



ANNUAL EXPENDITURE LIMITATION REPORT

Year Ended June 30, 2019

TOWN OF MARANA, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT
FOR THE YEAR ENDED JUNE 30, 2019

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INDEPENDENT ACCOUNTANTS' REPORT

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

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

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

In our opinion, the Annual Expenditure Limitation Report of Town of Marana, Arizona, referred to above is presented in accordance with the uniform expenditure reporting system as described in Note 1 in all material respects.

Henry + Horne, LLP

Tempe, Arizona
December 16, 2019

TOWN OF MARANA, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT-PART I
YEAR ENDED JUNE 30, 2019

1. Economic Estimates Commission expenditure limitation	\$ 19,386,056	
2. Voter-approved alternative expenditure limitation (Approved November 8, 2016) See Note 1	<u>141,670,280</u>	
3. Enter applicable amount from Line 1 or Line 2		<u>\$ 141,670,280</u>
4. Amount subject to the expenditure limitation (total amount from Part II, Line C)	<u>92,133,495</u>	
5. Board-authorized expenditures necessitated by a disaster the Governor declared	<u>-</u>	
6. Board-authorized expenditures necessitated by a disaster the Governor did not declare	<u>-</u>	
7. Prior-year, voter-approved expenditures to exceed the expenditure limitation for the reporting fiscal year	<u>-</u>	
8. Subtotal		<u>92,133,495</u>
9. Board-authorized excess expenditures for the previous fiscal year necessitated by a disaster the Governor did not declare and the voters did not approve	<u>-</u>	
10. Total adjusted amount subject to the expenditure limitation		<u>92,133,495</u>
11. Amount under (in excess of) the expenditure limitation		-
		<u>\$ 49,536,785</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: Yiannis Kalaitzidis, Finance Director

Telephone Number: 520-382-3493

Date: _____

TOWN OF MARANA, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT-PART II
YEAR ENDED JUNE 30, 2019

Description	Governmental Funds	Enterprise Funds	Internal Service Funds	Total
A. Amounts reported on the Reconciliation, Line D	\$ 77,454,258	\$ 14,624,522	\$ 4,427,741	\$ 96,506,521
B. Less exclusions claimed:				
1. Debt proceeds	3,845,000	528,026	-	4,373,026
2. Debt service requirements				
3. Dividends, interest, and gains on the sale or redemption of investment securities	-	-	-	-
4. Trustee or custodian	-	-	-	-
5. Grants and aid from the federal government				
6. Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes	-	-	-	-
7. Amounts received from the State of Arizona	-	-	-	-
8. Quasi-external interfund transactions				
9. Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements				
10. Highway user revenues in excess of those received in fiscal year 1979-80	-	-	-	-
11. Contracts with other political subdivisions	-	-	-	-
12. Refunds, reimbursements, and other recoveries				
13. Voter-approved exclusions not identified above	-	-	-	-
14. Prior years carryforward				
15. Qualifying capital improvement expenditures repaid in accordance with A.R.S. §41-1279.07	-	-	-	-
16. Total exclusions claimed	<u>3,845,000</u>	<u>528,026</u>	<u>-</u>	<u>4,373,026</u>
C. Amounts subject to the expenditure limitation	<u>\$ 73,609,258</u>	<u>\$ 14,096,496</u>	<u>\$ 4,427,741</u>	<u>\$ 92,133,495</u>

See accompanying notes.

TOWN OF MARANA, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT-RECONCILIATION
YEAR ENDED JUNE 30, 2019

Description	Governmental Funds	Enterprise Funds	Internal Service Funds	Total
A. Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements	\$ 77,561,708	\$ 12,849,009	\$ 4,427,741	\$ 94,838,458
B. Deductions:				
1. Items not requiring use of working capital:				
Depreciation	-	3,745,126	-	3,745,126
Loss on disposal of capital assets	-	1,622,069	-	1,622,069
Bad debt expense	-	-	-	-
Other postemployment benefits (OPEB) expense	-	-	-	-
Claims incurred but not reported (IBNR)	-	-	-	-
Landfill closure and postclosure care costs	-	-	-	-
Pension Expense	-	82,485	-	82,485
2. Expenditures of separate legal entities established under Arizona Revised Statutes	-	-	-	-
3. Required fees paid to the Arizona Department of Revenue	107,450	-	-	107,450
4. Present value of net minimum capital lease and installment purchase contract payments recorded as expenditures at inception of the agreements	-	-	-	-
5. Involuntary court judgments	-	-	-	-
6. Total subtractions	<u>107,450</u>	<u>5,449,680</u>	<u>-</u>	<u>5,557,130</u>
C. Additions:				
1. Principal payments on long-term debt	-	405,000	-	405,000
2. Acquisition of capital assets	-	6,601,958	-	6,601,958
3. Claims previously recognized as IBNR	-	-	-	-
4. Landfill closure and postclosure care costs paid in the current year but reported as expenses in previous years	-	-	-	-
5. Pension Contributions	-	218,235	-	218,235
6. Total additions	<u>-</u>	<u>7,225,193</u>	<u>-</u>	<u>7,225,193</u>
D. Amounts reported on Part II, Line A	<u>\$ 77,454,258</u>	<u>\$ 14,624,522</u>	<u>\$ 4,427,741</u>	<u>\$ 96,506,521</u>

See accompanying notes.

TOWN OF MARANA, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT
Year Ended June 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Annual Expenditure Limitation Report (AELR) is presented as prescribed by the Uniform Expenditure Reporting System (UERS), as required by Arizona Revised Statutes §41-1279.07, and in accordance with the voter-approved alternative expenditure limitation adopted November 8, 2016, as authorized by the Arizona Constitution, Article IX, §20 (9).

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, Statement of Revenues, Expenses, and Changes in Net Position for the Proprietary Funds, Statement of Cash Flows for the Proprietary Funds, and the Employee Retirement Systems disclosure.

NOTE 2 RECONCILIATION DEDUCTIONS AND ADDITIONS

The subtraction of \$82,485 for pension expense consists of the change in the net pension liability recognized in the current year in the Enterprise Funds. The addition of \$218,235 for pension contributions paid in the current year consists of the required pension contributions made to the Arizona State Retirement System from the Enterprise Funds.

The addition of \$405,000 for principal payments on long-term debt in the Enterprise Funds consists of \$226,000 paid on loans payable and \$179,000 paid on bonds payable, during the current fiscal year. The addition for the acquisition of capital assets consists of \$6,601,958 paid for various capital assets in the Enterprise Funds.

The subtraction of \$107,450 for fees required by law to be paid to Arizona state agencies consists of payments to the Arizona Department of Revenue as required by Laws 2015, Chapter 323, HB2617, which were recorded as general government expenditures.