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CITY OF PAGE, ARIZONA

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Comprehensive  
Annual  
Financial Report

Fiscal Year Ended June 30, 2010

**CITY OF PAGE, ARIZONA**

**PAGE, ARIZONA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Issued by:  
Finance Department

# CITY OF PAGE, ARIZONA

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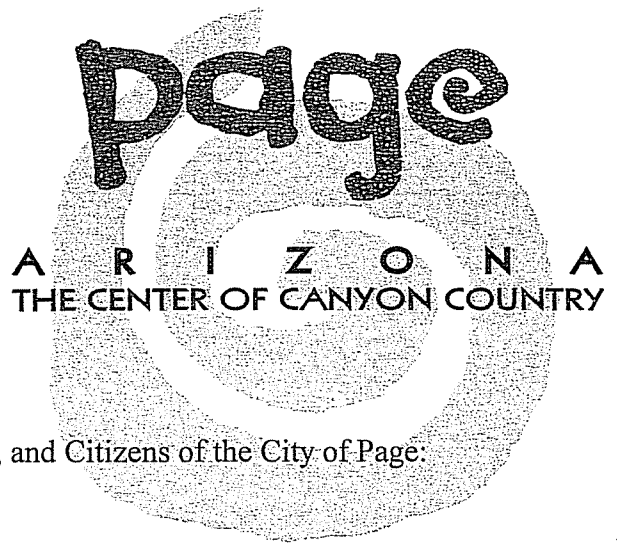
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## **INTRODUCTORY SECTION**



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December 10, 2010

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Page:

State law requires that all general-purpose local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Page for the fiscal year ended June 30, 2010.

This report consists of management's representations concerning the finances of the City of Page. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Page has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Page's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Page's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free of material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Page's financial statements have been audited by Heinfeld, Meech & Co., P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Page for the fiscal year ended June 30, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Page's financial statements for the fiscal year ended June 30, 2010, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Page's MD&A can be found immediately following the report of the independent auditors.

## **PROFILE OF THE GOVERNMENT**

The City of Page, incorporated in 1975, is located in northern Arizona on the southern shores of magnificent Lake Powell. The City's boundaries currently enclose approximately 37 square miles in Coconino County with a population of 7,300 and an elevation of 4,300 feet. Weather in the City of Page is temperate with the average yearly maximum temperature of 71.9 degrees and an average yearly minimum temperature of 47.2 degrees.

The City of Page operates under the council-manager form of government. The City Council, which has policy-making and legislative authority, consists of a mayor and a six-member council. The Council is responsible for, among other things, passing ordinances, resolutions and adopting the annual budget. They also appoint committees and hire the City Manager, City Attorney, City Clerk, City Magistrate and General Manager for the Page Electric Utility. The City Manager is responsible for carrying out the policies, ordinances and resolutions of the Council, and for overseeing the day-to-day operations of the City. The City Council is elected on a nonpartisan "at large" basis. Council members are elected to four-year staggered terms with three council members elected every two years. The qualified electors of the City directly elect the Mayor for a two-year term.

The City of Page provides a full range of services, including water, sewer, electric, police and fire services; planning, zoning, and building code enforcement; the construction and maintenance of streets and other infrastructure; and recreational activities and cultural events.

City of Page, Arizona owns and operates its own municipal electric utility dba Page Electric Utility (PEU). The Utility is overseen by the governing body Page City Council, and follows the structure as set forth in Page City Ordinance 447-03. PEU currently serves the citizens of Page within the City's corporate boundaries. Due to the isolation of the area, PEU also serves many of the residents and commercial enterprises outside Page's corporate boundaries. Combined, PEU serves approximately 4,100 meters.

The financial reporting entity consists of a primary government and its component units. Component units are separate legal entities included in the reporting entity due to the significance of their financial or operational relationship with the City. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the financial reporting entity consists of the City and one blended component unit, the Municipal Property Corporation.

The annual budget serves as the foundation for the City of Page's financial planning and control. All departments evaluate their programs and services classifying the values and priorities of the citizens of Page. The City Manager reviews department requests and may recommend changes to department priorities and/or projects. The City Manager then presents a proposed, balanced budget to City Council for review. The proposed budget is presented in May of each year. The proposed budget with any additions or deletions becomes the tentative budget, which is usually presented to Council for preliminary adoption in June. The tentative budget is then presented to the City Council for final adoption in July. The legal level of budgetary control is established at the City Council level.

## FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Page operates.

**Local Economy.** The City of Page depends on the recreational businesses that serve the visitors that pass through our city during summer months. Some of these employers include the National Park Service and ARAMARK. While the recreation-oriented firms experience seasonal employment peaks from March through November, the Salt River Project's Navajo Generating Station assures the stability of Page. The National Park Service estimates that the Page/Lake Powell area receives over 2 million visitors annually. Tourism and the distance to other trade centers have created a demand for a variety of consumer goods and services. Therefore, 70 percent of the employers and more than 50 percent of the total workforce are in the retail trade and service sectors.

Lake Powell is the center of recreational opportunities for Page. The lake has 1,960 miles of shoreline, which is longer than the entire West Coast of the continental United States.

Although the City of Page itself has a population of 7,300, it services the needs of its surrounding communities including an additional 45,000 people within a 75 mile radius.

**Long-Term Financial Planning.** The City of Page is dedicated to enhancing the quality of life for its citizens and to providing municipal services in the most effective and efficient manner while exercising fiscal responsibility.

While addressing some of the City's immediate needs, our Management continues to look down the road to cover future needs as well. One area that we have addressed pertains to our street improvements. Over the last 5-6 years, the City of Page has invested over \$4,000,000 in rehabilitating the major arterial roadways that exist within our city limits. Although this is an ongoing project and usually causes some inconvenience for our citizens, it is one that is generally appreciated by most people upon its completion.

In caring for the health and well being of our citizens of Page, the State of Arizona has been working with our city utilities department to make sure that our Water Treatment Plant meets safe drinking water standards. In order to accomplish this task, our City Council has authorized \$1,200,000 in improvements to be made to the treatment plant. This investment benefits the well being of the citizens of Page.

Along with water treatment follows our waste water treatment. Currently, our Wastewater Treatment Plant is moving toward producing Class A+ effluent quality water at a cost of \$600,000. This development helps the citizens of Page because the process of allowing direct reuse of reclaimed water recycles treated effluent for beneficial uses. This in turn allows us to conserve potable water sources for human consumption and domestic uses for our City users.

In a final area of long term planning, our Public Safety Departments have recently replaced their communication system and upgraded their computer software at the approximate cost of \$375,000. By enhancing this system and equipment, the records tracking and communication with our Fire and Police personnel has significantly improved. Both of these departments are also working on making improvements to their existing fleet of vehicles. The Fire Department currently is in the process of having a 2011 Pierce Pumper Fire Truck being built to their specifications and has just recently taken possession of a 2010 AEV Ambulance. The Police Department is looking forward to implementing a vehicle replacement program and has budgeted to purchase a new patrol unit in the upcoming budget year.


**ACKNOWLEDGEMENTS**

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department and support of the City's Administration. We would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and members of the City Council for their interest and support for maintaining the highest standards of professionalism in the management of the City of Page's finances.

Respectfully submitted,



Bo Thomas  
City Manager

  
Linda Watson  
Finance Director



# City of Page

## City Council Members

Mayor, Lyle Dimbatt  
Vice Mayor, John Cook  
John Kocjan  
Tom Puckett  
Cecilia Cobb  
Bill Diak  
Vida Makowski

## City Manager

Bo Thomas

## City Attorney

Rick E. Olson

## City Clerk

Lori Anderson

## City Magistrate

Derek Oliverson

## Departments

Airport	Richard Jentzsch
Community Center	Vicki Myers
Community Development	Ernest Rubi
Engineering	Matthew Wood
Finance	Linda Watson
Fire Department	Larry D. Clark, Sr.
Golf	John Miles
Human Resources & Risk Mgt.	Jaime Watts
Information Technology	Michael Bergner
Library	Debbie Winlock
Page Electric Utility	Bryan Hill
Police Department	Charles Dennis
Public Works	Clifford Linker
Recreation	Kris Worley
Utilities Department	Fred Ladman

## **FINANCIAL SECTION**



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HEINFELD, MEECH & CO., P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

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Flagstaff, Arizona 86001  
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## INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members of the City Council  
City of Page, Arizona

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Page, Arizona (the City), as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Page, Arizona, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2010, on our consideration of City of Page, Arizona's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 15 and budgetary comparison information on pages 66 through 68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The accompanying supplementary information such as the introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules and are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Heinfeld, Meech & Co., P.C.*

HEINFELD, MEECH & CO., P.C.  
Certified Public Accountants

December 10, 2010

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**(Required Supplementary Information)**

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**CITY OF PAGE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2010**

As management of the City of Page, Arizona (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

**FINANCIAL HIGHLIGHTS**

- The City's total net assets of governmental activities decreased \$2.1 million to \$71.1 million and business-type activities increased \$2.0 million to \$49.3 million representing 59 percent and 41 percent respectively, of the total net assets of \$120.4 million.
- General revenues from governmental activities accounted for \$9.3 million in revenue, or 75 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$3.1 million or 25 percent of total governmental activities revenues. The City had \$12.7 million of program revenues and \$223,959 in general revenues related to business-type activities.
- The City had approximately \$14.5 million in expenses related to governmental activities, an increase of 15 percent from the prior fiscal year. The City had \$10.9 million in expenses related to business-type activities, a decrease of 13 percent from the prior year, both of which were primarily due to the city transferring all activity of the Golf Fund to the General Fund.
- Among major funds, the General Fund had \$10.3 million in current fiscal year revenues, which primarily consisted of taxes and intergovernmental revenues, and \$11.9 million in expenditures. The General Fund's fund balance decrease from \$2.8 million to \$1.3 million at the end of the current fiscal year was primarily due to reductions in sales tax and state shared revenues due to general economic downturn.
- The Enterprise Funds net assets at the end of the year amounted to \$49.3 million. The increase in net assets of \$2.0 million was primarily due to large decreases in the costs of power and water.

**OVERVIEW OF FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**CITY OF PAGE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2010**

**OVERVIEW OF FINANCIAL STATEMENTS (Cont'd)**

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The accrual basis of accounting is used for the government-wide financial statements.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

In the government-wide financial statements, the City's activities are presented in the following categories:

- ***Governmental activities*** – Most of the City's basic services are included here, such as general government, public safety, judicial, public works, culture and recreation, and community support. Sales taxes, intergovernmental, and charges for services revenue finance most of these activities.
- ***Business-type activities*** – The services provided by the City included here are water, sewer, electric, and sanitation services. The services are financed through user fees and charges.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided in to three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements use the modified accrual basis of accounting and focus on near-term inflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

**CITY OF PAGE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2010**

**OVERVIEW OF FINANCIAL STATEMENTS (Concl'd)**

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements.

By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, HURF Fund, and Land Sales Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining schedules.

**Proprietary funds.** The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses a separate enterprise fund to account for its water, sewer, electric, and sanitation services.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Water, Sewer, Sanitation, and Electric Funds, which are considered to be major funds of the City.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. Due to their custodial nature, Fiduciary funds do not have a measurement focus.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budget process. The City adopts an annual expenditure budget for all governmental funds. A schedule of revenues, expenditures and changes in fund balances – budget and actual has been provided for the General Fund and HURF Fund as required supplementary information.



**CITY OF PAGE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2010**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$120.4 million at the current fiscal year end.

The largest portion of the City's net assets (91 percent) reflects its investment in capital assets (e.g., land, infrastructure, buildings and improvements, vehicles, furniture and equipment and construction in progress), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; therefore, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, a portion of the City's net assets (5 percent) are restricted by statute for the specified purposes of capital outlay investment, highways and streets, and other purposes.

The following table presents a summary of the City's net assets for the fiscal years ended June 30, 2010 and June 30, 2009.

	2010 Governmental Activities	2009 Governmental Activities (as restated)	2010 Business- Type Activities	2009 Business-Type Activities (as restated)	2010 Total	2009 Total
Current and other assets	\$ 10,236,889	\$ 13,635,118	\$ 18,035,143	\$ 16,456,636	\$ 28,272,032	\$ 30,091,754
Capital assets, net	78,669,527	79,210,074	32,883,079	31,388,182	111,552,606	110,598,256
<b>Total assets, net</b>	<u>88,906,416</u>	<u>92,845,192</u>	<u>50,918,222</u>	<u>47,844,818</u>	<u>139,824,638</u>	<u>140,690,010</u>
Current and other liabilities	2,289,076	3,882,317	1,315,232	197,839	3,604,308	4,080,156
Long-term liabilities	15,497,133	15,754,250	300,701	384,595	15,797,834	16,138,845
<b>Total liabilities</b>	<u>17,786,209</u>	<u>19,636,567</u>	<u>1,615,933</u>	<u>582,434</u>	<u>19,402,142</u>	<u>20,219,001</u>
<b>Net assets:</b>						
Invested in capital assets, net of related debt	63,941,276	64,158,299	32,746,623	31,195,816	96,687,899	95,354,115
Restricted for highways and streets	1,936,193	2,320,580			1,936,193	2,320,580
Restricted for capital outlay	4,159,689	4,716,392			4,159,689	4,716,392
Restricted for other	266,889	237,536			266,889	237,536
Unrestricted	816,160	1,775,818	16,555,666	16,066,568	17,371,826	17,842,386
<b>Total net assets</b>	<u>\$ 71,120,207</u>	<u>\$ 73,208,625</u>	<u>\$ 49,302,289</u>	<u>\$ 47,262,384</u>	<u>\$ 120,422,496</u>	<u>\$ 120,471,009</u>

At the end of the current fiscal year the City reported positive balances in all three categories of net assets. The same situation held true for the prior fiscal year.

The City's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

**CITY OF PAGE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2010**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)**

The following are significant current year transactions that had an impact on the Statement of Net Assets.

- The addition of \$2.0 million in capital assets in governmental activities through the construction of waterline replacement, and other street improvements and purchases of vehicles, furniture and equipment.
- The addition of \$3.8 million in capital assets in business-type activities through upgrades in the power distribution system, purchases of vehicles, furniture and equipment, and construction of new administration building for the electric utility.

**Changes in net assets.** The City's total revenues for the current fiscal year were \$25.3 million. The total cost of all programs and services was \$25.4 million. The following table presents a summary of the changes in net assets for the fiscal years ended June 30, 2010 and June 30, 2009.

