

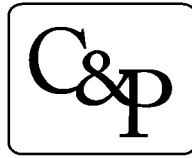
**TOWN OF THATCHER, ARIZONA**

Report on Audit of  
Annual Expenditure Limitation Report

June 30, 2015

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CERTIFIED PUBLIC ACCOUNTANTS

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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 Thatcher, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of the Town of Thatcher, 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 the Town of Thatcher, 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*

February 8, 2016

**TOWN OF THATCHER, ARIZONA**  
**Annual Expenditure Limitation Report – Part I**  
**Year Ended June 30, 2015**

Economic Estimates Commission expenditure limitation	\$ 8,344,367
Amount subject to the expenditure limitation (total amount from Part II, Line C)	<u>7,610,486</u>
Amount under (in excess of) the expenditure limitation	<u><u>\$ 733,881</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: \_\_\_\_\_

Telephone Number: \_\_\_\_\_ Date: \_\_\_\_\_

*See accompanying notes to report.*

**TOWN OF THATCHER, 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	\$ 5,628,930	\$ 2,777,402	\$ 8,406,332
B. Less exclusions claimed:			
Bond proceeds	-	-	-
Debt service requirements on bonded indebtedness	-	-	-
Proceeds from other long-term obligations	-	-	-
Debt service requirements on other long-term obligations	266,169	39,736	305,905
Dividends, interest, and gains on the sale or redemption of investment securities	-	-	-
Trustee or custodian	-	-	-
Grants and aid from the federal government	84,177	-	84,177
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes	37,792	-	37,792
Amounts received from the State of Arizona	-	-	-
Quasi-external interfund transactions	-	-	-
Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements	-	-	-
Highway user revenues in excess of those received in fiscal year 1979-80	265,022	-	265,022
Contracts with other political subdivisions	-	-	-
Refunds, reimbursements, and other recoveries	-	-	-
Voter-approved exclusions not identified above	-	-	-
Prior years carryforward	102,950	-	102,950
Total exclusions claimed	<u>756,110</u>	<u>39,736</u>	<u>795,846</u>
C. Amounts subject to the expenditure limitation	<u>\$ 4,872,820</u>	<u>\$ 2,737,666</u>	<u>\$ 7,610,486</u>

*See accompanying notes to report.*

**TOWN OF THATCHER, 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	\$ 5,628,930	\$ 2,975,627	\$ 8,604,557
B. Subtractions			
Items not requiring use of working capital:			
Depreciation	-	249,329	249,329
Pension expense	-	53,209	53,209
Total subtractions	-	302,538	302,538
C. Additions			
Principal payments on long-term debt	-	21,000	21,000
Acquisition of capital assets	-	39,387	39,387
Amounts paid in the current year but reported as expenses in previous years:			
Pension contributions	-	43,926	43,926
Total additions	-	104,313	104,313
D. Amounts reported on Part II, Line A	\$ 5,628,930	\$ 2,777,402	\$ 8,406,332

*See accompanying notes to report.*

**TOWN OF THATCHER, 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 Section 41-1279.07, which excludes expenditures, expenses, or deductions of certain revenues specified in the Arizona Constitution, Article IX, Section 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-based financial statements. All references to financial statement amounts in the following notes refer to the Statement of Revenue, Expenditures, and Changes in Fund Balances for the Governmental Funds; Statement of Revenues, Expenses, and Changes in Fund Net Position for the Proprietary Funds; and the Statement of Cash Flows for the Proprietary Funds.

***NOTE 2 – PENSION EXPENSE AND CONTRIBUTIONS***

The subtraction of \$53,209 for pension expense consists of the change in the net pension liability recognized in the current year in the Enterprise Funds. The addition of \$43,926 for pension contributions paid in the current year consists of the required pension contributions made to the Arizona State Retirement System from the Enterprise Funds.

***NOTE 3 – DEBT SERVICE ON OTHER LONG-TERM OBLIGATIONS***

The exclusion claimed for debt service requirements on other long-term obligations of \$305,905 is for the following:

	Governmental Funds	Enterprise Funds	Total
GADA principal	\$ 84,000	\$ 21,000	\$ 105,000
GADA interest	73,265	18,736	92,001
Capital lease principal	98,794	-	98,794
Capital lease interest	10,110	-	10,110
	<u>\$ 266,169</u>	<u>\$ 39,736</u>	<u>\$ 305,905</u>

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

***NOTE 4 – DIVIDENDS, INTEREST AND GAINS ON THE SALE OR REDEMPTION OF INVESTMENT SECURITIES***

The exclusions claimed for dividends, interest, and gains on the sale or redemption of investment securities is as follows:

Description	Prior Year Carried Forward	Revenues	Amount Excluded	Amount Carried Forward
General Fund	\$ 150,958	\$ 14,126	\$ -	\$ 165,084
HURF/LTAF Fund	742	88	-	830
Electric Fund	17,881	1,797	-	19,678
Total investment income excludable in future years	<u>\$ 169,581</u>	<u>\$ 16,011</u>	<u>\$ -</u>	<u>\$ 185,592</u>

***NOTE 5 – EXCLUDED INTERGOVERNMENTAL REVENUE***

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

Grants and aid from the federal government	\$ 82,758
Grants from private organizations or individuals	37,792
Highway user revenues in excess of those received in fiscal year 1979-80	265,022
Other revenues (nonexcludable)	1,375,880
Amount carried forward	<u>132,000</u>
Total intergovernmental revenues as reported in the fund financial statements	<u>\$ 1,893,452</u>

***NOTE 6 – EXPENDITURES OF UNAVAILABLE FEDERAL REVENUES***

An exclusion for expenditures of grants and aid from the federal government consists, in part, of expenditures of \$1,419 of unavailable intergovernmental revenues in the fund financial statements. The Town has substantially met all contractual requirements for the reimbursement of expenditures by the grantor.



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

***NOTE 7 – PRIOR YEARS CARRYFORWARD***

Prior years carryforward excluded in the amount of \$102,950 consists of highway user revenues in excess of those received in fiscal year 1979-80 unexpended in the year of receipt that have been accumulated and were expended in the current year.