL NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE  
 Year Ended June 30, 2019

	Special Revenue	Capital Projects	Debt Service	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Intergovernmental	\$ 1,588,129	\$ 929,762	\$ -	\$ 2,517,891
Charges for services	734,298	-	-	734,298
Special assessments	32,015	56,733	55,182	143,930
Licenses and permits	90	-	-	90
Fines and forfeitures	78,255	-	-	78,255
Investment earnings	23,164	26,639	26,945	76,748
Other revenues	236,142	211,835	46	448,023
Total revenues	<u>2,692,093</u>	<u>1,224,969</u>	<u>82,173</u>	<u>3,999,235</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,863,080	-	-	1,863,080
Public safety	226,035	-	-	226,035
Culture and recreation	122,595	18,282	-	140,877
Redevelopment and housing	367,323	-	-	367,323
Highways and streets	-	301,967	51,978	353,945
Health and welfare	324,802	-	-	324,802
Debt service:				
Principal	-	-	308,000	308,000
Interest and fiscal charges	-	-	167,277	167,277
Bond issuance costs	-	76,423	-	76,423
Capital outlay	17,738	2,485,872	-	2,503,610
Total expenditures	<u>2,921,573</u>	<u>2,882,544</u>	<u>527,255</u>	<u>6,331,372</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(229,480)</u>	<u>(1,657,575)</u>	<u>(445,082)</u>	<u>(2,332,137)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	38,528	-	-	38,528
Proceeds from issuance of bonds	-	3,099,043	957	3,100,000
Transfers in	363,811	1,178,949	359,321	1,902,081
Transfers out	(38,886)	-	-	(38,886)
Total other financing (uses) sources	<u>363,453</u>	<u>4,277,992</u>	<u>360,278</u>	<u>5,001,723</u>
Net change in fund balances	133,973	2,620,417	(84,804)	2,669,586
Fund balances - beginning of year	981,929	2,268,937	(1,088,051)	2,162,815
Fund balances - end of year	<u>\$ 1,115,902</u>	<u>\$ 4,889,354</u>	<u>\$ (1,172,855)</u>	<u>\$ 4,832,401</u>

# Other Supplementary Information

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## SPECIAL REVENUE FUNDS

- **RICO** - This fund is used to account for the City's share of the U.S. Customs Department Asset Sharing Program. The funds may only be used for law enforcement purposes.
- **Housing** - This fund is used to account for the repayment of Housing Rehab loans.
- **Art Commission** - This fund is used to account for all revenues and expenditures for the promotion of the arts.
- **Special Assessments Administration** - This fund is used to account for the administration of the City's improvement districts.
- **Judicial Collection Enhancement Fund (JCEF)** - This fund is used to account for monies
- **Water Impost** - This fund is used to account for all revenues and expenditures paid for by the City's water impost fees.
- **Transit** - This fund is used to account for administration and operations of the City's transit system.
- **Real Estate Owned (REO)** - This fund is used to account for the administration of City owned real property.
- **Court Enhancement** - This fund is used to account for funds collected from surcharges by the City's Municipal Court.
- **Fill the Gap** - This fund is used to account for the funds received from the State of Arizona that are for reducing delays and backlogs in criminal cases.
- **CDBG/HOME/HTF** - This fund is used to account for activities related to the City's Community Development Block Grant and other related grants.
- **Special Events** - This fund is used to account for the activities related to the City's special events.

- **Veterans Memorial Park** - This fund is used to account for the funds received through donations that assist with operating, capital, and other related expenses at the City's Veteran's Memorial Park.
- **Fines/Fees and Restitution Program (FARE) Fund** - This fund is used to account for amounts received from the State of Arizona collected on overdue fines, fees, and restitutions.
- **Pest Abatement** - This fund is used to account for all revenues and expenditures of intergovernmental revenues for pest abatement.
- **Victim Services Grants** - This fund is used to account for all revenues and expenditures of the victim rights grant.
- **Police Grants** - This fund is used to account for all revenues and expenditures of intergovernmental grants for the police department.
- **General Grants** - This fund is used to account for the revenues and expenditures related to the serving of meals to the City's senior population.
- **Senior Nutrition Center** - This fund is used to account for the revenues and expenditures related to the serving of meals to the city's senior population.
- **Court Improvement** - This fund is used to account for all revenues and expenditures for improvements to the city's court.



CITY OF BULLHEAD CITY, ARIZONA  
 COMBINING BALANCE SHEET  
 SPECIAL REVENUE FUNDS  
 June 30, 2019

	RICO	Housing	Arts Commission	Special Assessments Administration
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 89,017	\$ 9,485	\$ 66,283
Restricted cash	95,108	-	-	-
Receivables, net of allowances for uncollectibles:				
Accounts	-	9,584	-	-
Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Inventory and Prepays	-	-	-	-
<b>Total assets</b>	<b>\$ 95,108</b>	<b>\$ 98,601</b>	<b>\$ 9,485</b>	<b>\$ 66,283</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,177	\$ -	\$ -	\$ 7,055
Accrued payroll and related liabilities	-	-	-	-
Due to other funds	41,305	-	-	-
Other liabilities	-	-	288	-
<b>Total liabilities</b>	<b>42,482</b>	<b>-</b>	<b>288</b>	<b>7,055</b>
Deferred inflows of resources				
Unavailable revenue - other	-	-	-	-
Unavailable revenue - special assessments	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Nonspendable				
Inventory and Prepays	-	-	-	-
Restricted				
Highways and streets	-	-	-	-
Community development	-	98,601	9,197	59,228
Public safety	52,626	-	-	-
Other purposes	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>52,626</b>	<b>98,601</b>	<b>9,197</b>	<b>59,228</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 95,108</b>	<b>\$ 98,601</b>	<b>\$ 9,485</b>	<b>\$ 66,283</b>

JCEF	Water Impost	Transit	REO	Court Enhancement	Fill the Gap
\$ 68,865	\$ 946,826	\$ 109,466	\$ -	\$ 16,889	\$ 26,663
-	-	-	-	410	-
-	136,595	3,494	-	-	3,561
-	-	-	-	-	-
-	-	155,121	-	-	-
-	-	-	-	-	-
<u>\$ 68,865</u>	<u>\$ 1,083,421</u>	<u>\$ 268,081</u>	<u>\$ -</u>	<u>\$ 17,299</u>	<u>\$ 30,224</u>
\$ 784	\$ 5,002	\$ 5,424	\$ -	\$ 2,018	\$ -
-	9,086	20,863	-	-	-
-	-	-	381,139	-	-
-	-	5	41	-	-
<u>784</u>	<u>14,088</u>	<u>26,292</u>	<u>381,180</u>	<u>2,018</u>	<u>-</u>
-	15,687	150	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>15,687</u>	<u>150</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	241,639	-	-	-
-	1,053,646	-	-	-	-
68,081	-	-	-	15,281	-
-	-	-	-	-	30,224
-	-	-	(381,180)	-	-
<u>68,081</u>	<u>1,053,646</u>	<u>241,639</u>	<u>(381,180)</u>	<u>15,281</u>	<u>30,224</u>
<u>\$ 68,865</u>	<u>\$ 1,083,421</u>	<u>\$ 268,081</u>	<u>\$ -</u>	<u>\$ 17,299</u>	<u>\$ 30,224</u>

(Continued)

CITY OF BULLHEAD CITY, ARIZONA  
 COMBINING BALANCE SHEET  
 SPECIAL REVENUE FUNDS  
 June 30, 2019

	CDBG/HTF	Special Events	Veterans Memorial Park	FARE
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 38,668	\$ 219	\$ 6,020
Restricted cash	-	-	-	-
Receivables, net of allowances for uncollectibles:				
Accounts	-	9,245	-	-
Taxes	-	-	-	-
Intergovernmental	129,264	-	-	-
Inventory and Prepays	-	543	-	-
<b>Total assets</b>	<b>\$ 129,264</b>	<b>\$ 48,456</b>	<b>\$ 219</b>	<b>\$ 6,020</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 51,851	\$ 2,370	\$ -	\$ -
Accrued payroll and related liabilities	677	608	-	-
Due to other funds	181,903	-	-	-
Other liabilities	26,752	280	-	-
<b>Total liabilities</b>	<b>261,183</b>	<b>3,258</b>	<b>-</b>	<b>-</b>
Deferred inflows of resources				
Unavailable revenue - other	-	-	-	-
Unavailable revenue - special assessments	-	11,810	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>11,810</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Nonspendable				
Inventory and Prepays	-	543	-	-
Restricted				
Highways and streets	-	-	-	-
Community development	-	-	-	-
Public safety	-	-	-	-
Other purposes	-	32,845	219	6,020
Unassigned	(131,919)	-	-	-
<b>Total fund balances</b>	<b>(131,919)</b>	<b>33,388</b>	<b>219</b>	<b>6,020</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 129,264</b>	<b>\$ 48,456</b>	<b>\$ 219</b>	<b>\$ 6,020</b>



Pest Abatement	Court Security Improvement	Victim Services Grants	Police Grants	General Grants	Senior Nutrition Center	Total
\$ 33,286	\$ 13	\$ -	\$ -	\$ 3,662	\$ -	\$ 1,415,362
-	-	-	-	-	-	95,518
-	-	-	-	-	50,027	212,506
-	-	-	-	-	-	-
-	-	22,325	-	-	-	306,710
-	-	-	-	-	-	543
<u>\$ 33,286</u>	<u>\$ 13</u>	<u>\$ 22,325</u>	<u>\$ -</u>	<u>\$ 3,662</u>	<u>\$ 50,027</u>	<u>\$ 2,030,639</u>
\$ 72	\$ -	\$ -	\$ -	\$ -	\$ 32,505	\$ 108,258
-	-	3,996	-	-	2,362	37,592
-	-	18,499	26,990	-	64,038	713,874
-	-	-	-	-	-	27,366
<u>72</u>	<u>-</u>	<u>22,495</u>	<u>26,990</u>	<u>-</u>	<u>98,905</u>	<u>887,090</u>
-	-	-	-	-	-	15,837
-	-	-	-	-	-	11,810
-	-	-	-	-	-	27,647
-	-	-	-	-	-	543
-	-	-	-	-	-	241,639
-	-	-	-	-	-	1,220,672
-	13	-	-	-	-	136,001
33,214	-	-	-	3,662	-	106,184
-	-	(170)	(26,990)	-	(48,878)	(589,137)
<u>33,214</u>	<u>13</u>	<u>(170)</u>	<u>(26,990)</u>	<u>3,662</u>	<u>(48,878)</u>	<u>1,115,902</u>
<u>\$ 33,286</u>	<u>\$ 13</u>	<u>\$ 22,325</u>	<u>\$ -</u>	<u>\$ 3,662</u>	<u>\$ 50,027</u>	<u>\$ 2,030,639</u>

(Concluded)

CITY OF BULLHEAD CITY, ARIZONA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 SPECIAL REVENUE FUNDS  
 Year Ended June 30, 2019

	RICO	Housing	Arts Commission	Special Assessments Administration
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Special assessments	-	-	-	32,015
Licenses and permits	-	-	-	-
Fines and forfeitures	24,810	-	-	-
Investment earnings	2,994	738	152	991
Other revenues	1	97,788	37	778
Total revenues	<u>27,805</u>	<u>98,526</u>	<u>189</u>	<u>33,784</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	15,293
Public safety	60,484	-	-	-
Culture and recreation	-	-	2,500	-
Redevelopment and housing	-	-	-	-
Health and welfare	-	-	-	-
Total expenditures	<u>60,484</u>	<u>-</u>	<u>2,500</u>	<u>15,293</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(32,679)</u>	<u>98,526</u>	<u>(2,311)</u>	<u>18,491</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	(22,067)
Total other financing (uses) sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,067)</u>
Net change in fund balances	<u>(32,679)</u>	<u>98,526</u>	<u>(2,311)</u>	<u>(3,576)</u>
Fund balances - beginning of year	<u>85,305</u>	<u>75</u>	<u>11,508</u>	<u>62,804</u>
Fund balances - end of year	<u>\$ 52,626</u>	<u>\$ 98,601</u>	<u>\$ 9,197</u>	<u>\$ 59,228</u>

JCEF	Water Impost	Transit	REO	Court Enhancement	Fill the Gap
\$ -	\$ -	\$ 861,831	\$ -	\$ -	\$ -
-	506,838	163,797	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
10,196	-	-	-	26,760	10,251
948	12,808	2,367	-	350	364
106	1,071	4,555	-	12	21
<u>11,250</u>	<u>520,717</u>	<u>1,032,550</u>	<u>-</u>	<u>27,122</u>	<u>10,636</u>
1,535	486,410	1,195,510	146	47,155	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,535</u>	<u>486,410</u>	<u>1,206,739</u>	<u>146</u>	<u>47,155</u>	<u>-</u>
9,715	34,307	(174,189)	(146)	(20,033)	10,636
-	-	-	38,528	-	-
-	-	241,351	-	-	-
-	-	-	-	-	-
-	-	241,351	38,528	-	-
9,715	34,307	67,162	38,382	(20,033)	10,636
58,366	1,019,339	174,477	(419,562)	35,314	19,588
<u>\$ 68,081</u>	<u>\$ 1,053,646</u>	<u>\$ 241,639</u>	<u>\$ (381,180)</u>	<u>\$ 15,281</u>	<u>\$ 30,224</u>

