

TOWN OF TAYLOR, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT
For the Year Ended June 30, 2012
WITH REPORT OF
CERTIFIED PUBLIC ACCOUNTANTS

TOWN OF TAYLOR, ARIZONA
Annual Expenditure Limitation Report
For the Year Ended June 30, 2012

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Independent Auditors' Report on AELR

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

We have audited the accompanying Annual Expenditure Limitation Report of the Town of Taylor, Arizona, for the year ended June 30, 2012. This report is the responsibility of the Town of Taylor, Arizona's management. Our responsibility is to express an opinion on this report based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual expenditure limitation report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the report. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall report presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Annual Expenditure Limitation Report was prepared for the purpose of complying with the uniform expenditure reporting system as discussed in Note 1, and is not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the Annual Expenditure Limitation Report of the Town of Taylor, Arizona, for the year ended June 30, 2012 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.

This report is intended solely for the information and use of the Town and 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. However, this report is a matter of public record and its distribution is not limited.

HintonBurdick, PLLC

HintonBurdick, PLLC
October 31, 2012

TOWN OF TAYLOR, ARIZONA
Annual Expenditure Limitation Report – Part I
Year Ended June 30, 2012

1. Economic Estimates Commission expenditure limitation	N/A	
2. Voter-approved alternative expenditure limitation	<u>\$ 5,311,829</u>	
3. Enter applicable amount from line 1 or line 2		\$ 5,311,829
4. Amount subject to the expenditure limitation (total amount from Part II, Line C)	3,812,838	
5. Board-authorized expenditures necessitated by a disaster declared by the Governor (Article IX, Sec. 20(2)(a), Arizona Constitution)	N/A	
6. Board-authorized expenditures necessitated by a disaster not declared by the Governor (Article IX, Sec. 20(2)(b), Arizona Constitution)	N/A	
7. Prior-year voter-approved expenditures to exceed the expenditure limitation for the reporting fiscal year (Article IX, Sec. 20(2)(c), Arizona Constitution)	<u>N/A</u>	
8. Subtotal	3,812,838	
9. Board-authorized excess expenditures for the previous fiscal year necessitated by a disaster not declared by the Governor and not approved by the voters (Article IX, Sec. 20(2)(b), Arizona Constitution)	<u>N/A</u>	
10. Total adjusted amount subject to the expenditure limitation		<u>3,812,838</u>
11. Amount under (in excess of) the expenditure limitation (If excess expenditures are reported, provide an explanation)		<u><u>\$ 1,498,991</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: Eric A. Duthie, Town Manager

Telephone Number: (928) 536-7366 Date: October 31, 2012

TOWN OF TAYLOR, ARIZONA
Annual Expenditure Limitation Report – Part II
Year Ended June 30, 2012

Description	Governmental Funds	Enterprise Funds	Fiduciary Funds	Total
A. Amounts reported on the Reconciliation Line D	\$ 2,978,770	\$ 827,474	\$ 6,594	\$ 3,812,838
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 the sale or redemption of investment securities	-	-	-	-
3. Trustee or custodian	-	-	-	-
4. Grants and aid from the 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 of Arizona	-	-	-	-
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 revenues in excess of those received in 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 carryforward	-	-	-	-
14. Total exclusions claimed	-	-	-	-
C. Amount subject to the expenditure limitation (If an individual fund type amount is negative, reduce) exclusions claimed to net to zero.)	\$ 2,978,770	\$ 827,474	\$ 6,594	\$ 3,812,838
	\$ 2,978,770	\$ 827,474	\$ 6,594	\$ 3,812,838

TOWN OF TAYLOR, ARIZONA
Annual Expenditure Limitation Report - Reconciliation
Year Ended June 30, 2012

Description	Governmental Funds	Enterprise Funds	Fiduciary Funds	Total
A. Total expenditures (and expenses) and applicable other financing uses reported within the financial statements	\$ 2,978,770	\$ 785,257	\$ 6,594	\$ 3,770,621
B. Subtractions:				
1. Items not requiring use of working capital:				
Depreciation	-	207,529	-	207,529
Loss on disposal of fixed assets	-	-	-	-
Bad debt expense	-	-	-	-
Claims incurred but not reported	-	-	-	-
Landfill closure and postclosure care 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	-	-	-	-
4. Involuntary court judgments	-	-	-	-
5. Total subtractions	-	207,529	-	207,529
C. Additions:				
1. Principal payments on long-term debt	-	229,055	-	229,055
2. Acquisition of capital assets	-	20,691	-	20,691
3. Claims paid in the current year but reported as expenses incurred but not reported in previous years	-	-	-	-
4. Landfill closure and postclosure care costs recorded and expended in previous years	-	-	-	-
5. Total additions	-	249,746	-	249,746
D. Amounts reported on Part II, Line A	\$ 2,978,770	\$ 827,474	\$ 6,594	\$ 3,812,838

TOWN OF TAYLOR, ARIZONA
Notes to the Annual Expenditure Limitation Report
June 30, 2012

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 March 16, 2011, 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 in part II and each subtraction or addition in the Reconciliation that cannot be traced directly to an amount reported in the annual 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 Net Position for the Proprietary Funds, Statement of Cash Flows for the Proprietary Funds, and the Statement of Changes in Fiduciary Net Position.

Note 2. Reconciliation Subtractions and Additions

Details for the subtraction for depreciation and the additions for principal payments and the acquisition of capital assets are all provided in the Statement of Cash Flows for the Proprietary Funds and the financial statement footnote for long-term debt.

The addition for principal payments on long-term debt in the Enterprise Funds consists of \$229,055 paid on notes and loans payable during the current fiscal year. The addition for the acquisition of capital assets consists of \$20,691 paid for various capital assets in the Sewer and Water funds.

Note 3. Exclusions

Exclusions from local revenues, including those enumerated in the Constitution, may be taken against alternative expenditure limitation only if such exclusions are specifically identified in the resolution and the publicity pamphlet. There are no such exclusions specifically identified.