



# 2019

## Comprehensive Annual Financial Report

For Year Ended  
June 30, 2019



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Skate Park - Kristy Monroe

**CITY OF PAGE, ARIZONA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED**

**JUNE 30, 2019**

**PREPARED BY:**

**CITY OF PAGE FINANCE DEPARTMENT**

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# CITY OF PAGE, ARIZONA

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November 30, 2019

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

State law requires that all general-purpose local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Page for the fiscal year ended June 30, 2019.

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

The City of Page's financial statements have been audited by 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, 2019, 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, 2019, 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 2017 Census Bureau of 7,566 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-making and legislative authority, consists of a mayor and a six-member council. The Council is responsible for, among other things, passing ordinances, resolutions and adopting the annual budget. They also appoint committees and hire the City Manager, City Attorney, City Clerk, City Magistrate and General Manager for the Page 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 generally; 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 over 4.2 million visitors in 2018. Tourism and the distance to other trade centers have created a demand for a variety of consumer goods and services. Therefore, 70 percent of the employers and more than 50 percent of the total workforce are in the retail trade and service sectors.

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

Although the City of Page itself has an estimated population of 7,553, it services the needs of its surrounding communities including an additional 45,000 people within a 75-mile radius.

While the recreation-oriented firms experience seasonal employment peaks from March through November, the Salt River Project's Navajo Generating Station (NGS) has assured the stability of Page. However, this year, the four non-governmental utility owners of NGS made the decision to end their participation in the plant at the end of its current lease on December 23, 2019, because a changing utility landscape has significantly altered the economics of operating the more than 45-year old coal-fired plant.

At the request of Page City officials, Salt River Project (SRP) sponsored a study by Northern Arizona University (NAU) on the economic contributions of NGS to the Page community. While the study by the NAU



Alliance Bank Business Outreach Center does not depict what happens to the Page economy if NGS closes at the end of 2019, it does examine various plant expenditures, such as payroll and operations and maintenance as well as state and local taxes, and measure how they impact the community. The total annual economic contribution of the Navajo Generating Station on the city of Page is estimated to be approximately \$51 million.

If no other potential operators emerge, and the plant is shut down at the end of its lease on Dec. 23, 2019, there will be certain mitigating factors to offset the loss of some NGS revenues including money from the state general fund to replace tax money NGS currently pays to Page.

Recognizing that NGS is a significant part of the local economy, SRP and the NGS owners have pledged to work with us to assist us in our economic development efforts to ease the impacts expected from the closing of the Navajo Generating Station. 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 2018/19, the Mayor and Council continued to focus on debt reduction and revenue acquisition.

The City addressed its “bond debt” obligations and is dedicating 85% of 1% of our City Transaction Privilege Tax to be paid toward the Series 2011 Bond debt balance. The City is looking forward to an early retirement of our bond debt slated for July 2021.

This year’s capital budget increased approximately \$5.2 million from the previous fiscal year to address some capital improvement needs for the City. The City of Page completed Phase II of the Horseshoe Bend Parking Lot. This included the construction management costs for the fee booths, parking lot which were completed and opened in April 2019. We completed the construction of the City Skatepark located within John C. Page Memorial Park (JCPMP). In focusing on the city parks, we worked on ADA compliance at three of our parks, Golliard, Children’s & Sports Annex Park. This compliance measure has carried over to fiscal year 2020. We completed the sidewalk paths and installed new playground equipment at JCPMP. In addition, we added pickleball courts and made improvements to the existing basketball courts. At the Page Municipal Airport, we are continuing with making updates to the Airport Master Plan and continued work is being done for the main apron reconstruction. This year we completed the construction and design for the Northwest Taxiway C. The City was able to update the current city-wide phone system and public safety radio systems for both Fire and Police Departments, a much needed upgrade for both of these departments. The City has continued with the goal of moving forward with our fleet replacement program and has focused on updating our fleet and equipment within various departments of the City. Now with the street improvements being made, we hired engineers to look at the stormwater system and make necessary plans for this in the future. In addition, with a grant from the County and assistance from the City, security improvements were made to the Magistrate Court Building. The City has been able to look at our older vehicles and continues a vehicle replacement program to update these assets. With the steady increase in Transaction Privilege Tax (TPT), the City has been able to grow its cash position to guarantee availability of contingency funds and allow for some of these improvements to come to fruition.

## **AWARDS AND ACKNOWLEDGEMENTS**

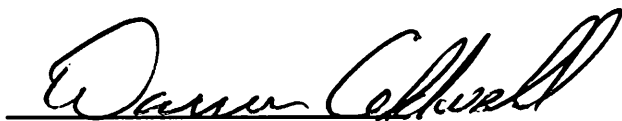
**Awards.** The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year

ended June 30, 2018. This is the ninth 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 comprehensive annual 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 2018-19 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,



Darren Coldwell  
City Manager



Linda L. Watson  
Finance Director

# City of Page

## Members of City Council

Levi Tappan, *Mayor*  
John Kocjan, *Vice Mayor*  
Theresa Lee  
Mark Cormier  
Kristin Davis  
Dennis Warner  
Rick Yanke

## City Appointed Officials

Michael Celaya  
*City Manager*

Joshua Smith  
*City Attorney*

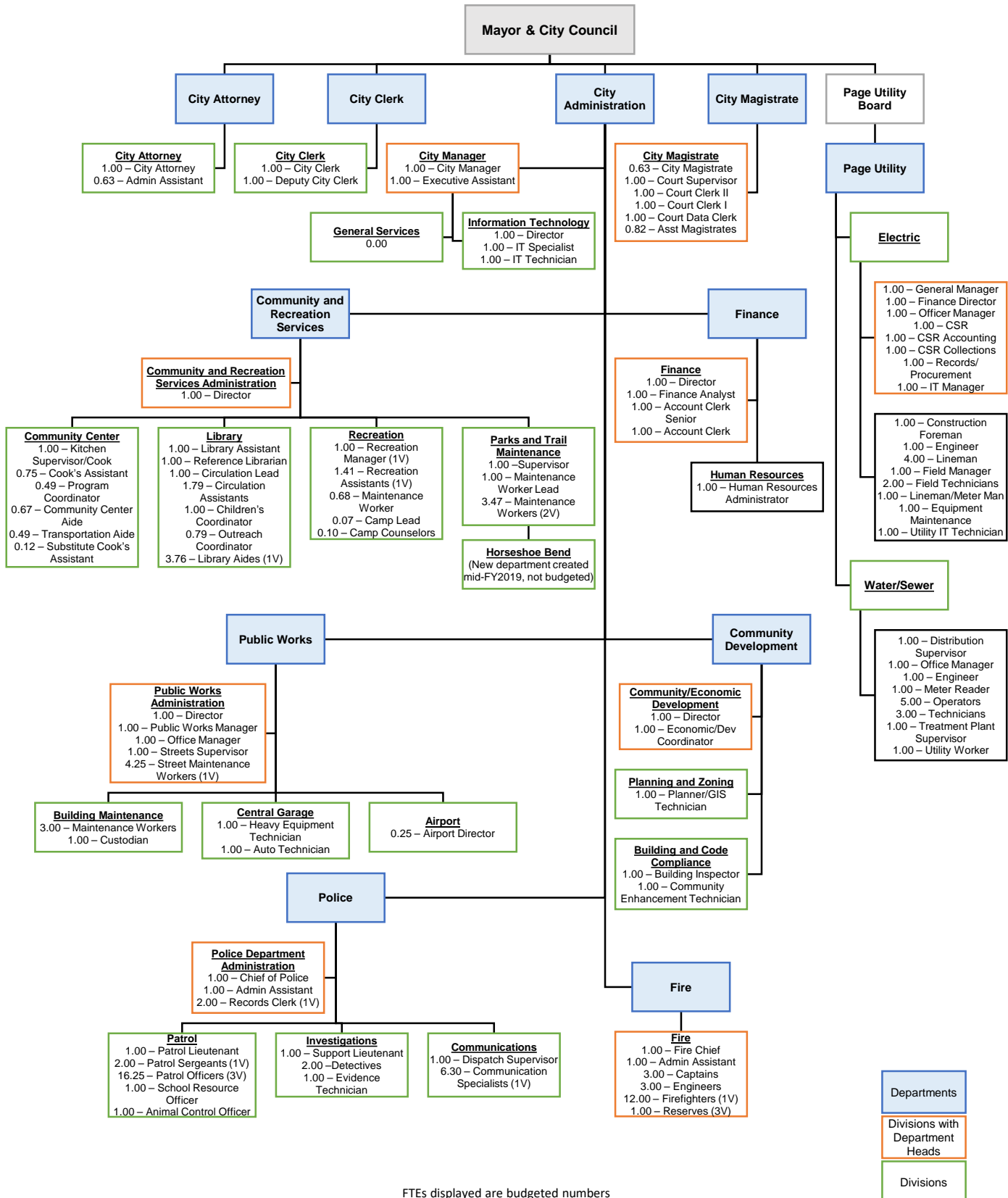
Kim Larson  
*City Clerk*

Rick E. Olson  
*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



FTEs displayed are budgeted numbers  
V – Number of vacancies as of June 30, 2019



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, 2018**

*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, 2019, 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, 2019, 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 November 14, 2019, 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  
November 14, 2019



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**CITY OF PAGE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2019**

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, 2019. 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 \$153,907.054. This amount is comprised of \$105,497,907 in capital assets net of related debt, 9,682,423 of restricted net position and \$38,726.724 in unrestricted net position. This position reflects an overall net increase of \$9,014,292 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 addition of the Horseshoe Bend Fund and the results of completing Phases I and II projects, completion of the parking lot and the fee booths. The Electric Utility has completed the \$1.2 million upgrade at the Powell Substation and completed the engineering study to relocate overhead lines. The Water Division has invested in recoating of the water tank in addition to completing a water study and the Sewer Division has completed the upgrade for the new headworks system. 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 1,658,874 in deferred inflows related to pensions for both Governmental and Business-type Activities. This net pension liability totals \$10,107,573 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 increased over last year by almost \$1 million. Budgeting conservatively to receive \$11.2 million, our actual figures were \$14,416,512 million by June 2019. While the hotel category is the prime driver of the tax revenue in bringing in \$4.956 million, the retail sales and restaurant categories combined pulled in \$4.967 million of the sales tax revenue to the City of Page.
- The City received capital grants in the amount of \$333,234 from the Federal Aviation Administration and Arizona Department of Transportation for the Taxiway C Design and Apron Rehabilitation Design, Taxiway C Construction and 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. 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 \$4.26 million dollars in federal grant funds for this service.

- The City's cash reserves remain an important focus for management and the City Council. Four years ago, the City Council approved the first investment of \$6 million to be invested outside of the Local Government Investment Pool (LGIP) in CD's and Government Agency Bonds. As of June 30, 2019, the City had earned a total of \$368,419.44 in interest from those investments, of which \$202,110.53 was earned in fiscal year 2019 alone. The City Council authorized an additional outside investment of \$6.3 million for total amount of funds invested in outside investments of \$12.3 million. The balance remaining in the City of Page LGIP accounts as of June 30, 2019 was approximately \$6.5 million, with \$1.1 million being reserved for Highway User Revenue Fund; \$3.1 million reserved toward the early retirement of the 2011 Series Bond Debt in July 2021 and \$2.2 million in the General Account.
- As of June 2019, the balance on the principal amount for the 2011 Series Bond was \$6,895,000. In addition, the City has an outstanding principal bond for the Airport in the amount of \$387,794 and capital leases payable of \$49,049. Overall, the total principal on outstanding long-term debt currently held by the City of Page is \$7.33 million. The City Council has identified paying off our existing long-term debt as a top priority.

## **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, and electricity.

## **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 \$153.9 million as of June 30, 2019 as shown in the following condensed statement of net position. The City has chosen to account for its utility operations 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	
	6/30/2019	6/30/2018	6/30/2019	6/30/2018	6/30/2019	6/30/2018
Current and other assets	\$ 29,475,831	\$ 27,437,296	\$ 32,424,582	\$ 32,290,078	\$ 61,900,413	\$ 59,727,374
Capital assets	77,221,009	76,938,236	35,838,822	32,628,304	113,059,831	109,566,540
Total assets	106,696,840	104,375,532	68,263,404	64,918,382	174,960,244	169,293,914
Deferred charge on refunding	92,675	164,424	-	-	92,675	164,424
Deferred outflows related to pensions/OPEB	3,385,252	1,931,170	471,377	402,893	3,856,629	2,334,063
Total deferred outflows of resources	3,477,927	2,095,594	471,377	402,893	3,949,304	2,498,487
Long-term liabilities outstanding	14,192,662	16,797,098	2,960,802	3,230,981	17,153,464	20,028,079
Other liabilities	3,657,313	2,932,324	2,532,843	2,531,198	6,190,156	5,463,522
Total liabilities	17,849,975	19,729,422	5,493,645	5,762,179	23,343,620	25,491,601
Deferred inflows related to pensions/OPEB	1,298,335	1,176,294	360,539	231,742	1,658,874	1,408,036
Net position:						
Net investment in capital assets	69,659,085	68,395,001	35,838,822	32,628,302	105,497,907	101,023,303
Restricted	9,682,423	11,338,638	-	-	9,682,423	11,338,638
Unrestricted	11,684,949	5,831,771	27,041,775	26,699,050	38,726,724	32,530,821
Total net position	\$ 91,026,457	\$ 85,565,410	\$ 62,880,597	\$ 59,327,352	\$ 153,907,054	\$ 144,892,762

The City has \$174.9 million in total assets, with \$113,059,831 in capital assets (net of depreciation). The City's water, sewer, sanitation, electric enterprise 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 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.

