

**REGULAR MEETING OF THE
FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT
AND REVITALIZATION DISTRICT**

Tuesday, April 11, 2023 – 10:00 AM

The public and the board members may access the online meeting via Zoom Video Conference at:

<https://us02web.zoom.us/j/88577392332?pwd=R3RoN2pWd29FUzNEbXBKaGVkc21wZz09>

Meeting ID: 885 7739 2332

Password: 130953

A G E N D A

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the FDBIRD Board of Directors and to the general public that, at this meeting, the Board may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the District's attorney on any item listed on the following agenda, pursuant to A.R.S. §38-431.03(A)(3).

1. Call to Order
2. Roll Call
3. Approval of Minutes from the Regular Board meeting of January 31, 2023.
4. Acceptance and Approval of Monthly Financial Reports.
 - A. November 2022
 - B. December 2022
 - C. January 2023
5. Acceptance of FY2022 Financial Statement and Annual Report
6. Consideration and Approval of Payment of the Semi-annual Payment to the FDBA in the Amount of \$88,250.
7. Review of 2023 Budget Calendar
8. FDBA Director Report (if applicable)
9. PUBLIC PARTICIPATION

Public Participation enables the public to address the Board about an item that is not on the agenda. Comments relating to items that are on the agenda will be taken at the time that the item is discussed.
10. Adjournment

CERTIFICATE OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Flagstaff City Hall on _____, at _____ a.m./p.m. in accordance with the statement filed by the Board with the District Clerk.

Stacy Saltzburg, MMC, District Clerk

**SPECIAL MEETING OF THE
FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT
AND REVITALIZATION DISTRICT**

Tuesday, January 31, 2023 – 10:00 AM

M I N U T E S

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the FDBIRD Board of Directors and to the general public that, at this meeting, the Board may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the District's attorney on any item listed on the following agenda, pursuant to A.R.S. §38-431.03(A) (3).

1. Call to Order

Chairman Dave Stilley called the Special Meeting of January 31, 2023 to order at 10:02 a.m.

2. Roll Call

Chairman Dave Stilley (virtually)
Vice Chairman Steve Chatinsky (virtually)
Member Jerry McLaughlin (virtually)
Member John VanLandingham (virtually)
Member Karen Kinne-Herman (virtually)

Others present: District Attorney Rose Winkler; District Clerk Stacy Saltzburg

3. Approval of Minutes from the Regular Board meeting of January 10, 2023.

Member Karen Kinne-Herman moved to approve the minutes from the Regular Board meeting of January 10, 2023 as amended; seconded by Vice Chairman Steve Chatinsky; passed unanimously.

4. Consideration and Adoption of Resolution No. 2023-01: A resolution of the District Board of the Flagstaff Downtown Business Improvement and Revitalization District of Flagstaff cancelling the special election of February 22, 2023, and declaring the names of the board of directors and respective terms.

Member Jerome McLaughlin moved to adopt Resolution No. 2023-01; seconded by Vice Chairman Steve Chatinsky; passed unanimously.

5. FDBA Director Report (if applicable)

None

6. PUBLIC PARTICIPATION

Public Participation enables the public to address the Board about an item that is not on the agenda. Comments relating to items that are on the agenda will be taken at the time that the item is discussed.

There were no members of the public in attendance.

7. Adjournment

The Special Meeting of the Flagstaff Downtown Business Improvement District of January 31, 2023 adjourned at 10:06 a.m.

Chairman

ATTEST:

Stacy Saltzburg, District Clerk

FDBIRD
Balance Sheet
As of November 30, 2022

ITEM 4A

	Nov 30, 22
ASSETS	
Current Assets	
Checking/Savings	
BBVA Checking	34,848.27
BBVA Money Mkt	106,964.91
Total Checking/Savings	141,813.18
Total Current Assets	141,813.18
TOTAL ASSETS	141,813.18
LIABILITIES & EQUITY	
Equity	
Unrestricted Net Assets	192,576.58
Net Income	-50,763.40
Total Equity	141,813.18
TOTAL LIABILITIES & EQUITY	141,813.18

FDBIRD

Budget to Actual Income Statement

July through November 2022

	Jul - Nov 22	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
BID Prop. Tax Assess. May	39,891.96	155,930.00	-116,038.04
Carry Forwards	0.00	109,167.00	-109,167.00
City of Flagstaff	0.00	10,256.00	-10,256.00
Coconino County	0.00	25,546.00	-25,546.00
Interest Earned	4.06	50.00	-45.94
Total Income	39,896.02	300,949.00	-261,052.98
Expense			
Contingency	0.00	17,350.00	-17,350.00
Management	88,275.42	176,500.00	-88,224.58
Overhead			
Advertising	0.00	5,600.00	-5,600.00
Dues & Subscriptions	0.00	450.00	-450.00
Insurance	1,856.00	1,850.00	6.00
Total Overhead	1,856.00	7,900.00	-6,044.00
Professional Services			
Accounting (Audit & Tax)	0.00	3,150.00	-3,150.00
Bookkeeping	0.00	1,000.00	-1,000.00
Contract Clerk & Treasurer	0.00	3,200.00	-3,200.00
Legal Counsel	528.00	10,000.00	-9,472.00
Total Professional Services	528.00	17,350.00	-16,822.00
Total Expense	90,659.42	219,100.00	-128,440.58
Net Ordinary Income	-50,763.40	81,849.00	-132,612.40
Net Income	-50,763.40	81,849.00	-132,612.40