(Continued)

CITY OF BULLHEAD CITY, ARIZONA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 SPECIAL REVENUE FUNDS  
 Year Ended June 30, 2019

	CDBG/HTF	Special Events	Veterans Memorial Park	FARE
REVENUES				
Intergovernmental	\$ 226,515	\$ -	\$ -	\$ -
Charges for services	-	63,663	-	-
Special assessments	-	-	-	-
Licenses and permits	-	90	-	-
Fines and forfeitures	-	-	-	6,238
Investment earnings	17	583	1	97
Other revenues	44,749	48,764	205	-
Total revenues	<u>271,281</u>	<u>113,100</u>	<u>206</u>	<u>6,335</u>
EXPENDITURES				
Current:				
General government	-	-	-	3,177
Public safety	-	-	-	-
Culture and recreation	-	120,095	-	-
Redevelopment and housing	367,323	-	-	-
Health and welfare	-	-	-	-
Total expenditures	<u>373,368</u>	<u>120,095</u>	<u>-</u>	<u>3,177</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(102,087)</u>	<u>(6,995)</u>	<u>206</u>	<u>3,158</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing (uses) sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(102,087)</u>	<u>(6,995)</u>	<u>206</u>	<u>3,158</u>
Fund balances - beginning of year	<u>(29,832)</u>	<u>40,383</u>	<u>13</u>	<u>2,862</u>
Fund balances - end of year	<u>\$ (131,919)</u>	<u>\$ 33,388</u>	<u>\$ 219</u>	<u>\$ 6,020</u>

Pest Abatement	Court Security Improvement	Victim Services Grants	Police Grants	General Grants	Senior Nutrition Center	Total
\$ 135,000	\$ 2,685	\$ 132,079	\$ 39,198	\$ 500	\$ 190,321	\$ 1,588,129
-	-	-	-	-	-	734,298
-	-	-	-	-	-	32,015
-	-	-	-	-	-	90
-	-	-	-	-	-	78,255
687	13	-	-	54	-	23,164
-	-	-	1,064	-	36,991	236,142
<u>135,687</u>	<u>2,698</u>	<u>132,079</u>	<u>40,262</u>	<u>554</u>	<u>227,312</u>	<u>2,692,093</u>
110,745	2,685	-	-	424	-	1,863,080
-	-	132,442	33,109	-	-	226,035
-	-	-	-	-	-	122,595
-	-	-	-	-	-	367,323
-	-	-	-	-	324,802	324,802
<u>110,745</u>	<u>2,685</u>	<u>132,442</u>	<u>33,573</u>	<u>424</u>	<u>324,802</u>	<u>2,921,573</u>
<u>24,942</u>	<u>13</u>	<u>(363)</u>	<u>6,689</u>	<u>130</u>	<u>(97,490)</u>	<u>(229,480)</u>
-	-	-	-	-	-	38,528
-	-	-	-	-	122,460	363,811
-	-	-	-	-	(16,819)	(38,886)
-	-	-	-	-	105,641	363,453
<u>24,942</u>	<u>13</u>	<u>(363)</u>	<u>6,689</u>	<u>130</u>	<u>8,151</u>	<u>133,973</u>
<u>8,272</u>	<u>-</u>	<u>193</u>	<u>(33,679)</u>	<u>3,532</u>	<u>(57,029)</u>	<u>981,929</u>
<u>\$ 33,214</u>	<u>\$ 13</u>	<u>\$ (170)</u>	<u>\$ (26,990)</u>	<u>\$ 3,662</u>	<u>\$ (48,878)</u>	<u>\$ 1,115,902</u>

(Concluded)



# Other Supplementary Information

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## CAPITAL PROJECT FUNDS

- **Street Lighting Improvement Districts** - This fund is used to account for maintenance and operation of the City's Street Lighting Districts.
- **Capital Projects** - This fund is used to account for maintenance and operations of the City's parks and other municipal facilities.
- **The Flood Control Capital Project Fund** - This fund is used to account for capital flood improvements projects.





CITY OF BULLHEAD CITY, ARIZONA  
 COMBINING BALANCE SHEET  
 CAPITAL PROJECTS FUNDS  
 June 30, 2019

	Street Lighting Improvement Districts	Capital Projects Funds	Flood Control Fund	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 540,027	\$ 581,314	\$ 1,121,341
Restricted cash	-	3,037,000	-	3,037,000
Receivables, net of allowances for uncollectibles:				
Accounts	17,913	-	880,097	898,010
Taxes	-	57,287	-	57,287
Intergovernmental	-	40,788	-	40,788
<b>Total assets</b>	<b>\$ 17,913</b>	<b>\$ 3,675,102</b>	<b>\$ 1,461,411</b>	<b>\$ 5,154,426</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 8,037	\$ 117,645	\$ 1,351	\$ 127,033
Accrued payroll and related liabilities	-	-	3,249	3,249
Due to other funds	7,940	52,626	-	60,566
Other liabilities	-	16,307	-	16,307
<b>Total liabilities</b>	<b>15,977</b>	<b>186,578</b>	<b>4,600</b>	<b>207,155</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue - other	-	57,287	-	57,287
Unavailable revenue - special assessments	630	-	-	630
<b>Total deferred inflows of resources</b>	<b>630</b>	<b>57,287</b>	<b>-</b>	<b>57,917</b>
<b>FUND BALANCES</b>				
<b>Restricted</b>				
Highways and streets	1,306	-	-	1,306
Capital projects	-	3,431,237	1,456,811	4,888,048
<b>Total fund balances</b>	<b>1,306</b>	<b>3,431,237</b>	<b>1,456,811</b>	<b>4,889,354</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 17,913</b>	<b>\$ 3,675,102</b>	<b>\$ 1,461,411</b>	<b>\$ 5,154,426</b>

CITY OF BULLHEAD CITY, ARIZONA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 CAPITAL PROJECTS FUNDS  
 Year Ended June 30, 2019

	Street Lighting Improvement Districts	Capital Projects Funds	Flood Control Fund	Total
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 49,668	\$ 880,094	\$ 929,762
Special assessments	56,733	-	-	56,733
Investment earnings	696	15,063	10,880	26,639
Other revenues	-	210,311	1,524	211,835
Total revenues	<u>57,429</u>	<u>275,042</u>	<u>892,498</u>	<u>1,224,969</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	-	18,282	-	18,282
Highways and streets	67,386	-	234,581	301,967
Debt service:				
Bond issuance costs	-	76,423	-	76,423
Capital outlay	-	2,282,342	203,530	2,485,872
Total expenditures	<u>67,386</u>	<u>2,377,047</u>	<u>438,111</u>	<u>2,882,544</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,957)</u>	<u>(2,102,005)</u>	<u>454,387</u>	<u>(1,657,575)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	-	3,099,043	-	3,099,043
Transfers in	-	1,178,949	-	1,178,949
Total other financing (uses) sources	<u>-</u>	<u>4,277,992</u>	<u>-</u>	<u>4,277,992</u>
Net change in fund balances	<u>(9,957)</u>	<u>2,175,987</u>	<u>454,387</u>	<u>2,620,417</u>
Fund balances - beginning of year	<u>11,263</u>	<u>1,255,250</u>	<u>1,002,424</u>	<u>2,268,937</u>
Fund balances - end of year	<u>\$ 1,306</u>	<u>\$ 3,431,237</u>	<u>\$ 1,456,811</u>	<u>\$ 4,889,354</u>

# Other Supplementary Information

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## DEBT SERVICE FUNDS

- **Debt Service Fund** - This fund accounts for the accumulation of resources for, and the payment of current and future debt service requirements for governmental debt principal and interest.
- **Bullhead City Parkway Improvement District** - This fund is used to account for all debt activity on special assessment bonds for the Bullhead Parkway Improvement District.
- **East Branch Sewer Improvement District** - This fund is used to account for all debt activity on special assessment bonds for the East Branch Sewer Improvement District.



CITY OF BULLHEAD CITY, ARIZONA  
 COMBINING BALANCE SHEET  
 DEBT SERVICE FUNDS  
 June 30, 2019

	Debt Service	Bullhead Parkway Improvement District	East Branch Sewer Improvement District	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 23,255	\$ -	\$ -	\$ 23,255
Restricted cash	421,988	-	-	421,988
Special assessments receivable	-	565	579	1,144
Total assets	<u>\$ 445,243</u>	<u>\$ 565</u>	<u>\$ 579</u>	<u>\$ 446,387</u>
<b>LIABILITIES</b>				
Due to other funds	\$ -	\$ 1,201,684	\$ 410	\$ 1,202,094
Interest payable	109,148	-	-	109,148
Matured bonds payable	308,000	-	-	308,000
Total liabilities	<u>417,148</u>	<u>1,201,684</u>	<u>410</u>	<u>1,619,242</u>
<b>FUND BALANCES</b>				
Restricted				
Debt service	28,095	-	169	28,264
Unassigned	-	(1,201,119)	-	(1,201,119)
Total fund balances	<u>28,095</u>	<u>(1,201,119)</u>	<u>169</u>	<u>(1,172,855)</u>
Total liabilities and fund balances	<u>\$ 445,243</u>	<u>\$ 565</u>	<u>\$ 579</u>	<u>\$ 446,387</u>

CITY OF BULLHEAD CITY, ARIZONA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 DEBT SERVICE FUNDS  
 Year Ended June 30, 2019

	Debt Service	Bullhead Parkway Improvement District	East Branch Sewer Improvement District	Total
<b>REVENUES</b>				
Special assessments	\$ 55,182	\$ -	\$ -	\$ 55,182
Investment earnings	26,945	-	-	26,945
Other revenues	-	-	46	46
Total revenues	<u>82,127</u>	<u>-</u>	<u>46</u>	<u>82,173</u>
<b>EXPENDITURES</b>				
Current:				
Highways and streets	-	51,978	-	51,978
Debt service:				
Principal	308,000	-	-	308,000
Interest and fiscal charges	167,277	-	-	167,277
Total expenditures	<u>475,277</u>	<u>51,978</u>	<u>-</u>	<u>527,255</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(393,150)</u>	<u>(51,978)</u>	<u>46</u>	<u>(445,082)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from issuance of bonds	957	-	-	957
Transfers in	359,321	-	-	359,321
Total other financing (uses) sources	<u>360,278</u>	<u>-</u>	<u>-</u>	<u>360,278</u>
Net change in fund balances	<u>(32,872)</u>	<u>(51,978)</u>	<u>46</u>	<u>(84,804)</u>
Fund balances - beginning of year	<u>60,967</u>	<u>(1,149,141)</u>	<u>123</u>	<u>(1,088,051)</u>
Fund balances - end of year	<u>\$ 28,095</u>	<u>\$ (1,201,119)</u>	<u>\$ 169</u>	<u>\$ (1,172,855)</u>

# **Other Supplementary Information**

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**BUDGETARY SCHEDULES**  
MAJOR FUNDS





CITY OF BULLHEAD CITY, ARIZONA  
 SID DEBT SERVICE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Special assessments	\$ 2,272,670	\$ 2,272,670	\$ 2,372,430	\$ 99,760
Investment earnings	14,000	14,000	31,636	17,636
Other revenues	-	-	1,965	1,965
Total revenues	<u>2,286,670</u>	<u>2,286,670</u>	<u>2,406,031</u>	<u>119,361</u>
EXPENDITURES				
Current:				
General government	68,377	68,377	68,377	-
Debt service:				
Principal	2,181,932	2,181,932	2,181,932	-
Interest and fiscal charges	307,453	307,453	307,453	-
Total expenditures	<u>2,557,762</u>	<u>2,557,762</u>	<u>2,557,762</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(271,092)</u>	<u>(271,092)</u>	<u>(151,731)</u>	<u>119,361</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	39,679	39,679
Net change in fund balances	(271,092)	(271,092)	(112,052)	159,040
Fund balances - beginning of year	<u>271,091</u>	<u>271,091</u>	<u>2,342,477</u>	<u>2,071,386</u>
Fund balances - end of year	<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ 2,230,425</u>	<u>\$ 2,230,426</u>

CITY OF BULLHEAD CITY, ARIZONA  
 EXCISE REVENUE BOND REFUNDING FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 11,873	\$ 11,873
Other revenues	-	-	-	-
Total revenues	-	-	11,873	11,873
EXPENDITURES				
Current:				
Debt service:				
Principal	1,705,001	1,705,001	1,705,001	-
Interest and fiscal charges	140,562	140,562	142,802	(2,240)
Total expenditures	1,845,563	1,845,563	1,847,803	(2,240)
Excess (deficiency) of revenues over (under) expenditures	(1,845,563)	(1,845,563)	(1,835,930)	9,633
OTHER FINANCING SOURCES (USES)				
Debt issuance	-	-	23,933	23,933
Transfers in	1,845,563	1,845,563	1,845,563	-
Net change in fund balances	-	-	33,566	33,566
Fund balances - beginning of year	-	-	6,844	6,844
Fund balances - end of year	\$ -	\$ -	\$ 40,410	\$ 40,410

