



Annual Comprehensive Financial Report

For Year Ended June 30, 2021

Cover Photos

Top Left –DebbieWinlock, Library Manager, at Summer Reading Program kickoff.

Top Right –Fire Department ambulance with Navajo Generating Station in background the day before demolition.

Bottom Left –Carmel, Facility Service K-9. She trained for times of crisis to assist the public and police officers cope with traumatic events.

Bottom Right –Volunteer helping distribute food boxes from the Community Center to the public.

CITY OF PAGE, ARIZONA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2021

PREPARED BY:

CITY OF PAGE FINANCE DEPARTMENT

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CITY OF PAGE, ARIZONA

Table of Contents

Introductory Section:	<u>Page</u>
Letter of Transmittal.....	i
List of Elected and Appointed Officials.....	v
Organizational Chart	vi
GFOA Certificate of Achievement.....	vii
 Financial Section:	
 Report of Certified Public Accountants	 1
Management’s Discussion and Analysis.....	5
 Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position.....	16
Statement of Activities	17
 Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	18
 Reconciliation of Total Governmental Fund Balance To Net Position of Governmental Activities.....	 21
 Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	 22
 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	 24
 Statement of Net Position - Proprietary Funds.....	26
 Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	 28
 Statement of Cash Flows - Proprietary Funds	30
 Statement of Fiduciary Net Position – Fiduciary Fund	32
 Statement of Changes in Net Position – Fiduciary Fund.....	33
 Notes to Financial Statements.....	34

Required Supplemental Information:

Schedule of the Proportionate Share of the Net Pension Liability	70
Schedule of the Proportionate Share of the Net OPEB Liability	71
Schedule of Changes in the Net Pension Liability and Related Ratios	72
Schedule of Changes in the Net OPEB Liability and Related Ratios	74
Schedule of Pension/OPEB Contributions.....	76
Notes to Pension/OPEB Plan Schedules	81

Schedule of Revenues, Expenditures, and Changes in Fund Balance – General Fund – Budget and Actual.....	84
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Highway User Revenue Fund – Budget and Actual	87
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Grants Fund – Budget and Actual.....	88

Supplementary Information:

Budgetary Comparison – Major Funds	90
Combining Statements and Individual Fund Budget and Actual Schedules – Nonmajor Governmental Funds.....	94

Statistical Section:

Financial Trends:

Net Position by Component.....	105
Changes in Net Position.....	106
Fund Balances of Governmental Funds.....	110
Changes in Fund Balances of Governmental Funds	112

Revenue Capacity:

Direct and Overlapping Sales Tax Rates	113
Taxable Sales by Category.....	114

Debt Capacity:

Ratios of Outstanding Debt by Type	115
Ratios of General Bonded Debt Outstanding.....	116
Direct and Overlapping Governmental Activities Debt.....	117
Legal Debt Margin Information.....	118
Schedule of Debt Service Requirements and Coverage.....	119

Demographic and Economic Information:

Demographic and Economic Statistics	121
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Operating Information:

Full-Time-Equivalent City Government Employees by Function/Program	123
Operating Indicators by Function	124
Capital Asset Statistics by Function	125

Other Communications from Independent Auditors:

Report on Compliance with Federal Laws and Regulations and Internal Control Structure	129
Report on Compliance with State Laws and Regulations	131



October 27, 2021

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 annual comprehensive financial report of the City of Page for the fiscal year ended June 30, 2021.

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 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 HintonBurdick, PLLC, 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, 2021, 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, 2021, 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 just south of Lake Powell. The City's boundaries currently enclose approximately 37 square miles in Coconino County with a population estimate from the 2020 Census Bureau of 7,531 and an elevation of 4,300 feet.

The City of Page operates under the Council-Manager form of government. The Common Council, which has policy-taking 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 Utility Enterprises. 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 overall; the utility General Manager manages the electric, water, sewer and refuse enterprises pursuant to City ordinance. 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, along with recreational activities and cultural events.

City of Page owns and operates its own municipal electric, water, and sewer utilities, dba Page Utility Enterprises (PUE). The utilities are governed by the Page City Council and PUE Board, functioning pursuant Page City Ordinance 588-12. PUE currently serves the citizens of Page within the City's corporate boundaries. Due to the isolation of the area, PUE also serves many of the residents and commercial enterprises outside Page's corporate boundaries.

With regard to general fund departments and operations, the City Manager presents a proposed, balanced budget to the City Council for review. The proposed budget is presented in the Spring 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 preliminary budget is then presented to the City Council for final adoption no later than July. The legal level of budgetary control is established at the fund 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. The National Park Service estimates that the Page/Lake Powell area received around 2.5 million visitors in 2020, this number is significantly reduced from prior years due to the Covid-19 pandemic and the effects of lower tourism to the Page area. 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 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 an estimated population of 7,531, it services the needs of its surrounding communities including an additional 45,000 people within a 75-mile radius.

Since the closure of the Salt River Project Navajo Generating Station (NGS) on November 18, 2019, the tourism service businesses have provided the stability and contributions to the Page economy. A lot of these businesses host only seasonal employment jobs that run the months from March through November. We are very grateful to the businesses that have made efforts to remain open and to serve, not only the tourism community, but the local community as well.

Recognizing that NGS will always be remembered as playing a significant role in the local economy, the City is concentrating our efforts to support the future economic vitality of our community through the implementation of our Strategic Plan.

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.

During FY 2020/2021, the Mayor and Council continued to focus on debt reduction and revenue acquisition.

The City addressed its "bond debt" obligations and was dedicating 85% of 1% of our City Transaction Privilege Tax to be paid toward the Series 2011 Bond debt balance. On July 1, 2021, the City Council completely retired the bond debt for the Series 2011 Bond Debt. In February 2020, Ordinance 668-20 was adopted by Council and 1% of the City Sales Tax revenue is now dedicated to Capital Projects (70%), the Emergency Reserve Fund (15%) and other Long Term Liabilities (15%).

The City of Page's taxable revenue for the General Fund was on a path to increase by 10% to 20% in the year (2021) prior to COVID-19 and the nationwide lockdown. In fiscal year 2020, the taxable value decreased by \$2,065,276, and in fiscal year 2021, we saw yet another decrease of \$913,379. Overall, Page is showing a gradual decrease in sales tax contributions to the General Fund since the pandemic hit hard in 2019. In fiscal year 2021, our revenue is still down from the prior year at a rate of 7.5%, but are recouping at a slow rate.

The City of Page saw a substantial increase in health insurance cost this year. A nearly 10% increase was absorbed this year. In reviewing the past performance of our policy, Page has been very lucky to be able to keep this cost down. For over the last five years an increase of just over 2% was passed on to the General Fund budget. With this ever-increasing expense the City Council may need to consider a greater contribution from the employee. I will continue to review our policy and continue to entertain new options for employee health insurance coverage.

As the City continues the recovery process through fiscal year 2021, the Covid Relief Funds provided by the Federal Government have assisted us in several areas within the municipality. We have been able to re-hire some of the staff that were laid off due to the pandemic along with re-organizing several departments to work more efficiently with fewer staff. In fiscal year 20/21 we reported 154 full time equivalent employees, which is almost 8% reduction in workforce from the previous year. The departments that have seen changes are Fire, Police, Public Works, Horseshoe Bend, Recreation, Library, Finance, and Lake Powell National Golf Course. Positions and duties have been privately contracted, duties have been absorbed by other employees, and some positions have been fully eliminated. Receiving Covid Relief Funds also allowed us to allocate assistance in providing personal protective equipment to various departments within the City government; assist in purchasing needed public safety equipment; and plan some capital projects needed at the municipal airport. With these changes the City of Page has positioned itself for continued financial success in the coming years.

AWARDS AND ACKNOWLEDGEMENTS

Awards. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report for the fiscal year

ended June 30, 2021. If awarded for FY 2021, this will be the twelfth consecutive year that the City has received this prestigious award, in addition to receiving this award from 1992-2001.

In order to be awarded this certificate, the City published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements. We believe the current comprehensive annual financial report continues to meet the program's requirements and we are submitting it to GFOA to determine its eligibility for the fiscal year 2020-21 certificate.

Acknowledgements. The preparation of this report is due to the effective and dedicated efforts of the Finance Department staff. Beyond these efforts, this report is representative of the collaboration and hard work of employees at all levels of the organization; the excellence of the financial administration; and the leadership of the Mayor and City Council. For the efforts of all of these people, we wish to express our sincere gratitude.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Darren Coldwell", written over a horizontal line.

Darren Coldwell
City Manager

A handwritten signature in black ink, appearing to read "Linda L. Watson", written over a horizontal line.

Linda L. Watson
Finance Director

City of Page

Members of City Council

William Diak, *Mayor*
John Kocjan, *Vice Mayor*
David Auge
Brian Carey
Theresa Lee
Richard Leightner
Rick Yanke

City Appointed Officials

Darren Coldwell
City Manager

Joshua Smith
City Attorney

Kim Larson
City Clerk

Andrew Hettinger
City Magistrate

Bryan Hill
Page Utility Enterprises

Departments

Airport	Kyle Christiansen
Community Development	Tim Suan
Community & Recreation Services	Lynn Cormier
Finance	Linda Watson
Fire	Chief Jeff Reed
Human Resources	Rachell French
Information Technology	Kane Scott
Police	Chief Drew Sanders
Public Works	Kyle Christiansen

Residents of Page, Arizona

City Council

Levi Tappan, Mayor
John Kojan, Vice Mayor
David Auge, Council Member
Kristen Davis, Council Member
Theresa Lee, Council Member
Dennis Warner, Council Member
Rick Yanke, Council Member

City Services

City Clerk

Kim Larson

City Attorney

Josh Smith

City Manager

Darren Coldwell

Magistrate

Rick Olson

Page Utility Board

Jeff Jones, Chairman
Tony Ferrando, Member
Ken Sichi, Member
Alan Nelson, Member
Lynn Hunter, Member

City Administration

-City Manager
-General Services

Finance

Linda Watson
-Finance

Human Resources

Rachell French
-Human Resources/
Risk Management

Information Technology

Kane Scott
-Information Technology

Public Safety

Fire Department
Chief Jeff Reed

Police Department
Chief Drew Sanders

-Police Administration
-Patrol
-Communications
-Investigations

Community Development

Tim Suan
-Community/Economic Development
-Planning and Zoning
-Building Safety and Code Compliance

Community/Recreation Services

Lynn Cormier
-Community & Recreation Service Admin
-Community Center
-Library
-Parks and Trail Maintenance
-Recreation
-Golf Course Clubhouse
-Golf Course Maintenance

Public Works

Kyle Christiansen
-Public Works Administration
-Corrals
-Central Garage
-Buildings Maintenance
-Highway User (Streets)
-Perpetual Care/Cemetery

Page Utility Enterprises

Bryan Hill
-Electric
-Water
-Sewer
-Garbage



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Page
Arizona**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

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Independent Auditors' Report

The Honorable Mayor and
City Council
Page, Arizona

Report on the Financial Statements

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, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of the proportionate share of the net pension/OPEB liability, schedules of changes in the net pension/OPEB liability and related ratios, and schedules of pension/OPEB contributions as listed on the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Page, Arizona's basic financial statements. The introductory section, supplementary budget and actual schedules, combining nonmajor fund financial statements, nonmajor fund budget and actual schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary budget and actual schedules, combining nonmajor fund financial statements, and the nonmajor fund budget and actual schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary budget and actual schedules, the combining nonmajor fund financial statements and the nonmajor fund budget and actual schedules are fairly stated in all material respects in relation to the basic 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2021, on our consideration of the 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Page, Arizona's internal control over financial reporting and compliance.



HintonBurdick, PLLC
Gilbert, Arizona
October 27, 2021

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**CITY OF PAGE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021**

As management of the City of Page, 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, 2021. This discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the City's financial activity (3) identify changes in the City's financial position (4) identify any material deviations from the financial plan (the approved budget) and (5) identify individual fund issues or concerns.

The discussion and analysis (MD&A) has a different focus and purpose than the transmittal letter of this report and is designed to be read in conjunction with the transmittal letter as well as the basic financial statements beginning on page 16 and the accompanying notes to the basic financial statements.

FINANCIAL HIGHLIGHTS

- The City's total net position at the close of the fiscal year was \$172,753,703. This amount is comprised of \$110,386,313 in capital assets net of related debt, 13,299,224 of restricted net position and \$49,068,166 in unrestricted net position. This position reflects an overall net increase of \$6,684,180 from prior year and is due primarily to an increase in cash and cash equivalents in both our Governmental and Business Type Activities. This result is directly related to the Governmental Funds conservatively budgeting for sales tax revenue as compared to actual revenue received, along with the overall infrastructure improvements that are being made throughout the City of Page, with the municipal airport, our streets, and parks.
- The Business Type activities show the growth in the Golf Course Fund and the continuation of the new revenue stream that the Horseshoe Bend parking fees have been bringing in, however, we have seen a drastic decline in revenue as a result of the restrictions placed on out-of-country travel and closure of the borders as a result of the COVID-19 pandemic. The Electric Utility continued its annual replacement of half a million dollars of direct buried electrical cable and constructed a large steel building in its storage yard to protect equipment from the weather. The project to upgrade street lighting to LED lights continues at an accelerated rate and it is expected that all will be replaced within the next year. Another pond liner was replaced at the Wastewater Treatment Plant at a cost of \$380,000. Following a review by external consultants on the capacity and availability of water, upgrades to the Water Treatment Plant have been addressed and the work has begun.
- The reporting structure with GASB 68 and the requirement to report long term pension liabilities for both the governmental activities and the business-type activities changes were made in prior year's reporting. This fiscal year we see a total of 816,067 in deferred inflows related to pensions for both Governmental and Business-type Activities. This net pension liability totals \$10,731,900 for all City pension plans at the end of the fiscal year and is reported as required by the Governmental Accounting Standards Board (GASB).
- City Sales tax remains the single largest revenue source in the General Fund budget for the City of Page. This fiscal year, city tax revenue decreased from last year by just under by 919,000. This decrease is a direct result the decrease in tourism due to the COVID-19 pandemic. The City has in the past budgeted conservatively and brought in higher revenues to build our cash reserves. This fiscal year we budgeted to receive tax revenue in the amount of \$8 million, and we received \$11,415,346 million by June 2021. While the hotel category remains the prime driver of the tax revenue in bringing in \$2.635 million, the retail sales and restaurant categories combined pulled in \$5.302 million of the sales tax revenue to the City of Page.
- The City of Page received capital grants in the amount of \$1,239,714 from the Federal Aviation Administration and Arizona Department of Transportation for the Apron Reconstruction, South

Ramp and Taxiway Design, and to finish the Master Plan update for the Page Municipal Airport. These infrastructure improvements increased our capital assets once again this fiscal year.

- In addition to capital grants, the City receives Federal and State funds to support City programs and non-capital items such as bulletproof vests for our police officers; Community Development Block Grants for our community improvements; Northern Arizona Council of Governments (NACOG) assists in funding part of our Community Center Meal Program and Head Start Meal Programs; and County and State funds are distributed to our local Library. The U.S. Department of Transportation has assisted the City of Page with a grant for Essential Air Service for air travel in and out of Page, Arizona. This fiscal year, the City received \$3.6 million dollars in federal grant funds for this service.
- The City also received \$946,071 of CARES funds for the Airport from the FAA to assist with operating costs, \$864,379 of CARES funds from the State of Arizona for Public Safety personnel costs, and \$37,713 of CARES funds for the Fire Department, Library, Emergency Medical Transportation, and medical billing for equipment, supplies, and general assistance.
- The City's cash reserves remain an important focus for management and the City Council. As of June 30, 2021, the total amount of funds invested in outside investments is at \$16.4 million. The balance remaining in the City of Page LGIP accounts as of June 30, 2021, was approximately \$10.2 million, with \$360,210 being reserved for Highway User Revenue Fund; \$2 million reserved toward the early retirement of the 2011 Series Bond Debt and \$7.9 million in the General Account.
- As of June 2021, the balance on the principal amount for the 2011 Series Bond was \$5,150,000. The bond for the Airport was paid off in this fiscal year with a final payment of \$170,450. Capital leases payable for Golf Course Equipment in the amount of \$310,134. This fiscal year, the City of Page added the lease payment for a new beverage cart, 62 golf carts, and seven new patrol vehicles. The lease balance on the patrol vehicles on June 30, 2021 was \$646,489. Overall, the total principal on outstanding long-term debt currently held by the City of Page is \$7.4 million. The City Council has identified paying off our existing long-term debt as a top priority and has requested that the bonds be paid in full by the first call date on July 1, 2021.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The three components of the financial statements are: (1) Government-wide financial statements which include the Statement of Net position and the Statement of Activities. These statements provide information about the activities of the City as a whole. (2) Fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. (3) Notes to the financial statements.

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities (Government-wide)

A frequently asked question regarding the City's financial health is whether the year's activities contributed positively to the overall financial well-being. The Statement of Net Position and the Statement of Activities provide information about the City and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is like the accounting used by most private-sector companies. All the current year's revenues and expenses are considered regardless of when cash is received or paid. These two statements report the change in the City's net position. Net position, the difference between assets and liabilities, are one way to measure the City's financial health, or financial position. Over time, increases or decreases in net position are an indicator of whether the financial health is improving or deteriorating. However, it is important to consider other non-financial factors such as

changes in the City's sales tax revenue or condition of the City's roads to accurately assess the overall health of the City.

The Statement of Net Position and the Statement of Activities, present information about the following:

- Government activities – All of the City's basic services are governmental activities, including general government, public safety, public works/streets, economic development, culture and recreation, and payment of long-term debt. Sales tax, federal grants, intergovernmental revenues and charges for services finance most of these activities.
- Proprietary activities/Business type activities – The City charges a fee to customers that is intended to cover all or most of the cost of the services provided for water, sewer, sanitation, electricity, parking and golf services.

Reporting the City's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds which aid in the management of money for purposes or meet legal responsibilities associated with the usage of certain taxes, grants, and other money. The City's two major kinds of funds, governmental and proprietary, use different accounting approaches as explained below.

- Governmental funds – Most of the City's basic services are reported in governmental funds. Governmental funds focus on how resources flow in and out with the balances remaining at year-end that are available for spending. These funds are reported using an accounting method called the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Government fund information shows whether there are more or fewer financial resources that can be spent soon to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations included with the Basic Financial Statements on pages 21 and 24.
- Proprietary funds – When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the City's financial position. The City's combined assets and deferred outflows exceed liabilities and deferred inflows by \$172.75 million as of June 30, 2021 as shown in the following condensed statement of net position. The City has chosen to account for its utility operations, golf and Horseshoe Bend operations in enterprise funds which are shown as Business Activities.

**City of Page
Statement of Net Position**

	Governmental activities		Business-type activities		Combined Total	
	6/30/2021	6/30/2020	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Current and other assets	\$ 39,664,116	\$ 33,949,820	\$ 36,643,381	\$ 36,281,897	\$ 76,307,497	\$ 70,231,717
Capital assets	77,627,012	76,745,152	38,833,440	38,933,259	116,460,452	115,678,411
Total assets	117,291,128	110,694,972	75,476,821	75,215,156	192,767,949	185,910,128
Deferred charge on refunding	-	20,926	-	-	-	20,926
Deferred outflows related to pensions/OPEB	3,080,555	2,819,598	1,153,630	455,661	4,234,185	3,275,259
Total deferred outflows of resources	3,080,555	2,840,524	1,153,630	455,661	4,234,185	3,296,185
Long-term liabilities outstanding	11,577,585	11,265,136	4,604,807	3,731,166	16,182,392	14,996,302
Other liabilities	3,580,228	4,547,729	3,669,744	2,086,038	7,249,972	6,633,767
Total liabilities	15,157,813	15,812,865	8,274,551	5,817,204	23,432,364	21,630,069
Deferred inflows related to pensions/OPEB	739,088	1,195,907	76,979	310,814	816,067	1,506,721
Net position:						
Net investment in capital assets	71,621,631	69,889,750	38,776,831	34,947,403	110,398,462	104,837,153
Restricted	13,299,224	11,944,783	-	-	13,299,224	11,944,783
Unrestricted	19,553,927	14,692,191	29,502,090	34,595,396	49,056,017	49,287,587
Total net position	\$ 104,474,782	\$ 96,526,724	\$ 68,278,921	\$ 69,542,799	\$ 172,753,703	\$ 166,069,523

The City has \$192.7 million in total assets, with \$116,460,452 in capital assets (net of depreciation). The City's water, sewer, sanitation, electric enterprise and golf and Horseshoe Bend operations are included in the Business-type activities column. These operations are capital intensive, using a large portion of their resources to maintain and replace major equipment and facilities.

Governmental Activities

The City's programs include: General Government, Public Safety, Public Works/Streets, Economic Development, Community Support, Culture and Recreation, Water, Sewer, Sanitation, Electric, Golf and Horseshoe Bend. Each programs' net cost (total cost less revenues generated by the activities) is presented in the following table – Changes in Net Position. The net cost shows the extent to which the City's general taxes support each of the City's programs.

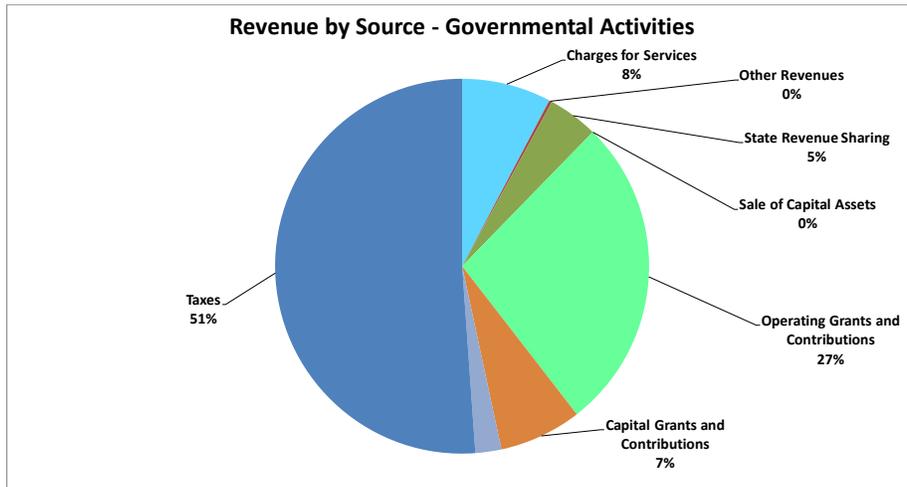
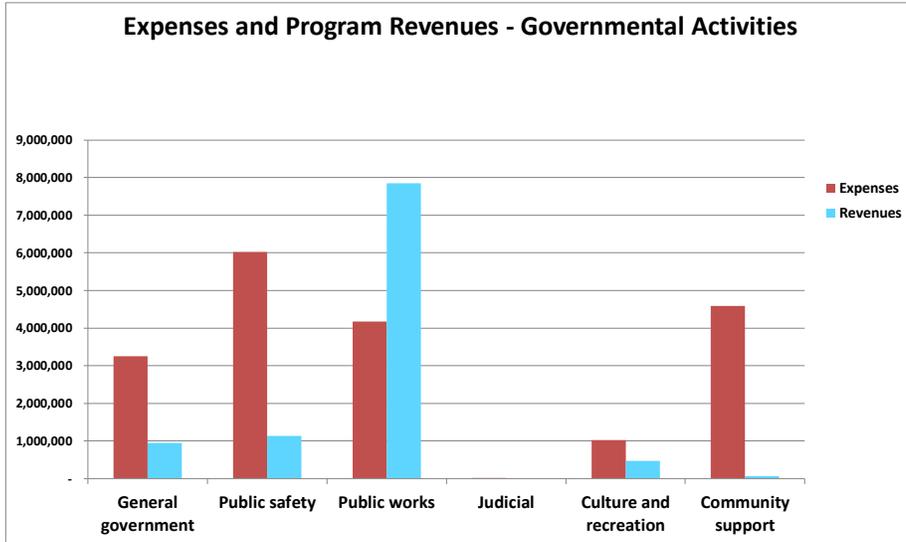
City of Page
Changes in Net Position

	Governmental activities		Business-type activities		Combined Total	
	6/30/2021	6/30/2020	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Revenues:						
Program revenues:						
Charges for services	\$ 1,925,694	\$ 2,026,292	\$ 18,022,168	\$ 19,038,328	\$ 19,947,862	\$ 21,064,620
Operating grants and contributions	6,766,527	5,928,375	-	-	6,766,527	5,928,375
Capital grants and contributions	1,774,556	3,554,737	3,565	3,597,898	1,778,121	7,152,635
General revenues:						
Taxes	12,729,689	13,468,432	-	-	12,729,689	13,468,432
State revenue sharing	1,075,999	978,393	-	-	1,075,999	978,393
Investment Income	559,284	771,305	9,219	233,213	568,503	1,004,518
Gain/(Loss) on disposal of asset	-	-	2,505	-	2,505	-
Other revenue/(expense)	61,921	141,458	-	-	61,921	141,458
Total revenues	24,893,670	26,868,992	18,037,457	22,869,439	42,931,127	49,738,431
Expenses:						
General government	3,253,282	3,831,163	-	-	3,253,282	3,831,163
Public safety	6,023,874	5,346,184	-	-	6,023,874	5,346,184
Public works/Streets	4,175,997	3,648,509	-	-	4,175,997	3,648,509
Judicial	7,886	9,936	-	-	7,886	9,936
Culture and recreation	1,024,384	4,774,238	-	-	1,024,384	4,774,238
Community support	4,583,515	4,905,730	-	-	4,583,515	4,905,730
Interest on long-term debt	297,258	383,336	-	-	297,258	383,336
Water	-	-	1,743,042	1,588,783	1,743,042	1,588,783
Sewer	-	-	1,563,422	1,616,752	1,563,422	1,616,752
Sanitation	-	-	772,221	749,644	772,221	749,644
Electric	-	-	10,160,062	6,922,860	10,160,062	6,922,860
Golf	-	-	1,429,749	1,398,663	1,429,749	1,398,663
Horseshoe Bend	-	-	1,212,255	2,400,164	1,212,255	2,400,164
Total expenses	19,366,196	22,899,096	16,880,751	14,676,866	36,246,947	37,575,962
Increase (Decrease) in net position before transfers	5,527,474	3,969,896	1,156,706	8,192,573	6,684,180	12,162,469
Transfers	2,420,584	1,530,371	(2,420,584)	(1,530,371)	-	-
Change in net position	7,948,058	5,500,267	(1,263,878)	6,662,202	6,684,180	12,162,469
Net position, beginning	96,526,724	91,026,457	69,542,799	62,880,597	166,069,523	153,907,054
Net position, ending	\$ 104,474,782	\$ 96,526,724	\$ 68,278,921	\$ 69,542,799	\$ 172,753,703	\$ 166,069,523

The cost of all governmental activities this year was \$19.36 million, while the cost of all business-type activities totaled \$16.9 million, bringing the total expenses for the government to \$36.2 million. The cost of the governmental activities was financed by general and other revenues which are primarily made up of the tax collections and state shared revenues received by the City that total \$13.8 million. The balance was funded from revenues collected by the City for fees, charges and grant funds.

The business-type activities expenses were funded by service fees charges for water, sewer, electric, sanitation services and fees for golf and parking at Horseshoe Bend. The total revenue received for the business-type activities during the year was \$18 million, which is \$4.8 million less than the prior year. The decrease in revenues is mainly due to \$3.2 million in capital contributions received in the Golf fund in the previous year. Also, due to the effects of COVID-19 during the year there was a decrease of \$1.45 million in revenues for the Horseshoe Bend activity. Total expenses for the business-type activities of \$16.9 million are \$2.2 million more than the prior year which is mainly due to an increase in power costs of \$2.5 million.

The following graphs compare program expenses to program revenues and provide a breakdown of revenues by source for all government activities.



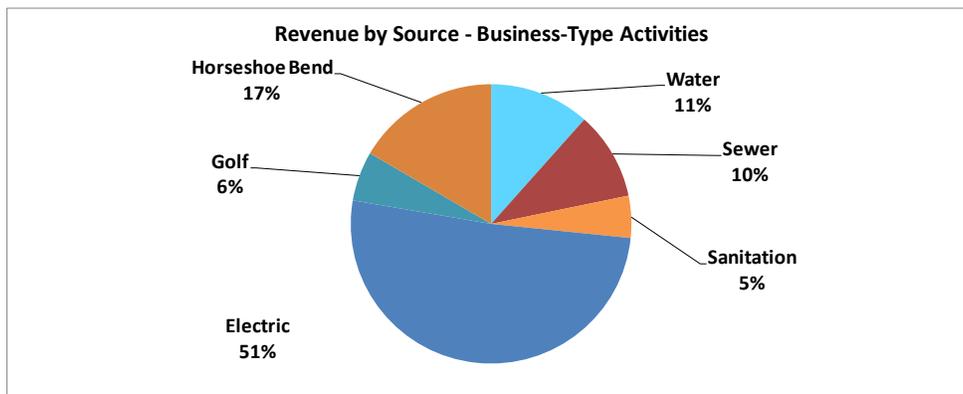
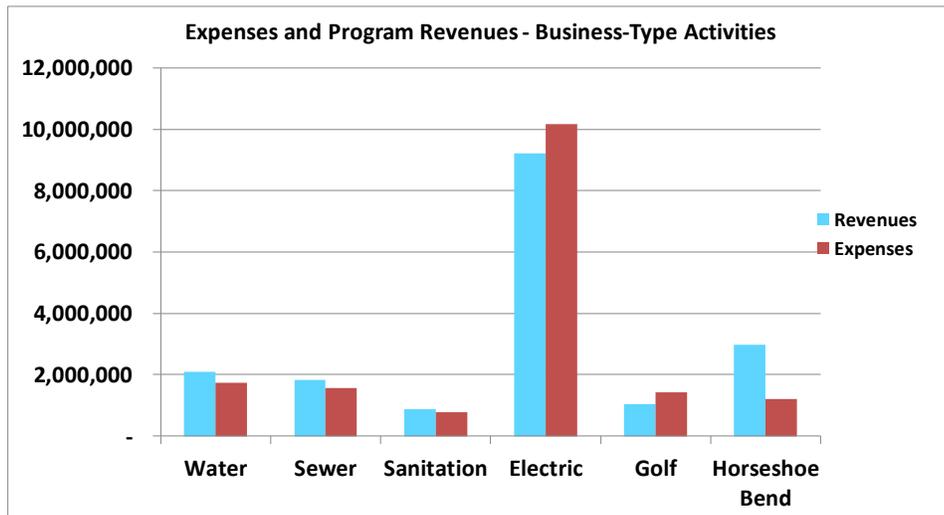
Business Type Activities

The net position of the Business Type activities at June 30, 2021 as reflected in the Statement of Net Position was \$68.3 million. The cost of providing all Business Type activities this year was \$16.9 million. As shown in the statement of Changes in Net Position, the amounts paid by users of the system were \$18 million reflecting a \$4.8 million decrease in revenue from the prior year. The Net Position decreased by \$1.26 million.

