

CITY OF BULLHEAD, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT
Year Ended June 30, 2021

City of Bullhead City
Annual Expenditure Limitation Report
Year Ended June 30, 2021

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INDEPENDENT ACCOUNTANTS' REPORT

The Auditor General of the State of Arizona and
The Honorable Mayor and City Council
of the City of Bullhead City, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of City of Bullhead City, Arizona for the year ended June 30, 2021, and the related notes to the report. The City's management is responsible for presenting this report in accordance with the uniform expenditure reporting system as described in Note 1. Our responsibility is to express an opinion on this report based on our examination.

We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether this report is presented in accordance with the uniform expenditure reporting system in all material respects. An examination involves performing procedures to obtain evidence about the amounts and disclosures in the report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the report, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Annual Expenditure Limitation Report of City of Bullhead City, Arizona, referred to above is presented in accordance with the uniform expenditure reporting system as described in Note 1 in all material respects.

Henry + Horne, LLP

Tempe, Arizona
December 22, 2021

CITY OF BULLHEAD, ARIZONA
 ANNUAL EXPENDITURE LIMITATION REPORT – PART I
 Year Ended June 30, 2021

1. Economic Estimates Commission expenditure limitation	\$	<u>51,352,447</u>	
2. Voter-approved alternative expenditure limitation		N/A	
3. Enter applicable amount from line 1 or line 2			\$ <u>51,352,447</u>
4. Amount subject to the expenditure limitation (total amount from Part II, line C)	\$	<u>45,627,944</u>	
5. Board-authorized expenditures necessitated by a disaster the Governor declared	-	<u>-</u>	
6. Board-authorized expenditures necessitated by a disaster the Governor did not declare	-	<u>-</u>	
7. Prior-year, voter-approved expenditures to exceed the expenditure limitation for the reporting fiscal year	-	<u>-</u>	
8. Subtotal			\$ <u>45,627,944</u>
9. Board-authorized excess expenditures for the previous fiscal year necessitated by a disaster the Governor did not declare and the voters did not approve	+	<u>-</u>	
10. Total adjusted amount subject to the expenditure limitation			\$ <u>45,627,944</u>
11. Amount under (in excess of) the expenditure limitation			\$ <u><u>5,724,503</u></u>

I hereby certify, to the best of my knowledge and belief, that the information contained in this report is accurate and in accordance with the requirements of the Uniform Expenditure Reporting System.

Signature of Chief Financial Officer: Rudy Vera

Name and title: Rudy Vera, Finance Director

Telephone number: (928) 763-9400

Date: 01/05/2022

CITY OF BULLHEAD, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT – PART II
Year Ended June 30, 2021

Description	<u>Governmental funds</u>	<u>Enterprise funds</u>	<u>Internal service funds</u>	<u>Total</u>
<u>A.</u> Amounts reported on the Reconciliation, line D	\$ 48,883,581	\$ 10,029,233	\$ 7,199,113	\$ 66,111,927
<u>B.</u> Less exclusions claimed:				
<u>1.</u> Debt proceeds	4,600,000	-	-	4,600,000
<u>2.</u> Debt service requirements (Note 2)	-	2,592,830	-	2,592,830
<u>3.</u> Dividends, interest, and gains on the sale or redemption of investment securities	17,693	4,375	954	23,022
<u>4.</u> Trustee or custodian	-	-	-	-
<u>5.</u> Grants and aid from the federal government (Note 3)	5,035,829	-	-	5,035,829
<u>6.</u> Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes	-	-	-	-
<u>7.</u> Amounts received from the State of Arizona (Note 3)	169,572	-	-	169,572
<u>8.</u> Quasi-external interfund transactions (Note 4)	-	-	6,688,502	6,688,502
<u>9.</u> Voter-approved amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements	-	-	-	-
<u>10.</u> Highway user revenues in excess of those received in fiscal year 1979-80 (Note 5)	11,806	-	-	11,806
<u>11.</u> Contracts with other political subdivisions (Note 6)	1,362,422	-	-	1,362,422
<u>12.</u> Refunds, reimbursements, and other recoveries	-	-	-	-
<u>13.</u> Voter-approved exclusions not identified above	-	-	-	-
<u>14.</u> Prior years carryforward	-	-	-	-
<u>15.</u> Qualifying capital improvement expenditures repaid in accordance with A.R.S. §41-1279.07	-	-	-	-
<u>16.</u> Total exclusions claimed	<u>11,197,322</u>	<u>2,597,205</u>	<u>6,689,456</u>	<u>20,483,983</u>
<u>C.</u> Amounts subject to the expenditure limitation	<u>\$ 37,686,259</u>	<u>\$ 7,432,028</u>	<u>\$ 509,657</u>	<u>\$ 45,627,944</u>

CITY OF BULLHEAD, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT – RECONCILIATION
Year Ended June 30, 2021

