

City of Bullhead City, Arizona

Annual Expenditure Limitation Report

June 30, 2024

City of Bullhead City, Arizona

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Independent Accountants' Report

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

We have examined the accompanying Annual Expenditure Limitation Report of the City of Bullhead City, Arizona for the year ended June 30, 2024. The City's management is responsible for presenting this report in accordance with the Uniform Expenditure Reporting System as described in Note 1. Our responsibility is to express an opinion on this report based on our examination. We have presented the results of our examination in the accompanying schedules.

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

We are required to be independent of the City of Bullhead City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our examination engagement.

In our opinion, the Annual Expenditure Limitation Report of the City of Bullhead City, Arizona is fairly presented in accordance with the Uniform Expenditure Reporting System as described in Note 1, in all material respects.

Baker Tilly US, LLP

Tempe, Arizona
January 14, 2015

City of Bullhead City, Arizona

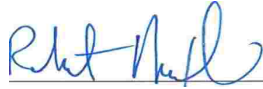
Annual Expenditure Limitation Report - Part I

Year Ended June 30, 2024

1.	Economic Estimates Commission expenditure limitation	\$ 60,178,831	
2.	Voter-approved alternative expenditure limitation	-	
3.	Enter applicable amount from Line 1 or Line 2		\$ 60,178,831
4.	Amount subject to the expenditure limitation (total amount from Part II, Line C)	43,834,828	
5.	Board-authorized expenditures necessitated by a disaster the Governor declared	-	
6.	Board-authorized expenditures necessitated by a disaster the Governor did not declare	-	
7.	Prior-year, voter-approved expenditures to exceed the expenditure limitation for the reporting fiscal year	-	
8.	Subtotal		43,834,828
9.	Board-authorized excess expenditures for the previous fiscal year necessitated by a disaster the Governor did not declare and the voters did not approve	-	
10.	Total adjusted amount subject to the expenditure limitation		43,834,828
11.	Amount under (in excess of) the expenditure limitation		\$ 16,344,003

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

Signature of Chief Financial Officer:



Name and title: Robert Drexler, Finance Director

Telephone number: (928) 763-9400

Date: January 14, 2025

See accompanying notes to report

City of Bullhead City, Arizona

Annual Expenditure Limitation Report - Part II

Year Ended June 30, 2024

Description		Governmental Funds	Enterprise Funds	Internal Service Funds	Total
A.	Amounts reported on the Reconciliation, Line D	\$ 67,818,240	\$ 28,619,574	\$ 7,823,660	\$ 104,261,474
B.	Less exclusions claimed:				
1.	Debt proceeds	14,268,215	-	-	14,268,215
2.	Debt service requirements (Note 2)	3,107,785	8,147,126	-	11,254,911
3.	Dividends, interest and gains on the sale or redemption of investment securities	2,224,830	293,991	64,336	2,583,157
4.	Trustee or custodian	-	-	-	-
5.	Grants and aid from the federal government (Note 3)	8,496,535	-	-	8,496,535
6.	Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 3)	-	-	-	-
7.	Amounts received from the State of Arizona (Note 3)	9,148,604	-	-	9,148,604
8.	Quasi-external interfund transactions (Note 4)	-	886,844	7,400,613	8,287,457
9.	Voter-approved amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements	-	-	-	-
10.	Highway user revenues in excess of those received in fiscal year 1979-80 (Note 5)	4,711,047	-	-	4,711,047
11.	Contracts with other political subdivisions (Note 6)	1,318,009	-	-	1,318,009
12.	Refunds, reimbursements, and other recoveries (Note 9)	-	-	358,711	358,711
13.	Voter-approved exclusions not identified above	-	-	-	-
14.	Prior years carryforward (Note 5)	-	-	-	-
15.	Qualifying capital improvement expenditures repaid in accordance with A.R.S. §41-1279.07	-	-	-	-
16.	Total exclusions claimed	43,275,025	9,327,961	7,823,660	60,426,646
C.	Amounts subject to the expenditure limitation	\$ 24,543,215	\$ 19,291,613	\$ -	\$ 43,834,828

See accompanying notes to report

City of Bullhead City, Arizona

Annual Expenditure Limitation Report - Reconciliation
Year Ended June 30, 2024

Description		Governmental Funds	Enterprise Funds	Internal Service Funds	Total
A.	Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements	\$ 68,383,299	\$ 30,199,365	\$ 7,823,660	\$ 106,406,324
B.	Subtractions:				
1.	Items not requiring use of current financial resources:				
a.	Depreciation	-	8,081,242	-	8,081,242
b.	Loss on disposal of capital assets	-	4,350,210	-	4,350,210
c.	Bad debt expense	-	160,046	-	160,046
d.	Pension and other postemployment benefits (OPEB) expense	-	-	-	-
e.	Claims incurred but not reported (IBNR)	-	-	-	-
f.	Landfill closure and postclosure care costs and pollution remediation	-	-	-	-
2.	Expenditures of separate legal entities established under Arizona Revised Statutes (Note 7)	191,027	-	-	191,027
3.	Required fees paid to the Industrial Commission of Arizona	109,142	-	-	109,142
4.	Present value of net minimum lease, financed purchase, and subscription-based information technology arrangement (SBITA) contract payments recorded as expenditures at the agreements' inception	264,890	-	-	264,890
5.	Involuntary court judgments	-	-	-	-
6.	Total subtractions	565,059	12,591,498	-	13,156,557
C.	Additions:				
1.	Principal payments on long-term debt	-	5,079,714	-	5,079,714
2.	Capital asset acquisitions	-	5,931,993	-	5,931,993
3.	Amounts paid in the current year but reported as expenses in previous years:				
a.	Claims previously recognized as IBNR	-	-	-	-
b.	Landfill closure and postclosure care costs and pollution remediation	-	-	-	-
4.	Pension and OPEB contributions paid in the current year	-	-	-	-
5.	Transfers to separate legal entities	-	-	-	-
6.	Total additions	-	11,011,707	-	11,011,707
D.	Amounts reported on Part II, Line A	\$ 67,818,240	\$ 28,619,574	\$ 7,823,660	\$ 104,261,474