	2010 Governmental Activities	2009 Governmental Activities	2010 Business- Type Activities	2009 Business- Type Activities	2010 Total	2009 Total
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 2,266,643	\$ 1,749,714	\$ 12,710,513	\$ 12,686,123	\$ 14,977,156	\$ 14,435,837
Operating grants and contributions	507,960	625,466			507,960	625,466
Capital grants and contributions	355,618	714,132			355,618	714,132
General revenues:						
Sales taxes	6,768,417	7,121,927			6,768,417	7,121,927
Unrestricted state shared revenue	2,301,972	2,707,524			2,301,972	2,707,524
Investment income	19,021	150,463	9,092	117,075	28,113	267,538
Miscellaneous	194,989	207,718	214,867	212,734	409,856	420,452
<b>Total revenues</b>	<u>\$ 12,414,620</u>	<u>\$ 13,276,944</u>	<u>\$ 12,934,472</u>	<u>\$ 13,015,932</u>	<u>\$ 25,349,092</u>	<u>\$ 26,292,876</u>

**CITY OF PAGE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2010**

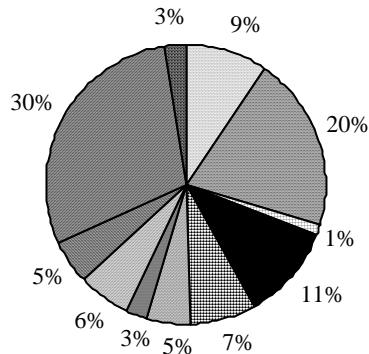
**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)**

	2010 Governmental Activities	2009 Governmental Activities	2010 Business-Type Activities	2009 Business-Type Activities	2010 Total	2009 Total
<b>Expenses:</b>						
General government	\$ 2,393,812	\$ 1,769,799	\$	\$	\$ 2,393,812	\$ 1,769,799
Public safety	5,151,308	5,150,544			5,151,308	5,150,544
Judicial	324,255	297,986			324,255	297,986
Public works	2,820,598	2,668,319			2,820,598	2,668,319
Culture and recreation	1,853,122	955,919			1,853,122	955,919
Community support	1,275,054	1,046,935			1,275,054	1,046,935
Interest on long-term debt	684,889	740,696			684,889	740,696
Water			1,518,213	1,705,665	1,518,213	1,705,665
Sewer			1,264,840	1,248,754	1,264,840	1,248,754
Electric			7,454,824	8,125,091	7,454,824	8,125,091
Sanitation			656,690	650,679	656,690	650,679
Golf				747,732		747,732
<b>Total expenses</b>	<u>\$ 14,503,038</u>	<u>\$ 12,630,198</u>	<u>\$ 10,894,567</u>	<u>\$ 12,477,921</u>	<u>\$25,397,605</u>	<u>\$ 25,108,119</u>
<b>Transfers</b>		<u>\$ 404,352</u>		<u>\$ (404,352)</u>		
<b>Change in net assets</b>	<u>\$ (2,088,418)</u>	<u>\$ 1,051,098</u>	<u>\$ 2,039,905</u>	<u>\$ 133,659</u>	<u>\$ (48,513)</u>	<u>\$ 1,184,757</u>

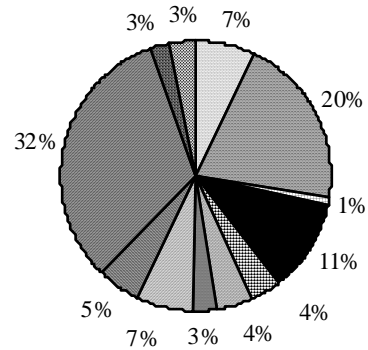
**CITY OF PAGE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2010**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)**

**Fiscal Year 2009-10 Expenses**



**Fiscal Year 2008-09 Expenses**



- |                          |                     |                              |                |
|--------------------------|---------------------|------------------------------|----------------|
| □ General government     | ■ Public safety     | ■ Judicial                   | ■ Public works |
| ■ Culture and recreation | ■ Community support | ■ Interest on long-term debt | ■ Water        |
| ■ Sewer                  | ■ Electric          | ■ Sanitation                 | ■ Golf         |

The following is a significant current year transaction that had an impact on the change in net assets.

- A \$1.6 million decrease in business activity expenses due in part to decreases in the costs of power and water.

The following table presents the cost of the 12 major City functional activities. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and City's taxpayers by each of these functions.

**CITY OF PAGE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2010**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Concl'd)**

	<u>Year Ended June 30, 2010</u>		<u>Year Ended June 30, 2009</u>	
	<u>Total Expenses</u>	<u>Net (Expense)/ Revenue</u>	<u>Total Expenses</u>	<u>Net (Expense)/ Revenue</u>
<b>Governmental activities</b>				
General government	\$ 2,393,812	\$ (2,223,414)	\$ 1,769,799	\$ (1,438,865)
Public safety	5,151,308	(4,297,525)	5,150,544	(4,562,838)
Judicial	324,255	(89,102)	297,986	6,993
Public works	2,820,598	(1,811,745)	2,668,319	(1,546,615)
Culture and recreation	1,853,122	(1,398,675)	955,919	(549,520)
Community support	1,275,054	(867,467)	1,046,935	(709,345)
Interest on long-term debt	684,889	(684,889)	740,696	(740,696)
<b>Total expenses</b>	<u>\$ 14,503,038</u>	<u>\$ (11,372,817)</u>	<u>\$ 12,630,198</u>	<u>\$ (9,540,886)</u>
<b>Business-type activities</b>				
Water	\$ 1,518,213	\$ 62,214	\$ 1,705,665	\$ (94,961)
Sewer	1,264,840	124,745	1,248,754	(93,118)
Electric	7,454,824	1,627,876	8,125,091	847,735
Sanitation	656,690	1,111	650,679	(9,910)
Golf			747,732	(441,544)
<b>Total expenses</b>	<u>10,894,567</u>	<u>1,815,946</u>	<u>12,477,921</u>	<u>208,202</u>
<b>Total</b>	<u>\$ 25,397,605</u>	<u>\$ (9,556,871)</u>	<u>\$ 25,108,119</u>	<u>\$ (9,332,684)</u>

- The cost of all governmental activities this year was \$14.5 million.
- The cost of all business-type activities this year was \$10.9 million.
- Federal and State governments and charges for services subsidized certain governmental programs with grants and contributions and other local revenues of \$3.1 million.
- Net cost of governmental activities of \$11.4 million was financed by general revenues, which are made up of primarily sales taxes of \$6.8 million and state shared revenue of \$2.3 million.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

**CITY OF PAGE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2010**

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS (Concl'd)**

The financial performance of the City as a whole is reflected in its governmental funds. As the City completed the year, its governmental funds reported a combined fund balance of \$7.9 million, a decrease of \$1.8 million.

The General Fund comprises 16 percent of the total fund balance. One hundred percent of the General Fund's fund balance constitutes unreserved fund balance.

The General Fund is the principal operating fund of the City. The decrease in fund balance of \$1.5 million to \$1.3 million as of the fiscal year end was a result of a decrease in sales tax and state shared revenues. General Fund revenues decreased \$2.0 million as a result of a decrease in sales tax revenues. General Fund expenditures increased \$155,301.

The fund balance in the HURF Fund was \$1.9 million as of the fiscal year end. The decrease in fund balance of \$384,387 from prior year was due to scheduled road improvements.

The fund balance in the Land Sales Fund was \$3.5 million as of the fiscal year end. The decrease in fund balance of \$116,286 during the year was not significant.

**Proprietary funds.** Net assets of the Enterprise Funds at the end of the year amounted to \$49.3 million. The increase of \$2.0 million from the prior fiscal year was primarily due to a decrease in power costs.

**BUDGETARY HIGHLIGHTS**

The City revised the annual operating budget during the year; however, the revisions were not significant.

A schedule showing the original and final budget amounts compared to the City's actual financial activity for the General Fund is provided in this report as required supplementary information. The significant variances are summarized as follows:

- The favorable variance of \$535,860 in General Government was a result of a decrease in expenditures in professional services and decreased spending that offset Land Sale Revenue that was not received but was used to support the General Government.
- The favorable variance of \$234,585 in Capital Outlay was a result of not receiving federal funding for airport projects that were budgeted.
- The favorable variance of \$206,611 in Public Works was a result of not receiving stimulus funds that were originally budgeted.

**CITY OF PAGE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2010**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** As of year end, the City had invested \$165.0 million in capital assets, including buildings, vehicles, equipment, and infrastructure assets. This amount represents a net increase prior to depreciation of \$5.7 million from the prior fiscal year, primarily due to the construction of water lines and a new administration building for the electric utility. Total depreciation expense for the current fiscal year was \$4.7 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2010 and June 30, 2009.

	2010 Governmental Activities	2009 Governmental Activities (as restated)	2010 Business-Type Activities	2009 Business-Type Activities (as restated)	2010 Total	2009 Total
Capital assets – non-depreciable	\$ 45,222,792	\$ 45,216,210	\$ 472,621	\$ 660,353	\$ 45,695,413	\$ 45,876,563
Capital assets – depreciable, net	33,446,735	33,993,864	32,410,458	30,727,829	65,857,193	64,721,693
<b>Total</b>	<u>\$ 78,669,527</u>	<u>\$ 79,210,074</u>	<u>\$ 32,883,079</u>	<u>\$ 31,388,182</u>	<u>\$111,552,606</u>	<u>\$ 110,598,256</u>

The estimated cost to complete current construction projects is \$3.5 million.

Additional information on the City's capital assets can be found in Note 5.

**Debt Administration.** At year-end, the City had \$14.7 million in governmental long-term debt outstanding, \$357,711 due within one year. This represents a net decrease of \$328,915. The City had \$136,456 in business-type long-term debt outstanding, \$57,709 due within one year.

The City's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 20 percent of the total secondary assessed valuation) and the statutory debt limit on general municipal purpose bonds (up to 6 percent of the total secondary assessed valuation). The current total debt limitation for the City is \$17.9 million, which is more than the City's outstanding general obligation debt.

Additional information on the City's long-term debt can be found in Notes 6-8.

**CITY OF PAGE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2010**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

Many factors were considered by the City's administration during the process of developing the fiscal year 2010-11 budget. Among them:

- City population (estimated increase to 7,446).
- Employee salaries.
- Replacement of antiquated equipment.
- Street and road improvements.

Also considered in the development of the budget is the local economy and inflation of the surrounding area.

Budgeted expenditures in the General Fund decreased 3 percent to \$38.1 million in fiscal year 2010-11. Reductions in State Shared revenue and promised stimulus sharing are the primary reason for the decrease. Sales taxes and state shared revenue are expected to be the primary funding sources.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Finance Department, City of Page, Arizona, P.O. Box 1180, Page, Arizona 86040.



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## **BASIC FINANCIAL STATEMENTS**

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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**CITY OF PAGE, ARIZONA  
STATEMENT OF NET ASSETS  
JUNE 30, 2010**

	Governmental Activities	Business-type Activities	Total
<b><u>ASSETS</u></b>			
Current assets:			
Cash and investments	\$ 10,065,372	\$ 14,334,181	\$ 24,399,553
Accounts receivable	1,025,415	1,166,531	2,191,946
Due from governmental entities	796,102		796,102
Inventory, at cost		832,704	832,704
Prepaid items		51,727	51,727
Internal balances	(1,650,000)	1,650,000	
<b>Total current assets</b>	<u>10,236,889</u>	<u>18,035,143</u>	<u>28,272,032</u>
Noncurrent assets:			
Capital assets, non-depreciable	45,222,792	472,621	45,695,413
Capital assets, depreciable (net)	33,446,735	32,410,458	65,857,193
<b>Total noncurrent assets</b>	<u>78,669,527</u>	<u>32,883,079</u>	<u>111,552,606</u>
<b>Total assets</b>	<u>88,906,416</u>	<u>50,918,222</u>	<u>139,824,638</u>
<b><u>LIABILITIES</u></b>			
Current liabilities:			
Accounts payable	1,357,067	560,390	1,917,457
Accrued payroll and employee benefits	135,865	64,255	200,120
Deposits held for others		690,587	690,587
Compensated absences payable	334,414	113,330	447,744
Accrued interest payable	296,744		296,744
Capital leases payable	195,275	57,709	252,984
Unearned revenue	499,400		499,400
Bonds payable	162,436		162,436
<b>Total current liabilities</b>	<u>2,981,201</u>	<u>1,486,271</u>	<u>4,467,472</u>
Noncurrent liabilities:			
Non-current portion of long-term obligations	14,805,008	129,662	14,934,670
<b>Total non-current liabilities</b>	<u>14,805,008</u>	<u>129,662</u>	<u>14,934,670</u>
<b>Total liabilities</b>	<u>17,786,209</u>	<u>1,615,933</u>	<u>19,402,142</u>
<b><u>NET ASSETS</u></b>			
Invested in capital assets, net of related debt	63,941,276	32,746,623	96,687,899
Restricted for:			
Highways and streets	1,936,193		1,936,193
Capital outlay	4,159,689		4,159,689
Other	266,889		266,889
Unrestricted	816,160	16,555,666	17,371,826
<b>Total net assets</b>	<u>\$ 71,120,207</u>	<u>\$ 49,302,289</u>	<u>\$ 120,422,496</u>

**The notes to the financial statements are an integral part of this statement.**

**CITY OF PAGE, ARIZONA  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2010**

<b>Functions/Programs</b>	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
				Governmental Activities
<b>Primary Government</b>				
Governmental activities:				
General government	\$ 2,393,812	\$ 136,644	\$ 33,754	\$ (2,223,414)
Public safety	5,151,308	853,783		(4,297,525)
Judicial	324,255	235,153		(89,102)
Public works	2,820,598	653,235		355,618 (1,811,745)
Culture and recreation	1,853,122	350,873	103,574	(1,398,675)
Community support	1,275,054	36,955	370,632	(867,467)
Interest on long-term debt	684,889			(684,889)
Total governmental activities	14,503,038	2,266,643	507,960	355,618 (11,372,817)
Business-type activities:				
Water	1,518,213	1,580,427		
Sewer	1,264,840	1,389,585		
Electric	7,454,824	9,082,700		
Sanitation	656,690	657,801		
Total business-type activities	10,894,567	12,710,513		
<b>Total primary government</b>	<b>\$ 25,397,605</b>	<b>\$ 14,977,156</b>	<b>\$ 507,960</b>	<b>\$ 355,618</b> <b>(11,372,817)</b>
<b>General revenues:</b>				
Taxes:				
Sales taxes				
				6,768,417
Unrestricted state shared revenue				
				2,301,972
Investment income				
				19,021
Miscellaneous				
				194,989
<b>Total general revenues</b>				<b>9,284,399</b>
<b>Changes in net assets</b>				(2,088,418)
<b>Net assets, beginning of year, as restated</b>				73,208,625
<b>Net assets, end of year</b>				<b>\$ 71,120,207</b>

**The notes to the financial statements are an integral part of this statement.**

Net (Expense) Revenue  
and Changes in Net Assets

<u>Business-type Activities</u>	<u>Totals</u>
\$	\$ (2,223,414)
	(4,297,525)
	(89,102)
	(1,811,745)
	(1,398,675)
	(867,467)
	(684,889)
	(11,372,817)
62,214	62,214
124,745	124,745
1,627,876	1,627,876
1,111	1,111
1,815,946	1,815,946
1,815,946	(9,556,871)
	6,768,417
	2,301,972
9,092	28,113
214,867	409,856
223,959	9,508,358
2,039,905	(48,513)
47,262,384	120,471,009
\$ 49,302,289	\$120,422,496



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**FUND FINANCIAL STATEMENTS**

**CITY OF PAGE, ARIZONA  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2010**

	<u>General</u>	<u>HURF</u>	<u>Land Sales</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 3,037,771	\$ 2,337,014	\$ 3,096,256
Accounts receivable	74,461		912,350
Due from governmental entities	645,187	72,711	
Due from other funds	68,616		
<b>Total assets</b>	<u>\$ 3,826,035</u>	<u>\$ 2,409,725</u>	<u>\$ 4,008,606</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 737,962	\$ 468,323	\$
Due to other funds	1,650,000		
Accrued payroll and employee benefits	126,832	5,209	
Bond interest payable			
Deferred revenue			499,400
<b>Total liabilities</b>	<u>2,514,794</u>	<u>473,532</u>	<u>499,400</u>
Fund balances (deficits):			
Reserved for perpetual care			
Unreserved:			
Undesignated	1,311,241	1,936,193	3,509,206
Unreserved reported in:			
Special revenue funds			
Debt service funds			
Capital projects funds			
<b>Total fund balances</b>	<u>1,311,241</u>	<u>1,936,193</u>	<u>3,509,206</u>
<b>Total liabilities and fund balances</b>	<u>\$ 3,826,035</u>	<u>\$ 2,409,725</u>	<u>\$ 4,008,606</u>

**The notes to the financial statements are an integral part of this statement.**

Non-Major Governmental Funds	Total Governmental Funds
\$ 1,594,331	\$ 10,065,372
38,604	1,025,415
78,204	796,102
	68,616
<u>\$ 1,711,139</u>	<u>\$ 11,955,505</u>

\$ 150,782	\$ 1,357,067
68,616	1,718,616
3,824	135,865
296,744	296,744
	499,400
<u>519,966</u>	<u>4,007,692</u>

266,889                      266,889

6,756,640

1,138,561	1,138,561
(365,360)	(365,360)
151,083	151,083
<u>1,191,173</u>	<u>7,947,813</u>