8:34 AM

01/25/23

Accrual Basis

FDBIRD
General Ledger
As of November 30, 2022

Type	Date	Num	Adj	Name	Memo	Split	Debit	Credit	Balance
BBVA Checking									34,850.27
Check	11/01/2022				Service Charge	Management		2.00	34,848.27
Total BBVA Checking							0.00	2.00	34,848.27
BBVA Money Mkt									72,900.90
Check	11/03/2022				Service Charge	Management		3.14	72,897.76
Deposit	11/15/2022				Deposit	BID Prop. Tax ...	34,065.46		106,963.22
Deposit	11/30/2022				Interest	Interest Earned	1.69		106,964.91
Total BBVA Money Mkt							34,067.15	3.14	106,964.91
Accounts Receivable									0.00
Total Accounts Receivable									0.00
Undeposited Funds									0.00
Total Undeposited Funds									0.00
Furniture and Equipment									0.00
Total Furniture and Equipment									0.00
Marketable Securities									0.00
Total Marketable Securities									0.00
Other Assets									0.00
Total Other Assets									0.00
Security Deposits Asset									0.00
Total Security Deposits Asset									0.00
Accounts Payable									0.00
Total Accounts Payable									0.00
Payroll Liabilities									0.00
Total Payroll Liabilities									0.00
Other Liabilities									0.00
Total Other Liabilities									0.00
Opening Balance Equity									0.00
Total Opening Balance Equity									0.00
Perm. Restricted Net Assets									0.00
Total Perm. Restricted Net Assets									0.00
Temp. Restricted Net Assets									0.00
Total Temp. Restricted Net Assets									0.00
Unrestricted Net Assets									-192,576.58
Total Unrestricted Net Assets									-192,576.58
BID Prop. Tax Assess. May									-5,826.50
Deposit	11/15/2022	EFT		Deposit		BBVA Money Mkt		34,065.46	-39,891.96
Total BID Prop. Tax Assess. May							0.00	34,065.46	-39,891.96
BID Prop. Tax Assess. Nov.									0.00
Total BID Prop. Tax Assess. Nov.									0.00
Carry Forwards									0.00
Total Carry Forwards									0.00
City of Flagstaff									0.00
Total City of Flagstaff									0.00
Coconino County									0.00
Total Coconino County									0.00
Events									0.00
Total Events									0.00
Grants									0.00
Total Grants									0.00
Interest Earned									-2.37
Deposit	11/30/2022			Interest		BBVA Money Mkt		1.69	-4.06
Total Interest Earned							0.00	1.69	-4.06
Other Contributions									0.00
City of Flagstaff IGA									0.00
Total City of Flagstaff IGA									0.00
One Time Infrastructure Project									0.00
Total One Time Infrastructure Project									0.00
Other Contributions - Other									0.00
Total Other Contributions - Other									0.00
Total Other Contributions									0.00
Sponsorships									0.00
Total Sponsorships									0.00

8:34 AM

01/25/23

Accrual Basis

FDBIRD
General Ledger
As of November 30, 2022

Type	Date	Num	Adj	Name	Memo	Split	Debit	Credit	Balance
Contingency									0.00
Total Contingency									0.00
District Formation Expenses									0.00
Election Expenses									0.00
Total Election Expenses									0.00
One Time Infrastructure Project									0.00
Total One Time Infrastructure Project									0.00
District Formation Expenses - Other									0.00
Total District Formation Expenses - Other									0.00
Total District Formation Expenses									0.00
Management									88,270.28
Check	11/01/2022			Service Charge	BBVA Checking		2.00		88,272.28
Check	11/03/2022			Service Charge	BBVA Money Mkt		3.14		88,275.42
Total Management							5.14	0.00	88,275.42
Overhead									1,856.00
Advertising									0.00
Total Advertising									0.00
Dues & Subscriptions									0.00
Total Dues & Subscriptions									0.00
Insurance									1,856.00
Total Insurance									1,856.00
Overhead - Other									0.00
Total Overhead - Other									0.00
Total Overhead									1,856.00
Payroll Expenses									0.00
Total Payroll Expenses									0.00
Professional Services									528.00
Accounting (Audit & Tax)									0.00
Total Accounting (Audit & Tax)									0.00
Bookkeeping									0.00
Total Bookkeeping									0.00
Contract Clerk & Treasurer									0.00
Total Contract Clerk & Treasurer									0.00
Legal Counsel									528.00
Total Legal Counsel									528.00
Parking Development									0.00
Total Parking Development									0.00
Professional Services - Other									0.00
Total Professional Services - Other									0.00
Total Professional Services									528.00
Website									0.00
Total Website									0.00
Ask My Accountant									0.00
Total Ask My Accountant									0.00
No acct									0.00
Total no acct									0.00
TOTAL							34,072.29	34,072.29	0.00

8:36 AM

01/25/23

Accrual Basis

FDBIRD
Balance Sheet
As of December 31, 2022

ITEM 4B

	Dec 31, 22
ASSETS	
Current Assets	
Checking/Savings	
BBVA Checking	25,477.56
BBVA Money Mkt	93,206.29
Total Checking/Savings	118,683.85
Total Current Assets	118,683.85
TOTAL ASSETS	118,683.85
LIABILITIES & EQUITY	
Equity	
Unrestricted Net Assets	192,576.58
Net Income	-73,892.73
Total Equity	118,683.85
TOTAL LIABILITIES & EQUITY	118,683.85

FDBIRD

Budget to Actual Income Statement

July through December 2022

	Jul - Dec 22	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
BID Prop. Tax Assess. May	106,135.46	155,930.00	-49,794.54
Carry Forwards	0.00	109,167.00	-109,167.00
City of Flagstaff	0.00	10,256.00	-10,256.00
Coconino County	0.00	25,546.00	-25,546.00
Interest Earned	5.08	50.00	-44.92
Total Income	106,140.54	300,949.00	-194,808.46
Expense			
Contingency	0.00	17,350.00	-17,350.00
Management	176,530.56	176,500.00	30.56
Overhead			
Advertising	969.71	5,600.00	-4,630.29
Dues & Subscriptions	0.00	450.00	-450.00
Insurance	1,881.00	1,850.00	31.00
Total Overhead	2,850.71	7,900.00	-5,049.29
Professional Services			
Accounting (Audit & Tax)	0.00	3,150.00	-3,150.00
Bookkeeping	124.00	1,000.00	-876.00
Contract Clerk & Treasurer	0.00	3,200.00	-3,200.00
Legal Counsel	528.00	10,000.00	-9,472.00
Total Professional Services	652.00	17,350.00	-16,698.00
Total Expense	180,033.27	219,100.00	-39,066.73
Net Ordinary Income	-73,892.73	81,849.00	-155,741.73
Net Income	-73,892.73	81,849.00	-155,741.73

