

CITY OF PAGE, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT
JUNE 30, 2020
WITH REPORT OF
CERTIFIED PUBLIC ACCOUNTANTS

CITY OF PAGE, ARIZONA
Annual Expenditure Limitation Report
June 30, 2020

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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 Page, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of the City of Page, Arizona, for the year ended June 30, 2020, and the related notes to the report. The City of Page, Arizona'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.

Our examination was conducted 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.



HintonBurdick, PLLC
Gilbert, Arizona
October 16, 2020

CITY OF PAGE, ARIZONA
Annual Expenditure Limitation Report – Part I
Year Ended June 30, 2020

1. Economic Estimates Commission expenditure limitation	\$ 34,607,298	
2. Voter-approved alternative expenditure limitation	<u>-</u>	
3. Enter applicable amount from line 1 or line 2		34,607,298
4. Amount subject to the expenditure limitation (total amount from Part II, Line C)		<u>27,309,313</u>
5. Amount under (in excess of) the expenditure limitation (If excess expenditures are reported, provide an explanation)		<u>\$ 7,297,985</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: Linda Watson, Finance Director

Telephone Number: (928) 645-4203 Date: _____

See accompanying notes to report

CITY OF PAGE, ARIZONA
Annual Expenditure Limitation Report – Part II
Year Ended June 30, 2020

Description	Governmental Funds	Enterprise Funds	Fiduciary Funds	Total
A. Amounts reported on the Reconciliation Line D	\$ 24,738,804	\$ 13,610,204	\$ 60,574	\$ 38,409,582
B. Less exclusions claimed:				
1. Bond proceeds	-	-	-	-
Debt service requirements on bonded indebtedness	855,000	-	-	855,000
Proceeds from other long-term obligations	-	-	-	-
Debt service requirements on other long-term obligations	216,277	279,098	-	495,375
2. Dividends, interest and gains on the sale or redemption of investment securities	771,289	233,213	60,574	1,065,076
3. Trustee or custodian	-	-	-	-
4. Grants and aid from the Federal government	7,850,901	-	-	7,850,901
5. Grants, aid, contributions, or gifts from a private agency, organization, or individual except amounts received in lieu of taxes.	40,760	-	-	40,760
6. Amounts received from the State of Arizona	82,627	-	-	82,627
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.	710,530	-	-	710,530
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	<u>10,527,384</u>	<u>512,311</u>	<u>60,574</u>	<u>11,100,269</u>
C. Amount subject to the expenditure limitation (If an individual fund type amount is negative, reduce exclusions claimed to net to zero.)	<u>\$ 14,211,420</u>	<u>\$ 13,097,893</u>	<u>\$ -</u>	<u>\$27,309,313</u>

See accompanying notes to report

CITY OF PAGE, ARIZONA
Annual Expenditure Limitation Report - Reconciliation
Year Ended June 30, 2020

Description	Governmental Funds	Enterprise Funds	Fiduciary Funds	Total
A. Total expenditures (and expenses) and applicable other financing uses reported within the fund-based financial statements	\$ 25,080,837	\$ 14,676,866	\$ 60,574	\$ 39,818,277
B. Subtractions:				
1. Items not requiring use of working capital:				
Depreciation	-	2,749,191	-	2,749,191
Gain on disposal of capital assets	-	-	-	-
Bad debt expense	-	-	-	-
Other postemployment benefits	-	-	-	-
Pension/OPEB expense	-	788,803	-	788,803
Claims incurred but not reported	-	-	-	-
Landfill closure and postclosure care costs	-	-	-	-
2. Expenditures of separate legal entities established under Arizona Revised Statutes	-	-	-	-
3. Required fees paid to the Arizona Dept. of Revenue	-	-	-	-
4. Present value of net minimum capital lease and installment purchase contract payments recorded as expenditures at inception of the agreements	342,033	-	-	342,033
5. Involuntary court judgments	-	-	-	-
6. Total subtractions	342,033	3,537,994	-	3,880,027
C. Additions:				
1. Principal payments on long-term debt	-	16,959	-	16,959
2. Acquisition of capital assets	-	2,122,174	-	2,122,174
3. Amounts paid in the current year but reported as expenses in previous years:				
Other postemployment benefits	-	-	-	-
Pension/OPEB contributions	-	332,199	-	332,199
Claims previously recognized as IBNR	-	-	-	-
Landfill closure and postclosure care costs	-	-	-	-
4. Total additions	-	2,471,332	-	2,471,332
D. Amounts reported on Part II, Line A	\$ 24,738,804	\$ 13,610,204	\$ 60,574	\$ 38,409,582

