

**CITY OF PAGE, ARIZONA**  
**ANNUAL EXPENDITURE LIMITATION REPORT**  
**JUNE 30, 2021**  
**WITH REPORT OF**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**CITY OF PAGE, ARIZONA**  
**Annual Expenditure Limitation Report**  
**June 30, 2021**

**Table of Contents**

|  | Page |
|--|------|
| Independent Accountants' Report.....                       | 1    |
| Annual Expenditure Limitation Report - Part I.....         | 2    |
| Annual Expenditure Limitation Report - Part II.....        | 3    |
| Annual Expenditure Limitation Report - Reconciliation..... | 4    |
| Notes to Annual Expenditure Limitation Report.....         | 5    |

## 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, 2021, 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 27, 2021

**CITY OF PAGE, ARIZONA**  
**Annual Expenditure Limitation Report – Part I**  
**Year Ended June 30, 2021**

|   |               |                     |
|---|---------------|---------------------|
| 1. Economic Estimates Commission expenditure limitation   | \$ 35,449,895 |                     |
| 2. Voter-approved alternative expenditure limitation  | <u>-</u>      |                     |
| 3. Enter applicable amount from line 1 or line 2  |               | 35,449,895          |
| 4. Amount subject to the expenditure limitation (total amount from Part II, Line C)                                     |               | <u>27,944,223</u>   |
| 5. Amount under (in excess of) the expenditure limitation (If excess expenditures are reported, provide an explanation) |               | <u>\$ 7,505,672</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, 2021**

| <u>Description</u>   | <u>Governmental<br/>Funds</u> | <u>Enterprise<br/>Funds</u> | <u>Fiduciary<br/>Funds</u> | <u>Total</u>        |
|--|-------------------------------|-----------------------------|----------------------------|---------------------|
| A. Amounts reported on the Reconciliation Line D   | \$ 20,843,922                 | \$ 16,663,063               | \$ 85,312                  | \$ 37,592,297       |
| B. Less exclusions claimed:  |                               |                             |                            |                     |
| 2. Debt service requirements   | 1,245,819                     | 241,272                     | -                          | 1,487,091           |
| 3. Dividends, interest and gains on the sale or redemption of investment securities  | 559,284                       | 9,219                       | 85,312                     | 653,815             |
| 5. Grants and aid from the Federal government  | 6,691,478                     | -                           | -                          | 6,691,478           |
| 6. Grants, aid, contributions, or gifts from a private agency, organization, or individual except amounts received in lieu of taxes.       | 41,765                        | -                           | -                          | 41,765              |
| 7. Amounts received from the State of Arizona  | 50,654                        | -                           | -                          | 50,654              |
| 10. Highway user revenues in excess of those received in fiscal year 1979-80.  | 723,271                       | -                           | -                          | 723,271             |
| 16. Total exclusions claimed   | 9,312,271                     | 250,491                     | 85,312                     | 9,648,074           |
| C. Amount subject to the expenditure limitation (If an individual fund type amount is negative, reduce exclusions claimed to net to zero.) | <u>\$ 11,531,651</u>          | <u>\$ 16,412,572</u>        | <u>\$ -</u>                | <u>\$27,944,223</u> |

See accompanying notes to report

**CITY OF PAGE, ARIZONA**  
**Annual Expenditure Limitation Report - Reconciliation**  
**Year Ended June 30, 2021**

| Description   | Governmental<br>Funds | Enterprise<br>Funds | Fiduciary<br>Funds | Total         |
|---|-----------------------|---------------------|--------------------|---------------|
| A. Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund-based financial statements | \$ 21,267,821         | \$ 16,880,751       | \$ 85,312          | \$ 38,233,884 |
| B. Subtractions:  |                       |                     |                    |               |
| 1. Items not requiring use of current financial resources:  |                       |                     |                    |               |
| Depreciation  | -                     | 2,751,244           | -                  | 2,751,244     |
| (OPEB) expense  | -                     | 448,062             | -                  | 448,062       |
| 4. Present value of net minimum capital lease and installment purchase contract payments recorded as expenditures at the agreements' inception                            | 423,899               | -                   | -                  | 423,899       |
| 6. Total subtractions   | 423,899               | 3,199,306           | -                  | 3,623,205     |
| C. Additions:   |                       |                     |                    |               |
| 1. Principal payments on long-term debt   | -                     | 29,105              | -                  | 29,105        |
| 2. Capital asset acquisitions   | -                     | 2,620,404           | -                  | 2,620,404     |
| Landfill closure and postclosure care costs   | -                     | 332,109             | -                  | 332,109       |
| 6. Total additions  | -                     | 2,981,618           | -                  | 2,981,618     |
| D. Amounts reported on Part II, Line A  | \$ 20,843,922         | \$ 16,663,063       | \$ 85,312          | \$ 37,592,297 |

See accompanying notes to report

**CITY OF PAGE, ARIZONA**  
**Notes to the Annual Expenditure Limitation Report**  
**June 30, 2021**

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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 consists of principal retirement and interest expense on the City's Series 2011 Bonds and capital leases as listed in the financial statement footnote 7.

**CITY OF PAGE, ARIZONA**  
**Notes to the Annual Expenditure Limitation Report**  
**June 30, 2021**

**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<br>Funds |
|--|-----------------------|
| Grants and aid from the Federal government                               | \$ 6,691,478          |
| Grants, aid and contributions from others                                | 41,765                |
| Amounts received from the State  | 50,654                |
| Highway user revenues in excess of those received in fiscal year 1979-80 | 723,271               |
| Other revenues (nonexcludable):  |                       |
| State Revenue Sharing  | 1,075,999             |
| State Sales Tax  | 893,189               |
| Auto Lieu Tax  | 421,154               |
| County Library District  | 336,846               |
| Other  | 120,376               |
| Highway user revenues adjustment   | 198,928               |
| Total intergovernmental revenues as reported in the financial statements | \$ 10,553,660         |

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

The \$6,691,478 exclusion claimed for grants and aid from the Federal Government consists of \$1,239,714 in airport improvement grants and \$32,981 ADOT grant recorded in the Capital Projects fund, \$3,531,121 payments for essential air services grant and \$77,212 in various other small grants recorded in the Grants Fund and \$864,379 Coronavirus Relief Fund grant in the General Fund.

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

The \$41,765 exclusion for grants, aid and contributions received from other organizations consists mainly of a \$20,000 outreach grant for the library and other miscellaneous grants and contributions recorded in the Grants Fund.



**CITY OF PAGE, ARIZONA**  
**Notes to the Annual Expenditure Limitation Report**  
**June 30, 2021**

**Note 7    Amounts Received from the State**

The \$50,654 exclusion for amounts received from the state consists of \$30,654 ADOT airport grants reported in the Capital Projects fund and \$20,000 police grant reported in the 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  | \$    922,199                 |
| Less revenues received in 1979-80   | <u>(198,928)</u>              |
| Revenues available for exclusion  | <u><u>723,271</u></u>         |
| <br>  |                               |
| Actual expenditures of highway user revenues                                | 922,199                       |
| Amount equal to 1979-80 revenues expended in current fiscal year            | <u>(198,928)</u>              |
| Excludable revenues expended in current fiscal year                         | <u><u>723,271</u></u>         |
| <br>  |                               |
| Revenues available for exclusion in current fiscal year                     | 723,271                       |
| Revenues expended and claimed as an exclusion in<br>the current fiscal year | <u>(723,271)</u>              |
| Carryforward  | <u><u>\$            -</u></u> |