In April 2019, the City of Page took on a new venture with the opening of the Horseshoe Bend Overlook parking lot and started collecting fees. This new Enterprise Fund has proven to be a very nice addition to the City budget. In FY 2021, the City received revenue in the amount of almost \$3 million dollars for this fund. Revenue would have exceeded this amount, however, the pandemic shut the operation down for 37 consecutive days, and with the border closure for out of country travel, the European tourists were not coming to Page, Arizona. This affected tourism as whole for our community and Horseshoe Bend was one of those tourist attractions that suffered through this. Revenue is continuing to increase slowly for the community and our attractions within the area.

The Electric Utility continued to do well this year, even though this was the first year in over fifteen years that the cost of purchased power had a negative impact on the Electric Utility. The rates charged to its customers were not increased and its infrastructure improvements continued at the same pace as in previous years but the

Utility needed to use some of its reserves. Fiscal year 2020-21 was a successful year for the Water and Sewer Utilities and the five-year plan to modernize the infrastructure of both continued, despite COVID constraints that hindered the progress that was being made.



Financial Analysis of the Government’s Funds

As noted earlier, the City of Page 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 spend-able resources. Such information is useful in assessing the City of Page’s financing requirements. Unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year. Types of Governmental Funds reported by the City include the General Fund, Special Revenue Funds, Capital Project Funds and Debt Service Funds.

As of the end of the current fiscal year, the City of Page’s governmental funds reported a combined ending fund balance of \$37.3 million, an increase of \$6.67 million in comparison with the prior year. Basically, this growth reflects an addition of \$4.7 million to the General Fund, \$2.1 million increase to the Capital Projects Fund and a decrease to the Debt Service Fund in the amount of approximately \$886,000. The growth of \$4.7 million to the General Fund is due primarily to our intergovernmental tax revenue increasing for our State,

Vehicle License Tax and Urban Revenue taxes for the year over what was budgeted. The Capital Projects fund shows an increase primarily due to the incompleteness of constructing the Public Works building that was budgeted this year. The Debt Service Fund decreased due to the annual payments needed to be made for our bond debt. Approximately 59.6% of this total amount or \$22.3 million constitutes unassigned fund balance, which is available for new spending at the government's discretion. The remainder of the fund balance is non-spendable, restricted or committed because it has already been committed 1) to pay debt service, 2) to pay for capital improvements or 3) for a variety of other restricted purposes.

The General Fund is the chief operating fund of the City of Page. At the end of the current fiscal year, total fund balance in the General Fund was \$22,288,564, all of which is unassigned. As a measure of liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Both unassigned fund balance and total fund balance represents 197.1% of total general fund expenditures for fiscal year 2021.

The Highway User Revenue Fund has a total fund balance of \$15,775, all of which is restricted for road and street construction and improvements. The net decrease in the fund balance during the current year was \$68,895. This decrease represents the sidewalk, curb, gutter maintenance and general operational cost for the Streets Department for the year. Most of the current year Highway User revenues were nearly all utilized to offset the chip seal project for Lake Powell Boulevard.

The Capital Projects Fund balance increased by \$2,135,083 this fiscal year due to various capital projects being put on hold due to the continuing issues brought on by the COVID-19 pandemic crisis. When the travel restrictions were implemented by our Federal Government, our tourism industry was drastically affected. With the loss of sales tax revenue hitting us in fiscal year 2020 and continuing into fiscal year 2021. The City was forced to lay off staff members, along with cutting our expenditures to an 'emergency spending' mode of operations. Having to make these difficult decisions, forced the City Administration look to at eliminating or postponing some of our larger capital projects that were budgeted in the Capital Projects Fund. While the pandemic hit mid-year in fiscal year 2020, fiscal year 2021 is still seeing some residual effect of the decisions that were made in 2020. Some of those projects that have been delayed included Horseshoe Bend Phase III construction; City Center Streetscape; some Airport expansion projects, and the relocation of our Public Works and Central Garage departments.

The City of Page did accomplish purchasing \$3.1 million of their capital equipment items and improvements that were budgeted this year. The equipment purchased in fiscal year 2021 was, a new ambulance, brush truck, defibrillator, extrication tool, and power gurney for the Fire Department; The Public Works Department purchased a new Ford Explorer, Case Loader, sign plotter and pressure washer; a new mower for the Cemetery was purchased; a radio console and lease payments for patrol vehicles were made for the Police Department; a portable office was purchased for Horseshoe Bend; The Community and Recreation Department purchased a portable stage; and lease payments for the golf carts and beverage cart were made for the Golf Course. On the capital improvements side of the budget, the City's largest capital improvement was at the Airport for the main Apron Construction, Safety Area and South Ramp & Taxiway Design. This project was funded by Federal, and State grants inclusive of the City's matching funds for a total investment this year of \$1.5 million.

Proprietary Funds

The City's Proprietary Funds provide the same type of information found in the Government-wide Financial Statements, but in more detail. At the end of the fiscal year, the unrestricted component of the net position had positive balances for all proprietary funds, Electric, Water, Sewer, Sanitation, Horseshoe Bend, and the newest addition, the Golf Fund.

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had positive balances for all proprietary funds, Electric, Water, Sewer, Sanitation, Horseshoe Bend, and the newest addition, the Golf Fund.

Revenues and transfers in were less than expenses and transfers out in the proprietary funds by \$ 1.26 million for the fiscal year ended June 30, 2021. This reflects an overall decrease in net position of 1.8% from prior year. Horseshoe Bend saw a decrease in net position of around \$650,000. This decrease is primarily due to the reduction in revenue received because of the downturn in tourism to our community. The Golf Fund reported a net position of \$2 million, a decrease of approximately \$400,000 due to first year full year of operating and staffing changes that were made in the fiscal year.

The Electric Utility Fund reduced its fund balance by approximately \$950,000. This reduction is mostly contributed by its annual replacement of direct buried electrical cable and constructed a large steel building in its storage yard to protect equipment from the weather. The project to upgrade streetlights to LED lights continued at an accelerated rate and it is expected that all will be replaced within the next year.

In the Water/Sewer Funds, another pond liner was replaced at the Wastewater Treatment Plant at a cost of \$380,000. Following a review by external consultants on the capacity and availability of water, upgrades to the Water Treatment Plant began this fiscal year.

General Fund Budgetary Highlights

The City's annual budget is the legally adopted expenditure control document of the City. Budgetary comparison statements are required for the General Fund and all major special revenue funds. These statements compare the original adopted budget, the budget if amended throughout the fiscal year, and the actual expenditures prepared on a budgetary basis.

General Fund actual revenues for the year were \$17,357,515. The amount budgeted for the year was \$13,446,772, showing an excess in revenue of \$2,584,380 from budget. The variance in budget to actual numbers was primarily due to receiving more sales tax revenue than conservatively budgeted. The City also received CARES Act revenue in the amount of \$864,379 which offset public safety personnel costs during the Covid pandemic.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The capital assets of the City are those assets that are used in performance of City functions, including infrastructure assets. Capital Assets include equipment, vehicles, buildings, land, park facilities and roads. At the end of fiscal year 2021, net capital assets of the government activities totaled \$77.6 million and the net capital assets of the business-type activities totaled \$38.8 million. Depreciation on capital assets is recognized in the Government-Wide financial statement. (See note 6 of the financial statements).

Debt

At year-end, the City had \$6.97 million in governmental long-term debt outstanding, not including the net pension liability of \$6.3 million. The debt is a liability of the government and includes the Series 2011 Revenue Refunding bond and our capital lease obligations. The City's initial Series 1999 bond was issued to cover the costs of constructing the public safety facility and the library, costs associated with closing the landfill, and costs associated with improvements made to the water and wastewater treatment plants. The 1999 bond was restructured to what is now called the Series 2011 Bond. The balance as of June 30, 2021 for the Series 2011 Bond is \$5,150,000. The City entered a new lease purchase agreement for the purchase of Police cars in the current year for \$423,899. The ending balance of all capital lease obligations is \$630,679. (See note 7 to the financial statements for detailed descriptions on all debt outstanding.)

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

The City of Page, Arizona as well as other Arizona cities, remains dependent on state shared revenues and local sales taxes for resources. These revenue sources are economically sensitive taxes and subject to slowdowns in the economy and legislative appropriations. This fiscal year, the City of Page continues to make adjustments to our budget as the tax revenue source and other revenues have not completely rebounded from the Covid pandemic effects from fiscal year 2020. Moving forward, it appears that our sales tax revenue is starting to increase, but not sure when we will reach pre-pandemic numbers at this point.

Even through the economic challenges of today, the City still maintains that it has an important responsibility to its citizens to carefully account for public funds, to manage its finances wisely, and to plan for the adequate funding of services desired by the public, including the provision and maintenance of public facilities. In these times of major changes in federal and state policies toward local government and of limited growth in the City's tax base, the City needs to ensure that it is capable of adequately funding and providing those government services desired by the community.

The City has adopted a Financial Management Policy which establishes guidelines for the City's overall fiscal planning and management. These principles are intended to foster and support the continued financial strength and stability of the City of Page as reflected in its financial goals. The City Council set the following guidelines for their Strategic Goals and Priorities for FY 2018 & FY 2019 Budget years. These guidelines continue to be followed today:

Community Development

Goal: Implement economic development processes that assist in the development of a strong local economy; protect neighborhoods from blighting and deteriorating conditions that have a negative impact on area property values; and encourage residents and business owner's efforts to maintain the physical environment through standards set in local ordinances.

Fiscal Stability:

Goal: Operate in a fiscally prudent manner, assuring the most efficient expenditure of public funds.

High Performing Organization:

Goal: To create an environment that supports engaged, high performing employees; enable the City to recruit, retain and compete for talent; and ensure retention of institutional knowledge.

Improving Infrastructure:

Goal: Maintain and improve critical City infrastructure, including streets, sidewalks, parks, trails and facilities to support economic growth and improve quality of life in Page.

Quality of Life:

Goal: Maximize resources that enhance the quality of life for our residents and visitors.

The City established an Emergency Reserve Fund and set the minimum cash reserve for General Fund operations at \$8 million, per Resolution 1229-19. This reserve must be obtained while maintaining the capital and ongoing operation needs of the community. The adopted fiscal year 2020-2021 budget for the entire City of Page is \$45,299,116, which includes capital projects of \$5.5 million.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City's finances for all of those with an interest in the government's finances and to demonstrate accountability for the use of public funds. Questions about any of the information provided in this report, or requests for additional financial information should be addressed to: City of Page, Finance Director, P.O. Box 1180, Page, AZ 86040.

BASIC FINANCIAL STATEMENTS

CITY OF PAGE, ARIZONA
Statement of Net Position
June 30, 2021

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 24,481,112	\$ 33,303,674	\$ 57,784,786
Investments	9,393,684		9,393,684
Receivables (net of allowance)	3,538,409	1,460,193	4,998,602
Prepaid expenses	-	943,753	943,753
Inventories	-	1,703,583	1,703,583
Net pension/OPEB asset	455,654	18,017	473,671
Internal balances	1,749,427	(1,749,427)	-
Restricted assets (temporarily restricted):			
Cash and cash equivalents	45,830	963,588	1,009,418
Capital assets (net of accumulated depreciation)			
Land and improvements	44,521,593	63,000	44,584,593
Construction in progress	559,910	255,467	815,377
Buildings and improvements	8,414,694	17,930,233	26,344,927
Furniture, equipment and vehicles	3,232,326	4,811,870	8,044,196
Infrastructure	20,898,489	-	20,898,489
Distribution systems	-	15,772,870	15,772,870
Total assets	<u>117,291,128</u>	<u>75,476,821</u>	<u>192,767,949</u>
Deferred Outflows of Resources			
Deferred charge on refunding	-	-	-
Deferred outflows related to pensions/OPEB	3,080,555	1,153,630	4,234,185
Total deferred outflows of resources	<u>3,080,555</u>	<u>1,153,630</u>	<u>4,234,185</u>
Liabilities			
Accounts payable and other current liabilities	1,821,894	2,380,559	4,202,453
Customer deposits	-	963,588	963,588
Interest payable	-	-	-
Unearned revenue	1,668	-	1,668
Noncurrent liabilities:			
Due within one year	1,756,666	325,597	2,082,263
Due in more than one year	5,216,869	233,623	5,450,492
Net pension/OPEB liability	6,360,716	4,371,184	10,731,900
Total liabilities	<u>15,157,813</u>	<u>8,274,551</u>	<u>23,432,364</u>
Deferred Inflows of Resources			
Deferred inflows related to pensions/OPEB	739,088	76,979	816,067
Net Position			
Net investment in capital assets	71,621,631	38,764,682	110,386,313
Restricted for:			
Debt service	6,886,913	-	6,886,913
Capital projects	5,748,747	-	5,748,747
Highways and streets	15,775	-	15,775
Perpetual care - expendable	367,241	-	367,241
Community support and other	280,548	-	280,548
Unrestricted	19,553,927	29,514,239	49,068,166
Total net position	<u>\$ 104,474,782</u>	<u>\$ 68,278,921</u>	<u>\$ 172,753,703</u>

The accompanying notes are an integral part of the financial statements.

CITY OF PAGE, ARIZONA
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 3,253,282	\$ 88,033	\$ 864,379	\$ -	\$ (2,300,870)	\$ -	\$ (2,300,870)
Public safety	6,023,874	1,071,775	51,199	2,289	(4,898,611)	-	(4,898,611)
Public works	4,175,997	731,628	5,431,092	1,689,555	3,676,278	-	3,676,278
Judicial	7,886	-	-	-	(7,886)	-	(7,886)
Culture and recreation	1,024,384	20,495	373,539	80,000	(550,350)	-	(550,350)
Community support	4,583,515	13,763	46,318	2,712	(4,520,722)	-	(4,520,722)
Interest on long-term debt	297,258	-	-	-	(297,258)	-	(297,258)
Total governmental activities	<u>19,366,196</u>	<u>1,925,694</u>	<u>6,766,527</u>	<u>1,774,556</u>	<u>(8,899,419)</u>	<u>-</u>	<u>(8,899,419)</u>
Business-type activities:							
Water	1,743,042	2,082,946	-	-	-	339,904	339,904
Sewer	1,563,422	1,837,331	-	-	-	273,909	273,909
Sanitation	772,221	878,003	-	-	-	105,782	105,782
Electric	10,160,062	9,204,592	-	-	-	(955,470)	(955,470)
Golf	1,429,749	1,035,038	-	-	-	(394,711)	(394,711)
Horseshoe Bend	1,212,255	2,984,258	-	3,565	-	1,775,568	1,775,568
Total business-type activities	<u>16,880,751</u>	<u>18,022,168</u>	<u>-</u>	<u>3,565</u>	<u>-</u>	<u>1,144,982</u>	<u>1,144,982</u>
Total primary government	<u>\$ 36,246,947</u>	<u>\$ 19,947,862</u>	<u>\$ 6,766,527</u>	<u>\$ 1,778,121</u>	<u>(8,899,419)</u>	<u>1,144,982</u>	<u>(7,754,437)</u>
General Revenues:							
Taxes:							
City sales tax					11,187,498	-	11,187,498
Franchise tax					227,848	-	227,848
State sales tax (unrestricted)					893,189	-	893,189
Auto lieu tax (unrestricted)					421,154	-	421,154
State revenue sharing (unrestricted)					1,075,999	-	1,075,999
Unrestricted investment earnings (losses)					559,284	9,219	568,503
Gain on sale of capital assets					-	2,505	2,505
Other general revenues					61,921	-	61,921
Transfers					2,420,584	(2,420,584)	-
Total general revenues & transfers					<u>16,847,477</u>	<u>(2,408,860)</u>	<u>14,438,617</u>
Change in net position					7,948,058	(1,263,878)	6,684,180
Net position - beginning					96,526,724	69,542,799	166,069,523
Net position - ending					<u>\$ 104,474,782</u>	<u>\$ 68,278,921</u>	<u>\$ 172,753,703</u>

The accompanying notes are an integral part of the financial statements.

CITY OF PAGE, ARIZONA
Balance Sheet
Governmental Funds
June 30, 2021

	<u>General</u>	<u>Highway User Fund</u>	<u>Grants Fund</u>
Assets			
Cash and cash equivalents	\$ 12,201,625	\$ -	\$ -
Investments	9,393,684	-	-
Other receivables	36,859	-	-
Due from other funds	1,292,071	-	-
Due from other governments	1,758,978	84,066	692,834
Restricted cash and cash equivalents	17,606	-	-
Total assets	<u><u>\$ 24,700,823</u></u>	<u><u>\$ 84,066</u></u>	<u><u>\$ 692,834</u></u>
Liabilities			
Accounts payable	\$ 432,762	\$ 15,223	\$ 417,932
Accrued liabilities	334,884	-	-
Deposits payable	17,606	-	-
Due to other funds	1,625,339	53,068	56,820
Unearned revenue	1,668	-	-
Total liabilities	<u><u>2,412,259</u></u>	<u><u>68,291</u></u>	<u><u>474,752</u></u>
Fund Balances			
Restricted:			
Roads and highways	-	15,775	-
Debt service	-	-	-
Perpetual care - expendable	-	-	-
Public safety - substance abuse funds	-	-	-
Community support	-	-	218,082
Committed:			
Public works	-	-	-
Judicial	-	-	-
Assigned:			
Capital outlay	-	-	-
Debt service	-	-	-
Unassigned	22,288,564	-	-
Total fund balances	<u><u>22,288,564</u></u>	<u><u>15,775</u></u>	<u><u>218,082</u></u>
Total liabilities, deferred inflows and fund balances	<u><u>\$ 24,700,823</u></u>	<u><u>\$ 84,066</u></u>	<u><u>\$ 692,834</u></u>

The accompanying notes are an integral part of the financial statements.

Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 6,883,824	\$ 4,111,772	\$ 1,283,891	\$ 24,481,112
-	-	-	9,393,684
-	-	8,267	45,126
-	2,192,244	339	3,484,654
-	4,992	952,413	3,493,283
3,089	-	25,135	45,830
<u>\$ 6,886,913</u>	<u>\$ 6,309,008</u>	<u>\$ 2,270,045</u>	<u>\$ 40,943,689</u>
\$ -	\$ 560,261	\$ 14,867	\$ 1,441,045
-	-	3,224	338,108
-	-	25,135	42,741
-	-	-	1,735,227
-	-	-	1,668
<u>-</u>	<u>560,261</u>	<u>43,226</u>	<u>3,558,789</u>
-	-	-	15,775
3,089	-	-	3,089
-	-	367,241	367,241
-	-	30,762	30,762
-	-	31,704	249,786
-	-	1,776,139	1,776,139
-	-	20,973	20,973
-	5,748,747	-	5,748,747
6,883,824	-	-	6,883,824
-	-	-	22,288,564
<u>6,886,913</u>	<u>5,748,747</u>	<u>2,226,819</u>	<u>37,384,900</u>
<u>\$ 6,886,913</u>	<u>\$ 6,309,008</u>	<u>\$ 2,270,045</u>	<u>\$ 40,943,689</u>

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CITY OF PAGE, ARIZONA
Reconciliation of Total Governmental Fund Balances
To Net Position of Governmental Activities
June 30, 2021

Total governmental fund balances		\$ 37,384,900
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Governmental capital assets	\$ 110,786,907	
Less: accumulated depreciation	<u>(33,159,895)</u>	77,627,012
<p>Net OPEB asset is not an available resource and, therefore is not reported in the funds.</p>		
		455,654
<p>Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future reporting periods and, therefore, are not reported in the funds.</p>		
Deferred outflows	\$ 3,080,555	
Deferred inflows	<u>(739,088)</u>	2,341,467
<p>Some liabilities, including bonds payable and capital leases, are not due and payable in the current period and therefore are not reported in the funds.</p>		
Bonds payable	\$ (5,150,000)	
Capital leases	(630,679)	
Compensated absences	(968,154)	
Net pension/OPEB liability	(6,360,716)	
Bond premiums	<u>(224,702)</u>	<u>(13,334,251)</u>
Total net position of governmental activities		<u>\$ 104,474,782</u>

The accompanying notes are an integral part of the financial statements.

CITY OF PAGE, ARIZONA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	General	Highway User Fund	Grants Fund
Revenues			
Taxes	\$ 11,415,346	\$ -	\$ -
Licenses, permits and fees	179,633	-	-
Intergovernmental revenue	3,625,804	922,199	3,750,098
Charges for services	910,528	-	-
Fines and forfeitures	198,693	-	-
Rental revenue	-	-	-
Investment earnings	404,824	137	-
Land sales	540,516	-	-
Other revenues	82,171	441	-
Total revenues	<u>17,357,515</u>	<u>922,777</u>	<u>3,750,098</u>
Expenditures			
Current:			
General government	3,058,239	-	-
Public safety	5,427,251	-	27,093
Public works	1,325,840	975,672	23,145
Judicial	-	-	-
Culture and recreation	846,396	-	9,799
Community support	650,104	-	3,584,818
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>11,307,830</u>	<u>975,672</u>	<u>3,644,855</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,049,685</u>	<u>(52,895)</u>	<u>105,243</u>
Other Financing Sources (Uses)			
Transfers in	1,757,644	-	-
Transfers out	(3,096,627)	(16,000)	(4,140)
Issuance of debt	-	-	-
Total other financing sources and uses	<u>(1,338,983)</u>	<u>(16,000)</u>	<u>(4,140)</u>
Net change in fund balances	4,710,702	(68,895)	101,103
Fund balances, beginning of year	<u>17,577,862</u>	<u>84,670</u>	<u>116,979</u>
Fund balances, end of year	<u>\$ 22,288,564</u>	<u>\$ 15,775</u>	<u>\$ 218,082</u>

The accompanying notes are an integral part of the financial statements.

Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 11,415,346
-	-	-	179,633
-	1,303,349	952,210	10,553,660
-	-	108,097	1,018,625
-	-	-	198,693
-	-	372,809	372,809
1,508	152,808	7	559,284
-	-	-	540,516
-	-	180,680	263,292
<u>1,508</u>	<u>1,456,157</u>	<u>1,613,803</u>	<u>25,101,858</u>
1,250	-	-	3,059,489
-	-	-	5,454,344
-	-	465,986	2,790,643
-	-	7,650	7,650
-	-	1,294	857,489
-	-	25,835	4,260,757
-	3,268,956	-	3,268,956
1,087,492	153,579	-	1,241,071
305,017	22,405	-	327,422
<u>1,393,759</u>	<u>3,444,940</u>	<u>500,765</u>	<u>21,267,821</u>
<u>(1,392,251)</u>	<u>(1,988,783)</u>	<u>1,113,038</u>	<u>3,834,037</u>
653,414	3,699,967	-	6,111,025
(147,053)	-	(426,621)	(3,690,441)
-	423,899	-	423,899
<u>506,361</u>	<u>4,123,866</u>	<u>(426,621)</u>	<u>2,844,483</u>
(885,890)	2,135,083	686,417	6,678,520
<u>7,772,803</u>	<u>3,613,664</u>	<u>1,540,402</u>	<u>30,706,380</u>
<u>\$ 6,886,913</u>	<u>\$ 5,748,747</u>	<u>\$ 2,226,819</u>	<u>\$ 37,384,900</u>

CITY OF PAGE, ARIZONA
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To The Statement of Activities
For the Year Ended June 30, 2021

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds		\$ 6,678,520
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the difference between depreciation expense and capital outlays in the current period.</p>		
Capital outlay	\$ 3,514,423	
Depreciation expense	<u>(2,286,894)</u>	1,227,529
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, donations, and disposals) is a decrease in net position.</p>		
		(345,669)
<p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Debt proceeds		(423,899)
Principal paid		1,245,819
Amortization of deferred amount on refunding		(20,926)
Amortization of bond premiums		49,027
<p>Interest expense that is accrued and reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.</p>		
		2,063
<p>Pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the net pension liability is measured a year before the City's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.</p>		
Pension/OPEB contributions	\$ 915,678	
Pension/OPEB expense	<u>(1,277,559)</u>	(361,881)
<p>Compensated absences expenses 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.</p>		
		<u>(102,525)</u>
Change in net position of governmental activities		<u><u>\$ 7,948,058</u></u>

The accompanying notes are an integral part of the financial statements.

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CITY OF PAGE, ARIZONA
Statement of Net Position
Proprietary Funds
June 30, 2021

	<u>Horseshoe Bend</u>	<u>Water</u>	<u>Sewer</u>
Assets			
Current assets:			
Cash and cash equivalents	\$ 1,550,032	\$ 6,560,871	\$ 3,794,790
Receivables, net of allowance	-	208,805	193,511
Due from other funds	-	-	-
Inventories	-	175,191	176,536
Prepaid expenses	-	-	6,255
Total current assets	<u>1,550,032</u>	<u>6,944,867</u>	<u>4,171,092</u>
Noncurrent assets:			
Restricted cash	-	122,370	-
Net pension/OPEB asset	1,849	2,428	1,591
Capital assets:			
Land	-	-	-
Construction-in-progress	250,708	-	-
Buildings and improvements	3,582,785	3,629,906	4,525,333
Machinery, equipment, vehicles	208,440	1,926,649	3,905,029
Distribution system	-	18,117,111	10,963,797
Less accumulated depreciation	<u>(246,187)</u>	<u>(16,570,835)</u>	<u>(14,991,990)</u>
Total noncurrent assets	<u>3,797,595</u>	<u>7,227,629</u>	<u>4,403,760</u>
Total assets	<u>5,347,627</u>	<u>14,172,496</u>	<u>8,574,852</u>
Deferred Outflows of Resources			
Deferred outflows related to pensions/OPEB	<u>118,412</u>	<u>155,444</u>	<u>101,888</u>
Total deferred outflows of resources	<u>118,412</u>	<u>155,444</u>	<u>101,888</u>
Liabilities			
Current liabilities:			
Accounts payable	24,567	219,190	44,384
Accrued liabilities	11,819	30,569	28,083
Customer deposits	-	122,370	-
Due to other funds	3,104,006	-	-
Current portion of long-term liabilities	<u>6,677</u>	<u>27,482</u>	<u>36,275</u>
Total current liabilities	<u>3,147,069</u>	<u>399,611</u>	<u>108,742</u>
Noncurrent liabilities:			
Compensated absences	3,596	14,798	19,533
Net pension/OPEB liability	448,671	588,989	386,060
Capital leases payable (net of current portion)	-	-	-
Total noncurrent liabilities	<u>452,267</u>	<u>603,787</u>	<u>405,593</u>
Total liabilities	<u>3,599,336</u>	<u>1,003,398</u>	<u>514,335</u>
Deferred Inflows of Resources			
Deferred inflows related to pensions/OPEB	<u>7,901</u>	<u>10,372</u>	<u>6,799</u>
Total deferred inflows of resources	<u>7,901</u>	<u>10,372</u>	<u>6,799</u>
Net Position			
Net investment in capital assets	3,797,595	7,105,259	4,403,760
Unrestricted	<u>(1,938,793)</u>	<u>6,208,911</u>	<u>3,751,846</u>
Total net position	<u>\$ 1,858,802</u>	<u>\$ 13,314,170</u>	<u>\$ 8,155,606</u>

The accompanying notes are an integral part of the financial statements.

