

CITY OF PRESCOTT
 Annual Expenditure Limitation Report - Part I
 Year Ended June 30, 2010

1. Economic Estimates Commission expenditure limitation	\$	<u>51,096,087</u>	
2. Voter approved alternative expenditure limitation (Approved September 13, 2005)		<u>180,818,693</u>	
3. Enter applicable amount from Line 1 or line 2			\$ <u>180,818,693</u>
4. Amount subject to the expenditure limitation (total amount from Part II, Line C)		<u>111,577,875</u>	
5. Board-authorized expenditures necessitated by a disaster declared by the Governor and not approved by the voters (Article IX, §20[2][a], Arizona Constitution)	-	<u>-</u>	
6. Board-authorized expenditures necessitated by a disaster not declared by the Governor and approved by the voters (Article IX, §20[2][b], Arizona Constitution)	-	<u>-</u>	
7. Prior-year voter-approved expenditures to exceed the expenditure limitation for the reporting fiscal year (Article IX, §20[2][c], Arizona Constitution)	-	<u>-</u>	
8. Subtotal		<u>111,577,875</u>	
9. Board-authorized excess expenditures for the previous fiscal year not approved by the voters (Article IX, §20[2][b], Arizona Constitution)			
	+	<u>-</u>	
10. Total adjusted amount subject to the expenditure limitation			<u>111,577,875</u>
11. Amount under (in excess of) the expenditure limitation (If excess expenditures are reported, provide an explanation.)			<u><u>\$ 69,240,818</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 : Mark Woodfill, Finance Director

Telephone Number : (928) 777-1222

Date : December 20, 2010

See accompanying notes to the report.

CITY OF PRESCOTT
Annual Expenditure Limitation Report - Part II
Year Ended June 30, 2010

<u>Description</u>	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
A. Amounts reported on the Reconciliation, Line D	\$ 60,968,431	\$ 42,601,931	\$ 8,007,513	\$ -	\$ 111,577,875
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					
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 1978-80					
10. Contracts wit 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.)	\$ 60,968,431	\$ 42,601,931	\$ 8,007,513	\$ -	\$ 111,577,875

See accompanying notes to the report.

CITY OF PRESCOTT
Annual Expenditure Limitation Report - Reconciliation
Year Ended June 30, 2010

	Governmental Funds	Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total
A. Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund-based financial statements	\$ 61,705,700	\$ 33,615,455	\$ 7,147,893	\$ -	\$ 102,469,048
B. Subtractions:					
1. Items not requiring use of working capital:					
Depreciation	-	6,519,403	973,065	-	7,492,468
Loss on disposal of capital assets	-	359	-	-	359
Bad debt expense	-	-	-	-	-
Claims incurred but not reported (Note 4)	-	-	531,964	-	531,964
Landfill closure and postclosure care costs	-	-	-	-	-
2. Expenditures of separate legal entities established under Arizona Revised Statutes (Note 2)	597,564	-	-	-	597,564
3. Present value of net minimum capital lease and installment purchase contract payments recorded as expenditures at inception of the agreements (Note 6)	139,705	-	-	-	139,705
4. Involuntary court judgements	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
5. Total subtractions	737,269	6,519,762	1,505,029	-	8,762,060
C. Additions:					
1. Principal payments on long-term debt	-	2,477,916	184,752	-	2,662,668
2. Acquisition of capital assets	-	12,964,418	1,358,574	-	14,322,992
3. Claims paid in the current year but reported as expenses incurred but not reported in previous years (Note 5)	-	-	821,323	-	821,323
4. Landfill closure and postclosure care costs paid in the current year but reported as expenses in previous years (Note 3)	-	63,904	-	-	63,904
	-	-	-	-	-
	-	-	-	-	-
5. Total additions	-	15,506,238	2,364,649	-	17,870,887
D. Amount reported on Part II, Line A	\$ 60,968,431	\$ 42,601,931	\$ 8,007,513	\$ -	\$ 111,577,875

See accompanying notes to the report.

CITY OF PRESCOTT
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2010

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 plan adopted September 13, 2005, as authorized by the Arizona Constitution, Article IX, §20(9).

In accordance with UERS requirements, a note to the AELR is presented below for 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 Assets for the Proprietary Funds, Statement of Cash Flows for the Proprietary Funds, and the Statement of Changes in Fiduciary Net Assets for the Fiduciary Funds.

Note 2 - Expenditures of Separate Legal Entities Reported on Reconciliation

The expenditures shown on the reconciliation as "Expenditures of separate legal entities established under Arizona Revised Statutes" are from the Hassayampa Community Facilities District 1 and 2:

Page 31	CFD Debt Service	\$ 597,564
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Note 3 - Landfill Closure and Postclosure Care Costs

The additions shown on the reconciliation as "Landfill closure and postclosure care costs recorded in the previous years" are the portion of the Sanitation Fund operating expenses - other services and charges related to postclosure care costs. These expenses were recognized in fiscal year 2002. This amount reflects the portion recognized in the current fiscal year.

Note 4 - Claims Incurred but Not Reported

The subtraction of \$531,964 for claims incurred but not reported consists of the estimated costs of claims incurred and expensed in the current year but not yet paid in the Internal Service Fund.

Note 5 - Claims paid in the current year, but reported as expenses incurred but not reported in previous years

The addition of \$821,323 for claims paid in the current year, but reported as expenses incurred but not reported in previous years, consists of cash payments in the current year for claims recognized as an expense in previous years in the Internal Service Fund.

Note 6 - Present value of net minimum capital leases recorded as expenditures at inception of the agreement

The subtraction of \$139,705 for the present value of net minimum capital leases recorded as expenditures at the inception of the agreements consists of cash with fiscal agent at the beginning of fiscal year 2010 from capital leases of \$205,240 less the amount unspent at June 30, 2010 of \$65,535.