

CITY OF BULLHEAD CITY, ARIZONA



ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021



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 22, 2021

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, 2021 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, 2021 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.

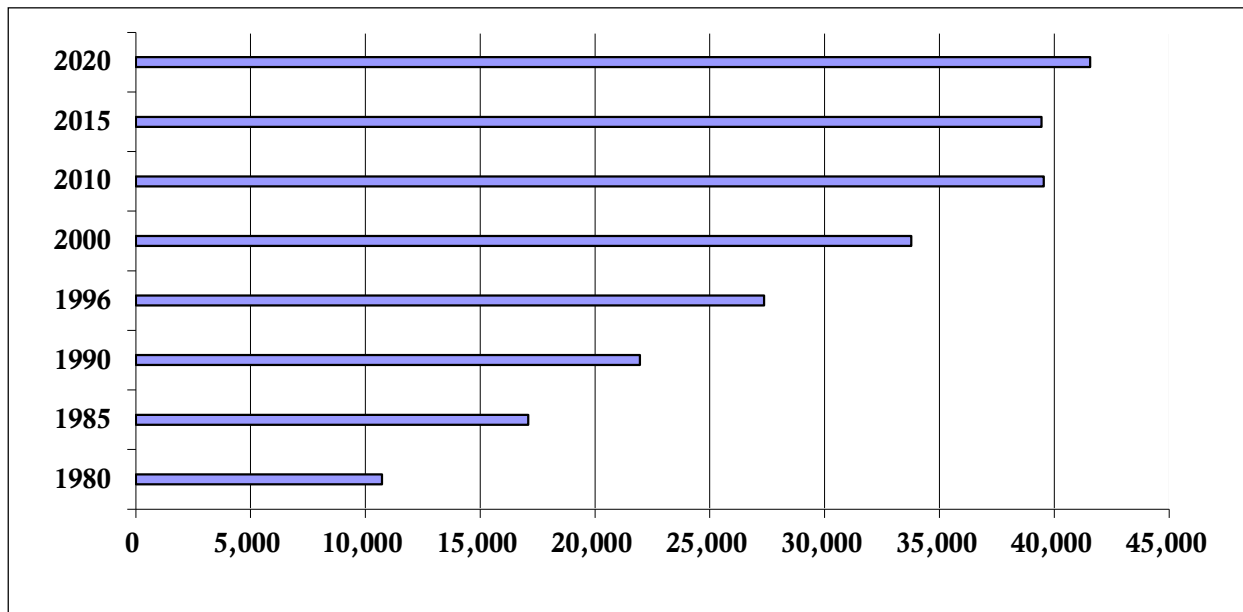
In 1945 Bullhead City was the headquarters for the construction of Davis Dam. The city name was derived from its proximity to Bullhead Rock, now largely concealed by Lake Mohave.

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.

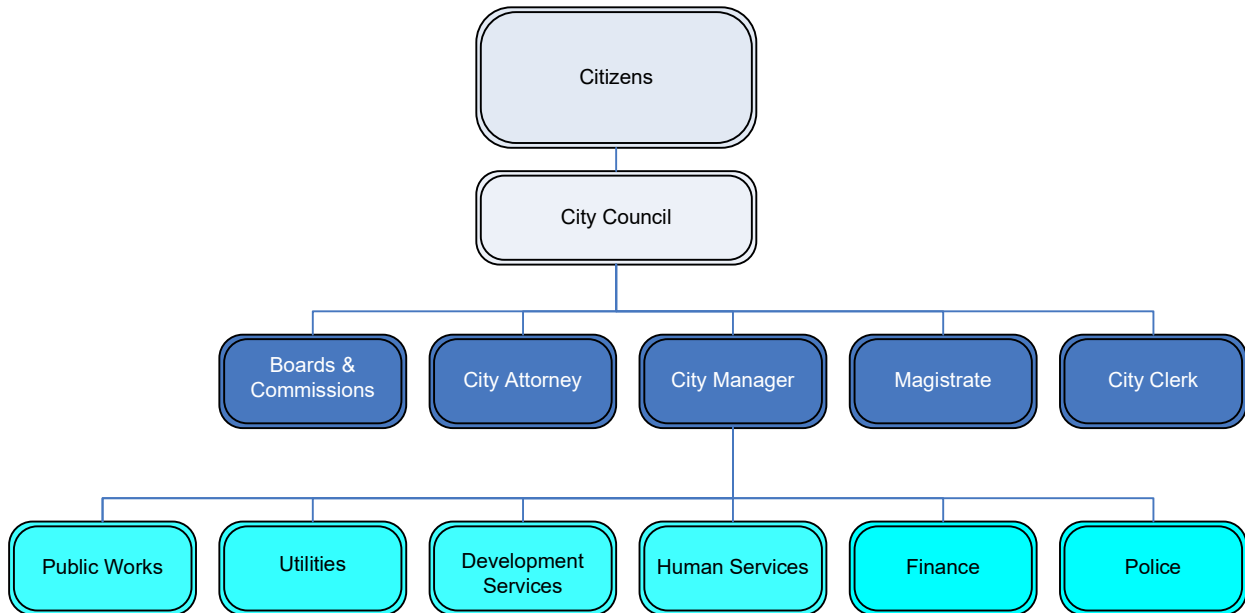
The following graph illustrates the population growth from 1980 and projected until 2020.

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
2020 DES Estimate	41,573



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 5,000 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 1.3 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 8,635 rooms with an average occupancy rate of 54%.

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. New business coming to the area soon include Popeye's Chicken, Jimmy Johns, Rosati's Pizza, Dunkin Donuts and Church's Chicken.

Recently opened businesses include: Dairy Queen, Jersey Mike's Subs, Aspen Dental and Surf Thru Express Car Wash. The Holiday Inn Express is days away from opening.

More than 402 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 21 increased by 62% or 154 permits compared to the prior year.

The City's sales tax revenues increased 22% over last year collections. Revenue from the contracting tax classification has increased by 10%, and the retail tax classification has increased by 26% 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.

RELEVANT FINANCIAL POLICIES

The City of Bullhead City has adopted a comprehensive set of financial policies. During the current year, some of the policies were especially relevant. The city revenue policy is to estimate annual revenues by an objective and analytical process. With the nation-wide pandemic still ongoing, we budgeted the general fund revenues estimates with a conservative approach. However, the actual city sales tax revenues were 22% higher than budgeted estimates. As a result, the excess tax revenue was \$3.7 million and increased the city's overall general fund balance. Bullhead City has annual balanced budget policy that estimated revenues must equal appropriations. Due to the city's prudent approach of expenditures and pandemic impact on procuring goods and services, the city's actual expenditures were \$2.7 million less than appropriations.

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 \$29,054,675 invested at June 30, 2021. The average yield for fiscal year 2021 was 0.12%. 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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

CITY OF BULLHEAD CITY, ARIZONA



List of Principal Officials

City Council

Tom Brady, Mayor

Steve D'Amico, Vice Mayor

Norma Brummett, Council Member

John Mieding, Council Member

Annette Wegmann, Council Member

Dr. Waheed Zehri, Council Member

City Manager

Toby Cotter

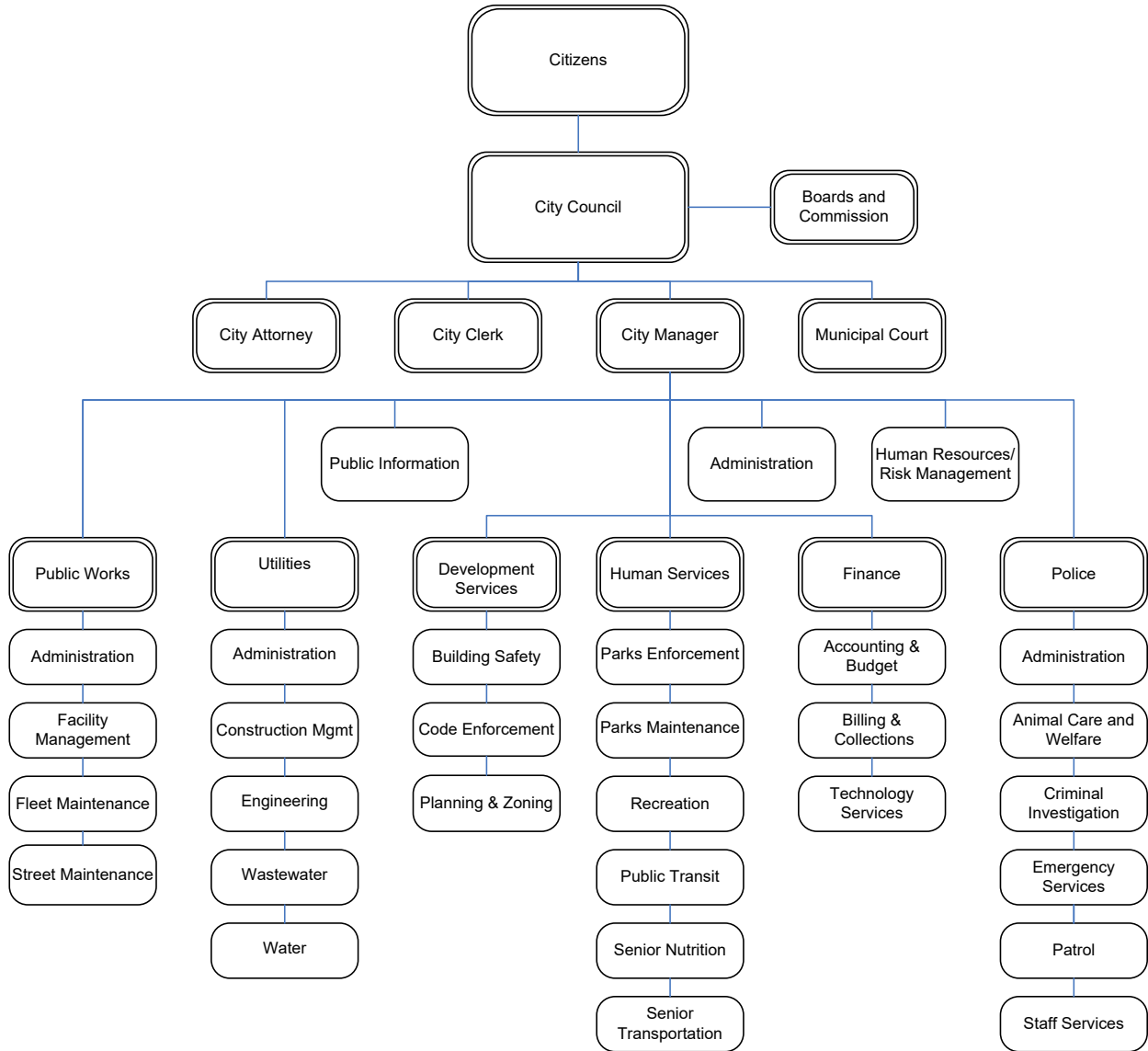
Finance Director

Rudy Vera



INTRODUCTION

ORGANIZATIONAL CHART





Financial Section



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Bullhead City, Arizona (the City), as of and for the year ended June 30, 2021, 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

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

In connection with our audit, nothing came to our attention that caused us to believe that the City of Bullhead City, Arizona failed to use highway user revenue fund monies received by the Town 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 22, 2021 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 22, 2021



Financial Section

Management's Discussion & Analysis



**CITY OF BULLHEAD CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2021**

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, 2021. 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 2021 by \$135,569,939 (net position). Of this amount, Net investment of capital assets was \$120,492,420; restricted net position was \$7,398,536 and \$7,678,983 represents unrestricted net position.
- Bullhead City's total net position increased in fiscal year 2021 \$3,019,663 or 2.3%.
- At the end of fiscal year 2021, Bullhead City's governmental funds reported combined fund balances of \$28,302,008, an increase of \$6,198,254 in comparison to the prior fiscal year. Approximately 79% of this amount (\$22,406,242) is available for spending at the city's discretion (unassigned fund balance).
- At the end of fiscal year 2021, unassigned fund balance for the General Fund is \$24,169,672 or 87% of total general fund expenditures.
- Bullhead City's total outstanding long-term liabilities increased by \$1,140,755 or 1.7% during fiscal year 2021.

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 \$135,569,939 at the close of fiscal year 2021.

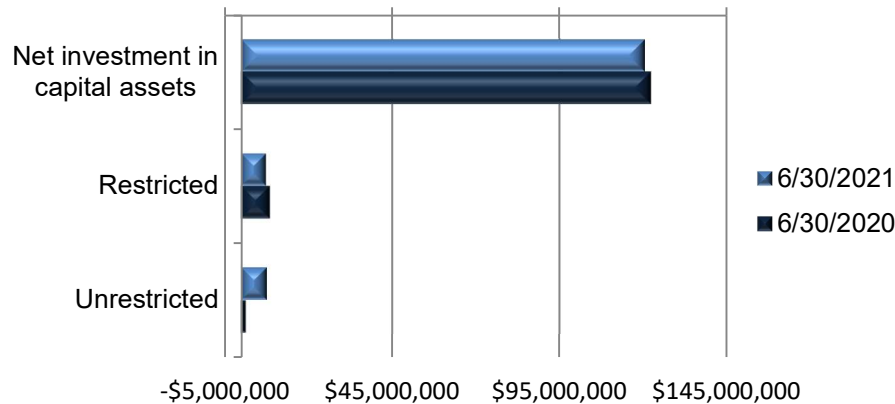
Net position of the City represents the difference between the City's resources and its obligations. As of June 30, 2021, the largest portion of the City's total net position approximately 89% reflects the investment in capital assets, (e.g., land, buildings, machinery, equipment, vehicles and infrastructure) 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 \$7,398,536 represents amounts that are to be used in accordance with external restrictions. The remaining balance of \$7,678,983 is unrestricted.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/2021	6/30/2020	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Current and other assets	44,567,678	\$ 40,514,610	\$ 7,116,511	\$ 6,719,155	\$ 51,684,189	\$ 47,233,765
Capital assets	50,419,853	49,663,896	103,545,465	106,657,247	\$ 153,965,318	\$ 156,321,143
Total assets	94,987,531	90,178,506	110,661,976	113,376,402	205,649,507	203,554,908
Total Deferred outflows of resources	7,025,591	5,673,341	296,762	356,115	7,322,353	6,029,456
Other liabilities	6,742,687	7,373,997	1,288,557	1,265,678	8,031,244	8,639,675
Long-term liabilities	53,662,332	50,239,025	15,508,953	17,782,800	69,171,285	68,021,825
Total liabilities	60,405,019	57,613,022	16,797,510	19,048,478	77,202,529	76,661,500
Total deferred inflows of resources	199,392	372,588	-	-	199,392	372,588
Net position:						
Net investment in capital assets	31,798,328	32,793,519	88,694,092	89,645,012	120,492,420	122,438,531
Restricted	4,992,729	6,262,470	2,405,807	2,386,257	7,398,536	8,648,727
Unrestricted	4,617,654	(1,189,752)	3,061,329	2,652,770	7,678,983	1,463,018
Total net position	\$ 41,408,711	\$ 37,866,237	\$ 94,161,228	\$ 94,684,039	\$ 135,569,939	\$ 132,550,276

**City of Bullhead City Net Position
June 30, 2020 and 2021**



The City's overall net position increased \$3,019,663 from the prior fiscal year. The following sections will discuss the reasons for the increase.

Governmental Activities

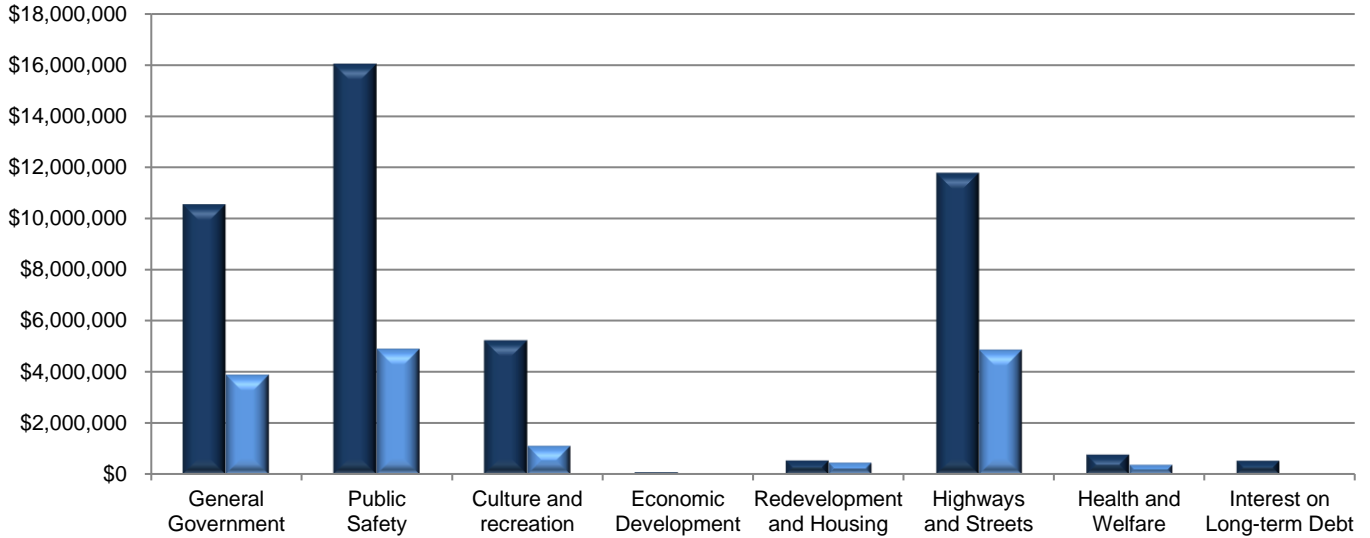
Bullhead City's net position for governmental activities increased \$3,542,474 from the prior fiscal year to an ending balance of \$41,408,711.

City of Bullhead City, Arizona Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/2021	6/30/2020	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Revenues:						
Program revenues:						
Charges for services	5,684,366	\$ 5,809,040	10,380,711	\$ 10,259,231	\$ 16,065,077	\$ 16,068,271
Operating grants and contributions	9,413,545	9,391,422	-	-	9,413,545	9,391,422
Capital grants and contributions	382,494	348,406	-	-	382,494	348,406
General revenues:						
City sales tax	19,051,440	15,559,896	-	-	19,051,440	15,559,896
State shared sales tax	4,850,196	4,179,103	-	-	4,850,196	4,179,103
Urban revenue sharing	5,842,895	5,227,021	-	-	5,842,895	5,227,021
Franchise tax	531,201	529,113	-	-	531,201	529,113
State shared vehicle license tax	3,409,076	2,670,036	-	-	3,409,076	2,670,036
Investment earnings	17,695	265,784	4,375	54,165	22,070	319,949
Total revenues	<u>49,182,908</u>	<u>43,979,821</u>	<u>10,385,086</u>	<u>10,313,396</u>	<u>59,567,994</u>	<u>54,293,217</u>
Expenses:						
Government activities:						
General government	10,552,209	9,018,427	-	-	10,552,209	9,018,427
Public safety	16,039,415	15,136,907	-	-	16,039,415	15,136,907
Culture and recreation	5,244,518	4,542,556	-	-	5,244,518	4,542,556
Economic development	76,173	80,143	-	-	76,173	80,143
Redevelopment and housing	538,697	290,448	-	-	538,697	290,448
Highways and streets	11,775,065	8,273,163	-	-	11,775,065	8,273,163
Health and welfare	775,326	917,880	-	-	775,326	917,880
Interest on long-term debt	530,291	529,581	-	-	530,291	529,581
Business-type activities						
Water	-	-	1,238,585	1,012,054	1,238,585	1,012,054
Wastewater	-	-	9,778,052	9,600,726	9,778,052	9,600,726
Total expenses	<u>45,531,694</u>	<u>38,789,105</u>	<u>11,016,637</u>	<u>10,612,780</u>	<u>56,548,331</u>	<u>49,401,885</u>
Change in net position before transfers	3,651,214	5,190,716	(631,551)	(299,384)	3,019,663	4,891,332
Transfers in (out)	(108,740)	(411,826)	108,740	411,826	-	-
Change in net position	<u>3,542,474</u>	<u>4,778,890</u>	<u>(522,811)</u>	<u>112,442</u>	<u>3,019,663</u>	<u>4,891,332</u>
Net position - beginning	<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>
Net position - ending	<u>\$ 41,408,711</u>	<u>\$ 37,866,237</u>	<u>\$ 94,161,228</u>	<u>\$ 94,684,039</u>	<u>\$135,569,939</u>	<u>\$132,550,276</u>

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

■ Expenses ■ Program revenue



Business-type Activities

Bullhead City’s business-type activities for fiscal year 2021 show that the overall net position decreased to an ending balance of \$94,161,228. The total decrease in net position for business-type activities was \$522,811 or (0.55%) from the prior fiscal year.

