

CITY OF LITCHFIELD PARK, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT
JUNE 30, 2019
WITH REPORT OF
CERTIFIED PUBLIC ACCOUNTANTS

CITY OF LITCHFIELD PARK, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT
JUNE 30, 2019

Table of Contents

| | Page |
|---|------|
| Independent Accountants' Report | 1 |
| Annual Expenditure Limitation Report - Part I..... | 2 |
| Annual Expenditure Limitation Report - Part II. | 3 |
| Annual Expenditure Limitation Report - Reconciliation. | 4 |
| Notes to Annual Expenditure Limitation Report. | 5 |



Independent Accountants' Report on AELR

The Auditor General of the State of Arizona and
The Honorable Mayor and Town Council
City of Litchfield Park, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of the City of Litchfield, Arizona, for the year ended June 30, 2019, and the related notes to the report. The City of Litchfield, Arizona's management is responsible for presenting this report in accordance with the uniform expenditure reporting system as described in note 1. Our responsibility is to express an opinion on this report based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether this report is presented in accordance with the uniform expenditure reporting system in all material respects. An examination involves performing procedures to obtain evidence about the amounts and disclosures in the report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the report, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the annual expenditure limitation report referred to above is presented in accordance with the uniform expenditure reporting system as described in Note 1 in all material respects.

HintonBurdick, PLLC

HintonBurdick, PLLC
November 5, 2019

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

| | | |
|---|--------------|-----------------------------|
| 1. Economic Estimates Commission expenditure limitation | \$17,942,043 | |
| 2. Voter-approved alternative expenditure limitation | <u>N/A</u> | |
| 3. Enter applicable amount from line 1 or line 2 | | \$17,942,043 |
| 4. Amount subject to the expenditure limitation (total amount from Part II, Line C) | | <u>7,496,062</u> |
| 5. Amount under (in excess of) the expenditure limitation (If excess expenditures are reported, provide an explanation) | | <u><u>\$ 10,445,981</u></u> |

I hereby certify, to the best of my knowledge and belief, that the information contained in this report is accurate and in accordance with the requirements of the uniform expenditure reporting system.

Signature of Chief Fiscal Officer: *Lars Johnson*

Name and Title: Lars Johnson, Director of Finance

Telephone Number: 623-935-4364 Date: 11/27/2019

See accompanying notes to report.

CITY OF LITCHFIELD PARK, ARIZONA
Annual Expenditure Limitation Report – Part II
Year Ended June 30, 2019

| Description | Governmental Funds | Total |
|--|-----------------------|--------------|
| A. Amounts reported on the Reconciliation Line D | \$ 8,061,976 | \$ 8,061,976 |
| B. Less exclusions claimed: | | |
| 1. Highway user revenues in excess of those received in fiscal year 1979-80 | 411,041 | 411,041 |
| 2. Prior years carryforward | 154,873 | 154,873 |
| Total exclusions claimed | 565,914 | 565,914 |
| C. Amount subject to the expenditure limitation | \$ 7,496,062 | \$ 7,496,062 |

See accompanying notes to report.

CITY OF LITCHFIELD PARK, ARIZONA
Annual Expenditure Limitation Report – Reconciliation
Year Ended June 30, 2019

| <u>Description</u> | <u>Governmental Funds</u> | <u>Total</u> |
|---|-------------------------------|----------------------------|
| A. Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements | <u>\$ 9,002,550</u> | <u>\$ 9,002,550</u> |
| B. Subtractions: | | |
| 1. Expenditures of separate legal entities established under Arizona Revised Statutes | <u>940,574</u> | <u>940,574</u> |
| Total subtractions | <u>940,574</u> | <u>940,574</u> |
| C. Additions: | <u>-</u> | <u>-</u> |
| Total additions | <u>-</u> | <u>-</u> |
| D. Amounts reported on Part II, Line A | <u><u>\$ 8,061,976</u></u> | <u><u>\$ 8,061,976</u></u> |

See accompanying notes to report.

CITY OF LITCHFIELD PARK, ARIZONA
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2019

Note 1. Summary of Significant Accounting Policies

The Annual Expenditure Limitation Report (AELR) is presented on the basis of accounting prescribed by the *Uniform Expenditure Reporting System* (UERS), as required by Arizona Revised Statutes §41-1279.07. The AELR excludes expenditures, expenses, or deductions of certain revenues specified in the Arizona Constitution, Article IX, Sec. 20 from the total expenditures, expenses or deductions in the fund financial statements.

In accordance with the UERS requirements, a note to the AELR is presented below for any exclusion claimed in part II and each subtraction or addition in the reconciliation that cannot be traced directly to an amount reported in the annual financial statements. All references to financial statement amounts in the following notes refer to the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental Funds, Statement of Revenues, Expenses, and Changes in Net Position for the Proprietary Funds, Statement of Cash Flows for the Proprietary Funds, and the Statement of Changes in Fiduciary Net Position, as applicable.

Note 2. Dividends, Interest and Gains on Sale or Redemption of Investment Securities

No exclusions were claimed for expenditures or expenses of interest, dividends, or gains on the sale or redemption of investment securities and \$57,426 of unexpended revenues have been carried forward to future years.

Note 3. Intergovernmental Revenues

The following schedule presents revenues from which exclusions have been claimed for federal grants and aid and amounts received from the State of Arizona, including Highway User Revenues in the Governmental Funds:

| Description | Governmental Funds |
|---|-----------------------|
| Highway User Revenues in excess of those received in fiscal year 1979-80 | \$ 411,041 |
| Revenues carried forward to future years (excludable) | - |
| Other revenues (non excludable) | 1,593,906 |
| Total intergovernmental revenues as reported in the fund based financial statements | <u>\$ 2,004,947</u> |

CITY OF LITCHFIELD PARK, ARIZONA
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2019

Note 3. Intergovernmental Revenues, Continued

The exclusion for Highway User Revenues includes amounts expended in the Highway User Revenue Fund totaling \$565,914. The exclusion consists of \$411,041 of Highway User Revenue Funds received in the current fiscal year and \$154,873 carried forward from previous years.

Note 4. Expenditures of Separate Legal Entities

The subtraction of \$940,574 for separate legal entities established under Arizona Revised Statutes consists of expenditures of special assessment districts included within the City’s reporting entity but not included in the Economic Estimates Commission base limit calculations, and are reported as follows in the financial statements.

| | Debt Service Fund | Non-Major Funds | Total |
|-----------------------------|------------------------------|----------------------------|--------------|
| Principal retirement | \$ 540,000 | \$ - | \$ 540,000 |
| Interest and fiscal charges | 164,062 | - | 164,062 |
| Streetlights | - | 236,512 | 236,512 |
| | \$ 704,062 | \$ 236,512 | \$ 940,574 |