\$ 1,711,139      \$ 11,955,505

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**CITY OF PAGE, ARIZONA  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2010**

**Total governmental fund balances** **\$ 7,947,813**

Amounts reported for *governmental activities* in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Governmental capital assets	\$ 95,412,527	
Less accumulated depreciation	<u>(16,743,000)</u>	78,669,527

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Compensated absences payable	(768,882)	
Capital leases payable	(431,782)	
Bonds payable	<u>(14,296,469)</u>	<u>(15,497,133)</u>

**Net assets of governmental activities** **\$ 71,120,207**

**The notes to the financial statements are an integral part of this statement.**

**CITY OF PAGE, ARIZONA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2010**

	General	HURF	Land Sales
<b>Revenues:</b>			
Taxes	\$ 6,246,647	\$	\$
Intergovernmental	2,077,479	883,591	
Fines and forfeitures	249,338		
Licenses and permits	339,228		
Charges for services	1,232,249		
Rents and royalties			
Investment income	15,273	3,748	
Miscellaneous	171,222	1,312	
<b>Total revenues</b>	10,331,436	888,651	
<b>Expenditures:</b>			
Current -			
General government	2,799,265		
Public safety	4,691,379		
Judicial	327,582		
Public works	1,289,564	387,758	
Culture and recreation	1,509,629		
Community support	521,775		
Capital outlay	518,305	849,834	
Debt service -			
Principal retirement	189,970	31,063	
Interest and fiscal charges	25,392	4,383	
<b>Total expenditures</b>	11,872,861	1,273,038	
<b>Excess (deficiency) of revenues over expenditures</b>	(1,541,425)	(384,387)	
<b>Other financing sources (uses):</b>			
Land sales			1,065,800
Transfers in			
Capital lease agreements	29,451		
Transfers out			(1,182,086)
<b>Total other financing sources (uses)</b>	29,451		(116,286)
<b>Changes in fund balances</b>	(1,511,974)	(384,387)	(116,286)
<b>Fund balances, beginning of year, as restated</b>	2,823,215	2,320,580	3,625,492
<b>Fund balances, end of year</b>	\$ 1,311,241	\$ 1,936,193	\$ 3,509,206

**The notes to the financial statements are an integral part of this statement.**

Non-Major Governmental Funds	Total Governmental Funds
\$	\$
726,250	6,246,647
	3,687,320
	249,338
	339,228
52,891	1,285,140
392,937	392,937
	19,021
22,455	194,989
<u>1,194,533</u>	<u>12,414,620</u>
	2,799,265
	4,691,379
	327,582
224,298	1,901,620
	1,509,629
736,469	1,258,244
415,746	1,783,885
	358,366
137,333	684,889
655,114	<u>15,314,859</u>
<u>2,168,960</u>	
	(974,427)
	(2,900,239)
	1,065,800
1,182,086	1,182,086
	29,451
	(1,182,086)
<u>1,182,086</u>	<u>1,095,251</u>
	207,659
	(1,804,988)
983,514	9,752,801
<u>\$ 1,191,173</u>	<u>\$ 7,947,813</u>



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**CITY OF PAGE, ARIZONA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2010**

**Net changes in fund balances - total governmental funds** **\$ (1,804,988)**

Amounts reported for *governmental activities* in the Statement of Activities are different because:

Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense.

Expenditures for capitalized assets	\$ 2,005,905	
Less current year depreciation	<u>(2,447,184)</u>	(441,279)

Repayment of bond, note, and lease principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Bond principal payment	137,333	
Note principal payment	5,391	
Lease principal payment	<u>215,642</u>	358,366

Capital lease proceeds provide current financial resources to the governmental funds, but the issuance increases long-term liabilities in the Statement of Activities. (29,451)

Compensated absences reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (71,798)

The disposal of capital assets resulted in a loss on the Statement of Activities. However, the loss is not an expenditure in the governmental funds. (99,268)

**Change in net assets in governmental activities** **\$ (2,088,418)**

**The notes to the financial statements are an integral part of this statement.**

**CITY OF PAGE, ARIZONA  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2010**

Enterprise Funds

	Water	Sewer	Sanitation	Electric
<b><u>ASSETS</u></b>				
Current assets:				
Cash and investments	\$ 1,500,620	\$ 2,214,603	\$ 170,797	\$ 10,448,161
Accounts receivable	217,682	101,818	66,224	780,807
Due from other funds				1,650,000
Inventory, at cost				832,704
Prepaid items				51,727
<b>Total current assets</b>	<u>1,718,302</u>	<u>2,316,421</u>	<u>237,021</u>	<u>13,763,399</u>
Noncurrent assets:				
Capital assets, non-depreciable	339,376			133,245
Capital assets, depreciable (net)	8,868,185	6,147,688		17,394,585
<b>Total noncurrent assets</b>	<u>9,207,561</u>	<u>6,147,688</u>		<u>17,527,830</u>
<b>Total assets</b>	<u>10,925,863</u>	<u>8,464,109</u>	<u>237,021</u>	<u>31,291,229</u>
<b><u>LIABILITIES</u></b>				
Current liabilities:				
Accounts payable	161,975	189,622	53,612	155,181
Accrued payroll and employee benefits	11,434	7,850		44,971
Deposits held for others	84,044			606,543
Compensated absences payable	16,075	16,343		80,912
Capital leases payable	57,709			
<b>Total current liabilities</b>	<u>331,237</u>	<u>213,815</u>	<u>53,612</u>	<u>887,607</u>
Noncurrent liabilities:				
Non-current portion of long-term obligations	85,967	7,343		36,352
<b>Total non-current liabilities</b>	<u>85,967</u>	<u>7,343</u>		<u>36,352</u>
<b>Total liabilities</b>	<u>417,204</u>	<u>221,158</u>	<u>53,612</u>	<u>923,959</u>
<b><u>NET ASSETS</u></b>				
Invested in capital assets, net of related debt	9,071,105	6,147,688		17,527,830
Unrestricted	1,437,554	2,095,263	183,409	12,839,440
<b>Total net assets</b>	<u>\$ 10,508,659</u>	<u>\$ 8,242,951</u>	<u>\$ 183,409</u>	<u>\$ 30,367,270</u>

**The notes to the financial statements are an integral part of this statement.**

Enterprise Funds

Total

\$ 14,334,181  
1,166,531  
1,650,000  
832,704  
51,727  
18,035,143

472,621  
32,410,458  
32,883,079  
50,918,222

560,390  
64,255  
690,587  
113,330  
57,709  
1,486,271

129,662  
129,662  
1,615,933

32,746,623  
16,555,666  
\$ 49,302,289

**CITY OF PAGE, ARIZONA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

	Enterprise Funds			
	Water	Sewer	Sanitation	Electric
<b>Operating revenues:</b>				
Charges for services	\$ 1,580,427	\$ 1,389,585	\$ 657,801	\$ 9,082,700
<b>Total operating revenues</b>	<u>1,580,427</u>	<u>1,389,585</u>	<u>657,801</u>	<u>9,082,700</u>
<b>Operating expenses:</b>				
Administration	420,064	396,112		1,309,092
Cost of sales and services	509,089	422,435	656,690	636,321
Power costs				4,267,956
Depreciation	589,060	446,293		1,241,455
<b>Total operating expenses</b>	<u>1,518,213</u>	<u>1,264,840</u>	<u>656,690</u>	<u>7,454,824</u>
<b>Operating income</b>	<u>62,214</u>	<u>124,745</u>	<u>1,111</u>	<u>1,627,876</u>
<b>Nonoperating revenues (expenses):</b>				
Investment income				9,092
Miscellaneous	29	51	28,467	186,320
<b>Total nonoperating revenues (expenses)</b>	<u>29</u>	<u>51</u>	<u>28,467</u>	<u>195,412</u>
<b>Changes in net assets</b>	<u>62,243</u>	<u>124,796</u>	<u>29,578</u>	<u>1,823,288</u>
<b>Total net assets, beginning of year, as restated</b>	10,446,416	8,118,155	153,831	28,543,982
<b>Total net assets, end of year</b>	<u>\$ 10,508,659</u>	<u>\$ 8,242,951</u>	<u>\$ 183,409</u>	<u>\$ 30,367,270</u>

**The notes to the financial statements are an integral part of this statement.**

Enterprise Funds

Total  
\$ 12,710,513  
12,710,513

2,125,268  
2,224,535  
4,267,956  
2,276,808  
10,894,567

1,815,946

9,092  
214,867

223,959

2,039,905

47,262,384  
\$ 49,302,289

**CITY OF PAGE, ARIZONA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2010**

**Enterprise Funds**

<u>Increase (Decrease) in Cash and Cash Equivalents</u>	<u>Water</u>	<u>Sewer</u>	<u>Sanitation</u>	<u>Electric</u>	<u>Total</u>
<b>Cash flows from operating activities:</b>					
Cash received from customers, service fees	\$ 1,599,989	\$ 1,397,946	\$ 655,851	\$ 9,062,204	\$ 12,715,990
Cash paid to suppliers	(448,390)	(259,090)	(656,133)	(5,289,900)	(6,653,513)
Cash paid to employees	(423,864)	(396,563)		(1,286,191)	(2,106,618)
<b>Net cash provided by (used for) operating activities</b>	<u>727,735</u>	<u>742,293</u>	<u>(282)</u>	<u>2,486,113</u>	<u>3,955,859</u>
<b>Cash flows from noncapital financing activities:</b>					
Advances from other funds				25,000	25,000
<b>Net cash provided by noncapital financing sources</b>				<u>25,000</u>	<u>25,000</u>
<b>Cash flows from capital and related financing activities:</b>					
Purchase of capital assets	(932,022)	97,219		(2,936,902)	(3,771,705)
Principal payments on capital leases	(55,910)				(55,910)
Miscellaneous revenues (expenses)	(29)	51	28,467	186,320	214,809
<b>Net cash provided by (used for) capital and related financing activities</b>	<u>(987,961)</u>	<u>97,270</u>	<u>28,467</u>	<u>(2,750,582)</u>	<u>(3,612,806)</u>
<b>Cash flows from investing activities:</b>					
Interest on investments				9,092	9,092
<b>Net cash provided by investing activities</b>				<u>9,092</u>	<u>9,092</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(260,226)</u>	<u>839,563</u>	<u>28,185</u>	<u>(230,377)</u>	<u>377,145</u>
<b>Cash and cash equivalents, beginning of year</b>	<u>1,760,788</u>	<u>1,375,040</u>	<u>142,612</u>	<u>10,678,538</u>	<u>13,956,978</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 1,500,562</u>	<u>\$ 2,214,603</u>	<u>\$ 170,797</u>	<u>\$ 10,448,161</u>	<u>\$ 14,334,123</u>
<b><u>Reconciliation of Operating Income to Net Cash Provided By (Used For) Operating Activities:</u></b>					
Operating income	\$ 62,214	\$ 124,745	\$ 1,111	\$ 1,627,876	\$ 1,815,946
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:					
Depreciation	589,060	446,293		1,241,455	2,276,808
Changes in assets and liabilities:					
(Increase) Decrease in receivables	14,552	8,361	(1,950)	(31,249)	(10,286)
(Increase) Decrease in prepaid expenses				5,389	5,389
(Increase) Decrease in inventories				39,796	39,796
Increase (Decrease) in accounts payable	60,699	163,345	557	(430,808)	(206,207)
Increase (Decrease) in accrued payroll	11,434	7,850		27,350	46,634
Increase (Decrease) in compensated absences payable	(15,234)	(8,301)		(4,449)	(27,984)
Increase (Decrease) in deposits held for others	5,010			10,753	15,763
<b>Net cash provided by (used for) operating activities:</b>	<u>\$ 727,735</u>	<u>\$ 742,293</u>	<u>\$ (282)</u>	<u>\$ 2,486,113</u>	<u>\$ 3,955,859</u>

**CITY OF PAGE, ARIZONA  
STATEMENT OF FIDUCIARY FUND NET ASSETS  
JUNE 30, 2010**

	<u>Pension Trust</u>
<b><u>ASSETS</u></b>	
Cash and investments	\$ 347,497
<b>Total assets</b>	<u>347,497</u>
<b><u>NET ASSETS</u></b>	
Held in trust	<u>\$ 347,497</u>

**The notes to the financial statements are an integral part of this statement.**



**CITY OF PAGE, ARIZONA  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2010**

	<b>Pension Trust</b>
<b><u>Additions</u></b>	
Contributions	
Employer	\$ 2,228
Employee	4,502
	6,730
Total contributions	6,730
Fire pension revenue	11,039
Investment income	
Net appreciation (depreciation) in fair value of investments	25,012
Interest	47
	25,059
Net investment income	25,059
Total additions	42,828
<b><u>Deductions</u></b>	
Benefits	9,288
Total deductions	9,288
Net increase (decrease)	33,540
Net assets held in trust for pension benefits	
Beginning of year	313,957
End of year	\$ 347,497

**The notes to the financial statements are an integral part of this statement.**

**CITY OF PAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Page, Arizona (City) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the City's accounting policies are described below.

**A. Reporting Entity**

The City is a municipal entity governed by an elected Mayor and Council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the City, the primary government.

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The City is a primary government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, component units combined with the City for financial statement presentation purposes and the City are not included in any other governmental reporting entity. Consequently, the City's financial statements include only the funds of those organizational entities for which its elected governing body is financially accountable.

Blended Component Unit – Due to restrictions of the State statutes relating to the issuance of municipal debt, the City created a non-profit corporation to finance City services with revenue bonds. This corporation is organized to provide financing services solely for the benefit of the City for the costs of acquiring, constructing, reconstructing or improving buildings, equipment and other real and personal properties suitable for use by and for leasing to the City or its agencies or instrumentalities at no profit to the Corporation. The Corporation is governed by a board of directors which ultimately reports to the City Council. Although it is legally separate and distinguishable from the City, the Corporation is reported as if it is a part of the primary government because its sole purpose is to finance and construct public facilities for the City.

Complete financial statements for the component unit may be obtained at the City's administrative offices – P.O. Box 1180, Page, Arizona 86040.

**CITY OF PAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) present financial information about the City as a whole. The reported information includes all of the nonfiduciary activities of the City and its component unit. For the most part, the effect of internal activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. These statements are to distinguish between the governmental and business-type activities of the City. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, unrestricted state shared revenues, investment income and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

**Government-wide Financial Statements** - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met.

As a general rule, the effect of internal activity has been eliminated from the government-wide financial statements; however, the effect of interfund services provided and used between functions are reported as expenses and program revenues at amounts approximating their external exchange value.

**CITY OF PAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**Fund Financial Statements** - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service resources are provided during the current year for payment of long-term debt principal and interest due early in the following year (not to exceed one month) and therefore the expenditures and related liabilities have been recognized. Compensated absences are recorded only when payment is due.

Sales taxes, franchise taxes, licenses and permits, charges for services, special assessments and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Miscellaneous revenue is not susceptible to accrual because generally they are not measurable until received in cash. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. Deferred revenues also arise when resources are received by the City before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider.

Receivables that will not be collected within the available period have also been reported as deferred revenue on the governmental fund financial statements.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The fiduciary fund is reported by fund type.

The City reports the following major governmental funds.

General Fund - This fund is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in other funds.

HURF Fund - This fund accounts for the City's share of motor fuel tax revenues.

Land Sales Fund - This fund accounts for the sale of City-owned capital assets.

**CITY OF PAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

The City reports the following major proprietary funds.

Water Fund - This fund accounts for the City's water utility operations.

Sewer Fund - This fund accounts for the City's wastewater utility operations.

Sanitation Fund - This fund accounts for the City's refuse collection services.

Electric Fund - This fund accounts for the City's electric service and operations.

Additionally, the City reports the following fund types:

Fiduciary Fund - The Fiduciary Fund is a pension trust fund, which accounts for resources held by the City on behalf of others and includes the Volunteer Firefighters' Pension Fund. This fund accounts for monies held in trust for the members of the volunteer firefighters' pension plan.

