



**City of Buckeye, Arizona**  
**Annual Expenditure Limitation Report**  
Year Ended June 30, 2019

**CITY OF BUCKEYE, ARIZONA  
ANNUAL EXPENDITURE LIMITATION REPORT  
YEAR ENDED JUNE 30, 2019**

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## INDEPENDENT ACCOUNTANT'S REPORT

The Auditor General of the State of Arizona

Honorable Mayor and Members of the City Council  
City of Buckeye, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of the City of Buckeye, Arizona for the year ended June 30, 2019, and the related notes to the report. The City's management is responsible for presenting this report in accordance with the uniform expenditure reporting system as described in Note 1. 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether this report is presented in accordance with the uniform expenditure reporting system, in all material respects. An examination involves performing procedures to obtain evidence about the amounts and disclosures in the report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the report, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Annual Expenditure Limitation Report referred to above is presented, in all material respects, in accordance with the uniform expenditure reporting system as described in Note 1.

*Heinfeld Meech & Co. PC*

Heinfeld, Meech & Co., P.C.  
Phoenix, Arizona  
March 18, 2020

City of Buckeye, Arizona  
 Annual Expenditure Limitation Report - Part I  
 Year Ended June 30, 2019

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	\$	331,580,844
2.	Voter-approved alternative expenditure limitation		-
3.	Enter applicable amount from Line 1 or Line 2	\$	331,580,844
4.	Amount subject to the expenditure limitation (total amount from Part II, Line C)		155,847,048
5.	Board-authorized expenditures necessitated by a disaster declared by the Governor [Arizona Constitution, article IX, §20(2)(a)]		-
6.	Board-authorized expenditures necessitated by a disaster not declared by the Governor [Arizona Constitution, article IX, §20(2)(b)]		-
7.	Board-authorized expenditures to exceed the expenditure limitation for the reporting fiscal year [Arizona Constitution, Article IX §20(2) (c)]		-
8.	Subtotal		155,847,048
9.	Board-authorized excess expenditures for the previous fiscal year necessitated by a disaster not declared by the Governor and not approved by the voters [Arizona Constitution, Article IX, §20(2)(b)]		-
10.	Total adjusted amount subject to the expenditure limitation		<u>155,847,048</u>
11.	Amount under (in excess of) the expenditure limitation (If excess expenditures are reported, provide an explanation.)	\$	<u>175,733,796</u>

Signature of Chief Fiscal Officer:

*William Kauppi*

Date:

*3/18/20*

Name and Title:

William E. Kauppi, Chief Financial Officer

Telephone Number:

623-349-6161

See accompanying notes to report.

City of Buckeye, Arizona  
Annual Expenditure Limitation Report - Part II  
Year Ended June 30, 2019

Description	Governmental Funds	Enterprise Funds	Fiduciary Funds	Total
A. Amounts reported on the Reconciliation				
Line D	\$ 90,812,174	\$ 65,032,856	\$ 2,018	\$ 155,847,048
B. Less exclusions claimed:				
1. Debt proceeds	-	-	-	-
2. Debt service requirements	-	-	-	-
3. Dividends, interest, and gains on the sale or redemption of investment securities	-	-	-	-
4. Trustee or custodian	-	-	-	-
5. Grants and aid from the federal government	-	-	-	-
6. Grants, aid, contributions, or gifts from private agency, organization, or individual, except amounts received in lieu of taxes	-	-	-	-
7. Amounts received from the State of Arizona	-	-	-	-
8. Quasi-external interfund transactions	-	-	-	-
9. Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements	-	-	-	-
10. Highway user revenues in excess of those received in fiscal year 1979-80	-	-	-	-
11. Contracts with other political subdivisions	-	-	-	-
12. Refunds, reimbursements, and other recoveries	-	-	-	-
13. Voter-approved exclusions not identified above (attach resolution)	-	-	-	-
14. Prior years carryforward	-	-	-	-
15. Qualifying capital improvement expenditures repaid in accordance with A.R.S. 41-1279.07	-	-	-	-
16. Total exclusions claimed	\$ -	\$ -	\$ -	\$ -
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>\$ 90,812,174</u>	<u>\$ 65,032,856</u>	<u>\$ 2,018</u>	<u>\$ 155,847,048</u>

**City of Buckeye, Arizona**  
**Annual Expenditure Limitation Report - Reconciliation**  
Year Ended June 30, 2019

Description	Governmental Funds	Enterprise Funds	Fiduciary Funds	Total
A. Total expenditures/expenses deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements	\$ 114,121,671	\$ 51,186,690	\$ 2,018	\$ 165,310,379
B. Subtractions:				
1. Items not requiring use of working capital:				
Depreciation and amortization	-	16,759,755	-	16,759,755
Loss on disposal of capital assets	-	-	-	-
Bad debt expense	-	-	-	-
Other postemployment benefits	-	-	-	-
Pension expense - Note 2	-	848,633	-	848,633
2. Expenditures of separate legal entities established under Arizona Revised Statutes	23,309,497	-	-	23,309,497
3. Present value of net minimum capital lease and installment purchase contract payments recorded as expenditures at inception of the agreements.	-	-	-	-
4. Involuntary court judgements	-	-	-	-
5. Total subtractions	<u>\$ 23,309,497</u>	<u>\$ 17,608,388</u>	<u>\$ -</u>	<u>\$ 40,917,885</u>
C. Additions:				
1. Principal payments on long-term debt	\$ -	\$ 1,553,346	\$ -	\$ 1,553,346
2. Acquisition of capital assets	-	29,298,328	-	29,298,328
3. Other postemployment benefits paid in the current year but reported as expenses 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 post closure care costs paid in the current year but recorded as expenses in previous years	-	-	-	-
6. Pension contribution - Note 2	-	602,880	-	602,880
7. Total additions	<u>\$ -</u>	<u>\$ 31,454,554</u>	<u>\$ -</u>	<u>\$ 31,454,554</u>
D. Amounts reported on Part II, Line A	<u>\$ 90,812,174</u>	<u>\$ 65,032,856</u>	<u>\$ 2,018</u>	<u>\$ 155,847,048</u>

**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 August 26, 2014, 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 an 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 the Statement of Cash Flows for the Proprietary Funds, and the Statement of Changes in Fiduciary Net Position for the Fiduciary Funds.

**Note 2 - Pension Expense**

The subtraction of \$848,633 for pension expense consists of a change in the net pension liability recognized in the current year in the Enterprise Funds. The addition of \$602,880 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 \$23,800,537 for separate legal entities established under Arizona Revised Statutes consists of expenditures of special assessment districts 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:

General government	\$	1,073,743
Capital outlay		5,928,002
Principal		8,757,111
Interest and other charges		<u>7,550,641</u>
Total	\$	<u><u>23,309,497</u></u>