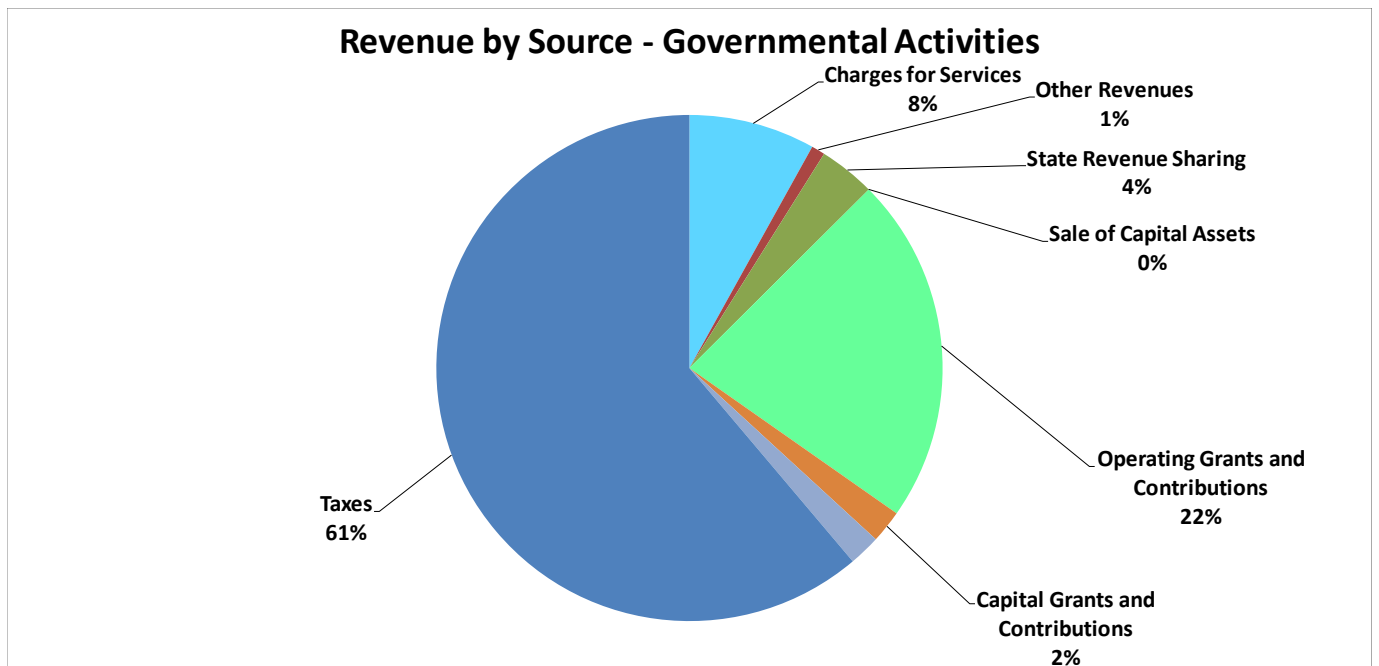
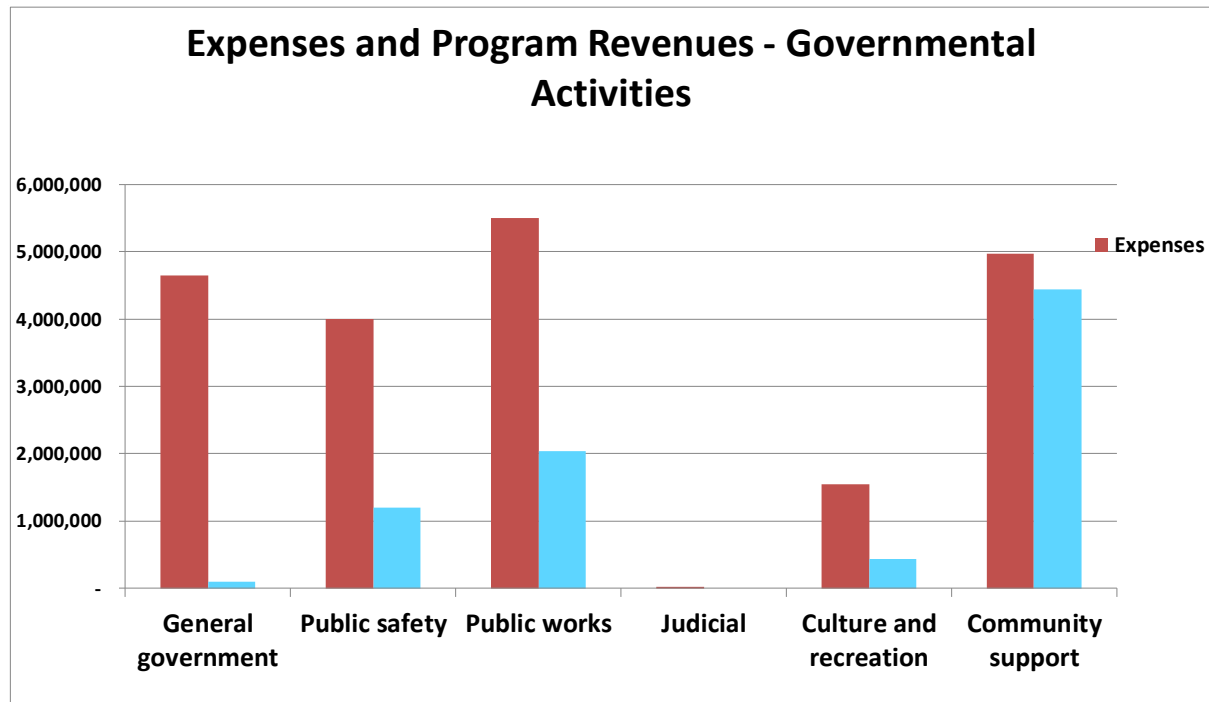
**City of Page**  
**Changes in Net Position**

	Governmental activities		Business-type activities		Combined Total	
	6/30/2019	6/30/2018	6/30/2019	6/30/2018	6/30/2019	6/30/2018
Revenues:						
Program revenues:						
Charges for services	\$ 2,046,722	\$ 2,072,177	\$ 15,686,401	\$ 13,676,972	\$ 17,733,123	\$ 15,749,149
Operating grants and contributions	5,641,026	1,356,363	-	-	5,641,026	1,356,363
Capital grants and contributions	530,262	898,224	528,738	-	1,059,000	898,224
General revenues:						
Taxes	15,535,278	14,508,665	-	-	15,535,278	14,508,665
State revenue sharing	914,667	941,208	-	-	914,667	941,208
Investment Income	509,076	287,136	276,715	150,517	785,791	437,653
Gain/(Loss) on disposal of asset	-	-	40,284	(61,163)	40,284	(61,163)
Other revenue/(expense)	221,452	141,340	-	-	221,452	141,340
Total revenues	<u>25,398,483</u>	<u>20,205,113</u>	<u>16,532,138</u>	<u>13,766,326</u>	<u>41,930,621</u>	<u>33,971,439</u>
Expenses:						
General government	4,644,028	3,282,422	-	-	4,644,028	3,282,422
Public safety	3,998,934	6,048,643	-	-	3,998,934	6,048,643
Public works/Streets	5,497,750	3,362,138	-	-	5,497,750	3,362,138
Judicial	16,142	8,457	-	-	16,142	8,457
Culture and recreation	1,544,092	1,601,945	-	-	1,544,092	1,601,945
Community support	4,970,310	618,843	-	-	4,970,310	618,843
Interest on long-term debt	407,326	427,529	-	-	407,326	427,529
Water	-	-	1,727,545	1,639,605	1,727,545	1,639,605
Sewer	-	-	1,520,319	1,396,058	1,520,319	1,396,058
Electric	-	-	8,013,267	7,320,987	8,013,267	7,320,987
Sanitation	-	-	717,310	689,077	717,310	689,077
Horseshoe Bend	-	-	263,265	-	263,265	-
Total expenses	<u>21,078,582</u>	<u>15,349,977</u>	<u>12,241,706</u>	<u>11,045,727</u>	<u>33,320,288</u>	<u>26,395,704</u>
Increase (Decrease) in net position before transfers	4,319,901	4,855,136	4,290,432	2,720,599	8,610,333	7,575,735
Transfers	141,147	140,108	(141,147)	(140,108)	-	-
Change in net position	4,461,048	4,995,244	4,149,285	2,580,491	8,610,333	7,575,735
Net position, beginning	85,565,409	80,244,359	59,327,352	56,746,330	144,892,761	136,990,689
Prior period adjustment	1,000,000	325,807	(596,040)	531	403,960	326,338
Net position, ending	<u>\$ 91,026,457</u>	<u>\$ 85,565,410</u>	<u>\$ 62,880,597</u>	<u>\$ 59,327,352</u>	<u>\$ 153,907,054</u>	<u>\$ 144,892,762</u>

The cost of all governmental activities this year was \$21.1 million, while the cost of all business-type activities totaled \$12.24 million, bringing the total expenses for the government to \$33.3 million. The cost of the governmental activities was financed by general and other revenues which are primarily made up of the sales tax collections and state shared revenues received by the City that total \$15.5 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 Horseshoe Bend. The total revenue received for the business-type activities during the year was \$16.5 million, which is \$3 million more than the prior year. The increase in revenues is mainly due to the new Horseshoe Bend activity. This resulted in an increase of \$4.15 million before transfers of \$141,147.

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

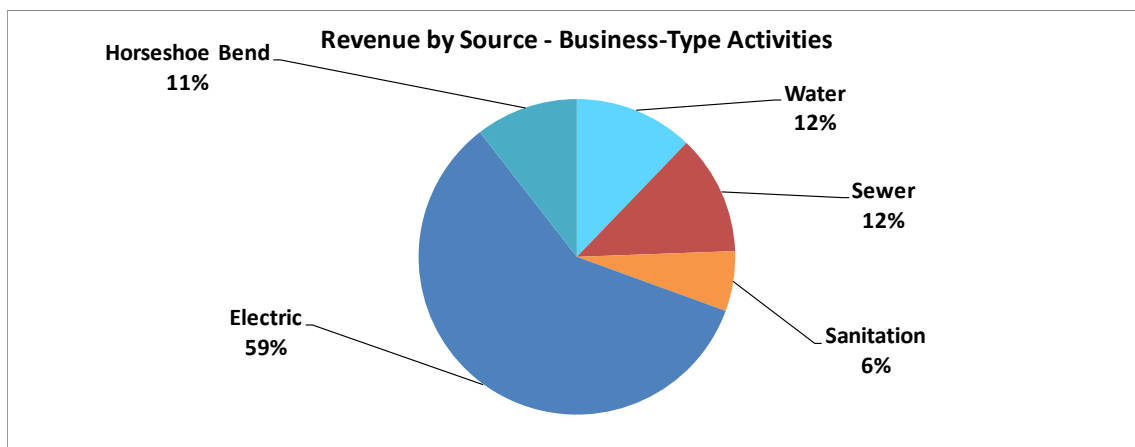
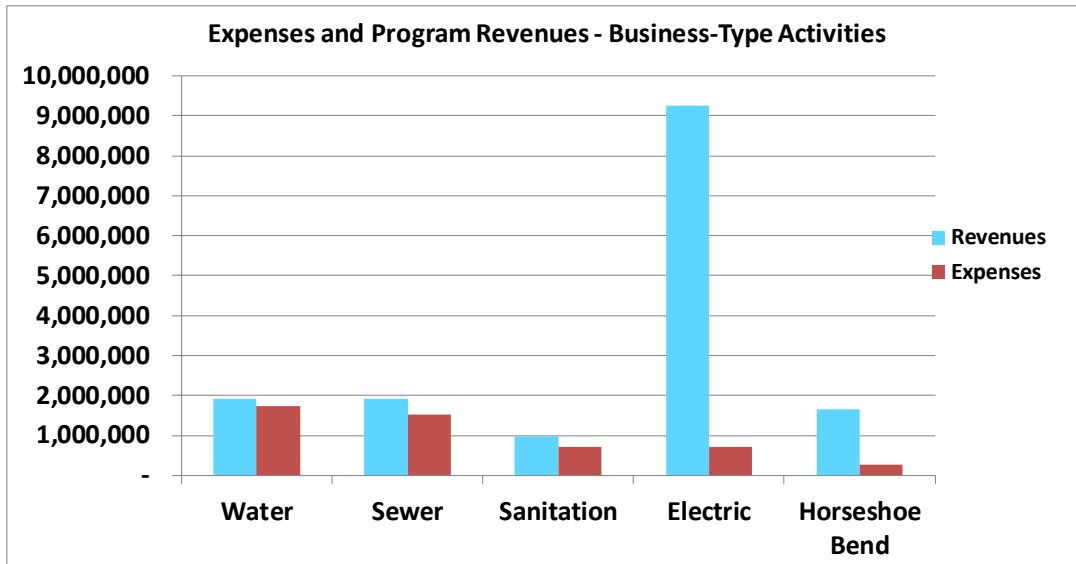


## Business Type Activities

The net position of the Business Type activities at June 30, 2019 as reflected in the Statement of Net Position was \$62.88 million. The cost of providing all Business Type activities this year was \$12.24 million. As shown in the statement of Changes in Net Position, the amounts paid by users of the system were \$16.2 million reflecting a \$2,766,578 increase in revenue from the prior year. The increase in revenues is mainly due to the new Horseshoe Bend activity. The Net Position increased by \$4.15 million.

In May 2012, the Mayor and Council passed Ordinance 588-12 which provided for the City Code Chapter 2, Article 8 to be amended and the creation of Page Utility Enterprises to manage the Water and Sewer Utilities as well as Electric, starting on July 1, 2012. Residential sanitation services are provided by Republic Services through a contract with the City of Page and billed through the Utility.

Fiscal year 2018-19 was another good year for the Electric Utility with continued stability in the power market. The relatively low cost of purchased power enabled the Utility to continue its aggressive modernization of the infrastructure. At the same time, Management has been able to continue with its ambitious five-year plan to modernize the infrastructure of both the Water and Sewer Utilities.



## **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 of Page'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. As of June 30, 2019, the City of Page's governmental funds reported a combined ending fund balance of \$27 million, an increase of \$1.38 million in comparison with the prior year. This growth reflects an addition of \$647,114 in the Debt Service Fund over the prior year due to the continued transfer of tax revenue set aside for future payments on our Series 2011 Bond Debt balance making the fund balance approximately \$7.6 million; an added \$14.4 million in cash was received from sales tax revenue resulting in \$3.2 million more than was initially budgeted in FY 2019; the Capital Projects Fund held a final fund balance of \$1.6 million and the remaining \$1.9 million fund balance represents increases from charges for service and interest earnings from our investments. Approximately 58% of this total amount or \$15.8 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 \$15,810,863, 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 123% of total general fund expenditures for fiscal year 2019.

The Highway User Revenue Fund has a total fund balance of \$30,681, all of which is restricted for road and street construction and improvements. The net decrease in the fund balance during the current year was \$2,070,821 and was primarily due to the street and road maintenance that was completed throughout the City.