Permanent Fund - The Permanent Fund accounts for resources held by the City for the perpetual care of cemetery lots and includes the Perpetual Care Fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

The Proprietary and Fiduciary fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Proprietary funds distinguish operating revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for water, wastewater, electric and sanitation services. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**D. Cash and Investments**

For purposes of the Statement of Cash Flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents at year end were cash on hand and cash and investments held by State Treasurer.

**CITY OF PAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

Nonparticipating interest-earning investment contracts are stated at cost. Money market investments and participating interest investment contracts with a remaining maturity of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value.

**E. Investment Income**

Investment income is composed of interest, dividends and net changes in the fair value of applicable investments. Investment income is included in revenue in the governmental fund financial statements and in nonoperating revenues in the proprietary fund financial statements.

**F. Receivables and Payables**

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

All trade receivables are shown net of an allowance for uncollectibles.

**G. Inventory**

Inventories are stated at average cost using the weighted average method. Inventories consist of expendable supplies held for consumption. Inventories are recorded as expenses when consumed in the government-wide and proprietary fund financial statements, and as expenditures when consumed in the governmental funds.

**H. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

**I. Capital Assets**

Capital assets, which include land, buildings, improvements other than buildings, vehicles, machinery, equipment, construction in progress, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

**CITY OF PAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	15-40
Buildings and improvements	7-40
Vehicles, machinery and equipment	5-15
Power, water and sewer systems	10-40
Golf course	7-40

**J. Compensated Absences**

The City's employee vacation and sick leave policies provide for granting vacation and sick leave with pay. Sick leave is paid out at termination on any accumulated hours over 320; however, they are capped at 720 hours. For Page Electric Utility, sick leave vests after 960 accumulated hours. Vacation vests after the six month probationary period has been successfully completed. The employee is compensated at their current rate of pay.

The current and long-term liabilities, including related benefits, for accumulated vacation and sick leave are reported on the government-wide financial statements and in the proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. Generally, resources from the General Fund are used to liquidate the governmental funds liabilities for compensated absences.

**K. Long-term Obligations**

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs and the difference between the reacquisition price and the net carrying amount of the old debt, are deferred and amortized over the life of the bonds using the straight-line method over the term of the related debt.

**CITY OF PAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concl'd)**

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**L. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for expenditures or are legally restricted by outside parties for use for a specific purpose.

**M. Interfund Activity**

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund statements are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds.

**N. Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Individual Deficit Fund Balance** – At year end, the following individual non-major governmental fund reported a deficit in fund balance.

	<u>Deficit</u>
Non-Major Governmental Fund	
Debt Service Fund	\$ 365,360

The deficit arose because of operations during the year. Additional revenues received in fiscal year 2010-11 are expected to eliminate the deficit.



**CITY OF PAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 3 - CASH AND INVESTMENTS**

A.R.S. authorize the City to invest public monies in the State Treasurer’s local government investment pools, obligations of the U.S. Government and its agencies, obligations of the State and certain local government subdivisions, interest-bearing savings accounts and certificates of deposit, collateralized repurchase agreements, certain obligations of U.S. corporations, and certain other securities. The statutes do not include any requirements for credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk for the City’s investments.

*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that in the event of bank failure the City’s deposits may not be returned to the City. The City does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the City’s deposits was \$4,726,446 and the bank balance was \$2,679,452. At year end, \$574,229 of the City’s deposits were covered by Federal depository insurance, \$2,105,223 were guaranteed under the transaction account guarantee component of the Temporary Liquidity Guarantee Program.

The State Treasurer’s pools are external investment pools, the Local Government Investment Pool (Pool 5) and Local Government Investment Pool-Government (Pool 7), with no regulatory oversight. The pools are not required to register (and are not registered) with the Securities and Exchange Commission. The fair value of each participant’s position in the State Treasurer investment pool approximates the value of the participant’s shares in the pool and the participants’ shares are not identified with specific investments.

At year end, the City’s investments consisted of the following.

Investment Type	Maturities	Fair Value
State Treasurer’s investment pool 5	21.9 days average	\$ 20,020,604
Total		<u>\$ 20,020,604</u>

*Interest Rate Risk.* The City has a formal investment policy that limits investment maturities within 18 months as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk.* Aside from State laws, the City has no investment policy that would further limit its investment choices. As of the fiscal year end, for investments in the State Treasurer’s investment Pool 5, 73% of the securities were rated AAA, A+, AGY or A1; all of the remaining securities were rated A- or better by Standard and Poor’s.

*Custodial Credit Risk – Investments.* The City’s investment in the State Treasurer’s investment pool represents a proportionate interest in the pool’s portfolio; however the City’s portion is not identified with specific investments and is not subject to custodial credit risk.

*Concentration of Credit Risk.* The City places no limit on the amount the City may invest in any one issuer.

**CITY OF PAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 4 – RECEIVABLES**

Receivable balances, net of allowance for uncollectibles, have been disaggregated by type and presented separately in the financial statements with the exception of due from governmental entities. Due from governmental entities, net of allowance for uncollectibles, as of year end for the City’s individual major funds and non-major governmental funds in the aggregate, are as follows.

	<u>General Fund</u>	<u>HURF Fund</u>	<u>Non-Major Governmental Funds</u>
Due from governmental entities:			
Due from Federal government	\$	\$	\$ 78,204
Due from State government	<u>645,187</u>	<u>72,711</u>	
Net due from governmental entities	<u>\$ 645,187</u>	<u>\$ 72,711</u>	<u>\$ 78,204</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows.

	<u>Unearned</u>
Governmental Funds:	
Miscellaneous (Land Sales Fund)	<u>\$ 499,400</u>
Total deferred revenue for governmental funds	<u>\$ 499,400</u>

**CITY OF PAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 5 - CAPITAL ASSETS**

A summary of capital asset activity for the current fiscal year follows.

<b>Governmental Activities</b>	Beginning Balance (as restated)	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 44,460,390	\$ 41,931	\$ 43,414	\$ 44,458,907
Construction in progress	<u>755,820</u>	<u>689,337</u>	<u>681,272</u>	<u>763,885</u>
Total capital assets, not being depreciated	<u>45,216,210</u>	<u>731,268</u>	<u>724,686</u>	<u>45,222,792</u>
Capital assets, being depreciated:				
Infrastructure	23,944,398	976,361		24,920,759
Buildings and improvements	16,590,622	139,701	70,000	16,660,323
Vehicles, machinery and equipment	<u>7,768,806</u>	<u>839,847</u>		<u>8,608,653</u>
Total capital assets being depreciated	<u>48,303,826</u>	<u>1,955,909</u>	<u>70,000</u>	<u>50,189,735</u>
Less accumulated depreciation for:				
Infrastructure	(4,361,551)	(1,057,023)		(5,418,574)
Buildings and improvements	(6,057,581)	(498,725)	(14,146)	(6,542,160)
Vehicles, machinery and equipment	<u>(3,890,830)</u>	<u>(891,436)</u>		<u>(4,782,266)</u>
Total accumulated depreciation	<u>(14,309,962)</u>	<u>(2,447,184)</u>	<u>(14,146)</u>	<u>(16,743,000)</u>
Total capital assets, being depreciated, net	<u>33,993,864</u>	<u>(491,275)</u>	<u>55,854</u>	<u>33,446,735</u>
Governmental activities capital assets, net	<u>\$ 79,210,074</u>	<u>\$ 239,993</u>	<u>\$ 780,540</u>	<u>\$ 78,669,527</u>

**CITY OF PAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 5 - CAPITAL ASSETS (Cont'd)**

<u>Business-Type Activities</u>	Beginning Balance (as restated)	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 133,245	\$	\$	\$ 133,245
Construction in progress	<u>527,108</u>	<u>2,131,868</u>	<u>2,319,600</u>	<u>339,376</u>
Total capital assets, not being depreciated	<u>660,353</u>	<u>2,131,868</u>	<u>2,319,600</u>	<u>472,621</u>
Capital assets, being depreciated:				
Buildings and improvements	4,795,563	2,279,745		7,075,308
Vehicles, machinery and equipment	4,975,154	222,259		5,197,413
Power distribution system	27,856,945	711,485		28,568,430
Water distribution system	14,329,362	694,876		15,024,238
Sewer distribution system	<u>13,159,992</u>	<u>51,072</u>		<u>13,211,064</u>
Total capital assets being depreciated	<u>65,117,016</u>	<u>3,959,437</u>		<u>69,076,453</u>
Less accumulated depreciation for:				
Buildings and improvements	(3,773,373)	(122,787)		(3,896,160)
Vehicles, machinery and equipment	(3,069,682)	(281,171)		(3,350,853)
Power distribution system	(12,874,643)	(1,108,819)		(13,983,462)
Water distribution system	(7,066,268)	(412,356)		(7,478,624)
Sewer distribution system	<u>(7,605,221)</u>	<u>(351,675)</u>		<u>(7,956,896)</u>
Total accumulated depreciation	<u>(34,389,187)</u>	<u>(2,276,808)</u>		<u>(36,665,995)</u>
 Total capital assets, being depreciated, net	 <u>30,727,829</u>	 <u>1,682,629</u>		 <u>32,410,458</u>
Business-type activities capital assets, net	<u>\$ 31,388,182</u>	<u>\$ 3,814,497</u>	<u>\$ 2,319,600</u>	<u>\$ 32,883,079</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 701,798
Public safety	444,340
Public works	951,317
Culture and recreation	313,200
Community support	<u>36,529</u>
Total depreciation expense	<u>\$ 2,447,184</u>
Business-type activities:	
Water	\$ 589,060
Sewer	446,293
Electric	<u>1,241,455</u>
Total depreciation expense	<u>\$ 2,276,808</u>

**CITY OF PAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 5 - CAPITAL ASSETS (Concl'd)**

**Construction Commitments** – At year end, the City had contractual commitments related to various capital projects for the construction of airport improvements and waterline replacement. At year end, the City had spent \$337,385 on the projects and had estimated remaining contractual commitments of \$47,571. These projects are being funded with Federal grants and local monies.

**NOTE 6 – OBLIGATIONS UNDER CAPITAL LEASES**

**Governmental Activities** – The City has acquired vehicles and equipment under the provisions of long-term lease agreements classified as capital leases. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. Revenues from the General Fund and HURF Fund, a non-major governmental fund, are used to pay the capital lease obligations.

The assets acquired through capital leases that meet the City’s capitalization threshold are as follows.

	Governmental Activities
Asset:	
Vehicles, furniture and equipment	\$ 1,081,757
Less: Accumulated depreciation	520,070
Total	\$ 561,687

The future minimum lease obligations and the net present value of these minimum lease payments as of year end were as follows.

	Governmental Activities
Year Ending June 30:	
2011	\$ 216,292
2012	196,787
2013	47,041
2014	6,166
Total minimum lease payments	466,286
Less: amount representing interest	34,504
Present value of minimum lease payments	\$ 431,782
Due within one year	\$ 195,275

**CITY OF PAGE, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010**

**NOTE 6 – OBLIGATIONS UNDER CAPITAL LEASES (Concl'd)**

**Business-Type Activities** – The City has acquired vehicles and equipment under the provisions of long-term lease agreements classified as capital leases. These agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. Revenues from the Water Fund are used to pay the capital lease obligations.

The assets acquired through capital leases that meet the City's capitalization threshold are as follows.

	Business-Type Activities
Asset:	
Vehicles, furniture and equipment	\$ 335,369
Less: Accumulated depreciation	77,928
Total minimum payments required	\$ 257,446

The future minimum lease obligations and the net present value of these minimum lease payments as of year end were as follows.

	Business-Type Activities
Year Ending June 30:	
2011	\$ 63,598
2012	63,598
2013	19,338
Total minimum lease payments	146,534
Less: amount representing interest	10,078
Present value of minimum lease payments	\$ 136,456
Due within one year	\$ 57,709

**CITY OF PAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 7 – BONDS PAYABLE**

Bonds payable at year end, consisted of municipal property corporation excise tax revenue refunding bonds and airport lease purchase financed with bonds. The bonds are both callable and noncallable with the interest payable semiannually. Revenues from the Debt Service Fund are used to pay the bonds. The City has pledged future excise taxes to repay a total of \$12,300,000 in outstanding excise tax revenue refunding bonds. For the fiscal year ended June 30, 2010, the net revenues available to service this debt were \$6.2 million. The debt interest paid on this debt in the fiscal year was \$593,488 (9% of available pledged revenues).

<u>Description</u>	<u>Original Amount Issued</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Outstanding Principal June 30, 2010</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Municipal Property Corporation:					
Excise Tax Revenue Refunding Bonds, Series 1999A	\$ 12,300,000	4.625-5.0%	7/1/12-19	\$ 12,300,000	\$
Airport Lease Purchase, Series 2004	2,710,000	2.249%	8/1/10-2/1/21	1,996,469	162,436
<b>Total</b>				<u>\$ 14,296,469</u>	<u>\$ 162,436</u>

Annual debt service requirements to maturity on governmental bonds payable at year end are summarized as follows.

Fiscal year ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 162,436	\$ 652,221	\$ 814,657
2012	170,200	642,616	812,816
2013	1,463,007	605,677	2,068,684
2014	1,525,861	534,900	2,060,761
2015	1,593,761	460,905	2,054,666
2016-20	9,184,009	1,095,504	10,279,513
2021-25	197,195	3,577	200,772
<b>Total</b>	<u>\$ 14,296,469</u>	<u>\$ 3,995,400</u>	<u>\$ 18,291,869</u>

**CITY OF PAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 8 - CHANGES IN LONG-TERM LIABILITIES**

Long-term liability activity for the current fiscal year was as follows.

	Beginning Balance (as restated)	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
General obligation bonds payable	\$ 14,433,802	\$	\$ 137,333	\$ 14,296,469	\$ 162,436
Note payable	5,391		5,391		
Obligations under capital leases	617,973	29,451	215,642	431,782	195,275
Compensated absences payable	697,084	650,590	578,792	768,882	334,414
Governmental activities long-term liabilities	<u>\$ 15,754,250</u>	<u>\$ 680,041</u>	<u>\$ 937,158</u>	<u>\$ 15,497,133</u>	<u>\$ 692,125</u>
	Beginning Balance (as restated)	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-type activities:</b>					
Obligations under capital leases	\$ 192,366	\$	\$ 55,910	\$ 136,456	\$ 57,709
Compensated absences payable	192,229	161,777	189,761	164,245	113,330
Business-type activities long-term liabilities	<u>\$ 384,595</u>	<u>\$ 161,777</u>	<u>\$ 245,671</u>	<u>\$ 300,701</u>	<u>\$ 171,039</u>



**CITY OF PAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 9 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

At year end, interfund balances were as follows.

**Due to/from other funds:**

	Due to		
Due from	General Fund	Electric Fund	Total
General Fund	\$	\$1,650,000	\$ 1,650,000
Non-Major Governmental Funds	68,616		68,616
Total	\$ 68,616	\$1,650,000	\$ 1,718,616

At year end, two funds had negative cash balances in the Treasurer’s pooled cash accounts. Negative cash on deposit with the State Treasurer was reduced by interfund borrowing with other funds. All interfund balances are expected to be paid within one year. The interfund balance in the General Fund of \$1,650,000 is a loan from the Electric Fund to the General Fund made in fiscal year 2000. The terms of repayment of the loan will be determined by the City Council and any amounts expected to be paid within one year have not been determined as of the date of the financial statements.

**Interfund transfers:**

Transfers out	Transfers in Non-Major Governmental Funds
Land Sales Fund	\$ 1,182,086
Total	\$ 1,182,086

Interfund transfers were made by the City during the fiscal year to ensure that sufficient resources were available to cover expenditures in the applicable funds.

**NOTE 10 - CONTINGENT LIABILITIES**

**Lawsuits** - The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City’s legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

**CITY OF PAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 11 – PRIOR PERIOD ADJUSTMENT**

The July 1, 2009, government-wide net assets and the fund balance of the General and Golf Funds do not agree to the prior year financial statements due to the City moving all activity of the Golf Fund to the General Fund.