Revenue from business-type activities totaled \$10,385,086 compared to \$10,313,396 in FY 2020. This is an increase of 0.7% or \$71,690 from the prior fiscal year. Wastewater customer accounts billed in June 2020 were 19,083 and in June 2021 there were 19,299 customer accounts billed.

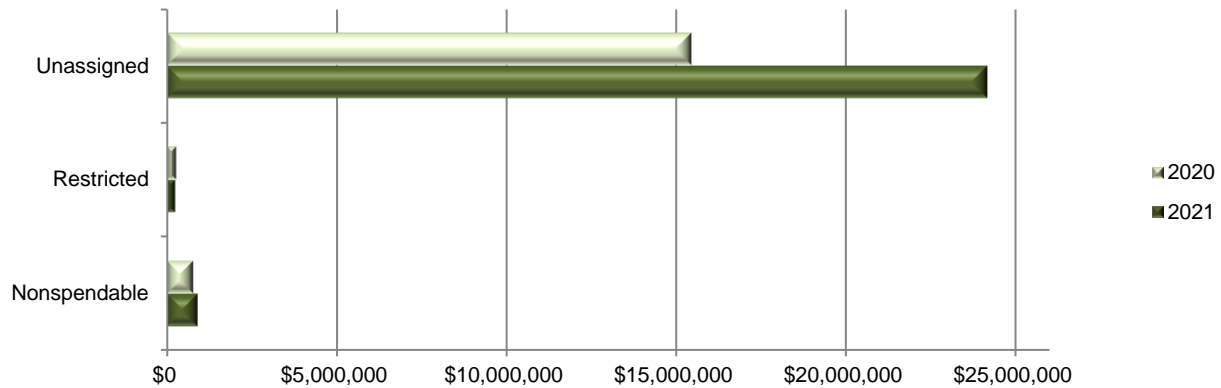
FINANCIAL ANALYSIS OF THE FUND STATEMENTS

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, 2021 of \$28,302,008, which is an increase of \$6,199,004 compared to the previous fiscal year. Approximately 79% of this amount (\$22,406,242) 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 (\$903,037), or 2) restricted for a particular purpose (\$4,992,729).

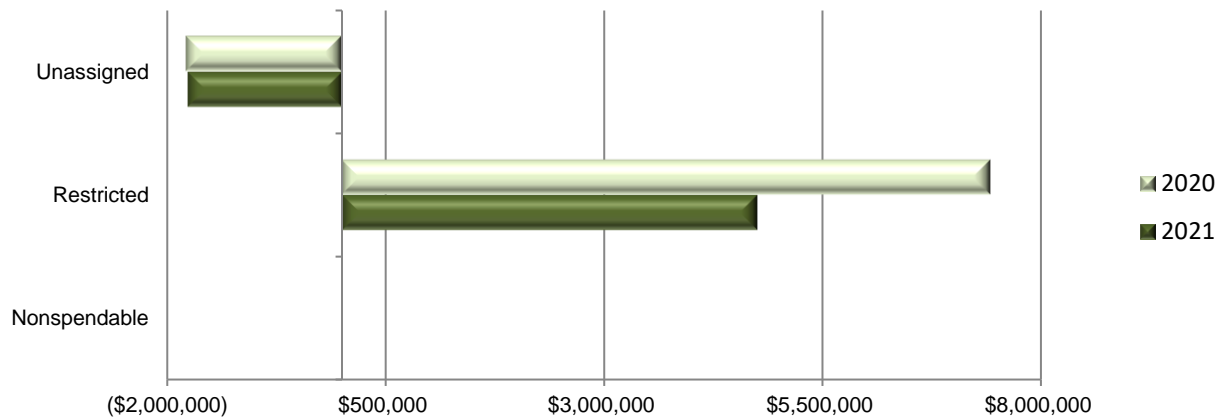
**General Fund
Components of Fund Balance
June 30, 2020 and 2021**



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 \$24,169,672. 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 87% of the total general fund expenditures, while total fund balance represents approximately 91% of the same amount.

The fund balance of Bullhead City's general fund grew by \$8,850,508 during the 2021 fiscal year.

**Other Governmental Funds
Components of Fund Balance
June 30, 2020 and 2021**



The fund balances of Bullhead City's other governmental funds decreased by \$2,652,254 during the 2021 fiscal year.

The Non-Major Governmental Fund Balances decreased \$1,094,276 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 \$1,630,698. Capital Project Funds ended with a balance of \$259,083. The Debt Service Funds ended with a negative fund balance of \$1,262,482. 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 decreased \$522,811 or 0.6% in FY 2020. The Wastewater Fund total net position decreased \$138,961 or 0.2%. This minimal change is attributed to increased operating revenue and decreased operating expenses. The City conducted a Wastewater Rate Study and determined with the maintenance and capital improvement needs there would need to be rate increase. The prior fixed wastewater user charge was adopted in 2003. After multiple work sessions, the City Council approved on June 5, 2018 a small user charge increase to be phased in over five years. Year three of rate phase-in is fiscal year 2021.

The Water Fund's total net position decreased \$383,850 or 14.1% in FY 2021. Ongoing expenses to acquire the local water system are found in this fund.

Unrestricted net position of the wastewater fund was \$4,861,328 and for the water resources fund was -\$1,799,999. The total change in unrestricted net position for both funds was \$895,073 and -\$486,514, 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. General Fund Departmental budgets \$1,055,116 that were deferred until the impact COVID-19 could be ascertained were moved back to their respective budgets. There were additional needs for capital improvements that occurred during the fiscal year requiring transfers from the budgeted General Services contingency. Community Park Improvement of commercial watercraft ramp \$350,000; and one-time capital purchases of \$716,724. 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:

Revenue source	Estimated Revenues	Actual Revenues	Variance
Taxes	\$ 15,922,037	\$ 19,582,641	\$ 3,660,604
Intergovernmental revenue	13,687,063	14,142,798	455,735
Charges for services	2,181,314	2,133,535	(47,779)
Other	2,153,410	2,827,399	673,989
	<u>\$ 33,943,824</u>	<u>\$ 38,686,373</u>	<u>\$ 4,742,549</u>

The city revenue sources show a strong economy and the impact of visitors for sporting events and the Colorado River. Transient Occupancy Tax (TOT) collections were \$326,151. The vacation home rental market is the primary reason for this collection amount. Prior to home rentals, collections averaged in the \$70,000 range.

Local Transaction Privilege Tax collections grew by 21.7% or \$3,339,790. Retail classification tax collections grew 26.0% or \$2,448,052. Remote retail sales were 6.3% of total tax collections. Contracting tax classification collections increased 10.0% or \$116,781. Restaurant and Bar tax classification increased 26.2% or \$388,061. And hotel/motel tax classification collections grew 84.0% or \$100,452.

State shared revenue collections were \$455,735 or 6.0% higher than estimated. State shared revenues estimates are provided by the State of Arizona. State sales tax collections increased by 7.0% over the estimates and Vehicle license tax collections were 15.0% over the projected estimates.

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	\$ 21,115,200	\$ 20,312,599	\$ (802,601)
M&O	7,510,257	6,011,384	(1,498,873)
Property	1,885,132	1,491,392	(393,740)
Debt service	5,614	7,614	2,000
Other Financing Uses	5,380,480	4,899,118	(481,362)
	<u>\$ 35,896,683</u>	<u>\$ 32,722,107</u>	<u>\$ (3,174,576)</u>

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

COVID-19 again impacted expenditures related to the maintenance and operations classification. Purchases were delayed due to supply shortages. Less travel and training due to cancellations and some classes held virtually resulting in cost savings of \$174,159.

With less court proceedings and pandemic impacting sentencing there were savings to legal services and prisoner housing costs. This resulted in public defender and legal service savings of \$209,411. The lengthy federal process involved with Bullhead Community Park land swap did not require the budget funds of \$200,000 in this fiscal year.

There were less building abatements (\$167,171); printing (\$41,512); landscaping materials (\$56,985) and uncollectible accounts (\$39,505). Overall expenditure budget savings were \$3,174,599 for the General Fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2021, the City had invested \$153,965,318 (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 \$2,355,825 or 1.5%.

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/2021	6/30/2020	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Capital assets not being depreciated:						
Land and improvements	\$ 3,075,261	\$ 3,120,533	\$ 620,883	\$ 620,883	\$ 3,696,144	\$ 3,741,416
Water rights			6,716,785	6,716,785	6,716,785	6,716,785
Construction in progress	1,139,861	3,724,564	1,538,444	756,340	2,678,305	4,480,904
Depreciable capital assets:						
Buildings	4,689,716	5,152,901	97,271	101,012	4,786,987	5,253,913
Improvements, other than buildings	5,780,987	2,008,801	111,468	146,862	5,892,455	2,155,663
Furniture, vehicles and equipment	4,546,972	3,401,341	340,128	441,129	4,887,100	3,842,470
Infrastructure	31,189,642	32,255,756	94,120,486	97,874,236	125,310,128	130,129,992
Total	<u>\$ 50,422,439</u>	<u>\$ 49,663,896</u>	<u>\$ 103,545,465</u>	<u>\$ 106,657,247</u>	<u>\$ 153,967,904</u>	<u>\$ 156,321,143</u>

Major capital asset events during the year include the following:

- The purchase of Slurry/Microsurfacing Machine for \$430,237.
- The purchase of street maintenance equipment for \$406,082.
- The completion of the Bullhead Parkway Extension Project for \$3,586,899.
- The completion of drainage improvements for Secret Pass & Silver Creek Washes @ Parkway for \$961,755.

The City had commitments of approximately \$1,084,779 for capital expenditures commitments as of June 30, 2021.

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

Long-Term Debt

As of June 30, 2021, the City had \$33,625,403 in bonded, and note debt. Of this amount, \$24,560,878 is debt backed the full faith and credit of the City and \$9,064,525 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.

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
Revenue bonds, net of premiums and discounts	\$ 12,587,000	\$ 10,108,999	\$ 15,003,878	\$ 17,189,824	\$ 27,590,878	\$ 27,298,823
Notes payable- Water Infrastructure Financing Authority	6,034,525	8,216,457	-	-	6,034,525	8,216,457
Capital lease obligation	-	-	144,257	178,526	144,257	178,526
Net pension liabilities	32,526,847	29,315,403			32,526,847	29,315,403
Compensated absences	2,513,960	2,598,166	360,818	414,450	2,874,778	3,012,616
Total	<u>\$ 53,662,332</u>	<u>\$ 50,239,025</u>	<u>\$ 15,508,953</u>	<u>\$ 17,782,800</u>	<u>\$ 69,171,285</u>	<u>\$ 68,021,825</u>

During fiscal year 2021, the City's total long-term liabilities increased by \$1,140,755 or 1.7 percent. The reason for increase of debt can be attributed to new debt for contribution to Bridge Project to Laughlin, Nevada.

Bullhead City issued Series 2021 Excise Taxes Revenue Obligations Bonds for portion of cost for Bridge Project for \$4,600,000.

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 2021 was \$1,664 and 2020 was \$1,636 based on 2021 Arizona Office of Employment & Population Statistics Estimate of 41,573.

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 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 2021-2022 budget.

- American Rescue Plan COVID-19 Grant Funds estimated \$6,827,222.
- Estimated city sales tax revenue with an increase of 17 percent compared to 2021 budget.
- State shared revenue distributions were estimated to decrease 4 percent per the State of Arizona projections.
- A 1.3 percent increase of the City's engineering and building fees on comprehensive fee schedule by the social security consumer price index.
- An increase of 0.5 percent in employer public safety retirement costs for a total of 58.73 percent for Tier 1 employees; An increase of 0.4 percent in employer public safety retirement costs for a total of 62.73 percent or 61.73 percent for Tier 2 employees(depending on hire date); and an increase of 3.3 percent in employer public safety retirement costs for a total of 62.01 percent for Tier 3 employees
- The unemployment rate for Bullhead City at April 2021 was 7.9% compared to the April 2020 rate of 20.9%.

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

The General Fund operating budget for fiscal year 2021-2022 appropriation is \$36,032,670, an increase of 20.7%, or \$6,169,423 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, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 29,475,272	\$ 5,168,589	\$ 34,643,861
Receivables (net of allowances)			
Accounts	1,983,490	996,381	2,979,871
Taxes	155,515	110,756	266,271
Intergovernmental	3,307,886	-	3,307,886
Prepays and inventory	1,647,907	7,362	1,655,269
Restricted cash	2,514,047	2,405,807	4,919,854
Special assessment receivable	3,718,305	-	3,718,305
Internal balances	1,572,384	(1,572,384)	-
Net OPEB asset	192,872	-	192,872
Capital assets:			
Non-depreciable	4,212,536	8,876,112	13,088,648
Depreciable (net)	46,207,317	94,669,353	140,876,670
Total assets	<u>94,987,531</u>	<u>110,661,976</u>	<u>205,649,507</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions and OPEB	7,025,591	-	7,025,591
Deferred charge on debt refunding	-	296,762	296,762
Total deferred outflows of resources	<u>7,025,591</u>	<u>296,762</u>	<u>7,322,353</u>
LIABILITIES			
Accounts payable	2,827,050	546,673	3,373,723
Accrued payroll and related liabilities	1,704,802	124,670	1,829,472
Other liabilities	989,986	30,004	1,019,990
Deposits held for others	1,065,237	359,605	1,424,842
Interest payable	155,612	227,605	383,217
Long-term liabilities:			
Due within one year:			
Compensated absences	628,490	90,205	718,695
Capital leases payable	-	35,736	35,736
Notes payable	2,181,932	-	2,181,932
Bonds payable	2,169,000	2,160,000	4,329,000
Due in more than one year:			
Compensated absences	1,885,470	270,614	2,156,084
Capital leases payable	-	108,521	108,521
Notes payable	3,852,593	-	3,852,593
Bonds payable	10,418,000	12,843,878	23,261,878
Net pension liabilities	32,526,847	-	32,526,847
Total liabilities	<u>60,405,019</u>	<u>16,797,510</u>	<u>77,202,529</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions and OPEB	199,392	-	199,392
NET POSITION			
Net investment in capital assets	31,798,328	88,694,092	120,492,420
Restricted for:			
Highways and streets	1,003,627	-	1,003,627
Community development	1,404,465	-	1,404,465
Public safety	375,969	-	375,969
Other purposes	216,405	-	216,405
Capital projects	487,190	-	487,190
Debt service	1,505,073	2,405,807	3,910,880
Unrestricted (deficit)	4,617,654	3,061,329	7,678,983
Total net position	<u>\$ 41,408,711</u>	<u>\$ 94,161,228</u>	<u>\$ 135,569,939</u>

See accompanying notes.

CITY OF BULLHEAD CITY, ARIZONA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 10,552,209	\$ 2,598,309	\$ 1,250,174	\$ 11,530
Public safety	16,039,415	1,853,025	3,010,230	-
Culture and recreation	5,244,518	1,104,221	834	-
Economic development	76,173	-	-	-
Redevelopment and housing	538,697	67,007	383,307	-
Highways and streets	11,775,065	61,804	4,399,086	370,964
Health and welfare	775,326	-	369,914	-
Interest on long-term debt	530,291	-	-	-
Total governmental activities	<u>45,531,694</u>	<u>5,684,366</u>	<u>9,413,545</u>	<u>382,494</u>
Business-type activities				
Wastewater	9,778,052	9,923,410	-	-
Water utility	1,238,585	457,301	-	-
Total business-type activities	<u>11,016,637</u>	<u>10,380,711</u>	<u>-</u>	<u>-</u>
Total government	<u>\$ 56,548,331</u>	<u>\$ 16,065,077</u>	<u>\$ 9,413,545</u>	<u>\$ 382,494</u>

General revenues

Taxes:

 City sales tax

 Franchise tax

Intergovernmental:

 State shared sales taxes (unrestricted)

 Urban revenue sharing (unrestricted)

 Stated shared vehicle license tax

 Unrestricted investment earnings

Transfers in (out)

 Total general revenues and transfers

 Change in net position

Net position, beginning of year

Net position, end of year

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (6,692,196)	\$ -	\$ (6,692,196)
(11,176,160)	-	(11,176,160)
(4,139,463)	-	(4,139,463)
(76,173)	-	(76,173)
(88,383)	-	(88,383)
(6,943,211)	-	(6,943,211)
(405,412)	-	(405,412)
(530,291)	-	(530,291)
<u>(30,051,289)</u>	<u>-</u>	<u>(30,051,289)</u>
-	145,358	145,358
-	(781,284)	(781,284)
-	(635,926)	(635,926)
<u>(30,051,289)</u>	<u>(635,926)</u>	<u>(30,687,215)</u>
19,051,440	-	19,051,440
531,201	-	531,201
4,850,196	-	4,850,196
5,842,895	-	5,842,895
3,409,076	-	3,409,076
17,695	4,375	22,070
(108,740)	108,740	-
<u>33,593,763</u>	<u>113,115</u>	<u>33,706,878</u>
<u>3,542,474</u>	<u>(522,811)</u>	<u>3,019,663</u>
<u>37,866,237</u>	<u>94,684,039</u>	<u>132,550,276</u>
<u>\$ 41,408,711</u>	<u>\$ 94,161,228</u>	<u>\$ 135,569,939</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.

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, 2021

ASSETS	General	HURF	Capital Projects Funds
Cash and cash equivalents	\$ 22,513,990	\$ 936,426	\$ 731,807
Restricted cash	240,627	7,632	-
Receivables, net of allowances for uncollectibles:			
Accounts	1,029,485	19,691	-
Taxes	115,832	-	38,191
Intergovernmental	2,682,233	391,895	11,166
Due from other funds	3,065,690	-	-
Inventory and Prepays	207,368	-	-
Special assessments receivable	-	-	-
Advance to other funds	693,577	-	-
Total assets	\$ 30,548,802	\$ 1,355,644	\$ 781,164
LIABILITIES			
Accounts payable	\$ 1,304,968	\$ 625,448	\$ 530,700
Accrued payroll and related liabilities	1,548,266	63,071	120
Due to other funds	-	-	-
Other liabilities	899,314	1,001	-
Deposits held for others	689,650	-	-
Interest payable	-	-	-
Matured bonds payable	-	-	-
Total liabilities	4,442,198	689,520	530,820
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - other	122,144	19,691	38,191
Unavailable revenue - nuisance and building abatement fees	673,216	-	-
Unavailable revenue - special assessments	-	-	-
Total deferred inflows of resources	795,360	19,691	38,191
FUND BALANCES			
Nonspendable			
Inventory and Prepays	207,368	-	-
Advances to other funds	693,577	-	-
Restricted			
Highways and streets	-	646,433	-
Community development	-	-	-
Public safety	207,509	-	-
Capital projects	-	-	212,153
Debt service	-	-	-
Other purposes	33,118	-	-
Unassigned	24,169,672	-	-
Total fund balances	25,311,244	646,433	212,153
Total liabilities, deferred inflows of resources, and fund balances	\$ 30,548,802	\$ 1,355,644	\$ 781,164

See accompanying notes.

SID Debt Service Funds	Excise Revenue Bond Refunding Funds	Non-Major Governmental Funds	Total Governmental Funds
\$ 1,806,604	\$ 49,685	\$ 2,187,225	\$ 28,225,737
-	1,814,231	451,557	2,514,047
-	-	666,044	1,715,220
-	-	1,492	155,515
-	-	222,592	3,307,886
-	-	-	3,065,690
-	-	2,092	209,460
3,717,425	-	880	3,718,305
-	-	-	693,577
<u>\$ 5,524,029</u>	<u>\$ 1,863,916</u>	<u>\$ 3,531,882</u>	<u>\$ 43,605,437</u>
\$ 248	\$ -	\$ 166,027	\$ 2,627,391
-	-	64,567	1,676,024
-	-	1,991,939	1,991,939
3,606	-	43,111	947,032
375,587	-	-	1,065,237
-	28,231	37,881	66,112
-	1,786,000	283,000	2,069,000
<u>379,441</u>	<u>1,814,231</u>	<u>2,586,525</u>	<u>10,442,735</u>
-	-	150	180,176
-	-	-	673,216
<u>3,689,377</u>	<u>-</u>	<u>317,925</u>	<u>4,007,302</u>
<u>3,689,377</u>	<u>-</u>	<u>318,075</u>	<u>4,860,694</u>
-	-	2,092	209,460
-	-	-	693,577
-	-	357,194	1,003,627
-	-	1,404,465	1,404,465
-	-	168,460	375,969
-	-	275,037	487,190
1,455,211	49,685	177	1,505,073
-	-	183,287	216,405
-	-	(1,763,430)	22,406,242
<u>1,455,211</u>	<u>49,685</u>	<u>627,282</u>	<u>28,302,008</u>
<u>\$ 5,524,029</u>	<u>\$ 1,863,916</u>	<u>\$ 3,531,882</u>	<u>\$ 43,605,437</u>

See accompanying notes.