8:36 AM

01/25/23

Accrual Basis

FDBIRD
General Ledger
As of December 31, 2022

Type	Date	Num	Adj	Name	Memo	Split	Debit	Credit	Balance
BBVA Checking									34,848.27
Check	12/01/2022				Service Charge	Management		2.00	34,846.27
Transfer	12/07/2022				Funds Transfer	BBVA Money Mkt	80,000.00		114,846.27
Check	12/13/2022	1146		Philadelphia Insurance		Insurance		25.00	114,821.27
Check	12/20/2022	1220				Advertising		969.71	113,851.56
Check	12/26/2022	1218		Johanna Klomann C...		Bookkeeping		124.00	113,727.56
Check	12/28/2022	1147		Flagstaff DBA		Management		88,250.00	25,477.56
Total BBVA Checking							80,000.00	89,370.71	25,477.56
BBVA Money Mkt									106,964.91
Check	12/03/2022				Service Charge	Management		3.14	106,961.77
Transfer	12/07/2022				Funds Transfer	BBVA Checking		80,000.00	26,961.77
Deposit	12/15/2022				Deposit	BID Prop. Tax ...	66,243.50		93,205.27
Deposit	12/31/2022				Interest	Interest Earned	1.02		93,206.29
Total BBVA Money Mkt							66,244.52	80,003.14	93,206.29
Accounts Receivable									0.00
Total Accounts Receivable									0.00
Undeposited Funds									0.00
Total Undeposited Funds									0.00
Furniture and Equipment									0.00
Total Furniture and Equipment									0.00
Marketable Securities									0.00
Total Marketable Securities									0.00
Other Assets									0.00
Total Other Assets									0.00
Security Deposits Asset									0.00
Total Security Deposits Asset									0.00
Accounts Payable									0.00
Total Accounts Payable									0.00
Payroll Liabilities									0.00
Total Payroll Liabilities									0.00
Other Liabilities									0.00
Total Other Liabilities									0.00
Opening Balance Equity									0.00
Total Opening Balance Equity									0.00
Perm. Restricted Net Assets									0.00
Total Perm. Restricted Net Assets									0.00
Temp. Restricted Net Assets									0.00
Total Temp. Restricted Net Assets									0.00
Unrestricted Net Assets									-192,576.58
Total Unrestricted Net Assets									-192,576.58
BID Prop. Tax Assess. May									-39,891.96
Deposit	12/15/2022	EFT			Deposit	BBVA Money Mkt		66,243.50	-106,135.46
Total BID Prop. Tax Assess. May							0.00	66,243.50	-106,135.46
BID Prop. Tax Assess. Nov.									0.00
Total BID Prop. Tax Assess. Nov.									0.00
Carry Forwards									0.00
Total Carry Forwards									0.00
City of Flagstaff									0.00
Total City of Flagstaff									0.00
Coconino County									0.00
Total Coconino County									0.00
Events									0.00
Total Events									0.00
Grants									0.00
Total Grants									0.00
Interest Earned									-4.06
Deposit	12/31/2022				Interest	BBVA Money Mkt		1.02	-5.08
Total Interest Earned							0.00	1.02	-5.08
Other Contributions									0.00
City of Flagstaff IGA									0.00
Total City of Flagstaff IGA									0.00
One Time Infrastructure Project									0.00
Total One Time Infrastructure Project									0.00

8:36 AM

01/25/23

Accrual Basis

FDBIRD
General Ledger
As of December 31, 2022

Type	Date	Num	Adj	Name	Memo	Split	Debit	Credit	Balance
Other Contributions - Other									0.00
Total Other Contributions - Other									0.00
Total Other Contributions									0.00
Sponsorships									0.00
Total Sponsorships									0.00
Contingency									0.00
Total Contingency									0.00
District Formation Expenses									0.00
Election Expenses									0.00
Total Election Expenses									0.00
One Time Infrastructure Project									0.00
Total One Time Infrastructure Project									0.00
District Formation Expenses - Other									0.00
Total District Formation Expenses - Other									0.00
Total District Formation Expenses									0.00
Management									88,275.42
Check	12/01/2022				Service Charge	BBVA Checking	2.00		88,277.42
Check	12/03/2022				Service Charge	BBVA Money Mkt	3.14		88,280.56
Check	12/28/2022	1147		Flagstaff DBA		BBVA Checking	88,250.00		176,530.56
Total Management							88,255.14	0.00	176,530.56
Overhead									1,856.00
Advertising									0.00
Check	12/20/2022	1220				BBVA Checking	969.71		969.71
Total Advertising							969.71	0.00	969.71
Dues & Subscriptions									0.00
Total Dues & Subscriptions									0.00
Insurance									1,856.00
Check	12/13/2022	1146		Philadelphia Insurance		BBVA Checking	25.00		1,881.00
Total Insurance							25.00	0.00	1,881.00
Overhead - Other									0.00
Total Overhead - Other									0.00
Total Overhead							994.71	0.00	2,850.71
Payroll Expenses									0.00
Total Payroll Expenses									0.00
Professional Services									528.00
Accounting (Audit & Tax)									0.00
Total Accounting (Audit & Tax)									0.00
Bookkeeping									0.00
Check	12/26/2022	1218		Johanna Klomann C...		BBVA Checking	124.00		124.00
Total Bookkeeping							124.00	0.00	124.00
Contract Clerk & Treasurer									0.00
Total Contract Clerk & Treasurer									0.00
Legal Counsel									528.00
Total Legal Counsel									528.00
Parking Development									0.00
Total Parking Development									0.00
Professional Services - Other									0.00
Total Professional Services - Other									0.00
Total Professional Services							124.00	0.00	652.00
Website									0.00
Total Website									0.00
Ask My Accountant									0.00
Total Ask My Accountant									0.00
No acct									0.00
Total no acct									0.00
TOTAL							235,618.37	235,618.37	0.00

