

CITY OF WINSLOW, ARIZONA  
ANNUAL EXPENDITURE LIMITATION REPORT  
YEAR ENDED JUNE 30, 2016

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YEAR ENDED JUNE 30, 2016  
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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, 2016. The City's management is responsible for this report. 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 referred to above presents, in all material respects, the information prescribed by the uniform expenditure reporting system as described in Note 1.


*Fester & Chapman P.C.*

December 29, 2016

CITY OF WINSLOW, Arizona  
Annual Expenditure Limitation Report – part I  
Year Ended June 30, 2016

1. Economic Estimates Commission expenditure limitation	\$	18,012,293
2. Amount subject to the expenditure limitation (total amount from Part II, Line C)		<u>16,008,514</u>
3. Amount under the expenditure limitation	\$	<u>2,003,779</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: December 29, 2016

See accompanying notes to report.

CITY OF WINSLOW, ARIZONA  
 ANNUAL EXPENDITURE LIMITATION REPORT – PART II  
 YEAR ENDED JUNE 30, 2016

Description	Governmental Funds	Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total
A. Amounts reported on the Reconciliation, Line D	\$ 13,509,779	\$ 4,403,520	\$ 323,701	\$ 24,622	\$ 18,261,622
B. Less exclusions claimed:					
1. Debt service requirements	440,026	424,526			864,552
2. Dividends, interest, and gains on the sales or redemption of investment securities	70,999	91,694			162,693
3. Grants and aid from the federal government	<u>1,113,329</u>	<u>112,534</u>			<u>1,225,863</u>
Total exclusions claimed	<u>1,624,354</u>	<u>628,754</u>			<u>2,253,108</u>
C. Amounts subject to the expenditure limitation	<u>\$ 11,885,425</u>	<u>\$ 3,774,766</u>	<u>\$ 323,701</u>	<u>\$ 24,622</u>	<u>\$ 16,008,514</u>

See accompanying notes to report.

CITY OF WINSLOW, ARIZONA  
ANNUAL EXPENDITURE LIMITATION REPORT – RECONCILIATION  
YEAR ENDED JUNE 30, 2016

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.	\$ 13,509,779	\$ 5,078,038	\$ 323,701	\$ 24,622	\$ 18,936,140
B. Subtractions:					
1. Items not requiring use of working capital:					
Depreciation		1,300,765			1,300,765
Pension expense		48,437			48,437
Total subtractions		<u>1,349,202</u>			<u>1,349,202</u>
C. Additions:					
1. Principal payments on long-term debt		314,011			314,011
2. Acquisition of capital assets		273,982			273,982
3. Pension contributions paid in the current year		73,691			73,691
4. Landfill closure and postclosure care costs		13,000			13,000
Total additions		<u>674,684</u>			<u>674,684</u>
D. Amounts reported on Part II, Line A	<u>\$ 13,509,779</u>	<u>\$ 4,403,520</u>	<u>\$ 323,701</u>	<u>\$ 24,622</u>	<u>\$ 18,261,622</u>

See accompanying notes to report.

CITY OF WINSLOW, ARIZONA  
 NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT  
 YEAR ENDED JUNE 30, 2016

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	\$ 300,604
General Fund:	
Capital leases	<u>139,422</u>
Total Governmental Funds	<u>\$ 440,026</u>
Water Fund:	
Water System Revenue Bonds	\$ 217,584
WIFA loan payable	106,514
Capital leases	<u>100,428</u>
Total Water Fund	<u>\$ 424,526</u>

CITY OF WINSLOW, ARIZONA  
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT  
YEAR ENDED JUNE 30, 2016

NOTE 3 – INTEREST ON INVESTMENTS

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

General Fund	\$ 29,105
Highway User Revenue Fund	24,631
Housing Fund	7
Capital Projects Fund	<u>17,256</u>
Total Governmental Funds	<u><u>\$ 70,999</u></u>
Water Fund	\$ 11,031
Sanitation Fund	7,536
Wastewater Fund	<u>73,127</u>
Total Enterprise Funds	<u><u>\$ 91,694</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	\$ 174,724
Housing Fund	<u>938,605</u>
Total Governmental Funds	<u><u>\$ 1,113,329</u></u>
Airport Fund	<u>\$ 112,534</u>
Total Enterprise Funds	<u><u>\$ 112,534</u></u>