CITY OF BULLHEAD CITY, ARIZONA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
June 30, 2021

Fund balances - total governmental funds		\$ 28,302,008
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		47,693,284
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		4,860,694
Long-term liabilities are not due and payable in the current period and, therefore, they are not reported in the funds:		
Revenue bonds	\$ (7,488,000)	
Improvement bonds	(3,030,000)	
Notes payable	(6,034,525)	
Accrued interest payable	(89,500)	
Net pension liability	(32,526,847)	
Net OPEB asset	192,872	
Compensated absences	<u>(2,513,960)</u>	(51,489,960)
Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future reporting periods and, therefore are not reported in the funds.		6,826,199
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>5,216,486</u>
Total net position of governmental activities		<u><u>\$ 41,408,711</u></u>



CITY OF BULLHEAD CITY, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2021

	General Fund	HURF	Capital Projects Funds
REVENUES			
City tax revenue	\$ 19,582,641	\$ -	\$ -
Intergovernmental	14,142,798	4,380,611	370,964
Charges for services	2,133,535	-	-
Special assessments	-	-	-
Licenses and permits	1,407,284	-	-
Fines and forfeitures	903,316	-	-
Rents	70,349	-	-
Investment earnings	9,494	855	1,736
Other revenues	430,503	7,515	9,612
Total revenues	<u>38,679,920</u>	<u>4,388,981</u>	<u>382,312</u>
EXPENDITURES			
Current:			
General government	8,413,501	-	-
Public safety	14,019,336	-	-
Culture and recreation	3,809,284	-	57,560
Economic development	77,738	-	-
Redevelopment and housing	-	-	-
Highways and streets	209	3,700,159	4,181,139
Health and welfare	396,518	-	-
Capital outlay	1,106,403	668,646	3,230,750
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	37,815
Bond issuance costs	-	-	95,250
Total expenditures	<u>27,822,989</u>	<u>4,368,805</u>	<u>7,602,514</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,856,931</u>	<u>20,176</u>	<u>(7,220,202)</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	6,455	-	-
Issuance of debt	-	-	4,600,000
Transfers in	2,886,240	1,742,972	1,491,189
Transfers out	(4,899,118)	(1,724,080)	-
Total other financing (uses) sources	<u>(2,006,423)</u>	<u>18,892</u>	<u>6,091,189</u>
Net change in fund balances	8,850,508	39,068	(1,129,013)
Fund balances - beginning of year	<u>16,460,736</u>	<u>607,365</u>	<u>1,341,166</u>
Fund balances - end of year	<u>\$ 25,311,244</u>	<u>\$ 646,433</u>	<u>\$ 212,153</u>

See accompanying notes.

SID Debt Service Funds	Excise Revenue Bond Refunding Funds	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 19,582,641
-	-	5,131,783	24,026,156
-	-	700,079	2,833,614
1,956,695	-	175,546	2,132,241
-	-	-	1,407,284
-	-	56,911	960,227
-	-	-	70,349
1,256	830	3,522	17,693
141	-	171,503	619,274
<u>1,958,092</u>	<u>830</u>	<u>6,239,344</u>	<u>51,649,479</u>
45,674	-	2,112,147	10,571,322
-	-	248,561	14,267,897
-	-	21,642	3,888,486
-	-	-	77,738
-	-	495,613	495,613
-	-	293,835	8,175,342
-	-	378,941	775,459
-	-	1,093,159	6,098,958
2,181,932	1,786,000	383,000	4,350,932
198,939	56,878	187,917	481,549
-	-	-	95,250
<u>2,426,545</u>	<u>1,842,878</u>	<u>5,214,815</u>	<u>49,278,546</u>
<u>(468,453)</u>	<u>(1,842,048)</u>	<u>1,024,529</u>	<u>2,370,933</u>
-	-	226,461	232,916
-	-	-	4,600,000
-	1,842,468	495,688	8,458,557
-	-	(2,840,954)	(9,464,152)
-	1,842,468	(2,118,805)	3,827,321
<u>(468,453)</u>	<u>420</u>	<u>(1,094,276)</u>	<u>6,198,254</u>
<u>1,923,664</u>	<u>49,265</u>	<u>1,721,558</u>	<u>22,103,754</u>
<u>\$ 1,455,211</u>	<u>\$ 49,685</u>	<u>\$ 627,282</u>	<u>\$ 28,302,008</u>

See accompanying notes.

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, 2021

Net change in fund balances - total governmental funds		\$ 6,198,254
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	\$ 4,516,615	
Loss of disposal capital assets	(191,433)	
Depreciation expense	<u>(3,547,792)</u>	777,390
Pension and OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the City's report date. Pension/OPEB expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the Statement of Activities.		(1,724,070)
Collection of revenues in the governmental funds exceed revenues reported in the Statement of Activities		(2,502,075)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is issued, whereas these amounts are amortized in the Statement of Activities.		
Debt issued or incurred	(4,600,000)	
Principal repaid	4,350,932	
Amortization of deferred charge/credit on debt refunding	<u>(24,112)</u>	(273,180)
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		84,206
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>949,144</u>
Change in net position of governmental activities		<u>\$ 3,542,474</u>

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, 2021

ASSETS	Business-type Activities-Enterprise Funds			Governmental
	Wastewater Fund	Water Fund	Total	Internal Services Funds
Current assets				
Cash and cash equivalents	\$ 5,168,589	\$ -	\$ 5,168,589	\$ 1,249,535
Accounts receivable, net	996,862	110,275	1,107,137	268,270
Inventory	-	-	-	32,153
Prepaid expenses	7,362	-	7,362	1,406,294
Total current assets	<u>6,172,813</u>	<u>110,275</u>	<u>6,283,088</u>	<u>2,956,252</u>
Noncurrent assets				
Restricted cash	2,266,623	139,184	2,405,807	-
Capital assets:				
Capital assets, not being depreciated	2,159,327	6,716,785	8,876,112	-
Capital assets, being depreciated, net	94,669,353	-	94,669,353	2,726,569
Total noncurrent assets	<u>99,095,303</u>	<u>6,855,969</u>	<u>105,951,272</u>	<u>2,726,569</u>
Total assets	<u>105,268,116</u>	<u>6,966,244</u>	<u>112,234,360</u>	<u>5,682,821</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on debt refunding	296,762	-	296,762	-
LIABILITIES				
Current liabilities				
Accounts payable	279,676	266,997	546,673	199,659
Accrued payroll and related liabilities	110,832	13,838	124,670	28,778
Due to other funds	-	878,807	878,807	194,944
Other liabilities	30,004	-	30,004	42,954
Deposits held for others	359,605	-	359,605	-
Interest payable	179,255	48,350	227,605	-
Current portion of:				
Bonds payable	2,070,000	90,000	2,160,000	-
Capital lease payable	35,736	-	35,736	-
Compensated absences	88,028	2,176	90,205	-
Total current liabilities	<u>3,153,136</u>	<u>1,300,168</u>	<u>4,453,305</u>	<u>466,335</u>
Noncurrent liabilities				
Compensated absences	264,085	6,529	270,614	-
Advance from other funds	-	693,577	693,577	-
Capital leases payable	108,521	-	108,521	-
Bonds payable, net	10,217,247	2,626,631	12,843,878	-
Total noncurrent liabilities	<u>10,589,853</u>	<u>3,326,737</u>	<u>13,916,590</u>	<u>-</u>
Total liabilities	<u>13,742,989</u>	<u>4,626,905</u>	<u>18,369,894</u>	<u>466,335</u>
NET POSITION				
Net investment in capital assets	84,693,938	4,000,154	88,694,092	2,726,569
Restricted for debt service	2,266,623	139,184	2,405,807	-
Unrestricted (deficit)	4,861,328	(1,799,999)	3,061,329	2,489,917
Total net position	<u>\$ 91,821,889</u>	<u>\$ 2,339,339</u>	<u>\$ 94,161,228</u>	<u>\$ 5,216,486</u>

CITY OF BULLHEAD CITY, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2021

	Business-type Activities-Enterprise Funds			Governmental
	Wastewater Fund	Water Fund	Total	Internal Services Funds
Operating revenues				
Charges for services	\$ 9,901,894	\$ 247,819	\$ 10,149,713	\$ 6,688,502
Application fees, tap fees and other	-	208,472	208,472	-
Other revenues	651	1,010	1,661	603,110
Total operating revenue	<u>9,902,545</u>	<u>457,301</u>	<u>10,359,846</u>	<u>7,291,612</u>
Operating expenses				
Salaries and related expenses	2,611,947	51,111	2,663,058	494,431
Medical claims and self-insurance	-	2,057	2,057	4,518,307
Administration	862,939	922,195	1,785,134	1,245,213
Utilities	873,201	-	873,201	47,525
Maintenance, supplies and equipment	(138,514)	179,840	41,326	52,841
Depreciation	3,924,439	-	3,924,439	492,617
Other	1,278,321	540	1,278,861	384,802
Total operating expenses	<u>9,412,333</u>	<u>1,155,743</u>	<u>10,568,076</u>	<u>7,235,736</u>
Operating income (loss)	<u>490,212</u>	<u>(698,442)</u>	<u>(208,230)</u>	<u>55,876</u>
Non-operating Revenues (Expenses)				
Investment income	4,337	38	4,375	954
Gain (loss) on disposal of capital assets	20,865	-	20,865	(4,541)
Interest expense and fiscal charges	(365,719)	(82,842)	(448,561)	-
Total nonoperating revenue (expense)	<u>(340,517)</u>	<u>(82,804)</u>	<u>(423,321)</u>	<u>(3,587)</u>
Income (loss) before transfers	149,695	(781,246)	(631,551)	52,289
Transfers in	52,111	397,396	449,507	896,855
Transfers out	(340,767)	-	(340,767)	-
Change in net position	<u>(138,961)</u>	<u>(383,850)</u>	<u>(522,811)</u>	<u>949,144</u>
Net position, beginning of year	<u>91,960,850</u>	<u>2,723,189</u>	<u>94,684,039</u>	<u>4,267,342</u>
Total net position-end of year	<u>\$ 91,821,889</u>	<u>\$ 2,339,339</u>	<u>\$ 94,161,228</u>	<u>\$ 5,216,486</u>

CITY OF BULLHEAD CITY, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2021

	Business-type Activities-Enterprise Funds			Governmental
	Wastewater Fund	Water Fund	Total	Internal Services Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 9,885,296	\$ 346,016	\$ 10,231,312	\$ -
Receipts from interfund services	-	-	-	6,790,476
Other operating receipts	651	1,010	1,661	853,110
Payments to suppliers	(2,935,468)	(1,043,440)	(3,978,908)	(6,617,364)
Payments to employees	(2,647,603)	(30,625)	(2,678,228)	(479,151)
Cash flows provided (used) by operating activities	<u>4,302,876</u>	<u>(727,039)</u>	<u>3,575,837</u>	<u>547,071</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund borrowings	-	516,311	516,311	(252,426)
Interfund transfers	(288,656)	397,396	108,740	896,855
Cash flows provided (used) by noncapital and related financing activities	<u>(288,656)</u>	<u>913,707</u>	<u>625,051</u>	<u>644,429</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(812,657)	-	(812,657)	(475,725)
Proceeds from sale of capital assets	20,865	-	20,865	-
Principal paid on long term debt	(2,064,269)	(80,000)	(2,144,269)	-
Interest paid on long-term debt	(394,698)	(99,426)	(494,124)	-
Cash flows provided (used) by capital and related financing activities	<u>(3,250,759)</u>	<u>(179,426)</u>	<u>(3,430,185)</u>	<u>(475,725)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	<u>4,337</u>	<u>38</u>	<u>4,375</u>	<u>954</u>
Cash flows provided (used) by investing activities	<u>4,337</u>	<u>38</u>	<u>4,375</u>	<u>954</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>767,798</u>	<u>7,280</u>	<u>775,078</u>	<u>716,729</u>
Cash and cash equivalents at beginning of year	<u>6,667,414</u>	<u>131,904</u>	<u>6,799,318</u>	<u>532,806</u>
Cash and cash equivalents at end of year	<u>\$ 7,435,212</u>	<u>\$ 139,184</u>	<u>\$ 7,574,396</u>	<u>\$ 1,249,535</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)	\$ 490,212	\$ (698,442)	\$ (208,230)	\$ 55,876
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/amortization expense	3,924,439	-	3,924,439	492,617
Changes in operating assets and liabilities				
Accounts receivable	(24,632)	(110,275)	(134,907)	101,974
Intergovernmental receivable	-	-	-	250,000
Inventory and prepaid items	(3,682)	-	(3,682)	(352,547)
Increase/(decrease) in:				
Accounts payable	(55,839)	59,135	3,296	(16,129)
Accrued payroll and related liabilities	26,681	13,838	40,519	15,280
Customer deposits	8,034	-	8,034	-
Compensated absences	(62,337)	8,705	(53,632)	-
Net cash provided (used) by operating activities:	<u>\$ 4,302,876</u>	<u>\$ (727,039)</u>	<u>\$ 3,575,837</u>	<u>\$ 547,071</u>
Noncash investing, capital, and financing activities:				
Amortization of bond premium	\$ 60,562	\$ 15,384	\$ 75,946	\$ -
Amortization of deferred charge on refunding	59,353	-	59,353	-
Reconciliation of cash and cash equivalents to the statement of net position				
Cash and cash equivalents	\$ 5,168,589	\$ -	\$ 5,168,589	\$ 1,249,535
Restricted cash	2,266,623	139,184	2,405,807	-
Total cash and cash equivalents	<u>\$ 7,435,212</u>	<u>\$ 139,184</u>	<u>\$ 7,574,396</u>	<u>\$ 1,249,535</u>



Financial Section

Notes to the Financial Statements

CITY OF BULLHEAD CITY, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2021

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, 2021

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, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

The City reports the following major governmental funds:

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

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

The *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, 2021

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, 2021 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, 2021

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, 2021

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, 2021

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, 2021

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 General Fund Culture and Recreation, Excise Revenue Bond Refunding Fund, and CDBG 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, 2021.

CITY OF BULLHEAD CITY, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

V. Deficit fund balance

At June 30, 2021, the following funds reported deficits in net position or fund balances:

Fund	Deficit
REO	\$187,708
CDBG/HTF	152,573
Court Improvement	142,257
Victim Services Grant	170
Street Lighting Improvement Districts	15,954
Debt Service	61,557
Bullhead Parkway Improvement District	1,201,119

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

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, 2021, the City's carrying amount of deposits was \$5,977,112 and the bank balance was \$5,759,835. As of June 30, 2021, 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 \$7,451.

Restricted cash of \$4,618,372 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, 2021

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 AAf/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, 2021, the City's deposit with the State Treasurer's local government investment pool 5 was \$29,054,675.

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, 2021, credit risk for the City's investments was as follows:

Investment Type	Total	Ratings		
		AAAF/S1+	AAA	Unrated
Primary Government LGIP	\$ 29,054,675	\$ 29,054,675	\$ -	\$ -
Total	\$ 29,054,675	\$ 29,054,675	\$ -	\$ -

CITY OF BULLHEAD CITY, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2021

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

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.

At June 30, 2021, the City had the following investments:

<u>Investment Type</u>	<u>Remaining Maturity 12 Months or Less</u>
Primary Government LGIP	<u>\$ 29,054,675</u>
Total	<u><u>\$ 29,054,675</u></u>

The City has no specific policy regarding interest rate risk. State law limits investments in securities having maturities no greater than five years. Additionally, in accordance with its formal investment policy, the City manages its exposure to declines in fair values by limiting a) structuring the investment portfolio to meet cash requirements for ongoing operations b) investing operating funds primarily in short-term securities.

Concentration of credit risk: The City's policies do not limit the maximum amount that can be invested in any single issuer. At June 30, 2021, all of the City's investments were with the Arizona State Treasurer's local government investment pool.

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

NOTE 3 RECEIVABLES

Receivables as of June 30, 2021 for the City's individual major funds, nonmajor funds, and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	HURF Funds	Capital Projects Fund	SID Debt Service Funds	Nonmajor Governmental Funds	Wastewater Fund	Water Fund	Internal Service Funds	Total
Receivables:									
Accounts	\$ 1,029,485	\$ 19,691	\$ -	\$ -	\$ 666,044	\$ 1,105,740	\$ 110,275	\$ 268,270	\$ 3,199,505
Taxes	115,832	-	38,191	-	1,492	-	-	-	155,515
Intergovernmental	2,682,233	391,895	11,166	-	222,592	-	-	-	3,307,886
Special assessments	-	-	-	3,717,425	880	-	-	-	3,718,305
Gross receivables	<u>3,827,550</u>	<u>411,586</u>	<u>49,357</u>	<u>3,717,425</u>	<u>891,008</u>	<u>1,105,740</u>	<u>110,275</u>	<u>268,270</u>	<u>10,381,211</u>
Less: Allowance for uncollectibles	-	-	-	-	-	(108,879)	-	-	(108,879)
Net total receivables	<u><u>\$ 3,827,550</u></u>	<u><u>\$ 411,586</u></u>	<u><u>\$ 49,357</u></u>	<u><u>\$ 3,717,425</u></u>	<u><u>\$ 891,008</u></u>	<u><u>\$ 996,861</u></u>	<u><u>\$ 110,275</u></u>	<u><u>\$ 268,270</u></u>	<u><u>\$ 10,272,332</u></u>

CITY OF BULLHEAD CITY, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2021

NOTE 4 INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances as of June 30, 2021 is as follows:

Due to/from other funds:

Fund	Receivable Amount	Payable Amount
General Fund	\$ 3,065,690	\$ -
Non-Major Governmental Funds	-	1,991,939
Water Fund	-	878,807
Internal Service Funds	-	194,944
Total	<u>\$ 3,065,690</u>	<u>\$ 3,065,690</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 to aid in the acquisition of the voter approved water utility purchase. The balance is not expected to be collected in the subsequent year.

NOTE 5 INTERFUND TRANSFERS

The composition of interfund transfers for the year ended June 30, 2021 is as follows:

Fund	Transfers Out	Transfers In
General Fund	\$ 4,899,118	\$ 2,886,240
HURF Fund	1,724,080	1,742,972
Capital Projects Fund	-	1,491,189
Excise Revenue Bond Refunding Funds	-	1,842,468
Non-Major Governmental Funds	2,840,954	495,688
Wastewater Fund	340,767	52,111
Water Fund	-	397,396
Fleet Internal Service Fund	-	896,855
Total	<u>\$ 9,804,919</u>	<u>\$ 9,804,919</u>

CITY OF BULLHEAD CITY, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2021

NOTE 6 CAPITAL ASSETS

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

Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 3,120,533	\$ 28,802	\$ (74,074)	\$ 3,075,261
Construction in progress	3,724,564	2,782,365	(5,369,654)	1,137,275
Total capital assets not being depreciated	<u>6,845,097</u>	<u>2,811,167</u>	<u>(5,443,728)</u>	<u>4,212,536</u>
Capital assets being depreciated:				
Buildings	20,173,239	-	(179,335)	19,993,904
Improvements, other than buildings	5,692,075	4,099,822	-	9,791,897
Furniture, vehicles and equipment	22,751,865	2,479,844	(457,568)	24,774,141
Infrastructure	159,271,588	971,161	-	160,242,749
Total capital assets being depreciated	<u>207,888,767</u>	<u>7,550,827</u>	<u>(636,903)</u>	<u>214,802,691</u>
Less accumulated depreciation:				
Buildings	(15,020,338)	(362,796)	78,946	(15,304,188)
Improvements, other than buildings	(3,683,274)	(327,636)	-	(4,010,910)
Furniture, vehicles and equipment	(19,350,524)	(1,312,702)	436,057	(20,227,169)
Infrastructure	(127,015,832)	(2,037,275)	-	(129,053,107)
Total accumulated depreciation	<u>(165,069,968)</u>	<u>(4,040,409)</u>	<u>515,003</u>	<u>(168,595,374)</u>
Total capital assets being depreciation, net	<u>42,818,799</u>	<u>3,510,418</u>	<u>(121,900)</u>	<u>46,207,317</u>
Governmental activities capital assets, net	<u>\$ 49,663,896</u>	<u>\$ 6,321,585</u>	<u>\$ (5,565,628)</u>	<u>\$ 50,419,853</u>

CITY OF BULLHEAD CITY, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2021

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	6,716,785	-	-	6,716,785
Construction in progress	756,340	782,104	-	1,538,444
Total capital assets not being depreciated	<u>8,094,008</u>	<u>782,104</u>	<u>-</u>	<u>8,876,112</u>
Capital assets being depreciated:				
Buildings	149,647	-	-	149,647
Improvements, other than buildings	250,665	-	-	250,665
Equipment and vehicles	4,455,018	-	-	4,455,018
Wastewater facilities, equipment and collection lines	153,585,915	30,554	-	153,616,469
Total capital assets being depreciated	<u>158,441,245</u>	<u>30,554</u>	<u>-</u>	<u>158,471,799</u>
Less accumulated depreciation:				
Buildings	(48,635)	(3,741)	-	(52,376)
Improvements, other than buildings	(103,803)	(35,394)	-	(139,197)
Equipment and vehicles	(4,013,889)	(101,001)	-	(4,114,890)
Wastewater facilities, equipment and collection lines	(55,711,679)	(3,784,304)	-	(59,495,983)
Total accumulated depreciation	<u>(59,878,006)</u>	<u>(3,924,440)</u>	<u>-</u>	<u>(63,802,446)</u>
Total capital assets being depreciation, net	<u>98,563,239</u>	<u>(3,893,886)</u>	<u>-</u>	<u>94,669,353</u>
Business-type activities capital assets, net	<u>\$ 106,657,247</u>	<u>\$ (3,111,782)</u>	<u>\$ -</u>	<u>\$ 103,545,465</u>

