

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

**TOWN OF HUACHUCA CITY, ARIZONA**  
**ANNUAL EXPENDITURE LIMITATION REPORT**

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## Independent Accountants' Report on AELR

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

We have examined the accompanying Annual Expenditure Limitation Report of the Town of Huachuca City, Arizona, for the year ended June 30, 2019. This report is the responsibility of the Town of Huachuca 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 and, accordingly, included examining, on a test basis, evidence supporting the amounts and disclosures in the report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the Annual Expenditure Limitation Report of the Town of Huachuca City, Arizona, referred to above presents, in all material respects, the information prescribed by the uniform expenditure reporting system as described in Note 1.

HintonBurdick, PLLC  
Gilbert, Arizona  
October 25, 2019

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

1. Economic Estimates Commission expenditure limitation	N/A	
2. Voter-approved alternative expenditure limitation (Approved June 17, 2016)	<u>6,606,456</u>	
3. Enter applicable amount from line 1 or line 2		\$ 6,606,456
4. Amount subject to the expenditure limitation (total amount from Part II, Line C)		<u>5,601,547</u>
5. Amount under (in excess of) the expenditure limitation (If excess expenditures are reported, provide an explanation)		<u>\$ 1,004,909</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: Ha Vu  
Name and Title: Ha Vu, Finance Director  
Telephone Number: (520) 456-1354      Date: 4-15-2020

See accompanying notes to report.

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

Description	Governmental Funds	Enterprise Funds	Total
A. Amounts reported on the Reconciliation Line D	<u>\$ 2,256,829</u>	<u>\$ 3,344,718</u>	<u>\$ 5,601,547</u>
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	-	-	-
2. Dividends, interest and gains on the sale or redemption of investment securities	-	-	-
3. Trustee or custodian	-	-	-
4. Grants and aid from the Federal government	-	-	-
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	-	-	-
7. Quasi-external interfund transactions	-	-	-
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	-	-	-
10. Contracts with other political subdivisions	-	-	-
11. Refunds, reimbursements, and other recoveries	-	-	-
12. Voter-approved exclusions not identified above (attach resolution)	-	-	-
13. Prior years carryforward	<u>-</u>	<u>-</u>	<u>-</u>
14. Total exclusions claimed	<u>-</u>	<u>-</u>	<u>-</u>
C. Amount subject to the expenditure limitation (If an individual fund type amount is negative, reduce ) exclusions claimed to net to zero.)	<u>\$ 2,256,829</u>	<u>\$ 3,344,718</u>	<u>\$ 5,601,547</u>
	<u>\$ 2,256,829</u>	<u>\$ 3,344,718</u>	<u>\$ 5,601,547</u>

See accompanying notes to report.

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Annual Expenditure Limitation Report – Reconciliation**  
**Year Ended June 30, 2019**

Description	Governmental Funds	Enterprise Funds	Fiduciary Funds	Total
A. Total expenditures (and expenses) and applicable other financing uses reported within the financial statements	\$ 2,256,829	\$ 2,366,047	\$ -	\$ 4,622,876
B. Subtractions:				
1. Items not requiring use of working capital:				
Depreciation	-	274,863	-	274,863
Loss on disposal of fixed assets	-	-	-	-
Bad debt expense	-	-	-	-
Other postemployment benefits expense	-	-	-	-
Pension expense	-	-	-	-
Claims incurred but not reported	-	-	-	-
Landfill closure and postclosure care costs	-	81,707	-	81,707
2. Expenditures of separate legal entities established under Arizona Revised Statutes	-	-	-	-
3. Present value of net minimum capital lease and installment purchase contract payments recorded as expenditures at inception of the agreements	-	-	-	-
4. Involuntary court judgments	-	-	-	-
5. Total subtractions	-	356,570	-	356,570
C. Additions:				
1. Principal payments on long-term debt	-	306,657	-	306,657
2. Acquisition of capital assets	-	1,028,584	-	1,028,584
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 care costs	-	-	-	-
4. Total additions	-	1,335,241	-	1,335,241
D. Amounts reported on Part II, Line A	2,256,829	3,344,718	-	5,601,547

See accompanying notes to report.

**TOWN OF HUACHUCA CITY, ARIZONA**  
**Notes to Annual Expenditure Limitation Report**  
**Year Ended June 30, 2019**

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**Note 1. Summary of Significant Accounting Policies**

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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, and in accordance with the voter-approved alternative expenditure limitation plan extended September 24, 2014 as authorized by the Arizona Constitution, Article IX, §20 (9).

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 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 Changes in Fiduciary Net Position.

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**Note 2. Reconciliation**

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The addition of \$306,657 for principal payments on long-term debt in the Enterprise Funds consists of principal payments on capital leases as listed in the long-term debt footnote. The addition of \$1,028,584 for acquisition of capital assets consists mainly of equipment in the landfill fund.

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**Note 3. Exclusions**

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Exclusions from local revenues, including those enumerated in the Constitution, may be taken against alternative expenditure limitations only if such exclusions are specifically identified in the resolution and the publicity pamphlet. The City's most current resolution does not specify any exclusions and therefore, no exclusions are reported within this document.