

CITY OF BULLHEAD CITY, ARIZONA



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

CITY OF BULLHEAD CITY, ARIZONA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023



**Prepared by the Finance Department
Robert Drexler, Finance Director**

City of Bullhead City, Arizona

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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

February 6, 2024

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

The Annual Comprehensive Financial Report (ACFR) of the City of Bullhead City, Arizona (the City) for the fiscal year ended June 30, 2023 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.

Baker Tilly US, 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, 2023 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 combined 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.

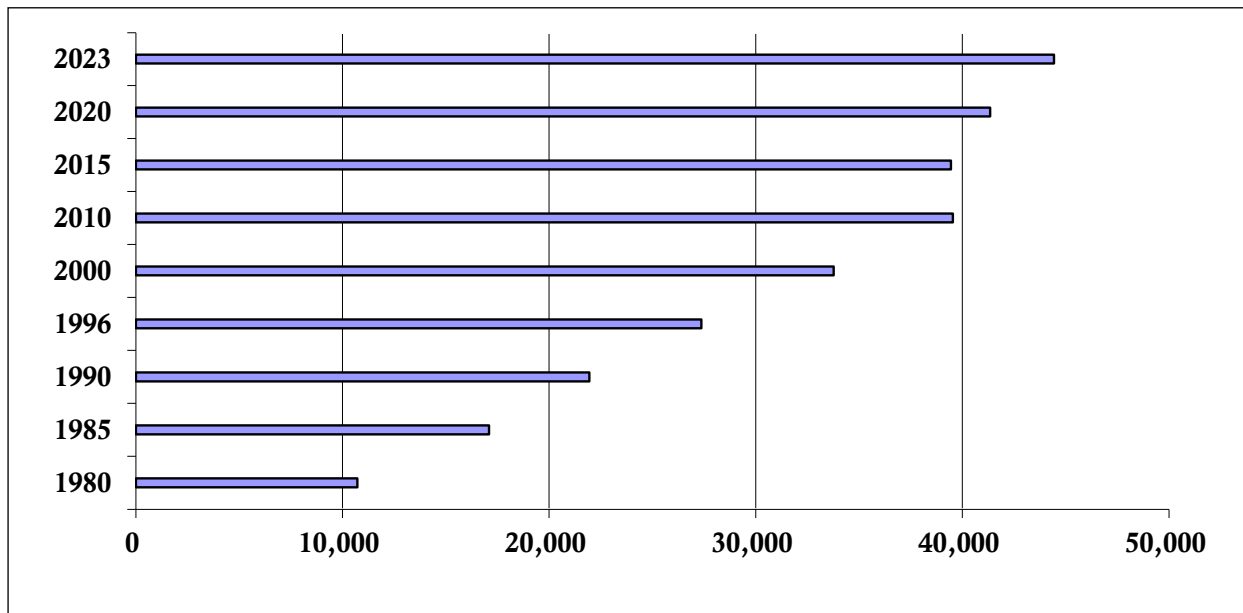
In 1945 Bullhead City was the headquarters for the construction of Davis Dam. The city name was derived from its proximity to Bullhead Rock, now largely concealed by Lake Mohave.

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.

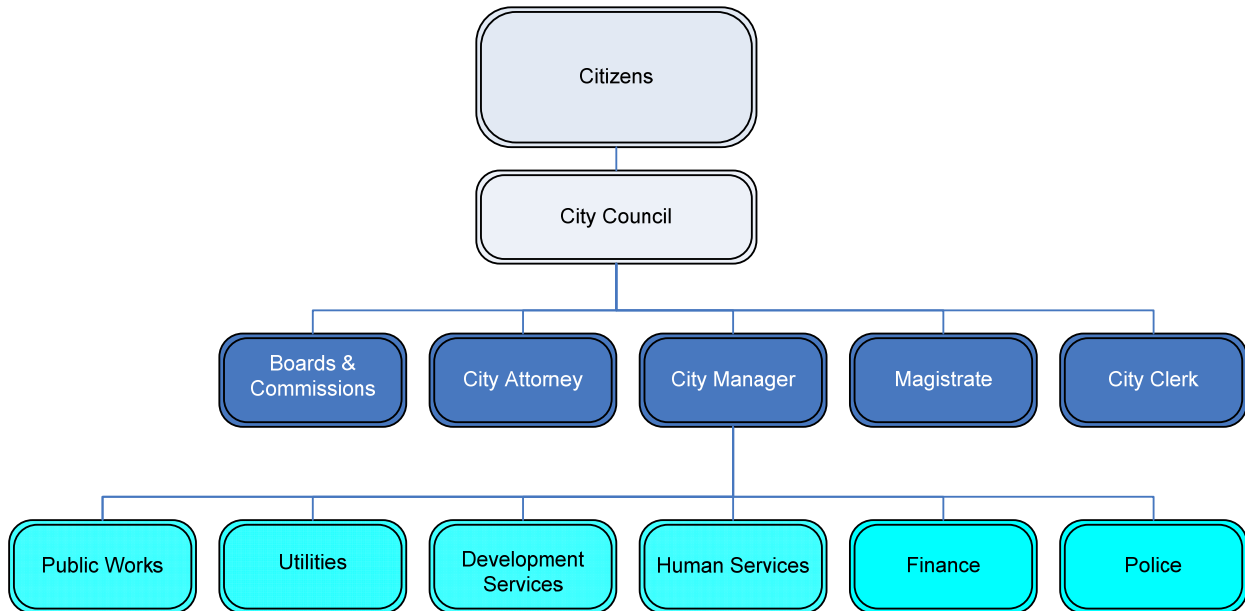
The following graph illustrates the population growth from 1980 and projected until 2023.

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 Census	41,348
2023 Census Estimate	44,432



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 50 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 8,692 rooms with an average occupancy rate of 53%.

Bullhead City has more than 800 short term rentals and the hotels have approximately 1,000 rooms available for occupancy. A new 89 room Holiday Inn Express was added to the City. 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 (the River District) 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 Rosati's Pizza, Circle K, Cal-Ranch, and Church's Chicken.

Recently opened businesses include: New Exceptional Healthcare Community Hospital, Five Below, Dunkin' Donuts, Dickey's BBQ, Maverick and a Frito Lay distribution site.

The City's sales tax revenues increased 4.2% over last year collections. Revenue from the contracting tax classification increased by almost 12%, and the hotel and motel tax classification increased by 10% 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. Effects of the recent nation-wide pandemic are still being felt by local communities, so the city projects general fund revenues with a conservative approach. However, we continue to see positive commercial development and many visitors to our city. The city's general fund revenue budgeted amounts were within 0.1% of actuals. The general fund balance increased \$2.8 million at the end of the current year. Bullhead City has an annual balanced budget policy that estimated revenues must equal 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 \$39,268,247 invested at June 30, 2023. The average yield for fiscal year 2023 was 3.85%. 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.

Baker Tilly US, 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.

Baker Tilly US, 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

Toby Cotter
City Manager

Robert Drexler

Robert Drexler
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, 2022

Christopher P. Morill

Executive Director/CEO

**City of Bullhead City, Arizona
List of Principal Officials
Fiscal Year Ended June 30, 2023**

City Council

Steve D'Amico, Mayor
Rodney Head, Vice Mayor
Rich Lettmen, Council Member
Dan Alfonzo, Council Member
Tami Ring, Council Member
Grace Hecht, Council Member
Juan Lizarraga, Council Member

City Manager

Toby Cotter

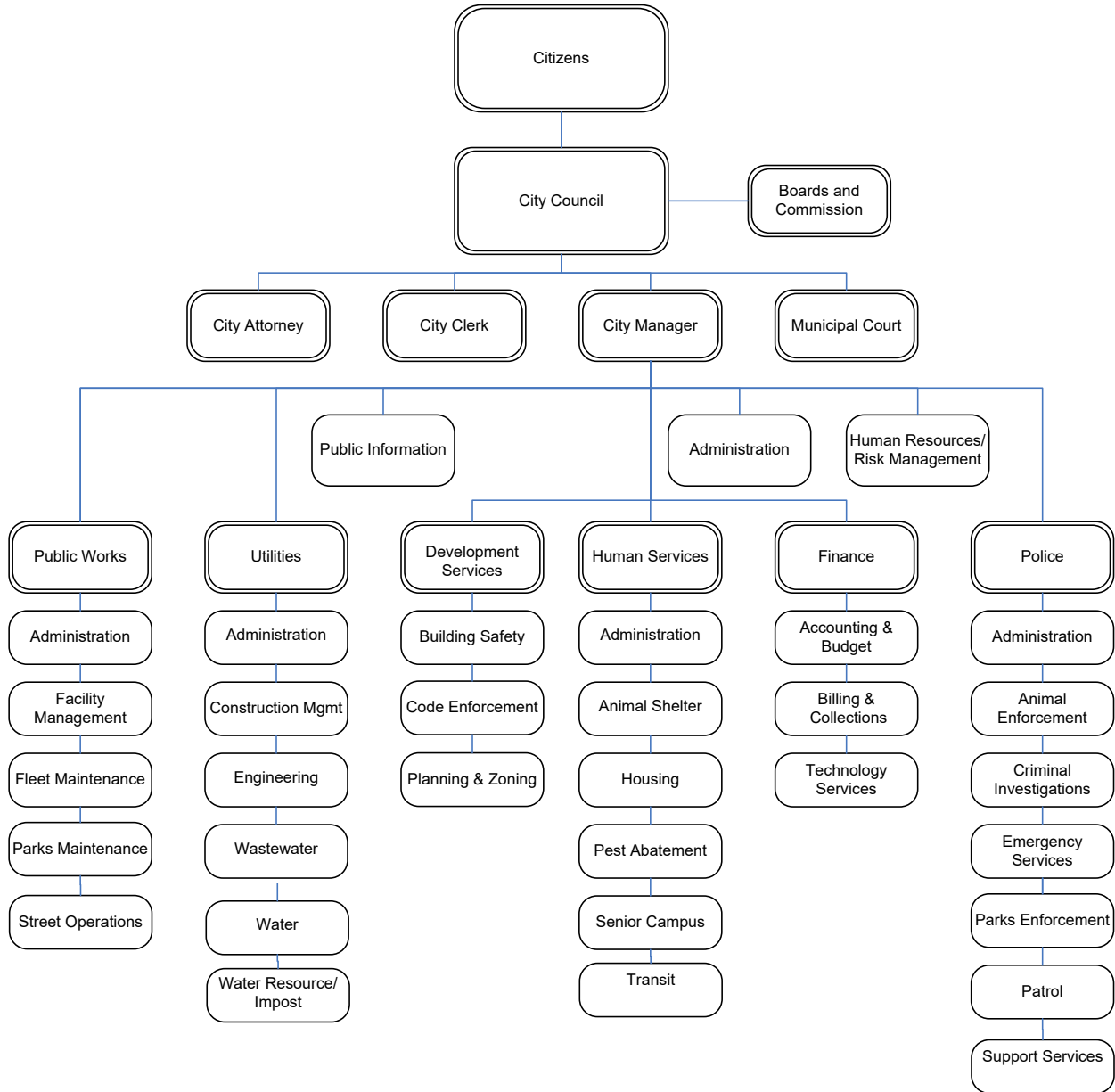
Finance Director

Robert Drexler



INTRODUCTION

ORGANIZATIONAL CHART





Financial Section



Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

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 the City of Bullhead City, Arizona (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 as of June 30, 2023 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the City adopted the provisions of GASB Statement No. 96, effective July 1, 2022. Our opinions are not modified with respect to this matter.

Other Matters

Compliance Over 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 failed to use highway user revenue fund monies received by the City pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2, and any other dedicated state transportation revenues received by the City 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 noncompliance with the used 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 (the Arizona Auditor General), the City of Bullhead City's Council Members and management, and other responsible parties within the City of Bullhead City and is not intended to be and should not be used by anyone other than these specified parties.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 supplementary information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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 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.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Tempe, Arizona
February 6, 2024

Financial Section

Management's Discussion and Analysis



City of Bullhead City, Arizona

Management's Discussion and Analysis

June 30, 2023

City of Bullhead City, Arizona's (the City or Bullhead City) 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, 2023. 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 its liabilities and deferred inflows of resources at the close of fiscal year 2023 by \$146,838,112 (net position). Of this amount, net investment of capital assets was \$133,070,972; restricted net position was \$14,440,431 and \$(673,291) represents unrestricted net position. The unrestricted net position represents the amounts available to meet City of Bullhead's ongoing obligations to citizens and creditors.
- City of Bullhead's total net position increased in fiscal year 2023 by \$7,564,883 or 5.43% primarily because of capital improvements expenses incurred during the current year.
- At the end of fiscal year 2023, Bullhead City's governmental funds reported combined fund balances of \$33,133,556, an increase of \$1,927,006 in comparison to the prior fiscal year. Approximately 83% of this amount (\$27,788,376) is available for spending at the city's discretion (unassigned fund balance).
- At the end of fiscal year 2023, unassigned fund balance for the General Fund is \$28,687,321 or 82% of total general fund expenditures.
- Bullhead City's total outstanding long-term liabilities increased by \$320,352 or 0.19% during fiscal year 2023. The increase in long-term liabilities is due to new WIFA loans issued for utility system upgrades.

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.

City of Bullhead City, Arizona

Management's Discussion and Analysis
June 30, 2023

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 the City's assets and liabilities. All 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 positions 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 two active utility services - wastewater services and water 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.

Government-Wide Financial Analysis

The government-wide financial statements provide short-term and long-term information about the City's overall financial condition. Net position over time serves as a useful indicator of financial position. Bullhead City assets and deferred outflows exceeded liabilities by \$146,838,112 at the close of fiscal year 2023.

Net position of the city represents the difference between the City's resources and its obligations. As of June 30, 2023, the largest portion of the City's total net position approximately 91% 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.

City of Bullhead City, Arizona

Management's Discussion and Analysis

June 30, 2023

City of Bullhead City, Arizona's restricted net position \$14,440,431 represents amounts that are to be used in accordance with external restrictions. The remaining balance of \$(673,291) is unrestricted.

	City of Bullhead City, Arizona Condensed Statement of Net Position					
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and other assets	\$ 51,311,740	\$ 51,645,332	\$ 12,996,010	\$ 17,465,960	\$ 64,307,750	\$ 69,111,292
Capital assets	59,385,879	52,827,866	201,133,109	200,912,778	260,518,988	253,740,644
Total assets	110,697,619	104,473,198	214,129,119	218,378,738	324,826,738	322,851,936
Total deferred outflows of resources	6,187,372	4,350,141	178,057	237,410	6,365,429	4,587,551
Liabilities:						
Other liabilities	11,676,863	13,737,247	4,407,268	3,139,170	16,084,131	16,876,417
Long-term liabilities	47,080,949	44,565,011	120,933,164	123,128,750	168,014,113	167,693,761
Total liabilities	58,757,812	58,302,258	125,340,432	126,267,920	184,098,244	184,570,178
Total deferred inflows of resources	255,811	3,596,080	-	-	255,811	3,596,080
Net position:						
Net investment in capital assets	46,633,113	42,409,866	86,437,859	78,309,490	133,070,972	120,719,356
Restricted	5,480,582	5,756,972	8,959,849	11,222,777	14,440,431	16,979,749
Unrestricted	5,757,673	(1,241,837)	(6,430,964)	2,815,961	(673,291)	1,574,124
Total net position	\$ 57,871,368	\$ 46,925,001	\$ 88,966,744	\$ 92,348,228	\$ 146,838,112	\$ 139,273,229

Current and other assets decreased in governmental activities by \$0.333 million from the prior year. Increases in American Rescue Plan Act Federal Grant funds being expended are primary reasons for the change.

Other liabilities in governmental activities decreased from the prior year \$2.062 million due to the decrease of capital projects accounts payable of \$1.024 million and \$0.246 million of general fund accounts payable. City wide paving project \$1.5 million is a major part of accounts payable.

Long-term liabilities, which consists of bonds, notes, leases, compensated absences, and net pension liability, increased \$2.516 million in governmental activities, and decreased \$2.196 million for business-type activities. Notes payable debt of \$2.468 million for water infrastructure financing authority decreased \$1.383 million, and increase of net pension liability of \$5.358 million to the Arizona Public Safety Retirement System. Compensated Absences totaled \$1.924 million a decrease of \$1.324 from 2022. There was a net investment income of \$(1.29 million) reported by the Retirement System for the Plan Fiduciary Net Position.

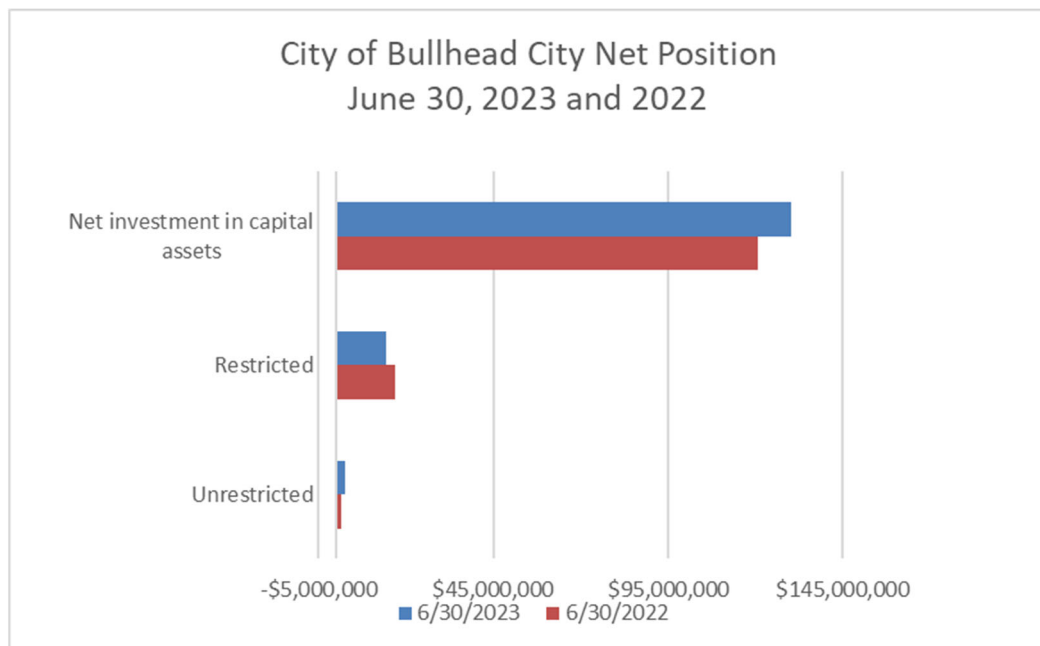
Business-type activities includes \$100 million for the acquisition of the local water system, \$5 million for water system capital acquisitions and \$3 million for reimbursement for legal expenses related to the acquisition from the prior fiscal year. Total business-type activity liabilities decreased as debt payments were made during the fiscal year.

City of Bullhead City, Arizona

Management's Discussion and Analysis
June 30, 2023

The largest portion of the City's net position, \$133,070,972, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles and infrastructure), net of accumulated depreciation and less any related outstanding debt that was used to acquire those assets. The City of Bullhead City uses those capital assets to provide a variety of services to its citizens. These assets are not available for future spending. Although the City of Bullhead City's investment in capital assets is reported net of related debt, it should be noted that the resources use to repay the debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$14,440,431 represents resources that are subject to external restrictions on how they may be used. As of the end of the current year, the City's unrestricted net position was a balance of \$(673,291).



The City's overall net position increased \$7,564,883 from the prior fiscal year. The following sections will discuss the reasons for the increase.

City of Bullhead City, Arizona

Management's Discussion and Analysis

June 30, 2023

Governmental Activities

	City of Bullhead City, Arizona Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 5,706,211	\$ 6,923,973	\$ 20,689,366	\$ 19,925,966	\$ 26,395,577	\$ 26,849,939
Operating grants and contributions	13,107,661	10,229,059	-	-	13,107,661	10,229,059
Capital grants and contributions	2,400,626	1,533,750	-	-	2,400,626	1,533,750
General revenues:						
City sales tax	20,882,207	20,074,151	-	-	20,882,207	20,074,151
State shared sales tax	6,242,773	5,837,223	-	-	6,242,773	5,837,223
Urban revenue sharing	8,011,476	5,433,327	-	-	8,011,476	5,433,327
Franchise tax	420,064	531,294	-	-	420,064	531,294
State shared vehicle license tax	3,541,616	3,368,039	-	-	3,541,616	3,368,039
Investment earnings	1,482,418	52,924	321,624	30,739	1,804,042	83,663
Gain (loss) on disposition of capital assets	83,454	-	3,350	-	86,804	-
Total revenues	<u>61,878,506</u>	<u>53,983,740</u>	<u>21,014,340</u>	<u>19,956,705</u>	<u>82,892,846</u>	<u>73,940,445</u>
Expenses:						
Governmental activities:						
General government	8,351,147	12,041,698	-	-	8,351,147	12,041,698
Public safety	16,991,694	17,291,208	-	-	16,991,694	17,291,208
Culture and recreation	11,221,150	6,717,091	-	-	11,221,150	6,717,091
Economic development	130,915	110,077	-	-	130,915	110,077
Redevelopment and housing	761,960	360,982	-	-	761,960	360,982
Highways and streets	11,324,022	9,762,416	-	-	11,324,022	9,762,416
Health and welfare	760,637	777,535	-	-	760,637	777,535
Interest on long-term debt	376,928	411,526	-	-	376,928	411,526
Business-type activities:						
Water	-	-	11,383,051	13,086,450	11,383,051	13,086,450
Wastewater	-	-	14,026,459	9,678,172	14,026,459	9,678,172
Total expenses	<u>49,918,453</u>	<u>47,472,533</u>	<u>25,409,510</u>	<u>22,764,622</u>	<u>75,327,963</u>	<u>70,237,155</u>
Change in net position before transfers	11,960,053	6,511,207	(4,395,170)	(2,807,917)	7,564,883	3,703,290
Transfers in (out)	<u>(1,013,686)</u>	<u>(994,917)</u>	<u>1,013,686</u>	<u>994,917</u>	<u>-</u>	<u>-</u>
Change in net position	10,946,367	5,516,290	(3,381,484)	(1,813,000)	7,564,883	3,703,290
Net position, beginning	<u>46,925,001</u>	<u>41,408,711</u>	<u>92,348,228</u>	<u>94,161,228</u>	<u>139,273,229</u>	<u>135,569,939</u>
Net position, ending	<u>\$ 57,871,368</u>	<u>\$ 46,925,001</u>	<u>\$ 88,966,744</u>	<u>\$ 92,348,228</u>	<u>\$ 146,838,112</u>	<u>\$ 139,273,229</u>

Bullhead City's net position for governmental activities increased \$10,946,367 from the prior fiscal year to an ending balance of \$57,871,368.

