

TOWN OF COLORADO CITY, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT
JUNE 30, 2020
WITH REPORT OF
CERTIFIED PUBLIC ACCOUNTANTS

TOWN OF COLORADO CITY, ARIZONA
Annual Expenditure Limitation Report
June 30, 2020

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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 (report) of the Town of Colorado City, Arizona for the year ended June 30, 2020, and the related notes to the report. The Town'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 conducted our examination 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 presented in accordance with the Uniform Expenditure Reporting System in all material respects. An examination involves performing procedures to obtain evidence about the amounts and disclosures this 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.

In our opinion, the Annual Expenditure Limitation Report referred to above is presented in accordance with the Uniform Expenditure Reporting System as described in Note 1 in all material respects.

HintonBurdick, PLLC

HintonBurdick, PLLC
St. George, Utah
March 30, 2021

TOWN OF COLORADO CITY, ARIZONA
Annual Expenditure Limitation Report – Part I
Year Ended June 30, 2020

1. Economic Estimates Commission expenditure limitation	\$8,621,733
2. Voter-approved alternative expenditure limitation	<u>-</u>
3. Enter applicable amount from line 1 or line 2	\$8,621,733
4. Amount subject to the expenditure limitation (total amount from Part II, Line C)	<u>3,786,172</u>
5. Amount under (in excess of) the expenditure limitation (If excess expenditures are reported, provide an explanation)	<u><u>\$4,835,561</u></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

Telephone Number: 928-875-9160 Date: March 30, 2021

See accompanying notes to report.

TOWN OF COLORADO CITY, ARIZONA
Annual Expenditure Limitation Report – Part II
Year Ended June 30, 2020

Description	Governmental Funds	Enterprise Funds	Internal Service Funds	Total
A. Amounts reported on the Reconciliation Line D	\$ 4,462,118	\$ 1,050,567	\$ 1,789,294	\$ 7,301,979
B. Less exclusions claimed:				
1. Debt proceeds	-	-	-	-
2. Debt service requirements on other long-term obligations	180,485	25,413	-	205,898
3. Dividends, interest and gains on the sale or redemption of investment securities	19,466	16,938	-	36,404
4. Trustee or custodian	-	-	-	-
5. Grants and aid from the Federal government	767,302	-	-	767,302
6. Grants, aid, contributions, or gifts from a private agency, organization, or individual except amounts received in lieu of taxes	-	-	-	-
7. Amounts received from the State of Arizona	464,282	-	-	464,282
8. Quasi-external interfund transactions	-	-	1,059,815	1,059,815
9. Voter-approved amounts accumulated for the purchase of 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	671,104	-	-	671,104
11. Contracts with other political subdivisions	311,002	-	-	311,002
12. Refunds, reimbursements, and other recoveries	-	-	-	-
13. Voter-approved exclusions not identified above (attach resolution)	-	-	-	-
14. Prior years carryforward	-	-	-	-
15. Qualifying capital improvement expenditures repaid in accordance with A.R.S §41-1279.07	-	-	-	-
16. Total exclusions claimed	2,413,641	42,351	1,059,815	3,515,807
C. Amount subject to the expenditure limitation (If an individual fund type amount is negative, reduce exclusions claimed to net to zero.)	\$ 2,048,477	\$ 1,008,216	\$ 729,479	\$ 3,786,172
	\$ 2,048,477	\$ 1,008,216	\$ 729,479	\$ 3,786,172

See accompanying notes to report.

TOWN OF COLORADO CITY, ARIZONA
Annual Expenditure Limitation Report - Reconciliation
Year Ended June 30, 2020

Description	Governmental Funds	Enterprise Funds	Internal Service Funds	Total
A. Total expenditures/expenses/deductions and applicable other financing uses reported within the fund financial statements	\$ 4,462,118	\$ 986,372	\$ 1,789,294	\$ 7,237,784
B. Subtractions:				
1. Items not requiring use of current financial resources:				
Depreciation	-	132,792	-	132,792
Loss on disposal of capital assets	-	-	-	-
Bad debt expense	-	-	-	-
Pension and other postemployment benefits (OPEB) expense	-	-	-	-
Claims incurred but not reported (IBNR)	-	-	-	-
Landfill closure and post closure care costs and pollution remediation	-	-	-	-
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	-	-	-	-
5. Involuntary court judgments	-	-	-	-
6. Total subtractions	-	132,792	-	132,792
C. Additions:				
1. Principal payments on long-term debt	-	21,583	-	21,583
2. Capital asset acquisitions	-	175,404	-	175,404
3. Amounts paid in the current year but reported as expenses in previous years:				
Claims previously recognized as IBNR	-	-	-	-
Landfill closure and postclosure costs	-	-	-	-
4. Pension and OPEB contributions paid in the current year	-	-	-	-
5. Total additions	-	196,987	-	196,987
D. Amounts reported on Part II, Line A	\$ 4,462,118	\$ 1,050,567	\$ 1,789,294	\$ 7,301,979

See accompanying notes to report.

TOWN OF COLORADO CITY, ARIZONA
Notes to the Annual Expenditure Limitation Report
June 30, 2020

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	\$ 499,438	\$ 483,104	\$ 982,542
Interest expense	-	3,830	3,830
Total expenses	<u>\$ 499,438</u>	<u>\$ 486,934</u>	<u>\$ 986,372</u>
Depreciation	\$ 73,349	\$ 59,443	\$ 132,792
Principal payments on long-term debt	-	21,583	21,583
Acquisition of capital assets	16,013	159,391	175,404
Interest income	10,656	6,282	16,938

TOWN OF COLORADO CITY, ARIZONA
Notes to the Annual Expenditure Limitation Report
June 30, 2020

Note 3. Part II Exclusions – Items 2 and 3

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 5, 7 and 10

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	\$ 767,302
Amounts received from the State	464,282
Highway user revenues in excess of those received in fiscal year 1979-80	671,104
County Flood Control	22,599
State Revenue Sharing	628,080
Amount carried forward	-
Total intergovernmental revenues as reported in the financial statements	\$ 2,553,367

Note 5. Part II Exclusions – Item 11

The exclusions in Part II for the Governmental Funds contracts with other political subdivisions of \$311,002 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, and the HC/CC Utilities Departments insurance contract.

TOWN OF COLORADO CITY, ARIZONA
Notes to the Annual Expenditure Limitation Report
June 30, 2020

Note 6. Part II Exclusions – Item 8

The exclusions claimed in Part II for Internal Service Fund quasi-external interfund transactions of \$1,059,815 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.