See accompanying notes to report

City of Bullhead City, Arizona

Notes to Annual Expenditure Limitation Report
June 30, 2024

1. Summary of Significant Accounting Policies

The annual expenditure limitation report (AELR) is presented as prescribed by the uniform expenditure reporting system (UERS), as required by Arizona Revised Statutes §41-1279.07. The AELR excludes expenditures, expenses, or deductions of certain revenues specified in the Arizona Constitution, Article IX, §20, from the total expenditures, expenses, or deductions reported in the fund financial statements.

In accordance with the UERS, a note to the AELR is presented below for any exclusion claimed on Part II and each subtraction or addition in the reconciliation that cannot be traced directly to an amount reported in the fund financial statements. All references to financial statement amounts in the following notes refer to the statement of revenues, expenditures, and changes in fund balances for the governmental funds; statement of revenues, expenses, and changes in fund net position for the proprietary funds; statement of cash flows for the proprietary funds; and the statement of changes in fiduciary net position for the fiduciary funds.

2. Debt Service Requirements on Other Long-Term Obligations

The exclusions claimed for debt service requirements on bonded indebtedness, less lease and SBITA debt service, consists of principal retirement and interest expenditures:

	Governmental Funds	Enterprise Funds
Principal paid	\$ 2,763,192	\$ 5,079,714
Less lease and SBITA principal	(264,818)	-
Interest expenditures/expense	747,805	3,067,412
Less lease and SBITA interest	(27,808)	-
Less interest recognized in Note 7	(110,586)	-
Total reported in Part II line 2	<u>\$ 3,107,785</u>	<u>\$ 8,147,126</u>

3. Intergovernmental Revenue

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

	Governmental Funds
Grants and aid from federal government	\$ 8,496,535
Amounts received from State of Arizona	9,148,604
Amounts received from the County	1,280,478
Amounts received from a Private Agency	-
Highway user revenues in excess of those received in fiscal year 1979-1980	4,711,047
Other revenues - (nonexcludable)	<u>20,511,983</u>
Total intergovernmental revenues as reported in the fund financial statements	<u>\$ 44,148,647</u>

City of Bullhead City, Arizona

Notes to Annual Expenditure Limitation Report
June 30, 2024

4. Quasi External Interfund Transactions

The exclusions claimed of \$7,400,613 for charges for services paid to the Internal Service Funds consists of charges for services to the governmental funds during the year, less the amount that charges for services exceeded expenditures. The exclusion claimed of \$846,787 for payments made to the enterprise funds for water and wastewater services from the governmental funds can be found below. The exclusions claimed of \$40,057 for payments to the enterprise funds for water and wastewater services from the internal service funds can be found below.

	Enterprise Funds	Internal Service Funds
Excludable expenses/expenditures made to/revenues received from:		
Governmental Funds	\$ 846,787	\$ 8,439,807
Enterprise Funds	-	-
Internal Service Funds	40,057	-
Less revenues in excess of expenditures	-	1,039,194
	<u>\$ 886,844</u>	<u>\$ 7,400,613</u>

5. Highway User Revenue

The exclusion of \$4,711,047 of the Governmental Funds for highway user revenue in excess of the amount received in fiscal year 1979-1980, can be found in the table below:

HURF revenues in excess of those received in fiscal year 1980:	
Prior year carryforward balance	\$ 533,670
Excludable revenues received in current year	4,711,047
Highway user revenue received in fiscal year 1979-1980	-
Excludable revenues expended in current year	(4,711,047)
Prior year carryforward balance expended in current year	-
Total	<u>\$ 533,670</u>

6. Contracts With Other Political Subdivisions

The \$1,318,009 exclusion claimed for contracts with other political subdivisions in the Governmental Funds consist of \$206,792 of expenditures in the general fund for prisoner operations, \$160,000 expended in the Other Nonmajor Funds for the Mohave County Abatement, and \$951,217 expended in the Other Nonmajor Funds for flood control operations.

7. Expenditures of Separate Legal Entities

The subtraction of \$191,027 for expenditures of separate legal entities established under Arizona Revised Statutes consists of \$103,992 of interest expenditures for the Laughlin Ranch Boulevard Special Assessment District found in the interest and fiscal charges of the Debt Service Fund, \$80,441 in expenditures for the Street Light Improvement District Fund and \$6,594 of interest paid by the MPC for Governmental Funds.

City of Bullhead City, Arizona

Notes to Annual Expenditure Limitation Report
June 30, 2024

8. Carryforward Debt Proceeds

A carryforward balance of \$358,356 exists for excludable capital assets paid in the Water fund from amounts received in prior years from the issuance of bonds in the city's name. The prior year bond obligation has a maturity date of more than 1 year and was voter approved to be incurred for the specific purpose of purchasing and improving all the assets of the newly acquired water system. However, since the carryforward is not needed to keep the city below their expenditure limitation, it was not claimed. A summary of the unspent bond proceed carryforward balance is shown in the table below:

Prior year carryforward balance	\$	358,356
Excludable revenues received in current year (SBITA Issuance)		123,215
Excludable revenues expended in current year (SBITA Issuance)		<u>(123,215)</u>
Ending carryforward balance	\$	<u><u>358,356</u></u>

9. Insurance Reimbursements

The \$358,711 in exclusions are being claimed for insurance reimbursements in the risk management internal service fund miscellaneous revenues on the annual comprehensive financial report.