

**TOWN OF SPRINGERVILLE, ARIZONA**

Annual Expenditure Limitation Report  
and Independent Accountants' Report  
June 30, 2023

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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, 2023 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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.

A handwritten signature in cursive script that reads 'Colby Powell'.

December 8, 2023

**TOWN OF SPRINGVILLE, ARIZONA**  
**Annual Expenditure Limitation Report – Part I**  
**Year Ended June 30, 2023**

1. Economic Estimates Commission expenditure limitation	\$ 12,404,845
2. Amount subject to the expenditure limitation (total amount from part II, line C)	<u>3,785,764</u>
3. Amount under (in excess of) the expenditure limitation (if excess expenditures are reported, provide an explanation)	<u>\$ 8,619,081</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 Date: December 8, 2023

*See accompanying notes to report.*

**TOWN OF SPRINGERVILLE, ARIZONA**  
**Annual Expenditure Limitation Report – Part II**  
**Year Ended June 30, 2023**

Description	Governmental Funds	Enterprise Funds	Fiduciary Funds	Total
A. Amounts reported on the reconciliation, line D	\$ 4,158,349	\$ 1,459,571	\$ 1,327	\$ 5,619,247
B. Less exclusions claimed:				
Debt proceeds	53,470	-	-	53,470
Debt service requirements	393,235	120,095	-	513,330
Dividends, interest and gains on the sale or redemption of investment securities	165,837	-	-	165,837
Grants and aid from the federal government	649,202	-	-	649,202
Grants, aid, contributions or gifts from a private agency, organization, or individual except amounts received in lieu of taxes	74,717	-	-	74,717
Amounts received from the State of Arizona Highway user revenue in excess of those received in fiscal year 1979-1980	16,231	-	-	16,231
Total exclusions claimed	<u>360,696</u>	<u>-</u>	<u>-</u>	<u>360,696</u>
	<u>1,713,388</u>	<u>120,095</u>	<u>-</u>	<u>1,833,483</u>
C. Amounts subject to the expenditure limitation	<u>\$ 2,444,961</u>	<u>\$ 1,339,476</u>	<u>\$ 1,327</u>	<u>\$ 3,785,764</u>

*See accompanying notes to report.*

**TOWN OF SPRINGERVILLE, ARIZONA**  
**Annual Expenditure Limitation Report – Reconciliation**  
**Year Ended June 30, 2023**

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	\$ 4,158,349	\$ 1,227,078	\$ 1,327	\$ 5,386,754
B. Subtractions				
Items not requiring use of current financial resources:				
Depreciation	-	282,931	-	282,931
Pension and other postemployment benefits (OPEB) expense	-	29,180	-	29,180
Total subtractions	<u>-</u>	<u>312,111</u>	<u>-</u>	<u>312,111</u>
C. Additions				
Principal payments on long-term debt	-	98,489	-	98,489
Capital asset acquisitions	-	413,995	-	413,995
Pension and OPEB contributions paid in the current year	-	32,120	-	32,120
Total additions	<u>-</u>	<u>544,604</u>	<u>-</u>	<u>544,604</u>
D. Amounts reported on part II, line A	<u>\$ 4,158,349</u>	<u>\$ 1,459,571</u>	<u>\$ 1,327</u>	<u>\$ 5,619,247</u>

*See accompanying notes to report.*

**TOWN OF SPRINGERVILLE, ARIZONA**  
**Notes to Annual Expenditure Limitation Report**  
**Year Ended June 30, 2023**

***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
Financed purchases:		
Principal payments	\$ 23,477	\$ 5,039
Interest payments	2,115	-
Notes payable from direct borrowings and direct placements:		
Principal payments	350,212	93,450
Interest payments	17,431	21,606
Total debt service on other long-term obligations	\$ 393,235	\$ 120,095

**TOWN OF SPRINGERVILLE, ARIZONA**  
**Notes to Annual Expenditure Limitation Report**  
**Year Ended June 30, 2023**

***NOTE 3 – HIGHWAY USER REVENUE EXCLUSION AND CARRYFORWARD***

Highway user revenues received in the current fiscal year.	\$ 454,107
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>\$ 360,696</u>
Actual expenditures of highway user revenues in the current fiscal year.	\$ 454,107
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>\$ 360,696</u>
Revenues available for exclusion in the current fiscal year.	<u>\$ 360,696</u>
Unspent excludable revenue available as carryforward in future years.	<u>\$ 1,173,220</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	\$ 665,433
Amounts received from the State of Arizona	16,231
Highway user revenues in excess of those received in fiscal year 1979-80	360,696
Other grants, aid, and contributions	74,717
Other revenues (non-excludable)	<u>841,520</u>
Total intergovernmental revenues as reported in the in the fund financial statements	<u>\$ 1,958,597</u>



**TOWN OF SPRINGERVILLE, ARIZONA**  
**Notes to Annual Expenditure Limitation Report**  
**Year Ended June 30, 2023**

***NOTE 5 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS***

The \$29,180 subtraction for pension and other post-employment benefit (OPEB) expense consists of changes in the net pension and OPEB assets and liabilities, and changes in deferred inflows and outflows related to pensions and OPEB recognized in the current year in the enterprise funds. The \$32,120 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. The schedule below reconciles the net effect the subtraction and addition have on the expenditures subject to the limitation to the amounts reported on the statement of cash flows' net effect on cash.

Description	Enterprise Funds
<b>Statement of Cash Flows</b>	
Change in net pension and OPEB asset	\$ 1,453
Change in deferred outflows related to pensions and OPEB	(15,198)
Change in net pension and OPEB liability	(62,881)
Change in deferred inflows related to pensions and OPEB	79,566
Total	\$ 2,940
<b>AELR-Reconciliation</b>	
Pension/OPEB contributions - addition	\$ 32,120
Pension/OPEB expense (income) - subtraction	(29,180)
Total	\$ 2,940