

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2015

City of Litchfield Park, Arizona



City Council:

Thomas L. Schoaf, Mayor
Paul Faith, Vice Mayor
Tim Blake
Jeff Raible
Peter Mahoney
John Romack
Paul Stucky

Administrative Staff:

Darryl H. Crossman, City Manager
Sonny Culbreth, Assistant City Manager

Prepared By:

Budget and Finance Department

Benjamin Ronquillo, Finance Director
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City of Litchfield Park, Arizona
Comprehensive Annual Financial Report
Year Ended June 30, 2015

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Introduction to Probability and Statistics



March 30, 2016

To the Honorable Mayor, City Council, and City Manager of the City of Litchfield Park:

State law requires that all general-purpose local governments publish within 120 days (240 days with an extension) of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that arrangement, we hereby issue the comprehensive annual financial report of the City of Litchfield Park, Arizona for the fiscal year ended June 30, 2015.

This report consists of management's representations concerning the finances of the City of Litchfield Park. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Litchfield Park has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Litchfield Park's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Litchfield Park's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Walker & Armstrong LLP, a firm of licensed certified public accountants, has audited the City of Litchfield Park's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Litchfield Park for the fiscal year ended June 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Litchfield Park's financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Litchfield Park's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Litchfield Park, Arizona, is located approximately 18 miles west of downtown Phoenix, Arizona, and 22 miles west of Phoenix Sky Harbor International Airport. Litchfield Park has an estimated population of approximately 5,476 per the 2010 census. It is a small community encompassing approximately four square miles situated on the western edge of the metropolitan Phoenix area. Although Litchfield Park is a small community, it offers an assortment of unique amenities including The Wigwam, a historic full service resort property boasting three championship golf courses and full service spa, a vibrant historical downtown district, several community parks, a community library, and a community recreation center and pool.

Litchfield Park is host to several distinctive and award winning festivals and events held throughout the year which include the Spring Art & Culinary Festival, Oktoberfest, Christmas in the Park, Winter Trout Derby, Fourth of July Celebration, Native American Arts Festival, and the Arts in the Park Concert Series.

The City of Litchfield Park has operated under the council-manager form of government since its incorporation in 1987. Policy-making and legislative authority are vested in a governing council consisting of the mayor and six other members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring of the City Manager, City Clerk, City Attorney, and Magistrate. The City Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members serve four-year staggered terms, with three council members elected every two years. The mayor is elected to serve a four-year term. The mayor and council members are elected at large.

The City of Litchfield Park provides a full range of services, including law enforcement, streets and parks maintenance services, construction, planning and zoning services, community and recreation services, and general administrative services.

The annual budget serves as the foundation for the City of Litchfield Park's financial planning and control. All departments of the City of Litchfield Park are required to submit requests for appropriations to the City Manager on or before the first day in March each year. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the City Council for review prior to April 30. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than July 31.

The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may make transfers of appropriations within a department. Transfers of appropriations between departments, however require the special approval of the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 21 as part of the basic financial statements for the governmental funds.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Litchfield Park operates.

Local economy. The City of Litchfield Park has experienced slow but steady economic growth over the last two fiscal years and has seen stabilization in its ongoing revenues. During fiscal year 2015, the City experienced an increase in residential construction activity and has taken steps to initiate development within its remaining commercial parcels. The City anticipates economic growth that is very much in line with forecasts for the general Arizona economy, namely continued modest growth throughout 2016.

The sustained activity in the City's retail centers has helped to keep the City fiscally stable throughout the recent recession. At the onset of fiscal year 2015, the City had nearly one hundred and fifty (150) acres of undeveloped commercial property within its limits. Because of its close proximity to all of the West Valley's freeways (Loop 101, Loop 303, and I-10), Litchfield Park is well positioned to capitalize on future economic growth in the West Valley and Arizona.

The City is cautiously optimistic that this modest growth trend will continue into the near future helping the City to grow toward meeting the needs of the community and citizens. The City's annual fiscal year revenue projections continue to reflect these recent economic developments.

Long-term financial planning. As previously stated, the City has seen a slight upward trend in local sales tax revenues, which is the City's primary source of revenue. The City hopes this positive trend will continue into the near future. The fiscally conservative practices followed by the City over the last several years have lessened the negative impact of the local and national recession on City services and operations. Without a general property tax to fund City projects, operations, and services, growth in the existing revenue streams is critically important to continue providing the highest level of services to the community and its citizens. The City is taking a proactive approach in the marketing and development of its undeveloped commercial areas as the future development of these assets is vital to the economic health of the City.

The City's service and operational needs have significantly increased over the last few years, and are expected to continue to increase in future years. The development of the City's remaining commercial areas will serve to strengthen its economic base and bring additional ongoing revenues to apply toward the expanding operational needs of the City.

The City continued to work diligently during the 2015 fiscal year to implement its current Capital Improvement Plan. Several projects identified as important for the City were initiated and/or completed during the year. The City completed the purchase of Scout Park and Scout Lodge, two properties that were deemed as essential to Litchfield Park and have historically been used by the community as park and meeting space. Recreation Center related projects have included the renovation of the tennis courts and installation of new doors at the preschool entrance. The City has also sustained its citywide road maintenance and repair program and continued the replacement of capital equipment for public works operations, which included the purchase of a new street sweeper.

Relevant Financial Policies. The City's financial policies include the following:

- **Fiscal Conservatism:** Ensure the City is in a solid financial condition at all times, current revenues will be sufficient to support current operating expenditures. The City performs monthly reviews of operating budgets for all funds regardless of funding source.
- **Adherence to the Highest Accounting and Management Practices:** Comply with the Government Finance Officer's Association (GFOA) standards for reporting and budgeting and the Governmental Accounting Standards Board (GASB) requirements.
- **Cash management policies and practices.** Cash temporarily idle during the year was invested in the State Treasurers Local Government Investment Pool. An Investment Policy adopted in 1995 allows the Finance Officer and City Manager to invest temporarily idle cash in the State Treasurer's Investment Pool (LGIP) and other debt backed by the Federal Government. The policy restricts investments to a maximum of three years and places priority on the safety and liquidity of the funds. The State of Arizona provides collateral for all cash on deposit in banks on behalf of the City in excess of the FDIC maximum. Due to current economic factors, the average yield on the City-invested cash was less than 2% for the fiscal year ended June 30, 2015.
- **Risk management.** The City is responsible for the protection of the City's assets. Through regular Staff meetings and other training activities, the City emphasizes various risk management techniques and procedures to reduce and minimize the potential for loss. The City carries insurance with the Arizona Municipal Risk Retention Pool (AMRRP) for general liability, property, automobile, and public officials' errors and omissions insurance. The AMRRP, administered by Southwest Risk Services, is a non-profit corporation established in 1986 and

authorized by the Arizona Legislature. Membership is open to all cities and towns in Arizona.

- **Flexibility:** Ensure the City is in a position to respond to changes in the economy or new service challenges without undue amounts of financial stress.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Litchfield Park for its comprehensive annual financial report for the fiscal year ended June 30, 2014.

This was the fourteenth consecutive year that the City of Litchfield Park has received this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized comprehensive annual financial report. That report must satisfy both generally accepted accounting principles and applicable legal requirements.

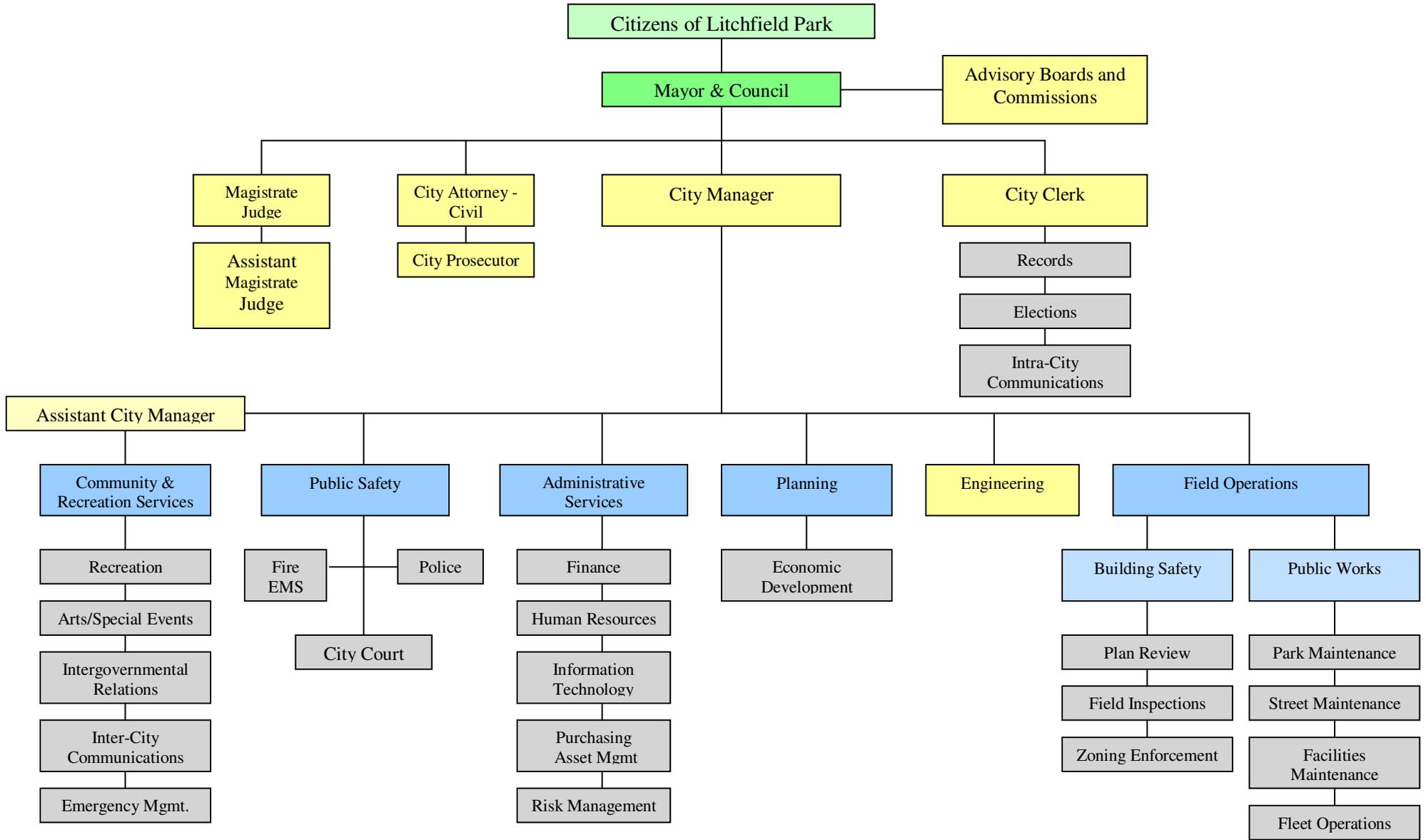
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. The preparation of the report would not have been possible without the efficient and dedicated services of the staff of the Finance Department and their hard work in the compilation of the annual financial and audit schedules. In addition we would like to thank the City Manager, the respective Department Heads and their staff, and the City Council for their interest and support in planning and conducting the City's financial affairs.

Respectfully submitted,

Benjamin Ronquillo
Finance Director

City of Litchfield Park, Arizona Organization Chart



Elected
 Appointed
 Employee
 Division
 Department
 Functions

**Elected & Appointed Officials
City of Litchfield Park, AZ**

City Council/Community Facilities District Board

Thomas Schoaf, Mayor
Paul Faith, Vice Mayor
Tim Blake
Peter Mahoney
Jeff Raible
John Romack
Paul Stucky

Design Review Board/Board of Adjustment/Board of Appeals

David Ledyard, Chair BOA and Vice Chair DRB
Susan Charnetsky, Chair DRB and Vice Chair BOA
Mary Dickson DRB P&Z Commission Representative
John Romack, City Council Representative
Brenda Searle-Sung, P&Z Commission Representative
Don Wooldridge

IDA Board

Michael Albin
Michael Faith
Todd Kinney
John Wenzlau
Michael Yates

Planning & Zoning Commission

Mary Dickson
David Ledyard
Richard Meese
Frank Ross
Charles "Red" Scott
Ed White
Vernon Williams

Recreation and Public Grounds Commission

JoAnn Dun, Chair
Andi Phillips, Vice Chair
Rob Antoniak
Christoph Gerz
Mike Hirth
Glen O'Keefe
David Schwake

Beautification Committee

Andrea Phillips
Mike Hirth
Glen O'Keefe

Tree Board

JoAnn Dun, Chair
Rob Antoniak
Christoph Gerz



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Litchfield Park
Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

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Independent Auditor's Report

To the Honorable Mayor and City Council Members
City of Litchfield Park, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of City of Litchfield Park, Arizona, (the "City") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Litchfield Park, Arizona, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the general fund for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

For the year ended June 30, 2015, the City implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, and GASB Statement No. 69, *Government Combinations and Disposals of Governmental Operations*. GASB Statement Nos. 68 and 71 establish standards for measuring and recognizing net pension (assets and) liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to pension benefits provided through defined benefit pension plans. In addition, Statement No. 68 requires disclosure of information related to pension benefits. GASB Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis (MD&A) on pages 4 through 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining statements and individual fund schedules and statistical section listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The combining and individual nonmajor fund financial statements, budget versus actual schedules and the capital asset schedules on pages 48-61 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the combining and individual nonmajor fund financial statements, budget versus actual schedules and the capital asset schedules on pages 48-61 are fairly stated, in all material respects, in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to use Highway User Revenue Fund monies received by the City pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2 and any other dedicated state transportation revenues received by the City solely for the authorized transportation purposes, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the use of Highway User Revenue Fund monies and other dedicated state transportation revenues, insofar as they relate to accounting matters.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Walker & Armstrong, LLP

Phoenix, Arizona
March 30, 2016

City of Litchfield Park, Arizona
Management's Discussion and Analysis
June 30, 2015

As management of the City of Litchfield Park (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of its financial activities for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found at the beginning of this report.

Financial Highlights

- The City's assets exceeded its liabilities at the close of the most recent fiscal year by \$18,702,402 (*net position*). Of this amount, \$1,704,658 (*unrestricted net position*) may be used to meet the City's obligations to citizens and creditors.
- The City's total net position decreased by \$319,477.
- As of the close of the current fiscal year, the City of Litchfield Park's governmental funds reported combined ending fund balances of \$5,804,646 a decrease of \$1,300,550 in comparison with the prior year. \$3,380,673 of the total ending fund balance is unassigned and therefore available for spending at the City's discretion.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,387,179, or 61 percent of total general fund expenditures.

The City of Litchfield Park's long-term liabilities increased by \$2,721,947 (66 percent) during the current fiscal year resulting primarily from implementation of GASB 68 *Accounting and Financial Reporting for Pensions*. Additional information on the City's long-term liabilities can be found in Note 9 on page 38 of this report.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business.

Management's Discussion and Analysis - Continued

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in the net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The City's governmental activities include general government, public safety, public works and streets. The City's business-type activities consist of community services, recreation, and special events.

The government-wide financial statements include not only the City itself, (known as the *primary government*), but also legally separate districts for which the City is financially accountable. Financial information for these component units are blended with financial information presented for the primary government.

The government-wide financial statements can be found on pages 15-16 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Management's Discussion and Analysis - Continued

The City maintains three major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund and, capital improvement fund, all of which are considered to be major funds. Data from non-major governmental funds are combined into a single aggregated presentation.

Individual fund data for each of these non-major governmental funds is provided in the form of *combining financial statements* on pages 48-49 of this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 17-20 of this report.

Individual budgetary comparison statements are presented for those non-major capital projects and special revenue funds with legally adopted budgets. Such statements are reported on pages 53-59.

Proprietary funds. The City maintains one type of proprietary fund, consisting of three enterprise funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its community services, recreation operations and special events.

The basic proprietary fund financial statements can be found on pages 22-24 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25-45 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$19,317,050 at the close of the most recent fiscal year.

The largest portion of the City's net position (84 percent) reflects the City's investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

Management's Discussion and Analysis - Continued

Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The smallest portion of the City's net position (13 percent) represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.

Governmental activities change in net position decreased from an increase of net position of \$2,715,685 in 2014 to a decrease in net position of \$230,216 in 2015.

Business-type activities consist primarily of the City's recreation center which incurred a decrease in net position before transfers of \$431,936 which was offset by transfers in the amount of \$342,675 in from the general fund.

