

**TOWN OF SUPERIOR, ARIZONA**

Annual Expenditure Limitation Report  
and Independent Accountants' Report  
June 30, 2016

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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 the accompanying Annual Expenditure Limitation Report of the Town of Superior, Arizona, for the year ended June 30, 2016. This report is the responsibility of the Town of Superior, 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 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, PLLC*

HintonBurdick, PLLC  
March 28, 2017

**TOWN OF SUPERIOR, ARIZONA**  
**Annual Expenditure Limitation Report – Part I**  
**Year Ended June 30, 2016**

|   |                            |
|---|----------------------------|
| 1. Voter-approved alternative expenditure limitation                                | \$ 6,763,131               |
| 2. Amount subject to the expenditure limitation (total amount from Part II, Line C) | <u>3,013,049</u>           |
| 3. Amount under the expenditure limitation  | <u><u>\$ 3,750,082</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, 2016**

| Description  | Governmental<br>Funds | Enterprise<br>Funds | Fiduciary<br>Funds | Total               |
|--|-----------------------|---------------------|--------------------|---------------------|
| A. Amounts reported on<br>the Reconciliation, Line D | \$ 2,323,512          | \$ 680,948          | \$ 8,589           | \$ 3,013,049        |
| B. Less exclusions<br>claimed: (Note 1)              | -                     | -                   | -                  | -                   |
| C. Amounts subject to the<br>expenditure limitation  | <u>\$ 2,323,512</u>   | <u>\$ 680,948</u>   | <u>\$ 8,589</u>    | <u>\$ 3,013,049</u> |

*See accompanying notes to report.*

**TOWN OF SUPERIOR, ARIZONA**  
**Annual Expenditure Limitation Report – Reconciliation**  
**Year Ended June 30, 2016**

| Description   | Governmental<br>Funds | Enterprise<br>Funds | Fiduciary<br>Funds | Total        |
|---|-----------------------|---------------------|--------------------|--------------|
| A. Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements | \$ 2,323,512          | \$ 633,492          | \$ 8,589           | \$ 2,965,593 |
| B. Subtractions   |                       |                     |                    |              |
| Items not requiring use of working capital:   |                       |                     |                    |              |
| Depreciation  | -                     | 36,326              | -                  | 36,326       |
| Pension expense   | -                     | 18,430              | -                  | 18,430       |
| Total subtractions  | -                     | 18,430              | -                  | 18,430       |
| C. Additions  |                       |                     |                    |              |
| Acquisition of capital assets   | -                     | 47,881              | -                  | 47,881       |
| Pension contributions paid in the current year  | -                     | 18,005              | -                  | 18,005       |
| Total additions   | -                     | 65,886              | -                  | 65,886       |
| D. Amounts reported on Part II, Line A  | \$ 2,323,512          | \$ 680,948          | \$ 8,589           | \$ 3,013,049 |

*See accompanying notes to report.*

**TOWN OF SUPERIOR, ARIZONA**  
**Notes to Annual Expenditure Limitation Report**  
**Year Ended June 30, 2016**

***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 \$18,430 for pension expense consists of the change in the net pension liability recognized in the current year in the Enterprise Funds. The addition of \$18,005 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.