The Capital Projects Fund balance decreased by \$219,232 this fiscal year due to various capital projects seeing completion by the end of the fiscal year. One of the beginning investments took place in 2018 where the City began the changes that were to take place at Horseshoe Bend. The City began its partnership with the National Park Service on the design for making the attraction safe and accessible to the public. In fiscal year 2019, the City completed Phase II which centered around the construction of the parking lot and completion of the fee booths. In some of our City parks, (Golliard Park, Children's Park and the Sports Complex Annex Park) improvements on completing the bathrooms were the focus. The Capital Projects Fund also covers all the major airport grants awarded by the federal and state government. The capital projects at the airport for this year focused on finalizing the design and beginning the construction on Taxiway C and the Main Apron. Throughout various departments of the City, purchases for upgrading operating equipment was needed. The Fire Department obtained new SCBA Breathing Apparatus Equipment that was outdated and both of our Public Safety divisions, Police & Fire Departments updated their radio systems. The City updated the central phone system. The Golf Course purchased an aerator and utility vehicle to maintain the golf course green. As a part of the City's vehicle replacement program, the City Public Works obtained dump truck, a sweeper, mower for the Cemetery, and a new vehicle for the Central Garage and the Police Department purchased a new 4x4 vehicle to add to their fleet. When speaking about Capital Improvements, the City has accomplished several projects this year. We completed the construction of the skatepark; completed the Phase II construction for Horseshoe Bend; started construction on ADA Improvements for walkways and playground equipment within our city parks; started the security improvements to our Magistrate Court building; completed the re-use of the former Youth Center Building to be the new Police Department Satellite office; The Public Works Department started the design for the stormwater improvements plan; Curb improvements were made at the Cemetery; John C Page Memorial Park (JCPMP) Phase I was completed. This included

completion of the sidewalk paths, lighting, parking lot, playground equipment and improvements to the basketball courts and addition of the new pickleball courts.

The Electric Fund showed an increase of \$1.47 million in the fund's net position from last fiscal year. Most of this increase pertained to the completion of a \$1.2 million upgrade at the Powell Center Bay Station. The Electric Utility also completed the installation of a security system for both Slavens and Powell Substations, including video recording and intruder alert capabilities. Other items completed by the Utility, were an engineering study for relocating the overhead utility lines to underground lines; continued work was done on the streetlight replacement program and the 12<sup>th</sup> Avenue Phase I project of the underground cable replacement projects.

The Water Fund experienced an increase of \$237,181 in net position for fiscal year 2019. A couple of projects done this year by the Water Department, was the completion of the water study and the re-coating of the three-million-gallon water tank at the Water Treatment Plant.

The Sewer Fund showed an increase of \$420,850 in net position from last fiscal year. Increasing overall expenses by \$36,000 due to increase in depreciation costs. This fiscal year, the Sewer Department completed the headworks upgrade project for the Waste Water Treatment Plan.

### **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 \$18,805,541. The amount budgeted for the year was \$17,152,041, showing the City bringing in excess revenue of \$1,653,500 over budget. The variance in budget to actual numbers was primarily due to a conservative revenue projection that was under budgeted in city sales tax revenue. Actual expenditures of \$12,857,964 were 87% of the budgeted expenditures of \$14,743,481. The \$1,885,517 variance in budget to actual expenditures was due to several factors such as across the board cost savings throughout various departments in the general operating budget along with unspent contingency funds.

## **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 2019, net capital assets of the government activities totaled \$77.2 million and the net capital assets of the business-type activities totaled \$35.8 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 \$8.5 million in governmental long-term debt outstanding, not including the net pension liability of \$7.3 million. The debt is a liability of the government and includes our two bonds and our capital lease obligations. After the restructure of the City's Series 1999 bond debt to what is now called the Series 2011 Bond. The current debt balance as of June 30, 2019 was \$6,895,000 on this restructure, while the City also continues to pay on the Airport bond debt, carrying a current principal balance owing as of \$387,794 at year end. The initial 1999 Series 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. (See note 7 to the financial statements for detailed descriptions.)

## **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. Even though we all experience some economic challenges, 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. Ultimately, the City's reputation and success will depend on the public's awareness and acceptability of the management and delivery of these services. 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 2019 & FY 2020 Budget years:

### **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 is committed to maintaining cash reserves for General Fund operations at \$3.5 million, per Resolution 1078-12, with the hope of increasing that threshold over the next several years. This reserve must be obtained while maintaining the capital and ongoing operation needs of the community. The fiscal year 2018-2019 budget amount for the General Fund expenditures (including inter-fund transfers) is balanced with anticipated revenue of \$16,637,393. The adopted fiscal year 2019-2020 budget for the entire City of Page is \$51,620,409, which includes capital projects of \$9.5 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, 2019**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 25,790,298	\$ 28,413,793	\$ 54,204,091
Receivables (net of allowance)	3,102,539	1,294,925	4,397,464
Prepaid expenses	-	380,937	380,937
Inventories	-	1,494,867	1,494,867
Net pension/OPEB asset	415,301	-	415,301
Internal balances	80,944	(80,944)	-
Restricted assets (temporarily restricted):			
Cash and cash equivalents	86,749	921,004	1,007,753
Capital assets (net of accumulated depreciation)			
Land and improvements	45,199,590	63,000	45,262,590
Construction in progress	757,674	44,989	802,663
Buildings and improvements	8,748,054	14,009,433	22,757,487
Furniture, equipment and vehicles	1,708,871	4,002,290	5,711,161
Infrastructure	20,806,820	-	20,806,820
Distribution systems	-	17,719,110	17,719,110
Total assets	106,696,840	68,263,404	174,960,244
<b>Deferred Outflows of Resources</b>			
Deferred charge on refunding	92,675	-	92,675
Deferred outflows related to pensions/OPEB	3,385,252	471,377	3,856,629
Total deferred outflows of resources	3,477,927	471,377	3,949,304
<b>Liabilities</b>			
Accounts payable and other current liabilities	2,010,349	1,340,685	3,351,034
Customer deposits	-	921,004	921,004
Interest payable	1,185	-	1,185
Unearned revenue	4,360	-	4,360
Noncurrent liabilities:			
Due within one year	1,641,419	271,154	1,912,573
Due in more than one year	6,899,886	146,005	7,045,891
Net pension/OPEB liability	7,292,776	2,814,797	10,107,573
Total liabilities	17,849,975	5,493,645	23,343,620
<b>Deferred Inflows of Resources</b>			
Deferred inflows related to pensions/OPEB	1,298,335	360,539	1,658,874
<b>Net Position</b>			
Net investment in capital assets	69,659,085	35,838,822	105,497,907
Restricted for:			
Debt service	7,597,111	-	7,597,111
Capital projects	1,625,829	-	1,625,829
Highways and streets	30,681	-	30,681
Perpetual care - expendable	305,703	-	305,703
Grants and other purposes	123,099	-	123,099
Unrestricted	11,684,949	27,041,775	38,726,724
Total net position	\$ 91,026,457	\$ 62,880,597	\$ 153,907,054

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

**CITY OF PAGE, ARIZONA**  
**Statement of Activities**  
**For the Year Ended June 30, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for	Operating	Capital	Governmental	Business-type	Total
		Services	Grants & Contributions	Grants & Contributions	Activities	Activities	
Governmental activities:							
General government	\$ 4,644,028	\$ 96,461	\$ -	\$ -	\$ (4,547,567)	\$ -	\$ (4,547,567)
Public safety	3,998,934	1,170,052	21,024	2,273	(2,805,585)	-	(2,805,585)
Public works	5,497,750	679,565	919,539	440,689	(3,457,957)	-	(3,457,957)
Judicial	16,142	-	-	-	(16,142)	-	(16,142)
Culture and recreation	1,544,092	87,525	352,672	-	(1,103,895)	-	(1,103,895)
Community support	4,970,310	13,119	4,347,791	87,300	(522,100)	-	(522,100)
Interest on long-term debt	407,326	-	-	-	(407,326)	-	(407,326)
Total governmental activities	21,078,582	2,046,722	5,641,026	530,262	(12,860,572)	-	(12,860,572)
Business-type activities:							
Water	1,727,545	1,906,558	-	-	-	179,013	179,013
Sewer	1,520,319	1,923,262	-	-	-	402,943	402,943
Sanitation	717,310	964,834	-	-	-	247,524	247,524
Electric	8,013,267	9,245,198	-	-	-	1,231,931	1,231,931
Horseshoe Bend	263,265	1,646,549	-	528,738	-	1,912,022	1,912,022
Total business-type activities	12,241,706	15,686,401	-	528,738	-	3,973,433	3,973,433
Total primary government	\$ 33,320,288	\$ 17,733,123	\$ 5,641,026	\$ 1,059,000	(12,860,572)	3,973,433	(8,887,139)
General Revenues:							
Taxes:							
City sales tax					14,166,152	-	14,166,152
Franchise tax					250,360	-	250,360
State sales tax (unrestricted)					759,827	-	759,827
Auto lieu tax (unrestricted)					358,939	-	358,939
State revenue sharing (unrestricted)					914,667	-	914,667
Unrestricted investment earnings (losses)					509,076	276,715	785,791
Gain on sale of capital assets					-	40,284	40,284
Other general revenues					221,452	-	221,452
Transfers					141,147	(141,147)	-
Total general revenues & transfers					17,321,620	175,852	17,497,472
Change in net position					4,461,048	4,149,285	8,610,333
Net position - beginning					85,565,409	59,327,352	144,892,761
Prior period adjustment					1,000,000	(596,040)	403,960
Net position - ending					\$ 91,026,457	\$ 62,880,597	\$ 153,907,054

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

**CITY OF PAGE, ARIZONA**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2019**

	<b>General</b>	<b>Highway User Fund</b>	<b>Debt Service Fund</b>
<b>Assets</b>			
Cash and cash equivalents	15,557,529	44,503	7,526,482
Other receivables	39,199	-	9,747
Due from other funds	19,211	-	11,836
Due from other governments	2,448,804	81,016	-
Restricted cash and cash equivalents	12,068	-	50,046
Total assets	<u>\$ 18,076,811</u>	<u>\$ 125,519</u>	<u>\$ 7,598,111</u>
<b>Liabilities</b>			
Accounts payable	327,212	94,838	1,000
Accrued liabilities	296,809	-	-
Deposits payable	12,068	-	-
Due to other funds	1,625,499	-	-
Unearned revenue	4,360	-	-
Total liabilities	<u>2,265,948</u>	<u>94,838</u>	<u>1,000</u>
<b>Fund Balances</b>			
Restricted:			
Roads and highways	-	30,681	-
Debt service	-	-	50,046
Perpetual care - expendable	-	-	-
Public safety - substance abuse funds	-	-	-
Community support	-	-	-
Committed:			
Public works	-	-	-
Judicial	-	-	-
Assigned:			
Capital outlay	-	-	-
Debt service	-	-	7,547,065
Unassigned	15,810,863	-	-
Total fund balances	<u>15,810,863</u>	<u>30,681</u>	<u>7,597,111</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 18,076,811</u>	<u>\$ 125,519</u>	<u>\$ 7,598,111</u>

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

<b>Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
701,755	\$ 1,960,029	\$ 25,790,298
-	10,989	59,935
1,674,897	499	1,706,443
30,360	482,424	3,042,604
-	24,635	86,749
<u>\$ 2,407,012</u>	<u>\$ 2,478,576</u>	<u>\$ 30,686,029</u>
781,183	\$ 471,459	\$ 1,675,692
-	1,145	297,954
-	24,635	36,703
-	-	1,625,499
-	-	4,360
<u>781,183</u>	<u>497,239</u>	<u>3,640,208</u>
-	-	30,681
-	-	50,046
-	305,703	305,703
-	26,033	26,033
-	97,066	97,066
-	1,520,702	1,520,702
-	31,833	31,833
1,625,829	-	1,625,829
-	-	7,547,065
-	-	15,810,863
<u>1,625,829</u>	<u>1,981,337</u>	<u>27,045,821</u>
<u>\$ 2,407,012</u>	<u>\$ 2,478,576</u>	<u>\$ 30,686,029</u>

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**CITY OF PAGE, ARIZONA**  
**Reconciliation of Total Governmental Fund Balances**  
**To Net Position of Governmental Activities**  
**June 30, 2019**

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Total governmental fund balances		\$ 27,045,821
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	\$ 111,050,865	
Less: accumulated depreciation	<u>(33,829,856)</u>	
		77,221,009
Net OPEB asset is not an available resource and, therefore is not reported in the funds.		
		415,301
Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future reporting periods and, therefore, are not reported in the funds.		
Deferred outflows	\$ 3,385,252	
Deferred inflows	<u>(1,298,335)</u>	
		2,086,917
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.		
Bonds payable	\$ (6,895,000)	
Airport lease purchase	(387,794)	
Capital leases	(49,049)	
Compensated absences	(886,706)	
Net pension/OPEB liability	(7,292,776)	
Bond premiums	(322,756)	
Deferred amount on refunding	<u>92,675</u>	
		(15,741,406)
Interest payable on long-term debt does not require current financial resources and therefore, is not reported as a liability in the governmental funds balance sheet.		
		<u>(1,185)</u>
Total net position of governmental activities		<u><u>\$ 91,026,457</u></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, 2019**

	<b>General</b>	<b>Highway User Fund</b>	<b>Debt Service Fund</b>
<b>Revenues</b>			
Taxes	\$ 14,416,512	\$ -	\$ -
Licenses, permits and fees	244,088	-	-
Intergovernmental revenue	2,384,026	886,746	-
Charges for services	1,026,519	-	-
Fines and forfeitures	246,499	-	-
Rental revenue	-	-	-
Investment earnings	369,366	54,991	84,699
Land sales	53,456	-	-
Other revenues	65,075	-	116,656
Total revenues	<u>18,805,541</u>	<u>941,737</u>	<u>201,355</u>
<b>Expenditures</b>			
Current:			
General government	4,346,726	-	3,250
Public safety	5,379,366	-	-
Public works	1,286,481	2,899,778	-
Judicial	-	-	-
Culture and recreation	1,226,329	-	-
Community support	619,062	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	1,011,399
Interest	-	-	384,101
Total expenditures	<u>12,857,964</u>	<u>2,899,778</u>	<u>1,398,750</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,947,577</u>	<u>(1,958,041)</u>	<u>(1,197,395)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	1,492,585	-	3,312,509
Transfers out	(4,519,788)	(112,780)	(1,468,000)
Issuance of debt	20,681	-	-
Total other financing sources and uses	<u>(3,006,522)</u>	<u>(112,780)</u>	<u>1,844,509</u>
Net change in fund balances	2,941,055	(2,070,821)	647,114
Fund balances, beginning of year	<u>12,869,808</u>	<u>2,101,502</u>	<u>6,949,997</u>
Fund balances, end of year	<u><u>\$ 15,810,863</u></u>	<u><u>\$ 30,681</u></u>	<u><u>\$ 7,597,111</u></u>

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



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<b>Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ 14,416,512
-	-	244,088
498,085	4,409,501	8,178,358
-	80,023	1,106,542
-	-	246,499
-	336,270	336,270
-	-	509,056
-	-	53,456
-	125,997	307,728
<u>498,085</u>	<u>4,951,791</u>	<u>25,398,509</u>
-	-	4,349,976
-	978	5,380,344
-	177,748	4,364,007
-	16,280	16,280
-	996	1,227,325
-	4,341,961	4,961,023
2,481,663	-	2,481,663
-	-	1,011,399
<u>1,083</u>	<u>-</u>	<u>385,184</u>
<u>2,482,746</u>	<u>4,537,963</u>	<u>24,177,201</u>
<u>(1,984,661)</u>	<u>413,828</u>	<u>1,221,308</u>
1,765,429	-	6,570,523
-	(328,808)	(6,429,376)
-	-	20,681
<u>1,765,429</u>	<u>(328,808)</u>	<u>161,828</u>
(219,232)	85,020	1,383,136
<u>1,845,061</u>	<u>1,896,317</u>	<u>25,662,685</u>
<u>\$ 1,625,829</u>	<u>\$ 1,981,337</u>	<u>\$ 27,045,821</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, 2019**

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

Net change in fund balances - total governmental funds	\$ 1,383,136
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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.