<u>Electric</u>	<u>Sanitation (non-major)</u>	<u>Golf (non-major)</u>	<u>Total</u>
\$ 20,415,065	\$ 982,916	\$ -	\$ 33,303,674
981,660	74,409	1,808	1,460,193
1,625,000	-	-	1,625,000
1,351,856	-	-	1,703,583
937,498	-	-	943,753
<u>25,311,079</u>	<u>1,057,325</u>	<u>1,808</u>	<u>39,036,203</u>
841,218	-	-	963,588
9,540	-	2,609	18,017
63,000	-	-	63,000
4,759	-	-	255,467
14,192,578	-	7,612,861	33,543,463
6,413,387	-	567,271	13,020,776
29,039,543	-	-	58,120,451
(29,128,292)	-	(5,232,413)	(66,169,717)
<u>21,435,733</u>	<u>-</u>	<u>2,950,328</u>	<u>39,815,045</u>
<u>46,746,812</u>	<u>1,057,325</u>	<u>2,952,136</u>	<u>78,851,248</u>
610,826	-	167,060	1,153,630
<u>610,826</u>	<u>-</u>	<u>167,060</u>	<u>1,153,630</u>
1,792,908	64,727	54,096	2,199,872
91,484	-	18,732	180,687
841,218	-	-	963,588
16,913	-	253,508	3,374,427
212,404	-	42,759	325,597
<u>2,954,927</u>	<u>64,727</u>	<u>369,095</u>	<u>7,044,171</u>
114,372	-	6,698	158,997
2,314,463	-	633,001	4,371,184
-	-	74,626	74,626
<u>2,428,835</u>	<u>-</u>	<u>714,325</u>	<u>4,604,807</u>
<u>5,383,762</u>	<u>64,727</u>	<u>1,083,420</u>	<u>11,648,978</u>
40,759	-	11,148	76,979
<u>40,759</u>	<u>-</u>	<u>11,148</u>	<u>76,979</u>
20,584,975	-	2,873,093	38,764,682
21,348,142	992,598	(848,465)	29,514,239
<u>\$ 41,933,117</u>	<u>\$ 992,598</u>	<u>\$ 2,024,628</u>	<u>\$ 68,278,921</u>

CITY OF PAGE, ARIZONA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	<u>Horseshoe Bend</u>	<u>Water</u>	<u>Sewer</u>
Operating revenues			
Service fees	\$ 2,574,561	\$ 1,991,989	\$ 1,837,331
Other revenues	409,697	90,957	-
Total operating revenues	<u>2,984,258</u>	<u>2,082,946</u>	<u>1,837,331</u>
Operating expenses			
Salaries and wages	306,218	408,951	440,378
Employee benefits	197,006	136,727	133,106
Insurance	-	26,584	26,027
Service, supplies and other	99,792	510,478	443,325
Power costs	-	-	-
Contract services	274,841	13,130	4,950
Depreciation	122,231	647,172	515,636
Total operating expenses	<u>1,000,088</u>	<u>1,743,042</u>	<u>1,563,422</u>
Operating income (loss)	<u>1,984,170</u>	<u>339,904</u>	<u>273,909</u>
Nonoperating revenues (expenses)			
Interest income	965	1,658	710
Interest expense	(212,167)	-	-
Gain (loss) on disposal of capital assets	-	-	-
Total nonoperating revenues (expenses)	<u>(211,202)</u>	<u>1,658</u>	<u>710</u>
Income (loss) before transfers	1,772,968	341,562	274,619
Capital contributions	3,565	-	-
Transfers to other funds	(2,420,584)	-	-
Change in net position	(644,051)	341,562	274,619
Total net position, beginning of year	<u>2,502,853</u>	<u>12,972,608</u>	<u>7,880,987</u>
Total net position, end of year	<u>\$ 1,858,802</u>	<u>\$ 13,314,170</u>	<u>\$ 8,155,606</u>

The accompanying notes are an integral part of the financial statements.

<u>Electric</u>	<u>Sanitation (non-major)</u>	<u>Golf (non-major)</u>	<u>Total</u>
\$ 9,204,592	\$ 878,003	\$ 1,035,038	\$ 17,521,514
-	-	-	500,654
<u>9,204,592</u>	<u>878,003</u>	<u>1,035,038</u>	<u>18,022,168</u>
916,676	-	455,808	2,528,031
901,004	-	280,173	1,648,016
68,901	-	8,973	130,485
148,891	10,184	423,480	1,636,150
6,838,600	-	-	6,838,600
70,007	762,037	11,093	1,136,058
1,215,983	-	250,222	2,751,244
<u>10,160,062</u>	<u>772,221</u>	<u>1,429,749</u>	<u>16,668,584</u>
<u>(955,470)</u>	<u>105,782</u>	<u>(394,711)</u>	<u>1,353,584</u>
5,780	106	-	9,219
-	-	-	(212,167)
2,505	-	-	2,505
<u>8,285</u>	<u>106</u>	<u>-</u>	<u>(200,443)</u>
(947,185)	105,888	(394,711)	1,153,141
-	-	-	3,565
-	-	-	(2,420,584)
<u>(947,185)</u>	<u>105,888</u>	<u>(394,711)</u>	<u>(1,263,878)</u>
42,880,302	886,710	2,419,339	69,542,799
<u>\$ 41,933,117</u>	<u>\$ 992,598</u>	<u>\$ 2,024,628</u>	<u>\$ 68,278,921</u>

CITY OF PAGE, ARIZONA
Statement of Cash Flows
Proprietary Fund Types
For the Year Ended June 30, 2021

	<u>Horseshoe Bend</u>	<u>Water</u>	<u>Sewer</u>
Cash Flows From Operating Activities:			
Cash received from customers, service fees	\$ 2,574,561	\$ 2,000,215	\$ 1,831,203
Cash received from other operating revenues	409,697	90,957	-
Cash paid to suppliers	(368,030)	(514,054)	(456,976)
Cash paid to employees	(833,181)	(666,672)	(575,165)
Net cash flows from operating activities	<u>1,783,047</u>	<u>910,446</u>	<u>799,062</u>
Cash Flows From Noncapital Activities:			
Transfers (to) / from other funds	(2,420,584)	-	-
Payments (to) from other funds	(798,696)	-	-
Net cash flows from noncapital activities	<u>(3,219,280)</u>	<u>-</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities:			
Interest paid	(212,167)	-	-
Purchase of capital assets	(10,067)	(236,706)	(604,780)
Proceeds from sale of capital assets	-	-	-
Principal payments on capital leases	-	-	-
Net cash flows from capital and related financing activities:	<u>(222,234)</u>	<u>(236,706)</u>	<u>(604,780)</u>
Cash Flows From Investing Activities:			
Interest on investments	965	1,658	710
Net cash flows from investing activities	<u>965</u>	<u>1,658</u>	<u>710</u>
Net change in cash and cash equivalents	<u>(1,657,502)</u>	<u>675,398</u>	<u>194,992</u>
Cash and cash equivalents, beginning of year	<u>3,207,534</u>	<u>6,007,843</u>	<u>3,599,798</u>
Cash and cash equivalents, end of year	<u>\$ 1,550,032</u>	<u>\$ 6,683,241</u>	<u>\$ 3,794,790</u>
Reconciliation to statement of net position:			
Cash and cash equivalents, unrestricted	\$ 1,550,032	\$ 6,560,871	\$ 3,794,790
Cash and cash equivalents, restricted	-	122,370	-
Total	<u>\$ 1,550,032</u>	<u>\$ 6,683,241</u>	<u>\$ 3,794,790</u>
Reconciliation of operating income to net cash provided by operating activities:			
Net operating income (loss)	\$ 1,984,170	\$ 339,904	\$ 273,909
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation/amortization	122,231	647,172	515,636
Pension/OPEB expense	(300,122)	(46,804)	29,893
Employer pension/OPEB contributions	(34,089)	(44,749)	(29,332)
Changes in operating assets and liabilities:			
(Increase) Decrease in receivables	-	8,226	(6,128)
(Increase) Decrease in prepaid expenses	-	27,915	-
(Increase) Decrease in inventories	-	10,268	28,142
Increase (Decrease) in accounts payable	3,621	(16,153)	(24,202)
Increase (Decrease) in compensated absences	4,254	(29,441)	(2,242)
Increase (Decrease) in accrued liabilities	2,982	14,108	13,386
Net cash flows from operating activities	<u>\$ 1,783,047</u>	<u>\$ 910,446</u>	<u>\$ 799,062</u>
Noncash investing, capital, and financing activities:			
Borrowing under capital lease	\$ -	\$ -	\$ -
Contributions of capital assets from government	3,565	-	-

The accompanying notes are an integral part of the financial statements.

<u>Electric</u>	<u>Sanitation (non-major)</u>	<u>Golf (non-major)</u>	<u>Total</u>
\$ 9,125,877	\$ 880,194	\$ 1,033,230	\$ 17,445,280
-	-	-	500,654
(6,538,961)	(770,497)	(403,252)	(9,051,770)
(1,358,374)	-	(611,538)	(4,044,930)
<u>1,228,542</u>	<u>109,697</u>	<u>18,440</u>	<u>4,849,234</u>
-	-	-	(2,420,584)
2,433	-	10,665	(785,598)
<u>2,433</u>	<u>-</u>	<u>10,665</u>	<u>(3,206,182)</u>
-	-	-	(212,167)
(1,768,851)	-	-	(2,620,404)
2,505	-	-	2,505
-	-	(29,105)	(29,105)
<u>(1,766,346)</u>	<u>-</u>	<u>(29,105)</u>	<u>(2,859,171)</u>
5,780	106	-	9,219
<u>5,780</u>	<u>106</u>	<u>-</u>	<u>9,219</u>
(529,591)	109,803	-	(1,206,900)
21,785,874	873,113	-	35,474,162
<u>\$ 21,256,283</u>	<u>\$ 982,916</u>	<u>\$ -</u>	<u>\$ 34,267,262</u>
\$ 20,415,065	\$ 982,916	\$ -	\$ 33,303,674
841,218	-	-	963,588
<u>\$ 21,256,283</u>	<u>\$ 982,916</u>	<u>\$ -</u>	<u>\$ 34,267,262</u>
\$ (955,470)	\$ 105,782	\$ (394,711)	\$ 1,353,584
1,215,983	-	250,222	2,751,244
605,032	-	160,063	448,062
(175,846)	-	(48,093)	(332,109)
(78,715)	2,191	(1,808)	(76,234)
(651,322)	-	-	(623,407)
(103,539)	-	-	(65,129)
1,314,125	1,724	19,523	1,298,638
30,120	-	12,473	15,164
28,174	-	20,771	79,421
<u>\$ 1,228,542</u>	<u>\$ 109,697</u>	<u>\$ 18,440</u>	<u>\$ 4,849,234</u>
\$ -	\$ -	\$ 27,454	\$ 27,454
-	-	-	3,565

CITY OF PAGE, ARIZONA
Statement of Net Position
Fiduciary Funds
June 30, 2021

	Volunteer Firefighters' Pension
Assets	
Current assets:	
Cash and cash equivalents	\$ 610,901
Total assets	<u>610,901</u>
Liabilities	
Current liabilities:	
Accounts payable	<u>-</u>
Total liabilities	<u>-</u>
Net position	
Restricted for pensions	<u>\$ 610,901</u>

The accompanying notes are an integral part of the financial statements.

CITY OF PAGE, ARIZONA
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2021

	<u>Volunteer Firefighters' Pension</u>
Additions	
Contributions:	
Employer	3,624
Employee	4,971
State fire insurance premium	19,112
Other	<u>2,876</u>
Total contributions	<u>30,583</u>
Investment income	
Net appreciation (depreciation) in fair value of investments	137,825
Interest	<u>21,629</u>
Net investment income	<u>159,454</u>
Total additions	<u>190,037</u>
Deductions	
Benefits	82,550
Administration	<u>2,762</u>
Total deductions	<u>85,312</u>
Net increase (decrease)	104,725
Net position held in trust for pension benefits:	
Beginning of year	<u>506,176</u>
End of year	<u><u>\$ 610,901</u></u>

The accompanying notes are an integral part of the financial statements.

CITY OF PAGE, ARIZONA
Notes to the Financial Statements
June 30, 2021

Note 1. Summary of Significant Accounting Policies

Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, when applicable, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

Reporting Entity

The City of Page, Arizona (the City) was incorporated March 1, 1975, under the provisions of Article 13, Sections 1 through 6, of the Constitution of Arizona and Title 9 of the Arizona Revised Statutes. The City operates under a Council-Manager form of government. The accompanying financial statements present all activities of the City. The City has no separate component units, entities for which the City is considered to be financially accountable that would be combined to form the City's reporting entity.

Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are franchise taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's electric functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of presentation – fund financial statements

The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

CITY OF PAGE, ARIZONA
Notes to the Financial Statements
June 30, 2021

Note 1. Summary of Significant Accounting Policies, Continued

The **Highway User Revenue Fund** accounts for the City's share of motor fuel tax revenues and lottery proceeds which are restricted for the maintaining, repairing, and upgrading of streets.

The **Grants Fund** is used to account for grants received by the City which are restricted for specific purposes.

The **Debt Service Fund** accounts for the accumulation of resources for and the payment of current and future debt service requirements of governmental debt.

The **Capital Projects Fund** accounts for the acquisition and construction of the City's major capital facilities, other than those financed by proprietary funds.

The City reports the following major proprietary funds:

The **Horseshoe Bend Fund** accounts for parking fees and other revenues associated with the operation, construction and maintenance of capital facilities at Horseshoe Bend.

The **Water Fund** accounts for the City's water utility operations.

The **Sewer Fund** accounts for the City's wastewater utility operations.

The **Electric Fund** accounts for the City's electrical services and operations.

Additionally, the City reports the following fund types:

The **Pension Trust Fund** accounts for the Volunteer Firefighters' Pension Plan, which accumulates resources for pension benefit payments to qualified volunteer firefighters and EMS personnel.

During the course of operations the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

CITY OF PAGE, ARIZONA
Notes to the Financial Statements
June 30, 2021

Note 1. Summary of Significant Accounting Policies, Continued

Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the 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 provider have been met.

The 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 expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Sales taxes, franchise taxes, licenses, and interest 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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary and pension trust funds are reported using the *economic resources measurement* focus and the accrual basis of accounting.

Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

Cash and cash equivalents

Cash includes cash on hand, demand deposits with banks and other financial institutions, deposits in other types of accounts or cash management pools that have the general characteristics of demand deposit accounts and short-term investments with original maturities of three months or less from the date of acquisition.

CITY OF PAGE, ARIZONA
Notes to the Financial Statements
June 30, 2021

Note 1. Summary of Significant Accounting Policies, Continued

Investments

The City's policy allows for the investment of funds in time certificates of deposit with federally insured depositories, investment in the state treasurer's pool, obligations of the U. S. Government and other investments as allowed by Arizona State Statutes. All investments are carried at fair value with unrealized gains and losses recorded as adjustments to interest earnings. Fair market values are based on quoted market prices. The reported value of the state treasurer's pool is the same as the fair value of the pool shares.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "Internal balances" in the Statement of Net Position and as "Due to" or "Due from" other funds in the fund financial statements. All trade accounts receivable in the General Fund and proprietary funds are shown net of an allowance for doubtful accounts.

Inventories and Prepaid Items

The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. Inventories for the proprietary funds consist principally of materials used in the repair of the distribution, collection and treatment systems and are valued at cost.

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.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined by the City as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capitalized assets are recorded at cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. 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.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the City are depreciated using the straight line method over the following estimated useful lives:

Building and improvements	7 to 40 years
Machinery and equipment	5 to 15 years
Electric, Water, and Sewer systems	10 to 40 years
Streets, sidewalks & other infrastructure	15 to 40 years

CITY OF PAGE, ARIZONA
Notes to the Financial Statements
June 30, 2021

Note 1. Summary of Significant Accounting Policies, Continued

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. The first item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is the pension/OPEB related items reported on the government-wide and proprietary fund financial statements. See footnote 9 for more information.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category. The first type arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from the land sale note receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second type is pension/OPEB related items reported on the government-wide and proprietary fund financial statements. See footnote 9 for more information.

Pension and other postemployment benefits

For purposes of measuring the net pension and other postemployment benefits (OPEB) assets and liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the plan's fiduciary net position of the Arizona State Retirement System (ASRS) and the Arizona Public Safety Personnel Retirement System (PSPRS), and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by ASRS and PSPRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net position flow assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

CITY OF PAGE, ARIZONA
Notes to the Financial Statements
June 30, 2021

Note 1. Summary of Significant Accounting Policies, Continued

Fund balance flow assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council (Council) has authorized the Finance Director to assign fund balance. The policy used by the governing body to authorize the assignment of fund balance is the City of Page Financial Management Policy. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Revenues and expenditures/expenses

Program revenues

Amounts reported as 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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

CITY OF PAGE, ARIZONA
Notes to the Financial Statements
June 30, 2021

Note 1. Summary of Significant Accounting Policies, Continued

Property taxes

The City does not currently have a levy for any property taxes.

Compensated absences

The City's policy permits employees to accumulate earned but unused vacation and sick leave benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Employees may not accrue more than 960 hours of sick leave except for the purposes of payment as follows. Once the maximum limit of 960 hours has been accumulated, an employee hired before July 1, 2017, may elect to be paid for the excess of 960 sick hours at a rate of 75% their base pay or purchase service time from ASRS/PSPRS (if eligible) at a rate of 75% their base pay. Upon separation from City employment, an employee may be eligible to be paid at full face value for accrued sick leave if (1) the employee has been employed by any department with the City for ten continuous years and (2) the employee applies for and elects to receive ASRS/PSPRS benefits immediately upon separation from City service. Employees hired on or after July 1, 2017, upon separation from City employment, shall be eligible for accrued sick leave over 560 hours, up to 400 hours, if (1) the employee has been employed by any department with the City for ten continuous years and (2) the employee applies for and elects to receive ASRS benefits City of Page Personnel Rules 19 Revised October, 2018 immediately upon separation from City service. No payment will be made for the first 560 hours of accumulation or beyond 400 additional hours. Termination of the employee will forfeit payment of all sick leave.

Proprietary funds operating and nonoperating revenues and expenses

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 water, sewer, sanitation and electric funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Tax Abatements

The City has not entered into any tax abatement agreements and the City is not aware of any tax abatement agreements that have been entered into by other governments that would reduce the City's tax revenues.

CITY OF PAGE, ARIZONA
Notes to the Financial Statements
June 30, 2021

Note 1. Summary of Significant Accounting Policies, Continued

Use of estimates

The preparation of 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. Reconciliation of Government-Wide and Fund Financial Statements

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net position of governmental activities as reported in the government-wide statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets. The details of these differences are reported in the reconciliation on page 21.

The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation between net changes in fund balances-total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. These differences are the result of converting from the current resources measurement focus and modified accrual basis for governmental fund statements to the economic resources measurement focus and full accrual basis used for government-wide statements. The details of these differences are reported in the reconciliation on page 24.

Note 3. Stewardship, Compliance, and Accountability

Stewardship, compliance, and accountability are key concepts in defining the responsibilities of the City. The use of budgets and monitoring of equity status facilitate the City's compliance with legal requirements.

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at year end. The City Council follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Arizona Revised Statutes, the City Manager submits a proposed budget for the fiscal year commencing the following July 1 to the City Council. The operating budget includes proposed expenditures and the means of financing them for the upcoming year.

CITY OF PAGE, ARIZONA
Notes to the Financial Statements
June 30, 2021

Note 3. Stewardship, Compliance, and Accountability, Continued

2. Public hearings are conducted to obtain taxpayer comment.
3. Prior to the third Monday in July, the expenditure limitation for the City is legally enacted through passage of a resolution. To ensure compliance with the expenditure limitation, a uniform expenditure report must be filed with the State each year. This report, issued under a separate cover, reconciles total City expenditures from the audited financial statements to total expenditures for reporting in accordance with the State's uniform expenditure reporting system (A.R.S. §41-1279.07).
4. State law requires that, prior to April 1, the Economic Estimates Commission provides the City with a final expenditure limit for the coming fiscal year.
5. Expenditures may not legally exceed the expenditure limitation of all fund types as a whole. For management purposes, the City adopts a budget by department for the General Fund and in total by fund for other funds. The City Council has adopted a budget transfer policy and all amendments must be done in accordance with this policy.
6. The City has adopted budgets in accordance with A.R.S. requirements and utilizes the budgets as a management control device during the year for the General, Special Revenue, Debt Service and Enterprise funds. The budgets are prepared on essentially the same modified accrual basis of accounting used to record actual revenues and expenditures.

The City is subject to the State of Arizona's Spending Limitation Law for Towns and Cities. This law does not permit the City to spend more than budgeted revenues plus the carry-over unrestricted cash balance from the prior fiscal year. The limitation is applied to the total of the combined funds. The City complied with this law during the year.

There were no supplementary budgetary appropriations made during the year ended June 30, 2021.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation for future years, is not employed by the City.

Expenditures over Appropriations

Expenditures may not legally exceed budgeted appropriations at the department level. The individual Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual reports as listed in the table of contents present all of the departments which incurred an excess of expenditures/expenses over appropriations for the year ended June 30, 2021, if any.

Highway User Revenue Funds

Highway user revenue fund monies received by the City pursuant to title 28, chapter 18, article 2 and other dedicated state transportation revenues received during the current fiscal year have been used solely for authorized transportation purposes.

CITY OF PAGE, ARIZONA
Notes to the Financial Statements
June 30, 2021

Note 4. Deposits and Investments

A reconciliation of cash and investments as shown on the Statements of Net Position is as follows:

Cash and cash equivalents	\$ 57,784,786
Investments	9,393,684
Restricted cash and cash equivalents	1,009,418
Fiduciary Fund cash and cash equivalents	<u>610,901</u>
Total	<u><u>\$ 68,798,789</u></u>

Deposits

Custodial Credit Risk

For deposits this is the risk that in the event of a bank failure, the City's deposit may not be returned to it. The City does not have a formal policy for custodial credit risk. As of June 30, 2021, \$4,831,117 of the City's bank balance of \$28,438,103 was exposed to custodial credit risk because it was not covered by FDIC insurance or collateralized with securities held by the pledging financial institution's trust department or agent.

Investments

The Arizona State Treasurer's Office operates the Local Government Investment Pool (LGIP). The LGIP is available for investment of funds administered by any Arizona Public Treasurer.

The LGIP is not registered with the SEC as an investment company. The State Board of Investments provides oversight for the State Treasurer's investment pools. Deposits in the LGIP are not insured or otherwise guaranteed by the State of Arizona, and participants share proportionally in any realized gain or losses on investments.

The provisions of State law (A.R.S. 35-323) govern the investment of funds in excess of \$100,000. A.R.S. 35-323 allows for investment in certificates of deposit, interest bearing savings accounts, repurchase agreements with a maximum maturity of 180 days, pooled investment funds established by the State Treasurer, obligations guaranteed by the United States, bonds of the State of Arizona or other local municipalities, commercial paper of prime quality that is rated "P1" by Moody's investors or "A1" by Standard and Poor's rating service, and bonds, debentures or notes that are issued by corporations organized and doing business in the United States subject to certain restrictions. For investments of less than \$100,000, procedures as specified by local ordinance or resolution must be followed.

CITY OF PAGE, ARIZONA
Notes to the Financial Statements
June 30, 2021

Note 4. Deposits and Investments, Continued

As of June 30, 2021 the City had the following deposits and investments:

	<u>Fair Value</u>	<u>Quality Rating</u>	<u>Weighted Average Maturity (2)</u>
Deposits:			
Cash on hand	\$ 190	N/A	N/A
Cash in bank	27,805,174	N/A	N/A
Investments:			
State Treasurer's Investment Pool	30,938,134	AAA	0.17 Years
U.S. Government Agency Securities	3,558,684	AA+	3.02 Years
Mutual Funds	589,957	N/A	N/A
Certificates of deposit	5,906,650	N/A	N/A
Total cash and investments	<u>\$ 68,798,789</u>		

- (1) Ratings are provided where applicable to indicate associated Credit Risk. N/A indicates not applicable. Ratings for the City's investment in the State Treasurer's Investment Pool #7 and the U.S. Government Agency Securities are provided from Standard and Poor's.
- (2) State Treasurer's Investment Pool is valued at the pool's share price multiplied by the number of shares the Town held. The fair value of a participant's position in the pools approximate the value of that participant's shares. (Level 2 inputs).
- (3) Interest Rate Risk is estimated using the weighted average days to maturity.

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the provisions of State law (A.R.S. 35- 323). A.R.S. 35-323 requires that the City's investment portfolio maturities do not exceed five years from the time of purchase.

Credit risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy for reducing its exposure to credit risk is to comply with State law (A.R.S. 35-323). A.R.S. 35-323 limits investment in commercial paper and corporate bonds to the top ratings issued by nationally recognized statistical rating organizations such as Standard & Poor's and Moody's Investor Services.

CITY OF PAGE, ARIZONA
Notes to the Financial Statements
June 30, 2021

Note 4. Deposits and Investments, Continued

Fair value measurements

As noted above, the City holds investments that are measured at fair value on a recurring basis. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The State Treasurer’s Investment Pool, U.S Government Agency Securities, mutual funds, and certificates of deposit, as listed above, are valued using quoted market prices (Level 2 inputs).

Note 5. Restricted Assets

Restricted assets at June 30, 2021 consisted of the following cash reserves:

<u>Restricted Cash</u>	
Magistrate Bond Deposits	\$ 2,471
Refundable Deposits	15,135
Cash Restricted for Debt Service	3,089
Airport - Refundable Deposits	25,135
Water Fund - Customer Deposits	122,370
Electric Fund - Customer Deposits	<u>841,218</u>
Total Restricted Cash	<u>\$ 1,009,418</u>

CITY OF PAGE, ARIZONA
Notes to the Financial Statements
June 30, 2021

Note 6. Capital Assets

The following table summarizes the changes to capital assets for governmental activities during the year:

Governmental Activities:	Balance 06/30/20	Additions	Deletions	Transferred Assets*	Balance 06/30/21
Capital assets, not being depreciated					
Land	\$ 45,199,590	\$ -	\$ (677,997)	\$ -	\$ 44,521,593
Construction in progress	4,212,300	2,035,037	(5,687,427)		559,910
Total capital assets, not being depreciated	<u>49,411,890</u>	<u>2,035,037</u>	<u>(6,365,424)</u>		<u>45,081,503</u>
Capital assets, being depreciated					
Buildings and improvements	19,172,047	510,551	-	-	19,682,598
Furniture, equipment, and vehicles	8,573,515	1,716,629	-	-	10,290,144
Infrastructure	30,460,701	5,271,961	-	-	35,732,662
Total capital assets being depreciated	<u>58,206,263</u>	<u>7,499,141</u>	<u>-</u>	<u>-</u>	<u>65,705,404</u>
Less accumulated depreciation for:					
Buildings and improvements	(10,729,346)	(538,558)	-	-	(11,267,904)
Furniture, equipment, and vehicles	(6,543,759)	(514,059)	-	-	(7,057,818)
Infrastructure	(13,599,896)	(1,234,277)	-	-	(14,834,173)
Total accumulated depreciation	<u>(30,873,001)</u>	<u>(2,286,894)</u>	<u>-</u>	<u>-</u>	<u>(33,159,895)</u>
Total capital assets, being depreciated, net	<u>27,333,262</u>	<u>5,212,247</u>	<u>-</u>	<u>-</u>	<u>32,545,509</u>
Governmental activities capital assets, net	<u>\$ 76,745,152</u>	<u>\$ 7,247,284</u>	<u>\$ (6,365,424)</u>	<u>\$ -</u>	<u>\$ 77,627,012</u>

Depreciation expense was charged to the functions/programs of the City as follows:

Governmental Activities:	
General government	\$ 207,832
Public safety	448,757
Public works	1,436,159
Culture and recreation	140,420
Community support	53,726
Total depreciation expense - governmental activities	<u>\$ 2,286,894</u>

*During fiscal year 2020 the City transferred the Golf operations and related capital assets from the General fund to the Golf enterprise fund. Also certain assets purchased by the Capital Projects fund were transferred to the Horseshoe Bend enterprise fund.

CITY OF PAGE, ARIZONA
Notes to the Financial Statements
June 30, 2021

Note 6. Capital Assets, Continued

The following table summarizes the changes to capital assets for business-type activities during the year.

Business Type Activities:	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets, not being depreciated				
Land	\$ 63,000	\$ -	\$ -	\$ 63,000
Construction in progress	340,605	8,324	(93,462)	255,467
Total capital assets, not being depreciated	403,605	8,324	(93,462)	318,467
Capital assets, being depreciated				
Buildings and improvements	32,053,558	1,489,906	-	33,543,464
Furniture, equipment, and vehicles	12,097,600	923,175	-	13,020,775
Electric distribution system	28,742,790	296,754	-	29,039,544
Water distribution system	18,117,111	-	-	18,117,111
Sewer distribution system	10,937,067	26,730	-	10,963,797
Total capital assets being depreciated	101,948,126	2,736,565	-	104,684,691
Less accumulated depreciation for:				
Buildings and improvements	(14,823,334)	(789,776)	-	(15,613,110)
Furniture, equipment, and vehicles	(7,588,454)	(620,572)	-	(8,209,026)
Electric distribution system	(18,925,753)	(598,647)	-	(19,524,400)
Water distribution system	(12,227,728)	(507,393)	-	(12,735,121)
Sewer distribution system	(9,853,205)	(234,856)	-	(10,088,061)
Total accumulated depreciation	(63,418,474)	(2,751,244)	-	(66,169,718)
Total capital assets, being depreciated, net	38,529,652	(14,679)	-	38,514,973
Total capital assets, net	\$ 38,933,257	\$ (6,355)	\$ (93,462)	\$ 38,833,440
Business-Type Activities:				
Water		647,172		
Sewer		515,636		
Electric		1,215,983		
Horseshoe Bend		122,231		
Golf		250,222		
Total depreciation expense business-type activities		<u>\$ 2,751,244</u>		

*During fiscal year 2020 the City transferred the Golf operations and related capital assets from the General fund to the Golf enterprise fund. Also certain assets purchased by the Capital Projects fund were transferred to the Horseshoe Bend enterprise fund.