# **Other Supplementary Information**

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## **BUDGETARY SCHEDULES NON-MAJOR SPECIAL REVENUE FUNDS**



CITY OF BULLHEAD CITY, ARIZONA

RICO FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ -	\$ -	\$ 24,810	\$ 24,810
Investment earnings	100	100	2,995	2,895
Total revenues	<u>100</u>	<u>100</u>	<u>27,805</u>	<u>27,705</u>
EXPENDITURES				
Current:				
Public safety	72,881	72,881	60,484	12,397
Total expenditures	<u>72,881</u>	<u>72,881</u>	<u>60,484</u>	<u>12,397</u>
Net change in fund balances	(72,781)	(72,781)	(32,679)	40,102
Fund balances - beginning of year	<u>72,781</u>	<u>72,781</u>	<u>85,305</u>	<u>12,524</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,626</u>	<u>\$ 52,626</u>

CITY OF BULLHEAD CITY, ARIZONA  
HOUSING FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 738	\$ 738
Other revenues	-	-	97,788	97,788
Total revenues	-	-	98,526	98,526
EXPENDITURES				
Total expenditures	-	-	-	-
Net change in fund balances	-	-	98,526	98,526
Fund balances - beginning of year	\$ -	\$ -	\$ 75	\$ 75
Fund balances - end of year	\$ -	\$ -	\$ 98,601	\$ 98,601

CITY OF BULLHEAD CITY, ARIZONA  
ARTS COMMISSION FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 25	\$ 25	\$ 152	\$ 127
EXPENDITURES				
Current:				
Culture and recreation	11,471	11,471	2,500	8,971
Total expenditures	11,471	11,471	2,500	8,971
Net change in fund balances	(11,446)	(11,446)	(2,311)	9,135
Fund balances - beginning of year	11,446	11,446	11,508	62
Fund balances - end of year	\$ -	\$ -	\$ 9,197	\$ 9,197

CITY OF BULLHEAD CITY, ARIZONA  
SPECIAL ASSESSMENTS ADMINISTRATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Special assessments	\$ 29,500	\$ 29,500	\$ 32,015	\$ 2,515
Investment earnings	200	200	991	791
Other revenues	-	-	778	778
Total revenues	<u>29,700</u>	<u>29,700</u>	<u>33,784</u>	<u>4,084</u>
<b>EXPENDITURES</b>				
Current:				
General government	63,603	63,603	15,293	48,310
Total expenditures	<u>63,603</u>	<u>63,603</u>	<u>15,293</u>	<u>48,310</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(33,903)</u>	<u>(33,903)</u>	<u>18,491</u>	<u>52,394</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(24,073)</u>	<u>(24,073)</u>	<u>(22,067)</u>	<u>2,006</u>
Net change in fund balances	(57,976)	(57,976)	(3,576)	54,400
Fund balances - beginning of year	<u>57,976</u>	<u>57,976</u>	<u>62,804</u>	<u>4,828</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,228</u>	<u>\$ 59,228</u>



CITY OF BULLHEAD CITY, ARIZONA

JCEF FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ 11,400	\$ 11,400	\$ 10,196	\$ (1,204)
Investment earnings	100	100	948	848
Other revenues	-	-	106	106
Total revenues	<u>11,500</u>	<u>11,500</u>	<u>11,250</u>	<u>(250)</u>
<b>EXPENDITURES</b>				
Current:				
General government	72,109	72,109	1,535	70,574
Total expenditures	<u>72,109</u>	<u>72,109</u>	<u>1,535</u>	<u>70,574</u>
Net change in fund balances	(60,609)	(60,609)	9,715	70,324
Fund balances - beginning of year	<u>60,609</u>	<u>60,609</u>	<u>58,366</u>	<u>(2,243)</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,081</u>	<u>\$ 68,081</u>

CITY OF BULLHEAD CITY, ARIZONA  
WATER IMPOST FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 470,000	\$ 470,000	\$ 506,838	\$ 36,838
Investment earnings	1,600	1,600	12,808	11,208
Other revenues	2,000	2,000	1,071	(929)
Total revenues	<u>473,600</u>	<u>473,600</u>	<u>520,717</u>	<u>47,117</u>
EXPENDITURES				
Current:				
General government	1,325,737	1,325,737	486,410	839,327
Capital outlay	100,000	100,000	-	100,000
Total expenditures	<u>1,425,737</u>	<u>1,425,737</u>	<u>486,410</u>	<u>939,327</u>
Net change in fund balances	(952,137)	(952,137)	34,307	986,444
Fund balances - beginning of year	<u>952,137</u>	<u>952,137</u>	<u>1,019,339</u>	<u>67,202</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,053,646</u>	<u>\$ 1,053,646</u>

CITY OF BULLHEAD CITY, ARIZONA  
TRANSIT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 1,012,825	\$ 1,012,825	\$ 861,831	\$ (150,994)
Charges for services	185,000	185,000	163,797	(21,203)
Investment earnings	-	-	2,367	2,367
Other revenues	44,200	44,200	4,555	(39,645)
Total revenues	<u>1,242,025</u>	<u>1,242,025</u>	<u>1,032,550</u>	<u>(209,475)</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,359,577	1,359,577	1,195,510	164,067
Capital outlay	30,000	30,000	11,229	18,771
Total expenditures	<u>1,389,577</u>	<u>1,389,577</u>	<u>1,206,739</u>	<u>182,838</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(147,552)</u>	<u>(147,552)</u>	<u>(174,189)</u>	<u>(26,637)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	241,351	241,351	241,351	-
Total other financing sources (uses)	<u>241,351</u>	<u>241,351</u>	<u>241,351</u>	<u>-</u>
Net change in fund balances	93,799	93,799	67,162	(26,637)
Fund balances - beginning of year	<u>130,368</u>	<u>130,368</u>	<u>174,477</u>	<u>44,109</u>
Fund balances - end of year	<u>\$ 224,167</u>	<u>\$ 224,167</u>	<u>\$ 241,639</u>	<u>\$ 17,472</u>

CITY OF BULLHEAD CITY, ARIZONA  
 REO FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Total revenues	-	-	-	-
EXPENDITURES				
Current:				
General government	5,000	5,000	146	4,854
Total expenditures	5,000	5,000	146	4,854
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	5,000	5,000	38,528	33,528
Total other financing sources (uses)	5,000	5,000	38,528	33,528
Net change in fund balances	-	-	38,382	38,382
Fund balances - beginning of year	-	-	(419,562)	(419,562)
Fund balances - end of year	\$ -	\$ -	\$ (381,180)	\$ (381,180)

CITY OF BULLHEAD CITY, ARIZONA  
 COURT ENHANCEMENT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ 35,000	\$ 35,000	\$ 26,760	\$ (8,240)
Investment earnings	100	100	350	250
Other revenues	-	-	12	12
Total revenues	<u>35,100</u>	<u>35,100</u>	<u>27,122</u>	<u>(7,978)</u>
<b>EXPENDITURES</b>				
Current:				
General government	71,695	71,695	47,155	24,540
Total expenditures	<u>71,695</u>	<u>71,695</u>	<u>47,155</u>	<u>24,540</u>
Net change in fund balances	(36,595)	(36,595)	(20,033)	16,562
Fund balances - beginning of year	<u>36,595</u>	<u>36,595</u>	<u>35,314</u>	<u>(1,281)</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,281</u>	<u>\$ 15,281</u>

CITY OF BULLHEAD CITY, ARIZONA  
 FILL THE GAP FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ 4,800	\$ 4,800	\$ 10,251	\$ 5,451
Investment earnings	40	40	364	324
Other revenues	-	-	21	21
Total revenues	<u>4,840</u>	<u>4,840</u>	<u>10,636</u>	<u>5,796</u>
<b>EXPENDITURES</b>				
Current:				
General government	25,642	25,642	-	25,642
Total expenditures	<u>25,642</u>	<u>25,642</u>	<u>-</u>	<u>25,642</u>
Net change in fund balances	(20,802)	(20,802)	10,636	31,438
Fund balances - beginning of year	<u>20,802</u>	<u>20,802</u>	<u>19,588</u>	<u>(1,214)</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,224</u>	<u>\$ 30,224</u>

CITY OF BULLHEAD CITY, ARIZONA  
 CDBG/HOME/HTF FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 441,413	\$ 441,413	\$ 226,515	\$ (214,898)
Investment earnings	-	-	17	17
Other revenues	-	-	44,749	44,749
Total revenues	<u>441,413</u>	<u>441,413</u>	<u>271,281</u>	<u>(170,132)</u>
EXPENDITURES				
Current:				
Redevelopment and housing	435,213	435,213	367,323	67,890
Capital outlay	6,200	6,200	6,045	155
Total expenditures	<u>441,413</u>	<u>441,413</u>	<u>373,368</u>	<u>68,045</u>
Net change in fund balances	-	-	(102,087)	(102,087)
Fund balances - beginning of year	-	-	(29,832)	(29,832)
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (131,919)</u>	<u>\$ (131,919)</u>

CITY OF BULLHEAD CITY, ARIZONA  
SPECIAL EVENTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 248,446	\$ 248,446	\$ 63,663	\$ (184,783)
Licenses and permits	4,000	4,000	90	(3,910)
Investment earnings	-	-	583	583
Other revenues	71,604	71,604	48,764	(22,840)
Total revenues	<u>324,050</u>	<u>324,050</u>	<u>113,100</u>	<u>(210,950)</u>
EXPENDITURES				
Current:				
Culture and recreation	<u>326,178</u>	<u>326,178</u>	<u>120,095</u>	<u>206,083</u>
Total expenditures	<u>326,178</u>	<u>326,178</u>	<u>120,095</u>	<u>206,083</u>
Net change in fund balances	(2,128)	(2,128)	(6,995)	(4,867)
Fund balances - beginning of year	<u>2,128</u>	<u>2,128</u>	<u>40,383</u>	<u>38,255</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,388</u>	<u>\$ 33,388</u>



CITY OF BULLHEAD CITY, ARIZONA  
VETERANS MEMORIAL PARK FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Other revenues	\$ -	\$ -	\$ 206	\$ 206
Total revenues	-	-	206	206
EXPENDITURES				
Current:				
Total expenditures	-	-	-	-
Net change in fund balances	-	-	206	206
Fund balances - beginning of year	-	-	13	13
Fund balances - end of year	\$ -	\$ -	\$ 219	\$ 219

CITY OF BULLHEAD CITY, ARIZONA  
 FINES/ FEES AND RESTITUTION PROGRAM (FARE) FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 1,850	\$ 1,850	\$ 6,238	\$ 4,388
Investment earnings	20	20	97	77
Total revenues	<u>1,870</u>	<u>1,870</u>	<u>6,335</u>	<u>4,465</u>
EXPENDITURES				
Current:				
General government	5,939	5,939	3,177	2,762
Total expenditures	<u>5,939</u>	<u>5,939</u>	<u>3,177</u>	<u>2,762</u>
Net change in fund balances	(4,069)	(4,069)	3,158	7,227
Fund balances - beginning of year	<u>4,069</u>	<u>4,069</u>	<u>2,862</u>	<u>(1,207)</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,020</u>	<u>\$ 6,020</u>

CITY OF BULLHEAD CITY, ARIZONA  
 PEST ABATEMENT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 145,000	\$ 145,000	\$ 135,000	\$ (10,000)
Investment earnings	-	-	687	687
Total revenues	<u>145,000</u>	<u>145,000</u>	<u>135,687</u>	<u>(9,313)</u>
EXPENDITURES				
Current:				
General government	153,386	153,386	110,745	42,641
Total expenditures	<u>153,386</u>	<u>153,386</u>	<u>110,745</u>	<u>42,641</u>
Net change in fund balances	(8,386)	(8,386)	24,942	33,328
Fund balances - beginning of year	<u>8,386</u>	<u>8,386</u>	<u>8,272</u>	<u>(114)</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,214</u>	<u>\$ 33,214</u>

CITY OF BULLHEAD CITY, ARIZONA  
 COURT IMPROVEMENT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 2,685	\$ 2,685
Investment earnings	-	-	13	13
Total revenues	-	-	2,698	2,698
EXPENDITURES				
Current:				
General government	-	-	2,685	(2,685)
Total expenditures	-	-	2,685	(2,685)
Net change in fund balances	-	-	13	13
Fund balances - beginning of year	-	-	-	-
Fund balances - end of year	\$ -	\$ -	\$ 13	\$ 13

CITY OF BULLHEAD CITY, ARIZONA  
VICTIM SERVICES GRANTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 140,616	\$ 140,616	\$ 132,079	\$ (8,537)
Total revenues	140,616	140,616	132,079	(8,537)
EXPENDITURES				
Current:				
Public safety	140,616	140,616	132,442	8,174
Total expenditures	140,616	140,616	132,442	8,174
Net change in fund balances	-	-	(363)	(363)
Fund balances - beginning of year	-	-	193	193
Fund balances - end of year	\$ -	\$ -	\$ (170)	\$ (170)

CITY OF BULLHEAD CITY, ARIZONA  
POLICE GRANTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 56,752	\$ 56,752	\$ 39,198	\$ (17,554)
Other revenues	100,000	100,000	1,064	(98,936)
Total revenues	<u>156,752</u>	<u>156,752</u>	<u>40,262</u>	<u>(116,490)</u>
EXPENDITURES				
Current:				
Public safety	156,752	156,752	33,109	123,643
Capital outlay	-	-	464	(464)
Total expenditures	<u>156,752</u>	<u>156,752</u>	<u>33,573</u>	<u>123,179</u>
Net change in fund balances	-	-	6,689	6,689
Fund balances - beginning of year	-	-	(33,679)	(33,679)
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (26,990)</u>	<u>\$ (26,990)</u>