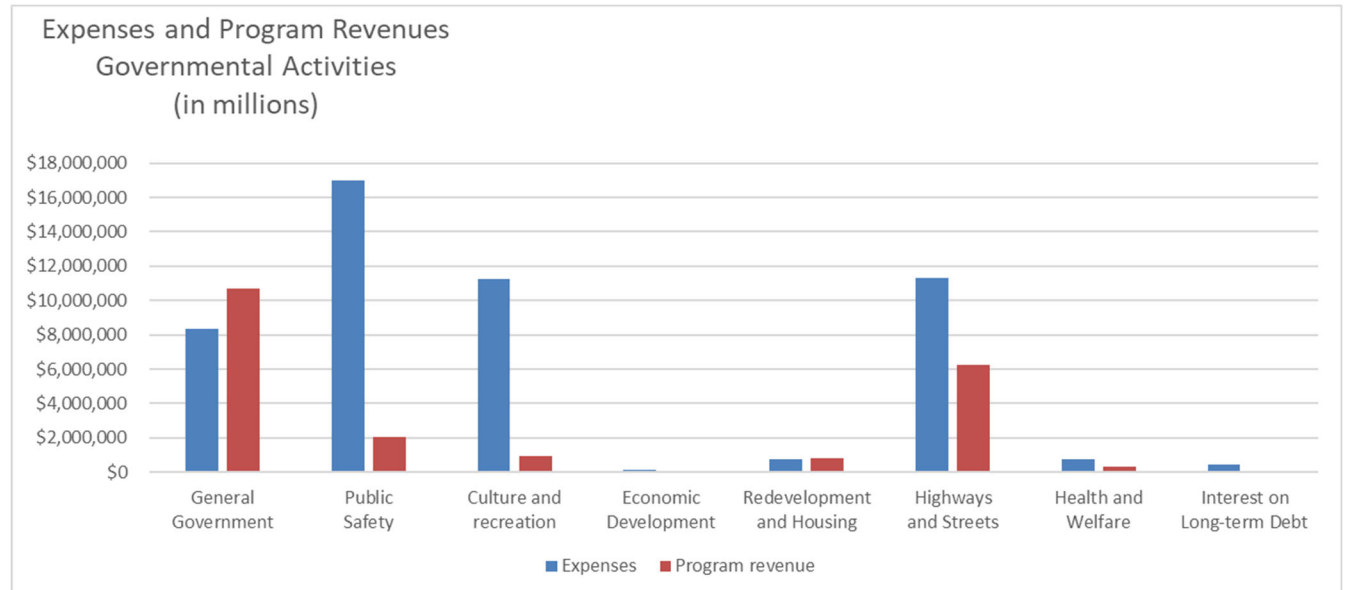
City of Bullhead City, Arizona

Management's Discussion and Analysis
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Revenues increased \$7.894 million from the prior year. Operating grants and contributions increased \$2.878 million from recognizing an increase of revenues from the American Rescue Plan Act which accounted for \$2.340 million of the increase. Capital grants revenue included Mohave County Flood Control Distribution of \$1,049,022. Local sales tax and state shared tax increased \$1.213 million and urban revenue sharing increased 2.578 million from the prior year. Governmental activities revenue increased 14% from the prior year.

Expenditures grew from the prior year, increasing from \$47.5 million in the prior year to \$49.9 million in the current year. The significant increases were \$4.5 million in the Culture and Recreation Function and 1.56 million increases for Highways and Streets. The increases were primarily investments in capital assets such as park improvements for Rotary Park and Community Park with the addition of the Bullhead Belle restaurant. Expenses for the General Government function decreased by \$3.7 million. Governmental activities expenses increased 5.1% from the prior year.

The chart below shows revenues generated by the City of Bullhead City, Arizona's programs are not sufficient to cover the costs. The City relies on local sales tax, state shared revenues and other general revenues to cover the costs associated with various programs.



Business-Type Activities

Bullhead City's business-type activities for fiscal year 2023 show that the overall net position decreased to an ending balance of \$88,966,744. The total decrease in net position for business-type activities was \$3,381,484 from the prior fiscal year. Fiscal year 2023 was the first full fiscal year of the City operating the local water system. However, the water system infrastructure needs significant maintenance. A water master plan is in process to develop capital improvement plan.

Revenue from business-type activities (water and wastewater funds) totaled \$21,014,340 compared to \$19,956,705 from the prior year. This is an increase of \$1,057,635 from the prior year. Expenses increased \$2,644,888 from the prior year with the sewer system expenses increasing \$1.4 million and the water system expenses increasing \$1.1 million.

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 increases to be phased in over five years. Fiscal year 2023 was the final year of the scheduled rate increase for users.

City of Bullhead City, Arizona

Management's Discussion and Analysis
June 30, 2023

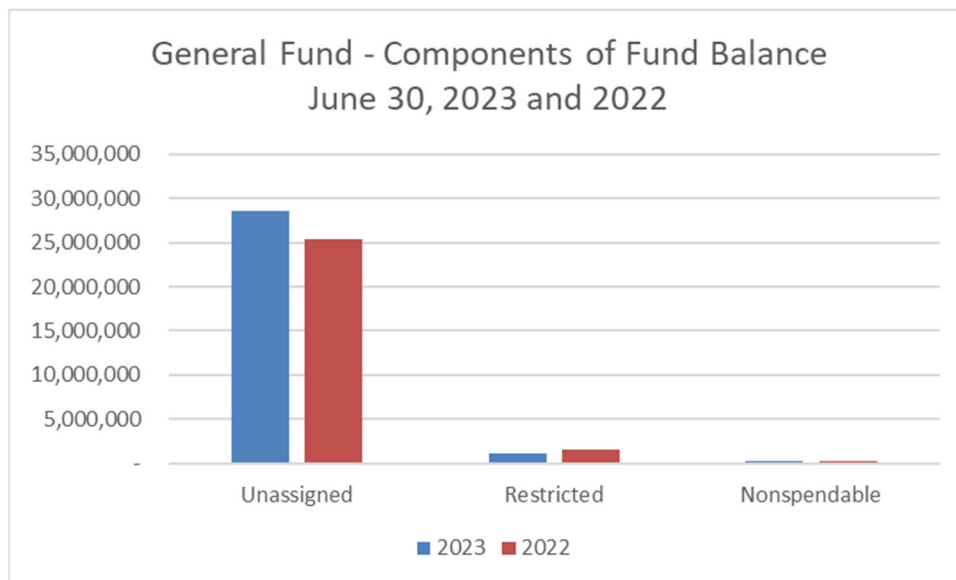
Financial Analysis of Governmental Funds

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. This information is useful in assessing the City of Bullhead City, Arizona's financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available to use for a particular purpose.

Analysis of Individual Funds

The general fund is the chief operating fund of the City of Bullhead City, Arizona. At the end of the fiscal year unassigned fund balance of the general fund was \$28,687,321. 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 70% of the total general fund expenditures, while total fund balance represents approximately 74% of the same amount.

The fund balance of Bullhead City's general fund grew by \$2,829,854 during the 2023 fiscal year.



The HURF fund, a major fund, had an increase of \$57,613 in fund balance during the current fiscal year which put the ending fund balance in a positive position of \$1,264,984. The fund balance is spent down as the street preservation program progresses.

The Capital Projects Funds, a major fund, had an increase in fund balance of \$8,662 during the current fiscal year to an ending balance of \$76,542. There were \$11.31 million of capital expenditures which consisted of \$6.15 million of park improvements, \$2.63 million of street improvements and 2.53 million in municipal facility improvements during the current year. The sources of capital projects funding ranges from grants, financing, and other city funds.

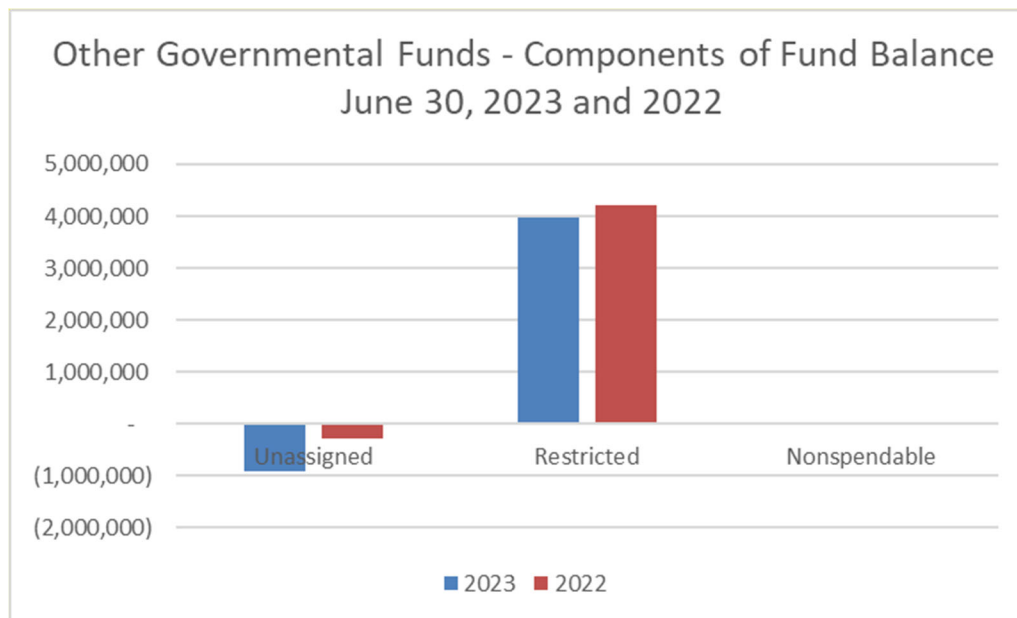
SID Debt Service Funds, a major fund, had a decrease in fund balance of \$576,942 during the current fiscal year to an ending balance of \$218,129. Special assessments from property owners collected semi-annually are used to pay debt payments. Special assessment district #2 had the final billing recorded during the fiscal year 2023 resulting in the decrease of fund balance as the district comes to a close.

City of Bullhead City, Arizona

Management's Discussion and Analysis
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Excise Revenue Bond Refunding Funds, a major fund, had an increase of \$4,618 in fund balance during the current fiscal year to an ending balance of \$54,476. This fund was used to account for Series 2013 and Series 2015B Bonds debt repayments. Series 2015B Bonds is now the only active bond and fund balance will remain for the most part stable.

The fund balances of Bullhead City's other governmental funds decreased by \$396,799 during the 2023 fiscal year.



The City's governmental funds reported combined fund balances on June 30, 2023, of \$33,133,556, which is an increase of \$1,927,006 compared to the previous fiscal year. Approximately 84% of this amount (\$27,788,376) 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 (\$308,059), or (2) restricted for a particular purpose (\$5,037,121).

Proprietary Funds

The City of Bullhead City's proprietary funds provide the same type of information found in the business-type activities portion of the government-wide financial statements, but in more detail.

Unrestricted net position of the wastewater operations at the end of the year was \$5,072,310 and for the water operations there was a deficit of \$(11,503,274). The total change in net position for each of the funds is \$(298,235) and \$(3,083,249), respectively.

As noted earlier in the discussion of business-type activities, wastewater rate increases are being phased in over five years and this is the final year of the increase.

City of Bullhead City, Arizona

Management's Discussion and Analysis
June 30, 2023

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. Generally, there are minor budget amendments to reallocate appropriations within departments.

Final Budget Compared to Actual Results

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

	<u>Estimated Revenues</u>	<u>Actual Revenues</u>	<u>Variance</u>
Revenue source:			
Taxes	\$ 21,144,134	\$ 21,302,271	\$ 158,137
Intergovernmental revenue	17,731,485	18,173,375	441,890
Charges for services	3,050,949	2,400,630	(650,319)
Licenses and permits	1,388,860	1,012,573	(376,287)
Other	1,496,471	1,885,339	388,868
Total	<u>\$ 44,811,899</u>	<u>\$ 44,774,188</u>	<u>\$ (37,711)</u>

The city has worked diligently to diversify the local economy. The city has brought in a Frito-Lay Distribution Center and several other retail businesses. The city is expanding amenities at Community Park with beach expansion, new playground equipment and adding a dry-docked retired cruise boat donated by the owners of Laughlin River Tours. The boat will re-furbished to provide food and beverages to our citizens and visitors.

The nearby Colorado River, park amenities and weather attract many visitors from all over the country for sporting events and water sports.

The impact to our local economy is strong local tax collections. Local transaction privilege tax increased 1.3% from the prior year. The top three tax classifications are retail, restaurant and bar, and construction. Retail tax collections comprise 62% of tax revenue. The vacation home rental market continues to thrive locally as Transient Occupancy Tax (TOT) collections were \$446,395 in the current year.

The shortfall in the charges for services revenue were due to a decrease in revenues for watercraft fees and facility rentals.

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

	<u>Final Budget</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Classification:			
Personnel costs	\$ 25,037,569	\$ 23,984,835	\$ (1,052,734)
Maintenance and operations	9,774,660	6,895,208	(2,879,452)
Property	2,387,437	2,130,050	(257,387)
Debt service	158,153	129,241	(28,912)
Other financing sources (uses)	12,125,437	8,298,987	(3,826,450)
Total	<u>\$ 49,483,256</u>	<u>\$ 41,438,321</u>	<u>\$ (8,044,935)</u>

City of Bullhead City, Arizona

Management's Discussion and Analysis

June 30, 2023

Budgetary savings were present in all but property expenditure classifications. Personnel costs savings are the result of employee turnover and recruitment timing. Long order lead-times for materials from vendors delayed many city purchases. The availability of materials impacted capital purchases. Some projects were scaled down, delayed, or cancelled due to high inflationary costs. As a result, capital projects programmed to be financed were not done.

Overall expenditure budget savings were \$2,389,261 for the General Fund.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2023, the city invested \$260,518,988 (net of accumulated depreciation) in a broad range of capital assets, including police equipment, buildings, park improvements, roads, sewer transmission and distribution systems, and water system. The total increase in capital assets for the current fiscal year was 2.7%.

	City of Bullhead City, Arizona Capital Assets					
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Capital assets not being depreciated:						
Land and improvements	\$ 3,274,105.	\$ 3,082,739	\$ 3,779,625	\$ 3,527,783	\$ 7,053,730	\$ 6,610,522
Water rights	-	-	6,716,785	6,716,785	6,716,785	6,716,785
Construction in progress	8,535,823	4,200,058	5,387,844	2,409,955	13,923,667	6,610,013
Depreciable capital assets:						
Buildings	4,937,196	4,326,920	89,788	93,530	5,026,984	4,420,450
Improvements, other than buildings	7,061,253	6,969,797	10,714	76,074	7,071,967	7,045,871
Furniture, vehicles, and equipment	4,021,179	5,051,300	2,709,865	2,346,673	6,731,044	7,397,973
Infrastructure	30,882,526	29,197,052	179,658,042	185,513,083	210,540,568	214,710,135
Right-to-use subscription assets	673,797	-	2,780,446	-	3,454,243	-
Total	<u>\$ 59,385,879</u>	<u>\$ 52,827,866</u>	<u>\$ 201,133,109</u>	<u>\$ 200,683,883</u>	<u>\$ 260,518,988</u>	<u>\$ 253,511,749</u>

Major capital asset events during the year include the following:

- Started construction of three wet well rehabilitations \$1,531,395.
- The purchase of police patrol vehicles, UTV and Swat vehicle for \$805,640.
- The purchase of new Animal Shelter facility for \$1,750,000
- Completion of installation and site improvements of Bullhead Belle for \$1,616,632

The City had commitments of approximately \$3,372,256 for capital expenditures commitments as of June 30, 2023.

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

City of Bullhead City, Arizona

Management's Discussion and Analysis

June 30, 2023

Long-Term Debt

As of June 30, 2023, the City had \$12,080,943 in bonded, and note debt. Of this amount, \$7,055,219 is debt backed the full faith and credit of the city and \$5,025,724 is special assessment debt for which the city is liable in the event of default by the property owners subject to the assessment. The remainder of the City's long-term obligations is comprised of net pension liabilities, compensated absences and capital leases.

	City of Bullhead City, Arizona Outstanding Debt					
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenue bonds, net of premiums and discounts	\$ 9,612,000	\$ 10,418,000	\$ 117,820,924	\$ 122,732,177	\$ 127,432,924	\$ 133,150,177
Notes payable	2,466,969	3,852,593	-	-	2,466,969	3,852,593
Lease obligation	-	-	-	108,521	-	108,521
Subscriptions liability	673,797	-	2,780,446	-	3,454,243	-
Net pension liabilities	32,404,245	27,046,207	-	-	32,404,245	27,046,207
Compensated absences	1,923,938	3,248,211	331,794	288,052	2,255,732	3,536,263
Total	<u>\$ 47,080,949</u>	<u>\$ 44,565,011</u>	<u>\$ 120,933,164</u>	<u>\$ 123,128,750</u>	<u>\$ 168,014,113</u>	<u>\$ 167,693,761</u>

The City of Bullhead City's total long-term liabilities increased by \$320,352 or 0.1%. The following are the reasons for the overall increase.

During the current year the City of Bullhead City entered into loan agreements with WIFA for utility system upgrades for the water system in the amount of \$5,295,000 and the sewer system for \$5,268,000

The City of Bullhead City issued Series 2021 Excise Taxes Revenue Obligations Bonds for condemnation bonded amount of \$89,255,000 for the local water system and related costs.

The City of Bullhead City issued Series 2022 Excise Taxes Revenue Obligation Bonds for \$18,750,000 for the local water system.

Standard & Poor on July 29, 2021, assigned its 'AA' stable rating for the Series 2021 \$89,255,000 Excise Taxes Revenue and Revenue Refunding Obligation Bonds.

Standard & Poor on March 16, 2022, assigned its 'AA' stable rating for the Series 2022 \$18,750,000 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.

City of Bullhead City, Arizona

Management's Discussion and Analysis
June 30, 2023

Economic Factors and Next Year's Budget and Rates

The following economic factors were taken into consideration in developing the fiscal year 2023-2024 budget.

- American Rescue Plan COVID-19 Grant Funds estimated \$6,827,222.
- Estimated local tax revenue with an increase of 4% compared to 2023 budget.
- State shared revenue distributions were estimated to increase 21% per the State of Arizona projections.
- Cost of living adjustment of 8.7% for employees.
- Employer public safety retirement costs for a total of 67.82 for Tier 1 employees; 69.82% or 70.82% for Tier 2 employees (depending on hire date); and 70.73% for Tier 3 employees
- The unemployment rate for the City in April 2023 was 4.0%.

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

The General Fund operating budget for fiscal year 2023-2024 appropriation is \$47,216,722, an increase of 2.8%, or \$1,293,032 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 Financial Statements



Financial Section
Government-Wide Financial Statements



City of Bullhead City, Arizona

Statement of Net Position
June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 35,982,403	\$ 5,051,364	\$ 41,033,767
Receivables, net:			
Accounts	1,307,718	2,528,407	3,836,125
Taxes	34,498	-	34,498
Intergovernmental	3,619,189	-	3,619,189
Prepays and inventory	2,594,953	53,762	2,648,715
Restricted cash	2,135,242	8,959,849	11,095,091
Special assessment receivable	1,596,904	-	1,596,904
Internal balances	3,597,372	(3,597,372)	-
Net OPEB asset	443,461	-	443,461
Capital assets:			
Nondepreciable/amortized	11,809,928	15,884,254	27,694,182
Depreciable/amortized (net)	47,575,951	185,248,855	232,824,806
Total assets	<u>110,697,619</u>	<u>214,129,119</u>	<u>324,826,738</u>
Deferred Outflows of Resources			
Deferred outflows related to pensions and OPEB	6,187,372	-	6,187,372
Deferred charge on debt refunding	-	178,057	178,057
Total deferred outflows of resources	<u>6,187,372</u>	<u>178,057</u>	<u>6,365,429</u>
Liabilities			
Accounts payable	3,789,337	2,502,762	6,292,099
Accrued payroll and related liabilities	915,761	66,934	982,695
Other liabilities	1,291,944	269,077	1,561,021
Deposits held for others	862,633	95,294	957,927
Interest payable	155,508	1,473,201	1,628,709
Unearned revenue	4,661,680	-	4,661,680
Long-term liabilities:			
Due within one year:			
Compensated absences	480,985	82,949	563,934
Subscriptions liability	176,344	304,714	481,058
Notes payable	1,634,626	-	1,634,626
Bonds payable	842,000	4,775,000	5,617,000
Due in more than one year:			
Compensated absences	1,442,953	248,845	1,691,798
Subscriptions liability	497,453	2,475,732	2,973,185
Notes payable	832,343	-	832,343
Bonds payable	8,770,000	113,045,924	121,815,924
Net pension liabilities	32,404,245	-	32,404,245
Total liabilities	<u>58,757,812</u>	<u>125,340,432</u>	<u>184,098,244</u>
Deferred Inflows of Resources			
Deferred inflows related to pensions and OPEB	255,811	-	255,811
Net Position			
Net investment in capital assets	46,633,113	86,437,859	133,070,972
Restricted for:			
Post-employment benefits	443,461	-	443,461
Highways and streets	1,437,817	-	1,437,817
Community development	1,216,128	-	1,216,128
Public safety	1,159,241	-	1,159,241
Grants	862,457	-	862,457
Other purposes	12,153	-	12,153
Capital projects	76,542	-	76,542
Debt service	272,783	8,959,849	9,232,632
Unrestricted (deficit)	5,757,673	(6,430,964)	(673,291)
Total net position	<u>\$ 57,871,368</u>	<u>\$ 88,966,744</u>	<u>\$ 146,838,112</u>

See notes to financial statements

City of Bullhead City, Arizona

Statement of Activities

Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General government	\$ 8,351,147	\$ 3,425,988	\$ 7,069,099	\$ 306,862	\$ 2,450,802	\$ -	\$ 2,450,802
Public safety	16,991,694	1,730,037	298,970	-	(14,962,687)	-	(14,962,687)
Culture and recreation	11,221,150	405,357	1,000	549,742	(10,265,051)	-	(10,265,051)
Economic development	130,915	-	-	-	(130,915)	-	(130,915)
Redevelopment and housing	761,960	76,622	736,253	-	50,915	-	50,915
Highways and streets	11,324,022	66,245	4,633,792	1,544,022	(5,079,963)	-	(5,079,963)
Health and welfare	760,637	1,962	368,547	-	(390,128)	-	(390,128)
Interest on long-term debt	376,928	-	-	-	(376,928)	-	(376,928)
Total governmental activities	49,918,453	5,706,211	13,107,661	2,400,626	(28,703,955)	-	(28,703,955)
Business-Type Activities							
Wastewater	11,383,051	10,030,350	-	-	-	(1,352,701)	(1,352,701)
Water utility	14,026,459	10,659,016	-	-	-	(3,367,443)	(3,367,443)
Total business-type activities	25,409,510	20,689,366	-	-	-	(4,720,144)	(4,720,144)
Total government	<u>\$ 75,327,963</u>	<u>\$ 26,395,577</u>	<u>\$ 13,107,661</u>	<u>\$ 2,400,626</u>	<u>(28,703,955)</u>	<u>(4,720,144)</u>	<u>(33,424,099)</u>
General Revenues							
Taxes:							
City sales tax							
					20,882,207	-	20,882,207
Franchise tax							
					420,064	-	420,064
Intergovernmental:							
State shared sales taxes (unrestricted)							
					6,242,773	-	6,242,773
Urban revenue sharing (unrestricted)							
					8,011,476	-	8,011,476
Stated shared vehicle license tax							
					3,541,616	-	3,541,616
Unrestricted investment earnings							
					1,482,418	321,624	1,804,042
Sale of fixed assets							
					83,454	3,350	86,804
Transfers in (out)							
					(1,013,686)	1,013,686	-
Total general revenues and transfers							
					39,650,322	1,338,660	40,988,982
Change in net position							
					10,946,367	(3,381,484)	7,564,883
Net Position, Beginning							
					46,925,001	92,348,228	139,273,229
Net Position, Ending							
					<u>\$ 57,871,368</u>	<u>\$ 88,966,744</u>	<u>\$ 146,838,112</u>