	Statement of Activities		Governmental Funds	Proprietary Fund
	Governmental Activities	Business-type Activities	General Fund	Golf Fund
Net Assets/Fund balance, June 30, 2009, as previously reported	\$ 69,558,358	\$ 50,912,651	\$ 4,103,474	\$ 3,650,267
Move all activity of Golf Fund to the General Fund	3,650,267	(3,650,267)	(1,280,259)	(3,650,267)
Net Assets, July 1, 2009, as restated	\$ 73,208,625	\$ 47,262,384	\$ 2,823,215	\$

**NOTE 12 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for certain risks of loss including property and liability, as well as worker's compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The City employees have health and accident insurance coverage with the Rural Arizona Group Health Trust (RAGHT). RAGHT is a multi-entity benefits consortium formed in accordance with ARS 11-952 and ARS 11-952.01. RAGHT offers a partially self-funded medical benefit program, a fully self-funded dental benefit program, and full insured Life/AD&D and vision benefit programs. Administrative services are performed by independent agencies for the medical and dental programs. The medical coverage has a self-insured retention of \$150,000 per individual member. Claims above \$150,000 and up to \$2,000,000 are insured by a stop loss insurance carrier. For the fiscal year, RAGHT had no claims over its stop loss of \$150,000.

**CITY OF PAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 13 - RETIREMENT PLANS**

**Plan Descriptions** - The City contributes to the three plans as described below. Benefits are established by state statute and generally provide retirement, death, long-term disability, and health insurance premium benefits, including death and survivor benefits. The retirement benefits are generally paid at a percentage, based on years of service, of the retiree's average compensation. Long-term disability benefits vary by circumstance, but generally pay a percentage of the employee's monthly compensation. Health insurance premium benefits are generally paid as a flat dollar amount per month toward the retiree's health care insurance premiums, in amounts based on whether the benefit is for the retiree or for the retiree and his or her dependents.

The *Arizona State Retirement System* (ASRS) administers a cost-sharing multiple-employer defined benefit pension plan; a cost-sharing multiple-employer defined benefit healthcare plan; and a cost-sharing multiple-employer defined benefit long-term disability plan that covers employees of the State of Arizona and employees of participating political subdivisions and school districts. The ASRS (through its Retirement Fund) provides retirement (i.e., pensions), death, and survivor benefits; the Health Benefit Supplement Fund provides health insurance premium benefits (i.e., a monthly subsidy); and the Long-Term Disability Fund provides long-term disability benefits. Benefits are established by state statute. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

The *Public Safety Personnel Retirement System* (PSPRS) administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium plan that covers public safety personnel who are regularly assigned hazardous duty as employees of the State of Arizona or participating political subdivisions. The PSPRS, acting as a common investment and administrative agent, is governed by a five-member board, known as The Fund Manager, and the participating local boards according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

Each plan issues a publicly available financial report that includes its financial statements and required supplementary information. A report may be obtained by writing or calling the applicable plan.

**ASRS**

3300 North Central Avenue  
P.O. Box 33910  
Phoenix, Arizona 85067-3910  
(602) 240-2000 or (800) 621-3778

**PSPRS**

3010 East Camelback Road, Suite 200  
Phoenix, Arizona 85016-4416  
(602) 255-5575

**Funding policy** - The Arizona State Legislature establishes and may amend active plan members' and the City's contribution rates for plans of the ASRS and PSPRS.

**CITY OF PAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 13 - RETIREMENT PLANS (Cont'd)**

*Cost-sharing plans* – For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 9.40 percent (9.00 percent for retirement and 0.4 percent for long-term disability) of the members’ annual covered payroll and the City was required by statute to contribute at the actuarially determined rate of 9.40 percent (8.34 percent for retirement, 0.66 percent for health insurance premium, and 0.4 percent for long-term disability) of the members’ annual covered payroll.

The City’s contributions for the current and two preceding years, all of which were equal to the required contributions, were as follows:

Year ended June 30,	<u>Retirement Fund</u>	<u>Health Benefit Supplement Fund</u>	<u>Long-Term Disability Fund</u>
2010	\$ 354,171	\$ 28,028	\$ 16,987
2009	379,955	45,652	23,777
2008	374,589	48,859	23,266

*Agent plans* – For the current fiscal year, active PSPRS police members were required by statute to contribute 7.65 percent of the members’ annual covered payroll and the City was required to contribute 12.18 percent, the aggregate of which is the actuarially required amount. The health insurance premium portion of the contribution rate was actuarially set at 0.94 percent of covered payroll. Active PSPRS fire members were required by statute to contribute 7.65 percent of the members’ annual covered payroll and the City was required to contribute 10.21 percent, the aggregate of which is the actuarially required amount. The health insurance premium portion of the contribution rate was actuarially set at 0.40 percent of covered payroll.

*Actuarial methods and assumptions* – The contribution requirements for the year ended June 30, 2010 were established by the June 30, 2008 actuarial valuations, and those actuarial valuations were based on the following actuarial methods and assumptions.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plans and the annual required contributions are subject to continual revision as actual results are compared to past expectations and new estimates are made. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of the plans’ assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**CITY OF PAGE, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010**

**NOTE 13 - RETIREMENT PLANS (Cont'd)**

Projections of benefits are based on 1) the plans as understood by the City and plans' members and include the types of benefits in force at the valuation date, and 2) the pattern of sharing benefit costs between the City and plans' members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The significant actuarial methods and assumptions used for the PSPRS plan and related benefits (unless noted), and the actuarial assumptions used to establish the fiscal year 2010 contribution requirements, are as follows:

Actuarial valuation date	June 30, 2008
Actuarial cost method	Projected unit credit
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization method	28 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	Smoothed market value
Actuarial assumptions:	
Investment rate of return	8.50%
Projected salary increases	5.50 – 8.50%
Inflation rate	5.50%

**Annual Pension/OPEB Cost** – The City's pension/OPEB cost for the agent plans for the year ended June 30, 2010, and related information follows:

	PSPRS – Police		PSPRS - Fire	
	Pension	Health Insurance	Pension	Health Insurance
Annual pension/ OPEB cost	\$ 172,590	\$ 13,450	\$ 108,294	\$ 4,726
Contributions made	162,783		86,682	1,800

**CITY OF PAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 13 – RETIREMENT PLANS (Cont'd)**

**Trend Information** – Annual pension cost information for the current and two preceding years follows for each of the agent plans.

Plan	Year Ended June 30	Annual Pension/ OPEB Cost	Percentage of Annual Cost Contributed	Net Pension/ OPEB Obligation
<b>PSPRS – Police</b>				
Pension	2010	\$ 172,590	94.3 %	\$ 9,807
	2009	162,202	97.8	3,589
	2008	110,240	92.1	8,705
Health Insurance	2010	13,450		13,450
	2009	10,537	97.8	233
	2008	7,162	92.1	566
<b>PSPRS – Fire</b>				
Pension	2010	108,294	80.0	21,612
	2009	106,226	98.3	1,769
	2008	97,985	98.8	1,201
Health Insurance	2010	5,790	31.1	3,990
	2009	4,311	98.3	72
	2008	3,976	98.8	48

**Funded Status** – The funded status of the PSPRS plan as of the most recent valuation date, June 30, 2009, along with the actuarial assumptions and methods used in those valuations follow. For this valuation, which was prior to the implementation of GASB Statement Nos. 43 and 45, the pension and health insurance benefit amounts were aggregated. In future years when GASB Statement Nos. 43 and 45 measurements are made and reported, these benefits will be disaggregated and reported separately.

**Public Safety Personnel Retirement System – Police**

Actuarial Valuation Date June 30,	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (b)	Funding (Liability) Excess (a-b)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded Liability as Percentage of covered Payroll ([a-b]/c)
2009	\$ 3,328,881	\$ 4,250,786	\$ (921,905)	78.3 %	\$ 1,285,571	71.7 %
2008	3,020,196	3,730,761	(710,565)	81.0	1,226,424	57.9
2007	2,939,614	3,952,404	(1,012,790)	74.4	1,427,645	70.9

**CITY OF PAGE, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010**

**NOTE 13 – RETIREMENT PLANS (Concl'd)**

**Public Safety Personnel Retirement System – Fire**

Actuarial Valuation Date June 30,	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (b)	Funding (Liability) Excess (a-b)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded Liability as Percentage of covered Payroll ([a-b]/c)
2009	\$ 767,851	\$ 1,104,997	\$ (337,146)	69.5%	\$ 896,862	37.6%
2008	636,020	940,464	(304,444)	67.6	859,242	35.4
2007	505,498	895,376	(389,878)	56.5	689,047	56.6

**Firefighter’s Relief and Pension Fund** – This fund is a single-employer defined pension plan which covers all paid reserve firefighters of the City of Page, Arizona’s Fire Department (the “Employer”) who have completed one year of service. The Fund is a mandatory savings fund.

The Fund is comprised of employees’ mandatory 7% pre-tax salary reductions. Pursuant to the State Statute, the employer makes a contribution in an amount of 7 percent of gross wages of the employee plus the paid reserve firefighter’s share of the premium tax remitted to the City by the State of Arizona.

The employer’s total current year payroll for all reserve fire personnel was \$38,054. Contributions required and made by the employer during 2010 totaled \$2,228, representing 6 percent of the employer’s current year covered payroll.

For each participant, accounts are maintained to record all allocations made for the employee’s contribution, and any forfeited employer contributions. The benefit to which a participant is entitled is the total benefit which can be provided from the combined amount of the participant accounts. Employee contributions to the plan are 100 percent vested and nonforfeitable at all times. Distribution of fund assets occurs upon participant termination from the employer, disablement, retirement or death. Currently, fund participants include four non-vested employees, five partially-vested employees, and 14 fully-vested employees.

The plan is administered by an Advisory Committee appointed by the Employer. The Advisory Committee has hired an investment manager to oversee the investing activities of the fund. Expenses incident to the operation of the fund may be paid by the fund or directly by the employer.

The Firefighters’ Relief and Pension Fund held no securities of the City or other related parties during the fiscal years or as of the close of the fiscal year.

**CITY OF PAGE, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**NOTE 14 - LANDFILL POST CLOSURE CARE COSTS**

The City leased a landfill site from the Bureau of Reclamation in prior years. State and Federal laws and regulators required the City to place a final cover on the landfill site when it stopped accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The City closed the landfill in the year 2000 and thus, all closure costs have been paid in previous years. Post-closure care costs will continue to be paid in future years. The City does not report a portion of these post-closure care costs as an operation expense in each period based on landfill capacity used as of each balance sheet date, since only that portion of the liability that “would normally be liquidated with the expendable available resources” would be reported as an expenditure in the General Fund. The landfill post-closure care liability at year end is \$642,222 which represents the cumulative amount of post-closure costs to date based on the use of the estimated capacity of the landfill. One hundred percent of the landfill capacity has been used by June 30, 2010. The remaining estimated cost of post-closure care is \$642,222. This amount is based on an estimated annual post-closure cost estimate of \$31,426 multiplied by an annual inflation factor and the number of years remaining or 20. The figure is based on what it would cost to perform all post-closure care in 2010. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The City has utilized a local government guarantee rather than establishing a trust fund or other financial mechanism to demonstrate financial responsibility for post-closure costs.



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**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES - BUDGET AND ACTUAL  
(Required Supplementary Information)**

**CITY OF PAGE, ARIZONA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL**  
**YEAR ENDED JUNE 30, 2010**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original & Final	Actual	
<b>Revenues:</b>			
Taxes	\$ 5,800,000	\$ 6,246,647	\$ 446,647
Intergovernmental	2,037,726	2,077,479	39,753
Fines and forfeitures	318,000	249,338	(68,662)
Licenses and permits	381,500	339,228	(42,272)
Charges for services	1,015,500	1,232,249	216,749
Investment income	205,000	15,273	(189,727)
Miscellaneous	25,000	171,222	146,222
<b>Total revenues</b>	<u>9,782,726</u>	<u>10,331,436</u>	<u>548,710</u>
<b>Expenditures:</b>			
Current -			
General government	3,335,125	2,799,265	535,860
Public safety	4,597,073	4,691,379	(94,306)
Judicial	366,157	327,582	38,575
Public works	1,496,175	1,289,564	206,611
Culture and recreation	1,696,410	1,509,629	186,781
Community support	637,376	521,775	115,601
Capital outlay	752,890	518,305	234,585
Debt service -			
Principal retirement	109,705	189,970	(80,265)
Interest and fiscal charges	7,363	25,392	(18,029)
<b>Total expenditures</b>	<u>12,998,274</u>	<u>11,872,861</u>	<u>1,125,413</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(3,215,548)</u>	<u>(1,541,425)</u>	<u>1,674,123</u>
<b>Other financing sources (uses):</b>			
Capital lease agreements		29,451	29,451
<b>Total other financing sources (uses)</b>		<u>29,451</u>	<u>29,451</u>
<b>Change in fund balances</b>	<u>(3,215,548)</u>	<u>(1,511,974)</u>	<u>1,703,574</u>
<b>Fund balances, July 1, 2009, as restated</b>		2,823,215	2,823,215
<b>Fund balances (deficits), June 30, 2010</b>	<u>\$ (3,215,548)</u>	<u>\$ 1,311,241</u>	<u>\$ 4,526,789</u>

See accompanying notes to this schedule.

**CITY OF PAGE, ARIZONA  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HURF  
YEAR ENDED JUNE 30, 2010**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original & Final	Actual	
<b>Revenues:</b>			
Intergovernmental	\$ 833,166	\$ 883,591	\$ 50,425
Investment income	60,000	3,748	(56,252)
Miscellaneous	365,300	1,312	(363,988)
<b>Total revenues</b>	<u>1,258,466</u>	<u>888,651</u>	<u>(369,815)</u>
<b>Expenditures:</b>			
Current -			
Public works	948,287	387,758	560,529
Capital outlay	2,078,326	849,834	1,228,492
Debt service -			
Principal retirement	75,967	31,063	44,904
Interest and fiscal charges	10,719	4,383	6,336
<b>Total expenditures</b>	<u>3,113,299</u>	<u>1,273,038</u>	<u>1,840,261</u>
<b>Change in fund balances</b>	<u>(1,854,833)</u>	<u>(384,387)</u>	<u>1,470,446</u>
<b>Fund balances, July 1, 2009</b>		2,320,580	2,320,580
<b>Fund balances (deficits), June 30, 2010</b>	<u>\$ (1,854,833)</u>	<u>\$ 1,936,193</u>	<u>\$ 3,791,026</u>

See accompanying notes to this schedule.

**CITY OF PAGE, ARIZONA**  
**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2010**

**NOTE 1 - BUDGETARY BASIS OF ACCOUNTING**

The adopted budget of the City is prepared on a basis of accounting consistent with accounting principles generally accepted in the United States of America.

