

**CITY OF AVONDALE, ARIZONA  
REPORT ON AUDIT OF ANNUAL  
EXPENDITURE LIMITATION REPORT  
YEAR ENDED JUNE 30, 2013**

**CITY OF AVONDALE, ARIZONA  
ANNUAL EXPENDITURE LIMITATION REPORT  
YEAR ENDED JUNE 30, 2013**

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HENRY & HORNE, LLP  
Certified Public Accountants

## INDEPENDENT ACCOUNTANTS' REPORT

The Auditor General of the State of Arizona and  
The Honorable Mayor and City Council  
of the City of Avondale, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of City of Avondale, Arizona for the year ended June 30, 2013. This report is the responsibility of the City's management. 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 and, accordingly, included examining, on a test basis, evidence supporting the amounts and disclosures in the report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the Annual Expenditure Limitation Report of City of Avondale, Arizona, referred to above, presents, in all material respects, the information prescribed by the uniform expenditure reporting system as described in Note 1.

*Henry & Horne LLP*

Casa Grande, Arizona  
December 16, 2013

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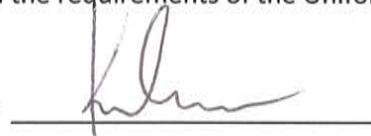
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**CITY OF AVONDALE, ARIZONA  
ANNUAL EXPENDITURE LIMITATION REPORT - PART I  
YEAR ENDED JUNE 30, 2013**

1. Economic Estimates Commission expenditure limitation	\$ 47,375,997
2. Voter-approved alternative expenditure limitation (approved August 28, 2012)	<u>159,557,020</u>
3. Enter applicable amount from line 1 or 2	<u>\$ 159,557,020</u>
4. Amount subject to the expenditure limitation (total amount from Part II, Line c)	<u>104,494,612</u>
5. Amount under the expenditure limitation	<u><u>\$ 55,062,408</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: Kevin Artz, Director of Finance and Budget

Telephone Number: (623) 333-2011

Date: December 16, 2013

See accompanying note to the report.

**CITY OF AVONDALE, ARIZONA  
ANNUAL EXPENDITURE LIMITATION REPORT - PART II  
YEAR ENDED JUNE 30, 2013**

<u>Description</u>	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>	<u>Trust Fund</u>	<u>Total</u>
a. Amounts reported on the Reconciliation, Line d	\$ 73,982,214	\$ 26,451,378	\$ 4,056,220	\$ 4,800	\$ 104,494,612
b. Less exclusions claimed <sup>1</sup>	-	-	-	-	-
c. Amount subject to the expenditure limitation	<u>\$ 73,982,214</u>	<u>\$ 26,451,378</u>	<u>\$ 4,056,220</u>	<u>\$ 4,800</u>	<u>\$ 104,494,612</u>

See accompanying note to the report.

<sup>1</sup> Exclusions are not applicable under state law because the City's voters passed an Alternative Expenditure Limitation Proposition.

**CITY OF AVONDALE, ARIZONA  
ANNUAL EXPENDITURE LIMITATION REPORT - RECONCILIATION  
YEAR ENDED JUNE 30, 2013**

<u>Description</u>	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>	<u>Trust Fund</u>	<u>Total</u>
a. Total expenditures or expenses and applicable other financing uses reported within the fund based statements.	\$ 73,982,214	\$ 31,205,040	\$ 4,132,544	\$ 4,800	\$ 109,324,598
b. Subtractions:					
Items not requiring use of working capital:					
1. Depreciation	-	13,031,312	76,324	-	13,107,636
2. Bad debt expense	-	208,378	-	-	208,378
Total subtractions	<u>-</u>	<u>13,239,690</u>	<u>76,324</u>	<u>-</u>	<u>13,316,014</u>
c. Additions:					
1. Principal payments on long-term debt	-	2,071,212	-	-	2,071,212
2. Acquisition of capital assets	-	6,414,816	-	-	6,414,816
Total additions	<u>-</u>	<u>8,486,028</u>	<u>-</u>	<u>-</u>	<u>8,486,028</u>
d. Amounts reported on Part II, Line a	<u>\$ 73,982,214</u>	<u>\$ 26,451,378</u>	<u>\$ 4,056,220</u>	<u>\$ 4,800</u>	<u>\$ 104,494,612</u>

See accompanying note to the report.

**CITY OF AVONDALE, ARIZONA  
NOTE TO ANNUAL EXPENDITURE LIMITATION REPORT  
YEAR ENDED JUNE 30, 2013**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Annual Expenditure Limitation Report is presented on the basis of accounting prescribed by the Uniform Expenditure Reporting System, as required by Arizona Revised Statute §41-1279.07, and in accordance with the voter-approved alternative expenditure limitation plan adopted August 28, 2012, as authorized by the Arizona Constitution, Article IX, §20(9).