

TOWN OF YOUNGTOWN, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2018

**TOWN OF YOUNGTOWN, ARIZONA
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YEAR ENDED JUNE 30, 2018**

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INDEPENDENT ACCOUNTANTS' REPORT

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

We have examined the accompanying Annual Expenditure Limitation Report of the Town of Youngtown, Arizona (Town), for the year ended June 30, 2018, and the related notes to the report. The Town's management is responsible for presenting this report in accordance with the *Uniform Expenditure Reporting System* (UERS) as described in Note 1. Our responsibility is to express an opinion on this report based on our examination.

We conducted our examination 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 UERS 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 procedures selected depend on our judgement, including an assessment of the risks of material misstatement of the report, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Town of Youngtown, Arizona's compliance with specified requirements.

In our opinion, the Annual Expenditure Limitation Report of the Town of Youngtown, Arizona, referred to above is presented, in all material respects, in accordance with the uniform expenditure reporting system as described in Note 1 for the fiscal year ending June 30, 2018.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
December 21, 2018

**TOWN OF YOUNGTOWN, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT – PART I
YEAR ENDED JUNE 30, 2018**

1. Economic Estimates Commission expenditure limitation	\$ 10,306,146	
2. Voter approved alternative expenditure limitation (Approved November 6, 2012)		
3. Enter applicable amount from Line 1 or Line 2		\$ 10,306,146
4. Amount subject to the expenditure limitation (total amount from Part II, Line C)	3,739,340	
5. Board-authorized expenditures necessitated by a disaster not declared by the Governor [Article IX, §20(2)(a), Arizona Constitution]	-	
6. Board-authorized expenditures necessitated by a disaster not declared by the Governor [Article IX, §20(2)(b), Arizona Constitution]	-	
7. Prior-year voter approved expenditures to exceed the expenditure limitation for the reporting fiscal year [Article IX, §20(2)(c), Arizona Constitution]	-	
8. Subtotal	3,739,340	
9. Board-authorized excess expenditures for the previous fiscal year necessitated by a disaster not declared by the Governor and not approved by the voters [Article IX, §20(2)(b), Arizona Constitution]	-	
10. Total adjusted amount subject to the expenditure limitation		3,739,340
11. Amount under (in excess of) the expenditure limitation (If excess expenditures are reported, provide an explanation.)		\$ 6,566,806

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: Jernon Kelly, Chief Financial Officer

Telephone Number: (623) 933-8286

Date: December 21, 2018

See accompanying Notes to Annual Expenditure Limitation Report.

**TOWN OF YOUNGTOWN, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT – PART II
YEAR ENDED JUNE 30, 2018**

Description	Governmental Funds	Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total
A. Amounts reported on the Reconciliation Line D	\$ 3,751,090	-	-	-	\$ 3,751,090
B. Less exclusions claimed:					
1 Bond proceeds	-	-	-	-	-
Debt service requirements on bonded indebtedness	-	-	-	-	-
Debt service requirements on other long-term obligations	-	-	-	-	-
2 Dividends, interest and gains on sale of investment securities	-	-	-	-	-
3 Trustee or custodian	-	-	-	-	-
4 Grants and aid from the federal government	11,750	-	-	-	11,750
5 Grants, aid, contributions or gifts from private agency, organization or individual	-	-	-	-	-
6 Amounts received from the state	-	-	-	-	-
7 Quasi-external interfund transactions (town sewer fees a/c 10-41-217, 10-55-217)	-	-	-	-	-
8 Amounts accumulated for purchase of land, purchase or construction of buildings or improvements	-	-	-	-	-
9 Highway user revenues in excess FY 1979-80	-	-	-	-	-
10 Contracts with other political subdivisions	-	-	-	-	-
11 Refunds, reimbursements and other recoveries	-	-	-	-	-
12 Voter approved exclusions not identified above	-	-	-	-	-
13 Prior years carryforward	-	-	-	-	-
14 Total exclusions claimed	11,750	-	-	-	11,750
C. Amounts subject to the expenditure limitation	\$ 3,739,340	-	-	-	\$ 3,739,340

See accompanying Notes to Annual Expenditure Limitation Report.

**TOWN OF YOUNGTOWN, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT – RECONCILIATION
YEAR ENDED JUNE 30, 2018**

Description	Governmental Funds	Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total
A. Total Expenditures within the fund-based financial statements	\$ 3,940,811	\$ -	\$ -	\$ -	\$ 3,940,811
B. Subtract:					
1 Items not requiring use of working capital					
Depreciation	-	-	-	-	-
Loss on disposal of capital assets	-	-	-	-	-
Bad debt expense	-	-	-	-	-
Claims incurred but not reported	-	-	-	-	-
Landfill Closure	-	-	-	-	-
2 Expenditures of separate legal entities established under ARS	189,721	-	-	-	189,721
3 Present value of net minimum capital leases	-	-	-	-	-
4 Charges for services paid to Internal Service Funds	-	-	-	-	-
5 Involuntary court judgments	-	-	-	-	-
6 Total subtractions	189,721	-	-	-	189,721
C. Additions:					
1 Principal payments on long-term debt	-	-	-	-	-
2 Acquisition of capital assets	-	-	-	-	-
3 Claims paid in the current year but reported as expenses incurred but not reported in previous years	-	-	-	-	-
4 Landfill closure as expensed in previous years	-	-	-	-	-
5 Total additions	-	-	-	-	-
D. Amounts reported on Part II Line A	\$ 3,751,090	\$ -	\$ -	\$ -	\$ 3,751,090

See accompanying Notes to Annual Expenditure Limitation Report.

**TOWN OF YOUNGTOWN, ARIZONA
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT
JUNE 30, 2018**

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, which excludes expenditures, expenses, or deductions of certain revenues specified in the Arizona Constitution, Article IX, §20 from the total expenditures, expenses or deductions reported in the fund-based 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-based 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.

NOTE 2 EXPENDITURES OF SEPARATE LEGAL ENTITIES

The subtraction of \$189,721 for separate legal entities established under Arizona Revised Statutes consist of expenditures of a special assessment district included within the Town’s reporting entity, but not included in the Economic Estimates Commission base limit calculations, and are reported in the Governmental Funds category in the basic financial statements:

Interest on Long-Term Debt	\$	54,721
Principal		135,000
Total	\$	<u>189,721</u>

NOTE 3 GRANTS AND AID FROM THE FEDERAL GOVERNMENT

Amounts received from the Federal Government consist of the following:

CDBG	\$	<u>11,750</u>
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