



CITY OF PAGE, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT
JUNE 30, 2018
WITH REPORT OF
CERTIFIED PUBLIC ACCOUNTANTS

CITY OF PAGE, ARIZONA
Annual Expenditure Limitation Report
June 30, 2018

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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, 2018, 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 Arizona, PLLC
Flagstaff, Arizona
November 14, 2018

CITY OF PAGE, ARIZONA
Annual Expenditure Limitation Report - Reconciliation
Year Ended June 30, 2018

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	<u>\$ 17,220,774</u>	<u>\$ 11,106,890</u>	<u>\$ 105,291</u>	<u>\$ 28,432,955</u>
B. Subtractions:				
1. Items not requiring use of working capital:				
Depreciation	-	2,232,822	-	2,232,822
Loss on disposal of capital assets	-	401,585	-	401,585
Bad debt expense	-	-	-	-
Other postemployment benefits	-	-	-	-
Pension/OPEB expense	-	148,998	-	148,998
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	-	-	-	-
5. Involuntary court judgments	-	-	-	-
6. Total subtractions	<u>-</u>	<u>2,783,405</u>	<u>-</u>	<u>2,783,405</u>
C. Additions:				
1. Principal payments on long-term debt	-	-	-	-
2. Acquisition of capital assets	-	2,456,143	-	2,456,143
3. Amounts paid in the current year but reported as expenses in previous years:				
Other postemployment benefits	-	-	-	-
Pension/OPEB contributions	-	232,002	-	232,002
Claims previously recognized as IBNR	-	-	-	-
Landfill closure and postclosure care costs	-	-	-	-
4. Total additions	<u>-</u>	<u>2,688,145</u>	<u>-</u>	<u>2,688,145</u>
D. Amounts reported on Part II, Line A	<u>\$ 17,220,774</u>	<u>\$ 11,011,630</u>	<u>\$ 105,291</u>	<u>\$ 28,337,695</u>

See accompanying notes to report

CITY OF PAGE, ARIZONA
Notes to the Annual Expenditure Limitation Report
June 30, 2018

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
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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	\$ 879,012
Grants, aid and contributions from others	34,368
Amounts received from the State	38,738
Highway user revenues in excess of those received in fiscal year 1979-80	511,762
Contracts with other political subdivisions	-
Other revenues (nonexcludable):	
State Revenue Sharing	941,208
State Sales Tax	729,558
Auto Lieu Tax	351,107
County Library District	319,552
Other	24,659
Highway user revenues adjustment	359,267
Total intergovernmental revenues as reported in the financial statements	<u>\$ 4,189,231</u>

Note 5 Grants and Aid from Federal Government

The \$879,012 exclusion claimed for grants and aid from the Federal Government consists of \$808,353 in airport improvement grants recorded in the Capital Projects fund and \$29,371 Headstart Revenue Grant, \$29,519 NACOG grant, and \$11,769 in various other small grants recorded in the Miscellaneous Grants Fund.

Note 6 Grants, Aid and Contributions from Others

The \$34,368 exclusion for grants, aid and contributions received from other organizations consists mainly of a \$21,065 contribution from Coconino County for the library and other miscellaneous grants and contributions.

CITY OF PAGE, ARIZONA
Notes to the Annual Expenditure Limitation Report
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Note 7 Amounts Received from the State

The \$38,738 exclusion for amounts received from the state consists of \$21,452 ADOT airport funds reported in the Capital Projects fund and a \$17,286 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:

Highway User Revenue Funds:	
Current year highway user revenues	\$ 871,029
Less revenues received in 1979-80	(198,928)
Revenues available for exclusion	<u>672,101</u>
Actual expenditures of highway user revenues	710,690
Amount equal to 1979-80 revenues expended in current fiscal year	<u>(198,928)</u>
Excludable revenues expended in current fiscal year	<u>511,762</u>
Revenues available for exclusion in current fiscal year	672,101
Revenues expended and claimed as an exclusion in the current fiscal year	<u>(511,762)</u>
Carryforward	<u>\$ 160,339</u>