**COMBINING AND INDIVIDUAL  
FUND FINANCIAL STATEMENTS  
AND SCHEDULES**

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**OTHER MAJOR GOVERNMENTAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL**



**CITY OF PAGE, ARIZONA  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - LAND SALES  
YEAR ENDED JUNE 30, 2010**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original & Final	Actual	
<b>Other financing sources (uses):</b>			
Land sales	\$ 1,500,000	\$ 1,065,800	\$ (434,200)
Transfers out	(1,160,420)	(1,182,086)	(21,666)
<b>Total other financing sources (uses)</b>	<u>339,580</u>	<u>(116,286)</u>	<u>(455,866)</u>
<b>Change in fund balances</b>	<u>339,580</u>	<u>(116,286)</u>	<u>(455,866)</u>
<b>Fund balances, July 1, 2009</b>		3,625,492	3,625,492
<b>Fund balances, June 30, 2010</b>	<u>\$ 339,580</u>	<u>\$ 3,509,206</u>	<u>\$ 3,169,626</u>

**NON-MAJOR GOVERNMENTAL FUNDS**

**CITY OF PAGE, ARIZONA**  
**COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**JUNE 30, 2010**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Perpetual Care</u>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 1,162,995	\$	\$ 169,249	\$ 262,087
Accounts receivable	32,889			5,715
Due from governmental entities			78,204	
<b>Total assets</b>	<u>\$ 1,195,884</u>	<u>\$</u>	<u>\$ 247,453</u>	<u>\$ 267,802</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$ 53,499	\$	\$ 96,370	\$ 913
Due to other funds		68,616		
Accrued payroll and employee benefits	3,824			
Bond interest payable		296,744		
<b>Total liabilities</b>	<u>57,323</u>	<u>365,360</u>	<u>96,370</u>	<u>913</u>
Fund balances:				
Reserved for perpetual care				266,889
Unreserved:				
Undesignated	1,138,561	(365,360)	151,083	
<b>Total fund balances</b>	<u>1,138,561</u>	<u>(365,360)</u>	<u>151,083</u>	<u>266,889</u>
<b>Total liabilities and fund balances</b>	<u>\$ 1,195,884</u>	<u>\$</u>	<u>\$ 247,453</u>	<u>\$ 267,802</u>

Total  
Non-Major  
Governmental  
Funds

---

\$ 1,594,331  
38,604  
78,204  

---

\$ 1,711,139

\$ 150,782  
68,616  
3,824  

---

296,744  

---

519,966

266,889

924,284  

---

1,191,173

---

\$ 1,711,139

**CITY OF PAGE, ARIZONA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**YEAR ENDED JUNE 30, 2010**

	Special Revenue	Debt Service	Capital Projects
<b>Revenues:</b>			
Intergovernmental	\$ 370,632	\$	\$ 355,618
Charges for services	15,936		
Rents and royalties	392,937		
Miscellaneous	22,454		1
<b>Total revenues</b>	801,959		355,619
<b>Expenditures:</b>			
Current -			
Public works	224,298		
Community support	728,867		
Capital outlay	47,445		368,301
Debt service -			
Principal retirement		137,333	
Interest and fiscal charges		655,114	
<b>Total expenditures</b>	1,000,610	792,447	368,301
<b>Excess (deficiency) of revenues over expenditures</b>	(198,651)	(792,447)	(12,682)
<b>Other financing sources (uses):</b>			
Transfers in	306,625	752,596	122,865
<b>Total other financing sources (uses)</b>	306,625	752,596	122,865
<b>Change in fund balances</b>	107,974	(39,851)	110,183
<b>Fund balances (deficits), beginning of year</b>	1,030,587	(325,509)	40,900
<b>Fund balances (deficits), end of year</b>	\$ 1,138,561	\$ (365,360)	\$ 151,083

<u>Perpetual Care</u>	<u>Total Non-Major Governmental Funds</u>
\$	\$
36,955	726,250
	52,891
	392,937
	22,455
<u>36,955</u>	<u>1,194,533</u>
	224,298
7,602	736,469
	415,746
	137,333
	655,114
<u>7,602</u>	<u>2,168,960</u>
<u>29,353</u>	<u>(974,427)</u>
	1,182,086
	1,182,086
<u>29,353</u>	<u>207,659</u>
237,536	983,514
<u>\$ 266,889</u>	<u>\$ 1,191,173</u>

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## NON-MAJOR SPECIAL REVENUE FUNDS

Special Revenue funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes (other than major capital projects). The funds are usually required by statute, ordinance, or federal grant regulation to finance specified activities of the City. The City maintains the following non-major Special Revenue funds.

**Substance Abuse Fund** – accounts for the activity associated with the City’s Substance Abuse grant.

**Miscellaneous Grants** – accounts for the activity associated with grants received by the City.

**Airport Fund** – accounts for the activity associated with the municipal airport.



**CITY OF PAGE, ARIZONA**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2010**

	<u>Substance Abuse</u>	<u>Miscellaneous Grants</u>	<u>Airport</u>	<u>Totals</u>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 59,595	\$ 152,892	\$ 950,508	\$ 1,162,995
Accounts receivable		22,058	10,831	32,889
<b>Total assets</b>	<u>\$ 59,595</u>	<u>\$ 174,950</u>	<u>\$ 961,339</u>	<u>\$ 1,195,884</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$	\$ 29,997	\$ 23,502	\$ 53,499
Accrued payroll and employee benefits		533	3,291	3,824
<b>Total liabilities</b>		<u>30,530</u>	<u>26,793</u>	<u>57,323</u>
Fund balances:				
Unreserved:				
Undesignated	59,595	144,420	934,546	1,138,561
<b>Total fund balances</b>	<u>59,595</u>	<u>144,420</u>	<u>934,546</u>	<u>1,138,561</u>
<b>Total liabilities and fund balances</b>	<u>\$ 59,595</u>	<u>\$ 174,950</u>	<u>\$ 961,339</u>	<u>\$ 1,195,884</u>

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**CITY OF PAGE, ARIZONA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2010**

	<u>Substance Abuse</u>	<u>Miscellaneous Grants</u>	<u>Tourism and Promotion</u>
<b>Revenues:</b>			
Intergovernmental	\$ 7,036	\$ 363,596	\$
Charges for services			
Rents and royalties			
Miscellaneous		16,422	
<b>Total revenues</b>	<u>7,036</u>	<u>380,018</u>	<u></u>
<b>Expenditures:</b>			
Current -			
Public works			
Community support		428,867	300,000
Capital outlay			
<b>Total expenditures</b>		<u>428,867</u>	<u>300,000</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>7,036</u>	<u>(48,849)</u>	<u>(300,000)</u>
<b>Other financing sources (uses):</b>			
Transfers in		6,625	300,000
<b>Total other financing sources (uses)</b>		<u>6,625</u>	<u>300,000</u>
<b>Change in fund balances</b>	<u>7,036</u>	<u>(42,224)</u>	<u></u>
<b>Fund balances, beginning of year</b>	52,559	186,644	
<b>Fund balances, end of year</b>	<u>\$ 59,595</u>	<u>\$ 144,420</u>	<u>\$</u>

<u>Airport</u>	<u>Totals</u>
\$	\$
	370,632
15,936	15,936
392,937	392,937
6,032	22,454
<u>414,905</u>	<u>801,959</u>
224,298	224,298
	728,867
47,445	47,445
<u>271,743</u>	<u>1,000,610</u>
<u>143,162</u>	<u>(198,651)</u>
	306,625
	<u>306,625</u>
<u>143,162</u>	<u>107,974</u>
791,384	1,030,587
<u>\$ 934,546</u>	<u>\$ 1,138,561</u>

**CITY OF PAGE, ARIZONA**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2010**

	Substance Abuse		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 3,000	\$ 7,036	\$ 4,036
Charges for services			
Rents and royalties			
Miscellaneous			
<b>Total revenues</b>	<u>3,000</u>	<u>7,036</u>	<u>4,036</u>
<b>Expenditures:</b>			
Current -			
Public works			
Community support	3,000		3,000
Capital outlay			
<b>Total expenditures</b>	<u>3,000</u>		<u>3,000</u>
<b>Excess (deficiency) of revenues over expenditures</b>		<u>7,036</u>	<u>7,036</u>
<b>Other financing sources (uses):</b>			
Transfers in			
<b>Total other financing sources (uses)</b>			
<b>Change in fund balances</b>		<u>7,036</u>	<u>7,036</u>
<b>Fund balances, July 1, 2009</b>		52,559	52,559
<b>Fund balances (deficits), June 30, 2010</b>	<u>\$</u>	<u>\$ 59,595</u>	<u>\$ 59,595</u>

Miscellaneous Grants		
Budget	Actual	Variance - Positive (Negative)
\$ 3,539,430	\$ 363,596	\$ (3,175,834)
40,800	16,422	(24,378)
3,580,230	380,018	(3,200,212)
3,059,777	428,867	2,630,910
3,059,777	428,867	2,630,910
520,453	(48,849)	(569,302)
6,625	6,625	
6,625	6,625	
527,078	(42,224)	(569,302)
	186,644	186,644
\$ 527,078	\$ 144,420	\$ (382,658)

Tourism and Promotion		
Budget	Actual	Variance - Positive (Negative)
\$	\$	\$
300,000	300,000	
300,000	300,000	
(300,000)	(300,000)	
278,334	300,000	21,666
278,334	300,000	21,666
(21,666)		21,666
\$ (21,666)	\$	\$ 21,666

(Continued)

**CITY OF PAGE, ARIZONA**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2010**  
**(Concluded)**

	Airport		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$	\$	\$
Charges for services	32,500	15,936	(16,564)
Rents and royalties	376,900	392,937	16,037
Miscellaneous	3,050	6,032	2,982
<b>Total revenues</b>	412,450	414,905	2,455
<b>Expenditures:</b>			
Current -			
Public works	306,154	224,298	81,856
Community support			
Capital outlay		47,445	(47,445)
<b>Total expenditures</b>	306,154	271,743	34,411
<b>Excess (deficiency) of revenues over expenditures</b>	106,296	143,162	36,866
<b>Other financing sources (uses):</b>			
Transfers in			
<b>Total other financing sources (uses)</b>			
<b>Change in fund balances</b>	106,296	143,162	36,866
<b>Fund balances, July 1, 2009</b>		791,384	791,384
<b>Fund balances (deficits), June 30, 2010</b>	\$ 106,296	\$ 934,546	\$ 828,250

Totals		
Budget	Actual	Variance - Positive (Negative)
\$ 3,542,430	\$ 370,632	\$ (3,171,798)
32,500	15,936	(16,564)
376,900	392,937	16,037
43,850	22,454	(21,396)
<u>3,995,680</u>	<u>801,959</u>	<u>(3,193,721)</u>
306,154	224,298	81,856
3,362,777	728,867	2,633,910
	47,445	(47,445)
<u>3,668,931</u>	<u>1,000,610</u>	<u>2,668,321</u>
<u>326,749</u>	<u>(198,651)</u>	<u>(525,400)</u>
<u>284,959</u>	<u>306,625</u>	<u>21,666</u>
<u>284,959</u>	<u>306,625</u>	<u>21,666</u>
<u>611,708</u>	<u>107,974</u>	<u>(503,734)</u>
	1,030,587	1,030,587
<u>\$ 611,708</u>	<u>\$ 1,138,561</u>	<u>\$ 526,853</u>



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## **NON-MAJOR DEBT SERVICE FUND**

**Debt Service Fund** – accounts for the City’s general obligation bond debt service paid from excise tax revenues.

**CITY OF PAGE, ARIZONA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR DEBT SERVICE FUND**  
**YEAR ENDED JUNE 30, 2010**

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
<b>Expenditures:</b>			
Debt service -			
Principal retirement	\$	\$ 137,333	\$ (137,333)
Interest and fiscal charges	838,500	655,114	183,386
<b>Total expenditures</b>	<u>838,500</u>	<u>792,447</u>	<u>46,053</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(838,500)</u>	<u>(792,447)</u>	<u>46,053</u>
<b>Other financing sources (uses):</b>			
Transfers in	752,596	752,596	
<b>Total other financing sources (uses)</b>	<u>752,596</u>	<u>752,596</u>	
<b>Change in fund balances</b>	<u>(85,904)</u>	<u>(39,851)</u>	<u>46,053</u>
<b>Fund balances (deficits), July 1, 2009</b>		(325,509)	(325,509)
<b>Fund balances (deficits), June 30, 2010</b>	<u>\$ (85,904)</u>	<u>\$ (365,360)</u>	<u>\$ (279,456)</u>

## **NON-MAJOR CAPITAL PROJECTS FUND**

Capital projects funds are used to account for the resources expended in the acquisition of major capital projects, except those financed by the Enterprise Funds. Capital projects funds also include projects funded by special improvement districts. The City maintains the following non-major Capital Projects fund.

**Capital Projects Fund** – accounts for projects funded from local sources.

**CITY OF PAGE, ARIZONA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CAPITAL PROJECTS**  
**YEAR ENDED JUNE 30, 2010**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original & Final	Actual	
<b>Revenues:</b>			
Intergovernmental	\$ 2,678,304	\$ 355,618	\$ (2,322,686)
Miscellaneous		1	1
<b>Total revenues</b>	<u>2,678,304</u>	<u>355,619</u>	<u>(2,322,685)</u>
<b>Expenditures:</b>			
Capital outlay	<u>2,678,304</u>	<u>368,301</u>	<u>2,310,003</u>
<b>Total expenditures</b>	<u>2,678,304</u>	<u>368,301</u>	<u>2,310,003</u>
<b>Excess (deficiency) of revenues over expenditures</b>		<u>(12,682)</u>	<u>(12,682)</u>
<b>Other financing sources (uses):</b>			
Transfers in	<u>122,865</u>	<u>122,865</u>	
<b>Total other financing sources (uses)</b>	<u>122,865</u>	<u>122,865</u>	
<b>Change in fund balances</b>	<u>122,865</u>	<u>110,183</u>	<u>(12,682)</u>
<b>Fund balances, July 1, 2009</b>		40,900	40,900
<b>Fund balances, June 30, 2010</b>	<u>\$ 122,865</u>	<u>\$ 151,083</u>	<u>\$ 28,218</u>

## STATISTICAL SECTION

The statistical section presents financial statement trends as well as detailed financial and operational information not available elsewhere in the report. The statistical section is intended to enhance the reader's understanding of the information presented in the financial statements, notes to the financial statements, and other supplementary information presented in this report. The statistical section is comprised of the five categories of statistical information presented below.

### **Financial Trends**

These schedules contain information on financial trends to help the reader understand how the City's financial position and financial activities have changed over time.

### **Revenue Capacity**

These schedules contain information to help the reader assess the factors affecting the City's ability to generate revenue.

### **Debt Capacity**

These schedules present information to help the reader evaluate the City's current levels of outstanding debt as well as assess the City's ability to make debt payments and/or issue additional debt in the future.

### **Demographic and Economic Information**

These schedules present various demographic and economic indicators to help the reader understand the environment in which the City's financial activities take place and to help make comparisons with other Cities.

### **Operating Information**

These schedules contain information about the City's operations and various resources to help the reader draw conclusions as to how the City's financial information relates to the services provided by the City.

Due to cost considerations for the accumulation of data, the City has elected to present less than ten years of data, or data from less than nine years prior, for certain statistical schedules. This information will be accumulated and reported each year until the complete ten years of data is presented.

**CITY OF PAGE, ARIZONA  
NET ASSETS BY COMPONENT  
LAST SEVEN FISCAL YEARS  
(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2010</u></b>	<b>(As restated) <u>2009</u></b>	<b>(As restated) <u>2008</u></b>	<b>(As restated) <u>2007</u></b>	<b><u>2006</u></b>
<b>Governmental activities:</b>					
Invested in capital assets, net of related debt	\$ 63,941,276	\$ 64,158,299	\$ 57,156,213	\$ 53,990,134	\$ 4,331,413
Restricted	6,362,771	7,274,508	8,783,796	11,642,059	4,789,843
Unrestricted	816,160	1,775,818	2,567,251	467,508	8,185,890
Total governmental activities net assets	<u>\$ 71,120,207</u>	<u>\$ 73,208,625</u>	<u>\$ 68,507,260</u>	<u>\$ 66,099,701</u>	<u>\$ 17,307,146</u>
<b>Business-type activities:</b>					
Invested in capital assets, net of related debt	\$ 32,746,623	\$ 31,195,816	\$ 33,655,654	\$ 34,929,519	\$ 33,127,443
Unrestricted	16,555,666	16,066,568	17,123,338	16,072,488	13,433,715
Total business-type activities net assets	<u>\$ 49,302,289</u>	<u>\$ 47,262,384</u>	<u>\$ 50,778,992</u>	<u>\$ 51,002,007</u>	<u>\$ 46,561,158</u>
<b>Primary government</b>					
Invested in capital assets, net of related debt	\$ 96,687,899	\$ 95,354,115	\$ 90,811,867	\$ 88,919,653	\$ 37,458,856
Restricted	6,362,771	7,274,508	8,783,796	11,642,059	4,789,843
Unrestricted	17,371,826	17,842,386	19,690,589	16,539,996	21,619,605
Total net assets	<u>\$ 120,422,496</u>	<u>\$ 120,471,009</u>	<u>\$ 119,286,252</u>	<u>\$ 117,101,708</u>	<u>\$ 63,868,304</u>

(Continued)

**CITY OF PAGE, ARIZONA  
NET ASSETS BY COMPONENT  
LAST SEVEN FISCAL YEARS  
(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>	
	<b>2005</b>	<b>2004</b>
<b>Governmental activities:</b>		
Invested in capital assets, net of related debt	\$ 2,676,551	\$ (2,063,503)
Restricted	5,052,678	6,193,876
Unrestricted	3,226,104	1,169,496
Total net assets	\$ 10,955,333	\$ 5,299,869
<b>Business-type activities:</b>		
Invested in capital assets, net of related debt	\$ 33,101,981	\$ 34,480,390
Unrestricted	13,357,908	14,683,464
Total net assets	\$ 46,459,889	\$ 49,163,854
<b>Primary government</b>		
Invested in capital assets, net of related debt	\$ 35,778,532	\$ 32,416,887
Restricted	5,052,678	6,193,876
Unrestricted	16,584,012	15,852,960
Total net assets	\$ 57,415,222	\$ 54,463,723

**Source:** The source of this information is the City's financial records.

**Note:** The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34 were adopted in fiscal year 2003-04 therefore only seven years are shown.