See notes to financial statements

Financial Statements

Government Funds 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, 2023

	General	HURF	Capital Projects Funds	SID Debt Service Funds	Excise Revenue Bond Refunding Funds	Non-Major Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 23,576,672	\$ 896,195	\$ 2,836,695	\$ 431,728	\$ 54,476	\$ 6,680,727	\$ 34,476,493
Restricted cash	1,069,475	-	-	-	166,901	898,866	2,135,242
Receivables, net:							
Accounts	851,636	1,216	-	-	-	452,195	1,305,047
Taxes	-	-	31,459	-	-	3,039	34,498
Intergovernmental	2,891,571	469,812	-	-	-	257,806	3,619,189
Due from other funds	5,803,297	-	-	-	-	-	5,803,297
Inventory and prepaids	307,384	-	-	-	-	675	308,059
Special assessments receivable	-	-	-	1,596,367	-	537	1,596,904
Total assets	\$ 34,500,035	\$ 1,367,223	\$ 2,868,154	\$ 2,028,095	\$ 221,377	\$ 8,293,845	\$ 49,278,729
Liabilities							
Accounts payable	\$ 988,787	\$ 55,442	\$ 2,499,806	\$ -	\$ -	\$ 67,762	\$ 3,611,797
Accrued payroll and related liabilities	856,845	26,105	-	-	-	24,990	907,940
Due to other funds	-	-	-	-	-	944,038	944,038
Other liabilities	951,698	1,001	260,347	1,350	-	73,039	1,287,435
Deposits held for others	660,262	-	-	202,371	-	-	862,633
Unearned revenue	-	-	-	-	-	4,661,680	4,661,680
Interest payable	-	-	-	-	4,901	124,859	129,760
Matured bonds payable	-	-	-	-	162,000	575,000	737,000
Total liabilities	3,457,592	82,548	2,760,153	203,721	166,901	6,471,368	13,142,283
Deferred Inflows of Resources							
Unavailable revenue, other	363,452	19,691	31,459	-	-	25,936	440,538
Unavailable revenue, nuisance and building abatement fees	614,811	-	-	-	-	-	614,811
Unavailable revenue, special assessments	-	-	-	1,606,245	-	341,296	1,947,541
Total deferred inflows of resources	978,263	19,691	31,459	1,606,245	-	367,232	3,002,890
Fund Balances							
Nonspendable:							
Inventory and prepaids	307,384	-	-	-	-	675	308,059
Restricted:							
Highways and streets	-	1,264,984	-	-	-	172,833	1,437,817
Community development	-	-	-	-	-	1,216,128	1,216,128
Public safety	1,069,475	-	-	-	-	89,766	1,159,241
Capital projects	-	-	76,542	-	-	-	76,542
Debt service	-	-	-	218,129	54,476	178	272,783
Grants	-	-	-	-	-	862,457	862,457
Other purposes	-	-	-	-	-	12,153	12,153
Unassigned	28,687,321	-	-	-	-	(898,945)	27,788,376
Total fund balances	30,064,180	1,264,984	76,542	218,129	54,476	1,455,245	33,133,556
Total liabilities, deferred inflows of resources and fund balances	\$ 34,500,035	\$ 1,367,223	\$ 2,868,154	\$ 2,028,095	\$ 221,377	\$ 8,293,845	\$ 49,278,729

See notes to financial statements

City of Bullhead City, Arizona

Reconciliation of the Balance Sheet to the Statement of Net Position - Governmental Funds

June 30, 2023

Fund Balances - Total Governmental Funds		\$ 33,133,556
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		59,385,879
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		3,002,890
Long-term assets and liabilities are not due and payable in the current period and, therefore, they are not reported in the funds:		
Revenue bonds	\$ (6,050,000)	
Improvement bonds	(2,825,000)	
Notes payable	(2,200,724)	
Finance purchase arrangement	(266,245)	
Subscription-based information technology arrangements	(673,797)	
Accrued interest payable	(25,748)	
Net pension liability	(32,404,245)	
Net OPEB asset	443,461	
Compensated absences	<u>(1,923,938)</u>	(45,926,236)
Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future reporting periods and, therefore, are not reported in the funds.		5,931,561
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 in governmental activities in the Statement of Net Position:		<u>2,343,718</u>
Total net position of governmental activities		<u><u>\$ 57,871,368</u></u>

City of Bullhead City, Arizona

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
 Year Ended June 30, 2023

	General Fund	HURF	Capital Projects Funds	SID Debt Service Funds	Excise Revenue Bond Refunding Funds	Non-Major Governmental Funds	Total Governmental Funds
Revenues							
City tax revenue	\$ 21,302,271	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,302,271
Intergovernmental	18,173,375	4,633,792	648,742	-	-	9,198,046	32,653,955
Charges for services	2,400,630	-	-	-	-	616,982	3,017,612
Special assessments	-	-	-	1,169,090	-	292,512	1,461,602
Licenses and permits	1,012,573	-	-	-	-	260	1,012,833
Fines and forfeitures	625,149	-	-	-	-	46,372	671,521
Rents	35,984	-	-	-	-	-	35,984
Investment earnings	1,016,944	38,794	1,451	19,229	4,482	401,518	1,482,418
Other revenues	169,274	10,142	18,676	-	-	176,902	374,994
Total revenues	44,736,200	4,682,728	668,869	1,188,319	4,482	10,732,592	62,013,190
Expenditures							
Current:							
General government	9,964,654	18,853	298	22,967	-	2,293,304	12,300,076
Public safety	17,136,259	-	-	-	-	211,892	17,348,151
Culture and recreation	4,378,313	-	40,403	-	-	369,350	4,788,066
Economic development	297,600	-	-	-	-	-	297,600
Redevelopment and housing	-	-	-	-	-	761,960	761,960
Highways and streets	-	4,203,028	-	-	-	360,416	4,563,444
Health and welfare	342,081	1,800	-	-	-	381,573	725,454
Capital outlay	2,734,092	694,193	11,316,495	-	-	1,537,588	16,282,368
Debt service:							
Principal	177,251	22,432	-	1,651,869	162,000	680,000	2,693,552
Interest and fiscal charges	44,099	12,386	-	90,425	9,802	251,163	407,875
Total expenditures	35,074,349	4,952,692	11,357,196	1,765,261	171,802	6,847,246	60,168,546
Excess (deficiency) of revenues over (under) expenditures	9,661,851	(269,964)	(10,688,327)	(576,942)	(167,320)	3,885,346	1,844,644
Other Financing Sources (Uses)							
Subscription-based information technology arrangements	851,048	-	-	-	-	-	851,048
Sale of capital assets	37,988	38,900	-	-	-	6,566	83,454
Finance purchase arrangements	-	288,677	-	-	-	-	288,677
Transfers in	580,989	-	10,696,989	-	171,938	1,341,088	12,791,004
Transfers out	(8,302,022)	-	-	-	-	(5,629,799)	(13,931,821)
Total other financing (uses) sources	(6,831,997)	327,577	10,696,989	-	171,938	(4,282,145)	82,362
Net change in fund balances	2,829,854	57,613	8,662	(576,942)	4,618	(396,799)	1,927,006
Fund Balances, Beginning	27,234,326	1,207,371	67,880	795,071	49,858	1,852,044	31,206,550
Fund Balances, Ending	\$ 30,064,180	\$ 1,264,984	\$ 76,542	\$ 218,129	\$ 54,476	\$ 1,455,245	\$ 33,133,556

See notes to financial statements

City of Bullhead City, Arizona

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds \$ 1,927,006

Amounts reported for governmental activities in the Statement of Activities
are different because:

Governmental funds report capital outlays as expenditures. However,
in the Statement of Activities the cost of those assets is allocated over
their estimated useful lives and reported as depreciation/amortization expense.

Capital outlay	\$ 13,581,571	
Contributed capital	385,000	
Loss of disposal capital assets	(2,763,456)	
Depreciation/amortization expense	<u>(4,772,233)</u>	6,430,882

The net effect of various miscellaneous transactions involving capital asset
is an increase (decrease) to net position.

Transfer of capital assets to proprietary funds		127,131
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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.

(252,241)

Revenues in the statement of activities that do not provide current financial
resources are not reported as revenues in the funds.

(598,363)

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.

Subscription-based information technology arrangement incurred	(851,048)	
Finance purchase arrangement incurred	(288,677)	
Principal repaid	2,516,301	
Subscription-based information technology arrangement payments	<u>177,251</u>	1,553,827

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	1,324,273	
Interest on debt	<u>30,947</u>	1,355,220

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 noncurrent assets and liabilities is reported with governmental activities
in the Statement of Activities.

402,905

Change in Net Position of Governmental Activities \$ 10,946,367

See notes to financial statements

Financial Statements

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, 2023

	Business-Type Activities - Enterprise Funds			Governmental
	Wastewater Fund	Water Fund	Total	Internal Services Funds
Assets				
Current assets:				
Cash and cash equivalents	\$ 5,042,335	\$ 9,029	\$ 5,051,364	\$ 1,505,910
Accounts receivable, net	2,453,928	74,479	2,528,407	2,671
Inventory	-	43,687	43,687	38,118
Prepaid expenses	-	10,075	10,075	2,248,776
Total current assets	7,496,263	137,270	7,633,533	3,795,475
Noncurrent Assets				
Restricted cash	2,331,563	6,628,286	8,959,849	-
Capital assets:				
Capital assets, not being depreciated/amortized	5,460,332	10,423,922	15,884,254	-
Capital assets, being depreciated/amortized, net	88,891,778	96,357,077	185,248,855	-
Total noncurrent assets	96,683,673	113,409,285	210,092,958	-
Total assets	104,179,936	113,546,555	217,726,491	3,795,475
Deferred Outflows of Resources				
Deferred charge on debt refunding	178,057	-	178,057	-
Liabilities				
Current liabilities:				
Accounts payable	1,788,804	713,958	2,502,762	177,540
Accrued payroll and related liabilities	35,412	31,522	66,934	7,821
Due to other funds	-	3,597,372	3,597,372	1,261,887
Other liabilities	269,077	-	269,077	4,509
Deposits held for others	964	94,330	95,294	-
Interest payable	118,160	1,355,041	1,473,201	-
Current portion of:				
Compensated absences	52,884	30,065	82,949	-
SBITA payable	152,357	152,357	304,714	-
Bonds payable	2,195,000	2,580,000	4,775,000	-
Total current liabilities	4,612,658	8,554,645	13,167,303	1,451,757
Noncurrent liabilities:				
Compensated absences	158,652	90,193	248,845	-
SBITA payable	1,237,866	1,237,866	2,475,732	-
Bonds payable, net	5,766,124	107,279,800	113,045,924	-
Total noncurrent liabilities	7,162,642	108,607,859	115,770,501	-
Total liabilities	11,775,300	117,162,504	128,937,804	1,451,757
Net Position				
Net investment in capital assets	85,178,820	1,259,039	86,437,859	-
Restricted for debt service	2,331,563	6,628,286	8,959,849	-
Unrestricted (deficit)	5,072,310	(11,503,274)	(6,430,964)	2,343,718
Total net position	\$ 92,582,693	\$ (3,615,949)	\$ 88,966,744	\$ 2,343,718

See notes to financial statements

City of Bullhead City, Arizona

Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds
Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds			Governmental
	Wastewater Fund	Water Fund	Total	Internal Services Funds
Operating Revenues				
Charges for services	\$ 10,015,162	\$ 10,444,800	\$ 20,459,962	\$ 7,332,189
Application fees, tap fees and other	-	126,612	126,612	-
Other revenues	15,188	87,604	102,792	638,277
Total operating revenues	10,030,350	10,659,016	20,689,366	7,970,466
Operating Expenses				
Salaries and related expenses	2,489,053	2,469,205	4,958,258	564,795
Medical claims and self-insurance	168,613	174,624	343,237	4,890,262
Administration	731,253	1,909,164	2,640,417	1,947,348
Utilities	976,395	783,943	1,760,338	43,682
Maintenance, supplies and equipment	586,745	1,090,961	1,677,706	53,057
Depreciation/amortization	3,616,988	3,620,635	7,237,623	-
Other	1,429,584	1,058,401	2,487,985	122,002
Total operating expenses	9,998,631	11,106,933	21,105,564	7,621,146
Operating income (loss)	31,719	(447,917)	(416,198)	349,320
Nonoperating Revenues (Expenses)				
Investment income	222,918	98,706	321,624	49,645
Gain (loss) on disposal of capital assets	(1,069,878)	3,350	(1,066,528)	3,940
Interest expense and fiscal charges	(314,542)	(2,919,526)	(3,234,068)	-
Total nonoperating revenues (expense)	(1,161,502)	(2,817,470)	(3,978,972)	53,585
Income (loss) before transfers and contributions	(1,129,783)	(3,265,387)	(4,395,170)	402,905
Transfers In	1,327,668	182,138	1,509,806	-
Transfers Out	(496,120)	-	(496,120)	-
Change in net position	(298,235)	(3,083,249)	(3,381,484)	402,905
Net Position, Beginning	92,880,928	(532,700)	92,348,228	1,940,813
Net Position, Ending	\$ 92,582,693	\$ (3,615,949)	\$ 88,966,744	\$ 2,343,718

See notes to financial statements

City of Bullhead City, Arizona

Statement of Cash Flows - Proprietary Funds
Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds			Governmental
	Wastewater Fund	Water Fund	Total	Internal Services Funds
Cash Flows From Operating Activities				
Receipts from customers	\$ 8,667,359	\$ 12,402,424	\$ 21,069,783	\$ -
Receipts from interfund services	-	-	-	7,367,954
Other operating receipts	15,188	87,604	102,792	638,277
Payments to suppliers	(2,041,947)	(5,193,434)	(7,235,381)	(8,071,946)
Payments to employees	(2,703,921)	(2,675,453)	(5,379,374)	(573,038)
Cash flows provided by (used in) operating activities	3,936,679	4,621,141	8,557,820	(638,753)
Cash Flows From Noncapital Financing Activities				
Interfund borrowings from	3,664,734	-	3,664,734	(31,478)
Interfund borrowings to	-	(67,362)	(67,362)	893,801
Interfund transfers in	1,445,575	182,138	1,627,713	-
Interfund transfers out	(496,120)	-	(496,120)	-
Cash flows provided by (used in) noncapital and related financing activities	4,614,189	114,776	4,728,965	862,323
Cash Flows From Capital and Related Financing Activities				
Purchase of capital assets	(3,904,403)	(1,668,416)	(5,572,819)	-
Proceeds from sale of capital assets	-	-	-	3,940
Principal paid on long-term debt	(2,389,758)	(2,781,237)	(5,170,995)	-
Interest paid on long-term debt	(348,545)	(2,654,418)	(3,002,963)	-
Cash flows provided by (used in) capital and related financing activities	(6,642,706)	(7,104,071)	(13,746,777)	3,940
Cash Flows From Investing Activities				
Interest received	222,918	98,706	321,624	49,645
Cash flows provided by (used in) investing activities	222,918	98,706	321,624	49,645
Net change in cash and cash equivalents	2,131,080	(2,269,448)	(138,368)	277,155
Cash and Cash Equivalents, Beginning	5,242,818	8,906,763	14,149,581	1,228,755
Cash and Cash Equivalents, Ending	\$ 7,373,898	\$ 6,637,315	\$ 14,011,213	\$ 1,505,910

See notes to financial statements

City of Bullhead City, Arizona

Statement of Cash Flows - Proprietary Funds
Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds			Governmental
	Wastewater Fund	Water Fund	Total	Activities Internal Services Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Net operating income (loss)	\$ 31,719	\$ (447,917)	\$ (416,198)	\$ 349,320
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation/amortization expense	3,616,988	3,620,635	7,237,623	-
Provisions for bad debt	509,644	509,644	1,019,288	-
(Increase) decrease in:				
Accounts receivable	(1,520,942)	1,278,243	(242,699)	35,765
Intergovernmental receivable	-	-	-	-
Inventory and prepaid items	-	(42,379)	(42,379)	(918,362)
Other assets	-	-	-	-
Increase (decrease) in:				
Accounts payable	1,445,213	(308,105)	1,137,108	(97,233)
Accrued payroll and related liabilities	(58,485)	(63,136)	(121,621)	(8,243)
Other liabilities	236,817	(481)	236,336	-
Customer deposits	(336,505)	43,125	(293,380)	-
Compensated absences	12,230	31,512	43,742	-
Net cash provided by (used in) operating activities	<u>\$ 3,936,679</u>	<u>\$ 4,621,141</u>	<u>\$ 8,557,820</u>	<u>\$ (638,753)</u>
Noncash Investing, Capital and Financing Activities				
Subscription-based IT arrangement additions	\$ 1,536,460	\$ 1,536,460	\$ 3,072,920	\$ -
Transfer of capital assets	117,907	-	-	-
Loss on disposal of capital	1,069,878	-	-	-
Amortization of bond premium	60,561	80,692	141,253	-
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	\$ 5,042,335	\$ 9,029	\$ 5,051,364	\$ 1,505,910
Restricted cash	<u>2,331,563</u>	<u>6,628,286</u>	<u>8,959,849</u>	<u>-</u>
Total cash and cash equivalents	<u>\$ 7,373,898</u>	<u>\$ 6,637,315</u>	<u>\$ 14,011,213</u>	<u>\$ 1,505,910</u>

See notes to financial statements

Financial Statements

Notes to Financial Statements



City of Bullhead City, Arizona

Notes to Financial Statements

June 30, 2023

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.

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.

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.

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.

City of Bullhead City, Arizona

Notes to Financial Statements

June 30, 2023

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.

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.

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.

City of Bullhead City, Arizona

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June 30, 2023

Additionally, the City reports the following fund type:

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the wastewater and water funds, and of the City's internal service funds, are charges to customers and departments for sales and services provided. The wastewater fund also recognizes as operating revenue the tap fees intended to recover the cost of connecting new customers to the collection system. Operating expense for enterprise and internal service funds include the cost of sales and services, administration expenses, and depreciation/amortization 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.

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.

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, 2023 was \$618,523, which represents approximately 6.8% 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.

City of Bullhead City, Arizona

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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. The cost of prepaid items is recorded as expenditures/expenses when consumed (consumption method) rather than when purchased.

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.

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), including right-to-use assets 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.

Intangible right-to-use lease and subscription assets are amortized over the shorter of the contract term or the useful life of the underlying asset.

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:

	<u>Years</u>
Buildings	25 - 40
Building improvements	5 - 25
Public domain infrastructure	15 - 25
System infrastructure (wastewater system)	40 - 45
Furniture, vehicles and equipment	3 - 10

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.

Long-Term Obligations

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

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

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 assets 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

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.

Net Position Flow Assumption

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

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

City of Bullhead City, Arizona

Notes to Financial Statements

June 30, 2023

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 30% 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.

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

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.

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.

City of Bullhead City, Arizona

Notes to Financial Statements

June 30, 2023

Leases

As lessee, the City recognizes lease liabilities with an initial, individual value of \$20,000. The City uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The City's estimated incremental borrowing rate is based on the average interest rate of other financing instruments with similar terms and risks as those currently entered into by the City.

As lessor, the City recognizes lease receivables with an initial, individual value of \$100,000. If there is no stated rate in the lease contract (or if the stated rate is not the rate the City charges the lessee) and the implicit rate cannot be determined, the City uses its own estimated incremental borrowing rate as the discount rate to measure lease receivables. The City's estimated incremental borrowing rate is calculated using the same method used on their lessee transactions above.

Subscription-Based Information Technology Arrangements

The City recognizes subscription liabilities with an initial, individual value that is sufficient to meet the criteria of the City's policy. The City uses its estimated incremental borrowing rate to measure subscription liabilities unless it can readily determine the interest rate implicit in the arrangement. The City's estimated incremental borrowing rate is calculated as described above for leases.

Proprietary Funds Operating and Nonoperating Revenues and Expenses

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 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/amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

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.

Expenditures Over Appropriations

The SID Debt Service Fund, REO Fund and Bullhead Parkway Improvement District 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, 2023.

City of Bullhead City, Arizona

Notes to Financial Statements

June 30, 2023

Deficit Net Position/Fund Balance

At June 30, 2023, the following funds reported deficits in net position or fund balances:

Fund:	
REO	\$ 2,551
CDBG/HTF	107,197
Special events	26,340
Court improvement	942
Police Grants	56,610
Street lighting improvement districts	26,499
Flood control	601,331
Debt service	77,475
Water Fund	3,615,949

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

Change in Accounting Principle

For the year ended June 30, 2023, the City implemented the provisions of GASB Statement No. 96, Subscription-Based Information Technology Arrangements, which (1) defines a subscription-based information technology arrangement (SBITA); (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. As a result, the City's financial statements have been modified to reflect the implementation of this new standard.

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% 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, 2023, the City's carrying amount of deposits was \$3,025,817 and the bank balance was \$2,319,228. As of June 30, 2023, 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 \$7,751.

Restricted cash consists of \$9,826,609 held by a trustee, 1,204,540 restricted for courts, and \$63,942 restricted for public safety. 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 Financial Statements

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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, 2023, the City's deposit with the State Treasurer's Local Government Investment Pool 5 was \$39,268,247.

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, 2023, credit risk for the City's investments was as follows:

	Ratings			
	Total	AAAF/S1+	AAA	Unrated
Investment type:				
Primary government:				
LGIP	\$ 39,268,247	\$ 39,268,247	\$ -	\$ -
Total	\$ 39,268,247	\$ 39,268,247	\$ -	\$ -

Interest Rate Risk

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

City of Bullhead City, Arizona

Notes to Financial Statements

June 30, 2023

At June 30, 2023, the City had the following investments:

	Remaining Maturity 12 Months or Less
Investment type:	
Primary government	
LGIP	\$ 39,268,247
Total	\$ 39,268,247

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, and (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, 2023, 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.

3. Receivables

Receivables as of June 30, 2023 for the City's individual major funds, non-major 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	Non-Major Governmental Funds	Wastewater Fund	Water Fund	Internal Service Funds	Total
Receivables:									
Accounts	\$ 851,636	\$ 1,216	\$ -	\$ -	\$ 452,195	\$ 3,072,451	\$ 74,479	\$ 2,671	\$ 4,454,648
Taxes	-	-	31,459	-	3,039	-	-	-	34,498
Intergovernmental	2,891,571	469,812	-	-	257,806	-	-	-	3,619,189
Special assessments	-	-	-	1,596,367	537	-	-	-	1,596,904
Gross receivables	3,743,207	471,028	31,459	1,596,367	713,577	3,072,451	74,479	2,671	9,705,239
Less allowance for uncollectibles	-	-	-	-	-	(618,523)	-	-	(618,523)
Net total receivables	<u>\$ 3,743,207</u>	<u>\$ 471,028</u>	<u>\$ 31,459</u>	<u>\$ 1,596,367</u>	<u>\$ 713,577</u>	<u>\$ 2,453,928</u>	<u>\$ 74,479</u>	<u>\$ 2,671</u>	<u>\$ 9,086,716</u>

Revenues of the enterprise funds are reported net of uncollectible amounts. The Wastewater and Sewer funds had recorded \$509,644 each in bad debt expense for the current fiscal year.

City of Bullhead City, Arizona

Notes to Financial Statements
June 30, 2023

4. Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2023 is as follows (due to/from other funds):

	<u>Receivable Amount</u>	<u>Payable Amount</u>
Fund:		
General Fund	\$ 5,803,297	\$ -
Non-Major Governmental Funds	-	944,038
Wastewater Fund	-	-
Water Fund	-	3,597,372
Internal Service Funds	-	1,261,887
	<u>-\$ 5,803,297</u>	<u>\$ 5,803,297</u>
Total	<u>\$ 5,803,297</u>	<u>\$ 5,803,297</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 non-major governmental funds which the general fund expects to collect in the subsequent year. All interfund balances are expected to be repaid within one year.

Internal service funds and non-major funds had a deficit cash balance that will be paid back to the general fund over time.

The water fund had a deficit in cash balance related to the issuance of bonds and future commitments for projects related to utilities. These funds will be paid back to the general fund.

5. Interfund Transfers

The composition of interfund transfers for the year ended June 30, 2023 is as follows:

	<u>Transfers Out</u>	<u>Transfers In</u>
Fund:		
Government-wide	\$ 29,458	\$ 156,589
General Fund	8,302,022	580,989
Capital Projects Fund	-	10,696,989
Excise Revenue Bond Refunding Funds	-	171,938
Non-Major Governmental Funds	5,629,799	1,341,088
Wastewater Fund	496,120	1,327,668
Water Fund	-	182,138
	<u>\$ 14,457,399</u>	<u>\$ 14,457,399</u>
Total	<u>\$ 14,457,399</u>	<u>\$ 14,457,399</u>

City of Bullhead City, Arizona

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Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

General fund transfers relate to:

- Providing construction projects for the capital projects fund
- Payments for debt service
- Other miscellaneous services for wastewater engineering, reducing negative fund balance and monthly bridge loan

Non-major funds transfers relate to funding transferred to the Capital projects fund for allowable construction projection.

The water fund received transfers from the general fund for debt payments and Cibola Water/Bullhead City parkway reconstruction.

