

CITY OF WINSLOW, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2020

CITY OF WINSLOW, ARIZONA
YEAR ENDED JUNE 30, 2020
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INDEPENDENT ACCOUNTANTS' REPORT

To the Auditor General of the State of Arizona

The Honorable Mayor and City Council
of the City of Winslow, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of the City of Winslow, Arizona (the City), for the year ended June 30, 2020 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 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 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.


Fester & Chapman, PLLC

May 3, 2021

CITY OF WINSLOW, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT – PART I
YEAR ENDED JUNE 30, 2020

1. Economic Estimates Commission expenditure limitation	\$ 19,089,000
2. Amount subject to the expenditure limitation (total amount from Part II, Line C)	<u>16,347,048</u>
3. Amount under the expenditure limitation	<u>\$ 2,741,952</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: Elias Jouen, Finance Director

Telephone number: 928-289-5533

Date: 5/3/2021

See accompanying notes to report.

CITY OF WINSLOW, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT – PART II
YEAR ENDED JUNE 30, 2020

Description	Governmental Funds	Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total
A. Amounts reported on the Reconciliation, Line D	\$ 12,199,776	\$ 6,303,074	\$ 345,041	\$ 5,643	\$ 18,853,534
B. Less exclusions claimed:					
1. Debt service requirements	424,940	611,552			1,036,492
2. Dividends, interest, and gains on the sales or redemption of investment securities	206,867	212,387			419,254
3. Grants and aid from the federal government	<u>1,050,740</u>				<u>1,050,740</u>
Total exclusions claimed	<u>1,682,547</u>	<u>823,939</u>			<u>2,506,486</u>
C. Amounts subject to the expenditure limitation	<u>\$ 10,517,229</u>	<u>\$ 5,479,135</u>	<u>\$ 345,041</u>	<u>\$ 5,643</u>	<u>\$ 16,347,048</u>

See accompanying notes to report.

CITY OF WINSLOW, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT – RECONCILIATION
YEAR ENDED JUNE 30, 2020

Description	Governmental Funds	Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total
A. Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements.	\$ 12,199,776	\$ 5,571,379	\$ 329,359	\$ 5,643	\$ 18,106,157
B. Subtractions:					
1. Items not requiring use of working capital:					
Depreciation		1,814,122			1,814,122
Pension expense		(157,635)	(5,755)		(163,390)
Total subtractions		<u>1,656,487</u>	<u>(5,755)</u>		<u>1,650,732</u>
C. Additions:					
1. Principal payments on long-term debt		611,552			611,552
2. Acquisition of capital assets		1,693,913			1,693,913
3. Pension contributions paid in the current year		82,717	9,927		92,644
Total additions		<u>2,388,182</u>	<u>9,927</u>		<u>2,398,109</u>
D. Amounts reported on Part II, Line A	<u>\$ 12,199,776</u>	<u>\$ 6,303,074</u>	<u>\$ 345,041</u>	<u>\$ 5,643</u>	<u>\$ 18,853,534</u>

See accompanying notes to report.

CITY OF WINSLOW, ARIZONA
 NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT
 YEAR ENDED JUNE 30, 2020

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. The AELR 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 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; Statement of Revenues, Expenses and Changes in Fund Net Position for the Proprietary Funds; Statement of Cash Flows for the Proprietary Funds, and the Statement of Changes in Fiduciary Net Position for the Fiduciary Funds.

NOTE 2 – DEBT SERVICE EXCLUSION

The exclusion claimed for debt service requirements on bonded indebtedness includes the following:

Highway User Revenue Fund:	
Highway User Revenue Bonds	\$ 265,000
General Fund:	
Capital leases	<u>159,940</u>
Total Governmental Funds	<u>\$ 424,940</u>
Water Fund:	
Water Utility Revenue and Revenue Refunding Obligations	\$ 233,000
WIFA Loan Payable	<u>75,857</u>
Total Water Fund	308,857
Wastewater Fund:	
Wastewater System Revenue Bond	<u>302,695</u>
Total Enterprise Funds	<u>\$ 611,552</u>

CITY OF WINSLOW, ARIZONA
 NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT
 YEAR ENDED JUNE 30, 2020

NOTE 3 – INTEREST ON INVESTMENTS

The exclusion claimed for interest on investments consisted of the following:

General Fund	\$ 202,944
Highway User Revenue Fund	1,420
Housing Fund	65
Capital Projects Fund	<u>2,438</u>
Total Governmental Funds	<u><u>\$ 206,867</u></u>
Water Fund	\$ 59,324
Sanitation Fund	44,381
Wastewater Fund	<u>108,682</u>
Total Enterprise Funds	<u><u>\$ 212,387</u></u>

NOTE 4 – GRANTS AND AID FROM THE FEDERAL GOVERNMENT

The exclusion claimed for grants and aid from the federal government include all federal grants, except those recorded in the Enterprise Fund to acquire capital assets and include the following:

General Fund	\$ 201,018
Housing Fund	<u>849,722</u>
Total Governmental Funds	<u><u>\$ 1,050,740</u></u>