



**NOTICE OF PUBLIC MEETING  
OF THE  
MUNICIPAL PROPERTY CORPORATION BOARD OF DIRECTORS  
OF THE CITY OF COTTONWOOD**

Pursuant to A.R.S. §38-431.02 notice is hereby given to the members of the Municipal Property Corporation Board of Directors of the City of Cottonwood and to the general public that the Municipal Property Corporation Board of Directors of the City of Cottonwood will hold its Annual Meeting, which is open to the public on:

Thursday, September 18, 2014  
9:00 a.m.

Administrative Services General Manager's Office  
Cottonwood Administrative Services Building  
816 North Main Street  
Cottonwood, Arizona

The agenda for the meeting is as follows:

- I. CALL TO ORDER
- II. ROLL CALL
- III. APPROVAL OF MINUTES – MEETING OF NOVEMBER 25, 2013
- IV. ANNUAL FINANCIAL REPORT
- V. ARIZONA CORPORATION COMMISSION ANNUAL REPORTING
- VI. ADJOURNMENT

A copy of the agenda for the meeting will be available at the Cottonwood City Hall, 827 North Main Street, Cottonwood, Arizona, at least twenty-four (24) hours in advance of the meeting.

Dated: September 15, 2014  
CITY OF COTTONWOOD

Jesus R. Rodriguez, CGFM  
Administrative Services General Manager

## A G E N D A

THE ANNUAL MEETING OF THE BOARD OF DIRECTORS OF THE MUNICIPAL PROPERTY CORPORATION OF THE CITY OF COTTONWOOD, ARIZONA, TO BE HELD THURSDAY, SEPTEMBER 18, 2014 AT 9:00 A.M. AT THE ADMINISTRATIVE SERVICES GENERAL MANAGER'S OFFICE, COTTONWOOD ADMINISTRATIVE SERVICES BUILDING, 816 NORTH MAIN STREET, COTTONWOOD, ARIZONA.

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- I. CALL TO ORDER
- II. ROLL CALL
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- IV. ANNUAL FINANCIAL REPORT
- V. ARIZONA CORPORATION COMMISSION ANNUAL REPORTING
- VI. ADJOURNMENT

MINUTES OF THE ANNUAL MEETING OF THE BOARD OF DIRECTORS OF THE MUNICIPAL PROPERTY CORPORATION OF THE CITY OF COTTONWOOD, ARIZONA, HELD NOVEMBER 25, 2013 AT 9:10 A.M. AT THE FINANCE DIRECTORS'S OFFICE, 816 NORTH MAIN STREET, COTTONWOOD, ARIZONA.

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**Call to Order**

President Frank Leupold called the meeting to order at 9:10 a.m. Roll call was taken as follows:

**Introductions and Roll Call**

Board members present:

Frank Leupold, President  
Mark Hobson, Vice President  
Jake Gonzales, Secretary/Treasurer

Board member absent:

City staff present:

Jesus R. Rodriguez, Administrative Services General Manager

Visitors: None

**Approval of the Minutes of the October 5, 2012 meeting**

Vice –President Mark Hobson motioned to approve the minutes of October 5, 2012 as presented. Secretary Jake Gonzales seconded the motion. Motion passed unanimously.

**Annual Financial Reports**

City Finance Director presented the annual un-audited MPC financial reports for the year ending June 30, 201. The reports reflect assets matching the liabilities to the total of \$32,725,000. The board was also made aware that the City was planning to pursue refinancing of these bonds in the future. As well as apprised of the many projects in the works that may involve the MPC Board.

Secretary Jake Gonzales motioned to approve the Annual Financial Reports as presented, and was seconded by President Frank Leupold. It was approved unanimously.

**ACC Reporting**

Jesus Rodriguez, ASGM reported that the ACC report was filed on November the 5<sup>th</sup>, however, the on-line reporting system noted October 2<sup>nd</sup> as the file date. President Frank Leupold motioned to ratify the submission of the ACC report; Vice-President Mark Hobson seconded the motion. It was approved unanimously.

