

TOWN OF QUARTZSITE, ARIZONA

Annual Expenditure Limitation Report

June 30, 2015

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INDEPENDENT ACCOUNTANTS' REPORT

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

We have examined the accompanying Annual Expenditure Limitation Report of Town of Quartzsite, 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 Town of Quartzsite, Arizona referred to above presents, in all material respects, the information prescribed by the uniform expenditure reporting system as described in Note 1.

This report is intended solely for the information and use of management, and for filing with the Auditor General of the State of Arizona and is not intended to be and should not be used by anyone other than these specified parties.

January 6, 2016

TOWN OF QUARTZSITE, ARIZONA
Annual Expenditure Limitation Report - Part I
Year Ended June 30, 2015

1. Economic Estimates Commission expenditure limitation	\$ 4,900,929
2. Amount subject to the expenditure limitation (total amount from Part II, Line C)	<u>4,900,929</u>
3. Amount under (in excess of) the expenditure limitation (if excess expenditures are reported, provide an explanation)	<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: Skylor R. Miller, Town Manager
Telephone No.: 928-927-4333 Date: 3/8/2014

See accompanying notes.

TOWN OF QUARTZSITE, 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	\$4,409,421	\$ 2,575,448	\$ 6,984,869
B. Less exclusions claimed:			
Bond proceeds	693,000	-	693,000
Debt service requirements on bonded indebtedness	282,695	-	282,695
Debt service requirements on other long-term obligations	34,046	639,685	673,731
Dividends, interest and gains on the sale or redemption of investment securities	8,302	-	8,302
Grants and aid from the federal government	57,708	-	57,708
Grants, aid, contributions or gifts from a private agency, organization, or individual except amounts received in lieu of taxes	39,457	-	39,457
Amounts received from the State of Arizona	15,000	-	15,000
Highway user revenue in excess of those received in fiscal year 1979-1980	314,047	-	314,047
Prior years carryforward	-	-	-
Total exclusions claimed	<u>1,444,255</u>	<u>639,685</u>	<u>2,083,940</u>
C. Amount subject to expenditure limitation	<u>\$2,965,166</u>	<u>\$ 1,935,763</u>	<u>\$ 4,900,929</u>

See accompanying notes.

TOWN OF QUARTZSITE, 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	\$ 4,409,421	\$ 1,821,622	\$ 6,231,043
B. Subtractions:			
Items not requiring the use of working capital:			
Depreciation and amortization	-	537,608	537,608
Total subtractions	-	537,608	537,608
C. Additions:			
Principal payments on long-term debt	-	1,221,314	1,221,314
Acquisition of capital assets	-	70,120	70,120
Total additions	-	1,291,434	1,291,434
D. Amounts reported on Part II, Line A	\$ 4,409,421	\$ 2,575,448	\$ 6,984,869

See accompanying notes.

TOWN OF QUARTZSITE, 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 §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 Changes in Fiduciary Net Position for the Fiduciary Funds.

NOTE 2 – BOND PROCEEDS

The exclusion claimed for bond proceeds are from a Series 2014 refunding revenue bond for which the proceeds were used for the defeasance of Town's Series 2004 revenue bonds and bond issue costs. Total exclusion for bond proceeds totaled \$693,000.

NOTE 3 – DEBT SERVICE REQUIREMENTS ON BONDED INDEBTEDNESS

The exclusion for debt service requirements on bonded indebtedness in the governmental funds consists of:

	Principal	Interest	Total
Revenue Bonds, Series 2003	\$ 110,000	\$ 27,527	\$ 137,527
Revenue Bonds, Series 2014	136,000	9,168	145,168
Total debt service on bonded indebtedness	<u>\$ 246,000</u>	<u>\$ 36,695</u>	<u>\$ 282,695</u>

NOTE 4 – DEBT SERVICE REQUIREMENTS ON OTHER LONG TERM OBLIGATIONS

The exclusion claimed for debt service requirement on other long-term obligations consists of:

	Principal	Interest	Total
Governmental Funds:			
Capital leases payable	\$ 33,355	\$ 691	\$ 34,046
Enterprise Funds:			
Notes payable	<u>\$ 286,368</u>	<u>\$ 353,317</u>	<u>\$ 639,685</u>

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

NOTE 5 – EXPENDITURES OF INTERGOVERNMENTAL REVENUES

The following schedule presents revenues from which exclusions have been claimed in the Governmental Funds.

Grants and aid from the federal government	\$ 57,708
Amounts received from the State of Arizona	15,000
Amounts received from other private agencies	39,457
Other revenues (non-excludable)	1,426,895
Amount carried forward (HURF)	<u>869,695</u>
Total intergovernmental revenues as reported in the in the fund financial statements	<u>\$ 2,408,755</u>

NOTE 6 – HIGHWAY USER REVENUE EXCLUSION AND CARRYFORWARD

Highway user revenues received in the current fiscal year.	\$ 1,215,338
Highway user revenues received in the current fiscal year equal to fiscal year 1979-80 revenues received.	<u>-</u>
Revenues available for exclusion in the current fiscal year.	<u>\$ 1,215,338</u>
Actual expenditures of highway user revenues in the current fiscal year.	\$ 1,010,054
Amount equal to 1979-80 revenues expended in the current fiscal year.	<u>-</u>
Excludable revenues expended in the current fiscal year.	<u>\$ 1,010,054</u>
Revenues available for exclusion in the current fiscal year.	<u>\$ 1,215,338</u>
Revenues expended and claimed as an exclusion in the current fiscal year.	
Highway user revenues excluded	\$ 314,047
Highway user debt service excluded	<u>31,596</u>
	<u>\$ 345,643</u>
Highway user revenue fund balances spent in the current year included in prior year's Highway user revenue.	<u>-</u>
Unspent excludable revenue available as carryforward in future years.	<u>\$ 869,695</u>