FDBIRD
Balance Sheet
As of January 31, 2023

ITEM 4C

	Jan 31, 23
ASSETS	
Current Assets	
Checking/Savings	
BBVA Checking	25,475.56
BBVA Money Mkt	104,038.58
Total Checking/Savings	129,514.14
Total Current Assets	129,514.14
TOTAL ASSETS	129,514.14
LIABILITIES & EQUITY	
Equity	
Unrestricted Net Assets	192,576.58
Net Income	-63,062.44
Total Equity	129,514.14
TOTAL LIABILITIES & EQUITY	129,514.14

FDBIRD
Budget to Actual Income Statement
 July 2022 through January 2023

	Jul '22 - Jan 23	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
BID Prop. Tax Assess. May	116,968.96	155,930.00	-38,961.04
Carry Forwards	0.00	109,167.00	-109,167.00
City of Flagstaff	0.00	10,256.00	-10,256.00
Coconino County	0.00	25,546.00	-25,546.00
Interest Earned	7.01	50.00	-42.99
Total Income	116,975.97	300,949.00	-183,973.03
Expense			
Contingency	0.00	17,350.00	-17,350.00
Management	176,535.70	176,500.00	35.70
Overhead			
Advertising	969.71	5,600.00	-4,630.29
Dues & Subscriptions	0.00	450.00	-450.00
Insurance	1,881.00	1,850.00	31.00
Total Overhead	2,850.71	7,900.00	-5,049.29
Professional Services			
Accounting (Audit & Tax)	0.00	3,150.00	-3,150.00
Bookkeeping	124.00	1,000.00	-876.00
Contract Clerk & Treasurer	0.00	3,200.00	-3,200.00
Legal Counsel	528.00	10,000.00	-9,472.00
Total Professional Services	652.00	17,350.00	-16,698.00
Total Expense	180,038.41	219,100.00	-39,061.59
Net Ordinary Income	-63,062.44	81,849.00	-144,911.44
Net Income	-63,062.44	81,849.00	-144,911.44

9:32 AM

02/09/23

Accrual Basis

FDBIRD
General Ledger
As of January 31, 2023

Type	Date	Num	Adj	Name	Memo	Split	Debit	Credit	Balance
BBVA Checking									25,477.56
Check	01/01/2023				Service Charge	Management		2.00	25,475.56
Total BBVA Checking							0.00	2.00	25,475.56
BBVA Money Mkt									93,206.29
Check	01/03/2023				Service Charge	Management		3.14	93,203.15
Deposit	01/13/2023				Deposit	BID Prop. Tax ...	10,833.50		104,036.65
Deposit	01/31/2023				Interest	Interest Earned	1.93		104,038.58
Total BBVA Money Mkt							10,835.43	3.14	104,038.58
Accounts Receivable									0.00
Total Accounts Receivable									0.00
Undeposited Funds									0.00
Total Undeposited Funds									0.00
Furniture and Equipment									0.00
Total Furniture and Equipment									0.00
Marketable Securities									0.00
Total Marketable Securities									0.00
Other Assets									0.00
Total Other Assets									0.00
Security Deposits Asset									0.00
Total Security Deposits Asset									0.00
Accounts Payable									0.00
Total Accounts Payable									0.00
Payroll Liabilities									0.00
Total Payroll Liabilities									0.00
Other Liabilities									0.00
Total Other Liabilities									0.00
Opening Balance Equity									0.00
Total Opening Balance Equity									0.00
Perm. Restricted Net Assets									0.00
Total Perm. Restricted Net Assets									0.00
Temp. Restricted Net Assets									0.00
Total Temp. Restricted Net Assets									0.00
Unrestricted Net Assets									-192,576.58
Total Unrestricted Net Assets									-192,576.58
BID Prop. Tax Assess. May									-106,135.46
Deposit	01/13/2023				Deposit	BBVA Money Mkt		10,833.50	-116,968.96
Total BID Prop. Tax Assess. May							0.00	10,833.50	-116,968.96
BID Prop. Tax Assess. Nov.									0.00
Total BID Prop. Tax Assess. Nov.									0.00
Carry Forwards									0.00
Total Carry Forwards									0.00
City of Flagstaff									0.00
Total City of Flagstaff									0.00
Coconino County									0.00
Total Coconino County									0.00
Events									0.00
Total Events									0.00
Grants									0.00
Total Grants									0.00
Interest Earned									-5.08
Deposit	01/31/2023				Interest	BBVA Money Mkt		1.93	-7.01
Total Interest Earned							0.00	1.93	-7.01
Other Contributions									0.00
City of Flagstaff IGA									0.00
Total City of Flagstaff IGA									0.00
One Time Infrastructure Project									0.00
Total One Time Infrastructure Project									0.00
Other Contributions - Other									0.00
Total Other Contributions - Other									0.00
Total Other Contributions									0.00
Sponsorships									0.00
Total Sponsorships									0.00

9:32 AM

02/09/23

Accrual Basis

FDBIRD
General Ledger
As of January 31, 2023

Type	Date	Num	Adj	Name	Memo	Split	Debit	Credit	Balance
Contingency									0.00
Total Contingency									0.00
District Formation Expenses									0.00
Election Expenses									0.00
Total Election Expenses									0.00
One Time Infrastructure Project									0.00
Total One Time Infrastructure Project									0.00
District Formation Expenses - Other									0.00
Total District Formation Expenses - Other									0.00
Total District Formation Expenses									0.00
Management									176,530.56
Check	01/01/2023			Service Charge	BBVA Checking		2.00		176,532.56
Check	01/03/2023			Service Charge	BBVA Money Mkt		3.14		176,535.70
Total Management							5.14	0.00	176,535.70
Overhead									2,850.71
Advertising									969.71
Total Advertising									969.71
Dues & Subscriptions									0.00
Total Dues & Subscriptions									0.00
Insurance									1,881.00
Total Insurance									1,881.00
Overhead - Other									0.00
Total Overhead - Other									0.00
Total Overhead									2,850.71
Payroll Expenses									0.00
Total Payroll Expenses									0.00
Professional Services									652.00
Accounting (Audit & Tax)									0.00
Total Accounting (Audit & Tax)									0.00
Bookkeeping									124.00
Total Bookkeeping									124.00
Contract Clerk & Treasurer									0.00
Total Contract Clerk & Treasurer									0.00
Legal Counsel									528.00
Total Legal Counsel									528.00
Parking Development									0.00
Total Parking Development									0.00
Professional Services - Other									0.00
Total Professional Services - Other									0.00
Total Professional Services									652.00
Website									0.00
Total Website									0.00
Ask My Accountant									0.00
Total Ask My Accountant									0.00
No acct									0.00
Total no acct									0.00
TOTAL							10,840.57	10,840.57	0.00

FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT AND REVITALIZATION DISTRICT
FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2022
WITH REPORT OF
CERTIFIED PUBLIC ACCOUNTANTS

FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT AND REVITALIZATION DISTRICT

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Independent Accountants' Review Report

To the Board of Directors of
Flagstaff Downtown Business Improvement and Revitalization District
Flagstaff, Arizona

We have reviewed the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Flagstaff Downtown Business Improvement and Revitalization District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Flagstaff Downtown Business Improvement and Revitalization District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on page 5 through page 8 and the budgetary comparison information presented on page 25 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information, and, accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on it.

Change in Accounting Principle

As described in Note 1 to the financial statements, in fiscal year 2022, the District implemented the provisions of GASB Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

HintonBurdick, PLLC

HintonBurdick, PLLC

Gilbert, Arizona

February 8, 2023

BOARD OF DIRECTORS

Dave Stilley	Chair
Stacy Saltzburg	Clerk
Brandi Suda	Treasurer
Karen Kinne-Herman	Member
John Van Landingham	Member
Steve Chatinsky	Member
Jerry McLaughlin	Member

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MANAGEMENT’S DISCUSSION AND ANALYSIS

As management of Flagstaff Downtown Business Improvement and Revitalization District, we offer readers of the District’s financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022. Please read it in conjunction with the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- The District was created on February 4, 2014, and voters authorized the District Board to levy an ad valorem tax on June 4, 2014.
- Total assets exceed total liabilities (net position) by \$113,048 at the close of the fiscal year.
- Total net position increased by \$3,868.
- Total revenues from all sources were \$191,066 and the total cost of all District programs was \$187,198.
- Total revenue received in the General Fund was \$4,962 less than the final budget and expenditures were \$32,452 less than the final budget.
- At the end of the current fiscal year, assigned and unassigned fund balances for the General Fund were \$27,468 and \$78,670 respectively, which is a \$973 decrease in total fund balance from fiscal year 2021’s balances of \$28,463 and \$78,648.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The three components of the financial statements are: (1) Government-wide financial statements which include the Statement of Net Position and the Statement of Activities. These statements provide information about the activities of the District as a whole. (2) Fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District’s operations in more detail than the government- wide statements. (3) Notes to the financial statements.

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities (Government-wide)

A frequently asked question regarding the District’s financial health is whether the year’s activities contributed positively to the overall financial well-being. The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year’s revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position presents financial information on all of the District’s assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods.

The Statement of Net Position and the Statement of Activities, present information about the following:

- Government activities – All of the District’s basic services are considered to be governmental activities. Property taxes and Contributions from other governments finance most of this activity.
- Proprietary activities/Business type activities – The District currently does have any proprietary activities; all activities are accounted for as governmental activities.

Reporting the District’s Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not the District as a whole. The District’s major fund uses the accounting approaches as explained below.

- Governmental funds – All of the District’s basic services are reported in governmental funds. Governmental funds focus on how resources flow in and out with the balances remaining at year-end that are available for spending. These funds are reported using an accounting method called the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District’s general government operations and the basic services it provides. Government fund information shows whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation included with the Basic Financial Statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District’s financial position. The District’s combined assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$113,048 as of June 30, 2022 as shown on the following condensed statement of net position.

	Governmental activities	
	June 30, 2022	June 30, 2021
Current and other assets	\$ 114,670	\$ 109,302
Total assets	114,670	109,302
Other liabilities	1,622	122
Total liabilities	1,622	122
Net position:		
Unrestricted	113,048	109,180
Total net position	\$ 113,048	\$ 109,180

Governmental Activities

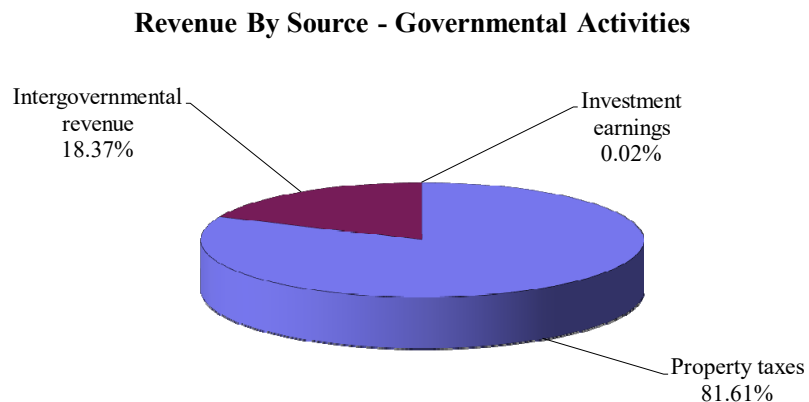
The cost of all Governmental activities this year was \$187,198. General Revenues, including property taxes, intergovernmental revenues, and investment earnings totaled \$191,066.

The District's programs include: General Government. Each program's revenues and expenses are presented below.