**Adjournment**

There not being any further business, Secretary Jake Gonzales motioned to adjourn the meeting, Board Vice-President Hobson seconded, motion passed unanimously.

Attest:

\_\_\_\_\_  
President

\_\_\_\_\_  
Secretary

City of Cottonwood, Arizona  
MPC Agenda Communication



Meeting Date: September 18, 2014  
Subject: MPC - Annual Financial Report  
Department: Administrative Services  
From: Jesus R. Rodriguez, CGFM, Administrative Services General Manager

**REQUESTED ACTION**

We are requesting approval of the Annual Financial Statements for the Municipal Property Corporation.

**BACKGROUND**

Every year we are required to hold an annual meeting to discuss the MPC's financial status. This year the City of Cottonwood will file its annual report with the Arizona Corporation Commission (ACC) before October 1, 2014.

The balance on the MPC debt has been reduced by \$975,000 to \$31,750,000. You may recall that last year we ending the year with a balance of \$32,725,000. This debt service is paid solely by user fees with no outside assistance from the General Fund.

In October 1, 2013 the city increased its water user fees dramatically in order to comply with the 2004 & 2006 bond covenants. We are currently on target to meet our covenants with our bondholders. The City also instituted a differential rate between inside and outside the city's corporate city limits. Resident outside the city limits pay 30% more than those inside the city limits.

Currently, the City Council is proposing a 6% increase to water rates to ensure compliance with covenants as well as meeting all operation and capital improvements needs.

**JUSTIFICATION/BENEFIT/ISSUES**

There are no issues pending with this item

**RECOMMENDATION**

It is staff recommendation that the Board approve the financial statements as presented.

**ATTACHMENTS**

MPC Financials for the Year ended June 30, 2014

**CITY OF COTTONWOOD**  
Municipal Property Corporation  
Balance Sheet - Consolidated  
June 30, 2014

**ASSETS**

Current Assets:

Cash	\$0	
Trade Notes and accounts receivable (less allowance for bad debt)	0	
Inventories	0	
Other current assets	0	
Total Current Assets	0	
Land, buildings and other fixed assets (net of accumulated depreciation)		0
Other assets - Lease Agreement		31,750,000
<b>Total Assets</b>		<b>\$31,750,000</b>

**LIABILITIES**

Current Liabilities:

Accounts Payable	0	
Mortgages, notes, bonds (payable in less than one year)	0	
Other current liabilities	0	
Total Current Liabilities		
Mortgages, notes, bonds (payable in more than one year)		31,750,000
Fund Balances:		
Restricted	0	
Unrestricted	0	
Total Fund Balances	0	
<b>Total Liabilities and Fund Balances</b>		<b>\$31,750,000</b>

Prepared by: Jesus R. Rodriguez, CGFM

Date: September 12, 2014

**CITY OF COTTONWOOD**  
Senior Lien Water System Revenue Bonds, Series 2004  
Balance Sheet  
June 30, 2014

**ASSETS**

Current Assets:

Cash	\$0	
Trade Notes and accounts receivable (less allowance for bad debt)	0	
Inventories	0	
Other current assets	0	
Total Current Assets	0	
Land, buildings and other fixed assets (net of accumulated depreciation)	0	
Other assets - Lease Agreement	10,515,000	
<b>Total Assets</b>	<b>\$10,515,000</b>	

**LIABILITIES**

Current Liabilities:

Accounts Payable	0	
Mortgages, notes, bonds (payable in less than one year)	0	
Other current liabilities	0	
Total Current Liabilities	0	
Mortgages, notes, bonds (payable in more than one year)	10,515,000	
Fund Balances:		
Restricted	0	
Unrestricted	0	
Total Fund Balances	0	
<b>Total Liabilities and Fund Balances</b>	<b>\$10,515,000</b>	

