

CITY OF BULLHEAD CITY, ARIZONA



COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2020

CITY OF BULLHEAD CITY, ARIZONA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020



Prepared by the Finance Department
Rudy Vera, Finance Director

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Introductory Section





CITY OF BULLHEAD CITY

FINANCE DEPARTMENT

2355 Trane Road

Bullhead City, AZ 86442

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

December 16, 2020

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, 2020 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, 2020 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.

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.

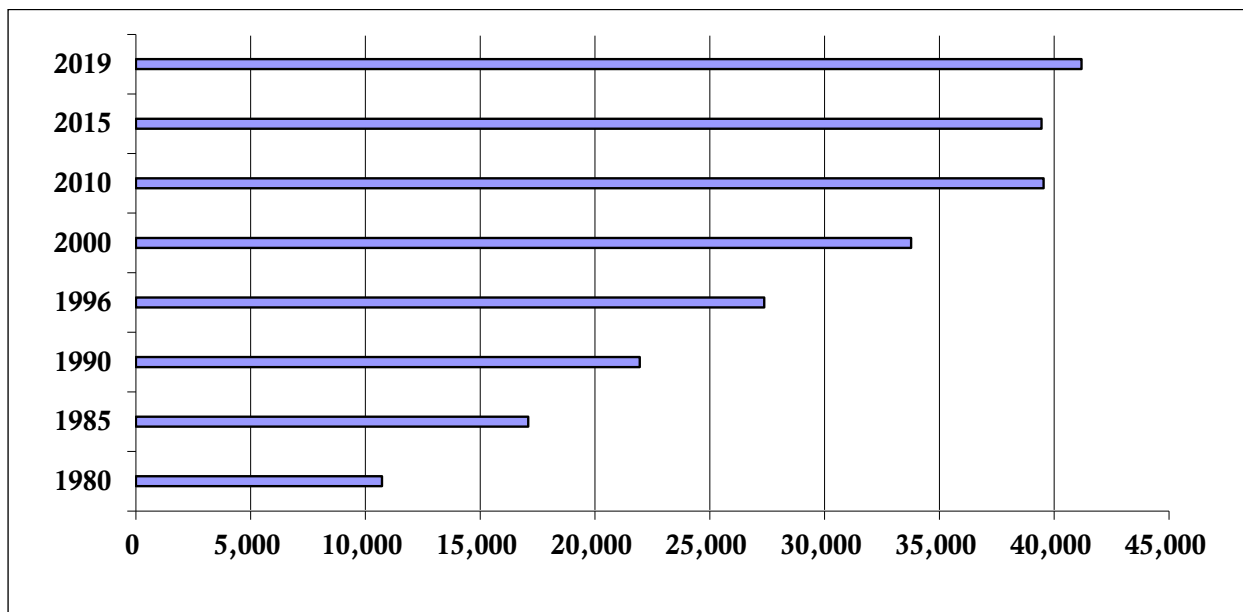
In 1945 Bullhead City was the headquarters for the construction of Davis Dam. The city name was derived from its proximity to Bullhead Rock, now largely concealed by Lake Mohave.

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.

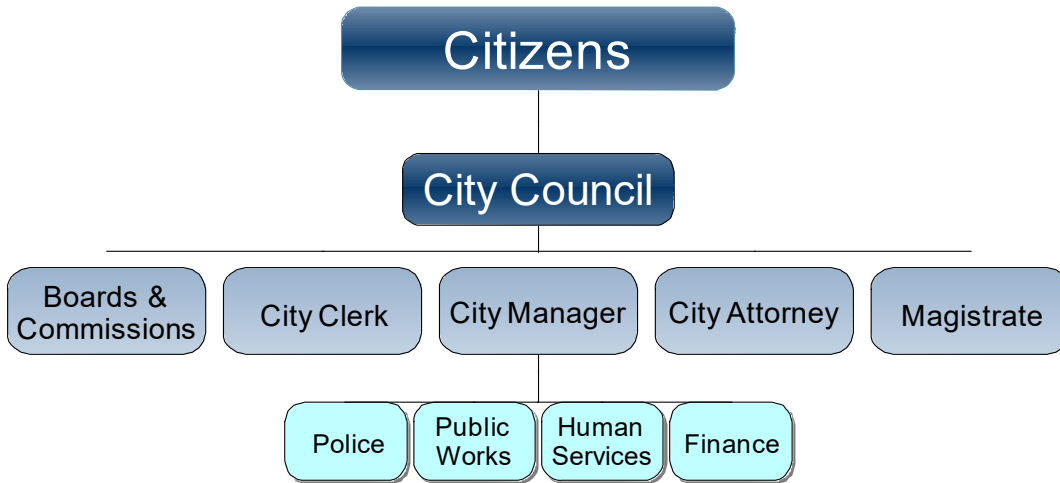
The following graph illustrates the population growth from 1980 and projected until 2019.

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 Estimate	41,193



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 eight 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 8,800 rooms with an average occupancy rate of 62%. 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.

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 investing in the area.

Recently opened businesses include: Dutch Bros, Burger King, Southern Maid Donuts, River Rat Motorsports and Meoni's Italian Kitchen. City Square Storage a climate controlled storage facility completed Phase One of its development in Bullhead City. Dairy Queen, Jersey Mike's Subs are to open soon. The Holiday Inn Express continues to take 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. The total number of single family residential building permits for FY 20 increased by 19% or 40 permits compared to the prior year.

The City's sales tax revenues increased 8% over last year collections. Revenue from the contracting tax classification has increased by 7%, and the retail tax classification has increased by 16% 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 \$19,026,567 invested at June 30, 2020. The average yield for fiscal year 2020 was 1.60%. 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


Toby Cotter
City Manager


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, 2019

Christopher P. Morill

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

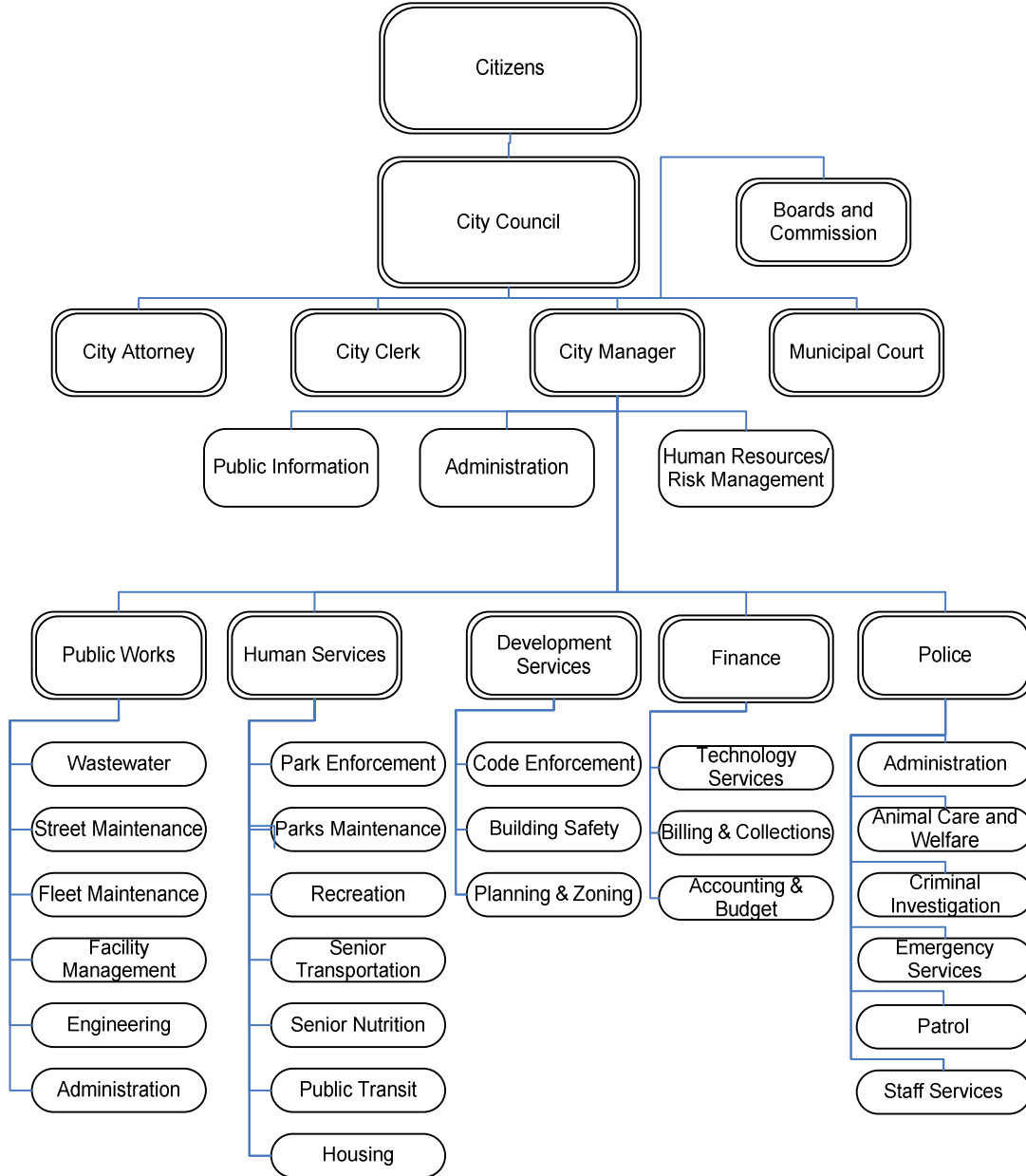
Finance Director

Rudy Vera



INTRODUCTION

ORGANIZATIONAL CHART





Financial Section





INDEPENDENT AUDITORS' REPORT

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

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, 2020, 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, 2020, 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.

Other Information (Continued)

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 16, 2020 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 16, 2020

Financial Section

MANAGEMENT'S DISCUSSION & ANALYSIS



**CITY OF BULLHEAD CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2020**

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, 2020. 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 2020 by \$132,550,276 (net position). Of this amount, Net investment of capital assets was \$122,438,531; restricted net position was \$8,648,727 and \$1,463,018 represents unrestricted net position.
- Bullhead City's total net position increased in fiscal year 2020 \$4,891,332 or 3.8%.
- At the end of fiscal year 2020, Bullhead City's governmental funds reported combined fund balances of \$22,103,754, an increase of \$1,467,296 in comparison to the prior fiscal year. Approximately 62% of this amount (\$13,641,508) is available for spending at the city's discretion (unassigned fund balance).
- At the end of fiscal year 2020, unassigned fund balance for the General Fund is \$15,423,061 or 57% of total general fund expenditures.
- Bullhead City's total outstanding long-term liabilities decreased by \$1,830,896 or 2.6% during fiscal year 2020.

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 \$132,550,276 at the close of fiscal year 2020.

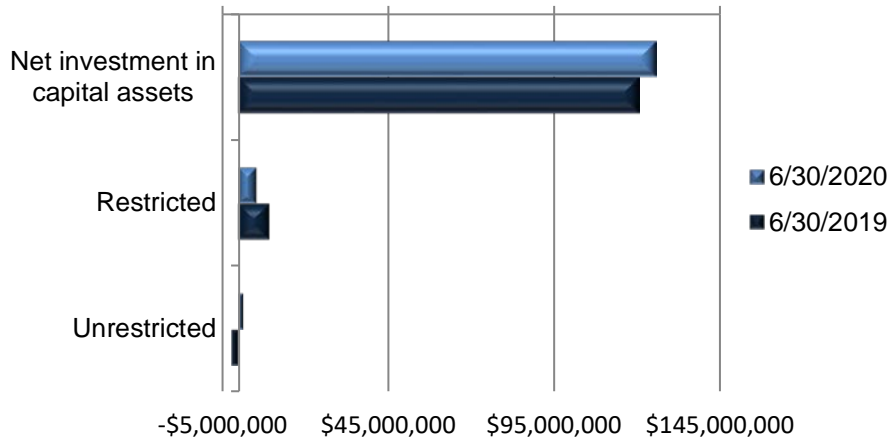
Net position of the City represents the difference between the City's resources and its obligations. As of June 30, 2020, the largest portion of the City's total net position approximately 92% reflects the investment in capital assets, (e.g., land, buildings, machinery, equipment, vehicles and infrastructure) 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 \$8,648,727 represents amounts that are to be used in accordance with external restrictions. The remaining balance of \$1,463,018 is unrestricted.

**City of Bullhead City, Arizona
Condensed Statement of Net Position**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Current and other assets	40,514,610	\$ 36,133,383	6,719,155	\$ 5,346,049	\$ 47,233,765	\$ 41,479,432
Capital assets	49,663,896	49,225,923	106,657,247	106,675,609	\$ 156,321,143	\$ 155,901,532
Total assets	90,178,506	85,359,306	113,376,402	112,021,658	203,554,908	197,380,964
Total Deferred outflows of resources	5,673,341	5,031,556	356,115	415,467	6,029,456	5,447,023
Other liabilities	7,373,997	3,792,657	1,265,678	1,079,326	8,639,675	4,871,983
Long-term liabilities	50,239,025	53,066,519	17,782,800	16,786,202	68,021,825	69,852,721
Total liabilities	57,613,022	56,859,176	19,048,478	17,865,528	76,661,500	74,724,704
Total deferred inflows of resources	372,588	444,339	-	-	372,588	444,339
Net position:						
Net investment in capital assets	32,793,519	29,690,757	89,645,012	90,679,900	122,438,531	120,370,657
Restricted	6,262,470	7,026,623	2,386,257	2,249,575	8,648,727	9,276,198
Unrestricted	(1,189,752)	(3,630,033)	2,652,770	1,642,122	1,463,018	(1,987,911)
Total net position	\$ 37,866,237	\$ 33,087,347	\$ 94,684,039	\$ 94,571,597	\$ 132,550,276	\$ 127,658,944

**City of Bullhead City Net Position
June 30, 2019 and 2020**



The City's overall net position increased \$4,891,332 from the prior fiscal year. The following sections will discuss the reasons for the increase.

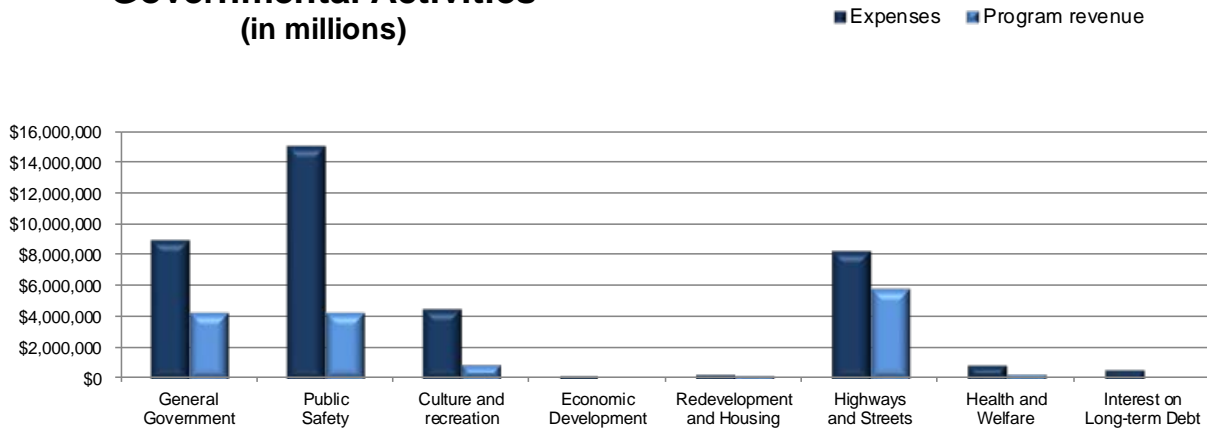
Governmental Activities

Bullhead City's net position for governmental activities increased \$4,778,890 from the prior fiscal year to an ending balance of \$37,866,237.

City of Bullhead City, Arizona Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Revenues:						
Program revenues:						
Charges for services	5,809,040	\$ 5,271,272	10,259,231	\$ 10,105,411	\$ 16,068,271	\$ 15,376,683
Operating grants and contributions	9,391,422	6,639,115	-	-	9,391,422	6,639,115
Capital grants and contributions	348,406	190,128	-	-	348,406	190,128
General revenues:						
City sales tax	15,559,896	14,334,405	-	-	15,559,896	14,334,405
State shared sales tax	4,179,103	4,050,177	-	-	4,179,103	4,050,177
Urban revenue sharing	5,227,021	4,874,512	-	-	5,227,021	4,874,512
Franchise tax	529,113	743,605	-	-	529,113	743,605
State shared vehicle license tax	2,670,036	2,672,200	-	-	2,670,036	2,672,200
Investment earnings	265,784	280,871	54,165	70,821	319,949	351,692
Total revenues	<u>43,979,821</u>	<u>39,056,285</u>	<u>10,313,396</u>	<u>10,176,232</u>	<u>54,293,217</u>	<u>49,232,517</u>
Expenses:						
Government activities:						
General government	9,018,427	12,391,108	-	-	9,018,427	12,391,108
Public safety	15,136,907	15,405,139	-	-	15,136,907	15,405,139
Culture and recreation	4,542,556	3,712,566	-	-	4,542,556	3,712,566
Economic development	80,143	84,844	-	-	80,143	84,844
Redevelopment and housing	290,448	418,315	-	-	290,448	418,315
Highways and streets	8,273,163	5,006,194	-	-	8,273,163	5,006,194
Health and welfare	917,880	884,404	-	-	917,880	884,404
Interest on long-term debt	529,581	738,957	-	-	529,581	738,957
Business-type activities						
Water	-	-	1,012,054	514,757	1,012,054	514,757
Wastewater	-	-	9,600,726	9,914,818	9,600,726	9,914,818
Total expenses	<u>38,789,105</u>	<u>38,641,527</u>	<u>10,612,780</u>	<u>10,429,575</u>	<u>49,401,885</u>	<u>49,071,102</u>
Change in net position before transfers	5,190,716	414,758	(299,384)	(253,343)	4,891,332	161,415
Transfers in (out)	(411,826)	(323,350)	411,826	323,350	-	-
Change in net position	<u>4,778,890</u>	<u>91,408</u>	<u>112,442</u>	<u>70,007</u>	<u>4,891,332</u>	<u>161,415</u>
Net position - beginning	<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>
Net position - ending	<u>\$ 37,866,237</u>	<u>\$ 33,087,347</u>	<u>\$ 94,684,039</u>	<u>\$ 94,571,597</u>	<u>\$ 132,550,276</u>	<u>\$ 127,658,944</u>

Expenses and Program Revenues Governmental Activities (in millions)



Business-type Activities

Bullhead City’s business-type activities for fiscal year 2020 show that the overall net position increased to an ending balance of \$94,684,039. The total increase in net position for business-type activities was \$112,442 or 0.1% from the prior fiscal year.

Revenue from business-type activities totaled \$10,313,396 compared to \$10,176,232 in FY 2019. This is an increase of 1.3% or \$137,164 from the prior fiscal year. Wastewater customer accounts billed in June 2019 were 18,894 and in June 2020 there were 19,083 customer accounts billed.

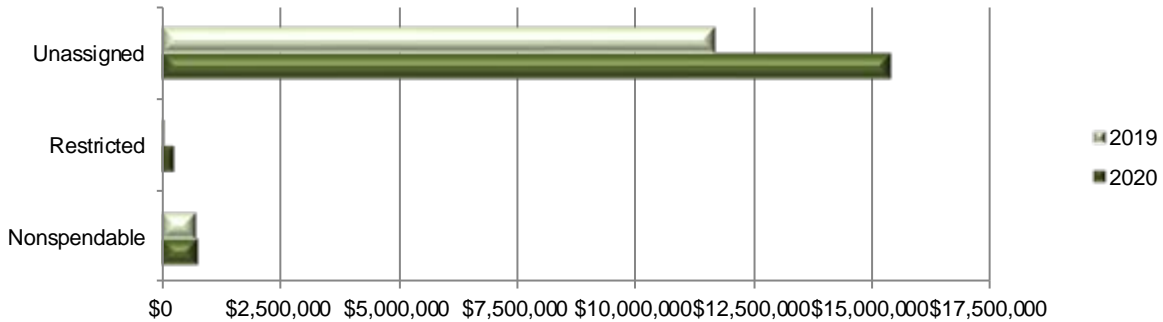
FINANCIAL ANALYSIS OF THE FUND STATEMENTS

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, 2020 of \$22,103,754, which is an increase of \$1,467,956 compared to the previous fiscal year. Approximately 61.7% of this amount (\$13,641,508) 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 (\$768,809), or 2) restricted for a particular purpose (\$7,693,437).

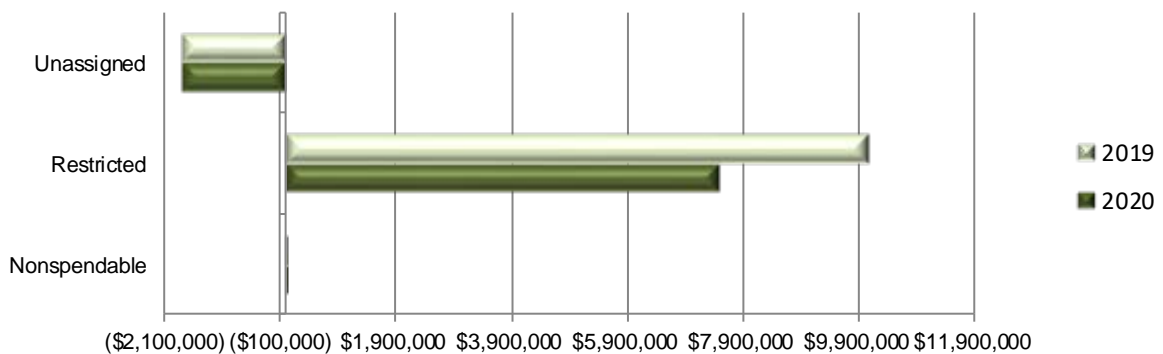
General Fund Components of Fund Balance June 30, 2019 and 2020



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 \$15,423,061. 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 57.3% of the total general fund expenditures, while total fund balance represents approximately 61.2% of the same amount.