CITY OF BULLHEAD CITY, ARIZONA  
GENERAL GRANTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 95,000	\$ 95,000	\$ 500	\$ (94,500)
Investment earnings	-	-	54	54
Other revenues	5,000	5,000	-	(5,000)
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>554</u>	<u>(99,446)</u>
EXPENDITURES				
Current:				
General government	-	-	424	(424)
Culture and recreation	5,000	5,000	-	5,000
Capital outlay	95,000	95,000	-	95,000
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>424</u>	<u>99,576</u>
Net change in fund balances	-	-	130	130
Fund balances - beginning of year	-	-	3,532	3,532
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,662</u>	<u>\$ 3,662</u>

CITY OF BULLHEAD CITY, ARIZONA  
 SENIOR NUTRITION CENTER FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 161,315	\$ 161,315	\$ 190,321	\$ 29,006
Other revenues	186,746	186,746	36,991	(149,755)
Total revenues	<u>348,061</u>	<u>348,061</u>	<u>227,312</u>	<u>(120,749)</u>
EXPENDITURES				
Current:				
Health and welfare	360,520	360,520	324,802	35,718
Total expenditures	<u>360,520</u>	<u>360,520</u>	<u>324,802</u>	<u>35,718</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,459)</u>	<u>(12,459)</u>	<u>(97,490)</u>	<u>(85,031)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	122,460	122,460	122,460	-
Transfers out	<u>(110,000)</u>	<u>(110,000)</u>	<u>(16,819)</u>	<u>93,181</u>
Total other financing sources (uses)	<u>12,460</u>	<u>12,460</u>	<u>105,641</u>	<u>93,181</u>
Net change in fund balances	1	1	8,151	8,150
Fund balances - beginning of year	-	-	(57,029)	(57,029)
Fund balances - end of year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ (48,878)</u>	<u>\$ (48,879)</u>



# **Other Supplementary Information**

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## **BUDGETARY SCHEDULES NON-MAJOR CAPITAL PROJECT FUNDS**



CITY OF BULLHEAD CITY, ARIZONA  
STREET LIGHTING FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Special assessments	\$ 68,912	\$ 68,912	\$ 56,733	\$ (12,179)
Investment earnings	-	-	696	696
Total revenues	<u>68,912</u>	<u>68,912</u>	<u>57,429</u>	<u>(11,483)</u>
EXPENDITURES				
Current:				
Highways and streets	68,912	68,912	67,386	1,526
Total expenditures	<u>68,912</u>	<u>68,912</u>	<u>67,386</u>	<u>1,526</u>
Net change in fund balances	-	-	(9,957)	(9,957)
Fund balances - beginning of year	-	-	11,263	11,263
Fund balances, beginning of year - restated	-	-	11,263	11,263
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,306</u>	<u>\$ 1,306</u>

CITY OF BULLHEAD CITY, ARIZONA  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 1,117,271	\$ 1,117,271	\$ 49,668	\$ (1,067,603)
Investment earnings	2,005	2,005	15,063	13,058
Other revenues	-	-	210,311	210,311
Total revenues	<u>1,119,276</u>	<u>1,119,276</u>	<u>275,042</u>	<u>(844,234)</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	-	-	18,282	(18,282)
Highways and streets	-	-	1,986	(1,986)
Capital outlay	6,555,588	6,937,535	2,280,356	4,657,179
Total expenditures	<u>6,555,588</u>	<u>6,937,535</u>	<u>2,300,624</u>	<u>4,636,911</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,436,312)</u>	<u>(5,818,259)</u>	<u>(2,025,582)</u>	<u>3,792,677</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	2,485,847	2,485,847	3,084,663	598,816
Transfers in	1,592,052	1,623,999	1,178,949	(445,050)
Total other financing sources (uses)	<u>4,077,899</u>	<u>4,109,846</u>	<u>4,263,612</u>	<u>153,766</u>
Net change in fund balances	(1,358,413)	(1,708,413)	2,238,030	3,946,443
Fund balances - beginning of year	<u>1,302,774</u>	<u>1,302,774</u>	<u>1,255,250</u>	<u>(47,524)</u>
Fund balances - end of year	<u>\$ (55,639)</u>	<u>\$ (405,639)</u>	<u>\$ 3,493,280</u>	<u>\$ 3,898,919</u>

CITY OF BULLHEAD CITY, ARIZONA  
 FLOOD CONTROL FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 862,140	\$ 862,140	\$ 880,094	\$ 17,954
Investment earnings	1,000	1,000	10,880	9,880
Other revenues	-	-	1,524	1,524
Total revenues	<u>863,140</u>	<u>863,140</u>	<u>892,498</u>	<u>29,358</u>
<b>EXPENDITURES</b>				
Current:				
Highways and streets	300,927	300,927	234,581	66,346
Capital outlay	1,071,644	1,071,644	203,530	868,114
Total expenditures	<u>1,372,571</u>	<u>1,372,571</u>	<u>438,111</u>	<u>934,460</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(509,431)</u>	<u>(509,431)</u>	<u>454,387</u>	<u>963,818</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(400,000)</u>	<u>(400,000)</u>	-	400,000
Total other financing sources (uses)	<u>(400,000)</u>	<u>(400,000)</u>	-	400,000
Net change in fund balances	(909,431)	(909,431)	454,387	1,363,818
Fund balances - beginning of year	<u>909,431</u>	<u>909,431</u>	<u>1,002,424</u>	<u>92,993</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,456,811</u>	<u>\$ 1,456,811</u>



# **Other Supplementary Information**

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## **BUDGETARY SCHEDULES NON-MAJOR DEBT SERVICE FUNDS**





CITY OF BULLHEAD CITY, ARIZONA  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Special assessments	\$ 55,183	\$ 55,183	\$ 55,182	\$ (1)
Investment earnings	-	-	26,945	26,945
Total revenues	<u>55,183</u>	<u>55,183</u>	<u>82,127</u>	<u>26,944</u>
EXPENDITURES				
Current:				
Debt service:				
Principal	123,669	123,669	308,000	(184,331)
Interest and fiscal charges	214,709	214,709	167,277	47,432
Total expenditures	<u>338,378</u>	<u>338,378</u>	<u>475,277</u>	<u>(136,899)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(283,195)</u>	<u>(283,195)</u>	<u>(393,150)</u>	<u>(109,955)</u>
OTHER FINANCING SOURCES (USES)				
Debt issuance	-	-	957	957
Transfers in	222,721	222,721	359,321	136,600
Total other financing sources (uses)	<u>222,721</u>	<u>222,721</u>	<u>360,278</u>	<u>137,557</u>
Net change in fund balances	(60,474)	(60,474)	(32,872)	27,602
Fund balances - beginning of year	<u>60,474</u>	<u>60,474</u>	<u>60,967</u>	<u>493</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,095</u>	<u>\$ 28,095</u>

CITY OF BULLHEAD CITY, ARIZONA  
 BULLHEAD PARKWAY IMPROVEMENT DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Total revenues	-	-	-	-
EXPENDITURES				
Current:				
Highways and streets	-	-	51,978	(51,978)
Total expenditures	-	-	51,978	(51,978)
Net change in fund balances	-	-	(51,978)	(51,978)
Fund balances - beginning of year	-	-	(1,149,141)	(1,149,141)
Fund balances, beginning of year - restated	-	-	(1,149,141)	(1,149,141)
Fund balances - end of year	\$ -	\$ -	\$ (1,201,119)	\$ (1,201,119)

CITY OF BULLHEAD CITY, ARIZONA  
 EAST BRANCH SEWER IMPROVEMENT DISTRICT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Other revenues	\$ -	\$ -	\$ 46	\$ 46
Total revenues	-	-	46	46
EXPENDITURES				
Total expenditures	-	-	-	-
Net change in fund balances	-	-	46	46
Fund balances - beginning of year	-	-	123	123
Fund balances - end of year	\$ -	\$ -	\$ 169	\$ 169



# Other Supplementary Information

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## INTERNAL SERVICE FUNDS

- **Fleet Services** - This fund is used to account for the activities relating to the purchasing and operations of the City's vehicle and heavy equipment fleet.
- **Risk Management** - This fund is used to account for the activities relating to the City's self-insurance program.
- **Employee Benefit Trust** - This fund is used to account for the activities relating to the operation of the City's health insurance program.



CITY OF BULLHEAD CITY, ARIZONA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
June 30, 2019

	Fleet Services	Risk Management	Employee Benefit Trust	Total
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 21,840	\$ 159,950	\$ 167,191	\$ 348,981
Accounts receivable, net	4,462	356,747	2,567	363,776
Inventory	35,694	-	-	35,694
Prepaid expenses	-	-	223,701	223,701
Total current assets	<u>61,996</u>	<u>516,697</u>	<u>393,459</u>	<u>972,152</u>
Noncurrent assets				
Capital assets:				
Buildings and improvements	1,035,021	-	-	1,035,021
Improvements, other than buildings	72,571	-	-	72,571
Vehicles, furniture and equipment	7,802,835	-	-	7,802,835
Less accumulated depreciation	<u>(6,128,961)</u>	<u>-</u>	<u>-</u>	<u>(6,128,961)</u>
Total noncurrent assets	<u>2,781,466</u>	<u>-</u>	<u>-</u>	<u>2,781,466</u>
Total assets	<u>2,843,462</u>	<u>516,697</u>	<u>393,459</u>	<u>3,753,618</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	68,450	83,718	185	152,353
Accrued payroll and related liabilities	7,276	2,902	-	10,178
Due to other funds	222,814	-	-	222,814
Other liabilities	<u>2,689</u>	<u>1,820</u>	<u>-</u>	<u>4,509</u>
Total current liabilities	<u>301,229</u>	<u>88,440</u>	<u>185</u>	<u>389,854</u>
<b>NET POSITION</b>				
Net investment in capital assets	2,781,466	-	-	2,781,466
Unrestricted (deficit)	<u>(239,233)</u>	<u>428,257</u>	<u>393,274</u>	<u>582,298</u>
Total net position	<u>\$ 2,542,233</u>	<u>\$ 428,257</u>	<u>\$ 393,274</u>	<u>\$ 3,363,764</u>





CITY OF BULLHEAD CITY, ARIZONA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
Year Ended June 30, 2019

	Fleet Services	Risk Management	Employee Benefit Trust	Total
Operating revenues				
Charges for services	\$ 1,073,785	\$ 904,919	\$ 3,557,837	\$ 5,536,541
Other revenues	49,056	399,119	293,955	742,130
Total operating revenue	<u>1,122,841</u>	<u>1,304,038</u>	<u>3,851,792</u>	<u>6,278,671</u>
Operating expenses				
Salaries and related expenses	295,154	130,409	-	425,563
Medical claims and self-insurance	-	522,666	3,723,417	4,246,083
Administration	755,361	673,782	2,176	1,431,319
Utilities	31,454	-	-	31,454
Maintenance, supplies and equipment	18,408	-	-	18,408
Depreciation	382,461	-	-	382,461
Other	26,634	-	-	26,634
Total operating expenses	<u>1,509,472</u>	<u>1,326,857</u>	<u>3,725,593</u>	<u>6,561,922</u>
Operating income (loss)	<u>(386,631)</u>	<u>(22,819)</u>	<u>126,199</u>	<u>(283,251)</u>
Non-operating Revenues (Expenses)				
Investment income	299	6,456	1,074	7,829
Gain (loss) on disposal of capital assets	7,214	-	-	7,214
Total nonoperating revenue (expense)	<u>7,513</u>	<u>6,456</u>	<u>1,074</u>	<u>15,043</u>
Income (loss) before contributions and transfers	(379,118)	(16,363)	127,273	(268,208)
Capital contributions	142,565	-	-	142,565
Transfers in	388,377	-	-	388,377
Change in net position	<u>151,824</u>	<u>(16,363)</u>	<u>127,273</u>	<u>262,734</u>
Net position, beginning of year	<u>2,390,409</u>	<u>444,620</u>	<u>266,001</u>	<u>3,101,030</u>
Total net position-end of year	<u>\$ 2,542,233</u>	<u>\$ 428,257</u>	<u>\$ 393,274</u>	<u>\$ 3,363,764</u>

CITY OF BULLHEAD CITY, ARIZONA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
Year Ended June 30, 2019

	Fleet Services	Risk Management	Employee Benefit Trust	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from interfund services	\$ 1,073,966	\$ 731,834	\$ 3,555,270	\$ 5,361,070
Other operating receipts	49,056	399,119	293,955	742,130
Payments to suppliers	(836,808)	(1,217,670)	(3,868,930)	(5,923,408)
Payments to employees	(293,064)	(127,507)	-	(420,571)
Cash flows from operating activities	<u>(6,850)</u>	<u>(214,224)</u>	<u>(19,705)</u>	<u>(240,779)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Payments to other funds	71,928	-	-	71,928
Interfund transfers	388,377	-	-	388,377
Cash flows from noncapital and related financing activities	<u>460,305</u>	<u>-</u>	<u>-</u>	<u>460,305</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of capital assets	(439,128)	-	-	(439,128)
Proceeds from sale of capital assets	7,214	-	-	7,214
Cash flows from capital and related financing activities	<u>(431,914)</u>	<u>-</u>	<u>-</u>	<u>(431,914)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	299	6,456	1,074	7,829
Cash flows from investing activities	<u>299</u>	<u>6,456</u>	<u>1,074</u>	<u>7,829</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	21,840	(207,768)	(18,631)	(204,559)
Cash and cash equivalents at beginning of year	-	367,718	185,822	553,540
Cash and cash equivalents at end of year	<u>\$ 21,840</u>	<u>\$ 159,950</u>	<u>\$ 167,191</u>	<u>\$ 348,981</u>

	<u>Fleet Services</u>	<u>Risk Management</u>	<u>Employee Benefit Trust</u>	<u>Total</u>
Reconciliation of operating Income (loss) to net cash provided (used) by operating activities:				
Net operating income (loss)	\$ (386,631)	\$ (22,819)	\$ 126,199	\$ (283,251)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/amortization expense	382,461	-	-	382,461
Changes in operating assets and liabilities (Increase)/decrease in:				
Accounts receivable	181	(170,595)	(2,567)	(172,981)
Prepaid expenses	1,145	-	(137,855)	(136,710)
Increase/(decrease) in:				
Accounts payable	(6,648)	(21,222)	(5,482)	(33,352)
Accrued payroll and related liabilities	2,090	2,902	-	4,992
Other liabilities	552	-	-	552
Deferred revenue	-	(2,490)	-	(2,490)
Net cash provided (used) by operating activities:	<u>\$ (6,850)</u>	<u>\$ (214,224)</u>	<u>\$ (19,705)</u>	<u>\$ (240,779)</u>
Noncash investing, capital, and financing activities:				
Contributions of capital assets	<u>\$ 142,565</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 142,565</u>



# Statistical Section

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<u>Contents</u>	<u>Pages</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	148-157
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, property tax and sales and uses taxes.	158-169
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	170-177
Demographic and Economic Statistics These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	178-187
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	188-185
Continuing Disclosure Compliance These schedules contain information any government or governmental entity issuing bonds has an obligation to meet.	186-190
<b>Sources:</b> Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.	