Prepared by: Jesus R. Rodriguez, CGFM

Date: September 12, 2014

**CITY OF COTTONWOOD**  
Senior Lien Water System Revenue Bonds, Series 2006  
Balance Sheet  
June 30, 2014

**ASSETS**

Current Assets:

Cash	\$0	
Trade Notes and accounts receivable (less allowance for bad debt)	0	
Inventories	0	
Other current assets	0	
<b>Total Current Assets</b>	<u>0</u>	
Land, buildings and other fixed assets (net of accumulated depreciation)		0
Other assets - Lease Agreement		<u>21,235,000</u>
<b>Total Assets</b>		<u><u>\$21,235,000</u></u>

**LIABILITIES**

Current Liabilities:

Accounts Payable	0	
Mortgages, notes, bonds (payable in less than one year)	0	
Other current liabilities		<u>0</u>
<b>Total Current Liabilities</b>		
Mortgages, notes, bonds (payable in more than one year)		<u>21,235,000</u>
Fund Balances:		
Restricted	0	
Unrestricted	0	
<b>Total Fund Balances</b>		<u>0</u>
<b>Total Liabilities and Fund Balances</b>		<u><u>\$21,235,000</u></u>

Prepared by: Jesus R. Rodriguez, CGFM

Date: September 12, 2014

City of Cottonwood, Arizona  
MPC Agenda Communication

Meeting Date: September 18, 2014  
Subject: Arizona Corporation Commission (ACC) Annual Reporting  
Department: Administrative Services  
From: Jesus R. Rodriguez, CGFM, Administrative Services General Manager

**REQUESTED ACTION**

We are requesting approval of the FY 2014 Arizona Corporation Commission Report submission for the Municipal Property Corporation.

**BACKGROUND**

Every year we are required to submit an annual report to the Arizona Corporation Commission. This year the City of Cottonwood filed its annual report with the Arizona Corporation Commission (ACC) on September 15, 2014. The report, however, still needs to be ratified.

**JUSTIFICATION/BENEFIT/ISSUES**

There are no issues pending with this item and we are in good standing with the ACC.

**RECOMMENDATION**

It is staff recommendation that the Board ratify the submittal of the annual ACC report.

**ATTACHMENTS**

ACC report on file.

09/15/2014



Arizona Corporation Commission  
Electronic Filing  
Document Information



9:40 AM

**CONGRATULATIONS!**

- Please print a copy of this E-filed document and keep for your records until an approved annual report is posted to the official Commission database.
- Thank you for E-filing!

<b>Document Information</b>
<b>Your Order Number is: 1121933</b>
<b>Annual Report:</b> A14
<b>Due Date:</b> 10/02/2014
<b>Fee:</b> 10.00
<b>Penalty:</b> 0.00
<b>Reinstatement:</b> 0.00
<b>Expedite:</b>

<b>Corporate Information</b>			
<b>File Number:</b> -0246691-5			
<b>Corporation Name:</b> CITY OF COTTONWOOD MUNICIPAL PROPERTY CORPORATION			
<b>Corporation Address:</b> 827 N MAIN ST			
<b>Corporation Address:</b>			
<b>Corporation Address:</b>			
<b>City:</b> COTTONWOOD	<b>State:</b> ARIZONA	<b>Zip-Code:</b> 86326	<b>County:</b> YAVAPAI
<b>State of Domicile:</b> ARIZONA			
<b>Secondary address: Foreign Corporations <u>Must</u> Complete</b>			
<b>Address:</b>			
<b>Address:</b>			

<b>Address:</b>			
<b>City:</b>	<b>State:</b>	<b>Zip-Code:</b>	<b>County:</b>
<b>Business Phone:</b>	<b>Character of Business: OTHER</b>		