CITY OF PAGE, ARIZONA
Notes to the Financial Statements
June 30, 2021

Note 7. Long-Term Liabilities

The following is a summary of changes in long-term obligations for the year ended June 30, 2021:

Governmental activities:	Balance June 30, 2020	Additions	Retirements	Balance June 30, 2021	Current Portion
General Obligation:					
Airport Lease Purchase, Series 2004	\$ 197,492	\$ -	\$ (197,492)	\$ -	\$ -
Capital Lease Obligations	365,107	423,899	(158,327)	630,679	197,366
Total General Obligation	562,599	423,899	(355,819)	630,679	197,366
Revenue Obligation:					
Pledged Revenue Refunding Obligations, Series 2011	6,040,000	-	(890,000)	5,150,000	930,000
Bond Premiums	273,729	-	(49,027)	224,702	-
Total Revenue Obligation	6,313,729	-	(939,027)	5,374,702	930,000
Accrued compensated absences	865,629	748,373	(645,848)	968,154	629,300
Net pension/OPEB liabilities	5,274,054	1,086,662	-	6,360,716	-
Total Governmental Activity Long-term Liabilities	\$ 13,016,011	\$ 2,258,934	\$ (1,940,694)	\$ 13,334,251	\$ 1,756,666
Business-type activities:					
Capital Lease Obligations	\$ 106,597	\$ 27,454	\$ (29,105)	\$ 104,946	\$ 30,320
Accrued compensated absences	439,111	165,656	(150,493)	454,274	295,278
Net pension/OPEB liabilities	3,305,410	1,065,774	-	4,371,184	-
Total Business-type Activity Long-term Liabilities	3,851,118	1,258,884	(179,598)	4,930,404	325,598
Total Long-Term Liabilities	<u>\$ 16,867,129</u>	<u>\$ 3,517,818</u>	<u>\$ (2,120,292)</u>	<u>\$ 18,264,655</u>	<u>\$ 2,082,263</u>

Generally, resources from the General fund are used to liquidate net pension/OPEB liabilities and compensated absences for governmental activities.

The City has no unused lines of credit as of June 30, 2021.

The City has no direct borrowings or placements of debt. Other than pledged revenues for selected debt issues as noted in the schedule on the following page, none of the City's bonds contain pledged assets, finance related events of default, finance related termination events, acceleration clauses, and/or subjective acceleration clauses.

CITY OF PAGE, ARIZONA
Notes to the Financial Statements
June 30, 2021

Note 7. Long-Term Liabilities, Continued

The following is a listing of long-term debt outstanding as of June 30, 2021:

Revenue Obligation:

Pledged Revenue Refunding Obligations, Series 2011, due in semi-annual interest installments through January 1, 2013 and annual principal and semi-annual interest installments beginning July 1, 2013, bearing interest between 2.0% and 5.0%, maturing July 1, 2026.

	<u>\$ 5,150,000</u>
Total long-term debt payable	<u>\$ 5,150,000</u>

Debt service requirements for long-term debt payable are as follows:

Governmental Activities		
Fiscal Period		
Ending		
30-Jun	Principal	Interest
2021	\$ 930,000	\$ 257,500
2022	980,000	211,000
2023	1,025,000	162,000
2024	1,080,000	110,750
2025	1,135,000	56,750
Total	<u>\$ 5,150,000</u>	<u>\$ 798,002</u>

The City issued \$11,730,000 Pledged Revenue Refunding Bonds, Series 2011 that were placed in an escrow account to cover all future debt service payments of the \$12,300,000 Excise Tax Revenue Bonds, Series 1999A. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$645,740. This amount is being amortized over the old debt's life, which is shorter than the refunded debt.

CITY OF PAGE, ARIZONA
Notes to the Financial Statements
June 30, 2021

Note 7. Long-Term Liabilities, Continued

The City has entered into six lease agreements which are considered capital leases in accordance with Generally Accepted Accounting Principles. The following is an annual schedule of future minimum lease payments with the present value of the net minimum lease payments for the fiscal years ending June 30:

Fiscal Year Ending June 30,	Governmental Activities	Business-Type Activities
2022	\$ 213,728	\$ 34,144
2023	209,765	34,144
2024	190,552	34,144
2025	46,724	13,025
2026	-	-
Total remaining lease payments	660,769	115,457
Less: amounts representing interest	(30,090)	(10,511)
remaining minimum lease payments	\$ 630,679	\$ 104,946

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

	Governmental Activities	Business-Type Activities
Furniture, Equipment, and Vehicles	\$ 849,058	\$ 151,010
Less: Accumulated Depreciation	(215,192)	(36,282)
Total	\$ 633,866	\$ 114,728

Operating Lease: The City leases 62 golf carts for the golf course. Total costs for the leases of \$45,600 were recorded in the Golf Fund for the year ended June 30, 2021. The future minimum lease payments for these leases are \$3,800 per month through November 2025.

Available Borrowing Capacity:

Prior to fiscal year 2007, under Arizona law, cities could issue general obligation bonds for purposes of water, sewer, artificial light, open space preserves, parks, playgrounds, and recreational facilities, up to an amount not exceeding 20% of a City's Secondary Net Assessed Valuation. In fiscal year 2007, Arizona voters approved an amendment to the Arizona Constitution to allow cities to include debt for the acquisition and development of public safety, law enforcement, fire and emergency facilities, and streets and transportation facilities in the 20% debt limit. General Obligation Bonds for all other purposes may be issued up to an amount not exceeding 6% of Secondary Net Assessed Valuation.

As of June 30, 2021 the City has no debt outstanding applicable to the 20% limit and no outstanding general obligation bonds applicable to the 6% limit. Accordingly at June 30, 2021, the City's legal borrowing capacity is \$35,249,403 for the 20% limit and \$10,574,821 for the general obligation 6% limit.

CITY OF PAGE, ARIZONA
Notes to the Financial Statements
June 30, 2021

Note 8. Interfund Receivables, Payables and Transfers

As of June 30, 2021, interfund receivables and payables that resulted from various interfund transactions were as follows:

Due To:	Due From:						Total
	General Fund	Highway User Fund	Grants Fund	Horseshoe Bend Fund	Electric Fund	Golf Fund	
General	\$ -	\$ 53,068	\$ 56,820	\$ 911,762	\$ 16,913	\$ 253,508	\$ 1,292,071
Capital Project Fund	-	-	-	2,192,244	-	-	2,192,244
Non-Major Governmental Funds	339	-	-	-	-	-	339
Electric	1,625,000	-	-	-	-	-	1,625,000
Total	\$ 1,625,339	\$ 53,068	\$ 56,820	\$ 3,104,006	\$ 16,913	\$ 253,508	\$ 5,109,654

The interfund balance in the General Fund of \$1,625,000 is a loan from the Electric Fund to the General Fund made in fiscal year 2000. The terms 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. The Horseshoe Bend balance of \$2,192,244 payable to the Capital Projects fund is payable over 5 years at 6% interest with 4 years remaining. The Horseshoe Bend balance of \$911,762 payable to the General fund is payable over 6 years at 6% interest with 5 years remaining.

Interfund transfers for the fiscal year ended June 30, 2021 are as follows:

Transfers Out:	Transfers In:			
	General Fund	Debt Service Fund	Capital Projects Fund	Total
General Fund	\$ -	\$ 451,655	\$ 2,644,972	\$ 3,096,627
Debt Service Fund	147,053	-	-	147,053
Highway User Fund	-	-	16,000	16,000
Grants fund	4,140	-	-	4,140
Non-Major Governmental Sanitation Fund	-	201,759	224,862	426,621
Horseshoe Bend Fund	1,606,451	-	814,133	2,420,584
Total Transfers Out	\$ 1,757,644	\$ 653,414	\$ 3,699,967	\$ 6,111,025

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF PAGE, ARIZONA
Notes to the Financial Statements
June 30, 2021

Note 9. Pensions and Other Postemployment Benefits

The City contributes to the Arizona State Retirements System and Public Safety Personnel Retirement System plans described below. The plans are component units of the State of Arizona. At June 30, 2021, the City reported the following aggregate amounts related to pensions and other post-employment benefits (OPEB) for all plans to which it contributes:

Statement of Net Position and				Governmental	Business-Type
Statement of Activities	ASRS	PSPRS	Combined Total	Activities Total	Activities Total
Net OPEB asset	\$ 40,264	\$ 433,408	\$ 473,672	\$ 455,654	\$ 18,018
Net OPEB liabilities	42,869	-	42,869	42,869	-
Net pension liabilities	9,725,376	963,655	10,689,031	6,317,847	4,371,184
Total pension/OPEB liabilities	9,768,245	963,655	10,731,900	6,360,716	4,371,184
Deferred outflows of resources	2,578,007	1,656,179	4,234,186	3,080,555	1,153,630
Deferred inflows of resources	172,024	644,043	816,067	739,088	76,979
Pension/OPEB expense	1,289,998	421,381	1,711,379	1,249,314	459,846

The City reported \$784,168 of pension and OPEB contributions as expenditures in the governmental funds related to all plans to which it contributes.

Arizona State Retirement System (ASRS)

Plan description – City employees not covered by the other pension plans described below participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at www.azasrs.gov.

Benefits provided – The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

	Initial Membership Date Before July 1, 2011	Initial Membership Date On or After July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years age 62 5 years age 50* any years age 65	30 years age 55 25 years age 60 10 years age 62 5 years age 50* any years age 65
Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

* With actuarially reduced benefits.

CITY OF PAGE, ARIZONA
Notes to the Financial Statements
June 30, 2021

Note 9. Pensions and Other Postemployment Benefits, Continued

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earning. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents. For members with 5 to 9 years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

Active members are eligible for a monthly long-term disability benefit equal to two-thirds of monthly earnings. Members receiving benefits continue to earn service credit up to their normal retirement dates. Members with long-term disability commencement dates after June 30, 1999, are limited to 30 years of service or the service on record as of the effective disability date if their service is greater than 30 years.

Contributions – In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2021, statute required active ASRS members to contribute at the actuarially determined rate of 12.22 percent (12.04 percent for retirement and 0.18 percent for long-term disability) of the members' annual covered payroll, and statute required the City to contribute at the actuarially determined rate of 12.22 percent (11.65 percent for retirement, 0.39 percent for health insurance premium benefit, and 0.18 percent for long-term disability) of the active members' annual covered payroll. In addition, the City was required by statute to contribute at the actuarially determined rate of 10.21 percent (10.14 percent for retirement and 0.07 percent for long-term disability) of annual covered payroll of retired members who worked for the City in positions that an employee who contributes to the ASRS would typically fill.

The City's contributions to the pension, health insurance premium benefit, and long-term disability plans for the year ended June 30, 2021, were \$707,544, \$23,686, and \$10,932 respectively.

Liability – At June 30, 2021, the City reported the following asset and liabilities for its proportionate share of the ASRS' net pension/OPEB asset or liability.

	Net pension/OPEB
	<u>(asset) liability</u>
Pension	\$ 9,725,376
Health insurance premium benefit	(40,264)
Long-term disability	42,869

CITY OF PAGE, ARIZONA
Notes to the Financial Statements
June 30, 2021

Note 9. Pensions and Other Postemployment Benefits, Continued

The net asset and net liabilities were measured as of June 30, 2020. The total liability used to calculate the net asset and net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2019, to the measurement date of June 30, 2020.

The City's proportion of the net asset or net liability was based on the City's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The City's proportions measured as of June 30, 2020, and the change from its proportions measured as of June 30, 2019, were:

	Proportion June 30, 2019	Proportion June 30, 2020	Increase (decrease) from June 30, 2019
Pension	0.048760%	0.056130%	0.007370%
Health insurance premium benefit	0.049180%	0.056870%	0.007690%
Long-term disability	0.048980%	0.056510%	0.007530%

Expense – For the year ended June 30, 2021, the City recognized pension OPEB expense:

	<u>Pension/OPEB Exp</u>
Pension	\$ 1,263,476
Health insurance premium benefit	12,550
Long-term disability	13,972

Deferred outflows/inflows of resources – At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

CITY OF PAGE, ARIZONA
Notes to the Financial Statements
June 30, 2021

Note 9. Pensions and Other Postemployment Benefits, Continued

	Pension		Health Insurance Premium Benefit		Long-Term Disability	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 87,983	\$ -	\$ -	\$ 79,337	\$ 3,731	\$ 1,104
Changes of assumptions or other inputs	-	-	22,322	-	4,619	-
Net difference between projected and actual earnings on pension plan investments	938,024	-	41,197	-	4,720	-
Changes in proportion and differences between contributions and proportionate share of contributions	729,660	90,093	36	878	3,553	612
Contributions subsequent to the measurement date	<u>707,544</u>	<u>-</u>	<u>23,686</u>	<u>-</u>	<u>10,932</u>	<u>-</u>
Total	<u>\$ 2,463,211</u>	<u>\$ 90,093</u>	<u>\$ 87,241</u>	<u>\$ 80,215</u>	<u>\$ 27,555</u>	<u>\$ 1,716</u>

The amounts reported as deferred outflows of resources related to ASRS pensions and OPEB resulting from City contributions subsequent to the measurement date will be recognized as an increase of the net asset or a reduction of the net liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized as expenses as follows:

Year Ended June 30,	Pension	Health Insurance Premium Benefit	Long-term disability
2022	\$ 402,892	\$ (8,742)	\$ 2,376
2023	633,263	(25)	3,142
2024	339,293	1,874	3,282
2025	290,126	(2,390)	2,990
2026	-	(7,377)	1,768
Thereafter	-	-	1,349

CITY OF PAGE, ARIZONA
Notes to the Financial Statements
June 30, 2021

Note 9. Pensions and Other Postemployment Benefits, Continued

Actuarial Assumptions – The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial valuation date	June 30, 2019
Actuarial roll forward date	June 30, 2020
Actuarial cost method	Entry age normal
Investment rate of return	7.5%
Projected salary increases	2.7-7.2% for pensions/not applicable for OPEB
Inflation	2.3%
Permanent benefit increase	Included for pensions/not applicable for OPEB
Mortality rates	2017 SRA Scale U-MP for pension and health insurance premium benefit
Recovery rates	2012 GLTD for long-term disability
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on ASRS pension plan investments was determined to be 7.5 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Portfolio Real Rate of Return
Equity	50%	6.39%
Fixed income - credit	20%	5.44%
Fixed income - interest rate sensitive	10%	0.22%
Real estate	20%	5.85%
Totals	<u>100%</u>	

CITY OF PAGE, ARIZONA
Notes to the Financial Statements
June 30, 2021

Note 9. Pensions and Other Postemployment Benefits, Continued

Discount Rate – The discount rate used to measure the ASRS total pension/OPEB liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

Sensitivity of the proportionate share of the net pension/OPEB (asset) liability to changes in the discount rate – The following table presents the City's proportionate share of the net pension/OPEB (asset) liability calculated using the discount rate of 7.5 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5 percent) or 1 percentage point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
Proportionate share of:			
Net pension (asset) / liability	\$ 13,299,319	\$ 9,725,376	\$ 6,737,742
Net insurance premium benefit liability (asset)	52,830	(40,264)	(119,490)
Net long-term disability liability	46,806	42,869	39,048

Plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report.

Public Safety Personnel Retirement System (PSPRS)

Plan description – City police and fire employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS). The PSPRS administers agent and cost-sharing multiple-employer defined benefit pension plans and agent and cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plans. A nine-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4. Employees who were PSPRS members before July 1, 2017, participate in the agent plans, and those who became PSPRS members on or after July 1, 2017, participate in the cost-sharing plans (PSPRS Tier 3 Risk Pool).

The PSPRS issues a publicly available financial report that includes financial statements and required supplementary information for PSPRS. The reports are available on the PSPRS website at www.psprs.com.

CITY OF PAGE, ARIZONA
Notes to the Financial Statements
June 30, 2021

Note 9. Pensions and Other Postemployment Benefits, Continued

Benefits provided – The PSPRS provides retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefit terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

	Initial Membership Date:		
	Before January 1, 2012	On or After January 1, 2012 and before July 1, 2017	On or after July 1, 2017
Retirement and Disability			
Years of service and age required to receive benefit	20 years of service, any age 15 years of service, age 62	25 years of service or 15 years of credited of service, age 52.5	15 years of credited service, age 52.5* 15 years or more of service, age 55
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years	Highest 60 consecutive months of last 15 years
Benefit percent			
Normal Retirement	50% less 4.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5% to 2.5% per year of credited service, not to exceed 80%	
Accidental Disability Retirement		50% or normal retirement, whichever is greater	
Catastrophic Disability Retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater		
Ordinary Disability Retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20		
Survivor Benefit			
Retired Members	80% to 100% of retired member's pension benefit		
Active Members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job		

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on inflation. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. Benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents.

CITY OF PAGE, ARIZONA
Notes to the Financial Statements
June 30, 2021

Note 9. Pensions and Other Postemployment Benefits, Continued

Employees covered by benefit terms – At June 30, 2021, the following employees were covered by the agent plans’ benefit terms:

PSPRS - Police	Pension	Health
Inactive employees or beneficiaries currently receiving benefits	9	9
Inactive employees entitled to but not yet receiving benefits	5	0
Active employees	14	14
Total	28	23

PSPRS - Fire	Pension	Health
Inactive employees or beneficiaries currently receiving benefits	3	3
Inactive employees entitled to but not yet receiving benefits	9	0
Active employees	10	10
Total	22	13

Contributions cost – State Statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contribution rates for the year ended June 30, 2021, are indicated below. Rates are a percentage of active members’ annual covered payroll.

	Active Member Pension	City - Pension	City-Health Insurance Premium
PSPRS Police	7.65%	19.04%	0.00%
PSPRS Police Tier 3 risk pool	9.21%	9.21%	0.28%
PSPRS Fire	7.65%	14.97%	0.24%
PSPRS Fire Tier 3 risk pool	9.21%	9.21%	0.28%

In addition, statute required the City to contribute at the actuarially determined rate of 6.69% for police and 1.53% for fire of annual covered payroll of retired members who worked for the City in positions that an employee who contributes to the PSPRS would typically fill and employees participating in the PSPRS Tier 3 Risk Pool.

CITY OF PAGE, ARIZONA
Notes to the Financial Statements
June 30, 2021

Note 9. Pensions and Other Postemployment Benefits, Continued

The City's contributions to the plans for the year ended June 30, 2021, were:

Pension	<u>PSPRS Police</u>	<u>PSPRS Fire</u>
Contributions made	\$ 231,463	\$ 136,677
PSPRS Tier 3 risk pool contributions	53,291	65,518
Health Insurance Premium Benefit		
Annual OPEB cost	\$ -	\$ 2,154
PSPRS Tier 3 risk pool	-	1,033

During fiscal year 2021, the City paid for PSPRS pension and OPEB contributions 100% from the general fund.

Liability – At June 30, 2021, the City reported the following assets and liabilities.

	<u>Net pension (asset) liability</u>	<u>Net OPEB (asset) liability</u>
PSPRS Police	\$ 665,164	\$ (417,872)
PSPRS Fire	298,491	(15,536)
Total	<u>\$ 963,655</u>	<u>\$ (433,408)</u>

The net assets and net liabilities were measured as of June 30, 2020, and the total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date.

CITY OF PAGE, ARIZONA
Notes to the Financial Statements
June 30, 2021

Note 9. Pensions and Other Postemployment Benefits, Continued

Actuarial assumptions – The significant actuarial assumptions used to measure the total pension/OPEB liability are as follows:

Actuarial valuation date	June 30, 2020
Actuarial cost method	Entry Age Normal
Investment rate of return	7.3%
Wage inflation	3.5% for pensions/not applicable for OPEB
Price inflation	2.5% for pensions/not applicable for OPEB
Cost-of-living adjustment	1.75% for pension/not applicable for OPEB
Mortality rates	PubS-2010 tables
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2017.

The long-term expected rate of return on PSPRS plan investments was determined to be 7.3 using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
U.S. public equity	23%	4.39%
International public equity	15%	6.09%
Global private equity	18%	8.42%
Other assets (capital appreciation)	7%	5.61%
Core bonds	2%	0.22%
Private credit	22%	5.31%
Diversifying strategies	12%	3.22%
Cash - Mellon	1%	-0.60%
Total	<u>100.00%</u>	

CITY OF PAGE, ARIZONA
Notes to the Financial Statements
June 30, 2021

Note 9. Pensions and Other Postemployment Benefits, Continued

Discount Rate – At June 30, 2020, the discount rate used to measure the PSPRS total pension/OPEB liability was 7.3 percent. The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the plans’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

Changes in the net pension/OPEB liability

PSPRS Police	Pension			Health insurance premium benefit		
	Increase (decrease)		Net Pension Liability (a) - (b)	Increase (decrease)		Net Pension Liability (a) - (b)
Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Total Pension Liability (a)		Plan Fiduciary Net Position (b)		
Balances at June 30, 2020	\$ 7,699,480	\$ 6,425,639	\$ 1,273,841	\$ 50,580	\$ 473,118	\$ (422,538)
Adjustment to beginning of year	-	-	-	-	-	-
Changes for the year:						
Service cost	187,393	-	187,393	4,364	-	4,364
Interest on total pension liability	560,762	-	560,762	4,037	-	4,037
Changes of benefit terms	-	-	-	-	-	-
Difference between expected and actual experience in the measurement of the pension liability	154,810	-	154,810	1,791	-	1,791
Changes of assumptions	-	-	-	-	-	-
Contributions - employer	-	1,341,843	(1,341,843)	-	-	-
Contributions - employee	-	90,447	(90,447)	-	-	-
Net investment income	-	86,399	(86,399)	-	6,015	(6,015)
Benefit payments, including refunds of employee contributions	(410,404)	(410,404)	-	(786)	(786)	-
Hall/Parker settlement	-	-	-	-	-	-
Plan administrative expenses	-	(7,047)	7,047	-	(489)	489
Other changes*	-	-	-	-	-	-
Net changes	492,561	1,101,238	(608,677)	9,406	4,740	4,666
Balances at June 30, 2021	\$ 8,192,041	\$ 7,526,877	\$ 665,164	\$ 59,986	\$ 477,858	\$ (417,872)

* Other changes include adjustments for prior year GASB 68 and reserve transfer to/from employer and employee reserves.

CITY OF PAGE, ARIZONA
Notes to the Financial Statements
June 30, 2021

Note 9. Pensions and Other Postemployment Benefits, Continued

Changes in the net pension/OPEB liability

PSPRS Fire	Pension Increase (decrease)			Health insurance premium benefit Increase (decrease)		
	Total Pension Liability	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
	(a)			(a)		
Balances at June 30, 2020	\$ 3,068,467	\$ 2,876,308	\$ 192,159	\$ 51,082	\$ 77,192	\$ (26,110)
Adjustment to beginning of year	-	-	-	-	-	-
Changes for the year:						
Service cost	152,678	-	152,678	3,187	-	3,187
Interest on total pension liability	231,873	-	231,873	3,932	-	3,932
Changes of benefit terms	-	-	-	-	-	-
Difference between expected and actual experience in the measurement of the pension liability	56,690	-	56,690	6,653	-	6,653
Changes of assumptions	-	-	-	-	-	-
Contributions - employer	-	232,076	(232,076)	-	2,329	(2,329)
Contributions - employee	-	68,288	(68,288)	-	-	-
Net investment income	-	37,611	(37,611)	-	946	(946)
Benefit payments, including refunds of employee contributions	(89,616)	(89,616)	-	(2,257)	(2,257)	-
Hall/Parker settlement	-	-	-	-	-	-
Plan administrative expenses	-	(3,066)	3,066	-	(77)	77
Other changes*	-	-	-	-	-	-
Net changes	351,625	245,293	106,332	11,515	941	10,574
Balances at June 30, 2021	\$ 3,420,092	\$ 3,121,601	\$ 298,491	\$ 62,597	\$ 78,133	\$ (15,536)

* Other changes include adjustments for prior year GASB 68 and reserve transfer to/from employer and

Sensitivity of the City's net pension/OPEB (asset) liability to changes in the discount rate – The following table presents the City's net pension/OPEB (assets) liabilities calculated using the discount rate of 7.30%, as well as what the City's net pension/OPEB (assets) liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (6.30%)	Current Discount Rate (7.30%)	1% Increase (8.30%)
PSPRS Police			
Net pension (asset) / liability	\$ 1,738,630	\$ 665,164	\$ (211,633)
Net OPEB (asset) / liability	(408,670)	(417,872)	(425,446)
PSPRS Fire			
Net pension (asset) / liability	\$ 828,683	\$ 298,491	\$ (124,916)
Net OPEB (asset) / liability	(7,921)	(15,536)	(21,907)

CITY OF PAGE, ARIZONA
Notes to the Financial Statements
June 30, 2021

Note 9. Pensions and Other Postemployment Benefits, Continued

Plan fiduciary net position – Detailed information about the plans’ fiduciary net position is available in the separately issued PSPRS financial report.

Expense – For the year ended June 30, 2021, the City recognized the following pension and OPEB expense:

	Pension expense	OPEB expense
PSPRS Police	\$ 318,515	\$ (24,536)
PSPRS Fire	126,763	639

Deferred outflows/inflows of resources – At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension		Health Insurance Premium Benefit	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
PSPRS - Police				
Differences between expected and actual experience	\$ 132,763	\$ 198,061	\$ 1,536	\$ 14,044
Changes in assumptions	188,959	-	515	2,221
Net difference between projected and actual earnings on pension plan investments	369,968	-	25,562	-
Contributions subsequent to the measurement date	284,753	-	-	-
Total	\$ 976,443	\$ 198,061	\$ 27,613	\$ 16,265

	Pension		Health Insurance Premium Benefit	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
PSPRS - Fire				
Differences between expected and actual experience	\$ 48,594	\$ 406,731	\$ 6,930	\$ 21,690
Changes in assumptions	223,891	-	828	1,296
Net difference between projected and actual earnings on pension plan investments	162,246	-	4,252	-
Contributions subsequent to the measurement date	202,195	-	3,187	-
Total	\$ 636,926	\$ 406,731	\$ 15,197	\$ 22,986

CITY OF PAGE, ARIZONA
Notes to the Financial Statements
June 30, 2021

Note 9. Pensions and Other Postemployment Benefits, Continued

The amounts reported as deferred outflows of resources related to pensions and OPEB resulting from City contributions subsequent to the measurement date will be recognized as an increase in the net asset or a reduction of the net liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized as expenses as follows:

Year Ending June 30,	Deferred Outflows (Inflows) of Resources			
	PSPRS - Police		PSPRS Fire	
	Pension	Health Insurance Premium Benefit	Pension	Insurance Premium
2022	\$ 127,368	\$ 1,063	\$ (325)	\$ (918)
2023	121,390	4,289	15,951	(424)
2024	119,960	3,946	14,170	(483)
2025	99,109	2,867	10,905	(775)
2026	25,802	(1,073)	(20,625)	(1,713)
Thereafter	-	256	7,924	(6,663)

Firefighters' Relief and Pension Fund

The City of Page, Arizona Volunteer Firefighters' Relief and Pension Fund is a defined contribution pension plan administered by the City and a board of trustees for the City's volunteer firefighters. A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive.

As established by the Plan document, all volunteer firefighters participate in the pension plan after completion of one year of volunteer service with the department. The volunteers are required to contribute a minimum of 7% of their earned wage to their pension account with the City matching the 7% contribution. The Plan has a vesting schedule beginning at five years of service vesting at 40% of the City's contributions and ending with 100% of the City's contributions at eight years of service.

No pension provision changes occurred during the year that affected the required contributions made by the City or its voluntary firefighters. The Firefighters' Relief and Pension Fund held no securities of the City or other related parties during the fiscal year or as of the close of the fiscal year.

The State of Arizona is required by statute to contribute a portion of the annual tax received on fire insurance premiums. During the fiscal year ended June 30, 2021, the State's contribution was \$19,112.

CITY OF PAGE, ARIZONA
Notes to the Financial Statements
June 30, 2021

Note 10. 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; and natural disasters. The City’s risk management, property and liability insurance was obtained through the brokers, Arizona Municipal Risk Retention Pool (AMRRP), using Travelers Insurance for the coverage. The limit for claims general liability is \$2,000,000 per occurrence on a claims made basis. The City’s Worker’s Compensation program is also through Travelers Insurance for approximately 155 members. The City has had comparable insurance coverage for the past 48 years, and has had no claims exceeding this insurance coverage.

Premiums were paid quarterly to Travelers Insurance for workers compensation through June 2021 and general liability through February 2021. Beginning with the next fiscal year, the workers compensation coverage and the general liability coverage will both be on the same fiscal year period.

The City purchases commercial insurance for other risks of loss, including airport activities and employee health and accident. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past thirty fiscal years.

Note 11. Contingent Liabilities and Commitments

The City is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. In the opinion of City management, based on the advice of the City Attorney with respect to such litigation, such matters will not have a material adverse effect on the City’s financial position at June 30, 2021.

