

TOWN OF SUPERIOR, ARIZONA

Annual Expenditure Limitation Report
and Independent Accountants' Report
June 30, 2017

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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 Superior, Arizona

We have examined management of the Town of Superior Arizona's assertion that the accompanying Annual Expenditure Limitation Report for the year ended June 30, 2017, presents, in all material respects the information prescribed by the uniform expenditure reporting system as required by Arizona Statute 41-1279.07, and in accordance with the voter-approved alternative expenditure limitation, as authorized by Arizona Constitution, Article IX, Section 20(9). This report and assertion are the responsibility of the Town of Superior, Arizona's management. Our responsibility is to express an opinion on management's assertion 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 management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, 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, management's assertion that the Annual Expenditure Limitation Report of the Town of Superior, Arizona, referred to above presents, in all material respects, the information prescribed by the uniform expenditure reporting system as described in Note 1.

HintonBurdick Arizona, PLLC
Flagstaff, Arizona
January 8, 2018

TOWN OF SUPERIOR, ARIZONA
Annual Expenditure Limitation Report – Part I
Year Ended June 30, 2017

1. Voter-approved alternative expenditure limitation	\$ 6,954,317
2. Amount subject to the expenditure limitation (total amount from Part II, Line C)	<u>3,940,573</u>
3. Amount under the expenditure limitation	<u><u>\$ 3,013,744</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: _____

Telephone Number: _____ Date: _____

See accompanying notes to report.

TOWN OF SUPERIOR, ARIZONA
Annual Expenditure Limitation Report – Part II
Year Ended June 30, 2017

Description	Governmental Funds	Enterprise Funds	Fiduciary Funds	Total
A. Amounts reported on the Reconciliation, Line D	\$ 2,916,273	\$ 1,023,179	\$ 1,121	\$ 3,940,573
B. Less exclusions claimed: (Note 1)	-	-	-	-
C. Amounts subject to the expenditure limitation	<u>\$ 2,916,273</u>	<u>\$ 1,023,179</u>	<u>\$ 1,121</u>	<u>\$ 3,940,573</u>

See accompanying notes to report.

TOWN OF SUPERIOR, ARIZONA
Annual Expenditure Limitation Report – Reconciliation
Year Ended June 30, 2017

Description	Governmental Funds	Enterprise Funds	Fiduciary Funds	Total
A. Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements	\$ 2,916,273	\$ 711,242	\$ 1,121	\$ 3,628,636
B. Subtractions				
Items not requiring use of working capital:				
Depreciation	-	34,892	-	34,892
Pension expense	-	25,181	-	25,181
Total subtractions	-	25,181	-	25,181
C. Additions				
Acquisition of capital assets	-	307,327	-	307,327
Pension contributions paid in the current year	-	29,791	-	29,791
Total additions	-	337,118	-	337,118
D. Amounts reported on Part II, Line A	\$ 2,916,273	\$ 1,023,179	\$ 1,121	\$ 3,940,573

See accompanying notes to report.

TOWN OF SUPERIOR, ARIZONA
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2017

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 Section 41-1279.07. The AELR excludes expenditures, expenses, or deductions of certain revenues specified in the Arizona Constitution, Article IX §20, from the total expenditures, expenses, or deductions reported in the fund financial statements.

In accordance with the UERS, a note to the AELR is presented 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; Statement of Cash Flows for the Proprietary Funds; and the Statement of Changes in Fiduciary Net Position for the Fiduciary Funds.

NOTE 2 – PENSION EXPENSE AND CONTRIBUTIONS

The subtraction of \$25,181 for pension expense consists of the change in the net pension liability recognized in the current year in the Enterprise Funds. The addition of \$29,791 for pension contributions paid in the current year consists of the required pension contributions made to the Arizona State Retirement System and Public Safety Personnel Retirement System from the Enterprise Funds.