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

Governmental activities:	
General government	\$ 765,754
Highways and streets	2,028,983
Culture and recreation	614,828
Public safety	587,760
Redevelopment and Housing	43,084
Total depreciation expense - governmental activities	<u>\$ 4,040,409</u>
Business-type activities:	
Wastewater Fund	<u>\$ 3,924,440</u>
Total depreciation expense - business-type activities	<u>\$ 3,924,440</u>

CITY OF BULLHEAD CITY, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2021

NOTE 7 LONG-TERM LIABILITIES

Long-term liabilities activity for the year ended June 30, 2021 was as follows:

Governmental activities:	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Bonds payable					
Revenue bonds	\$ 6,978,999	\$ 4,600,000	\$ (2,021,999)	\$ 9,557,000	\$ 2,069,000
Improvement Bond	3,130,000	-	(100,000)	3,030,000	100,000
Total bonds payable	<u>10,108,999</u>	<u>4,600,000</u>	<u>(2,121,999)</u>	<u>12,587,000</u>	<u>2,169,000</u>
Notes payable - Water					
Infrastructure Financing Authority	8,216,457	-	(2,181,932)	6,034,525	2,181,932
Net pension liabilities	29,315,403	3,211,444	-	32,526,847	-
Compensated absences	2,598,166	1,902,208	(1,986,414)	2,513,960	628,490
Governmental activities long term liabilities	<u>\$ 50,239,025</u>	<u>\$ 9,713,652</u>	<u>\$ (6,290,345)</u>	<u>\$ 53,662,332</u>	<u>\$ 4,979,422</u>
Business type activities:					
Revenue bonds	\$ 16,595,000	\$ -	\$ (2,110,000)	\$ 14,485,000	\$ 2,160,000
Plus deferred amounts:					
For issuance discounts and premiums	594,824	-	(75,946)	518,878	-
Total bonds payable	<u>17,189,824</u>	<u>-</u>	<u>(2,185,946)</u>	<u>15,003,878</u>	<u>2,160,000</u>
Capital leases	178,526	-	(34,269)	144,257	35,736
Compensated absence	414,415	234,644	(288,241)	360,818	90,205
Business-type activities long term liabilities	<u>\$ 17,782,765</u>	<u>\$ 234,644</u>	<u>\$ (2,508,456)</u>	<u>\$ 15,508,953</u>	<u>\$ 2,285,941</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, 2021

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	\$ 1,629,999
MPC Excise Tax Revenue Bonds, Series 2015 B	1,554,000	1.98%	2026	810,000
Laughlin Ranch Improvement Bonds 2017	3,230,000	2.3% 4.00%	2042	3,030,000
Excise Tax Revenue Bonds, Series 2018	3,100,000	3.01%	2028	2,517,000
Excise Tax Revenue Bonds, Series 2021	4,600,000	1.97%	2028	4,600,000
Total governmental activities	<u>\$ 19,089,000</u>			<u>\$ 12,586,999</u>
Business-type activities:				
Wastewater Revenue Bonds, Series 2013	15,845,000	3.25% - 5.00%	2025	8,310,000
Excise Tax Revenue and Refunding Bonds, Series 2019	6,945,000	3.00% - 4.00%	2039	6,175,000
Total business-type activities	<u>\$ 40,750,000</u>			<u>\$ 14,485,000</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
2022	\$ 2,169,000	\$ 221,424	\$ 2,160,000	\$ 425,560
2023	806,000	296,826	2,230,000	361,215
2024	842,000	257,916	2,290,000	290,870
2025	864,000	237,080	2,360,000	218,415
2026	892,000	215,556	2,430,000	143,720
2027-2031	3,133,999	784,773	1,630,000	351,215
2032-2036	2,415,000	506,276	705,000	208,900
2037-2041	1,260,000	208,382	680,000	55,800
2042	205,000	24,200	-	-
Total	<u>\$ 12,586,999</u>	<u>\$ 2,752,433</u>	<u>\$ 14,485,000</u>	<u>\$ 1,790,995</u>

CITY OF BULLHEAD CITY, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2021

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:

Governmental activities:	Original amount	Interest rates	Year of maturity	Outstanding principal
Water Infrastructure Finance Authority, 2004	\$ 11,686,806	2.892%	2023	\$ 629,273
Water Infrastructure Finance Authority, 2006	28,422,230	2.340%	2025	5,405,252
Total	\$ 40,109,036			\$ 6,034,525

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

Year ending June 30,	Governmental Activities	
	Principal	Interest
2022	\$ 2,181,932	\$ 146,196
2023	1,651,869	89,046
2024	1,602,264	25,748
2025	598,459	24,197
Total	\$ 6,034,525	\$ 285,188

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	(86,584)
Totals	\$ 178,696

CITY OF BULLHEAD CITY, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2021

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, 2021, were as follows:

Year Ended June 30,	Business-type Activities
2022	\$ 41,050
2023	109,462
Total minimum lease payments	150,512
Less amount representing	
Interest	(6,255)
Present value of future minimum payments	<u>\$ 144,257</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, 2021

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 \$1,084,779 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, 2021, 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	Activities
Net OPEB assets	\$ 192,872
Net pension liabilities	32,526,847
Deferred outflows of resources related to pensions and OPEB	7,025,591
Deferred inflows of resources related to pensions and OPEB	199,392
Pension and OPEB expense	4,376,391

The City reported \$2,906,464 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, 2021

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, 2021.

	<u>Total Payroll</u>	<u>Covered Payroll</u>	<u>% of Covered Payroll</u>	<u>Required Contributions</u>	<u>Actual Contributions</u>
Employer	18,333,583	\$ 11,927,370	9.05%	1,079,427	\$ 1,079,427
Employee		11,793,641	6.25%	737,103	737,103

CITY OF BULLHEAD CITY, ARIZONA
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2021

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, 2021, 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, 2021

CITY OF BULLHEAD CITY, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2021

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 Retirement and Disability	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2017
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	

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.

CITY OF BULLHEAD CITY, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2021

NOTE 9 PENSIONS (Continued)

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

	PSPRS Police
Inactive employees or beneficiaries currently receiving benefits	47
Inactive employees entitled to but not yet receiving benefits	18
Active employees	54
Total	<u>119</u>

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

	PSPRS Police
Active members - Pension	<u>7.65% - 11.65%</u>
City	
Pension	58.44%
Health insurance permium benefit	0.01%

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

For the agent plans, the City's contributions to the pension plan for the year ended June 30, 2021, were:

	PSPRS Police
Pension	
Contributions made	<u>\$ 2,906,464</u>

During fiscal year 2021, the City paid 100 percent of the PSPRS pension contributions from the General Fund.

Pension Liability - At June 30, 2021, the City reported a PSPRS net pension liability of \$32,526,847.

The net pension liability was measured as of June 30, 2020, 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, 2020, 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.

CITY OF BULLHEAD CITY, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2021

NOTE 9 PENSIONS (Continued)

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

PSPRS

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

The long-term expected rate of return on 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

Asset Class	Target Allocation	Long-Term Expected Geometric Rate of Return
U.S. public equity	23%	4.93%
International public equity	15%	6.09%
Global private equity	18%	8.42%
Other assets (capital appreciation)	7%	5.61%
Core bonds	2%	0.22%
Private credit	22%	5.31%
Diversifying strategies	12%	3.22%
Cash - Mellon	1%	-0.60%
Total	100.00%	

Discount Rates – At June 30, 2020, 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, 2019. 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, 2021

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, 2020	<u>\$ 54,182,942</u>	<u>\$ 24,867,539</u>	<u>\$ 29,315,403</u>
Changes for the year:			
Service Cost	782,838	-	782,838
Interest on the total pension liability	3,913,438	-	3,913,438
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the pension liability	1,849,684	-	1,849,684
Changes of assumptions or other inputs	-	-	-
Contributions - employer	-	2,731,212	(2,731,212)
Contributions - employee	-	434,462	(434,462)
Net investment income	-	317,400	(317,400)
Benefit payments, including refunds of employee contributions	(2,714,067)	(2,714,067)	-
Administrative expense	-	(25,885)	25,885
Other changes	-	(122,673)	122,673
Net changes	<u>3,831,893</u>	<u>620,449</u>	<u>3,211,444</u>
Balances at June 30, 2021	<u>\$ 58,014,835</u>	<u>\$ 25,487,988</u>	<u>\$ 32,526,847</u>

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	1% Decrease	Current	1% increase
	6.30%	Discount Rate 7.30%	8.30%
Net pension liability	\$ 40,251,301	\$ 32,526,847	\$ 26,210,594

CITY OF BULLHEAD CITY, ARIZONA
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2021

NOTE 9 PENSIONS (Continued)

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

Pension Expense - For the year ended June 30, 2021, the City recognized \$4,390,522 of PSPRS pension expense.

Pension Deferred Outflows/Inflows of Resources - At June 30, 2021, 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	\$ 1,578,003	\$ 127,218
Changes of assumptions or other inputs	1,100,009	-
Net difference between projected and actual earnings on pension plan investments	1,370,762	-
City contributions subsequent to the measurement date	2,906,464	-
Total	<u>\$ 6,955,238</u>	<u>\$ 127,218</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, 2022. 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
2022	\$ 1,494,640
2023	1,266,469
2024	859,544
2025	300,903
2026	-
Thereafter	-



Financial Section

Required Supplementary Information

CITY OF BULLHEAD CITY, ARIZONA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget-Positive (Negative)
Budgetary fund balance, July 1, 2020	\$ 1,459,019	\$ 1,459,019	\$ 16,460,736	\$ 15,001,717
RESOURCES (INFLOWS):				
City tax revenue	15,922,037	15,922,037	19,582,641	3,660,604
Intergovernmental revenue	13,687,063	13,687,063	14,142,798	455,735
Charges for services	2,181,314	2,181,314	2,133,535	(47,779)
Licenses and permits	1,046,910	1,046,910	1,407,284	360,374
Fines and forfeitures	718,750	718,750	903,316	184,566
Rents	65,600	65,600	70,349	4,749
Investment income	90,000	90,000	9,494	(80,506)
Other revenue	205,150	205,150	430,503	225,353
Proceeds from sale of fixed assets	27,000	27,000	6,455	(20,545)
Total revenues	<u>33,943,824</u>	<u>33,943,824</u>	<u>38,686,375</u>	<u>4,742,551</u>
Other financing sources				
Transfers in	2,936,240	2,936,240	2,886,240	(50,000)
Transfers out	(4,459,586)	(5,380,480)	(4,899,118)	481,362
Amounts available for appropriations	<u>33,879,497</u>	<u>32,958,603</u>	<u>53,134,233</u>	<u>20,175,630</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
General government:				
Mayor and council	139,719	139,719	113,784	25,935
City manager	206,917	240,927	251,646	(10,719)
Information technology	1,382,669	1,382,669	1,263,162	119,507
Human resources	197,903	197,903	209,027	(11,124)
Public information	267,214	268,214	167,817	100,397
Municipal court	1,321,680	1,321,680	1,044,724	276,956
Finance	912,425	924,249	835,288	88,961
City clerk	308,198	308,198	254,289	53,909
City attorney	1,208,834	1,208,834	1,135,118	73,716
Planning	176,441	176,441	149,274	27,167
Building inspections	474,515	602,826	512,420	90,406
Code enforcement	470,506	570,506	359,920	210,586
Facilities management	911,757	911,757	858,320	53,437
Public works administration	60,394	60,394	26,192	34,202
Engineering	164,328	200,687	177,630	23,057
Non-departmental	2,650,520	1,129,386	941,374	188,012
COVID	257,094.00	-	113,516	(113,516)
Total general government	<u>11,111,114</u>	<u>9,644,390</u>	<u>8,413,501</u>	<u>1,230,889</u>
Public safety:				
Police administration	1,746,037	1,779,504	1,951,328	(171,824)
Patrol	8,525,599	8,525,599	7,855,445	670,154
Criminal investigations	2,419,151	2,419,151	2,349,958	69,193
Support services	508,271	636,432	442,189	194,243
Emergency services	1,523,924	1,523,924	1,420,416	103,508
Total public safety	<u>14,722,982</u>	<u>14,884,610</u>	<u>14,019,336</u>	<u>865,274</u>

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Culture and recreation:				
Recreation	782,225	857,024	906,621	(49,597)
Water activities	-	-	90,891	(90,891)
Suddenlink community center	143,042	143,042	128,147	14,895
Parks rangers	87,931	87,931	103,955	(16,024)
Parks maintenance	2,420,403	2,502,965	2,579,670	(76,705)
Total culture and recreation	<u>3,433,601</u>	<u>3,590,962</u>	<u>3,809,284</u>	<u>(218,322)</u>
Economic development:				
Economic development	138,087	138,087	77,738	60,349
Total economic development	<u>138,087</u>	<u>138,087</u>	<u>77,738</u>	<u>60,349</u>
Health and welfare				
Animal control	602,573	602,573	396,518	206,055
Total Health and welfare	<u>602,573</u>	<u>602,573</u>	<u>396,518</u>	<u>206,055</u>
Capital outlay	1,054,888	1,655,581	1,106,403	549,178
Total expenditures	<u>31,063,245</u>	<u>30,516,203</u>	<u>27,822,989</u>	<u>2,693,214</u>
Budgetary fund balance, June 30, 2021	<u>\$ 2,816,252</u>	<u>\$ 2,442,400</u>	<u>\$ 25,311,244</u>	<u>\$ 22,868,844</u>

CITY OF BULLHEAD CITY, ARIZONA
HURF FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 4,199,277	\$ 4,199,277	\$ 4,380,611	\$ 181,334
Investment earnings	9,000	9,000	855	(8,145)
Other revenues	2,500	2,500	7,515	5,015
Total revenues	<u>4,210,777</u>	<u>4,210,777</u>	<u>4,388,981</u>	<u>178,204</u>
EXPENDITURES				
Current:				
Highways and streets	4,161,136	4,424,992	3,700,159	724,833
Capital outlay	5,400	161,600	668,646	(507,046)
Total expenditures	<u>4,166,536</u>	<u>4,586,592</u>	<u>4,368,805</u>	<u>217,787</u>
Excess (deficiency) of revenues over (under) expenditures	<u>44,241</u>	<u>(375,815)</u>	<u>20,176</u>	<u>395,991</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,322,921	1,742,977	1,742,972	(5)
Transfers out	<u>(1,730,980)</u>	<u>(1,730,980)</u>	<u>(1,724,080)</u>	<u>6,900</u>
Total other financing sources (uses)	<u>(408,059)</u>	<u>11,997</u>	<u>18,892</u>	<u>6,895</u>
Net change in fund balances	(363,818)	(363,818)	39,068	402,886
Fund balances - beginning of year	<u>363,818</u>	<u>363,818</u>	<u>607,365</u>	<u>243,547</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 646,433</u>	<u>\$ 646,433</u>

CITY OF BULLHEAD CITY, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2021

NOTE 1 BUDGETARY BASIS OF ACCOUNTING

The City prepares its annual budget on a basis which differs from the GAAP basis. A budgetary comparison schedule for the General Fund and HURF 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, 2021, 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, 2021

	Reporting Fiscal Year (Measurement Date)							2014 through 2012
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
Bullhead City Police Dept. Public Safety Personnel Retirement System								
Total pension liability								Information not available
Service cost	\$ 782,838	\$ 939,357	\$ 851,358	\$ 1,075,681	\$ 894,106	\$ 879,004	\$ 890,055	
Interest on the total pension liability	3,913,438	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	1,849,684	(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	(2,714,067)	(2,606,657)	(2,404,182)	(2,066,165)	(2,171,832)	(2,393,591)	(2,510,581)	
Net change in total pension liability	3,831,893	3,152,283	2,546,890	4,433,366	5,487,671	740,385	4,447,842	
Total pension liability - beginning	54,182,942	51,030,659	48,483,769	44,050,403	38,562,732	37,822,347	33,374,505	
Total pension liability - ending (a)	\$ 58,014,835	\$ 54,182,942	\$ 51,030,659	\$ 48,483,769	\$ 44,050,403	\$ 38,562,732	\$ 37,822,347	
Plan fiduciary net position								
Contributions - employer	\$ 2,731,212	\$ 2,406,560	\$ 2,300,757	\$ 1,422,995	\$ 1,391,558	\$ 1,240,272	\$ 1,103,933	
Contributions - employee	434,462	419,847	432,249	537,250	550,490	527,323	474,532	
Hall / Parker settlement	-	-	(660,764)					
Net investment income	317,400	1,258,980	1,501,552	2,375,192	118,139	734,235	2,495,831	
Benefit payments, including refunds of employee contributions	(2,714,067)	(2,606,657)	(2,404,182)	(2,066,165)	(2,171,832)	(2,393,591)	(2,510,581)	
Administrative expense	(25,885)	(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	743,122	1,455,846	1,142,069	2,152,532	(127,079)	73,778	1,584,254	
Plan fiduciary net position - beginning	24,867,539	23,416,180	22,274,111	20,121,579	20,248,658	20,174,880	18,590,626	
Adjustments to beginning of year	(122,673)	(4,487)	-	-	-	-	-	
Plan fiduciary net position - ending (b)	\$ 25,487,988	\$ 24,867,539	\$ 23,416,180	\$ 22,274,111	\$ 20,121,579	\$ 20,248,658	\$ 20,174,880	
City's net pension liability - ending (a) - (b)	\$ 32,526,847	\$ 29,315,403	\$ 27,614,479	\$ 26,209,658	\$ 23,928,824	\$ 18,314,074	\$ 17,647,467	

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 (CONTINUED)
 AGENT PENSION PLAN
 Year Ended June 30, 2021

	Reporting Fiscal Year (Measurement Date)							2014 through 2012
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
Bullhead City Police Dept. Public Safety Personnel Retirement System								
Plan fiduciary net position as a percentage of the total pension liability	43.93%	45.90%	45.89%	45.94%	45.68%	52.51%	53.34%	Information not available
Covered payroll	\$ 4,473,758	\$ 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	727.06%	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 CITY PENSION CONTRIBUTIONS
 Year Ended June 30, 2021

Bullhead City Police Dept. Public Safety Personnel Retirement System	Reporting Fiscal Year								2013 through 2012
	2021	2020	2019	2018	2017	2016	2015	2014	
Actuarially determined contribution	\$ 2,906,961	\$ 2,731,212	\$ 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	2,906,961	2,731,212	2,406,560	2,300,757	1,422,995	1,391,558	1,240,272	1,103,933	
City's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
City's covered payroll	\$ 4,974,266	\$ 4,473,758	\$ 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	58.44%	61.05%	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, 2021

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 2019 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, 2021

NOTE 2 FACTORS THAT AFFECT TRENDS

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, the PSPRS 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, 2021

	Special Revenue	Capital Projects	Debt Service	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,764,672	\$ 360,244	\$ 62,309	\$ 2,187,225
Restricted cash	130,669	-	320,888	451,557
Receivables, net of allowances for uncollectibles:				
Accounts	279,312	16,724	370,008	666,044
Taxes	1,492	-	-	1,492
Intergovernmental	222,592	-	-	222,592
Inventory and Prepays	2,092	-	-	2,092
Special assessments receivable	-	-	880	880
Total assets	\$ 2,400,829	\$ 376,968	\$ 754,085	\$ 3,531,882
LIABILITIES				
Accounts payable	\$ 119,501	\$ 46,526	\$ -	\$ 166,027
Accrued payroll and related liabilities	60,809	3,758	-	64,567
Due to other funds	575,503	742	1,415,694	1,991,939
Other liabilities	808	42,303	-	43,111
Interest payable	-	-	37,881	37,881
Matured bonds payable	-	-	283,000	283,000
Total liabilities	756,621	93,329	1,736,575	2,586,525
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - other	150	-	-	150
Unavailable revenue - special assessments	13,360	24,556	280,009	317,925
Total deferred inflows of resources	13,510	24,556	280,009	318,075
FUND BALANCES				
Nonspendable				
Inventory and Prepays	2,092	-	-	2,092
Restricted				
Highways and streets	357,194	-	-	357,194
Community development	1,404,465	-	-	1,404,465
Public safety	168,460	-	-	168,460
Capital projects	-	275,037	-	275,037
Debt service	-	-	177	177
Other purposes	183,287	-	-	183,287
Unassigned	(484,800)	(15,954)	(1,262,676)	(1,763,430)
Total fund balances	1,630,698	259,083	(1,262,499)	627,282
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,400,829	\$ 376,968	\$ 754,085	\$ 3,531,882

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, 2021

	Special Revenue	Capital Projects	Debt Service	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	\$ 5,131,783	\$ -	\$ -	\$ 5,131,783
Charges for services	700,079	-	-	700,079
Special assessments	33,722	54,199	87,625	175,546
Fines and forfeitures	56,911	-	-	56,911
Investment earnings	2,236	1,138	148	3,522
Other revenues	150,358	90	21,055	171,503
Total revenues	<u>6,075,089</u>	<u>55,427</u>	<u>108,828</u>	<u>6,239,344</u>
EXPENDITURES				
Current:				
General government	2,112,147	-	-	2,112,147
Public safety	248,561	-	-	248,561
Culture and recreation	21,642	-	-	21,642
Redevelopment and housing	495,613	-	-	495,613
Highways and streets	-	293,835	-	293,835
Health and welfare	378,941	-	-	378,941
Capital outlay	-	1,093,159	-	1,093,159
Debt service:				
Principal	-	-	383,000	383,000
Interest and fiscal charges	-	-	187,917	187,917
Total expenditures	<u>3,256,904</u>	<u>1,386,994</u>	<u>570,917</u>	<u>5,214,815</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,818,185</u>	<u>(1,331,567)</u>	<u>(462,089)</u>	<u>1,024,529</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	226,461	-	-	226,461
Transfers in	136,924	-	358,764	495,688
Transfers out	(2,840,954)	-	-	(2,840,954)
Total other financing (uses) sources	<u>(2,477,569)</u>	<u>-</u>	<u>358,764</u>	<u>(2,118,805)</u>
Net change in fund balances	340,616	(1,331,567)	(103,325)	(1,094,276)
Fund balances - beginning of year	1,290,082	1,590,650	(1,159,174)	1,721,558
Fund balances - end of year	<u>\$ 1,630,698</u>	<u>\$ 259,083</u>	<u>\$ (1,262,499)</u>	<u>\$ 627,282</u>

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 received by the court to train court personnel, improve, maintain and enhance the ability to manage administration of justice.
- **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 grant funding received by federal, state and local agencies.
- **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.
- **CARES Act Fund** - This fund is used to account for the revenues and expenditures related to the funding received as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act.