At year end, the City had the following major construction projects/commitments open:

Project	Estimated Cost	Construction in Progress
Public Works Building	\$ 1,800,000	\$ 57,842
10th Ave Streets	500,000	104,553
Date Street	1,380,000	27,851
Storm Drain Improvements	1,650,000	110,795
Block 17 Revitization	1,750,000	125,636
JCPMP/Community Center Fiber	50,000	12,419
South Ramp Reconstr Design (AIP 34)	1,800,000	74,875
Bike Trail/Park	100,000	5,669
Vista Ave Rehabilitation	90,000	37,770
Runway Safety Area	4,900,000	2,500
	<u>\$ 14,020,000</u>	<u>\$ 559,910</u>

CITY OF PAGE, ARIZONA
Notes to the Financial Statements
June 30, 2021

Note 12. 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 \$357,643 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, 2021. The remaining estimated cost of post-closure care is \$357,643. This amount is based on an estimated annual post-closure cost estimate of \$39,291 multiplied by an annual inflation factor of 1.01139% and the number of years remaining or 9. The figure is based on what it would cost to perform all post-closure care in 2021. 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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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PAGE, ARIZONA
Required Supplementary Information
Schedule of the Proportionate Share of the Net Pension Liability
June 30, 2021

ASRS - Pension

	Reporting Fiscal Year (Measurement Date)						
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2015)
Proportion of the net pension liability (asset)	0.056130%	0.048760%	0.050710%	0.493800%	0.049140%	0.050540%	0.049360%
Proportionate share of the net pension liability (asset)	\$ 9,725,376	\$ 7,095,147	\$ 7,072,260	\$ 7,692,441	\$ 7,931,690	\$ 7,871,684	\$ 7,303,554
Covered payroll	\$ 6,255,586	\$ 5,306,531	\$ 5,142,759	\$ 4,917,806	\$ 4,927,345	\$ 4,832,709	\$ 4,635,081
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	155.47%	133.71%	137.52%	156.42%	160.97%	162.88%	157.57%
Plan fiduciary net position as a percentage of the total pension liability	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%

Note: In accordance with GASB 68, employers will need to disclose a 10-year history for the pension schedule above. Additional information will be displayed as it becomes available.

See accompanying notes to pension/OPEB plan schedules

CITY OF PAGE, ARIZONA
Required Supplementary Information
Schedule of the Proportionate Share of the Net OPEB Liability
June 30, 2021

ASRS - Health insurance premium benefit	Reporting Fiscal Year (Measurement Date)				
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)
Proportion of the net pension liability (asset)	0.056870%	0.049180%	0.051180%	0.049660%	0.049658%
Proportionate share of the net pension liability (asset)	\$ (40,264)	\$ (13,591)	\$ (18,429)	\$ (27,035)	\$ 14,359
Covered payroll	\$ 6,255,586	\$ 5,306,531	\$ 5,142,759	\$ 4,917,806	\$ 4,927,345
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-0.64%	-0.26%	-0.36%	-0.55%	0.29%
Plan fiduciary net position as a percentage of the total pension liability	104.33%	101.62%	102.20%	103.57%	98.02%
ASRS - Long-term disability	Reporting Fiscal Year (Measurement Date)				
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)
Proportion of the net pension liability (asset)	0.056510%	0.048980%	0.050780%	0.049440%	0.049441%
Proportionate share of the net pension liability (asset)	\$ 42,869	\$ 31,908	\$ 26,533	\$ 17,921	\$ 17,767
Covered payroll	\$ 6,255,586	\$ 5,306,531	\$ 5,142,759	\$ 4,917,806	\$ 4,927,345
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.69%	0.60%	0.52%	0.36%	0.36%
Plan fiduciary net position as a percentage of the total pension liability	68.01%	72.85%	77.83%	84.44%	85.17%

Note: In accordance with GASB 75, employers will need to disclose a 10-year history for the OPEB schedules above. Additional information will be displayed as it becomes available.

See accompanying notes to pension/OPEB plan schedules

CITY OF PAGE, ARIZONA
Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
June 30, 2021

Public Safety Personnel Retirement System Police	Reporting Fiscal Year (Measurement Date)						
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Total pension liability							
Service cost	\$ 187,393	\$ 231,776	\$ 214,516	\$ 255,576	\$ 175,947	\$ 178,540	\$ 220,361
Interest on total pension liability	560,762	540,991	520,436	495,618	482,260	502,665	440,921
Changes of benefit terms	-	-	-	103,919	(15,644)	-	173,519
Difference between expected and actual experience of the total net pension liability	154,810	(46,488)	(165,484)	(176,315)	32,693	(409,785)	(421,490)
Changes of assumptions	-	105,455	-	211,038	261,084	-	858,808
Benefit payments, including refunds of employee contributions	(410,404)	(422,346)	(410,062)	(479,215)	(543,491)	(516,607)	(412,722)
Net change in total pension liability	492,561	409,388	159,406	410,621	392,849	(245,187)	859,397
Total pension liability - beginning	7,699,480	7,290,092	7,130,686	6,720,065	6,327,216	6,572,403	5,713,006
Total pension liability - ending (a)	<u>\$ 8,192,041</u>	<u>\$ 7,699,480</u>	<u>\$ 7,290,092</u>	<u>\$ 7,130,686</u>	<u>\$ 6,720,065</u>	<u>\$ 6,327,216</u>	<u>\$ 6,572,403</u>
Plan fiduciary net position							
Contributions - employer	\$ 1,341,843	\$ 1,658,508	\$ 1,307,650	\$ 353,353	\$ 336,612	\$ 201,140	\$ 212,639
Contributions - employee	90,447	101,240	114,737	110,537	107,532	125,347	110,427
Net investment income	86,399	303,632	294,286	380,194	18,774	123,864	459,460
Benefit payments, including refunds of employee contributions	(410,404)	(422,346)	(410,062)	(479,215)	(543,491)	(516,607)	(412,722)
Hall/Parker settlement	-	-	(96,358)	-	-	-	-
Plan administrative expenses	(7,047)	(6,268)	(5,179)	-	-	-	-
Other (net transfer)	-	(208)	4,307	(20,929)	6,527	(199,585)	(554,962)
Net change in plan fiduciary net position	1,101,238	1,634,558	1,209,381	343,940	(74,046)	(265,841)	(185,158)
Plan fiduciary net position - beg	6,425,639	4,791,081	3,581,700	3,237,760	3,311,806	3,577,647	3,762,805
Plan fiduciary net position - end (b)	<u>\$ 7,526,877</u>	<u>\$ 6,425,639</u>	<u>\$ 4,791,081</u>	<u>\$ 3,581,700</u>	<u>\$ 3,237,760</u>	<u>\$ 3,311,806</u>	<u>\$ 3,577,647</u>
Net pension liability - ending (a) - (b)	<u>\$ 665,164</u>	<u>\$ 1,273,841</u>	<u>\$ 2,499,011</u>	<u>\$ 3,548,986</u>	<u>\$ 3,482,305</u>	<u>\$ 3,015,410</u>	<u>\$ 2,994,756</u>
Plan fiduciary net position as a percentage of the total pension liability	91.88%	83.46%	65.72%	50.23%	48.18%	52.34%	54.43%
Covered payroll	\$ 892,406	\$ 936,923	\$ 1,100,649	\$ 1,170,755	\$ 947,481	\$ 858,148	\$ 908,313
Net pension liability as a percentage of covered payroll	74.54%	135.96%	227.05%	303.14%	367.53%	351.39%	329.71%

Note: In accordance with GASB 68, employers will need to disclose a 10-year history for the pension schedule above. Additional information will be displayed as it becomes available.

See accompanying notes to pension/OPEB plan schedules

CITY OF PAGE, ARIZONA
Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
June 30, 2021

Public Safety Personnel Retirement System Fire	Reporting Fiscal Year (Measurement Date)						
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Total pension liability							
Service cost	\$ 152,678	\$ 178,178	\$ 172,306	\$ 186,973	\$ 163,277	\$ 160,587	\$ 144,197
Interest on total pension liability	231,873	226,814	200,929	184,687	177,931	163,937	146,905
Changes of benefit terms	-	-	-	39,975	61,000	-	44,094
Difference between expected and actual experience of the total net pension liability	56,690	(272,319)	(21,150)	(102,499)	(159,489)	(24,495)	(223,231)
Changes of assumptions	-	88,892	-	93,531	104,754	-	212,265
Benefit payments, including refunds of employee contributions	(89,616)	(79,936)	(108,693)	(176,446)	(150,490)	(95,733)	(135,179)
Net change in total pension liability	351,625	141,629	243,392	226,221	196,983	204,296	189,051
Total pension liability - beginning	3,068,467	2,926,838	2,683,446	2,457,225	2,260,242	2,055,946	1,866,895
Total pension liability - ending (a)	\$ 3,420,092	\$ 3,068,467	\$ 2,926,838	\$ 2,683,446	\$ 2,457,225	\$ 2,260,242	\$ 2,055,946
Plan fiduciary net position							
Contributions - employer	\$ 232,076	\$ 345,573	\$ 327,142	\$ 129,943	\$ 121,210	\$ 107,714	\$ 121,193
Contributions - employee	68,288	66,450	84,197	101,145	102,410	99,301	88,424
Net investment income	37,611	138,804	149,674	215,948	10,162	58,052	192,408
Benefit payments, including refunds of employee contributions	(89,616)	(79,936)	(108,693)	(176,446)	(150,490)	(95,733)	(135,179)
Hall/Parker settlement	-	-	(65,480)	-	-	-	-
Plan administrative expenses	(3,066)	(3,388)	(2,978)	-	-	-	-
Other (net transfer)	-	(938)	24	(23,091)	(20,575)	(2,962)	(242,261)
Net change in plan fiduciary net position	245,293	466,565	383,886	247,499	62,717	166,372	24,585
Plan fiduciary net position - beg	2,876,308	2,409,743	2,025,857	1,778,358	1,715,641	1,549,269	1,524,684
Plan fiduciary net position - end (b)	\$ 3,121,601	\$ 2,876,308	\$ 2,409,743	\$ 2,025,857	\$ 1,778,358	\$ 1,715,641	\$ 1,549,269
Net pension liability - ending (a) - (b)	\$ 298,491	\$ 192,159	\$ 517,095	\$ 657,589	\$ 678,867	\$ 544,601	\$ 506,677
Plan fiduciary net position as a percentage of the total pension liability	91.27%	93.74%	82.33%	75.49%	72.37%	75.91%	75.36%
Covered payroll	\$ 673,289	\$ 724,034	\$ 819,724	\$ 881,946	\$ 907,097	\$ 861,668	\$ 902,241
Net pension liability as a percentage of covered payroll	44.33%	26.54%	63.08%	74.56%	74.84%	63.20%	56.16%

Note: In accordance with GASB 68, employers will need to disclose a 10-year history for the pension schedule above. Additional information will be displayed as it becomes available.

See accompanying notes to pension/OPEB plan schedules

CITY OF PAGE, ARIZONA
Required Supplementary Information
Schedule of Changes in the Net OPEB Liability and Related Ratios
June 30, 2021

PSPRS - Police Health Insurance Premium Benefit	Reporting Fiscal Year (Measurement Date)			
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
Total pension liability				
Service cost	\$ 4,364	\$ 3,852	\$ 3,962	\$ 4,566
Interest on total pension liability	4,037	4,073	4,021	4,129
Changes of benefit terms	-	-	-	352
Difference between expected and actual experience of the total net pension liability	1,791	(9,257)	(9,154)	(4,656)
Changes of assumptions	-	720	-	(4,793)
Benefit payments, including refunds of employee contributions	(786)	-	-	-
Net change in total pension liability	9,406	(612)	(1,171)	(402)
Total pension liability - beginning	50,580	51,192	52,363	52,765
Total pension liability - ending (a)	\$ 59,986	\$ 50,580	\$ 51,192	\$ 52,363
Plan fiduciary net position				
Contributions - employer	\$ -	\$ -	\$ (208)	\$ -
Contributions - employee	-	-	-	-
Net investment income	6,015	24,338	29,362	44,333
Benefit payments, including refunds of employee contributions	(786)	-	-	-
Plan administrative expenses	(489)	(420)	(447)	-
Other changes	-	209	-	(392)
Net change in plan fiduciary net position	4,740	24,127	28,707	43,941
Plan fiduciary net position - beg	473,118	448,991	420,284	376,343
Plan fiduciary net position - end (b)	\$ 477,858	\$ 473,118	\$ 448,991	\$ 420,284
Net pension liability - ending (a) - (b)	\$ (417,872)	\$ (422,538)	\$ (397,799)	\$ (367,921)
Plan fiduciary net position as a percentage of the total pension liability	796.62%	935.39%	877.07%	802.64%
Covered payroll	\$ 892,406	\$ 936,923	\$ 1,100,649	\$ 1,170,755
Net pension liability as a percentage of covered payroll	-46.83%	-45.10%	-36.14%	-31.43%

Note: In accordance with GASB 75, employers will need to disclose a 10-year history for the OPEB schedule above. Additional information will be displayed as it becomes available.

See accompanying notes to pension/OPEB plan schedules

CITY OF PAGE, ARIZONA
Required Supplementary Information
Schedule of Changes in the Net OPEB Liability and Related Ratios
June 30, 2021

PSPRS - Fire Health Insurance Premium Benefit	Reporting Fiscal Year (Measurement Date)			
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
Total pension liability				
Service cost	\$ 3,187	\$ 2,787	\$ 2,787	\$ 2,910
Interest on total pension liability	3,932	4,976	4,347	4,491
Changes of benefit terms	-	-	-	272
Difference between expected and actual experience of the total net pension liability	6,653	(21,552)	1,174	(5,723)
Changes of assumptions	-	1,017	-	(1,828)
Benefit payments, including refunds of employee contributions	(2,257)	(1,200)	(1,200)	(1,200)
Net change in total pension liability	11,515	(13,972)	7,108	(1,078)
Total pension liability - beginning	51,082	65,054	57,946	59,024
Total pension liability - ending (a)	\$ 62,597	\$ 51,082	\$ 65,054	\$ 57,946
Plan fiduciary net position				
Contributions - employer	\$ 2,329	\$ 2,204	\$ 2,052	\$ 2,735
Contributions - employee	-	-	-	-
Net investment income	946	3,864	4,618	6,863
Benefit payments, including refunds of employee contributions	(2,257)	(1,200)	(1,200)	(1,200)
Plan administrative expenses	(77)	(67)	(70)	
Other changes	-	938	-	(61)
Net change in plan fiduciary net position	941	5,739	5,400	8,337
Plan fiduciary net position - beg	77,192	71,453	66,053	57,716
Plan fiduciary net position - end (b)	\$ 78,133	\$ 77,192	\$ 71,453	\$ 66,053
Net pension liability - ending (a) - (b)	\$ (15,536)	\$ (26,110)	\$ (6,399)	\$ (8,107)
Plan fiduciary net position as a percentage of the total pension liability	124.82%	151.11%	109.84%	113.99%
Covered payroll	\$ 673,289	\$ 724,034	\$ 819,724	\$ 881,946
Net pension liability as a percentage of covered payroll	-2.31%	-3.61%	-0.78%	-0.92%

Note: In accordance with GASB 75, employers will need to disclose a 10-year history for the OPEB schedule above. Additional information will be displayed as it becomes available.

See accompanying notes to pension/OPEB plan schedules

CITY OF PAGE, ARIZONA
Required Supplementary Information
Schedule of Pension/OPEB Contributions
June 30, 2021

ASRS - Pension

	Reporting Fiscal Year						
	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 707,544	\$ 702,401	\$ 574,955	\$ 549,366	\$ 519,238	\$ 499,192	506,890
Contributions in relation to the contractually required contribution	(707,544)	(702,401)	(574,955)	(549,366)	(519,238)	(499,192)	(506,890)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 6,192,706	\$ 6,255,586	\$ 5,306,531	\$ 5,142,759	\$ 4,917,806	\$ 4,927,345	\$ 4,832,709
Contributions as a percentage of covered payroll	11.43%	11.23%	10.83%	10.68%	10.56%	10.13%	10.49%

Note: In accordance with GASB 68, employers will need to disclose a 10-year history for the pension schedule above. Additional information will be displayed as it becomes available.

See accompanying notes to pension/OPEB plan schedules

CITY OF PAGE, ARIZONA
Required Supplementary Information
Schedule of Pension/OPEB Contributions
June 30, 2021

ASRS - Health insurance premium benefit	Reporting Fiscal Year				
	2021	2020	2019	2018	2017
Contractually required contribution	\$ 23,686	\$ 23,285	\$ 21,967	\$ 22,218	\$ 26,735
Contributions in relation to the contractually required contribution	(23,686)	(23,285)	(21,967)	(22,218)	(26,735)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll	\$ 6,192,706	\$ 6,255,586	\$ 5,306,531	\$ 5,142,759	\$ 4,917,806
Contributions as a percentage of covered payroll	0.38%	0.37%	0.41%	0.43%	0.54%

ASRS - Long-term disability	Reporting Fiscal Year				
	2021	2020	2019	2018	2017
Contractually required contribution	\$ 10,932	\$ 8,140	\$ 8,057	\$ 8,079	\$ 6,724
Contributions in relation to the contractually required contribution	(10,932)	(8,140)	(8,057)	(8,079)	(6,724)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll	\$ 6,192,706	\$ 6,255,586	\$ 5,306,531	\$ 5,142,759	\$ 4,917,806
Contributions as a percentage of covered payroll	0.18%	0.13%	0.15%	0.16%	0.14%

Note: In accordance with GASB 75, employers will need to disclose a 10-year history for the OPEB schedules above. Additional information will be displayed as it becomes available.

See accompanying notes to pension/OPEB plan schedules

CITY OF PAGE, ARIZONA
Required Supplementary Information
Schedule of Pension/OPEB Contributions
June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 192,440	\$ 274,760	\$ 386,166	\$ 445,030	\$ 353,353	\$ 336,612	\$ 201,140	\$ 212,639
Contributions in relation to the actuarially determined contribution	(280,389)	(1,341,843)	(1,658,508)	(1,307,650)	(353,353)	(336,612)	(201,140)	(212,639)
Contribution deficiency (excess)	<u>\$ (87,949)</u>	<u>\$ (1,067,083)</u>	<u>\$ (1,272,342)</u>	<u>\$ (862,620)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,137,637	\$ 892,406	\$ 936,923	\$ 1,100,649	\$ 1,170,755	\$ 947,481	\$ 858,148	\$ 908,313
Contributions as a percentage of covered payroll	16.92%	30.79%	41.22%	40.43%	30.18%	35.53%	23.44%	23.41%

Health Insurance Premium Benefit

Reporting Fiscal Year

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ (208)	\$ -
Contributions in relation to the actuarially determined contribution	-	-	-	208	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,137,637	\$ 892,406	\$ 936,923	\$ 1,100,649	\$ 1,170,755
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	-0.02%	0.00%

Note: In accordance with GASB 68 and GASB 75, employers will need to disclose a 10-year history for the pension and OPEB schedules above. Additional information will be displayed as it becomes available.

See accompanying notes to pension/OPEB plan schedules

CITY OF PAGE, ARIZONA
Required Supplementary Information
Schedule of Pension/OPEB Contributions
June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 143,091	\$ 178,245	\$ 173,287	\$ 167,968	\$ 129,943	\$ 121,210	\$ 107,714	\$ 121,193
Contributions in relation to the actuarially determined contribution	(202,195)	(419,025)	(386,287)	(327,142)	(129,943)	(121,210)	(107,714)	(121,193)
Contribution deficiency (excess)	<u>\$ (59,104)</u>	<u>\$ (240,780)</u>	<u>\$ (213,000)</u>	<u>\$ (159,174)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,106,427	\$ 673,289	\$ 724,034	\$ 819,724	\$ 881,946	\$ 907,097	\$ 861,668	\$ 902,241
Contributions as a percentage of covered payroll	12.93%	26.47%	23.93%	20.49%	14.73%	13.36%	12.50%	13.43%

Health Insurance Premium Benefit

	Reporting Fiscal Year				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 3,187	\$ 2,329	\$ 2,204	\$ 2,052	\$ 2,735
Contributions in relation to the actuarially determined contribution	(3,187)	(2,329)	(2,204)	(2,052)	(2,735)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,106,427	\$ 673,289	\$ 724,034	\$ 819,724	\$ 881,946
Contributions as a percentage of covered payroll	0.29%	0.35%	0.30%	0.25%	0.31%

Note: In accordance with GASB 68 and GASB 75, employers will need to disclose a 10-year history for the pension and OPEB schedules above. Additional information will be displayed as it becomes available.

See accompanying notes to pension/OPEB plan schedules

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CITY OF PAGE, ARIZONA
Required Supplementary Information
Notes to Pension/OPEB Plan Schedule
June 30, 2021

Note 1. Actuarially Determined Contribution Rates

Actuarially determined contribution rates for PSPRS are calculated as of June 30 two years prior to the end of the fiscal year in which contributions are made. The actuarial methods and assumptions used to establish the contribution requirements are as follows:

Actuarial cost method	Entry age normal
Amortization Method	Level percent of pay, closed
Remaining Amortization Period As of the 2019 actuarial valuation	18 years for underfunded liabilities; 20 years for overfunded
Asset valuation method	7-Year smoothed market; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	In the 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2016 actuarial valuation, the investment rate of return decreased from 7.85% to 7.5%. In the 2013 actuarial valuation, the investment rate of return decreased from 8.0% to 7.85%.
Projected salary increases	In the 2017 actuarial valuation, projected salary increases were decreased from 4.0%-8.0% to 3.5%-7.5%. In the 2014 actuarial valuation, the projected salary increases were decreased from 4.5%-8.5% to 4.0%-8.0%. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%-9.0% to 4.5%-8.5%.
Wage growth	In the 2017 actuarial valuation, wage growth was decreased from 4% to 3.5%. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0%. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5%.
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.
Mortality	In the 2017 actuarial valuation, changed to RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females)

CITY OF PAGE, ARIZONA
Required Supplementary Information
Notes to Pension/OPEB Plan Schedule
June 30, 2021

NOTE 2. Factors that Affect Trends

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, the PSPRS changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. PSPRS also reduced those members' employee contribution rates. These changes are reflected in the plans' pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS required pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes increased the PSPRS required contributions beginning in fiscal year 2019 to cover members who retired or will retire after the law's effective date.

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
FOR THE FOLLOWING MAJOR FUNDS:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

The **Highway User Special Revenue Fund** accounts for revenue sources that are legally restricted for road construction and maintenance.

The **Grants Fund** is used to account for grants received by the City which are restricted for specific purposes.

Basis of Budgeting:

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

CITY OF PAGE, ARIZONA
GENERAL FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Taxes:				
City sales tax	\$ 8,000,000	\$ 8,000,000	\$ 11,187,498	\$ 3,187,498
Franchise taxes	240,000	240,000	227,848	(12,152)
Total Taxes	<u>8,240,000</u>	<u>8,240,000</u>	<u>11,415,346</u>	<u>3,175,346</u>
Licenses, Permits and Fees:				
Plat fees	750	750	2,000	1,250
Site plan review fees	4,000	4,000	4,560	560
Dog licenses	600	600	39	(561)
Business registration fees	2,000	2,000	1,488	(512)
Building permits	129,500	129,500	97,917	(31,583)
Other	81,500	81,500	73,629	(7,871)
Total Licenses, Permits and Fees	<u>218,350</u>	<u>218,350</u>	<u>179,633</u>	<u>(38,717)</u>
Intergovernmental:				
State revenue sharing	934,059	934,059	1,075,999	141,940
Auto lieu taxes	374,036	374,036	421,154	47,118
State sales taxes	724,527	724,527	893,189	168,662
County library district	335,000	335,000	336,846	1,846
Other	13,700	13,700	898,616	884,916
Total Intergovernmental	<u>2,381,322</u>	<u>2,381,322</u>	<u>3,625,804</u>	<u>1,244,482</u>
Charges for Services:				
Recreation	16,500	16,500	4,978	(11,522)
Rescue services	856,000	856,000	767,276	(88,724)
Library services	32,000	32,000	13,947	(18,053)
Public safety	32,500	32,500	34,113	1,613
Rents	73,600	73,600	60,114	(13,486)
Other	30,200	30,200	30,100	(100)
Total Charges for Services	<u>1,040,800</u>	<u>1,040,800</u>	<u>910,528</u>	<u>(130,272)</u>
Fines and Forfeitures:				
Fines & forfeitures	240,000	240,000	198,693	(41,307)
Total Fines and Forfeitures	<u>240,000</u>	<u>240,000</u>	<u>198,693</u>	<u>(41,307)</u>
Interest	<u>268,000</u>	<u>268,000</u>	<u>404,824</u>	<u>136,824</u>
Other Revenues:				
Land sales	1,002,500	1,002,500	540,516	(461,984)
Miscellaneous	55,800	55,800	82,171	26,371
Total Other Revenues	<u>1,058,300</u>	<u>1,058,300</u>	<u>622,687</u>	<u>(435,613)</u>
TOTAL REVENUES	<u>13,446,772</u>	<u>13,446,772</u>	<u>17,357,515</u>	<u>3,910,743</u>

(continued)

**CITY OF PAGE, ARIZONA
GENERAL FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Continued)
For the Year Ended June 30, 2021**

EXPENDITURES:	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
General Government:				
City Council	87,420	87,420	79,449	7,971
City Administration	252,412	252,412	246,599	5,813
City Clerk	244,630	244,630	194,218	50,412
City Attorney	336,839	336,839	251,528	85,311
Finance	409,778	409,778	408,768	1,010
Human Resources	1,142,726	1,142,726	690,984	451,742
General Services	1,044,891	1,047,291	608,427	438,864
Information Technology	578,302	578,302	578,266	36
Total General Government	4,096,998	4,099,398	3,058,239	1,041,159
Public Safety:				
Administration	439,510	439,510	288,410	151,100
Patrol	2,172,089	2,172,089	1,716,872	455,217
Communications	617,578	617,578	491,440	126,138
Investigations	421,608	421,608	420,831	777
Fire	2,251,982	2,251,982	1,964,962	287,020
Magistrate	435,476	435,476	410,601	24,875
Building and Safety	134,765	134,765	134,135	630
Total Public Safety	6,473,008	6,473,008	5,427,251	1,045,757
Public Works				
Administration	591,316	591,316	573,668	17,648
Planning and Zoning	234,399	234,399	113,686	120,713
Central Garage	317,119	317,119	306,417	10,702
Buildings Maintenance	378,946	378,946	332,069	46,877
Total Public Works	1,521,780	1,521,780	1,325,840	195,940
Culture and Recreation:				
Library	393,452	393,452	358,049	35,403
Parks & Trails Maintenance	428,556	428,556	387,755	40,801
Recreation	196,445	196,445	100,592	95,853
Total Culture and Recreation	1,018,453	1,018,453	846,396	172,057

(continued)

**CITY OF PAGE, ARIZONA
GENERAL FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Continued)
For the Year Ended June 30, 2021**

	Original	Final	Actual	Positive (Negative)
Community Development				
Community Center	208,678	208,678	180,889	27,789
Community Development	518,240	518,240	469,215	49,025
	<u>726,918</u>	<u>726,918</u>	<u>650,104</u>	<u>76,814</u>
TOTAL EXPENDITURES	<u>13,837,157</u>	<u>13,839,557</u>	<u>11,307,830</u>	<u>2,531,727</u>
Excess of Revenues Over (Under) Expenditures	<u>(390,385)</u>	<u>(392,785)</u>	<u>6,049,685</u>	<u>6,442,470</u>
Other Financing Sources (Uses):				
Issuance of debt	-	-	-	-
Transfers in	2,384,363	2,384,363	1,757,644	(626,719)
Transfers out	(2,690,000)	(2,690,000)	(3,096,627)	(406,627)
Total Other Financing Sources (Uses)	<u>(305,637)</u>	<u>(305,637)</u>	<u>(1,338,983)</u>	<u>(1,033,346)</u>
Net change in fund balance	(696,022)	(698,422)	4,710,702	5,409,124
Fund balance, beginning of year	<u>17,577,862</u>	<u>17,577,862</u>	<u>17,577,862</u>	<u>-</u>
Fund balance, end of year	<u>\$ 16,881,840</u>	<u>\$ 16,879,440</u>	<u>\$ 22,288,564</u>	<u>\$ 5,409,124</u>

CITY OF PAGE, ARIZONA
HIGHWAY USER REVENUE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental Revenue:				
Highway user revenue	\$ 813,970	\$ 813,970	\$ 922,199	\$ 108,229
Investment earnings	15,000	15,000	137	(14,863)
Other revenues	-	-	441	441
	<u>828,970</u>	<u>828,970</u>	<u>922,777</u>	<u>93,807</u>
Expenditures				
Streets and Highways				
Current:				
Salaries, wages and benefits	50	50	46	4
Service, supplies and other	1,005,390	1,005,390	975,626	29,764
	<u>1,005,440</u>	<u>1,005,440</u>	<u>975,672</u>	<u>29,768</u>
Excess of revenues over (under) expenditures	(176,470)	(176,470)	(52,895)	123,575
Other financing sources (uses)				
Transfers to other funds	(16,000)	(16,000)	(16,000)	-
	<u>(16,000)</u>	<u>(16,000)</u>	<u>(16,000)</u>	<u>-</u>
Net change in fund balance	(192,470)	(192,470)	(68,895)	123,575
Fund balance, beginning of year	84,670	84,670	84,670	-
Fund balance, end of year	<u><u>\$ (107,800)</u></u>	<u><u>\$ (107,800)</u></u>	<u><u>\$ 15,775</u></u>	<u><u>\$ 123,575</u></u>

CITY OF PAGE, ARIZONA
GRANTS FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Intergovernmental revenue	\$ 5,045,000	\$ 5,045,000	\$ 3,750,098	\$ (1,294,902)
Total revenues	5,045,000	5,045,000	3,750,098	(1,294,902)
Expenditures				
Public safety	27,200	27,200	27,093	107
Public works	400,800	400,800	23,145	377,655
Culture and recreation	108,000	108,000	9,799	98,201
Community support	4,509,000	4,509,000	3,584,818	924,182
Total expenditures	5,045,000	5,045,000	3,644,855	1,400,145
Excess of revenues over (under) expenditures	-	-	105,243	105,243
Other financing sources (uses)				
Transfers:				
Transfers out	(29,000)	(29,000)	(4,140)	24,860
Total other financing sources (uses)	(29,000)	(29,000)	(4,140)	24,860
Net change in fund balance	(29,000)	(29,000)	101,103	130,103
Fund balance, beginning of year	116,979	116,979	116,979	-
Fund balance, end of year	\$ 87,979	\$ 87,979	\$ 218,082	\$ 130,103

SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
FOR THE FOLLOWING MAJOR FUNDS:

The **Debt Service Fund** accounts for the accumulation of resources for, and the payment of current and future debt service requirements of governmental debt.

