TOWN OF DUNCAN, ARIZONA

Annual Expenditure Limitation Report
and Independent Accountants' 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
of the Town of Duncan, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of the Town of Duncan, Arizona for the year ended June 30, 2019, 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 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 accordance with the uniform expenditure reporting system as described in Note 1 in all material respects.

Colby & Powell, PLC

February 4, 2020

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

1. Voter-approved alternative expenditure limitation (Approved September 8, 2016)	$ 4,487,121
2. Amount subject to the expenditure limitation (total amount from Part II, Line C)	1,149,358
3. Amount under the expenditure limitation	$ 3,337,763

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: Anne Thurman, Mayor

Telephone Number: (928) 359-2791 Date: February 4, 2020

See accompanying notes to report.

TOWN OF DUNCAN, 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	$ 772,851	$ 376,507	$ 1,149,358
B. Less exclusions claimed:	-	-	-
Total exclusions claimed	-	-	-
C. Amounts subject to the expenditure limitation	$ 772,851	$ 376,507	$ 1,149,358

See accompanying notes to report.

TOWN OF DUNCAN, ARIZONA
Annual Expenditure Limitation Report – Reconciliation
Year Ended June 30, 2019

Description	Governmental funds	Enterprise funds	Total
A. Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements	$ 840,746	$ 371,650	$ 1,212,396
B. Subtractions:			
1. Items not requiring use of current financial resources:			
a. Depreciation	-	136,958	136,958
b. Pension and other postemployment benefits (OPEB) expense	-	13,311	13,311
2. Present value of net minimum capital lease and installment purchase contract payments recorded as expenditures at the agreements' inception	67,895	-	67,895
Total subtractions	67,895	150,269	218,164
C. Additions:			
1. Principal payments on long-term debt	-	18,059	18,059
2. Capital asset acquisitions	-	126,080	126,080
3. Pension and OPEB contributions paid in the current year	-	10,987	10,987
Total additions	-	155,126	155,126
D. Amounts reported on part II, line A	$ 772,851	$ 376,507	$ 1,149,358

See accompanying notes to report.

TOWN OF DUNCAN, ARIZONA
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2019

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 September 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; and statement of cash flows for the proprietary funds.

NOTE 2 – PENSION AND OTHER POST-EMPLOYMENT BENEFITS EXPENSE AND CONTRIBUTIONS

The $13,311 subtraction for pension and other post-employment benefit (OPEB) expense consists of changes in the net pension and OPEB liabilities, changes in deferred outflows related to pensions and OPEB, and changes in deferred inflows related to pensions and OPEB, recognized in the current year in the enterprise funds.

The $10,987 addition for pension and OPEB contributions paid in the current year consists of the required pension and OPEB contributions made to the Arizona State Retirement System from the enterprise funds.

NOTE 3 – PRINCIPAL PAYMENTS ON LONG-TERM DEBT

The addition of $18,059 for principal payments on long-term debt in the enterprise funds consists of principal paid on revenue bonds during the year.