City of Bullhead City, Arizona

Notes to Financial Statements

June 30, 2023

6. Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

Governmental Activities	Beginning Balance (Restated)	Increases	Decreases	Ending Balance
Capital assets not being depreciated or amortized:				
Land	\$ 3,082,739	\$ 191,366	\$ -	\$ 3,274,105
Construction in progress	4,200,058	7,732,354	(3,396,589)	8,535,823
Total capital assets not being depreciated or amortized	<u>7,282,797</u>	<u>7,923,720</u>	<u>(3,396,589)</u>	<u>11,809,928</u>
Capital assets being depreciated or amortized:				
Buildings	19,993,904	1,637,211	(1,035,021)	20,596,094
Improvements, other than buildings	11,535,730	635,837	(72,571)	12,098,996
Furniture, vehicles and equipment	26,186,234	2,797,920	(8,920,004)	20,064,150
Infrastructure	160,242,749	3,644,555	-	163,887,304
Right-to-use subscription assets	851,048	-	-	851,048
Total capital assets being depreciated or amortized	<u>218,809,665</u>	<u>8,715,523</u>	<u>(10,027,596)</u>	<u>217,497,592</u>
Less accumulated depreciation or amortization:				
Buildings	(15,666,984)	(373,187)	381,273	(15,658,898)
Improvements, other than buildings	(4,565,933)	(526,238)	54,428	(5,037,743)
Furniture, vehicles and equipment	(21,134,934)	(1,736,476)	6,828,439	(16,042,971)
Infrastructure	(131,045,697)	(1,959,081)	-	(133,004,778)
Right-to-use subscription assets	-	(177,251)	-	(177,251)
Total accumulated depreciation or amortization	<u>(172,413,548)</u>	<u>(4,772,233)</u>	<u>7,264,140</u>	<u>(169,921,641)</u>
Total capital assets being depreciated or amortized, net	<u>46,396,117</u>	<u>3,943,290</u>	<u>(2,763,456)</u>	<u>47,575,951</u>
Governmental activities capital assets, net	<u>\$ 53,678,914</u>	<u>\$ 11,867,010</u>	<u>\$ (6,160,045)</u>	<u>\$ 59,385,879</u>

City of Bullhead City, Arizona

Notes to Financial Statements

June 30, 2023

Business-Type Activities	Beginning Balance (Restated)	Increases	Decreases	Ending Balance
Capital assets not being depreciated or amortized:				
Land	\$ 3,527,783	\$ 251,842	\$ -	\$ 3,779,625
Water rights	6,716,785	-	-	6,716,785
Construction in progress	2,409,955	4,331,912	(1,354,023)	5,387,844
Total capital assets not being depreciated or amortized	<u>12,654,523</u>	<u>4,583,754</u>	<u>(1,354,023)</u>	<u>15,884,254</u>
Capital assets being depreciated or amortized:				
Buildings	149,647	-	-	149,647
Improvements, other than buildings	250,665	-	-	250,665
Equipment and vehicles	6,664,507	911,371	(30,575)	7,545,303
Right-of-use lease asset, equipment	265,280	-	(265,280)	-
Right-of-use subscription asset	3,072,920	-	-	3,072,920
Wastewater facilities, equipment and collection lines	250,011,778	472,827	-	250,484,605
Total capital assets being depreciated or amortized	<u>260,414,797</u>	<u>1,384,198</u>	<u>(295,855)</u>	<u>261,503,140</u>
Less accumulated depreciation or amortization:				
Buildings	(56,117)	(3,742)	-	(59,859)
Improvements, other than buildings	(174,591)	(65,360)	-	(239,951)
Equipment and vehicles	(4,317,834)	(548,179)	30,575	(4,835,438)
Right-of-use lease asset, equipment	(108,691)	-	108,691	-
Right-of-use subscription asset	-	(292,474)	-	(292,474)
Wastewater facilities, equipment and collection lines	(64,498,695)	(6,327,868)	-	(70,826,563)
Total accumulated depreciation or amortization	<u>(69,155,928)</u>	<u>(7,237,623)</u>	<u>139,266</u>	<u>(76,254,285)</u>
Total capital assets being depreciated or amortized, net	<u>191,258,869</u>	<u>(5,853,425)</u>	<u>(156,589)</u>	<u>185,248,855</u>
Business-type capital assets, net	<u>\$ 203,913,392</u>	<u>\$ (1,269,671)</u>	<u>\$ (1,510,612)</u>	<u>\$ 201,133,109</u>

City of Bullhead City, Arizona

Notes to Financial Statements

June 30, 2023

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

Governmental activities:	
General government	\$ 1,120,804
Highways and streets	2,238,549
Culture and recreation	707,591
Public safety	<u>705,289</u>
Total depreciation expense, governmental activities	<u>\$ 4,772,233</u>
Business-type activities:	
Wastewater Fund	\$ 3,616,988
Water Fund	<u>3,620,635</u>
Total depreciation expense, business-type activities	<u>\$ 7,237,623</u>

7. Long-Term Liabilities

Long-term liabilities activity for the year ended June 30, 2023 was as follows:

	Beginning Balance (Restated)	Additions	Retirements	Ending Balance	Due Within 1 Year
Governmental activities:					
Bonds payable:					
Revenue bonds	\$ 7,488,000	\$ -	\$ (701,000)	\$ 6,787,000	\$ 737,000
Improvement bond	<u>2,930,000</u>	<u>-</u>	<u>(105,000)</u>	<u>2,825,000</u>	<u>105,000</u>
Total bonds payable	10,418,000	-	(806,000)	9,612,000	842,000
Notes payable, Water Infrastructure Financing Authority					
	3,852,593	-	(1,651,869)	2,200,724	1,602,264
Finance purchase agreement	-	288,677	(22,432)	266,245	32,362
Subscription liabilities	851,048	-	(177,251)	673,797	176,344
Net pension liabilities	27,046,207	5,358,038	-	32,404,245	-
Compensated absences	<u>3,248,211</u>	<u>1,232,232</u>	<u>(2,556,505)</u>	<u>1,923,938</u>	<u>480,985</u>
Governmental activities long-term liabilities	<u>\$ 45,416,059</u>	<u>\$ 6,878,947</u>	<u>\$ (5,214,057)</u>	<u>\$ 47,080,949</u>	<u>\$ 3,133,955</u>
Business-type activities:					
Revenue bonds	\$ 120,330,000	\$ -	\$ (4,770,000)	\$ 115,560,000	\$ 4,775,000
Plus deferred amounts:					
Issuance discounts and premiums	<u>2,402,177</u>	<u>-</u>	<u>(141,253)</u>	<u>2,260,924</u>	<u>-</u>
Total bonds payable	122,732,177	-	(4,911,253)	117,820,924	4,775,000
Subscription liabilities	3,072,920	-	(292,474)	2,780,446	304,714
Leases	108,521	-	(108,521)	-	-
Compensated absences	<u>288,052</u>	<u>419,764</u>	<u>(376,022)</u>	<u>331,794</u>	<u>82,949</u>
Business-type activities long-term liabilities	<u>\$ 126,201,670</u>	<u>\$ 419,764</u>	<u>\$ (5,688,270)</u>	<u>\$ 120,933,164</u>	<u>\$ 5,162,663</u>

City of Bullhead City, Arizona

Notes to Financial Statements

June 30, 2023

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.

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:

	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Outstanding Principal</u>	<u>Maturity Date</u>
Governmental activities:				
MPC Excise Tax Revenue Bonds, Series 2015B	\$ 1,554,000	1.98 %	\$ 495,000	2026
Laughlin Ranch Improvement Bonds Series 2017	3,230,000	2.30-4.00	2,825,000	2042
Excise Tax Revenue Bonds:				
Series 2018	3,100,000	3.01	1,942,000	2028
Series 2021	<u>4,600,000</u>	1.97	<u>4,350,000</u>	2028
Total governmental activities	<u>\$ 12,484,000</u>		<u>\$ 9,612,000</u>	
Business-type activities:				
Wastewater Revenue Bonds, Series 2013	\$ 15,845,000	3.25-5.00 %	\$ 5,520,000	2025
Excise Tax Revenue and Refunding Bonds:				
Series 2019	6,945,000	3.00-4.00	4,575,000	2039
Series 2021	89,255,000	0.40-2.70	86,715,000	2051
Series 2022	<u>18,750,000</u>	4.00-5.00	<u>18,750,000</u>	2052
Total business-type activities	<u>\$ 130,795,000</u>		<u>\$ 115,560,000</u>	

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Years ending June 30:				
2024	\$ 842,000	\$ 257,916	\$ 4,775,000	\$ 2,894,603
2025	864,000	237,080	5,070,000	2,798,088
2026	892,000	215,556	5,175,000	2,688,830
2027	728,000	194,837	3,940,000	2,594,770
2028	758,000	175,621	2,930,000	2,530,783
2028-2032	3,058,000	718,959	19,035,000	11,697,925
2033-2037	1,880,000	262,172	18,185,000	9,637,185
2038-2042	590,000	47,800	19,940,000	7,207,587
2043-2047	-	-	22,710,000	4,369,989
2048-2052	-	-	<u>13,800,000</u>	<u>1,058,595</u>
Total	<u>\$ 9,612,000</u>	<u>\$ 2,109,941</u>	<u>\$ 115,560,000</u>	<u>\$ 47,478,355</u>

City of Bullhead City, Arizona

Notes to Financial Statements

June 30, 2023

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.

During 2023, the City entered into a finance purchase arrangement with Empire Southwest for a new Loader financing \$288,677 through 2028 at an interest rate of 6.38%. Notes payable at year end are as follows:

	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Outstanding Principal</u>	<u>Maturity Date</u>
Governmental activities:				
Water Infrastructure Finance Authority, 2006	\$ 28,422,230	2.340 %	\$ 2,200,724	2025
Finance Purchase, Empire Southwest	<u>288,677</u>	6.38 %	<u>266,245</u>	2028
Total	<u>\$ 28,710,907</u>		<u>\$ 2,466,969</u>	

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

	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
Years ending June 30:		
2024	\$ 1,634,626	\$ 41,925
2025	632,948	38,248
2026	36,754	11,785
2027	39,168	9,370
2028	<u>123,473</u>	<u>3,154</u>
Total	<u>\$ 2,466,969</u>	<u>\$ 104,482</u>

During 2023, the City obtained \$6,595,000 and \$6,445,000 in additional financing from WIFA for various infrastructure projects with loan terms of 30 years. Of those loans \$1,300,000 and \$1,177,000, respectively, are forgivable principal. As of year-end, the City had not drawn on any portion of the loans.

Subscription-Based Information Technology Arrangements (SBITAs)

The City has obtained the right to use various IT software under the provisions of various subscription-based information technology arrangements.

The total amount of subscription assets and the related accumulated amortization are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Total intangible right-to-use subscription assets	\$ 851,048	\$ 3,072,920
Less accumulated amortization	<u>(177,251)</u>	<u>(292,474)</u>
Total	<u>\$ 673,797</u>	<u>\$ 2,780,446</u>

City of Bullhead City, Arizona

Notes to Financial Statements

June 30, 2023

The following schedule details minimum subscription payments to maturity for the City's subscriptions:

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
Years ending June 30:				
2024	\$ 176,344	\$ 22,018	\$ 304,714	\$ 97,922
2025	183,743	14,619	316,956	85,680
2026	128,834	8,863	329,196	73,440
2027	134,620	4,177	341,436	61,200
2028	50,256	-	353,676	48,960
2029-2031	-	-	1,134,468	73,440
Total	<u>\$ 673,797</u>	<u>\$ 49,677</u>	<u>\$ 2,780,446</u>	<u>\$ 440,642</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.

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.

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 noncompliance. The City is currently in compliance with the consent decree.

City of Bullhead City, Arizona

Notes to Financial Statements

June 30, 2023

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 \$4,810,909 in commitments to contractors for construction projects.

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 nonpublic safety personnel are established based on contributions to the plan. At June 30, 2023, the City reported the following aggregate amounts related to pensions for all plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities
Net OPEB assets	\$ 443,461
Net pension liabilities	32,404,245
Deferred outflows of resources related to pensions and OPEB	6,187,372
Deferred inflows of resources related to pensions and OPEB	255,811
Pension and OPEB expense	3,836,894

The City reported \$3,592,862 of pension contributions as expenditures in the governmental funds related to all pension plans to which it contributes.

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, MissionSquare. 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.

MissionSquare 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.

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

City of Bullhead City, Arizona

Notes to Financial Statements

June 30, 2023

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 MissionSquare, 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 9.00% of their earnings and the City to contribute 9.00%. 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 100% per year of service for exempt employees and 25% per year of service for nonexempt employees. Thus, exempt employees are vested at 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, 2023.

	<u>Total Payroll</u>	<u>Covered Payroll</u>	<u>Percent of Covered Payroll</u>	<u>Required Contributions</u>	<u>Actual Contributions</u>
Employer	\$ 23,009,917	\$ 18,297,249	9.00 %	\$ 1,481,402	\$ 1,481,402
Employee		19,333,295	9.00	1,208,331	1,208,331

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, 2023, 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 No. 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, 2023.

City of Bullhead City, Arizona

Notes to Financial Statements

June 30, 2023

Benefits Provided

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

PSPRS	Initial Membership Date	
	Before January 1, 2012	On or After January 1, 2012 and before July 1, 2017
Retirement and Disability		
Years of service and age required to receive benefit	20 years of service, any age 15 years of service, age 62	25 years of service or 15 years of credited service, age 52.5
Final average salary is based on	Highest 36 months of last 20 years	Highest 60 months of last 120 years
Benefit percent per year of service:		
Normal Retirement	50% less 2.0% for each year of credited service less than 20 years OR plus 2.0%-2.5% for each year of credited service over 20 years, not to exceed 80%	1.5%-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%-100% of retired member's pension benefit	
Active Members	80%-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% of the member's compensation for up to 12 months.

Health insurance premium benefits are available to retired or disabled members with five 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 Financial Statements

June 30, 2023

Employees Covered by Benefit Terms

At June 30, 2023, the following employees were covered by the agent plans' benefit terms:

	PSPRS Police
Inactive employees or beneficiaries currently receiving benefits	54
Inactive employees entitled to but not yet receiving benefits	17
Active employees	45
Total	<u>116</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, 2023, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS Police
Active members, pension	7.65-11.65 %
City:	
Pension	63.65
Health insurance premium benefit	0.00

In addition, the City was required by statute to contribute at the actuarially determined rate of 63.65% 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, 2023, were:

	PSPRS Police
Pension:	
Contributions made	\$ 3,581,057

During fiscal year 2023, the City paid 100% of the PSPRS pension contributions from the General Fund.

Pension Liability

At June 30, 2023, the City reported a PSPRS net pension liability of \$32,404,245.

The net pension liability was measured as of June 30, 2022, 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, 2022, reflect changes of actuarial assumptions, including decreasing the investment rate of return from 7.3% to 7.2%, changing the wage inflation from 3.5% to a range of 3.0% - 6.25%, and increasing the cost-of-living adjustment from 1.75% to 1.85%.

City of Bullhead City, Arizona

Notes to Financial Statements

June 30, 2023

Actuarial Assumptions

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

PSPRS:

Actuarial valuation date	June 30, 2022
Actuarial cost method	Entry age normal
Investment rate of return	7.20%
Wage inflation	3.0-6.25% for pensions/not applicable for OPEB
Price inflation	2.5% for pensions/not applicable for OPEB
Cost-of-living adjustment	1.85% for pensions/not applicable for OPEB
Mortality rates	PubS-2010 tables
Healthcare cost trend rate	N/A

Actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2021.

The long-term expected rate of return on PSPRS pension plan investments was determined to be 7.2% 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 Real Rate of Return
U.S. public entity	24 %	3.49 %
International public entity	16	4.47
Global private equity	20	7.18
Other assets (capital appreciation)	7	4.83
Core bonds	2	0.45
Private credit	20	5.10
Diversifying strategies	10	2.68
Cash, Mellon	1	-0.35
Total	100 %	

Discount Rates

At June 30, 2022, the discount rate used to measure the PSPRS total pension liabilities was 7.2%, which was a decrease of 0.1 from the discount rate used as of June 30, 2021. 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 Financial Statements

June 30, 2023

Changes in the Net Pension Liability

PSPRS - Police	Pension Increase (Decrease)		
	Total Pension Liability (Asset) (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 59,819,554	\$ 32,773,347	\$ 27,046,207
Changes for the year:			
Service cost	757,132	-	757,132
Interest on the total pension liability	4,287,712	-	4,287,712
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the pension liability	1,389,941	-	1,389,941
Changes of assumptions or other inputs	781,799	-	781,799
Contributions, employer	-	2,803,181	(2,803,181)
Contributions, employee	-	373,071	(373,071)
Net investment income	-	(1,294,356)	1,294,356
Benefit payments, including refunds of employee contributions	(3,681,800)	(3,681,800)	-
Administrative expense	-	(23,350)	23,350
Other changes	-	-	-
Net changes	3,534,784	(1,823,254)	5,358,038
Balances at June 2023	\$ 63,354,338	\$ 30,950,093	\$ 32,404,245

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 (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Net pension liability	\$ 40,736,171	\$ 32,404,245	\$ 25,583,257

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, 2023, the City recognized \$3,917,664 of PSPRS pension expense.

City of Bullhead City, Arizona

Notes to Financial Statements

June 30, 2023

Pension Deferred Outflows/Inflows Of Resources

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>PSPRS - Police</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,504,876	\$ 138,016
Changes of assumptions or other inputs	586,350	-
Net difference between projected and actual earnings on pension plan investments	475,193	-
City contributions subsequent to the measurement date	<u>3,581,057</u>	<u>-</u>
Total	<u>\$ 6,147,476</u>	<u>\$ 138,016</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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>PSPRS Police</u>
Years ending June 30:	
2024	\$ 1,014,693
2025	456,052
2026	224,157
2027	733,501
2028	-
Thereafter	-

10. Subsequent events

In October 2023, the City issued the Excise Taxes Revenue Obligation Series 2023 bond in the amount of \$14,145,000. The purchase agreement has an interest rate of 4.97%, maturing in the fiscal year 2028. The loan was issued to finance the capital costs of acquisition of vehicles and equipment and improvements to City facilities and the City's utility system.



Financial Section

Required Supplementary Information

Budgetary Comparison Schedules

General Fund

HURF Fund

Pension Schedules



City of Bullhead City, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

General Funds

Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	(Budgetary Basis)	Final Budget - Positive (Negative)
Budgetary Fund Balance, July 1, 2022	\$ 6,556,500	\$ 6,556,500	\$ 27,234,326	\$ 20,677,826
Resources (Inflows)				
City tax revenue	21,144,134	21,144,134	21,302,271	158,137
Intergovernmental revenue	17,731,485	17,731,485	18,173,375	441,890
Charges for services	2,850,949	3,050,949	2,400,630	(650,319)
Licenses and permits	1,388,860	1,388,860	1,012,573	(376,287)
Fines and forfeitures	792,200	792,200	625,149	(167,051)
Rents	89,850	89,850	35,984	(53,866)
Investment income	99,684	99,684	1,016,944	917,260
Other revenue	637,737	437,737	169,274	(268,463)
Total revenues	44,734,899	44,734,899	44,736,200	1,301
Other financing sources (uses):				
Subscription-based information technology arrangements	-	-	851,048	851,048
Proceeds from sale of fixed assets	77,000	77,000	37,988	(39,012)
Transfers in	615,989	615,989	580,989	(35,000)
Transfers out	(12,125,437)	(12,125,437)	(8,302,022)	3,823,415
Total other financing sources (uses)	(11,432,448)	(11,432,448)	(6,831,997)	4,600,451
Amounts available for appropriations	39,858,951	39,858,951	65,138,529	25,279,578
Charges to Appropriations (Outflows)				
General government:				
Mayor and council	250,675	250,675	198,629	52,046
City manager	509,346	517,139	517,838	(699)
Information technology	1,929,151	1,929,151	1,714,308	214,843
Human resources	274,370	274,370	240,598	33,772
Public information	354,322	346,529	281,462	65,067
Municipal court	1,402,929	1,402,929	1,144,457	258,472
Finance	850,226	850,226	810,532	39,694
City clerk	344,605	344,605	285,006	59,599
City attorney	1,321,799	1,321,799	1,246,982	74,817
Planning	297,350	297,350	296,804	546
Building inspections	714,254	714,254	612,070	102,184
Code enforcement	557,541	557,541	431,503	126,038
Facilities management	885,871	885,871	830,368	55,503
Public works administration	351,402	351,402	355,766	(4,364)
Engineering	193,732	193,732	123,901	69,831
Non-departmental	1,147,404	1,147,404	834,709	312,695
COVID	-	-	85	(85)
Emergency management	-	40,000	39,636	364
Total general government	11,384,977	11,424,977	9,964,654	1,460,323

See notes to budgetary comparison schedule

City of Bullhead City, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

General Funds

Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With
	Original	Final	(Budgetary Basis)	Final Budget - Positive (Negative)
Public safety:				
Information technology	\$ -	\$ -	\$ -	\$ -
Police administration	2,109,629	2,151,629	2,044,697	106,932
Patrol	10,381,318	10,163,790	9,836,214	327,576
Criminal investigations	2,760,052	2,760,052	2,571,523	188,529
Support services	676,717	676,717	603,155	73,562
Emergency services	2,036,461	2,211,989	2,080,670	131,319
Total public safety	17,964,177	17,964,177	17,136,259	827,918
Culture and recreation:				
Recreation	1,022,268	1,022,268	887,493	134,775
Water activities	533,546	471,522	481,652	(10,130)
Suddenlink Community Center	159,603	159,603	162,908	(3,305)
Parks maintenance	3,351,959	3,351,959	2,846,260	505,699
Total culture and recreation	5,067,376	5,005,352	4,378,313	627,039
Economic development:				
Economic development	261,553	391,553	297,600	93,953
Total economic development	261,553	391,553	297,600	93,953
Health and welfare:				
Animal control	527,177	527,177	342,081	185,096
Total health and welfare	527,177	527,177	342,081	185,096
Capital outlay	1,599,703	2,127,386	2,734,092	(606,706)
Debt service:				
Principal retirement	-	-	177,251	(177,251)
Interest and fiscal charges	22,988	22,988	44,099	(21,111)
Total debt service	22,988	22,988	221,350	(198,362)
Total expenditures	36,827,951	37,463,610	35,074,349	2,389,261
Budgetary Fund Balance, June 30, 2023	\$ 3,031,000	\$ 2,395,341	\$ 30,064,180	\$ 27,668,839

See notes to budgetary comparison schedule

City of Bullhead City, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Highway User Relief Fund (HURF)

Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 4,909,635	\$ 4,909,635	\$ 4,633,792	\$ (275,843)
Investment earnings	9,000	9,000	38,794	29,794
Other revenues	2,500	2,500	10,142	7,642
Total revenues	4,921,135	4,921,135	4,682,728	(238,407)
Expenditures				
Current:				
General government	30,911	30,911	18,853	12,058
Health and welfare	1,800	1,800	1,800	
Highways and streets	5,169,872	5,093,287	4,203,028	890,259
Capital outlay	621,471	690,349	694,193	(3,844)
Total expenditures	5,875,858	5,875,858	4,952,692	923,166
Excess (deficiency) of revenues over (under) expenditures	(954,723)	(954,723)	(269,964)	684,759
Other Financing Sources (Uses)				
Finance purchase agreement	281,471	281,471	288,677	7,206
Sale of capital assets	-	-	38,900	38,900
Transfers in	490,000	490,000	-	(490,000)
Transfers out	(454,184)	(454,184)	-	454,184
Total other financing sources (uses)	317,287	317,287	327,577	10,290
Net change in fund balances	(637,436)	(637,436)	57,613	695,049
Fund Balances, Beginning	637,436	637,436	1,207,371	569,935
Fund Balances, Ending	\$ -	\$ -	\$ 1,264,984	\$ 1,264,984

See notes to budgetary comparison schedule

City of Bullhead City, Arizona

Required Supplementary Information

Notes to Budgetary Schedules

Year Ended June 30, 2023

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, 2023, 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 the Changes in the City's Net Pension Liability and Related Ratios - Agent Pension Plan - Public Safety Personnel Retirement System

