

CITY OF PAGE, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT
JUNE 30, 2015
WITH REPORT OF
CERTIFIED PUBLIC ACCOUNTANTS

CITY OF PAGE, ARIZONA
Annual Expenditure Limitation Report
June 30, 2015

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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, 2015. This report is the responsibility of the City of Page, 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 Page, 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
November 20, 2015

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

1. Economic Estimates Commission expenditure limitation	\$ 30,709,606	
2. Voter-approved alternative expenditure limitation	<u>-</u>	
3. Enter applicable amount from line 1 or line 2		30,709,606
4. Amount subject to the expenditure limitation (total amount from Part II, Line C)	\$22,462,200	
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 expenditures repaid in accordance with A.R. S. sec. 41-1279.07(I)	<u>N/A</u>	
9. Subtotal	<u>22,462,200</u>	
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)	<u>N/A</u>	
11. Total adjusted amount subject to the expenditure limitation		<u>22,462,200</u>
12. Amount under (in excess of) the expenditure limitation (If excess expenditures are reported, provide an explanation)		<u>\$ 8,247,406</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: Linda L Watson

Name and Title: Linda Watson, Finance Director

Telephone Number: (928) 645-4203 Date: 12-7-15

See accompanying notes to report

CITY OF PAGE, 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	\$ 13,131,553	\$ 12,186,075	\$ 58,747	\$ 25,376,375
B. Less exclusions claimed:				
1. Bond proceeds	-	-	-	-
Debt service requirements on bonded indebtedness	730,000	-	-	730,000
Proceeds from other long-term obligations	-	-	-	-
Debt service requirements on other long-term obligations	303,046	-	-	303,046
2. Dividends, interest and gains on the sale or redemption of investment securities	6,892	8,824	11,735	27,451
3. Trustee or custodian	-	-	-	-
4. Grants and aid from the Federal government	1,076,315	-	-	1,076,315
5. Grants, aid, contributions, or gifts from a private agency, organization, or individual except amounts received in lieu of taxes.	43,374	-	-	43,374
6. Amounts received from the State of Arizona	164,991	-	-	164,991
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.	568,998	-	-	568,998
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>2,893,616</u>	<u>8,824</u>	<u>11,735</u>	<u>2,914,175</u>
C. Amount subject to the expenditure limitation (If an individual fund type amount is negative, reduce exclusions claimed to net to zero.)	<u>\$ 10,237,937</u>	<u>\$ 12,177,251</u>	<u>\$ 47,012</u>	<u>\$22,462,200</u>

See accompanying notes to report

CITY OF PAGE, ARIZONA
Annual Expenditure Limitation Report - Reconciliation
Year Ended June 30, 2015

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	\$ 13,131,553	\$ 11,259,994	\$ 58,747	\$ 24,450,294
B. Subtractions:				
1. Items not requiring use of working capital:				
Depreciation	-	2,656,288	-	2,656,288
Loss on disposal of capital assets	-	-	-	-
Bad debt expense	-	-	-	-
Other postemployment benefits	-	-	-	-
Claims incurred but not reported	-	-	-	-
Landfill closure and postclosure care costs	-	-	-	-
2. Expenditures of separate legal entities established under Arizona Revised Statutes	-	-	-	-
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	-	2,656,288	-	2,656,288
C. Additions:				
1. Principal payments on long-term debt	-	-	-	-
2. Acquisition of capital assets	-	3,582,369	-	3,582,369
3. Other postemployment benefits paid in the current year but reported as expenses in previous years	-	-	-	-
4. Claims paid in the current year but reported as expenses incurred but not reported in previous years	-	-	-	-
5. Landfill closure and postclosure care costs paid in the current year but reported as expenses in previous years	-	-	-	-
6. Total additions	-	3,582,369	-	3,582,369
D. Amounts reported on Part II, Line A	\$ 13,131,553	\$ 12,186,075	\$ 58,747	\$ 25,376,375

See accompanying notes to report

CITY OF PAGE, ARIZONA
Notes to the Annual Expenditure Limitation Report
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, which excludes expenditures or expenses of certain revenues specified in the Arizona Constitution, Article IX §20 from the total expenditures or expenses reported in the fund-based 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 deduction or addition in the Reconciliation that cannot be traced directly to an amount reported in the annual fund-based 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 Assets for the Fiduciary Funds.

Note 2 Reconciliation Deductions and Additions

The deductions for depreciation and the additions for principal payments and the acquisition of capital assets are all provided in the Statement of Cash Flows for the Proprietary Funds and the financial statement footnote 6 and 7.

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 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, 2015

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.

Description	Governmental Funds
Grants and aid from the Federal government	\$ 1,076,315
Grants, aid and contributions from others	43,374
Amounts received from the State	164,991
Highway user revenues in excess of those received in fiscal year 1979-80	568,998
Contracts with other political subdivisions	-
Other revenues (nonexcludable):	
State Revenue Sharing	877,294
State Sales Tax	658,664
Auto Lieu Tax	295,945
County Library District	319,551
Other	20,997
Debt service revenues collected from sanitation	111,616
Highway user revenues adjustment	188,000
Total intergovernmental revenues as reported in the financial statements	\$ 4,325,745

Note 5 Grants and Aid from Federal Government

The \$1,076,315 exclusion claimed for grants and aid from the Federal Government consists of \$983,845 in airport improvement grants recorded in the Capital Projects fund and \$38,512 Headstart Revenue Grant, \$28,338 NACOG grant, \$22,790 fire department grant and a \$2,830 police grant recorded in the Miscellaneous Grants Fund.

Note 6 Grants, Aid and Contributions from Others

The \$43,374 exclusion for grants, aid and contributions received from other organizations consists primarily of library grants of \$25,000 and other grants from the County and various other organizations.

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

The \$164,991 exclusion for amounts received from the state consists primarily of \$164,491 of ADOT airport funds.

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:

Current year highway user revenues	\$ 756,998
Less revenues received in 1979-80	<u>(188,000)</u>
Revenues available for exclusion	<u><u>568,998</u></u>
Actual expenditures of highway user revenues	756,998
Amount equal to 1979-80 revenues expended in current fiscal year	<u>(188,000)</u>
Excludable revenues expended in current fiscal year	<u><u>568,998</u></u>
Revenues available for exclusion in current fiscal year	568,998
Revenues expended and claimed as an exclusion in the current fiscal year	<u>(568,998)</u>
Carryforward	<u><u>\$ -</u></u>