The fund balance of Bullhead City’s general fund grew by \$4,053,567 during the 2020 fiscal year.

Other Governmental Funds Components of Fund Balance June 30, 2019 and 2020



The fund balances of Bullhead City’s other governmental funds decreased by \$2,586,154 during the 2020 fiscal year.

The Non-Major Governmental Fund Balances decreased \$3,111,255 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 \$1,289,670. Capital Project Funds ended with a balance of \$1,590,650. The Debt Service Funds ended with a negative fund balance of \$1,159,174. 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 \$112,442 or 0.1% in FY 2020. The Wastewater Fund total net position increased \$268,245 or 0.3%. 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 two of rate phase-in is fiscal year 2020.

The Water Fund’s total net position decreased \$155,803 or 5.4% in FY 2020. Ongoing expenses to acquire the local water system are found in this fund.

Unrestricted net position of the wastewater fund was \$3,966,255 and for the water resources fund was -\$1,313,485. The total change in unrestricted net position for both funds was \$1,396,341 and -\$385,693, 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 Economic Development of airline service pledge of \$65,000; Shooting range improvements for Police Department \$71,021; Veterans Court Program of \$84,381 to dedicated fund; Water Valuation and Rate Study \$60,000 and additional funding of \$74,792 for Bullhead Community Park Land Exchange. 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:

<u>Revenue source</u>	<u>Estimated Revenues</u>	<u>Actual Revenues</u>	<u>Variance</u>
Taxes	15,169,787	16,089,009	919,222
Intergovernmental revenue	12,508,351	12,076,160	(432,191)
Charges for services	2,137,107	2,166,191	29,084
Other	2,187,376	2,263,877	76,501

The city revenue sources reflect an improving economy and the impact of visitors for sporting events and the Colorado River. The City continues to employ a conservative forecast for estimated revenues. Local Transaction Privilege Tax collections grew by 8.2% or \$1,171,832. Retail classification tax collections grew 15.5% or \$1,262,792. Contracting tax classification collections increased 6.9% or \$75,717. And hotel/motel tax classification collections grew 27.4% or \$25,730.

State shared revenue collections were \$281,365 or 2% lower than estimated. State shared revenues estimates are provided by the State of Arizona. The grant revenues budgeted was for Veterans Treatment Court Program and State Emergency Communication Program. The Veterans Treatment Court Program was awarded a three year grant of \$500,000. The program was assigned its own fund to track revenues and expenditures.

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	\$ 20,390,581	\$ 20,114,302	\$ (276,279)
M&O	7,891,254	6,097,904	(1,793,350)
Property	839,743	682,134	(157,609)
Debt service	2,124	5,914	3,790
Other financing uses	4,020,301	3,590,178	(430,123)
Total	\$ 33,144,003	\$ 30,490,432	\$ (2,653,571)

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.

COVID-19 impacted expenditures related to the maintenance and operations classification. There were saving in accounts related to Recreation Programs suspension. Print savings of \$109,888; contract labor savings of \$132,156; and landscaping materials of \$42,749. Other savings were travel and training of \$171,294; fuel savings of \$91,530; prison inmate savings of \$155,953.

Less court proceedings resulted in public defender and legal service savings of \$91,125. Lower police department roof repair deferred and savings of \$120,000. Dangerous Building Enforcement account with savings of \$87,227. Animal care program with \$100,000 offset with similar revenue did not take place and was removed from 2021 budget. And general services budget amount of \$200,000 was not needed for the Bullhead Community Park Land Swap.

There were transfers from General Fund contingency budget in the amount of \$355,194. These transfers included improvements for police shooting range; airline service pledge; and grant funded Veterans Court Program.

Overall expenditure budget savings were \$2,653,571 for the General Fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2020, the City had invested \$156,321,143 (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 increase in capital assets for the fiscal year was approximately \$419,611 or 0.3%.

**City of Bullhead City, Arizona
Capital Assets
As of June 30, 2020
(Net of Depreciation)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2019</u>
Capital assets not being depreciated:						
Land and improvements	\$ 3,120,533	\$ 3,120,533	\$ 620,883	\$ 620,883	\$ 3,741,416	\$ 3,741,416
Water rights			6,716,785	3,806,784	6,716,785	3,806,784
Construction in progress	3,724,564	1,264,834	756,340	144,995	4,480,904	1,409,829
Depreciable capital assets:						
Buildings	5,152,901	5,533,957	101,012	104,753	5,253,913	5,638,710
Improvements, other than buildings	2,008,801	2,148,446	146,862	30,106	2,155,663	2,178,552
Furniture, vehicles and equipment	3,401,341	4,022,791	441,129	588,419	3,842,470	4,611,210
Infrastructure	<u>32,255,756</u>	<u>33,135,362</u>	<u>97,874,236</u>	<u>101,379,669</u>	<u>130,129,992</u>	<u>134,515,031</u>
Total	<u>\$ 49,663,896</u>	<u>\$49,225,923</u>	<u>\$106,657,247</u>	<u>\$ 106,675,609</u>	<u>\$156,321,143</u>	<u>\$ 155,901,532</u>

Major capital asset events during the year include the following:

- The purchase of water rights for \$2,910,001.
- The purchase of police boat for \$105,000. This purchase was grant funded.
- The completion of the Corwin and Highway 95 Traffic Signal for \$728,017.
- The upgrade of cooling tower for Justice Center Complex of \$74,300.
- The purchase of replacement Transit Van primarily grant funded at a cost of \$49,378.
- Improvements to Rotary Park Baseball Parking Lot for \$186,322.
- Construction in Progress additions during fiscal year 2020 with \$2.0 million in Governmental Capital Projects.

The City had commitments of approximately \$5,561,086 for capital expenditures commitments as of June 30, 2020.

Additional information on Bullhead City's capital assets can be found in Note 6 on pages 55-56 of this report.

Long-Term Debt

As of June 30, 2020, the City had \$35,515,280 in bonded, and note debt. Of this amount, \$24,168,823 is debt backed the full faith and credit of the City and \$11,346,457 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, 2020**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Revenue bonds, net of premiums and discounts	\$ 10,108,999	\$ 12,221,999	\$ 17,189,824	\$ 16,199,788	\$ 27,298,823	\$ 28,421,787
Notes payable- Water Infrastructure Financing Authority	8,216,457	10,398,389			8,216,457	10,398,389
Capital lease obligation	-	-	178,526	211,388	178,526	211,388
Net pension liabilities	29,315,403	27,614,479			29,315,403	27,614,479
Compensated absences	2,598,166	2,831,652	414,450	375,026	3,012,616	3,206,678
Total	\$ 50,239,025	\$ 53,066,519	\$ 17,782,800	\$ 16,786,202	\$ 68,021,825	\$ 69,852,721

During fiscal year 2020, the City's total long-term liabilities decreased by \$1,830,896 or 2.6 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 2019 Excise Taxes Revenue and Revenue Refunding Obligations for purchasing Colorado River Water Rights and Refunding Series 2009 Bonds for \$6,945,000.

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 2020 was \$1,651 and 2019 was \$1,696 based on 2020 Arizona Office of Employment & Population Statistics Estimate of 41,193.

Standard & Poor on June 25, 2019 assigned its 'AA' rating for the Series 2019 \$7.415 million Excise Taxes Revenue and Revenue Refunding Obligation Bonds.

Additional information on Bullhead City's long-term liabilities can be found in Note 7 on pages 57-60 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 2020-2021 budget.

- Impact of COVID-19 included General Fund deferred list of expenditures of \$2.3 million.
- Estimated city sales tax revenue with an increase of 6.9 percent compared to estimated 2020 budget.
- State shared revenue distributions were estimated to increase 8.3 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 3.4 percent in employer public safety retirement costs for a total of 58.45 percent for Tier 1 employees; An increase of 3.2 percent in employer public safety retirement costs for a total of 62.45 percent or 61.45 percent for Tier 2 employees(depending on hire date); and an increase of 4.6 percent in employer public safety retirement costs for a total of 60.04 percent for Tier 3 employees
- The unemployment rate for Bullhead City at April 2020 was 20.9% compared to the April 2019 rate of 5.7%.

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

The General Fund operating budget for fiscal year 2020-2021 appropriation is \$30,576,757, an increase of 1.0%, or \$306,790 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

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, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 22,227,893	\$ 4,413,061	\$ 26,640,954
Receivables (net of allowances)			
Accounts	1,802,716	972,229	2,774,945
Taxes	270,057	-	270,057
Intergovernmental	3,268,985	-	3,268,985
Prepays and inventory	1,161,132	3,681	1,164,813
Restricted cash	3,875,072	2,386,257	6,261,329
Special assessment receivable	6,597,626	-	6,597,626
Internal balances	1,056,073	(1,056,073)	-
Net OPEB asset	255,056	-	255,056
Capital assets:			
Non-depreciable	6,845,097	8,094,008	14,939,105
Depreciable (net)	42,818,799	98,563,239	141,382,038
Total assets	<u>90,178,506</u>	<u>113,376,402</u>	<u>203,554,908</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions and OPEB	5,649,229	-	5,649,229
Deferred charge on debt refunding	24,112	356,115	380,227
Total deferred outflows of resources	<u>5,673,341</u>	<u>356,115</u>	<u>6,029,456</u>
LIABILITIES			
Accounts payable	1,559,516	543,377	2,102,893
Accrued payroll and related liabilities	882,568	84,151	966,719
Other liabilities	1,156,718	30,004	1,186,722
Deposits held for others	757,107	351,571	1,108,678
Interest payable	201,837	256,575	458,412
Unearned revenue	2,816,251	-	2,816,251
Long-term liabilities:			
Due within one year:			
Compensated absences	649,542	103,613	753,155
Capital leases payable	-	32,862	32,862
Notes payable	2,181,932	-	2,181,932
Bonds payable	2,122,000	2,110,000	4,232,000
Due in more than one year:			
Compensated absences	1,948,624	310,838	2,259,462
Capital leases payable	-	145,664	145,664
Notes payable	6,034,525	-	6,034,525
Bonds payable	7,986,999	15,079,824	23,066,823
Net pension liabilities	29,315,403	-	29,315,403
Total liabilities	<u>57,613,022</u>	<u>19,048,478</u>	<u>76,661,500</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions and OPEB	372,588	-	372,588
NET POSITION			
Net investment in capital assets	32,793,519	89,645,012	122,438,531
Restricted for:			
Highways and streets	995,029	-	995,029
Community development	1,239,576	-	1,239,576
Public safety	367,439	-	367,439
Other purposes	140,160	-	140,160
Capital projects	1,505,392	-	1,505,392
Debt service	2,014,874	2,386,257	4,401,131
Unrestricted (deficit)	<u>(1,189,752)</u>	<u>2,652,770</u>	<u>1,463,018</u>
Total net position	<u>\$ 37,866,237</u>	<u>\$ 94,684,039</u>	<u>\$ 132,550,276</u>

See accompanying notes.

CITY OF BULLHEAD CITY, ARIZONA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 9,018,427	\$ 2,740,901	\$ 1,127,515	\$ 348,406
Public safety	15,136,907	2,113,195	2,151,587	-
Culture and recreation	4,542,556	844,664	1,000	-
Economic development	80,143	-	-	-
Redevelopment and housing	290,448	-	171,283	-
Highways and streets	8,273,163	110,280	5,684,703	-
Health and welfare	917,880	-	255,334	-
Interest on long-term debt	529,581	-	-	-
Total governmental activities	<u>38,789,105</u>	<u>5,809,040</u>	<u>9,391,422</u>	<u>348,406</u>
Business-type activities				
Wastewater	9,600,726	9,855,024	-	-
Water utility	1,012,054	404,207	-	-
Total business-type activities	<u>10,612,780</u>	<u>10,259,231</u>	<u>-</u>	<u>-</u>
Total government	<u>\$ 49,401,885</u>	<u>\$ 16,068,271</u>	<u>\$ 9,391,422</u>	<u>\$ 348,406</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

See accompanying notes.

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (4,801,605)	\$ -	\$ (4,801,605)
(10,872,125)	-	(10,872,125)
(3,696,892)	-	(3,696,892)
(80,143)	-	(80,143)
(119,165)	-	(119,165)
(2,478,180)	-	(2,478,180)
(662,546)	-	(662,546)
(529,581)	-	(529,581)
<u>(23,240,237)</u>	<u>-</u>	<u>(23,240,237)</u>
-	254,298	254,298
-	(607,847)	(607,847)
-	<u>(353,549)</u>	<u>(353,549)</u>
<u>(23,240,237)</u>	<u>(353,549)</u>	<u>(23,593,786)</u>
15,559,896	-	15,559,896
529,113	-	529,113
4,179,103	-	4,179,103
5,227,021	-	5,227,021
2,670,036	-	2,670,036
265,784	54,165	319,949
(411,826)	411,826	-
<u>28,019,127</u>	<u>465,991</u>	<u>28,485,118</u>
<u>4,778,890</u>	<u>112,442</u>	<u>4,891,332</u>
<u>33,087,347</u>	<u>94,571,597</u>	<u>127,658,944</u>
<u>\$ 37,866,237</u>	<u>\$ 94,684,039</u>	<u>\$ 132,550,276</u>



Financial Section

Governmental- Wide Fund Financial Statements

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.

CARES Act Fund

This fund is used to account for financial activity related to the funding received as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act.

Capital Projects Fund

This fund is used to account for funds received and expended for the construction of buildings and improvements as well as for the acquisition of equipment used by the City.

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, 2020

	General	HURF	CARES Act Fund	Capital Projects Funds	SID Debt Service Funds
ASSETS					
Cash and cash equivalents	\$ 11,503,371	\$ 391,514	\$ 2,816,663	\$ 1,638,974	\$ 2,069,812
Restricted cash	269,409	3,973	-	1,430,967	-
Receivables, net of allowances for uncollectibles:					
Accounts	987,146	21,462	-	-	-
Taxes	222,318	-	-	47,739	-
Intergovernmental	2,373,093	337,558	-	25,395	-
Due from other funds	3,863,542	-	-	-	-
Inventory and Prepays	74,689	-	-	-	-
Special assessments receivable	-	-	-	-	6,596,704
Advance to other funds	693,577	-	-	-	-
Total assets	\$ 19,987,145	\$ 754,507	\$ 2,816,663	\$ 3,143,075	\$ 8,666,516
LIABILITIES					
Accounts payable	\$ 551,412	\$ 98,188	\$ -	\$ 415,651	\$ 8,489
Accrued payroll and related liabilities	770,131	46,737	-	-	-
Due to other funds	-	-	-	1,132,938	-
Other liabilities	902,768	1,001	-	205,581	3,606
Deposits held for others	514,248	-	-	-	242,859
Unearned revenue	-	-	2,816,251	-	-
Interest payable	-	-	-	-	-
Matured bonds payable	-	-	-	-	-
Total liabilities	2,738,559	145,926	2,816,251	1,754,170	254,954
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - other	104,930	1,216	-	47,739	-
Unavailable revenue - nuisance and building abatement fees	682,920	-	-	-	-
Unavailable revenue - special assessments	-	-	-	-	6,487,898
Total deferred inflows of resources	787,850	1,216	-	47,739	6,487,898
FUND BALANCES					
Nonspendable					
Inventory and Prepays	74,689	-	-	-	-
Advances to other funds	693,577	-	-	-	-
Restricted					
Highways and streets	-	607,365	-	-	-
Community development	-	-	-	-	-
Public safety	224,116	-	412	-	-
Capital projects	-	-	-	1,341,166	-
Debt service	-	-	-	-	1,923,664
Other purposes	45,293	-	-	-	-
Unassigned	15,423,061	-	-	-	-
Total fund balances	16,460,736	607,365	412	1,341,166	1,923,664
Total liabilities, deferred inflows of resources, and fund balances	\$ 19,987,145	\$ 754,507	\$ 2,816,663	\$ 3,143,075	\$ 8,666,516

See accompanying notes.

Excise Revenue Bond Refunding Funds	Non-Major Governmental Funds	Total Governmental Funds
\$ 49,072	\$ 3,231,763	\$ 21,701,169
1,796,702	367,939	3,868,990
-	423,864	1,432,472
-	-	270,057
-	282,939	3,018,985
-	-	3,863,542
-	543	75,232
-	922	6,597,626
-	-	693,577
<u>\$ 1,845,774</u>	<u>\$ 4,307,970</u>	<u>\$ 41,521,650</u>
\$ -	\$ 269,988	\$ 1,343,728
-	52,201	869,069
-	1,920,738	3,053,676
-	808	1,113,764
-	-	757,107
-	-	2,816,251
49,509	30,023	79,532
1,747,000	275,000	2,022,000
<u>1,796,509</u>	<u>2,548,758</u>	<u>12,055,127</u>
-	150	154,035
-	-	682,920
-	37,916	6,525,814
<u>-</u>	<u>38,066</u>	<u>7,362,769</u>
-	543	75,232
-	-	693,577
-	387,664	995,029
-	1,239,576	1,239,576
-	142,911	367,439
-	1,595,193	2,936,359
49,265	41,945	2,014,874
-	94,867	140,160
-	(1,781,553)	13,641,508
<u>49,265</u>	<u>1,721,146</u>	<u>22,103,754</u>
<u>\$ 1,845,774</u>	<u>\$ 4,307,970</u>	<u>\$ 41,521,650</u>



CITY OF BULLHEAD CITY, ARIZONA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
June 30, 2020

Fund balances - total governmental funds		\$ 22,103,754
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		49,663,896
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		7,362,769
Deferred charges and credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.		24,112
Long-term liabilities are not due and payable in the current period and, therefore, they are not reported in the funds:		
Revenue bonds	\$ (4,956,999)	
Improvement bonds	(3,130,000)	
Notes payable	(8,216,457)	
Accrued interest payable	(122,305)	
Net pension liability	(29,315,403)	
Net OPEB asset	255,056	
Compensated absences	<u>(2,598,166)</u>	(48,084,274)
Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future reporting periods and, therefore are not reported in the funds.		5,276,641
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>1,519,340</u>
Total net position of governmental activities		<u><u>\$ 37,866,238</u></u>

See accompanying notes.

CITY OF BULLHEAD CITY, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2020

	General Fund	HURF	CARES Act Fund	Capital Projects Funds	SID Debt Service Funds
REVENUES					
City tax revenue	\$ 16,089,009	\$ -	\$ -	\$ -	\$ -
Intergovernmental	12,076,160	4,144,197	1,877,500	662,813	-
Charges for services	2,166,191	-	-	-	-
Special assessments	-	-	-	-	2,163,683
Licenses and permits	987,089	-	-	-	-
Fines and forfeitures	794,619	-	-	-	-
Rents	57,161	-	-	-	-
Investment earnings	146,806	15,465	412	35,984	21,489
Other revenues	220,132	21,663	-	9,647	217
Total revenues	<u>32,537,167</u>	<u>4,181,325</u>	<u>1,877,912</u>	<u>708,444</u>	<u>2,185,389</u>
EXPENDITURES					
Current:					
General government	8,586,781	-	-	-	57,022
Public safety	13,966,951	-	-	-	-
Culture and recreation	3,303,969	-	-	1,256	-
Economic development	95,889	-	-	-	-
Redevelopment and housing	-	-	-	-	-
Highways and streets	-	3,200,094	-	-	-
Health and welfare	553,724	-	-	-	-
Capital outlay	391,666	232,435	-	4,559,523	-
Debt service:					
Principal	-	-	-	-	2,181,932
Interest and fiscal charges	-	-	-	-	253,196
Bond issuance costs	-	-	-	-	-
Total expenditures	<u>26,898,980</u>	<u>3,432,529</u>	<u>-</u>	<u>4,560,779</u>	<u>2,492,150</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,638,187</u>	<u>748,796</u>	<u>1,877,912</u>	<u>(3,852,335)</u>	<u>(306,761)</u>
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	58,070	-	-	-	-
Transfers in	1,947,489	723,912	-	1,762,264	-
Transfers out	(3,590,179)	(1,990,736)	(1,877,500)	-	-
Total other financing (uses) sources	<u>(1,584,620)</u>	<u>(1,266,824)</u>	<u>(1,877,500)</u>	<u>1,762,264</u>	<u>-</u>
Net change in fund balances	4,053,567	(518,028)	412	(2,090,071)	(306,761)
Fund balances - beginning of year	<u>12,407,169</u>	<u>1,125,393</u>	<u>-</u>	<u>3,431,237</u>	<u>2,230,425</u>
Fund balances - end of year	<u>\$ 16,460,736</u>	<u>\$ 607,365</u>	<u>\$ 412</u>	<u>\$ 1,341,166</u>	<u>\$ 1,923,664</u>

See accompanying notes.

Excise Revenue Bond Refunding Funds	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 16,089,009
-	2,874,973	21,635,643
-	757,025	2,923,216
-	309,931	2,473,614
-	75	987,164
-	71,614	866,233
-	-	57,161
8,359	31,526	260,041
-	94,501	346,160
<u>8,359</u>	<u>4,139,645</u>	<u>45,638,241</u>
-	1,972,242	10,616,045
-	231,065	14,198,016
-	123,953	3,429,178
-	-	95,889
-	249,336	249,336
-	346,455	3,546,549
-	364,282	918,006
-	257,475	5,441,099
1,747,001	375,000	4,303,933
98,531	186,549	538,276
-	-	-
<u>1,845,532</u>	<u>4,106,357</u>	<u>43,336,327</u>
<u>(1,837,173)</u>	<u>33,288</u>	<u>2,301,914</u>
-	1,800	59,870
1,846,028	680,855	6,960,548
-	(395,961)	(7,854,376)
<u>1,846,028</u>	<u>286,694</u>	<u>(833,958)</u>
8,855	319,982	1,467,956
40,410	1,401,164	20,635,798
<u>\$ 49,265</u>	<u>\$ 1,721,146</u>	<u>\$ 22,103,754</u>

CITY OF BULLHEAD CITY, ARIZONA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2020

Net change in fund balances - total governmental funds		\$ 1,467,956
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	\$ 4,446,653	
Contributed capital	(44,440)	
Sale of capital assets	(22,258)	
Depreciation expense	<u>(3,941,982)</u>	437,973
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.		
		(957,492)
Collection of revenues in the governmental funds exceed revenues reported in the Statement of Activities		
		(1,652,701)
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.		
Principal repaid	4,303,933	
Amortization of deferred charge/credit on debt refunding	<u>(24,110)</u>	4,279,823
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.		
Compensated absences payable		233,486
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.		
		<u>937,040</u>
Change in net position of governmental activities		<u>\$ 4,778,890</u>

See accompanying notes.