Year Ended June 30, 2023

	Reporting Fiscal Year (Measurement Date)										
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)		2014
Total Pension Liability											
Service cost	\$ 757,132	\$ 805,309	\$ 782,838	\$ 939,357	\$ 851,358	\$ 1,075,681	\$ 894,106	\$ 879,004	\$ 890,055	Information	
Interest on the total pension liability	4,287,712	4,187,578	3,913,438	3,749,335	3,530,344	3,266,637	2,977,024	2,909,607	2,556,293	not available	
Changes on benefit terms	-	-	-	-	-	534,607	2,485,509	-	608,014		
Differences between expected and actual experience in the measurement of the pension liability	1,389,941	(276,033)	1,849,684	(208,824)	569,370	(19,158)	(323,350)	(654,635)	(554,914)		
Changes of assumptions or other inputs	781,799	-	-	1,279,072	-	1,641,764	1,626,214	-	3,458,975		
Benefit payments, including refunds of employee contributions	(3,681,800)	(2,912,135)	(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	3,534,784	1,804,719	3,831,893	3,152,283	2,546,890	4,433,366	5,487,671	740,385	4,447,842		
Total Pension Liability - Beginning	59,819,554	58,014,835	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)	\$ 63,354,338	\$ 59,819,554	\$ 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	\$ 2,803,181	\$ 2,690,885	\$ 2,731,212	\$ 2,406,560	\$ 2,300,757	\$ 1,422,995	\$ 1,391,558	\$ 1,240,272	\$ 1,103,933		
Contributions, employee	373,071	412,284	434,462	419,847	432,249	537,250	550,490	527,323	474,532		
Hall/Parker settlement	-	-	-	-	(660,764)	-	-	-	-		
Net investment income	(1,294,356)	7,127,770	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	(3,681,800)	(2,912,135)	(2,714,067)	(2,606,657)	(2,404,182)	(2,066,165)	(2,171,832)	(2,393,591)	(2,510,581)		
Administrative expense	(23,350)	(33,445)	(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	(1,823,254)	7,285,359	743,122	1,455,846	1,142,069	2,152,532	(127,079)	73,778	1,584,254		
Plan Fiduciary Net Position, Beginning	32,773,347	25,487,988	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)	\$ 30,950,093	\$ 32,773,347	\$ 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)	\$ 32,404,245	\$ 27,046,207	\$ 32,526,847	\$ 29,315,403	\$ 27,614,479	\$ 26,209,658	\$ 23,928,824	\$ 18,314,074	\$ 17,647,467		

See notes to the pension plan schedules

City of Bullhead, Arizona

Required Supplementary Information

Schedule of the Changes in the City's Net Pension Liability and Related Ratios - Agent Pension Plan - Public Safety Personnel Retirement System

Year Ended June 30, 2023

	Reporting Fiscal Year (Measurement Date)									
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014
Plan fiduciary net position as a percentage of the total pension liability	48.85 %	54.79 %	43.93 %	45.90 %	45.89 %	45.94 %	45.68 %	52.51 %	53.34 %	Information not available
Covered payroll	\$ 4,024,338	\$ 4,084,625	\$ 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	805.2 %	662.15 %	727.06 %	711.22 %	641.58 %	549.69 %	517.59 %	384.87 %	381.48 %	

See notes to the pension plan schedules

City of Bullhead, Arizona

Required Supplementary Information

Schedule of City Pension Contributions - Public Safety Personnel Retirement System

Year Ended June 30, 2023

	Reporting Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 3,581,057	\$ 2,977,253	\$ 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 contributions in relation to the actuarially determined contribution	3,581,057	2,977,253	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	\$ 5,626,170	\$ 4,024,338	\$ 4,084,625	\$ 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	63.65 %	58.73 %	58.44 %	61.05 %	58.39 %	0.5 %	29.84 %	30.10 %	26.06 %	23.86 %

See notes to the pension plan schedules

City of Bullhead City, Arizona

Required Supplementary Information
Notes to the Pension Plan Schedules
Year Ended June 30, 2023

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 2021 actuarial valuation	19 years for under funded 20 years for over funded
Asset valuation method	7-year smoothed fair value; 80%/120% market corridor
Actuarial assumptions: Investment rate of return	In the 2019 actuarial valuation, the investment rate of return was decreased from 7.4% to 7.3%. In the 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 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS.
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.
Mortality	In the 2019 actuarial valuation, changed to PubS-2010 tables. In the 2017 actuarial valuation, changed to RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females).

City of Bullhead City, Arizona

Required Supplementary Information
Notes to the Pension Plan Schedules
Year Ended June 30, 2023

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
Supplementary Information
Combining Non-Major Fund
Financial Statements



City of Bullhead, Arizona

Combining Balance Sheet - All Non-Major Governmental Funds

All Non-Major Governmental Funds - By Fund Type

June 30, 2023

	Special Revenue	Capital Projects	Debt Service	Total Non-Major Governmental Funds
Assets				
Cash and cash equivalents	\$ 6,599,266	\$ -	\$ 81,461	\$ 6,680,727
Restricted cash	199,007	-	699,859	898,866
Receivables, net:				
Accounts	275,456	18,955	157,784	452,195
Taxes	3,039	-	-	3,039
Intergovernmental	257,806	-	-	257,806
Inventory and prepaids	675	-	-	675
Special assessments receivable	-	-	537	537
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 7,335,249</u>	<u>\$ 18,955</u>	<u>\$ 939,641</u>	<u>\$ 8,293,845</u>
Liabilities				
Accounts payable	\$ 52,819	\$ 14,943	\$ -	\$ 67,762
Accrued payroll and related liabilities	22,774	2,216	-	24,990
Due to other funds	338,609	605,070	359	944,038
Other liabilities	73,039	-	-	73,039
Unearned revenue	4,661,680	-	-	4,661,680
Interest payable	-	-	124,859	124,859
Matured bonds payable	-	-	575,000	575,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>5,148,921</u>	<u>622,229</u>	<u>700,218</u>	<u>6,471,368</u>
Deferred Inflows of Resources				
Unavailable revenue, other	25,936	-	-	25,936
Unavailable revenue, special assessments	20	24,556	316,720	341,296
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>25,956</u>	<u>24,556</u>	<u>316,720</u>	<u>367,232</u>
Fund Balances				
Nonspendable:				
Inventory and prepaids	675	-	-	675
Restricted:				
Highways and streets	172,833	-	-	172,833
Community development	1,216,128	-	-	1,216,128
Public safety	89,766	-	-	89,766
Debt service	-	-	178	178
Grants	862,457	-	-	862,457
Other purposes	12,153	-	-	12,153
Assigned	-	-	-	-
Unassigned	(193,640)	(627,830)	(77,475)	(898,945)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>2,160,372</u>	<u>(627,830)</u>	<u>(77,297)</u>	<u>1,455,245</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,335,249</u>	<u>\$ 18,955</u>	<u>\$ 939,641</u>	<u>\$ 8,293,845</u>

City of Bullhead, Arizona

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

All Non-Major Governmental Funds - By Fund Type

Year Ended June 30, 2023

	Special Revenue	Capital Projects	Debt Service	Total Non-Major Governmental Funds
Revenues				
Intergovernmental	\$ 8,149,024	\$ 1,049,022	\$ -	\$ 9,198,046
Charges for services	616,982	-	-	616,982
Special assessments	23,615	57,176	211,721	292,512
Licenses and permits	260	-	-	260
Fines and forfeitures	46,372	-	-	46,372
Investment earnings	377,818	10,316	13,383	401,517
Other revenues	176,902	-	-	176,902
	<u>9,390,973</u>	<u>1,116,514</u>	<u>225,104</u>	<u>10,732,591</u>
Expenditures				
Current:				
General government	2,293,303	-	-	2,293,303
Public safety	211,892	-	-	211,892
Culture and recreation	369,350	-	-	369,350
Redevelopment and housing	761,960	-	-	761,960
Highways and streets	-	360,416	-	360,416
Health and welfare	381,573	-	-	381,573
Capital outlay	192,603	1,344,985	-	1,537,588
Debt service:				
Principal	-	-	680,000	680,000
Interest and fiscal charges	-	-	251,163	251,163
	<u>4,210,681</u>	<u>1,705,401</u>	<u>931,163</u>	<u>6,847,245</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,180,292</u>	<u>(588,887)</u>	<u>(706,059)</u>	<u>3,885,346</u>
Other Financing Sources (Uses)				
Sale of capital assets	6,566	-	-	6,566
Transfers in	622,080	-	719,008	1,341,088
Transfers out	(5,529,799)	(100,000)	-	(5,629,799)
	<u>(4,901,153)</u>	<u>(100,000)</u>	<u>719,008</u>	<u>(4,282,145)</u>
Net change in fund balances	279,139	(688,887)	12,949	(396,799)
Fund Balances, Beginning	<u>1,881,233</u>	<u>61,057</u>	<u>(90,246)</u>	<u>1,852,044</u>
Fund Balances, Ending	<u>\$ 2,160,372</u>	<u>\$ (627,830)</u>	<u>\$ (77,297)</u>	<u>\$ 1,455,245</u>

Financial Section

Supplementary Information

Combining Financial Statements Non-Major Governmental Funds

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.

Financial Section

Supplementary Information

Combining Financial Statements Non-Major Governmental Funds

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.

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.

ARPA Fund - This fund is used to account for the revenues and expenditures related to the funding received as part of the Coronavirus State and Local Fiscal Recovery Funds (ARPA).

City of Bullhead, Arizona

Combining Balance Sheet - Special Revenue Funds
June 30, 2023

	<u>RICO</u>	<u>Housing</u>	<u>Arts Commission</u>	<u>Special Assessments Administration</u>	<u>JCEF</u>	<u>Water Impost</u>	<u>Transit</u>	<u>REO</u>	<u>Court Enhancement</u>	<u>Fill the Gap</u>	<u>CDBG/HTF</u>
Assets											
Cash and cash equivalents	\$ -	\$ 26	\$ 3,824	\$ 33,137	\$ -	\$ 1,022,725	\$ 53,627	\$ -	\$ 416	\$ 23,552	\$ -
Restricted cash	63,942	-	-	-	31,543	-	-	-	83,605	14,142	-
Receivables, net:											
Accounts	-	-	-	-	-	171,290	1,152	-	-	1,382	10,800
Taxes	-	-	-	3,039	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	137,448	-	-	-	77,065
Inventory and prepaids	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 63,942	\$ 26	\$ 3,824	\$ 36,176	\$ 31,543	\$ 1,194,015	\$ 192,227	\$ -	\$ 84,021	\$ 39,076	\$ 87,865
Liabilities											
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,185	\$ 44	\$ -	\$ -	\$ 750
Accrued payroll and related liabilities	-	-	-	-	-	4,396	12,054	-	-	-	464
Due to other funds	25,575	-	-	-	7,439	-	-	2,467	56,739	-	130,675
Other liabilities	-	-	288	9,253	-	-	5	40	-	-	63,173
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	25,575	-	288	9,253	7,439	4,396	19,244	2,551	56,739	-	195,062
Deferred Inflows of Resources											
Unavailable revenue, other	-	-	-	-	-	3,976	150	-	-	-	-
Unavailable revenue, special assessments	-	-	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	3,976	150	-	-	-	-
Fund Balances											
Nonspendable:											
Inventory and prepaids	-	-	-	-	-	-	-	-	-	-	-
Restricted:											
Highways and streets	-	-	-	-	-	-	172,833	-	-	-	-
Community development	-	26	3,536	26,923	-	1,185,643	-	-	-	-	-
Public safety	38,367	-	-	-	24,104	-	-	-	27,282	-	-
Grants	-	-	-	-	-	-	-	-	-	39,076	-
Other purposes	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	(2,551)	-	-	(107,197)
Total fund balances	38,367	26	3,536	26,923	24,104	1,185,643	172,833	(2,551)	27,282	39,076	(107,197)
Total liabilities, deferred inflows of resources and fund balances	\$ 63,942	\$ 26	\$ 3,824	\$ 36,176	\$ 31,543	\$ 1,194,015	\$ 192,227	\$ -	\$ 84,021	\$ 39,076	\$ 87,865

City of Bullhead, Arizona

Combining Balance Sheet - Special Revenue Funds
June 30, 2023

	Special Events	Veterans Memorial Park	FARE	Pest Abatement	Court Security Improvement	Court Improvement	Victim Services Grants	Police Grants	General Grants	Senior Nutrition Center	ARPA	Total
Assets												
Cash and cash equivalents	\$ -	\$ 1,339	\$ 4,196	\$ 2,863	\$ 13	\$ -	\$ -	\$ -	\$ 27,204	\$ 224,752	\$ 5,201,592	\$ 6,599,266
Restricted cash	-	-	5,775	-	-	-	-	-	-	-	-	199,007
Receivables, net												
Accounts	6,760	-	-	-	-	4,480	-	31,788	-	47,804	-	275,456
Taxes	-	-	-	-	-	-	-	-	-	-	-	3,039
Intergovernmental	-	-	-	-	-	-	17,046	26,247	-	-	-	257,806
Inventory and prepaids	-	-	-	-	-	-	-	-	-	675	-	675
Total assets	\$ 6,760	\$ 1,339	\$ 9,971	\$ 2,863	\$ 13	\$ 4,480	\$ 17,046	\$ 58,035	\$ 27,204	\$ 273,231	\$ 5,201,592	\$ 7,335,249
Liabilities												
Accounts payable	\$ 262	\$ -	\$ -	\$ -	\$ -	\$ 2,123	\$ -	\$ 28,088	\$ -	\$ 14,367	\$ -	\$ 52,819
Accrued payroll and related liabilities	-	-	-	2,020	-	-	1,936	-	-	1,904	-	22,774
Due to other funds	10,748	-	-	-	-	3,299	15,110	86,557	-	-	-	338,609
Other liabilities	280	-	-	-	-	-	-	-	-	-	-	73,039
Unearned revenue	-	-	-	-	-	-	-	-	-	-	4,661,680	4,661,680
Total liabilities	11,290	-	-	2,020	-	5,422	17,046	114,645	-	16,271	4,661,680	5,148,921
Deferred Inflows of Resources												
Unavailable revenue, other	21,810	-	-	-	-	-	-	-	-	-	-	25,936
Unavailable revenue, special assessments	-	-	-	-	-	-	-	-	-	20	-	20
Total deferred inflows of resources	21,810	-	-	-	-	-	-	-	-	20	-	25,956
Fund Balances												
Nonspendable:												
Inventory and prepaids	-	-	-	-	-	-	-	-	-	675	-	675
Restricted:												
Highways and streets	-	-	-	-	-	-	-	-	-	-	-	172,833
Community development	-	-	-	-	-	-	-	-	-	-	-	1,216,128
Public safety	-	-	-	-	13	-	-	-	-	-	-	89,766
Grants	-	-	-	-	-	-	-	-	27,204	256,265	539,912	862,457
Other purposes	-	1,339	9,971	843	-	-	-	-	-	-	-	12,153
Unassigned	(26,340)	-	-	-	-	(942)	-	(56,610)	-	-	-	(193,640)
Total fund balances	(26,340)	1,339	9,971	843	13	(942)	-	(56,610)	27,204	256,940	539,912	2,160,372
Total liabilities, deferred inflows of resources and fund balances	\$ 6,760	\$ 1,339	\$ 9,971	\$ 2,863	\$ 13	\$ 4,480	\$ 17,046	\$ 58,035	\$ 27,204	\$ 273,231	\$ 5,201,592	\$ 7,335,249

City of Bullhead, Arizona

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Funds
 Year Ended June 30, 2023

	<u>RICO</u>	<u>Housing</u>	<u>Arts Commission</u>	<u>Special Assessments Administration</u>	<u>JCEF</u>	<u>Water Impost</u>	<u>Transit</u>	<u>REO</u>	<u>Court Enhancement</u>	<u>Fill the Gap</u>	<u>CDBG/HTF</u>
Revenues											
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 972,398	\$ -	\$ -	\$ -	\$ 736,253
Charges for services	-	-	-	-	-	444,234	115,797	-	-	-	-
Special assessments	-	-	-	23,615	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	7,663	-	-	-	8,283	-	-	-	23,390	4,775	-
Investment earnings	2,312	1	122	1,135	2,179	36,878	99	-	2,356	1,134	-
Other revenues	-	-	-	-	-	-	9,798	-	-	-	76,622
Total revenues	9,975	1	122	24,750	10,462	481,112	1,098,092	-	25,746	5,909	812,875
Expenditures											
Current:											
General government	-	-	-	9,634	3,259	590,041	1,429,671	2,551	-	-	-
Public safety	18,739	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-
Redevelopment and housing	-	-	-	-	-	-	-	-	-	-	761,960
Health and welfare	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	27,015	-	-	-	-
Total expenditures	18,739	-	-	9,634	3,259	590,041	1,456,686	2,551	-	-	761,960
Excess (deficiency) of revenues over (under) expenditures	(8,764)	1	122	15,116	7,203	(108,929)	(358,594)	(2,551)	25,746	5,909	50,915
Other Financing Sources (Uses)											
Sale of capital assets	3,366	-	-	-	-	-	3,200	-	-	-	-
Transfers in	-	-	-	-	-	-	358,018	-	-	-	-
Transfers out	-	-	-	(24,703)	(50,600)	-	-	-	-	-	-
Total other financing (uses) sources	3,366	-	-	(24,703)	(50,600)	-	361,218	-	-	-	-
Net change in fund balances	(5,398)	1	122	(9,587)	(43,397)	(108,929)	2,624	(2,551)	25,746	5,909	50,915
Fund Balances, Beginning	43,765	25	3,414	36,510	67,501	1,294,572	170,209	-	1,536	33,167	(158,112)
Fund Balances, Ending	\$ 38,367	\$ 26	\$ 3,536	\$ 26,923	\$ 24,104	\$ 1,185,643	\$ 172,833	\$ (2,551)	\$ 27,282	\$ 39,076	\$ (107,197)

City of Bullhead, Arizona

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Funds
 Year Ended June 30, 2023

	Special Events	Veterans Memorial Park	FARE	Pest Abatement	Court Security Improvement	Court Improvement	Victim Services Grants	Police Grants	General Grants	Senior Nutrition Center	ARPA	Total
Revenues												
Intergovernmental	\$ -	\$ -	\$ -	\$ 160,000	\$ -	\$ 54,937	\$ 117,661	\$ 126,372	\$ 20,000	\$ 294,907	\$ 5,666,496	\$ 8,149,024
Charges for services	56,951	-	-	-	-	-	-	-	-	-	-	616,982
Special assessments	-	-	-	-	-	-	-	-	-	-	-	23,615
Licenses and permits	260	-	-	-	-	-	-	-	-	-	-	260
Fines and forfeitures	-	-	2,261	-	-	-	-	-	-	-	-	46,372
Investment earnings	1,581	27	325	2,075	-	-	224	1,739	-	5,431	320,200	377,818
Other revenues	13,900	1,000	-	-	-	-	-	-	-	75,582	-	176,902
Total revenues	72,692	1,027	2,586	162,075	-	54,937	117,661	126,596	21,739	375,920	5,986,696	9,390,973
Expenditures												
Current:												
General government	-	-	1,485	202,874	-	53,788	-	-	-	-	-	2,293,303
Public safety	-	-	-	-	-	-	117,661	75,492	-	-	-	211,892
Culture and recreation	369,350	-	-	-	-	-	-	-	-	-	-	369,350
Redevelopment and housing	-	-	-	-	-	-	-	-	-	-	-	761,960
Health and welfare	-	-	-	-	-	-	-	-	-	381,573	-	381,573
Capital outlay	-	-	-	-	-	-	-	130,313	-	35,275	-	192,603
Total expenditures	369,350	-	1,485	202,874	-	53,788	117,661	205,805	-	416,848	-	4,210,681
Excess (deficiency) of revenues over (under) expenditures	(296,658)	1,027	1,101	(40,799)	-	1,149	-	(79,209)	21,739	(40,928)	5,986,696	5,180,292
Other Financing Sources (Uses)												
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	6,566
Transfers in	150,000	-	-	-	-	-	-	-	-	114,062	-	622,080
Transfers out	-	-	-	-	-	-	-	-	-	-	(5,454,496)	(5,529,799)
Total other financing (uses) sources	150,000	-	-	-	-	-	-	-	-	114,062	(5,454,496)	(4,901,153)
Net change in fund balances	(146,658)	1,027	1,101	(40,799)	-	1,149	-	(79,209)	21,739	73,134	532,200	279,139
Fund Balances, Beginning	120,318	312	8,870	41,642	13	(2,091)	-	22,599	5,465	183,806	7,712	1,881,233
Fund Balances, Ending	\$ (26,340)	\$ 1,339	\$ 9,971	\$ 843	\$ 13	\$ (942)	\$ -	\$ (56,610)	\$ 27,204	\$ 256,940	\$ 539,912	\$ 2,160,372

Financial Section

Supplementary Information

Combining Financial Statements Non-Major Governmental Funds

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, Arizona

Combining Balance Sheet - Capital Projects Funds
June 30, 2023

	Street Lighting Improvement Districts	Flood Control Fund	Total
Assets			
Cash and cash equivalents	\$ -	\$ -	\$ -
Receivables, net:			
Accounts	18,955		18,955
Total assets	\$ 18,955	\$ -	\$ 18,955
Liabilities			
Accounts payable	\$ 8,379	\$ 6,564	\$ 14,943
Accrued payroll and related liabilities	-	2,216	2,216
Due to other funds	12,519	592,551	605,070
Total liabilities	20,898	601,331	622,229
Deferred Inflows of Resources			
Unavailable revenue, special assessments	24,556	-	24,556
Fund Balances			
Unassigned	(26,499)	(601,331)	(627,830)
Total fund balances	(26,499)	(601,331)	(627,830)
Total liabilities, deferred inflows of resources and fund balances	\$ 18,955	\$ -	\$ 18,955

City of Bullhead, ArizonaCombining Statement of Revenues, Expenditures and Changes in Fund Balances - Capital Projects Funds
Year Ended June 30, 2023

	Street Lighting Improvement Districts	Flood Control Fund	Total
Revenues			
Intergovernmental	\$ -	\$ 1,049,022	\$ 1,049,022
Special assessments	57,176	-	57,176
Investment earnings	326	9,990	10,316
	<u>57,502</u>	<u>1,059,012</u>	<u>1,116,514</u>
Total revenues			
	<u>57,502</u>	<u>1,059,012</u>	<u>1,116,514</u>
Expenditures			
Current:			
Highways and streets	69,776	290,640	360,416
Capital outlay	-	1,344,985	1,344,985
	<u>69,776</u>	<u>1,635,625</u>	<u>1,705,401</u>
Total expenditures			
	<u>69,776</u>	<u>1,635,625</u>	<u>1,705,401</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,274)</u>	<u>(576,613)</u>	<u>(588,887)</u>
Other Financing Sources (Uses)			
Transfers out	-	(100,000)	(100,000)
	<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>
Net change in fund balances	<u>(12,274)</u>	<u>(676,613)</u>	<u>(688,887)</u>
Fund Balances, Beginning	<u>(14,225)</u>	<u>75,282</u>	<u>61,057</u>
Fund Balances, Ending	<u>\$ (26,499)</u>	<u>\$ (601,331)</u>	<u>\$ (627,830)</u>

Financial Section

Supplementary Information

Combining Financial Statements Non-Major Governmental Funds

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.