**(Concluded)**



**CITY OF PAGE, ARIZONA**  
**EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE**  
**LAST SEVEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b>(As restated)</b>				
	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>
<b>Expenses</b>					
Governmental activities:					
General government	\$ 2,393,812	\$ 1,769,799	\$ 2,678,476	\$ 3,910,499	\$ 2,133,649
Public safety	5,151,308	5,150,544	4,899,005	4,063,285	2,913,477
Judicial	324,255	297,986	270,890	231,207	210,225
Public works	2,820,598	2,668,319	2,479,358	1,741,645	1,679,145
Culture and recreation	1,853,122	955,919	934,386	802,569	770,277
Community Support	1,275,054	1,046,935	2,143,673	939,608	894,432
Interest on long-term debt	684,889	740,696	793,492	854,302	1,048,232
Total governmental activities	<u>14,503,038</u>	<u>12,630,198</u>	<u>14,199,280</u>	<u>12,543,115</u>	<u>9,649,437</u>
Business-type activities:					
Water	1,518,213	1,705,665	1,490,548	2,297,582	2,768,059
Sewer	1,264,840	1,248,754	1,155,973		
Electric	7,454,824	8,125,091	9,669,296	10,707,320	8,228,579
Sanitation	656,690	650,679	618,380	561,077	584,390
Golf		747,732	895,285	754,841	337,243
Total business-type activities	<u>10,894,567</u>	<u>12,477,921</u>	<u>13,829,482</u>	<u>14,320,820</u>	<u>11,918,271</u>
Total expenses	<u>25,397,605</u>	<u>25,108,119</u>	<u>28,028,762</u>	<u>26,863,935</u>	<u>21,567,708</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services					
General government	136,644	298,141	151,465	193,369	114,581
Public safety	853,783	587,706	411,626	535,781	414,469
Judicial	235,153	304,979	304,439	292,725	202,528
Public works	653,235	407,572	527,778	185,784	187,674
Culture and recreation	350,873	120,762	116,433	361,690	329,899
Community support	36,955	30,554	23,355	77,623	80,699
Operating grants and contributions	507,960	625,466	1,247,712	216,323	242,073
Capital grants and contributions	355,618	714,132	1,435,306	4,868,742	2,474,669
Total governmental activities	<u>3,130,221</u>	<u>3,089,312</u>	<u>4,218,114</u>	<u>6,732,037</u>	<u>4,046,592</u>
Business-type activities:					
Charges for services					
Water	1,580,427	1,610,704	1,622,927	2,699,566	2,768,059
Sewer	1,389,585	1,155,636	1,157,021		
Electric	9,082,700	8,972,826	9,715,945	9,587,909	8,228,579
Sanitation	657,801	640,769	610,124	612,745	584,390
Golf		306,188	290,805	349,384	337,243
Total business-type activities	<u>12,710,513</u>	<u>12,686,123</u>	<u>13,396,822</u>	<u>13,249,604</u>	<u>11,918,271</u>
Total program revenues	<u>15,840,734</u>	<u>15,775,435</u>	<u>17,614,936</u>	<u>19,981,641</u>	<u>15,964,863</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (9,556,871)</u>	<u>\$ (9,332,684)</u>	<u>\$ (10,413,826)</u>	<u>\$ (6,882,294)</u>	<u>\$ (5,602,845)</u>

(Continued)

**CITY OF PAGE, ARIZONA**  
**EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE**  
**LAST SEVEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>	
	<b><u>2005</u></b>	<b><u>2004</u></b>
<b>Expenses</b>		
Governmental activities:		
General government	\$ 2,365,257	\$ 2,391,134
Public safety	2,276,619	2,280,139
Judicial	192,015	189,596
Public works	1,226,919	2,086,961
Culture and recreation	785,429	775,232
Community Support	535,587	650,120
Interest on long-term debt	1,116,392	895,300
Total governmental activities	<u>8,498,218</u>	<u>9,268,482</u>
Business-type activities:		
Water	1,818,606	2,027,772
Electric	9,355,671	7,720,112
Sanitation	501,523	504,416
Golf	629,901	886,726
Total business-type activities	<u>12,305,701</u>	<u>11,139,026</u>
Total expenses	<u>20,803,919</u>	<u>20,407,508</u>
 <b>Program Revenues</b>		
Governmental activities:		
Charges for services		
General government	114,644	126,074
Public safety	452,562	476,195
Judicial	216,980	198,591
Public works	209,281	207,271
Culture and recreation	294,271	217,682
Community support	108,826	67,030
Operating grants and contributions	146,684	
Capital grants and contributions	3,382,217	1,407,578
Total governmental activities	<u>4,925,465</u>	<u>2,700,421</u>
Business-type activities:		
Charges for services		
Water	2,139,572	2,378,837
Electric	6,961,461	7,295,828
Sanitation	560,733	561,930
Golf	284,068	583,987
Total business-type activities	<u>9,945,834</u>	<u>10,820,582</u>
Total program revenues	<u>14,871,299</u>	<u>13,521,003</u>
 <b>Net (Expense)/Revenue</b>	 <u><u>\$(5,932,620)</u></u>	 <u><u>\$ (6,886,505)</u></u>

**Source:** The source of this information is the City's financial records.

**Note:** The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34 were adopted in fiscal year 2003-04 therefore only seven years are shown.

**(Concluded)**

**CITY OF PAGE, ARIZONA**  
**GENERAL REVENUES AND TOTAL CHANGES IN NET ASSETS**  
**LAST SEVEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u>2010</u>	<u>2009</u>	<u>2008</u> (As restated)	<u>2007</u>	<u>2006</u>
<b>Net Revenue/(Expense)</b>	\$ (9,556,871)	\$ (9,332,684)	\$ (10,413,826)	\$ (5,507,490)	\$ (6,921,344)
<b>General Revenues:</b>					
Governmental activities:					
Taxes:					
Sales taxes	6,768,417	7,121,927	6,642,357	6,861,887	6,669,066
Unrestricted state shared revenue	2,301,972	2,707,524	2,870,063	807,239	712,898
Investment income	19,021	150,463	626,313	1,434,293	1,371,994
State sales tax revenue sharing			633,999	7,592,158	4,196,055
Miscellaneous	194,989	207,718	215,938	31,555	34,405
<b>Transfers</b>		404,352		(953,833)	(1,029,760)
Total governmental activities	<u>9,284,399</u>	<u>10,591,984</u>	<u>10,988,670</u>	<u>15,773,299</u>	<u>11,954,658</u>
<b>General Revenues:</b>					
Business-type activities:					
Investment income	9,092	117,075	274,910	407,955	390,008
Miscellaneous	214,867	212,734	313,944		
<b>Transfers</b>		(404,352)		953,833	1,029,760
Total business-type activities	<u>223,959</u>	<u>(74,543)</u>	<u>274,910</u>	<u>1,361,788</u>	<u>1,419,768</u>
<b>Changes in Net Assets</b>	<u>\$ (48,513)</u>	<u>\$ 1,184,757</u>	<u>\$ 849,754</u>	<u>\$ 11,627,597</u>	<u>\$ 6,453,082</u>

(Continued)

**CITY OF PAGE, ARIZONA  
GENERAL REVENUES AND TOTAL CHANGES IN NET ASSETS  
LAST SEVEN FISCAL YEARS  
(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>	
	<b><u>2005</u></b>	<b><u>2004</u></b>
<b>Net Revenue</b>	\$ (5,932,620)	\$ (6,886,505)
<b>General Revenues:</b>		
Governmental activities:		
Taxes:		
Sales taxes	4,489,875	4,179,964
Property taxes	316,848	312,464
Auto lieu taxes		
State revenue sharing	630,788	572,842
State sales tax revenue sharing	1,143,014	916,726
Auto lieu tax revenue sharing	1,465,767	638,100
Interest		159,647
Miscellaneous		
<b>Transfers</b>		
Total governmental activities	9,228,217	7,713,461
<b>General Revenues:</b>		
Business-type activities:		
Investment income	211,882	103,529
<b>Transfers</b>	(555,990)	(319,755)
Total business-type activities	(344,108)	(216,226)
<b>Changes in Net Assets</b>	\$ 2,951,489	\$ 610,730

**Source:** The source of this information is the City's financial records.

**Note:** The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34 were adopted in fiscal year 2003-04 therefore only seven years are shown.

**CITY OF PAGE, ARIZONA**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST 10 FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>
General Fund:					
Unreserved	\$ 1,311,241	\$ 4,103,474	\$ 2,092,289	\$ 203,673	\$ 3,025,518
Total General Fund	<u>\$ 1,311,241</u>	<u>\$ 4,103,474</u>	<u>\$ 2,092,289</u>	<u>\$ 203,673</u>	<u>\$ 3,025,518</u>
All Other Governmental Funds:					
Reserved	\$ 266,889	\$ 237,536	\$ 219,756	\$ 219,695	\$ 246,466
Unreserved, reported in:					
Special revenue funds	3,074,754	3,351,167	4,265,497	2,376,369	2,362,650
Capital projects funds	3,660,289	3,666,392	3,972,537	4,054,657	2,933,647
Debt service fund	(365,360)	(325,509)	85,904	1,161,303	1,241,424
Total all other governmental funds	<u>\$ 6,636,572</u>	<u>\$ 6,929,586</u>	<u>\$ 8,543,694</u>	<u>\$ 7,812,024</u>	<u>\$ 6,784,187</u>
	<b><u>2005</u></b>	<b><u>2004</u></b>	<b><u>2003</u></b>	<b><u>2002</u></b>	<b><u>2001</u></b>
General Fund:					
Unreserved	\$ 788,894	\$ (286,681)	\$ (1,697,540)	\$ (1,337,371)	\$ (842,951)
Total General Fund	<u>\$ 788,894</u>	<u>\$ (286,681)</u>	<u>\$ (1,697,540)</u>	<u>\$ (1,337,371)</u>	<u>\$ (842,951)</u>
All Other Governmental Funds:					
Reserved	\$ 1,414,470	\$ 2,546,893	\$ 3,523,997	\$ 3,548,461	\$ 749,269
Unreserved, reported in:					
Special revenue funds	1,397,637	1,231,897	976,211	-	2,274,309
Capital projects funds	305,352	(410,415)	(412,180)	1,992,266	2,564,857
Debt service fund	1,146,688	1,014,634	(178,968)	(178,968)	(313,807)
Total all other governmental funds	<u>\$ 4,264,147</u>	<u>\$ 4,383,009</u>	<u>\$ 3,909,060</u>	<u>\$ 5,361,759</u>	<u>\$ 5,274,628</u>

**Source:** The source of this information is the City's financial records.

**CITY OF PAGE, ARIZONA**  
**GOVERNMENTAL FUNDS REVENUES**  
**LAST 10 FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2010</b></u>	<u><b>2009</b></u>	<u><b>2008</b></u>	<u><b>2007</b></u>	<u><b>2006</b></u>
Taxes	\$ 6,246,647	\$ 7,121,927	\$ 6,642,357	\$ 5,861,890	\$ 5,608,928
Intergovernmental	3,687,320	4,047,122	5,553,081	2,038,340	4,716,955
Fines and forfeitures	249,338	318,058	317,509	308,808	258,694
Licenses and permits	339,228	325,810	272,035	218,468	215,491
Charges for services	1,285,140	713,664	582,789	605,922	528,664
Rents and royalties	392,937	392,182	362,763		835,954
Investment income	19,021	150,463	626,313	483,570	399,605
Land sales		1,393,163	1,632,166		4,196,055
Miscellaneous	194,989	1,532,718	215,938	252,821	270,664
<b>Total revenues</b>	<u><u>\$ 12,414,620</u></u>	<u><u>\$ 15,995,107</u></u>	<u><u>\$ 16,204,951</u></u>	<u><u>\$ 9,769,819</u></u>	<u><u>\$ 17,031,010</u></u>
	<u><b>2005</b></u>	<u><b>2004</b></u>	<u><b>2003</b></u>	<u><b>2002</b></u>	<u><b>2001</b></u>
Taxes	\$ 4,489,875	\$ 4,179,964	\$ 3,298,470	\$ 3,772,504	\$ 4,094,744
Intergovernmental	5,281,691	3,079,362	6,865,812	8,014,899	3,846,623
Fines and forfeitures	281,426	234,378	176,237	170,390	163,279
Licenses and permits	223,794	179,985	681,901	143,415	79,307
Charges for services	571,279	599,332	459,461	644,635	496,242
Rents and royalties	845,346	754,949	726,011	638,738	700,797
Investment income	201,836	61,085	58,413	163,079	466,383
Land sales	1,465,767	638,100	261,710		
Miscellaneous	236,678	366,972	210,493	1,194,142	1,578,090
<b>Total revenues</b>	<u><u>\$ 13,361,014</u></u>	<u><u>\$ 10,094,127</u></u>	<u><u>\$ 12,738,508</u></u>	<u><u>\$ 14,741,802</u></u>	<u><u>\$ 11,425,465</u></u>

**Source:** The source of this information is the City's financial records.

**CITY OF PAGE, ARIZONA**  
**GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO**  
**LAST 10 FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Expenditures:</b>					
Current -					
General government	\$ 2,799,265	\$ 3,001,616	\$ 2,902,324	\$ 3,756,073	\$ 1,908,150
Public safety	4,691,379	4,908,255	4,299,388	4,512,471	2,989,020
Judicial	327,582	316,731	261,409	227,783	211,096
Public works	1,901,620	1,819,622	1,741,406	1,652,989	1,226,587
Culture and recreation	1,509,629	968,168	867,728	792,663	743,558
Community support	1,258,244	1,045,489	2,025,354	930,866	883,737
Capital outlay	1,783,885	3,062,118	3,769,135	5,165,432	2,604,596
Debt service -					
Principal retirement	684,889	304,042	274,523	5,448,394	960,963
Interest, premium and fiscal charges	358,366	740,696	793,492	1,288,073	1,039,791
<b>Total expenditures</b>	<u>\$ 15,314,859</u>	<u>\$ 16,166,737</u>	<u>\$ 16,934,759</u>	<u>\$ 23,774,744</u>	<u>\$ 12,567,498</u>
Expenditures for capitalized assets	\$ 2,005,905	\$ 4,022,778	\$ 3,183,409	\$ 5,085,298	\$ 3,195,307
Debt service as a percentage of noncapital expenditures	8%	9%	8%	36%	21%

(Continued)

