

**TOWN OF COLORADO CITY, ARIZONA**  
**ANNUAL EXPENDITURE LIMITATION REPORT**  
**JUNE 30, 2022**  
**WITH REPORT OF**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**TOWN OF COLORADO CITY, ARIZONA**  
**Annual Expenditure Limitation Report**  
**June 30, 2022**

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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, 2022, 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.

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

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*

St. George, Utah  
October 3, 2023

**TOWN OF COLORADO CITY, ARIZONA**  
**Annual Expenditure Limitation Report – Part I**  
**Year Ended June 30, 2022**

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1. Economic Estimates Commission expenditure limitation	\$ 8,922,423
2. Voter-approved alternative expenditure limitation	<u>          -</u>
3. Enter applicable amount from line 1 or line 2	\$8,922,423
4. Amount subject to the expenditure limitation (total amount from Part II, Line C)	<u>          5,070,858</u>
5. Amount under (in excess of) the expenditure limitation (If excess expenditures are reported, provide an explanation)	<u>          \$3,851,565</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:           October 3, 2023          

See accompanying notes to report.

**TOWN OF COLORADO CITY, ARIZONA**  
**Annual Expenditure Limitation Report – Part II**  
**Year Ended June 30, 2022**

Description	Governmental Funds	Enterprise Funds	Internal Service Funds	Total
A. Amounts reported on the Reconciliation Line D	\$ 5,195,366	\$ 1,179,620	\$ 2,103,411	\$ 8,478,397
B. Less exclusions claimed:				
2. Debt service requirements on other long-term obligations	286,045	25,412	-	311,457
3. Dividends, interest and gains on the sale or redemption of investment securities	5,718	7,721	-	13,439
5. Grants and aid from the Federal government	318,608	-	-	318,608
7. Amounts received from the State of Arizona	651,546	-	-	651,546
8. Quasi-external interfund transactions	-	-	1,321,121	1,321,121
10. Highway user revenues in excess of those received in fiscal year 1979-80	513,476	-	-	513,476
11. Contracts with other political subdivisions	277,892	-	-	277,892
16. Total exclusions claimed	<u>2,053,285</u>	<u>33,133</u>	<u>1,321,121</u>	<u>3,407,539</u>
C. Amount subject to the expenditure limitation	<u>\$ 3,142,081</u>	<u>\$ 1,146,487</u>	<u>\$ 782,290</u>	<u>\$ 5,070,858</u>
(If an individual fund type amount is negative, reduce exclusions claimed to net to zero.)	<u>\$ 3,142,081</u>	<u>\$ 1,146,487</u>	<u>\$ 782,290</u>	<u>\$ 5,070,858</u>

See accompanying notes to report.

**TOWN OF COLORADO CITY, ARIZONA**  
**Annual Expenditure Limitation Report - Reconciliation**  
**Year Ended June 30, 2022**

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	\$ 5,195,366	\$ 1,222,289	\$ 2,103,411	\$ 8,521,066
B. Subtractions:				
1. Items not requiring use of current financial resources:				
Depreciation	-	143,697	-	143,697
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 lease, financed purchase and SBITA contract payments recorded as expenditures at the agreements' inception	-	-	-	-
5. Involuntary court judgments	-	-	-	-
6. Total subtractions	-	143,697	-	143,697
C. Additions:				
1. Principal payments on long-term debt	-	22,688	-	22,688
2. Capital asset acquisitions	-	78,340	-	78,340
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	-	101,028	-	101,028
D. Amounts reported on Part II, Line A	\$ 5,195,366	\$ 1,179,620	\$ 2,103,411	\$ 8,478,397

See accompanying notes to report.

**TOWN OF COLORADO CITY, ARIZONA**  
**Notes to the Annual Expenditure Limitation Report**  
**June 30, 2022**

**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, as applicable.

**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	\$ 693,181	\$ 526,384	\$ 1,219,565
Interest expense	-	2,724	2,724
Total expenses	<u>\$ 693,181</u>	<u>\$ 529,108</u>	<u>\$ 1,222,289</u>
Depreciation	\$ 81,010	\$ 62,687	\$ 143,697
Principal payments on long-term debt	-	22,688	22,688
Acquisition of capital assets	-	78,340	78,340
Interest income	5,008	2,713	7,721

**TOWN OF COLORADO CITY, ARIZONA**  
**Notes to the Annual Expenditure Limitation Report**  
**June 30, 2022**

**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	\$ 318,608
Amounts received from the State	651,546
Highway user revenues in excess of those received in fiscal year 1979-80	513,476
County Flood Control	21,544
State Revenue Sharing	377,503
Amount carried forward	-
Total intergovernmental revenues as reported in the financial statements	\$ 1,882,677

**Note 5. Part II Exclusions – Item 11**

The exclusions in Part II for the Governmental Funds contracts with other political subdivisions of \$277,892 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, 2022**

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**Note 6. Part II Exclusions – Item 8**

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The exclusions claimed in Part II for Internal Service Fund quasi-external interfund transactions of \$1,321,121 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.