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, Arizona

Combining Balance Sheet - Debt Service Funds
June 30, 2023

	<u>Debt Service</u>	<u>East Branch Sewer Improvement District</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 81,461	\$ -	\$ 81,461
Restricted cash	699,859	-	699,859
Receivables, net:			
Accounts	157,784	-	157,784
Special assessments receivable	-	537	537
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 939,104</u>	<u>\$ 537</u>	<u>\$ 939,641</u>
Liabilities			
Due to other funds	\$ -	\$ 359	\$ 359
Interest payable	124,859	-	124,859
Matured bonds payable	575,000	-	575,000
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>699,859</u>	<u>359</u>	<u>700,218</u>
Deferred Inflows of Resources			
Unavailable revenue, special assessments	316,720	-	316,720
	<u> </u>	<u> </u>	<u> </u>
Fund Balances			
Restricted:			
Debt service	-	178	178
Unassigned	(77,475)	-	(77,475)
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>(77,475)</u>	<u>178</u>	<u>(77,297)</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 939,104</u>	<u>\$ 537</u>	<u>\$ 939,641</u>

City of Bullhead, ArizonaCombining Statement of Revenues, Expenditures and Changes in Fund Balances - Debt Service Funds
Year Ended June 30, 2023

	<u>Debt Service</u>	<u>East Branch Sewer Improvement District</u>	<u>Total</u>
Revenues			
Special assessments	\$ 211,721	\$ -	\$ 211,721
Investment earnings	13,383	-	13,383
	<u>225,104</u>	<u>-</u>	<u>225,104</u>
Expenditures			
Current:			
Highways and streets	-	-	-
Debt service:			
Principal	680,000	-	680,000
Interest and fiscal charges	251,163	-	251,163
	<u>931,163</u>	<u>-</u>	<u>931,163</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(706,059)</u>	<u>-</u>	<u>(706,059)</u>
Other Financing Sources (Uses)			
Transfers in	<u>719,008</u>	<u>-</u>	<u>719,008</u>
Net change in fund balances	12,949	-	12,949
Fund Balances, Beginning	<u>(90,424)</u>	<u>178</u>	<u>(90,246)</u>
Fund Balances, Ending	<u>\$ (77,475)</u>	<u>\$ 178</u>	<u>\$ (77,297)</u>

Financial Section
Supplementary Information
Budgetary Comparison Schedules



City of Bullhead City, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Capital Projects Fund

Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 28,322,434	\$ 28,322,434	\$ 648,742	\$ (27,673,692)
Investment earnings	1,432	1,432	1,451	19
Other revenues	9,548	9,548	18,676	9,128
Total revenues	28,333,414	28,333,414	668,869	(27,664,545)
Expenditures				
Current:				
General government	-	-	298	(298)
Culture and recreation	-	-	40,403	(40,403)
Capital outlay	41,896,453	42,307,340	11,316,495	30,990,845
Total expenditures	41,896,453	42,307,340	11,357,196	30,950,144
Excess (deficiency) of revenues over (under) expenditures	(13,563,039)	(13,973,926)	(10,688,327)	3,285,599
Other Financing Sources (Uses)				
Transfers in	13,574,019	13,709,906	10,696,989	(3,012,917)
Total other financing sources (uses)	13,574,019	13,709,906	10,696,989	(3,012,917)
Net change in fund balances	10,980	(264,020)	8,662	272,682
Fund Balances, Beginning	-	-	67,880	67,880
Fund Balances, Ending	\$ 10,980	\$ (264,020)	\$ 76,542	\$ 340,562

City of Bullhead City, Arizona**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**

SID Debt Service Fund

Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Special assessments	\$ 1,549,750	\$ 1,549,750	\$ 1,169,090	\$ (380,660)
Investment earnings	4,500	4,500	19,229	14,729
Total revenues	<u>1,554,250</u>	<u>1,554,250</u>	<u>1,188,319</u>	<u>(365,931)</u>
Expenditures				
Current:				
General government	34,319	34,319	22,967	11,352
Debt service:				
Principal	2,181,932	2,181,932	1,651,869	530,063
Interest and fiscal charges	144,681	144,681	90,425	54,256
Total expenditures	<u>2,360,932</u>	<u>2,360,932</u>	<u>1,765,261</u>	<u>595,671</u>
Net change in fund balances	(806,682)	(806,682)	(576,942)	229,740
Fund Balances, Beginning	<u>806,682</u>	<u>806,682</u>	<u>795,071</u>	<u>(11,611)</u>
Fund Balances, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 218,129</u>	<u>\$ 218,129</u>

City of Bullhead City, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Excise Revenue Bond Refunding Fund

Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Investment earnings	\$ -	\$ -	\$ 4,482	\$ 4,482
Expenditures				
Current:				
Debt service:				
Principal	162,000	162,000	162,000	-
Interest and fiscal charges	9,801	9,801	9,802	(1)
Total expenditures	171,801	171,801	171,802	(1)
Excess (deficiency) of revenues over (under) expenditures	(171,801)	(171,801)	(167,320)	4,481
Other Financing Sources (Uses)				
Transfers in	171,801	171,801	171,938	137
Total other financing sources (uses)	171,801	171,801	171,938	137
Net change in fund balances	-	-	4,618	4,618
Fund Balances, Beginning	-	-	49,858	49,858
Fund Balances, Ending	\$ -	\$ -	\$ 54,476	\$ 54,476



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Non-Major Funds



City of Bullhead City, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

RICO Fund

Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Fines and forfeitures	\$ -	\$ -	\$ 7,663	\$ 7,663
Investment earnings	100	100	2,312	2,212
Total revenues	100	100	9,975	9,875
Expenditures				
Current:				
General government	16,975	16,975	-	16,975
Public safety	25,000	25,000	18,739	6,261
Total expenditures	41,975	41,975	18,739	23,236
Net change in fund balances	(41,875)	(41,875)	(5,398)	36,477
Fund Balances, Beginning	41,875	41,875	43,765	1,890
Fund Balances, Ending	\$ -	\$ -	\$ 38,367	\$ 38,367

City of Bullhead City, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Housing Fund

Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Investment earnings	\$ -	\$ -	\$ 1	\$ 1
Other revenues				-
Total revenues	-	-	1	1
Expenditures				
Redevelopment and housing	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances	-	-	1	1
Fund Balances, Beginning	-	-	25	25
Fund Balances, Ending	\$ -	\$ -	\$ 26	\$ 26

City of Bullhead City, Arizona

Schedule of Revenues, Expenditures and Changes In Fund Balances - Budget and Actual

Arts Commission Fund

Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Investment earnings	\$ -	\$ -	\$ 122	\$ 122
Other revenues	-	-	-	-
Total revenues	-	-	122	122
Expenditures				
Current:				
Culture and recreation	3,408	3,408	-	3,408
Net change in fund balances	(3,408)	(3,408)	122	3,530
Fund Balances, Beginning	3,408	3,408	3,414	6
Fund Balances, Ending	\$ -	\$ -	\$ 3,536	\$ 3,536

City of Bullhead City, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Special Assessments Administration Fund

Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Special assessments	\$ 24,000	\$ 24,000	\$ 23,615	\$ (385)
Investment earnings	500	500	1,135	635
Total revenues	24,500	24,500	24,750	250
Expenditures				
Current:				
General government	63,885	63,885	9,634	54,251
Excess (deficiency) of revenues over (under) expenditures	(39,385)	(39,385)	15,116	54,501
Other Financing Sources (Uses)				
Transfers out	(24,703)	(24,703)	(24,703)	-
Net change in fund balances	(64,088)	(64,088)	(9,587)	54,501
Fund Balances, Beginning	64,088	64,088	36,510	(27,578)
Fund Balances, Ending	\$ -	\$ -	\$ 26,923	\$ 26,923

City of Bullhead City, Arizona

Schedule of Revenues, Expenditures and Change in Fund Balances - Budget and Actual

Judicial Collection Enhancement (JCEF) Fund

Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Fines and forfeitures	\$ 10,500	\$ 10,500	\$ 8,283	\$ (2,217)
Investment earnings	-	-	2,179	2,179
Total revenues	10,500	10,500	10,462	(38)
Expenditures				
Current:				
General government	27,000	27,000	3,259	23,741
Excess (deficiency) of revenues over (under) expenditures	(16,500)	(16,500)	7,203	23,703
Other Financing Sources (Uses)				
Transfers out	(50,600)	(50,600)	(50,600)	-
Total other financing sources (uses)	(50,600)	(50,600)	(50,600)	-
Net change in fund balances	(67,100)	(67,100)	(43,397)	23,703
Fund Balances, Beginning	67,100	67,100	67,501	401
Fund Balances, Ending	\$ -	\$ -	\$ 24,104	\$ 24,104

City of Bullhead City, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Water Impost Fund

Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 550,000	\$ 550,000	\$ 444,234	\$ (105,766)
Investment earnings	8,000	8,000	36,878	28,878
Total revenues	558,000	558,000	481,112	(76,888)
Expenditures				
Current:				
General government	1,442,541	1,442,541	590,041	852,500
Net change in fund balances	(884,541)	(884,541)	(108,929)	775,612
Fund Balances, Beginning	884,541	884,541	1,294,572	410,031
Fund Balances, Ending	\$ -	\$ -	\$ 1,185,643	\$ 1,185,643

City of Bullhead City, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Transit Fund

Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,330,455	\$ 1,330,455	\$ 972,398	\$ (358,057)
Charges for services	130,000	130,000	115,797	(14,203)
Investment earnings	-	-	99	99
Other revenues	4,200	4,200	9,798	5,598
Total revenues	<u>1,464,655</u>	<u>1,464,655</u>	<u>1,098,092</u>	<u>(366,563)</u>
Expenditures				
Current:				
General government	1,801,854	1,801,854	1,429,671	372,183
Capital outlay	116,000	116,000	27,015	88,985
Total expenditures	<u>1,917,854</u>	<u>1,917,854</u>	<u>1,456,686</u>	<u>461,168</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(453,199)</u>	<u>(453,199)</u>	<u>(358,594)</u>	<u>94,605</u>
Other Financing Sources (Uses)				
Sale of capital assets	-	-	3,200	3,200
Transfers in	358,018	358,018	358,018	-
Total other financing sources (uses)	<u>358,018</u>	<u>358,018</u>	<u>361,218</u>	<u>3,200</u>
Net change in fund balances	(95,181)	(95,181)	2,624	97,805
Fund Balances, Beginning	<u>269,371</u>	<u>269,371</u>	<u>170,209</u>	<u>(99,162)</u>
Fund Balances, Ending	<u>\$ 174,190</u>	<u>\$ 174,190</u>	<u>\$ 172,833</u>	<u>\$ (1,357)</u>

City of Bullhead City, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Real Estate Owned (REO) Fund

Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Other revenues	-	-	-	-
Total revenues	-	-	-	-
Expenditures				
Current:				
General government	15,720	15,720	2,551	13,169
Other Financing Sources (Uses)				
Sale of capital assets	15,720	15,720	-	(15,720)
Transfers in	-	-	-	-
Total other financing sources (uses)	15,720	15,720	-	(15,720)
Net change in fund balances	-	-	(2,551)	(2,551)
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	\$ -	\$ -	\$ (2,551)	\$ (2,551)

City of Bullhead City, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Court Enhancement Fund

Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Fines and forfeitures	\$ 27,800	\$ 27,800	\$ 23,390	\$ (4,410)
Investment earnings	50	50	2,356	2,306
Total revenues	27,850	27,850	25,746	(2,104)
Expenditures				
Current:				
General government	27,850	27,850	-	27,850
Net change in fund balances	-	-	25,746	25,746
Fund Balances, Beginning	-	-	1,536	1,536
Fund Balances, Ending	\$ -	\$ -	\$ 27,282	\$ 27,282

City of Bullhead City, Arizona

Schedule of Revenues, Expenditures and Changes In Fund Balances - Budget and Actual

Fill The Gap Fund

Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Fines and forfeitures	\$ 6,120	\$ 6,120	\$ 4,775	\$ (1,345)
Investment earnings	-	-	1,134	1,134
Total revenues	6,120	6,120	5,909	(211)
Expenditures				
Current:				
General government	39,000	39,000	-	39,000
Net change in fund balances	(32,880)	(32,880)	5,909	38,789
Fund Balances, Beginning	32,880	32,880	33,167	287
Fund Balances, Ending	\$ -	\$ -	\$ 39,076	\$ 39,076

City of Bullhead City, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

CBDG/HOME/HTF Fund

Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 555,000	\$ 555,000	\$ 736,253	\$ 181,253
Other revenues	-	-	76,622	76,622
Total revenues	555,000	555,000	812,875	257,875
Expenditures				
Current:				
Redevelopment and housing	517,620	877,725	761,960	115,765
Excess (deficiency) of revenues over (under) expenditures	37,380	(322,725)	50,915	373,640
Net change in fund balances	37,380	(322,725)	50,915	373,640
Fund Balances, Beginning	-	-	(158,112)	(158,112)
Fund Balances, Ending	\$ 37,380	\$ (322,725)	\$ (107,197)	\$ 215,528

City of Bullhead City, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Special Events Fund

Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 59,000	\$ 59,000	\$ 56,951	\$ (2,049)
Licenses and permits	-	-	260	260
Investment earnings	250	250	1,581	1,331
Other revenues	78,250	78,250	13,900	(64,350)
	<u>137,500</u>	<u>137,500</u>	<u>72,692</u>	<u>(64,808)</u>
Total revenues				
Expenditures				
Current:				
Culture and recreation	245,652	395,652	369,350	26,302
	<u>245,652</u>	<u>395,652</u>	<u>369,350</u>	<u>26,302</u>
Excess (deficiency) of revenues over (under) expenditures	(108,152)	(258,152)	(296,658)	(38,506)
	<u>(108,152)</u>	<u>(258,152)</u>	<u>(296,658)</u>	<u>(38,506)</u>
Other Financing Sources (Uses)				
Transfers in	150,000	150,000	150,000	-
	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Net change in fund balances	41,848	(108,152)	(146,658)	(38,506)
	<u>41,848</u>	<u>(108,152)</u>	<u>(146,658)</u>	<u>(38,506)</u>
Fund Balances, Beginning	<u>135</u>	<u>135</u>	<u>120,318</u>	<u>120,183</u>
Fund Balances, Ending	<u>\$ 41,983</u>	<u>\$ (108,017)</u>	<u>\$ (26,340)</u>	<u>\$ 81,677</u>

City of Bullhead City, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Veterans Memorial Park Fund

Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Investment earnings	\$ -	\$ -	\$ 27	\$ 27
Other revenues	-	-	1,000	1,000
Total revenues	-	-	1,027	1,027
Expenditures				
Current	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances	-	-	1,027	1,027
Fund Balances, Beginning	-	-	312	312
Fund Balances, Ending	\$ -	\$ -	\$ 1,339	\$ 1,339

City of Bullhead City, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Fines/Fees and Restitution Program (FARE) Fund

Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Fines and forfeitures	\$ 1,788	\$ 1,788	\$ 2,261	\$ 473
Investment earnings	-	-	325	325
Total revenues	1,788	1,788	2,586	798
Expenditures				
Current:				
General government	9,053	9,053	1,485	7,568
Net change in fund balances	(7,265)	(7,265)	1,101	8,366
Fund Balances, Beginning	7,265	7,265	8,870	1,605
Fund Balances, Ending	\$ -	\$ -	\$ 9,971	\$ 9,971

City of Bullhead City, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Pest Abatement Fund

Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 160,000	\$ 160,000	\$ 160,000	\$ -
Investment earnings	-	-	2,075	2,075
Total revenues	160,000	160,000	162,075	2,075
Expenditures				
Current:				
General government	237,256	237,256	202,874	34,382
Net change in fund balances	(77,256)	(77,256)	(40,799)	36,457
Fund Balances, Beginning	77,256	77,256	41,642	(35,614)
Fund Balances, Ending	\$ -	\$ -	\$ 843	\$ 843

City of Bullhead City, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Court Security Improvement Fund

Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Current:				
General government	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund Balances, Beginning	-	-	13	13
Fund Balances, Ending	\$ -	\$ -	\$ 13	\$ 13

City of Bullhead City, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget Actual

Court Improvement Fund

Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 166,667	\$ 166,667	\$ 54,937	\$ (111,730)
Expenditures				
Current:				
General government	166,667	166,667	53,788	112,879
Net change in fund balances	-	-	1,149	1,149
Fund Balances, Beginning	-	-	(2,091)	(2,091)
Fund Balances, Ending	\$ -	\$ -	\$ (942)	\$ (942)

City of Bullhead City, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Victim Services Grant Fund

Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 152,154	\$ 152,154	\$ 117,661	\$ (34,493)
Expenditures				
Current:				
Public safety	152,154	152,154	117,661	34,493
Net change in fund balances	-	-	-	-
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	\$ -	\$ -	\$ -	\$ -

City of Bullhead City, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Police Grant Fund

Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 547,486	\$ 547,486	\$ 126,372	\$ (421,114)
Investment earnings	-	-	224	224
Other revenues	50,000	50,000	-	(50,000)
Total revenues	597,486	597,486	126,596	(470,890)
Expenditures				
Current:				
Public safety	121,116	121,116	75,492	45,624
Capital outlay	476,370	576,370	130,313	446,057
Total expenditures	597,486	697,486	205,805	491,681
Net change in fund balances	-	(100,000)	(79,209)	20,791
Fund Balances, Beginning	-	-	22,599	22,599
Fund Balances, Ending	\$ -	\$ (100,000)	\$ (56,610)	\$ 43,390

City of Bullhead City, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

General Grant Fund

Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 95,000	\$ 95,000	\$ 20,000	\$ (75,000)
Investment earnings	-	-	1,739	1,739
Other revenues	5,000	5,000	-	(5,000)
Total revenues	100,000	100,000	21,739	(78,261)
Expenditures				
Current:				
General government	100,000	100,000	-	100,000
Net change in fund balances	-	-	21,739	21,739
Fund Balances, Beginning	-	-	5,465	5,465
Fund Balances, Ending	\$ -	\$ -	\$ 27,204	\$ 27,204

City of Bullhead City, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Senior Nutrition Center Fund

Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 210,030	\$ 210,030	\$ 294,907	\$ 84,877
Investment earnings	-	-	5,431	5,431
Other revenues	87,150	87,150	75,582	(11,568)
Total revenues	297,180	297,180	375,920	78,740
Expenditures				
Health and welfare	433,073	433,073	381,573	-
Capital outlay	40,000	40,000	35,275	4,725
Total expenditures	473,073	473,073	416,848	4,725
Net change in fund balances	(61,831)	(61,831)	73,134	134,965
Fund Balances, Beginning	70,536	70,536	183,806	113,270
Fund Balances, Ending	\$ 8,705	\$ 8,705	\$ 256,940	\$ 248,235

City of Bullhead City, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

ARPA Fund

Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 10,196,235	\$ 10,196,235	\$ 5,666,496	\$ (4,529,739)
Investment earnings	-	-	320,200	320,200
Total revenues	10,196,235	10,196,235	5,986,696	(4,209,539)
Expenditures				
Current:				
General government	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	10,196,235	10,196,235	5,986,696	(4,209,539)
Other Financing Sources (Uses)				
Transfers out	(10,196,235)	(10,332,122)	(5,454,496)	4,877,626
Total other financing sources (uses)	(10,196,235)	(10,332,122)	(5,454,496)	4,877,626
Net change in fund balances	-	(135,887)	532,200	668,087
Fund Balances, Beginning	-	-	7,712	7,712
Fund Balances, Ending	\$ -	\$ (135,887)	\$ 539,912	\$ 675,799

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City of Bullhead City, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Street Lighting Fund

Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Special assessments	\$ 57,516	\$ 57,516	\$ 57,176	\$ (340)
Investment earnings	-	-	326	326
Total revenues	<u>57,516</u>	<u>57,516</u>	<u>57,502</u>	<u>(14)</u>
Expenditures				
Current:				
Highways and streets	<u>65,439</u>	<u>65,439</u>	<u>69,776</u>	<u>(4,337)</u>
Net change in fund balances	(7,923)	(7,923)	(12,274)	(4,351)
Fund Balances, Beginning	<u>-</u>	<u>-</u>	<u>(14,225)</u>	<u>(14,225)</u>
Fund Balances, Ending	<u>\$ (7,923)</u>	<u>\$ (7,923)</u>	<u>\$ (26,499)</u>	<u>\$ (18,576)</u>

City of Bullhead City, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Flood Control Fund

Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,049,022	\$ 1,049,022	\$ 1,049,022	\$ -
Investment earnings	1,000	1,000	9,990	8,990
Total revenues	1,050,022	1,050,022	1,059,012	8,990
Expenditures				
Current:				
Highways and streets	326,200	326,200	290,640	35,560
Capital outlay	2,100,000	2,100,000	1,344,985	755,015
Total expenditures	2,600,067	2,600,067	1,635,625	964,442
Excess (deficiency) of revenues over (under) expenditures	(1,550,045)	(1,550,045)	(576,613)	973,432
Other Financing Sources (Uses)				
Transfers in	1,450,000	1,450,000	-	(1,450,000)
Transfers out	(100,000)	(100,000)	(100,000)	-
Total other financing sources (uses)	1,350,000	1,350,000	(100,000)	(1,450,000)
Net change in fund balances	(200,045)	(200,045)	(676,613)	(476,568)
Fund Balances, Beginning	200,045	200,045	75,282	(124,763)
Fund Balances, Ending	\$ -	\$ -	\$ (601,331)	\$ (601,331)

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City of Bullhead City, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Debt Service Fund

Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Special assessments	\$ 213,456	\$ 213,456	\$ 211,721	\$ (1,735)
Investment earnings	-	-	13,383	13,383
Total revenues	213,456	213,456	225,104	11,648
Expenditures				
Current:				
Debt service:				
Principal	680,000	680,000	680,000	-
Interest and fiscal charges	252,605	252,605	251,163	1,442
Total expenditures	932,605	932,605	931,163	1,442
Excess (deficiency) of revenues over (under) expenditures	(719,149)	(719,149)	(706,059)	13,090
Other Financing Sources (Uses)				
Transfers in	719,149	719,149	719,008	(141)
Net change in fund balances	-	-	12,949	12,949
Fund Balances, Beginning	-	-	(90,424)	(90,424)
Fund Balances, Ending	\$ -	\$ -	\$ (77,475)	\$ (77,475)

City of Bullhead City, Arizona

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

East Branch Sewer Improvement District Fund

Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Other revenues	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Current	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund Balances, Beginning	-	-	178	178
Fund Balances, Ending	\$ -	\$ -	\$ 178	\$ 178

Financial Section

Supplementary Information

Combining Financial Statements

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

Combining Statement of Net Position - Internal Service Funds

June 30, 2023

City of Bullhead City, Arizona

	<u>Fleet Services</u>	<u>Risk Management</u>	<u>Employee Benefit Trust</u>	<u>Total</u>
Assets				
Current assets				
Cash and cash equivalents	\$ -	\$ 1,505,910	\$ -	\$ 1,505,910
Accounts receivable, net	2,671	-	-	2,671
Inventory	38,118	-	-	38,118
Prepaid expenses	-	-	2,248,776	2,248,776
	<u>40,789</u>	<u>1,505,910</u>	<u>2,248,776</u>	<u>3,795,475</u>
Total current assets				
	<u>40,789</u>	<u>1,505,910</u>	<u>2,248,776</u>	<u>3,795,475</u>
Liabilities				
Current liabilities				
Accounts payable	20,285	157,158	97	177,540
Accrued payroll and related liabilities	6,254	1,567	-	7,821
Due to other funds	334,899	-	926,988	1,261,887
Other liabilities	2,689	1,820	-	4,509
	<u>364,127</u>	<u>160,545</u>	<u>927,085</u>	<u>1,451,757</u>
Total current liabilities				
	<u>364,127</u>	<u>160,545</u>	<u>927,085</u>	<u>1,451,757</u>
Net Position				
Unrestricted (deficit)	<u>(323,338)</u>	<u>1,345,365</u>	<u>1,321,691</u>	<u>2,343,718</u>
Total net position	<u>\$ (323,338)</u>	<u>\$ 1,345,365</u>	<u>\$ 1,321,691</u>	<u>\$ 2,343,718</u>

City of Bullhead City, ArizonaCombining Statement of Revenues, Expenses and Changes in Fund Net Position - Internal Service Fund
Year Ended June 30, 2023

