

CITY OF BENSON, ARIZONA

**Report on Examination of
Annual Expenditure Limitation Report**

June 30, 2017

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COLBY &
POWELL, PLC
CERTIFIED PUBLIC ACCOUNTANTS

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

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

INDEPENDENT AUDITORS' REPORT

The Auditor General of the State of Arizona

The Honorable Mayor and Council of the
City of Benson, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of the City of Benson, Arizona, for the year ended June 30, 2017. This report is the responsibility of the management. Our responsibility is to express an opinion 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 City of Benson, 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

March 16, 2018

CITY OF BENSON, ARIZONA

**Annual Expenditure Limitation Report - Part I
Year Ended June 30, 2017**

1. Voter-approved alternative expenditure limitation (Approved March 12, 2013)	\$ 19,585,639
2. Amount subject to the expenditure limitation (total amount from Part II, Line C)	<u>10,127,074</u>
3. Amount under (in excess of) the expenditure limitation (if excess expenditures are reported, provide an explanation.)	<u>\$ 9,458,565</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 No.: (520) 586-2245 Date: _____

See accompanying notes.

CITY OF BENSON, ARIZONA

**Annual Expenditure Limitation Report - Part II
Year Ended June 30, 2017**

<u>Description</u>	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
A. Amounts reported on the reconciliation, Line D	\$ 6,146,385	\$ 3,949,089	\$ 31,600	\$ 10,127,074
B. Less exclusions claimed (Note 1)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
C. Amounts subject to the expenditure limitation (If an individual category/type amount is negative reduce exclusions claimed to net to Zero.)	<u>\$ 6,146,385</u>	<u>\$ 3,949,089</u>	<u>\$ 31,600</u>	<u>\$ 10,127,074</u>

See accompanying notes.

CITY OF BENSON, ARIZONA

**Annual Expenditure Limitation Report - Reconciliation
Year Ended June 30, 2017**

Description	Governmental Funds	Enterprise Funds	Fiduciary Funds	Total
A. Total expenditures/expenses and applicable other financing uses reported within the general purpose financial statements	<u>\$ 6,146,385</u>	<u>\$ 4,419,502</u>	<u>\$ 31,600</u>	<u>\$ 10,597,487</u>
B. Subtractions:				
Items not requiring the use of working capital:				
Depreciation	-	(881,178)	-	(881,178)
Bad debt expense	-	(9,227)	-	(9,227)
Total Subtractions	<u>-</u>	<u>(890,405)</u>	<u>-</u>	<u>(890,405)</u>
C. Additions:				
Principal payments on long-term debt	-	78,886	-	78,886
Acquisition of capital assets	-	213,047	-	213,047
Pension contributions paid in the current year	-	128,059	-	128,059
Total Additions	<u>-</u>	<u>419,992</u>	<u>-</u>	<u>419,992</u>
D. Amounts reported on Part II, Line A	<u><u>\$ 6,146,385</u></u>	<u><u>\$ 3,949,089</u></u>	<u><u>\$ 31,600</u></u>	<u><u>\$ 10,127,074</u></u>

See accompanying notes.

CITY OF BENSON, ARIZONA

Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2017

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**, and in accordance with the voter-approved alternative expenditure limitation adopted March 12, 2013, as authorized by the **Arizona Constitution, Article IX, §20(9)**.

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 Changes in Fiduciary Net Position for the Fiduciary Funds.

NOTE 2 - LONG-TERM DEBT PRINCIPAL PAYMENTS

The addition for principal payments on long-term debt in the enterprise funds consists of the following debt payments:

Lease payable - Golf Course	<u>\$ 78,866</u>
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NOTE 3 - CAPITAL ASSET ACQUISITION

Gas-Utility system	\$ 9,118
Water-Utility system	22,459
Liquid Waste-Utility system	135,770
Golf Course-Equipment	<u>45,700</u>
	<u>\$ 213,047</u>