The **Capital Projects Fund** accounts for the acquisition and construction of the government's major capital facilities, other than those financed by proprietary funds.

CITY OF PAGE, ARIZONA
DEBT SERVICE FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Investment earnings	\$ 65,000	\$ 1,508	\$ (63,492)
Total revenues	<u>65,000</u>	<u>1,508</u>	<u>(63,492)</u>
Expenditures			
General government	2,250	1,250	1,000
Debt service:			
Principal	1,087,592	1,087,492	100
Interest	<u>306,500</u>	<u>305,017</u>	<u>1,483</u>
Total expenditures	<u>1,396,342</u>	<u>1,393,759</u>	<u>2,583</u>
Excess of revenues over (under) expenditures	<u>(1,331,342)</u>	<u>(1,392,251)</u>	<u>(60,909)</u>
Other financing sources (uses)			
Transfers in	499,100	653,414	154,314
Transfers out	<u>(500,000)</u>	<u>(147,053)</u>	<u>352,947</u>
Total other financing sources (uses)	<u>(900)</u>	<u>506,361</u>	<u>507,261</u>
Net change in fund balances	(1,332,242)	(885,890)	446,352
Fund balance, beginning of year	<u>7,772,803</u>	<u>7,772,803</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 6,440,561</u></u>	<u><u>\$ 6,886,913</u></u>	<u><u>\$ 446,352</u></u>

CITY OF PAGE, ARIZONA
CAPITAL PROJECTS FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental revenue	\$ 4,166,500	\$ 1,303,349	\$ (2,863,151)
Investment earnings	-	152,808	152,808
Total revenues	<u>4,166,500</u>	<u>1,456,157</u>	<u>(2,710,343)</u>
Expenditures			
Capital outlay	5,277,526	3,268,956	2,008,570
Debt service	265,000	175,984	89,016
Total expenditures	<u>5,542,526</u>	<u>3,444,940</u>	<u>2,097,586</u>
Excess of revenues over (under) expenditures	<u>(1,376,026)</u>	<u>(1,988,783)</u>	<u>(612,757)</u>
Other Financing Sources (Uses)			
Transfer in	3,891,511	3,699,967	(191,544)
Issuance of debt	-	423,899	423,899
Total other financing sources (uses)	<u>3,891,511</u>	<u>4,123,866</u>	<u>232,355</u>
Net change in fund balances	2,515,485	2,135,083	(380,402)
Fund balance, beginning of year	<u>3,613,664</u>	<u>3,613,664</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 6,129,149</u></u>	<u><u>\$ 5,748,747</u></u>	<u><u>\$ (380,402)</u></u>

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SUPPLEMENTARY INFORMATION
COMBINING STATEMENTS
AND BUDGETARY COMPARISON SCHEDULES
NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for a particular purpose.

- The **Substance Abuse Fund** is used to account for the activity of the City's substance abuse grant.
- The **Miscellaneous Donations Fund** is used to account for donations received by the City which are restricted for specific purposes.
- The **Community Development - Tourism Fund** is used to account for activities associated with the City's tourism and promotion.
- The **Airport Fund** is used to account for activities related to the operation of the City's airport.
- The **Judicial Collection Enhancement Fund** is used to account for activities associated with the Magistrate Court.
- The **Perpetual Care Fund** is used to account for resources held by the City for the perpetual care of the cemetery.

CITY OF PAGE, ARIZONA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	<u>Substance Abuse</u>	<u>Miscellaneous Donations</u>	<u>Airport</u>
Assets			
Cash and cash equivalents	\$ 30,762	\$ 32,909	\$ 837,748
Receivables:			
Other	-	-	1,439
Due from other funds	-	-	-
Due from other governments	-	7	952,406
Restricted cash and cash equivalents	-	-	25,135
Total assets	<u>\$ 30,762</u>	<u>\$ 32,916</u>	<u>\$ 1,816,728</u>
Liabilities			
Accounts payable	\$ -	\$ 1,212	\$ 12,230
Accrued liabilities	-	-	3,224
Deposits payable	-	-	25,135
Total liabilities	<u>-</u>	<u>1,212</u>	<u>40,589</u>
Fund Balances			
Restricted for:			
Perpetual care	-	-	-
Public safety	30,762	-	-
Community support	-	31,704	-
Committed for:			
Public works - airport	-	-	1,776,139
Judicial	-	-	-
Total fund balances	<u>30,762</u>	<u>31,704</u>	<u>1,776,139</u>
Total liabilities and fund balances	<u>\$ 30,762</u>	<u>\$ 32,916</u>	<u>\$ 1,816,728</u>

<u>Judicial Collection Enhancement</u>	<u>Perpetual Care</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 20,634	\$ 361,838	\$ 1,283,891
-	6,828	8,267
339	-	339
-	-	952,413
-	-	25,135
<u>\$ 20,973</u>	<u>\$ 368,666</u>	<u>\$ 2,270,045</u>
\$ -	\$ 1,425	\$ 14,867
-	-	3,224
-	-	25,135
<u>-</u>	<u>1,425</u>	<u>43,226</u>
-	367,241	367,241
-	-	30,762
-	-	31,704
-	-	1,776,139
20,973	-	20,973
<u>20,973</u>	<u>367,241</u>	<u>2,226,819</u>
<u>\$ 20,973</u>	<u>\$ 368,666</u>	<u>\$ 2,270,045</u>

CITY OF PAGE, ARIZONA
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	<u>Special Revenue</u>		
	<u>Substance Abuse</u>	<u>Miscellaneous Donations</u>	<u>Airport</u>
Revenues			
Intergovernmental revenue	\$ 3,021	\$ -	\$ 946,071
Charges for services	-	-	67,592
Rental revenue	-	-	372,809
Investment earnings	-	-	-
Other revenues	-	12,941	124,037
	<u>3,021</u>	<u>12,941</u>	<u>1,510,509</u>
Expenditures			
Current:			
Public safety	-	-	-
Public works	-	-	465,986
Judicial	-	-	-
Culture and recreation	-	1,294	-
Community support	-	13,995	-
	<u>-</u>	<u>15,289</u>	<u>465,986</u>
Total expenditures	<u>-</u>	<u>15,289</u>	<u>465,986</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,021</u>	<u>(2,348)</u>	<u>1,044,523</u>
Other Financing Sources (Uses)			
Transfers out	<u>-</u>	<u>-</u>	<u>(426,621)</u>
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(426,621)</u>
Net change in fund balances	3,021	(2,348)	617,902
Fund balances, beginning of year	<u>27,741</u>	<u>34,052</u>	<u>1,158,237</u>
Fund balances, end of year	<u>\$ 30,762</u>	<u>\$ 31,704</u>	<u>\$ 1,776,139</u>

Judicial Collection Enhancement	Perpetual Care	Total Nonmajor Governmental Funds
\$ 3,118	\$ -	\$ 952,210
-	40,505	108,097
-	-	372,809
7	-	7
-	43,702	180,680
<u>3,125</u>	<u>84,207</u>	<u>1,613,803</u>
-	-	-
-	-	465,986
7,650	-	7,650
-	-	1,294
-	11,840	25,835
<u>7,650</u>	<u>11,840</u>	<u>500,765</u>
<u>(4,525)</u>	<u>72,367</u>	<u>1,113,038</u>
<u>-</u>	<u>-</u>	<u>(426,621)</u>
<u>-</u>	<u>-</u>	<u>(426,621)</u>
(4,525)	72,367	686,417
<u>25,498</u>	<u>294,874</u>	<u>1,540,402</u>
<u>\$ 20,973</u>	<u>\$ 367,241</u>	<u>\$ 2,226,819</u>

**CITY OF PAGE, ARIZONA
SUBSTANCE ABUSE
SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Substance abuse revenue	<u>\$ 4,000</u>	<u>\$ 3,021</u>	<u>\$ (979)</u>
Expenditures			
Public safety:			
Substance abuse expenditures	<u>27,000</u>	<u>-</u>	<u>27,000</u>
Excess of revenue over(under) expenditures	(23,000)	3,021	26,021
Fund balance, beginning of year	<u>27,741</u>	<u>27,741</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 4,741</u></u>	<u><u>\$ 30,762</u></u>	<u><u>\$ 26,021</u></u>

CITY OF PAGE, ARIZONA
MISCELLANEOUS DONATIONS
SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Other revenues	\$ 4,150	\$ 12,941	\$ 8,791
Total revenues	<u>4,150</u>	<u>12,941</u>	<u>8,791</u>
Expenditures			
Culture and recreation	4,400	1,294	3,106
Community support	<u>27,100</u>	<u>13,995</u>	<u>13,105</u>
Total expenditures	<u>31,500</u>	<u>15,289</u>	<u>16,211</u>
Excess of revenues over (under) expenditures	(27,350)	(2,348)	25,002
Fund balance, beginning of year	<u>34,052</u>	<u>34,052</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 6,702</u></u>	<u><u>\$ 31,704</u></u>	<u><u>\$ 25,002</u></u>

**CITY OF PAGE, ARIZONA
AIRPORT
SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 1,157,000	\$ 946,071	\$ (210,929)
Charges for services	48,000	67,592	19,592
Rents and royalties	395,000	372,809	(22,191)
Miscellaneous	<u>106,000</u>	<u>124,037</u>	<u>18,037</u>
Total revenues	<u>1,706,000</u>	<u>1,510,509</u>	<u>(195,491)</u>
Expenditures			
Public works	<u>1,368,103</u>	<u>465,986</u>	<u>902,117</u>
Total expenditures	<u>1,368,103</u>	<u>465,986</u>	<u>902,117</u>
Excess of revenues over (under) expenditures	<u>337,897</u>	<u>1,044,523</u>	<u>706,626</u>
Other Financing Sources (uses)			
Transfers out	<u>(738,600)</u>	<u>(426,621)</u>	<u>311,979</u>
Total other financing sources (uses)	<u>(738,600)</u>	<u>(426,621)</u>	<u>311,979</u>
Net change in fund balance	(400,703)	617,902	1,018,605
Fund balance, beginning of year	<u>1,158,237</u>	<u>1,158,237</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 757,534</u></u>	<u><u>\$ 1,776,139</u></u>	<u><u>\$ 1,018,605</u></u>

CITY OF PAGE, ARIZONA
JUDICIAL COLLECTION ENHANCEMENT
SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental revenue	\$ 5,000	\$ 3,118	\$ (1,882)
Investment earnings	50	7	(43)
	<u>5,050</u>	<u>3,125</u>	<u>(1,925)</u>
Expenditures			
Public safety:			
Magistrate	<u>26,000</u>	<u>7,650</u>	<u>18,350</u>
	<u>26,000</u>	<u>7,650</u>	<u>18,350</u>
Excess of revenues over (under) expenditures	(20,950)	(4,525)	16,425
Fund balance, beginning of year	<u>25,498</u>	<u>25,498</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 4,548</u></u>	<u><u>\$ 20,973</u></u>	<u><u>\$ 16,425</u></u>

**CITY OF PAGE, ARIZONA
PERPETUAL CARE
SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Charges for services	\$ 21,000	\$ 40,505	\$ 19,505
Other revenues	<u>20,000</u>	<u>43,702</u>	<u>23,702</u>
Total revenues	<u>41,000</u>	<u>84,207</u>	<u>43,207</u>
Expenditures			
Current:			
Community support	<u>14,500</u>	<u>11,840</u>	<u>2,660</u>
Total expenditures	<u>14,500</u>	<u>11,840</u>	<u>2,660</u>
Excess of revenues over (under) expenditures	<u>26,500</u>	<u>72,367</u>	<u>45,867</u>
Fund balance, beginning of year	<u>294,874</u>	<u>294,874</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 321,374</u></u>	<u><u>\$ 367,241</u></u>	<u><u>\$ 45,867</u></u>

STATISTICAL SECTION

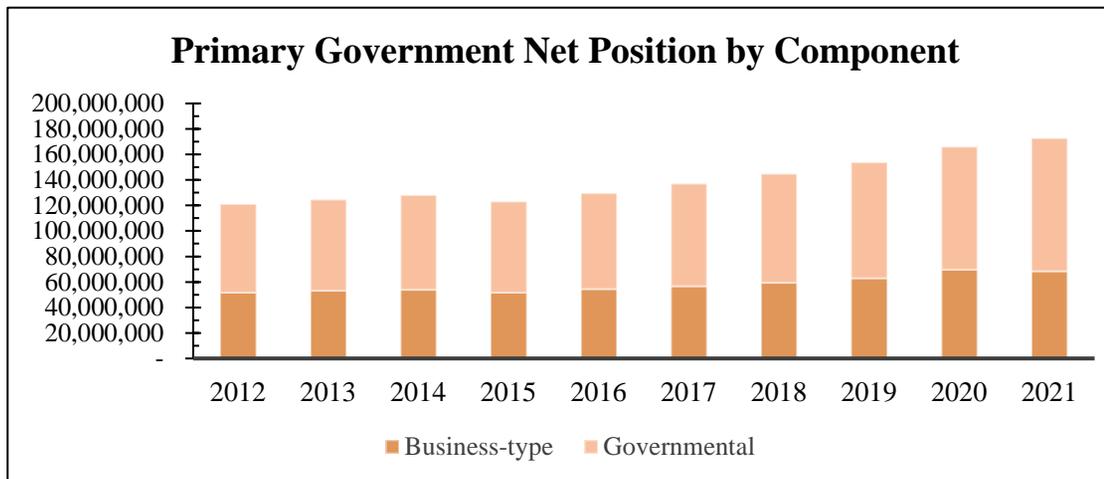
This part of the City of Page’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the government’s overall financial health.

Contents	Page
Financial Trends	105
<i>These schedules contain trend information to help the reader understand how the government’s financial performance and well being have changed over time.</i>	
Revenue Capacity	113
<i>These schedules contain information to help the reader assess the government’s property taxes and the most significant local revenues source, the sales tax.</i>	
Debt Capacity	115
<i>These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.</i>	
Demographic and Economic Information.....	121
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.</i>	
Operating Information	123
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.</i>	

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	Fiscal Year Ended June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
Net investment capital assets	\$ 66,231,720	\$ 65,791,312	\$ 65,625,222	\$ 66,846,433	\$ 66,219,507	\$ 66,200,813	\$ 68,395,001	\$ 69,659,085	\$ 69,889,750	\$ 71,621,631
Restricted	1,936,741	2,113,080	2,677,622	3,636,384	5,517,158	10,106,948	11,338,638	9,682,423	11,944,783	13,299,224
Unrestricted	1,241,145	3,427,166	5,940,046	813,828	3,607,697	3,936,599	5,831,771	11,684,949	14,692,191	19,553,927
Total governmental activities net position	69,409,606	71,331,558	74,242,890	71,296,645	75,344,362	80,244,360	85,565,410	91,026,457	96,526,724	104,474,782
Business-type activities:										
Net investment capital assets	31,211,950	31,228,277	31,503,885	32,419,796	32,210,341	32,807,741	32,628,302	35,838,822	34,947,403	38,764,682
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	20,463,831	21,911,704	22,449,818	19,339,087	22,086,197	23,938,589	26,699,050	27,041,775	34,595,396	29,514,239
Total business-type activities net position	51,675,781	53,139,981	53,953,703	51,758,883	54,296,538	56,746,330	59,327,352	62,880,597	69,542,799	68,278,921
Primary government										
Net investment capital assets	97,443,670	97,019,589	97,129,107	99,266,229	98,429,848	99,008,554	101,023,303	105,497,907	104,837,153	110,386,313
Restricted	1,936,741	2,113,080	2,677,622	3,636,384	5,517,158	10,106,948	11,338,638	9,682,423	11,944,783	13,299,224
Unrestricted	21,704,976	25,338,870	28,389,864	20,152,915	25,693,894	27,875,188	32,530,821	38,726,724	49,287,587	49,068,166
Total primary government net position	121,085,387	124,471,539	128,196,593	123,055,528	129,640,900	136,990,690	144,892,762	153,907,054	166,069,523	172,753,703

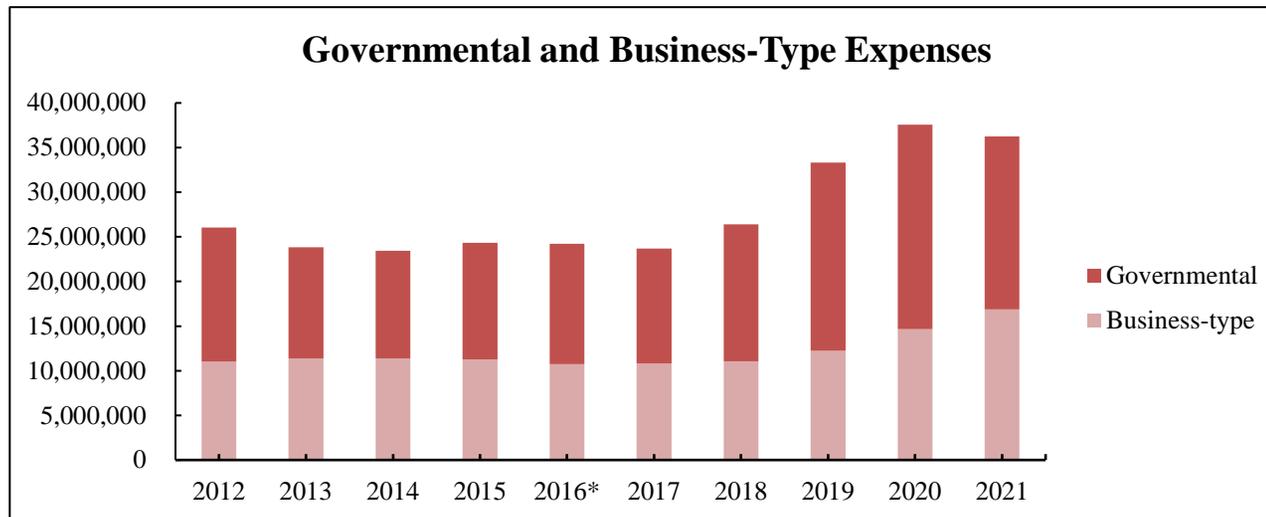
Source: Statement of Net Position



Expenses	Fiscal Year Ended June 30									
	2012	2013	2014	2015	2016*	2017	2018	2019	2020	2021
Governmental activities:										
General government	\$ 2,862,521	\$ 2,360,309	\$ 2,524,762	\$ 2,689,305	\$ 2,384,107	\$ 2,517,770	\$ 3,282,422	\$ 4,644,028	\$ 3,831,163	\$ 3,253,282
Public safety	5,020,723	4,529,114	4,548,431	5,088,415	5,277,461	5,300,648	6,048,643	3,998,934	5,346,184	6,023,874
Judicial	376,928	264,242	272,341	331,636	3,312,763	13,245	8,457	5,497,750	3,648,509	7,886
Public works	2,934,715	2,559,162	2,298,994	2,515,340	8,348	2,642,246	3,362,138	16,142	9,936	4,175,997
Culture and recreation	1,815,364	1,351,765	1,277,349	1,400,709	1,259,145	1,368,639	1,601,945	1,544,092	4,774,238	1,024,384
Community Support	959,067	823,049	614,650	569,090	774,053	567,743	618,843	4,970,310	4,905,730	4,583,515
Interest on long-term debt	1,027,886	547,454	511,285	489,762	467,237	448,474	427,529	407,326	383,336	297,258
Total governmental activities	14,997,204	12,435,095	12,047,812	13,084,257	13,483,114	12,858,765	15,349,977	21,078,582	22,899,096	19,366,196
Business-type activities:										
Water	1,545,058	1,518,786	1,676,973	1,570,517	1,422,969	1,621,247	1,639,605	1,727,545	1,588,783	1,743,042
Sewer	1,419,674	1,407,188	1,295,142	1,358,747	1,322,480	1,438,193	1,396,058	1,520,319	1,616,752	1,563,422
Electric	7,445,984	7,817,693	7,804,901	7,697,548	7,351,933	7,100,576	7,320,987	717,310	6,922,860	10,160,062
Sanitation	619,764	639,129	616,463	633,182	642,385	665,396	689,077	8,013,267	749,644	772,221
Horseshoe Bend	-	-	-	-	-	-	-	263,265	2,400,164	1,212,255
Golf	-	-	-	-	-	-	-	-	1,398,663	1,429,749
Total business-type activities	11,030,480	11,382,796	11,393,479	11,259,994	10,739,767	10,825,412	11,045,727	12,241,706	14,676,866	16,880,751
Total Primary Governmental Expenses	26,027,684	23,817,891	23,441,291	24,344,251	24,222,881	23,684,177	26,395,704	33,320,288	37,575,962	36,246,947

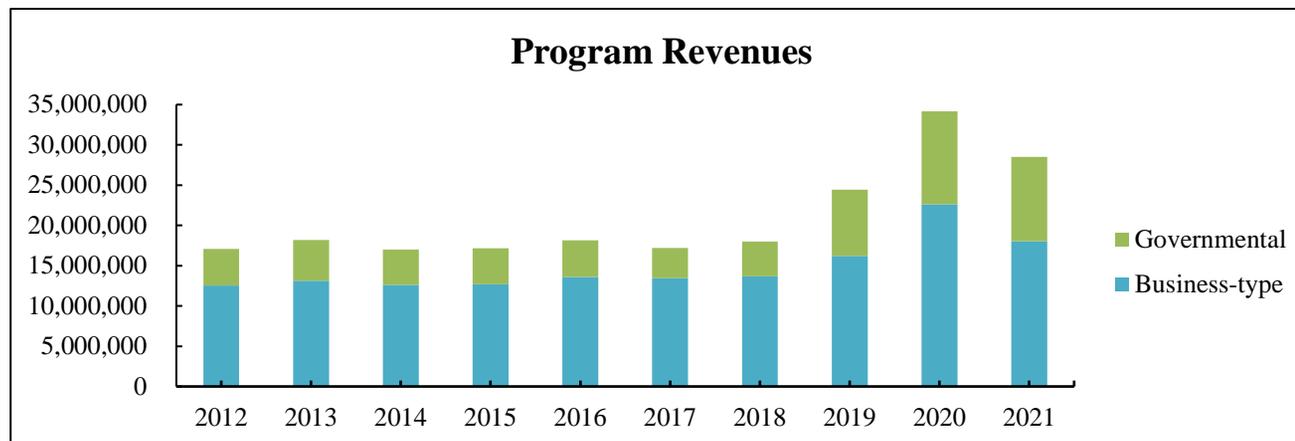
Source: Statement of Activities

2016 Restated: Electric and Sanitation numbers in incorrect row.



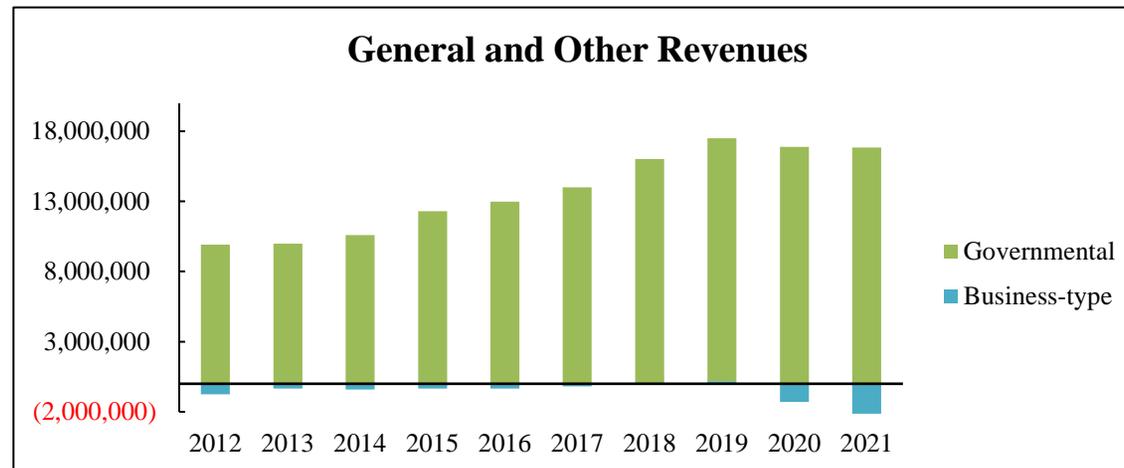
Program Revenues	Fiscal Year Ended June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
Charges for services										
General government	\$ 69,360	\$ 106,805	\$ 105,700	\$ 110,537	\$ 119,155	\$ 140,530	\$ 108,321	\$ 96,461	\$ 86,163	\$ 88,033
Public safety	847,143	692,620	594,231	780,392	1,230,660	1,197,174	1,234,686	1,170,052	1,069,039	1,071,775
Judicial	366,378	322,395	326,320	285,196	0	0	0	0	0	0
Public works	592,057	617,876	653,229	675,223	750,676	716,320	614,337	679,565	804,126	731,628
Culture and recreation	339,833	177,454	140,516	137,129	99,874	94,299	102,395	87,525	52,048	20,495
Community support	32,078	35,702	39,470	37,786	32,555	20,251	12,438	13,119	14,916	13,763
Operating grants and contributions	911,426	1,324,153	1,369,623	1,248,559	1,433,449	1,350,225	1,356,363	5,641,026	5,928,375	6,766,527
Capital grants and contributions	1,398,753	1,783,868	1,139,188	1,184,230	872,703	232,075	898,224	530,262	3,554,737	1,774,556
Total governmental activities	4,557,028	5,060,873	4,368,277	4,459,052	4,539,072	3,750,874	4,326,764	8,218,010	11,509,404	10,466,777
Business-type activities:										
Charges for services										
Water	1,819,551	1,788,473	1,727,920	1,897,152	1,870,895	1,902,113	2,028,813	1,906,558	2,087,440	2,082,946
Sewer	1,140,122	1,621,033	1,561,479	1,469,034	1,583,968	1,845,445	1,950,676	1,923,262	1,891,245	1,837,331
Electric	8,888,259	8,816,630	8,489,555	8,475,019	9,287,791	8,798,034	8,765,309	964,834	9,488,096	9,204,592
Sanitation	684,540	921,727	845,130	861,008	872,859	902,969	932,174	9,245,198	951,109	878,003
Horseshoe Bend	-	-	-	-	-	-	-	1,646,549	4,024,228	2,984,258
Golf	-	-	-	-	-	-	-	-	596,210	1,035,038
Capital grants and contributions	-	-	-	-	-	-	-	528,738	3,597,898	3,565
Total business-type activities	12,532,472	13,147,863	12,624,084	12,702,213	13,615,513	13,448,561	13,676,972	16,215,139	22,636,226	18,025,733
Total Program Revenues	17,089,500	18,208,736	16,992,361	17,161,265	18,154,585	17,199,435	18,003,736	24,433,149	34,145,630	28,492,510