The following table summarizes the statement of net position at June 30, 2015 and 2014:

City of Litchfield Park's Net Position

	Governmental activities		Business-type activities		Total	
	2014		2014		2014	
	2015	(as restated)	2015	(as restated)	2015	(as restated)
Current and other assets	\$ 7,131,245	\$ 8,061,882	\$ (227,621)	\$ (105,450)	\$ 6,903,624	\$ 7,956,432
Capital assets	19,823,050	19,070,915	228,928	214,111	20,051,978	19,285,026
Total assets	<u>26,954,295</u>	<u>27,132,797</u>	<u>1,307</u>	<u>108,661</u>	<u>26,955,602</u>	<u>27,241,458</u>
Deferred outflows of resources	327,582	162,418	62,087	30,783	389,669	193,201
Long-term liabilities outstanding	6,368,220	7,041,263	502,378	598,008	6,870,598	7,639,271
Other liabilities	1,066,599	706,686	75,210	66,823	1,141,809	773,509
Total liabilities	<u>7,434,819</u>	<u>7,747,949</u>	<u>577,588</u>	<u>664,831</u>	<u>8,012,407</u>	<u>8,412,780</u>
Deferred inflows of resources	530,008	-	100,454	-	630,462	-
Net Position:						
Net investment in capital assets	16,133,050	15,130,915	228,928	214,111	16,361,978	15,345,026
Restricted for:						
Public works	555,624	470,915	-	-	555,624	470,915
Debt Service	80,142	58,422	-	-	80,142	58,422
Unrestricted	2,548,234	3,887,014	(843,576)	(739,498)	1,704,658	3,147,516
Total net position	<u>\$19,317,050</u>	<u>\$19,547,266</u>	<u>\$ (614,648)</u>	<u>\$ (525,387)</u>	<u>\$ 18,702,402</u>	<u>\$ 19,021,879</u>

At the end of the current fiscal year, the City is able to report a positive balance in governmental activities unrestricted net position of \$2,548,234.

Management's Discussion and Analysis - Continued

Governmental activities. Governmental activities increased the City's net position by \$2,715,685. Key elements of this increase are summarized in the following schedule:

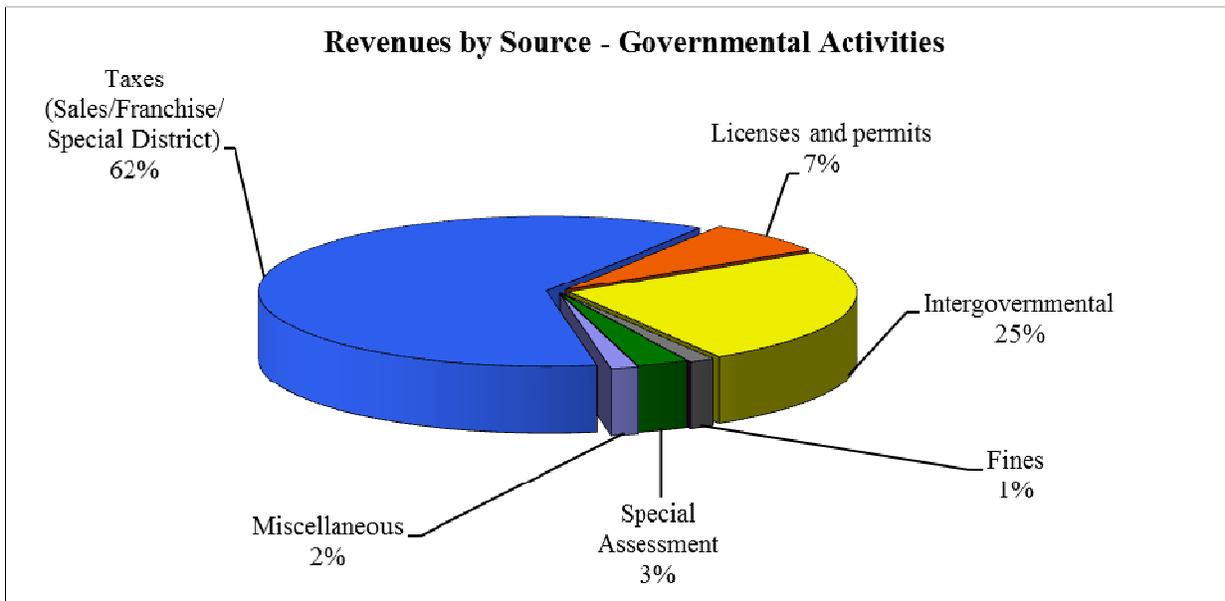
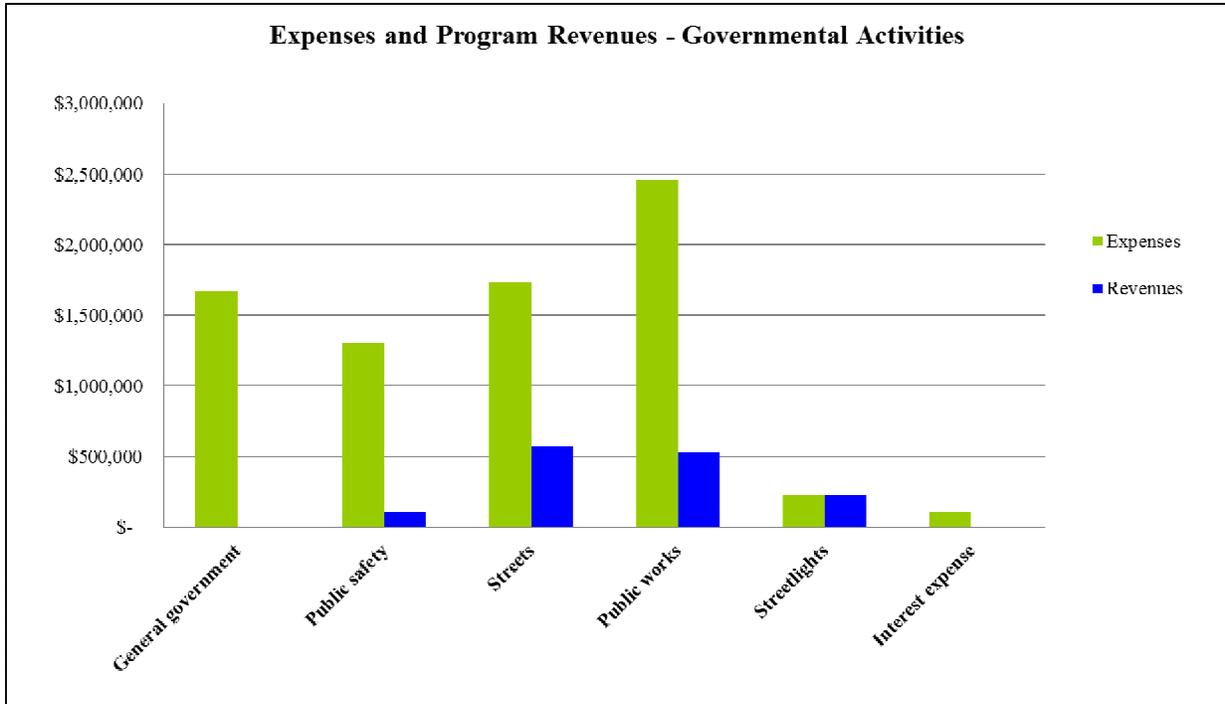
	City of Litchfield Park's Changes in Net Position					
	Governmental activities		Business-type activities		Total	
	2015	2014 (As Restated)	2015	2014 (As Restated)	2015	2014 (As Restated)
Revenues:						
Program revenues:						
Charges for services	\$ 864,519	\$ 687,694	\$ 639,978	\$ 627,554	\$ 1,504,497	\$ 1,315,248
Capital grants and contributions	564,650	3,324,874	-	-	564,650	3,324,874
General revenues:						
Taxes	4,698,912	4,970,113	-	-	4,698,912	4,970,113
Intergovernmental	1,372,666	1,282,529	-	-	1,372,666	1,282,529
Other	116,080	175,503	-	-	116,080	175,503
Total revenues	<u>7,616,827</u>	<u>10,440,713</u>	<u>639,978</u>	<u>627,554</u>	<u>8,256,805</u>	<u>11,068,267</u>
Expenses:						
General government	1,668,550	1,723,100	-	-	1,668,550	1,723,100
Public safety	1,308,032	1,209,102	-	-	1,308,032	1,209,102
Public works	2,461,077	2,496,878	-	-	2,461,077	2,496,878
Streets	1,730,087	1,591,832	-	-	1,730,087	1,591,832
Streetlights	229,612	228,599	-	-	229,612	228,599
Interest on long-term debt	107,010	125,052	-	-	107,010	125,052
Community and recreation svcs.	-	-	1,071,914	978,019	1,071,914	978,019
Total expenses	<u>7,504,368</u>	<u>7,374,563</u>	<u>1,071,914</u>	<u>978,019</u>	<u>8,576,282</u>	<u>8,352,582</u>
Change in net position before transfers	112,459	3,066,150	(431,936)	(350,465)	(319,477)	2,715,685
Transfers	(342,675)	(350,465)	342,675	350,465	-	-
Change in net position	<u>(230,216)</u>	<u>2,715,685</u>	<u>(89,261)</u>	<u>-</u>	<u>(319,477)</u>	<u>2,715,685</u>
Net position - beginning, as restated	19,547,266	16,831,581	(525,387)	(525,387)	19,021,879	16,306,194
Net position - ending	<u>\$ 19,317,050</u>	<u>\$ 19,547,266</u>	<u>\$ (614,648)</u>	<u>\$ (525,387)</u>	<u>\$ 18,702,402</u>	<u>\$ 19,021,879</u>

As reported above, overall governmental activities revenues decreased by \$2,823,886. The decrease is primarily the result of a decrease in tax revenues of \$271,201, a decrease in capital contributions of \$2,760,224 related to a donation of a portion of an underpass from the state of Arizona, offset by an increase in charges for services totaling \$176,825. The decrease in tax revenues resulted primarily from a decrease in City Sales, Use and Bed taxes. The increase in charges for service revenue was primarily from increased activity for building permits.

Governmental activities expenses increased by \$129,805 which was primarily the result of an increase in public works and street related expenses resulting from an increase in street repairs and maintenance.

Management's Discussion and Analysis - Continued

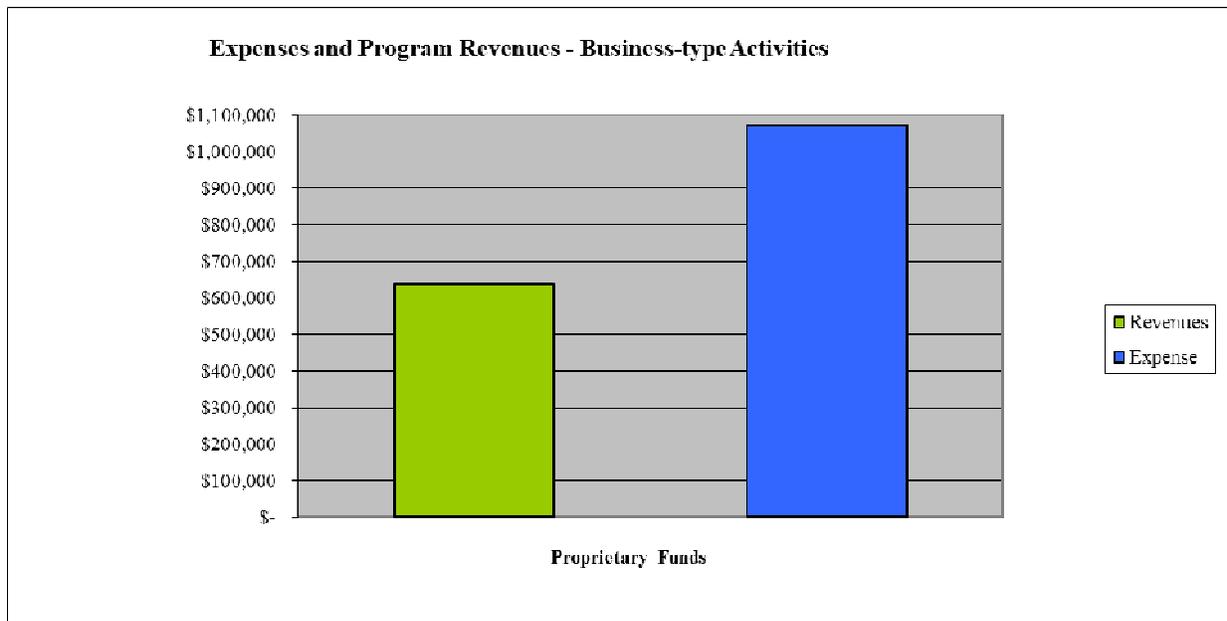
The following graphs provide comparisons of the governmental activities direct program revenues with their expenses and a comparison of specific revenue types.



Management's Discussion and Analysis - Continued

Business-type activities. Operating revenues of the enterprise funds increased \$12,424 (2 percent) in fiscal year 2015. Operating expenses of the enterprise fund increased by \$93,895 (10 percent) during the same period. The increase in revenues is primarily the result of increases in recreation services program activities and special programs. The increase in operating expense is mostly related to increases in administrative cost incurred to support the increase in recreation service activities. Community and recreation oriented programs (recreation, sports, senior, special event programs etc.) are often subsidized or offered for free to the community, which is by and large the case in many similar size and larger communities across the nation.

Following is a graph that provides a comparison of the business-type activities direct program revenues with expenses.



The primary revenue source for the community and recreation services funds is fees charged for services.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net asset resources available for spending at the end of the fiscal year.

Management's Discussion and Analysis - Continued

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$5,804,646, a decrease of \$1,300,550 in comparison with the prior year. Of this balance, unassigned fund balance totaled \$3,380,673, which is available for spending at the City's discretion. When fund balance is assigned or committed, it indicates that it is not available for spending for purposes other than those specifically authorized by management or City Council.

The general fund is the City's chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$3,387,179. As a measure of the general fund's liquidity, it is useful to compare both unassigned fund balance to total fund expenditures. Unassigned fund balance represents 61 percent of total general fund expenditures, which indicates that the City has sufficient resources to meet ongoing obligations. During the current fiscal year, the fund balance of the City's general fund decreased by \$1,120,073. The key factors of this change is an increase in City sales, use and bed taxes offset by an addition to a transfer out of the general fund to the City's capital improvement fund. This transfer resulted from a release of monies originally restricted for debt service in the debt service fund that was contractually released to the general fund during the refinancing of the Village at Litchfield Park Community Facility District bonds in June 2013.

The debt service fund has a total fund balance of \$80,142, all of which is restricted for the payment of debt service for the Village at Litchfield Park Community Facilities District. The net increase in debt service fund's fund balance during the current year was \$21,720. The increase is primarily the result of taxes collected in excess of the principal and interest payments for the Village at Litchfield Park Community Facilities District bonds. Additional information on the City's long-term liabilities can be found in Note 9 on pages 38 of this report.

The capital improvement fund incurred \$2,398,871 in expenditures for various street related infrastructure projects. Also, during the year the general fund made a transfer to the capital improvement fund in the amount of \$2,109,000 which reduced the funds deficit of revenues over expenditures.

Non-major fund revenues and expenses were consistent with the prior year.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the community and recreation services operation at the end of the year was a deficit of \$843,576. Operating revenues increased by \$12,424, due to an increase in special program activity while operating expenses increased by \$93,895 due to increased administrative cost and cost of special programs activities. The net loss of \$431,936 was offset by a transfer in from the general fund in the amount of \$342,675.

Management's Discussion and Analysis - Continued

General Fund Budgetary Highlights

Licenses and permits revenues were greater than budgeted by \$356,136. The variance is primarily the result of greater than anticipated revenues for building permits.

Taxes revenues were less than budgeted by \$162,817. The variance is primarily the result of less than anticipated City sales, use and bed tax revenues.

Intergovernmental revenue was greater than budgeted by \$246,888. This variance is primarily the result of more than anticipated shared revenues from the State of Arizona.

City manager's office expenditures were greater than budgeted by \$27,832. The variance is primarily the result of more than anticipated salaries and related costs for operations of the City.

Public works maintenance expenditures were less than budgeted by \$408,201. The variance is primarily the result of less than anticipated cost for maintenance of City properties.

City attorney expenditures were less than budgeted by \$87,427. The variance is primarily the result of less than anticipated cost for legal services.

General fund expenditures were within the final approved expenditure budget limits, which eliminated the need to draw upon existing fund balance.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of June 30, 2015, amounts to \$20,051,978 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, construction in progress, and infrastructure. The net increase in the City's investment in capital assets for the current fiscal year was 4.0 percent.