Financial Section

Proprietary Fund

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, 2020

ASSETS	Business-type Activities-Enterprise Funds			Governmental
	Wastewater Fund	Water Fund	Total	Internal Services Funds
Current assets				
Cash and cash equivalents	\$ 4,413,061	\$ -	\$ 4,413,061	\$ 532,806
Accounts receivable, net	972,229	-	972,229	370,244
Intergovernmental receivable	-	-	-	250,000
Inventory	-	-	-	23,750
Prepaid expenses	3,681	-	3,681	1,062,150
Total current assets	<u>5,388,971</u>	<u>-</u>	<u>5,388,971</u>	<u>2,238,950</u>
Noncurrent assets				
Restricted cash	2,254,353	131,904	2,386,257	-
Capital assets:				
Capital assets, not being depreciated	1,377,223	6,716,785	8,094,008	-
Capital assets, being depreciated, net	98,563,239	-	98,563,239	2,748,002
Total noncurrent assets	<u>102,194,815</u>	<u>6,848,689</u>	<u>109,043,504</u>	<u>2,748,002</u>
Total assets	<u>107,583,786</u>	<u>6,848,689</u>	<u>114,432,475</u>	<u>4,986,952</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on debt refunding	356,115	-	356,115	-
LIABILITIES				
Current liabilities				
Accounts payable	335,515	207,862	543,377	215,788
Accrued payroll and related liabilities	84,151	-	84,151	13,498
Due to other funds	-	362,496	362,496	447,370
Other liabilities	30,004	-	30,004	42,954
Deposits held for others	351,571	-	351,571	-
Interest payable	207,025	49,550	256,575	-
Current portion of:				
Bonds payable	2,030,000	80,000	2,110,000	-
Capital lease payable	32,862	-	32,862	-
Compensated absences	103,613	-	103,613	-
Total current liabilities	<u>3,174,741</u>	<u>699,908</u>	<u>3,874,649</u>	<u>719,610</u>
Noncurrent liabilities				
Compensated absences	310,838	-	310,838	-
Advance from other funds	-	693,577	693,577	-
Capital leases payable	145,664	-	145,664	-
Bonds payable, net	12,347,809	2,732,015	15,079,824	-
Total noncurrent liabilities	<u>12,804,311</u>	<u>3,425,592</u>	<u>16,229,903</u>	<u>-</u>
Total liabilities	<u>15,979,051</u>	<u>4,125,500</u>	<u>20,104,551</u>	<u>719,610</u>
NET POSITION				
Net investment in capital assets	85,740,242	3,904,770	89,645,012	2,748,002
Restricted for debt service	2,254,353	131,904	2,386,257	-
Unrestricted (deficit)	<u>3,966,255</u>	<u>(1,313,485)</u>	<u>2,652,770</u>	<u>1,519,340</u>
Total net position	<u>\$ 91,960,850</u>	<u>\$ 2,723,189</u>	<u>\$ 94,684,039</u>	<u>\$ 4,267,342</u>

See accompanying notes.

CITY OF BULLHEAD CITY, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2020

	Business-type Activities-Enterprise Funds			Governmental
	Wastewater Fund	Water Fund	Total	Internal Services Funds
Operating revenues				
Charges for services	\$ 9,844,605	\$ 229,543	\$ 10,074,148	\$ 6,163,042
Application fees, tap fees and other	-	174,642	174,642	-
Other revenues	10,419	22	10,441	1,002,848
Total operating revenue	<u>9,855,024</u>	<u>404,207</u>	<u>10,259,231</u>	<u>7,165,890</u>
Operating expenses				
Salaries and related expenses	2,497,946	-	2,497,946	456,397
Medical claims and self-insurance	-	-	-	3,752,283
Administration	747,172	843,009	1,590,181	1,628,754
Utilities	876,275	-	876,275	29,421
Maintenance, supplies and equipment	445,279	-	445,279	27,357
Depreciation	3,992,531	-	3,992,531	441,000
Other	424,663	-	424,663	459,571
Total operating expenses	<u>8,983,866</u>	<u>843,009</u>	<u>9,826,875</u>	<u>6,794,783</u>
Operating income (loss)	<u>871,158</u>	<u>(438,802)</u>	<u>432,356</u>	<u>371,107</u>
Non-operating Revenues (Expenses)				
Investment income	50,351	3,814	54,165	5,743
Gain (loss) on disposal of capital assets	-	-	-	286
Interest expense and fiscal charges	(616,860)	(169,045)	(785,905)	-
Total nonoperating revenue (expense)	<u>(566,509)</u>	<u>(165,231)</u>	<u>(731,740)</u>	<u>6,029</u>
Income (loss) before contributions and transfers	<u>304,649</u>	<u>(604,033)</u>	<u>(299,384)</u>	<u>377,136</u>
Capital contributions	-	-	-	44,440
Transfers in	95,345	448,230	543,575	512,396
Transfers out	(131,749)	-	(131,749)	(30,394)
Change in net position	<u>268,245</u>	<u>(155,803)</u>	<u>112,442</u>	<u>903,578</u>
Net position, beginning of year	<u>91,692,605</u>	<u>2,878,992</u>	<u>94,571,597</u>	<u>3,363,764</u>
Total net position-end of year	<u>\$ 91,960,850</u>	<u>\$ 2,723,189</u>	<u>\$ 94,684,039</u>	<u>\$ 4,267,342</u>

See accompanying notes.



CITY OF BULLHEAD CITY, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2020

	Business-type Activities-Enterprise Funds			Governmental
	Wastewater Fund	Water Fund	Total	Internal Services Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 9,943,687	\$ 404,185	\$ 10,347,872	\$ -
Receipts from interfund services	-	-	-	6,156,574
Other operating receipts	10,419	22	10,441	752,848
Payments to suppliers	(2,384,029)	(840,731)	(3,224,760)	(6,622,011)
Payments to employees	(2,440,912)	-	(2,440,912)	(453,077)
Cash flows provided (used) by operating activities	<u>5,129,165</u>	<u>(436,524)</u>	<u>4,692,641</u>	<u>(165,666)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund borrowings	-	255,375	255,375	224,556
Interfund transfers	(36,404)	448,230	411,826	482,002
Cash flows provided (used) by noncapital and related financing activities	<u>(36,404)</u>	<u>703,605</u>	<u>667,201</u>	<u>706,558</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(1,064,168)	(2,910,001)	(3,974,169)	(372,376)
Proceeds from sale of capital assets	-	-	-	9,566
Capital debt proceeds	4,782,413	2,826,325	7,608,738	-
Principal paid on long term debt	(6,612,861)	-	(6,612,861)	-
Interest paid on long-term debt	(635,132)	(133,805)	(768,937)	-
Cash flows provided (used) by capital and related financing activities	<u>(3,529,748)</u>	<u>(217,481)</u>	<u>(3,747,229)</u>	<u>(362,810)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	<u>50,351</u>	<u>3,814</u>	<u>54,165</u>	<u>5,743</u>
Cash flows provided (used) by investing activities	<u>50,351</u>	<u>3,814</u>	<u>54,165</u>	<u>5,743</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>1,613,364</u>	<u>53,414</u>	<u>1,666,778</u>	<u>183,825</u>
Cash and cash equivalents at beginning of year	<u>5,054,050</u>	<u>78,490</u>	<u>5,132,540</u>	<u>348,981</u>
Cash and cash equivalents at end of year	<u>\$ 6,667,414</u>	<u>\$ 131,904</u>	<u>\$ 6,799,318</u>	<u>\$ 532,806</u>

See accompanying notes.

	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)	\$ 871,158	\$ (438,802)	\$ 432,356	\$ 371,107
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/amortization expense	3,992,531	-	3,992,531	441,000
Changes in operating assets and liabilities				
Payments from other funds				
Accounts receivable	42,331	-	42,331	(6,468)
Intergovernmental receivable	-	-	-	(250,000)
Inventory and prepaid items	(3,681)	-	(3,681)	(826,505)
Increase/(decrease) in:				
Accounts payable	113,041	2,278	115,319	63,435
Accrued payroll and related liabilities	17,610	-	17,610	3,320
Other liabilities	-	-	-	38,445
Customer deposits	56,751	-	56,751	-
Compensated absences	39,424	-	39,424	-
Net cash provided (used) by operating activities:	<u>\$ 5,129,165</u>	<u>\$ (436,524)</u>	<u>\$ 4,692,641</u>	<u>\$ (165,666)</u>
Noncash investing, capital, and financing activities:				
Contributions of capital assets	\$ -	\$ -	\$ -	\$ 44,440
Amortization of bond premium	24,393	14,310	38,703	-
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	\$ 4,413,061	\$ -	\$ 4,413,061	\$ 532,806
Restricted cash	2,254,353	131,904	2,386,257	-
Total cash and cash equivalents	<u>\$ 6,667,414</u>	<u>\$ 131,904</u>	<u>\$ 6,799,318</u>	<u>\$ 532,806</u>



Financial Section

Notes to the Financial Statements



CITY OF BULLHEAD CITY, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

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.

CITY OF BULLHEAD CITY, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

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.

CITY OF BULLHEAD CITY, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

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 *Highway 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 *CARES Act Fund* is used to account for the financial activity related to the funding received from the Coronavirus Aid, Relief and Economic Security (CARES) Act.

The *Capital Projects Fund* is used to account for maintenance and operations of the City's parks and other municipal facilities.

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 funds:

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.

CITY OF BULLHEAD CITY, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

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.

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, 2020 was \$108,000, which represents approximately 2.5% 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.

CITY OF BULLHEAD CITY, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

CITY OF BULLHEAD CITY, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Long-term obligations (Continued)

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.

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.

CITY OF BULLHEAD CITY, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Net Position Flow Assumption (Continued)

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.

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

CITY OF BULLHEAD CITY, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2020.

CITY OF BULLHEAD CITY, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

V. Deficit fund balance

At June 30, 2020, the following funds reported deficits in net position or fund balances:

Fund	Deficit
Bullhead Parkway Improvement District	\$1,201,119
Street Lighting Improvement Districts	4,543
REO	382,051
CDBG/HTF	107,274
Senior Nutrition Center	57,362
Police Grant	17,188
Victim Services Grant	171
Court Improvement	11,846

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

W. Excess of expenditures over budget

For the year ended June 30, 2020, expenditures exceed budget in the Housing fund by \$15,883. 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, 2020, the City's carrying amount of deposits was \$7,607,136 and the bank balance was \$7,962,211. As of June 30, 2020, 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 \$7,251.

Restricted cash of \$6,261,329 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.

CITY OF BULLHEAD CITY, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2020

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Investments:

The City invests in the Local Government Investment Pool 5 (LGIP), an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. The State Board of Investments provides oversight for the State Treasurer's investment pools. Investments in the State Treasurer's investment pools are valued at the pool's share price multiplied by the number of shares the City held. The fair value of a participant's position in the pools approximates the value of the participant's pool shares. Participants in the pool are not required to categorize the value of shares in accordance with the fair value hierarchy. The LGIP is registered with the Securities Exchange Commission under the 1940 Investment Advisors Act and is rated by Standard and Poors with AAAs/S1+.

The Arizona State Treasurer issues a publicly available financial report that includes financial statements and required supplementary information. Copies may be obtained by contacting the Arizona State Treasurer, 1700 West Washington, Phoenix, Arizona 85007

As of June 30, 2020, the City's deposit with the State Treasurer's local government investment pool 5 was \$19,026,567.

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. Funds held in the State Treasurer's LGIP represent a proportionate interest in the pools portfolio; however, the City's portion is not identified with specific investments and is not subject to custodial credit risk.

Credit risk: Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City does not have a formal investment policy regarding credit risk. However, the City's formal investment policy restricts 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, 2020, credit risk for the City's investments was as follows:

Investment Type	Total	Ratings		
		AAAs/S1+	AAA	Unrated
Primary Government				
LGIP	\$ 19,026,567	\$ 19,026,567	\$ -	\$ -
Total	\$ 19,026,567	\$ 19,026,567	\$ -	\$ -

Interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investment by maturity.

CITY OF BULLHEAD CITY, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2020

NOTE 3 RECEIVABLES

Receivables as of June 30, 2020 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:

Receivables:	General Fund	HURF Funds	Capital Projects Fund	SID Debt Service Funds	Nonmajor Governmental Funds	Wastewater Fund	Internal Service Funds	Total
Accounts	\$ 987,146	\$ 21,462	\$ -	\$ -	\$ 423,864	\$ 1,081,108	\$ 370,244	\$ 2,883,824
Taxes	222,318	-	47,739	-	-	-	-	270,057
Intergovernmental	2,373,093	337,558	25,395	-	282,939	-	250,000	3,268,985
Special assessments	-	-	-	6,596,704	922	-	-	6,597,626
Gross receivables	3,582,557	359,020	73,134	6,596,704	707,725	1,081,108	620,244	13,020,492
Less: Allowance for uncollectibles	-	-	-	-	-	(108,879)	-	(108,879)
Net total receivables	<u>\$ 3,582,557</u>	<u>\$ 359,020</u>	<u>\$ 73,134</u>	<u>\$ 6,596,704</u>	<u>\$ 707,725</u>	<u>\$ 972,229</u>	<u>\$ 620,244</u>	<u>\$ 12,911,613</u>

NOTE 4 INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances as of June 30, 2020 is as follows:

Due to/from other funds:

Fund	Receivable Amount	Payable Amount
General Fund	\$ 3,863,542	\$ -
Capital Projects Fund	-	1,132,938
Non-Major Governmental Funds	-	1,920,738
Water Fund	-	362,496
Internal Service Funds	-	447,370
Total	<u>\$ 3,863,542</u>	<u>\$ 3,863,542</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
 Year Ended June 30, 2020

NOTE 5 INTERFUND TRANSFERS

The composition of interfund transfers for the year ended June 30, 2020 is as follows:

Fund	Transfers Out	Transfers In
General Fund	\$ 3,590,179	\$ 1,947,489
HURF Fund	1,990,736	723,912
CARES Act Fund	1,877,500	-
Capital Projects Fund	-	1,762,264
SID Debt Service Funds	-	-
Excise Revenue Bond Refunding Funds	-	1,846,028
Non-Major Governmental Funds	395,961	680,855
Wastewater Fund	131,749	95,345
Water Fund	-	448,230
Fleet Internal Service Fund	-	512,396
Risk Management Internal Service Fund	30,394	-
Total	<u>\$ 8,016,519</u>	<u>\$ 8,016,519</u>

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, 3) move CARES Act Fund revenues to pay for allowable payroll of public safety personnel, and 4) 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
Year Ended June 30, 2020

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 3,120,533	\$ 9,678	\$ (9,678)	\$ 3,120,533
Construction in progress	1,264,834	3,187,747	(728,017)	3,724,564
Total capital assets not being depreciated	<u>4,385,367</u>	<u>3,197,425</u>	<u>(737,695)</u>	<u>6,845,097</u>
Capital assets being depreciated:				
Buildings	20,173,238	1,619	(1,618)	20,173,239
Improvements, other than buildings	5,505,753	186,322	-	5,692,075
Furniture, vehicles and equipment	22,187,297	928,624	(364,056)	22,751,865
Infrastructure	158,445,669	825,919	-	159,271,588
Total capital assets being depreciated	<u>206,311,957</u>	<u>1,942,484</u>	<u>(365,674)</u>	<u>207,888,767</u>
Less accumulated depreciation:				
Buildings	(14,639,281)	(381,116)	59	(15,020,338)
Improvements, other than buildings	(3,357,307)	(325,967)	-	(3,683,274)
Furniture, vehicles and equipment	(18,164,506)	(1,186,367)	349	(19,350,524)
Infrastructure	(125,310,307)	(2,048,532)	343,007	(127,015,832)
Total accumulated depreciation	<u>(161,471,401)</u>	<u>(3,941,982)</u>	<u>343,415</u>	<u>(165,069,968)</u>
Total capital assets being depreciation, net	<u>44,840,556</u>	<u>(1,999,498)</u>	<u>(22,259)</u>	<u>42,818,799</u>
Governmental activities capital assets, net	<u>\$ 49,225,923</u>	<u>\$ 1,197,927</u>	<u>\$ (759,954)</u>	<u>\$ 49,663,896</u>

CITY OF BULLHEAD CITY, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

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	3,806,784	2,910,001	-	6,716,785
Construction in progress	144,995	711,161	(99,816)	756,340
Total capital assets not being depreciated	<u>4,572,662</u>	<u>3,621,162</u>	<u>(99,816)</u>	<u>8,094,008</u>
Capital assets being depreciated:				
Buildings	149,647	-	-	149,647
Improvements, other than buildings	123,874	126,791	-	250,665
Equipment and vehicles	4,397,797	57,221	-	4,455,018
Wastewater facilities, equipment and collection lines	<u>153,317,104</u>	<u>268,811</u>	<u>-</u>	<u>153,585,915</u>
Total capital assets being depreciated	<u>157,988,422</u>	<u>452,823</u>	<u>-</u>	<u>158,441,245</u>
Less accumulated depreciation:				
Buildings	(44,894)	(3,741)	-	(48,635)
Improvements, other than buildings	(93,768)	(10,035)	-	(103,803)
Equipment and vehicles	(3,809,378)	(204,511)	-	(4,013,889)
Wastewater facilities, equipment and collection lines	<u>(51,937,435)</u>	<u>(3,774,244)</u>	<u>-</u>	<u>(55,711,679)</u>
Total accumulated depreciation	<u>(55,885,475)</u>	<u>(3,992,531)</u>	<u>-</u>	<u>(59,878,006)</u>
Total capital assets being depreciation, net	<u>102,102,947</u>	<u>(3,539,708)</u>	<u>-</u>	<u>98,563,239</u>
Business-type activities capital assets, net	<u>\$ 106,675,609</u>	<u>\$ 81,454</u>	<u>\$ (99,816)</u>	<u>\$ 106,657,247</u>

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

Governmental activities:	
General government	\$ 833,548
Highways and streets	1,927,518
Culture and recreation	595,042
Public safety	542,790
Redevelopment and Housing	43,084
Total depreciation expense - governmental activities	<u>\$ 3,941,982</u>
Business-type activities:	
Wastewater Fund	\$ 3,992,531
Total depreciation expense - business-type activities	<u>\$ 3,992,531</u>

CITY OF BULLHEAD CITY, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 7 LONG-TERM LIABILITIES

Long-term liabilities activity for the year ended June 30, 2020 was as follows:

Governmental activities:	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Bonds payable					
Revenue bonds	\$ 8,991,999	\$ -	\$ (2,013,000)	\$ 6,978,999	\$ 2,022,000
Improvement Bond	3,230,000	-	(100,000)	3,130,000	100,000
Total bonds payable	<u>12,221,999</u>	<u>-</u>	<u>(2,113,000)</u>	<u>10,108,999</u>	<u>2,122,000</u>
Notes payable - Water					
Infrastructure Financing Authority	10,398,389	-	(2,181,932)	8,216,457	2,181,932
Net pension liabilities	27,614,479	1,700,924	-	29,315,403	-
Compensated absences	<u>2,831,652</u>	<u>1,851,658</u>	<u>(2,085,144)</u>	<u>2,598,166</u>	<u>649,542</u>
Governmental activities long term liabilities	<u><u>\$ 53,066,519</u></u>	<u><u>\$ 3,552,582</u></u>	<u><u>\$ (6,380,076)</u></u>	<u><u>\$ 50,239,025</u></u>	<u><u>\$ 4,953,474</u></u>
Business type activities:					
Revenue bonds	\$ 16,230,000	\$ 6,945,000	\$ (6,580,000)	\$ 16,595,000	\$ 2,110,000
Plus deferred amounts:					
For issuance discounts and premiums	<u>(30,212)</u>	<u>663,738</u>	<u>(38,702)</u>	<u>594,824</u>	<u>-</u>
Total bonds payable	<u>16,199,788</u>	<u>7,608,738</u>	<u>(6,618,702)</u>	<u>17,189,824</u>	<u>2,110,000</u>
Capital leases	211,388	-	(32,862)	178,526	32,862
Compensated absence	<u>375,026</u>	<u>205,150</u>	<u>(165,726)</u>	<u>414,450</u>	<u>103,613</u>
Business-type activities long term liabilities	<u><u>\$ 16,786,202</u></u>	<u><u>\$ 7,813,888</u></u>	<u><u>\$ (6,817,290)</u></u>	<u><u>\$ 17,782,800</u></u>	<u><u>\$ 2,246,475</u></u>

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
Year Ended June 30, 2020

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
Governmental activities:				
MPC Excise Tax Revenue Bonds, Series 2013	\$ 6,605,000	2.48%	2021	\$ 3,224,999
MPC Excise Tax Revenue Bonds, Series 2015 B	1,554,000	1.98%	2026	962,000
Laughlin Ranch Improvement Bonds 2017	3,230,000	2.3% 4.00%	2042	3,130,000
Excise Tax Revenue Bonds, Series 2018	<u>3,100,000</u>	3.01%	2028	<u>2,792,000</u>
Total governmental activities	<u>\$ 14,489,000</u>			<u>\$ 10,108,999</u>
Business-type activities:				
Wastewater Revenue Bonds, Series 2013	15,845,000	3.25% - 5.00%	2025	9,650,000
Excise Tax Revenue and Refunding Bonds, Series 2019	<u>6,945,000</u>	3.00% - 4.00%	2039	<u>6,945,000</u>
Total business-type activities	<u>\$ 40,750,000</u>			<u>\$ 16,595,000</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
2021	\$ 2,122,000	\$ 275,140	\$ 2,110,000	\$ 484,180
2022	2,169,000	221,424	2,160,000	425,560
2023	556,000	187,075	2,230,000	361,215
2024	567,000	172,220	2,290,000	290,870
2025	584,000	156,802	2,360,000	218,415
2026-2030	2,105,999	559,409	3,935,000	437,035
2031-2035	725,000	366,376	675,000	236,500
2036-2040	880,000	221,194	835,000	86,100
2041-2044	<u>400,000</u>	<u>47,800</u>	-	-
Total	<u>\$ 10,108,999</u>	<u>\$ 2,207,440</u>	<u>\$ 16,595,000</u>	<u>\$ 2,217,275</u>

CITY OF BULLHEAD CITY, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2020

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	\$ 1,208,941
Water Infrastructure Finance Authority, 2006	<u>28,422,230</u>	2.340%	2025	<u>7,007,516</u>
Total	<u>\$ 40,109,036</u>			<u>\$ 8,216,457</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	\$ 211,806
2022	2,181,932	146,196
2023	1,651,869	89,046
2024	1,602,264	25,748
2025	<u>598,459</u>	<u>24,197</u>
Total	<u>\$ 8,216,457</u>	<u>\$ 496,993</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>(64,478)</u>
Totals	<u>\$ 200,802</u>

CITY OF BULLHEAD CITY, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2020

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, 2020, were as follows:

Year Ended June 30,	Business-type Activities
2021	\$ 41,050
2022	41,050
2023	<u>109,462</u>
Total minimum lease payments	191,562
Less amount representing	
Interest	<u>(13,036)</u>
Present value of future minimum payments	<u><u>\$ 178,526</u></u>

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.