Source: Statement of Activities



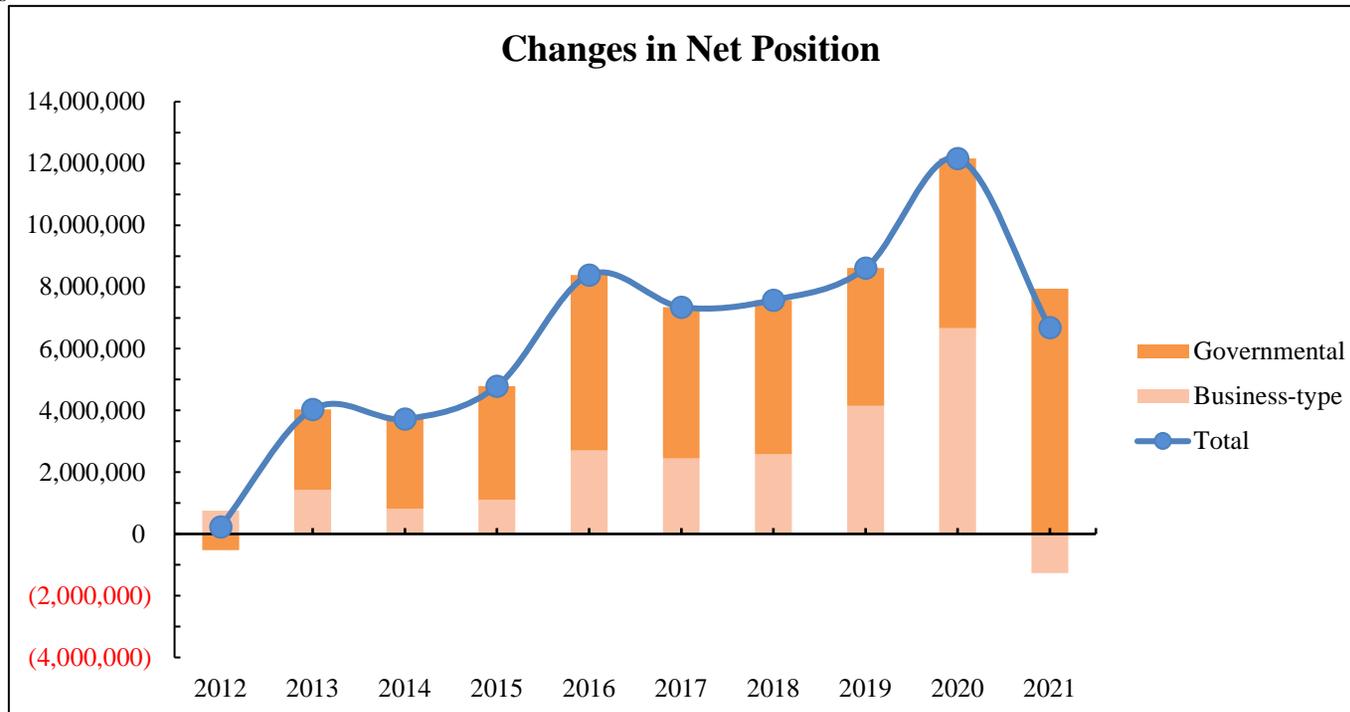
General and Other Revenues	Fiscal Year Ended June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Taxes:										
City Sales taxes	\$ 6,960,801	\$ 7,359,792	\$ 7,854,872	\$ 9,014,013	\$ 10,286,279	\$ 11,336,994	\$ 13,194,212	\$ 14,166,152	\$ 12,100,877	\$ 11,187,498
State Sales taxes	566,283	593,180	630,799	658,664	685,284	686,412	729,558	759,827	781,163	893,189
Property taxes	-	-	-	-	-	-	-	-	-	-
Franchise taxes	236,028	297,102	268,405	241,159	244,342	237,920	233,788	250,360	233,405	227,848
Auto lieu tax	273,207	276,242	285,107	295,945	319,311	329,229	351,107	358,939	352,987	421,154
Unrestricted state shared revenue	611,652	740,265	807,770	877,294	872,538	916,348	941,208	914,667	978,393	1,075,999
Land Sales	377,650	227,038	229,597	729,101	-	-	-	-	-	-
Investment earnings (losses)	11,653	9,699	4,639	7,198	61,888	136,796	287,136	509,076	771,305	559,284
Miscellaneous	147,311	30,093	157,453	136,509	157,195	132,094	141,340	221,452	141,458	61,921
Gain/(loss) on disposal of asset	-	-	-	-	-	-	-	-	-	-
Transfers	727,485	454,622	351,101	346,838	364,922	232,096	140,108	141,147	1,530,371	2,420,584
Total Governmental Activities	9,912,070	9,988,033	10,589,743	12,306,721	12,991,759	14,007,889	16,018,457	17,321,620	16,889,959	16,847,477
Business-type activities										
Investment earnings/(losses)	(15,279)	111,565	(64,657)	8,824	26,831	58,739	150,517	276,715	233,213	9,219
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Gain/(loss) on disposal of asset	-	-	-	1,133	-	-	(61,163)	40,284	-	2,505
Transfers	(727,485)	(454,622)	(352,226)	(346,838)	(364,922)	(232,096)	(140,108)	(141,147)	(1,530,371)	(2,420,584)
Total business-type activities	(742,764)	(343,057)	(416,883)	(336,881)	(338,091)	(173,357)	(50,754)	175,852	(1,297,158)	(2,408,860)
Total General and Other Revenues	9,169,306	9,644,976	10,172,860	11,969,840	12,653,668	13,834,532	15,967,703	17,497,472	15,592,801	14,438,617

Source: Statement of Activities



Summary	Fiscal Year Ended June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Expenses	\$ (14,997,204)	\$ (12,435,095)	\$ (12,047,812)	\$ (13,084,257)	\$ (12,858,765)	\$ (12,858,765)	\$ (15,349,977)	\$ (21,078,582)	\$ (22,899,906)	\$ (19,366,196)
Program Revenue	4,557,028	5,060,873	4,368,277	4,459,052	4,539,072	3,750,874	4,326,764	8,218,010	11,509,404	10,466,777
Net (Expense) Revenue	(10,440,176)	(7,374,222)	(7,679,535)	(8,625,205)	(8,319,693)	(9,107,891)	(11,023,213)	(12,860,572)	(11,389,692)	(8,899,419)
General Revenues and Other	9,912,070	9,988,033	10,589,743	12,306,721	14,007,889	14,007,889	16,018,457	17,321,620	16,889,959	16,847,477
Total governmental activities	(528,106)	2,613,811	2,910,208	3,681,516	5,688,196	4,899,998	4,995,244	4,461,048	5,500,267	7,948,058
Business-type Activities										
Expenses	11,030,480	11,382,796	11,393,479	11,259,994	10,739,767	10,825,412	11,045,727	12,241,706	14,676,866	16,880,751
Program Revenue	12,532,472	13,147,863	12,624,084	12,702,213	13,615,513	13,448,561	13,676,972	16,215,139	22,636,226	18,025,733
General Revenues and Other	(742,764)	(343,057)	(416,883)	(336,881)	(173,357)	(173,357)	(50,754)	175,852	(1,297,158)	(2,408,860)
Total business-type activities	759,228	1,422,010	813,722	1,105,338	2,702,389	2,449,792	2,580,491	4,149,285	6,662,202	(1,263,878)
Total Primary Government	231,122	4,035,821	3,723,930	4,786,854	8,390,585	7,349,790	7,575,735	8,610,333	12,162,469	6,684,180

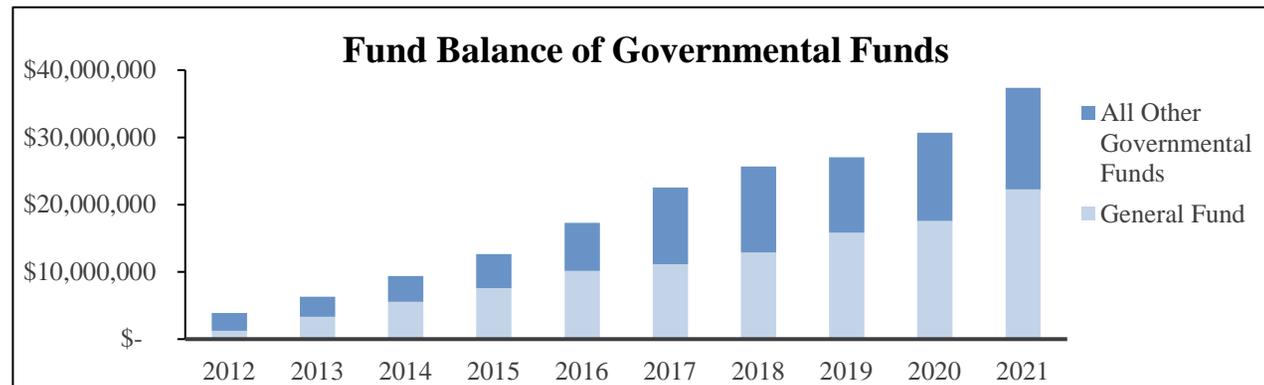
Source: Statement of Activities



City of Page, Arizona
Fund Balances of Governmental Funds
Last Ten Fiscal Years

Statistical Section
Financial Trends
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund:										
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	50,099	62,976	73,698	-	-	-	260	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	1,218,820	3,340,840	5,503,593	7,541,520	10,066,148	11,148,425	12,869,809	15,810,863	17,577,602	22,288,564
Total General Fund	\$ 1,218,820	\$ 3,340,840	\$ 5,553,692	\$ 7,604,496	\$ 10,139,846	\$ 11,148,425	\$ 12,869,809	\$ 15,810,863	\$ 17,577,862	\$ 22,288,564
All Other Governmental Funds:										
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	1,936,741	2,113,080	2,677,622	3,636,384	5,517,158	10,106,948	11,338,638	509,529	590,873	\$ 666,653
Committed	712,259	869,135	1,166,739	1,419,991	1,653,804	1,282,845	1,454,239	1,552,535	1,183,735	1,797,112
Assigned	-	-	-	-	-	-	-	9,172,894	11,353,910	12,632,571
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 2,649,000	\$ 2,982,215	\$ 3,844,361	\$ 5,056,375	\$ 7,170,962	\$ 11,389,793	\$ 12,792,877	\$ 11,234,958	\$ 13,128,518	\$ 15,096,336
Total Government Funds	\$ 3,867,820	\$ 6,323,055	\$ 9,398,053	\$ 12,660,871	\$ 17,310,808	\$ 22,538,218	\$ 25,662,686	\$ 27,045,821	\$ 30,706,380	\$ 37,384,900



Source - Balance Sheet

Note: The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 54 were adopted in fiscal year 2011. The standard replaces the previous reserved and unreserved fund balance categories with the following five fund balance classifications: nonspendable, restricted, committed, assigned, and unassigned fund balance.

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

Financial Trends
(Accrual basis of accounting)

	Fiscal Year Ended June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Taxes	\$ 7,196,829	\$ 7,656,894	\$ 8,123,277	\$ 9,255,172	\$ 10,530,621	\$ 11,574,914	\$ 13,428,000	\$ 14,416,512	\$ 12,334,282	\$ 11,415,346
Licenses and permits	85,254	114,268	127,525	186,044	294,055	294,515	169,436	244,088	307,155	179,633
Intergovernmental	3,784,784	4,670,891	3,225,006	4,325,745	4,284,524	3,482,449	4,189,230	8,178,358	11,559,466	10,553,660
Charges for services	1,239,203	1,007,824	869,669	1,025,308	1,154,090	1,145,367	1,202,810	1,106,542	968,678	1,018,625
Fines and forfeitures	381,075	340,829	352,606	313,388	286,430	252,557	222,594	246,499	236,453	198,693
Rents and royalties	422,509	364,764	390,504	383,710	382,473	368,224	363,312	336,270	386,317	372,809
Investment income	11,653	9,698	4,640	6,892	56,656	136,766	287,106	509,056	771,289	559,284
Land sales	377,650	233,487	246,275	357,700	144,300	293,004	-	53,456	1,295	540,516
Miscellaneous	213,983	202,074	239,400	193,573	177,059	267,475	342,646	307,728	304,057	263,292
Total revenues	13,712,940	14,600,729	13,578,902	16,047,532	17,310,208	17,815,271	20,205,134	25,398,509	26,868,992	25,101,858
Expenditures:										
Current -										
General government	\$ 2,453,151	\$ 2,145,080	\$ 2,344,342	\$ 2,412,666	\$ 2,484,086	\$ 2,493,096	\$ 3,722,547	\$ 4,349,976	\$ 3,986,115	\$ 3,059,489
Public safety	4,700,348	3,965,869	4,161,909	4,288,079	4,709,304	4,981,725	5,461,311	5,380,344	5,505,020	5,454,344
Judicial	376,928	264,242	272,341	331,636	1,320,767	13,216	8,447	16,280	10,889	7,650
Public works	1,610,576	1,265,727	1,077,785	1,296,595	8,062	1,354,570	2,090,641	4,364,007	2,566,547	2,790,643
Culture and recreation	1,466,996	976,150	929,787	1,018,995	900,986	1,035,250	1,276,693	1,227,325	813,605	857,489
Community support	931,457	763,728	561,816	546,129	506,816	509,616	560,471	4,961,023	5,138,799	4,260,757
Capital outlay	1,510,175	1,839,664	143,081	1,754,289	1,708,821	1,107,036	2,707,997	2,481,663	5,654,824	3,268,956
Debt service -										
Principal	482,895	709,424	873,963	1,013,504	939,171	959,329	984,997	1,011,399	1,045,302	1,241,071
Interest and fiscal charges	546,587	525,950	491,106	469,660	447,180	428,565	407,670	385,184	359,736	327,422
Refunding bond issuance costs	566,457									
Total expenditures	\$ 14,645,570	\$ 12,455,834	\$ 10,856,130	\$ 13,131,553	\$ 13,025,193	\$ 12,882,403	\$ 17,220,774	\$ 24,177,201	\$ 25,080,837	\$ 21,267,821
Revenues over Expenditures	\$ (932,630)	\$ 2,144,895	\$ 2,722,772	\$ 2,915,979	\$ 4,285,015	\$ 4,932,868	\$ 2,984,360	\$ 1,221,308	\$ 1,788,155	\$ 3,834,037
Other Funding Sources										
Issuance of long-term debt	11,730,000	-	-	-	-	-	-	-	-	-
Premium on long-term debt issuance	678,203	-	-	-	-	-	-	-	-	-
Payment to refunded bond	(13,351,076)	-	-	-	-	-	-	-	-	-
Proceeds from capital leases	61,935	-	-	-	-	-	-	-	-	-
Transfers in	1,896,780	1,612,011	1,901,044	3,097,016	4,176,746	6,428,900	4,597,346	6,570,523	7,658,860	6,111,025
Transfers out	(1,169,295)	(1,157,388)	(1,548,818)	(2,750,178)	(3,811,824)	(6,196,804)	(4,457,238)	(6,429,376)	(6,128,489)	(3,690,441)
Debt proceeds	-	-	-	-	-	62,446	-	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	20,681	342,033	423,899
Total other financing sources	(153,453)	454,623	352,226	346,838	364,922	294,542	140,108	161,828	1,872,404	2,844,483
Net Change in Fund Balance	\$(1,086,083)	\$ 2,599,518	\$ 3,074,998	\$ 3,262,817	\$ 4,649,937	\$ 5,227,410	\$ 3,124,468	\$ 1,383,136	\$ 3,660,559	\$ 6,678,520

Source: Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds

City of Page, Arizona

Changes in Fund Balances of Governmental Funds-Continued

Last Ten Fiscal Years

Statistical Section

Financial Trends

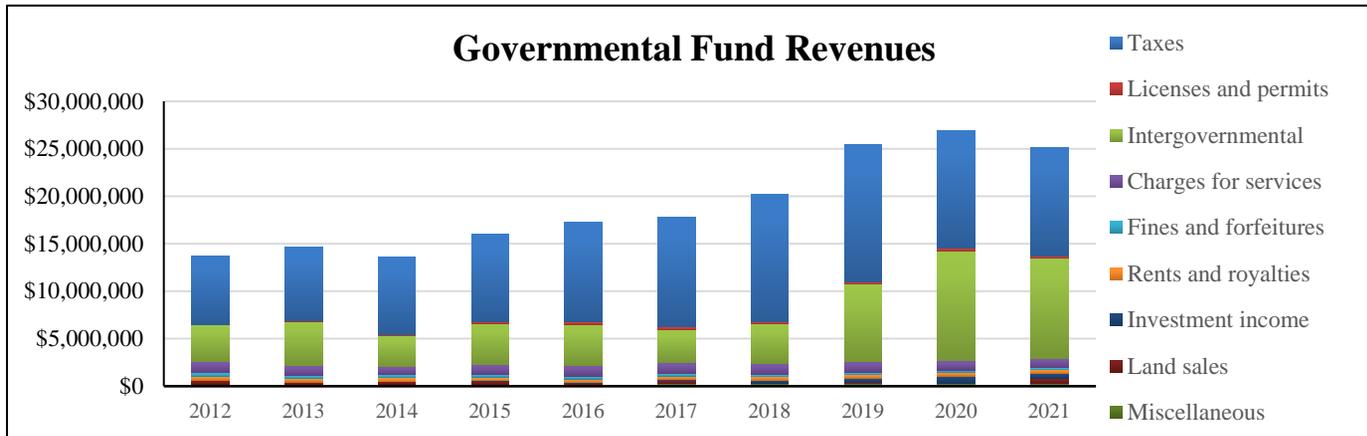
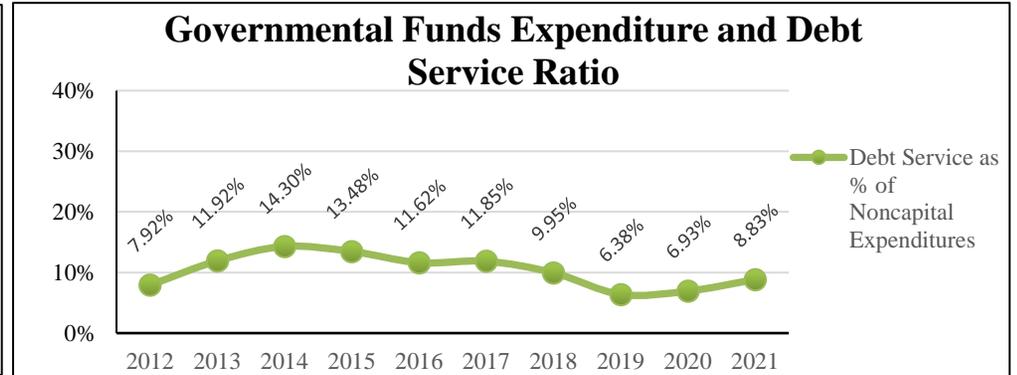
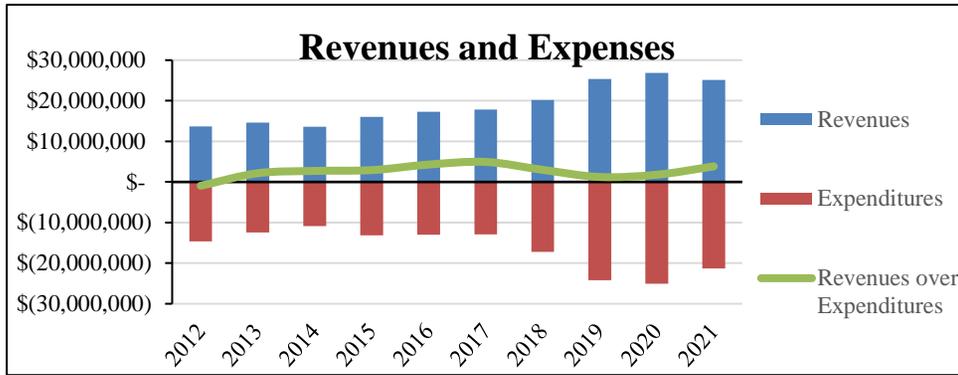
(Accrual basis of accounting)

	Fiscal Year Ended June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Capital Outlay (1)	1,646,937	2,090,813	1,306,959	2,125,001	1,095,959	1,171,699	3,224,914	2,293,400	4,800,668	3,514,423
Debt Ratio										
Total Debt Service	\$ 1,029,482	\$ 1,235,374	\$ 1,365,069	\$ 1,483,164	\$ 1,386,351	\$ 1,387,894	\$ 1,392,667	\$ 1,396,583	\$ 1,405,038	\$ 1,568,493
Total Noncapital Expenditure (2)	12,998,633	10,365,021	9,549,171	11,006,552	11,929,234	11,710,704	13,995,860	21,883,801	20,280,169	17,753,398
Debt Service as a percentage of noncapital expenditures	7.92%	11.92%	14.30%	13.48%	11.62%	11.85%	9.95%	6.38%	6.93%	8.83%

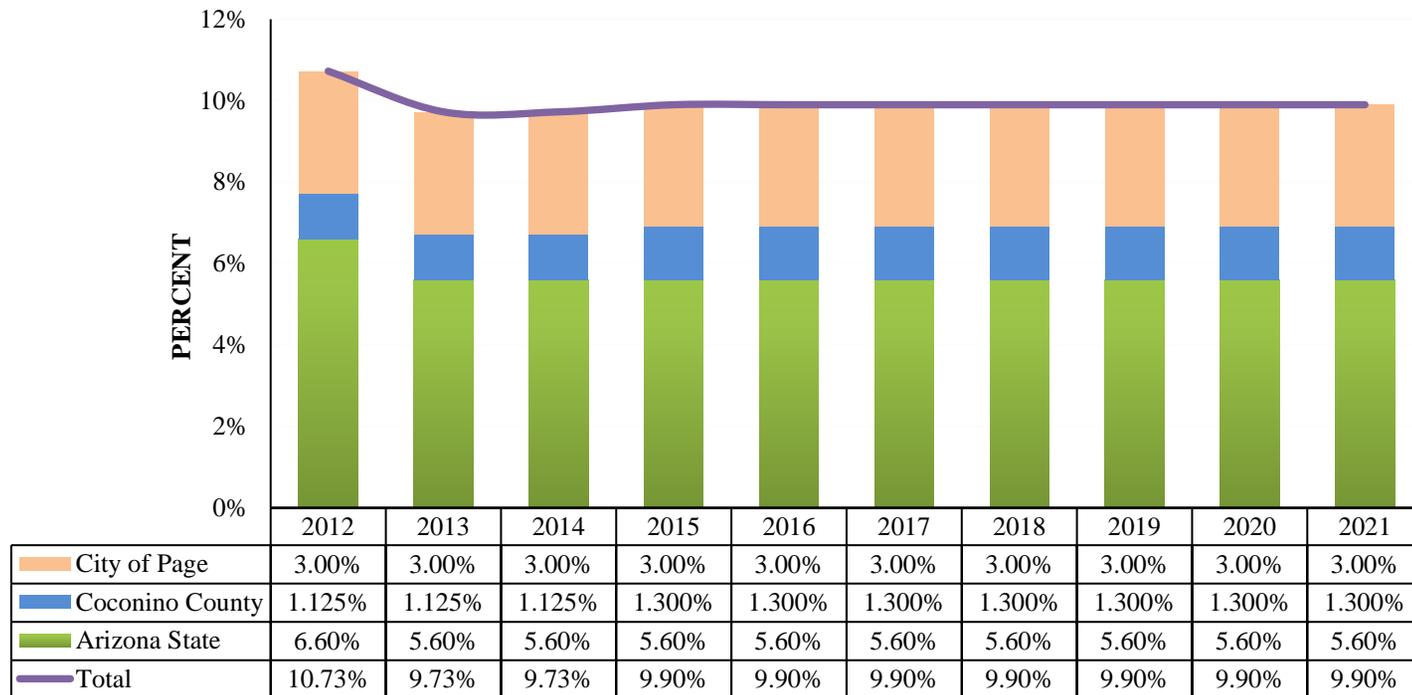
Source: Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds

Note (1): Capital outlay amount from Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds.

Note (2): Noncapital Expenditure is total expenditures less capital outlay.



Direct and Overlapping Sales Tax Rates



Source: Arizona Department of Revenue Transaction Privilege and Tax Rate Table

City of Page, Arizona

Taxable Sales by Category

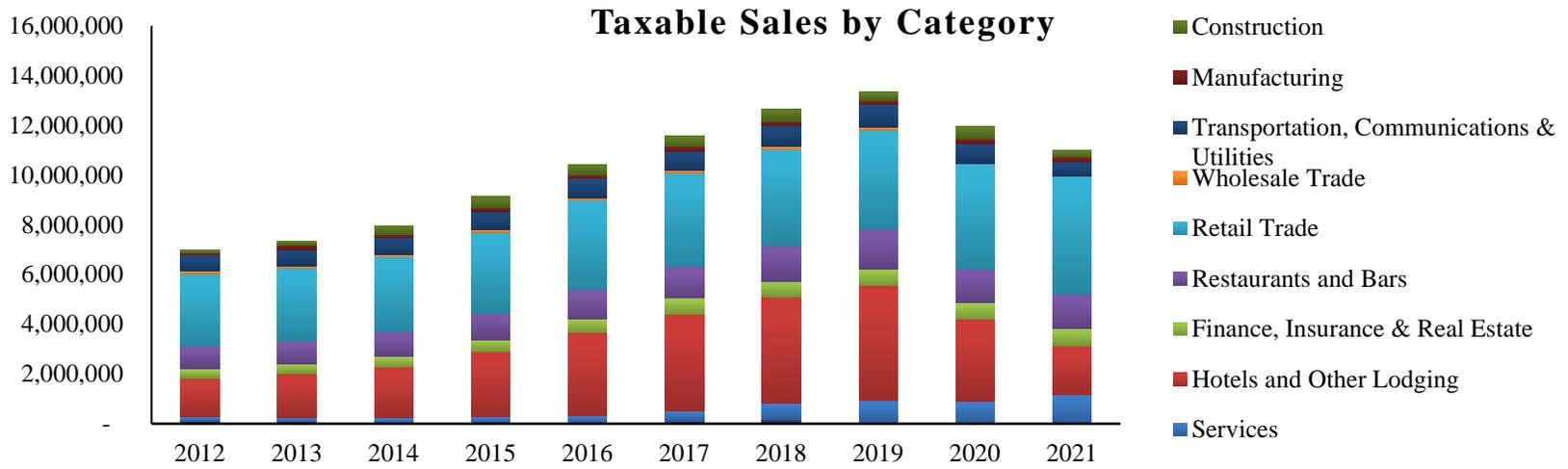
Last Ten Fiscal Years

Statistical Section

Revenue Capacity

(Accrual basis of accounting)

	Fiscal Year Ended June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Categories										
Construction	\$ 113,974	\$ 159,192	\$ 327,841	\$ 452,763	\$ 409,185	\$ 429,858	\$ 487,537	\$ 344,929	\$ 475,299	\$ 284,191
Manufacturing	86,115	179,723	137,727	142,410	145,331	172,444	187,977	179,667	209,963	202,290
Transportation, Communications & Utilities	641,798	656,084	685,400	749,131	779,169	757,718	815,827	905,392	811,780	561,716
Wholesale Trade	103,733	107,086	89,162	95,188	106,697	126,063	143,049	120,021	152,700	176,380
Retail Trade	2,902,807	2,905,653	3,004,568	3,242,532	3,571,896	3,740,548	3,834,007	3,984,088	4,241,485	4,755,410
Restaurants and Bars	921,920	917,810	992,213	1,073,044	1,177,615	1,288,074	1,453,554	1,603,891	1,356,159	1,382,077
Finance, Insurance & Real Estate	364,462	395,103	420,751	478,540	537,463	632,185	624,175	668,962	638,480	672,965
Hotels and Other Lodging	1,579,748	1,783,429	2,051,502	2,630,073	3,379,315	3,902,505	4,289,017	4,616,283	3,320,223	1,995,275
Services	156,022	167,310	184,030	221,786	258,716	404,210	671,542	914,912	872,146	1,143,656
All Others Not Specified	110,333	75,750	56,667	51,755	50,509	111,894	152,545	20,305	22,644	13,538
	<u>6,980,911</u>	<u>7,347,142</u>	<u>7,949,863</u>	<u>9,137,222</u>	<u>10,415,895</u>	<u>11,565,499</u>	<u>12,659,231</u>	<u>13,358,451</u>	<u>12,100,877</u>	<u>11,187,498</u>
Total	<u>\$6,980,911</u>	<u>\$7,347,142</u>	<u>\$ 7,949,863</u>	<u>\$ 9,137,222</u>	<u>\$10,415,895</u>	<u>\$11,565,499</u>	<u>\$12,659,231</u>	<u>\$13,358,451</u>	<u>\$ 12,100,877</u>	<u>\$11,187,498</u>



Source: The source of this information is the City's financial records-Standard Industry (NAICS) Summary for Page, Arizona July 2018 - June 2019 from Monthly Tax Report. Modified in FY2020 to reflect month tax was reported versus month received.

City of Page, Arizona

**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Statistical Section
**Debt Capacity
(Accrual basis of accounting)**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental Activities										
General Obligation Bonds (1)	1,663,200	1,486,334	1,309,609	1,127,691	943,520	759,190	574,193	387,794	197,492	-
Capital Leases	612,363	468,523	344,412	223,284	148,078	128,968	41,683	49,049	365,107	630,679
Notes Payable	-	-	-	-	-	-	-	-	-	-
Revenue Obligation Bonds (1)	11,801,027	11,996,918	11,347,891	10,568,864	9,764,837	8,940,810	8,091,783	7,217,756	6,313,729	5,374,702
Total Governmental Activities	14,076,590	13,951,775	13,001,912	11,919,839	10,856,435	9,828,968	8,707,659	7,654,599	6,876,328	6,005,381
Business Activities										
Bonds	-	-	-	-	-	-	-	-	-	-
Capital Leases	18,545	-	-	-	-	-	-	-	106,597	104,946
Total Business Activities	18,545	-	-	-	-	-	-	-	106,597	104,946
Total Primary Government	14,095,135	13,951,775	13,001,912	11,919,839	10,856,435	9,828,968	8,707,659	7,654,599	6,982,925	6,110,327
% of Assessed Value (2)	20.75%	22.29%	20.10%	17.74%	15.62%	13.70%	10.71%	9.41%	8.12%	6.63%
% of Personal Income (3)	7.82%	6.81%	6.57%	7.05%	5.92%	4.90%	5.60%	4.92%	4.39%	3.61%
Per Capita (4)	\$ 1,897	\$ 1,879	\$ 1,734	\$ 1,581	\$ 1,442	\$ 1,293	\$ 1,151	\$ 1,012	\$ 927	\$ 811

Source: Notes to the Financial Statements Long-Term Debt

Note (1): Presented net of original issuance discounts and premiums

Note (2): Percentage is Total Primary Government divided by Net Assessed Value provided by Coconino County disclosed in Legal Debt Margin Information page.