Major capital asset events during the current fiscal year included the following:

- Purchased a land parcel for \$985,000.
- Constructed a drainage system for \$355,918.
- Purchased a street sweeper for \$288,228.

City of Litchfield Park's Capital Assets
(net of depreciation)

	Governmental activities		Business-type activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 3,064,749	\$ 2,079,749	\$ 31,000	\$ 31,000	\$ 3,095,749	\$ 2,110,749
Buildings	82,263	88,163	48,768	54,163	131,031	142,326
Building improvements	179,445	156,157	-	-	179,445	156,157
Leasehold improvements	-	-	76,175	96,397	76,175	96,397
Infrastructure	15,614,556	16,069,047	-	-	15,614,556	16,069,047
Land improvements	482,638	508,542	-	-	482,638	508,542
Machinery and equipment	310,640	92,437	24,697	32,551	335,337	124,988
Office equipment	21,182	-	48,288	-	69,470	-
Vehicles	67,577	76,820	-	-	67,577	76,820
Total	<u>\$ 19,823,050</u>	<u>\$ 19,070,915</u>	<u>\$ 228,928</u>	<u>\$ 214,111</u>	<u>\$ 20,051,978</u>	<u>\$ 19,285,026</u>

Management's Discussion and Analysis - Continued

Additional information on the City's capital assets can be found in Note 7 on pages 35-36 of this report.

Long-term liabilities. During 2013, the City entered into an agreement to refinance the principal for the Village at Litchfield Park Community Facilities District bonds. The purpose of the refinancing was to reduce the City's annual interest expense through a more favorable interest rate. The total year-end bonded debt outstanding was \$3,690,000 as of June 30, 2015, a decrease of \$250,000 in comparison to the prior year's balance.

The full amount of this debt is comprised of special assessment debt related to the Village at Litchfield Park Community Facilities District and retired through special assessments (ad valorem taxes) on members of the District. There were no other significant changes in long-term liabilities during the year.

During 2015, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As of June 30, 2015, the net pension liability was \$2,491,613 and \$472,239, a decrease from the restated prior year of \$442,836 and \$83,932 for governmental activities and business-type activities, respectively.

Additional information on the City's long-term liabilities can be found in Note 9 on page 38 of this report.

Economic Factors and Next Year's Budgets and Rates

- The City continues to have no general property tax rate to support its operations. Sales taxes continue to be the primary source of revenue for the City. The City administers four special assessment districts within the City including three street light assessment districts and a community facilities district. The assessments from these districts are used to support the costs of each individual district.
- The City has seen increases in residential construction, particularly within the Village at Litchfield Park. Development of new residential offerings has spurred a modest increase in home construction when compared to the prior year. The City is also seeing new development in some of its commercial areas as well, including substantial retail development, which will provide additional revenues to help meet the ongoing needs of the City.
- The City has accumulated cash reserves over the last several fiscal years as a stabilization factor and to meet its capital project needs in the event of revenue shortfalls. The City has budgeted a portion of these reserves toward capital improvement projects in fiscal year 2016.
- The City has experienced a modest increase in retail sales tax revenues during fiscal year 2015. The City anticipates that such revenues will show a slight increase during fiscal year 2016. Increased revenues will serve to reduce the amount of cash reserves used toward meeting current capital needs.

Management's Discussion and Analysis - Continued

- The City is continuing its economic development efforts to help expand its tax base through the development of its remaining vacant commercial parcels. As mentioned above, the City is seeing increased development in its commercial areas, which is a result of the development efforts taken by the City over the last two years. The development of these vacant commercial parcels is a key factor in developing ongoing revenues in support of the City's operations and services to its citizens.

These factors were considered in preparing the City's budget for the 2016 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Litchfield Park, 214 W. Wigwam Boulevard, Litchfield Park, AZ 85340.

Basic Financial Statements

Including Notes to the Financial Statements

These statements provide an overview of the financial position and the operating results of all fund types.

City of Litchfield Park, Arizona
Statement of Net Position
June 30, 2015

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 5,600,483	\$ 250	\$ 5,600,733
Investments	717,406	-	717,406
Receivables (net of allowance for uncollectibles):			
Accounts	68,707	49,672	118,379
Interest	12	-	12
Internal balances	277,543	(277,543)	-
Due from other governments	460,609	-	460,609
Prepaid expenses	6,485	-	6,485
Capital assets, not being depreciated	3,064,749	31,000	3,095,749
Capital assets, being depreciated, net	16,758,301	197,928	16,956,229
Total assets	26,954,295	1,307	26,955,602
Deferred Outflows of Resources			
Deferred outflows related to pensions	327,582	62,087	389,669
Total deferred outflows of resources	327,582	62,087	389,669
Liabilities			
Accounts payable	605,668	3,870	609,538
Accrued payroll and related liabilities	310,780	21,933	332,713
Interest payable	53,505	-	53,505
Other liabilities	94,901	49,407	144,308
Due to other governments	1,745	-	1,745
Noncurrent liabilities:			
Due within one year	409,286	24,112	433,398
Due in more than one year	5,958,934	478,266	6,437,200
Total liabilities	7,434,819	577,588	8,012,407
Deferred Inflows of Resources			
Deferred inflows related to pensions	530,008	100,454	630,462
Total deferred inflows of resources	530,008	100,454	630,462
Net Position			
Net investment in capital assets	16,133,050	228,928	16,361,978
Restricted for:			
Public works	555,624	-	555,624
Debt service	80,142	-	80,142
Unrestricted	2,548,234	(843,576)	1,704,658
Total net position	\$ 19,317,050	\$ (614,648)	\$ 18,702,402

The accompanying notes are an integral part of these financial statements.

City of Litchfield Park, Arizona
Statement of Activities
Year ended June 30, 2015

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Capital Grants and Contributions	Primary Government		
				Governmental Activities	Business-Type Activities	Total
Governmental activities:						
General government	\$ 1,668,550	\$ -	\$ -	\$ (1,668,550)	\$ -	\$ (1,668,550)
Public safety	1,308,032	105,686	-	(1,202,346)	-	(1,202,346)
Public works	2,461,077	533,136	-	(1,927,941)	-	(1,927,941)
Streets	1,730,087	-	564,650	(1,165,437)	-	(1,165,437)
Streetlights	229,612	225,697	-	(3,915)	-	(3,915)
Interest on long-term debt	107,010	-	-	(107,010)	-	(107,010)
Total governmental activities	7,504,368	864,519	564,650	(6,075,199)	-	(6,075,199)
Business-type activities:						
Recreation services	807,107	434,940	-	-	(372,167)	(372,167)
Community services	87,271	6,500	-	-	(80,771)	(80,771)
Special events	177,536	198,538	-	-	21,002	21,002
Total business-type activities	1,071,914	639,978	-	-	(431,936)	(431,936)
Total primary government	8,576,282	1,504,497	564,650	(6,075,199)	(431,936)	(6,507,135)
General revenues:						
Taxes						
Sales and use tax				4,074,303	-	4,074,303
Franchise tax				235,880	-	235,880
Property tax, levied for debt service				388,729	-	388,729
State shared tax revenue - unrestricted				1,372,666	-	1,372,666
Investment income				3,496	-	3,496
Other income				112,584	-	112,584
Transfers				(342,675)	342,675	-
Total general revenues and transfers				5,844,983	342,675	6,187,658
Change in net position				(230,216)	(89,261)	(319,477)
Net position as restated, July 1, 2014				19,547,266	(525,387)	19,021,879
Net position, June 30, 2015				\$ 19,317,050	\$ (614,648)	\$ 18,702,402

The accompanying notes are an integral part of these financial statements.

City of Litchfield Park, Arizona
Balance Sheet
Governmental Funds
June 30, 2015

	<u>General</u>	<u>Debt Service-CFD</u>	<u>Capital Improvement</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash on hand and in bank	\$ 4,934,282	\$ 390,768	\$ -	\$ 275,433	\$ 5,600,483
Investments	627,382	-	-	90,024	717,406
Accounts receivable	62,554	2,879	-	3,274	68,707
Interest receivable	12	-	-	-	12
Due from other governments	428,928	-	-	31,681	460,609
Due from other funds	361,957	-	1,588,940	432,387	2,383,284
Prepaid expenses	6,485	-	-	-	6,485
Total assets	<u>\$ 6,421,600</u>	<u>\$ 393,647</u>	<u>\$ 1,588,940</u>	<u>\$ 832,799</u>	<u>\$ 9,236,986</u>
Liabilities and Fund Balances					
<i>Liabilities</i>					
Accounts payable	\$ 605,668	\$ -	\$ -	\$ -	\$ 605,668
Accrued payroll and related benefits	310,780	-	-	-	310,780
Due to other governments	1,745	-	-	-	1,745
Current bonds payable	-	260,000	-	-	260,000
Interest payable	-	53,505	-	-	53,505
Other liabilities	94,901	-	-	-	94,901
Due to other funds	2,021,327	-	-	84,414	2,105,741
Total liabilities	3,034,421	313,505	-	84,414	3,432,340
<i>Fund balances</i>					
Restricted	-	80,142	-	555,624	635,766
Committed	-	-	1,588,940	199,267	1,788,207
Unassigned	3,387,179	-	-	(6,506)	3,380,673
Total fund balances	<u>3,387,179</u>	<u>80,142</u>	<u>1,588,940</u>	<u>748,385</u>	<u>5,804,646</u>
Total liabilities and fund balances	<u>\$ 6,421,600</u>	<u>\$ 393,647</u>	<u>\$ 1,588,940</u>	<u>\$ 832,799</u>	<u>\$ 9,236,986</u>

The accompanying notes are an integral part of these financial statements.

City of Litchfield Park, Arizona
Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Activities
June 30, 2015

Total fund balances	\$ 5,804,646
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$30,245,955 and the accumulated depreciation is \$10,422,904.	19,823,050
Net pension assets held in trust for future benefits are not available for City operations and, therefore, are not reported in the funds.	327,582
Long-term liabilities, such as net pension liabilities and bonds payable, are not due and payable in the current period and, therefore, are not reported as a liability in the funds.	(6,108,220)
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.	<u>(530,008)</u>
Net position of governmental funds	<u>\$ 19,317,050</u>

The accompanying notes are an integral part of these financial statements.

City of Litchfield Park, Arizona
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year ended June 30, 2015

	<u>General</u>	<u>Debt Service-CFD</u>	<u>Capital Improvement</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Taxes	\$ 4,310,183	\$ 388,730	\$ -	\$ -	\$ 4,698,913
Special assessments	-	-	-	225,696	225,696
Licenses and permits	533,136	-	-	-	533,136
Intergovernmental	1,598,182	-	-	339,134	1,937,316
Fines	86,384	-	-	19,302	105,686
Investment earnings	3,249	-	-	247	3,496
Miscellaneous	112,584	-	-	-	112,584
Total revenues	<u>6,643,718</u>	<u>388,730</u>	<u>-</u>	<u>584,379</u>	<u>7,616,827</u>
Expenditures					
<i>Current</i>					
General government	1,668,724	-	-	-	1,668,724
Public safety	1,300,926	-	-	-	1,300,926
Public works	2,301,381	-	-	-	2,301,381
Streets	254,917	-	-	38,610	293,527
Streetlights	-	-	-	229,612	229,612
<i>Capital outlay</i>	14,651	-	2,398,871	-	2,413,522
<i>Debt service</i>					
Principal retirement	-	260,000	-	-	260,000
Interest and fiscal charges	-	107,010	-	-	107,010
Total expenditures	<u>5,540,599</u>	<u>367,010</u>	<u>2,398,871</u>	<u>268,222</u>	<u>8,574,702</u>
Excess (deficiency) of revenues over expenditures	1,103,119	21,720	(2,398,871)	316,157	(957,875)
Other financing sources (uses)					
Transfers in	16,720	-	2,109,000	-	2,125,720
Transfers out	(2,239,912)	-	-	(228,483)	(2,468,395)
Total other financing sources (uses)	<u>(2,223,192)</u>	<u>-</u>	<u>2,109,000</u>	<u>(228,483)</u>	<u>(342,675)</u>
Net change in fund balances	(1,120,073)	21,720	(289,871)	87,674	(1,300,550)
Fund balances at July 1, 2014	<u>4,507,252</u>	<u>58,422</u>	<u>1,878,811</u>	<u>660,711</u>	<u>7,105,196</u>
Fund balances at June 30, 2015	<u>\$ 3,387,179</u>	<u>\$ 80,142</u>	<u>\$ 1,588,940</u>	<u>\$ 748,385</u>	<u>\$ 5,804,646</u>

The accompanying notes are an integral part of these financial statements.

City of Litchfield Park, Arizona
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year ended June 30, 2015

Net change in fund balances - total governmental funds **\$ (1,300,550)**

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	\$ 1,698,915	
Depreciation expense	<u>(946,780)</u>	752,135

County pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the County's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

City pension contributions	\$ 200,951	
Pension expense	<u>(122,959)</u>	77,992

Principal maturation of bonds payable		260,000
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Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.

Increase in compensated absences		<u>(19,793)</u>
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Change in net position of governmental activities **\$ (230,216)**

The accompanying notes are an integral part of these financial statements.

City of Litchfield Park, Arizona
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
General Fund
Year ended June 30, 2015

	<u>Original Budget</u>	<u>Amendments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues					
Taxes	\$ 4,473,000	\$ -	\$ 4,473,000	\$ 4,310,183	\$ (162,817)
Licenses and permits	177,000	-	177,000	533,136	356,136
Intergovernmental	1,351,294	-	1,351,294	1,598,182	246,888
Fines	85,000	-	85,000	86,384	1,384
Investment earnings	5,300	-	5,300	3,249	(2,051)
Miscellaneous	309,816	-	309,816	112,584	(197,232)
Total revenues	6,401,410	-	6,401,410	6,643,718	242,308
Expenditures					
City manager's office	271,630	-	271,630	299,462	(27,832)
Operations contingency	1,087,000	(78,459)	1,008,541	-	1,008,541
City attorney	208,000	-	208,000	120,573	87,427
Mayor and city council	12,000	7,700	19,700	19,669	31
City clerk's office	490,609	7,890	498,499	496,428	2,071
Finance and human resources	491,683	10,963	502,646	481,167	21,479
Public works maintenance	2,517,843	32,724	2,550,567	2,142,366	408,201
Building safety and zoning enforcement	214,190	3,426	217,616	161,649	55,967
Planning services	253,259	4,945	258,204	258,066	138
Engineering services	125,000	130,000	255,000	254,917	83
Magistrate court	182,910	3,007	185,917	154,765	31,152
Public safety	1,177,829	-	1,177,829	1,151,537	26,292
Total expenditures	7,031,953	122,196	7,154,149	5,540,599	1,613,550
Excess (deficiency) of revenues over expenditures	(630,543)	(122,196)	(752,739)	1,103,119	1,855,858
Other financing sources (uses)					
Transfers out	(2,223,192)	-	(2,223,192)	(2,223,192)	-
Net change in fund balance	<u>\$ (2,853,735)</u>	<u>\$ (122,196)</u>	<u>\$ (2,975,931)</u>	<u>\$ (1,120,073)</u>	<u>\$ 1,855,858</u>

The accompanying notes are an integral part of these financial statements.

City of Litchfield Park, Arizona
Statement of Net Position
Proprietary Funds
June 30, 2015

	Business-Type Activities		Total
	Enterprise Funds		
	Recreation Services	Non-Major Funds	
Assets			
<i>Current assets:</i>			
Cash on hand	\$ 250	\$ -	\$ 250
Accounts receivable	49,672	-	49,672
Due from other funds	-	21,334	21,334
Total current assets	49,922	21,334	71,256
<i>Noncurrent assets:</i>			
Capital assets, not being depreciated	31,000	-	31,000
Capital assets, being depreciated, net	197,928	-	197,928
Total noncurrent assets	228,928	-	228,928
Total assets	278,850	21,334	300,184
Deferred Outflows of Resources			
Deferred outflows related to pensions	49,451	12,636	62,087
Total deferred outflows of resources	49,451	12,636	62,087
Liabilities			
<i>Current liabilities:</i>			
Accounts Payable	3,870	-	3,870
Accrued payroll and related	21,933	-	21,933
Due to other funds	226,771	72,106	298,877
Other liabilities	49,407	-	49,407
Compensated absences payable, current portion	16,181	7,931	24,112
Total current liabilities	318,162	80,037	398,199
<i>Noncurrent liabilities:</i>			
Compensated absences payable, net of current portion	4,045	1,982	6,027
Net pension liability	376,128	96,111	472,239
Total liabilities	698,335	178,130	876,465
Deferred Inflows of Resources			
Deferred inflows related to pensions	80,009	20,445	100,454
Total deferred inflows of resources	80,009	20,445	100,454
Net position			
Net investment in capital assets	228,928	-	228,928
Unrestricted	(678,971)	(164,605)	(843,576)
Total net position	\$ (450,043)	\$ (164,605)	\$ (614,648)

The accompanying notes are an integral part of these financial statements.