<b>Statutory Agent Information</b>		
<b>Statutory Agent: A DEAN PICKETT</b>		
<b>Agent Mailing Address: P.O. BOX 10</b>		
<b>Agent Mailing Address:</b>		
<b>Agent Mailing Address:</b>		
<b>City: FLAGSTAFF</b>	<b>State: ARIZONA</b>	<b>Zip-Code: 86002</b>
<b>Agent Physical Address, If Different from Mailing Address.</b>		
<b>Physical Address: 100 N ELDEN</b>		
<b>Physical Address:</b>		
<b>Physical Address:</b>		
<b>City: FLAGSTAFF</b>	<b>State: ARIZONA</b>	<b>Zip-Code: 86002</b>

<b>Corporate Officer Information</b>	
FRANK LEUPOLD PRESIDENT 2025 W RUNNING IRON LANE COTTONWOOD, AZ 86326 <b>Date of Taking Office: 03/22/2004</b>	JAKE GONZALES SECRETARY 2050 W. STATE RT 89A LOT 320 COTTONWOOD, AZ 86326 <b>Date of Taking Office: 01/04/2011</b>
MARK HOBSON VICE-PRESIDENT 1730 SAWMILL RD COTTONWOOD, AZ 86326 <b>Date of Taking Office: 03/22/2004</b>	

<b>Corporate Director Information</b>	
JAKE GONZALES 2050 W. STATE ROUTE 89A LOT 320 COTTONWOOD, AZ 86326 <b>Date of Taking Office: 01/04/2011</b>	MARK HOBSON 1730 SAWMILL RD COTTONWOOD, AZ 86326 <b>Date of Taking Office: 03/22/2004</b>
FRANK LEUPOLD	

2025 W RUNNING IRON LANE COTTONWOOD, AZ 86326 <b>Date of Taking Office:</b> 03/22/2004	
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<b>Members</b>
This Corporation <b><u>Does Not</u></b> Have Members.

<b>CERTIFICATE OF DISCLOSURE</b> <b>(A.R.S. §§ 10-202(D), 10-3202(D), 10-1622.A.8 &amp; 10-11622.A.7)</b>
<b>Has ANY person who is currently an officer, director, trustee, incorporator, or who, in a for For-Profit corporations controls or holds more than 10% of the issued and outstanding common shares or 10% of any other proprietary, beneficial or membership interest in the corporation been:</b>
1. Convicted of a felony involving a transaction in securities, consumer fraud or antitrust in any state or federal jurisdiction within the seven year period immediately preceding the execution of this certificate?
NO
2. Convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false pretenses or restraint of trade or monopoly in any state or federal jurisdiction within the seven year period immediately preceding execution of this certificate?
NO
3. Subject to an injunction, judgment, decree or permanent order of any state or federal court entered within the seven year period immediately preceding execution of this certificate where such injunction, judgment, decree or permanent order involved the violation of :
(a) fraud of registration provisions of the securities laws of that jurisdiction, or
(b) the consumer fraud laws of that jurisdiction, or
(c) the antitrust or restraint of trade laws of that jurisdiction?
NO

<b>STATEMENT OF BANKRUPTCY OR RECEIVERSHIP (A.R.S. §§ 10-1623 &amp; 10-11623)</b>
A) Has the corporation filed a petition for bankruptcy or appointed a receiver?
NO
B) Has any person who is currently an officer, director, trustee or incorporator, or who, in a For-Profit corporation, controls or holds over 20% of the issued and outstanding common shares, or 20% of any other proprietary, beneficial or membership interest in the corporation, served in any such capacity or held a 20% interest in any other corporation on the bankruptcy or receivership of that other corporation?
NO

<b>Online Signature: Signed/executed by</b>
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I certify that I am an officer, receiver, or trustee of the corporation who is duly authorized (and is listed in the report's officer section) to submit this report. I declare, under penalty of law, that all corporate income tax returns required by Title 43 of the Arizona Revised Statutes have been filed with the Arizona Department of Revenue. Further, by typing/entering my name I affix my electronic signature acknowledging that this electronic document is submitted in compliance with Arizona Revised Statutes and that this information is true, complete and accurate as of the date the electronic filing is submitted.

**Officer Name:** FRANK LEUPOLD

**Officer Title :** PRESIDENT

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