Capital outlay	\$ 2,293,400	
Depreciation expense	<u>(2,006,632)</u>	286,768

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.

Debt proceeds	(20,681)	
Principal paid	1,024,714	
Amortization of deferred amount on refunding	(71,749)	
Amortization of bond premiums	49,027	

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.

580

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.

Pension/OPEB contributions	\$ 2,023,457	
Pension/OPEB expense	<u>(128,665)</u>	1,894,792

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.

(85,539)

Change in net position of governmental activities

\$ 4,461,048

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, 2019**

	<b>Horseshoe Bend</b>	<b>Water</b>	<b>Sewer</b>
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 5,000	\$ 4,916,381	\$ 3,469,953
Receivables, net of allowance	-	172,523	187,536
Due from other funds	-	-	-
Inventories	-	190,056	152,730
Prepaid expenses	-	28,731	30,578
Total current assets	<u>5,000</u>	<u>5,307,691</u>	<u>3,840,797</u>
Noncurrent assets:			
Restricted cash	-	115,415	-
Capital assets:			
Land	-	-	-
Construction-in-progress	33,730	-	-
Buildings and improvements	3,450,525	3,254,340	4,525,333
Machinery, equipment, vehicles	167,940	1,907,438	2,751,343
Distribution system	-	18,026,391	10,901,428
Less accumulated depreciation	(9,304)	(15,286,808)	(13,955,565)
Total noncurrent assets	<u>3,642,891</u>	<u>8,016,776</u>	<u>4,222,539</u>
Total assets	<u>3,647,891</u>	<u>13,324,467</u>	<u>8,063,336</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows related to pensions/OPEB	-	108,396	59,181
Total deferred outflows of resources	<u>-</u>	<u>108,396</u>	<u>59,181</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	41,662	47,956	87,189
Accrued liabilities	14,310	34,976	23,525
Customer deposits	-	115,415	-
Due to other funds	1,679,897	-	-
Current portion of long-term liabilities	-	46,887	14,696
Total current liabilities	<u>1,735,869</u>	<u>245,234</u>	<u>125,410</u>
Noncurrent liabilities:			
Compensated absences	-	25,247	7,913
Net pension/OPEB liability	-	647,283	353,393
Total noncurrent liabilities	<u>-</u>	<u>672,530</u>	<u>361,306</u>
Total liabilities	<u>1,735,869</u>	<u>917,764</u>	<u>486,716</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows related to pensions/OPEB	-	82,908	45,265
Total deferred inflows of resources	<u>-</u>	<u>82,908</u>	<u>45,265</u>
<b>Net Position</b>			
Net investment in capital assets	3,642,891	7,901,361	4,222,539
Unrestricted	<u>(1,730,869)</u>	<u>4,530,830</u>	<u>3,367,997</u>
Total net position	<u>\$ 1,912,022</u>	<u>\$ 12,432,191</u>	<u>\$ 7,590,536</u>

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

<u>Electric</u>	<u>Sanitation (non-major)</u>	<u>Total</u>
\$ 19,265,002	\$ 757,457	\$ 28,413,793
842,045	92,821	1,294,925
1,625,000	-	1,625,000
1,152,081	-	1,494,867
321,628	-	380,937
<u>23,205,756</u>	<u>850,278</u>	<u>33,209,522</u>
805,589	-	921,004
63,000	-	63,000
11,259	-	44,989
12,326,296	-	23,556,494
5,905,361	-	10,732,082
28,441,928	-	57,369,747
(26,675,813)	-	(55,927,490)
<u>20,877,620</u>	<u>-</u>	<u>36,759,826</u>
<u>44,083,376</u>	<u>850,278</u>	<u>69,969,348</u>
303,800	-	471,377
<u>303,800</u>	<u>-</u>	<u>471,377</u>
893,173	60,789	1,130,769
137,105	-	209,916
805,589	-	921,004
14,211	11,836	1,705,944
209,571	-	271,154
<u>2,059,649</u>	<u>72,625</u>	<u>4,238,787</u>
112,845	-	146,005
1,814,121	-	2,814,797
<u>1,926,966</u>	<u>-</u>	<u>2,960,802</u>
<u>3,986,615</u>	<u>72,625</u>	<u>7,199,589</u>
232,366	-	360,539
<u>232,366</u>	<u>-</u>	<u>360,539</u>
20,072,031	-	35,838,822
20,096,164	777,653	27,041,775
<u>\$ 40,168,195</u>	<u>\$ 777,653</u>	<u>\$ 62,880,597</u>

**CITY OF PAGE, ARIZONA**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2019**

	<b>Horseshoe Bend</b>	<b>Water</b>	<b>Sewer</b>
<b>Operating revenues</b>			
Service fees	\$ 1,646,549	\$ 1,894,482	\$ 1,923,262
Other revenues	-	12,076	-
Total operating revenues	<u>1,646,549</u>	<u>1,906,558</u>	<u>1,923,262</u>
<b>Operating expenses</b>			
Salaries and wages	69,056	320,031	383,970
Employee benefits	17,862	158,104	99,774
Insurance	-	40,382	31,012
Service, supplies and other	35,603	440,489	465,325
Power costs	-	-	-
Contract services	131,440	150,828	38,125
Depreciation	9,304	617,711	502,113
Total operating expenses	<u>263,265</u>	<u>1,727,545</u>	<u>1,520,319</u>
Operating income	<u>1,383,284</u>	<u>179,013</u>	<u>402,943</u>
<b>Nonoperating revenues (expenses)</b>			
Interest income	-	58,168	17,889
Gain (loss) on disposal of capital assets	-	-	18
Total nonoperating revenues (expenses)	<u>-</u>	<u>58,168</u>	<u>17,907</u>
Income (loss) before transfers	1,383,284	237,181	420,850
Capital contributions	528,738	-	-
Transfers to other funds	-	-	-
<b>Change in net position</b>	1,912,022	237,181	420,850
Total net position, beginning of year	-	12,195,010	7,169,686
Prior period adjustment	-	-	-
<b>Total net position, end of year</b>	<u><u>\$ 1,912,022</u></u>	<u><u>\$ 12,432,191</u></u>	<u><u>\$ 7,590,536</u></u>

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

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<b>Electric</b>	<b>Sanitation (non-major)</b>	<b>Total</b>
\$ 9,245,198	\$ 964,834	\$ 15,674,325
-	-	12,076
9,245,198	964,834	15,686,401
1,094,208	-	1,867,265
284,269	-	560,009
79,597	-	150,991
163,995	4,536	1,109,948
5,032,434	-	5,032,434
91,740	712,774	1,124,907
1,267,024	-	2,396,152
8,013,267	717,310	12,241,706
1,231,931	247,524	3,444,695
198,319	2,339	276,715
40,266	-	40,284
238,585	2,339	316,999
1,470,516	249,863	3,761,694
-	-	528,738
-	(141,147)	(141,147)
1,470,516	108,716	4,149,285
39,293,719	668,937	59,327,352
(596,040)	-	(596,040)
<u>\$ 40,168,195</u>	<u>\$ 777,653</u>	<u>\$ 62,880,597</u>

**CITY OF PAGE, ARIZONA**  
**Statement of Cash Flows**  
**Proprietary Fund Types**  
**For the Year Ended June 30, 2019**

	<b>Horseshoe Bend</b>	<b>Water</b>	<b>Sewer</b>
<b>Cash Flows From Operating Activities:</b>			
Cash received from customers, service fees	\$ 1,646,549	\$ 1,987,994	\$ 1,939,680
Cash received from other operating revenues	-	12,076	-
Cash paid to suppliers	(111,071)	(688,309)	(495,798)
Cash paid to employees	(86,918)	(522,829)	(549,939)
Net cash flows from operating activities	<u>1,448,560</u>	<u>788,932</u>	<u>893,943</u>
<b>Cash Flows From Noncapital Activities:</b>			
Transfers (to) / from other funds	-	-	-
Payments (to) from other funds	1,679,897	-	-
Net cash flows from noncapital activities	<u>1,679,897</u>	<u>-</u>	<u>-</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Purchase of capital assets	(3,123,457)	(322,487)	(195,280)
Proceeds from sale of capital assets	-	-	18
Net cash flows from capital and related financing activities:	<u>(3,123,457)</u>	<u>(322,487)</u>	<u>(195,262)</u>
<b>Cash Flows From Investing Activities:</b>			
Interest on investments	-	58,168	17,889
Net cash flows from investing activities	<u>-</u>	<u>58,168</u>	<u>17,889</u>
Net change in cash and cash equivalents	<u>5,000</u>	<u>524,613</u>	<u>716,570</u>
Cash and cash equivalents, beginning of year, including temporarily restricted cash	<u>-</u>	<u>4,507,183</u>	<u>2,753,383</u>
<b>Cash and cash equivalents, end of year, including temporarily restricted cash</b>	<u><u>\$ 5,000</u></u>	<u><u>\$ 5,031,796</u></u>	<u><u>\$ 3,469,953</u></u>
Reconciliation of operating income to net cash provided by operating activities:			
Net operating income	\$ 1,383,284	\$ 179,013	\$ 402,943
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation/amortization	9,304	617,711	502,113
Pension/OPEB expense	-	42,746	(12,953)
Employer pension/OPEB contributions	-	(55,589)	(30,350)
Changes in operating assets and liabilities:			
(Increase) Decrease in receivables	-	93,512	16,418
(Increase) Decrease in prepaid expenses	-	(693)	-
(Increase) Decrease in inventories	-	(27,859)	7,220
Increase (Decrease) in accounts payable	41,662	(48,228)	34,187
Increase (Decrease) in compensated absences	-	(31,851)	(22,892)
Increase (Decrease) in accrued liabilities	14,310	20,170	(2,743)
Net cash flows from operating activities	<u><u>\$ 1,448,560</u></u>	<u><u>\$ 788,932</u></u>	<u><u>\$ 893,943</u></u>
<b>Noncash investing, capital, and financing activities:</b>			
Contributions of capital assets from government	528,738	-	-

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



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<b>Electric</b>	<b>Sanitation (non-major)</b>	<b>Total</b>
\$ 9,422,530	\$ 962,827	\$ 15,959,580
-	-	12,076
(5,255,400)	(714,912)	(7,265,490)
(1,474,719)	-	(2,634,405)
<u>2,692,411</u>	<u>247,915</u>	<u>6,071,761</u>
-	(141,147)	(141,147)
(3,009)	97	1,676,985
<u>(3,009)</u>	<u>(141,050)</u>	<u>1,535,838</u>
(2,164,685)	-	(5,805,909)
<u>170,084</u>	<u>-</u>	<u>170,102</u>
<u>(1,994,601)</u>	<u>-</u>	<u>(5,635,807)</u>
198,319	2,339	276,715
<u>198,319</u>	<u>2,339</u>	<u>276,715</u>
893,120	109,204	2,248,507
<u>19,177,471</u>	<u>648,253</u>	<u>27,086,290</u>
<u>\$ 20,070,591</u>	<u>\$ 757,457</u>	<u>\$ 29,334,797</u>
\$ 1,231,931	\$ 247,524	\$ 3,444,695
1,267,024	-	2,396,152
17,732	-	47,525
(155,798)	-	(241,737)
177,332	(2,007)	285,255
75,441	-	74,748
88,639	-	68,000
(128,728)	2,398	(98,709)
41,824	-	(12,919)
77,014	-	108,751
<u>\$ 2,692,411</u>	<u>\$ 247,915</u>	<u>\$ 6,071,761</u>
-	-	528,738

**CITY OF PAGE, ARIZONA**  
**Statement of Net Position**  
**Fiduciary Funds**  
**June 30, 2019**

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	<b><u>Volunteer Firefighters' Pension</u></b>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	530,246
Total assets	<u>530,246</u>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	1,711
Total liabilities	<u>1,711</u>
<b>Net position</b>	
Restricted for pensions	<u><u>\$ 528,535</u></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, 2019**

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	<b><u>Volunteer Firefighters' Pension</u></b>
<b>Additions</b>	
Contributions:	
Employer	2,559
Employee	3,258
State fire insurance premium	18,064
Other	<u>2,063</u>
Total contributions	<u>25,944</u>
<b>Investment income</b>	
Net appreciation (depreciation) in fair value of investments	(8,692)
Interest	<u>26,763</u>
Net investment income	<u>18,071</u>
Total additions	<u>44,015</u>
<b>Deductions</b>	
Benefits	21,279
Administration	<u>2,622</u>
Total deductions	<u>23,901</u>
Net increase (decrease)	20,114
Net position held in trust for pension benefits:	
Beginning of year	<u>508,421</u>
End of year	<u><u>\$ 528,535</u></u>

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

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**Note 1.        Summary of Significant Accounting Policies**

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**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.

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**Note 1.        Summary of Significant Accounting Policies, Continued**

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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.

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 **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, 2019**

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**Note 1.        Summary of Significant Accounting Policies, Continued**

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**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, 2019**

---

**Note 1.        Summary of Significant Accounting Policies, Continued**

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***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, 2019**

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**Note 1.        Summary of Significant Accounting Policies, Continued**

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***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, 2019**

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**Note 1.        Summary of Significant Accounting Policies, Continued**

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***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, 2019**

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**Note 1.           Summary of Significant Accounting Policies, Continued**

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***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 accumulated sick leave. 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 of service. Vacation leave vests after a six month probationary period has been successfully completed. The employee is compensated at their current pay rate.

***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.

**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.

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2019**

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

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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.

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**Note 3.      Stewardship, Compliance, and Accountability**

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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.
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

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**Note 3.        Stewardship, Compliance, and Accountability**

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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, 2019.

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, 2019, 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, 2019**

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**Note 4.        Deposits and Investments**

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

Cash and cash equivalents	\$ 54,204,091
Restricted cash and cash equivalents	1,007,753
Fiduciary Fund cash and cash equivalents	<u>530,246</u>
Total	<u><u>\$ 55,742,090</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, 2019, none of the City's bank balance of \$22,903,273 was exposed to custodial credit risk. All deposits were either covered by FDIC insurance or collateralized with securities held by the pledging financial institution's trust department or agent.

