

**EXPENDITURE LIMITATION REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**



TOWN OF FLORENCE, ARIZONA
REPORT ON AUDIT OF ANNUAL
EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2013

TOWN OF FLORENCE, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2013

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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 Florence, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of Town of Florence, Arizona for the year ended June 30, 2013. 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 Florence, 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
November 21, 2013

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TOWN OF FLORENCE, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - PART I
YEAR ENDED JUNE 30, 2013

1. Voter-approved alternative expenditures limitation (date approved March 9, 2010) (Note 2)	<u>\$ 43,473,784</u>
2. Amount subject to expenditure limitation (total amount from Part II, line C)	<u>19,342,799</u>
3. Amount under the expenditure limitation	<u><u>\$ 24,130,985</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: Charles Montoya _____

Telephone Number: 520-868-7500 Date: November 21, 2013

TOWN OF FLORENCE, ARIZONA
 ANNUAL EXPENDITURE LIMITATION REPORT - PART II
 YEAR ENDED JUNE 30, 2013

Description	Governmental Funds	Enterprise Funds	Fiduciary Fund	Total
A. Amounts reported on the Reconciliation, Line D	<u>\$ 15,375,633</u>	<u>\$ 3,959,246</u>	<u>\$ 7,920</u>	<u>\$ 19,342,799</u>
B. Amount subject to expenditure limitation	<u><u>\$ 15,375,633</u></u>	<u><u>\$ 3,959,246</u></u>	<u><u>\$ 7,920</u></u>	<u><u>\$ 19,342,799</u></u>

TOWN OF FLORENCE, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - RECONCILIATION
YEAR ENDED JUNE 30, 2013

Description	Governmental Funds	Enterprise Funds	Fiduciary Fund	Total
A. Total expenditures/expenses reported within the fund financial statements	\$ 17,430,339	\$ 3,792,314	\$ 7,920	\$ 21,230,573
B. Subtractions:				
Depreciation	-	557,453	-	557,453
Expenditures of separate legal entities established under Arizona Revised Statutes	2,054,706	-	-	2,054,706
Total subtractions	2,054,706	557,453	-	2,612,159
C. Additions:				
Principal payments on long-term debt	-	375,870	-	375,870
Acquisition of capital assets	-	348,515	-	348,515
Total additions	-	724,385	-	724,385
D. Amounts reported on Part II, Line A	<u>\$ 15,375,633</u>	<u>\$ 3,959,246</u>	<u>\$ 7,920</u>	<u>\$ 19,342,799</u>

TOWN OF FLORENCE, ARIZONA
NOTE TO ANNUAL EXPENDITURE LIMITATION REPORT
JUNE 30, 2013

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 the Arizona Revised Statutes §41-1279.07, and in accordance with the voter-approved alternative expenditure limitation plan adopted March 9, 2010, 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 fund based financial statements. All references to the financial statement amounts refer to the Statement of Revenues, Expenditures and Changes in Fund Balances/Governmental Funds and to the Statement of Revenues, Expenditures and Changes in Fund Net Assets for the Proprietary Funds and Statements of Changes in Fiduciary Net Assets for the Fiduciary Fund.

NOTE 2 HOME RULE ALTERNATIVE

On March 9, 2010 the Home Rule Alternative Expenditure Limitation Option was extended as approved by the citizens of Florence under Resolution No. 1207-09. Approval of the Home Rule extension provides for local expenditure limitation determination through an annual process of public hearings and annual adoption by ordinance.

The approved Alternative Expenditure Limitation for the year ended June 30, 2013, as adopted under Ordinance No. 579-12 is \$43,473,784.

NOTE 3 ENTERPRISE FUNDS EXPENSES

The total expenses for the Enterprise Funds of \$3,792,314 includes the total operating expenses of \$3,638,676 and interest expense of \$153,638.

NOTE 4 ADDITIONS TO PROPRIETARY CAPITAL ASSETS

Capital assets in the enterprise funds were increased by \$348,515.