

**TOWN OF ORO VALLEY, ARIZONA
REPORT ON AUDIT OF ANNUAL EXPENDITURE
LIMITATION REPORT
YEAR ENDED JUNE 30, 2011**

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HEINFELD, MEECH & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS



INDEPENDENT AUDITORS' REPORT

The Auditor General of the State of Arizona and
The Honorable Mayor and Town Council
of the Town of Oro Valley, Arizona

We have audited the accompanying Annual Expenditure Limitation Report of the Town of Oro Valley, Arizona for the year ended June 30, 2011. This report is the responsibility of the Town of Oro Valley, Arizona's management. Our responsibility is to express an opinion on this report based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the report. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall report presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Annual Expenditure Limitation Report was prepared for the purpose of complying with the uniform expenditure reporting system as discussed in Note 1, and is not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the Annual Expenditure Limitation Report of Town of Oro Valley, Arizona, for the year ended June 30, 2011, referred to above presents fairly, in all material respects, the information required by the uniform expenditure reporting system on the basis of accounting described in Note 1.

This report is intended solely for the information and use of management and for filing with the Auditor General of the State of Arizona, and is not intended to be and should not be used by anyone other than these specified parties.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
Certified Public Accountants

January 9, 2012

**TOWN OF ORO VALLEY, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT – PART I
YEAR ENDED JUNE 30, 2011**

1. Economic Estimates Commission expenditure limitation	\$ 21,829,726
2. Voter-approved alternative expenditure limitation (approved March 9, 2010) See Note 1	<u>116,208,785</u>
3. Enter amount applicable from line 1 or line 2	<u>116,208,785</u>
4. Amount subject to the expenditure limitation (total amount from Part II, Line C)	<u>60,301,352</u>
5. Amount under the expenditure limitation	<u>\$ 55,907,433</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: Stacey Lemos, CPA – Finance Director

Telephone Number: (520) 229-4732

Date: 1/9/12

See accompanying note to report.

**TOWN OF ORO VALLEY, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - RECONCILIATION
YEAR ENDED JUNE 30, 2011**

<u>Description</u>	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>	<u>Total</u>
A. Total expenditures/expenses/deductions and applicable other financing uses, special items and extraordinary items reported in the basic financial statements	\$ 39,042,036	\$ 13,113,857	\$ 874,968	\$ 53,030,861
B. Subtractions:				
1. Items not requiring use of working capital - Depreciation and amortization	<u> </u>	2,943,829	<u> </u>	2,943,829
2. Total subtractions	<u> </u>	2,943,829	<u> </u>	2,943,829
C. Additions:				
1. Principal payments on long-term debt		3,854,554		3,854,554
2. Acquisition of capital assets		6,359,766		6,359,766
3. Total additions		<u>10,214,320</u>		<u>10,214,320</u>
D. Amounts reported on Part II, Line A	<u>\$ 39,042,036</u>	<u>\$ 20,384,348</u>	<u>\$ 874,968</u>	<u>\$ 60,301,352</u>

See accompanying note to report.

**TOWN OF ORO VALLEY, ARIZONA
NOTE TO ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2011**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Annual Expenditure Limitation Report (AELR) is presented on the basis of accounting 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 March 9, 2010, as authorized by the Arizona Constitution Article IX, §20(9). This plan provides for the Town to allow the Mayor and Council to adopt an annual expenditure limitation each year, which for fiscal 2010-11 equaled the budget of \$116,208,785. This budget was formally adopted on June 16, 2010.