

TOWN OF DUNCAN, ARIZONA

Annual Expenditure Limitation Report
and Independent Accountants' Report
June 30, 2015

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1535 W. Harvard Avenue, Suite 101 · Gilbert, Arizona 85233

Tel: (480) 635-3200 · Fax: (480) 635-3201

INDEPENDENT ACCOUNTANTS' REPORT

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

We have examined the accompanying Annual Expenditure Limitation Report of the Town of Duncan, Arizona for the year ended June 30, 2015. This report is the responsibility of the Town'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 Duncan, Arizona referred to above presents, in all material respects, the information prescribed by the uniform expenditure reporting system as described in Note 1.

Colby & Powell, PLC

January 4, 2016

TOWN OF DUNCAN, ARIZONA
Annual Expenditure Limitation Report – Part I
Year Ended June 30, 2015

1. Voter-approved alternative expenditure limitation (Approved March 14, 2013)	\$ 2,736,899
2. Amount subject to the expenditure limitation (total amount from Part II, Line C)	<u>1,325,648</u>
3. Amount under the expenditure limitation	<u><u>\$ 1,411,251</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 DUNCAN, ARIZONA
Annual Expenditure Limitation Report – Part II
Year Ended June 30, 2015

Description	Governmental Funds	Enterprise Funds	Total
A. Amounts reported on the Reconciliation, Line D	\$ 724,499	\$ 601,149	\$ 1,325,648
B. Less exclusions claimed: (Note 1)	-	-	-
C. Amounts subject to the expenditure limitation	<u>\$ 724,499</u>	<u>\$ 601,149</u>	<u>\$ 1,325,648</u>

See accompanying notes to report.

TOWN OF DUNCAN, ARIZONA
Annual Expenditure Limitation Report – Reconciliation
Year Ended June 30, 2015

Description	Governmental Funds	Enterprise Funds	Total
A. Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements	\$ 724,499	\$ 377,072	\$ 1,101,571
B. Subtractions			
Items not requiring use of working capital:			
Depreciation	-	161,234	161,234
Pension expense	-	1,816	1,816
Total subtractions	-	1,816	1,816
C. Additions			
Principal payments on long-term debt	-	15,198	15,198
Acquisition of capital assets	-	206,601	206,601
Pension contributions paid in the current year	-	4,094	4,094
Total additions	-	225,893	225,893
D. Amounts reported on Part II, Line A	\$ 724,499	\$ 601,149	\$ 1,325,648

See accompanying notes to report.

TOWN OF DUNCAN, ARIZONA
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2015

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 \$1,816 for pension expense consists of the change in the net pension liability recognized in the current year in the Enterprise Funds. The addition of \$4,094 for pension contributions paid in the current year consists of the required pension contributions made to the Arizona State Retirement System from the Enterprise Funds.