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
 Year Ended June 30, 2020

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 flood control projects, traffic signals, Bullhead Parkway extension, and other city street maintenance and roadway improvement projects, temporary city engineering and design services. At year end the City had approximately \$5,561,086 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, 2020, 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	\$ 255,056
Net pension liabilities	29,315,403
Deferred outflows of resources related to pensions and OPEB	5,649,229
Deferred inflows of resources related to pensions and OPEB	372,588
Pension and OPEB expense	4,923,881

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
 Year Ended June 30, 2020

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, 2020.

	<u>Total Payroll</u>	<u>Covered Payroll</u>	<u>% of Covered Payroll</u>	<u>Required Contributions</u>	<u>Actual Contributions</u>
Employer	17,768,971	\$ 11,515,967	9.05%	1,042,195	\$ 1,042,195
Employee		11,478,458	6.25%	717,404	717,404

CITY OF BULLHEAD CITY, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 9 PENSIONS (Continued)

B. Public Safety Personnel Retirement System

Plan Description – City police 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, 2020, 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) which are not further disclosed because of their relative insignificance to the City's financial statements.

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.

The net OPEB asset has been recorded in the financial statements in accordance with GASB Statement 75, however, due to the relative insignificance of the plan, the OPEB asset has not been further disclosed in the notes to the financial statements at June 30, 2020

CITY OF BULLHEAD CITY, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2020

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
Retirement and Disability		
Years of service and age required to receive benefit	20 years of service, any age 15 years of service, age 62	25 years of service or 15 years of credited service, age 52.5
Final average salary is based on	Highest 36 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	
Survivor Benefits		
Retired Members	80% to 100% of retired member's pension benefit	
Active Members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job	

CITY OF BULLHEAD CITY, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2020

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, 2020, the following employees were covered by the agent plans' benefit terms:

	PSPRS Police
Inactive employees or beneficiaries	
currently receiving benefits	45
Inactive employees entitled to	
by not yet receiving benefits	19
Active employees	54
Total	118

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, 2020, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS Police
Active members - Pension	7.65% - 11.65%
City	
Pension	56.54%
Health insurance permium benefit	0.00%

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
 Year Ended June 30, 2020

NOTE 9 PENSIONS (Continued)

For the agent plans, the City's contributions to the pension plan for the year ended June 30, 2020, were:

Pension	PSPRS
Contributions made	Police
	<u>\$ 2,863,179</u>

During fiscal year 2020, the City paid 100 percent of the PSPRS pension contributions from the General Fund.

Pension Liability - At June 30, 2020, the City reported a PSPRS net pension liability of \$29,315,403.

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total liabilities as of June 30, 2019, reflect changes of actuarial assumptions to decrease the investment rate of return from 7.4 percent to 7.3 percent and update the mortality rates.

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

PSPRS	
Actuarial valuation date	June 30, 2019
Actuarial cost method	Entry age normal
Investment rate of return	7.30%
Wage inflation	3.5% for pensions/not applicable for OPEB
Price inflation	2.5% for pensions/not applicable for OPEB
Cost-of-living adjustment	1.75% for pensions/not applicable for OPEB
Mortality rates	PubS-2010 tables
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2019, 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
 Year Ended June 30, 2020

NOTE 9 PENSIONS (Continued)

The long-term expected rate of return on PSPRS pension plan investments was determined to be 7.3 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class 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%	4.01%	
Fixed income	5%	3.00%	
Real assets	9%	6.75%	
GTS	12%	4.01%	
Private credit	16%	5.36%	
Real estate	10%	4.50%	
Private equity	12%	8.40%	
Non-U.S. equity	14%	5.00%	
U.S. equity	16%	4.75%	
Total	<u>100.00%</u>		

Discount Rates – At June 30, 2019, the discount rate used to measure the PSPRS total pension liabilities was 7.3 percent, which was a decrease of .1 percent from the discount rate used as of June 30, 2018. 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
 Year Ended June 30, 2020

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, 2019	\$ 51,030,659	\$ 23,416,180	\$ 27,614,479
Changes for the year:			
Service Cost	939,357	-	939,357
Interest on the total pension liability	3,749,335	-	3,749,335
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the pension liability	(208,824)	-	(208,824)
Changes of assumptions or other inputs	1,279,072	-	1,279,072
Contributions - employer	-	2,406,560	(2,406,560)
Contributions - employee	-	419,847	(419,847)
Net investment income	-	1,258,980	(1,258,980)
Benefit payments, including refunds of employee contributions	(2,606,657)	(2,606,657)	-
Administrative expense	-	(22,884)	22,884
Other changes	-	(4,487)	4,487
Net changes	3,152,283	1,451,359	1,700,924
Balances at June 30, 2020	\$ 54,182,942	\$ 24,867,539	\$ 29,315,403

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
	6.30%	7.30%	8.30%
Net pension liability	\$ 36,508,146	\$ 29,315,403	\$ 23,429,262

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
 Year Ended June 30, 2020

NOTE 9 PENSIONS (Continued)

Pension Expense - For the year ended June 30, 2020, the City recognized \$3,914,644 of PSPRS pension expense.

Pension Deferred Outflows/Inflows of Resources - At June 30, 2020, 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	\$ 316,950	\$ 277,378
Changes of assumptions or other inputs	2,045,000	-
Net difference between projected and actual earnings on pension plan investments	407,523	-
City contributions subsequent to the measurement date	2,863,179	-
Total	<u>\$ 5,632,652</u>	<u>\$ 277,378</u>

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, 2021. 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
2021	\$ 1,161,414
2022	731,316
2023	503,145
2024	96,220
2025	-
Thereafter	-



Financial Section

Required Supplementary Information

CITY OF BULLHEAD CITY, ARIZONA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget-Positive (Negative)
Budgetary fund balance, July 1, 2019	\$ 2,082,866	\$ 2,082,866	\$ 12,407,169	\$ 10,324,303
RESOURCES (INFLOWS):				
City tax revenue	15,169,787	15,169,787	16,089,009	919,222
Intergovernmental revenue	12,508,351	12,508,351	12,076,160	(432,191)
Charges for services	2,137,107	2,137,107	2,166,191	29,084
Licenses and permits	985,220	985,220	987,089	1,869
Fines and forfeitures	765,607	765,607	794,619	29,012
Rents	105,700	105,700	57,161	(48,539)
Investment income	68,749	68,749	146,806	78,057
Other revenue	255,100	255,100	220,132	(34,968)
Proceeds from sale of fixed assets	7,000	7,000	58,070	51,070
Total revenues	32,002,621	32,002,621	32,595,237	592,616
Other financing sources				
Transfers in	69,989	69,989	1,947,489	1,877,500
Transfers out	(3,885,509)	(4,020,301)	(3,590,179)	430,122
Amounts available for appropriations	30,269,967	30,135,175	43,359,716	13,224,541
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
General government:				
Mayor and council	123,285	123,285	94,701	28,584
City manager	284,276	284,276	266,976	17,300
Information technology	1,260,223	1,260,223	1,133,186	127,037
Human resources	185,258	185,258	162,540	22,718
Public information	493,379	493,379	325,282	168,097
Municipal court	1,448,017	1,365,731	1,155,478	210,253
Finance	868,510	868,510	859,601	8,909
City clerk	316,752	316,752	298,071	18,681
City attorney	1,210,232	1,210,232	1,138,609	71,623
Planning	198,296	198,296	185,592	12,704
Building inspections	629,719	629,719	572,097	57,622
Code enforcement	512,043	512,043	435,935	76,108
Facilities management	921,643	921,643	759,161	162,482
Public works administration	25,498	25,498	24,832	666
Engineering	162,442	162,442	152,812	9,630
Non-departmental	2,325,030	1,969,836	894,066	1,075,770
COVID	-	-	127,807	(127,807)
Emergency management	-	-	35	(35)
Total general government	10,964,603	10,527,123	8,586,781	1,940,342
Public safety:				
Police administration	1,830,008	1,901,029	1,751,622	149,407
Patrol	8,134,496	8,134,496	7,883,307	251,189
Criminal investigations	2,355,245	2,355,245	2,459,751	(104,506)
Support services	515,777	515,777	456,220	59,557
Emergency services	1,535,716	1,535,716	1,416,051	119,665
Total public safety	14,371,242	14,442,263	13,966,951	475,312

See accompanying notes to the budgetary comparison schedule.

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Culture and recreation:				
Recreation	935,429	935,429	751,523	183,906
Water activities	-	5,937	-	5,937
Suddenlink community center	172,107	172,107	156,576	15,531
Parks rangers	87,140	87,140	87,282	(142)
Parks maintenance	2,263,015	2,257,078	2,308,588	(51,510)
Total culture and recreation	<u>3,457,691</u>	<u>3,457,691</u>	<u>3,303,969</u>	<u>153,722</u>
Economic development:				
Economic development	131,684	196,684	95,889	100,795
Total economic development	<u>131,684</u>	<u>196,684</u>	<u>95,889</u>	<u>100,795</u>
Health and welfare				
Animal control	768,122	768,122	553,724	214,398
Total Health and welfare	<u>768,122</u>	<u>768,122</u>	<u>553,724</u>	<u>214,398</u>
Capital outlay	576,625	576,625	391,666	184,959
Total expenditures	<u>30,269,967</u>	<u>29,968,508</u>	<u>26,898,980</u>	<u>3,069,528</u>
Budgetary fund balance, June 30, 2020	<u>\$ -</u>	<u>\$ 166,667</u>	<u>\$ 16,460,736</u>	<u>\$ 16,294,069</u>

CITY OF BULLHEAD CITY, ARIZONA
HURF FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 4,291,448	\$ 4,291,448	\$ 4,144,197	\$ (147,251)
Investment earnings	4,000	4,000	15,465	11,465
Other revenues	2,500	2,500	21,663	19,163
Total revenues	<u>4,297,948</u>	<u>4,297,948</u>	<u>4,181,325</u>	<u>(116,623)</u>
EXPENDITURES				
Current:				
Highways and streets	4,033,582	4,033,582	3,200,094	833,488
Capital outlay	230,211	230,211	232,435	(2,224)
Total expenditures	<u>4,263,793</u>	<u>4,263,793</u>	<u>3,432,529</u>	<u>831,264</u>
Excess (deficiency) of revenues over (under) expenditures	<u>34,155</u>	<u>34,155</u>	<u>748,796</u>	<u>714,641</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	723,916	723,916	723,912	(4)
Transfers out	<u>(1,906,744)</u>	<u>(1,906,744)</u>	<u>(1,990,736)</u>	<u>(83,992)</u>
Total other financing sources (uses)	<u>(1,182,828)</u>	<u>(1,182,828)</u>	<u>(1,266,824)</u>	<u>(83,996)</u>
Net change in fund balances	(1,148,673)	(1,148,673)	(518,028)	630,645
Fund balances - beginning of year	<u>1,148,673</u>	<u>1,148,673</u>	<u>1,125,393</u>	<u>(23,280)</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 607,365</u>	<u>\$ 607,365</u>

See accompanying notes to the budgetary comparison schedule.

CITY OF BULLHEAD CITY, ARIZONA
 CARES ACT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
 BUDGET AND ACTUAL
 June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 1,877,500	\$ 1,877,500
Investment earnings	-	-	412	412
Total revenues	-	-	1,877,912	1,877,912
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	1,877,912	1,877,912
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(1,877,500)	(1,877,500)
Total other financing sources (uses)	-	-	(1,877,500)	(1,877,500)
Net change in fund balances	-	-	412	412
Fund balances - beginning of year	-	-	-	-
Fund balances - end of year	\$ -	\$ -	\$ 412	\$ 412

See accompanying notes to the budgetary comparison schedule.



CITY OF BULLHEAD CITY, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2020

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, HURF Fund, and CARES Act Fund are all 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, 2020, there was no variance between actual expenditures/expenses (budgetary) and expenditures/expenses on a GAAP basis.



CITY OF BULLHEAD CITY, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
AGENT PENSION PLAN
Year Ended June 30, 2020

Bullhead City Police Dept. Public Safety Personnel Retirement System	Reporting Fiscal Year (Measurement Date)						2014 through 2011
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
Total pension liability							
Service cost	\$ 939,357	\$ 851,358	\$ 1,075,681	\$ 894,106	\$ 879,004	\$ 890,055	Information not available
Interest on the total pension liability	3,749,335	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	(208,824)	569,370	(19,158)	(323,350)	(654,635)	(554,914)	
Changes of assumptions or other inputs	1,279,072	-	1,641,764	1,626,214	-	3,458,975	
Benefit payments, including refunds of employee contributions	(2,606,657)	(2,404,182)	(2,066,165)	(2,171,832)	(2,393,591)	(2,510,581)	
Net change in total pension liability	3,152,283	2,546,890	4,433,366	5,487,671	740,385	4,447,842	
Total pension liability - beginning	51,030,659	48,483,769	44,050,403	38,562,732	37,822,347	33,374,505	
Total pension liability - ending (a)	<u>\$ 54,182,942</u>	<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	\$ 2,406,560	\$ 2,300,757	\$ 1,422,995	\$ 1,391,558	\$ 1,240,272	\$ 1,103,933	
Contributions - employee	419,847	432,249	537,250	550,490	527,323	474,532	
Hall / Parker settlement	-	(660,764)					
Net investment income	1,258,980	1,501,552	2,375,192	118,139	734,235	2,495,831	
Benefit payments, including refunds of employee contributions	(2,606,657)	(2,404,182)	(2,066,165)	(2,171,832)	(2,393,591)	(2,510,581)	
Administrative expense	(22,884)	(23,553)	(21,416)	(17,400)	(18,296)	(20,101)	
Other changes	-	(3,990)	(95,324)	1,966	(16,165)	40,640	
Net change in plan fiduciary net position	1,455,846	1,142,069	2,152,532	(127,079)	73,778	1,584,254	
Plan fiduciary net position - beginning	23,416,180	22,274,111	20,121,579	20,248,658	20,174,880	18,590,626	
Adjustments to beginning of year	(4,487)	-	-	-	-	-	
Plan fiduciary net position - ending (b)	<u>\$ 24,867,539</u>	<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>\$ 29,315,403</u>	<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>	

See accompanying notes to the pension plan schedules.

CITY OF BULLHEAD CITY, ARIZONA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CITY PENSION CONTRIBUTIONS
 Year Ended June 30, 2020

Bullhead City Police Dept.
 Public Safety Personnel Retirement System

	Reporting Fiscal Year (Measurement Date)						2014 through 2011
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
Plan fiduciary net position as a percentage of the total pension liability	45.90%	45.89%	45.94%	45.68%	52.51%	53.34%	Information not available
Covered payroll	\$ 4,121,859	\$ 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	711.22%	641.58%	549.69%	517.59%	384.87%	381.48%	

See accompanying notes to the pension plan schedules.

CITY OF BULLHEAD CITY, ARIZONA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
 AGENT PENSION PLAN
 Year Ended June 30, 2020

Bullhead City Police Dept. Public Safety Personnel Retirement System	Reporting Fiscal Year							2013 through 2011
	2020	2019	2018	2017	2016	2015	2014	
Actuarially determined contribution	\$ 2,863,179	\$ 2,406,560	\$ 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>2,863,179</u>	<u>2,406,560</u>	<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>	<u>\$ -</u>	<u>\$ -</u>	
City's covered payroll	\$ 5,063,988	\$ 4,121,859	\$ 4,304,133	\$ 4,768,091	\$ 4,623,094	\$ 4,758,468	\$4,626,035	
City's contributions as a percentage of covered payroll	56.54%	58.39%	53.45%	29.84%	30.10%	26.06%	23.86%	

See accompanying notes to the pension plan schedules.



CITY OF BULLHEAD CITY, ARIZONA
 REQUIRED SUPPLEMENTARY INFORMATION
 NOTES TO THE PENSION PLAN SCHEDULES
 Year Ended June 30, 2020

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 2018 actuarial valuation	19 years for underfunded 20 years for overfunded
Asset valuation method	7-year smoothed fair value; 80%/120% market corridor
Actuarial assumptions: Investment rate of return	In the 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.5%. In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%
Projected salary increases	In the 2017 actuarial valuation, projected salary increases were decreased from 4.0%-8.0% to 3.5%-7.5% for PSPRS. In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%-8.5% to 4.0%-8.0% for PSPRS. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%-9.0% to 4.5%-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 SCHEDULES
Year Ended June 30, 2020

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.

Financial Section

Other Supplementary Information

Combining Non-Major Fund Financial Statements



CITY OF BULLHEAD CITY, ARIZONA
 COMBINING BALANCE SHEET
 ALL NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
 June 30, 2020

	Special Revenue	Capital Projects	Debt Service	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,612,921	\$ 1,618,842	\$ -	\$ 3,231,763
Restricted cash	83,845	-	284,094	367,939
Receivables, net of allowances for uncollectibles:				
Accounts	289,247	26,761	107,856	423,864
Taxes	-	-	-	-
Intergovernmental	282,939	-	-	282,939
Inventory and Prepays	543	-	-	543
Special assessments receivable	-	-	922	922
Total assets	<u>\$ 2,269,495</u>	<u>\$ 1,645,603</u>	<u>\$ 392,872</u>	<u>\$ 4,307,970</u>
LIABILITIES				
Accounts payable	\$ 244,003	\$ 25,985	\$ -	\$ 269,988
Accrued payroll and related liabilities	47,789	4,412	-	52,201
Due to other funds	673,715	-	1,247,023	1,920,738
Other liabilities	808	-	-	808
Interest payable	-	-	30,023	30,023
Matured bonds payable	-	-	275,000	275,000
Total liabilities	<u>966,315</u>	<u>30,397</u>	<u>1,552,046</u>	<u>2,548,758</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - other	150	-	-	150
Unavailable revenue - special assessments	13,360	24,556	-	37,916
Total deferred inflows of resources	<u>13,510</u>	<u>24,556</u>	<u>-</u>	<u>38,066</u>
FUND BALANCES				
Nonspendable				
Inventory and Prepays	543	-	-	543
Restricted				
Highways and streets	387,664	-	-	387,664
Community development	1,239,576	-	-	1,239,576
Public safety	142,911	-	-	142,911
Capital projects	-	1,595,193	-	1,595,193
Debt service	-	-	41,945	41,945
Other purposes	94,867	-	-	94,867
Unassigned	(575,891)	(4,543)	(1,201,119)	(1,781,553)
Total fund balances	<u>1,289,670</u>	<u>1,590,650</u>	<u>(1,159,174)</u>	<u>1,721,146</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,269,495</u>	<u>\$ 1,645,603</u>	<u>\$ 392,872</u>	<u>\$ 4,307,970</u>

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, 2020

	Special Revenue	Capital Projects	Debt Service	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	\$ 1,952,070	\$ 922,903	\$ -	\$ 2,874,973
Charges for services	757,025	-	-	757,025
Special assessments	30,873	64,552	214,506	309,931
Licenses and permits	75	-	-	75
Fines and forfeitures	71,614	-	-	71,614
Investment earnings	17,468	12,378	1,680	31,526
Other revenues	94,357	139	5	94,501
Total revenues	2,923,482	999,972	216,191	4,139,645
EXPENDITURES				
Current:				
General government	1,972,242	-	-	1,972,242
Public safety	231,065	-	-	231,065
Culture and recreation	123,953	-	-	123,953
Redevelopment and housing	249,336	-	-	249,336
Highways and streets	-	346,455	-	346,455
Health and welfare	364,282	-	-	364,282
Capital outlay	4,938	252,537	-	257,475
Debt service:				
Principal	-	-	375,000	375,000
Interest and fiscal charges	-	-	186,549	186,549
Total expenditures	2,945,816	598,992	561,549	4,106,357
Excess (deficiency) of revenues over (under) expenditures	(22,334)	400,980	(345,358)	33,288
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	1,800	-	-	1,800
Proceeds from issuance of bonds	-	-	-	-
Transfers in	321,816	-	359,039	680,855
Transfers out	(127,514)	(268,447)	-	(395,961)
Total other financing (uses) sources	196,102	(268,447)	359,039	286,694
Net change in fund balances	173,768	132,533	13,681	319,982
Fund balances - beginning of year	1,115,902	1,458,117	(1,172,855)	1,401,164
Fund balances - end of year	\$ 1,289,670	\$ 1,590,650	\$ (1,159,174)	\$ 1,721,146



Financial Section

Other Supplementary Information

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.