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**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**Note 4. Deposits and Investments, Continued**

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**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.

As of June 30, 2019 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	\$ 161	N/A	N/A
Cash in bank	24,264,727	N/A	N/A
Investments:			
State Treasurer's Investment Pool	19,003,975	AAA	0.09 Years
U.S. Government Agency Securities	8,940,555	AA+	2.47 Years
Mutual Funds	498,697	N/A	N/A
Certificates of deposit	<u>3,033,975</u>	N/A	N/A
Total cash and investments	<u>\$ 55,742,090</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.

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**Note 4. Deposits and Investments, Continued**

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**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.

**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).

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**Note 5. Restricted Assets**

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Restricted assets at June 30, 2019 consisted of the following cash reserves:

<u>Restricted Cash</u>	
Magistrate Bond Deposits	\$ 6,522
Refundable Deposits	5,546
Cash Restricted for Debt Service	50,046
Airport - Refundable Deposits	24,635
Water Fund - Customer Deposits	115,415
Electric Fund - Customer Deposits	<u>805,589</u>
Total Restricted Cash	<u>\$ 1,007,753</u>

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**Note 6. Capital Assets**

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

<b>Governmental Activities:</b>	<u>Balance 06/30/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/19</u>
Capital assets, not being depreciated				
Land	\$ 45,203,585	\$ -	\$ (3,995)	\$ 45,199,590
Construction in progress	<u>2,508,466</u>	<u>5,129,198</u>	<u>(6,879,990)</u>	<u>757,674</u>
Total capital assets, not being depreciated	<u>47,712,051</u>	<u>5,129,198</u>	<u>(6,883,985)</u>	<u>45,957,264</u>
Capital assets, being depreciated				
Buildings and improvements	17,678,549	1,592,152	-	19,270,701
Furniture, equipment, and vehicles	7,813,959	567,729	-	8,381,688
Infrastructure	<u>35,556,901</u>	<u>1,884,311</u>	<u>-</u>	<u>37,441,212</u>
Total capital assets being depreciated	<u>61,049,409</u>	<u>4,044,192</u>	<u>-</u>	<u>65,093,601</u>
Less accumulated depreciation for:				
Buildings and improvements	(10,103,819)	(418,828)	-	(10,522,647)
Furniture, equipment, and vehicles	(6,342,751)	(330,066)	-	(6,672,817)
Infrastructure	<u>(15,376,654)</u>	<u>(1,257,738)</u>	<u>-</u>	<u>(16,634,392)</u>
Total accumulated depreciation	<u>(31,823,224)</u>	<u>(2,006,632)</u>	<u>-</u>	<u>(33,829,856)</u>
Total capital assets, being depreciated, net	<u>29,226,185</u>	<u>2,037,560</u>	<u>-</u>	<u>31,263,745</u>
Governmental activities capital assets, net	<u>\$ 76,938,236</u>	<u>\$ 7,166,758</u>	<u>\$ (6,883,985)</u>	<u>\$ 77,221,009</u>

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

<b>Governmental Activities:</b>	
General government	\$ 151,973
Public safety	305,500
Public works	1,170,699
Culture and recreation	327,161
Community support	<u>51,299</u>
Total depreciation expense - governmental activities	<u>\$ 2,006,632</u>



**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**Note 6. Capital Assets, Continued**

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

<b>Business Type Activities:</b>	Balance June 30, 2018	Additions	Deletions	Prior Period Adjustment*	Balance June 30, 2019
Capital assets, not being depreciated					
Land	\$ 133,245	\$ -	\$ (70,245)		\$ 63,000
Construction in progress	21,618	44,989	(21,618)		44,989
Total capital assets, not being depreciated	154,863	44,989	(91,863)		107,989
Capital assets, being depreciated					
Buildings and improvements	19,165,903	4,515,471	(124,880)		23,556,494
Furniture, equipment, and vehicles	10,203,935	573,926	(45,779)		10,732,082
Electric distribution system	27,241,433	1,200,496	-		28,441,929
Water distribution system	18,026,391	-	-		18,026,391
Sewer distribution system	10,880,044	21,384	-		10,901,428
Total capital assets being depreciated	85,517,706	6,311,277	(170,659)		91,658,324
Less accumulated depreciation for:					
Buildings and improvements	(9,118,320)	(494,650)	65,909		(9,547,061)
Furniture, equipment, and vehicles	(6,202,936)	(572,033)	45,177		(6,729,792)
Electric distribution system	(17,166,401)	(569,988)	-	(596,040)	(18,332,429)
Water distribution system	(11,211,184)	(507,729)	-		(11,718,913)
Sewer distribution system	(9,345,424)	(253,871)	-	-	(9,599,295)
Total accumulated depreciation	(53,044,265)	(2,398,271)	111,086	(596,040)	(55,927,490)
Total capital assets, being depreciated, net	32,473,441	3,913,006	(59,573)	(596,040)	35,730,834
Total capital assets, net	\$ 32,628,304	\$ 3,957,995	\$ (151,436)	\$ (596,040)	\$ 35,838,823
<b>Business-Type Activities:</b>					
Water		617,711			
Sewer		502,113			
Electric		1,269,142			
Horseshoe Bend		9,304			
Total depreciation expense business-type activities		<u>\$ 2,398,270</u>			

\*See Note 13 for additional information on the prior period adjustment.

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**Note 7. Long-Term Liabilities**

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The following is a summary of changes in long-term obligations for the year ended June 30, 2019:

<b>Governmental activities:</b>	Balance June 30, 2018	Additions	Retirements	Balance June 30, 2019	Current Portion
<b>General Obligation:</b>					
Airport Lease Purchase, Series 2004	\$ 574,193	\$ -	\$ (186,399)	\$ 387,794	\$ 192,729
Capital Lease Obligations	41,683	20,681	(13,315)	49,049	17,332
Total General Obligation	615,876	20,681	(199,714)	436,843	210,060
<b>Revenue Obligation:</b>					
Pledged Revenue Refunding Obligations, Series 2011	7,720,000	-	(825,000)	6,895,000	855,000
Bond Premiums	371,783	-	(49,027)	322,756	-
Total Revenue Obligation	8,091,783	-	(874,027)	7,217,756	855,000
<b>Accrued compensated absences</b>	801,166	472,339	(386,799)	886,706	576,359
<b>Net pension/OPEB liabilities</b>	8,836,483	(1,543,707)	-	7,292,776	-
Total Governmental Activity Long-term Liabilities	\$ 18,345,309	\$ (1,050,687)	\$ (1,460,540)	\$ 15,834,081	\$ 1,641,419
<b>Business-type activities:</b>					
<b>Accrued compensated absences</b>	\$ 430,079	\$ 222,184	\$ (235,103)	\$ 417,160	\$ 271,154
<b>Net pension/OPEB liabilities</b>	3,080,454	(258,331)	-	2,822,123	-
Total Business-type Activity Long-term Liabilities	3,510,533	(36,147)	(235,103)	3,239,283	271,154
<b>Total Long-Term Liabilities</b>	\$ 21,855,842	\$ (1,086,834)	\$ (1,695,643)	\$ 19,073,364	\$ 1,912,573

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, 2019.

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, 2019**

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**Note 7. Long-Term Liabilities, Continued**

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The following is a listing of long-term debt outstanding as of June 30, 2019:

**General Obligation:**

Series 2004, Lease Purchase with 1.495% variable interest, due in semi-annual principal and interest payments of \$98,909, maturing February 1, 2021. \$ 387,794

**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.

	6,895,000
Total long-term debt payable	\$ 7,282,794

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

Governmental Activities		
Fiscal Period Ending 30-Jun	Principal	Interest
2020	\$ 1,047,729	\$ 341,289
2021	1,085,065	304,753
2022	930,000	257,500
2023	980,000	211,000
2024	1,025,000	162,000
2025	1,080,000	110,750
2026	1,135,000	56,750
Total	\$ 7,282,794	\$ 1,444,044

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, 2019**

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**Note 7. Long-Term Liabilities, Continued**

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The City has entered into four 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
2020	\$ 18,765
2021	18,765
2022	8,643
2023	4,680
2024	958
Total remaining lease payments	51,810
Less: amounts representing interest	(2,761)
remaining minimum lease payments	\$ 49,049

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

	Governmental Activities
Furniture, Equipment, and Vehicles	\$ 83,126
Less: Accumulated Depreciation	(10,535)
Total	\$ 72,591

**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, 2019 the City has no debt outstanding applicable to the 20% limit and \$387,794 outstanding general obligation bonds applicable to the 6% limit. Accordingly at June 30, 2019, the City's legal borrowing capacity is \$16,262,931 for the 20% limit and \$4,491,085 for the general obligation 6% limit.

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**Note 8. Interfund Receivables, Payables and Transfers**

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As of June 30, 2019, interfund receivables and payables that resulted from various interfund transactions were as follows:

<b>Due To:</b>	<b>Due From:</b>				<b>Total</b>
	<b>General Fund</b>	<b>Sanitation Fund</b>	<b>Electric Fund</b>	<b>Horseshoe Bend Fund</b>	
General	\$ -	\$ -	\$ 14,211	\$ 5,000	\$ 19,211
Capital Project Fund	-	-	-	1,674,897	1,674,897
Debt Service Fund	-	11,836	-	-	11,836
Non-Major Governmental Funds	499	-	-	-	499
Electric	1,625,000	-	-	-	1,625,000
<b>Total</b>	<b>\$ 1,625,499</b>	<b>\$ 11,836</b>	<b>\$ 14,211</b>	<b>\$ 1,679,897</b>	<b>\$ 3,331,443</b>

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.

Interfund transfers for the fiscal year ended June 30, 2019 are as follows:

<b>Transfers Out:</b>	<b>Transfers In:</b>			<b>Total</b>
	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	
General Fund	\$ -	\$ 2,968,000	\$ 1,551,788	\$ 4,519,788
Debt Service Fund	1,468,000	-	-	1,468,000
Highway User Fund	-	-	112,780	112,780
Sanitation Fund	-	141,147	-	141,147
Non-Major Governmental	24,585	203,362	100,861	328,808
<b>Total Transfers Out</b>	<b>\$ 1,492,585</b>	<b>\$ 3,312,509</b>	<b>\$ 1,765,429</b>	<b>\$ 6,570,523</b>

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, 2019**

**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, 2019, the City reported the following aggregate amounts related to pensions and other post-employment benefits (OPEB) for all plans to which it contributes:

<b>Statement of Net Position and Statement of Activities</b>	<b>ASRS</b>	<b>PSPRS</b>	<b>Combined Total</b>	<b>Governmental Activities Total</b>	<b>Business-Type Activities Total</b>
Net OPEB asset	\$ 18,429	\$ 404,198	\$ 422,627	\$ 415,301	\$ 7,326
Net OPEB liabilities	26,533	-	26,533	26,533	-
Net pension liabilities	7,072,260	3,016,106	10,088,366	7,266,243	2,822,123
Total pension/OPEB liabilities	7,098,793	3,016,106	10,114,899	7,292,776	2,822,123
Deferred outflows of resources	1,185,707	2,670,922	3,856,629	3,385,252	471,378
Deferred inflows of resources	906,903	751,971	1,658,874	1,298,335	360,539
Pension/OPEB expense	153,391	637,587	790,978	744,316	46,684

The City reported \$943,629 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](http://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:

	<b>Initial Membership Date Before July 1, 2011</b>	<b>Initial Membership Date On or After July 1, 2011</b>
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, 2019**

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**Note 9. Pensions and Other Postemployment Benefits, Continued**

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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 \$150 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, 2019, statute required active ASRS members to contribute at the actuarially determined rate of 11.8 percent (11.64 percent for retirement and 0.16 percent for long-term disability) of the members' annual covered payroll, and statute required the City to contribute at the actuarially determined rate of 11.8 percent (11.18 percent for retirement, 0.46 percent for health insurance premium benefit, and 0.16 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 10.53 percent (10.41 percent for retirement, 0.06 percent for health insurance premium benefit, and 0.06 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, 2019, were \$576,118, \$23,704, and \$8,245 respectively.

**Liability** – At June 30, 2019, the City reported the following asset and liabilities for its proportionate share of the ASRS' net pension/OPEB asset or liability.

	<b>Net pension/OPEB (asset) liability</b>
Pension	\$ 7,072,260
Health insurance premium benefit	(18,429)
Long-term disability	26,533

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**Note 9. Pensions and Other Postemployment Benefits, Continued**

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The net asset and net liabilities were measured as of June 30, 2018. 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, 2017, to the measurement date of June 30, 2018. The total liabilities as of June 30, 2018, reflect changes in actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016, including decreasing the discount rate from 8 percent to 7.5 percent, changing the projected salary increases from 3–6.75 percent to 2.7–7.2 percent, decreasing the inflation rate from 3 percent to 2.3 percent, and changing the mortality rates.

