

TOWN OF COLORADO CITY, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT
JUNE 30, 2019
WITH REPORT OF
CERTIFIED PUBLIC ACCOUNTANTS

TOWN OF COLORADO CITY, ARIZONA
Annual Expenditure Limitation Report
June 30, 2019

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Independent Accountants' Report

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

We have examined the accompanying Annual Expenditure Limitation Report of the Town of Colorado City, Arizona for the year ended June 30, 2019. This report is the responsibility of the Town of Colorado City, Arizona's management. Our responsibility is to express an opinion on this report based on our examination.

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

In our opinion, the Annual Expenditure Limitation Report of the Town of Colorado City, Arizona, for the year ended June 30, 2019 is presented in accordance with the information prescribed by the uniform expenditure reporting system as described in Note 1, in all material respects.


HintonBurdick, PLLC

HintonBurdick, PLLC
St. George, Utah
March 2, 2020

TOWN OF COLORADO CITY, ARIZONA
Annual Expenditure Limitation Report – Part I
Year Ended June 30, 2019

1. Economic Estimates Commission expenditure limitation	\$8,368,666
2. Voter-approved alternative expenditure limitation	<u> -</u>
3. Enter applicable amount from line 1 or line 2	8,368,666
4. Amount subject to the expenditure limitation (total amount from Part II, Line C)	<u> 3,546,013</u>
5. Amount under (in excess of) the expenditure limitation (If excess expenditures are reported, provide an explanation)	<u> \$4,822,653</u>

I hereby certify, to the best of my knowledge and belief, that the information contained in this report is accurate and in accordance with the requirements of the uniform expenditure reporting system.

Signature of Chief Fiscal Officer: 

Name and Title: Vance Barlow, Town Manager/Town Clerk

Telephone Number: 928-875-2646 Date: March 2, 2020

See accompanying notes to report.

TOWN OF COLORADO CITY, ARIZONA
Annual Expenditure Limitation Report – Part II
Year Ended June 30, 2019

Description	Governmental Funds	Enterprise Funds	Internal Service Funds	Total
A. Amounts reported on the Reconciliation Line D	\$ 3,516,468	\$ 882,851	\$ 1,425,051	\$ 5,824,370
B. Less exclusions claimed:				
1. Bond proceeds	-	-	-	-
Debt service requirements on bonded indebtedness	-	-	-	-
Proceeds from other long-term obligations	-	-	-	-
Debt service requirements on other long-term obligations	199,433	25,412	-	224,845
2. Dividends, interest and gains on the sale or redemption of investment securities	26,832	19,651	-	46,483
3. Trustee or custodian	-	-	-	-
4. Grants and aid from the Federal government	145,779	-	-	145,779
5. Grants, aid, contributions, or gifts from a private agency, organization, or individual except amounts received in lieu of taxes	-	-	-	-
6. Amounts received from the State of Arizona	27,978	-	-	27,978
7. Quasi-external interfund transactions	-	-	966,586	966,586
8. Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements	-	-	-	-
9. Highway user revenues in excess of those received in fiscal year 1979-80	482,455	-	-	482,455
10. Contracts with other political subdivisions	384,231	-	-	384,231
11. Refunds, reimbursements, and other recoveries	-	-	-	-
12. Voter-approved exclusions not identified above (attach resolution)	-	-	-	-
13. Prior years carryforward	-	-	-	-
14. Total exclusions claimed	<u>1,266,708</u>	<u>45,063</u>	<u>966,586</u>	<u>2,278,357</u>
C. Amount subject to the expenditure limitation (If an individual fund type amount is negative, reduce exclusions claimed to net to zero.)	<u>\$ 2,249,760</u>	<u>\$ 837,788</u>	<u>\$ 458,465</u>	<u>\$ 3,546,013</u>
	<u>\$ 2,249,760</u>	<u>\$ 837,788</u>	<u>\$ 458,465</u>	<u>\$ 3,546,013</u>

See accompanying notes to report.