City of Litchfield Park, Arizona
Statement of Revenues, Expenses, and
Changes in Net Position
Proprietary Funds
Year ended June 30, 2015

	Business-Type Activities - Enterprise Funds		
	Recreation Services	Non-Major Funds	Total
Operating revenues			
Current use charges	\$ 49,409	\$ 6,500	\$ 55,909
Special programs	385,531	198,538	584,069
Total operating revenues	434,940	205,038	639,978
Operating expenses			
Administrative	558,505	92,628	651,133
Operating	102,515	1,269	103,784
Special programs	112,616	170,910	283,526
Depreciation	33,471	-	33,471
Total operating expenses	807,107	264,807	1,071,914
Operating loss before transfers	(372,167)	(59,769)	(431,936)
Transfers			
Transfers in	340,583	2,092	342,675
Net loss	(31,584)	(57,677)	(89,261)
Net position as restated, July 1, 2014	(418,459)	(106,928)	(525,387)
Net position, June 30, 2015	\$ (450,043)	\$ (164,605)	\$ (614,648)

The accompanying notes are an integral part of these financial statements.

City of Litchfield Park, Arizona
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2015

	Business-Type Activities -		
	Enterprise Funds		
	Recreation Services	Non-Major Funds	Total
Cash flows from operating activities:			
Cash received for services	\$ 420,319	\$ 205,038	\$ 625,357
Cash paid to suppliers	(211,261)	(172,179)	(383,440)
Cash paid to or on behalf of employees	(588,713)	(92,991)	(681,704)
Net cash used for operating activities	(379,655)	(60,132)	(439,787)
Cash flows from noncapital financing activities:			
Transfers in from the general fund	340,583	2,092	342,675
Negative cash balance implicitly borrowed	87,360	79,374	166,734
Negative cash balance implicitly paid	-	(21,334)	(21,334)
Net cash provided by noncapital financing activities	427,943	60,132	488,075
Cash flows from capital and related financing activities:			
Purchase of capital assets	(48,288)	-	(48,288)
Net cash used for capital and related financing activities	(48,288)	-	(48,288)
Net change in cash and cash equivalents	-	-	-
Cash and cash equivalents, beginning of year	250	-	250
Cash and cash equivalents, end of year	\$ 250	\$ -	\$ 250
Reconciliation of operating loss to net cash used for operating activities:			
Operating loss	\$ (372,167)	\$ (59,769)	\$ (431,936)
Adjustments to reconcile operating loss to net cash used for operating activities:			
Depreciation	33,471	-	33,471
Pension expense	18,561	4,743	23,304
Employer pension contributions	(30,334)	(7,751)	(38,085)
Increase in accounts receivable	(23,229)	-	(23,229)
Increase in accounts payable	3,870	-	3,870
Decrease in accrued payroll and related	(4,092)	-	(4,092)
Increase in other liabilities	8,608	-	8,608
Decrease (increase) in compensated absences payable	(14,343)	2,645	(11,698)
Net cash used for operating activities	\$ (379,655)	\$ (60,132)	\$ (439,787)

The accompanying notes are an integral part of these financial statements.

City of Litchfield Park, Arizona
Notes to Financial Statements
Year Ended June 30, 2014

Note 1 - Summary of Significant Accounting Policies

City of Litchfield Park, Arizona (the "City") was incorporated on August 3, 1987. The City operates under a Council-Manager form of government and provides the following services: law enforcement, streets, parks, planning and zoning, and general administrative services. In addition, the City owns and operates enterprise funds to provide community and recreation services to its citizens.

For the year ended June 30, 2015, the City implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, and GASB Statement No. 69, *Government Combinations and Disposals of Governmental Operations*. GASB Statement Nos. 68 and 71 establish standards for measuring and recognizing net pension (assets and) liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to pension benefits provided through defined benefit pension plans. In addition, Statement No. 68 requires disclosure of information related to pension benefits. GASB Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units as promulgated by the Governmental Accounting Standards Board (GASB). A summary of the City's more significant accounting policies are described below.

A. Financial Reporting Entity

The City's basic financial statements include the accounts of all operations for the City and its component unit. A component unit is a legally separate entity for which the City is considered to be financially accountable. A blended component unit, although a legally separate entity, is in substance part of the City's operations. Data from such units is combined with data from the primary government. A discretely presented component unit, on the other hand, would be reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City. The blended component units discussed below have June 30 year-ends. The City has no discretely presented component units.

The Village at Litchfield Park Community Facilities District is a special district established for the construction of infrastructure for a housing development. Financing for the expenditures and the related debt service are discussed in greater detail in Note 9. The financial data for the District is included in the City's capital projects and debt service funds. Although the District is a legally separate entity from the City, officers of the City serve as the board of directors for the District and collects special assessment revenues to service the District's debt. Accordingly, the District's governing body is substantially the same as the City's governing body and there is a financial burden relationship.

Separate financial statements of the component unit are not prepared.

Notes to Financial Statements - Continued

Note 1 - Summary of Significant Accounting Policies - Continued

In addition, Special Lighting Improvement Districts I, II and III are blended component units that have the same governing board as the City and were established to provide street lighting to neighborhoods within the District's boundaries. The City also provides budgetary and other financial oversight which meet the criteria for blended component units. Separate financial statements of these component units are not prepared.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from the *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and the proprietary funds. Major individual governmental funds and the major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Notes to Financial Statements - Continued

Note 1 - Summary of Significant Accounting Policies - Continued

Leases, fees, taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Under the terms of grant agreements, the City funds certain programs by a combination of grants and general revenues. Therefore, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. The City applies grant resources to such programs before using general revenues.

Governmental Fund Types

The City reports the following major governmental funds:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Within the general fund, for budgetary purposes, operations of the City are accounted for by various governmental activities such as general government, public health and welfare, public safety, economic development, education, public works and culture and recreation.

The *debt service fund – CFD* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the Community Facilities District.

The *capital improvement fund* is used to account for major capital projects and is funded by transfers from the general fund.

Proprietary Fund Types

The City reports the following major enterprise fund:

The *City of Litchfield Park Recreation Services Fund* accounts for the activity relating to the City's recreation services center and is funded by charges for services and transfers from the general fund.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements to minimize the double counting of internal activities. However, charges for interfund services provided and used are not eliminated if the prices approximate their external exchange values.

Notes to Financial Statements - Continued

Note 1 - Summary of Significant Accounting Policies - Continued

Basis of Accounting

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses of the City's enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, Liabilities and Net Position or Equity

1. Deposits and Investments

For purposes of its statement of cash flows, the City considers only those highly liquid investments with original maturities of three months or less from the date of acquisition to be cash equivalents.

Investments are reported at fair value. Investment earnings are composed of interest, dividends and net change in the fair value of the applicable investment.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade receivables are shown net of an allowance for uncollectibles (\$0 as of June 30, 2015).

Federal and state grants and contracts are recorded as intergovernmental receivables and revenues when the related expenditures are incurred. That portion of reimbursement in excess of expenditures is offset in an unearned revenue account.

Notes to Financial Statements - Continued

Note 1 - Summary of Significant Accounting Policies - Continued

3. Inventory and Prepaid Items

Inventories are stated at the lower of cost or market using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Capital Assets

Capital assets, which include property and equipment, and infrastructure assets (e.g. roads, sidewalks and similar items) are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if actual cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of the business-type activity is included as part of the capitalized value of assets constructed.

Property and equipment are depreciated using the straight line method over the following estimated useful lives:

Governmental activities:

Infrastructure	20 to 40 years
Land improvements	20 years
Buildings and improvements	5 to 30 years
Furniture and equipment	3 to 10 years
Vehicles	5 years

Business-type activities:

Land improvements	3 to 20 years
Buildings and improvements	7 to 20 years
Furniture and equipment	3 to 7 years

Note 1 - Summary of Significant Accounting Policies - Continued

5. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Certain employees will be paid accumulated sick leave based on years of service and method of separation. Accordingly, a liability is recorded based on the probability of employees meeting the criterion. Employees are paid unused sick leave only if they retire. Employees may accumulate an unlimited amount of sick leave, but are entitled to no more than 400 hours of unused sick leave upon retirement. Employees may accumulate up to 240 hours of vacation depending on years of service, but any vacation hours in excess of the maximum amount that are unused at year-end are forfeited. Upon termination of employment, all unused and unforfeited vacation benefits are paid to employees. Accordingly, vacation and sick leave benefits are accrued as a liability in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured; for example, as a result of employee resignation and retirements.

Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs. During 2015, the City paid for compensated absences as follows: 80 percent from the general fund and 20 percent from the enterprise fund.

6. Long-Term Obligations

In the government-wide financial statements and the proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activity, or proprietary fund type statement of net position.

7. Estimates

The preparation of the basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

8. Fund Balance Classifications

Fund balances of the governmental funds are reported separately within classifications based on a hierarchy of the constraints placed on those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, and unrestricted, which includes committed, assigned, and unassigned fund balance classifications.

Notes to Financial Statements - Continued

Note 1 - Summary of Significant Accounting Policies - Continued

The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form such as inventories, or are legally or contractually required to be maintained intact. Restricted fund balances are those that have externally imposed restrictions on their usage by creditors, such as through debt covenants, grantors, contributors, or laws and regulations.

The unrestricted fund balance category is comprised of committed, assigned, and unassigned resources. Committed fund balances are self-imposed limitations approved in a public meeting by formal action of the City Council, which is the highest level of decision-making authority within the City. The constraints placed on committed fund balances can only be removed or changed by taking the same type of action employed to previously commit those amounts (e.g., resolutions approved by City Council).

Assigned fund balances are resources constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. City Council has authorized the City Manager, Elected Officials and the Finance Director to make assignments of resources for a specific purpose by a resolution approved by the Council in a public meeting.

The unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not reported in the other classifications. Also, deficits in fund balances of the other governmental funds are reported as unassigned.

When an expenditure is incurred that can be paid from either restricted or unrestricted fund balances, it is the City's policy to use restricted fund balances first. For the disbursement of unrestricted fund balances, it's the City's policy to use committed amounts first, followed by assigned amounts, and lastly unassigned amounts.

Note 2 – Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with U.S. generally accepted accounting principles for all governmental funds. On or before the first day in March of each year, all City departments submit requests for appropriations to the City Manager so that a budget may be prepared. Before April 30, the proposed budget is presented to the City Council for review. The Council holds public hearings and a final budget must be prepared and adopted no later than July 31.

Notes to Financial Statements - Continued

Note 2 – Budgetary Basis of Accounting - Continued

The appropriated budget is prepared by fund, function, and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments (e.g. administrative services, budget and finance, parks maintenance, building safety and zoning, and public safety) require the approval of City Council. The legal level of budgetary control at which expenditures may not legally exceed appropriations is the department level. The Council made one supplemental budgetary appropriation during the year.

Note 3 - Restricted Fund Balances

Other governmental funds' restricted fund balances were comprised of the following:

Streets	\$ 490,979
Streetlights	64,645
Total	<u>\$ 555,624</u>

Note 4 – Individual Fund Deficits

Special Lighting Improvement District I had deficit fund balance totaling \$6,506, resulting from cumulative expenditures in excess of revenues. The City anticipates this deficit to be eliminated in the subsequent year from the receipt of tax revenue.

Note 5 – Cash, Bank Deposits and Investments

Cash and Bank Deposits

At June 30, 2015, the cash on hand was \$500. The carrying amount of the City's deposits was \$5,600,233 and the bank balance was \$5,635,145. \$250,000 of the bank balance was covered by Federal Depository Insurance while \$5,385,145 was uninsured but collateralized by U.S. Treasury notes held by the City's custodial bank in the City's name.

Cash on hand and bank deposits consist of the following as of June 30, 2015:

Cash on hand	\$ 500
Unrestricted bank deposits	2,720,009
Unrestricted escrow deposit	<u>2,880,224</u>
	<u>\$ 5,600,733</u>

Notes to Financial Statements - Continued

Note 5 – Cash, Bank Deposits and Investments - Continued

Investments

Statutes authorize the City to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, repurchase agreements, interest earning money market accounts, certificates of deposit and the State Treasurer's Local Government Investment pool. Resolutions of the City Council authorize the City to invest in obligations of the U.S. Government, its agencies, and instrumentalities, fully insured certificates of deposit, and the Local Government Investment Pool with the State of Arizona.

The City reports investments at fair value. Investment earnings are composed of interest, dividends, and net change in the fair value of the applicable investment.

Credit Risk: The City's policy and State Statute authorized the City to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, repurchase agreements, money market accounts, certificates of deposit, and the State of Arizona Local Government Investment Pool (LGIP). The City's investment in the State of Arizona Local Government Investment Pools is limited to pools that invest only in U.S. government securities. At June 30, 2015, investments in LGIP Pool 7 had an average Standard and Poor's rating of AAA and investments in LGIP Pool 7 had a weighted average Standard and Poor's rating of AA+. The City has no formal policy regarding credit risk.

Concentration of Credit Risk: At June 30, 2015, 12% of the City's total investments were in U.S. Treasury money market funds. State statutes do not include any requirements for concentration of credit risk nor does the City have a policy addressing such risks.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the counterparty's failure, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has no investments subject custodial credit risk and has no formal policy regarding such risk.

The State Board of Deposit provides oversight for the State Treasurer's pools, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the Treasurer. The fair value of a participant's position in the pool approximates the value of that participant's pool shares. Those shares are not identified with specific investments and are not subject to custodial credit risk.

Notes to Financial Statements - Continued

Note 5 – Cash, Bank Deposits and Investments – Continued

Interest Rate Risk: To manage its interest rate risk, the City’s policy is to limit its investments in debt securities to those that have original maturities of three years or less. As of June 30, 2015, all investments have a maturity of less than one year.

Reconciliation of the cash and investments reported in the government-wide statements to cash on hand and in bank and investments is as follows:

Cash on hand and in bank	\$ 5,600,733
State Treasurer’s Local Government Investment Pool	<u>717,406</u>
Total cash and investments	<u>\$ 6,318,139</u>

Consisting of:

Cash and cash equivalents	\$ 5,600,733
Investments	<u>717,406</u>
Total cash and investments	<u>\$ 6,318,139</u>

Note 6 - Due from Other Governments

Amounts due from other governments at June 30, 2015 consist of the following:

	<u>Governmental Activities</u>
City sales tax	\$ 151,068
State sales tax	43,591
Vehicle license tax	8,752
Maricopa Association of Governments	225,516
Highway user fund	<u>31,682</u>
	<u>\$ 460,609</u>

Notes to Financial Statements - Continued

Note 7 - Capital Assets

Governmental activities capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Balance, June 30, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance, June 30, 2015</u>
Governmental activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,079,749	\$ 985,000	\$ -	\$ 3,064,749
Total capital assets, not being depreciated	2,079,749	985,000	-	3,064,749
<i>Capital assets, being depreciated:</i>				
Buildings	177,002	-	-	177,002
Building improvements	303,447	52,295	-	355,742
Infrastructure	24,030,610	355,918	-	24,386,528
Land improvements	757,924	-	-	757,924
Machinery and equipment	454,916	274,516	-	729,432
Office equipment	95,790	21,541	-	117,331
Vehicles	647,601	9,645	-	657,246
Total capital assets, being depreciated	26,467,290	713,915	-	27,181,205
<i>Less accumulated depreciation for:</i>				
Buildings	(88,839)	(5,900)	-	(94,739)
Building improvements	(147,290)	(29,007)	-	(176,297)
Infrastructure	(7,961,563)	(810,409)	-	(8,771,972)
Land improvements	(249,382)	(25,904)	-	(275,286)
Machinery and equipment	(362,480)	(56,312)	-	(418,792)
Office equipment	(95,790)	(359)	-	(96,149)
Vehicles	(570,780)	(18,889)	-	(589,669)
Total accumulated depreciation	(9,476,124)	(946,780)	-	(10,422,904)
Total capital assets, being depreciated, net	16,991,166	(232,865)	-	16,758,301
Governmental activities capital assets, net	\$ 19,070,915	\$ 752,135	\$ -	\$ 19,823,050

Depreciation expense was charged to functions and programs of the City's governmental activities, as follows:

General government	\$ 58,025
Highways and streets	721,952
Public safety	7,106
Public works	159,697
Total depreciation expense-governmental activities	\$ 946,780

Notes to Financial Statements - Continued

Note 7 - Capital Assets - Continued

During 1988, approximately 24 acres of land were donated to the City. The grantor of ten acres of the donated land has stipulated in the quitclaim deed that the property shall be used and maintained solely for public park purposes for a period of 50 consecutive years commencing on May 4, 1988. If the property shall cease to be used for public park purposes at any time during the 50-year period, the grantor shall have the right to terminate the quitclaim deed and repossess the property.