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, 2018. The City's proportions measured as of June 30, 2018, and the change from its proportions measured as of June 30, 2017, were:

	Proportion June 30, 2017	Proportion June 30, 2018	Increase (decrease) from June 30, 2017
Pension	0.493800%	0.050710%	-0.443090%
Health insurance premium benefit	0.049660%	0.051180%	0.001520%
Long-term disability	0.049440%	0.050780%	0.001340%

**Expense** – For the year ended June 30, 2019, the City recognized pension OPEB expense:

	Pension/OPEB Expense
Pension	\$ 125,387
Health insurance premium benefit	18,347
Long-term disability	9,657

Deferred outflows/inflows of resources—At June 30, 2019, 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, 2019**

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**Note 9. Pensions and Other Postemployment Benefits, Continued**

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	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	\$ 194,835	\$ 38,988	\$ -	\$ 17,010	\$ 679	\$ -
Changes of assumptions or other inputs	187,145	627,053	35,541	-	5,747	-
Net difference between projected and actual earnings on pension plan investments	-	170,071	-	36,816	-	2,570
Changes in proportion and differences between contributions and proportionate share of contributions	153,155	14,369	64	25	474	1
Contributions subsequent to the measurement date	576,118	-	23,704	-	8,245	-
Total	<u>\$ 1,111,253</u>	<u>\$ 850,481</u>	<u>\$ 59,309</u>	<u>\$ 53,851</u>	<u>\$ 15,145</u>	<u>\$ 2,571</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, 2020. 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
2020	\$ 123,003	\$ (7,130)	\$ 144
2021	(104,094)	(7,129)	\$ 144
2022	(257,985)	(7,129)	144
2023	(76,270)	717	832
2024	-	2,425	958
Thereafter	-	-	2,107

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**Note 9. Pensions and Other Postemployment Benefits, Continued**

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

Actuarial valuation date	June 30, 2017
Actuarial roll forward date	June 30, 2018
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 2017 SRA Scale U-MP for pension and health insurance premium benefit
Mortality rates	2012 GLTD for long-term disability
Recovery rates	
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2017, 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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Portfolio Real Rate of Return</b>
Equity	50%	5.50%
Fixed income	30%	3.83%
Real estate	20%	5.85%
Totals	100%	

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**Note 9. Pensions and Other Postemployment Benefits, Continued**

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**Discount Rate** – At June 30, 2018, the discount rate used to measure the ASRS total pension/OPEB liability was 7.5 percent, which was a decrease of 0.5 from the discount rate used as of June 30, 2017. 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	\$ 10,081,670	\$ 7,072,260	\$ 4,557,947
Net insurance premium benefit liability (asset)	65,300	(18,429)	(89,750)
Net long-term disability liability	30,069	26,533	23,102

**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](http://www.psprs.com).

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**Note 9. Pensions and Other Postemployment Benefits, Continued**

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**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 excess investment earnings. In addition the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget Committee analysis of the increase's effects on the plan. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**Note 9. Pensions and Other Postemployment Benefits, Continued**

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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 \$150 per month to \$260 per month depending on the age of the member and dependents

**Employees covered by benefit terms** – At June 30, 2019, the following employees were covered by the agent plans' benefit terms:

<b>PSPRS - Police</b>	<b>Pension</b>	<b>Health</b>
Inactive employees or beneficiaries currently receiving benefits	9	9
Inactive employees entitled to but not yet receiving benefits	3	0
Active employees	18	18
Total	30	27

<b>PSPRS - Fire</b>	<b>Pension</b>	<b>Health</b>
Inactive employees or beneficiaries currently receiving benefits	2	2
Inactive employees entitled to but not yet receiving benefits	11	0
Active employees	13	13
Total	26	15

**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, 2019, are indicated below. Rates are a percentage of active members' annual covered payroll.

	<b>Active Member</b>		<b>City-Health</b>
	<b>Pension</b>	<b>City - Pension</b>	<b>Insurance</b>
			<b>Premium</b>
PSPRS Police	7.65-11.65%	33.31%	0.00%
PSPRS Police Tier 3 risk pool	9.94%	9.68%	0.26%
PSPRS Fire	7.65-11.65%	19.47%	0.34%
PSPRS Fire Tier 3 risk pool	9.94%	9.68%	0.26%

In addition, statute required the City to contribute at the actuarially determined rate of 18.6% for police and 6.63% 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, 2019**

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**Note 9. Pensions and Other Postemployment Benefits, Continued**

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The City's contributions to the plans for the year ended June 30, 2019, were: For the agent plans, the City's contributions to the pension plan and annual OPEB cost and contributions for the health insurance premium benefit for the year ended June 30, 2019, were:

<b>Pension</b>	<u><b>PSPRS Police</b></u>	<u><b>PSPRS Fire</b></u>
Contributions made	\$ 1,431,914	\$ 295,573
PSPRS Tier 3 risk pool contributions	209,252	90,714

**Health Insurance Premium Benefit**

Annual OPEB cost	\$ -	\$ 2,458
PSPRS Tier 3 risk pool	-	754

During fiscal year 2019, the City paid for PSPRS pension and OPEB contributions 100% from the general fund.

**Liability** – At June 30, 2019, the City reported the following assets and liabilities.

	<u>Net pension (asset) liability</u>	<u>Net OPEB (asset) liability</u>
PSPRS Police	\$ 2,499,011	\$ (397,799)
PSPRS Fire	517,095	(6,399)
Total	\$ 3,016,106	\$ (404,198)

The net assets and net liabilities were measured as of June 30, 2018, 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, 2019**

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**Note 9. Pensions and Other Postemployment Benefits, Continued**

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

Actuarial valuation date	June 30, 2018
Actuarial cost method	Entry Age Normal
Investment rate of return	7.40%
Wage inflation	3.5% for pensions/not applicable for OPEB
Price inflation	2.5% for pensions/not applicable for OPEB
Permanent benefit increase	Included for pensions/not applicable for OPEB
Mortality rates	RP-2014 tables using MP-2016 improvement scale with adjustments to match current experience.
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2018, 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 PSPRS plan investments was determined to be 7.4 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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Geometric Real Rate of Return</b>
Short term investments	2.00%	0.25%
Risk parity	4.00%	5.00%
Fixed income	5.00%	1.25%
Real assets	9.00%	4.52%
GTAA	12.00%	3.96%
Private credit	16.00%	6.75%
Real estate	10.00%	3.75%
Private equity	12.00%	5.83%
Non-U.S. equity	14.00%	8.70%
U.S. equity	16.00%	7.60%
<b>Total</b>	<b>100.00%</b>	

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2019**

**Note 9. Pensions and Other Postemployment Benefits, Continued**

**Discount Rate** – At June 30, 2018, the discount rate used to measure the PSPRS total pension/OPEB liability was 7.40 percent, which was a decrease of 0.1 from the discount rate used as of June 30, 2017. 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)			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)
Balances at June 30, 2018	\$ 7,130,686	\$ 3,581,700	\$ 3,548,986	\$ 52,363	\$ 420,284	\$ (367,921)
Changes for the year:						
Service cost	214,516	-	214,516	3,962	-	3,962
Interest on total pension liability	520,436	-	520,436	4,021	-	4,021
Changes of benefit terms	-	-	-	-	-	-
Difference between expected and actual experience in the measurement of the pension liability	(165,484)	-	(165,484)	(9,154)	-	(9,154)
Changes of assumptions	-	-	-	-	-	-
Contributions - employer	-	1,307,650	(1,307,650)	-	(208)	208
Contributions - employee	-	114,737	(114,737)	-	-	-
Net investment income	-	294,286	(294,286)	-	29,362	(29,362)
Benefit payments, including refunds of employee contributions	(410,062)	(410,062)	-	-	-	-
Hall/Parker settlement	-	(96,358)	96,358	-	-	-
Plan administrative expenses	-	(5,179)	5,179	-	(447)	447
Other changes*	-	4,307	(4,307)	-	-	-
Net changes	159,406	1,209,381	(1,049,975)	(1,171)	28,707	(29,878)
Balances at June 30, 2019	\$ 7,290,092	\$ 4,791,081	\$ 2,499,011	\$ 51,192	\$ 448,991	\$ (397,799)

\* 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, 2019**

**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 (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2018	\$ 2,683,446	\$ 2,025,857	\$ 657,589	\$ 57,946	\$ 66,053	\$ (8,107)
Changes for the year:						
Service cost	172,306	-	172,306	2,787	-	2,787
Interest on total pension liability	200,929	-	200,929	4,347	-	4,347
Changes of benefit terms	-	-	-	-	-	-
Difference between expected and actual experience in the measurement of the pension liability	(21,150)	-	(21,150)	1,174	-	1,174
Changes of assumptions	-	-	-	-	-	-
Contributions - employer	-	327,142	(327,142)	-	2,052	(2,052)
Contributions - employee	-	84,197	(84,197)	-	-	-
Net investment income	-	149,674	(149,674)	-	4,618	(4,618)
Benefit payments, including refunds of employee contributions	(108,693)	(108,693)	-	(1,200)	(1,200)	-
Hall/Parker settlement	-	(65,480)	65,480	-	-	-
Plan administrative expenses	-	(2,978)	2,978	-	(70)	70
Other changes*	-	24	(24)	-	-	-
Net changes	243,392	383,886	(140,494)	7,108	5,400	1,708
Balances at June 30, 2019	\$ 2,926,838	\$ 2,409,743	\$ 517,095	\$ 65,054	\$ 71,453	\$ (6,399)

\* 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 7.4%, 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 (6.40%)	Current Discount Rate (7.40%)	1% Increase (8.40%)
<b>PSPRS Police</b>			
Net pension (asset) / liability	\$ 3,460,342	\$ 2,499,011	\$ 1,713,605
Net OPEB (asset) / liability	(388,957)	(397,799)	(404,989)
<b>PSPRS Fire</b>			
Net pension (asset) / liability	\$ 975,604	\$ 517,095	\$ 148,434
Net OPEB (asset) / liability	3,066	(6,399)	(14,087)

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

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**Note 9. Pensions and Other Postemployment Benefits, Continued**

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**Expense** – For the year ended June 30, 2019, the City recognized the following pension and OPEB expense:

	<u>Pension expense</u>	<u>OPEB expense</u>
PSPRS Police	\$ 470,912	\$ (28,088)
PSPRS Fire	193,363	1,400

Deferred outflows/inflows of resources – At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

PSPRS - Police	<u>Pension</u>		<u>Health Insurane Premium Benefit</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,329	\$ 393,527	\$ -	\$ 11,268
Changes in assumptions	309,795	-	-	3,507
Net difference between projected and actual earnings on pension plan investments	43,821	-	-	8,302
Contributions subsequent to the measurement date	1,641,166	-	-	-
Total	<u>\$ 2,010,111</u>	<u>\$ 393,527</u>	<u>\$ -</u>	<u>\$ 23,077</u>

PSPRS - Fire	<u>Pension</u>		<u>Health Insurane Premium Benefit</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 327,666	\$ 1,076	\$ 4,891
Changes in assumptions	247,748	-	-	1,562
Net difference between projected and actual earnings on pension plan investments	22,488	-	-	1,248
Contributions subsequent to the measurement date	386,287	-	3,212	-
Total	<u>\$ 656,523</u>	<u>\$ 327,666</u>	<u>\$ 4,288</u>	<u>\$ 7,701</u>

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**Note 9. Pensions and Other Postemployment Benefits, Continued**

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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, 2020. 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	Health Insurance Premium Benefit
2020	\$ 25,708	\$ (5,441)	\$ 10,335	\$ (887)
2021	20,271	(5,441)	(3,231)	(887)
2022	(12,237)	(5,443)	(28,544)	(886)
2023	(18,215)	(2,217)	(12,268)	(392)
2024	(19,645)	(2,560)	(14,049)	(451)
Thereafter	(20,464)	(1,975)	(9,673)	(3,122)

**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, 2019, the State's contribution was \$18,064.

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**Note 10. Risk Management**

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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, Reseco Insurance Advisors, using Travelers Insurance for the coverage for the entire fiscal year. 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 and general liability. Premium coverage for general liability runs from March 1st through February 28th of each year, while the workers compensation coverage period is for the fiscal year July 1st through June 30th of each year.

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

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**Note 11. Contingent Liabilities and Commitments**

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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, 2019.

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

Project	Estimated Cost	Construction in Progress
Public Works Building	\$ 1,500,000	\$ 1,800
Court Security Improvements	\$ 52,000	19,120
Grandview Knoll	100,000	50,000
Airport Master Plan	513,000	265,184
Playground - Golliard	324,000	214,920
City Hall - Restroom/Breakroom Improvements	10,000	7,762
10th Ave Streets	500,000	104,553
Date Street	1,380,000	27,851
Storm Drain Improvements	1,722,000	62,458
Block 17 Revitization	1,750,000	4,026
	<u>\$ 7,851,000</u>	<u>\$ 757,674</u>

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**Note 12.        Landfill Post Closure Care Costs**

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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 \$424,792 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, 2019. The remaining estimated cost of post-closure care is \$424,792. This amount is based on an estimated annual post-closure cost estimate of \$37,766 multiplied by an annual inflation factor of 1.02254% and the number of years remaining or 11. The figure is based on what it would cost to perform all post-closure care in 2019. 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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**Note 13.        Prior Period Adjustment**

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A prior period adjustment is made in the Electric fund financial statements and the Government-wide financial statements. The adjustment of \$596,040, as shown in the statement of revenues, expenses, and changes in net position – proprietary funds, relates to an adjustment of accumulated depreciation. During the year ended June 30, 2019 it came to the PUE’s attention that electric meters purchased and capitalized by the PUE in prior years had a significantly shorter life span than the manufacturer had indicated. As such, the PUE has reassessed and restated the lifespan and related depreciation of the meters with a resulting prior period adjustment increasing accumulated depreciation and reducing net position in the electric fund by \$596,040.

In fiscal year 2018 the City made an extra contribution of \$1,000,000 to the Public Safety Personnel Retirement system. The extra payment was inadvertently expensed in the prior year when it should have been recorded as a deferred outflow of resources. The \$1,000,000 prior period adjustment as shown in the Government-wide Statement of Net Position increases the beginning net position and deferred outflows of resources for governmental activities.

