



City of Buckeye, Arizona
Annual Expenditure Limitation Report
Year Ended June 30, 2022

**CITY OF BUCKEYE, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2022**

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INDEPENDENT ACCOUNTANT'S REPORT

The Auditor General of the State of Arizona

The Honorable Mayor and City Council
of the 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, 2022, 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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.
Scottsdale, Arizona
February 9, 2023

City of Buckeye, Arizona
 Annual Expenditure Limitation Report—Part I
 Year ended June 30, 2022

1. Economic Estimates Commission expenditure limitation	\$	<u>437,288,975</u>	
2. Voter-approved alternative expenditure limitation (N/A)			
3. Enter applicable amount from line 1 or line 2			\$ <u>437,288,975</u>
4. Amount subject to the expenditure limitation (total amount from Part II, line C)	\$	<u>208,784,049</u>	
5. Subtotal			\$ <u>208,784,049</u>
6. Total adjusted amount subject to the expenditure limitation			\$ <u>208,784,049</u>
7. Amount under (in excess of) the expenditure limitation			\$ <u><u>228,504,926</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 financial officer: *William Kauppi*

Name and title: William E. Kauppi, Chief Financial Officer

Telephone number: 623-349-6161 Date: 2/9/2023

See accompanying notes to report.

City of Buckeye, Arizona
 Annual Expenditure Limitation Report—Part II
 Year ended June 30, 2022

Description	<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	\$ 140,115,998	\$68,627,745	\$ -	\$ 40,306	\$ 208,784,049
B. Less exclusions claimed:					
<u>1. Total exclusions claimed</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
C. Amounts subject to the expenditure limitation	<u>\$ 140,115,998</u>	<u>\$68,627,745</u>	<u>\$ -</u>	<u>\$ 40,306</u>	<u>\$ 208,784,049</u>

See accompanying notes to report.

City of Buckeye, Arizona
Annual Expenditure Limitation Report—Reconciliation
Year ended June 30, 2022

Description	Governmental funds	Enterprise funds	Internal service funds	Fiduciary funds	Total
<u>A.</u> Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements	\$ 192,845,201	\$ 56,387,964	\$ -	\$ 40,306	\$ 249,273,471
<u>B.</u> Subtractions:					
<u>1.</u> Items not requiring use of current financial resources:					
<u>a.</u> Depreciation		17,120,164			17,120,164
<u>b.</u> Pension and other postemployment benefits (OPEB) expense		472,259			472,259
<u>2.</u> Expenditures of separate legal entities established under Arizona Revised Statutes	52,729,203				52,729,203
<u>3.</u> Total subtractions	<u>52,729,203</u>	<u>17,592,423</u>	<u>-</u>	<u>-</u>	<u>70,321,626</u>
<u>C.</u> Additions:					
<u>1.</u> Principal payments on long-term debt		6,170,964			6,170,964
<u>2.</u> Capital asset acquisitions		22,830,322			22,830,322
<u>3.</u> Pension and OPEB contributions paid in the current year		830,918			830,918
<u>4.</u> Total additions	<u>-</u>	<u>29,832,204</u>	<u>-</u>	<u>-</u>	<u>29,832,204</u>
<u>D.</u> Amounts reported on Part II, line A	<u>\$ 140,115,998</u>	<u>\$ 68,627,745</u>	<u>\$ -</u>	<u>\$ 40,306</u>	<u>\$ 208,784,049</u>

See accompanying notes to report.

City of Buckeye, Arizona
 Notes to Annual Expenditure Limitation Report
 Year ended June 30, 2022

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, 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; 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 \$472,259 subtraction for pension expense represents enterprise funds pension related operating expenses recognized in the current year, that did not result in an outlay of cash. The \$830,918 addition 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, that were not included in enterprise funds operating expenses.

Note 3 - Separate legal entities

The \$52,729,203 subtraction 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/Town's reporting entity, but not included in the Economic Estimates Commission base limit calculations, and are reported in the governmental funds category in the fund financial statements:

Community Facilities Districts:	
General government	\$ 859,543
Highway and streets	22,052,965
Principal	10,123,684
Interest and other charges	6,790,914
Capital outlay	12,902,097
Total	\$ <u>52,729,203</u>