

**CITY OF PAGE, ARIZONA**  
**ANNUAL EXPENDITURE LIMITATION REPORT**  
**JUNE 30, 2019**  
**WITH REPORT OF**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**CITY OF PAGE, ARIZONA**  
**Annual Expenditure Limitation Report**  
**June 30, 2019**

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**HINTONBURDICK**  
CPAs & ADVISORS

**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, 2019, 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*

HintonBurdick, PLLC  
Gilbert, Arizona  
November 14, 2019



**CITY OF PAGE, ARIZONA**  
**Annual Expenditure Limitation Report – Part II**  
**Year Ended June 30, 2019**

<u>Description</u>	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
A. Amounts reported on the Reconciliation Line D	<u>\$ 24,156,520</u>	<u>\$ 12,354,866</u>	<u>\$ 23,901</u>	<u>\$ 36,535,287</u>
B. Less exclusions claimed:				
1. Bond proceeds	-	-	-	-
Debt service requirements on bonded indebtedness	825,000	-	-	825,000
Proceeds from other long-term obligations	-	-	-	-
Debt service requirements on other long-term obligations	199,714	-	-	199,714
2. Dividends, interest and gains on the sale or redemption of investment securities	509,056	276,715	23,901	809,672
3. Trustee or custodian	-	-	-	-
4. Grants and aid from the Federal government	4,744,492	-	-	4,744,492
5. Grants, aid, contributions, or gifts from a private agency, organization, or individual except amounts received in lieu of taxes.	83,763	-	-	83,763
6. Amounts received from the State of Arizona	60,829	-	-	60,829
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.	687,818	-	-	687,818
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>7,110,672</u>	<u>276,715</u>	<u>23,901</u>	<u>7,411,288</u>
C. Amount subject to the expenditure limitation (If an individual fund type amount is negative, reduce exclusions claimed to net to zero.)	<u>\$ 17,045,848</u>	<u>\$ 12,078,151</u>	<u>\$ -</u>	<u>\$29,123,999</u>

See accompanying notes to report

**CITY OF PAGE, ARIZONA**  
**Annual Expenditure Limitation Report - Reconciliation**  
**Year Ended June 30, 2019**

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	\$ 24,177,201	\$ 12,241,706	\$ 23,901	\$ 36,442,808
B. Subtractions:				
1. Items not requiring use of working capital:				
Depreciation	-	2,396,152	-	2,396,152
Gain on disposal of capital assets	-	40,284	-	40,284
Bad debt expense	-	-	-	-
Other postemployment benefits	-	-	-	-
Pension/OPEB expense	-	47,525	-	47,525
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	20,681	-	-	20,681
5. Involuntary court judgments	-	-	-	-
6. Total subtractions	20,681	2,483,961	-	2,504,642
C. Additions:				
1. Principal payments on long-term debt	-	-	-	-
2. Acquisition of capital assets	-	2,355,384	-	2,355,384
3. Amounts paid in the current year but reported as expenses in previous years:				
Other postemployment benefits	-	-	-	-
Pension/OPEB contributions	-	241,737	-	241,737
Claims previously recognized as IBNR	-	-	-	-
Landfill closure and postclosure care costs	-	-	-	-
4. Total additions	-	2,597,121	-	2,597,121
D. Amounts reported on Part II, Line A	\$ 24,156,520	\$ 12,354,866	\$ 23,901	\$ 36,535,287

See accompanying notes to report

**CITY OF PAGE, ARIZONA**  
**Notes to the Annual Expenditure Limitation Report**  
**June 30, 2019**

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**Note 1    Summary of Significant Accounting Policies**

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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.

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**Note 2    Reconciliation Subtractions and Additions**

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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.

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**Note 3    Debt Service Requirements**

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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, 2019**

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**Note 4 Reconciliation of Intergovernmental Revenue**

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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	\$ 4,744,492
Grants, aid and contributions from others	83,763
Amounts received from the State	60,829
Highway user revenues in excess of those received in fiscal year 1979-80	687,818
Contracts with other political subdivisions	-
Other revenues (nonexcludable):	
State Revenue Sharing	914,667
State Sales Tax	759,827
Auto Lieu Tax	358,939
County Library District	336,846
Other	32,249
Highway user revenues adjustment	198,928
Total intergovernmental revenues as reported in the financial statements	<u>\$ 8,178,358</u>

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**Note 5 Grants and Aid from Federal Government**

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The \$4,744,492 exclusion claimed for grants and aid from the Federal Government consists of \$4,260,123 payments for essential air services grant, \$324,712 in airport improvement grants recorded in the Capital Projects fund, \$27,536 Headstart Revenue Grant, \$38,902 NACOG grant, \$77,551 CDBG grant and \$15,668 in various other small grants recorded in the Miscellaneous Grants Fund.

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**Note 6 Grants, Aid and Contributions from Others**

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The \$83,763 exclusion for grants, aid and contributions received from other organizations consists mainly of a \$50,000 contribution from Coconino County for the Grandview Knoll Park improvements and other miscellaneous grants and contributions.

**CITY OF PAGE, ARIZONA**  
**Notes to the Annual Expenditure Limitation Report**  
**June 30, 2019**

**Note 7 Amounts Received from the State**

The \$60,829 exclusion for amounts received from the state consists of \$8,521 ADOT airport funds and \$37,300 for court security improvements reported in the Capital Projects fund and \$9,867 for the metro grant and \$5,141 for the library grant reported in the Miscellaneous Grants 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:

<b>Highway User Revenue Funds:</b>	
Current year highway user revenues	\$ 886,746
Less revenues received in 1979-80	(198,928)
Revenues available for exclusion	<u>687,818</u>
Actual expenditures of highway user revenues	886,746
Amount equal to 1979-80 revenues expended in current fiscal year	(198,928)
Excludable revenues expended in current fiscal year	<u>687,818</u>
Revenues available for exclusion in current fiscal year	687,818
Revenues expended and claimed as an exclusion in the current fiscal year	(687,818)
Carryforward	<u>\$ -</u>