Financial Section

Other Supplementary Information

Special Revenue Funds (Continued)

- **Court Security Improvement Fund** – This fund is used to account for all revenues and expenditures for the improvement of the security system for the City's court.
- **Court Improvement** - This fund is used to account for all revenues and expenditures for improvements to the city's court.
- **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.

CITY OF BULLHEAD CITY, ARIZONA
 COMBINING BALANCE SHEET
 SPECIAL REVENUE FUNDS
 June 30, 2020

	RICO	Housing	Arts Commission	Special Assessments Administration
ASSETS				
Cash and cash equivalents	\$ -	\$ 42,725	\$ 5,708	\$ 59,527
Restricted cash	77,827	-	-	-
Receivables, net of allowances for uncollectibles:				
Accounts	-	-	-	-
Intergovernmental	-	-	-	-
Inventory and Prepaids	-	-	-	-
Total assets	\$ 77,827	\$ 42,725	\$ 5,708	\$ 59,527
LIABILITIES				
Accounts payable	\$ 150	\$ 42,709	\$ -	\$ 7,469
Accrued payroll and related liabilities	-	-	-	-
Due to other funds	17,688	-	-	-
Other liabilities	-	-	288	-
Total liabilities	17,838	42,709	288	7,469
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - other	-	-	-	-
Unavailable revenue - special assessments	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES				
Nonspendable				
Inventory and Prepaids	-	-	-	-
Restricted				
Highways and streets	-	-	-	-
Community development	-	16	5,420	52,058
Public safety	59,989	-	-	-
Other purposes	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	59,989	16	5,420	52,058
Total liabilities, deferred inflows of resources, and fund balances	\$ 77,827	\$ 42,725	\$ 5,708	\$ 59,527

JCEF	Water Impost	Transit	REO	Court Enhancement	Fill the Gap
\$ 77,177	\$ 1,061,702	\$ 170,216	\$ -	\$ 3,644	\$ 26,840
1,182	-	-	-	3,572	1,264
-	136,816	8,108	-	-	1,158
-	-	244,182	-	-	-
-	-	-	-	-	-
<u>\$ 78,359</u>	<u>\$ 1,198,518</u>	<u>\$ 422,506</u>	<u>\$ -</u>	<u>\$ 7,216</u>	<u>\$ 29,262</u>
\$ -	\$ 8,263	\$ 10,311	\$ 58	\$ 2,666	\$ 7,389
-	8,173	24,376	-	-	-
-	-	-	381,953	-	-
-	-	5	40	-	-
<u>-</u>	<u>16,436</u>	<u>34,692</u>	<u>382,051</u>	<u>2,666</u>	<u>7,389</u>
-	-	150	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>150</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	387,664	-	-	-
-	1,182,082	-	-	-	-
78,359	-	-	-	4,550	-
-	-	-	-	-	21,873
-	-	-	(382,051)	-	-
<u>78,359</u>	<u>1,182,082</u>	<u>387,664</u>	<u>(382,051)</u>	<u>4,550</u>	<u>21,873</u>
<u>\$ 78,359</u>	<u>\$ 1,198,518</u>	<u>\$ 422,506</u>	<u>\$ -</u>	<u>\$ 7,216</u>	<u>\$ 29,262</u>

(Continued)

CITY OF BULLHEAD CITY, ARIZONA
 COMBINING BALANCE SHEET
 SPECIAL REVENUE FUNDS
 June 30, 2020

ASSETS	CDBG/HTF	Special Events	Veterans Memorial Park	FARE	Pest Abatement
Cash and cash equivalents	\$ -	\$ 27,665	\$ 221	\$ 8,791	\$ 48,362
Restricted cash	-	-	-	-	-
Receivables, net of allowances for uncollectibles:					
Accounts	-	7,845	-	-	-
Intergovernmental	-	-	-	-	-
Inventory and Prepays	-	543	-	-	-
Total assets	\$ -	\$ 36,053	\$ 221	\$ 8,791	\$ 48,362
LIABILITIES					
Accounts payable	\$ 13,052	\$ 1,174	\$ -	\$ -	\$ 4,577
Accrued payroll and related liabilities	1,329	-	-	-	4,199
Due to other funds	92,698	-	-	-	-
Other liabilities	195	280	-	-	-
Total liabilities	107,274	1,454	-	-	8,776
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - other	-	-	-	-	-
Unavailable revenue - special assessments	-	13,360	-	-	-
Total deferred inflows of resources	-	13,360	-	-	-
FUND BALANCES					
Nonspendable					
Inventory and Prepays	-	543	-	-	-
Restricted					
Highways and streets	-	-	-	-	-
Community development	-	-	-	-	-
Public safety	-	-	-	-	-
Other purposes	-	20,696	221	8,791	39,586
Unassigned	(107,274)	-	-	-	-
Total fund balances	(107,274)	21,239	221	8,791	39,586
Total liabilities, deferred inflows of resources, and fund balances	\$ -	\$ 36,053	\$ 221	\$ 8,791	\$ 48,362

Court Security Improvement	Court Improvement	Victim Services Grants	Police Grants	General Grants	Senior Nutrition Center	Total
\$ 13	\$ -	\$ -	\$ 76,630	\$ 3,700	\$ -	\$ 1,612,921
-	-	-	-	-	-	83,845
-	72,194	-	-	-	63,126	289,247
-	-	22,425	16,332	-	-	282,939
-	-	-	-	-	-	543
<u>\$ 13</u>	<u>\$ 72,194</u>	<u>\$ 22,425</u>	<u>\$ 92,962</u>	<u>\$ 3,700</u>	<u>\$ 63,126</u>	<u>\$ 2,269,495</u>
\$ -	\$ 15,832	\$ -	\$ 110,150	\$ -	\$ 20,203	\$ 244,003
-	1,687	4,629	-	-	3,396	47,789
-	66,521	17,966	-	-	96,889	673,715
-	-	-	-	-	-	808
-	<u>84,040</u>	<u>22,595</u>	<u>110,150</u>	<u>-</u>	<u>120,488</u>	<u>966,315</u>
-	-	-	-	-	-	150
-	-	-	-	-	-	13,360
-	-	-	-	-	-	13,510
-	-	-	-	-	-	543
-	-	-	-	-	-	387,664
-	-	-	-	-	-	1,239,576
13	-	-	-	-	-	142,911
-	-	-	-	3,700	-	94,867
-	<u>(11,846)</u>	<u>(170)</u>	<u>(17,188)</u>	<u>-</u>	<u>(57,362)</u>	<u>(575,891)</u>
<u>13</u>	<u>(11,846)</u>	<u>(170)</u>	<u>(17,188)</u>	<u>3,700</u>	<u>(57,362)</u>	<u>1,289,670</u>
<u>\$ 13</u>	<u>\$ 72,194</u>	<u>\$ 22,425</u>	<u>\$ 92,962</u>	<u>\$ 3,700</u>	<u>\$ 63,126</u>	<u>\$ 2,269,495</u>

(Concluded)

CITY OF BULLHEAD CITY, ARIZONA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 SPECIAL REVENUE FUNDS
 Year Ended June 30, 2020

	RICO	Housing	Arts Commission	Special Assessments Administration
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Special assessments	-	-	-	30,873
Licenses and permits	-	-	-	-
Fines and forfeitures	29,282	-	-	-
Investment earnings	2,096	829	69	719
Other revenues	-	3,284	4	83
Total revenues	<u>31,378</u>	<u>4,113</u>	<u>73</u>	<u>31,675</u>
EXPENDITURES				
Current:				
General government	-	-	-	14,772
Public safety	24,015	-	-	-
Culture and recreation	-	-	3,850	-
Redevelopment and housing	-	102,698	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>24,015</u>	<u>102,698</u>	<u>3,850</u>	<u>14,772</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,363</u>	<u>(98,585)</u>	<u>(3,777)</u>	<u>16,903</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	(24,073)
Total other financing (uses) sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>(24,073)</u>
Net change in fund balances	<u>7,363</u>	<u>(98,585)</u>	<u>(3,777)</u>	<u>(7,170)</u>
Fund balances - beginning of year	<u>52,626</u>	<u>98,601</u>	<u>9,197</u>	<u>59,228</u>
Fund balances - end of year	<u>\$ 59,989</u>	<u>\$ 16</u>	<u>\$ 5,420</u>	<u>\$ 52,058</u>

JCEF	Water Impost	Transit	REO	Court Enhancement	Fill the Gap
\$ -	\$ -	\$ 1,062,949	\$ -	\$ -	\$ -
-	522,782	150,005	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
9,528	-	-	-	22,935	4,630
738	10,433	795	-	153	319
12	-	2,601	-	1	3
<u>10,278</u>	<u>533,215</u>	<u>1,216,350</u>	<u>-</u>	<u>23,089</u>	<u>4,952</u>
-	404,779	1,288,539	871	33,820	13,303
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	4,938	-	-	-
<u>-</u>	<u>404,779</u>	<u>1,293,477</u>	<u>871</u>	<u>33,820</u>	<u>13,303</u>
<u>10,278</u>	<u>128,436</u>	<u>(77,127)</u>	<u>(871)</u>	<u>(10,731)</u>	<u>(8,351)</u>
-	-	1,800	-	-	-
-	-	221,352	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>223,152</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>10,278</u>	<u>128,436</u>	<u>146,025</u>	<u>(871)</u>	<u>(10,731)</u>	<u>(8,351)</u>
<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>\$ 78,359</u>	<u>\$ 1,182,082</u>	<u>\$ 387,664</u>	<u>\$ (382,051)</u>	<u>\$ 4,550</u>	<u>\$ 21,873</u>

(Continued)

CITY OF BULLHEAD CITY, ARIZONA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 SPECIAL REVENUE FUNDS
 Year Ended June 30, 2020

REVENUES	CDBG/HTF	Special Events	Veterans Memorial Park	FARE	Pest Abatement
Intergovernmental	\$ 171,283	\$ -	\$ -	\$ -	\$ 135,000
Charges for services	-	84,238	-	-	-
Special assessments	-	-	-	-	-
Licenses and permits	-	75	-	-	-
Fines and forfeitures	-	-	-	5,239	-
Investment earnings	-	320	2	85	861
Other revenues	-	23,397	-	-	-
Total revenues	<u>171,283</u>	<u>108,030</u>	<u>2</u>	<u>5,324</u>	<u>135,861</u>
EXPENDITURES					
Current:					
General government	-	76	-	2,553	129,489
Public safety	-	-	-	-	-
Culture and recreation	-	120,103	-	-	-
Redevelopment and housing	146,638	-	-	-	-
Health and welfare	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>146,638</u>	<u>120,179</u>	<u>-</u>	<u>2,553</u>	<u>129,489</u>
Excess (deficiency) of revenues over (under) expenditures	<u>24,645</u>	<u>(12,149)</u>	<u>2</u>	<u>2,771</u>	<u>6,372</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>	<u>-</u>
Net change in fund balances	<u>24,645</u>	<u>(12,149)</u>	<u>2</u>	<u>2,771</u>	<u>6,372</u>
Fund balances - beginning of year	<u>(131,919)</u>	<u>33,388</u>	<u>219</u>	<u>6,020</u>	<u>33,214</u>
Fund balances - end of year	<u>\$ (107,274)</u>	<u>\$ 21,239</u>	<u>\$ 221</u>	<u>\$ 8,791</u>	<u>\$ 39,586</u>

Court Security Improvement	Court Improvement	Victim Services Grants	Police Grants	General Grants	Senior Nutrition Center	Total
\$ -	\$ 72,194	\$ 137,506	\$ 182,776	\$ -	\$ 190,362	\$ 1,952,070
-	-	-	-	-	-	757,025
-	-	-	-	-	-	30,873
-	-	-	-	-	-	75
-	-	-	-	-	-	71,614
-	-	-	11	38	-	17,468
-	-	-	-	-	64,972	94,357
-	72,194	137,506	182,787	38	255,334	2,923,482
-	84,040	-	-	-	-	1,972,242
-	-	137,506	69,544	-	-	231,065
-	-	-	-	-	-	123,953
-	-	-	-	-	-	249,336
-	-	-	-	-	364,282	364,282
-	-	-	-	-	-	4,938
-	84,040	137,506	69,544	-	364,282	2,945,816
-	(11,846)	-	113,243	38	(108,948)	(22,334)
-	-	-	-	-	-	1,800
-	-	-	-	-	100,464	321,816
-	-	-	(103,441)	-	-	(127,514)
-	-	-	(103,441)	-	100,464	196,102
-	(11,846)	-	9,802	38	(8,484)	173,768
13	-	(170)	(26,990)	3,662	(48,878)	1,115,902
\$ 13	\$ (11,846)	\$ (170)	\$ (17,188)	\$ 3,700	\$ (57,362)	\$ 1,289,670

(Concluded)



Financial Section

Other Supplementary Information

Capital Project Funds

- **Street Lighting Improvement Districts** - This fund is used to account for maintenance and operation of the City's Street Lighting Districts.
- **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, 2020

	Street Lighting Improvement Districts	Flood Control Fund	Total
ASSETS			
Cash and cash equivalents	\$ 933	\$ 1,617,909	\$ 1,618,842
Restricted cash	-	-	-
Receivables, net of allowances for uncollectibles:			
Accounts	26,761	-	26,761
Taxes	-	-	-
Intergovernmental	-	-	-
Total assets	<u>\$ 27,694</u>	<u>\$ 1,617,909</u>	<u>\$ 1,645,603</u>
LIABILITIES			
Accounts payable	\$ 7,681	\$ 18,304	\$ 25,985
Accrued payroll and related liabilities	-	4,412	4,412
Due to other funds	-	-	-
Other liabilities	-	-	-
Total liabilities	<u>7,681</u>	<u>22,716</u>	<u>30,397</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - special assessments	24,556	-	24,556
Total deferred inflows of resources	<u>24,556</u>	<u>-</u>	<u>24,556</u>
FUND BALANCES			
Restricted			
Capital projects	-	1,595,193	1,595,193
Unassigned	(4,543)	-	(4,543)
Total fund balances	<u>(4,543)</u>	<u>1,595,193</u>	<u>1,590,650</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 27,694</u>	<u>\$ 1,617,909</u>	<u>\$ 1,645,603</u>

CITY OF BULLHEAD CITY, ARIZONA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 CAPITAL PROJECTS FUNDS
 Year Ended June 30, 2020

	Street Lighting Improvement Districts	Flood Control Fund	Total
REVENUES			
Intergovernmental	\$ -	\$ 922,903	\$ 922,903
Special assessments	64,552	-	64,552
Investment earnings	299	12,079	12,378
Other revenues	-	139	139
Total revenues	<u>64,851</u>	<u>935,121</u>	<u>999,972</u>
EXPENDITURES			
Current:			
Culture and recreation	-	-	-
Highways and streets	70,700	275,755	346,455
Health and welfare	-	-	-
Capital outlay	-	252,537	252,537
Total expenditures	<u>70,700</u>	<u>528,292</u>	<u>598,992</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,849)</u>	<u>406,829</u>	<u>400,980</u>
OTHER FINANCING SOURCES (USES)			
Issuance of debt	-	-	-
Transfers in	-	-	-
Transfers out	-	(268,447)	(268,447)
Total other financing (uses) sources	<u>-</u>	<u>(268,447)</u>	<u>(268,447)</u>
Net change in fund balances	<u>(5,849)</u>	<u>138,382</u>	<u>132,533</u>
Fund balances - beginning of year	<u>1,306</u>	<u>1,456,811</u>	<u>1,458,117</u>
Fund balances - end of year	<u>\$ (4,543)</u>	<u>\$ 1,595,193</u>	<u>\$ 1,590,650</u>

Financial Section

Other Supplementary Information

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, 2020

	Debt Service	Bullhead Parkway Improvement District	East Branch Sewer Improvement District	Total
ASSETS				
Restricted cash	\$ 284,094	\$ -	\$ -	\$ 284,094
Receivables, net of allowances for uncollectibles:				
Accounts	107,856	-	-	107,856
Special assessments receivable	-	343	579	922
Total assets	<u>\$ 391,950</u>	<u>\$ 343</u>	<u>\$ 579</u>	<u>\$ 392,872</u>
LIABILITIES				
Due to other funds	\$ 45,156	\$ 1,201,462	\$ 405	\$ 1,247,023
Interest payable	30,023	-	-	30,023
Matured bonds payable	275,000	-	-	275,000
Total liabilities	<u>350,179</u>	<u>1,201,462</u>	<u>405</u>	<u>1,552,046</u>
FUND BALANCES				
Restricted				
Debt service	41,771	-	174	41,945
Unassigned	-	(1,201,119)	-	(1,201,119)
Total fund balances	<u>41,771</u>	<u>(1,201,119)</u>	<u>174</u>	<u>(1,159,174)</u>
Total liabilities and fund balances	<u>\$ 391,950</u>	<u>\$ 343</u>	<u>\$ 579</u>	<u>\$ 392,872</u>

CITY OF BULLHEAD CITY, ARIZONA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 DEBT SERVICE FUNDS
 Year Ended June 30, 2020

	Debt Service	Bullhead Parkway Improvement District	East Branch Sewer Improvement District	Total
REVENUES				
Special assessments	\$ 214,506	\$ -	\$ -	\$ 214,506
Investment earnings	1,680	-	-	1,680
Other revenues	-	-	5	5
Total revenues	<u>216,186</u>	<u>-</u>	<u>5</u>	<u>216,191</u>
EXPENDITURES				
Current:				
Debt service:				
Principal	375,000	-	-	375,000
Interest and fiscal charges	186,549	-	-	186,549
Total expenditures	<u>561,549</u>	<u>-</u>	<u>-</u>	<u>561,549</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(345,363)</u>	<u>-</u>	<u>5</u>	<u>(345,358)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	359,039	-	-	359,039
Net change in fund balances	13,676	-	5	13,681
Fund balances - beginning of year	28,095	(1,201,119)	169	(1,172,855)
Fund balances - end of year	<u>\$ 41,771</u>	<u>\$ (1,201,119)</u>	<u>\$ 174</u>	<u>\$ (1,159,174)</u>

Financial Section

Other Supplementary Information

Budgetary Schedules
Major Funds



CITY OF BULLHEAD CITY, ARIZONA
 CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
 BUDGET AND ACTUAL
 Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,558,445	\$ 1,558,445	\$ 662,813	\$ (895,632)
Investment earnings	9,100	9,100	35,984	26,884
Other revenues	-	-	99	99
Total revenues	<u>1,567,545</u>	<u>1,567,545</u>	<u>698,896</u>	<u>(868,649)</u>
EXPENDITURES				
Current:				
Culture and recreation	-	-	1,256	(1,256)
Highways and streets	-	-	1,986	(1,986)
Capital outlay	6,991,489	7,516,690	4,557,537	2,959,153
Total expenditures	<u>6,991,489</u>	<u>7,516,690</u>	<u>4,560,779</u>	<u>2,955,911</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,423,944)</u>	<u>(5,949,145)</u>	<u>(3,861,883)</u>	<u>2,087,262</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	9,548	9,548	9,548	-
Transfers in	1,863,124	2,238,741	1,762,264	(476,477)
Total other financing sources (uses)	<u>1,872,672</u>	<u>2,248,289</u>	<u>1,771,812</u>	<u>(476,477)</u>
Net change in fund balances	(3,551,272)	(3,700,856)	(2,090,071)	1,610,785
Fund balances - beginning of year	<u>3,511,283</u>	<u>3,511,283</u>	<u>3,431,237</u>	<u>(80,046)</u>
Fund balances - end of year	<u>\$ (39,989)</u>	<u>\$ (189,573)</u>	<u>\$ 1,341,166</u>	<u>\$ 1,530,739</u>

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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Special assessments	\$ 2,148,720	\$ 2,148,720	\$ 2,163,683	\$ 14,963
Investment earnings	20,500	20,500	21,489	989
Other revenues	-	-	217	217
Total revenues	<u>2,169,220</u>	<u>2,169,220</u>	<u>2,185,389</u>	<u>16,169</u>
EXPENDITURES				
Current:				
General government	56,500	56,500	57,022	(522)
Debt service:				
Principal	2,181,932	2,181,932	2,181,932	-
Interest and fiscal charges	253,196	253,196	253,196	-
Total expenditures	<u>2,491,628</u>	<u>2,491,628</u>	<u>2,492,150</u>	<u>(522)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(322,408)</u>	<u>(322,408)</u>	<u>(306,761)</u>	<u>15,647</u>
Net change in fund balances	(322,408)	(322,408)	(306,761)	15,647
Fund balances - beginning of year	<u>322,408</u>	<u>322,408</u>	<u>2,230,425</u>	<u>1,908,017</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,923,664</u>	<u>\$ 1,923,664</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 8,359	\$ 8,359
EXPENDITURES				
Current:				
Debt service:				
Principal	1,747,000	1,747,000	1,747,001	(1)
Interest and fiscal charges	99,028	99,028	98,531	497
Total expenditures	1,846,028	1,846,028	1,845,532	496
Excess (deficiency) of revenues over (under) expenditures	(1,846,028)	(1,846,028)	(1,837,173)	8,855
OTHER FINANCING SOURCES (USES)				
Transfers in	1,846,028	1,846,028	1,846,028	-
Net change in fund balances	-	-	8,855	8,855
Fund balances - beginning of year	-	-	40,410	40,410
Fund balances - end of year	\$ -	\$ -	\$ 49,265	\$ 49,265



