CITY OF WILLIAMS, ARIZONA

ANNUAL EXPENDITURE LIMITATION REPORT

JUNE 30, 2015

WITH REPORT OF

CERTIFIED PUBLIC ACCOUNTANTS

CITY OF WILLIAMS, ARIZONA

ANNUAL EXPENDITURE LIMITATION REPORT

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HINTONBURDICK
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Independent Accountants' Report on AELR

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

We have examined the accompanying Annual Expenditure Limitation Report of the City of Williams, Arizona, for the year ended June 30, 2015. This report is the responsibility of the City of Williams, Arizona'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 the City of Williams, Arizona, referred to above presents, in all material respects, the information prescribed by the uniform expenditure reporting system as described in Note 1.

HintonBurdick, PLLC

HintonBurdick, PLLC
Flagstaff, Arizona
April 22, 2016

CITY OF WILLIAMS, ARIZONA
Annual Expenditure Limitation Report – Part I
Year Ended June 30, 2015

1.	Economic Estimates Commission expenditure limitation	N/A	
2.	Voter-approved alternative expenditure limitation (approved December 10, 2009)	$ 20,256,696	
3.	Enter applicable amount from line 1 or line 2		20,256,696
4.	Amount subject to the expenditure limitation (total amount from Part II, Line C)	19,696,650	
5.	Board-authorized expenditures necessitated by a disaster declared by the Governor (Article IX, Sec. 20(2)(a), Arizona Constitution)	N/A	
6.	Board-authorized expenditures necessitated by a disaster not declared by the Governor (Article IX, Sec. 20(2)(b), Arizona Constitution)	N/A	
7.	Prior-year voter-approved expenditures to exceed the expenditure limitation for the reporting fiscal year (Article IX, Sec. 20(2)(c) Arizona Constitution)	N/A	
8.	Qualifying capital improvement expentitures repaid in accordance with A.R. S. sec. 41-1279.07(I)	N/A	
9.	Subtotal	19,696,650	
10.	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, Sec. 20(2)(b), Arizona Constitution)	N/A	
11.	Total adjusted amount subject to the expenditure limitation		19,696,650
12.	Amount under (in excess of) the expenditure limitation (if excess expenditures are reported, provide an explanation)		$ 560,046

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: Keith Buonocore, Finance Director

Telephone Number: (928) 635-4451 Date: _____

See accompanying notes to report.

CITY OF WILLIAMS, ARIZONA
Annual Expenditure Limitation Report – Part II
Year Ended June 30, 2015

	Description	Governmental Funds	Enterprise Funds	Fiduciary Funds	Total
A.	Amounts reported on the Reconciliation Line D	$7,603,088	$ 12,070,702	$ 22,860	$19,696,650
B.	Less exclusions claimed:				
	1. Bond proceeds	-	-	-	-
	Debt service requirements on bonded indebtedness	-	-	-	-
	Proceeds from other long-term obligations	-	-	-	-
	Debt service requirements on other long-term obligations	-	-	-	-
	2. Dividends, interest and gains on the sale or redemption of investment securities	-	-	-	-
	3. Trustee or custodian	-	-	-	-
	4. Grants and aid from the Federal government	-	-	-	-
	5. Grants, aid, contributions, or gifts from a private agency, organization, or individual except amounts received in lieu of taxes	-	-	-	-
	6. Amounts received from the State of Arizona	-	-	-	-
	7. Quasi-external interfund transactions	-	-	-	-
	8. Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements	-	-	-	-
	9. Highway user revenues in excess of those received in fiscal year 1979-80	-	-	-	-
	10. Contracts with other political subdivisions	-	-	-	-
	11. Refunds, reimbursements, and other recoveries	-	-	-	-
	12. Voter-approved exclusions not identified above (attach resolution)	-	-	-	-
	13. Prior years carryforward	-	-	-	-
	14. Total exclusions claimed	-	-	-	-
C.	Amount subject to the expenditure limitation	$7,603,088	$ 12,070,702	$ 22,860	$19,696,650
	(If an individual fund type amount is negative, reduce exclusions claimed to net to zero.)	$7,603,088	$ 12,070,702	$ 22,860	$19,696,650

See accompanying notes to report.

CITY OF WILLIAMS, ARIZONA
Annual Expenditure Limitation Report – Reconciliation
Year Ended June 30, 2015

Description	Governmental Funds	Enterprise 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	$8,411,851	$ 6,999,046	$ 22,860	$15,433,757
B. Subtractions:				
1. Items not requiring use of working capital:				
Depreciation	-	1,290,492	-	1,290,492
Loss on disposal of capital assets	-	-	-	-
Bad debt expense	-	-	-	-
Claims incurred but not reported	-	-	-	-
Landfill closure and postclosure care costs	-	-	-	-
2. Expenditures of separate legal entities established under Arizona Revised Statutes	808,763	-	-	808,763
3. Present value of net minimum capital lease and installment purchase contract payments recorded as expenditures at inception of the agreements	-	-	-	-
4. Involuntary court judgments	-	-	-	-
5. Total subtractions	$ 808,763	$ 1,290,492	$ -	$ 2,099,255
C. Additions:				
1. Principal payments on long-term debt	-	1,832,378	-	1,832,378
2. Acquisition of capital assets	-	4,529,770	-	4,529,770
3. Claims paid in the current year but reported as expenses incurred but not reported in previous years	-	-	-	-
4. Landfill closure and postclosure care costs paid in the current year but reported as expense in previous years	-	-	-	-
5. Total additions	-	6,362,148	-	6,362,148
D. Amounts reported on Part II, Line A	$7,603,088	$ 12,070,702	$ 22,860	$19,696,650

See accompanying notes to report.

CITY OF WILLIAMS, ARIZONA
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2015

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, and in accordance with the voter-approved alternative expenditure limitation plan extended December 10, 2009 as authorized by the Arizona Constitution, Article IX, §20 (9).

In accordance with the UERS requirements, a note to the AELR is presented below for any exclusion claimed in part II and each deduction or addition in the Reconciliation that cannot be traced directly to an amount reported in the annual 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 Net Position for the Proprietary Funds, Statement of Cash Flows for the Proprietary Funds, and the Statement of Changes in Fiduciary Net Position.

Note 2. Reconciliation

The addition of $1,832,378 for principal payments on long-term debt in the Enterprise Funds consists of principal payments on bonds, loans payable, and capital leases as listed in the long-term debt footnote. The addition of $4,529,770 for acquisition of capital assets consists mainly of system improvements in the water/sewer fund. The subtraction of $808,763 consists of a road project that was solely administered by the Arizona Department of Transportation for the City of Williams. The road is owned by the City of Williams. Therefore, the City recognized both revenue and expenditures on their financial statements for the costs related to this project. However, since the project was fully administered by ADOT, which included the paying all related expenditures, this item has been included as a reconciling item on this report.

Note 3. Exclusions

Exclusions from local revenues, including those enumerated in the Constitution, may be taken against alternative expenditure limitations only if such exclusions are specifically identified in the resolution and the publicity pamphlet. The City's most current resolution does not specify any exclusions and therefore, no exclusions are reported within this document.