In May 2009, the City Council adopted resolution No. 09-286 accepting a gift of approximately 21 acres known as the Homestead at Rancho La Loma (the "Homestead"), pursuant to an annexation and development agreement between the City and the Trustees of the Homestead. In accordance with the agreement, the City must maintain the property in reasonable condition until the City develops the Homestead as a social, cultural and historical amenity.

Business-type activities changes in capital assets for the year ended June 30, 2015 were as follows:

	<u>Balance,</u> <u>June 30, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance,</u> <u>June 30, 2015</u>
Proprietary fund activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 31,000	\$ -	\$ -	\$ 31,000
Total capital assets, not being depreciated	31,000	-	-	31,000
<i>Capital assets, being depreciated:</i>				
Recreation center	492,611	-	-	492,611
Building improvements	150,160	-	-	150,160
Furniture and fixtures	7,225	48,289	-	55,514
Equipment	54,472	-	-	54,472
Total capital assets, being depreciated	<u>704,468</u>	<u>48,289</u>	<u>-</u>	<u>752,757</u>
<i>Less accumulated depreciation for:</i>				
Recreation center	(438,448)	(5,395)	-	(443,843)
Building improvements	(53,763)	(20,222)	-	(73,985)
Furniture and fixtures	(7,225)	-	-	(7,225)
Equipment	(21,921)	(7,854)	-	(29,775)
Total accumulated depreciation	<u>(521,357)</u>	<u>(33,471)</u>	<u>-</u>	<u>(554,828)</u>
Total capital assets, being depreciated, net	<u>183,111</u>	<u>14,817</u>	<u>-</u>	<u>197,928</u>
Proprietary fund activities capital assets, net	<u>\$ 214,111</u>	<u>\$ 14,817</u>	<u>\$ -</u>	<u>\$ 228,928</u>

Notes to Financial Statements - Continued

Note 8 - Interfund Receivables and Payables

The composition of interfund receivables and payables as of June 30, 2015, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Capital improvement fund	General fund	\$ 1,588,940
Non-major governmental funds	General fund	432,387
Non-major business-type funds	General fund	21,334
General fund	Non-major governmental funds	84,414
General fund	Recreation center	226,771
General fund	Non-major business-type funds	72,106
		<u>\$ 2,425,952</u>

Interfund balances result from the manner in which pooled cash is allocated to the various funds in the City's accounting system. All cash balances are reported in the general fund which results in corresponding receivables and payables in the other funds.

	<u>Transfers In:</u>				<u>Total</u>
	<u>Governmental Funds</u>		<u>Enterprise Fund</u>		
	<u>General Fund</u>	<u>Capital Improvement Fund</u>	<u>Recreation Center</u>	<u>Non-Major Funds</u>	
Transfers Out:					
General fund	\$ -	\$ 1,897,237	\$ 340,583	\$ 2,092	\$ 2,239,912
Non-major governmental funds	16,720	211,763	-	-	228,483
Total transfers out	<u>\$ 16,720</u>	<u>\$ 2,109,000</u>	<u>\$ 340,583</u>	<u>\$ 2,092</u>	<u>\$ 2,468,395</u>

In the governmental fund financial statements, total transfers out of \$2,468,395 are greater than total transfers in of \$2,125,720 because of transfers from the general fund to the enterprise funds to support operations. Transfers were also made to the capital improvements fund to provide for capital outlays. Transfers between non-major governmental funds to the general fund were made from the Court Enhancement fund.

Notes to Financial Statements - Continued

Note 9 - Long-Term Debt

A summary of long-term debt activity for the year ended June 30, 2015 follows:

	Balance June 30, 2014 (as restated)	Additions	Retirements	Balance June 30, 2015	Due Within One Year
Governmental activities					
Compensated absences	\$ 166,814	\$ 186,607	\$ (166,814)	\$ 186,607	\$ 149,286
Community Facilities					
District general obligation bonds	3,940,000	-	(250,000)	3,690,000	260,000
Net pension liability	<u>2,934,449</u>	<u>-</u>	<u>(442,836)</u>	<u>2,491,613</u>	<u>-</u>
Total	<u>\$ 7,041,263</u>	<u>\$ 186,607</u>	<u>\$ (859,650)</u>	<u>\$ 6,368,220</u>	<u>\$ 409,286</u>
Business-type activities					
Compensated absences	\$ 41,837	\$ 30,139	\$ (41,837)	\$ 30,139	\$ 24,112
Net pension liability	<u>556,171</u>	<u>-</u>	<u>(83,932)</u>	<u>472,239</u>	<u>-</u>
Total	<u>\$ 598,008</u>	<u>\$ 30,139</u>	<u>\$ (125,769)</u>	<u>\$ 502,378</u>	<u>\$ 24,112</u>

Village at Litchfield Park Community Facilities District General Obligation Bonds

The Community Facilities District general obligation bonds were issued by the Village at Litchfield Park Community Facilities District, which is a special purpose district, created specifically to construct public infrastructure in a specified land area. The bonds are secured by ad valorem taxes levied directly by the District and collected by Maricopa County, Arizona. District property owners are assessed taxes for all costs incurred that benefit the District. The City is not legally obligated for the debt service on the bonds.

The Village at Litchfield Park Community Facilities District term bonds are dated June 11, 2013 and have principal payable due in semi-annual installments. The interest rate is 2.90% and is due on July 15 and January 15 of every year until maturity. Annual principal and interest payments on the bonds are expected to require 100% of pledged revenues (pledged revenues totaled \$388,730 during 2015 while principal and interest totaled \$367,010). The original issue amount was \$3,940,000 with no underwriter's discount.

Debt service requirements until maturity for these bonds are as follows:

Year Ending June 30	Principal	Interest
2016	\$ 260,000	\$ 103,240
2017	270,000	95,555
2018	275,000	87,653
2019	285,000	79,533
2020	295,000	71,122
2021-2025	1,600,000	221,125
2026-2027	<u>705,000</u>	<u>20,662</u>
Total	<u>\$ 3,690,000</u>	<u>\$ 678,890</u>

Notes to Financial Statements - Continued

Note 10 – Major Revenue Sources

The City has a concentration in revenue resulting from 65% of total revenues, on a fund basis, being generated from local sales, use, franchise and property taxes.

Note 11 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City participates in the Arizona Municipal Risk Retention Pool.

The Arizona Municipal Risk Retention Pool is a public entity risk pool established under Arizona State Statute Title 11 Section 952 and is currently composed of 74 member cities and towns. The pool provides member municipalities catastrophic loss coverage for risks related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters; and provides risk management services. Such coverage includes all defense attorney costs as well as the amount of any judgment or settlement. The City is responsible for paying a premium, based on its exposure in relation to the exposure of the other participants, its loss ratio and loss control compliance requirements, and a deductible of \$5,000 for each occurrence. The City is also responsible for any payments in excess of the maximum coverage of \$5 million for each occurrence. If the pool were to become insolvent, the City would be assessed an additional contribution.

The City also carries commercial policies for worker's compensation and employee's medical benefits. Settled claims from the risks described herein have not exceeded commercial coverage in any of the past three fiscal years.

Note 12 – Commitments and Contingencies

The City has renewed their contract with Maricopa County Sheriff's Office for public safety services. The renewed contract is for the period from July 1, 2014 through June 30, 2015 and the City exercised its option to extend its contract through June 30, 2016. Under the terms of the contract, the City paid \$599,041 to Maricopa County during the year ended June 30, 2015.

On June 28, 2010, the City entered into an intergovernmental agreement with the City of Goodyear to provide municipal fire protection and emergency medical services to the City's citizens. The agreement has an initial term of 25 years and may be renewed by mutual agreement for up to two successive terms of ten years unless terminated by either party pursuant to the termination provisions. Additionally, under the agreement the City will make quarterly payments to the City of Goodyear for 30% of the ongoing operating and personnel cost. During the fiscal year ended June 30, 2015, the City paid a total of \$533,396 for these services.

Notes to Financial Statements - Continued

Note 12 – Commitments and Contingencies - Continued

During 2012, the Maricopa County Superior Court granted an order of immediate possession to the City authorizing the purchase of land located within the City's boundaries. The remaining issue related to this order is the determination of the value of the property being acquired and the related compensation due to the defendant. The City's appraiser valued the property at \$733,406 and the defendant's appraiser valued the property at \$1,515,100. During November 2014, the City settled with the defendant for a purchase price of \$985,000.

Note 13 - Pensions and Other Postemployment

The City contributes to the Arizona State Retirement System (ASRS). The plan is a component unit of the State of Arizona.

At June 30, 2015, the City reported the following aggregate amounts related to the pension for the plan to which it contributes:

<u>Statement of Net Position and Statement of Activities</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net pension liabilities	\$ 2,491,613	\$ 472,239	\$ 2,963,852
Deferred outflows of resources	327,582	62,087	389,669
Deferred inflows of resources	530,008	100,454	630,462
Pension expense	122,959	23,305	146,264

The City's accrued payroll and employee benefits includes \$16,481 of outstanding pension contribution amounts payable to the pension plan for the year ended June 30, 2015. Also, the City reported \$200,950 of pension contributions as expenditures in the governmental funds related to the pension plan.

A. Arizona State Retirement System

Plan description - City employees not covered by the other pension plans described below participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its Web site at www.azasrs.gov.

Notes to Financial Statements - Continued

Note 13 - Pensions and Other Postemployment – Continued

Benefits provided - The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

	Retirement initial membership date	
	<i>Before July 1, 2011</i>	<i>On or after July 1, 2011</i>
Years of service and age required to receive benefits	Sum of years and age equals 80 10 years age 62 5 years age 50* any years age 65	30 years age 55 25 years age 60 10 years age 62 5 years age 50* Any years age 65
Final average salary is based on	Highest 36 months of last 120 months	Highest 60 months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

* With actuarially reduced benefits

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earning. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contribution and employer's contributions, plus interest earned.

Contributions — In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2015, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.6 percent (11.48 percent for retirement and 0.12 percent for long-term disability) of the members' annual covered payroll, and the City was required by statute to contribute at the actuarially determined rate of 11.6 percent (10.89 percent retirement, .59 percent for health insurance premiums and .12 percent for long-term disability) of the active members' annual covered payroll. The City's contributions to ASRS for the year ended June 30, 2015 was \$239,037.

Notes to Financial Statements - Continued

Note 13 - Pensions and Other Postemployment Benefits – Continued

The City’s contributions for the current and 2 preceding years for OPEB, all of which were equal to the required contributions, were as follows:

<u>Year ended June 30</u>	<u>Health Benefit Supplement Fund</u>	<u>Long-Term Disability Fund</u>
ASRS:		
2015	\$ 12,208	\$ 2,526
2014	10,662	4,262
2013	13,478	4,467

During fiscal year 2015, the City paid for ASRS pension and OPEB contributions as follows: 84.1 percent from the General Fund, 12.7 percent from major funds, and 3.2 percent from other funds.

Pension Liability – At June 30, 2015, the City reported a liability of \$2,963,852 for its proportionate share of the ASRS net pension liability. The net pension liability is measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using updated procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The City’s proportion of the net pension liability was based on the City’s actual contributions to the plan relative to the total of all employers’ contributions for the year ended June 30, 2014. The District’s proportion measure as of June 30, 2014, was 0.02 percent, which was consistent to its proportion measured as of June 30, 2013.

Pension Expense and Deferred Outflows / Inflows of Resources – For the year ended June 30, 2015, the City recognized pension expense for ASRS of \$146,263. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ASRS	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 150,632	\$ -
Net Difference between projected and actual earnings	-	518,286
Changes in proportion and differences between contributions and proportionate share of contributions	-	112,176
City contributions subsequent to the measurement date	239,037	-
Total	<u>\$ 389,669</u>	<u>\$ 630,462</u>

Notes to Financial Statements - Continued

Note 13 - Pensions and Other Postemployment Benefits – Continued

The \$239,037 reported as deferred outflows of resources relates to ASRS pensions resulting from the City's contributions subsequent to the measurement recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year ending June 30

2016	\$(112,851)
2017	(112,851)
2018	(124,556)
2019	(129,572)

Actuarial Assumptions – The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial valuation date	June 30, 2013
Actuarial roll forward date	June 30, 2014
Actuarial cost method	Entry age normal
Investment rate of return	8%
Projected salary increases	3 – 6.75%
Inflation	3%
Permanent benefit increase	Included
Mortality rates	1994 GAM Scale BB

Actuarial assumptions used in the June 30, 2013, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2012.

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.79 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best-estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	63%	7.03%
Fixed income	25%	3.20%
Real Estate	8%	4.75%
Commodities	4%	4.50%
Total	<u>100%</u>	

Notes to Financial Statements - Continued

Note 13 - Pensions and Other Postemployment Benefits – Continued

Discount Rate – The discount rate used to measure the ASRS total pensions liability was 8 percent, which is less than the long-term expected rate of return of 8.79 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s Proportionate Share of the ASRS Net Pension Liability to changes in the Discount Rate – The following table presents the City’s proportionate share of the net pension liability calculated using the discount rate of 8 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7 percent) or 1 percentage point higher (9 percent) than the current rate.

	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
The District’s proportionate share of the net pension liability	<u>\$ 3,746,159</u>	<u>\$ 2,963,852</u>	<u>\$ 2,539,413</u>

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued ASRS financial report.

Note 14 – International City/County Management Association Retirement Corporation (ICMA-RC)

The City offers employees the opportunity to participate in the International City/County Management Association Retirement Corporation (ICMA-RC) Deferred Compensation Plan (“Plan”). This is a tax-deferred plan established in accordance with IRS Code, Section 457. Employee participation in the Plan is voluntary and as of the year ended June 30, 2015, there were fourteen employees contributing to the Plan. The City has no equity in the Plan; all of the plan assets belong to the contributing employees. Contributions to the Plan during fiscal year ended June 30, 2015 totaled \$72,365, of which \$11,000 was contributed by the City.

Note 15 – Related Party Transactions

The City's Vice Mayor is the managing partner of a law firm that contracts for prosecution services used by the City's magistrate court. Pursuant to the contract, the services must be performed by a partner other than the Vice Mayor. The contract is ongoing and is cancelable without cause upon 30 days notice by either party. During the fiscal year ended June 30, 2015 the City paid a total of \$29,612 for these services.