Financial Section

Other Supplementary Information

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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ -	\$ -	\$ 29,282	\$ 29,282
Investment earnings	100	100	2,096	1,996
Total revenues	<u>100</u>	<u>100</u>	<u>31,378</u>	<u>31,278</u>
EXPENDITURES				
Current:				
Public safety	<u>44,656</u>	<u>44,656</u>	<u>24,015</u>	<u>20,641</u>
Total expenditures	<u>44,656</u>	<u>44,656</u>	<u>24,015</u>	<u>20,641</u>
Net change in fund balances	(44,556)	(44,556)	7,363	51,919
Fund balances - beginning of year	<u>44,556</u>	<u>44,556</u>	<u>52,626</u>	<u>8,070</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,989</u>	<u>\$ 59,989</u>

CITY OF BULLHEAD CITY, ARIZONA
HOUSING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 829	\$ 829
Other revenues	86,815	86,815	3,284	(83,531)
Total revenues	<u>86,815</u>	<u>86,815</u>	<u>4,113</u>	<u>(82,702)</u>
EXPENDITURES				
Redevelopment and housing	86,815	86,815	102,698	(15,883)
Total expenditures	<u>86,815</u>	<u>86,815</u>	<u>102,698</u>	<u>(15,883)</u>
Net change in fund balances	-	-	(98,585)	(98,585)
Fund balances - beginning of year	\$ -	\$ -	\$ 98,601	\$ 98,601
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16</u>	<u>\$ 16</u>

CITY OF BULLHEAD CITY, ARIZONA
ARTS COMMISSION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 25	\$ 25	\$ 69	\$ 44
Other revenues	-	-	4	4
Total revenues	<u>25</u>	<u>25</u>	<u>73</u>	<u>48</u>
EXPENDITURES				
Current:				
Culture and recreation	<u>9,193</u>	<u>9,193</u>	<u>3,850</u>	<u>5,343</u>
Total expenditures	<u>9,193</u>	<u>9,193</u>	<u>3,850</u>	<u>5,343</u>
Net change in fund balances	(9,168)	(9,168)	(3,777)	5,391
Fund balances - beginning of year	<u>9,168</u>	<u>9,168</u>	<u>9,197</u>	<u>29</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,420</u>	<u>\$ 5,420</u>

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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Special assessments	\$ 29,500	\$ 29,500	\$ 30,873	\$ 1,373
Investment earnings	1,000	1,000	719	(281)
Other revenues	-	-	83	83
Total revenues	<u>30,500</u>	<u>30,500</u>	<u>31,675</u>	<u>1,175</u>
EXPENDITURES				
Current:				
General government	62,073	62,073	14,772	47,301
Total expenditures	<u>62,073</u>	<u>62,073</u>	<u>14,772</u>	<u>47,301</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(31,573)</u>	<u>(31,573)</u>	<u>16,903</u>	<u>48,476</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(24,073)</u>	<u>(24,073)</u>	<u>(24,073)</u>	<u>-</u>
Net change in fund balances	(55,646)	(55,646)	(7,170)	48,476
Fund balances - beginning of year	<u>55,646</u>	<u>55,646</u>	<u>59,228</u>	<u>3,582</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,058</u>	<u>\$ 52,058</u>

CITY OF BULLHEAD CITY, ARIZONA
 JCEF FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
 BUDGET AND ACTUAL
 Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 10,300	\$ 10,300	\$ 9,528	\$ (772)
Investment earnings	500	500	738	238
Other revenues	-	-	12	12
Total revenues	<u>10,800</u>	<u>10,800</u>	<u>10,278</u>	<u>(522)</u>
EXPENDITURES				
Current:				
General government	<u>79,156</u>	<u>79,156</u>	<u>-</u>	<u>79,156</u>
Total expenditures	<u>79,156</u>	<u>79,156</u>	<u>-</u>	<u>79,156</u>
Net change in fund balances	(68,356)	(68,356)	10,278	78,634
Fund balances - beginning of year	<u>68,356</u>	<u>68,356</u>	<u>68,081</u>	<u>(275)</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,359</u>	<u>\$ 78,359</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 542,000	\$ 542,000	\$ 522,782	\$ (19,218)
Investment earnings	8,022	8,022	10,433	2,411
Total revenues	<u>550,022</u>	<u>550,022</u>	<u>533,215</u>	<u>(16,807)</u>
EXPENDITURES				
Current:				
General government	1,331,982	1,331,982	404,779	927,203
Capital outlay	100,000	100,000	-	100,000
Total expenditures	<u>1,431,982</u>	<u>1,431,982</u>	<u>404,779</u>	<u>1,027,203</u>
Net change in fund balances	(881,960)	(881,960)	128,436	1,010,396
Fund balances - beginning of year	<u>881,960</u>	<u>881,960</u>	<u>1,053,646</u>	<u>171,686</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,182,082</u>	<u>\$ 1,182,082</u>

CITY OF BULLHEAD CITY, ARIZONA
TRANSIT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 870,925	\$ 870,925	\$ 1,062,949	\$ 192,024
Charges for services	185,000	185,000	150,005	(34,995)
Investment earnings	-	-	795	795
Other revenues	4,200	4,200	2,601	(1,599)
Total revenues	<u>1,060,125</u>	<u>1,060,125</u>	<u>1,216,350</u>	<u>156,225</u>
EXPENDITURES				
Current:				
General government	1,440,443	1,440,443	1,288,539	151,904
Capital outlay	10,000	10,000	4,938	5,062
Total expenditures	<u>1,450,443</u>	<u>1,450,443</u>	<u>1,293,477</u>	<u>156,966</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(390,318)</u>	<u>(390,318)</u>	<u>(77,127)</u>	<u>313,191</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	1,800	1,800
Transfers in	241,351	241,351	221,352	(19,999)
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>241,351</u>	<u>241,351</u>	<u>223,152</u>	<u>(18,199)</u>
Net change in fund balances	(148,967)	(148,967)	146,025	294,992
Fund balances - beginning of year	<u>151,276</u>	<u>151,276</u>	<u>241,639</u>	<u>90,363</u>
Fund balances - end of year	<u>\$ 2,309</u>	<u>\$ 2,309</u>	<u>\$ 387,664</u>	<u>\$ 385,355</u>

CITY OF BULLHEAD CITY, ARIZONA
 REO FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
 BUDGET AND ACTUAL
 Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Total revenues	-	-	-	-
EXPENDITURES				
Current:				
General government	45,000	45,000	871	44,129
Total expenditures	45,000	45,000	871	44,129
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	45,000	45,000	-	(45,000)
Total other financing sources (uses)	45,000	45,000	-	(45,000)
Net change in fund balances	-	-	(871)	(871)
Fund balances - beginning of year	-	-	(381,180)	(381,180)
Fund balances - end of year	\$ -	\$ -	\$ (382,051)	\$ (382,051)

CITY OF BULLHEAD CITY, ARIZONA
 COURT ENHANCEMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
 BUDGET AND ACTUAL
 Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 27,000	\$ 27,000	\$ 22,935	\$ (4,065)
Investment earnings	400	400	153	(247)
Other revenues	-	-	1	1
Total revenues	<u>27,400</u>	<u>27,400</u>	<u>23,089</u>	<u>(4,311)</u>
EXPENDITURES				
Current:				
General government	<u>37,269</u>	<u>37,269</u>	<u>33,820</u>	<u>3,449</u>
Total expenditures	<u>37,269</u>	<u>37,269</u>	<u>33,820</u>	<u>3,449</u>
Net change in fund balances	(9,869)	(9,869)	(10,731)	(862)
Fund balances - beginning of year	<u>9,869</u>	<u>9,869</u>	<u>15,281</u>	<u>5,412</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,550</u>	<u>\$ 4,550</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 6,800	\$ 6,800	\$ 4,630	\$ (2,170)
Investment earnings	200	200	319	119
Other revenues	-	-	3	3
Total revenues	<u>7,000</u>	<u>7,000</u>	<u>4,952</u>	<u>(2,048)</u>
EXPENDITURES				
Current:				
General government	<u>36,847</u>	<u>36,847</u>	<u>13,303</u>	<u>23,544</u>
Total expenditures	<u>36,847</u>	<u>36,847</u>	<u>13,303</u>	<u>23,544</u>
Net change in fund balances	(29,847)	(29,847)	(8,351)	21,496
Fund balances - beginning of year	<u>29,847</u>	<u>29,847</u>	<u>30,224</u>	<u>377</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,873</u>	<u>\$ 21,873</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 528,682	\$ 528,682	\$ 171,283	\$ (357,399)
Total revenues	528,682	528,682	171,283	(357,399)
EXPENDITURES				
Current:				
Redevelopment and housing	512,934	512,934	146,638	366,296
Total expenditures	512,934	512,934	146,638	366,296
Net change in fund balances	15,748	15,748	24,645	8,897
Fund balances - beginning of year	-	-	(131,919)	(131,919)
Fund balances - end of year	\$ 15,748	\$ 15,748	\$ (107,274)	\$ (123,022)

CITY OF BULLHEAD CITY, ARIZONA
SPECIAL EVENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive
	Original	Final		(Negative)
REVENUES				
Charges for services	\$ 68,870	\$ 68,870	\$ 84,238	\$ 15,368
Licenses and permits	-	-	75	75
Investment earnings	-	-	320	320
Other revenues	74,453	74,453	23,397	(51,056)
Total revenues	<u>143,323</u>	<u>143,323</u>	<u>108,030</u>	<u>(35,293)</u>
EXPENDITURES				
Current:				
General government	-	-	76	(76)
Culture and recreation	143,383	143,383	120,103	23,280
Total expenditures	<u>143,383</u>	<u>143,383</u>	<u>120,179</u>	<u>23,204</u>
Net change in fund balances	(60)	(60)	(12,149)	(12,089)
Fund balances - beginning of year	<u>22,797</u>	<u>22,797</u>	<u>33,388</u>	<u>10,591</u>
Fund balances - end of year	<u>\$ 22,737</u>	<u>\$ 22,737</u>	<u>\$ 21,239</u>	<u>\$ (1,498)</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Other revenues	\$ -	\$ -	\$ 1	\$ 1
Total revenues	-	-	2	2
EXPENDITURES				
Current:				
Total expenditures	-	-	-	-
Net change in fund balances	-	-	2	2
Fund balances - beginning of year	149	149	219	70
Fund balances - end of year	\$ 149	\$ 149	\$ 221	\$ 72

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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 6,500	\$ 6,500	\$ 5,239	\$ (1,261)
Investment earnings	20	20	85	65
Total revenues	<u>6,520</u>	<u>6,520</u>	<u>5,324</u>	<u>(1,196)</u>
EXPENDITURES				
Current:				
General government	<u>8,352</u>	<u>8,352</u>	<u>2,553</u>	<u>5,799</u>
Total expenditures	<u>8,352</u>	<u>8,352</u>	<u>2,553</u>	<u>5,799</u>
Net change in fund balances	(1,832)	(1,832)	2,771	4,603
Fund balances - beginning of year	<u>1,832</u>	<u>1,832</u>	<u>6,020</u>	<u>4,188</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,791</u>	<u>\$ 8,791</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 145,000	\$ 145,000	\$ 135,000	\$ (10,000)
Investment earnings	-	-	861	861
Total revenues	<u>145,000</u>	<u>145,000</u>	<u>135,861</u>	<u>(9,139)</u>
EXPENDITURES				
Current:				
General government	<u>154,381</u>	<u>154,381</u>	<u>129,489</u>	<u>24,892</u>
Total expenditures	<u>154,381</u>	<u>154,381</u>	<u>129,489</u>	<u>24,892</u>
Net change in fund balances	(9,381)	(9,381)	6,372	15,753
Fund balances - beginning of year	<u>9,381</u>	<u>9,381</u>	<u>33,214</u>	<u>23,833</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,586</u>	<u>\$ 39,586</u>

CITY OF BULLHEAD CITY, ARIZONA
 COURT SECURITY IMPROVEMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
 BUDGET AND ACTUAL
 Year Ended June 30, 2020

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

CITY OF BULLHEAD CITY, ARIZONA
 COURT IMPROVEMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
 BUDGET AND ACTUAL
 Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 72,194	\$ 72,194
Total revenues	-	-	72,194	72,194
EXPENDITURES				
Current:				
General government	-	166,667	84,040	82,627
Total expenditures	-	166,667	84,040	82,627
Net change in fund balances	-	(166,667)	(11,846)	154,821
Fund balances - beginning of year	-	-	-	-
Fund balances - end of year	\$ -	\$ (166,667)	\$ (11,846)	\$ 154,821

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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 149,834	\$ 149,834	\$ 137,505	\$ (12,329)
Total revenues	<u>149,834</u>	<u>149,834</u>	<u>137,505</u>	<u>(12,329)</u>
EXPENDITURES				
Current:				
Public safety	149,834	149,834	137,506	12,328
Total expenditures	<u>149,834</u>	<u>149,834</u>	<u>137,506</u>	<u>12,328</u>
Net change in fund balances	-	-	(1)	(1)
Fund balances - beginning of year	-	-	(170)	(170)
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (171)</u>	<u>\$ (171)</u>

CITY OF BULLHEAD CITY, ARIZONA
POLICE GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 163,655	\$ 163,655	\$ 182,776	\$ 19,121
Investment earnings	-	-	11	11
Other revenues	50,000	50,000	-	(50,000)
Total revenues	<u>213,655</u>	<u>213,655</u>	<u>182,787</u>	<u>(30,868)</u>
EXPENDITURES				
Current:				
Public safety	213,655	213,655	69,544	144,111
Total expenditures	<u>213,655</u>	<u>213,655</u>	<u>69,544</u>	<u>144,111</u>
Net change in fund balances	-	-	9,802	9,802
Fund balances - beginning of year	-	-	(26,990)	(26,990)
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (17,188)</u>	<u>\$ (17,188)</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive
	Original	Final		(Negative)
REVENUES				
Intergovernmental	\$ 95,000	\$ 95,000	\$ -	\$ (95,000)
Investment earnings	-	-	38	38
Other revenues	5,000	5,000	-	(5,000)
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>38</u>	<u>(99,962)</u>
EXPENDITURES				
Current:				
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>-</u>	<u>100,000</u>
Net change in fund balances	-	-	38	38
Fund balances - beginning of year	-	-	3,662	3,662
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,700</u>	<u>\$ 3,700</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 183,600	\$ 183,600	\$ 190,362	\$ 6,762
Other revenues	86,900	86,900	64,972	(21,928)
Total revenues	<u>270,500</u>	<u>270,500</u>	<u>255,334</u>	<u>(15,166)</u>
EXPENDITURES				
Current:				
Health and welfare	<u>367,057</u>	<u>367,057</u>	<u>364,282</u>	<u>2,775</u>
Total expenditures	<u>367,057</u>	<u>367,057</u>	<u>364,282</u>	<u>2,775</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(96,557)</u>	<u>(96,557)</u>	<u>(108,948)</u>	<u>(12,391)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	100,460	100,460	100,464	4
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>100,460</u>	<u>100,460</u>	<u>100,464</u>	<u>4</u>
Net change in fund balances	3,903	3,903	(8,484)	(12,387)
Fund balances - beginning of year	-	-	(48,878)	(48,878)
Fund balances - end of year	<u>\$ 3,903</u>	<u>\$ 3,903</u>	<u>\$ (57,362)</u>	<u>\$ (61,265)</u>



Financial Section

Other Supplementary Information

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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive
	Original	Final		(Negative)
REVENUES				
Special assessments	\$ 71,246	\$ 71,246	\$ 64,552	\$ (6,694)
Investment earnings	-	-	299	299
Total revenues	<u>71,246</u>	<u>71,246</u>	<u>64,851</u>	<u>(6,395)</u>
EXPENDITURES				
Current:				
Highways and streets	71,246	71,246	70,700	546
Total expenditures	<u>71,246</u>	<u>71,246</u>	<u>70,700</u>	<u>546</u>
Net change in fund balances	-	-	(5,849)	(5,849)
Fund balances - beginning of year	-	-	1,306	1,306
Fund balances, beginning of year - restated	-	-	1,306	1,306
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,543)</u>	<u>\$ (4,543)</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 966,106	\$ 966,106	\$ 922,903	\$ (43,203)
Investment earnings	3,478	3,478	12,079	8,601
Other revenues	-	-	139	139
Total revenues	<u>969,584</u>	<u>969,584</u>	<u>935,121</u>	<u>(34,463)</u>
EXPENDITURES				
Current:				
Highways and streets	295,089	295,089	275,755	19,334
Capital outlay	1,723,524	1,723,524	252,537	1,470,987
Total expenditures	<u>2,018,613</u>	<u>2,018,613</u>	<u>528,292</u>	<u>1,490,321</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,049,029)</u>	<u>(1,049,029)</u>	<u>406,829</u>	<u>1,455,858</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(320,000)</u>	<u>(320,000)</u>	<u>(268,447)</u>	<u>51,553</u>
Total other financing sources (uses)	<u>(320,000)</u>	<u>(320,000)</u>	<u>(268,447)</u>	<u>51,553</u>
Net change in fund balances	(1,369,029)	(1,369,029)	138,382	1,507,411
Fund balances - beginning of year	<u>1,369,028</u>	<u>1,369,028</u>	<u>1,456,811</u>	<u>87,783</u>
Fund balances - end of year	<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ 1,595,193</u>	<u>\$ 1,595,194</u>

Financial Section

Other Supplementary Information

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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Special assessments	\$ 214,507	\$ 214,507	\$ 214,506	\$ (1)
Investment earnings	-	-	1,680	1,680
Total revenues	<u>214,507</u>	<u>214,507</u>	<u>216,186</u>	<u>1,679</u>
EXPENDITURES				
Current:				
Debt service:				
Principal	375,000	375,000	375,000	-
Interest and fiscal charges	198,546	198,546	186,549	11,997
Total expenditures	<u>573,546</u>	<u>573,546</u>	<u>561,549</u>	<u>11,997</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(359,039)</u>	<u>(359,039)</u>	<u>(345,363)</u>	<u>13,676</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	359,039	359,039	359,039	-
Total other financing sources (uses)	<u>359,039</u>	<u>359,039</u>	<u>359,039</u>	<u>-</u>
Net change in fund balances	-	-	13,676	13,676
Fund balances - beginning of year	-	-	28,095	28,095
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,771</u>	<u>\$ 41,771</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Total revenues	-	-	-	-
EXPENDITURES				
Current:				
Total expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances - beginning of year	-	-	(1,201,119)	(1,201,119)
Fund balances, beginning of year - restated	-	-	(1,201,119)	(1,201,119)
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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Other revenues	\$ -	\$ -	\$ 5	\$ 5
Total revenues	-	-	5	5
EXPENDITURES				
Total expenditures	-	-	-	-
Net change in fund balances	-	-	5	5
Fund balances - beginning of year	-	-	169	169
Fund balances - end of year	\$ -	\$ -	\$ 174	\$ 174



Financial Section

Other Supplementary Information

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, 2020

	Fleet Services	Risk Management	Employee Benefit Trust	Total
ASSETS				
Current assets				
Cash and cash equivalents	\$ -	\$ 370,166	\$ 162,640	\$ 532,806
Accounts receivable, net	9,674	358,245	2,325	370,244
Intergovernmental	250,000	-	-	250,000
Inventory	23,750	-	-	23,750
Prepaid expenses	-	-	1,062,150	1,062,150
Total current assets	<u>283,424</u>	<u>728,411</u>	<u>1,227,115</u>	<u>2,238,950</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	7,873,096	-	-	7,873,096
Less accumulated depreciation	(6,232,686)	-	-	(6,232,686)
Total noncurrent assets	<u>2,748,002</u>	<u>-</u>	<u>-</u>	<u>2,748,002</u>
Total assets	<u>3,031,426</u>	<u>728,411</u>	<u>1,227,115</u>	<u>4,986,952</u>
LIABILITIES				
Current liabilities				
Accounts payable	97,149	116,202	2,437	215,788
Accrued payroll and related liabilities	8,700	4,798	-	13,498
Due to other funds	447,370	-	-	447,370
Other liabilities	41,134	1,820	-	42,954
Total current liabilities	<u>594,353</u>	<u>122,820</u>	<u>2,437</u>	<u>719,610</u>
NET POSITION				
Net investment in capital assets	2,748,002	-	-	2,748,002
Unrestricted (deficit)	(310,929)	605,591	1,224,678	1,519,340
Total net position	<u>\$ 2,437,073</u>	<u>\$ 605,591</u>	<u>\$ 1,224,678</u>	<u>\$ 4,267,342</u>



CITY OF BULLHEAD CITY, ARIZONA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year Ended June 30, 2020

	Fleet Services	Risk Management	Employee Benefit Trust	Total
Operating revenues				
Charges for services	\$ 1,099,154	\$ 1,380,543	\$ 3,683,345	\$ 6,163,042
Other revenues	256,724	393,163	352,961	1,002,848
Total operating revenue	<u>1,355,878</u>	<u>1,773,706</u>	<u>4,036,306</u>	<u>7,165,890</u>
Operating expenses				
Salaries and related expenses	313,039	143,358	-	456,397
Medical claims and self-insurance	-	549,253	3,203,030	3,752,283
Administration	748,052	878,099	2,603	1,628,754
Utilities	29,421	-	-	29,421
Maintenance, supplies and equipment	27,357	-	-	27,357
Depreciation	441,000	-	-	441,000
Other	459,571	-	-	459,571
Total operating expenses	<u>2,018,440</u>	<u>1,570,710</u>	<u>3,205,633</u>	<u>6,794,783</u>
Operating income (loss)	<u>(662,562)</u>	<u>202,996</u>	<u>830,673</u>	<u>371,107</u>
Non-operating Revenues (Expenses)				
Investment income	280	4,732	731	5,743
Gain (loss) on disposal of capital assets	286	-	-	286
Total nonoperating revenue (expense)	<u>566</u>	<u>4,732</u>	<u>731</u>	<u>6,029</u>
Income (loss) before contributions and transfers	(661,996)	207,728	831,404	377,136
Capital contributions	44,440	-	-	44,440
Transfers in	512,396	-	-	512,396
Transfers out	-	(30,394)	-	(30,394)
Change in net position	<u>(105,160)</u>	<u>177,334</u>	<u>831,404</u>	<u>903,578</u>
Net position, beginning of year	<u>2,542,233</u>	<u>428,257</u>	<u>393,274</u>	<u>3,363,764</u>
Total net position-end of year	<u>\$ 2,437,073</u>	<u>\$ 605,591</u>	<u>\$ 1,224,678</u>	<u>\$ 4,267,342</u>