CITY OF BULLHEAD CITY, ARIZONA
 COMBINING BALANCE SHEET
 SPECIAL REVENUE FUNDS
 June 30, 2021

	RICO	Housing	Arts Commission	Special Assessments Administration
ASSETS				
Cash and cash equivalents	\$ -	\$ 25	\$ 4,969	\$ 52,141
Restricted cash	80,325	-	-	-
Receivables, net of allowances for uncollectibles:				
Accounts	-	-	-	-
Taxes	-	-	-	1,492
Intergovernmental	-	-	-	-
Inventory and Prepaids	-	-	-	-
Total assets	\$ 80,325	\$ 25	\$ 4,969	\$ 53,633
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ 9,245
Accrued payroll and related liabilities	-	-	-	-
Due to other funds	30,338	-	-	-
Other liabilities	-	-	288	-
Total liabilities	30,338	-	288	9,245
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	-	25	4,681	44,388
Public safety	49,987	-	-	-
Other purposes	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	49,987	25	4,681	44,388
Total liabilities, deferred inflows of resources, and fund balances	\$ 80,325	\$ 25	\$ 4,969	\$ 53,633

JCEF	Water Impost	Transit	REO	Court Enhancement	Fill the Gap
\$ 76,863	\$ 1,208,758	\$ 217,288	\$ -	\$ 30,568	\$ 21,987
12,726	-	-	-	31,914	3,869
-	174,736	5,183	-	-	2,015
-	-	-	-	-	-
-	-	178,929	-	-	-
-	-	-	-	-	-
<u>\$ 89,589</u>	<u>\$ 1,383,494</u>	<u>\$ 401,400</u>	<u>\$ -</u>	<u>\$ 62,482</u>	<u>\$ 27,871</u>
\$ 69	\$ 15,749	\$ 11,385	\$ 59	\$ -	\$ -
-	12,374	32,666	-	-	-
-	-	-	187,609	61,136	-
-	-	5	40	-	-
<u>69</u>	<u>28,123</u>	<u>44,056</u>	<u>187,708</u>	<u>61,136</u>	<u>-</u>
-	-	150	-	-	-
-	-	-	-	-	-
-	-	150	-	-	-
-	-	-	-	-	-
-	-	357,194	-	-	-
-	1,355,371	-	-	-	-
89,520	-	-	-	1,346	-
-	-	-	-	-	27,871
-	-	-	(187,708)	-	-
<u>89,520</u>	<u>1,355,371</u>	<u>357,194</u>	<u>(187,708)</u>	<u>1,346</u>	<u>27,871</u>
<u>\$ 89,589</u>	<u>\$ 1,383,494</u>	<u>\$ 401,400</u>	<u>\$ -</u>	<u>\$ 62,482</u>	<u>\$ 27,871</u>

(Continued)

CITY OF BULLHEAD CITY, ARIZONA
 COMBINING BALANCE SHEET
 SPECIAL REVENUE FUNDS
 June 30, 2021

ASSETS	CDBG/HTF	Special Events	Veterans Memorial Park	FARE	Pest Abatement
Cash and cash equivalents	\$ -	\$ 27,255	\$ 305	\$ 8,798	\$ 53,078
Restricted cash	-	-	-	1,835	-
Receivables, net of allowances for uncollectibles:					
Accounts	-	7,845	-	-	-
Taxes	-	-	-	-	-
Intergovernmental	29,810	-	-	-	-
Inventory and Prepaids	-	-	-	-	-
Total assets	\$ 29,810	\$ 35,100	\$ 305	\$ 10,633	\$ 53,078
LIABILITIES					
Accounts payable	\$ 21,585	\$ 2,328	\$ -	\$ -	\$ -
Accrued payroll and related liabilities	28	-	-	-	3,961
Due to other funds	160,575	-	-	-	-
Other liabilities	195	280	-	-	-
Total liabilities	182,383	2,608	-	-	3,961
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 Prepaids	-	-	-	-	-
Restricted					
Highways and streets	-	-	-	-	-
Community development	-	-	-	-	-
Public safety	-	-	-	-	-
Other purposes	-	19,132	305	10,633	49,117
Unassigned	(152,573)	-	-	-	-
Total fund balances	(152,573)	19,132	305	10,633	49,117
Total liabilities, deferred inflows of resources, and fund balances	\$ 29,810	\$ 35,100	\$ 305	\$ 10,633	\$ 53,078

Court Security Improvement	Court Improvement	Victim Services Grants	Police Grants	General Grants	Senior Nutrition Center	CARES	Total
\$ 13	\$ -	\$ -	\$ 24,794	\$ 4,457	\$ 32,136	\$ 1,237	\$ 1,764,672
-	-	-	-	-	-	-	130,669
-	-	-	-	-	89,533	-	279,312
-	-	-	-	-	-	-	1,492
-	-	11,053	2,800	-	-	-	222,592
-	2,092	-	-	-	-	-	2,092
<u>\$ 13</u>	<u>\$ 2,092</u>	<u>\$ 11,053</u>	<u>\$ 27,594</u>	<u>\$ 4,457</u>	<u>\$ 121,669</u>	<u>\$ 1,237</u>	<u>\$ 2,400,829</u>
\$ -	\$ 12,762	\$ -	\$ -	\$ -	\$ 46,319	\$ -	\$ 119,501
-	1,839	5,126	-	-	4,815	-	60,809
-	129,748	6,097	-	-	-	-	575,503
-	-	-	-	-	-	-	808
-	144,349	11,223	-	-	51,134	-	756,621
-	-	-	-	-	-	-	150
-	-	-	-	-	-	-	13,360
-	-	-	-	-	-	-	13,510
-	2,092	-	-	-	-	-	2,092
-	-	-	-	-	-	-	357,194
-	-	-	-	-	-	-	1,404,465
13	-	-	27,594	-	-	-	168,460
-	-	-	-	4,457	70,535	1,237	183,287
-	(144,349)	(170)	-	-	-	-	(484,800)
<u>13</u>	<u>(142,257)</u>	<u>(170)</u>	<u>27,594</u>	<u>4,457</u>	<u>70,535</u>	<u>1,237</u>	<u>1,630,698</u>
<u>\$ 13</u>	<u>\$ 2,092</u>	<u>\$ 11,053</u>	<u>\$ 27,594</u>	<u>\$ 4,457</u>	<u>\$ 121,669</u>	<u>\$ 1,237</u>	<u>\$ 2,400,829</u>

(Concluded)

CITY OF BULLHEAD CITY, ARIZONA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 SPECIAL REVENUE FUNDS
 Year Ended June 30, 2021

	RICO	Housing	Arts Commission	Special Assessments Administration
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Special assessments	-	-	-	33,722
Fines and forfeitures	9,234	-	-	-
Investment earnings	124	8	4	43
Other revenues	-	1	3	54
Total revenues	<u>9,358</u>	<u>9</u>	<u>7</u>	<u>33,819</u>
EXPENDITURES				
Current:				
General government	-	-	-	16,786
Public safety	19,360	-	-	-
Culture and recreation	-	-	746	-
Redevelopment and housing	-	-	-	-
Health and welfare	-	-	-	-
Total expenditures	<u>19,360</u>	<u>-</u>	<u>746</u>	<u>16,786</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,002)</u>	<u>9</u>	<u>(739)</u>	<u>17,033</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	(24,703)
Total other financing (uses) sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>(24,703)</u>
Net change in fund balances	<u>(10,002)</u>	<u>9</u>	<u>(739)</u>	<u>(7,670)</u>
Fund balances - beginning of year	<u>59,989</u>	<u>16</u>	<u>5,420</u>	<u>52,058</u>
Fund balances - end of year	<u>\$ 49,987</u>	<u>\$ 25</u>	<u>\$ 4,681</u>	<u>\$ 44,388</u>

JCEF	Water Impost	Transit	REO	Court Enhancement	Fill the Gap
\$ -	\$ -	\$ 1,195,692	\$ -	\$ -	\$ -
-	591,778	95,186	-	-	-
-	-	-	-	-	-
11,533	-	-	-	28,331	5,979
64	874	161	-	10	17
8	-	2,257	7,181	1	2
<u>11,605</u>	<u>592,652</u>	<u>1,293,296</u>	<u>7,181</u>	<u>28,342</u>	<u>5,998</u>
444	419,363	1,327,491	35,574	31,546	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>444</u>	<u>419,363</u>	<u>1,327,491</u>	<u>35,574</u>	<u>31,546</u>	<u>-</u>
<u>11,161</u>	<u>173,289</u>	<u>(34,195)</u>	<u>(28,393)</u>	<u>(3,204)</u>	<u>5,998</u>
-	-	3,725	222,736	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	3,725	222,736	-	-
<u>11,161</u>	<u>173,289</u>	<u>(30,470)</u>	<u>194,343</u>	<u>(3,204)</u>	<u>5,998</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>
<u>\$ 89,520</u>	<u>\$ 1,355,371</u>	<u>\$ 357,194</u>	<u>\$ (187,708)</u>	<u>\$ 1,346</u>	<u>\$ 27,871</u>

(Continued)

CITY OF BULLHEAD CITY, ARIZONA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 SPECIAL REVENUE FUNDS
 Year Ended June 30, 2021

REVENUES	CDBG/HTF	Special Events	Veterans Memorial Park	FARE	Pest Abatement
Intergovernmental	\$ 383,307	\$ -	\$ -	\$ -	\$ 160,000
Charges for services	-	13,115	-	-	-
Special assessments	-	-	-	-	-
Fines and forfeitures	-	-	-	1,834	-
Investment earnings	-	24	-	8	63
Other revenues	67,007	5,650	84	-	-
Total revenues	<u>450,314</u>	<u>18,789</u>	<u>84</u>	<u>1,842</u>	<u>160,063</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	150,532
Public safety	-	-	-	-	-
Culture and recreation	-	20,896	-	-	-
Redevelopment and housing	495,613	-	-	-	-
Health and welfare	-	-	-	-	-
Total expenditures	<u>495,613</u>	<u>20,896</u>	<u>-</u>	<u>-</u>	<u>150,532</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(45,299)</u>	<u>(2,107)</u>	<u>84</u>	<u>1,842</u>	<u>9,531</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>(45,299)</u>	<u>(2,107)</u>	<u>84</u>	<u>1,842</u>	<u>9,531</u>
Fund balances - beginning of year	<u>(107,274)</u>	<u>21,239</u>	<u>221</u>	<u>8,791</u>	<u>39,586</u>
Fund balances - end of year	<u>\$ (152,573)</u>	<u>\$ 19,132</u>	<u>\$ 305</u>	<u>\$ 10,633</u>	<u>\$ 49,117</u>

Court Security Improvement	Court Improvement	Victim Services Grants	Police Grants	General Grants	Senior Nutrition Center	CARES	Total
\$ -	\$ -	\$ 142,563	\$ 131,416	\$ -	\$ 302,554	\$ 2,816,251	\$ 5,131,783
-	-	-	-	-	-	-	700,079
-	-	-	-	-	-	-	33,722
-	-	-	-	-	-	-	56,911
-	-	-	4	7	-	825	2,236
-	-	-	-	750	67,360	-	150,358
-	-	142,563	131,420	757	369,914	2,817,076	6,075,089
-	130,411	-	-	-	-	-	2,112,147
-	-	142,563	86,638	-	-	-	248,561
-	-	-	-	-	-	-	21,642
-	-	-	-	-	-	-	495,613
-	-	-	-	-	378,941	-	378,941
-	130,411	142,563	86,638	-	378,941	-	3,256,904
-	(130,411)	-	44,782	757	(9,027)	2,817,076	2,818,185
-	-	-	-	-	-	-	226,461
-	-	-	-	-	136,924	-	136,924
-	-	-	-	-	-	(2,816,251)	(2,840,954)
-	-	-	-	-	136,924	(2,816,251)	(2,477,569)
-	(130,411)	-	44,782	757	127,897	825	340,616
13	(11,846)	(170)	(17,188)	3,700	(57,362)	412	1,290,082
\$ 13	\$ (142,257)	\$ (170)	\$ 27,594	\$ 4,457	\$ 70,535	\$ 1,237	\$ 1,630,698

(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, 2021

	Street Lighting Improvement Districts	Flood Control Fund	Total
ASSETS			
Cash and cash equivalents	\$ -	\$ 360,244	\$ 360,244
Receivables, net of allowances for uncollectibles:			
Accounts	16,724	-	16,724
Taxes	-	-	-
Intergovernmental	-	-	-
Total assets	<u>\$ 16,724</u>	<u>\$ 360,244</u>	<u>\$ 376,968</u>
LIABILITIES			
Accounts payable	\$ 7,380	\$ 39,146	\$ 46,526
Accrued payroll and related liabilities	-	3,758	3,758
Due to other funds	742	-	742
Other liabilities	-	42,303	42,303
Total liabilities	<u>8,122</u>	<u>85,207</u>	<u>93,329</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	-	275,037	275,037
Unassigned	(15,954)	-	(15,954)
Total fund balances	<u>(15,954)</u>	<u>275,037</u>	<u>259,083</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 16,724</u>	<u>\$ 360,244</u>	<u>\$ 376,968</u>

CITY OF BULLHEAD CITY, ARIZONA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 CAPITAL PROJECTS FUNDS
 Year Ended June 30, 2021

	Street Lighting Improvement Districts	Flood Control Fund	Total
REVENUES			
Special assessments	\$ 54,199	\$ -	\$ 54,199
Investment earnings	113	1,025	1,138
Other revenues	-	90	90
Total revenues	<u>54,312</u>	<u>1,115</u>	<u>55,427</u>
EXPENDITURES			
Current:			
Highways and streets	65,723	228,112	293,835
Capital outlay	-	1,093,159	1,093,159
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Bond issuance costs	-	-	-
Total expenditures	<u>65,723</u>	<u>1,321,271</u>	<u>1,386,994</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,411)</u>	<u>(1,320,156)</u>	<u>(1,331,567)</u>
Net change in fund balances	(11,411)	(1,320,156)	(1,331,567)
Fund balances - beginning of year	<u>(4,543)</u>	<u>1,595,193</u>	<u>1,590,650</u>
Fund balances - end of year	<u>\$ (15,954)</u>	<u>\$ 275,037</u>	<u>\$ 259,083</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, 2021

	Debt Service	Bullhead Parkway Improvement District	East Branch Sewer Improvement District	Total
ASSETS				
Cash and cash equivalents	\$ 62,309	\$ -	\$ -	\$ 62,309
Restricted cash	320,888	-	-	320,888
Receivables, net of allowances for uncollectibles:				
Accounts	370,008	-	-	370,008
Special assessments receivable	-	343	537	880
Total assets	<u>\$ 753,205</u>	<u>\$ 343</u>	<u>\$ 537</u>	<u>\$ 754,085</u>
LIABILITIES				
Due to other funds	\$ 213,872	\$ 1,201,462	\$ 360	\$ 1,415,694
Interest payable	37,881	-	-	37,881
Matured bonds payable	283,000	-	-	283,000
Total liabilities	<u>534,753</u>	<u>1,201,462</u>	<u>360</u>	<u>1,736,575</u>
Deferred inflows of resources				
Unavailable revenue - special assessments	280,009	-	-	280,009
Total deferred inflows of resources	<u>280,009</u>	<u>-</u>	<u>-</u>	<u>280,009</u>
FUND BALANCES				
Restricted				
Debt service	-	-	177	177
Unassigned	(61,557)	(1,201,119)	-	(1,262,676)
Total fund balances	<u>(61,557)</u>	<u>(1,201,119)</u>	<u>177</u>	<u>(1,262,499)</u>
Total liabilities and fund balances	<u>\$ 753,205</u>	<u>\$ 343</u>	<u>\$ 537</u>	<u>\$ 754,085</u>

CITY OF BULLHEAD CITY, ARIZONA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 DEBT SERVICE FUNDS
 Year Ended June 30, 2021

	Debt Service	Bullhead Parkway Improvement District	East Branch Sewer Improvement District	Total
REVENUES				
Special assessments	\$ 87,625	\$ -	\$ -	\$ 87,625
Investment earnings	148	-	-	148
Other revenues	21,052	-	3	21,055
Total revenues	<u>108,825</u>	<u>-</u>	<u>3</u>	<u>108,828</u>
EXPENDITURES				
Current:				
Debt service:				
Principal	383,000	-	-	383,000
Interest and fiscal charges	187,917	-	-	187,917
Total expenditures	<u>570,917</u>	<u>-</u>	<u>-</u>	<u>570,917</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(462,092)</u>	<u>-</u>	<u>3</u>	<u>(462,089)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	358,764	-	-	358,764
Net change in fund balances	<u>(103,328)</u>	<u>-</u>	<u>3</u>	<u>(103,325)</u>
Fund balances - beginning of year	<u>41,771</u>	<u>(1,201,119)</u>	<u>174</u>	<u>(1,159,174)</u>
Fund balances - end of year	<u>\$ (61,557)</u>	<u>\$ (1,201,119)</u>	<u>\$ 177</u>	<u>\$ (1,262,499)</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, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 956,853	\$ 956,853	\$ 370,964	\$ (585,889)
Investment earnings	8,432	8,432	1,736	(6,696)
Other revenues	-	-	9,612	9,612
Total revenues	<u>965,285</u>	<u>965,285</u>	<u>382,312</u>	<u>(582,973)</u>
EXPENDITURES				
Current:				
Culture and recreation	-	-	57,560	(57,560)
Highways and streets	-	-	4,183,125	(4,183,125)
Debt service:				
Bond issuance costs	-	-	95,250	(95,250)
Capital outlay	9,912,630	10,045,948	3,228,764	6,817,184
Total expenditures	<u>9,912,630</u>	<u>10,045,948</u>	<u>7,602,514</u>	<u>2,443,434</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,947,345)</u>	<u>(9,080,663)</u>	<u>(7,220,202)</u>	<u>1,860,461</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	4,509,548	4,509,548	4,600,000	90,452
Transfers in	950,053	660,329	1,491,189	830,860
Total other financing sources (uses)	<u>5,459,601</u>	<u>5,169,877</u>	<u>6,091,189</u>	<u>921,312</u>
Net change in fund balances	(3,487,744)	(3,910,786)	(1,129,013)	2,781,773
Fund balances - beginning of year	<u>3,509,016</u>	<u>3,509,016</u>	<u>1,341,166</u>	<u>(2,167,850)</u>
Fund balances - end of year	<u>\$ 21,272</u>	<u>\$ (401,770)</u>	<u>\$ 212,153</u>	<u>\$ 613,923</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Special assessments	\$ 2,046,329	\$ 2,046,329	\$ 1,956,695	\$ (89,634)
Investment earnings	17,000	17,000	1,256	(15,744)
Other revenues	-	-	141	141
Total revenues	<u>2,063,329</u>	<u>2,063,329</u>	<u>1,958,092</u>	<u>(105,237)</u>
EXPENDITURES				
Current:				
General government	45,674	45,674	45,674	-
Debt service:				
Principal	2,181,932	2,181,932	2,181,932	-
Interest and fiscal charges	198,939	198,939	198,939	-
Total expenditures	<u>2,426,545</u>	<u>2,426,545</u>	<u>2,426,545</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(363,216)</u>	<u>(363,216)</u>	<u>(468,453)</u>	<u>(105,237)</u>
Net change in fund balances	(363,216)	(363,216)	(468,453)	(105,237)
Fund balances - beginning of year	<u>1,562,315</u>	<u>1,562,315</u>	<u>1,923,664</u>	<u>361,349</u>
Fund balances - end of year	<u>\$ 1,199,099</u>	<u>\$ 1,199,099</u>	<u>\$ 1,455,211</u>	<u>\$ 256,112</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 830	\$ 830
EXPENDITURES				
Current:				
Debt service:				
Principal	1,786,000	1,786,000	1,786,000	-
Interest and fiscal charges	56,462	56,462	56,878	(416)
Total expenditures	1,842,462	1,842,462	1,842,878	(416)
Excess (deficiency) of revenues over (under) expenditures	(1,842,462)	(1,842,462)	(1,842,048)	414
OTHER FINANCING SOURCES (USES)				
Transfers in	1,842,462	1,842,462	1,842,468	6
Net change in fund balances	-	-	420	420
Fund balances - beginning of year	-	-	49,265	49,265
Fund balances - end of year	\$ -	\$ -	\$ 49,685	\$ 49,685