Note (3): Personal income is disclosed in Demographic and Economic Information page

Note (4): Population disclosed in Demographic and Economic Information page

City of Page, Arizona
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Statistical Section
Debt Capacity
(Accrual basis of accounting)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental Activities										
General Obligation Bonds (1)	1,663,200	1,486,334	1,309,609	1,127,691	943,520	759,190	574,193	387,794	197,492	-
Less: Amounts Available in Debt Service Fund (5)	<u>(175,149)</u>	<u>(157,382)</u>	<u>(139,994)</u>	<u>(121,953)</u>	<u>(94,339)</u>	<u>(75,939)</u>	<u>(58,130)</u>	<u>(50,046)</u>	<u>(32,557)</u>	<u>(3,089)</u>
Total Primary Government	<u>\$1,488,051</u>	<u>\$1,328,952</u>	<u>\$1,169,615</u>	<u>\$1,005,738</u>	<u>\$ 849,181</u>	<u>\$ 683,251</u>	<u>\$ 516,063</u>	<u>\$ 337,748</u>	<u>\$ 164,935</u>	<u>\$ (3,089)</u>
% of Assessed Value (2)	2.19%	2.12%	1.81%	1.50%	1.26%	0.95%	0.68%	0.42%	0.19%	0.00%
% of Personal Income (3)	0.58%	0.53%	0.42%	0.34%	0.28%	0.34%	0.33%	0.22%	0.10%	0.00%
Per Capita (4)	\$ 202	\$ 181	\$ 158	\$ 133	\$ 113	\$ 90	\$ 68	\$ 45	\$ 22	\$ (0)

Source: Notes to the Financial Statements Long-Term Liabilities

Note (1): Presented net of original issuance discounts and premiums (Airport Lease Purchase, Series 2004 Bond).

Note (2): Percentage is Total Primary Government divided by Net Assessed Value provided by Coconino County disclosed in Legal Debt Margin Information page.

Note (3): Percentage is Total Primary Government divided by Personal Income disclosed in Demographic and Economic Information page

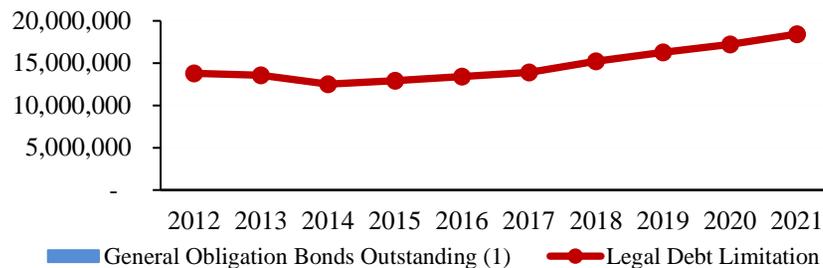
Note (4): Amount is Total Primary Government divided by population disclosed in Demographic and Economic Information page

Note (5): Amount from Balance Sheet Government Funds - Restricted cash and cash equivalents in Debt Service Fund .

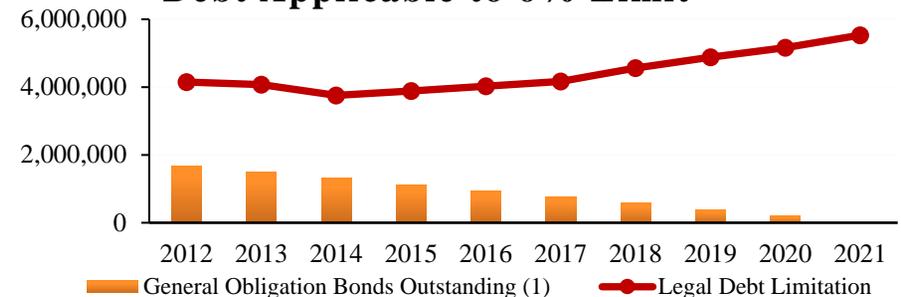
The City of Page is autonomous from any county, town, or other political subdivisions of the State of Arizona. There is no overlapping general obligation debt or taxing powers.

	Fiscal Year Ended June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Assessed Value of Real Property (2)* reinstated	\$ 67,912,010	\$ 62,585,129	\$ 64,679,910	\$ 67,174,588	\$ 69,491,903	\$ 71,737,815	\$ 76,071,757	\$ 81,314,653	\$ 86,048,461	\$ 92,189,515
20% Limitation										
Legal Debt Limitation	\$ 13,812,135	\$ 13,582,402	\$ 12,517,026	\$ 12,935,982	\$ 13,434,918	\$ 13,898,381	\$ 15,214,351	\$ 16,262,931	\$ 17,209,692	\$ 18,437,903
General Obligation Bonds Outstanding (1)	-	-	-	-	-	-	-	-	-	-
Debt Margin Available	\$ 13,812,135	\$ 13,582,402	\$ 12,517,026	\$ 12,935,982	\$ 13,434,918	\$ 13,898,381	\$ 15,214,351	\$ 16,262,931	\$ 17,209,692	\$ 18,437,903
Total Net Debt applicable to the 20 %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6 % Limitation										
Legal Debt Limitation	4,143,640	4,074,721	3,755,108	3,880,795	4,030,475	4,169,514	4,564,305	4,878,879	5,162,908	5,531,371
General Obligation Bonds Outstanding (1)	1,663,200	1,486,334	1,309,609	1,127,691	943,520	759,190	574,193	387,794	197,492	-
Debt Margin Available	\$ 2,480,440	\$ 2,588,387	\$ 2,445,499	\$ 2,753,104	\$ 3,086,955	\$ 3,410,324	\$ 3,410,324	\$ 4,491,085	\$ 4,965,416	\$ 5,531,371
Total Net Debt applicable to the 20 % * reinstated	2.45%	2.37%	2.02%	1.68%	1.36%	1.06%	0.75%	0.48%	0.23%	0.00%

Debt Applicable to 20% Limit



Debt Applicable to 6% Limit



Source: Notes to the Financial Statements Long-Term Liabilities

Note (1): Prior to fiscal year 2007, under Arizona law, cities could issue general obligation bonds for purposes of water, sewer, artificial light, open space preserves, parks, playgrounds, and recreational facilities, up to an amount not exceeding 20% of a City's Secondary Net Assessed Valuation. In fiscal year 2007, Arizona voters approved an amendment to the Arizona Constitution to allow cities to include debt for the acquisition and development of public safety, law enforcement, fire and emergency facilities, and streets and transportation facilities in the 20% debt limit. General Obligation Bonds for all other purposes may be issued up to an amount not exceeding 6% of Secondary Net Assessed Valuation.

*Reinstated - prior years Assessed Value of Real Property one year behind.

Note (2): Assessed value of real property based on Secondary Net Assessed Valuation

Fiscal Year	Excise Tax, Revenues and State Shared Revenues (2) As restated	Debt Service Requirements							Coverage Ratio (3)	Minimum
		Series 2011 Bond	Series 1999A Bond		Total Debt Service					
		Debt Service Obligation Being Refunded	Debt Service Principal	Debt Service Interest	Debt Service Principal	Debt Service Interest				
2012 (1)	8,765,519	-	-	-	-	593,488	593,488	12.07	1.25	
2013	9,341,956	470,872	-	116,656	-	-	587,528	14.92	2.00	
2014	9,895,806	-	350,000	480,938	-	-	830,938	11.24	2.00	
2015	11,069,485	-	600,000	473,938	-	-	1,073,938	9.21	2.00	
2016	12,419,490	-	730,000	458,938	-	-	1,188,938	9.31	2.00	
2017	13,598,619	-	755,000	437,038	-	-	1,192,038	10.42	2.00	
2018	15,705,839	-	775,000	414,388	-	-	1,189,388	11.43	2.00	
2019	17,170,607	-	800,000	391,138	-	-	1,191,138	14.42	2.00	
2020	15,163,641	-	855,000	336,200	-	-	1,191,200	12.73	2.00	
2021	\$ 14,364,956	\$ -	\$ 890,000	\$ 302,000	-	-	\$ 1,192,000	12.05	2.00	

Bond Coverage and Requirements



Source: Schedule of Revenues, Expenditures, and Changes in Fund Balance - General Fund and bond debt service schedule.

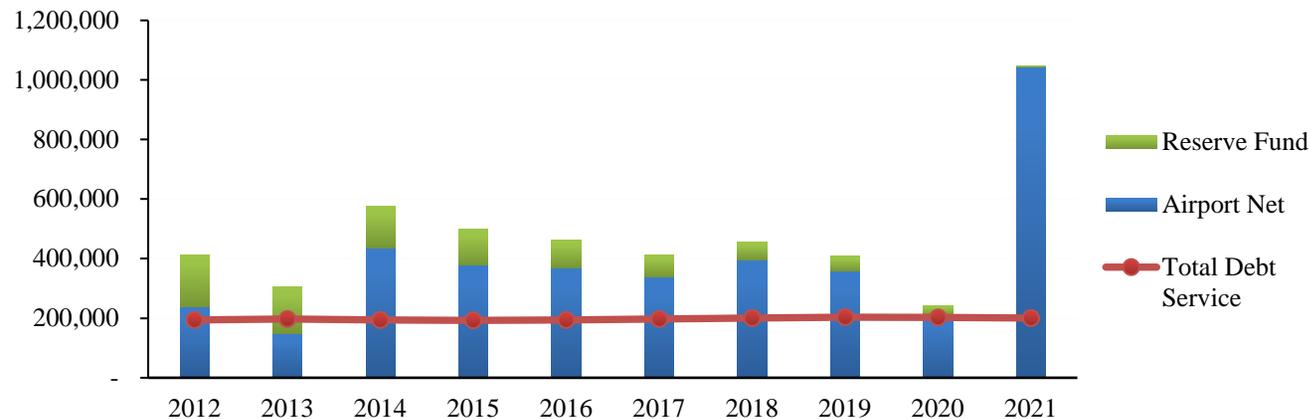
Note (1): In Fiscal Year 2012, Series 1999A Bond was restructured.

Note (2): General Fund Revenue less Golf, Rescue, Transfers, Grants, Donations, Land Sales, Interest Income, and Attorney Fees Reimbursement.

Note (3): 1999A Bond Series - Revenues at least 1.25 times Total Debt Service / 2011 Bond Series - Revenues at least 2.00 Total Debt Service

Fiscal Year	Airport Net Position (Revenue less Expenses)	Debt Service Requirements					
		Series 2004 Airport Bond			Total Debt Service	Coverage Ratio from Net Revenues(2)(4)	Reserve Fund for Debt Service
		Debt Service Principal	Interest Rate (1)	Debt Service Interest			
2012	(1) 237,195	170,833	1.027%	23,112	193,945	1.22	175,149
2013	149,014	176,866	1.495%	20,952	197,818	0.75	157,382
2014	436,636	176,724	0.960%	17,168	193,892	2.25	140,004
2015	377,256	181,919	0.763%	10,723	192,642	1.96	121,953
2016	369,299	184,171	1.072%	10,143	194,314	1.90	94,398
2017	337,931	184,330	1.703%	12,814	197,144	1.71	75,939
2018	397,115	184,997	2.435%	15,049	200,046	1.99	58,130
2019	358,852	186,399	3.868%	16,963	203,362	1.76	50,046
2020	210,585	190,302	3.050%	12,390	202,692	1.04	32,557
2021	\$ 1,044,523	\$ 197,492	0.764%	\$ 3,017	\$ 200,509	5.21	\$ 3,089

Airport Bond Coverage and Requirements



Source: Bond debt service schedule; City's financial records - Airport Reserve Fund Balance; Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds.

Note (1): Interest Rate changes annually at restart of each fiscal year on July 1.

Note (2): Bond requires amount of Total Debt Service to be available from net revenues and Airport Fund Balances.

Note (3): Bond requires Reserve to be at least 10% of unpaid Principal Component

Note (4): Shortage of coverage from Net Revenues funded by other Airport Funds

City of Page, Arizona

**Demographic and Economic Statistics
Last Ten Fiscal Years**

Statistical Section

**Demographic and Economic
(Accrual basis of accounting)**

General	Calendar	Population (1)	**Personal	Per Capita	School	Unemployment Rate (2)		
	Year		Income	Income (1)	Enrollment (3)	Arizona	Coconino County	City of Page
Acres 24,532.6	2011	7,423	180,067,134	24,258	2,781	9.5%	9.5%	9.4%
Median Income \$65,321*	2012	7,425	204,870,600	27,592	2,675	8.3%	8.6%	11.4%
Below Poverty Level 17.2%*	2013	7,492	197,833,752	26,406	2,613	7.7%	8.1%	10.8%
Housing Units 2,992*	2014	7,521	168,673,467	22,427	2,621	6.8%	7.1%	8.6%
Occupied - 2,580*	2015	7,517	182,948,746	24,338	2,594	6.1%	6.5%	7.9%
Vacant - 412*	2016	7,565	185,380,325	24,505	2,621	5.4%	6.0%	7.4%
	2017	7,568	156,604,624	20,693	2,754	4.9%	5.5%	6.8%
U.S. Census Bureau American	2018	7,547	155,623,859	21,246	2,689	4.8%	5.5%	6.9%
Fact Finder	2019	7,529	159,001,367	22,595 +	2,559	4.7%	5.5%	7.0%
2015-2019*	2020	7,531	\$169,141,967	\$ 22,459 +	2,606	7.9%	9.7%	N/A

+Per Capita Income estimate based on historical data. **Population multiplied by Per Capita Income

Principal Employers - Current Year and Five Years Ago

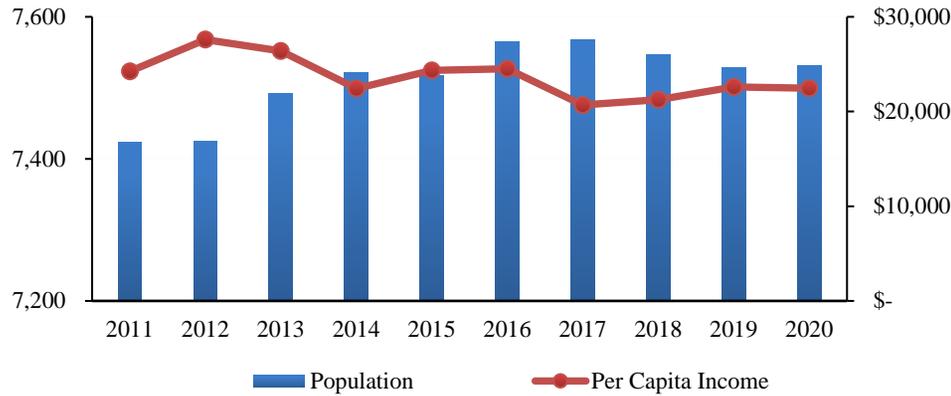
2021			2016		
Employer	Employees	% of Total Employment	Employer	Employees	% of Total Employment
Canyonlands Community Health Care Inc	77	2.0%	Page Hospital	120	3.4%
Page Steel Inc	87	2.0%	Gary Yamamoto Custom Baits	165	4.7%
Gary Yamamoto Custom Baits Inc	122	3.0%	Canyonlands Community Health Care	166	4.7%
City of Page	126	3.0%	Infinity of Page Home Health Care	170	4.8%
Banner Health	135	4.0%	Super Wal-Mart	234	6.6%
Infinity of Page Home Health Services Llc	150	4.0%	City of Page (Includes Page Utility Enterprises)	241	6.8%
National Park Service	200	5.0%	Aramark Lake Powell	273	7.7%
Walmart	222	6.0%	Antelope Point Holdings, LLC	428	12.1%
Page Unified School District 8	728	19.0%	Page Unified School District No. 8	433	12.2%
Aramark Corp	1,100	29.0%	Navajo Generating Station	515	14.5%
Total	2,947	78.6%	Total	2,745	77.4%
Other	800	21.4%	Other	802	22.6%
Labor Force		5,545	Labor Force		3,793
Total employment		3,747	Total employment		3,547
Unemployment		1,798	Unemployment		246
Unemployment Rate to Labor Force		32.4%	Unemployment Rate to Labor Force		6.5%

Note (1): Local data 2013- 2019 from U.S. Census Bureau.

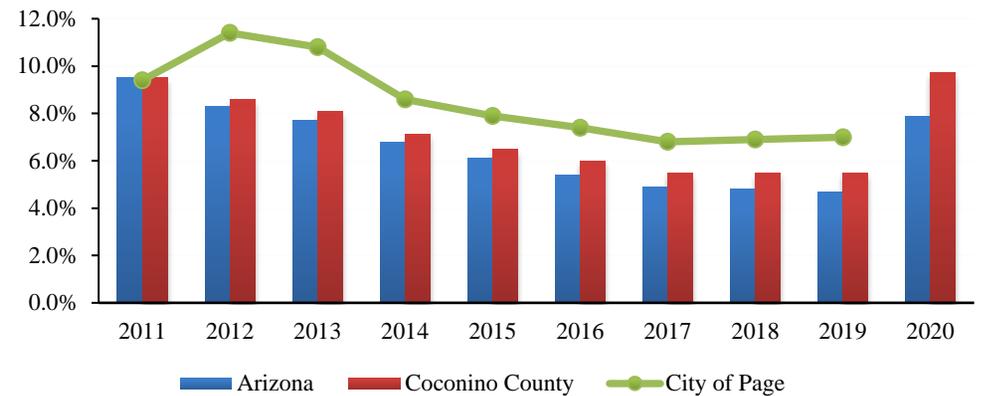
Note (2):Source - Arizona Department of Administration, Office of Employment Statistics. Not seasonally adjusted. Local data not available

Note (3): Source - Arizona Department of Education. Updated in FY17 to include Resident and Non-Resident students

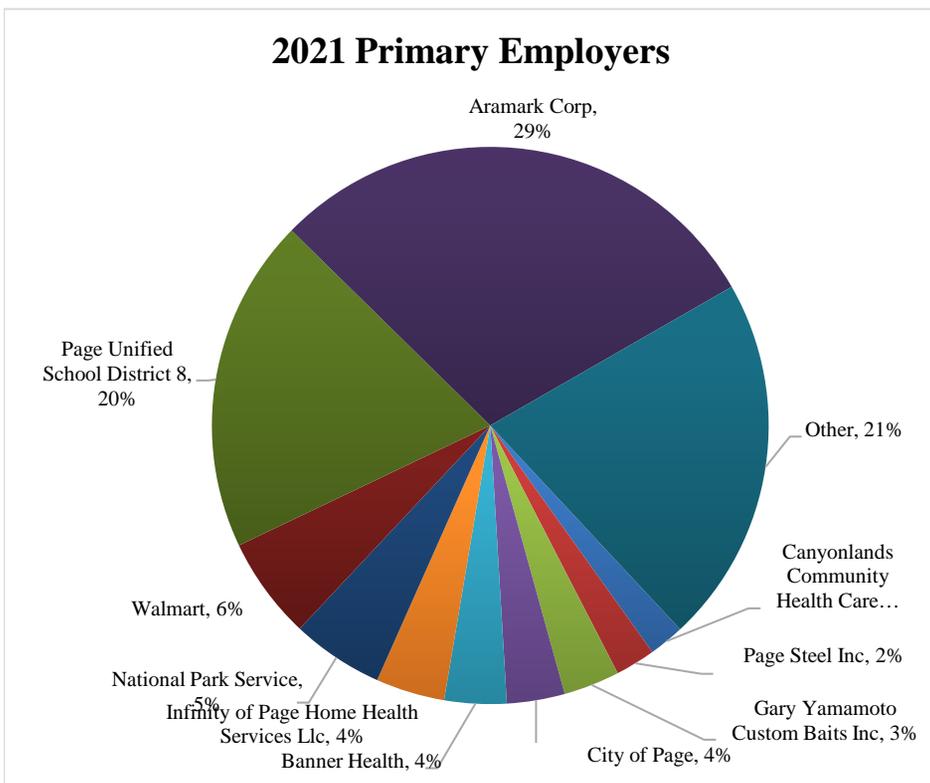
Population vs Per Capita Income



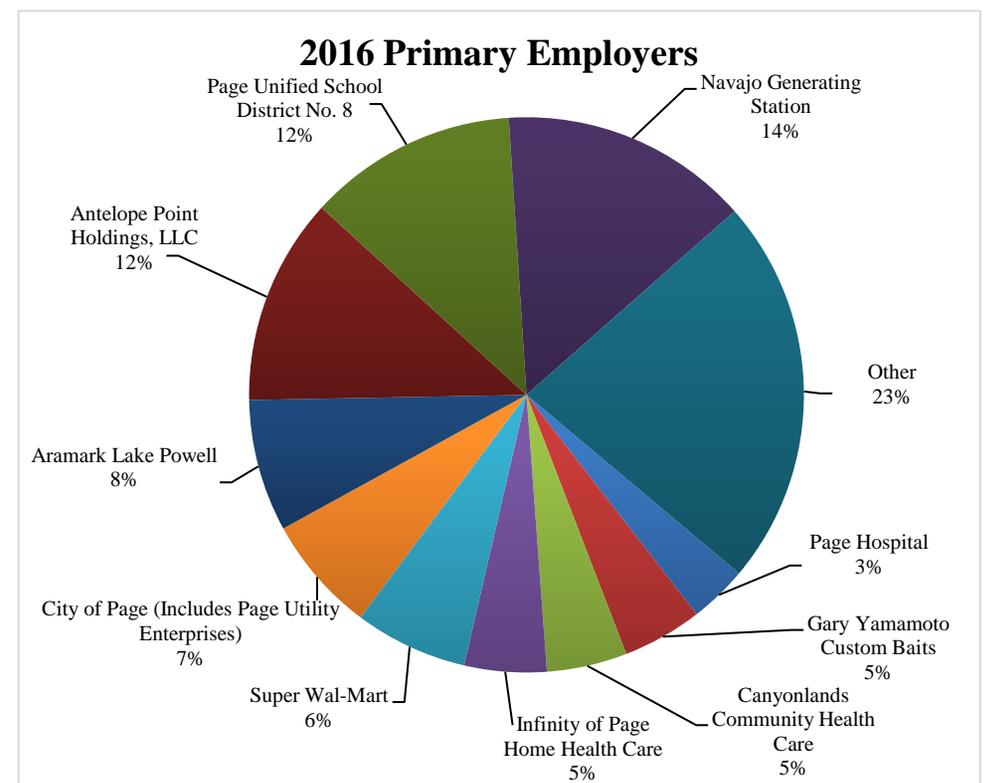
Unemployment Rate



2021 Primary Employers

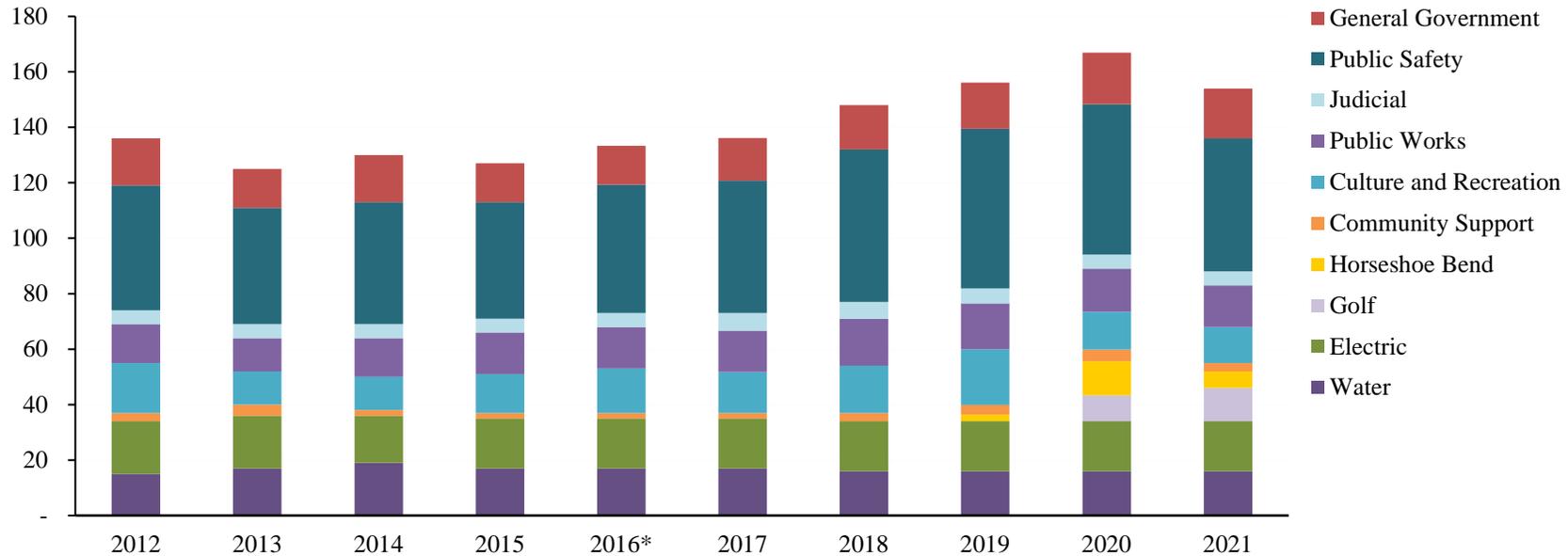


2016 Primary Employers



Full-time Equivalent Employees as of June 30										
Function	2012	2013	2014	2015	2016*	2017	2018	2019	2020	2021
General Government	17	14	17	14	14	15	16	17	19	18
Public Safety	45	42	44	42	46	48	55	58	54	48
Judicial	5	5	5	5	5	6	6	5	5	5
Public Works	14	12	14	15	15	15	17	17	16	15
Culture and Recreation	18	12	12	14	16	15	17	20	14	13
Community Support	3	4	2	2	2	2	3	4	4	3
Horseshoe Bend	-	-	-	-	-	-	-	2	12	6
Golf	-	-	-	-	-	-	-	-	9	12
Electric	19	19	17	18	18	18	18	18	18	18
Water	15	17	19	17	17	17	16	16	16	16
Total	136	125	130	127	133	136	147	154	167	154

Full-Time-Equivalent City Government Employees by Function/Program



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

*Restated - Corrected FTE for Firefighters

City of Page, Arizona
Operating Indicators by Functions
Last Ten Fiscal Years

Statistical Section
Operating Information
(Accrual basis of accounting)

	Fiscal Years Ended June 30									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Planning and Building Safety										
Building permits issued (new single family homes)	1	6	3	3	8	12	11	15	15	16
Highway and Streets										
Street resurfacing (miles)	0.0	0.0	0.0	1.0	0.0	0.2	3.2	17.6	2.6	3.3
Streets striped (miles)	16.7	9.3	9.3	7.6	0.0	20.4	12.9	10.0	5.2	3.3
Culture and Recreation										
Summer recreation camps	13	0	0	0	0	5	4	0	0	0

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

City of Page, Arizona
Capital Assets Statistics by Function
Last Ten Fiscal Years

Statistical Section
Operating Information
(Accrual basis of accounting)

Function	Fiscal Year Ended June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Highways and Streets										
Streets (miles)	47.2	47.2	47.2	47.2	47.2	47.2	47.2	47.2	47.2	47.2
Streetlights	817	817	817	817	817	817	817	817	817	817
Traffic Signals	53	53	53	53	53	53	53	53	53	53
Culture and recreation										
Parks acreage*	17.73	17.73	17.73	17.73	17.73	17.73	17.73	17.73	17.73	501.59
Parks	6	6	6	6	6	6	6	6	6	9
Community centers	1	1	1	1	1	1	1	1	1	1
Sewer										
Sanitary sewers (miles)	39	39	39	39	49.26	49.26	49.26	49.26	49.26	49.26
Storm sewers (miles)	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8
Maximum daily treatment capacity (gallons)*	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,000,000
Average daily treatment (gallons)	945,000	918,000	908,005	875,000	889,000	882,000	918,194	918,194	918,194	768,945
Water										
Water lines (miles)	59	60	60	59.94	59.94	60.19	60.19	60.19	60.19	60.19
Raw water lines (miles)	3	3	3	3	3	3	3	3	3	3
Maximum daily treatment capacity (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	3,300,000
Average daily treatment (gallons)	1,988,000	1,890,000	1,751,756	1,618,500	1,940,000	1,890,000	1,872,540	1,872,540	1,872,540	1,918,961

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

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

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OTHER COMMUNICATIONS FROM INDEPENDENT AUDITORS

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**Independent Auditors' Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

The Honorable Mayor and
City Council
Page, Arizona

We have audited, in accordance with the 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, the 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, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Page, Arizona's basic financial statements and have issued our report thereon dated October 27, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Page, Arizona's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Page, Arizona's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Page, Arizona's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



HintonBurdick, PLLC
Gilbert, Arizona
October 27, 2021



Independent Auditors' Report on State Legal Compliance

The Honorable Mayor and
City Council
Page, Arizona

We have audited the basic financial statements of the City of Page, Arizona for the year ended June 30, 2021, and have issued our report thereon dated October 27, 2021. Our audit also included test work on the City of Page's compliance with selected requirements identified in the State of Arizona Revised Statutes and the Arizona State Constitution including, but not limited to, Title 28, Chapter 18, Article 2.

The management of the City of Page is responsible for the City's compliance with all requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit; accordingly, we make the following statements:

The City of Page has established separate funds to account for Highway User Revenue funds and Local Transportation Assistance funds. Highway user revenue fund monies received by the City of Page pursuant to Title 28, Chapter 18, Article 2 and other dedicated state transportation revenues received during the current fiscal year appear to have been used solely for authorized purposes. The funds are administered in accordance with Generally Accepted Accounting Principles. Sources of revenues available and fund balances are reflected in the individual fund financial statements.

Our opinion regarding the City's compliance with annual expenditure limitations has been issued separately with the City's Annual Expenditure Limitation Report.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *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 material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, The City of Page, Arizona complied, in all material respects, with the requirements identified above for the year ended June 30, 2021.

The purpose of this report is solely to describe the scope of our testing of the applicable compliance requirements identified in the Arizona Revised Statutes as noted above and the results of that testing based on the state requirements. Accordingly, this report is not suitable for any other purpose.

HintonBurdick, PLLC
Gilbert, Arizona
October 27, 2021

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