CITY OF BULLHEAD CITY, ARIZONA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2020

	Fleet Services	Risk Management	Employee Benefit Trust	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from interfund services	\$ 1,093,942	\$ 1,379,045	\$ 3,683,587	\$ 6,156,574
Other operating receipts	6,724	393,163	352,961	752,848
Payments to suppliers	(1,185,313)	(1,394,868)	(4,041,830)	(6,622,011)
Payments to employees	(311,615)	(141,462)	-	(453,077)
Cash flows from operating activities	<u>(396,262)</u>	<u>235,878</u>	<u>(5,282)</u>	<u>(165,666)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund borrowings	224,556	-	-	224,556
Interfund transfers	512,396	(30,394)	-	482,002
Cash flows from noncapital and related financing activities	<u>736,952</u>	<u>(30,394)</u>	<u>-</u>	<u>706,558</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(372,376)	-	-	(372,376)
Proceeds from sale of capital assets	9,566	-	-	9,566
Cash flows from capital and related financing activities	<u>(362,810)</u>	<u>-</u>	<u>-</u>	<u>(362,810)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	280	4,732	731	5,743
Cash flows from investing activities	<u>280</u>	<u>4,732</u>	<u>731</u>	<u>5,743</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS				
Cash and cash equivalents at beginning of year	21,840	159,950	167,191	348,981
Cash and cash equivalents at end of year	<u>\$ -</u>	<u>\$ 370,166</u>	<u>\$ 162,640</u>	<u>\$ 532,806</u>

	Fleet Services	Risk Management	Employee Benefit Trust	Total
Reconciliation of operating Income (loss) to net cash provided (used) by operating activities:				
Net operating income (loss)	\$ (662,562)	\$ 202,996	\$ 830,673	\$ 371,107
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/amortization expense	441,000	-	-	441,000
Changes in operating assets and liabilities (Increase)/decrease in:				
Accounts receivable	(5,212)	(1,498)	242	(6,468)
Inergovernmental receivable	(250,000)	-	-	(250,000)
Inventory	11,944	-	-	11,944
Prepaid expenses	-	-	(838,449)	(838,449)
Increase/(decrease) in:				
Accounts payable	28,699	32,484	2,252	63,435
Accrued payroll and related liabilities	1,424	1,896	-	3,320
Other liabilities	38,445	-	-	38,445
Net cash provided (used) by operating activities:	<u>\$ (396,262)</u>	<u>\$ 235,878</u>	<u>\$ (5,282)</u>	<u>\$ (165,666)</u>
 Noncash investing, capital, and financing activities:				
Contributions of capital assets	<u>\$ 44,440</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,440</u>



Statistical Section

<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.	158-167
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.	168-179
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.	180-187
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.	188-197
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.	198-200
Continuing Disclosure Compliance These schedules contain information any government or governmental entity issuing bonds has an obligation to meet.	186-190
Sources: 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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>Governmental Activities</u>				
Net investment in Capital Assets	\$ 61,985	\$ 58,405	\$ 54,629	\$ 49,623
Restricted	5,793	7,562	9,118	7,405
Unrestricted	<u>4,884</u>	<u>1,570</u>	<u>1,054</u>	<u>2,678</u>
Total Governmental Activities Net Position	72,662	67,537	64,801	59,705
<u>Business-type Activities</u>				
Net investment in Capital Assets	90,358	88,826	89,006	84,699
Restricted	-	-	-	-
Unrestricted	<u>7,742</u>	<u>7,697</u>	<u>6,944</u>	<u>11,759</u>
Total Business-type Activities Net Position	98,101	96,523	95,950	96,459
<u>Primary Government</u>				
Net investment in Capital Assets	152,343	147,231	143,635	134,323
Restricted	5,793	7,562	9,118	7,405
Unrestricted	<u>12,626</u>	<u>9,267</u>	<u>7,998</u>	<u>14,437</u>
Total Primary Government Net Position	<u>\$ 170,763</u>	<u>\$ 164,060</u>	<u>\$ 160,751</u>	<u>\$ 156,164</u>

	2015	2016	2017	2018	2019	2020
\$	44,857	\$ 23,203	\$ 22,222	\$ 26,472	\$ 26,654	\$ 32,794
	5,347	5,045	5,893	6,995	10,064	6,262
	(9,567)	7,715	2,611	(471)	(3,631)	(1,190)
	40,637	35,963	30,726	32,996	33,087	37,866
	90,081	92,001	93,098	92,549	90,680	89,645
	-	3,110	3,004	2,210	2,250	2,386
	6,103	449	(219)	(258)	1,642	2,653
	96,184	95,560	95,883	94,502	94,572	94,684
	134,938	115,203	115,319	119,022	117,334	122,439
	5,347	8,154	8,897	9,205	12,314	8,649
	(3,464)	8,165	2,392	(729)	(1,988)	1,463
\$	<u>136,821</u>	<u>\$ 131,522</u>	<u>\$ 126,608</u>	<u>\$ 127,498</u>	<u>\$ 127,659</u>	<u>\$ 132,550</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>Expenses</u>				
Governmental Activities:				
General Government	\$ 11,479	\$ 8,471	\$ 8,710	\$ 10,209
Public Safety	11,142	12,396	12,774	13,026
Culture and Recreation	2,349	3,160	3,535	4,278
Economic Development	339	149	155	115
Redevelopment and housing	533	455	330	168
Highways and Streets	8,758	8,647	9,103	8,638
Health and Welfare	-	-	-	-
Interest on Long-term Debt	2,039	1,606	1,374	1,044
Total Governmental Activities Expenses	36,640	34,884	35,981	37,477
Business-type Activities:				
Wastewater Operations	9,206	9,214	10,027	9,362
Water Operations	13	20	19	36
Total Business-type Activities Expenses	9,219	9,234	10,045	9,398
Total Primary Government Expenses	45,858	44,118	46,026	46,875
<u>Program Revenue</u>				
Governmental Activities:				
Charges for Services:				
General Government	1,822	2,116	2,271	2,542
Public Safety	825	887	917	976
Culture and recreation	259	219	175	197
Redevelopment and housing	-	-	-	-
Highways and streets	311	313	261	391
Health and welfare	-	-	-	-
Operating Grants and Contributions	5,964	5,895	7,043	5,466
Capital Grants and Contributions	3,019	1,800	1,754	1,568
Total Governmental Activities Program Revenues	12,200	11,229	12,421	11,139
Business-type Activities:				
Charges for Services:				
Wastewater Operations	8,708	9,180	9,068	9,082
Water Operations	146	293	39	124
Capital Grants and Contributions	154	177	162	523
Total Business-type Activities Revenues	9,007	9,650	9,269	9,729
Total Primary Government Revenues	\$ 21,208	\$ 20,879	\$ 21,690	\$ 20,867
Net (Expense)/Revenue				
Governmental Activities	\$ (24,440)	\$ (23,655)	\$ (23,559)	\$ (26,338)
Business-type Activities	(211)	416	(777)	331
Total Primary Government Net Expense	(24,651)	(23,239)	(24,336)	(26,008)

	2015	2016	2017	2018	2019	2020
\$	10,198	\$ 10,196	\$ 10,585	\$ 12,894	\$ 12,391	\$ 9,018
	13,944	12,565	16,016	14,400	15,405	15,137
	4,519	4,361	4,472	3,837	3,713	4,543
	124	79	339	104	85	80
	417	421	662	171	418	290
	8,841	9,874	9,714	4,510	5,006	8,273
	-	919	869	869	884	918
	946	782	735	742	739	530
	<u>38,989</u>	<u>39,199</u>	<u>43,392</u>	<u>37,526</u>	<u>38,642</u>	<u>38,789</u>
	9,799	10,127	9,583	10,792	9,915	9,601
	29	11	31	66	515	1,012
	<u>9,827</u>	<u>10,138</u>	<u>9,613</u>	<u>10,857</u>	<u>10,430</u>	<u>10,613</u>
	<u>48,817</u>	<u>49,337</u>	<u>53,005</u>	<u>48,383</u>	<u>49,071</u>	<u>49,402</u>
	2,970	2,303	2,926	2,283	2,883	2,741
	955	1,738	1,767	1,915	1,853	2,113
	169	1,563	1,467	397	412	845
	-	-	-	-	45	-
	394	76	42	65	78	110
	-	-	-	-	2	-
	5,791	5,790	7,320	5,934	6,639	9,391
	1,086	524	425	3,438	190	348
	<u>11,366</u>	<u>11,994</u>	<u>13,946</u>	<u>14,032</u>	<u>12,101</u>	<u>15,549</u>
	9,078	9,053	9,002	8,969	9,991	9,855
	55	70	59	112	114	404
	172	140	654	244	-	-
	<u>9,305</u>	<u>9,263</u>	<u>9,715</u>	<u>9,325</u>	<u>10,105</u>	<u>10,259</u>
\$	<u>20,671</u>	<u>\$ 21,258</u>	<u>\$ 23,662</u>	<u>\$ 23,357</u>	<u>\$ 22,206</u>	<u>\$ 25,808</u>
\$	(27,624)	\$ (27,205)	\$ (29,445)	\$ (23,494)	\$ (26,541)	\$ (23,240)
	(522)	(875)	102	(1,533)	(324)	(354)
	<u>(28,146)</u>	<u>(28,079)</u>	<u>(29,343)</u>	<u>\$ (25,026)</u>	<u>\$ (26,865)</u>	<u>\$ (23,594)</u>

(Continued)

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

<u>Governmental Revenues and Other Changes in</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental Activities:				
Taxes				
City Sales Tax	10,262	10,164	10,299	10,821
State Shared Sales Tax	2,952	3,102	3,246	3,447
Urban Revenue Sharing	3,719	3,337	4,039	4,407
Franchise Tax	539	621	659	677
State Shared Vehicle License Tax	1,872	1,850	1,832	1,902
Other Taxes	73	75	71	71
Gain (loss) of sale of capital assets	-	18	37	33
Interest and Investment Income	32	23	20	12
Transfers	445	62	(100)	(128)
Total Governmental Activities	19,894	19,251	20,103	21,243
Business-type Activities:				
Gain (loss) of sale of capital assets	-	(1,984)	-	-
Interest and Investment Income	56	52	104	50
Transfers	(445)	(62)	100	128
Total Business-type Activities	(389)	(1,994)	204	178
Total Primary Government	19,506	17,257	20,307	21,421
Change in Net Position				
Governmental Activities	(4,545)	(4,404)	(3,457)	(5,095)
Business-type Activities	(600)	(1,578)	(572)	508
Total Primary Government	<u>\$ (5,145)</u>	<u>\$ (5,982)</u>	<u>\$ (4,029)</u>	<u>\$ (4,587)</u>

2015	2016	2017	2018	2019	2020
11,284	12,078	12,792	13,504	14,214	15,385
3,629	3,728	3,615	3,842	4,050	4,179
4,787	4,761	4,826	4,951	4,875	5,227
687	707	734	739	744	529
2,019	2,157	2,295	2,530	2,672	2,670
34	75	75	74	121	174
3	-	-	-	-	-
11	13	49	152	281	266
(217)	(211)	(177)	(133)	(323)	(412)
22,235	23,308	24,208	25,659	26,632	28,019
(12)	-	-	-	-	-
43	40	44	18	71	54
217	211	177	133	323	412
248	251	221	151	394	466
22,483	23,559	24,429	25,811	27,027	28,485
(5,389)	(3,897)	(5,237)	2,165	91	4,779
(275)	(624)	323	(1,381)	70	112
\$ (5,663)	\$ (4,521)	\$ (4,914)	\$ 784	\$ 161	\$ 4,891

(Concluded)

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>General Fund</u>				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	96	8	11	879
Restricted	82	79	79	49
Unassigned	6,127	6,221	6,237	6,635
Total General Fund	<u>\$ 6,305</u>	<u>\$ 6,307</u>	<u>\$ 6,327</u>	<u>\$ 7,563</u>
<u>All Other Governmental Funds</u>				
Restricted	\$ 5,711	\$ 7,418	\$ 8,968	\$ 7,452
Nonspendable	35	1	1	-
Unassigned	(1,120)	(1,610)	(2,127)	(2,081)
<u>Unreserved, reported in:</u>				
Special Revenue Funds	-	-	-	-
Capital Project Funds	-	-	-	-
Debt Service Funds	-	-	-	-
Total All Other Governmental Funds	<u>\$ 4,626</u>	<u>\$ 5,809</u>	<u>\$ 6,843</u>	<u>\$ 5,371</u>

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

2015	2016	2017	2018	2019	2020
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
874	874	1,354	703	715	768
31	31	53	77	45	269
<u>8,526</u>	<u>9,568</u>	<u>10,048</u>	<u>10,731</u>	<u>11,647</u>	<u>15,423</u>
<u>\$ 9,431</u>	<u>\$ 10,473</u>	<u>\$ 11,455</u>	<u>\$ 11,511</u>	<u>\$ 12,407</u>	<u>\$ 16,461</u>
\$ 5,445	\$ 5,393	\$ 5,864	\$ 6,942	10,019	7,424
20	-	-	13	1	1
(1,952)	(1,732)	(1,577)	(1,689)	(1,791)	(1,782)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 3,513</u>	<u>\$ 3,661</u>	<u>\$ 4,287</u>	<u>\$ 5,265</u>	<u>\$ 8,229</u>	<u>\$ 5,643</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>Revenues</u>				
City tax revenue	\$ 10,874	\$ 10,859	\$ 11,028	\$ 11,569
Intergovernmental	14,386	14,246	16,359	15,230
Charges for services	2,193	2,133	2,147	2,482
Special assessments	6,262	5,893	5,076	4,131
Licenses and permits	395	461	469	570
Fines and forfeitures	670	912	972	1,011
Rents	45	34	34	41
Interest income	32	23	20	12
Other revenue	1,743	614	624	668
Total Revenues	36,600	35,174	36,729	35,715
<u>Expenditures</u>				
General government	7,637	3,580	7,746	8,876
Public safety	11,360	11,191	12,300	12,557
Culture and recreation	2,022	2,844	3,532	3,549
Economic development	339	149	155	115
Redevelopment and housing	533	457	332	167
Highways and streets	3,043	6,924	2,661	2,808
Health and welfare	-	-	-	-
Debt service:				
Principal	10,445	5,365	5,351	4,497
Interest and fiscal charges	2,039	1,606	1,374	1,044
Bond Issuance Costs	-	-	-	-
Capital outlay	4,465	1,669	2,161	2,696
Total Expenditures	41,883	33,785	35,613	36,308
<u>Other Financing Sources (Uses)</u>				
Transfers in	2,406	2,004	1,918	1,732
Transfers out	(1,961)	(2,225)	(2,018)	(1,860)
Refunding Bonds Issued	-	-	-	-
Capital lease agreements	215	18	37	378
Proceeds from issuance of bonds	-	-	-	6,605
Payments to escrow agent	-	-	-	(6,531)
Sale of capital assets	-	-	-	33
Total Other Financing Sources and (Uses)	660	(204)	(63)	358
Net Change in Fund Balances	\$ (4,624)	\$ 1,185	\$ 1,053	\$ (236)
Debt Service as a Percentage of Noncapital Expenditures	33.4%	21.7%	20.1%	16.5%

	2015	2016	2017	2018	2019	2020
\$	12,005	\$ 12,859	\$ 13,601	\$ 14,318	\$ 15,078	\$ 16,089
	16,066	16,172	17,627	17,315	18,128	21,636
	2,640	2,724	2,863	2,302	2,561	2,923
	3,908	3,752	3,186	2,734	2,516	2,474
	654	635	617	724	905	987
	1,132	1,160	1,182	968	823	866
	44	55	67	75	83	57
	11	13	49	152	281	260
	484	1,085	1,060	358	840	346
	36,944	38,455	40,251	38,945	41,215	45,638
	8,327	9,319	9,683	10,440	10,041	11,610
	12,562	11,522	11,633	12,935	13,287	14,198
	3,834	3,660	3,971	3,166	3,103	3,429
	124	77	342	101	97	96
	410	420	676	172	368	249
	3,038	4,085	2,695	3,611	3,737	3,547
	-	919	869	870	885	918
	4,508	4,895	3,877	3,943	4,197	4,304
	946	741	620	610	618	538
	-	54	-	267	76	-
	2,978	2,320	4,113	4,324	3,488	4,447
	36,727	38,012	38,480	40,438	39,896	43,336
	1,714	4,359	4,974	4,996	5,036	6,961
	(1,931)	(4,570)	(5,151)	(5,702)	(5,747)	(7,854)
	-	2,712	-	-	-	-
	8	57	-	-	-	-
	-	1,510	-	3,230	3,124	-
	-	(2,623)	-	-	-	-
	3	78	13	3	127	60
	(206)	1,524	(164)	2,528	2,540	(834)
\$	11	\$ 1,967	\$ 1,607	\$ 1,035	\$ 3,859	\$ 1,468
	16.2%	15.9%	12.7%	13.6%	13.2%	12.5%

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Sales	\$ 10,262	\$ 10,164	\$ 10,299	\$ 10,821
Transient Occupancy	73	75	71	71
Franchise	539	621	659	677
Motor Fuel	3,135	2,794	3,074	3,186
Totals	<u>\$ 14,009</u>	<u>\$ 13,653</u>	<u>\$ 14,102</u>	<u>\$ 14,755</u>

	2015	2016	2017	2018	2019	2020
\$	11,284	\$ 12,078	\$ 12,792	\$ 13,504	\$ 14,214	\$ 15,385
	34	75	75	74	121	174
	687	707	734	739	744	529
	3,416	3,553	3,673	3,788	4,014	4,144
\$	15,421	\$ 16,412	\$ 17,274	\$ 18,105	\$ 19,092	\$ 20,233

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Sales	\$ 10,262	\$ 10,164	\$ 10,299	\$ 10,821
Franchise	539	621	659	677
Bed Tax	73	75	71	71
Totals	<u>\$ 10,874</u>	<u>\$ 10,859</u>	<u>\$ 11,028</u>	<u>\$ 11,569</u>

Source: City of Bullhead City Finance Department

	2015	2016	2017	2018	2019	2020
\$	11,284	\$ 12,078	\$ 12,792	\$ 13,504	\$ 14,214	\$ 15,385
	687	707	734	739	744	529
	34	75	75	74	121	174
\$	12,005	\$ 12,859	\$ 13,601	\$ 14,318	\$ 15,078	\$ 16,089

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Communications and utilities	\$ 64,797	\$ 65,252	\$ 69,953	\$ 66,996
Transportation and warehousing	-	-	-	-
Construction	30,969	24,455	24,617	30,249
Manufacturing	-	-	-	-
Wholesale trade	-	-	-	-
Retail trade	306,000	306,308	312,112	318,683
Finance and insurance	-	-	-	-
Real estate, rental and leasing	38,344	37,177	39,092	37,300
Restaurant and bar	40,231	43,945	43,705	54,417
Accommodation	-	-	-	-
Public administration	-	-	-	-
Services	-	-	-	-
Arts and entertainment	-	-	-	-
Hotel/Motel	2,396	2,166	2,183	2,253
Publication	3,548	2,857	2,890	2,536
Use tax	18,688	15,457	14,360	20,737
Other	4,240	6,435	3,388	3,550
Total	<u><u>\$ 509,214</u></u>	<u><u>\$ 504,051</u></u>	<u><u>\$ 512,299</u></u>	<u><u>\$ 536,721</u></u>
City Transaction Privilege Rate	2.00%	2.00%	2.00%	2.00%

Sources: Arizona Department of Revenue/Revenue Discover Systems

	2015	2016	2017	2018	2019	2020
\$	67,424	\$ 67,264	\$ 64,964	\$ 66,684	\$ 65,490	\$ 67,415
	-	108	20	-	-	-
	34,039	31,327	28,444	48,575	54,585	58,371
	-	-	-	-	-	-
	-	-	-	-	-	-
	347,782	372,050	403,935	403,006	408,527	471,667
	-	-	-	-	-	-
	37,624	41,847	38,978	41,662	42,174	42,919
	49,146	58,130	61,907	68,460	74,074	74,184
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	1,765	1,782	2,430	2,141	-
	2,185	2,537	3,247	4,011	4,690	5,976
	-	648	1,167	1,108	1,563	1,218
	-	22,097	29,833	35,773	41,567	42,187
	25,817	5,973	5,303	3,507	15,922	5,338
\$	564,017	\$ 603,746	\$ 639,580	\$ 675,215	\$ 710,733	\$ 769,275
	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

Privilege (Sales) Tax Rates				Use Tax Rates			
Fiscal Year	City Direct	County Rate	State Rate	Fiscal Year	City Direct	County Rate	State Rate
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 ^b	2.00%	0.25%	5.60%	2013 ^b	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%
2020	2.00%	0.25%	5.60%	2020	2.00%	0.00%	5.60%

Transient Occupancy Tax Rates				Jet Fuel Tax Rates (cents per gallon)			
Fiscal Year	City Direct	County Rate	State Rate	Fiscal Year	City Direct	County Rate	State Rate
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 ^b	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
2020	3.00%	0.18%	5.60%	2020	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

	Fiscal Year 2020			
	Number of Filers	Percentage of Total	Tax Revenue	Percentage of Total
Communications and Utilities	64	1.90%	1,348,302	8.76%
Construction	180	5.35%	1,167,427	7.59%
Retail Trade	1,825	54.23%	9,433,340	61.31%
Real Estate, Rental & Leasing	408	12.12%	858,375	5.58%
Restaurant and Bar	91	2.70%	1,483,680	9.64%
Hotel/Motel	26	0.77%	119,520	0.78%
Publication	13	0.39%	24,366	0.16%
Use Tax	733	21.78%	843,734	5.48%
Other	25	0.74%	106,755	0.69%
Total	3,365	100.00%	15,385,499	100.00%

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.