	Governmental activities	
	June 30, 2022	June 30, 2021
Revenues:		
General revenues:		
Property taxes	\$ 155,934	\$ 155,932
Intergovernmental revenue	35,103	35,158
Unrestricted interest earnings	29	82
Total revenues	<u>191,066</u>	<u>191,172</u>
Expenses:		
General Government	<u>187,198</u>	<u>185,360</u>
Total expenses	<u>187,198</u>	<u>185,360</u>
Increase/(decrease) in net position	3,868	5,812
Net position, beginning	<u>109,180</u>	<u>103,368</u>
Net position, ending	<u>\$ 113,048</u>	<u>\$ 109,180</u>

Total resources available during the year to finance governmental operations were \$300,246 consisting of net position at July 1, 2021 of \$109,180 and general revenues of \$191,066. Total Governmental Activities expenses during the year were \$187,198 thus Governmental Net Position increased by \$3,868 to \$113,048.

The following graph provides a breakdown of revenues by source for all government activities.



General Fund Budgetary Highlights

The final appropriations for the General Fund at year-end were \$32,452 more than actual expenditures. Actual revenues were less than the final budget by \$4,962.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The capital assets of the District are those assets that are used in performance of District functions, such as vehicles and equipment. At the end of fiscal year 2022, net capital assets of the government activities totaled \$0. Therefore, no depreciation on capital assets is recognized in the Government-Wide financial statements. (See notes to the financial statements.)

Debt

At year end, the District had no debt.

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

In considering the District Budget for fiscal year 2023, the District Board and management were cautious as to the growth of revenues and expenditures. Overall General Fund operating expenditures were budgeted so as to contain costs at the same level as fiscal year 2022.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Brandi Suda, District Treasurer PO Box 1546 Flagstaff, Arizona 86002 or call (715)577-4037.

BASIC FINANCIAL STATEMENTS

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**FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT
AND REVITALIZATION DISTRICT**
Statement of Net Position
June 30, 2022

	Governmental Activities	Total
Assets		
Cash and cash equivalents	\$ 104,327	\$ 104,327
Receivables	10,343	10,343
Total assets	<u>114,670</u>	<u>114,670</u>
Liabilities		
Accounts payable and other current liabilities	<u>1,622</u>	<u>1,622</u>
Total liabilities	<u>1,622</u>	<u>1,622</u>
Net Position		
Unrestricted	<u>113,048</u>	<u>113,048</u>
Total net position	<u><u>\$ 113,048</u></u>	<u><u>\$ 113,048</u></u>

See accompanying notes and independent accountants' review report.

**FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT
AND REVITALIZATION DISTRICT**
Statement of Activities
For the Fiscal Year Ended June 30, 2022

	<u>Governmental Activities</u>
Expenses:	
General Government	<u>\$ 187,198</u>
Total program expenses	<u>187,198</u>
 General revenues	
Property taxes	155,934
Intergovernmental revenue	35,103
Unrestricted interest earnings	<u>29</u>
Total general revenues	<u>191,066</u>
Change in net position	3,868
Net position - beginning	<u>109,180</u>
Net position - ending	<u><u>\$ 113,048</u></u>

See accompanying notes and independent accountants' review report.

**FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT
AND REVITALIZATION DISTRICT**

**Balance Sheet
Governmental Funds
June 30, 2022**

	General Fund	Total Governmental Funds
Assets		
Cash	\$ 104,327	\$ 104,327
Taxes receivable	10,343	10,343
Total assets	<u>114,670</u>	<u>114,670</u>
Liabilities		
Accounts payable	1,622	1,622
Total liabilities	<u>1,622</u>	<u>1,622</u>
Deferred inflows of resources		
Unavailable revenue - property taxes	6,910	6,910
Total deferred inflows of resources	<u>6,910</u>	<u>6,910</u>
Fund balances		
Assigned	27,468	27,468
Unassigned	78,670	78,670
Total fund balances	<u>106,138</u>	<u>106,138</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 114,670</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Unavailable revenues are not available to pay for current period expenditures and, therefore, are not recognized in the funds	<u>6,910</u>
Net position of governmental activities	<u>\$ 113,048</u>

See accompanying notes and independent accountants' review report.

**FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT
AND REVITALIZATION DISTRICT**
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2022

	General Fund	Total Governmental Funds
Revenues:		
Property taxes	\$ 151,093	\$ 151,093
Intergovernmental revenue	35,103	35,103
Interest income	29	29
Total revenues	<u>186,225</u>	<u>186,225</u>
Expenditures:		
General Government:		
Administrative services	176,500	176,500
Overhead	2,726	2,726
Professional services	<u>7,972</u>	<u>7,972</u>
Total expenditures	<u>187,198</u>	<u>187,198</u>
Excess of revenues over(under) expenditures	<u>(973)</u>	<u>(973)</u>
Net change in fund balances	(973)	(973)
Fund balances - beginning	107,111	107,111
Fund balances - ending	<u>\$ 106,138</u>	<u>\$ 106,138</u>
Net change in fund balances - total governmental funds		(973)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This amount represents the change in unavailable revenue - property taxes.		<u>4,841</u>
Change in net position of governmental activities		<u>\$ 3,868</u>

See accompanying notes and independent accountants' review report.

**FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT
AND REVITALIZATION DISTRICT**
Notes to the Financial Statements
June 30, 2022

Note 1. Summary of Significant Accounting Policies

Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, when applicable, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

Reporting entity

The Flagstaff Downtown Business Improvement and Revitalization District (the District) was organized on February 4, 2014 as a Special Improvement District pursuant to the provisions of Chapter 4 of Title 48 of the Arizona Revised Statutes – Revitalization Districts, which sets forth the legal framework for a business improvement district. The District provides improvements to the Flagstaff downtown area. The main focus of the District is to improve the look and feel of downtown Flagstaff which will result in significant returns on investments for downtown businesses and property values. The District is supported primarily through property taxes collected through Coconino County.

Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds.

Basis of presentation – fund financial statements

The fund financial statements provide information about the government's funds. The emphasis of the District's fund financial statements is on major governmental funds, each is displayed in a separate column. Currently the District has only one fund, the General Fund.

The District reports the following major governmental funds:

The **General Fund** is the government's primary operating fund. It accounts for all financial resources of the general government.

The District does not have any other funds.

**FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT
AND REVITALIZATION DISTRICT**
Notes to the Financial Statements
June 30, 2022

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The 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 government 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes 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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash, cash equivalents, and investments

Cash includes cash on hand and demand deposits with banks. The District has no investments for the year ended June 30, 2022 and has not established a specific investment policy but follows the State of Arizona's statutory requirements.

**FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT
AND REVITALIZATION DISTRICT**
Notes to the Financial Statements
June 30, 2022

Note 1. Summary of Significant Accounting Policies (Continued)

Inventories and prepaid items

The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. Also, the District's inventory of materials and supplies is deemed to be immaterial; thus, no provision for inventory has been made in these financial statements.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as an expenditure when consumed rather than when purchased.

Capital assets

If in the future, the District acquires capital assets, the Capital assets will be reported in the governmental activities column in the government-wide statement of net position. The District has not established a policy specifying a capitalization threshold. It reviews expenditures for assets of significant cost with an estimated useful life of two or more years. In accordance with generally accepted accounting principles, capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of capital assets is computed and recorded by the straight-line method. As of June 30, 2022 the District had not made any capital expenditures and no capital assets had been donated to the District. The District does not foresee acquiring any capital assets in the near future.

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government currently has no items which qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT
AND REVITALIZATION DISTRICT**
Notes to the Financial Statements
June 30, 2022

Note 1. Summary of Significant Accounting Policies (Continued)

Net position flow assumption

Sometimes the government 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 statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance flow assumptions

Sometimes the District 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 District’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.

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 government 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 government’s highest level of decision-making authority. The governing board is the highest level of decision-making authority for the government 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 District for specific purposes but do not meet the criteria to be classified as committed. The governing board (board) has by resolution authorized the board chairman to assign fund balance. The board 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.

**FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT
AND REVITALIZATION DISTRICT**
Notes to the Financial Statements
June 30, 2022

Note 1. Summary of Significant Accounting Policies (Continued)

Revenues and expenditures/expenses

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 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.

Property taxes

Property tax revenues are recognized as revenues in the year collected or if collected within 60 days thereafter unless they are prepaid.

The County levies real property taxes on or before the third Monday in August, which become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May. The County also levies various personal property taxes during the year, which are due the second Monday of the month following receipt of the tax notice and become delinquent 30 days thereafter. A lien against real and personal property assessed attaches on the first day of January preceding the assessment and levy thereof.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

New Pronouncement

For the year ended June 30, 2022, the District -adopted the provisions of GASB Statement No. 87, *Leases*. GASB Statement No. 87 improves accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The Statement also establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The District had no leases during the year ended June 30, 2022 that required reporting under GASB Statement No. 87.

**FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT
AND REVITALIZATION DISTRICT**
Notes to the Financial Statements
June 30, 2022

Note 2. Stewardship, Compliance and Accountability

Budgets and Budgetary Accounting

Annual budgets are prepared and adopted by resolution by the Board on or before July 15th for the same fiscal year in accordance with State law. Prior to adoption of the budget, a public hearing is conducted to obtain taxpayer input. The budget includes proposed expenditures and the proposed sources of financing for such expenditures and is adopted on a basis consistent with generally accepted accounting principles using the modified accrual basis of accounting. Budgets are adopted and control of budget appropriations are exercised under State law, at the department level. Budgeted amounts may be transferred between line items; however, any revisions that alter the total expenditures of any fund must be approved by the District Board. Budget amendments are required to increase a department's expenditure budgets. Expenditures may not legally exceed budgeted appropriations at the total activity level.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District.

Note 3. Deposits and Investments

Deposits of the District at June 30, 2022 consist of the following:

Deposits:	
Cash on deposit with	
PNC Bank	\$ 104,327
Total Deposits	<u>\$ 104,327</u>

Deposits

Custodial Credit Risk

For deposits this is the risk that in the event of a bank failure, the government's deposit may not be returned to it. The District does not have a formal policy for custodial credit risk. As of June 30, 2022, none of the District's deposit balance of \$192,577 was exposed to custodial credit risk because it was uninsured and uncollateralized.

**FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT
AND REVITALIZATION DISTRICT**
Notes to the Financial Statements
June 30, 2022

Note 3. Deposits and Investments (Continued)

Investments

The District follows the State of Arizona statutory requirements for the investment of funds in time certificates of deposit with federally insured depositories, investment in the county treasurer's pool, and other investments as allowed. Eligible Arizona depositories as defined by state statutes are any commercial bank or savings and loan association with its principal place of business in the state of Arizona, which are insured by the federal deposit insurance corporation, or any other insuring instrumentality of the United States. The District had no investments as of June 30, 2022.

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the state statutes which define allowable investments.

Credit risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's policy for reducing exposure to credit risk is to comply with the state statutes which define allowable investments.

Note 4. Risk Management

The District is exposed to various risks of loss related to torts and theft. The District has assessed its risk and acquired insurance to mitigate these risks. The District had no settlements exceeding insurance coverage during the past fiscal year.

Note 5. Commitments

Intergovernmental Agreement

On May 6, 2014, the District entered into an agreement with the City of Flagstaff Arizona for ongoing day to day District management services, provide and implement comprehensive long range planning for the District, develop and implement the organizational needs of the District, and other management services beginning on May 6, 2014. The agreement called for a one-time fee of \$127,000, which was paid by the City to the District. The agreement will expire on May 6, 2024 unless terminated sooner by either party with 180 days written notice.

**FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT
AND REVITALIZATION DISTRICT**
Notes to the Financial Statements
June 30, 2022

Note 5. Commitments (Continued)

Management Services Agreement

On September 22, 2014, the District entered into an agreement with the Flagstaff Downtown Business Alliance for management services. The agreement includes budget and finance services, management and operation services, management of public infrastructure improvement, and heritage square plaza recommendations. The agreement is effective from the date of the agreement for five years unless terminated by the District without cause upon 90 days written notice. The agreement was renewed for an additional five year term as of June 25, 2019. The annual fee is \$176,500 to be paid in installments.

