



City of Tombstone, Arizona
Annual Expenditure Limitation Report
Year Ended June 30, 2020

**CITY OF TOMBSTONE, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2020**

<u>CONTENTS</u>	<u>PAGE</u>
Independent Accountant's Report	1
Annual Expenditure Limitation Report - Part I	2
Annual Expenditure Limitation Report - Part II	3
Annual Expenditure Limitation Report - Reconciliation	4
Notes to Annual Expenditure Limitation Report	5

INDEPENDENT ACCOUNTANT'S REPORT

The Auditor General of the State of Arizona

The Honorable Mayor and City Council
of the City of Tombstone, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of the City of Tombstone, Arizona for the year ended June 30, 2020, and the related notes to the report. The City'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.

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 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 in the 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 all material respects, in accordance with the uniform expenditure reporting system as described in Note 1.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Tucson, Arizona
April 28, 2021

**CITY OF TOMBSTONE, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT – PART I
YEAR ENDED JUNE 30, 2020**

1. Economic Estimates Commission expenditure limitation	<u>\$ 1,302,549</u>
2. Voter-approved alternative expenditure limitation (approved November 8, 2016)	<u>6,338,812</u>
3. Enter applicable amount from line 1 or line 2	<u>6,338,812</u>
4. Amount subject to the expenditure limitation (total amount from Part II, Line C)	<u>3,957,466</u>
5. Amount under the expenditure limitation	<u>\$ 2,381,346</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 Brenda A. Ikiert

Name and Title: Brenda Ikiert, Interim City Clerk

Telephone Number: (520) 457-2202 Date: April 28, 2021

See accompanying notes to report.

**CITY OF TOMBSTONE, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - PART II
YEAR ENDED JUNE 30, 2020**

<u>Description</u>	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
A. Amounts reported on the Reconciliation, Line D	\$ 2,681,007	\$ 1,269,199	\$ 7,260	\$ 3,957,466
B. Less exclusions claimed:	<hr/>	<hr/>	<hr/>	<hr/>
C. Amount subject to the expenditure limitation	<u>\$ 2,681,007</u>	<u>\$ 1,269,199</u>	<u>\$ 7,260</u>	<u>\$ 3,957,466</u>

See accompanying notes to report.

CITY OF TOMBSTONE, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - RECONCILIATION
YEAR ENDED JUNE 30, 2020

<u>Description</u>	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
A. Total expenditures/expenses/deductions and applicable other financing uses, special items and extraordinary items reported within the fund financial statements	\$ 2,681,007	\$ 963,760	\$ 7,260	\$ 3,652,027
B. Subtractions:				
1. Items not requiring the use of current financial resources:				
Depreciation		78,376		78,376
Pension expense		22,134		22,134
2. Total subtractions		<u>100,510</u>		<u>100,510</u>
C. Additions:				
1. Principal payments on long-term debt		45,668		45,668
2. Acquisition of capital assets		335,856		335,856
3. Pension contributions paid in current year		24,425		24,425
4. Total additions		<u>405,949</u>		<u>405,949</u>
D. Amounts reported on Part II, Line A	<u>\$ 2,681,007</u>	<u>\$ 1,269,199</u>	<u>\$ 7,260</u>	<u>\$ 3,957,466</u>

CITY OF TOMBSTONE, ARIZONA
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Annual Expenditure Limitation Report (AELR) is presented as 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 adopted November 8, 2016, as authorized by the Arizona Constitution, Article IX, §20(9).

In accordance with the UERS, a note to the AELR is presented below for any exclusion claimed on Part II and each subtraction or addition in the Reconciliation that cannot be traced directly to an amount reported in the fund 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 Fund Net Position for the Proprietary Funds; the Statement of Cash Flows for the Proprietary Funds; and the Statement of Changes in Fiduciary Net Position for the Fiduciary Funds.

NOTE 2 – TOTAL EXPENDITURES/EXPENSES/DEDUCTIONS

Enterprise Funds:	
Operating expenses	\$ 952,312
Nonoperating expenses	11,448
Total	<u>\$ 963,760</u>

NOTE 3 – PENSION PLAN

The subtraction of \$22,134 for pension expense consists of the changes in the net pension liabilities, changes in deferred outflows related to pensions, and changes in deferred inflows related to pensions, recognized in the current year in the Enterprise Funds.

The addition of \$24,425 for pension contributions paid in the current year consists of the required pension contributions made to the Arizona State Retirement System from the Enterprise Funds.