Notes to Financial Statements - Continued

Note 16 – Change in Accounting Principle

Net position as of July 1, 2014 has been restated as follows for the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

The combined effects of the restatements are as follows:

	Governmental Activities	Business-Type Activities
Net position at June 30, 2014, as previously reported	\$ 22,319,297	\$ -
Prior period adjustment – implementation of GASB 68:		
Net pension liability (measurement date as of June 30, 2014)	(2,934,449)	(556,171)
Deferred outflows of resources – pension related	162,418	30,784
Net position at July 1, 2014, as restated	\$ 19,547,266	\$(525,387)

Supplemental Information

City of Litchfield Park, Arizona
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Cost Sharing Pension Plans
Year Ended June 30, 2015

Arizona State Retirement System	Reporting Fiscal Year (Measurement Date)	
	2015 (2014)	2014 through 2006
City's proportion of the net pension liability	0.02003%	Information
City's proportionate share of the net pension liability	\$ 2,963,852	not available
City's covered-employee payroll	2,060,664	
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	143.83%	
Plan fiduciary net position as a percentage of the total pension liability	69.49%	

City of Litchfield Park, Arizona
Required Supplementary Information
Schedule of City Pension Contributions
Year Ended June 30, 2015

Arizona State Retirement System	Reporting Fiscal Year		
	2015	2014	2013 through 2006
Statutorily determined contribution	\$ 239,037	\$ 193,201	Information not available
City's contributions in relation to the statutorily determined contribution	239,037	193,201	
City's contribution deficiency (excess)	\$ -	\$ -	
City's covered-employee payroll	\$ 2,060,664	\$ 1,674,185	
City's contributions as a percentage of covered-employee payroll	11.60%	11.54%	

City of Litchfield Park, Arizona
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2015

	Special Revenue Funds					Total
	Highway Users Revenue Fund	Court Enhance- ment	Special Lighting Improve- ment District I	Special Lighting Improve- ment District II	Special Lighting Improve- ment District III	
Assets						
Cash on hand and in bank	\$ -	\$275,433	\$ -	\$ -	\$ -	\$ 275,433
Investments	90,024	-	-	-	-	90,024
Accounts receivable	-	1,585	157	1,142	390	3,274
Due from other governments	31,681	-	-	-	-	31,681
Due from other funds	<u>369,274</u>	<u>-</u>	<u>-</u>	<u>57,713</u>	<u>5,400</u>	<u>432,387</u>
Total assets	<u>\$ 490,979</u>	<u>\$277,018</u>	<u>\$ 157</u>	<u>\$ 58,855</u>	<u>\$ 5,790</u>	<u>\$ 832,799</u>
Liabilities and Fund Balances						
Liabilities:						
Due to other funds	<u>\$ -</u>	<u>\$ 77,751</u>	<u>\$ 6,663</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84,414</u>
Total liabilities	-	77,751	6,663	-	-	84,414
Fund balances:						
Restricted	490,979	-	-	58,855	5,790	555,624
Committed	-	199,267	-	-	-	199,267
Unassigned	<u>-</u>	<u>-</u>	<u>(6,506)</u>	<u>-</u>	<u>-</u>	<u>(6,506)</u>
Total fund balances (deficit)	<u>490,979</u>	<u>199,267</u>	<u>(6,506)</u>	<u>58,855</u>	<u>5,790</u>	<u>748,385</u>
Total liabilities and fund balances (deficit)	<u>\$ 490,979</u>	<u>\$277,018</u>	<u>\$ 157</u>	<u>\$ 58,855</u>	<u>\$ 5,790</u>	<u>\$ 832,799</u>

City of Litchfield Park, Arizona
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Non-Major Governmental Funds
Year ended June 30, 2015

	Special Revenue Funds					Total
	Highway Users Revenue Fund	Court Enhance- ment	Special Lighting Improve- ment District I	Special Lighting Improve- ment District II	Special Lighting Improve- ment District III	
Revenues						
Special assessments	\$ -	\$ -	\$ 34,990	\$ 146,955	\$ 43,751	\$ 225,696
Intergovernmental	339,134	-	-	-	-	339,134
Fines	-	19,302	-	-	-	19,302
Investment earnings	<u>115</u>	<u>132</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>247</u>
Total revenues	339,249	19,434	34,990	146,955	43,751	584,379
Expenditures						
Streets	38,610	-	-	-	-	38,610
Streetlights	<u>-</u>	<u>-</u>	<u>34,739</u>	<u>154,422</u>	<u>40,451</u>	<u>229,612</u>
Total expenditures	<u>38,610</u>	<u>-</u>	<u>34,739</u>	<u>154,422</u>	<u>40,451</u>	<u>268,222</u>
Excess (deficiency) of revenues over expenditures	300,639	19,434	251	(7,467)	3,300	316,157
Other financing uses						
Transfers out	<u>(211,763)</u>	<u>(16,720)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(228,483)</u>
Net change in fund balances	88,876	2,714	251	(7,467)	3,300	87,674
Fund balances (deficit), July 1, 2014	<u>402,103</u>	<u>196,553</u>	<u>(6,757)</u>	<u>66,322</u>	<u>2,490</u>	<u>660,711</u>
Fund balances (deficit), June 30, 2015	<u>\$ 490,979</u>	<u>\$ 199,267</u>	<u>\$ (6,506)</u>	<u>\$ 58,855</u>	<u>\$ 5,790</u>	<u>\$ 748,385</u>

City of Litchfield Park, Arizona
Combining Statement of Net Position
Non-Major Proprietary Funds
June 30, 2015

	<u>Enterprise Funds</u>		
	<u>Community Services</u>	<u>Special Events</u>	<u>Total</u>
Assets			
Due from other funds	\$ -	\$ 21,334	\$ 21,334
Total assets	-	21,334	21,334
Deferred Outflows of Resources			
Deferred outflows related to pensions	5,245	7,391	12,636
Total deferred outflows of resources	5,245	7,391	12,636
Liabilities			
Net pension liability	39,896	56,215	96,111
Due to other funds	72,106	-	72,106
Compensated absences payable, current portion	7,931	-	7,931
Compensated absences payable, net of current portion	1,982	-	1,982
Total liabilities	121,915	56,215	178,130
Deferred Inflows of Resources			
Deferred inflows related to pensions	8,487	11,958	20,445
Total deferred inflows of resources	8,487	11,958	20,445
Net Position			
	(125,157)	(39,448)	(164,605)
Total net position	\$ (125,157)	\$ (39,448)	\$ (164,605)

City of Litchfield Park, Arizona
Combining Statement of Revenues, Expenses, and
Changes in Net Position
Non-Major Proprietary Funds
Year ended June 30, 2015

	<u>Enterprise Funds</u>		Total Funds
	<u>Community Services</u>	<u>Special Events</u>	
Operating revenues			
Current use charges	\$ 6,500	\$ -	\$ 6,500
Special programs	<u>-</u>	<u>198,538</u>	<u>198,538</u>
Total operating revenues	6,500	198,538	205,038
Operating expenses			
Administrative	41,894	50,734	92,628
Operating	-	1,269	1,269
Special programs	<u>45,377</u>	<u>125,533</u>	<u>170,910</u>
Total operating expenses	<u>87,271</u>	<u>177,536</u>	<u>264,807</u>
Income (loss) before transfers	(80,771)	21,002	(59,769)
Transfers in	<u>-</u>	<u>2,092</u>	<u>2,092</u>
Net income (loss)	(80,771)	23,094	(57,677)
Net position as restated, July 1, 2014	<u>(44,386)</u>	<u>(62,542)</u>	<u>(106,928)</u>
Net position, June 30, 2015	<u>\$ (125,157)</u>	<u>\$ (39,448)</u>	<u>\$ (164,605)</u>

City of Litchfield Park, Arizona
Combining Statement of Cash Flows
Non-Major Proprietary Funds
Year ended June 30, 2015

	Business-Type Activities -		
	Enterprise Funds		
	Community Services	Special Events	Total
Cash flows from operating activities:			
Cash received for services	\$ 6,500	\$ 198,538	\$ 205,038
Cash paid to vendors	(45,377)	(126,802)	(172,179)
Cash paid to or on behalf of employees	(40,497)	(52,494)	(92,991)
Net cash (used for) provided by operating activities	(79,374)	19,242	(60,132)
Cash flows from noncapital financing activities:			
Transfers in from the general fund	-	2,092	2,092
Transfers out to the general fund	-	-	-
Negative cash balance implicitly financed	79,374	-	79,374
Negative cash balance implicitly paid	-	(21,334)	(21,334)
Net cash provided by (used for) noncapital financing activities	79,374	(19,242)	60,132
Net change in cash and cash equivalents	-	-	-
Cash and cash equivalents, beginning of year	-	-	-
Cash and cash equivalents, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating (loss) income to net cash (used for) provided by operating activities:			
Operating (loss) income	\$ (80,771)	\$ 21,002	\$ (59,769)
Pension expense	1,969	2,774	4,743
Employer pension contributions	(3,217)	(4,534)	(7,751)
Adjustments to reconcile operating loss to net cash used for operating activities:			
Increase in compensated absences	2,645	-	2,645
Net cash (used for) provided by operating activities	<u>\$ (79,374)</u>	<u>\$ 19,242</u>	<u>\$ (60,132)</u>

Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual for Nonmajor Funds

The following are budgetary comparison schedules for those funds with a legally adopted budget.

City of Litchfield Park, Arizona
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Debt Service - CFD Fund
Year ended June 30, 2015

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes	\$ 366,992	\$ 388,730	\$ 21,738
Investment earnings	20	-	(20)
Total revenues	367,012	388,730	21,718
Expenditures			
Debt service	367,010	367,010	-
Total expenditures	367,010	367,010	-
Net change in fund balance	\$ 2	\$ 21,720	\$ 21,718

City of Litchfield Park, Arizona
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Capital Improvement Fund
Year ended June 30, 2015

	<u>Original Budget</u>	<u>Amendments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
Expenditures					
Streets	1,500,000	(217,000)	1,283,000	-	1,283,000
Capital outlay	<u>1,609,000</u>	<u>-</u>	<u>1,609,000</u>	<u>2,398,871</u>	<u>(789,871)</u>
Total expenditures	<u>3,109,000</u>	<u>(217,000)</u>	<u>2,892,000</u>	<u>2,398,871</u>	<u>493,129</u>
Deficiency of revenue over (under) expenditures	(3,109,000)	217,000	(2,892,000)	(2,398,871)	493,129
Other financing sources					
Transfers in	<u>2,109,000</u>	<u>-</u>	<u>2,109,000</u>	<u>2,109,000</u>	<u>-</u>
Net change in fund balance	<u>\$ (1,000,000)</u>	<u>\$ 217,000</u>	<u>\$ (783,000)</u>	<u>\$ (289,871)</u>	<u>\$ 493,129</u>

City of Litchfield Park, Arizona
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Highway Users Revenue Fund
Year ended June 30, 2015

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 311,763	\$ 339,134	\$ 27,371
Investment earnings	<u>-</u>	<u>115</u>	<u>115</u>
Total revenues	311,763	339,249	27,486
Expenditures			
Streets	<u>100,000</u>	<u>38,610</u>	<u>61,390</u>
Excess of revenues over expenditures	211,763	300,639	88,876
Other financing uses			
Transfers out	<u>(211,763)</u>	<u>(211,763)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 88,876</u>	<u>\$ 88,876</u>

City of Litchfield Park, Arizona
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Court Enhancement Fund
Year ended June 30, 2015

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Fines	\$ 16,720	\$ 19,302	\$ 2,582
Investment earnings	<u>-</u>	<u>132</u>	<u>132</u>
Total revenues	16,720	19,434	2,714
Expenditures			
Public safety	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	<u>16,720</u>	<u>19,434</u>	<u>2,714</u>
Other financing uses			
Transfers out	<u>(16,720)</u>	<u>(16,720)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,714</u>	<u>\$ 2,714</u>

City of Litchfield Park, Arizona
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Special Lighting Improvement District I
Year ended June 30, 2015

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Special assessments	\$ 34,990	\$ 34,990	\$ -
Total revenues	34,990	34,990	-
Expenditures			
Streetlights	<u>34,473</u>	<u>34,739</u>	<u>(266)</u>
Net change in fund balance	<u>\$ 517</u>	<u>\$ 251</u>	<u>\$ (266)</u>

City of Litchfield Park, Arizona
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Special Lighting Improvement District II
Year ended June 30, 2015

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Special assessments	\$ 146,955	\$ 146,955	\$ -
Total revenues	146,955	146,955	-
Expenditures			
Streetlights	<u>149,367</u>	<u>154,422</u>	<u>(5,055)</u>
Net change in fund balance	<u>\$ (2,412)</u>	<u>\$ (7,467)</u>	<u>\$ (5,055)</u>

City of Litchfield Park, Arizona
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Special Lighting Improvement District III
Year ended June 30, 2015

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Special assessments	\$ 43,751	\$ 43,751	\$ -
Total revenues	43,751	43,751	-
Expenditures			
Streetlights	41,809	40,451	1,358
Net change in fund balance	<u>\$ 1,942</u>	<u>\$ 3,300</u>	<u>\$ 1,358</u>

Capital Asset Schedules



City of Litchfield Park, Arizona
Schedule of Capital Assets - By Function and Activity
June 30, 2015

Function and Activity	Vehicles	Machinery and Equipment	Office Equipment	Improvements			Construction in Progress and Infrastructure	Land	Total
				Land	Building Improve- ments	Buildings			
General government	\$ 102,889	\$ 23,119	\$ 117,331	\$ 757,924	\$ 260,309	\$ 177,002	\$ 355,918	\$ 2,064,749	\$ 3,859,241
Public safety	45,532	14,230	-	-	-	-	-	-	59,762
Highways and streets	-	-	-	-	-	-	21,307,945	-	21,307,945
Public works:									
Parks and right-of-way	508,825	672,257	-	-	95,433	-	2,673,809	-	3,950,324
Culture and recreation	-	19,826	-	-	-	-	48,856	1,000,000	1,068,682
Total capital assets	<u>\$ 657,246</u>	<u>\$ 729,432</u>	<u>\$ 117,331</u>	<u>\$ 757,924</u>	<u>\$ 355,742</u>	<u>\$ 177,002</u>	<u>\$ 24,386,528</u>	<u>\$ 3,064,749</u>	<u>30,245,954</u>
Less accumulated depreciation									(10,422,904)
Net capital assets									<u>\$ 19,823,050</u>

City of Litchfield Park, Arizona
Schedule of Changes in Capital Assets - By Function and Activity
Year Ended June 30, 2015

Function and Activity	Balance as of June 30, 2014	Additions	Deletions	Balance as of June 30, 2015
General government	\$ 2,428,199	\$ 1,431,042	\$ -	\$ 3,859,241
Public safety	59,762	-	-	59,762
Highways and streets	21,307,945	-	-	21,307,945
Public works				
Parks and right-of-way	3,731,308	219,016	-	3,950,324
Culture and recreation	1,019,826	48,856	-	1,068,682
Total capital assets	28,547,040	1,698,914	-	30,245,954
Less accumulated depreciation	(9,476,124)	(946,780)	-	(10,422,904)
Net capital assets	<u>\$ 19,070,916</u>	<u>\$ 752,134</u>	<u>\$ -</u>	<u>\$ 19,823,050</u>

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City of Litchfield Park, Arizona Statistical Section Schedules

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

- Net Position by Component
- Changes in Net Position
- Fund Balances
- Changes in Fund Balances
- Tax Revenues by Source
- Intergovernmental Revenues By Source

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source; property, sales and use tax.