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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, 2019**

ASRS - Pension	Reporting Fiscal Year (Measurement Date)				
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Proportion of the net pension liability (asset)	0.050710%	0.493800%	0.049140%	0.050540%	0.049360%
Proportionate share of the net pension liability (asset)	\$ 7,072,260	\$ 7,692,441	\$ 7,931,690	\$ 7,871,684	\$ 7,303,554
Covered payroll	\$ 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	137.52%	156.42%	160.97%	162.88%	157.57%
Plan fiduciary net position as a percentage of the total pension liability	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, 2019**

<b>ASRS - Health insurance premium benefit</b>	<b>Reporting Fiscal Year (Measurement Date)</b>		
	<b>2019 (2018)</b>	<b>2018 (2017)</b>	<b>2017 (2016)</b>
Proportion of the net pension liability (asset)	0.051180%	0.049660%	0.049658%
Proportionate share of the net pension liability (asset)	\$ (18,429)	\$ (27,035)	\$ 14,359
Covered payroll	\$ 5,142,759	\$ 4,917,806	\$ 4,927,345
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-0.36%	-0.55%	0.29%
Plan fiduciary net position as a percentage of the total pension liability	102.20%	103.57%	98.02%

<b>ASRS - Long-term disability</b>	<b>Reporting Fiscal Year (Measurement Date)</b>		
	<b>2019 (2018)</b>	<b>2018 (2017)</b>	<b>2017 (2016)</b>
Proportion of the net pension liability (asset)	0.050780%	0.049440%	0.049441%
Proportionate share of the net pension liability (asset)	\$ 26,533	\$ 17,921	\$ 17,767
Covered payroll	\$ 5,142,759	\$ 4,917,806	\$ 4,927,345
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.52%	0.36%	0.36%
Plan fiduciary net position as a percentage of the total pension liability	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, 2019**

**Public Safety Personnel Retirement System**  
**Police**

**Reporting Fiscal Year**  
**(Measurement Date)**

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
	<b>(2018)</b>	<b>(2017)</b>	<b>(2016)</b>	<b>(2015)</b>	<b>(2014)</b>
<b>Total pension liability</b>					
Service cost	\$ 214,516	\$ 255,576	\$ 175,947	\$ 178,540	\$ 220,361
Interest on total pension liability	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	(165,484)	(176,315)	32,693	(409,785)	(421,490)
Changes of assumptions	-	211,038	261,084	-	858,808
Benefit payments, including refunds of employee contributions	(410,062)	(479,215)	(543,491)	(516,607)	(412,722)
<b>Net change in total pension liability</b>	159,406	410,621	392,849	(245,187)	859,397
<b>Total pension liability - beginning</b>	7,130,686	6,720,065	6,327,216	6,572,403	5,713,006
<b>Total pension liability - ending (a)</b>	<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>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 1,307,650	\$ 353,353	\$ 336,612	\$ 201,140	\$ 212,639
Contributions - employee	114,737	110,537	107,532	125,347	110,427
Net investment income	294,286	380,194	18,774	123,864	459,460
Benefit payments, including refunds of employee contributions	(410,062)	(479,215)	(543,491)	(516,607)	(412,722)
Hall/Parker settlement	(96,358)	-	-	-	-
Plan administrative expenses	(5,179)	-	-	-	-
Other (net transfer)	4,307	(20,929)	6,527	(199,585)	(554,962)
<b>Net change in plan fiduciary net position</b>	1,209,381	343,940	(74,046)	(265,841)	(185,158)
<b>Plan fiduciary net position - beg</b>	3,581,700	3,237,760	3,311,806	3,577,647	3,762,805
<b>Plan fiduciary net position - end (b)</b>	<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>
<b>Net pension liability - ending (a) - (b)</b>	<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	65.72%	50.23%	48.18%	52.34%	54.43%
Covered payroll	\$ 1,100,649	\$ 1,170,755	\$ 947,481	\$ 858,148	\$ 908,313
Net pension liability as a percentage of covered payroll	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, 2019**

**Public Safety Personnel Retirement System**  
**Fire**

	Reporting Fiscal Year (Measurement Date)				
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
<b>Total pension liability</b>					
Service cost	\$ 172,306	\$ 186,973	\$ 163,277	\$ 160,587	\$ 144,197
Interest on total pension liability	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	(21,150)	(102,499)	(159,489)	(24,495)	(223,231)
Changes of assumptions	-	93,531	104,754	-	212,265
Benefit payments, including refunds of employee contributions	(108,693)	(176,446)	(150,490)	(95,733)	(135,179)
<b>Net change in total pension liability</b>	<b>243,392</b>	<b>226,221</b>	<b>196,983</b>	<b>204,296</b>	<b>189,051</b>
<b>Total pension liability - beginning</b>	<b>2,683,446</b>	<b>2,457,225</b>	<b>2,260,242</b>	<b>2,055,946</b>	<b>1,866,895</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 2,926,838</b>	<b>\$ 2,683,446</b>	<b>\$ 2,457,225</b>	<b>\$ 2,260,242</b>	<b>\$ 2,055,946</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 327,142	\$ 129,943	\$ 121,210	\$ 107,714	\$ 121,193
Contributions - employee	84,197	101,145	102,410	99,301	88,424
Net investment income	149,674	215,948	10,162	58,052	192,408
Benefit payments, including refunds of employee contributions	(108,693)	(176,446)	(150,490)	(95,733)	(135,179)
Hall/Parker settlement	(65,480)	-	-	-	-
Plan administrative expenses	(2,978)	-	-	-	-
Other (net transfer)	24	(23,091)	(20,575)	(2,962)	(242,261)
<b>Net change in plan fiduciary net position</b>	<b>383,886</b>	<b>247,499</b>	<b>62,717</b>	<b>166,372</b>	<b>24,585</b>
<b>Plan fiduciary net position - beg</b>	<b>2,025,857</b>	<b>1,778,358</b>	<b>1,715,641</b>	<b>1,549,269</b>	<b>1,524,684</b>
<b>Plan fiduciary net position - end (b)</b>	<b>\$ 2,409,743</b>	<b>\$ 2,025,857</b>	<b>\$ 1,778,358</b>	<b>\$ 1,715,641</b>	<b>\$ 1,549,269</b>
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 517,095</b>	<b>\$ 657,589</b>	<b>\$ 678,867</b>	<b>\$ 544,601</b>	<b>\$ 506,677</b>
Plan fiduciary net position as a percentage of the total pension liability	82.33%	75.49%	72.37%	75.91%	75.36%
Covered payroll	\$ 819,724	\$ 881,946	\$ 907,097	\$ 861,668	\$ 902,241
Net pension liability as a percentage of covered payroll	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, 2019**

<b>PSPRS - Police Health Insurance Premium Benefit</b>	<b>Reporting Fiscal Year (Measurement Date)</b>	
	<b>2019 (2018)</b>	<b>2018 (2017)</b>
<b>Total pension liability</b>		
Service cost	\$ 3,962	\$ 4,566
Interest on total pension liability	4,021	4,129
Changes of benefit terms	-	352
Difference between expected and actual experience of the total net pension liability	(9,154)	(4,656)
Changes of assumptions	-	(4,793)
Benefit payments, including refunds of employee contributions	-	-
<b>Net change in total pension liability</b>	<b>(1,171)</b>	<b>(402)</b>
<b>Total pension liability - beginning</b>	<b>52,363</b>	<b>52,765</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 51,192</b>	<b>\$ 52,363</b>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ (208)	\$ -
Contributions - employee	-	-
Net investment income	29,362	44,333
Benefit payments, including refunds of employee contributions	-	-
Plan administrative expenses	(447)	-
Other changes	-	(392)
<b>Net change in plan fiduciary net position</b>	<b>28,707</b>	<b>43,941</b>
<b>Plan fiduciary net position - beg</b>	<b>420,284</b>	<b>376,343</b>
<b>Plan fiduciary net position - end (b)</b>	<b>\$ 448,991</b>	<b>\$ 420,284</b>
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ (397,799)</b>	<b>\$ (367,921)</b>
Plan fiduciary net position as a percentage of the total pension liability	877.07%	802.64%
Covered payroll	\$ 1,100,649	\$ 1,170,755
Net pension liability as a percentage of covered payroll	-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, 2019**

<b>PSPRS - Fire Health Insurance Premium Benefit</b>	<b>Reporting Fiscal Year (Measurement Date)</b>	
	<b>2019</b>	<b>2018</b>
	<b>(2018)</b>	<b>(2017)</b>
<b>Total pension liability</b>		
Service cost	\$ 2,787	\$ 2,910
Interest on total pension liability	4,347	4,491
Changes of benefit terms	-	272
Difference between expected and actual experience of the total net pension liability	1,174	(5,723)
Changes of assumptions	-	(1,828)
Benefit payments, including refunds of employee contributions	(1,200)	(1,200)
<b>Net change in total pension liability</b>	<b>7,108</b>	<b>(1,078)</b>
<b>Total pension liability - beginning</b>	<b>57,946</b>	<b>59,024</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 65,054</b>	<b>\$ 57,946</b>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ 2,052	\$ 2,735
Contributions - employee	-	-
Net investment income	4,618	6,863
Benefit payments, including refunds of employee contributions	(1,200)	(1,200)
Plan administrative expenses	(70)	
Other changes	-	(61)
<b>Net change in plan fiduciary net position</b>	<b>5,400</b>	<b>8,337</b>
<b>Plan fiduciary net position - beg</b>	<b>66,053</b>	<b>57,716</b>
<b>Plan fiduciary net position - end (b)</b>	<b>\$ 71,453</b>	<b>\$ 66,053</b>
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ (6,399)</b>	<b>\$ (8,107)</b>
Plan fiduciary net position as a percentage of the total pension liability	109.84%	113.99%
Covered payroll	\$ 819,724	\$ 881,946
Net pension liability as a percentage of covered payroll	-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, 2019**

ASRS - Pension	Reporting Fiscal Year				
	2019	2018	2017	2016	2015
Contractually required contribution	\$ 576,118	\$ 549,366	\$ 519,238	\$ 499,192	\$ 506,890
Contributions in relation to the contractually required contribution	(576,118)	(549,366)	(519,238)	(499,192)	(506,890)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,306,531	\$ 5,142,759	\$ 4,917,806	\$ 4,927,345	\$ 4,832,709
Contributions as a percentage of covered payroll	10.86%	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, 2019**

<b>ASRS - Health insurance premium benefit</b>	<b>Reporting Fiscal Year</b>		
	<b>2019</b>	<b>2018</b>	<b>2017</b>
Contractually required contribution	\$ 23,704	\$ 22,218	\$ 26,735
Contributions in relation to the contractually required contribution	(23,704)	(22,218)	(26,735)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	
Covered payroll	\$ 5,306,531	\$ 5,142,759	\$ 4,917,806
Contributions as a percentage of covered payroll	0.45%	0.43%	0.54%

<b>ASRS - Long-term disability</b>	<b>Reporting Fiscal Year</b>		
	<b>2019</b>	<b>2018</b>	<b>2017</b>
Contractually required contribution	\$ 8,245	\$ 8,079	\$ 6,724
Contributions in relation to the contractually required contribution	(8,245)	(8,079)	(6,724)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	
Covered payroll	\$ 5,306,531	\$ 5,142,759	\$ 4,917,806
Contributions as a percentage of covered payroll	0.16%	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, 2019**

**PSPRS - Police  
Pension**

	Reporting Fiscal Year					
	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 386,166	\$ 445,030	\$ 353,353	\$ 336,612	\$ 201,140	\$ 212,639
Contributions in relation to the actuarially determined contribution	(1,641,166)	(1,307,650)	(353,353)	(336,612)	(201,140)	(212,639)
Contribution deficiency (excess)	<u>\$ (1,255,000)</u>	<u>\$ (862,620)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,204,960	\$ 1,100,649	\$ 1,170,755	\$ 947,481	\$ 858,148	\$ 908,313
Contributions as a percentage of covered-employee payroll	32.05%	40.43%	30.18%	35.53%	23.44%	23.41%

**PSPRS - Police**

**Health Insurance Premium Benefit**

	Reporting Fiscal Year		
	2019	2018	2017
Actuarially determined contribution	\$ -	\$ (208)	\$ -
Contributions in relation to the actuarially determined contribution	-	208	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,204,960	\$ 1,100,649	\$ 1,170,755
Contributions as a percentage of covered-employee payroll	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, 2019**

**PSPRS - Fire Pension**

	Reporting Fiscal Year					
	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 173,287	\$ 167,968	\$ 129,943	\$ 121,210	\$ 107,714	\$ 121,193
Contributions in relation to the actuarially determined contribution	(386,287)	(327,142)	(129,943)	(121,210)	(107,714)	(121,193)
Contribution deficiency (excess)	<u>\$ (213,000)</u>	<u>\$ (159,174)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,015,435	\$ 819,724	\$ 881,946	\$ 907,097	\$ 861,668	\$ 902,241
Contributions as a percentage of covered-employee payroll	17.07%	20.49%	14.73%	13.36%	12.50%	13.43%

**PSPRS - Fire  
Health Insurance Premium Benefit**

	Reporting Fiscal Year		
	2019	2018	2017
Actuarially determined contribution	\$ 3,212	\$ 2,052	\$ 2,735
Contributions in relation to the actuarially determined contribution	(3,212)	(2,052)	(2,735)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,015,435	\$ 819,724	\$ 881,946
Contributions as a percentage of covered-employee payroll	0.32%	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

**CITY OF PAGE, ARIZONA**  
**Required Supplementary Information**  
**Notes to Pension/OPEB Plan Schedule**  
**June 30, 2019**

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**Note 1. Actuarially Determined Contribution Rates**

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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 2017 actuarial valuation	19 years for underfunded liabilities; 20 years for excess
Asset valuation method	7-Year smoothed market; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	Members with initial membership date before July 1, 2018: 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, 2019**

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**NOTE 2. Factors that Affect Trends**

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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.

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**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.

**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, 2019**

	Budgeted Amounts			Variance Positive (Negative)
<b>REVENUES:</b>	Original	Final	Actual	
<b>Taxes:</b>				
City sales tax	\$ 11,200,000	\$ 11,200,000	\$ 14,166,152	\$ 2,966,152
Franchise taxes	243,000	243,000	250,360	7,360
Total Taxes	11,443,000	11,443,000	14,416,512	2,973,512
<b>Licenses, Permits and Fees:</b>				
Plat fees	500	500	1,290	790
Site plan review fees	3,000	3,000	5,849	2,849
Dog licenses	775	775	435	(340)
Business registration fees	2,000	2,000	1,625	(375)
Building permits	185,000	185,000	159,931	(25,069)
Other	91,400	91,400	74,958	(16,442)
Total Licenses, Permits and Fees	282,675	282,675	244,088	(38,587)
<b>Intergovernmental:</b>				
State revenue sharing	932,860	932,860	914,667	(18,193)
Auto lieu taxes	386,492	386,492	358,939	(27,553)
State sales taxes	754,194	754,194	759,827	5,633
County library district	336,846	336,846	336,846	-
Other	16,974	16,974	13,747	(3,227)
Total Intergovernmental	2,427,366	2,427,366	2,384,026	(43,340)
<b>Charges for Services:</b>				
Recreation	65,000	565,000	51,589	(513,411)
Rescue services	876,000	876,000	812,613	(63,387)
Library services	33,000	33,000	27,255	(5,745)
Public safety	39,500	39,500	42,483	2,983
Rents	69,500	69,500	63,460	(6,040)
Other	31,500	31,500	29,119	(2,381)
Total Charges for Services	1,114,500	1,614,500	1,026,519	(587,981)
<b>Fines and Forfeitures:</b>				
Fines & forfeitures	260,000	260,000	246,499	(13,501)
Total Fines and Forfeitures	260,000	260,000	246,499	(13,501)
<b>Interest</b>	86,000	86,000	369,366	283,366
<b>Other Revenues:</b>				
Land sales	1,002,500	1,002,500	53,456	(949,044)
Miscellaneous	36,000	36,000	65,075	29,075
Total Other Revenues	1,038,500	1,038,500	118,531	(919,969)
<b>TOTAL REVENUES</b>	16,652,041	17,152,041	18,805,541	1,653,500

