

TOWN OF PAYSON, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2016

TOWN OF PAYSON, ARIZONA
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INDEPENDENT ACCOUNTANTS' REPORT

The Auditor General of the State of Arizona and
The Honorable Mayor and the Town Council
Town of Payson, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of the Town of Payson, Arizona, for the year ended June 30, 2016. This report is the responsibility of the Town of Payson, 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. Our examination does not provide a legal determination on the Town of Payson, Arizona's compliance with specified requirements.

In our opinion, the Annual Expenditure Limitation Report of the Town of Payson, Arizona, for the year ended June 30, 2016 referred to above presents fairly, in all material respects, the information required by the uniform expenditure reporting system on the basis of accounting described in Note 1.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
December 12, 2016

**TOWN OF PAYSON, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT – PART I
YEAR ENDED JUNE 30, 2016**

1.	EEC Expenditure Limitation	\$ -
2.	Voter-approved alternative expenditure limitation	40,218,200
3.	Enter applicable amount from line 1 or 2	40,218,200
4.	Amount subject to expenditure limitation (total amount form Part II, line C)	31,220,840
5.	Board-authorized expenditures necessitated by a disaster declared by the Governor (Art. IX, 20[2][a], Arizona Constitution)	
6.	Board-authorized expenditures necessitated by a disaster not declared by the Governor (Art. IX, 20[2][b], Arizona Constitution)	
7.	Prior-year voter approved of expenditures to exceed the expenditure limitation for reporting fiscal year (Art. IX, 20[2][c], Arizona Constitution)	
8.	Subtotal	31,220,840
9.	Board-authorized excess expenditures for the previous fiscal year necessitated by a disaster not declared by the Governor and not approved by voters (Art. IX, 20[2][b], Arizona Constitution)	
10.	Total adjusted amount subject to the expenditure limitation	31,220,840
11.	Amount under (in excess of) the expenditure limitation (If excess expenditures are reported, provide an explanation.)	\$ 8,997,360

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.

Hope A. Cribb

Signature of Chief Fiscal Officer: _____

Name and Title: Hope Cribb
Acting Chief Financial Officer

Telephone Number: (928) 951-4948

Date: December 12, 2016

See accompanying note to report.

**TOWN OF PAYSON, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT – PART II
YEAR ENDED JUNE 30, 2016**

	Governmental Funds	Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total
A. Amounts reported on the Reconciliation, Line D	\$ 18,283,501	\$ 11,057,045	\$ 1,880,294	\$ -	\$ 31,220,840
B. Less exclusions claimed:					
1. Bond proceeds	-	-	-	-	-
Debt service requirements on bonded indebtedness	-	-	-	-	-
Proceeds from other long-term obligations	-	-	-	-	-
Debt service requirements on other long-term obligations	-	-	-	-	-
2. Dividends, interest and gains on sale or redemption of investment securities	-	-	-	-	-
3. Trustee or custodian	-	-	-	-	-
4. Grants and aid from Federal government	-	-	-	-	-
5. Grants, aid, contributions or gifts from a private agency, organization or individual except amounts received in lieu of taxes	-	-	-	-	-
6. Amounts received from the State	-	-	-	-	-
7. Quasi-external interfund transactions	-	-	-	-	-
8. Amounts accumulated for purchase of land, and purchase or construction of buildings or improvements	-	-	-	-	-
9. Highway user revenues in excess of fiscal year 1979-80	-	-	-	-	-
10. Contracts with other political subdivisions	-	-	-	-	-
11. Refunds, reimbursements, and other recoveries	-	-	-	-	-
12. Voter-approved exclusions not identified above (attach resolution)	-	-	-	-	-
13. Prior years carry-forward claimed	-	-	-	-	-
14. Total exclusions claimed	-	-	-	-	-
C. Amount subject to expenditure limitation	<u>\$ 18,283,501</u>	<u>\$ 11,057,045</u>	<u>\$ 1,880,294</u>	<u>\$ -</u>	<u>\$ 31,220,840</u>

See accompanying note to report.

**TOWN OF PAYSON, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT – RECONCILIATION
YEAR ENDED JUNE 30, 2016**

	Governmental Funds	Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total
A. Total expenditures (and expenses) reported within the financial statements	\$ 18,283,501	4,693,052	\$ 1,880,294	\$ -	\$ 24,856,847
B. Deductions:					
1. Items not requiring use of working capital -					
Depreciation and amortization	-	1,089,825	-	-	1,089,825
Loss on disposal of capital assets	-	1,340	-	-	1,340
Bad debt expense	-	-	-	-	-
2. Expenditures of separate legal entities established under Arizona Revised Statutes	-	-	-	-	-
3. Present value of net minimum capital lease and installment purchase contract payments recorded as expenditures at the inception of the agreements	-	-	-	-	-
4. Charges for services paid to the Internal Service Funds	-	-	-	-	-
5. Involuntary court judgments	-	-	-	-	-
6. Total deductions	-	1,091,165	-	-	1,091,165
C. Additions:					
1. Principal payment on long-term debt	-	421,705	-	-	421,705
2. Acquisition of capital assets	-	7,033,453	-	-	7,033,453
3. Internal Service Fund expenses not charged to other funds	-	-	-	-	-
4. Landfill closure and post closure care costs recorded as expenditures in previous years	-	-	-	-	-
5. Total additions	-	7,455,158	-	-	7,455,158
D. Amounts reported on Part II, Line A	\$ 18,283,501	\$ 11,057,045	\$ 1,880,294	\$ -	\$ 31,220,840

See accompanying note to report.

**TOWN OF PAYSON, ARIZONA
NOTE TO ANNUAL EXPENDITURE LIMITATION REPORT
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 §41-1279.07, and in accordance with the voter-approved alternative expenditure limitation adopted August 2014, as authorized by the Arizona Constitution, Article IX, §20(9).