

City of Globe, Arizona
Annual Expenditure Limitation Report
For the Year Ending June 30, 2016

❖ **Snyder & Butler, CPAs, PLLC**

City of Globe, Arizona
Annual Expenditure Limitation Report
For the Year Ending June 30, 2016
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Independent Accountants' Report

The Auditor General of the State of Arizona

The Honorable Mayor and City Council
of Globe, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of Globe, 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.

City of Globe, Arizona
Annual Expenditure Limitation Report-Part I
Year Ended June 30, 2016

1. Economic Estimates Commission expenditure limitation		
2. Voter-approved alternative expenditure limitation (A 8/27/2013)	<u>\$ 24,258,172</u>	
3. Enter applicable amount from Line 1 or Line 2		<u>\$ 24,258,172</u>
4. Amount subject to the limitation (total amount from Part II, Line C)	<u>\$ 17,014,038</u>	
5. Amount under (in excess of) the expenditure limitation		<u><u>\$ 7,244,134</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 Jeannie Sgroi

Name and Title: Jeannie Sgroi, Finance Director

Telephone Number: (928) 425-7146

Date: 03-28-17

See Accompanying Notes.

City of Globe, Arizona
Annual Expenditure Limitation Report-Part II
Year Ended June 30, 2016

Description	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
A. Amounts reported on the Reconciliation, Line D	\$ 9,753,293	\$ 7,253,775	\$ 6,970	\$ 17,014,038
B. Less exclusions claimed:*				
C. Amounts subject to the expenditure limitation <i>(If an individual fund category amount is negative, reduce exclusions claimed to net to zero.)</i>	<u>\$ 9,753,293</u>	<u>\$ 7,253,775</u>	<u>\$ 6,970</u>	<u>\$ 17,014,038</u>

* Exclusions are not applicable under state law because the City's voters passed an Alternative Expenditure Limitation Proposition.

See Accompanying Notes.

City of Globe, Arizona
Annual Expenditure Limitation Report-Reconciliation
Year Ended June 30, 2016

Description	Governmental Funds	Enterprise Funds	Internal Service 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	\$ 9,806,400	\$ 3,644,989	\$ -	\$ 6,970	\$ 13,458,359
B. Subtractions:					
Items not requiring use of current financial resources:					
Depreciation		666,004			666,004
Bad debt expense		19,150			19,150
Pension expense		34,163			34,163
Present value of net minimum capital lease and installment purchase contract payments recorded as expenditures at inception of the agreements	53,107				53,107
Total subtractions	<u>53,107</u>	<u>719,317</u>	<u>-</u>	<u>-</u>	<u>772,424</u>
C. Additions:					
Principal payments on long-term debt		292,429			292,429
Acquisition of capital assets		3,963,711			3,963,711
Amounts paid in the current year but reported as expenses in previous years:					
Pension contributions		71,963			71,963
Total additions	<u>-</u>	<u>4,328,103</u>	<u>-</u>	<u>-</u>	<u>4,328,103</u>
D. Amounts reported on Part II, Line A	<u>\$ 9,753,293</u>	<u>\$ 7,253,775</u>	<u>\$ -</u>	<u>\$ 6,970</u>	<u>\$ 17,014,038</u>

See Accompanying Notes.

City of Globe, 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 August 27, 2013, 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 - The subtraction of \$ 34,163 for pension expense consists of the change in the net pension liability recognized in the current year in the Enterprise/Internal Service Fund(s) *modify as appropriate*. The addition of \$ 71,963 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 addition of \$292,429 for principal payments on long-term debt in the Enterprise Funds consists of principal payments of \$192,905 on the Water Revenue Loans and \$99,524 in principal payments on the WIFA loans..