TOWN OF COLORADO CITY, ARIZONA
Annual Expenditure Limitation Report - Reconciliation
Year Ended June 30, 2019

Description	Governmental Funds	Enterprise Funds	Internal Service Funds	Total
A. Total expenditures (and expenses) and applicable other financing uses reported within the fund-based financial statements	\$ 3,745,458	\$ 979,177	\$ 1,425,051	\$ 6,149,686
B. Subtractions:				
1. Items not requiring use of working capital:				
Depreciation	-	138,398	-	138,398
Loss on disposal of capital assets	-	-	-	-
Bad debt expense	-	-	-	-
Other postemployment benefits	-	-	-	-
Pension expense	-	-	-	-
Claims incurred but not reported	-	-	-	-
Landfill closure and post closure care costs	-	-	-	-
2. Expenditures of separate legal entities established under Arizona Revised Statutes	-	-	-	-
3. Required fees paid to the Arizona Dept. of Revenue	-	-	-	-
4. Present value of net minimum capital lease and installment purchase contract payments recorded as expenditures at inception of the agreements	228,990	-	-	228,990
5. Involuntary court judgments	-	-	-	-
6. Total subtractions	228,990	138,398	-	367,388
C. Additions:				
1. Principal payments on long-term debt	-	21,050	-	21,050
2. Acquisition of capital assets	-	21,022	-	21,022
3. Amounts paid in the current year but reported as expenses in previous years:				
Other postemployment benefits	-	-	-	-
Pension contributions	-	-	-	-
Claims previously recognized as IBNR	-	-	-	-
Landfill closure and postclosure costs	-	-	-	-
4. Total additions	-	42,072	-	42,072
D. Amounts reported on Part II, Line A	\$ 3,516,468	\$ 882,851	\$ 1,425,051	\$ 5,824,370

See accompanying notes to report.

TOWN OF COLORADO CITY, ARIZONA
Notes to the Annual Expenditure Limitation Report
June 30, 2019

Note 1. Summary of Significant Accounting Policies

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

In accordance with the UERS requirements, a note to the AELR is presented below for any exclusion claimed in part II and each deduction or addition in the Reconciliation that cannot be traced directly to an amount reported in the annual fund-based 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 Net Position for the Proprietary Funds, Statement of Cash Flows for the Proprietary Funds, and the Statement of Fiduciary Net Position for the Fiduciary Funds.

Note 2. Enterprise Funds

The amounts included in the enterprise fund column are attributable to the Town's gas utility fund and water utility fund, which are shown in the basic financial statement Note 9. The following table summarizes the enterprise fund column of the Reconciliation for the AELR.

<u>Description</u>	<u>Gas Departments</u>	<u>Water Departments</u>	<u>Total</u>
Operating expenses	\$ 507,130	\$ 467,685	\$ 974,815
Interest expense	-	4,362	4,362
Total expenses	<u>\$ 507,130</u>	<u>\$ 472,047</u>	<u>\$ 979,177</u>
Depreciation	\$ 75,308	\$ 63,090	\$ 138,398
Principal payments on long-term debt	-	21,050	21,050
Acquisition of capital assets	18,747	2,275	21,022
Interest income	12,060	7,591	19,651

TOWN OF COLORADO CITY, ARIZONA
Notes to the Annual Expenditure Limitation Report
June 30, 2019

Note 3. Part II Exclusions – Items 1 and 2

The exclusions in Part II for debt service in the Governmental Funds consists of principal and interest on notes and leases payable as reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental Funds. The exclusions in Part II for debt service in the Enterprise Funds consists of principal and interest on notes and leases payable for the affiliate entities. See Note 2 above.

The exclusions claimed in Part II for dividends, interest, and gains on the sale or redemption on investment securities consists of interest earned on investments with the State Pool.

Note 4. Part II Exclusions – Items 4, 6 and 9

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. The amounts excluded do not exceed expenditures for such revenues.

Description	Governmental Funds
Grants and aid from the Federal government	\$ 145,779
Amounts received from the State	27,978
Highway user revenues in excess of those received in fiscal year 1979-80	482,455
County Flood Control	23,517
State Revenue Sharing	585,760
Amount carried forward	-
Total intergovernmental revenues as reported in the financial statements	\$ 1,265,489

Note 5. Part II Exclusions – Item 10

The exclusions in Part II for the Governmental Funds contracts with other political subdivisions of \$384,231 is for charges for services for the Hildale City police and dispatch contracts, the Hildale City and HC/CC Utilities Departments court ordered monitoring contract, the HC/CC Utilities Departments insurance contract and the Colorado City Unified School District maintenance contract.

TOWN OF COLORADO CITY, ARIZONA
Notes to the Annual Expenditure Limitation Report
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Note 6. Part II Exclusions – Item 7

The exclusions claimed in Part II for Internal Service Fund quasi-external interfund transactions of \$966,586 is for charges for fuel and oil to other departments of the Town and payroll and other charges to the HC/CC Utilities Departments (joint ventures) and other entities.