REQUIRED SUPPLEMENTARY INFORMATION

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**FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT
AND REVITALIZATION DISTRICT**
Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund – Budget and Actual
For the Fiscal Year Ended June 30, 2022

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 155,934	\$ 155,934	\$ 151,093	\$ (4,841)
Intergovernmental revenue	35,103	35,103	35,103	-
Interest income	150	150	29	(121)
Total revenues	191,187	191,187	186,225	(4,962)
Expenditures:				
General Government:				
Administrative services	176,500	176,500	176,500	-
Overhead	2,850	2,850	2,726	124
Professional services	10,300	10,300	7,972	2,328
Contingency	30,000	30,000	-	30,000
Total expenditures	219,650	219,650	187,198	32,452
Excess of revenues over(under) expenditures	(28,463)	(28,463)	(973)	27,490
Net change in fund balances	(28,463)	(28,463)	(973)	27,490
Fund balances - beginning	107,111	107,111	107,111	-
Fund balances - ending	\$ 78,648	\$ 78,648	\$ 106,138	\$ 27,490

See independent accountants' review report.

STREET OR P.O. BOX: 6 E. Aspen Ave, Suite 200
CITY: FLAGSTAFF, AZ **ZIP CODE:** 86001
BUSINESS TELEPHONE: 928-275-2655
COMPLETED BY: HINTONBURDICK, PLLC
TITLE: CPA

[illegible]

Part B-Schedule of District Governing Board Regular Meetings

Part C—Legal Description of Boundary Changes Occurring During Fiscal Year 2021-22

Page 2 of 5

COCONINO COUNTY, ARIZONA
FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT & REVITALIZATION DISTRICT
ANNUAL REPORT
YEAR ENDED JUNE 30, 2022

Part D—Schedule of Revenues, Expenditures, and Changes in Fund Balances
(for governmental fund types)

Basis of Accounting: **Modified Accrual** ☒

Cash ☐

	GENERAL FUND	CAPITAL PROJECTS FUNDS	DEBT SERVICE FUNDS	FUNDS
<u>Revenues</u>				
Taxes				
Special assessments				
Licenses and permits				
Intergovernmental:				
Federal				
State				
County				
Charges for services				
Fines and forfeits				
Interest on investments	SEE	N/A	N/A	
Rents	ATTACHED			
Contributions	REVIEW			
Miscellaneous	REPORT			
Other revenues (itemize)				
Total Revenues				
<u>Expenditures</u>				
Salaries and wages				
Employee benefits				
Administration				
Professional services				
Utilities and communications				
Insurance				
Repairs and maintenance				
Interest				
Capital outlay:				
Land				
Buildings				
Improvements other than buildings				
Machinery and equipment				
Construction in progress				
Debt service:				
Principal retirement				
Interest and fiscal charges				
Miscellaneous				
Other expenditures (itemize)				
Total Expenditures				

COCONINO COUNTY, ARIZONA
FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT & REVITALIZATION DISTRICT
ANNUAL REPORT
YEAR ENDED JUNE 30, 2022

Part D—(Concl'd)

	GENERAL FUND	CAPITAL PROJECTS FUNDS	DEBT SERVICE FUNDS	FUNDS
<u>Excess of Revenues Over (Under) Expenditures</u>				
<u>Other Financing Sources (Uses)</u>				
Operating transfers-in	SEE	N/A	N/A	
Operating transfers-out	ATTACHED			
Proceeds from the sale of bonds	REVIEW			
Loan proceeds	REPORT			
Capital lease agreements				
Total other financing sources (uses)				
<u>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</u>				
<u>Beginning Fund Balance—July 1, 2021</u>				
<u>Ending Fund Balance—June 30, 2022</u>				

COCONINO COUNTY, ARIZONA
FLAGSTAFF DOWNTOWN BUSINESS IMPROVEMENT & REVITALIZATION DISTRICT
ANNUAL REPORT
YEAR ENDED JUNE 30, 2022

Part E—Schedule of Revenues, Expenses, and Changes in Retained Earnings/Fund Equity
(for proprietary and similar fund types)

Basis of Accounting: **Accrual** ☐

Cash ☐

	ENTERPRISE FUNDS	PENSION TRUST FUNDS	FUNDS
<u>Operating Revenues</u>			
Charges for services			
Employer contributions			
Employee contributions			
Investment income			
Miscellaneous			
Total Operating Revenues	N/A	N/A	
<u>Operating Expenses</u>			
Salaries and wages			
Employee benefits			
Administration			
Professional services			
Utilities and communications			
Insurance			
Repairs and maintenance			
Landfill closure and postclosure care costs			
Depreciation			
Benefits			
Refunds			
Miscellaneous			
Total Operating Expenses			
Operating income (loss)			
<u>Nonoperating Revenues (Expenses)</u>			
Intergovernmental			
Interest revenue			
Interest expense			
Gain (Loss) on disposal of fixed assets			
Total (Net) nonoperating revenues (expenses)			
Income (Loss) before operating transfers			
<u>Operating Transfers-In (Out)</u>			
Net income (loss)			
<u>Retained Earnings/Fund Equity—July 1, 2021</u>			
<u>Increase (Decrease) in Contributed Capital</u>			
<u>Retained Earnings/Fund Equity—June 30, 2022</u>			

Flagstaff Downtown Business Alliance

6 E. Aspen, Suite 200
Flagstaff, AZ 86001 US
terry@downtownflagstaff.org
www.downtownflagstaff.org

ITEM 6

INVOICE

BILL TO

FDBIRD Customer

INVOICE # 04-1426**DATE** 05/01/2023**DUE DATE** 05/31/2023**TERMS** Net 30

ACTIVITY	QTY	RATE	AMOUNT
Management Fee Semi-annual payment for services delivered as set forth in the Agreement for Management Services between the Flagstaff Downtown Business Improvement and Revitalization District and the Flagstaff Downtown Business Alliance signed 6/25/2019.	1	88,250.00	88,250.00

BALANCE DUE

\$88,250.00