**City of Bullhead City, Arizona**  
**Table 1**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**Accrual Basis of Accounting**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b><u>Governmental Activities</u></b>				
Net investment in Capital Assets	\$ 64,000	\$ 61,985	\$ 58,405	\$ 54,629
Restricted	9,165	5,793	7,562	9,118
Unrestricted	4,042	4,884	1,570	1,054
Total Governmental Activities Net Position	77,207	72,662	67,537	64,801
<b><u>Business-type Activities</u></b>				
Net investment in Capital Assets	87,291	90,358	88,826	89,006
Restricted	-	-	-	-
Unrestricted	11,410	7,742	7,697	6,944
Total Business-type Activities Net Position	98,701	98,101	96,523	95,950
<b><u>Primary Government</u></b>				
Net investment in Capital Assets	151,291	152,343	147,231	143,635
Restricted	9,165	5,793	7,562	9,118
Unrestricted	15,451	12,626	9,267	7,998
Total Primary Government Net Position	<u>\$ 175,907</u>	<u>\$ 170,763</u>	<u>\$ 164,060</u>	<u>\$ 160,751</u>

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
\$	49,623	\$ 44,857	\$ 23,203	\$ 22,222	\$ 26,472	\$ 26,654
	7,405	5,347	5,045	5,893	6,995	10,064
	2,678	(9,567)	7,715	2,611	(471)	(3,631)
	59,705	40,637	35,963	30,726	32,996	33,087
	84,699	90,081	92,001	93,098	92,549	90,680
	-	-	3,110	3,004	2,210	2,250
	11,759	6,103	449	(219)	(258)	1,642
	96,459	96,184	95,560	95,883	94,502	94,572
	134,323	134,938	115,203	115,319	119,022	117,334
	7,405	5,347	8,154	8,897	9,205	12,314
	14,437	(3,464)	8,165	2,392	(729)	(1,988)
\$	<u>156,164</u>	<u>\$ 136,821</u>	<u>\$ 131,522</u>	<u>\$ 126,608</u>	<u>\$ 127,498</u>	<u>\$ 127,659</u>

**City of Bullhead City, Arizona**  
**Table 2**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**Accrual Basis of Accounting**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Expenses</b>				
Governmental Activities:				
General Government	\$ 12,266	\$ 11,479	\$ 8,471	\$ 8,710
Public Safety	11,972	11,142	12,396	12,774
Culture and Recreation	2,495	2,349	3,160	3,535
Economic Development	184	339	149	155
Redevelopment and housing	940	533	455	330
Highways and Streets	8,933	8,758	8,647	9,103
Health and Welfare	-	-	-	-
Interest on Long-term Debt	1,643	2,039	1,606	1,374
<b>Total Governmental Activities Expenses</b>	<b>38,433</b>	<b>36,640</b>	<b>34,884</b>	<b>35,981</b>
Business-type Activities:				
Wastewater Operations	8,766	9,206	9,214	10,027
Water Operations	96	13	20	19
<b>Total Business-type Activities Expenses</b>	<b>8,862</b>	<b>9,219</b>	<b>9,234</b>	<b>10,045</b>
<b>Total Primary Government Expenses</b>	<b>47,295</b>	<b>45,858</b>	<b>44,118</b>	<b>46,026</b>
<b>Program Revenue</b>				
Governmental Activities:				
Charges for Services:				
General Government	1,977	1,822	2,116	2,271
Public Safety	872	825	887	917
Culture and recreation	178	259	219	175
Redevelopment and housing	-	-	-	-
Highways and streets	324	311	313	261
Health and welfare	-	-	-	-
Operating Grants and Contributions	6,927	5,964	5,895	7,043
Capital Grants and Contributions	2,893	3,019	1,800	1,754
<b>Total Governmental Activities Program Revenues</b>	<b>13,171</b>	<b>12,200</b>	<b>11,229</b>	<b>12,421</b>
Business-type Activities:				
Charges for Services:				
Wastewater Operations	8,646	8,708	9,180	9,068
Water Operations	209	146	293	39
Capital Grants and Contributions	305	154	177	162
<b>Total Business-type Activities Revenues</b>	<b>9,160</b>	<b>9,007</b>	<b>9,650</b>	<b>9,269</b>
<b>Total Primary Government Revenues</b>	<b>\$ 22,331</b>	<b>\$ 21,208</b>	<b>\$ 20,879</b>	<b>\$ 21,690</b>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	\$ (25,262)	\$ (24,440)	\$ (23,655)	\$ (23,559)
Business-type Activities	298	(211)	416	(777)
<b>Total Primary Government Net Expense</b>	<b>(24,964)</b>	<b>(24,651)</b>	<b>(23,239)</b>	<b>(24,336)</b>



	2014	2015	2016	2017	2018	2019
\$	10,209	\$ 10,198	\$ 10,196	\$ 10,585	\$ 12,894	\$ 12,391
	13,026	13,944	12,565	16,016	14,400	15,405
	4,278	4,519	4,361	4,472	3,837	3,713
	115	124	79	339	104	85
	168	417	421	662	171	418
	8,638	8,841	9,874	9,714	4,510	5,006
	-	-	919	869	869	884
	1,044	946	782	735	742	739
	37,477	38,989	39,199	43,392	37,526	38,642
	9,362	9,799	10,127	9,583	10,792	9,915
	36	29	11	31	66	515
	9,398	9,827	10,138	9,613	10,857	10,430
	46,875	48,817	49,337	53,005	48,383	49,071
	2,542	2,970	2,303	2,926	2,283	2,883
	976	955	1,738	1,767	1,915	1,853
	197	169	1,563	1,467	397	412
	-	-	-	-	-	45
	391	394	76	42	65	78
	-	-	-	-	-	2
	5,466	5,791	5,790	7,320	5,934	6,639
	1,568	1,086	524	425	3,438	190
	11,139	11,366	11,994	13,946	14,032	12,101
	9,082	9,078	9,053	9,002	8,969	9,991
	124	55	70	59	112	114
	523	172	140	654	244	-
	9,729	9,305	9,263	9,715	9,325	10,105
\$	20,867	\$ 20,671	\$ 21,258	\$ 23,662	\$ 23,357	\$ 22,206
\$	(26,338)	\$ (27,624)	\$ (27,205)	\$ (29,445)	\$ (23,494)	\$ (26,541)
	331	(522)	(875)	102	(1,533)	(324)
	(26,008)	(28,146)	(28,079)	(29,343)	\$ (25,026)	\$ (26,865)

**City of Bullhead City, Arizona**  
**Table 2**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**Accrual Basis of Accounting**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Governmental Revenues and Other Changes in</b>				
Governmental Activities:				
Taxes				
City Sales Tax	10,071	10,262	10,164	10,299
State Shared Sales Tax	2,798	2,952	3,102	3,246
Urban Revenue Sharing	4,933	3,719	3,337	4,039
Franchise Tax	540	539	621	659
State Shared Vehicle License Tax	1,887	1,872	1,850	1,832
Other Taxes	75	73	75	71
Gain (loss) of sale of capital assets	-	-	18	37
Interest and Investment Income	126	32	23	20
Transfers	1,150	445	62	(100)
<b>Total Governmental Activities</b>	<b>21,580</b>	<b>19,894</b>	<b>19,251</b>	<b>20,103</b>
Business-type Activities:				
Gain (loss) of sale of capital assets	-	-	(1,984)	-
Interest and Investment Income	89	56	52	104
Transfers	(1,150)	(445)	(62)	100
<b>Total Business-type Activities</b>	<b>(1,061)</b>	<b>(389)</b>	<b>(1,994)</b>	<b>204</b>
<b>Total Primary Government</b>	<b>20,520</b>	<b>19,506</b>	<b>17,257</b>	<b>20,307</b>
Change in Net Position				
Governmental Activities	(3,682)	(4,545)	(4,404)	(3,457)
Business-type Activities	(762)	(600)	(1,578)	(572)
<b>Total Primary Government</b>	<b>\$ (4,444)</b>	<b>\$ (5,145)</b>	<b>\$ (5,982)</b>	<b>\$ (4,029)</b>

<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
10,821	11,284	12,078	12,792	13,504	14,214
3,447	3,629	3,728	3,615	3,842	4,050
4,407	4,787	4,761	4,826	4,951	4,875
677	687	707	734	739	744
1,902	2,019	2,157	2,295	2,530	2,672
71	34	75	75	74	121
33	3	-	-	-	-
12	11	13	49	152	281
(128)	(217)	(211)	(177)	(133)	(323)
21,243	22,235	23,308	24,208	25,659	26,632
-	(12)	-	-	-	-
50	43	40	44	18	71
128	217	211	177	133	323
178	248	251	221	151	394
21,421	22,483	23,559	24,429	25,811	27,027
(5,095)	(5,389)	(3,897)	(5,237)	2,165	91
508	(275)	(624)	323	(1,381)	70
\$ (4,587)	\$ (5,663)	\$ (4,521)	\$ (4,914)	\$ 784	\$ 161

**City of Bullhead City, Arizona**  
**Table 3**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>General Fund</b>				
Reserved	\$ 89	\$ -	\$ -	\$ -
Unreserved	6,023	-	-	-
Nonspendable	-	96	8	11
Restricted	-	82	79	79
Unassigned	-	6,127	6,221	6,237
Total General Fund	<u>\$ 6,112</u>	<u>\$ 6,305</u>	<u>\$ 6,307</u>	<u>\$ 6,327</u>
<b>All Other Governmental Funds</b>				
Restricted	\$ (108)	\$ 5,711	\$ 7,418	\$ 8,968
Nonspendable	-	35	1	1
Unassigned	-	(1,120)	(1,610)	(2,127)
<b>Unreserved, reported in:</b>				
Special Revenue Funds	1,040	-	-	-
Capital Project Funds	2,920	-	-	-
Debt Service Funds	5,240	-	-	-
Total All Other Governmental Funds	<u>\$ 9,092</u>	<u>\$ 4,626</u>	<u>\$ 5,809</u>	<u>\$ 6,843</u>

Note: Due to implementation of GASB No 54 in FY2011, categories regarding fund balances have been redefined

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
879	874	874	1,354	703	715
49	31	31	53	77	45
<u>6,635</u>	<u>8,526</u>	<u>9,568</u>	<u>10,048</u>	<u>10,731</u>	<u>11,647</u>
<u>\$ 7,563</u>	<u>\$ 9,431</u>	<u>\$ 10,473</u>	<u>\$ 11,455</u>	<u>\$ 11,511</u>	<u>\$ 12,407</u>
\$ 7,452	\$ 5,445	\$ 5,393	\$ 5,864	\$ 6,942	10,019
-	20	-	-	13	1
(2,081)	(1,952)	(1,732)	(1,577)	(1,689)	(1,791)
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 5,371</u>	<u>\$ 3,513</u>	<u>\$ 3,661</u>	<u>\$ 4,287</u>	<u>\$ 5,265</u>	<u>\$ 8,229</u>