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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ -	\$ -	\$ 9,234	\$ 9,234
Investment earnings	1,500	1,500	124	(1,376)
Total revenues	<u>1,500</u>	<u>1,500</u>	<u>9,358</u>	<u>7,858</u>
EXPENDITURES				
Current:				
Public safety	20,227	20,227	19,360	867
Total expenditures	<u>20,227</u>	<u>20,227</u>	<u>19,360</u>	<u>867</u>
Net change in fund balances	(68,727)	(68,727)	(10,002)	58,725
Fund balances - beginning of year	<u>68,727</u>	<u>68,727</u>	<u>59,989</u>	<u>(8,738)</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,987</u>	<u>\$ 49,987</u>

CITY OF BULLHEAD CITY, ARIZONA
HOUSING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 8	\$ 8
Other revenues	18,601	18,601	1	(18,600)
Total revenues	18,601	18,601	9	(18,592)
EXPENDITURES				
Redevelopment and housing	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances	18,601	18,601	9	(18,592)
Fund balances - beginning of year	\$ -	\$ -	\$ 16	\$ 16
Fund balances - end of year	\$ 18,601	\$ 18,601	\$ 25	\$ (18,576)

CITY OF BULLHEAD CITY, ARIZONA
ARTS COMMISSION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 4	\$ 4
Other revenues	-	-	3	3
Total revenues	-	-	7	7
EXPENDITURES				
Current:				
Culture and recreation	4,747	4,747	746	4,001
Total expenditures	4,747	4,747	746	4,001
Net change in fund balances	(4,747)	(4,747)	(739)	4,008
Fund balances - beginning of year	4,747	4,747	5,420	673
Fund balances - end of year	\$ -	\$ -	\$ 4,681	\$ 4,681

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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Special assessments	\$ 32,500	\$ 32,500	\$ 33,722	\$ 1,222
Investment earnings	1,000	1,000	43	(957)
Other revenues	-	-	54	54
Total revenues	<u>33,500</u>	<u>33,500</u>	<u>33,819</u>	<u>319</u>
EXPENDITURES				
Current:				
General government	67,897	67,897	16,786	51,111
Total expenditures	<u>67,897</u>	<u>67,897</u>	<u>16,786</u>	<u>51,111</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(34,397)</u>	<u>(34,397)</u>	<u>17,033</u>	<u>51,430</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(24,703)</u>	<u>(24,703)</u>	<u>(24,703)</u>	<u>-</u>
Net change in fund balances	(59,100)	(59,100)	(7,670)	51,430
Fund balances - beginning of year	<u>59,100</u>	<u>59,100</u>	<u>52,058</u>	<u>(7,042)</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,388</u>	<u>\$ 44,388</u>

CITY OF BULLHEAD CITY, ARIZONA
 JCEF FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
 BUDGET AND ACTUAL
 Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 9,900	\$ 9,900	\$ 11,533	\$ 1,633
Investment earnings	500	500	64	(436)
Other revenues	-	-	8	8
Total revenues	<u>10,400</u>	<u>10,400</u>	<u>11,605</u>	<u>1,205</u>
EXPENDITURES				
Current:				
General government	18,842	18,842	444	18,398
Total expenditures	<u>18,842</u>	<u>18,842</u>	<u>444</u>	<u>18,398</u>
Net change in fund balances	(77,428)	(77,428)	11,161	88,589
Fund balances - beginning of year	<u>77,428</u>	<u>77,428</u>	<u>78,359</u>	<u>931</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,520</u>	<u>\$ 89,520</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, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget- Positive
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Charges for services	\$ 535,000	\$ 535,000	\$ 591,778	\$ 56,778
Investment earnings	8,000	8,000	874	(7,126)
Total revenues	<u>543,000</u>	<u>543,000</u>	<u>592,652</u>	<u>49,652</u>
EXPENDITURES				
Current:				
General government	1,325,985	1,325,985	419,363	906,622
Capital outlay	100,000	100,000	-	100,000
Total expenditures	<u>1,425,985</u>	<u>1,425,985</u>	<u>419,363</u>	<u>1,006,622</u>
Net change in fund balances	(882,985)	(882,985)	173,289	1,056,274
Fund balances - beginning of year	<u>884,541</u>	<u>884,541</u>	<u>1,182,082</u>	<u>297,541</u>
Fund balances - end of year	<u>\$ 1,556</u>	<u>\$ 1,556</u>	<u>\$ 1,355,371</u>	<u>\$ 1,353,815</u>

CITY OF BULLHEAD CITY, ARIZONA
TRANSIT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,060,367	\$ 1,060,367	\$ 1,195,692	\$ 135,325
Charges for services	170,000	170,000	95,186	(74,814)
Investment earnings	-	-	161	161
Other revenues	4,200	4,200	2,257	(1,943)
Total revenues	<u>1,234,567</u>	<u>1,234,567</u>	<u>1,293,296</u>	<u>58,729</u>
EXPENDITURES				
Current:				
General government	1,449,421	1,449,421	1,327,491	121,930
Capital outlay	235,000	235,000	-	235,000
Total expenditures	<u>1,684,421</u>	<u>1,684,421</u>	<u>1,327,491</u>	<u>356,930</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(449,854)</u>	<u>(449,854)</u>	<u>(34,195)</u>	<u>415,659</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	3,725	3,725
Transfers in	278,018	278,018	-	(278,018)
Total other financing sources (uses)	<u>278,018</u>	<u>278,018</u>	<u>3,725</u>	<u>(274,293)</u>
Net change in fund balances	(171,836)	(171,836)	(30,470)	141,366
Fund balances - beginning of year	<u>151,276</u>	<u>151,276</u>	<u>387,664</u>	<u>236,388</u>
Fund balances - end of year	<u>\$ (20,560)</u>	<u>\$ (20,560)</u>	<u>\$ 357,194</u>	<u>\$ 377,754</u>

CITY OF BULLHEAD CITY, ARIZONA
 REO FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
 BUDGET AND ACTUAL
 Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Total revenues	\$ -	\$ -	\$ 7,181	\$ 7,181
EXPENDITURES				
Current:				
General government	45,000	68,000	35,574	32,426
Total expenditures	45,000	68,000	35,574	32,426
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	45,000	45,000	222,736	177,736
Total other financing sources (uses)	45,000	45,000	222,736	177,736
Net change in fund balances	-	(23,000)	194,343	217,343
Fund balances - beginning of year	-	-	(382,051)	(382,051)
Fund balances - end of year	\$ -	\$ (23,000)	\$ (187,708)	\$ (164,708)

CITY OF BULLHEAD CITY, ARIZONA
 COURT ENHANCEMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
 BUDGET AND ACTUAL
 Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 25,800	\$ 25,800	\$ 28,331	\$ 2,531
Investment earnings	50	50	10	(40)
Other revenues	-	-	1	1
Total revenues	<u>25,850</u>	<u>25,850</u>	<u>28,342</u>	<u>2,492</u>
EXPENDITURES				
Current:				
General government	<u>37,000</u>	<u>37,000</u>	<u>31,546</u>	<u>5,454</u>
Total expenditures	<u>37,000</u>	<u>37,000</u>	<u>31,546</u>	<u>5,454</u>
Net change in fund balances	(11,150)	(11,150)	(3,204)	7,946
Fund balances - beginning of year	<u>8,321</u>	<u>8,321</u>	<u>4,550</u>	<u>(3,771)</u>
Fund balances - end of year	<u>\$ (2,829)</u>	<u>\$ (2,829)</u>	<u>\$ 1,346</u>	<u>\$ 4,175</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 6,400	\$ 6,400	\$ 5,979	\$ (421)
Investment earnings	200	200	17	(183)
Other revenues	-	-	2	2
Total revenues	<u>6,600</u>	<u>6,600</u>	<u>5,998</u>	<u>(602)</u>
EXPENDITURES				
Current:				
General government	<u>43,234</u>	<u>43,234</u>	<u>-</u>	<u>43,234</u>
Total expenditures	<u>43,234</u>	<u>43,234</u>	<u>-</u>	<u>43,234</u>
Net change in fund balances	(36,634)	(36,634)	5,998	42,632
Fund balances - beginning of year	<u>36,634</u>	<u>36,634</u>	<u>21,873</u>	<u>(14,761)</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,871</u>	<u>\$ 27,871</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 528,681	\$ 528,681	\$ 383,307	\$ (145,374)
Other revenues	-	-	67,007	67,007
Total revenues	<u>528,681</u>	<u>528,681</u>	<u>450,314</u>	<u>(78,367)</u>
EXPENDITURES				
Current:				
Redevelopment and housing	488,193	488,193	495,613	(7,420)
Total expenditures	<u>488,193</u>	<u>488,193</u>	<u>495,613</u>	<u>(7,420)</u>
Net change in fund balances	40,488	40,488	(45,299)	(85,787)
Fund balances - beginning of year	-	-	(107,274)	(107,274)
Fund balances - end of year	<u>\$ 40,488</u>	<u>\$ 40,488</u>	<u>\$ (152,573)</u>	<u>\$ (193,061)</u>

CITY OF BULLHEAD CITY, ARIZONA
SPECIAL EVENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 71,370	\$ 71,370	\$ 13,115	\$ (58,255)
Investment earnings	250	250	24	(226)
Other revenues	93,453	93,453	5,650	(87,803)
Total revenues	<u>165,073</u>	<u>165,073</u>	<u>18,789</u>	<u>(146,284)</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Culture and recreation	129,768	129,768	20,896	108,872
Total expenditures	<u>129,768</u>	<u>129,768</u>	<u>20,896</u>	<u>108,872</u>
Net change in fund balances	35,305	35,305	(2,107)	(37,412)
Fund balances - beginning of year	<u>135</u>	<u>135</u>	<u>21,239</u>	<u>21,104</u>
Fund balances - end of year	<u>\$ 35,440</u>	<u>\$ 35,440</u>	<u>\$ 19,132</u>	<u>\$ (16,308)</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Other revenues	\$ -	\$ -	\$ 84	\$ 84
Total revenues	-	-	84	84
EXPENDITURES				
Current:				
Total expenditures	-	-	-	-
Net change in fund balances	-	-	84	84
Fund balances - beginning of year	149	149	221	72
Fund balances - end of year	\$ 149	\$ 149	\$ 305	\$ 156

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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 5,300	\$ 5,300	\$ 1,834	\$ (3,466)
Investment earnings	20	20	8	(12)
Total revenues	<u>5,320</u>	<u>5,320</u>	<u>1,842</u>	<u>(3,478)</u>
EXPENDITURES				
Current:				
General government	<u>16,276</u>	<u>16,276</u>	-	16,276
Total expenditures	<u>16,276</u>	<u>16,276</u>	-	16,276
Net change in fund balances	(10,956)	(10,956)	1,842	12,798
Fund balances - beginning of year	<u>10,956</u>	<u>10,956</u>	<u>8,791</u>	<u>(2,165)</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,633</u>	<u>\$ 10,633</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, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 135,000	\$ 135,000	\$ 160,000	\$ 25,000
Investment earnings	-	-	63	63
Total revenues	<u>135,000</u>	<u>135,000</u>	<u>160,063</u>	<u>25,063</u>
EXPENDITURES				
Current:				
General government	<u>131,176</u>	<u>156,176</u>	<u>150,532</u>	<u>5,644</u>
Total expenditures	<u>131,176</u>	<u>156,176</u>	<u>150,532</u>	<u>5,644</u>
Net change in fund balances	3,824	(21,176)	9,531	30,707
Fund balances - beginning of year	<u>9,381</u>	<u>9,381</u>	<u>39,586</u>	<u>30,205</u>
Fund balances - end of year	<u>\$ 13,205</u>	<u>\$ (11,795)</u>	<u>\$ 49,117</u>	<u>\$ 60,912</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, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
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, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	<u>\$ 167,667</u>	<u>\$ 167,667</u>	<u>\$ -</u>	<u>\$ (167,667)</u>
Total revenues	<u>167,667</u>	<u>167,667</u>	<u>-</u>	<u>(167,667)</u>
EXPENDITURES				
Current:				
General government	<u>167,474</u>	<u>167,474</u>	<u>130,411</u>	<u>37,063</u>
Total expenditures	<u>167,474</u>	<u>167,474</u>	<u>130,411</u>	<u>37,063</u>
Net change in fund balances	193	193	(130,411)	(130,604)
Fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>(11,846)</u>	<u>(11,846)</u>
Fund balances - end of year	<u>\$ 193</u>	<u>\$ 193</u>	<u>\$ (142,257)</u>	<u>\$ (142,450)</u>

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, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	<u>\$ 155,038</u>	<u>\$ 155,038</u>	<u>\$ 142,563</u>	<u>\$ (12,475)</u>
Total revenues	<u>155,038</u>	<u>155,038</u>	<u>142,563</u>	<u>(12,475)</u>
EXPENDITURES				
Current:				
Public safety	<u>155,038</u>	<u>155,038</u>	<u>142,563</u>	<u>12,475</u>
Total expenditures	<u>155,038</u>	<u>155,038</u>	<u>142,563</u>	<u>12,475</u>
Net change in fund balances	-	-	-	-
Fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>(170)</u>	<u>(170)</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (170)</u>	<u>\$ (170)</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, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 214,655	\$ 214,655	\$ 131,416	\$ (83,239)
Investment earnings	-	-	4	4
Other revenues	50,000	50,000	-	(50,000)
Total revenues	<u>264,655</u>	<u>264,655</u>	<u>131,420</u>	<u>(133,235)</u>
EXPENDITURES				
Current:				
Public safety	150,670	150,670	86,638	64,032
Total expenditures	<u>255,670</u>	<u>150,670</u>	<u>86,638</u>	<u>64,032</u>
Net change in fund balances	8,985	113,985	44,782	(69,203)
Fund balances - beginning of year	-	-	(17,188)	(17,188)
Fund balances - end of year	<u>\$ 8,985</u>	<u>\$ 113,985</u>	<u>\$ 27,594</u>	<u>\$ (86,391)</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive
	Original	Final		(Negative)
REVENUES				
Intergovernmental	\$ 95,000	\$ 95,000	\$ -	\$ (95,000)
Investment earnings	-	-	7	7
Other revenues	5,000	5,000	750	(4,250)
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>757</u>	<u>(99,243)</u>
EXPENDITURES				
Current:				
Culture and recreation	5,000	5,000	-	5,000
Capital outlay	95,000	55,106	-	55,106
Total expenditures	<u>100,000</u>	<u>60,106</u>	<u>-</u>	<u>60,106</u>
Net change in fund balances	-	39,894	757	(39,137)
Fund balances - beginning of year	-	-	3,700	3,700
Fund balances - end of year	<u>\$ -</u>	<u>\$ 39,894</u>	<u>\$ 4,457</u>	<u>\$ (35,437)</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 183,600	\$ 183,600	\$ 302,554	\$ 118,954
Other revenues	86,900	86,900	67,360	(19,540)
Total revenues	<u>270,500</u>	<u>270,500</u>	<u>369,914</u>	<u>99,414</u>
EXPENDITURES				
Current:				
Health and welfare	364,477	400,937	378,941	21,996
Total expenditures	<u>364,477</u>	<u>400,937</u>	<u>378,941</u>	<u>21,996</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(93,977)</u>	<u>(130,437)</u>	<u>(9,027)</u>	<u>121,410</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	100,460	136,920	136,924	4
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>100,460</u>	<u>136,920</u>	<u>136,924</u>	<u>4</u>
Net change in fund balances	6,483	6,483	127,897	121,414
Fund balances - beginning of year	-	-	(57,362)	(57,362)
Fund balances - end of year	<u>\$ 6,483</u>	<u>\$ 6,483</u>	<u>\$ 70,535</u>	<u>\$ 64,052</u>

CITY OF BULLHEAD CITY, ARIZONA
 CARES ACT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
 BUDGET AND ACTUAL
 Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,816,251	\$ 2,816,251	\$ 2,816,251	\$ -
Investment earnings	-	-	825	825
Total revenues	<u>2,816,251</u>	<u>2,816,251</u>	<u>2,817,076</u>	<u>825</u>
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	2,816,251	2,816,251	2,817,076	825
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,816,251)	(2,816,251)	(2,816,251)	-
Total other financing sources (uses)	<u>(2,816,251)</u>	<u>(2,816,251)</u>	<u>(2,816,251)</u>	<u>-</u>
Net change in fund balances	-	-	825	825
Fund balances - beginning of year	-	-	412	412
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,237</u>	<u>\$ 1,237</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Special assessments	\$ 72,619	\$ 72,619	\$ 54,199	\$ (18,420)
Investment earnings	-	-	113	113
Total revenues	<u>72,619</u>	<u>72,619</u>	<u>54,312</u>	<u>(18,307)</u>
EXPENDITURES				
Current:				
Highways and streets	72,619	72,619	65,723	6,896
Total expenditures	<u>72,619</u>	<u>72,619</u>	<u>65,723</u>	<u>6,896</u>
Net change in fund balances	-	-	(11,411)	(11,411)
Fund balances - beginning of year	-	-	(4,543)	(4,543)
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (15,954)</u>	<u>\$ (15,954)</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 922,903	\$ 922,903	\$ -	\$ (922,903)
Investment earnings	4,000	4,000	1,025	(2,975)
Other revenues	-	-	90	90
Total revenues	<u>926,903</u>	<u>926,903</u>	<u>1,115</u>	<u>(925,788)</u>
EXPENDITURES				
Current:				
Highways and streets	326,954	326,954	228,113	98,841
Capital outlay	2,080,000	2,080,000	1,093,159	986,841
Total expenditures	<u>2,406,954</u>	<u>2,406,954</u>	<u>1,321,272</u>	<u>1,085,682</u>
Net change in fund balances	(1,480,051)	(1,480,051)	(1,320,157)	159,894
Fund balances - beginning of year	<u>1,566,525</u>	<u>1,566,525</u>	<u>1,595,193</u>	<u>28,668</u>
Fund balances - end of year	<u>\$ 86,474</u>	<u>\$ 86,474</u>	<u>\$ 275,036</u>	<u>\$ 188,562</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Special assessments	\$ 212,162	\$ 212,162	\$ 87,625	\$ (124,537)
Investment earnings	-	-	148	148
Other revenues	-	-	21,052	21,052
Total revenues	<u>212,162</u>	<u>212,162</u>	<u>108,825</u>	<u>(103,337)</u>
EXPENDITURES				
Current:				
Debt service:				
Principal	534,118	534,118	383,000	151,118
Interest and fiscal charges	<u>367,924</u>	<u>367,924</u>	<u>187,917</u>	<u>180,007</u>
Total expenditures	<u>902,042</u>	<u>902,042</u>	<u>570,917</u>	<u>331,125</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(689,880)</u>	<u>(689,880)</u>	<u>(462,092)</u>	<u>227,788</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>689,880</u>	<u>689,880</u>	<u>358,764</u>	<u>(331,116)</u>
Total other financing sources (uses)	<u>689,880</u>	<u>689,880</u>	<u>358,764</u>	<u>(331,116)</u>
Net change in fund balances	-	-	(103,328)	(103,328)
Fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>41,771</u>	<u>41,771</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (61,557)</u>	<u>\$ (61,557)</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, 2021

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

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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Other revenues	\$ -	\$ -	\$ 3	\$ 3
Total revenues	-	-	3	3
EXPENDITURES				
Total expenditures	-	-	-	-
Net change in fund balances	-	-	3	3
Fund balances - beginning of year	-	-	174	174
Fund balances - end of year	\$ -	\$ -	\$ 177	\$ 177