	<u>Fleet Services</u>	<u>Risk Management</u>	<u>Employee Benefit Trust</u>	<u>Total</u>
Operating Revenues				
Charges for services	\$ 1,788,135	\$ 1,990,701	\$ 3,553,353	\$ 7,332,189
Other revenues	<u>2,120</u>	<u>146,961</u>	<u>489,196</u>	<u>638,277</u>
Total operating revenues	<u>1,790,255</u>	<u>2,137,662</u>	<u>4,042,549</u>	<u>7,970,466</u>
Operating Expenses				
Salaries and related expenses	425,549	139,246	-	564,795
Medical claims and self-insurance	-	893,626	3,996,636	4,890,262
Administration	1,160,908	783,489	2,951	1,947,348
Utilities	43,682	-	-	43,682
Maintenance, supplies and equipment	53,057	-	-	53,057
Other	<u>48,652</u>	<u>73,350</u>	<u>-</u>	<u>122,002</u>
Total operating expenses	<u>1,731,848</u>	<u>1,889,711</u>	<u>3,999,587</u>	<u>7,621,146</u>
Operating income	<u>58,407</u>	<u>247,951</u>	<u>42,962</u>	<u>349,320</u>
Nonoperating Revenues				
Investment income	325	44,763	4,557	49,645
Gain on disposal of capital assets	<u>3,940</u>	<u>-</u>	<u>-</u>	<u>3,940</u>
Total nonoperating revenue	<u>4,265</u>	<u>44,763</u>	<u>4,557</u>	<u>53,585</u>
Change in net position	62,672	292,714	47,519	402,905
Net Position, Beginning	<u>(386,010)</u>	<u>1,052,651</u>	<u>1,274,172</u>	<u>1,940,813</u>
Net Position, Ending	<u>\$ (323,338)</u>	<u>\$ 1,345,365</u>	<u>\$ 1,321,691</u>	<u>\$ 2,343,718</u>

City of Bullhead City, Arizona

Combining Statement of Cash Flows - Internal Service Funds

Year Ended June 30, 2023

	<u>Fleet Services</u>	<u>Risk Management</u>	<u>Employee Benefit Trust</u>	<u>Total</u>
Cash Flows From Operating Activities				
Receipts from interfund services	\$ 1,817,640	\$ 1,993,191	\$ 3,557,123	\$ 7,367,954
Other operating receipts	2,120	146,961	489,196	638,277
Payments to suppliers	(1,361,176)	(1,766,093)	(4,944,677)	(8,071,946)
Payments to employees	(431,371)	(141,667)	-	(573,038)
Nonoperating receipts	-	-	-	-
	<u>27,213</u>	<u>232,392</u>	<u>(898,358)</u>	<u>(638,753)</u>
Cash flows provided by (used in) operating activities				
Cash Flows From Noncapital Financing Activities				
Interfund borrowings from	(31,478)	-	-	(31,478)
Interfund borrowings to	-	-	893,801	893,801
	<u>(31,478)</u>	<u>-</u>	<u>893,801</u>	<u>862,323</u>
Cash flows provided by (used in) noncapital financing activities				
Cash Flows From Capital and Related Financing Activities				
Proceeds from sale of capital assets	3,940	-	-	3,940
	<u>3,940</u>	<u>-</u>	<u>-</u>	<u>3,940</u>
Cash flows provided by (used in) capital and related financing activities				
Cash Flows From Investing Activities				
Interest received	325	44,763	4,557	49,645
	<u>325</u>	<u>44,763</u>	<u>4,557</u>	<u>49,645</u>
Cash flows provided by (used in) investing activities				
Net change in cash and cash equivalents	-	277,155	-	277,155
Cash and Cash Equivalents, Beginning	<u>-</u>	<u>1,228,755</u>	<u>-</u>	<u>1,228,755</u>
Cash and Cash Equivalents, Ending	<u>\$ -</u>	<u>\$ 1,505,910</u>	<u>\$ -</u>	<u>\$ 1,505,910</u>

City of Bullhead City, ArizonaCombining Statement of Cash Flows - Internal Service Funds
Year Ended June 30, 2023

	<u>Fleet Services</u>	<u>Risk Management</u>	<u>Employee Benefit Trust</u>	<u>Total</u>
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities				
Operating income	\$ 58,407	\$ 247,951	\$ 42,962	\$ 349,320
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
(Increase) decrease in:				
Accounts receivable	29,505	2,490	3,770	35,765
Inventory and prepaid items	25,399	-	(943,761)	(918,362)
Increase (decrease) in:				
Accounts payable	(80,276)	(15,628)	(1,329)	(97,233)
Accrued payroll and related liabilities	(5,822)	(2,421)	-	(8,243)
Net cash provided by (used in) operating activities	<u>\$ 27,213</u>	<u>\$ 232,392</u>	<u>\$ (898,358)</u>	<u>\$ (638,753)</u>

Statistical Section

<u>Contents</u>	<u>Pages</u>
Financial trends: These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	141-145
Revenue capacity: These schedules contain information to help the reader assess the government's, property taxes and the most significant local revenues source, sales tax.	146-151
Debt capacity: These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	152-155
Demographic and economic statistics: These schedules offer economic and demographic indicators to help the reader understand the environment within which the government's financial activities take place.	156-157
Operating information: These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	158-160
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

Net Position by Component

Table 1

Last Ten Fiscal Years

(Accrual Basis of Accounting)

(Unaudited)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental Activities										
Net investment in capital assets	\$ 49,623	\$ 44,857	\$ 23,203	\$ 22,222	\$ 26,472	\$ 26,654	\$ 32,794	\$ 31,798	\$ 42,410	\$ 46,633
Restricted	7,405	5,347	5,045	5,893	6,995	10,064	6,262	4,993	5,757	5,481
Unrestricted	<u>2,678</u>	<u>(9,567)</u>	<u>7,715</u>	<u>2,611</u>	<u>(471)</u>	<u>(3,631)</u>	<u>(1,190)</u>	<u>4,618</u>	<u>(1,242)</u>	<u>5,758</u>
Total governmental activities net position	<u>\$ 59,705</u>	<u>\$ 40,637</u>	<u>\$ 35,963</u>	<u>\$ 30,726</u>	<u>\$ 32,996</u>	<u>\$ 33,087</u>	<u>\$ 37,866</u>	<u>\$ 41,409</u>	<u>\$ 46,925</u>	<u>\$ 57,871</u>
Business-Type Activities										
Net investment in capital assets	\$ 84,699	\$ 90,081	\$ 92,001	\$ 93,098	\$ 92,549	\$ 90,680	\$ 89,645	\$ 88,694	\$ 78,309	\$ 86,438
Restricted	-	-	3,110	3,004	2,210	2,250	2,386	2,406	11,223	8,960
Unrestricted	<u>11,759</u>	<u>6,103</u>	<u>449</u>	<u>(219)</u>	<u>(258)</u>	<u>1,642</u>	<u>2,653</u>	<u>3,061</u>	<u>2,816</u>	<u>(6,431)</u>
Total business-type activities net position	<u>\$ 96,459</u>	<u>\$ 96,184</u>	<u>\$ 95,560</u>	<u>\$ 95,883</u>	<u>\$ 94,502</u>	<u>\$ 94,572</u>	<u>\$ 94,684</u>	<u>\$ 94,161</u>	<u>\$ 92,348</u>	<u>\$ 88,967</u>
Primary Government										
Net investment in capital assets	\$ 134,323	\$ 134,938	\$ 115,203	\$ 115,319	\$ 119,022	\$ 117,334	\$ 122,439	\$ 120,492	\$ 120,719	\$ 133,071
Restricted	7,405	5,347	8,154	8,897	9,205	12,314	8,649	7,399	16,980	14,440
Unrestricted	<u>14,437</u>	<u>(3,464)</u>	<u>8,165</u>	<u>2,392</u>	<u>(729)</u>	<u>(1,988)</u>	<u>1,463</u>	<u>7,679</u>	<u>1,574</u>	<u>(673)</u>
Total primary government net position	<u>\$ 156,164</u>	<u>\$ 136,821</u>	<u>\$ 131,522</u>	<u>\$ 126,608</u>	<u>\$ 127,498</u>	<u>\$ 127,659</u>	<u>\$ 132,550</u>	<u>\$ 135,570</u>	<u>\$ 139,273</u>	<u>\$ 146,838</u>

City of Bullhead City, Arizona

Changes in Net Position

Table 2

Last Ten Fiscal Years

(Accrual Basis of Accounting)

(Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 10,209	\$ 10,198	\$ 10,196	\$ 10,585	\$ 12,894	\$ 12,391	\$ 9,018	\$ 10,552	\$ 12,042	\$ 8,351
Public safety	13,026	13,944	12,565	16,016	14,400	15,405	15,137	16,039	17,291	16,992
Culture and recreation	4,278	4,519	4,361	4,472	3,837	3,713	4,543	5,245	6,717	11,221
Economic development	115	124	79	339	104	85	80	76	110	131
Redevelopment and housing	168	417	421	662	171	418	290	539	361	762
Highways and streets	8,638	8,841	9,874	9,714	4,510	5,006	8,273	11,775	9,762	11,324
Health and welfare	-	-	919	869	869	884	918	775	778	761
Interest on long-term debt	1,044	946	782	735	742	739	530	530	412	377
Total governmental activities expenses	37,477	38,989	39,199	43,392	37,526	38,642	38,789	45,532	47,473	49,918
Business-type activities:										
Wastewater operations	9,362	9,799	10,127	9,583	10,792	9,915	9,601	9,778	9,678	11,383
Water operations	36	29	11	31	66	515	1,012	1,239	13,086	14,026
Total business-type activities expenses	9,398	9,827	10,138	9,613	10,857	10,430	10,613	11,017	22,765	25,410
Total primary government expenses	46,875	48,817	49,337	53,005	48,383	49,071	49,402	56,548	70,237	75,328
Program Revenue										
Governmental activities:										
Charges for services:										
General government	2,542	2,970	2,303	2,926	2,283	2,883	2,741	2,598	3,897	3,426
Public safety	976	955	1,738	1,767	1,915	1,853	2,113	1,853	1,737	1,730
Culture and recreation	197	169	1,563	1,467	397	412	845	1,104	1,101	405
Redevelopment and housing	-	-	-	-	-	45	-	67	72	77
Highways and streets	391	394	76	42	65	78	110	62	116	66
Health and welfare	-	-	-	-	-	2	-	-	1	2
Operating grants and contributions	5,466	5,791	5,790	7,320	5,934	6,639	9,391	9,414	10,229	13,108
Capital grants and contributions	1,568	1,086	524	425	3,438	190	348	382	1,534	2,401
Total governmental activities program revenues	11,139	11,366	11,994	13,946	14,032	12,101	15,549	15,480	18,687	21,214
Business-type activities:										
Charges for services:										
Wastewater operations	9,082	9,078	9,053	9,002	8,969	9,991	9,855	9,923	10,626	10,030
Water operations	124	55	70	59	112	114	404	457	9,299	10,659
Capital grants and contributions	523	172	140	654	244	-	-	-	-	-
Total business-type activities revenues	9,729	9,305	9,263	9,715	9,325	10,105	10,259	10,381	19,926	20,689
Total primary government revenues	20,867	20,671	21,258	23,662	23,357	22,206	25,808	25,861	38,613	41,904
Net (expense) revenue:										
Governmental activities	(26,338)	(27,624)	(27,205)	(29,446)	(23,494)	(26,541)	(23,240)	(30,051)	(28,786)	(28,704)
Business-type activities	331	(522)	(875)	102	(1,533)	(324)	(354)	(636)	(2,839)	(4,720)
Total primary government net expense	\$ (26,008)	\$ (28,146)	\$ (28,079)	\$ (29,343)	\$ (25,026)	\$ (26,865)	\$ (23,594)	\$ (30,687)	\$ (31,624)	\$ (33,424)

City of Bullhead City, Arizona

Changes in Net Position

Table 2

Last Ten Fiscal Years

(Accrual Basis of Accounting)

(Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Revenues and Other										
Changes in Net Position										
Governmental activities:										
Taxes:										
City Sales tax	\$ 10,821	\$ 11,284	\$ 12,078	\$ 12,792	\$ 13,504	\$ 14,214	\$ 15,385	\$ 18,725	\$ 20,074	\$ 20,882
State shared sales tax	3,447	3,629	3,728	3,615	3,842	4,050	4,179	4,850	5,837	6,243
Urban revenue sharing	4,407	4,787	4,761	4,826	4,951	4,875	5,227	5,843	5,433	8,011
Franchise tax	677	687	707	734	739	744	529	531	531	420
State shared vehicle license tax	1,902	2,019	2,157	2,295	2,530	2,672	2,670	3,409	3,368	3,542
Other taxes	71	34	75	75	74	121	174	326	-	-
Gain (loss) of sale of capital assets	33	3	-	-	-	-	-	-	-	83
Interest and investment income	12	11	13	49	152	281	266	18	53	1,482
Transfers	(128)	(217)	(211)	(177)	(133)	(323)	(412)	(109)	(995)	(1,014)
Total governmental activities	21,243	22,235	23,308	24,208	25,659	26,632	28,019	33,594	34,302	39,650
Business-type activities:										
Gain (loss) of sale of capital assets	-	(12)	-	-	-	-	-	-	-	3
Interest and investment income	50	43	40	44	18	71	54	4	31	322
Transfers	128	217	211	177	133	323	412	109	995	1,014
Total business-type activities	178	248	251	221	151	394	466	113	1,026	1,339
Total primary government	\$ 21,421	\$ 22,483	\$ 23,559	\$ 24,429	\$ 25,811	\$ 27,027	\$ 28,485	\$ 33,707	\$ 35,328	\$ 40,989
Change in net position:										
Governmental activities	\$ (5,095)	\$ (5,389)	\$ (3,897)	\$ (5,237)	\$ 2,165	\$ 91	\$ 4,779	\$ 3,542	\$ 5,516	\$ 10,946
Business-type activities	508	(274)	(624)	323	(1,381)	70	112	(523)	(1,813)	(3,381)
Total primary government	\$ (4,587)	\$ (5,663)	\$ (4,521)	\$ (4,914)	\$ 784	\$ 161	\$ 4,891	\$ 3,020	\$ 3,703	\$ 7,565

City of Bullhead City, Arizona

Fund Balances, Governmental Funds

Table 3

Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	879	874	874	1,354	703	715	768	901	281	307
Restricted	49	31	31	53	77	45	269	241	1,547	1,069
Unassigned	6,635	8,526	9,568	10,048	10,731	11,647	15,423	24,170	25,406	28,687
Total general fund	<u>\$ 7,563</u>	<u>\$ 9,431</u>	<u>\$ 10,473</u>	<u>\$ 11,455</u>	<u>\$ 11,511</u>	<u>\$ 12,407</u>	<u>\$ 16,461</u>	<u>\$ 25,311</u>	<u>\$ 27,234</u>	<u>\$ 30,064</u>
All Other Governmental Funds										
Restricted	\$ 7,452	\$ 5,445	\$ 5,393	\$ 5,864	\$ 6,942	\$ 10,019	\$ 7,424	\$ 4,752	\$ 4,237	\$ 3,968
Nonspendable	-	20	-	-	13	1	1	2	33	1
Unassigned	(2,081)	(1,952)	(1,732)	(1,577)	(1,689)	(1,791)	(1,782)	(1,763)	(298)	(899)
Total all other governmental funds	<u>\$ 5,371</u>	<u>\$ 3,513</u>	<u>\$ 3,661</u>	<u>\$ 4,287</u>	<u>\$ 5,265</u>	<u>\$ 8,229</u>	<u>\$ 5,643</u>	<u>\$ 2,991</u>	<u>\$ 3,972</u>	<u>\$ 3,069</u>

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

City of Bullhead City, Arizona

Changes in Fund Balances, Governmental Funds

Table 4

Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
City tax revenue	\$ 11,569	\$ 12,005	\$ 12,859	\$ 13,601	\$ 14,318	\$ 15,078	\$ 16,089	\$ 19,583	\$ 20,605	\$ 21,302
Intergovernmental	15,230	16,066	16,172	17,627	17,315	18,128	21,636	24,026	25,956	32,654
Charges for services	2,482	2,640	2,724	2,863	2,302	2,561	2,923	2,834	2,865	3,018
Special assessments	4,131	3,908	3,752	3,186	2,734	2,516	2,474	2,132	1,980	1,462
Licenses and permits	570	654	635	617	724	905	987	1,407	1,489	1,013
Fines and forfeitures	1,011	1,132	1,160	1,182	968	823	866	960	769	672
Rents	41	44	55	67	75	83	57	70	147	36
Interest income	12	11	13	49	152	281	260	18	53	1,482
Other revenue	668	484	1,085	1,060	358	840	346	619	1,291	375
Total revenues	35,715	36,944	38,455	40,251	38,945	41,215	45,638	51,649	55,154	62,013
Expenditures										
General government	8,876	8,327	9,319	9,683	10,440	10,041	11,610	10,571	12,051	12,300
Public safety	12,557	12,562	11,522	11,633	12,935	13,287	14,198	14,268	15,545	17,348
Culture and recreation	3,549	3,834	3,660	3,971	3,166	3,103	3,429	3,888	4,561	4,788
Economic development	115	124	77	342	101	97	96	78	119	298
Redevelopment and housing	167	410	420	676	172	368	249	496	361	762
Highways and streets	2,808	3,038	4,085	2,695	3,611	3,737	3,547	8,175	4,396	4,563
Health and welfare	-	-	919	869	870	885	918	775	778	725
Debt service:										
Principal	4,497	4,508	4,895	3,877	3,943	4,197	4,304	4,351	2,983	2,694
Interest and fiscal charges	1,044	946	741	620	610	618	538	482	444	408
Bond issuance costs	-	-	54	-	267	76	-	95	(2)	-
Capital outlay	2,696	2,978	2,320	4,113	4,324	3,488	4,447	4,517	10,094	16,282
Total expenditures	36,308	36,727	38,012	38,480	40,438	39,896	43,336	47,696	51,330	60,169
Other Financing Sources (Uses)										
Transfers in	1,732	1,714	4,359	4,974	4,996	5,036	6,961	8,459	11,639	12,791
Transfers out	(1,860)	(1,931)	(4,570)	(5,151)	(5,702)	(5,747)	(7,854)	(9,464)	(12,645)	(13,932)
Refunding bonds issued	-	-	2,712	-	-	-	-	-	-	-
Capital lease agreements	378	8	57	-	-	-	-	-	-	-
Proceeds from issuance of bonds	6,605	-	1,510	-	3,230	3,124	-	4,600	-	-
Payments to escrow agent	(6,531)	-	(2,623)	-	-	-	-	-	-	-
Subscription-based information technology arrangements	-	-	-	-	-	-	-	-	-	851
Finance purchase arrangements	-	-	-	-	-	-	-	-	-	289
Sale of capital assets	33	3	78	13	3	127	60	233	90	83
Total other financing sources and (uses)	358	(206)	1,524	(164)	2,528	2,540	(834)	3,827	(916)	82
Net change in fund balances	\$ (236)	\$ 11	\$ 1,967	\$ 1,607	\$ 1,035	\$ 3,859	\$ 1,468	\$ 7,781	\$ 2,909	\$ 1,927
Debt Service as a Percentage of Noncapital Expenditures	16.5%	16.2%	15.9%	12.7%	13.6%	13.2%	12.5%	11.2%	8.3%	6.7%

City of Bullhead City, Arizona

Governmental Activities Tax Revenues by Source

Table 5

Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Sales	\$ 10,821	\$ 11,284	\$ 12,078	\$ 12,792	\$ 13,504	\$ 14,214	\$ 15,385	\$ 18,725	\$ 19,670	\$ 20,436
Transient occupancy	71	34	75	75	74	121	174	326	676	744
Franchise	677	687	707	734	739	744	529	531	531	420
Motor fuel	<u>3,186</u>	<u>3,416</u>	<u>3,553</u>	<u>3,673</u>	<u>3,788</u>	<u>4,014</u>	<u>4,144</u>	<u>4,381</u>	<u>4,559</u>	<u>4,633</u>
Totals	<u>\$ 14,755</u>	<u>\$ 15,421</u>	<u>\$ 16,412</u>	<u>\$ 17,274</u>	<u>\$ 18,105</u>	<u>\$ 19,092</u>	<u>\$ 20,233</u>	<u>\$ 23,963</u>	<u>\$ 25,436</u>	<u>\$ 26,233</u>

City of Bullhead City, Arizona

General Governmental Activities Tax Revenues by Source

Table 6

Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Sales	\$ 10,821	\$ 11,284	\$ 12,078	\$ 12,792	\$ 13,504	\$ 14,214	\$ 15,385	\$ 18,725	\$ 19,670	\$ 20,436
Franchise	677	687	707	734	739	744	529	531	531	420
Bed tax	71	34	75	75	74	121	174	326	676	744
Totals	<u>\$ 11,569</u>	<u>\$ 12,005</u>	<u>\$ 12,859</u>	<u>\$ 13,601</u>	<u>\$ 14,318</u>	<u>\$ 15,078</u>	<u>\$ 16,089</u>	<u>\$ 19,583</u>	<u>\$ 20,877</u>	<u>\$ 21,600</u>

Source: City of Bullhead City Finance Department

City of Bullhead City, Arizona

Taxable Sales by Category

Table 7

Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Communications and utilities	\$ 66,996	\$ 67,424	\$ 67,264	\$ 64,964	\$ 66,684	\$ 65,490	\$ 59,151	\$ 69,833	\$ 59,151	\$ 64,500
Transportation and warehousing	-	-	108	20	-	-	-	-	-	4
Construction	30,249	34,039	31,327	28,444	48,575	54,585	-	64,210	75,318	84,182
Manufacturing	-	-	-	-	-	-	-	-	-	84,182
Wholesale trade	-	-	-	-	-	-	-	-	-	-
Retail trade	318,683	347,782	372,050	403,935	403,006	408,527	75,318	594,070	626,723	628,511
Finance and insurance	-	-	-	-	-	-	-	-	-	628,511
Real estate, rental and leasing	37,300	37,624	41,847	38,978	41,662	42,174	-	46,866	50,785	53,458
Restaurant and bar	54,417	49,146	58,130	61,907	68,460	74,074	-	94,145	96,279	100,805
Accommodation	-	-	-	-	-	-	-	-	-	100,805
Public administration	-	-	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-	-	-
Arts and entertainment	-	-	1,765	1,782	2,430	2,141	-	-	-	-
Hotel/motel	2,253	2,185	2,537	3,247	4,011	4,690	626,723	10,999	13,607	14,589
Publication	2,536	-	648	1,167	1,108	1,563	-	963	1,561	1,754
Use tax	20,737	-	22,097	29,833	35,773	41,567	50,785	49,845	55,854	60,455
Other	3,550	25,817	5,973	5,303	3,507	15,922	96,279	5,333	4,214	4,367
Total	\$ 536,721	\$ 564,017	\$ 603,746	\$ 639,580	\$ 675,215	\$ 710,733	\$ 908,256	\$ 936,264	\$ 983,492	\$ 1,826,123
City Transaction Privilege Rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

City of Bullhead City, Arizona

Direct and Overlapping Sales Tax Rates
 Table 8
 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
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%
2022	2.00%	0.00%	5.60%	2022	2.00%	0.00%	5.60%
2023	2.00%	0.00%	5.60%	2023	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
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%
2022	3.00%	0.18%	5.60%	2022	0.03%	0.00152%	0.0305%
2023	3.00%	0.18%	5.60%	2023	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.

City of Bullhead City, Arizona

Sales Tax Revenue Payers by Industry
 Table 9
 June 30, 2023

	Fiscal Year 2023				Fiscal Year 2014			
	Number of Filers	Percentage of Total	Tax Revenue	Percentage of Total	Number of Filers	Percentage of Total	Tax Revenue	Percentage of Total
Communication and utilities	126	2.16%	\$ 1,290,005	6.37%	84	2.91%	\$ 1,339,929	12.48%
Transportation & Warehousing	1	0.02%	77	0.00%	-	0.00%	-	0.00%
Construction	100	1.71%	1,683,644	8.31%	453	15.68%	604,977	5.64%
Retail trade	3,829	65.61%	12,570,224	62.07%	1,173	40.60%	6,373,665	59.38%
Real estate, rental and leasing	551	9.44%	1,069,154	5.28%	393	13.60%	746,008	6.95%
Restaurant and bar	118	2.02%	2,016,095	9.95%	82	2.84%	1,088,333	10.14%
Hotel/Motel	55	0.94%	291,792	1.44%	21	0.73%	45,066	0.42%
Publication	17	0.29%	35,087	0.17%	7	0.24%	50,729	0.47%
Use tax	911	15.61%	1,209,100	5.97%	636	22.01%	414,741	3.86%
Other	128	2.19%	87,346	0.43%	40	1.38%	70,990	0.66%
Total	5,836	100%	\$ 20,252,524	100%	2,889	100.0%	\$ 10,734,438	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.