**City of Bullhead City, Arizona**  
**Table 4**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Revenues</b>				
City tax revenue	\$ 10,686	\$ 10,874	\$ 10,859	\$ 11,028
Intergovernmental	17,526	14,386	14,246	16,359
Charges for services	2,119	2,193	2,133	2,147
Special assessments	7,026	6,262	5,893	5,076
Licenses and permits	483	395	461	469
Fines and forfeitures	782	670	912	972
Rents	51	45	34	34
Interest income	126	32	23	20
Other revenue	196	1,743	614	624
<b>Total Revenues</b>	<b>38,995</b>	<b>36,600</b>	<b>35,174</b>	<b>36,729</b>
<b>Expenditures</b>				
General government	10,639	7,637	3,580	7,746
Public safety	11,576	11,360	11,191	12,300
Culture and recreation	2,183	2,022	2,844	3,532
Economic development	184	339	149	155
Redevelopment and housing	926	533	457	332
Highways and streets	3,243	3,043	6,924	2,661
Health and welfare	-	-	-	-
Debt service:				
Principal	5,514	10,445	5,365	5,351
Interest and fiscal charges	1,643	2,039	1,606	1,374
Bond Issuance Costs	-	-	-	-
Capital outlay	6,209	4,465	1,669	2,161
<b>Total Expenditures</b>	<b>42,118</b>	<b>41,883</b>	<b>33,785</b>	<b>35,613</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	4,208	2,406	2,004	1,918
Transfers out	(2,841)	(1,961)	(2,225)	(2,018)
Refunding Bonds Issued	-	-	-	-
Capital lease agreements	-	215	18	37
Proceeds from issuance of bonds	-	-	-	-
Payments to escrow agent	-	-	-	-
Sale of capital assets	-	-	-	-
<b>Total Other Financing Sources and (Uses)</b>	<b>1,367</b>	<b>660</b>	<b>(204)</b>	<b>(63)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (1,756)</b>	<b>\$ (4,624)</b>	<b>\$ 1,185</b>	<b>\$ 1,053</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>19.9%</b>	<b>33.4%</b>	<b>21.7%</b>	<b>20.1%</b>

	2014	2015	2016	2017	2018	2019
\$	11,569	\$ 12,005	\$ 12,859	\$ 13,601	\$ 14,318	\$ 15,078
	15,230	16,066	16,172	17,627	17,315	18,128
	2,482	2,640	2,724	2,863	2,302	2,561
	4,131	3,908	3,752	3,186	2,734	2,516
	570	654	635	617	724	905
	1,011	1,132	1,160	1,182	968	823
	41	44	55	67	75	83
	12	11	13	49	152	281
	668	484	1,085	1,060	358	840
	35,715	36,944	38,455	40,251	38,945	41,215
	8,876	8,327	9,319	9,683	10,440	10,252
	12,557	12,562	11,522	11,633	12,935	13,287
	3,549	3,834	3,660	3,971	3,166	3,103
	115	124	77	342	101	97
	167	410	420	676	172	368
	2,808	3,038	4,085	2,695	3,611	3,737
	-	-	919	869	870	885
	4,497	4,508	4,895	3,877	3,943	4,197
	1,044	946	741	620	610	618
	-	-	54	-	267	76
	2,696	2,978	2,320	4,113	4,324	3,277
	36,308	36,727	38,012	38,480	40,438	39,896
	1,732	1,714	4,359	4,974	4,996	5,036
	(1,860)	(1,931)	(4,570)	(5,151)	(5,702)	(5,747)
	-	-	2,712	-	-	-
	378	8	57	-	-	-
	6,605	-	1,510	-	3,230	3,124
	(6,531)	-	(2,623)	-	-	-
	33	3	78	13	3	127
	358	(206)	1,524	(164)	2,528	2,540
\$	(236)	\$ 11	\$ 1,967	\$ 1,607	\$ 1,035	\$ 3,859
	16.5%	16.2%	15.9%	12.7%	13.6%	13.1%

**City of Bullhead City, Arizona**  
**Table 5**  
**Governmental Activities Tax Revenues by Source**  
**Last Ten Fiscal Years**  
**Accrual Basis of Accounting**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Sales	\$ 10,071	\$ 10,262	\$ 10,164	\$ 10,299
Transient Occupancy	75	73	75	71
Franchise	540	539	621	659
Motor Fuel	3,155	3,135	2,794	3,074
Totals	<u>\$ 13,841</u>	<u>\$ 14,009</u>	<u>\$ 13,653</u>	<u>\$ 14,102</u>



<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
\$ 10,821	\$ 11,284	\$ 12,078	\$ 12,792	\$ 13,504	\$ 14,214
71	34	75	75	74	121
677	687	707	734	739	744
3,186	3,416	3,553	3,673	3,788	4,014
<u>\$ 14,755</u>	<u>\$ 15,421</u>	<u>\$ 16,412</u>	<u>\$ 17,274</u>	<u>\$ 18,105</u>	<u>\$ 19,092</u>

**City of Bullhead City, Arizona**  
**Table 6**  
**General Governmental Activities Tax Revenues by Source**  
**Last Ten Fiscal Years**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Sales	\$ 10,071	\$ 10,262	\$ 10,164	\$ 10,299
Franchise	540	539	621	659
Bed Tax	75	73	75	71
Totals	<u>\$ 10,686</u>	<u>\$ 10,874</u>	<u>\$ 10,859</u>	<u>\$ 11,028</u>

Source: City of Bullhead City Finance Department

<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
\$ 10,821	\$ 11,284	\$ 12,078	\$ 12,792	\$ 13,504	14,214
677	687	707	734	739	744
71	34	75	75	74	121
<u>\$ 11,569</u>	<u>\$ 12,005</u>	<u>\$ 12,859</u>	<u>\$ 13,601</u>	<u>\$ 14,318</u>	<u>\$ 15,078</u>

**City of Bullhead City, Arizona**  
**Table 7**  
**Taxable Sales by Category**  
**Last Ten Fiscal Years**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Communications and utilities	\$ 68,012	\$ 64,797	\$ 65,252	\$ 69,953
Transportation and warehousing	-	-	-	-
Construction	30,103	30,969	24,455	24,617
Manufacturing	-	-	-	-
Wholesale trade	-	-	-	-
Retail trade	286,109	306,000	306,308	312,112
Finance and insurance	-	-	-	-
Real estate, rental and leasing	40,633	38,344	37,177	39,092
Restaurant and bar	40,020	40,231	43,945	43,705
Accommodation	-	-	-	-
Public administration	-	-	-	-
Services	-	-	-	-
Arts and entertainment	-	-	-	-
Hotel/Motel	2,197	2,396	2,166	2,183
Publication	3,847	3,548	2,857	2,890
Use tax	20,432	18,688	15,457	14,360
Other	8,795	4,240	6,435	3,388
<b>Total</b>	<u>\$ 500,148</u>	<u>\$ 509,214</u>	<u>\$ 504,051</u>	<u>\$ 512,299</u>
City Transaction Privilege Rate	2.00%	2.00%	2.00%	2.00%

Sources: Arizona Department of Revenue/Revenue Discover Systems

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
\$	66,996	\$ 67,424	\$ 67,264	\$ 64,964	\$ 66,684	\$ 65,490
	-	-	108	20	-	-
	30,249	34,039	31,327	28,444	48,575	54,585
	-	-	-	-	-	-
	-	-	-	-	-	-
	318,683	347,782	372,050	403,935	403,006	408,527
	-	-	-	-	-	-
	37,300	37,624	41,847	38,978	41,662	42,174
	54,417	49,146	58,130	61,907	68,460	74,074
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	1,765	1,782	2,430	2,141
	2,253	2,185	2,537	3,247	4,011	4,690
	2,536	-	648	1,167	1,108	1,563
	20,737	-	22,097	29,833	35,773	41,567
	3,550	25,817	5,973	5,303	3,507	15,922
<b>\$</b>	<b>536,721</b>	<b>\$ 564,017</b>	<b>\$ 603,746</b>	<b>\$ 639,580</b>	<b>\$ 675,215</b>	<b>\$ 710,733</b>
	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%



**City of Bullhead City, Arizona**  
**Table 8**  
**Direct and Overlapping Sales Tax Rates**  
**Last Ten Fiscal Years**

<b>Privilege (Sales) Tax Rates</b>				<b>Use Tax Rates</b>			
<b>Fiscal Year</b>	<b>City Direct</b>	<b>County Rate</b>	<b>State Rate</b>	<b>Fiscal Year</b>	<b>City Direct</b>	<b>County Rate</b>	<b>State Rate</b>
2010 <sup>a</sup>	2.00%	0.25%	6.60%	2010 <sup>a</sup>	2.00%	0.00%	6.60%
2011	2.00%	0.25%	6.60%	2011	2.00%	0.00%	6.60%
2012	2.00%	0.25%	6.60%	2012	2.00%	0.00%	6.60%
2013 <sup>b</sup>	2.00%	0.25%	5.60%	2013 <sup>b</sup>	2.00%	0.00%	5.60%
2014	2.00%	0.25%	5.60%	2014	2.00%	0.00%	5.60%
2015	2.00%	0.25%	5.60%	2015	2.00%	0.00%	5.60%
2016	2.00%	0.25%	5.60%	2016	2.00%	0.00%	5.60%
2017	2.00%	0.25%	5.60%	2017	2.00%	0.00%	5.60%
2018	2.00%	0.25%	5.60%	2018	2.00%	0.00%	5.60%
2019	2.00%	0.25%	5.60%	2019	2.00%	0.00%	5.60%

<b>Transient Occupancy Tax Rates</b>				<b>Jet Fuel Tax Rates (cents per gallon)</b>			
<b>Fiscal Year</b>	<b>City Direct</b>	<b>County Rate</b>	<b>State Rate</b>	<b>Fiscal Year</b>	<b>City Direct</b>	<b>County Rate</b>	<b>State Rate</b>
2010 <sup>a</sup>	3.00%	0.18%	6.60%	2010	0.03	0.00152	0.0305
2011	3.00%	0.18%	6.60%	2011	0.03	0.00152	0.0305
2012	3.00%	0.18%	6.60%	2012	0.03	0.00152	0.0305
2013 <sup>b</sup>	3.00%	0.18%	5.60%	2013	0.03	0.00152	0.0305
2014	3.00%	0.18%	5.60%	2014	0.03	0.00152	0.0305
2015	3.00%	0.18%	5.60%	2015	0.03	0.00152	0.0305
2016	3.00%	0.18%	5.60%	2016	0.03	0.00152	0.0305
2017	3.00%	0.18%	5.60%	2017	0.03	0.00152	0.0305
2018	3.00%	0.18%	5.60%	2018	0.03	0.00152	0.0305
2019	3.00%	0.18%	5.60%	2019	0.03	0.00152	0.0305

Source: Arizona Department of Revenue

Note: Privilege (Sales) Tax applies to the sale, lease, license for use and/or rental transactions.

Use Tax applies to the storage or use of items within the city on which no privilege tax has been paid.

Transient Occupancy Tax applies to transactions involving transient lodging.

Jet Fuel Tax applies to transactions involving the sale of jet fuel.

a - The State of Arizona tax rate went from 5.6% to 6.6% on June 1, 2010

b - The State of Arizona tax rate went from 6.6% to 5.6% on June 1, 2013

**City of Bullhead City, Arizona**  
**Table 9**  
**Sales Tax Revenue Payers by Industry**  
**Current Year and Nine Years Ago**

	<b>Fiscal Year 2019</b>			
	<b>Number of Filers</b>	<b>Percentage of Total</b>	<b>Tax Revenue</b>	<b>Percentage of Total</b>
Communications and Utilities	30	1.62%	1,309,799	9.22%
Construction	166	8.97%	1,091,710	7.68%
Retail Trade	622	33.62%	8,170,548	57.48%
Real Estate, Rental & Leasing	324	17.51%	843,473	5.93%
Restaurant and Bar	92	4.97%	1,480,481	10.42%
Hotel/Motel	33	1.78%	93,790	0.66%
Publication	10	0.54%	31,261	0.22%
Use Tax	539	29.14%	831,350	5.85%
Other	34	1.84%	361,256	2.54%
<b>Total</b>	<b>1,850</b>	<b>100.00%</b>	<b>14,213,668</b>	<b>100.00%</b>

**Note:** Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories are intended to provide alternative information regarding the sources of the City's revenue. The tax filers reported do not include those under \$30 in tax collections

The industry groupings for the current year are not available in FY 2008 data.