Description	Governmental funds	Enterprise funds	Internal service funds	Total
<u>A.</u> Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements	\$ 49,278,546	\$ 11,016,637	\$ 7,235,736	\$ 67,530,919
<u>B.</u> Subtractions:				
<u>1.</u> Items not requiring use of current financial resources:				
<u>a.</u> Depreciation	-	3,924,439	492,617	4,417,056
<u>b.</u> Loss on disposal of capital assets	-	-	4,541	4,541
<u>c.</u> Bad debt expense	-	-	-	-
<u>d.</u> Pension and other postemployment benefits (OPEB) expense	-	-	-	-
<u>e.</u> Claims incurred but not reported (IBNR)	-	-	-	-
<u>f.</u> Landfill closure and postclosure care costs and pollution remediation	-	-	-	-
<u>2.</u> Expenditures of separate legal entities established under Arizona Revised Statutes (Note 7)	234,757	-	-	234,757
<u>3.</u> Required fees paid to the Arizona Department of Revenue	160,208	19,891	15,190	195,289
<u>4.</u> Present value of net minimum capital lease and installment purchase contract payments recorded as expenditures at the agreements' inception	-	-	-	-
<u>5.</u> Involuntary court judgments	-	-	-	-
<u>6.</u> Total subtractions	<u>394,965</u>	<u>3,944,330</u>	<u>512,348</u>	<u>4,851,643</u>
<u>C.</u> Additions:				
<u>1.</u> Principal payments on long-term debt	-	2,144,269	-	2,144,269
<u>2.</u> Capital asset acquisitions	-	812,657	475,725	1,288,382
<u>3.</u> Amounts paid in the current year but reported as expenses in previous years:	-	-	-	-
<u>a.</u> Claims previously recognized as IBNR	-	-	-	-
<u>b.</u> Landfill closure and postclosure care costs and pollution remediation	-	-	-	-
<u>4.</u> Pension and OPEB contributions paid in the current year	-	-	-	-
<u>5.</u> Transfers to separate legal entities	-	-	-	-
<u>6.</u> Total additions	<u>-</u>	<u>2,956,926</u>	<u>475,725</u>	<u>3,432,651</u>
<u>D.</u> Amounts reported on Part II, line A	<u>\$ 48,883,581</u>	<u>\$ 10,029,233</u>	<u>\$ 7,199,113</u>	<u>\$ 66,111,927</u>

CITY OF BULLHEAD CITY, ARIZONA
 NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT
 Year Ended June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Annual Expenditure Limitation Report (AELR) is presented as prescribed by the *Uniform Expenditure Reporting System (UERS)*, as required by Arizona Revised Statutes §41-1279.07. The AELR excludes expenditures, expenses, or deductions of certain revenues specified in the Arizona Constitution, Article IX, §20, from the total expenditure, expenses, or deductions reported in the fund financial statements.

In accordance with the UERS, a note to the AELR is presented below for any exclusion claimed on part II and each subtraction or addition in the Reconciliation that cannot be traced directly to an amount reported in the fund financial statements. All references to financial statement amounts in the following notes refer to the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental Funds, Statement of Revenues, Expenses, and Changes in Fund Net Position for the Proprietary Funds, and the Statement of Cash Flows for the Proprietary Funds.

NOTE 2 DEBT SERVICE REQUIREMENTS ON OTHER LONG-TERM OBLIGATIONS

The exclusions claimed for debt service requirements on bonded indebtedness consists of principal retirement and interest expenditures.

NOTE 3 INTERGOVERNMENTAL REVENUE

The following schedule presents revenues from which exclusions have been claimed for federal grants and aid, amounts received from the State of Arizona, and highway user revenues in the Governmental Funds and Enterprise Funds:

Description	Governmental	Enterprise
Grants and aid from the federal government	\$ 5,035,829	\$ -
Amounts received from the State of Arizona	169,572	-
Amounts received from the County	160,000	-
Highway user revenues in excess of those received in fiscal year 1979-1980	4,380,611	-
Other revenues - (nonexcludable)	14,280,144	1,661
Total intergovernmental revenues as reported in the fund financial statements	<u>\$ 24,026,156</u>	<u>\$ 1,661</u>

CITY OF BULLHEAD CITY, ARIZONA
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT
Year Ended June 30, 2021

NOTE 4 QUASI EXTERNAL INTERFUND TRANSACTIONS

The exclusion of \$6,688,502 for charges for services paid to the Internal Service Funds consists of charges for services to the governmental and enterprise funds during the year.

NOTE 5 HIGHWAY USER REVENUE

The exclusion of \$4,368,805 the Governmental Funds for highway user revenue in excess of the amount received in fiscal year 1979-1980, as shown in the following:

Highway user revenue received	\$	4,380,611
Highway user revenue received in fiscal year 1979-1980		-
Less: highway user revenue excluded		4,368,805
Amount carried forward	\$	<u>11,806</u>

NOTE 6 CONTRACTS WITH OTHER POLITICAL SUBDIVISIONS

The \$1,362,422 exclusion claimed for contracts with other political subdivisions in the Governmental Funds consists of \$41,157 of expenditures in the general fund for prisoner operations, and \$1,321,265 expended in the Other Nonmajor Funds for flood control operations.

NOTE 7 EXPENDITURES OF SEPARATE LEGAL ENTITIES

The subtraction of \$234,757 for expenditures of separate legal entities established under Arizona Revised Statutes consists of \$112,156 of interest expenditures for the Laughlin Ranch Boulevard Special Assessment District found in the interest and fiscal charges of the Debt Service fund, \$65,723 in expenditures for the Street Light Improvement District Fund and \$56,878 of interest paid by the MPC for Governmental Funds.