**CITY OF PAGE, ARIZONA**  
**GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO**  
**LAST 10 FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<b>Expenditures:</b>					
Current -					
General government	\$ 2,096,199	\$ 2,129,004	\$ 2,170,733	\$ 5,133,374	\$ 2,375,922
Public safety	2,668,810	2,263,352	2,170,223	2,649,045	2,947,077
Judicial	194,518	189,596	180,987		
Public works	1,895,698	1,922,981	2,062,269	461,286	426,412
Culture and recreation	756,578	743,701	763,866	814,229	1,120,767
Community support	583,086	638,883	466,313	443,220	458,540
Capital outlay	3,590,398	333,359	2,457,336	4,915,600	4,884,154
Debt service -					
Principal retirement	893,392	1,185,000	1,680,000	1,623,373	1,545,000
Interest, premium and fiscal charges	993,310	963,470	954,614	1,193,058	1,131,900
<b>Total expenditures</b>	<u>\$ 13,671,989</u>	<u>\$ 10,369,346</u>	<u>\$ 12,906,341</u>	<u>\$ 17,233,185</u>	<u>\$ 14,889,772</u>
Expenditures for capitalized assets	\$ 5,118,476	N/A	N/A	N/A	N/A
Debt service as a percentage of noncapital expenditures	22%	21%	20%	16%	18%

**Source:** The source of this information is the City's financial records.

**N/A:** Not available

**(Concluded)**



**CITY OF PAGE, ARIZONA**  
**OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST 10 FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (2,900,239)	\$ (171,630)	\$ (729,808)	\$ 671,696	\$ 4,463,512
<b>Other financing sources (uses):</b>					
Proceeds from capital leases	29,451	164,355	8,630	413,128	56,000
Land sales	1,065,800				
Transfers in	1,182,086	2,545,758	2,427,134	6,363,892	4,436,095
Transfers out	<u>(1,182,086)</u>	<u>(2,141,406)</u>	<u>(2,427,134)</u>	<u>(7,317,725)</u>	<u>(4,197,718)</u>
Total other financing sources (uses)	<u>1,095,251</u>	<u>568,707</u>	<u>8,630</u>	<u>(540,705)</u>	<u>294,377</u>
<b>Changes in fund balances</b>	<u>\$ (1,804,988)</u>	<u>\$ 397,077</u>	<u>\$ (721,178)</u>	<u>\$ 130,991</u>	<u>\$ 4,757,889</u>
	<b><u>2005</u></b>	<b><u>2004</u></b>	<b><u>2003</u></b>	<b><u>2002</u></b>	<b><u>2001</u></b>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (74,297)	\$ (275,219)	\$ (167,833)	\$ (2,491,383)	\$ (3,464,307)
<b>Other financing sources (uses):</b>					
Proceeds from capital leases	463,081	200,000		2,510,000	
Transfers in	3,894,715	4,737,128	3,013,235	2,248,835	1,192,462
Transfers out	<u>(3,338,725)</u>	<u>(4,417,373)</u>	<u>(2,445,816)</u>	<u>(2,666,469)</u>	<u>(1,615,403)</u>
Total other financing sources (uses)	<u>1,019,071</u>	<u>519,755</u>	<u>567,419</u>	<u>2,092,366</u>	<u>(422,941)</u>
<b>Changes in fund balances</b>	<u>\$ 944,774</u>	<u>\$ 244,536</u>	<u>\$ 399,586</u>	<u>\$ (399,017)</u>	<u>\$ (3,887,248)</u>

**Source:** The source of this information is the City's financial records.

**CITY OF PAGE, ARIZONA  
DIRECT AND OVERLAPPING SALES TAX RATES  
LAST 10 FISCAL YEARS**

<b>Overlapping Rates</b>			
<b>Fiscal Year Ended June 30</b>	<b>City of Page</b>	<b>Coconino County</b>	<b>Arizona State</b>
2010	0.03	1.13	6.6%
2009	0.03	1.13	5.6%
2008	0.03	1.13	5.6%
2007	0.03	1.13	5.6%
2006	0.03	0.93	5.6%
2005	0.03	0.93	5.6%
2004	0.03	0.93	5.6%
2003	0.02	0.93	5.6%
2002	0.02	0.93	5.6%
2001	0.02	0.93	5.6%

**Source:** The source of this information is the Arizona Department of Revenue.

**CITY OF PAGE, ARIZONA**  
**TAXABLE SALES BY CATEGORY**  
**LAST 10 FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>
Construction	\$ 570,762	\$ 541,232	\$ 548,935	\$ 473,800	\$ 414,733
Manufacturing	151,596	247,290	426,565	374,266	544,869
Transportation, Communications & Utilities	206,285	222,674	225,845	210,350	199,535
Wholesale Trade	153,761	105,217	98,553	151,155	148,180
Retail Trade	3,040,907	3,089,180	3,029,379	2,465,381	2,464,728
Restaurants and Bars	318,610	355,823	311,841	288,508	250,268
Finance, Insurance & Real Estate	879,893	872,832	773,271	684,632	578,233
Hotels and Other Lodging	1,238,544	1,419,117	880,620	917,388	729,748
Services	166,676	221,238	215,671	195,254	190,569
All Others Not Specified	41,382	47,325	131,677	98,902	87,538
	<u>6,768,417</u>	<u>7,121,927</u>	<u>6,642,357</u>	<u>5,859,635</u>	<u>5,608,402</u>
<b>Total</b>	<b><u>\$ 6,768,417</u></b>	<b><u>\$ 7,121,927</u></b>	<b><u>\$ 6,642,357</u></b>	<b><u>\$ 5,859,635</u></b>	<b><u>\$ 5,608,402</u></b>
	<b><u>2005</u></b>	<b><u>2004</u></b>	<b><u>2003</u></b>	<b><u>2002</u></b>	<b><u>2001</u></b>
Construction	\$ 398,475	\$ 157,305	\$ 96,021	\$ 281,290	\$ 176,078
Manufacturing	158,940	68,866	24,606	36,549	21,578
Transportation, Communications & Utilities	167,168	305,422	214,578	352,100	268,150
Wholesale Trade	108,175	101,832	79,844	117,547	73,285
Retail Trade	2,146,631	2,081,608	1,530,201	1,777,438	1,341,007
Restaurants and Bars	231,712	411,892	542,220	599,721	451,369
Finance, Insurance & Real Estate	449,832	165,762	140,741	183,250	121,612
Hotels and Other Lodging	592,113	538,867	485,948	410,417	421,089
Services	175,571	189,353	158,930	192,318	139,913
All Others Not Specified	60,378	159,059	25,381	30,080	26,118
	<u>4,488,996</u>	<u>4,179,964</u>	<u>3,298,469</u>	<u>3,980,710</u>	<u>3,040,199</u>
<b>Total</b>	<b><u>\$ 4,488,996</u></b>	<b><u>\$ 4,179,964</u></b>	<b><u>\$ 3,298,469</u></b>	<b><u>\$ 3,980,710</u></b>	<b><u>\$ 3,040,199</u></b>

**Source:** The source of this information is the City's financial records.

**CITY OF PAGE, ARIZONA  
OUTSTANDING DEBT BY TYPE  
LAST 6 FISCAL YEARS**

<b>Fiscal Year Ended June 30</b>	<b>Governmental Activities</b>				<b>Business-type Activities</b>		<b>Total Outstanding Debt</b>			
	<b>General Obligation and Other Bonds</b>	<b>Notes and Loans Payable</b>	<b>Capital Leases</b>	<b>Total</b>	<b>General Obligation Bonds</b>	<b>Capital Leases</b>	<b>Total Debt</b>	<b>Percentage of Estimated Actual Value</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
2010	\$ 14,296,469	\$ -	\$ 431,782	\$ 14,728,251	\$ -	\$ 136,456	\$ 14,864,707	0.98 %	0.30 %	2,102
2009	14,433,802	5,391	502,481	14,941,674	-	307,858	15,249,532	1.00	0.29	2,179
2008	14,537,204	16,838	527,319	15,081,361	-	280,971	15,362,332	1.01	0.26	2,203
2007	14,633,140	28,518	685,595	15,347,253	-	121,289	15,468,542	1.22	0.24	2,228
2006	20,081,534	39,411	353,781	20,474,726	-	97,632	20,572,358	1.80	0.17	2,985
2005	20,955,783	-	423,906	21,379,689	-	60,886	21,440,575	2.01	0.15	3,112

**Source:** The source of this information is the City's financial records.

**Note:** Information prior to FY 2005 was not available.

**CITY OF PAGE, ARIZONA  
LEGAL DEBT MARGIN INFORMATION  
LAST 10 FISCAL YEARS**

**Total Legal Debt Margin Calculation for Fiscal Year 2010:**

Secondary assessed valuation	\$ 68,890,789
Debt limit (26%)	17,911,605
Debt applicable to limit	-
Legal debt margin	<u><u>\$ 17,911,605</u></u>

**Fiscal Year Ended June 30**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Debt limit	\$ 17,911,605	\$ 17,122,646	\$ 16,330,023	\$ 14,208,309	\$ 13,344,326
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u><u>\$ 17,911,605</u></u>	<u><u>\$ 17,122,646</u></u>	<u><u>\$ 16,330,023</u></u>	<u><u>\$ 14,208,309</u></u>	<u><u>\$ 13,344,326</u></u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%
	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Debt limit	\$ 13,505,535	\$ 13,953,177	\$ 12,652,885	\$ 12,525,504	\$ 18,625,341
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u><u>\$ 13,505,535</u></u>	<u><u>\$ 13,953,177</u></u>	<u><u>\$ 12,652,885</u></u>	<u><u>\$ 12,525,504</u></u>	<u><u>\$ 18,625,341</u></u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

**Source:** The source of this information is the City's financial records.

**CITY OF PAGE, ARIZONA  
 PLEDGED-REVENUE COVERAGE  
 LAST SIX FISCAL YEARS  
 (Accrual basis of accounting)**

**Excise Tax and State Shared Revenue Bonds and Loans**

<b>Fiscal Year</b>	<b>Excise Tax and State Shared Revenues</b>	<b>Debt Service Principal</b>	<b>Debt Service Interest</b>	<b>Coverage</b>
2010	\$ 6,246,647	\$ 25,352	\$ 190,010	0.03
2009	7,121,927	304,042	740,696	0.15
2008	6,600,000	274,523	793,492	0.16
2007	5,861,890	5,448,394	1,124,082	1.12
2006	5,608,928	874,249	996,541	0.33
2005	4,489,875	854,217	979,590	0.41

**Note:** Information prior to FY 2005 was not available.

**CITY OF PAGE, ARIZONA  
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 JUNE 30, 2010**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Amount Overlapping Debt</u>
Direct:			
City of Page		100%	<u>14,864,707</u>
Total Direct Debt			<u><u>\$ 14,864,707</u></u>

**Source:** The source of this information is the City's records and the State and County Abstract of the Assessment Roll, Arizona Department of Revenue and the applicable governmental unit.

**Note:** The City had no overlapping debt.

**CITY OF PAGE, ARIZONA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS**

<u>Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Income</u>	<u>Arizona Unemployment Rate</u>	<u>Coconino County Unemployment Rate</u>	<u>City of Page Unemployment Rate</u>
2009	7,073	\$ 4,408,897	\$ 34,330	8.70 %	7.10 %	N/A %
2008	6,998	4,056,682	31,855	5.60	5.10	N/A
2007	6,972	3,767,194	29,879	3.80	3.70	N/A
2006	6,944	3,493,415	28,008	4.70	4.20	N/A
2005	6,893	3,258,728	26,431	4.80	4.90	N/A
2004	6,889	2,999,350	24,692	4.80	5.20	N/A
2003	6,891	2,908,992	24,160	5.60	4.90	N/A
2002	6,910	2,787,863	23,666	6.20	4.20	N/A
2001	6,848	2,661,712	22,806	4.70	3.70	N/A
2000	6,822	2,661,712	18,691	4.70	3.70	N/A

**Sources:** The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis.  
The source of the "Population" and "Unemployment Rate" information is State of Arizona, Department of Economic Security.

**Note:** N/A indicates that the information is not available.



**CITY OF PAGE, ARIZONA  
PRINCIPAL EMPLOYERS  
CURRENT FISCAL YEAR AND FISCAL YEAR 2001**

<u>Employer</u>	<u>2010</u>		<u>2001</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Aramark, Inc.	1,250	28.62 %		
Navajo Generating Station	700	16.03	545	14.08
Page Unified School District No. 8	478	10.94	480	12.40
Super Wal-Mart	200	4.58	150	3.87
City of Page (Including Page Electric Utility)	170	3.89	170	4.39
Gary Yamamoto Custom Baits	151	3.46		
Courtyard by Marriott LLP	150	3.43		
Page Steel / Page Lumber	102	2.34	140	3.62
Canyonlands Community Health	100	2.29		
Page Hospital	99	2.27	201	5.19
Safeway	85	1.95	80	2.07
Total	<u>3,485</u>	<u>79.80 %</u>	<u>1,766</u>	<u>45.62 %</u>
Total employment	<u>4,368</u>		<u>3,871</u>	

**Source:** The source of this information is the City's records.

**Note:** Information prior to fiscal year 2000-01 was not available.

**CITY OF PAGE, ARIZONA**  
**FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST 10 FISCAL YEARS**

Full-time Equivalent Employees as of June 30					
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Function</b>					
General Government	27	26	23	24	24
Public Safety	55	54	57	51	46
Judicial	6	6	6	5	5
Public works	16	16	15	15	15
Culture and recreation	22	18	19	18	16
Community support	8	6	6	6	5
Electric	19	19	19	19	20
Water	16	16	16	14	14
Total	168	161	161	152	144
	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<b>Function</b>					
General Government	22	20	18	19	19
Public Safety	43	42	41	26	26
Judicial	5	5	5	5	5
Public works	13	16	16	16	16
Culture and recreation	21	18	15	15	14
Community support	6	6	6	6	5
Electric	24	20	16	19	17
Water	13	13	13	13	13
Total	146	140	130	119	115

**Source: The source of this information is the City's Annual Budget.**

**CITY OF PAGE, ARIZONA  
CAPITAL ASSETS STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>Function</b>	<b>Fiscal Year Ended June 30</b>									
	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>	<b><u>2005</u></b>	<b><u>2004</u></b>	<b><u>2003</u></b>	<b><u>2002</u></b>	<b><u>2001</u></b>
<b>Highways and Streets</b>										
Streets (miles)	47.0	45.5	44.7	44.7	43.5	43.4	43.4	43	43	43
Streetlights	811	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Traffic Signals	53	53	53	53	53	53	53	53	53	53
<b>Culture and recreation</b>										
Parks acreage	17.73	17.23	17.23	17.23	17.23	17.23	17.23	17.23	17.23	17.23
Parks	6	6	6	6	6	6	6	6	6	6
Community centers	1	1	1	1	1	1	1	1	1	1
<b>Sewer</b>										
Sanitary sewers (miles)	32.46	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Storm sewers (miles)	8.3	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9
Maximum daily treatment capacity (thousands of gallons)	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Maximum daily treatment average (thousands of gallons)	1,709,000	1,998,000	2,062,000	2,081,000	1,968,000	1,880,000	1,853,000	2,049,000	2,054,000	2,057,000

**Source:** The source of this information is the City's facilities records.

**Note:** Information prior to fiscal year 2000-01 was not available

**N/A:** Indicates information was unavailable.

**CITY OF PAGE, ARIZONA  
OPERATING INDICATORS BY FUNCTIONS  
LAST TEN FISCAL YEARS**

	<u>Fiscal Years</u>				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Planning and Building Safety</b>					
Building permits issued (new single family homes)	23	16	25	21	48
<b>Highway and Streets</b>					
Street resurfacing (miles)	1	1	3	2.2	0.3
Streets striped (miles)	17	N/A	N/A	15.7	15.6
<b>Culture and Recreation</b>					
Summer recreation camps	11	19	16	19	19
	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<b>Planning and Building Safety</b>					
Building permits issued (new single family homes)	19	14	N/A	N/A	N/A
<b>Highway and Streets</b>					
Street resurfacing (miles)	2.0	N/A	N/A	N/A	N/A
Streets striped (miles)	15.4	N/A	N/A	N/A	N/A
<b>Culture and Recreation</b>					
Summer recreation camps	20	N/A	N/A	N/A	N/A

**Source:** The source of this information is the City's Annual Budget.

**Note:** Information prior to fiscal year 2000-01 was not available.

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