Fiscal Year 2010

<u>Number of Filers</u>	<u>Percentage of Total</u>	<u>Tax Revenue</u>	<u>Percentage of Total</u>
71	2.50%	1,360,233	13.60%
514	18.08%	602,061	6.02%
928	32.64%	5,722,185	57.20%
454	15.97%	812,669	8.12%
77	2.71%	800,399	8.00%
33	1.16%	43,938	0.44%
11	0.39%	76,939	0.77%
407	14.32%	408,641	4.09%
348	12.24%	175,894	1.76%
<u>2,843</u>	<u>100.00%</u>	<u>\$ 10,002,959</u>	<u>100.00%</u>

**City of Bullhead City, Arizona**  
**Table 10**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Fiscal Year		Real Property		Personal Property		Centrally Valued Property	
		Net Assessed Value	Estimated Actual Value	Net Assessed Value	Estimated Actual Value	Net Assessed Value	Estimated Actual Value
2010	P	324,994,293	3,018,405,017	14,723,484	106,076,728	17,435,266	83,025,095
	S	346,741,498	3,261,152,473	14,723,531	106,076,728	17,435,266	83,025,095
2011	P	261,871,834	2,432,288,329	13,116,506	99,435,296	17,038,550	85,192,732
	S	267,056,254	2,508,782,848	13,116,506	99,435,296	17,038,551	85,192,732
2012	P	237,824,471	2,226,902,602	13,789,754	103,745,035	16,986,948	84,934,739
	S	241,661,044	2,285,545,644	13,789,754	103,745,035	16,986,949	84,934,739
2013	P	236,161,588	2,249,358,438	12,584,485	100,066,316	16,766,811	85,983,625
	S	241,646,112	2,316,259,885	12,584,485	100,066,316	16,766,813	85,983,625
2014	P	233,172,625	2,251,553,219	11,265,656	93,745,440	16,148,385	84,991,529
	S	237,222,823	2,291,328,954	11,265,656	93,745,440	16,148,390	84,991,529
2015	P	234,402,193	2,264,099,104	10,227,668	86,056,899	17,248,601	93,248,758
	S	260,855,953	2,519,579,044	10,278,526	86,587,129	17,248,602	93,248,758
2016	P	239,916,276	2,305,962,550	9,579,097	85,784,908	18,125,351	100,703,769
	S	291,296,926	2,782,678,012	10,044,928	91,281,260	18,125,353	100,703,769
2017	P	251,349,015	2,410,929,628	9,270,331	84,363,679	16,152,343	89,751,715
	S	306,799,292	2,988,440,935	9,356,997	85,111,568	16,152,343	89,751,715
2018	P	261,692,884	2,518,065,471	9,580,104	85,794,980	18,205,270	101,146,597
	S	320,732,886	3,106,743,494	10,045,935	91,291,332	18,205,270	101,146,597
2019	P	274,492,458	2,622,851,566	11,476,090	106,534,602	18,798,291	104,439,190
	S	330,159,589	3,182,167,459	11,818,581	109,822,810	18,798,287	104,439,190

Source: Mohave County Assessor's Office

<b>Total</b>			Ratio of Total Assessed Value to Total Estimated Actual Value
<u>Net Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Direct Tax Rate</u>	
357,153,043	3,207,506,840	0.0000	11.13%
378,900,295	3,450,254,296	0.0000	
292,026,890	2,616,916,357	0.0000	11.16%
297,211,311	2,693,410,876	0.0000	
268,601,173	2,415,582,376	0.0000	11.12%
272,437,747	2,474,225,418	0.0000	
265,512,884	2,435,408,379	0.0000	10.90%
270,997,410	2,502,309,826	0.0000	
260,586,666	2,430,290,188	0.0000	10.72%
264,636,869	2,470,065,923	0.0000	
261,878,462	2,443,404,761	0.0000	10.72%
288,383,081	2,699,414,931	0.0000	
267,620,724	2,492,451,227	0.0000	10.74%
319,467,207	2,974,663,041	0.0000	
276,771,689	2,585,045,022	0.0000	10.71%
332,308,632	3,163,304,218	0.0000	
289,478,258	2,705,007,048	0.0000	10.70%
348,984,091	3,299,181,423	0.0000	
304,766,839	2,833,825,358	0.0000	10.75%
360,776,457	3,396,429,459	0.0000	

**City of Bullhead City, Arizona**  
**Table 11**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Governmental Activities</b>				
Special Assessment Bonds	\$ 3,390	\$ 1,885	\$ 975	\$ -
Revenue Bonds (1)	15,588	14,575	13,527	12,433
Notes Payable	40,491	32,773	29,603	26,432
Capital Leases	471	448	225	116
Claims and judgments	350	350	75	64
Net Pension Liabilities	-	-	-	-
Compensated absences	1,991	2,250	2,318	2,389
Total Governmental Activities	<u>62,281</u>	<u>52,281</u>	<u>46,723</u>	<u>41,434</u>
<b>Business-Type Activities</b>				
Revenue Bonds (2)	35,874	32,192	29,426	26,743
Capital Leases	4	-	-	-
Compensated absences	275	324	371	271
Total Business-Type Activities	<u>36,153</u>	<u>32,516</u>	<u>29,797</u>	<u>27,014</u>
Total Primary Government	<u>\$ 98,434</u>	<u>\$ 84,797</u>	<u>\$ 76,519</u>	<u>\$ 68,448</u>
Percentage of Personal Income*	<u>0.01%</u>	<u>0.01%</u>	<u>0.01%</u>	<u>0.01%</u>
Per Capita*	<u>\$ 2.30</u>	<u>\$ 2.14</u>	<u>\$ 1.94</u>	<u>\$ 1.73</u>

population data.

(1) Net of related premium

(2) Net of deferred amounts

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
\$	-	\$ -	\$ -	\$ -	\$ 3,230	\$ 3,230
	11,910	10,667	10,732	9,144	7,549	8,992
	23,262	20,092	16,944	14,762	12,580	10,398
	400	297	158	80	-	-
	-	-	-	-	-	-
	-	17,647	18,314	23,929	26,210	27,614
	2,561	2,481	2,591	3,070	2,623	2,832
	<u>38,133</u>	<u>51,185</u>	<u>48,741</u>	<u>50,986</u>	<u>52,192</u>	<u>53,067</u>
	29,929	26,850	23,512	20,771	18,104	16,200
	484	365	247	125	243	211
	416	458	491	532	382	375
	<u>30,829</u>	<u>27,673</u>	<u>24,249</u>	<u>21,428</u>	<u>18,347</u>	<u>16,786</u>
\$	<u>68,961</u>	<u>\$ 78,857</u>	<u>\$ 72,990</u>	<u>\$ 72,413</u>	<u>\$ 41,706</u>	<u>\$ 69,853</u>
	<u>0.01%</u>	<u>0.01%</u>	<u>0.01%</u>	<u>0.01%</u>	<u>0.00%</u>	<u>0.30%</u>
\$	<u>1.75</u>	<u>\$ 1.97</u>	<u>\$ 1.82</u>	<u>\$ 1.81</u>	<u>\$ 1.04</u>	<u>\$ 1.74</u>



**City of Bullhead City, Arizona**  
**Table 12**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2019**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Overlapping Debt</b>
State of Arizona	\$ -	0.46%	\$ -
Mohave County	-	15.95%	-
Mohave County Community College District	-	15.95%	-
Bullhead City Fire District	9,725,000	99.70%	9,698,825
Western AZ Vocation Ed District	-	16.11%	-
Colorado River Union High School District No. 2	30,570,000	57.57%	17,599,149
Bullhead City Elementary School District No. 15	-	99.03%	-
Subtotal, overlapping debt	<u>40,295,000</u>		<u>27,294,974</u>
City direct debt	<u>-</u>	<u>100.00%</u>	<u>-</u>
Total direct and overlapping debt	<u>\$ 40,295,000</u>		<u>\$ 27,294,974</u>

Source: Stifel, Nicolaus & Company, Incorporated

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Bullhead City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

**City of Bullhead City, Arizona**  
**Table 13**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b><u>20% Limitation (1)</u></b>				
Debt limit Equal to 20% of Secondary Assessed Valuation	\$ 75,780,059	\$ 59,442,262	\$ 54,487,549	\$ 54,199,482
Total net debt applicable to 20% limit	-	-	-	-
Legal 20% debt margin (Available Borrowing Capacity)	<u>\$ 75,780,059</u>	<u>\$ 59,442,262</u>	<u>\$ 54,487,549</u>	<u>\$ 54,199,482</u>
Total net debt applicable to 20% limit as a percentage of 20% debt limit	0.00%	0.00%	0.00%	0.00%
<b><u>6% Limitation (2)</u></b>				
Debt limit Equal to 6% of Secondary Assessed Valuation	\$ 22,734,018	\$ 17,832,679	\$ 16,346,265	\$ 16,259,845
Total net debt applicable to 6% limit	-	-	-	-
Legal 6% debt margin (Available Borrowing Capacity)	<u>\$ 22,734,018</u>	<u>\$ 17,832,679</u>	<u>\$ 16,346,265</u>	<u>\$ 16,259,845</u>
Total net debt applicable to 6% limit as a percentage of 6% debt limit	0.00%	0.00%	0.00%	0.00%

Additional bonds amounting to 20% of the assessed valuation of taxable property can be issued for  
(1) supplying such services as water, artificial light, sewers and for the acquisition and development of land for  
open space preserves, parks, playgrounds and recreational facilities.

(2) The Arizona Constitution states that for general municipal purposes a municipality cannot incur a debt  
exceeding 6% of the assessed valuation of taxable property.



<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 52,927,374	\$ 57,676,616	\$ 63,893,441	\$ 66,461,726	\$ 69,796,818	\$ 69,796,818
-	-	-	-	-	-
<u>\$ 52,927,374</u>	<u>\$ 57,676,616</u>	<u>\$ 63,893,441</u>	<u>\$ 66,461,726</u>	<u>\$ 69,796,818</u>	<u>\$ 69,796,818</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
\$ 15,878,212	\$ 17,302,985	\$ 19,168,032	\$ 19,938,518	\$ 20,939,045	\$ 20,939,045
-	-	-	-	-	-
<u>\$ 15,878,212</u>	<u>\$ 17,302,985</u>	<u>\$ 19,168,032</u>	<u>\$ 19,938,518</u>	<u>\$ 20,939,045</u>	<u>\$ 20,939,045</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**City of Bullhead City, Arizona**  
**Table 14**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Municipal Property Corporation Bonds</b>				
Excise Taxes	\$ 23,030,632	\$ 21,902,438	\$ 21,643,307	\$ 22,758,705
<b>Debt Service</b>				
Principal	4,195,000	3,625,000	3,755,000	3,885,000
Interest	1,950,705	1,978,823	1,851,323	1,713,473
Coverage	3.75	3.91	3.86	4.07

Includes debt service payments paid out of revenue from the Wastewater Fund.

Note: Details regarding the city's outstanding debt can be found in the notes to the financial

<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
\$ 24,198,716	\$ 25,398,021	\$ 26,534,754	\$ 27,519,938	\$ 29,104,729	\$ 30,759,523
3,110,000	3,195,000	3,670,000	3,719,000	2,287,000	2,365,000
1,587,325	849,382	563,788	512,798	443,248	376,114
5.15	6.28	6.27	6.50	10.66	11.22

**City of Bullhead City, Arizona**  
**Table 15**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population(1)</b>	<b>Personal Income (in thousands)</b>	<b>Per Capita Personal Income (2)</b>	<b>Median Age (3)</b>	<b>School Enrollment (4)</b>	<b>Unemployment Rate (5)</b>
2004	35,760	745,453	20,846	42.0	5,770	4.50%
2005	37,325	693,722	18,586	42.1	5,658	3.90%
2006	38,210	703,064	18,400	42.3	5,325	4.00%
2007	41,000	753,364	18,375	41.8	6,124	4.00%
2009	41,609	753,833	18,117	46.1	6,014	9.00%
2010	42,705	776,206	18,176	43.8	5,513	10.10%
2011	39,540	821,167	20,768	44.1	5,450	10.10%
2012	39,516	827,939	20,952	46.4	5,354	8.90%
2013	39,495	819,601	20,741	46.8	5,442	8.80%
2014	39,465	843,209	21,366	49.7	4,931	8.20%
2015	39,445	881,896	21,999	50.4	4,726	7.90%
2016	39,970	867,241	20,462	50.0	4,591	7.60%
2017	40,495	901,540	22,263	50.5	4,933	6.00%
2018	40,551	932,592	22,998	50.5	5,079	5.40%
2019	40,804	950,529	23,295	51.0	5,142	6.30%

Data Sources:

- 1 population.az.gov website (2008-2016); Arizona Office of Employment & Population Statistics (2017)
- 2 Bullhead City Economic Development Authority & Department Estimates (2008-2011); U.S. Census Bureau (2012-present)
- 3 Bullhead City Economic Development Authority & Department Estimates
- 4 Arizona Department of Education
- 5 Arizona Department of Economic Security; Arizona Workforce; Bureau of Labor Statistics

**City of Bullhead City, Arizona**  
**Table 16**  
**Principal Employers**  
**Current Year and Nine Years Ago**

Employer	2019			2010		
	Employees	Rank	Percentage of Total City Employment*	Employees	Rank	Percentage of Total City Employment*
Western Arizona Regional Medical Center	598	1	3.84%	700	1	3.20%
Wal-Mart	371	2	2.38%	349	4	1.60%
Bullhead City Elementary School District #15	325	3	2.09%	435	2	1.99%
City of Bullhead City	305	4	1.96%	378	3	1.73%
Colorado River Union High School District	237	5	1.52%			
Safeway	212	6	1.36%	270	5	1.24%
Sam's Club	145	7	0.93%	95	11	0.43%
Lowe's	140	8	0.90%	174	6	0.80%
DOT Foods	126	9	0.81%	104	10	0.48%
Home Depot	124	10	0.80%	114	8	0.52%
Silver Ridge Village	120	11	0.77%	131	7	0.60%
Kohl's	107	12	0.69%			0.00%
Arizona Pipeline	100	13	0.64%	90	12	
News West Publishing	85	14	0.55%	112	9	0.51%
Target	80	15	0.51%	82	14	0.38%
Smith's Food & Drug #191	76	16	0.49%			
Mohave Electric Cooperative	55	17	0.35%	86	13	0.39%
Kmart Discount Department Store	0			35	15	0.16%
<b>Total</b>	<b>3,206</b>		<b>20.61%</b>	<b>3,155</b>		<b>14.03%</b>

Source: Employer

\* June 2018 labor force 15,559

\*\* 2009 labor force 21,845

Source: Mohave County Economic Development Web site

**City of Bullhead City, Arizona**  
**Table 17**  
**Full-time Equivalent City Government Employees by Function**  
**Last Ten Fiscal Years**

<b><u>Function</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>
General Government	110.60	107.60	99.50	99.50
Public Safety	128.50	127.50	126.50	125.50
Highways and Streets	20.00	20.00	19.00	19.00
Culture and Recreation	17.00	17.00	20.00	17.00
Redevelopment and housing	2.00	2.00	2.00	1.00
Wastewater Operations	18.00	18.00	18.00	18.00
	<u>296.10</u>	<u>292.10</u>	<u>285.00</u>	<u>280.00</u>

Source: City of Bullhead City Finance Department.

