

**CITY OF PAGE, ARIZONA**  
**ANNUAL EXPENDITURE LIMITATION REPORT**  
**JUNE 30, 2016**  
**WITH REPORT OF**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**CITY OF PAGE, ARIZONA**  
**Annual Expenditure Limitation Report**  
**June 30, 2016**

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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, 2016. 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  
November 4, 2016



**CITY OF PAGE, ARIZONA**  
**Annual Expenditure Limitation Report – Part II**  
**Year Ended June 30, 2016**

Description	Governmental Funds	Enterprise Funds	Fiduciary Funds	Total
A. Amounts reported on the Reconciliation Line D	\$ 13,025,193	\$ 10,747,567	\$ 10,235	\$ 23,782,995
B. Less exclusions claimed:				
1. Bond proceeds	-	-	-	-
Debt service requirements on bonded indebtedness	755,000	-	-	755,000
Proceeds from other long-term obligations	-	-	-	-
Debt service requirements on other long-term obligations	259,377	-	-	259,377
2. Dividends, interest and gains on the sale or redemption of investment securities	56,656	26,831	10,235	93,722
3. Trustee or custodian	-	-	-	-
4. Grants and aid from the Federal government	915,920	-	-	915,920
5. Grants, aid, contributions, or gifts from a private agency, organization, or individual except amounts received in lieu of taxes.	4,969	-	-	4,969
6. Amounts received from the State of Arizona	29,572	-	-	29,572
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	<u>2,021,494</u>	<u>26,831</u>	<u>10,235</u>	<u>2,058,560</u>
C. Amount subject to the expenditure limitation (If an individual fund type amount is negative, reduce exclusions claimed to net to zero.)	<u>\$ 11,003,699</u>	<u>\$ 10,720,736</u>	<u>\$ -</u>	<u>\$21,724,435</u>

See accompanying notes to report

**CITY OF PAGE, ARIZONA**  
**Annual Expenditure Limitation Report - Reconciliation**  
**Year Ended June 30, 2016**

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	\$ 13,025,193	\$ 10,739,767	\$ 10,235	\$ 23,775,195
B. Subtractions:				
1. Items not requiring use of working capital:				
Depreciation	-	2,635,263	-	2,635,263
Loss on disposal of capital assets	-	35,775	-	35,775
Bad debt expense	-	-	-	-
Other postemployment benefits	-	-	-	-
Pension expense	-	(58,492)	-	(58,492)
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	-	2,612,546	-	2,612,546
C. Additions:				
1. Principal payments on long-term debt	-	-	-	-
2. Acquisition of capital assets	-	2,429,830	-	2,429,830
3. Amounts paid in the current year but reported as expenses in previous years:				
Other postemployment benefits	-	-	-	-
Pension contributions	-	190,516	-	190,516
Claims previously recognized as IBNR	-	-	-	-
Landfill closure and postclosure care costs	-	-	-	-
4. Total additions	-	2,620,346	-	2,620,346
D. Amounts reported on Part II, Line A	\$ 13,025,193	\$ 10,747,567	\$ 10,235	\$ 23,782,995

See accompanying notes to report

**CITY OF PAGE, ARIZONA**  
**Notes to the Annual Expenditure Limitation Report**  
**June 30, 2016**

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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 a negative amount due to 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 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, 2016**

**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	\$ 915,920
Grants, aid and contributions from others	4,969
Amounts received from the State	29,572
Highway user revenues in excess of those received in fiscal year 1979-80	-
Other revenues (nonexcludable):	
State Revenue Sharing	872,538
State Sales Tax	685,284
Auto Lieu Tax	319,311
County Library District	509,551
Other	24,240
Debt service revenues collected from sanitation	123,749
Highway user revenues adjustment	799,390
Total intergovernmental revenues as reported in the financial statements	\$ 4,284,524

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

The \$915,920 exclusion claimed for grants and aid from the Federal Government consists of \$843,500 in airport improvement grants recorded in the Capital Projects fund and \$37,903 Headstart Revenue Grant, \$28,580 NACOG grant and \$5,937 Highway Safety grant recorded in the Miscellaneous Grants Fund. Transfers out of the Grant fund are to cover costs reported in the General fund for a portion of these grant revenues.

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

The \$4,969 exclusion for grants, aid and contributions received from other organizations consists of recreation grants from Walmart and the AZ Community Foundation.

**CITY OF PAGE, ARIZONA**  
**Notes to the Annual Expenditure Limitation Report**  
**June 30, 2016**

**Note 7 Amounts Received from the State**

The \$29,572 exclusion for amounts received from the state consists of \$26,206 of ADOT airport funds reported in the Capital Projects fund and a \$3,366 Metro 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	\$ 799,390	
Less revenues received in 1979-80	(198,928)	
Revenues available for exclusion	<u>600,462</u>	
Actual expenditures of highway user revenues	190,693	
Amount equal to 1979-80 revenues expended in current fiscal year	(198,928)	
Excludable revenues expended in current fiscal year	<u>(8,235)</u>	
Revenues available for exclusion in current fiscal year	600,462	
Revenues expended and claimed as an exclusion in the current fiscal year	-	
Carryforward	<u>\$ 600,462</u>	