



Town of Oro Valley, Arizona
Annual Expenditure Limitation Report
Year Ended June 30, 2020

**TOWN OF ORO VALLEY, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2020**

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INDEPENDENT ACCOUNTANT'S 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 examined the accompanying Annual Expenditure Limitation Report of Town of Oro Valley, Arizona for the year ended June 30, 2020, and the related notes to the report. The Town'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 all material respects, in accordance with the uniform expenditure reporting system as described in Note 1.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Tucson, Arizona
March 19, 2021

**TOWN OF ORO VALLEY, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT – PART I
YEAR ENDED JUNE 30, 2020**

1. Economic Estimates Commission expenditure limitation	\$ 25,711,875
2. Voter-approved alternative expenditure limitation	<u>111,019,716</u>
3. Enter amount applicable from line 1 or line 2	<u>111,019,716</u>
4. Amount subject to the expenditure limitation (total amount from Part II, Line C)	<u>91,555,038</u>
5. Amount under the expenditure limitation	<u>\$ 19,464,678</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 *David Gephart*
David Gephart (Mar 19, 2021 16:02 PDT)

Name and Title: David Gephart, Administrative Services Director/CFO

Telephone Number: (520) 229-4732 Date: March 19, 2021

See accompanying note to report.

**TOWN OF ORO VALLEY, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - PART II
YEAR ENDED JUNE 30, 2020**

<u>Description</u>	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Internal Service Fund</u>	<u>Total</u>
A. Amounts reported on the Reconciliation, Line D	\$ 67,314,945	\$ 21,355,467	\$ 2,884,626	\$ 91,555,038
B. Less exclusions claimed:*	<u> </u>	<u> </u>	<u> </u>	<u> </u>
C. Amount subject to the expenditure limitation	<u>\$ 67,314,945</u>	<u>\$ 21,355,467</u>	<u>\$ 2,884,626</u>	<u>\$ 91,555,038</u>

* Exclusions do not apply to the Town of Oro Valley, Arizona's annual expenditure limitation report due to the voter-approved alternative expenditure limitation adopted August 28, 2018.

See accompanying note to report.

TOWN OF ORO VALLEY, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - RECONCILIATION
YEAR ENDED JUNE 30, 2020

<u>Description</u>	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Internal Service Fund</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	\$ 67,314,945	\$ 17,398,411	\$ 2,802,907	\$ 87,516,263
B. Subtractions:				
1. Items not requiring use of current financial resources:				
Depreciation and amortization		3,736,675		3,736,675
Bad debt expense		12,386		12,386
Claims incurred but not reported (IBNR)			251,704	251,704
Pension expense		479,295		479,295
2. Total subtractions		<u>4,228,356</u>	<u>251,704</u>	<u>4,480,060</u>
C. Additions:				
1. Principal payments on long-term debt		4,979,066		4,979,066
2. Capital asset acquisitions		2,869,705		2,869,705
3. Claims previously recognized as IBNR			333,423	333,423
4. Pension contributions paid in current year		336,641		336,641
5. Total additions		<u>8,185,412</u>	<u>333,423</u>	<u>8,518,835</u>
D. Amounts reported on Part II, Line A	<u>\$ 67,314,945</u>	<u>\$ 21,355,467</u>	<u>\$ 2,884,626</u>	<u>\$ 91,555,038</u>

See accompanying note to report.

**TOWN OF ORO VALLEY, ARIZONA
NOTE TO ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2020**

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 28, 2018, as authorized by the Arizona Constitution, Article IX, §20(9). The alternative expenditure limitation provides for the Town to allow the Mayor and Council to adopt an annual expenditure limitation each year, which for fiscal year 2019-20 equaled the budget of \$111,019,716. This budget was formally adopted on June 5, 2019.