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INDEPENDENT AUDITOR'S REPORT

The Auditor General of the State of Arizona

The Honorable Mayor and City Council Members of the
City of Globe, Arizona

I have examined the accompanying Annual Expenditure Limitation Report of the City of Globe, Arizona, for the year ended June 30, 2015. This report is the responsibility of the City of Globe, Arizona's management. My responsibility is to express an opinion on this report based on my examination.

My 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 I considered necessary in the circumstances. I believe that my examination provides a reasonable basis for my opinion.

In my opinion, the Annual Expenditure Limitation Report of the City of Globe, Arizona referred to above presents, in all material respects, the information prescribed by the uniform expenditure reporting system as described in **Note 1**.



February 19, 2016
Mesa, Arizona 85212

CITY/TOWN OF Globe
Annual Expenditure Limitation Report—Part I
Year Ended June 30, 2015

1. Economic Estimates Commission expenditure limitation	\$	
2. Voter-approved alternative expenditure limitation (Approved <u>August 27, 2013</u>)		<u>23,725,117</u>
3. Enter applicable amount from Line 1 or Line 2		<u>\$ 23,725,117</u>
4. Amount subject to the expenditure limitation (total amount from Part II, Line C)		<u>\$ 13,293,140</u>
5. Board-authorized expenditures necessitated by a disaster declared by the Governor [Arizona Constitution, Article IX, §20(2)(a)]	-	_____
6. Board-authorized expenditures necessitated by a disaster not declared by the Governor [Arizona Constitution, Article IX, §20(2)(b)]	-	_____
7. Prior-year, voter-approved expenditures to exceed the expenditure limitation for the reporting fiscal year [Arizona Constitution, Article IX, §20(2)(c)]	-	_____
8. Qualifying capital improvement expenditures repaid in accordance with A.R.S. §41-1279.07(I)	-	_____
9. Subtotal		<u>\$ 13,293,140</u>
10. Board-authorized excess expenditures for the previous fiscal year necessitated by a disaster not declared by the Governor and not approved by the voters [Arizona Constitution, Article IX, §20(2)(b)]	+	_____
11. Total adjusted amount subject to the expenditure limitation		<u>\$ 13,293,140</u>
12. Amount under (in excess of) the expenditure limitation (If excess expenditures are reported, provide an explanation.)		<u>\$ 10,431,977</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: Joseph Jarvis, Finance Director

Telephone Number: 928-425-7146

Date: February 19, 2016

See accompanying notes to report.

CITY/TOWN OF Globe
Annual Expenditure Limitation Report—Part II
Year Ended June 30, 2015

Description	Governmental Funds	Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total
A. Amounts reported on the Reconciliation, Line D	\$ 9,405,838	\$ 3,881,002	\$	\$ 6,300	\$13,293,140
B. Less exclusions claimed:	N/A - Home Rule Option				
1. Bond proceeds					
Debt service requirements on bonded indebtedness					
Proceeds from other long-term obligations					
Debt service requirements on other long-term obligations					
2. Dividends, interest, and gains on the sale or redemption of investment securities					
3. Trustee or custodian					
4. Grants and aid from the federal government					
5. Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes					
6. Amounts received from the State of Arizona					
7. Quasi-external interfund transactions					
8. Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements					
9. Highway user revenues in excess of those received in fiscal year 1979-80					
10. Contracts with other political subdivisions					
11. Refunds, reimbursements, and other recoveries					
12. Voter-approved exclusions not identified above (attach resolution)					
13. Prior years carryforward					
14. Total exclusions claimed	\$	\$	\$	\$	\$
C. Amounts subject to the expenditure limitation (If an individual fund category/type amount is negative, reduce exclusions claimed to net to zero.)	\$ 9,405,838	\$ 3,881,002	\$	\$ 6,300	\$13,293,140

See accompanying notes to report.

CITY/TOWN OF Globe
 Annual Expenditure Limitation Report—Reconciliation
 Year Ended June 30, 2015

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	\$ 9,405,838	\$ 2,896,187	\$	\$ 6,300	\$ 12,308,325
B. Subtractions					
1. Items not requiring use of working capital:					
Depreciation		668,097			668,097
Loss on disposal of capital assets		111,103			111,103
Bad debt expense		5,162			5,162
Other postemployment benefits expense					
Claims incurred but not reported					
Landfill closure and postclosure care costs					
2. Expenditures of separate legal entities established under Arizona Revised Statutes					
3. Present value of net minimum capital lease and installment purchase contract payments recorded as expenditures at inception of the agreements					
4. Involuntary court judgments					
5. Total subtractions	\$	\$ 784,362	\$	\$	\$ 784,362
C. Additions:					
1. Principal payments on long-term debt		186,553			186,553
2. Acquisition of capital assets		1,582,624			1,582,624
3. Other postemployment benefits paid in the current year but reported as expenses in previous years					
4. Claims paid in the current year but reported as expenses incurred but not reported in previous years					
5. Landfill closure and postclosure care costs paid in the current year but reported as expenses in previous years					
6. Total additions	\$	\$ 1,769,177	\$	\$	\$ 1,769,177
D. Amounts reported on Part II, Line A	\$ 9,405,838	\$ 3,881,002	\$	\$ 6,300	\$ 13,293,140

See accompanying notes to report.

CITY OF GLOBE, ARIZONA

Notes to Annual Expenditure Limitation Report Year Ended June 30, 2015

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 UERS requirements, each subtraction or addition in the **Reconciliation** can be traced directly to an amount reported in the fund financial statements.