

**City of Litchfield Park, Arizona**

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**Report on Examination of Annual  
Expenditure Limitation Report**

**Year ended June 30, 2017**

## Contents

	<u>Page</u>
Independent Accountant's 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.....	5-6

**Independent Accountant's Report**

The Auditor General of the State of Arizona

The Honorable Mayor and City Council  
of City of Litchfield Park, Arizona

We have examined the accompanying annual expenditure limitation report of City of Litchfield Park, Arizona (the City) for the year ended June 30, 2017, and the related notes to the report. The City'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.

We have examined the accompanying annual expenditure limitation report of the City for the year ended June 30, 2017, and the related notes to the report. The City'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.

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.

*Walker & Armstrong, LLP*

Phoenix, Arizona  
January 31, 2018

**City of Litchfield Park, Arizona**  
**Annual Expenditure Limitation Report - Part I**  
**Year ended June 30, 2017**

1. Economic Estimates Commission expenditure limitation	\$ 16,233,057
2. Amount subject to the expenditure limitation (Total amount from Part II, Line C)	<u>11,467,054</u>
3. Amount under the expenditure limitation	<u><u>\$ 4,766,003</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: 

Name and Title: Benjamin P. Ronquillo, Finance Director

Telephone Number: (623) 935-4364

Date: 01 / 31 / 2018

See accompanying notes to report.

**City of Litchfield Park, Arizona**  
**Annual Expenditure Limitation Report - Part II**  
**Year ended June 30, 2017**

Description	Governmental Funds	Enterprise Funds	Total
A. Amounts reported on the reconciliation, Line D.	\$ 10,776,526	\$ 1,060,488	\$ 11,837,014
B. Less exclusions claimed:			
1. Amounts received from the state of Arizona	152,693	-	152,693
Highway User Revenues in excess of those received in fiscal year 1979-80 (Note 3)	79,267	-	79,267
2. Contributions received from a private organization	<u>138,000</u>	<u>-</u>	<u>138,000</u>
Total exclusions claimed	<u>369,960</u>	<u>-</u>	<u>369,960</u>
C. Amounts subject to the expenditure limitation.	<u>\$ 10,406,566</u>	<u>\$ 1,060,488</u>	<u>\$ 11,467,054</u>

See accompanying notes to report.

**City of Litchfield Park, Arizona**  
**Annual Expenditure Limitation Report - Reconciliation**  
**Year ended June 30, 2017**

Description	Governmental Funds	Enterprise Funds	Total
A. Total expenditures/expenses/deductions and applicable other financing uses reported within the fund financial statements	\$ 11,700,806	\$ 1,182,971	\$ 12,883,777
B. Subtractions:			
1. Items not requiring use of working capital:			
Depreciation	-	34,488	34,488
Pension expenses	-	123,310	123,310
2. Expenditures of separate legal entities established under Arizona Revised Statutes (Note 4)	<u>924,280</u>	<u>-</u>	<u>924,280</u>
Total subtractions	924,280	157,798	1,082,078
C. Additions			
1. Pension contributions paid current year	<u>-</u>	<u>35,315</u>	<u>35,315</u>
Total additions	<u>-</u>	<u>35,315</u>	<u>35,315</u>
D. Amounts reported on Part II, Line A	<u>\$ 10,776,526</u>	<u>\$ 1,060,488</u>	<u>\$ 11,837,014</u>

See accompanying notes to report.

**City of Litchfield Park, Arizona**

**Notes to Annual Expenditure Limitation Report**

**Year ended June 30, 2017**

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**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 Systems* (UERS), as required by Arizona Revised Statutes Sec. 41-1279.07, which excludes expenditures or expenses of certain revenues specified in the Arizona Constitution, Article IX, Sec. 20 from the total expenditures, expenses or deductions reported in the fund financial statements.

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

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

No exclusions were claimed for expenditures and expenses of interest, dividends and gains on the sale or redemption of securities and \$6,990 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:

<u>Description</u>	<u>Governmental Funds</u>
Highway User Revenues in excess of those received in fiscal year 1979-80	\$ 79,267
Amounts received from the state of Arizona	152,693
Revenues carried forward to future years (excludable)	277,378
Other revenues (nonexcludable)	1,403,189
Total intergovernmental revenues as reported in fund-based financial statements	<u>\$ 1,912,527</u>

## Notes to Annual Expenditure Limitation Report – Continued

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### **Note 3 – Intergovernmental Revenues - Continued**

The exclusion for Highway User Revenues includes amounts expended in the Highway User Revenues Fund totaling \$79,267. The remaining unexpended amount of \$277,378 is carried forward to future years.

### **Note 4 – Expenditures of Separate Legal Entities**

The subtraction of \$924,280 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 fund financial statements.

	<b>Debt Service Fund</b>	<b>Non-Major Funds</b>	<b>Totals</b>
	<hr/>	<hr/>	<hr/>
Principal retirement	\$ 510,000	\$ -	\$ 510,000
Interest and fiscal charges	184,796	-	184,796
Streetlights	-	229,484	229,484
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Total	\$ 694,796	\$ 229,484	\$ 924,280
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