

CITY OF BISBEE, ARIZONA

ANNUAL EXPENDITURE LIMITATION REPORT

YEAR ENDED JUNE 30, 2016

CITY OF BISBEE, ARIZONA  
Annual Expenditure Limitation Report  
Year Ended June 30, 2016

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Independent Accountants' Report

To the Auditor General of the State of Arizona and  
the Honorable Mayor and City Council of the  
City of Bisbee, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of the City of Bisbee, Arizona (the City) 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.

*Fester & Chapman P.C.*

December 29, 2016

CITY OF BISBEE, ARIZONA  
Annual Expenditure Limitation Report - Part I  
Year Ended June 30, 2016

|   |                      |
|---|----------------------|
| 1. Economic Estimates Commission expenditure limitation                             | <u>\$ 3,680,406</u>  |
| 2. Voter-approved alternative expenditure limitation (see Note 1)                   | <u>26,969,258</u>    |
| 3. Enter applicable amount from line 1 or line 2                                    | <u>26,969,258</u>    |
| 4. Amount subject to the expenditure limitation (total amount from Part II, Line C) | <u>12,112,215</u>    |
| 5. Total adjusted amount subject to the expenditure limitation                      | <u>12,112,215</u>    |
| 6. Amount under the expenditure limitation  | <u>\$ 14,857,043</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: Keri Bagley, Finance Director

Telephone number: (520) 432-6008 Date: \_\_\_\_\_

See accompanying notes to report.

CITY OF BISBEE, ARIZONA  
 Annual Expenditure Limitation Report - Part II  
 Year Ended June 30, 2016

| Description                                       | Governmental<br>Funds | Enterprise<br>Funds | Total                |
|---|-----------------------|---------------------|----------------------|
| A. Amounts reported on the Reconciliation, Line D | \$ 8,037,111          | \$ 4,075,104        | \$ 12,112,215        |
| B. Less exclusions claimed                        | -                     | -                   | -                    |
| C. Amounts subject to the expenditure limitation  | <u>\$ 8,037,111</u>   | <u>\$ 4,075,104</u> | <u>\$ 12,112,215</u> |

See accompanying notes to report.

CITY OF BISBEE, ARIZONA  
Annual Expenditure Limitation Report - Reconciliation  
Year Ended June 30, 2016

| Description  | Governmental<br>Funds | Enterprise<br>Funds | Total                |
|--|-----------------------|---------------------|----------------------|
| A. Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements. | \$ 8,037,111          | \$ 3,914,361        | \$ 11,951,472        |
| B. Subtractions:   |                       |                     |                      |
| 1. Items not requiring use of working capital:   |                       |                     |                      |
| Depreciation   | -                     | (1,240,249)         | (1,240,249)          |
| 2. Total subtractions  | \$ -                  | \$ (1,240,249)      | \$ (1,240,249)       |
| C. Additions:  |                       |                     |                      |
| 1. Principal payments on long-term debt  | -                     | 831,715             | 831,715              |
| 2. Acquisition of capital assets   | -                     | 569,277             | 569,277              |
| 3. Total additions   | \$ -                  | \$ 1,400,992        | \$ 1,400,992         |
| D. Amounts reported on Part II, Line A   | <u>\$ 8,037,111</u>   | <u>\$ 4,075,104</u> | <u>\$ 12,112,215</u> |

See accompanying notes to report.

City of Bisbee, 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 of \$26,969,258 adopted June 16, 2015, as authorized by the Arizona Constitution, Article IX, §20(9).