



City of Tombstone, Arizona
Annual Expenditure Limitation Report
Year Ended June 30, 2016

**CITY OF TOMBSTONE, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2016**

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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 Tombstone, Arizona

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

Heinfeld, Meech & Co., P.C.

Heinfeld, Meech & Co., P.C.
Tucson, Arizona
March 29, 2017

**CITY OF TOMBSTONE, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT – PART I
YEAR ENDED JUNE 30, 2016**

1. Economic Estimates Commission expenditure limitation	<u>\$ 1,228,894</u>
2. Voter-approved alternative expenditure limitation (approved November 6, 2012)	<u>6,421,737</u>
3. Enter applicable amount from line 1 or line 2	<u>6,421,737</u>
4. Amount subject to the expenditure limitation (total amount from Part II, Line C)	<u>3,578,466</u>
5. Amount under the expenditure limitation	<u>\$ 2,843,271</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 Brenda A. Ikiert

Name and Title: Brenda Ikiert, Interim City Clerk

Telephone Number: (520) 457-2202 Date: March 29, 2017

**CITY OF TOMBSTONE, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - PART II
YEAR ENDED JUNE 30, 2016**

<u>Description</u>	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
A. Amounts reported on the Reconciliation, Line D	\$ 2,447,137	\$ 1,117,653	\$ 13,676	\$ 3,578,466
B. Less exclusions claimed:	_____	_____	_____	_____
C. Amount subject to the expenditure limitation	<u>\$ 2,447,137</u>	<u>\$ 1,117,653</u>	<u>\$ 13,676</u>	<u>\$ 3,578,466</u>

**CITY OF TOMBSTONE, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - RECONCILIATION
YEAR ENDED JUNE 30, 2016**

<u>Description</u>	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
A. Total expenditures/expenses/deductions and applicable other financing uses, special items and extraordinary items reported within the fund financial statements	\$ 2,447,137	\$ 825,282	\$ 13,676	\$ 3,286,095
B. Subtractions:				
1. Items not requiring the use of working capital:				
Depreciation		66,101		66,101
Pension expense		4,629		4,629
2. Total subtractions		<u>70,730</u>		<u>70,730</u>
C. Additions:				
1. Principal payments on long-term debt		26,032		26,032
2. Acquisition of capital assets		313,241		313,241
3. Pension contributions		23,828		23,828
4. Total additions		<u>363,101</u>		<u>363,101</u>
D. Amounts reported on Part II, Line A	<u>\$ 2,447,137</u>	<u>\$ 1,117,653</u>	<u>\$ 13,676</u>	<u>\$ 3,578,466</u>

CITY OF TOMBSTONE, 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 November 6, 2012, 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; the Statement of Cash Flows for the Proprietary Funds; and the Statement of Changes in Fiduciary Net Position for the Fiduciary Funds.

NOTE 2 – TOTAL EXPENDITURES/EXPENSES/DEDUCTIONS

Enterprise Funds:	
Operating expenses	\$ 809,862
Nonoperating expenses	<u>15,420</u>
Total	<u><u>825,282</u></u>

NOTE 3 – PENSION PLAN ITEMS

The subtraction of \$4,629 for pension expense consists of the change in the net pension liability recognized in the current year in the Enterprise Funds. The addition of \$23,828 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.