



City of Buckeye, Arizona
Annual Expenditure Limitation Report
Year Ended June 30, 2020

**CITY OF BUCKEYE, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2020**

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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, 2020, 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
December 31, 2020

City of Buckeye, Arizona
Annual Expenditure Limitation Report—Part I
Year ended June 30, 2020

1. Economic Estimates Commission expenditure limitation	\$	<u>369,601,742</u>	
2. Voter-approved alternative expenditure limitation		<u>-</u>	\$
3. Enter applicable amount from line 1 or line 2			<u>369,601,742</u>
4. Amount subject to the expenditure limitation (total amount from Part II, line C)	\$	<u>164,516,366</u>	
11. Amount under (in excess of) the expenditure limitation	\$		<u><u>205,085,376</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: 12/31/2020

See accompanying notes to report.

City of Buckeye, Arizona
 Annual Expenditure Limitation Report—Part II
 Year ended June 30, 2020

Description	<u>Governmental funds</u>	<u>Enterprise funds</u>	<u>Fiduciary funds</u>	<u>Total</u>
A. Amounts reported on the Reconciliation, line D	\$91,613,762	\$72,874,218	\$ 28,386	\$ 164,516,366
B. Less exclusions claimed:				
Total exclusions claimed	-	-	-	-
C. Amounts subject to the expenditure limitation	<u>\$91,613,762</u>	<u>\$72,874,218</u>	<u>\$ 28,386</u>	<u>\$ 164,516,366</u>

See accompanying notes to report.

City of Buckeye, Arizona
Annual Expenditure Limitation Report—Reconciliation
Year ended June 30, 2020

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	\$ 151,632,811	\$ 53,792,783	\$ 28,386	\$ 205,453,980
B. Subtractions:				
Items not requiring use of current financial resources:				
Depreciation		17,702,844		17,702,844
Pension expense		963,824		963,824
Expenditures of separate legal entities established under Arizona Revised Statutes	60,019,049			60,019,049
Total subtractions	<u>60,019,049</u>	<u>18,666,668</u>	<u>-</u>	<u>78,685,717</u>
C. Additions:				
Principal payments on long-term debt		1,746,507		1,746,507
Capital asset acquisitions		35,339,434		35,339,434
Pension and OPEB contributions paid in the current year		662,162		662,162
Total additions	<u>-</u>	<u>37,748,103</u>	<u>-</u>	<u>37,748,103</u>
D. Amounts reported on Part II, line A	<u>\$ 91,613,762</u>	<u>\$ 72,874,218</u>	<u>\$ 28,386</u>	<u>\$ 164,516,366</u>

See accompanying notes to report.

City of Buckeye, Arizona
 Notes to Annual Expenditure Limitation Report
 Year ended June 30, 2020

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 \$963,824 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 \$662,162 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 \$60,019,049 subtraction for separate legal entities established under Arizona Revised Statutes consists of expenditures and other financing uses of Community Facility Districts (CFD) 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 in the fund financial statements:

Community Facility Districts	
General government	\$ 880,476
Highways and streets	33,164
Capital outlay	10,523,867
Principal	8,819,012
Interest and other charges	7,156,530
Payment to refunding agent	<u>32,606,000</u>
Total	<u>\$ 60,019,049</u>