- Assessed and Estimated Value of Taxable Property
- Ratio of Assessed Value
- Property Tax Rates - Direct and Overlapping Governments

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

- Overlapping Debt
- Ratio of Outstanding Debt by Type
- Computation of Legal Debt Margin
- Legal Debt Margin Information

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

- Demographic and Economic Statistics

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

- Building permits, New Housing Units and Retail Sales
- Employment Statistics
- Capital Asset Statistics by Function
- Miscellaneous Statistics

City of Litchfield Park, Arizona
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2006	2007	2008	2009	As restated 2010	2011	As restated 2012	As restated 2013	As restated 2014	2015
Governmental activities										
Net investment in capital assets	\$ 3,961,689	\$ 7,773,210	\$ 10,515,026	\$ 11,012,304	\$ 12,448,002	\$ 13,145,855	\$ 12,868,602	\$ 13,270,165	\$ 15,130,915	\$ 16,133,050
Restricted	2,257,299	2,182,068	2,159,887	2,163,839	2,378,283	2,456,808	2,273,027	5,530,008	529,337	635,766
Unrestricted	8,640,002	6,232,221	3,654,841	4,073,955	3,845,962	3,644,091	4,343,242	803,439	3,887,014	2,548,234
Total governmental activities net position	\$ 14,858,990	\$ 16,187,499	\$ 16,329,754	\$ 17,250,098	\$ 18,672,247	\$ 19,246,754	\$ 19,484,871	\$ 19,603,612	\$ 19,547,266	\$ 19,317,050
Business-type activities										
Net investment in capital assets	\$ 271,195	\$ 240,796	\$ 211,632	\$ 197,807	\$ 172,989	\$ 152,816	\$ 169,623	\$ 220,724	\$ 214,111	\$ 228,928
Unrestricted	(308,031)	(111,469)	65,611	169,849	(172,989)	(152,816)	(169,623)	(220,724)	(739,499)	(843,576)
Total business-type activities net position	\$ (36,836)	\$ 129,327	\$ 277,243	\$ 367,656	\$ -	\$ -	\$ -	\$ -	\$ (525,388)	\$ (614,648)
Primary government										
Net investment in capital assets	\$ 4,232,884	\$ 8,014,006	\$ 10,726,658	\$ 11,210,111	\$ 12,620,991	\$ 13,298,671	\$ 13,038,225	\$ 13,490,889	\$ 15,345,026	\$ 16,361,978
Restricted	2,257,299	2,182,068	2,159,887	2,163,839	2,378,283	2,262,936	2,273,027	5,530,008	529,337	635,766
Unrestricted	8,331,971	6,120,212	3,849,009	4,243,804	3,672,973	3,685,147	4,173,619	582,715	3,147,515	1,704,658
Total primary government net position	\$ 14,822,154	\$ 16,316,286	\$ 16,735,554	\$ 17,617,754	\$ 18,672,247	\$ 19,246,754	\$ 19,484,871	\$ 19,603,612	\$ 19,021,878	\$ 18,702,402

Source: Statement of Net Position
City financial records and reports

City of Litchfield Park, Arizona
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

Expenses	2006	2007	2008	2009	As restated 2010	2011	As restated 2012	As restated 2013	2014	2015
Governmental activities:										
General government	\$ 1,064,018	\$ 1,227,191	\$ 1,385,707	\$ 1,321,161	\$ 1,341,656	\$ 1,211,802	\$ 1,340,887	\$ 1,614,562	\$ 1,723,100	\$ 1,668,550
Public safety	478,941	613,069	793,398	782,206	735,388	1,166,193	1,165,910	1,185,866	1,209,102	1,308,032
Public works	1,875,581	2,224,797	2,183,719	2,337,911	2,270,364	2,342,011	2,250,313	2,536,120	2,496,878	2,461,077
Streets	221,765	564,312	852,841	615,523	465,604	323,461	745,600	1,139,038	1,591,832	1,730,087
Streetlights	-	150,420	152,073	191,298	200,430	213,300	218,914	225,161	228,599	229,612
Interest on long-term debt	370,387	358,100	384,727	340,960	331,838	321,387	310,386	297,787	125,052	107,010
Total governmental activities expenses	\$ 4,010,692	\$ 5,137,889	\$ 5,752,465	\$ 5,589,059	\$ 5,345,280	\$ 5,578,154	\$ 6,032,010	\$ 6,998,534	\$ 7,374,563	\$ 7,504,368
Business-type activities:										
Community and Recreation Services	\$ 832,495	\$ 1,013,464	\$ 1,096,341	\$ 982,950	\$ 902,476	\$ 849,836	\$ 879,909	\$ 1,014,666	\$ 978,019	\$ 1,071,914
Total business-type activities expenses	832,495	1,013,464	1,096,341	982,950	902,476	849,836	879,909	1,014,666	978,019	1,071,914
Total primary government expenses	\$ 4,843,187	\$ 6,151,353	\$ 6,848,806	\$ 6,572,009	\$ 6,247,756	\$ 6,427,990	\$ 6,911,919	\$ 8,013,200	\$ 8,352,582	\$ 8,576,282
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 279,238	\$ 187,555	\$ 25,165	\$ 24,355	\$ 53,662	\$ 51,850	\$ 56,547	\$ 53,015	\$ 48,863	\$ -
Public safety	181,032	120,111	176,155	150,687	95,125	102,567	113,557	107,392	94,770	105,686
Public works	557,316	361,557	244,560	115,130	139,516	218,405	310,650	452,893	334,088	533,136
Streetlights	-	145,492	201,673	226,040	209,925	198,109	227,222	223,816	209,973	225,697
Capital grants and contributions	941,450	350,467	613,791	293,295	934,945	647,899	660,444	604,429	3,324,874	564,650
Total governmental activities program revenues	\$ 1,959,036	\$ 1,165,182	\$ 1,261,344	\$ 809,507	\$ 1,433,173	\$ 1,218,830	\$ 1,368,420	\$ 1,441,545	\$ 4,012,568	\$ 1,429,169
Business-type activities:										
Charges for services:										
Community and recreation services	\$ 368,520	\$ 489,143	\$ 472,709	\$ 501,163	\$ 491,767	\$ 527,654	\$ 559,871	\$ 602,240	\$ 627,554	\$ 639,978
Capital grants and contributions	-	-	40,852	-	-	-	-	-	-	-
Total business-type activities program revenues	368,520	489,143	513,561	501,163	491,767	527,654	559,871	602,240	627,554	639,978
Total primary government program revenues	\$ 2,327,556	\$ 1,654,325	\$ 1,774,905	\$ 1,310,670	\$ 1,924,940	\$ 1,746,484	\$ 1,928,291	\$ 2,043,785	\$ 4,640,122	\$ 2,069,147
Net (expense)/revenue										
Governmental Activities	\$ (2,051,656)	\$ (3,972,707)	\$ (4,491,121)	\$ (4,779,552)	\$ (3,912,107)	\$ (4,359,324)	\$ (4,663,590)	\$ (5,556,989)	\$ (3,361,995)	\$ (6,075,199)
Business-type activities	(463,975)	(524,321)	(582,780)	(481,787)	(410,709)	(322,182)	(320,038)	(412,426)	(350,465)	(431,936)
Total primary government net expense	\$ (2,515,631)	\$ (4,497,028)	\$ (5,073,901)	\$ (5,261,339)	\$ (4,322,816)	\$ (4,681,506)	\$ (4,983,628)	\$ (5,969,415)	\$ (3,712,460)	\$ (6,507,135)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
City sales tax	\$ 3,478,540	\$ 3,882,231	\$ 3,808,889	\$ 3,852,348	\$ 3,791,850	\$ 4,209,664	\$ 4,059,911	\$ 4,791,360	\$ 4,970,113	\$ 4,698,912
Shared revenues	990,230	1,476,541	1,235,867	1,202,192	1,069,298	943,485	1,065,828	1,190,797	1,282,529	1,372,666
Miscellaneous	41,400	134,320	103,911	1,059,574	507,682	97,693	90,876	94,583	169,515	112,584
Investment income	277,391	498,608	343,962	29,425	8,479	6,814	5,130	11,416	5,988	3,496
Transfers	(432,851)	(690,484)	(741,948)	(560,948)	(43,053)	(323,825)	(320,038)	(412,426)	(350,465)	(342,675)
Total governmental activities	\$ 4,354,710	\$ 5,301,216	\$ 4,750,681	\$ 5,582,591	\$ 5,334,256	\$ 4,933,831	\$ 4,901,707	\$ 5,675,730	\$ 6,077,680	\$ 5,844,983
Business-type activities:										
Other income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,643)	\$ -	\$ -	\$ -	\$ -
Transfers	432,851	690,484	741,948	560,948	43,053	323,825	320,038	412,426	350,465	342,675
Total business-type activities	432,851	690,484	741,948	560,948	43,053	322,182	320,038	412,426	350,465	342,675
Total primary government	\$ 4,787,561	\$ 5,991,700	\$ 5,492,629	\$ 6,143,539	\$ 5,377,309	\$ 5,256,013	\$ 5,221,745	\$ 6,088,156	\$ 6,428,145	\$ 6,187,658
Change in Net Position										
Governmental activities	\$ 2,303,054	\$ 1,328,509	\$ 259,560	\$ 803,039	\$ 1,422,149	\$ 574,507	\$ 238,117	\$ 118,741	\$ 2,715,685	\$ (230,216)
Business-type activities	(31,124)	166,163	159,168	79,161	(367,656)	-	-	-	-	(89,261)
Total primary government	\$ 2,271,930	\$ 1,494,672	\$ 418,728	\$ 882,200	\$ 1,054,493	\$ 574,507	\$ 238,117	\$ 118,741	\$ 2,715,685	\$ (319,477)

Source: Statement of Activities
City financial records and reports

City of Litchfield Park, Arizona
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(accrual basis of accounting)

	2006	2007	2008	2009	As restated 2010	2011	As restated 2012	As restated 2013	2014	2015
General fund (1)										
Reserved	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	6,659,098	3,629,198	2,057,848	2,345,193	3,398,944	-	-	-	-	-
Unassigned	-	-	-	-	-	2,792,493	2,739,259	3,886,091	4,507,252	3,387,179
Total general fund	<u>\$ 6,959,098</u>	<u>\$ 3,629,198</u>	<u>\$ 2,057,848</u>	<u>\$ 2,345,193</u>	<u>\$ 3,398,944</u>	<u>\$ 2,792,493</u>	<u>\$ 2,739,259</u>	<u>\$ 3,886,091</u>	<u>\$ 4,507,252</u>	<u>\$ 3,387,179</u>
General fund as % of current year revenues¹										
Reserved	5.27%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Unreserved	117.06%	60.33%	36.63%	47.56%	67.74%	0.00%	0.00%	0.00%	0.00%	0.00%
Unassigned	0.00%	0.00%	0.00%	0.00%	0.00%	53.42%	51.03%	61.65%	69.18%	50.98%
Total general fund	123.55%	60.33%	36.63%	47.56%	67.74%	53.42%	51.03%	61.65%	69.18%	50.98%
General fund as % of current year expenditures²										
Reserved	9.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Unreserved	199.88%	92.17%	48.12%	57.11%	89.21%	0.00%	0.00%	0.00%	0.00%	0.00%
Unassigned	0.00%	0.00%	0.00%	0.00%	0.00%	63.76%	59.70%	79.21%	87.46%	61.13%
Total general fund	206.53%	92.17%	48.12%	57.11%	89.21%	63.76%	59.70%	79.21%	87.46%	61.13%
All other governmental funds (1)										
Unreserved reported in:										
Special revenue funds	\$ 552,352	\$ 581,471	\$ 635,457	\$ 676,533	\$ 857,223	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service	1,716,131	1,606,852	1,580,286	1,566,720	1,581,164	-	-	-	-	-
Capital projects funds	1,734,806	4,289,095	3,202,776	1,148,268	334,772	-	-	-	-	-
Restricted	-	-	-	-	-	2,262,936	2,273,027	5,530,008	529,337	635,766
Committed	-	-	-	-	-	991,160	1,562,734	1,611,188	2,075,364	1,788,207
Unassigned	-	-	-	-	-	(10,291)	(12,050)	(17,907)	(6,757)	(6,506)
Total all other governmental funds	<u>\$ 4,003,289</u>	<u>\$ 6,477,418</u>	<u>\$ 5,418,519</u>	<u>\$ 3,391,521</u>	<u>\$ 2,773,159</u>	<u>\$ 3,243,805</u>	<u>\$ 3,823,711</u>	<u>\$ 7,123,289</u>	<u>\$ 2,597,944</u>	<u>\$ 2,417,467</u>

¹Does not include other financing sources

²Does not include other financing uses

(1) Starting with FY 2011, the fund balance presentation has changed due to the implementation of GASB 54. The FY 2010 fund balance amounts were restated due to the implementation of GASB 54 in FY 2011 and for the correction of a prior year error.

Source: Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds
City financial records and reports

City of Litchfield Park, Arizona
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>As restated 2010</u>	<u>2011</u>	<u>As restated 2012</u>	<u>As restated 2013</u>	<u>As restated 2014</u>	<u>2015</u>
Revenues										
Taxes	\$ 3,750,840	\$ 3,882,231	\$ 3,808,887	\$ 3,852,348	\$ 3,791,850	\$ 4,209,664	\$ 4,059,911	\$ 4,791,360	\$ 4,970,113	\$ 4,698,913
Special assessments	-	145,492	201,673	226,040	209,925	198,109	227,222	223,816	209,973	225,696
Licenses and permits	557,316	387,867	269,725	139,485	163,386	244,245	350,009	483,528	362,978	533,136
Intergovernmental	1,282,988	1,476,541	1,741,337	1,495,487	2,004,245	1,446,015	1,418,204	1,541,913	1,607,888	1,937,316
Developer contributions	648,692	350,467	108,321	-	-	145,369	308,068	253,313	169,467	-
Fines	181,032	120,111	176,155	150,687	124,917	128,577	130,745	129,772	114,743	105,686
Investment earnings	277,391	498,608	343,963	29,425	8,479	6,814	5,132	11,416	5,988	3,496
Miscellaneous	41,400	146,059	106,156	59,574	183,682	97,693	90,875	94,583	169,515	112,584
Total revenues	<u>6,739,659</u>	<u>7,007,376</u>	<u>6,756,217</u>	<u>5,953,046</u>	<u>6,486,484</u>	<u>6,476,486</u>	<u>6,590,166</u>	<u>7,529,701</u>	<u>7,610,665</u>	<u>7,616,827</u>
Expenditures										
General government	1,025,663	1,185,622	1,332,758	1,274,152	1,272,862	1,167,422	1,261,861	1,277,876	1,445,719	1,668,724
Public safety	478,941	584,831	793,398	782,140	734,295	1,166,193	1,165,910	1,185,866	1,201,996	1,300,926
Public works	1,544,930	1,962,838	1,804,497	1,845,957	1,889,950	1,866,641	2,070,764	2,357,130	2,346,845	2,301,381
Streets	18,581	42,372	198,209	205,969	208,004	217,344	130,761	555,022	902,987	293,527
Streetlights	-	150,420	152,073	191,298	200,430	213,300	218,914	225,161	228,599	229,612
Capital outlay	539,066	2,673,931	3,752,043	2,311,273	1,180,663	1,136,179	374,858	215,605	143,186	2,413,522
Debt service										
Principal retirement	210,738	214,549	231,782	170,000	180,000	190,000	190,000	225,000	4,770,000	260,000
Interest and fiscal charges	370,387	358,100	379,758	350,962	341,838	331,387	330,388	297,787	125,052	107,010
Cost of issuance	-	-	-	-	-	-	-	271,418	-	-
Total expenditures	<u>4,188,306</u>	<u>7,172,663</u>	<u>8,644,518</u>	<u>7,131,751</u>	<u>6,008,042</u>	<u>6,288,466</u>	<u>5,743,456</u>	<u>6,610,865</u>	<u>11,164,384</u>	<u>8,574,702</u>
Excess of revenues over (under) expenditures	\$ 2,551,353	\$ (165,287)	\$ (1,888,301)	\$ (1,178,705)	\$ 478,442	\$ 188,020	\$ 846,710	\$ 918,836	\$ (3,553,719)	\$ (957,875)
Other financing sources (uses)										
Proceeds from debt obligations	167,100	-	-	-	-	-	-	3,940,000	-	-
Transfers in	306,393	5,000,000	2,500,000	262,811	167,167	1,345,702	711,818	1,091,958	1,303,554	2,125,720
Transfers out	(739,244)	(5,690,484)	(3,241,948)	(823,759)	(210,220)	(1,669,527)	(1,031,856)	(1,504,384)	(1,654,019)	(2,468,395)
Net change in fund balances	<u>\$ 2,285,602</u>	<u>\$ (855,771)</u>	<u>\$ (2,630,249)</u>	<u>\$ (1,739,653)</u>	<u>\$ 435,389</u>	<u>\$ (135,805)</u>	<u>\$ 526,672</u>	<u>\$ 4,446,410</u>	<u>\$ (3,904,184)</u>	<u>\$ (1,300,550)</u>
Debt service as a percentage of non-capital expenditures	15.9%	12.7%	12.5%	10.8%	10.8%	10.1%	9.7%	8.2%	44.4%	6.0%

Source: Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds
City financial records and reports

City of Litchfield Park, Arizona
Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
City sales taxes ¹	\$ 3,478,540	\$ 3,556,977	\$ 3,202,601	\$ 3,133,350	\$ 3,075,611	\$ 3,619,867	\$ 3,448,373	\$ 4,179,555	\$ 4,353,904	\$ 4,074,303
Franchise taxes	272,300	325,254	232,274	220,264	194,971	213,348	216,729	220,663	229,597	235,880
Community Facilities District	-	298,668	374,011	498,734	521,268	376,449	394,809	391,142	386,612	388,730
Total taxes	<u>\$ 3,750,840</u>	<u>\$ 4,180,899</u>	<u>\$ 3,808,886</u>	<u>\$ 3,852,348</u>	<u>\$ 3,791,850</u>	<u>\$ 4,209,664</u>	<u>\$ 4,059,911</u>	<u>\$ 4,791,360</u>	<u>\$ 4,970,113</u>	<u>\$ 4,698,913</u>

¹The City's sales tax revenue is generated primarily from retail sales generated from a small number of businesses within its boundaries.

