

TOWN OF WELLTON, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT
JUNE 30, 2015

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ANNUAL EXPENDITURE LIMITATION REPORT
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HENRY & HORNE, LLP
Certified Public Accountants

INDEPENDENT ACCOUNTANTS' REPORT

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

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

Henry & Horne LLP

Casa Grande, Arizona
February 15, 2016

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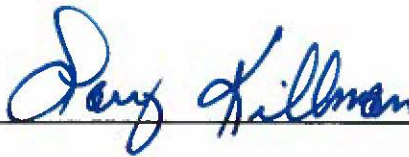
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**TOWN OF WELLTON, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - PART I
YEAR ENDED JUNE 30, 2015**

1. Economic Estimates Commission Expenditure limitation	<u>\$ 4,403,520</u>	
2. Voter approved alternative expenditures limitation approved on March 8, 2011	<u>5,838,354</u>	
3. Enter applicable amount from Line 1 or Line 2		\$ 5,838,354
4. Amount subject to the expenditure limitation (total amount from Part II, Line C)		<u>3,245,096</u>
5. Amount under the expenditure limitation		<u>\$ 2,593,258</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: Larry Killman, Town Manager

Telephone No.: (928) 785-3348 Date: February 15, 2016

See accompanying notes to report.

TOWN OF WELLTON, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - PART II
YEAR ENDED JUNE 30, 2015

Description	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Fiduciary Fund</u>	<u>Total</u>
A. Amounts reported on the Reconciliation, Line D	<u>\$ 2,285,934</u>	<u>959,162</u>	<u>-</u>	<u>3,245,096</u>
B. Less exclusions claimed:				
Total exclusions claimed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
C. Amounts subject to the expenditure limitation	<u><u>\$ 2,285,934</u></u>	<u><u>959,162</u></u>	<u><u>-</u></u>	<u><u>3,245,096</u></u>

See accompanying notes to report.

TOWN OF WELLTON, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - RECONCILIATION
YEAR ENDED JUNE 30, 2015

Description	Governmental Funds	Enterprise Funds	Fiduciary Fund	Total
A. Total expenditures/expenses and applicable other financing uses reported within the fund-based financial statements	<u>\$ 2,285,934</u>	<u>1,162,062</u>	<u>-</u>	<u>3,447,996</u>
B. Subtractions:				
Depreciation	-	342,028	-	342,028
Bad debt expense	-	-	-	-
Expenditures of separate legal entity established under Arizona Revised Statutes	-	-	-	-
Present value of net minimum capital lease and installment purchase contract payments recorded as expenditures at inception of the agreement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total subtractions	<u>-</u>	<u>342,028</u>	<u>-</u>	<u>342,028</u>
C. Additions:				
Principal payments on long-term debt (Note 2)	-	41,138	-	41,138
Acquisition of fixed assets	<u>-</u>	<u>97,990</u>	<u>-</u>	<u>97,990</u>
Total additions	<u>-</u>	<u>139,128</u>	<u>-</u>	<u>139,128</u>
D. Amounts reported on Part II, Line A	<u><u>\$ 2,285,934</u></u>	<u><u>959,162</u></u>	<u><u>-</u></u>	<u><u>3,245,096</u></u>

See accompanying notes to report.

**TOWN OF WELLTON, 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, and in accordance with the voter-approved alternative expenditure limitation adopted March 20, 2007, 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-based 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 Fund.

NOTE 2 - The additions shown as principal payments on long-term debt includes the following:

<u>Description</u>	<u>Enterprise Funds</u>
Principal payments on:	
Developer contributions	\$ 2,309
Capital lease payable	<u>38,829</u>
Total	<u><u>\$ 41,138</u></u>

TOWN OF WELLTON
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2015

FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES* 2014	ACTUAL EXPENDITURES/ EXPENSES ** 2014	FUND BALANCE/ NET ASSETS*** July 1, 2014**	PROPERTY TAX REVENUES 2015	ESTIMATED REVENUES OTHER THAN PROPERTY TAXES 2015	OTHER FINANCING 2015		INTERFUND TRANSFERS 2015		TOTAL FINANCIAL RESOURCES AVAILABLE 2015	BUDGETED EXPENDITURES/ EXPENSES 2015
						SOURCES	<USES>	IN	<OUT>		
1. General Fund	\$ 1,923,565	\$ 1,693,305	\$	Primary: \$	\$ 2,063,042	\$	\$	\$	\$	\$ 2,063,042	\$ 2,110,138
2. Special Revenue Funds	5,366,647	648,610		Secondary:	2,565,896					2,565,896	2,577,330
3. Debt Service Funds Available											
4. Less: Designation for Future Debt Retirement											
5. Total Debt Service Funds											
6. Capital Projects Funds	4,881,867	52,425			300					300	35,000
7. Permanent Funds											
8. Enterprise Funds Available	1,162,781	879,127			1,156,261					1,156,261	1,115,886
9. Less: Designation for Future Debt Retirement											
10. Total Enterprise Funds	1,162,781	879,127			1,156,261					1,156,261	1,115,886
11. Internal Service Funds											
12. TOTAL ALL FUNDS	\$ 13,334,860	\$ 3,273,467	\$	\$	\$ 5,785,499	\$	\$	\$	\$	\$ 5,785,499	\$ 5,838,354

EXPENDITURE LIMITATION COMPARISON

1. Budgeted expenditures/expenses
2. Add/subtract: estimated net reconciling items
3. Budgeted expenditures/expenses adjusted for reconciling items
4. Less: estimated exclusions
5. Amount subject to the expenditure limitation
6. EEC or voter-approved alternative expenditure limitation

2014	2015
<u>\$ 13,334,860</u>	<u>\$ 5,838,354</u>
<u>13,334,860</u>	<u>13,334,860</u>
<u>\$ 13,334,860</u>	<u>\$ 5,838,354</u>
<u>\$ 13,334,860</u>	<u>\$ 5,838,354</u>

☒ The city/town does not levy property taxes and does not have special assessment districts for which property taxes are levied. Therefore, Schedule B has been omitted.

* Includes Expenditure/Expense Adjustments Approved in current year from Schedule E.

** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

*** Amounts in this column represent Fund Balance/Net Asset amounts except for amounts not in spendable form (e.g., prepaids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

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