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, 2021

	Fleet Services	Risk Management	Employee Benefit Trust	Total
ASSETS				
Current assets				
Cash and cash equivalents	\$ -	\$ 1,086,842	\$ 162,693	\$ 1,249,535
Accounts receivable, net	10,100	255,425	2,745	268,270
Inventory	32,153	-	-	32,153
Prepaid expenses	-	-	1,406,294	1,406,294
Total current assets	<u>42,253</u>	<u>1,342,267</u>	<u>1,571,732</u>	<u>2,956,252</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	8,322,769	-	-	8,322,769
Less accumulated depreciation	<u>(6,703,792)</u>	<u>-</u>	<u>-</u>	<u>(6,703,792)</u>
Total noncurrent assets	<u>2,726,569</u>	<u>-</u>	<u>-</u>	<u>2,726,569</u>
Total assets	<u>2,768,822</u>	<u>1,342,267</u>	<u>1,571,732</u>	<u>5,682,821</u>
LIABILITIES				
Current liabilities				
Accounts payable	75,893	122,852	914	199,659
Accrued payroll and related liabilities	9,040	19,738	-	28,778
Due to other funds	194,944	-	-	194,944
Other liabilities	41,134	1,820	-	42,954
Total current liabilities	<u>321,011</u>	<u>144,410</u>	<u>914</u>	<u>466,335</u>
NET POSITION				
Net investment in capital assets	2,726,569	-	-	2,726,569
Unrestricted (deficit)	<u>(278,758)</u>	<u>1,197,857</u>	<u>1,570,818</u>	<u>2,489,917</u>
Total net position	<u>\$ 2,447,811</u>	<u>\$ 1,197,857</u>	<u>\$ 1,570,818</u>	<u>\$ 5,216,486</u>

CITY OF BULLHEAD CITY, ARIZONA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year Ended June 30, 2021

	Fleet Services	Risk Management	Employee Benefit Trust	Total
Operating revenues				
Charges for services	\$ 1,122,347	\$ 1,720,643	\$ 3,845,512	\$ 6,688,502
Other revenues	1,090	272,226	329,794	603,110
Total operating revenue	<u>1,123,437</u>	<u>1,992,869</u>	<u>4,175,306</u>	<u>7,291,612</u>
Operating expenses				
Salaries and related expenses	330,716	163,715	-	494,431
Medical claims and self-insurance	-	688,913	3,829,394	4,518,307
Administration	696,537	548,676	-	1,245,213
Utilities	47,525	-	-	47,525
Maintenance, supplies and equipment	52,841	-	-	52,841
Depreciation	492,617	-	-	492,617
Other	384,802	-	-	384,802
Total operating expenses	<u>2,005,038</u>	<u>1,401,304</u>	<u>3,829,394</u>	<u>7,235,736</u>
Operating income (loss)	<u>(881,601)</u>	<u>591,565</u>	<u>345,912</u>	<u>55,876</u>
Non-operating Revenues (Expenses)				
Investment income	25	701	228	954
Gain (loss) on disposal of capital assets	(4,541)	-	-	(4,541)
Total nonoperating revenue (expense)	<u>(4,516)</u>	<u>701</u>	<u>228</u>	<u>(3,587)</u>
Income (loss) before contributions and transfers	(886,117)	592,266	346,140	52,289
Transfers in	<u>896,855</u>	<u>-</u>	<u>-</u>	<u>896,855</u>
Change in net position	<u>10,738</u>	<u>592,266</u>	<u>346,140</u>	<u>949,144</u>
Net position, beginning of year	<u>2,437,073</u>	<u>605,591</u>	<u>1,224,678</u>	<u>4,267,342</u>
Total net position-end of year	<u>\$ 2,447,811</u>	<u>\$ 1,197,857</u>	<u>\$ 1,570,818</u>	<u>\$ 5,216,486</u>

CITY OF BULLHEAD CITY, ARIZONA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2021

	Fleet Services	Risk Management	Employee Benefit Trust	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from interfund services	\$ 1,121,921	\$ 1,823,463	\$ 3,845,092	\$ 6,790,476
Other operating receipts	251,090	272,226	329,794	853,110
Payments to suppliers	(1,211,364)	(1,230,939)	(4,175,061)	(6,617,364)
Payments to employees	(330,376)	(148,775)	-	(479,151)
Cash flows from operating activities	<u>(168,729)</u>	<u>715,975</u>	<u>(175)</u>	<u>547,071</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund borrowings	(252,426)	-	-	(252,426)
Interfund transfers	896,855	-	-	896,855
Cash flows from noncapital and related financing activities	<u>644,429</u>	<u>-</u>	<u>-</u>	<u>644,429</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(475,725)	-	-	(475,725)
Cash flows from capital and related financing activities	<u>(475,725)</u>	<u>-</u>	<u>-</u>	<u>(475,725)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	25	701	228	954
Cash flows from investing activities	<u>25</u>	<u>701</u>	<u>228</u>	<u>954</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS				
	-	716,676	53	716,729
Cash and cash equivalents at beginning of year	-	370,166	162,640	532,806
Cash and cash equivalents at end of year	<u>\$ -</u>	<u>\$ 1,086,842</u>	<u>\$ 162,693</u>	<u>\$ 1,249,535</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)	\$ (881,601)	\$ 591,565	\$ 345,912	\$ 55,876
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/amortization expense	492,617	-	-	492,617
Changes in operating assets and liabilities (Increase)/decrease in:				
Accounts receivable	(426)	102,820	(420)	101,974
Inergovernmental receivable	250,000	-	-	250,000
Inventory	(8,403)	-	-	(8,403)
Prepaid expenses	-	-	(344,144)	(344,144)
Increase/(decrease) in:				
Accounts payable	(21,256)	6,650	(1,523)	(16,129)
Accrued payroll and related liabilities	340	14,940	-	15,280
Net cash provided (used) by operating activities:	<u>\$ (168,729)</u>	<u>\$ 715,975</u>	<u>\$ (175)</u>	<u>\$ 547,071</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.	140-149
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.	150-161
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.	162-167
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.	170-171
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.	172-182

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Governmental Activities</u>				
Net investment in Capital Assets	\$ 58,405	\$ 54,629	\$ 49,623	\$ 44,857
Restricted	7,562	9,118	7,405	5,347
Unrestricted	<u>1,570</u>	<u>1,054</u>	<u>2,678</u>	<u>(9,567)</u>
Total Governmental Activities Net Position	67,537	64,801	59,705	40,637
<u>Business-type Activities</u>				
Net investment in Capital Assets	88,826	89,006	84,699	90,081
Restricted	-	-	-	-
Unrestricted	<u>7,697</u>	<u>6,944</u>	<u>11,759</u>	<u>6,103</u>
Total Business-type Activities Net Position	96,523	95,950	96,459	96,184
<u>Primary Government</u>				
Net investment in Capital Assets	147,231	143,635	134,323	134,938
Restricted	7,562	9,118	7,405	5,347
Unrestricted	<u>9,267</u>	<u>7,998</u>	<u>14,437</u>	<u>(3,464)</u>
Total Primary Government Net Position	<u>\$ 164,060</u>	<u>\$ 160,751</u>	<u>\$ 156,164</u>	<u>\$ 136,821</u>

	2016	2017	2018	2019	2020	2021
\$	23,203	\$ 22,222	\$ 26,472	\$ 26,654	\$ 32,794	\$ 31,798
	5,045	5,893	6,995	10,064	6,262	4,993
	7,715	2,611	(471)	(3,631)	(1,190)	4,618
	35,963	30,726	32,996	33,087	37,866	41,409
	92,001	93,098	92,549	90,680	89,645	88,694
	3,110	3,004	2,210	2,250	2,386	2,406
	449	(219)	(258)	1,642	2,653	3,061
	95,560	95,883	94,502	94,572	94,684	94,161
	115,203	115,319	119,022	117,334	122,439	120,492
	8,154	8,897	9,205	12,314	8,649	7,399
	8,165	2,392	(729)	(1,988)	1,463	7,679
\$	<u>131,522</u>	<u>\$ 126,608</u>	<u>\$ 127,498</u>	<u>\$ 127,659</u>	<u>\$ 132,550</u>	<u>\$ 135,570</u>

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

<u>Expenses</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental Activities:				
General Government	\$ 8,471	\$ 8,710	\$ 10,209	\$ 10,198
Public Safety	12,396	12,774	13,026	13,944
Culture and Recreation	3,160	3,535	4,278	4,519
Economic Development	149	155	115	124
Redevelopment and housing	455	330	168	417
Highways and Streets	8,647	9,103	8,638	8,841
Health and Welfare	-	-	-	-
Interest on Long-term Debt	1,606	1,374	1,044	946
Total Governmental Activities Expenses	34,884	35,981	37,477	38,989
Business-type Activities:				
Wastewater Operations	9,214	10,027	9,362	9,799
Water Operations	20	19	36	29
Total Business-type Activities Expenses	9,234	10,045	9,398	9,827
Total Primary Government Expenses	44,118	46,026	46,875	48,817
<u>Program Revenue</u>				
Governmental Activities:				
Charges for Services:				
General Government	2,116	2,271	2,542	2,970
Public Safety	887	917	976	955
Culture and recreation	219	175	197	169
Redevelopment and housing	-	-	-	-
Highways and streets	313	261	391	394
Health and welfare	-	-	-	-
Operating Grants and Contributions	5,895	7,043	5,466	5,791
Capital Grants and Contributions	1,800	1,754	1,568	1,086
Total Governmental Activities Program Revenues	11,229	12,421	11,139	11,366
Business-type Activities:				
Charges for Services:				
Wastewater Operations	9,180	9,068	9,082	9,078
Water Operations	293	39	124	55
Capital Grants and Contributions	177	162	523	172
Total Business-type Activities Revenues	9,650	9,269	9,729	9,305
Total Primary Government Revenues	\$ 20,879	\$ 21,690	\$ 20,867	\$ 20,671
Net (Expense)/Revenue				
Governmental Activities	\$ (23,655)	\$ (23,559)	\$ (26,338)	\$ (27,624)
Business-type Activities	416	(777)	331	(522)
Total Primary Government Net Expense	(23,239)	(24,336)	(26,008)	(28,146)

	2016	2017	2018	2019	2020	2021
\$	10,196	\$ 10,585	\$ 12,894	\$ 12,391	\$ 9,018	\$ 10,552
	12,565	16,016	14,400	15,405	15,137	16,039
	4,361	4,472	3,837	3,713	4,543	5,245
	79	339	104	85	80	76
	421	662	171	418	290	539
	9,874	9,714	4,510	5,006	8,273	11,775
	919	869	869	884	918	775
	782	735	742	739	530	530
	39,199	43,392	37,526	38,642	38,789	45,532
	10,127	9,583	10,792	9,915	9,601	9,778
	11	31	66	515	1,012	1,239
	10,138	9,613	10,857	10,430	10,613	11,017
	49,337	53,005	48,383	49,071	49,402	56,548
	2,303	2,926	2,283	2,883	2,741	2,598
	1,738	1,767	1,915	1,853	2,113	1,853
	1,563	1,467	397	412	845	1,104
	-	-	-	45	-	67
	76	42	65	78	110	62
	-	-	-	2	-	-
	5,790	7,320	5,934	6,639	9,391	9,414
	524	425	3,438	190	348	382
	11,994	13,946	14,032	12,101	15,549	15,480
	9,053	9,002	8,969	9,991	9,855	9,923
	70	59	112	114	404	457
	140	654	244	-	-	-
	9,263	9,715	9,325	10,105	10,259	10,381
\$	21,258	\$ 23,662	\$ 23,357	\$ 22,206	\$ 25,808	\$ 25,861
\$	(27,205)	\$ (29,445)	\$ (23,494)	\$ (26,541)	\$ (23,240)	\$ (30,051)
	(875)	102	(1,533)	(324)	(354)	(636)
	(28,079)	(29,343)	(25,026)	(26,865)	(23,594)	(30,687)

(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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental Activities:				
Taxes				
City Sales Tax	10,164	10,299	10,821	11,284
State Shared Sales Tax	3,102	3,246	3,447	3,629
Urban Revenue Sharing	3,337	4,039	4,407	4,787
Franchise Tax	621	659	677	687
State Shared Vehicle License Tax	1,850	1,832	1,902	2,019
Other Taxes	75	71	71	34
Gain (loss) of sale of capital assets	18	37	33	3
Interest and Investment Income	23	20	12	11
Transfers	62	(100)	(128)	(217)
Total Governmental Activities	19,251	20,103	21,243	22,235
Business-type Activities:				
Gain (loss) of sale of capital assets	(1,984)	-	-	(12)
Interest and Investment Income	52	104	50	43
Transfers	(62)	100	128	217
Total Business-type Activities	(1,994)	204	178	248
Total Primary Government	17,257	20,307	21,421	22,483
Change in Net Position				
Governmental Activities	(4,404)	(3,457)	(5,095)	(5,389)
Business-type Activities	(1,578)	(572)	508	(275)
Total Primary Government	\$ (5,982)	\$ (4,029)	\$ (4,587)	\$ (5,663)

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
12,078	12,792	13,504	14,214	15,385	18,725
3,728	3,615	3,842	4,050	4,179	4,850
4,761	4,826	4,951	4,875	5,227	5,843
707	734	739	744	529	531
2,157	2,295	2,530	2,672	2,670	3,409
75	75	74	121	174	326
-	-	-	-	-	-
13	49	152	281	266	18
(211)	(177)	(133)	(323)	(412)	(109)
<u>23,308</u>	<u>24,208</u>	<u>25,659</u>	<u>26,632</u>	<u>28,019</u>	<u>33,594</u>
-	-	-	-	-	-
40	44	18	71	54	4
211	177	133	323	412	109
<u>251</u>	<u>221</u>	<u>151</u>	<u>394</u>	<u>466</u>	<u>113</u>
<u>23,559</u>	<u>24,429</u>	<u>25,811</u>	<u>27,027</u>	<u>28,485</u>	<u>33,707</u>
(3,897)	(5,237)	2,165	91	4,779	3,542
(624)	323	(1,381)	70	112	(523)
<u>\$ (4,521)</u>	<u>\$ (4,914)</u>	<u>\$ 784</u>	<u>\$ 161</u>	<u>\$ 4,891</u>	<u>\$ 3,020</u>

(Concluded)

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>General Fund</u>				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	8	11	879	874
Restricted	79	79	49	31
Unassigned	6,221	6,237	6,635	8,526
Total General Fund	<u>\$ 6,307</u>	<u>\$ 6,327</u>	<u>\$ 7,563</u>	<u>\$ 9,431</u>
<u>All Other Governmental Funds</u>				
Restricted	\$ 7,418	\$ 8,968	\$ 7,452	\$ 5,445
Nonspendable	1	1	-	20
Unassigned	(1,610)	(2,127)	(2,081)	(1,952)
<u>Unreserved, reported in:</u>				
Special Revenue Funds	-	-	-	-
Capital Project Funds	-	-	-	-
Debt Service Funds	-	-	-	-
Total All Other Governmental Funds	<u>\$ 5,809</u>	<u>\$ 6,843</u>	<u>\$ 5,371</u>	<u>\$ 3,513</u>

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

2016	2017	2018	2019	2020	2021
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
874	1,354	703	715	768	901
31	53	77	45	269	241
9,568	10,048	10,731	11,647	15,423	24,170
<u>\$ 10,473</u>	<u>\$ 11,455</u>	<u>\$ 11,511</u>	<u>\$ 12,407</u>	<u>\$ 16,461</u>	<u>\$ 25,311</u>
\$ 5,393	\$ 5,864	\$ 6,942	10,019	7,424	4,752
-	-	13	1	1	2
(1,732)	(1,577)	(1,689)	(1,791)	(1,782)	(1,763)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 3,661</u>	<u>\$ 4,287</u>	<u>\$ 5,265</u>	<u>\$ 8,229</u>	<u>\$ 5,643</u>	<u>\$ 2,991</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Revenues</u>				
City tax revenue	\$ 10,859	\$ 11,028	\$ 11,569	\$ 12,005
Intergovernmental	14,246	16,359	15,230	16,066
Charges for services	2,133	2,147	2,482	2,640
Special assessments	5,893	5,076	4,131	3,908
Licenses and permits	461	469	570	654
Fines and forfeitures	912	972	1,011	1,132
Rents	34	34	41	44
Interest income	23	20	12	11
Other revenue	614	624	668	484
Total Revenues	35,174	36,729	35,715	36,944
<u>Expenditures</u>				
General government	3,580	7,746	8,876	8,327
Public safety	11,191	12,300	12,557	12,562
Culture and recreation	2,844	3,532	3,549	3,834
Economic development	149	155	115	124
Redevelopment and housing	457	332	167	410
Highways and streets	6,924	2,661	2,808	3,038
Health and welfare	-	-	-	-
Debt service:				
Principal	5,365	5,351	4,497	4,508
Interest and fiscal charges	1,606	1,374	1,044	946
Bond Issuance Costs	-	-	-	-
Capital outlay	1,669	2,161	2,696	2,978
Total Expenditures	33,785	35,613	36,308	36,727
<u>Other Financing Sources (Uses)</u>				
Transfers in	2,004	1,918	1,732	1,714
Transfers out	(2,225)	(2,018)	(1,860)	(1,931)
Refunding Bonds Issued	-	-	-	-
Capital lease agreements	18	37	378	8
Proceeds from issuance of bonds	-	-	6,605	-
Payments to escrow agent	-	-	(6,531)	-
Sale of capital assets	-	-	33	3
Total Other Financing Sources and (Uses)	(204)	(63)	358	(206)
Net Change in Fund Balances	\$ 1,185	\$ 1,053	\$ (236)	\$ 11
Debt Service as a Percentage of Noncapital Expenditures	21.7%	20.1%	16.5%	16.2%

	2016	2017	2018	2019	2020	2021
\$	12,859	\$ 13,601	\$ 14,318	\$ 15,078	\$ 16,089	\$ 19,583
	16,172	17,627	17,315	18,128	21,636	24,026
	2,724	2,863	2,302	2,561	2,923	2,834
	3,752	3,186	2,734	2,516	2,474	2,132
	635	617	724	905	987	1,407
	1,160	1,182	968	823	866	960
	55	67	75	83	57	70
	13	49	152	281	260	18
	1,085	1,060	358	840	346	619
	<u>38,455</u>	<u>40,251</u>	<u>38,945</u>	<u>41,215</u>	<u>45,638</u>	<u>51,649</u>
	9,319	9,683	10,440	10,041	11,610	10,571
	11,522	11,633	12,935	13,287	14,198	14,268
	3,660	3,971	3,166	3,103	3,429	3,888
	77	342	101	97	96	78
	420	676	172	368	249	496
	4,085	2,695	3,611	3,737	3,547	8,175
	919	869	870	885	918	775
	4,895	3,877	3,943	4,197	4,304	4,351
	741	620	610	618	538	482
	54	-	267	76	-	95
	2,320	4,113	4,324	3,488	4,447	6,099
	<u>38,012</u>	<u>38,480</u>	<u>40,438</u>	<u>39,896</u>	<u>43,336</u>	<u>49,279</u>
	4,359	4,974	4,996	5,036	6,961	8,459
	(4,570)	(5,151)	(5,702)	(5,747)	(7,854)	(9,464)
	2,712	-	-	-	-	-
	57	-	-	-	-	-
	1,510	-	3,230	3,124	-	4,600
	(2,623)	-	-	-	-	-
	78	13	3	127	60	233
	<u>1,524</u>	<u>(164)</u>	<u>2,528</u>	<u>2,540</u>	<u>(834)</u>	<u>3,827</u>
\$	<u>1,967</u>	<u>1,607</u>	<u>1,035</u>	<u>3,859</u>	<u>1,468</u>	<u>6,198</u>
	15.9%	12.7%	13.6%	13.2%	12.5%	11.2%

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Sales	\$ 10,164	\$ 10,299	\$ 10,821	\$ 11,284	\$ 12,078
Transient Occupancy	75	71	71	34	75
Franchise	621	659	677	687	707
Motor Fuel	<u>2,794</u>	<u>3,074</u>	<u>3,186</u>	<u>3,416</u>	<u>3,553</u>
Totals	<u>\$ 13,653</u>	<u>\$ 14,102</u>	<u>\$ 14,755</u>	<u>\$ 15,421</u>	<u>\$ 16,412</u>

	2017	2018	2019	2020	2021
\$	12,792	\$ 13,504	\$ 14,214	\$ 15,385	\$ 18,725
	75	74	121	174	326
	734	739	744	529	531
	3,673	3,788	4,014	4,144	4,381
\$	17,274	\$ 18,105	\$ 19,092	\$ 20,233	\$ 23,963

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Sales	\$ 10,164	\$ 10,299	\$ 10,821	\$ 11,284
Franchise	621	659	677	687
Bed Tax	<u>75</u>	<u>71</u>	<u>71</u>	<u>34</u>
Totals	<u>\$ 10,859</u>	<u>\$ 11,028</u>	<u>\$ 11,569</u>	<u>\$ 12,005</u>