Source: Statement of Activities
City financial records and reports

City of Litchfield Park, Arizona
Governmental Activities Intergovernmental Revenues By Source
Last Ten Fiscal Years
(accrual basis of accounting)

	2006	2007	2008	2009	As restated 2010	2011	2012	2013	2014	2015
State shared sales tax	\$ 408,099	\$ 430,374	\$ 416,141	\$ 360,262	\$ 332,289	\$ 352,682	\$ 427,896	\$ 448,221	\$ 476,646	\$ 500,445
Urban revenue sharing	398,905	514,089	637,226	676,822	584,612	440,723	462,178	559,362	610,370	662,904
HURF revenues	273,287	323,559	311,482	271,919	257,612	265,217	274,159	299,809	309,202	339,134
Auto in-lieu	183,226	188,060	182,500	165,108	152,400	150,080	175,754	183,214	195,513	209,317
LTAF revenues	19,471	20,459	30,281	21,376	12,298	-	-	-	-	-
Grants revenues	-	-	163,707	-	665,035	237,313	78,217	51,307	16,157	225,516
Total intergovernmental revenue	<u>\$ 1,282,988</u>	<u>\$ 1,476,541</u>	<u>\$ 1,741,337</u>	<u>\$ 1,495,487</u>	<u>\$ 2,004,246</u>	<u>\$ 1,446,015</u>	<u>\$ 1,418,204</u>	<u>\$ 1,541,913</u>	<u>\$ 1,607,888</u>	<u>\$ 1,937,316</u>

Source: Combining Statement of Revenues, Expenditures and
Changes in Fund Balances Non-Major Governmental Funds
City financial records

City of Litchfield Park, Arizona
Assessed and Estimated Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Primary Assessed Value	Net Secondary Assessed Value	Estimated Full-Cash Value	Ratio of Net Secondary Assessed Value to Estimated Full-Cash Value
2014-15	\$ 65,061,363	\$ 75,470,349	\$ 720,020,160	10.48%
2013-14	63,188,186	65,199,227	604,412,223	10.79%
2012-13	62,131,170	62,566,669	568,156,442	11.01%
2011-12	69,669,889	70,298,096	594,617,016	11.82%
2010-11	69,256,684	69,685,098	633,783,919	11.00%
2009-10	85,649,522	89,116,105	798,320,476	11.16%
2008-09	95,605,909	113,407,484	975,322,630	11.63%
2007-08	89,140,264	118,671,880	993,429,015	11.95%
2006-07	71,810,087	93,605,517	772,574,841	12.12%
2005-06	61,679,621	69,322,072	602,676,320	11.50%

Source: Maricopa County Assessor - Annual Tax Abstracts

Note: Property taxes are assessed annually for the Community Facility District and three special assessment districts. The amount levied each year is reported as revenue in the respective fund and annual collections approximate the levy.

City of Litchfield Park, Arizona
Ratio of Assessed Value
City Compared to Maricopa County
Last Ten Fiscal Years

Fiscal Year	City of Litchfield Park, Arizona	Maricopa County	Percent of Assessed Value to Maricopa County
2014-15	\$ 65,061,363	\$ 34,757,248,273	0.19%
2013-14	63,188,186	33,493,119,633	0.19%
2012-13	62,131,170	32,014,409,591	0.19%
2011-12	69,669,889	34,314,981,298	0.20%
2010-11	69,256,684	38,513,682,495	0.18%
2009-10	85,649,522	46,797,410,485	0.18%
2008-09	95,605,909	49,679,450,143	0.19%
2007-08	89,140,264	44,881,602,698	0.20%
2006-07	71,810,087	38,930,267,550	0.18%
2005-06	61,679,621	33,807,465,267	0.18%

Source: Maricopa County Assessor - Annual Tax Abstracts

City of Litchfield Park, Arizona
Property Tax Rates - Direct and Overlapping Governments
(Per \$100 of Assessed Value)
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>State of Arizona</u>	<u>Maricopa County</u>	<u>Community College</u>	<u>Litchfield Elementary School District #79</u>	<u>Agua Fria Union High School District #216</u>	<u>Total</u>
<u>2015</u>						
Primary	0	1.8663	1.2628	2.2606	2.0732	7.4629
Secondary	0	0.6685	0.2312	1.5746	1.1935	3.6678
<u>2014</u>						
Primary	0	1.8298	1.2824	2.3282	2.9900	8.4304
Secondary	0	0.5317	0.2363	1.4498	1.2105	3.4283
<u>2013</u>						
Primary	0	1.2807	1.2896	2.4367	2.2936	7.3006
Secondary	0	0	0.2444	1.5405	1.2787	3.0636
<u>2012</u>						
Primary	0	1.2407	1.1563	2.3102	2.0437	6.7509
Secondary	0	0	0.2215	1.5761	1.1257	2.9233
<u>2011</u>						
Primary	0	1.2407	1.0123	1.9408	1.6862	5.8800
Secondary	0	0	0.1959	1.3182	0.9900	2.5041
<u>2010</u>						
Primary	0	1.0508	0.7926	1.6167	1.6218	5.0819
Secondary	0	0	0.1802	1.2963	0.8310	2.3075
<u>2009</u>						
Primary	0	0.9909	0.7246	1.6153	2.0410	5.3718
Secondary	0	0	0.1598	1.0062	0.6539	1.8199
<u>2008</u>						
Primary	0	1.0327	0.7752	1.7569	1.8833	5.4481
Secondary	0	0	0.1634	0.7732	0.5248	1.4614
<u>2007</u>						
Primary	0	1.1046	0.8246	1.8211	1.6200	5.3703
Secondary	0	0	0.1514	0.9013	1.0121	2.0648
<u>2006</u>						
Primary	0	1.1794	0.8815	2.0284	2.2412	6.3305
Secondary	0	0.00	0.1831	1.7905	1.3463	3.3199

Source: Maricopa County Department of Finance - Annual Tax Rate Publications

City of Litchfield Park, Arizona
Overlapping Debt
June 30, 2015

Overlapping Municipality	Secondary Assessed Valuation	Gross Bonded Debt	Proportion Applicable to City of Litchfield Park		
			Percentage¹	Amount	Per Capita
City of Litchfield Park	\$ 75,470,349	\$ 3,690,000	100%	\$ 3,690,000	\$ 613.06
Total direct and general bonded debt		<u>3,690,000</u>		<u>3,690,000</u>	
Maricopa County	41,247,022,328	270,245,000	0.18%	494,472	90.30
Maricopa County Community College District	41,247,022,328	593,820,000	0.18%	1,086,522	198.42
Agua Fria Union High School District #216	1,159,434,969	51,855,000	6.51%	3,375,364	616.39
Litchfield Elementary School District #79	780,507,803	<u>42,475,000</u>	9.67%	<u>4,107,074</u>	750.01
Total overlapping general bonded debt		<u>958,395,000</u>		<u>9,063,432</u>	
Total overlapping and direct general bonded debt		<u>\$ 962,085,000</u>		<u>\$ 12,753,432</u>	

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

¹ For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

Source: Maricopa County Assessor - Annual Tax Abstracts
Arizona Treasury - Bonded Indebtedness Reports

City of Litchfield Park, Arizona
Ratios of Outstanding Debt by Type
2006-2015

Fiscal Year Ended June 30,	<u>Governmental Activities</u>			Percentage of Actual Taxable Value of Property	Percentage of Median Household Income	Per Capita
	General Obligation Bonds	Capital Lease Obligations	Total Primary Government			
2015	\$3,690,000	\$ -	\$ 3,690,000	5.67%	2.10%	613
2014	3,940,000	-	3,940,000	6.24%	1.92%	684
2013	8,685,000	-	8,685,000	13.98%	0.87%	1,545
2012	4,955,000	-	4,955,000	7.11%	1.53%	897
2011	5,155,000	-	5,155,000	7.44%	1.55%	941
2010	5,345,000	-	5,345,000	6.24%	1.49%	1,044
2009	5,525,000	-	5,525,000	5.78%	1.44%	1,079
2008	5,695,000	-	5,695,000	6.39%	1.40%	1,118
2007	5,720,000	56,813	5,776,813	8.04%	1.24%	1,143
2006	6,010,000	111,362	6,121,362	9.92%	1.17%	1,352

¹ Median household income information not available for these years.

City of Litchfield Park, Arizona
Computation of Legal Debt Margin
June 30, 2015

DEBT CAPACITY ANALYSIS

The ability of the City to incur general obligation debt is governed by constitutional and statutory provisions of Arizona law. Under the provisions of the Arizona Constitution, as amended in 1980, outstanding general obligation bonded debt for combined water, sewer, lighting, parks, open space, and recreational purposes may not exceed 20% of the City's net secondary assessed valuation. All other general obligation bonded debt is limited to 6% of the secondary assessed valuation.

Based on the City's 2015 secondary assessed valuation, the City had \$15,094,070 borrowing capacity in the 20% category and \$4,528,221 in the 6% category.

City of Litchfield Park, Arizona
General Obligation Bond Incurrence Capacity
As of June 30, 2015

20% Limitation
Water, Sewer, Lighting, Parks, Open Space
and Recreational Purpose Bonds

Secondary Assessed Valuation - 2015	\$ 75,470,349
Allowable 20% Debt	15,094,070
20% Debt Outstanding	-
Available Borrowing Capacity or Debt Margin	\$ 15,094,070

6% Limitation
All Other
General Obligation Bonds

Secondary Assessed Valuation - 2015	\$ 75,470,349
Allowable 6% Debt	4,528,221
6% Debt Outstanding	-
Available Borrowing Capacity or Debt Margin	\$ 4,528,221

Note: General obligation bonds of the community facilities district are not subject to or included in this computation since they are not bonds of the City of Litchfield Park.

**City of Litchfield Park, Arizona
Legal Debt Margin Information
Last Ten Fiscal Years**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
20% Limitation										
Debt Limit Equal to the 20% of Assessed Valuation	\$ 12,312,677	\$ 18,721,103	\$ 23,734,376	\$ 22,681,497	\$ 17,823,221	\$ 13,937,020	\$ 14,059,619	\$ 12,513,334	\$ 13,039,845	\$ 15,094,070
Net Debt Applicable to the 20% Limit	-	-	-	-	-	-	-	-	-	-
Legal 20% Debt Margin (Available Borrowing Capacity)	<u>\$ 12,312,677</u>	<u>\$ 18,721,103</u>	<u>\$ 23,734,376</u>	<u>\$ 22,681,497</u>	<u>\$ 17,823,221</u>	<u>\$ 13,937,020</u>	<u>\$ 14,059,619</u>	<u>\$ 12,513,334</u>	<u>\$ 13,039,845</u>	<u>\$ 15,094,070</u>
Total Net Debt Applicable to the 20% Limit as a Percentage of 20% Debt Limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
6% Limitation										
Debt Limit Equal to the 6% of Assessed Valuation	\$ 3,693,803	\$ 5,616,331	\$ 7,120,313	\$ 6,804,449	\$ 5,346,966	\$ 4,181,106	\$ 4,217,886	\$ 3,754,000	\$ 3,911,954	\$ 4,528,221
Net Debt Applicable to the 6% Limit	-	-	-	-	-	-	-	-	-	-
Legal 6% Debt Margin (Available Borrowing Capacity)	<u>\$ 3,693,803</u>	<u>\$ 5,616,331</u>	<u>\$ 7,120,313</u>	<u>\$ 6,804,449</u>	<u>\$ 5,346,966</u>	<u>\$ 4,181,106</u>	<u>\$ 4,217,886</u>	<u>\$ 3,754,000</u>	<u>\$ 3,911,954</u>	<u>\$ 4,528,221</u>
Total Net Debt Applicable to the 6% Limit as a Percentage of 6% Debt Limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

City of Litchfield Park, Arizona
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	City of Litchfield Park Population¹	City of Litchfield Park Growth¹	City of Litchfield Park Unemployment Rate	Maricopa County Population¹	Maricopa County % Growth¹	Maricopa County Unemployment Rate	Elementary and High School Enrollment
2015	6,019	4.5%	2.0%	4,076,438	3.3%	5.3%	18,959
2014	5,759	2.5%	2.3%	3,944,859	1.5%	6.1%	18,248
2013	5,621	1.8%	2.7%	3,884,705	0.0%	7.0%	17,359
2012	5,523	0.9%	3.0%	3,884,705	1.6%	7.8%	17,660
2011	5,476	0.0%	3.7%	3,824,058	0.2%	9.4%	15,511
2010	5,476	0.6%	3.8%	3,817,117	-0.1%	9.6%	16,623
2009	5,445	1.2%	3.6%	3,821,136	0.3%	9.3%	16,286
2008	5,380	1.4%	4.6%	3,808,829	1.5%	5.3%	15,464
2007	5,307	4.0%	2.8%	3,753,413	2.4%	3.2%	14,238
2006	5,102	11.8%	3.4%	3,663,915	2.4%	3.6%	12,483

Income Figures¹

Median household income	\$	77,481
Per capita income	\$	50,887
Below \$10,000		4.5%
Above \$75,000		53.1%

¹ Updated based on Census Bureau and Arizona Dept. of Administration data.

Source: Population and Unemployment information obtained at laborstats.az.gov
 Enrollment data obtained from AZ Dept. of Education
 Income data obtained from US Census Bureau

City of Litchfield Park, Arizona
Building Permits, New Housing Units and Retail Sales
Last Ten Years

<u>Year</u>	<u>Value of Building Permits Issued</u>	<u>New Housing Units</u>	<u>Estimated Retail Sales</u>
2015	\$ 27,538,308	46	\$ 128,770,890
2014	25,398,702	37	132,031,497
2013	42,316,014	48	147,249,265
2012	23,010,000	81	122,252,502
2011	10,456,868	31	117,447,041
2010	7,844,413	12	107,085,491
2009	5,802,597	12	105,939,313
2008	4,203,489	9	155,919,848
2007	24,735,028	63	188,433,515
2006	8,597,388	108	174,169,746

Source: City departments and records

**City of Litchfield Park, Arizona
Employment Statistics
June 30, 2015**

Principal employers:

	2015		2014		2013		2012		2011		2010	
	Number of employees	Percent of Total										
The Wigwam Golf Resort & Spa	460	74.31%	460	74.43%	460	75.16%	460	74.31%	460	73.13%	440	71.78%
City of Litchfield Park (incl. seasonal)	79	12.76%	78	12.62%	72	11.76%	79	12.76%	79	12.56%	83	13.54%
Litchfield Elementary School	80	12.92%	80	12.94%	80	13.07%	80	12.92%	90	14.31%	90	14.68%
Total number of employees across all employers	619		618		612		619		629		613	

**Authorized Positions by Function and Department
Last 9 Fiscal Years**

General government

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
City Manager	2	2	2	2	2	2	2	2	2	2
City Clerk	5	5	5	5	4	4	4	4	4	4
Budget and Finance	2	3	3	3	3	3	3	2.5	2.5	2.5
Human Resources	1	1	1	1	1	1	1	1.5	1.5	1.5
Building Safety and Code Enforcement	2	3	3	3	3	3	3	2	2	2
Planning Services	-	1	1	1	1	1	1	1	2	2
Court	2	3	3	3	3	3	3	3	3	3
Public Works	17	17	17	17	17	17	17	20	20	20

Recreation and community services

Recreation Services	52	48	60	57	49	45	45	37	42	42
Total	83	83	95	92	83	79	79	73	79	79

Note 1: The principal employers have remained the same since incorporation.

Source: City departments and records

City of Litchfield Park, Arizona
Capital Assets Statistics by Function - Unaudited
June 30, 2015

<u>Community and Recreation Services</u>		<u>Highways and Streets</u>	
Community recreation center	1	Miles of streets	23
Swimming pools	1	Miles of pathways	11
Parks	11		
Park acreage	40		
Tennis courts	2		
Basketball courts	2		
Baseball diamonds	2		
Ramadas	7		
Urban lakes	1		

Source: City departments and records

City of Litchfield Park, Arizona
Miscellaneous Statistics - Unaudited
June 30, 2015

Date of Incorporation

August 3, 1987

Form of Government

Council\Manager

<u>Population/Demographics¹</u>		<u>Public Safety</u>	
2014 Population	6,019	Police protection provided by Maricopa County Sheriffs Department	
Housing Units	2,716	Fire protection provided by the City of Goodyear Fire Department:	
Median household income	\$ 77,481	Number of fire stations	1
Per capita income	\$ 50,887		
<u>City employees as of June 30, 2013</u>		<u>Education</u>	
Full-time	35	Litchfield Elementary School District:	
Part-time (incl. seasonal)	44	Number of elementary/middle schools	14
<u>Annexed area</u>		Number of students	11,424
Square miles	3.3	Agua Fria High School District:	
Miles of streets	23	Number of high schools	4
		Number of students	7,535
		Estrella Mountain Community College	
		Number of students	12,994

¹ Population/Demographics obtained at www.workforce.az.gov.

Source: City departments and records
U.S. Census
AZ Department of Education