

CITY OF WINSLOW, ARIZONA  
ANNUAL EXPENDITURE LIMITATION REPORT  
YEAR ENDED JUNE 30, 2017

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YEAR ENDED JUNE 30, 2017  
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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, 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 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 10, 2018

CITY OF WINSLOW, ARIZONA  
ANNUAL EXPENDITURE LIMITATION REPORT – PART I  
YEAR ENDED JUNE 30, 2017

1. Economic Estimates Commission expenditure limitation	\$ <u>18,314,554</u>
2. Voter-approved alternative expenditure limitation	<u>18,433,432</u>
3. Enter applicable amount from line 1 or line 2	\$ <u>18,433,432</u>
4. Amount subject to the expenditure limitation (total amount from Part II, Line C)	<u>13,517,426</u>
5. Total adjusted amount subject to the expenditure limitation	<u>13,517,426</u>
6. Amount under the expenditure limitation	\$ <u><u>4,916,006</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: Elias Jouen, Finance Director

Telephone number: 928-289-5533

Date: 5/10/2018

See accompanying notes to report.

CITY OF WINSLOW, ARIZONA  
ANNUAL EXPENDITURE LIMITATION REPORT – PART II  
YEAR ENDED JUNE 30, 2017

Description	Governmental Funds	Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total
A. Amounts reported on the Reconciliation, Line D	\$ 12,555,743	\$ 13,847,571	\$ 398,130	\$ 3,956	\$ 26,805,400
B. Less exclusions claimed:					
1. Debt service requirements	441,517	2,011,361			2,452,878
2. Proceeds from other long-term obligations		5,823,544			5,823,544
3. Dividends, interest, and gains on the sales or redemption of investment securities	5,714	15,324			21,038
4. Grants and aid from the federal government	<u>1,130,509</u>	<u>3,860,005</u>	<u>          </u>	<u>          </u>	<u>4,990,514</u>
Total exclusions claimed	<u>1,577,740</u>	<u>11,710,234</u>	<u>          </u>	<u>          </u>	<u>13,287,974</u>
C. Amounts subject to the expenditure limitation	<u>\$ 10,978,003</u>	<u>\$ 2,137,337</u>	<u>\$ 398,130</u>	<u>\$ 3,956</u>	<u>\$ 13,517,426</u>

See accompanying notes to report.

CITY OF WINSLOW, ARIZONA  
ANNUAL EXPENDITURE LIMITATION REPORT – RECONCILIATION  
YEAR ENDED JUNE 30, 2017

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.	\$ 12,555,743	\$ 5,504,455	\$ 397,442	\$ 3,956	\$ 18,461,596
B. Subtractions:					
1. Items not requiring use of working capital:					
Depreciation		1,295,792			1,295,792
Pension expense		143,205	7,202		150,407
Total subtractions		<u>1,438,997</u>	<u>7,202</u>		<u>1,446,199</u>
C. Additions:					
1. Principal payments on long-term debt		1,775,293			1,775,293
2. Acquisition of capital assets		7,922,745			7,922,745
3. Pension contributions paid in the current year		79,321	7,890		87,211
4. Landfill closure and postclosure care costs		4,754			4,754
Total additions		<u>9,782,113</u>	<u>7,890</u>		<u>9,790,003</u>
D. Amounts reported on Part II, Line A	<u>\$ 12,555,743</u>	<u>\$ 13,847,571</u>	<u>\$ 398,130</u>	<u>\$ 3,956</u>	<u>\$ 26,805,400</u>

See accompanying notes to report.

CITY OF WINSLOW, ARIZONA  
 NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT  
 YEAR ENDED JUNE 30, 2017

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	\$ 302,094
General Fund:	
Capital leases	<u>139,423</u>
Total Governmental Funds	<u>\$ 441,517</u>
Water Fund:	
Water System Revenue Bonds	\$ 1,205,282
Water Utility Revenue and Revenue Refunding Obligations	241,668
Capital Leases	<u>129,179</u>
Total Water Fund	1,576,129
Wastewater Fund:	
Wastewater System Revenue Bond	<u>435,232</u>
Total Enterprise Funds	<u>\$ 2,011,361</u>

CITY OF WINSLOW, ARIZONA  
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT  
YEAR ENDED JUNE 30, 2017

NOTE 3 – PROCEEDS FROM OTHER LONG-TERM OBLIGATIONS

The exclusion claimed for proceeds from other long-term obligations includes the following:

Water Fund:	
Water Utility Revenue and Revenue Refunding Obligations	\$ 2,024,000
Wastewater Fund:	
Wastewater System Revenue Bond	7,472,989
Proceeds received and unexpended in the current year	<u>(3,673,445)</u>
Net proceeds	<u>3,799,544</u>
Total Enterprise Funds	<u><u>\$ 5,823,544</u></u>

NOTE 4 – INTEREST ON INVESTMENTS

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

General Fund	\$ 4,003
Highway User Revenue Fund	248
Housing Fund	6
Capital Projects Fund	<u>1,457</u>
Total Governmental Funds	<u><u>\$ 5,714</u></u>
Water Fund	\$ 8,953
Sanitation Fund	<u>6,371</u>
Total Enterprise Funds	<u><u>\$ 15,324</u></u>

NOTE 5 – 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	\$ 157,256
Housing Fund	<u>973,253</u>
Total Governmental Funds	<u><u>\$ 1,130,509</u></u>
Airport Fund	<u>\$ 3,860,005</u>
Total Enterprise Funds	<u><u>\$ 3,860,005</u></u>