See accompanying notes to report

CITY OF PAGE, ARIZONA
Notes to the Annual Expenditure Limitation Report
June 30, 2020

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. 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 in 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 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 Reconciliation Subtractions and Additions

The subtractions for depreciation, loss on disposal of capital assets and pension expense and the additions for the acquisition of capital assets and pension contributions are all provided in the Statement of Cash Flows for the Proprietary Funds and the financial statement footnote 6 and 7. The subtraction for pension expense is based on the calculated change in the net pension liability as reported in the Statement of Cash Flows for the Proprietary Funds.

Note 3 Debt Service Requirements

The exclusion claimed in Part II for debt service requirements on bonded indebtedness consists of principal retirement and interest expense on the City's Series 2011 Bonds as listed in the financial statement footnote 7. Exclusions that should be claimed in Part II for debt service requirements on other long-term obligations consist of principal retirement and interest expense on the City's capital leases as reported in the financial statement footnote 7.

CITY OF PAGE, ARIZONA
Notes to the Annual Expenditure Limitation Report
June 30, 2020

Note 4 Reconciliation of Intergovernmental Revenue

The following schedule presents revenues from which exclusions have been claimed for federal grants and aid, amounts received from the State of Arizona, highway user revenues, and contracts with other political subdivisions in the Governmental Funds. The amounts excluded do not exceed expenditures for such revenues.

<u>Description</u>	<u>Governmental Funds</u>
Grants and aid from the Federal government	\$ 7,850,901
Grants, aid and contributions from others	40,760
Amounts received from the State	82,627
Highway user revenues in excess of those received in fiscal year 1979-80	710,530
Other revenues (nonexcludable):	
State Revenue Sharing	978,393
State Sales Tax	781,163
Auto Lieu Tax	352,987
County Library District	336,846
Other	89,083
Highway user revenues adjustment	336,176
Total intergovernmental revenues as reported in the financial statements	<u>\$ 11,559,466</u>

Note 5 Grants and Aid from Federal Government

The \$7,850,901 exclusion claimed for grants and aid from the Federal Government consists of \$3,139,831 in airport improvement grants and \$228,893 CDBG grant recorded in the Capital Projects fund, \$4,398,924 payments for essential air services grant, \$10,325 Headstart Revenue Grant, \$66,863 Program for Aging grant and \$6,065 in various other small grants recorded in the Miscellaneous Grants Fund.

Note 6 Grants, Aid and Contributions from Others

The \$40,760 exclusion for grants, aid and contributions received from other organizations consists mainly of a \$23,500 outreach grant for the library and other miscellaneous grants and contributions recorded in the Miscellaneous Grants Fund.

CITY OF PAGE, ARIZONA
Notes to the Annual Expenditure Limitation Report
June 30, 2020

Note 7 Amounts Received from the State

The \$82,627 exclusion for amounts received from the state consists of \$82,627 ADOT airport grants reported in the Capital Projects fund.

Note 8 Highway User Revenues in Excess of Fiscal Year 1979-80

The deduction for highway user revenues in excess of fiscal year 1979-80 was calculated as follows:

Highway User Revenue Funds:

Current year highway user revenues	\$ 1,046,706
Less revenues received in 1979-80	<u>(198,928)</u>
Revenues available for exclusion	<u>847,778</u>
Actual expenditures of highway user revenues	909,458
Amount equal to 1979-80 revenues expended in current fiscal year	<u>(198,928)</u>
Excludable revenues expended in current fiscal year	<u>710,530</u>
Revenues available for exclusion in current fiscal year	847,778
Revenues expended and claimed as an exclusion in the current fiscal year	<u>(710,530)</u>
Carryforward	<u>\$ 137,248</u>