



Annual Expenditure Limitation Report  
June 30, 2017

# City of Buckeye, Arizona



## Independent Accountants' Report

The Auditor General of the State of Arizona

The Honorable Mayor and City Council  
of City of Buckeye, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of City of Buckeye, Arizona (the City) for the year ended June 30, 2017. This report is the responsibility of the City management. Our responsibility is to express an opinion on this report based on our examination.

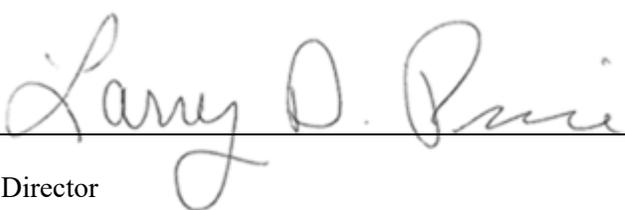
Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the amounts and disclosures in the report and performing such other procedures as we 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 City of Buckeye, Arizona referred to above presents, in all material respects, the information prescribed by the uniform expenditure reporting system as described in Note 1.

Phoenix, Arizona  
December 19, 2017

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.

|  |    |                             |
|--|----|-----------------------------|
| 1. Economic Estimates Commission expenditure limitation  | \$ | -                           |
| 2. Voter-approved alternative expenditure limitation<br>(Approved June 21, 2016)   |    | 194,853,657                 |
| 3. Enter applicable amount from Line 1 or Line 2   |    | \$ 194,853,657              |
| 4. Amount subject to the expenditure limitation (total amount<br>from Part II, Line C)   |    | 102,133,803                 |
| 5. Board-authorized expenditures necessitated by a disaster<br>declared by the Governor [Arizona Constitution, Article IX,<br>§20(2)(a)]   |    | -                           |
| 6. Board-authorized expenditures necessitated by a disaster not<br>declared by the Governor [Arizona Constitution, Article IX,<br>§20(2)(b)]   |    | -                           |
| 7. Prior-year, voter-approved expenditures to exceed the<br>expenditure limitation for the reporting fiscal year [Arizona<br>Constitution, Article IX, §20(2)(c)]  |    | -                           |
| 8. Qualifying capital improvement expenditures repaid in<br>accordance with A.R.S. §41-1279.07(I)  |    | -                           |
| 9. Subtotal  |    | 102,133,803                 |
| 9. Board-authorized excess expenditures for the previous fiscal<br>year necessitated by a disaster not declared by the Governor and<br>not approved by the voters [Arizona Constitution, Article IX,<br>§20(2)(b)] |    | -                           |
| 10. Total adjusted amount subject to the expenditure limitation  |    | <u>102,133,803</u>          |
| 11. Amount under (in excess of) the expenditure limitation <b>(If<br/>excess expenditures are reported, provide an explanation.)</b>   |    | <u><u>\$ 92,719,854</u></u> |

Signature of Chief Fiscal Officer: 

Name and Title: Larry Price, Finance Director

Telephone Number: 623-349-6000

Date: December 19, 2017

City of Buckeye, Arizona  
Annual Expenditure Limitation Report – Part II  
Year Ended June 30, 2017

| Description   | Governmental<br>Funds | Enterprise<br>Funds  | Internal<br>Service Funds | Fiduciary<br>Funds | Total                 |
|---|-----------------------|----------------------|---------------------------|--------------------|-----------------------|
| A. Amounts reported on the Reconciliation, Line D   | \$ 68,630,066         | \$ 32,392,714        | \$ 1,064,239              | \$ 46,784          | \$ 102,133,803        |
| 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 ( <b>attach resolution</b> )   | -                     | -                    | -                         | -                  | -                     |
| 13. Prior years carryforward  | -                     | -                    | -                         | -                  | -                     |
| 14. Total exclusions claimed  | <u>\$ -</u>           | <u>\$ -</u>          | <u>\$ -</u>               | <u>\$ -</u>        | <u>\$ -</u>           |
| C. Amounts subject to the expenditure limitation ( <b>If an individual fund category/type amount is negative, reduce exclusions claimed to net to zero.</b> ) | <u>\$ 68,630,066</u>  | <u>\$ 32,392,714</u> | <u>\$ 1,064,239</u>       | <u>\$ 46,784</u>   | <u>\$ 102,133,803</u> |