Source: City of Bullhead City Finance Department

2016	2017	2018	2019	2020	2021
\$ 12,078	\$ 12,792	\$ 13,504	\$ 14,214	\$ 15,385	\$ 18,725
707	734	739	744	529	531
75	75	74	121	174	326
<u>\$ 12,859</u>	<u>\$ 13,601</u>	<u>\$ 14,318</u>	<u>\$ 15,078</u>	<u>\$ 16,089</u>	<u>\$ 19,583</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Communications and utilities	\$ 65,252	\$ 69,953	\$ 66,996	\$ 67,424
Transportation and warehousing	-	-	-	-
Construction	24,455	24,617	30,249	34,039
Manufacturing	-	-	-	-
Wholesale trade	-	-	-	-
Retail trade	306,308	312,112	318,683	347,782
Finance and insurance	-	-	-	-
Real estate, rental and leasing	37,177	39,092	37,300	37,624
Restaurant and bar	43,945	43,705	54,417	49,146
Accommodation	-	-	-	-
Public administration	-	-	-	-
Services	-	-	-	-
Arts and entertainment	-	-	-	-
Hotel/Motel	2,166	2,183	2,253	2,185
Publication	2,857	2,890	2,536	-
Use tax	15,457	14,360	20,737	-
Other	6,435	3,388	3,550	25,817
Total	<u>\$ 504,051</u>	<u>\$ 512,299</u>	<u>\$ 536,721</u>	<u>\$ 564,017</u>
City Transaction Privilege Rate	2.00%	2.00%	2.00%	2.00%

Sources: Arizona Department of Revenue/Revenue Discover Systems

	2016	2017	2018	2019	2020	2021
\$	67,264	\$ 64,964	\$ 66,684	\$ 65,490	\$ 69,833	\$ 69,833
	108	20	-	-	-	-
	31,327	28,444	48,575	54,585	64,210	64,210
	-	-	-	-	-	-
	-	-	-	-	-	-
	372,050	403,935	403,006	408,527	594,070	594,070
	-	-	-	-	-	-
	41,847	38,978	41,662	42,174	46,866	46,866
	58,130	61,907	68,460	74,074	94,145	94,145
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	1,765	1,782	2,430	2,141	-	-
	2,537	3,247	4,011	4,690	10,999	10,999
	648	1,167	1,108	1,563	963	963
	22,097	29,833	35,773	41,567	49,845	49,845
	5,973	5,303	3,507	15,922	5,333	5,333
\$	603,746	\$ 639,580	\$ 675,215	\$ 710,733	\$ 936,264	\$ 936,264
	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
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%
2021	2.00%	0.00%	5.60%	2021	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
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
2021	3.00%	0.18%	5.60%	2021	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 2021			Percentage of Total
	Number of Filers	Percentage of Total	Tax Revenue	
Communications and Utilities	61	1.51%	1,396,668	7.46%
Construction	179	4.43%	1,284,208	6.86%
Retail Trade	2,445	60.53%	11,881,392	63.45%
Real Estate, Rental & Leasing	437	10.82%	937,323	5.01%
Restaurant and Bar	98	2.43%	1,882,897	10.06%
Hotel/Motel	30	0.74%	219,972	1.17%
Publication	8	0.20%	19,267	0.10%
Use Tax	760	18.82%	996,909	5.32%
Other	21	0.52%	106,653	0.57%
Total	4,039	100.00%	18,725,289	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 2012

Number of Filers	Percentage of Total	Tax Revenue	Percentage of Total
83	3.14%	1,305,042	12.95%
490	18.56%	489,106	4.85%
1,076	40.76%	6,126,151	60.77%
393	14.89%	743,531	7.38%
78	2.95%	878,905	8.72%
26	0.98%	43,318	0.43%
10	0.38%	57,132	0.57%
417	15.80%	309,135	3.07%
67	2.54%	128,693	1.28%
2,640	100.00%	\$ 10,081,013	100.00%

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
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
2021	P	295,179,056	2,810,397,340	9,836,454	91,459,766	19,948,825	110,828,275
	S	360,264,285	3,464,909,621	10,028,255	93,562,913	19,948,825	110,828,275

Source: Mohave County Assessor's Office

Total			Ratio of Total Assessed Value to Total
<u>Net Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Direct Tax Rate</u>	<u>Estimated Actual Value</u>
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	
324,964,335	3,012,685,381	0.0000	10.79%
390,241,365	3,669,300,809	0.0000	

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental Activities				
Special Assessment Bonds	\$ 975	\$ -	\$ -	\$ -
Revenue Bonds (1)	13,527	12,433	11,910	10,667
Notes Payable	29,603	26,432	23,262	20,092
Capital Leases	225	116	400	297
Total Governmental Activities	<u>44,329</u>	<u>38,981</u>	<u>35,572</u>	<u>31,055</u>
Business-Type Activities				
General Obligation Bonds	-	-	-	-
Revenue Bonds (2)	29,426	26,743	29,929	26,850
Capital Leases	-	-	484	365
Total Business-Type Activities	<u>29,797</u>	<u>27,014</u>	<u>30,829</u>	<u>27,673</u>
Total Primary Government	<u>\$ 74,126</u>	<u>\$ 65,995</u>	<u>\$ 66,401</u>	<u>\$ 58,728</u>
Percentage of Personal Income*	<u>0.01%</u>	<u>0.01%</u>	<u>0.01%</u>	<u>0.01%</u>
Per Capita*	<u>\$ 1.88</u>	<u>\$ 1.67</u>	<u>\$ 1.68</u>	<u>\$ 1.49</u>

* See the Schedule of Demographic & Economic Statistics for personal income and population data.

(1) Net of related premium

(2) Net of deferred amounts

	2016	2017	2018	2019	2020	2021
\$	-	\$ -	\$ 3,230	\$ 3,230	\$ 3,130	\$ 3,030
	10,732	9,144	7,549	8,992	6,979	9,557
	16,944	14,762	12,580	10,398	8,216	6,035
	158	80	-	-	-	-
	<u>27,835</u>	<u>23,987</u>	<u>23,359</u>	<u>22,620</u>	<u>18,325</u>	<u>18,622</u>
	-	-	-	-	-	-
	23,512	20,771	18,104	16,200	17,190	15,004
	247	125	243	211	179	144
	<u>24,249</u>	<u>21,428</u>	<u>18,347</u>	<u>16,786</u>	<u>17,783</u>	<u>15,500</u>
\$	<u>52,084</u>	<u>\$ 45,415</u>	<u>\$ 41,706</u>	<u>\$ 39,407</u>	<u>\$ 36,108</u>	<u>\$ 34,122</u>
	<u>0.01%</u>	<u>0.01%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
\$	<u>1.30</u>	<u>\$ 1.12</u>	<u>\$ 1.03</u>	<u>\$ 0.97</u>	<u>\$ 0.88</u>	<u>\$ 0.82</u>



City of Bullhead City, Arizona
Table 12
Direct and Overlapping Governmental Activities by Debt
As of June 30, 2021

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
State of Arizona	\$ -	0.46%	\$ -
Mohave County	-	16.16%	-
Mohave County Community College District	-	16.16%	-
Bullhead City Fire District	13,975,000	99.71%	13,934,473
Western AZ Vocation Ed District	-	16.34%	-
Colorado River Union High School District No. 2	28,670,000	57.81%	16,574,127
Bullhead City Elementary School District No. 15	-	98.04%	-
Subtotal, overlapping debt	<u>42,645,000</u>		<u>30,508,600</u>
City direct debt	<u>-</u>	<u>100.00%</u>	<u>-</u>
Total direct and overlapping debt	<u><u>\$ 42,645,000</u></u>		<u><u>\$ 30,508,600</u></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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>20% Limitation (1)</u>				
Debt limit Equal to 20% of Secondary Assessed Valuation	\$ 54,487,549	\$ 54,199,482	\$ 52,927,374	\$ 57,676,616
Total net debt applicable to 20% limit	-	-	-	-
Legal 20% debt margin (Available Borrowing Capacity)	<u>\$ 54,487,549</u>	<u>\$ 54,199,482</u>	<u>\$ 52,927,374</u>	<u>\$ 57,676,616</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	\$ 16,346,265	\$ 16,259,845	\$ 15,878,212	\$ 17,302,985
Total net debt applicable to 6% limit	-	-	-	-
Legal 6% debt margin (Available Borrowing Capacity)	<u>\$ 16,346,265</u>	<u>\$ 16,259,845</u>	<u>\$ 15,878,212</u>	<u>\$ 17,302,985</u>
Total net debt applicable to 6% limit as a percentage of 6% debt limit	0.00%	0.00%	0.00%	0.00%

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

(1)

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

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 63,893,441	\$ 66,461,726	\$ 69,796,818	\$ 69,796,818	\$ 78,048,273	\$ 87,151,846
-	-	-	-		
<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>	<u>\$ 87,151,846</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
\$ 19,168,032	\$ 19,938,518	\$ 20,939,045	\$ 20,939,045	\$ 23,414,482	\$ 26,145,554
-	-	-	-	-	-
<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>	<u>\$ 46,145,554</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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Municipal Property Corporation Bonds				
Excise Taxes	\$ 21,643,307	\$ 22,758,705	\$ 24,198,716	\$ 25,398,021
Debt Service				
Principal	3,755,000	3,885,000	3,110,000	3,195,000
Interest	1,851,323	1,713,473	1,587,325	849,382
Coverage	3.86	4.07	5.15	6.28

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

Note: Details regarding the city's outstanding debt

2016	2017	2018	2019	2020	2021
\$26,534,754	\$27,519,938	\$29,104,729	\$30,759,523	\$32,537,167	\$37,843,423
3,670,000	3,719,000	2,287,000	2,365,000	1,747,000	1,786,000
563,788	512,798	443,248	376,114	98,531	56,462
6.27	6.50	10.66	11.22	17.63	20.54

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)
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%
2021	41,573	1,009,143	24,274	51.9	5,549	7.80%

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	2021			2012		
	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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Government	99.50	99.50	100.50	101.50
Public Safety	126.50	125.50	125.50	124.50
Highways and Streets	19.00	19.00	19.00	19.00
Culture and Recreation	20.00	17.00	18.00	19.00
Redevelopment and housing	2.00	1.00	1.00	1.00
Wastewater Operations	18.00	18.00	19.00	20.00
	<u>285.00</u>	<u>280.00</u>	<u>283.00</u>	<u>285.00</u>

Source: City of Bullhead City Finance Department.

2016	2017	2018	2019	2020	2021
100.90	106.50	109.50	105.50	106.50	106.50
124.50	118.00	114.00	114.00	115.00	116.00
19.00	19.00	19.00	21.00	21.00	21.00
20.00	21.00	21.00	22.00	22.00	22.00
1.00	1.00	1.00	1.00	1.00	-
20.00	20.00	20.00	19.00	19.00	50.00
285.40	285.50	284.50	282.50	284.50	315.50

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

Function	2012	2013	2014	2015
Police				
Number of Sworn Officers	83	83	82	82
Number of Events Responded To	42,049	41,043	39,667	39,247
Number of Criminal Arrests	2,376	2,428	2,727	2,652
Number of Traffic Citations	4,431	4,459	3,486	5,094
Financial Services				
Accounts Payable Checks Issued	6,233	5,645	5,718	6,038
Accounts Payable EFTs Issued	2,320	1,781	3,022	3,291
Purchase Orders Issued	3,538	3,264	3,108	3,220
Payroll Checks/Direct Deposits Issued ¹	10,407	10,106	10,248	10,351
Customer Contacts (Utilities, Assessments & Licensing)	62,460	63,085	62,833	62,598
Number of Utility Bills mailed	222,791	223,276	223,536	223,572
Number of Cashier Transactions	181,455	190,736	183,278	174,041
Transit				
Total Transit Ridership	160,055	163,321	171,958	181,470
Miles Driven	281,274	267,105	258,581	289,408
Wastewater Operations				
Number of Service Connections	18,595	18,614	18,700	18,779
Sewage Treated (million gallons per day)	3.06	3.03	2.80	2.99
General				
Building Permits Issued	924	901	1,184	1,480
Building Inspections Conducted	5,686	5,266	7,394	8,669
Plan Reviews (Hours) ²	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

2016	2017	2018	2019	2020	2021
82	76	71	71	71	73
36,271	45,312	48,407	44,805	22,204	39,187
2,513	1,988	2,408	2,154	682	1,192
4,421	5,612	4,298	3,660	1,631	3,305
5,810	5,886	5,997	5,297	4,960	3,880
3,534	3,100	2,221	2,480	2,603	2,729
3,177	3,273	3,271	3,984	4,166	3,745
10,470	10,885	10,925	10,760	10,777	10,505
62,125	60,725	62,846	70,032	63,432	65,571
223,704	224,376	229,224	226,110	228,996	230,320
168,386	157,440	159,056	160,657	160,412	157,944
180,776	179,300	171,034	165,622	133,049	106,694
272,401	293,300	290,937	304,646	297,664	287,468
18,642	18,687	19,102	18,843	19,083	19,299
3.20	3.27	3.42	3.53	3.30	3.35
1,484	1,506	1,447	1,476	1,371	1,697
9,704	10,850	9,254	10,303	10,001	11,446
**	**	**	**	**	

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

Function	2012	2013	2014	2015
<u>Public Safety</u>				
Police Stations	1	1	1	1
Police Vehicles	77	77	77	71
<u>Highways and Streets</u>				
Equivalent 12' Wide Lane Miles	321	321	321	321
Streetlights	2,959	2,984	2,984	2,984
Traffic Signals	9	9	9	9
<u>Culture and Recreation</u>				
Parks*	5	7	7	7
Parks Acreage*	286	793	793	793
Swimming Pools	1	1	1	1
Community Centers	1	1	1	1

Source: City of Bullhead City departments.

* Includes undeveloped parks/acreage

2016	2017	2018	2019	2020	2021
1	1	1	1	1	1
72	67	74	76	72	75
321	700	706	710	710	710
2,984	2,984	3105	3105	3130	3130
9	10	10	23	32	32
7	7	8	8	8	8
793	710	1008	1008	1008	1008
1	1	1	1	1	1
1	1	1	1	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>2021</u>	<u>% of Total</u>
Retail Trade	\$ 11,881,392	63%
Restaurant & Bar	1,882,897	10%
Communication & Utilities	1,396,668	7%
Construction	1,284,208	7%
Use Tax	996,909	5%
Real Estate, Rental & Leasing	937,323	5%
Accommodation	219,972	1%
Other	106,653	1%
Publication	19,267	0%
Total	<u>\$ 18,725,289</u>	<u>100%</u>

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

	2012	2013	2014	2015
City Sales Tax	\$ 10,163,746	\$ 10,298,558	\$ 10,820,754	\$ 11,283,690
Franchise Tax	620,742	658,933	677,342	686,850
License & Permit Fees	460,681	469,137	569,845	654,066
State Sales Tax	3,102,234	3,246,195	3,447,161	3,628,735
State Income Tax	3,337,205	4,038,926	4,407,235	4,786,562
Auto Lieu Tax	1,849,936	1,831,829	1,901,827	2,018,654
Grant	1,424	9,432	16,119	3,881
Charges for Services	1,043,171	942,237	1,108,194	1,073,402
Fines & Forfeitures	840,522	911,330	943,681	1,032,101
Total	\$ 21,614,569	\$ 22,739,179	\$ 24,198,716	\$ 25,398,021

2016	2017	2018	2019	2020	2021
\$ 12,077,531	\$ 12,791,595	\$ 13,504,303	\$ 14,213,668	\$ 15,385,499	\$ 18,725,290
706,887	733,892	739,185	743,605	529,113	531,200
634,701	616,791	723,505	905,073	987,089	1,407,284
3,728,320	3,614,505	3,841,727	4,050,177	4,179,103	4,890,827
4,760,611	4,825,811	4,950,665	4,874,512	5,227,021	5,842,895
2,157,406	2,295,131	2,530,005	2,672,200	2,670,036	3,409,076
-	-	-	-	-	-
1,089,669	1,122,815	1,514,739	1,826,370	2,166,191	2,133,535
1,030,481	1,057,371	868,108	744,531	794,619	903,316
\$ 26,534,754	\$ 27,519,938	\$ 29,104,729	\$ 30,030,136	\$ 31,938,671	\$ 37,843,423

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

Fiscal Year	Adopted County Tax Levy	Amount	% of Levy	Amount	% of Levy
2021/22	\$ 55,310,176	(b)	(b)	\$15,063,401	27.23%
2020/21	53,798,690	52,053,940	96.76%	52,792,305	98.13%
2019/20	51,364,427	49,774,474	96.90%	51,065,106	99.42%
2018/19	49,078,097	47,276,000	96.33%	48,696,300	99.22%
2017/18	47,076,774	45,407,716	96.45%	46,680,803	99.16%
2016/17	44,874,743	43,059,220	95.95%	44,492,712	99.15%
2015/16	44,159,991	42,194,482	95.55%	44,004,124	99.65%
2014/15	43,881,843	41,825,230	95.31%	43,726,969	99.65%
2013/14	45,481,685	42,925,077	94.38%	45,298,128	99.60%
2012/13	46,113,418	44,492,562	96.49%	45,918,247	99.58%

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

(b) 2020/21 taxes are in course of collection:
 First installment due 10-1-20; delinquent 11-1-20
 Second installment due 03-01-21; delinquent 05-01-21



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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bullhead City, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Bullhead City's basic financial statements, and have issued our report thereon dated December 22, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Bullhead City'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Bullhead City's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Bullhead City'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 noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Henry + Horne, LLP

Tempe, Arizona
December 22, 2021



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 City of Bullhead City's, 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, 2021. The City of Bullhead City, Arizona's major federal program is identified in the summary of auditor's 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.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Bullhead City'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'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's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Bullhead City, 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, 2021.

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 a 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 22, 2021



CITY OF BULLHEAD CITY, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Cluster Title	Pass-Through Grantor	Pass-Through Entity Identifying Number	Total Federal Expenditures
Department of Justice:					
2018 Bulletproof Vest Partnership Program	16.607				\$ 10,513
2020 Crime Victim Assistance	16.575		State of Arizona Public Safety	2018-255	128,543
Drug Court Discretionary Grant Program: Veteran's Court	16.585				<u>130,412</u>
Total Department of Justice					<u>269,468</u>
Department of Housing and Urban Development					
2017 Home Investment Partnerships Program	14.239		State of Arizona Department of Commerce	301-18	139,610
2018 Home Investment Partnerships Program	14.239		State of Arizona Department of Commerce	302-19	<u>152,154</u>
Total 14.239					<u>291,764</u>
Community Development Block Grants/Entitlement Grants	14.218	Entitlement Grants Cluster	State of Arizona Department of Commerce	106-20	<u>370,964</u>
Total Department of Housing and Urban Development					<u>662,728</u>
Department of Transportation					
State and Community Highway Safety	20.600	Highway Safety Cluster	State of Arizona Governor's Office of Highway Safety	2020-PTS-008	7,958
State and Community Highway Safety	20.600	Highway Safety Cluster	State of Arizona Governor's Office of Highway Safety	2021-AL-002	25,519
State and Community Highway Safety	20.616	Highway Safety Cluster	State of Arizona Governor's Office of Highway Safety	2020-405c-002	<u>32,946</u>
Total Highway Safety Cluster					<u>66,423</u>
Formula Grants for Rural Areas and Tribal Transit Program	20.509		State of Arizona Department of Transportation	GRT18-0007091T	<u>796,434</u>
Highway Planning and Construction	20.205	Highway Planning and Construction Cluster	State of Arizona Department of Transportation	GRT18-0007091T	<u>121,971</u>
Total Department of Transportation					<u>984,828</u>

See accompanying notes to schedule of expenditures of federal awards.

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing 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	<u>291,165</u>
Social Services Block Grant	93.667		Western Arizona Council of Governments	E860494205-401-01-17	<u>11,389</u>
Total Department of Health & Human Services					<u>302,554</u>
Department of the Treasury					
COVID-19 Coronavirus Relief Fund	21.019		State of Arizona Governor's Office	ERMT-20-002	<u>2,816,251</u> *
Total Expenditures of Federal Awards					<u>\$ 5,035,829</u>

* Denotes major program

CITY OF BULLHEAD CITY, ARIZONA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

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, 2021. 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, 2021

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, 2021

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

None noted.

SECTION III – FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

None noted.

CITY OF BULLHEAD CITY, ARIZONA
Finance Department
2355 Trane Road
Bullhead City, Arizona 86439-3189



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

The findings from the year ended June 30, 2020 schedule of findings and recommendations are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

SECTION IV – SUMMARY OF PRIOR AUDIT FINDINGS

MATERIAL WEAKNESS

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.

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.

STATUS

Corrected – Based on closing procedures performed, review of accounts receivables, capital expenditures, and accounts payable we noted no significant adjusting entries. The City has implemented review over year end closing entries.

Sincerely,



Rudy Vera
Finance Director