<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
100.50	101.50	100.90	104.50	105.50	108.50
125.50	124.50	124.50	117.50	118.00	115.00
19.00	19.00	19.00	19.00	19.00	21.00
18.00	19.00	20.00	22.00	21.00	22.00
1.00	1.00	1.00	1.00	1.00	1.00
19.00	20.00	20.00	20.00	20.00	19.00
<b>283.00</b>	<b>285.00</b>	<b>285.40</b>	<b>284.00</b>	<b>284.50</b>	<b>267.50</b>

**City of Bullhead City, Arizona**  
**Table 18**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

Function	2010	2011	2012	2013
<b>Police</b>				
Number of Sworn Officers	83	83	83	83
Number of Events Responded To	44,155	44,891	42,049	41,043
Number of Criminal Arrests	2,691	2,827	2,376	2,428
Number of Traffic Citations	5,374	5,328	4,431	4,459
<b>Financial Services</b>				
Accounts Payable Checks Issued	6,278	6,381	6,233	5,645
Accounts Payable EFTs Issued	3,053	2,706	2,320	1,781
Purchase Orders Issued	3,214	3,914	3,538	3,264
Payroll Checks/Direct Deposits Issued <sup>1</sup>	-	4,606	10,407	10,106
Customer Contacts (Utilities, Assessments & Licensing)	58,337	61,842	62,460	63,085
Number of Utility Bills mailed	221,489	222,141	222,791	223,276
Number of Cashier Transactions	179,046	180,255	181,455	190,736
<b>Transit</b>				
Total Transit Ridership	161,649	139,255	160,055	163,321
Miles Driven	259,060	278,380	281,274	267,105
<b>Wastewater Operations</b>				
Number of Service Connections	18,557	18,582	18,595	18,614
Sewage Treated (million gallons per day)	2.39	2.39	3.06	3.03
<b>General</b>				
Building Permits Issued	1,196	911	924	901
Building Inspections Conducted	8,157	5,808	5,686	5,266
Plan Reviews (Hours) <sup>2</sup>	1,101	870	926	885

Source: City of Bullhead City departments.

1 - Payroll checks were created and issued by ADP between May 2009 and December 2010.

2 - Plan Review Hours are no longer tracked by the Public Works Department



2014	2015	2016	2017	2018	2019
82	82	82	76	71	71
39,667	39,247	36,271	45,312	48,407	44,805
2,727	2,652	2,513	1,988	2,408	2,154
3,486	5,094	4,421	5,612	4,298	3,660
5,718	6,038	5,810	5,886	5,997	5,297
3,022	3,291	3,534	3,100	2,221	2,480
3,108	3,220	3,177	3,273	3,271	3,984
10,248	10,351	10,470	10,885	10,925	10,760
62,833	62,598	62,125	60,725	62,846	70,032
223,536	223,572	223,704	224,376	229,224	226,110
183,278	174,041	168,386	157,440	159,056	160,657
171,958	181,470	180,776	179,300	171,034	165,622
258,581	289,408	272,401	293,300	290,937	304,646
18,700	18,779	18,642	18,687	19,102	18,843
2.80	2.99	3.20	3.27	3.42	3.53
1,184	1,480	1,484	1,506	1,447	1,476
7,394	8,669	9,704	10,850	9,254	10,303
**	**	**	**	**	**

**City of Bullhead City, Arizona**  
**Table 19**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

<b>Function</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b><u>Public Safety</u></b>				
Police Stations	1	1	1	1
Police Vehicles	77	77	77	77
<b><u>Highways and Streets</u></b>				
Equivalent 12' Wide Lane Miles	321	321	321	321
Streetlights	2,959	2,959	2,959	2,984
Traffic Signals	9	9	9	9
<b><u>Culture and Recreation</u></b>				
Parks*	5	5	5	7
Parks Acreage*	286	286	286	793
Swimming Pools	1	1	1	1
Community Centers	1	1	1	1

Source: City of Bullhead City departments.

\* Includes undeveloped parks/acreage

2014	2015	2016	2017	2018	2019
1 77	1 71	1 72	1 67	1 74	1 76
321 2,984 9	321 2,984 9	321 2,984 9	700 2,984 10	706 3105 10	710 3105 23
7 793 1 1	7 793 1 1	7 793 1 1	7 710 1 1	8 1008 1 1	8 1008 1 1



**City of Bullhead City, Arizona**  
**Table 20**  
**City Transaction Privilege (Sales) Tax Collections by Industry Classification**  
**Continuing Disclosure Compliance**  
**SEC Rule 15c2-12**

<u>Category</u>	<u>2019</u>	<u>% of Total</u>
Retail Trade	\$ 8,170,548	57%
Communication & Utilities	1,309,799	9%
Restaurant & Bar	1,480,481	10%
Real Estate, Rental & Leasing	843,473	6%
Construction	1,091,710	8%
Use Tax	831,350	6%
Other	361,256	3%
Publication	31,261	0%
Accommodation	93,790	1%
 Total	 <u>\$ 14,213,668</u>	 <u>100%</u>

**City of Bullhead City, Arizona**  
**Table 21**  
**Excise Tax Collections**  
**Continuing Disclosure Compliance**  
**SEC Rule 15c2-12**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
City Sales Tax	\$ 10,070,859	\$ 10,262,368	\$ 10,163,746	\$ 10,298,558
Franchise Tax	540,128	538,575	620,742	658,933
Bed Tax	75,008	73,122	74,565	70,694
License & Permit Fees	483,362	395,454	460,681	469,137
State Sales Tax	2,798,497	2,951,963	3,102,234	3,246,195
State Income Tax	4,933,312	3,719,085	3,337,205	4,038,926
Auto Lieu Tax	1,886,875	1,872,459	1,849,936	1,831,829
Grant		-	1,424	9,432
Charges for Services	1,287,735	1,381,019	1,043,171	942,237
Fines & Forfeitures	688,236	552,407	840,522	911,330
Miscellaneous	267,111	155,994	120,343	261,908
<b>Total</b>	<u><u>\$ 23,031,123</u></u>	<u><u>\$ 21,902,446</u></u>	<u><u>\$ 21,614,569</u></u>	<u><u>\$ 22,739,179</u></u>

<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
\$ 10,820,754	\$ 11,283,690	\$ 12,077,531	\$ 12,791,595	\$ 13,504,303	\$ 14,213,668
677,342	686,850	706,887	733,892	739,185	743,605
70,717	34,423	74,792	75,076	74,450	120,737
569,845	654,066	634,701	616,791	723,505	905,073
3,447,161	3,628,735	3,728,320	3,614,505	3,841,727	4,050,177
4,407,235	4,786,562	4,760,611	4,825,811	4,950,665	4,874,512
1,901,827	2,018,654	2,157,406	2,295,131	2,530,005	2,672,200
16,119	3,881	-	-	-	-
1,108,194	1,073,402	1,089,669	1,122,815	1,514,739	1,826,370
943,681	1,032,101	1,030,481	1,057,371	868,108	744,531
235,841	195,657	274,356	386,951	358,042	608,647
<b>\$ 24,198,716</b>	<b>\$ 25,398,021</b>	<b>\$ 26,534,754</b>	<b>\$ 27,519,938</b>	<b>\$ 29,104,729</b>	<b>\$ 30,759,520</b>

**City of Bullhead City, Arizona**  
**Table 22**  
**Real and Secured Property Taxes Levied and Collected (a)**  
**Mohave County, Arizona**  
**Continuing Disclosure Compliance**

Fiscal Year	Adopted County Tax Levy	Amount	% of Levy	Amount	% of Levy
2019/20	\$51,364,427	(b)	(b)	\$25,703,834	50.04%
2018/19	\$ 49,078,097	(b)	(b)	\$ 25,637,903	52.24%
2017/18	47,076,774	\$ 45,407,716	96.45%	46,235,680	98.21%
2016/17	44,874,743	43,059,220	95.95%	44,625,611	99.44%
2015/16	44,159,991	42,194,482	95.55%	43,915,478	99.45%
2014/15	43,881,843	41,825,230	95.31%	43,660,577	99.50%
2013/14	45,481,685	42,925,077	94.38%	45,224,136	99.43%
2012/13	46,113,418	44,492,562	96.49%	45,847,300	99.42%

(a) Taxes are collected by the Treasurer of the County. Taxes in support of debt

(b) 2018/19 taxes are in course of collection:  
 First installment due 10-1-18; delinquent 11-1-18  
 Second installment due 03-01-19; delinquent 05-01-19



# **Compliance Section**

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and City Council  
City of Bullhead City, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bullhead City, Arizona, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Bullhead City, Arizona's basic financial statements, and have issued our report thereon dated December 9, 2019.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Bullhead City, Arizona's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Bullhead City, Arizona's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Bullhead City, Arizona's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Bullhead City, Arizona's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Henry + Horne, LLP*

Tempe, Arizona  
December 9, 2019



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor and City Council  
City of Bullhead City, Arizona

**Report on Compliance for Each Major Federal Program**

We have audited the City of Bullhead City, Arizona's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Bullhead City, Arizona's major federal programs for the year ended June 30, 2019. City of Bullhead City, Arizona's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the City of Bullhead City, Arizona's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Bullhead City, Arizona's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Bullhead City, Arizona's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the City of Bullhead City, Arizona, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

## Report on Internal Control over Compliance

Management of the City of Bullhead City, Arizona, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Bullhead City, Arizona's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Bullhead City, Arizona's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Henry + Horne, LLP*

Tempe, Arizona  
December 9, 2019

CITY OF BULLHEAD CITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2019

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Justice:			
Direct programs:			
2017 Bulletproof Vest Program	16.607		\$ 2,748
2018 Bulletproof Vest Program	16.607		2,257
Subtotal			<u>5,005</u>
Pass-through programs from:			
State of Arizona Public Safety			
2018 Crime Victim Assistance	16.575	2018-255	28,224
2019 Crime Victim Assistance	16.575	2018-255	89,851
Subtotal			<u>118,075</u>
Total U.S. Department of Justice			<u>123,080</u>
U.S. Department of Housing and Urban Development			
Pass-through programs from:			
State of Arizona Department of Housing			
2016 Home Investment Partnerships Program	14.239	300-17	177,680
2017 Home Investment Partnerships Program	14.239	300-18	113,447
2018 Home Investment Partnerships Program	14.239	300-19	21,106
Subtotal			<u>312,233</u>
Community Development Block Grant (CDBG)			
Entitlement Grants Cluster:			
Community Development Block Grant	14.218	125-18	55,030
Total CDBG Entitlement Grants Cluster			<u>55,030</u>
Total U.S. Department of Housing and urban Development			<u>367,263</u>
U.S. Department of Transportation			
Pass-through programs from:			
State of Arizona Governor's Office of Highway Safety			
Highway Safety Cluster			
State and Community Highway Safety	20.600	2018-PTS-007	927
State and Community Highway Safety	20.600	2019-PTS-005	11,276
Subtotal Highway Safety Cluster			<u>12,203</u>
Pass-through programs from:			
State of Arizona Department of Transportation			
2016 Formula Grants for Rural Areas	20.509	GRT-16-0005993-T	732,374 *
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	GRT-16-0005993-T	111,013
Total Highway Planning and Construction Cluster			<u>111,013</u>
Total U.S. Department of Transportation			<u>855,590</u>

See accompanying notes to schedule of expenditures of federal awards.

CITY OF BULLHEAD CITY  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued) Year  
 Ended June 30, 2019

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Health & Human Services			
Pass-through programs from:			
Western Arizona Council of Governments			
Aging Cluster:			
Special Programs for the Aging_Title III, Part C_Nutrition Services	93.045	E860494205-401-01-17	<u>131,643</u>
Total Aging Cluster			<u>131,643</u>
Social Services Block Grant	93.667	E860494205-401-01-17	<u>15,112</u>
Total U.S. Department of Health & Human Services			<u>146,755</u>
Total Expenditures of Federal Awards			<u>\$ 1,492,688</u>

\*denotes major program



CITY OF BULLHEAD CITY  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
June 30, 2019

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Bullhead City under programs of the federal government for the year ended June 30, 2019. The information in this schedule is presented in accordance with requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of City of Bullhead City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Bullhead City.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- B) The City of Bullhead City has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.



CITY OF BULLHEAD CITY, ARIZONA  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 Year Ended June 30, 2019

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified that are not considered to be a material weakness(es)?  yes  none reported

Noncompliance material to financial statements noted?

yes  no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified that are not considered to be a material weakness(es)?  yes  none reported

Type of auditors' report issued on compliance for each major program listed below:

Formula Grants for Rural Areas

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?

yes  no

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
20.509	Formula Grants for Rural Areas

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

yes  no

CITY OF BULLHEAD CITY, ARIZONA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2019

SECTION II – FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

None noted.

SECTION III – FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

None noted.

