



City of Eloy, Arizona
Annual Expenditure Limitation Report
Year Ended June 30, 2016

**CITY OF ELOY, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2016**

<u>CONTENTS</u>	<u>PAGE</u>
Independent Accountant's Report	1
Annual Expenditure Limitation Report - Part I	2
Annual Expenditure Limitation Report - Part II	3
Annual Expenditure Limitation Report - Reconciliation	4
Notes to Annual Expenditure Limitation Report	5

INDEPENDENT ACCOUNTANT'S REPORT

The Auditor General of the State of Arizona and
The Honorable Mayor and City Council
of the City of Eloy, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of the City of Eloy, Arizona for the year ended June 30, 2016. The City's management is responsible for this report. 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 referred to above presents, in all material respects, the information prescribed by the uniform expenditure reporting system as described in Note 1.

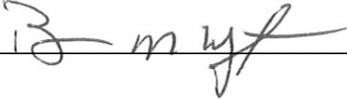
Heinfeld, Meech & Co., P.C.

Heinfeld, Meech & Co., P.C.
Tucson, Arizona
January 27, 2017

**CITY OF ELOY, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT – PART I
YEAR ENDED JUNE 30, 2016**

1. Economic Estimates Commission expenditure limitation	\$ 10,728,898	
2. Voter-approved alternative expenditure limitation approval date September, 2014	<u>39,464,545</u>	
3. Enter applicable amount from line 1 or line 2		<u>39,464,545</u>
4. Amount subject to the expenditure limitation (total amount from Part II, Line C)		<u>20,681,249</u>
5. Amount under the expenditure limitation		<u>\$ 18,783,296</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: Brian Wright, Finance Director

Telephone Number: (520) 464-3425

Date: 1-27-17

See accompanying notes to report.

CITY OF ELOY, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - PART II
YEAR ENDED JUNE 30, 2016

<u>Description</u>	<u>Governmental</u> <u>Funds</u>	<u>Enterprise</u> <u>Funds</u>	<u>Total</u>
A. Amounts reported on the Reconciliation, Line D	\$ 14,754,222	\$ 5,927,027	\$ 20,681,249
B. Less exclusions claimed: *			
C. Amount subject to the expenditure limitation	<u>\$ 14,754,222</u>	<u>\$ 5,927,027</u>	<u>\$ 20,681,249</u>

* Exclusions do not apply to the City of Eloy, Arizona's annual expenditure limitation report due to the voter-approved alternative expenditure limitation adopted September 8, 2014.

CITY OF ELOY, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - RECONCILIATION
YEAR ENDED JUNE 30, 2016

<u>Description</u>	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Total</u>
A. Total expenditures/expenses/deductions and applicable other financing uses, special items and extraordinary items reported within the fund financial statements	\$ 14,754,222	\$ 4,899,449	\$ 19,653,671
B. Subtractions:			
1. Items not requiring the use of current financial resources			
Depreciation		1,009,177	1,009,177
Landfill closure and post closure care costs		59,015	59,015
Pension expense		58,011	58,011
Total subtractions		<u>1,126,203</u>	<u>1,126,203</u>
C. Additions:			
1. Principal payment on long-term debt		657,009	657,009
2. Acquisition of capital assets		1,428,202	1,428,202
3. Pension contributions		68,570	68,570
Total additions		<u>2,153,781</u>	<u>2,153,781</u>
D. Amounts reported on Part II, Line A	<u>\$ 14,754,222</u>	<u>\$ 5,927,027</u>	<u>\$ 20,681,249</u>

CITY OF ELOY, ARIZONA
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2016

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 September 8, 2014, as authorized by the Arizona Constitution, Article IX, §20(9). This plan provides for the City to allow the Mayor and Council to adopt an annual expenditure limitation each year, which for fiscal year 2015-16 equaled the budget of \$39,464,545. This budget was formally adopted on June 8, 2015.

In accordance with the UERS, 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 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 Position for the Proprietary Funds; and the Statement of Cash Flows for the Proprietary Funds.

NOTE 2 – The subtraction of \$58,011 for pension expense consists of the change in the net pension liability recognized in the current year in the Enterprise Funds. The addition of \$68,570 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.