

TOWN OF SPRINGERVILLE, ARIZONA

Annual Expenditure Limitation Report
and Independent Accountants' Report
June 30, 2020

TABLE OF CONTENTS

INDEPENDENT ACCOUNTANTS' 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



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INDEPENDENT ACCOUNTANTS' REPORT

The Auditor General of the State of Arizona

The Honorable Mayor and Town Council
of the Town of Springerville, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of the Town of Springerville, Arizona, for the year ended June 30, 2020 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 the assessment of the risk 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

December 8, 2020

TOWN OF SPRINGVILLE, ARIZONA
Annual Expenditure Limitation Report – Part I
Year Ended June 30, 2020

1. Economic Estimates Commission expenditure limitation	\$ 13,459,667
2. Amount subject to the expenditure limitation (total amount from part II, line C)	<u>3,515,807</u>
3. Amount under (in excess of) the expenditure limitation (if excess expenditures are reported, provide an explanation)	<u>\$ 9,943,860</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: Heidi Wink

Name and Title: Heidi Wink Finance Director

Telephone Number: 928-333-2656 ext 223 Date: December 8, 2020

See accompanying notes to report.

TOWN OF SPRINGERVILLE, ARIZONA
Annual Expenditure Limitation Report – Part II
Year Ended June 30, 2020

Description	Governmental Funds	Enterprise Funds	Fiduciary Funds	Total
A. Amounts reported on the reconciliation, line D	\$ 3,413,224	\$ 955,233	\$ 10,266	\$ 4,378,723
B. Less exclusions claimed				
Debt service requirements on other long-term obligations	54,635	88,503	-	143,138
Dividends, interest and gains on the sale or redemption of investment securities	48,208	-	-	48,208
Grants and aid from the federal government	98,134	-	-	98,134
Grants, aid, contributions or gifts from a private agency, organization, or individual except amounts received in lieu of taxes	317,521	-	-	317,521
Amounts received from the State of Arizona	358	-	-	358
Highway user revenue in excess of those received in fiscal year 1979-1980	255,557	-	-	255,557
Total exclusions claimed	<u>774,413</u>	<u>88,503</u>	<u>-</u>	<u>862,916</u>
C. Amounts subject to the expenditure limitation	<u>\$ 2,638,811</u>	<u>\$ 866,730</u>	<u>\$ 10,266</u>	<u>\$ 3,515,807</u>

See accompanying notes to report.

TOWN OF SPRINGERVILLE, ARIZONA
Annual Expenditure Limitation Report – Reconciliation
Year Ended June 30, 2020

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	\$ 3,418,407	\$ 924,847	\$ 10,266	\$ 4,353,520
B. Subtractions				
Items not requiring use of current financial resources:				
Depreciation	-	273,883	-	273,883
Pension and other postemployment benefits (OPEB) expense	-	23,916	-	23,916
Required fees paid to the Arizona Department of Revenue	5,183	-	-	5,183
Total subtractions	<u>5,183</u>	<u>297,799</u>	<u>-</u>	<u>302,982</u>
C. Additions				
Principal payments on long-term debt	-	62,539	-	62,539
Capital asset acquisitions	-	239,601	-	239,601
Pension and OPEB contributions paid in the current year	-	26,045	-	26,045
Total additions	<u>-</u>	<u>328,185</u>	<u>-</u>	<u>328,185</u>
D. Amounts reported on part II, line A	<u>\$ 3,413,224</u>	<u>\$ 955,233</u>	<u>\$ 10,266</u>	<u>\$ 4,378,723</u>

See accompanying notes to report.

TOWN OF SPRINGERVILLE, 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. 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 requirements, 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; Statement of Cash flows for the Proprietary Funds, and the Statement of Fiduciary Net Position for the Fiduciary Funds.

NOTE 2 – DEBT SERVICE REQUIREMENTS ON OTHER LONG-TERM OBLIGATIONS

The exclusion claimed for debt service requirements on other long-term obligations in the governmental funds consists of:

	Governmental Funds	Enterprise Funds
Capital leases payable:		
Principal payments	\$ 13,458	\$ 5,139
Interest payments	1,769	90
Notes payable from direct borrowings and direct placements:		
Principal payments	18,607	57,400
Interest payments	20,801	25,874
Total debt service on other long-term obligations	\$ 54,635	\$ 88,503

TOWN OF SPRINGERVILLE, ARIZONA
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2020

NOTE 3 – HIGHWAY USER REVENUE EXCLUSION AND CARRYFORWARD

Highway user revenues received in the current fiscal year.	\$ 647,935
Highway user revenues received in the current fiscal year equal to fiscal year 1979-80 revenues received.	<u>93,411</u>
Revenues available for exclusion in the current fiscal year.	<u>\$ 554,524</u>
Actual expenditures of highway user revenues in the current fiscal year.	\$ 348,968
Amount equal to 1979-80 revenues expended in the current fiscal year.	<u>93,411</u>
Excludable revenues expended in the current fiscal year.	<u>\$ 255,557</u>
Revenues available for exclusion in the current fiscal year.	<u>\$ 255,557</u>
Unspent excludable revenue available as carryforward in future years.	<u>\$ 1,132,813</u>

NOTE 4 – EXPENDITURES OF INTERGOVERNMENTAL REVENUES

The following schedule presents revenues from which exclusions have been claimed for federal grants and aid, contracts with other political subdivisions, and highway user revenues in the Governmental Funds:

Grants and aid from the federal government	\$ 98,134
Amounts received from the State of Arizona	358
Highway user revenues in excess of those received in fiscal year 1979-80	255,557
Other grants, aid, and contributions	317,521
Other revenues (non-excludable)	<u>967,022</u>
Total intergovernmental revenues as reported in the in the fund financial statements	<u>\$ 1,638,592</u>

TOWN OF SPRINGERVILLE, ARIZONA
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2020

NOTE 5 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The subtraction of \$23,916 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 fund. The addition of \$26,045 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 fund.

NOTE 6 – REQUIRED FEES PAID TO THE ARIZONA DEPARTMENT OF REVENUE

The subtraction of \$5,183 are fees paid to the Arizona Department of Revenue pursuant to ARS §42-5041 to recover a portion of administrative, program, and other operating costs the Department incurred in providing administrative and collection services to the Town of Springerville.