City of Buckeye, Arizona  
Annual Expenditure Limitation Report – Reconciliation  
Year Ended June 30, 2017

| Description   | Governmental<br>Funds | Enterprise<br>Funds  | Internal<br>Service<br>Funds | Fiduciary<br>Funds | Total                 |
|---|-----------------------|----------------------|------------------------------|--------------------|-----------------------|
| A. Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements | \$ 124,412,664        | \$ 43,173,401        | \$ 1,064,239                 | \$ 46,784          | \$ 168,697,088        |
| B. Subtractions:  |                       |                      |                              |                    |                       |
| 1. Items not requiring use of working capital:  |                       |                      |                              |                    |                       |
| Depreciation  | -                     | 15,754,718           | -                            | -                  | 15,754,718            |
| Loss on disposal of capital assets  | -                     | -                    | -                            | -                  | -                     |
| Bad debt expense  | -                     | -                    | -                            | -                  | -                     |
| Other postemployment benefits   | -                     | -                    | -                            | -                  | -                     |
| Pension expense - Note 2  | -                     | 720,450              | -                            | -                  | 720,450               |
| Claims incurred but not reported  | -                     | -                    | -                            | -                  | -                     |
| Landfill closure and postclosure care costs   | -                     | -                    | -                            | -                  | -                     |
| 2. Expenditures of separate legal entities established under Arizona Revised Statutes   | 55,782,598            | -                    | -                            | -                  | 55,782,598            |
| 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   | <u>\$ 55,782,598</u>  | <u>\$ 16,475,168</u> | <u>\$ -</u>                  | <u>\$ -</u>        | <u>\$ 72,257,766</u>  |
| C. Additions:   |                       |                      |                              |                    |                       |
| 1. Principal payments on long-term debt   | -                     | 935,472              | -                            | -                  | 935,472               |
| 2. Acquisition of capital assets  | -                     | 4,262,369            | -                            | -                  | 4,262,369             |
| 3. Other postemployment benefits paid in the current year but reported as in previous years   | -                     | -                    | -                            | -                  | -                     |
| 4. Claims paid in the current year but reported as expenses incurred but not reported in previous years   | -                     | -                    | -                            | -                  | -                     |
| 5. Landfill closure and postclosure care costs paid in the current year but recorded as expenses in previous years  | -                     | -                    | -                            | -                  | -                     |
| 6. Pension contribution - Note 2  | -                     | 496,640              | -                            | -                  | 496,640               |
| 7. Total additions  | <u>\$ -</u>           | <u>\$ 5,694,481</u>  | <u>\$ -</u>                  | <u>\$ -</u>        | <u>\$ 5,694,481</u>   |
| D. Amounts reported on Part II, Line A  | <u>\$ 68,630,066</u>  | <u>\$ 32,392,714</u> | <u>\$ 1,064,239</u>          | <u>\$ 46,784</u>   | <u>\$ 102,133,803</u> |

See accompanying notes to report.

**Note 1 - Summary of Significant Accounting Policies**

The Annual Expenditure Limitation Report (AELR) is presented as 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 8, 2008, 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 deduction or addition in the Reconciliation that cannot be traced directly to an amount reported in the 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, Changes in Fund Net Position for the Proprietary Funds; and Statement of Cash Flows for the Proprietary, and the Statement of Changes in Fiduciary Net Position for the Fiduciary Funds.

**Note 2 - Pension Expense**

The subtraction of \$720,450 for pension expense consists of the change in the net pension liability recognized in the current year in the Enterprise Funds. The addition of \$354,197 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 - Separate Legal Entities**

The subtraction of \$31,852,028 for separate legal entities established under Arizona Revised Statutes consists of expenditures of special assessment districts and municipal property corporations included within The City’s reporting entity, but not included in the Economic Estimates Commission base limit calculations, and are reported in the Governmental Funds category on the fund financial statements:

| <b>Special Assessment Districts</b> |               |
|-------------------------------------|---------------|
| General government                  | \$ 14,674,840 |
| Acquisition and construction        | 355,675       |
| Miscellaneous                       | 122,347       |
| Capital outlay                      | 992,072       |
| Principal                           | 8,607,579     |
| Interest and other charges          | 8,170,085     |
| Defeasance of debt                  | 22,860,000    |
|                                     | \$ 55,782,598 |
| Total                               | \$ 55,782,598 |