Fiscal Year 2011

Number of Filers	Percentage of Total	Tax Revenue	Percentage of Total
79	3.06%	1,295,942	12.72%
506	19.60%	619,373	6.08%
973	37.70%	6,120,008	60.09%
402	15.58%	766,885	7.53%
76	2.94%	804,617	7.90%
22	0.85%	47,915	0.47%
13	0.50%	70,959	0.70%
401	15.54%	373,764	3.67%
109	4.22%	84,807	0.83%
<u>2,581</u>	<u>100.00%</u>	<u>\$ 10,184,270</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
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
2020	P	274,492,458	2,622,851,566	11,476,090	106,534,602	19,948,642	104,439,190
	S	330,159,589	3,182,167,459	11,818,581	109,822,810	19,948,642	104,439,190

Source: Mohave County Assessor's Office

Total			Ratio of Total Assessed Value to Total Estimated Actual Value
Net Assessed Value	Estimated Actual Value	Direct Tax Rate	Estimated Actual Value
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	
305,917,190	2,833,825,358	0.0000	10.80%
361,926,812	3,396,429,459	0.0000	

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental Activities				
Special Assessment Bonds	\$ 1,885	\$ 975	\$ -	\$ -
Revenue Bonds (1)	14,575	13,527	12,433	11,910
Notes Payable	32,773	29,603	26,432	23,262
Capital Leases	448	225	116	400
Claims and judgments	350	75	64	-
Net Pension Liabilities	-	-	-	-
Compensated absences	2,250	2,318	2,389	2,561
Total Governmental Activities	<u>52,281</u>	<u>46,723</u>	<u>41,434</u>	<u>38,133</u>
Business-Type Activities				
Revenue Bonds (2)	32,192	29,426	26,743	29,929
Capital Leases	-	-	-	484
Compensated absences	324	371	271	416
Total Business-Type Activities	<u>32,516</u>	<u>29,797</u>	<u>27,014</u>	<u>30,829</u>
Total Primary Government	<u>\$ 84,797</u>	<u>\$ 76,519</u>	<u>\$ 68,448</u>	<u>\$ 68,961</u>
Percentage of Personal Income*	<u>0.01%</u>	<u>0.01%</u>	<u>0.01%</u>	<u>0.01%</u>
Per Capita*	<u>\$ 2.14</u>	<u>\$ 1.94</u>	<u>\$ 1.73</u>	<u>\$ 1.75</u>

income and population data.

(1) Net of related premium

(2) Net of deferred amounts

2015	2016	2017	2018	2019	2020
\$ -	\$ -	\$ -	\$ 3,230	\$ 3,230	\$ 3,130
10,667	10,732	9,144	7,549	8,992	6,979
20,092	16,944	14,762	12,580	10,398	8,216
297	158	80	-	-	-
-	-	-	-	-	-
17,647	18,314	23,929	26,210	27,614	29,315
2,481	2,591	3,070	2,623	2,832	2,598
<u>51,185</u>	<u>48,741</u>	<u>50,986</u>	<u>52,192</u>	<u>53,067</u>	<u>50,239</u>
26,850	23,512	20,771	18,104	16,200	17,190
365	247	125	243	211	179
458	491	532	382	375	414
<u>27,673</u>	<u>24,249</u>	<u>21,428</u>	<u>18,347</u>	<u>16,786</u>	<u>17,783</u>
<u>\$ 78,857</u>	<u>\$ 72,990</u>	<u>\$ 72,413</u>	<u>\$ 41,706</u>	<u>\$ 69,853</u>	<u>\$ 68,022</u>
<u>0.01%</u>	<u>0.01%</u>	<u>0.01%</u>	<u>0.00%</u>	<u>0.01%</u>	<u>0.01%</u>
<u>\$ 1.97</u>	<u>\$ 1.82</u>	<u>\$ 1.81</u>	<u>\$ 1.04</u>	<u>\$ 1.74</u>	<u>\$ 1.65</u>



City of Bullhead City, Arizona
Table 12
Direct and Overlapping Governmental Activities Debt
As of June 30, 2020

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
State of Arizona	\$ -	0.46%	\$ -
Mohave County	-	16.00%	-
Mohave County Community College District	-	16.00%	-
Bullhead City Fire District	9,000,000	99.54%	8,958,466
Western AZ Vocation Ed District	-	16.17%	-
Colorado River Union High School District No. 2	29,670,000	57.35%	17,016,660
Bullhead City Elementary School District No. 15	-	98.04%	-
Subtotal, overlapping debt	<u>38,670,000</u>		<u>25,975,126</u>
City direct debt	<u>-</u>	<u>100.00%</u>	<u>-</u>
Total direct and overlapping debt	<u>\$ 38,670,000</u>		<u>\$ 25,975,126</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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>20% Limitation (1)</u>				
Debt limit Equal to 20% of Secondary Assessed Valuation	\$ 59,442,262	\$ 54,487,549	\$ 54,199,482	\$ 52,927,374
Total net debt applicable to 20% limit	-	-	-	-
Legal 20% debt margin (Available Borrowing Capacity)	<u>\$ 59,442,262</u>	<u>\$ 54,487,549</u>	<u>\$ 54,199,482</u>	<u>\$ 52,927,374</u>
Total net debt applicable to 20% limit as a percentage of 20% debt limit	0.00%	0.00%	0.00%	0.00%
<u>6% Limitation (2)</u>				
Debt limit Equal to 6% of Secondary Assessed Valuation	\$ 17,832,679	\$ 16,346,265	\$ 16,259,845	\$ 15,878,212
Total net debt applicable to 6% limit	-	-	-	-
Legal 6% debt margin (Available Borrowing Capacity)	<u>\$ 17,832,679</u>	<u>\$ 16,346,265</u>	<u>\$ 16,259,845</u>	<u>\$ 15,878,212</u>
Total net debt applicable to 6% limit as a percentage of 6% debt limit	0.00%	0.00%	0.00%	0.00%

(1) Additional bonds amounting to 20% of the assessed valuation of taxable property can be issued for 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.

2015	2016	2017	2018	2019	2020
\$ 57,676,616	\$ 63,893,441	\$ 66,461,726	\$ 69,796,818	\$ 69,796,818	\$ 78,048,273
-	-	-	-	-	
<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>	<u>\$ 78,048,273</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
\$ 17,302,985	\$ 19,168,032	\$ 19,938,518	\$ 20,939,045	\$ 20,939,045	\$ 23,414,482
-	-	-	-		
<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>	<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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Municipal Property Corporation Bonds				
Excise Taxes	\$ 21,902,438	\$ 21,643,307	\$ 22,758,705	\$ 24,198,716
Debt Service				
Principal	3,625,000	3,755,000	3,885,000	3,110,000
Interest	1,978,823	1,851,323	1,713,473	1,587,325
Coverage	3.91	3.86	4.07	5.15

Includes debt service payments paid out of revenue from the Wastewater

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

2015	2016	2017	2018	2019	2020
\$ 25,398,021	\$ 26,534,754	\$ 27,519,938	\$ 29,104,729	\$ 30,759,523	\$ 32,537,167
3,195,000 849,382	3,670,000 563,788	3,719,000 512,798	2,287,000 443,248	2,365,000 376,114	1,747,000 98,531
6.28	6.27	6.50	10.66	11.22	17.63

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

Fiscal Year	Population(1)	Personal Income (in thousands)	Per Capita Personal Income (2)	Median Age (3)	School Enrollment (4)	Unemployment Rate (5)
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%
2020	41,193	983,854	23,884	52.0	5,549	8.96%

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	2020			2011		
	Employees	Rank	Percentage of Total City Employment*	Employees	Rank	Percentage of Total City Employment*
Western Arizona Regional Medical Center	579	1	3.72%	700	1	3.20%
Wal-Mart	371	2	2.38%	349	4	1.60%
Bullhead City Elementary School District #15	312	3	2.01%	435	2	1.99%
City of Bullhead City	289	4	1.86%	378	3	1.73%
DOT Foods	244	5	1.57%	104	10	0.48%
Colorado River Union High School District	212	6	1.36%			
Safeway	210	7	1.35%	270	5	1.24%
Sam's Club	150	8	0.96%	95	11	0.43%
Lowe's	140	9	0.90%	174	6	0.80%
Home Depot	130	10	0.84%	114	8	0.52%
Silver Ridge Village	115	11	0.74%	131	7	0.60%
Kohl's	110	12	0.71%			0.00%
Arizona Pipeline	100	13	0.64%	90	12	
Mohave Electric Cooperative	82	14	0.53%	86	13	0.39%
Target	80	15	0.51%	82	14	0.38%
Smith's Food & Drug #191	76	16	0.49%			
News West Publishing	48	17	0.31%	112	9	0.51%
Kmart Discount Department Store	0			35	15	0.16%
Total	3,248		20.88%	3,155		14.03%

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

<u>Function</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Government	107.60	99.50	99.50	100.50
Public Safety	127.50	126.50	125.50	125.50
Highways and Streets	20.00	19.00	19.00	19.00
Culture and Recreation	17.00	20.00	17.00	18.00
Redevelopment and housing	2.00	2.00	1.00	1.00
Wastewater Operations	18.00	18.00	18.00	19.00
	<u>292.10</u>	<u>285.00</u>	<u>280.00</u>	<u>283.00</u>

Source: City of Bullhead City Finance Department.

2015	2016	2017	2018	2019	2020
101.50	100.90	106.50	109.50	105.50	106.50
124.50	124.50	118.00	114.00	114.00	115.00
19.00	19.00	19.00	19.00	21.00	21.00
19.00	20.00	21.00	21.00	22.00	22.00
1.00	1.00	1.00	1.00	1.00	1.00
20.00	20.00	20.00	20.00	19.00	19.00
285.00	285.40	285.50	284.50	282.50	284.50

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

Function	2011	2012	2013	2014
Police				
Number of Sworn Officers	83	83	83	82
Number of Events Responded To	44,891	42,049	41,043	39,667
Number of Criminal Arrests	2,827	2,376	2,428	2,727
Number of Traffic Citations	5,328	4,431	4,459	3,486
Financial Services				
Accounts Payable Checks Issued	6,381	6,233	5,645	5,718
Accounts Payable EFTs Issued	2,706	2,320	1,781	3,022
Purchase Orders Issued	3,914	3,538	3,264	3,108
Payroll Checks/Direct Deposits Issued ¹	4,606	10,407	10,106	10,248
Customer Contacts (Utilities, Assessments & Licensing)	61,842	62,460	63,085	62,833
Number of Utility Bills mailed	222,141	222,791	223,276	223,536
Number of Cashier Transactions	180,255	181,455	190,736	183,278
Transit				
Total Transit Ridership	139,255	160,055	163,321	171,958
Miles Driven	278,380	281,274	267,105	258,581
Wastewater Operations				
Number of Service Connections	18,582	18,595	18,614	18,700
Sewage Treated (million gallons per day)	2.39	3.06	3.03	2.80
General				
Building Permits Issued	911	924	901	1,184
Building Inspections Conducted	5,808	5,686	5,266	7,394
Plan Reviews (Hours) ²	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

2015	2016	2017	2018	2019	2020
82	82	76	71	71	71
39,247	36,271	45,312	48,407	44,805	22,204
2,652	2,513	1,988	2,408	2,154	682
5,094	4,421	5,612	4,298	3,660	1,631
6,038	5,810	5,886	5,997	5,297	4,960
3,291	3,534	3,100	2,221	2,480	2,603
3,220	3,177	3,273	3,271	3,984	4,166
10,351	10,470	10,885	10,925	10,760	10,777
62,598	62,125	60,725	62,846	70,032	63,432
223,572	223,704	224,376	229,224	226,110	228,996
174,041	168,386	157,440	159,056	160,657	160,412
181,470	180,776	179,300	171,034	165,622	133,049
289,408	272,401	293,300	290,937	304,646	297,664
18,779	18,642	18,687	19,102	18,843	19,083
2.99	3.20	3.27	3.42	3.53	3.30
1,480	1,484	1,506	1,447	1,476	1,371
8,669	9,704	10,850	9,254	10,303	10,001
**	**	**	**	**	**

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

Function	2011	2012	2013	2014
<u>Public Safety</u>				
Police Stations	1	1	1	1
Police Vehicles	77	77	77	77
<u>Highways and Streets</u>				
Equivalent 12' Wide Lane Miles	321	321	321	321
Streetlights	2,959	2,959	2,984	2,984
Traffic Signals	9	9	9	9
<u>Culture and Recreation</u>				
Parks*	5	5	7	7
Parks Acreage*	286	286	793	793
Swimming Pools	1	1	1	1
Community Centers	1	1	1	1

Source: City of Bullhead City departments.

* Includes undeveloped parks/acreage

2015	2016	2017	2018	2019	2020
1 71	1 72	1 67	1 74	1 76	1 72
321 2,984 9	321 2,984 9	700 2,984 10	706 3105 10	710 3105 23	710 3130 32
7 793 1 1	7 793 1 1	7 710 1 1	8 1008 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>2020</u>	<u>% of Total</u>
Retail Trade	\$ 9,433,340	61%
Communication & Utilities	1,348,302	9%
Restaurant & Bar	1,483,680	10%
Real Estate, Rental & Leasing	858,375	6%
Construction	1,167,427	8%
Use Tax	843,734	5%
Other	106,755	1%
Publication	24,366	0%
Accommodation	119,520	1%
 Total	 <u>\$ 15,385,499</u>	 <u>100%</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
City Sales Tax	\$ 10,262,368	\$ 10,163,746	\$ 10,298,558	\$ 10,820,754
Franchise Tax	538,575	620,742	658,933	677,342
Bed Tax	73,122	74,565	70,694	70,717
License & Permit Fees	395,454	460,681	469,137	569,845
State Sales Tax	2,951,963	3,102,234	3,246,195	3,447,161
State Income Tax	3,719,085	3,337,205	4,038,926	4,407,235
Auto Lieu Tax	1,872,459	1,849,936	1,831,829	1,901,827
Grant	-	1,424	9,432	16,119
Charges for Services	1,381,019	1,043,171	942,237	1,108,194
Fines & Forfeitures	552,407	840,522	911,330	943,681
Miscellaneous	155,994	120,343	261,908	235,841
Total	<u><u>\$ 21,902,446</u></u>	<u><u>\$ 21,614,569</u></u>	<u><u>\$ 22,739,179</u></u>	<u><u>\$ 24,198,716</u></u>

2015	2016	2017	2018	2019	2020
\$ 11,283,690	\$ 12,077,531	\$ 12,791,595	\$ 13,504,303	\$ 14,213,668	\$ 15,385,499
686,850	706,887	733,892	739,185	743,605	529,113
34,423	74,792	75,076	74,450	120,737	174,397
654,066	634,701	616,791	723,505	905,073	987,089
3,628,735	3,728,320	3,614,505	3,841,727	4,050,177	4,179,103
4,786,562	4,760,611	4,825,811	4,950,665	4,874,512	5,227,021
2,018,654	2,157,406	2,295,131	2,530,005	2,672,200	2,670,036
3,881	-	-	-	-	-
1,073,402	1,089,669	1,122,815	1,514,739	1,826,370	2,166,191
1,032,101	1,030,481	1,057,371	868,108	744,531	794,619
195,657	274,356	386,951	358,042	608,647	424,099
\$ 25,398,021	\$ 26,534,754	\$ 27,519,938	\$ 29,104,729	\$ 30,759,520	\$ 32,537,167

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
2020/21	\$ 53,798,690	(b)	(b)	\$ 25,752,079	47.87%
2019/20	51,364,427	49,774,474	96.90%	48,104,750	93.65%
2018/19	49,078,097	47,276,000	96.33%	48,104,750	98.02%
2017/18	47,076,774	45,407,716	96.45%	46,831,570	99.48%
2016/17	44,874,743	43,059,220	95.95%	44,675,997	99.56%
2015/16	44,159,991	42,194,482	95.55%	43,958,481	99.54%
2014/15	43,881,843	41,825,230	95.31%	43,690,308	99.56%
2013/14	45,481,685	42,925,077	94.38%	45,258,649	99.51%
2012/13	46,113,418	44,492,562	96.49%	45,882,666	99.50%

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

(b) 2019/20 taxes are in course of collection:
 First installment due 10-1-19; delinquent 11-1-19
 Second installment due 03-01-20; delinquent 05-01-20

Compliance Section



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, 2020, 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 16, 2020.

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) as a basis for designing 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, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a material weakness.

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 financial statements. 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Bullhead City's Response to Findings

City of Bullhead City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. City of Bullhead City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 16, 2020



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, 2020. 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, 2020.

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 16, 2020

CITY OF BULLHEAD CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2020

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Cluster Title	Pass-Through Grantor	Pass-Through Entity Identifying Number	Total Federal Expenditures
Department of Justice:					
2018 Bulletproof Vest Partnership Program	16.607				\$ 8,394
2020 Crime Victim Assistance	16.575		State of Arizona Public Safety	2018-255	123,534
Drug Court Discretionary Grant Program: Veteran's Court	16.585				83,759
Total Department of Justice					<u>215,687</u>
Department of Housing and Urban Development					
2017 Home Investment Partnerships Program	14.239		State of Arizona Department of Commerce	300-18	30,557
2018 Home Investment Partnerships Program	14.239		State of Arizona Department of Commerce	300-19	62,654
Total 14.239					<u>93,211</u>
Community Development Block Grants/Entitlement Grants	14.218	Entitlement Grants Cluster	State of Arizona Department of Commerce	125-18 and 106-20	<u>534,318</u>
Total Department of Housing and Urban Development					<u>627,529</u>
Department of Transportation					
State and Community Highway Safety	20.600	Highway Safety Cluster	State of Arizona Governor's Office of Highway Safety	2018-PTS-007	3,000
State and Community Highway Safety	20.600	Highway Safety Cluster	State of Arizona Governor's Office of Highway Safety	2019-PTS-005	2,944
Total Highway Safety Cluster					<u>5,944</u>
Formula Grants for Rural Areas and Tribal Transit Program	20.509		State of Arizona Department of Transportation	GRT18-0007091T	<u>685,379</u>
Highway Planning and Construction	20.205	Highway Planning and Construction Cluster	State of Arizona Department of Transportation	GRT18-0007091T	<u>353,632</u>
Total Department of Transportation					<u>1,044,955</u>

See accompanying notes to schedule of expenditures of federal awards.

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Cluster Title	Pass-Through Grantor	Pass- Through Entity Identifying Number	Total Federal Expenditures
Department of Health & Human Services					
Special Programs for the Aging_Title III Part C_Nutrition Services	93.045	Aging Cluster	Western Arizona Council of Governments	E860494205-401-01-17	\$ 153,741
Social Services Block Grant	93.667		Western Arizona Council of Governments	E860494205-401-01-17	15,112
Total Department of Health & Human Services					<u>168,853</u>
Department of the Treasury					
COVID-19 Coronavirus Relief Fund	21.019		State of Arizona Governor's Office		1,877,500 *
Total Expenditures of Federal Awards					<u>\$ 3,934,524</u>

* Denotes major program

CITY OF BULLHEAD CITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2020

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, 2020. 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, 2020

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:

COVID-19 Coronavirus Relief Fund

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
21.019	COVID-19 Coronavirus Relief Fund

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, 2020

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

FINDING: 2020-001 – FINANCIAL STATEMENT CLOSING PROCESS

CRITERIA

The City must perform and review all year-end closing entries to ensure amounts included in the financial statements are presented in accordance with Generally Accepted Accounting Principles. (GAAP).

CONDITION/CONTEXT

Year-end closing entries related to accounts payables and capital expenditures, grants accounts receivables and revenues, and special assessments receivables, revenues, and deferred revenues were not accurately recorded indicating closing procedures were not properly followed.

EFFECT

Material audit adjustments were required to properly state accounts payables, capital outlay expense, grants accounts receivables, grant revenues, special assessments receivables, special assessments revenue, and special assessments deferred revenue.

CAUSE

Proper review procedures over year-end entries were not properly performed.

RECOMMENDATION

We recommend the City review all year end entries to ensure amounts included in the financial statements are presented accurately and in accordance with GAAP.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTION PLAN

We concur with the finding. See Corrective Action Plan.

SECTION III – FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

None noted.

City of Bullhead City
Finance Department
P.O. Box 23189
Bullhead City, AZ 86439-3189



The City of Bullhead City respectfully submits the following corrective action plan for the year ended June 30, 2020.

Henry & Horne, LLP
2055 E. Warner Rd., Suite 101
Tempe, AZ 85284
Audit period: June 30, 2020

The finding from the June 30, 2020 schedule of findings and questioned costs is discussed below. The finding is numbered consistently with the number assigned in the schedule.

FINDING – INTERNAL CONTROL

MATERIAL WEAKNESS

FINDING 2020-001 FINANCIAL STATEMENT CLOSING PROCESS

Recommendation: We recommend the City review all year end entries to ensure amounts included in the financial statements are presented accurately and in accordance with GAAP.

Action Taken:

The City has added another approval layer to year-end processing to ensure accruals are recorded to proper period.

Sincerely,

Rudy Vera,
Finance Director