

**CITY OF BISBEE, ARIZONA**  
**ANNUAL EXPENDITURE LIMITATION REPORT**  
**JUNE 30, 2019**  
**WITH REPORT OF**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**CITY OF BISBEE, ARIZONA**  
**Annual Expenditure Limitation Report**  
**June 30, 2019**

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## Independent Accountants' Report on AELR

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

We have examined the accompanying Annual Expenditure Limitation Report of the City of Bisbee, Arizona, for the year ended June 30, 2019, and the related notes to the report. The City of Bisbee, Arizona'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 accordance with the uniform expenditure reporting system as described in note 1 in all material respects.

*HintonBurdick, PLLC*

HintonBurdick, PLLC  
Gilbert, Arizona  
December 23, 2019

**CITY OF BISBEE, ARIZONA**  
**Annual Expenditure Limitation Report – Part I**  
**Year Ended June 30, 2019**

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|   |                     |
|---|---------------------|
| 1. Economic Estimates Commission expenditure limitation   | N/A                 |
| 2. Voter-approved alternative expenditure limitation (Approved August 28, 2018)   | <u>14,014,093</u>   |
| 3. Enter applicable amount from line 1 or line 2  | \$ 14,014,093       |
| 4. Amount subject to the expenditure limitation (total amount from Part II, Line C)                                     | <u>12,959,605</u>   |
| 5. Amount under (in excess of) the expenditure limitation (If excess expenditures are reported, provide an explanation) | <u>\$ 1,054,488</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 – Reconciliation**  
**Year Ended June 30, 2019**

| Description  | Governmental<br>Funds | Enterprise<br>Funds | Total                |
|--|-----------------------|---------------------|----------------------|
| A. Amounts reported on the Reconciliation Line D   | <u>\$ 9,181,618</u>   | <u>\$ 3,777,987</u> | <u>\$ 12,959,605</u> |
| B. Less exclusions claimed:  |                       |                     |                      |
| 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   | <u>-</u>              | <u>-</u>            | <u>-</u>             |
| 14. Total exclusions claimed   | <u>-</u>              | <u>-</u>            | <u>-</u>             |
| C. Amount subject to the expenditure limitation<br>(If an individual fund type amount is negative, reduce )<br>exclusions claimed to net to zero.) | <u>\$ 9,181,618</u>   | <u>\$ 3,777,987</u> | <u>\$ 12,959,605</u> |
|  | <u>\$ 9,181,618</u>   | <u>\$ 3,777,987</u> | <u>\$ 12,959,605</u> |

See accompanying notes to report

**CITY OF BISBEE, ARIZONA**  
**Annual Expenditure Limitation Report – Reconciliation**  
**Year Ended June 30, 2019**

| Description  | Governmental<br>Funds | Enterprise<br>Funds | Fiduciary<br>Funds | Total                |
|--|-----------------------|---------------------|--------------------|----------------------|
| A. Total expenditures (and expenses) and applicable other financing uses reported within the financial statements                                | <u>\$ 9,181,618</u>   | <u>\$ 4,666,978</u> | <u>\$ -</u>        | <u>\$ 13,848,596</u> |
| B. Subtractions:   |                       |                     |                    |                      |
| 1. Items not requiring use of working capital:   |                       |                     |                    |                      |
| Depreciation   | -                     | 1,272,910           | -                  | 1,272,910            |
| Loss on disposal of fixed assets   | -                     | -                   | -                  | -                    |
| Bad debt expense   | -                     | -                   | -                  | -                    |
| Other postemployment benefits expense  | -                     | -                   | -                  | -                    |
| Pension expense  | -                     | (116,863)           | -                  | (116,863)            |
| 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  | <u>-</u>              | <u>1,156,047</u>    | <u>-</u>           | <u>1,156,047</u>     |
| C. Additions:  |                       |                     |                    |                      |
| 1. Principal payments on long-term debt  | -                     | 72,054              | -                  | 72,054               |
| 2. Acquisition of capital assets   | -                     | 78,139              | -                  | 78,139               |
| 3. Amounts paid in the current year but reported as expenses in previous years:  |                       |                     |                    |                      |
| Other postemployment benefits  | -                     | -                   | -                  | -                    |
| Pension contributions  | -                     | 116,863             | -                  | 116,863              |
| Claims previously recognized as IBNR   | -                     | -                   | -                  | -                    |
| Landfill closure and postclosure care costs  | -                     | -                   | -                  | -                    |
| 4. Total additions   | <u>-</u>              | <u>267,056</u>      | <u>-</u>           | <u>267,056</u>       |
| D. Amounts reported on Part II, Line A   | <u>9,181,618</u>      | <u>3,777,987</u>    | <u>-</u>           | <u>12,959,605</u>    |

See accompanying notes to report

**CITY OF BISBEE, ARIZONA**  
**Notes to the Annual Expenditure Limitation Report**  
**June 30, 2019**

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**Note 1    Summary of Significant Accounting Policies**

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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 28, 2018, as authorized by the Arizona Constitution, Article IX, §20(9).

In accordance with the UERS requirements, a note to the AELR is presented below for any exclusion claimed in 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 Net Position for the Proprietary Funds, and the Statement of Cash Flows for the Proprietary Funds.

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**Note 2    Reconciliation - Subtractions and Additions**

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Details for the subtraction for depreciation and pension expense and the additions for principal payments on long-term debt, acquisition of capital assets, and pension contributions are all provided in the Statement of Cash Flows for the Proprietary Funds and the financial statement footnotes.

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**Note 3    Exclusions**

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Exclusions from local revenues, including those enumerated in the Constitution, may be taken against alternative expenditure limitation only if such exclusions are specifically identified in the resolution and the publicity pamphlet. There are no such exclusions specifically identified.

