



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

**CITY OF ELOY, 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 and
The Honorable Mayor and Members of the 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, 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.

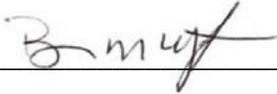
Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Phoenix, Arizona
January 21, 2020

**CITY OF ELOY, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT – PART I
YEAR ENDED JUNE 30, 2019**

1. Economic Estimates Commission expenditure limitation	\$ 12,884,816	
2. Voter-approved alternative expenditure limitation (approval September 2014)	<u>51,779,600</u>	
3. Enter applicable amount from line 1 or line 2		<u>51,779,600</u>
4. Amount subject to the expenditure limitation (total amount from Part II, Line C)		<u>33,546,239</u>
5. Amount under (in excess of) the expenditure limitation		<u>\$ 18,233,361</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 Finance Director 

Name and Title: Brian Wright, Finance Director

Telephone Number: (520) 464-3425

Date: January 21, 2020

See accompanying notes to report.

**CITY OF ELOY, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - PART II
YEAR ENDED JUNE 30, 2019**

<u>Description</u>	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Total</u>
A. Amounts reported on the Reconciliation, Line D	\$ 24,933,351	\$ 8,613,188	\$ 33,546,539
B. Less exclusions claimed: *			
C. Amount subject to the expenditure limitation	<u>\$ 24,933,351</u>	<u>\$ 8,613,188</u>	<u>\$ 33,546,539</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.

See accompanying notes to report.

CITY OF ELOY, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - RECONCILIATION
YEAR ENDED JUNE 30, 2019

<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	\$ 24,933,351	\$ 5,138,540	\$ 30,071,891
B. Subtractions:			
1. Items not requiring the use of current financial resources			
Depreciation		1,123,665	1,123,665
Landfill closure and post closure care costs		106,392	106,392
Pension expense		4,118	4,118
Total subtractions		<u>1,234,175</u>	<u>1,234,175</u>
C. Additions:			
1. Principal payment on long-term debt		702,980	702,980
2. Acquisition of capital assets		3,923,814	3,923,814
3. Pension contributions		82,029	82,029
Total additions		<u>4,708,823</u>	<u>4,708,823</u>
D. Amounts reported on Part II, Line A	<u>\$ 24,933,351</u>	<u>\$ 8,613,188</u>	<u>\$ 33,546,539</u>

See accompanying notes to report.

CITY OF ELOY, ARIZONA
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2019

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 2018-19 equaled the budget of \$51,779,600. This budget was formally adopted on June 11, 2018.

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 \$4,118 for pension expense consists of changes in the net pension liability, changes in deferred outflows related to pensions, and changes in deferred inflows related to pensions, recognized in the current year in the Enterprise Funds. The addition of \$82,029 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 – The subtraction of \$106,392 for landfill closure and post closure care costs consists of the portion of the total estimated liability reported as expenses in the current year but not yet paid in the Enterprise Funds.

NOTE 4 – The addition of \$702,980 for principal payments on long-term debt in the Enterprise Funds consists of \$674,905 for loans payable, and \$28,075 for revenue bonds payable.