

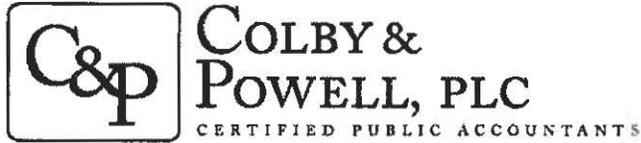
TOWN OF QUARTZSITE, ARIZONA

Annual Expenditure Limitation Report

June 30, 2014

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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, 2014. 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.

January 30, 2015

TOWN OF QUARTZSITE, ARIZONA
Annual Expenditure Limitation Report - Part I
Year Ended June 30, 2014

1. Economic Estimates Commission expenditure limitation	\$ 4,960,834	
2. Voter-approved alternative expenditure limitation	<u> -</u>	
3. Enter applicable amount from Line 1 or Line 2		\$ 4,960,834
4. Amount subject to the expenditure limitation (total amount from Part II, Line C)	4,960,834	
5. Board-authorized expenditures necessitated by a disaster declared by the Governor (Art. IX, Sec. 20[2][a], Arizona Constitution)	-	
6. Board-authorized expenditures necessitated by a disaster not declared by the Governor (Art. IX, Sec. 20[2][b], Arizona Constitution)	-	
7. Prior-year voter-approved expenditures to exceed the expenditure limitation for the reporting fiscal year (Art. IX, Sec. 20[2][c], Arizona Constitution)	<u> -</u>	
8. Subtotal	4,960,834	
9. Board-authorized excess expenditures for the previous fiscal year not declared by the Governor and not approved by the voters (Article IX, Sec.20[2][b], Arizona Constitution)	<u> -</u>	
10. Total adjusted amount subject to the expenditure limitation		<u> 4,960,834</u>
11. 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: Skyler R. Miller, Town Manager

Telephone No.: 928-927-4333 Date: 3/25/15

See accompanying notes.

TOWN OF QUARTZSITE, ARIZONA
Annual Expenditure Limitation Report - Part II
Year Ended June 30, 2014

Description	Governmental Funds	Enterprise Funds	Total
A. Amounts reported on the Reconciliation, Line D	\$4,295,510	\$ 2,731,152	\$ 7,026,662
B. Less exclusions claimed:			
1. Bond proceeds	-	-	-
Debt service requirements on bonded indebtedness	158,300	-	158,300
Proceeds from other long-term obligations	-	1,110,225	1,110,225
Debt service requirements on other long-term obligations	44,438	561,015	605,453
2. Dividends, interest and gains on the sale or redemption of investment securities	11,616	-	11,616
3. Trustee or custodian	-	-	-
4. Grants and aid from the federal government	8,695	-	8,695
5. Grants, aid, contributions or gifts from a private agency, organization, or individual except amounts received in lieu of taxes	15,136	-	15,136
6. Amounts received from the State of Arizona	4,430	-	4,430
7. Quasi-external interfund transactions	-	-	-
8. Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements	-	-	-
9. Highway user revenue in excess of those received in fiscal year 1979-1980	118,607	-	118,607
10. Contracts with other political subdivisions	33,366	-	33,366
11. Refunds, reimbursements and other recoveries	-	-	-
12. Voter-approved exclusions not identified above (attach resolution)	-	-	-
13. Prior years carryforward	-	-	-
14. Total exclusions claimed	<u>394,588</u>	<u>1,671,240</u>	<u>2,065,828</u>
C. Amount subject to expenditure limitation	<u>\$3,900,922</u>	<u>\$ 1,059,912</u>	<u>\$ 4,960,834</u>

See accompanying notes.

TOWN OF QUARTZSITE, ARIZONA
Annual Expenditure Limitation Report - Reconciliation
Year Ended June 30, 2014

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	\$ 4,305,884	\$ 1,971,916	\$ 6,277,800
B. Subtractions:			
1. Items not requiring the use of working capital:			
Depreciation and amortization	-	532,198	532,198
Loss on disposal of capital assets	-	-	-
Bad debt expense	-	-	-
Claims incurred but not reported	-	-	-
Landfill closure costs	-	-	-
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 inception of the agreements	10,374	-	10,374
4. Charges to other funds in excess of Internal Service Fund expenses	-	-	-
5. Involuntary court judgments	-	-	-
6. Total subtractions	<u>10,374</u>	<u>532,198</u>	<u>542,572</u>
C. Additions:			
1. Principal payments on long-term debt	-	1,221,314	1,221,314
2. Acquisition of capital assets	-	70,120	70,120
3. Claims paid in the current year but reported as expenses incurred but not reported in previous year	-	-	-
4. Landfill closure and postclosure care costs recorded as expended in previous years	-	-	-
5. Total additions	<u>-</u>	<u>1,291,434</u>	<u>1,291,434</u>
D. Amounts reported on Part II, Line A	<u>\$ 4,295,510</u>	<u>\$ 2,731,152</u>	<u>\$ 7,026,662</u>

See accompanying notes.

TOWN OF QUARTZSITE, ARIZONA
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2014

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 – DEBT SERVICE REQUIREMENTS

The exclusion claimed for debt service requirements on bond indebtedness in the Governmental Funds and other long-term obligations in the Governmental Funds and the Enterprise Funds consist of principal retirement and interest expense.

NOTE 3 – DIVIDENDS INTEREST AND GAINS ON THE SALE OR REDEMPTION OF INVESTMENT SECURITIES

The exclusion claimed for dividends, interest, and gains on the sale or redemption of investment securities totaled \$11,616. The total carryforward available for future years totaled \$65,462 at June 30, 2014.

NOTE 4 – CONTRIBUTIONS FROM PRIVATE ORGANIZATION, OR INDIVIDUAL

The exclusion claimed for contributions from private organizations or individuals consisted of parks and recreation donations, transit van donations, and various grant contributions totaling \$15,136.

TOWN OF QUARTZSITE, ARIZONA
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2014

NOTE 5 – INTERGOVERNMENTAL

The following schedule presents revenues from which exclusions have been claimed for federal grants and aid, amounts received from the State of Arizona, amounts received from political subdivisions, and highway user revenues in the Governmental Funds.

Grants and aid from the federal government	\$ 8,695
Amounts received from the State of Arizona	4,430
Amounts received from political subdivisions	33,366
Other revenues (non-excludable)	1,198,600
Amount carried forward (HURF)	1,019,427
Total intergovernmental revenues as reported in the in the fund financial statements	<u>\$ 2,264,518</u>