City of Bullhead City, Arizona

Assessed Value and Estimated Actual Value of Taxable Property

Table 10

Last Ten Fiscal Years

Fiscal Year	Real Property		Personal Property		Centrally Valued Property		Total		Direct Tax Rate	Ratio of Total Assessed Value to Total Estimated Actual Value
	Net Assessed Value	Estimated Actual Value	Net Assessed Value	Estimated Actual Value	Net Assessed Value	Estimated Actual Value	Net Assessed Value	Estimated Actual Value		
2014										
P	233,172,625	2,251,553,219	11,265,656	93,745,440	16,148,385	84,991,529	260,586,666	2,430,290,188	-	10.72%
S	237,222,823	2,291,328,954	11,265,656	93,745,440	16,148,390	84,991,529	264,636,869	2,470,065,923	-	
2015										
P	234,402,193	2,264,099,104	10,227,668	86,056,899	17,248,601	93,248,758	261,878,462	2,443,404,761	-	10.72%
S	260,855,953	2,519,579,044	10,278,526	86,587,129	17,248,602	93,248,758	288,383,081	2,699,414,931	-	
2016										
P	239,916,276	2,305,962,550	9,579,097	85,784,908	18,125,351	100,703,769	267,620,724	2,492,451,227	-	10.74%
S	291,296,926	2,782,678,012	10,044,928	91,281,260	18,125,353	100,703,769	319,467,207	2,974,663,041	-	
2017										
P	251,349,015	2,410,929,628	9,270,331	84,363,679	16,152,343	89,751,715	276,771,689	2,585,045,022	-	10.71%
S	306,799,292	2,988,440,935	9,356,997	85,111,568	16,152,343	89,751,715	332,308,632	3,163,304,218	-	
2018										
P	261,692,884	2,518,065,471	9,580,104	85,794,980	18,205,270	101,146,597	289,478,258	2,705,007,048	-	10.70%
S	320,732,886	3,106,743,494	10,045,935	91,291,332	18,205,270	101,146,597	348,984,091	3,299,181,423	-	
2019										
P	274,492,458	2,622,851,566	11,476,090	106,534,602	18,798,291	104,439,190	304,776,839	2,833,825,358	-	10.75%
S	330,159,589	3,182,167,459	11,818,581	109,822,810	18,798,287	104,439,190	360,776,457	3,396,429,459	-	
2020										
P	274,492,458	2,622,851,566	11,476,090	106,534,602	19,948,642	104,439,190	305,917,190	2,833,825,358	-	10.80%
S	330,159,589	3,182,167,459	11,818,581	109,822,810	19,948,642	104,439,190	361,926,812	3,396,429,459	-	
2021										
P	295,179,056	2,810,397,340	9,836,454	91,459,766	19,948,825	110,828,275	324,964,335	3,012,685,381	-	10.79%
S	360,264,285	3,464,909,621	10,028,255	93,562,913	19,948,825	110,828,275	390,241,365	3,669,300,809	-	
2022										
P	299,768,107	2,868,335,409	43,677,721	424,474,661	22,231,695	127,040,438	365,677,523	3,419,850,508	-	10.69%
S	382,736,442	3,680,653,760	56,922,501	555,955,265	22,231,696	127,040,438	461,890,639	4,363,649,463	-	
2023										
P	320,604,484	3,087,385,525	46,188,548	450,453,106	18,947,494	111,457,806	385,740,526	3,649,296,437	-	10.57%
S	461,947,346	4,467,417,956	66,558,920	651,745,675	18,947,494	111,457,806	547,453,760	5,230,621,437	-	

Source: Mohave County Assessor's Office

City of Bullhead City, Arizona

Ratios of Outstanding Debt by Type

Table 11

Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental Activities										
Special assessment bonds	\$ -	\$ -	\$ -	\$ -	\$ 3,230	\$ 3,230	\$ 3,130	\$ 3,030	\$ 2,930	\$ 2,720
Revenue bonds (1)	11,910	10,667	10,732	9,144	7,549	8,992	6,979	9,557	7,488	6,537
Notes payable	23,262	20,092	16,944	14,762	12,580	10,398	8,216	6,035	3,853	2,200
Leases	400	297	158	80	-	-	-	-	-	288
Total government activities	35,572	31,055	27,835	23,987	23,359	22,620	18,325	18,622	14,271	11,745
Business-Type Activities										
Revenue bonds (2)	29,929	26,850	23,512	20,771	18,104	16,200	17,190	15,004	120,330	115,560
Leases	484	365	247	125	243	211	179	144	109	-
Compensated absences	416	458	491	532	382	375	414	352	288	426
Total business-type activities	30,829	27,674	24,250	21,428	18,728	16,786	17,783	15,500	120,727	115,986
Total primary government	<u>\$ 66,401</u>	<u>\$ 58,729</u>	<u>\$ 52,085</u>	<u>\$ 45,415</u>	<u>\$ 42,088</u>	<u>\$ 39,407</u>	<u>\$ 36,108</u>	<u>\$ 34,122</u>	<u>\$ 134,997</u>	<u>\$ 127,731</u>
Percentage of Personal Income*	<u>0.17%</u>	<u>0.15%</u>	<u>0.13%</u>	<u>0.11%</u>	<u>0.10%</u>	<u>0.10%</u>	<u>0.09%</u>	<u>0.08%</u>	<u>0.01%</u>	<u>0.01%</u>
Per Capita*	<u>\$ 32.95</u>	<u>\$ 29.13</u>	<u>\$ 25.82</u>	<u>\$ 22.50</u>	<u>\$ 20.66</u>	<u>\$ 19.51</u>	<u>\$ 17.87</u>	<u>\$ 16.88</u>	<u>\$ 3.24</u>	<u>\$ 2.87</u>

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

(1) Net of related premium

(2) Net of deferred amounts

Town of Paradise Valley, Arizona

Direct and Overlapping Governmental Activities Debt

Table 12

June 30, 2023

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
State of Arizona	\$ -	0.47%	\$ -
Mohave County	-	16.20%	-
Mohave County Community College District	-	15.91%	-
Bullhead City Fire District	12,900,000	96.14%	12,401,844
Western AZ Vocation Ed District	-	16.83%	-
Colorado River Union High School District No. 2	26,370,000	54.54%	14,383,253
Bullhead City Elementary School District No. 15	-	93.22%	-
Subtotal, overlapping debt	39,270,000		26,785,098
City Direct Debt		100%	
Total direct and overlapping debt	<u>\$ 39,270,000</u>	<u>100%</u>	<u>\$ 26,785,098</u>

Source: Stifel, Nicolaus & Company, Inc.

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

Legal Debt Margin Information

Table 13

Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
20% Limitation (1)										
Debt limit equal to 20% of Secondary Assessed Valuation	\$ 52,927,374	\$ 57,676,616	\$ 63,893,441	\$ 66,461,726	\$ 69,796,818	\$ 69,796,818	\$ 78,048,273	\$ 87,151,846	\$ 92,378,128	\$ 109,490,752
Total net debt applicable to 20% limit	-	-	-	-	-	-	-	-	-	-
Legal 20% debt margin (available borrowing capacity)	<u>\$ 52,927,374</u>	<u>\$ 57,676,616</u>	<u>\$ 63,893,441</u>	<u>\$ 66,461,726</u>	<u>\$ 69,796,818</u>	<u>\$ 69,796,818</u>	<u>\$ 78,048,273</u>	<u>\$ 87,151,846</u>	<u>\$ 92,378,128</u>	<u>\$ 109,490,752</u>
Total Net Debt Applicable to 20% Limit as a Percentage of 20% Debt Limit	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6% Limitation (2)										
Debt limit equal to 6% of Secondary Assessed Valuation	\$ 15,878,212	\$ 17,302,985	\$ 19,168,032	\$ 19,938,518	\$ 20,939,045	\$ 20,939,045	\$ 23,414,482	\$ 26,145,554	\$ 27,713,438	\$ 32,847,226
Total net debt applicable to 6% limit	-	-	-	-	-	-	-	-	-	-
Legal 6% debt margin (available borrowing capacity)	<u>\$ 15,878,212</u>	<u>\$ 17,302,985</u>	<u>\$ 19,168,032</u>	<u>\$ 19,938,518</u>	<u>\$ 20,939,045</u>	<u>\$ 20,939,045</u>	<u>\$ 23,414,482</u>	<u>\$ 26,145,554</u>	<u>\$ 27,713,438</u>	<u>\$ 32,847,226</u>
Total Net Debt Applicable to 6% Limit as a Percentage of 6% Debt Limit	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	0.0%

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

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

City of Bullhead City, Arizona

Pledged Revenue Coverage

Table 14

Last Ten Fiscal Years

Fiscal Year	Municipal Property Corporation Bonds	Debt Service		Coverage
	Excise Tax	Principal	Interest	
2014	\$ 24,198,716	\$ 3,110,000	\$ 1,587,325	5.15
2015	25,398,021	3,195,000	849,382	6.28
2016	26,534,754	3,670,000	563,788	6.27
2017	27,519,938	3,719,000	512,798	6.50
2018	29,104,729	2,287,000	443,248	10.66
2019	30,759,523	2,365,000	376,114	11.22
2020	32,537,167	1,747,000	98,531	17.63
2021	37,843,423	1,786,000	56,462	20.54
2022	40,198,982	159,000	12,942	233.79
2023	43,114,836	159,000	11,375	253.06

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

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

City of Bullhead City, Arizona

Population Statistics

Table 15

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)
2014	39,465	\$ 843,209	\$ 21,366	49.70	4,931	8.20
2015	39,445	881,896	21,999	50.40	4,726	7.90
2016	39,970	867,241	20,462	50.00	4,591	7.60
2017	40,495	901,540	22,263	50.50	4,933	6.00
2018	40,551	932,592	22,998	50.50	5,079	5.40
2019	40,804	950,529	23,295	51.00	5,142	6.30
2020	41,193	983,854	23,884	52.00	5,549	8.96
2021	41,573	1,009,143	24,274	51.90	5,549	7.80
2022	41,604	1,139,617	27,392	51.50	4,611	4.70
2023	44,432	1,217,081	27,392	51.60	5,244	4.80

Town of Paradise Valley, Arizona

Principal Employers

Table 16

2023 and 2014

	2023			2014		
	Employees	Rank	Percentage of Employment	Employees	Rank	Percentage of Employment
Western Arizona Regional Medical Center	561	1	3.10%	670	1	4.06%
Wal-Mart	392	2	2.17%	364	2	2.21%
Bullhead City Elementary School District No. 15	334	3	1.85%	352	3	2.13%
City of Bullhead City	289	4	1.60%	339	4	2.05%
DOT Foods	255	5	1.41%	-		0.00%
Colorado River Union High School District	206	6	1.14%	230	5	1.39%
Sam's Club	155	7	0.86%	147	6	0.89%
Safeway	150	8	0.83%	101	12	0.61%
Lowe's	136	9	0.75%	128	7	0.78%
Home Depot	121	10	0.67%	105	11	0.64%
Kohl's	113	11	0.62%	112	9	0.68%
Arizona Pipeline	112	12	0.62%			
Silver Ridge Village	105	13	0.58%	118	8	0.72%
Smith's Food & Drug No. 191	95	14	0.53%	112	9	0.68%
Mohave Electric Cooperative	88	15	0.49%	76	13	0.46%
Target	85	16	0.47%	92	14	0.56%
News West Publishing	45	17	0.25%	65	15	0.39%
Kmart Discount Department Store	-		0.00%	60	16	0.36%
Total	3,242		17.92%	3,071		18.61%

Source: Employer

* June 2023 labor force 18,095

** 2014 labor force 16,499

Source: Mohave County Economic Development Web

City of Bullhead City, Arizona

Full-Time Equivalent City Government Employees by Function

Table 17

Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Function										
General government	100.5	101.5	100.9	106.5	109.5	105.5	106.5	106.5	129.0	121.5
Public safety	125.5	124.5	124.5	118.0	114.0	114.0	115.0	116.0	118.0	118.5
Highways and streets	19.0	19.0	19.0	19.0	19.0	21.0	21.0	21.0	21.0	22.0
Culture and recreation	18.0	19.0	20.0	21.0	21.0	22.0	22.0	22.0	22.0	23.0
Redevelopment and housing	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-	-	-
Wastewater operations	19.0	20.0	20.0	20.0	20.0	19.0	19.0	50.0	54.0	51.0
Total	<u>283.0</u>	<u>285.0</u>	<u>285.4</u>	<u>285.5</u>	<u>284.5</u>	<u>282.5</u>	<u>284.5</u>	<u>315.5</u>	<u>344.0</u>	<u>336.0</u>

Source: City of Bullhead City Finance Department

City of Bullhead City, Arizona

Operating Indicators by Function

Table 18

Last Ten Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Number of sworn officers	82	82	82	76	71	71	71	73	75	75
Number of events responded to	39,667	39,247	36,271	45,312	48,407	44,805	22,204	39,187	36,591	40,627
Number of criminal arrests	2,727	2,652	2,513	1,988	2,408	2,154	682	1,192	1,190	1,413
Number of traffic citations	3,486	5,094	4,421	5,612	4,298	3,660	1,631	3,305	3,160	3,998
Financial Services										
Accounts payable checks issued	5,718	6,038	5,810	5,886	5,997	5,297	4,960	3,880	5,315	4,014
Accounts payable EFT's issued	3,022	3,291	3,534	3,100	2,221	2,480	2,603	2,729	2,870	3,141
Purchase orders issued	3,108	3,220	3,177	3,273	3,271	3,984	4,166	3,745	4,566	4,663
Payroll checks/direct deposits issued (1)	10,248	10,351	10,470	10,885	10,925	10,760	10,777	10,505	11,905	12,594
Customer contacts (utilities, assessments and licensing)	62,833	62,598	62,125	60,725	62,846	70,032	63,432	65,571	69,587	56,103
Number of utility bills mailed	223,536	223,572	223,704	224,376	229,224	226,110	228,996	230,320	414,205	487,853
Number of cashier transactions	183,278	174,041	168,386	157,440	159,056	160,657	160,412	157,944	168,518	165,412
Transit										
Total transit ridership	171,958	181,470	180,776	179,300	171,034	165,622	133,049	106,694	111,675	123,815
Miles driven	258,581	289,408	272,401	293,300	290,937	304,646	297,664	287,468	303,325	294,940
Wastewater Operations										
Number of service connections	18,700	18,779	18,642	18,687	19,102	18,843	19,083	19,299	21,695	21,863
Sewage treated (million gallons per day)	2.80	2.99	3.20	3.27	3.42	3.53	3.30	3.35	3.70	4
General										
Building permits issued	1,184	1,480	1,484	1,506	1,447	1,476	1,371	1,697	1,670	1,657
Building inspections conducted	7,394	8,669	9,704	10,850	9,254	10,303	10,001	11,446	14,034	12,472
Plan reviews (hours) (2)	**	**	**	**	**	**	**	**	**	**

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

City of Bullhead City, Arizona

Capital Asset Statistics

Table 19

Last Ten Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Public Safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	77	71	72	67	74	76	72	75	72	75
Highways and Streets										
Equivalent 12' wide lane miles	321	321	321	700	706	710	710	710	710	710
Streetlights	2,984	2,984	2,984	2,984	3,105	3,105	3,130	3,130	3,130	3,130
Traffic signals	9	9	9	10	10	23	32	32	32	32
Culture and Recreation										
Parks*	7	7	7	7	8	8	8	8	8	8
Parks acreage*	793	793	793	710	1,008	1,008	1,008	1,008	1,008	1,091
Swimming pools	1	1	1	1	1	1	1	1	1	1
Community centers	1	1	1	1	1	1	1	1	1	1

Source: City of Bullhead City departments

*Includes undeveloped parks/acreage

City of Bullhead City, Arizona

City Transaction Privilege (Sales) Tax Collections by Industry Classification

Table 20

June 30, 2023

Category	2023	Percent of Total
Retail trade	\$ 12,570,224	62%
Restaurant and bar	2,016,095	10%
Communication and utilities	1,290,005	6%
Construction	1,683,644	8%
Use tax	1,209,100	6%
Real estate, rental and leasing	1,069,154	5%
Accommodation	291,792	1%
Other	87,346	0%
Publication	35,087	0%
Total	<u>\$ 20,252,447</u>	<u>100%</u>

City of Bullhead City, Arizona

Excise Tax Collections Continuing Disclosure Compliance SEC Rule 15c2-12

Table 21

Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
City sales tax	\$ 10,820,754	\$ 11,283,690	\$ 12,077,531	\$ 12,791,595	\$ 13,504,303	\$ 14,213,668	\$ 15,385,499	\$ 18,725,290	\$ 20,605,445	\$ 20,882,208
Franchise tax	677,342	686,850	706,887	733,892	739,185	743,605	529,113	531,200	531,294	555,255
License and permit fees	569,845	654,066	634,701	616,791	723,505	905,073	987,089	1,407,284	1,488,724	1,352,835
State sales tax	3,447,161	3,628,735	3,728,320	3,614,505	3,841,727	4,050,177	4,179,103	4,890,827	5,837,223	6,242,773
State income tax	4,407,235	4,786,562	4,760,611	4,825,811	4,950,665	4,874,512	5,227,021	5,842,895	5,433,327	8,011,476
Auto lieu tax	1,901,827	2,018,654	2,157,406	2,295,131	2,530,005	2,672,200	2,670,036	3,409,076	3,368,039	3,541,616
Grant	16,119	3,881	-	-	-	-	-	-	-	-
Charges for services	1,108,194	1,073,402	1,089,669	1,122,815	1,514,739	1,826,370	2,166,191	2,133,535	2,220,548	1,716,255
Fines and forfeitures	943,681	1,032,101	1,030,481	1,057,371	868,108	744,531	794,619	903,316	714,382	812,418
Total	<u>\$ 23,892,158</u>	<u>\$ 25,167,941</u>	<u>\$ 26,185,606</u>	<u>\$ 27,057,911</u>	<u>\$ 28,672,237</u>	<u>\$ 30,030,136</u>	<u>\$ 31,938,671</u>	<u>\$ 37,843,423</u>	<u>\$ 40,198,982</u>	<u>\$ 43,114,836</u>

City of Bullhead City, Arizona

Real and Secured Property Taxes Levied and Collected (a)
 Mohave County, Arizona Continuing Disclosure Compliance
 Table 22
 June 30, 2023

<u>Fiscal Year</u>	<u>Adopted County Tax Levy</u>	<u>Amount</u>	<u>Percentage of Levy</u>	<u>Amount</u>	<u>Percentage of Levy</u>
2022-2023	\$ 57,723,881	\$ 55,969,651	96.96%	\$ 56,735,133	98.29%
2021-2022	55,310,176	53,664,632	97.02%	54,375,935	27.23%
2020-2021	53,798,690	52,053,940	96.76%	52,792,305	98.13%
2019-2020	51,364,427	49,774,474	96.90%	51,065,106	99.42%
2018-2019	49,078,097	47,276,000	96.33%	48,696,300	99.22%
2017-2018	47,076,774	45,407,716	96.45%	46,680,803	99.16%
2016-2017	44,874,743	43,059,220	95.95%	44,492,712	99.15%
2015-2016	44,159,991	42,194,482	95.55%	44,004,124	99.65%
2014-2015	43,881,843	41,825,230	95.31%	43,726,969	99.65%
2013-2014	45,481,685	42,925,077	94.38%	45,298,128	99.60%

(a) Taxes are collected by the Treasurer of the County. Taxes in support of debt service are levied by the Board of Supervisors of the County as required by Arizona Revised Statutes. Delinquent taxes are subject to an interest penalty charge of 16% per annum, which is prorated at a monthly rate of 1.33%. Interest and penalty collections for delinquent taxes are not included in the collections figures above, but are deposited in the County's General Interest and penalties with respect to the first half tax collections (delinquent November 1) are waived if the full year's taxes are paid by December 31.

(b) 2021/22 taxes are in course of collection:
 First installment due 10-01-22; delinquent 11-01-22
 Second installment due 03-01-23; delinquent 05-01-23



Compliance Section

Report on Federal Awards



**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***

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Bullhead City, as of and for the year ended June 30, 2023, 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 February 6, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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.

Baker Tilly US, LLP

Tempe, Arizona
February 6, 2024

**Report on Compliance
for the Major Federal Program;
Report on Internal Control Over Compliance; and
Report on the Schedule of Expenditures of
Federal Awards Required by the Uniform Guidance**

Independent Auditors' Report

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

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the City of Bullhead City's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2023. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the City as of and for the year ended June 30, 2023, and have issued our report thereon dated February 6, 2024, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Baker Tilly US, LLP

Tempe, Arizona
February 6, 2024

City of Bullhead City

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/ Program Title / Cluster Name	Assistance Listing Number	Pass-Through Agency	Pass-Through Agency Grant Number	Federal Expenditures
Federal Programs				
U.S. Department of Housing and Urban Development				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	State of Arizona Department of Commerce	136-22	\$ 332,535
Home Investment Partnerships Program	14.239	State of Arizona Department of Commerce	300-22, 302-19, 308-21, 300-22	<u>404,684</u>
Total U.S. Department of Housing and Urban Development				<u>737,219</u>
U.S. Department of Justice				
Crime Victim Assistance	16.575	State of Arizona Department of Justice	2018-255	106,261
Drug Court Discretionary Grant Program	16.585	N/A	N/A	53,787
Bulletproof Vest Partnership Program	16.607	N/A	N/A	<u>12,752</u>
Total U.S. Department of Justice				<u>172,800</u>
U.S. Department of Transportation				
Highway Planning and Construction Cluster: Highway Planning and Construction	20.205	State of Arizona Department of Transportation	GRT18-0007091T	<u>313,360</u>
Total Highway Planning and Construction Cluster				<u>313,360</u>
Formula Grants for Rural Areas and Tribal Transit Program	20.509	State of Arizona Department of Transportation	GRT18-0007091T	632,370
Highway Safety Cluster: State and Community Highway Safety	20.600	State of Arizona Governor's Office of Highway Safety	2021-AL-002	<u>62,738</u>
Total Highway Safety Cluster				<u>62,738</u>
Total U.S. Department of Transportation				<u>1,008,468</u>
U.S. Department of the Treasury				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	N/A	<u>5,666,496</u> *
Total U.S. Department of the Treasury				<u>5,666,496</u>
U.S. Department of Health and Human Services				
Aging Cluster: Special Programs for the Aging_Title III Part C_Nutrition Services	93.045	Western Arizona Council of Governments	E860494205-401-01-17	<u>270,248</u>
Total Aging Cluster				<u>270,248</u>
Social Services Block Grant	93.667	Western Arizona Council of Governments	E860494205-401-01-17	<u>25,080</u>
Total U.S. Department of Health and Human Services				<u>295,328</u>
Total federal programs				<u>\$ 7,880,311</u>

* Denotes major program

See notes to schedule of expenditures of federal awards

City of Bullhead City

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Bullhead City under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the 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 the 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.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual or modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

The underlying accounting records for some grant programs are maintained on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred. The accounting records for other grant programs are maintained on the accrual basis, i.e., when the revenue has been earned and the liability is incurred.

3. Indirect Cost Rate

The City of Bullhead City has not elected to use the 10% de minimis indirect cost rate.

City of Bullhead City

Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditors issued on whether the financial statements audited were in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified?	<u> </u> Yes	<u> X </u> None reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified?	<u> </u> Yes	<u> X </u> None reported

Type of auditors' report issued on compliance for the major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance? Yes X No

Dollar threshold used to distinguish between Type A and Type B programs \$750,000

Auditee qualified as low-risk auditee? X Yes No

Identification of major federal programs (B):

<u>Assistance Listing Number(s) (C)</u>	<u>Name of Federal Program or Cluster (D)</u>
21.027	COVID-19 - Coronavirus State And Local Fiscal Recovery Funds

Section II - Financial Statement Findings Required to be Reported in Accordance With Government Auditing Standards

None.

Section III - Federal Awards Findings and Questioned Costs

None.