(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, 2019**

<b>EXPENDITURES:</b>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>General Government:</b>				
City Council	86,654	86,654	79,706	6,948
City Administration	254,357	254,357	248,312	6,045
City Clerk	215,218	215,218	190,416	24,802
City Attorney	220,285	220,285	209,066	11,219
Finance	402,865	402,865	393,382	9,483
Human Resources	1,935,679	1,935,679	1,982,444	(46,765)
General Services	1,082,973	1,082,973	772,068	310,905
Information Technology	471,659	471,659	471,332	327
Total General Government	<u>4,669,690</u>	<u>4,669,690</u>	<u>4,346,726</u>	<u>322,964</u>
<b>Public Safety:</b>				
Administration	357,045	357,045	317,862	39,183
Patrol	2,185,041	2,185,041	1,798,341	386,700
Communications	470,049	470,049	399,108	70,941
Investigations	426,712	426,712	413,627	13,085
Fire	2,252,655	2,252,655	1,927,553	325,102
Magistrate	427,527	427,527	390,809	36,718
Building and Safety	150,865	150,865	132,066	18,799
Total Public Safety	<u>6,269,894</u>	<u>6,269,894</u>	<u>5,379,366</u>	<u>890,528</u>
<b>Public Works</b>				
Administration	641,343	641,343	572,499	68,844
Planning and Zoning	411,344	411,344	135,960	275,384
Central Garage	290,825	290,825	302,939	(12,114)
Buildings Maintenance	326,293	326,293	275,083	51,210
Total Public Works	<u>1,669,805</u>	<u>1,669,805</u>	<u>1,286,481</u>	<u>383,324</u>
<b>Culture and Recreation:</b>				
Library	539,106	539,106	465,822	73,284
Parks & Trails Maintenance	579,796	579,796	492,795	87,001
Recreation	240,717	240,717	205,750	34,967
Golf Course	41,390	41,390	61,962	(20,572)
Total Culture and Recreation	<u>1,401,009</u>	<u>1,401,009</u>	<u>1,226,329</u>	<u>174,680</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, 2019**

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
<b>Community Development</b>				
Community Center	121,418	121,418	133,790	(12,372)
Community Development	1,111,665	611,665	485,272	126,393
	<u>1,233,083</u>	<u>733,083</u>	<u>619,062</u>	<u>114,021</u>
<b>TOTAL EXPENDITURES</b>	<u>15,243,481</u>	<u>14,743,481</u>	<u>12,857,964</u>	<u>1,885,517</u>
Excess of Revenues Over (Under)				
Expenditures	<u>1,408,560</u>	<u>2,408,560</u>	<u>5,947,577</u>	<u>3,539,017</u>
Other Financing Sources (Uses):				
Issuance of debt	-	-	20,681	20,681
Transfers in	1,497,000	1,497,000	1,492,585	(4,415)
Transfers out	<u>(5,468,000)</u>	<u>(5,468,000)</u>	<u>(4,519,788)</u>	<u>948,212</u>
Total Other Financing Sources (Uses)	<u>(3,971,000)</u>	<u>(3,971,000)</u>	<u>(3,006,522)</u>	<u>964,478</u>
Net change in fund balance	(2,562,440)	(1,562,440)	2,941,055	4,503,495
Fund balance, beginning of year	<u>12,869,808</u>	<u>12,869,808</u>	<u>12,869,808</u>	<u>-</u>
Fund balance, end of year	<u>\$ 10,307,368</u>	<u>\$ 11,307,368</u>	<u>\$ 15,810,863</u>	<u>\$ 4,503,495</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, 2019**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
<b>Revenues</b>				
Intergovernmental Revenue:				
Highway user revenue	\$ 837,903	\$ 837,903	\$ 886,746	\$ 48,843
Investment earnings	15,000	15,000	54,991	39,991
Total revenues	852,903	852,903	941,737	88,834
<b>Expenditures</b>				
<b>Streets and Highways</b>				
Current:				
Salaries, wages and benefits	50	50	38	12
Service, supplies and other	220,350	3,162,350	2,899,740	262,610
Total expenditures	220,400	3,162,400	2,899,778	262,622
Excess of revenues over (under) expenditures	632,503	(2,309,497)	(1,958,041)	351,456
<b>Other financing sources (uses)</b>				
Transfers to other funds	(3,055,000)	(113,000)	(112,780)	220
Total other financing sources (uses)	(3,055,000)	(113,000)	(112,780)	220
Net change in fund balance	(2,422,497)	(2,422,497)	(2,070,821)	351,676
Fund balance, beginning of year	2,101,502	2,101,502	2,101,502	-
<b>Fund balance, end of year</b>	<b>\$ (320,995)</b>	<b>\$ (320,995)</b>	<b>\$ 30,681</b>	<b>\$ 351,676</b>

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**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, 2019**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Investment earnings	\$ 40,000	\$ 84,699	\$ 44,699
Other revenue	118,000	116,656	(1,344)
Total revenues	158,000	201,355	43,355
<b>Expenditures</b>			
General government	3,250	3,250	-
Debt service:			
Principal	1,012,000	1,011,399	601
Interest	384,138	384,101	37
Total expenditures	1,399,388	1,398,750	638
Excess of revenues over (under) expenditures	(1,241,388)	(1,197,395)	43,993
<b>Other financing sources (uses)</b>			
Transfers in	3,317,000	3,312,509	(4,491)
Transfers out	(1,468,000)	(1,468,000)	-
Total other financing sources (uses)	1,849,000	1,844,509	(4,491)
Net change in fund balances	607,612	647,114	39,502
Fund balance, beginning of year	6,949,997	6,949,997	-
<b>Fund balance, end of year</b>	<b>\$ 7,557,609</b>	<b>\$ 7,597,111</b>	<b>\$ 39,502</b>

**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, 2019**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental revenue	\$ 4,228,000	\$ 498,085	\$ (3,729,915)
Total revenues	4,228,000	498,085	(3,729,915)
<b>Expenditures</b>			
Capital outlay	8,771,050	2,481,663	6,289,387
Debt service	1,500	1,083	417
Total expenditures	8,772,550	2,482,746	6,289,804
Excess of revenues over (under) expenditures	(4,544,550)	(1,984,661)	2,559,889
<b>Other Financing Sources (Uses)</b>			
Transfer in	2,768,000	1,765,429	(1,002,571)
Total other financing sources (uses)	2,768,000	1,765,429	(1,002,571)
Net change in fund balances	(1,776,550)	(219,232)	1,557,318
Fund balance, beginning of year	1,845,061	1,845,061	-
<b>Fund balance, end of year</b>	<b>\$ 68,511</b>	<b>\$ 1,625,829</b>	<b>\$ 1,557,318</b>

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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 Grants Fund** is used to account for grants received by the City which are restricted for specific purposes.
- 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, 2019**

	<b>Special Revenue</b>			
	<b>Substance Abuse</b>	<b>Miscellaneous Grants</b>	<b>Miscellaneous Donations</b>	<b>Airport</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 26,033	\$ 59,173	\$ 28,522	\$ 1,517,294
Receivables:				
Other	-	-	512	2,447
Due from other funds	-	-	-	-
Due from other governments	-	476,487	-	5,937
Restricted cash and cash equivalents	-	-	-	24,635
Total assets	<u>\$ 26,033</u>	<u>\$ 535,660</u>	<u>\$ 29,034</u>	<u>\$ 1,550,313</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 467,628	\$ -	\$ 3,831
Accrued liabilities	-	-	-	1,145
Deposits payable	-	-	-	24,635
Total liabilities	<u>-</u>	<u>467,628</u>	<u>-</u>	<u>29,611</u>
<b>Fund Balances</b>				
Restricted for:				
Perpetual care	-	-	-	-
Public safety	26,033	-	-	-
Community support	-	68,032	29,034	-
Committed for:				
Public works - airport	-	-	-	1,520,702
Judicial	-	-	-	-
Total fund balances	<u>26,033</u>	<u>68,032</u>	<u>29,034</u>	<u>1,520,702</u>
Total liabilities and fund balances	<u>\$ 26,033</u>	<u>\$ 535,660</u>	<u>\$ 29,034</u>	<u>\$ 1,550,313</u>



<b>Judicial Collection Enhancement</b>	<b>Perpetual Care</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 31,334	\$ 297,673	\$ 1,960,029
-	8,030	10,989
499	-	499
-	-	482,424
-	-	24,635
<u>\$ 31,833</u>	<u>\$ 305,703</u>	<u>\$ 2,478,576</u>
\$ -	\$ -	\$ 471,459
-	-	1,145
-	-	24,635
<u>-</u>	<u>-</u>	<u>497,239</u>
-	305,703	305,703
-	-	26,033
-	-	97,066
-	-	1,520,702
31,833	-	31,833
<u>31,833</u>	<u>305,703</u>	<u>1,981,337</u>
<u>\$ 31,833</u>	<u>\$ 305,703</u>	<u>\$ 2,478,576</u>

**CITY OF PAGE, ARIZONA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2019**

	<b>Special Revenue</b>			
	<b>Substance Abuse</b>	<b>Miscellaneous Grants</b>	<b>Miscellaneous Donations</b>	<b>Airport</b>
<b>Revenues</b>				
Intergovernmental revenue	\$ 13,573	\$ 4,391,001	\$ -	\$ -
Charges for services	-	-	-	58,230
Rental revenue	-	-	-	336,270
Other revenues	-	-	4,719	102,189
	<u>13,573</u>	<u>4,391,001</u>	<u>4,719</u>	<u>496,689</u>
<b>Expenditures</b>				
Current:				
Public safety	978	-	-	-
Public works	-	39,911	-	137,837
Judicial	-	-	-	-
Culture and recreation	-	-	996	-
Community support	-	4,321,326	9,751	-
	<u>978</u>	<u>4,361,237</u>	<u>10,747</u>	<u>137,837</u>
Total expenditures				
	<u>978</u>	<u>4,361,237</u>	<u>10,747</u>	<u>137,837</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,595</u>	<u>29,764</u>	<u>(6,028)</u>	<u>358,852</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	-	(24,585)	-	(249,223)
Total other financing sources and uses	<u>-</u>	<u>(24,585)</u>	<u>-</u>	<u>(249,223)</u>
Net change in fund balances	12,595	5,179	(6,028)	109,629
Fund balances, beginning of year	<u>13,438</u>	<u>62,853</u>	<u>35,062</u>	<u>1,411,073</u>
Fund balances, end of year	<u>\$ 26,033</u>	<u>\$ 68,032</u>	<u>\$ 29,034</u>	<u>\$ 1,520,702</u>

<b>Judicial Collection Enhancement</b>	<b>Perpetual Care</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 4,927	\$ -	\$ 4,409,501
-	21,793	80,023
-	-	336,270
20	19,069	125,997
<u>4,947</u>	<u>40,862</u>	<u>4,951,791</u>
-	-	978
-	-	177,748
16,280	-	16,280
-	-	996
-	10,884	4,341,961
<u>16,280</u>	<u>10,884</u>	<u>4,537,963</u>
<u>(11,333)</u>	<u>29,978</u>	<u>413,828</u>
<u>-</u>	<u>(55,000)</u>	<u>(328,808)</u>
<u>-</u>	<u>(55,000)</u>	<u>(328,808)</u>
(11,333)	(25,022)	85,020
<u>43,166</u>	<u>330,725</u>	<u>1,896,317</u>
<u>\$ 31,833</u>	<u>\$ 305,703</u>	<u>\$ 1,981,337</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, 2019**

---

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Substance abuse revenue	<u>4,000</u>	<u>13,573</u>	<u>\$ 9,573</u>
<b>Expenditures</b>			
Public safety:			
Substance abuse expenditures	<u>15,000</u>	<u>978</u>	<u>14,022</u>
Excess of revenue over(under) expenditures	(11,000)	12,595	23,595
Fund balance, beginning of year	<u>13,438</u>	<u>13,438</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u><u>\$ 2,438</u></u>	<u><u>\$ 26,033</u></u>	<u><u>\$ 23,595</u></u>

**CITY OF PAGE, ARIZONA**  
**MISCELLANEOUS GRANTS**  
**SPECIAL REVENUE FUND**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental revenue	\$ 4,659,000	\$ 4,391,001	\$ (267,999)
Total revenues	<u>4,659,000</u>	<u>4,391,001</u>	<u>(267,999)</u>
<b>Expenditures</b>			
Public safety	-	-	-
Public works	103,480	39,911	63,569
Culture and recreation	122,000	-	122,000
Community support	<u>4,481,000</u>	<u>4,321,326</u>	<u>159,674</u>
Total expenditures	<u>4,706,480</u>	<u>4,361,237</u>	<u>345,243</u>
Excess of revenues over (under) expenditures	<u>(47,480)</u>	<u>29,764</u>	<u>77,244</u>
<b>Other financing sources (uses)</b>			
Transfers:			
Transfers out	<u>(29,000)</u>	<u>(24,585)</u>	<u>4,415</u>
Total other financing sources (uses)	<u>(29,000)</u>	<u>(24,585)</u>	<u>4,415</u>
Net change in fund balance	(76,480)	5,179	81,659
Fund balance, beginning of year	<u>62,853</u>	<u>62,853</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u><u>\$ (13,627)</u></u>	<u><u>\$ 68,032</u></u>	<u><u>\$ 81,659</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, 2019**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Other revenues	\$ 3,700	\$ 4,719	\$ 1,019
Total revenues	<u>3,700</u>	<u>4,719</u>	<u>1,019</u>
<b>Expenditures</b>			
Culture and recreation	1,050	996	54
Community support	<u>31,327</u>	<u>9,751</u>	<u>21,576</u>
Total expenditures	<u>32,377</u>	<u>10,747</u>	<u>21,630</u>
Excess of revenues over (under) expenditures	(28,677)	(6,028)	22,649
Fund balance, beginning of year	<u>35,062</u>	<u>35,062</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u><u>\$ 6,385</u></u>	<u><u>\$ 29,034</u></u>	<u><u>\$ 22,649</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, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Charges for services	\$ 46,500	\$ 58,230	\$ 11,730
Rents and royalties	376,000	336,270	(39,730)
Miscellaneous	<u>107,668</u>	<u>102,189</u>	<u>(5,479)</u>
Total revenues	<u>530,168</u>	<u>496,689</u>	<u>(33,479)</u>
<b>Expenditures</b>			
Public works	<u>201,792</u>	<u>137,837</u>	<u>63,955</u>
Total expenditures	<u>201,792</u>	<u>137,837</u>	<u>63,955</u>
Excess of revenues over (under) expenditures	<u>328,376</u>	<u>358,852</u>	<u>30,476</u>
<b>Other Financing Sources (uses)</b>			
Transfers out	<u>(305,000)</u>	<u>(249,223)</u>	<u>55,777</u>
Total other financing sources (uses)	<u>(305,000)</u>	<u>(249,223)</u>	<u>55,777</u>
Net change in fund balance	23,376	109,629	86,253
Fund balance, beginning of year	<u>1,411,073</u>	<u>1,411,073</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u><u>\$ 1,434,449</u></u>	<u><u>\$ 1,520,702</u></u>	<u><u>\$ 86,253</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, 2019**

---

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental revenue	\$ 5,000	\$ 4,927	\$ (73)
Other revenues	<u>50</u>	<u>20</u>	<u>(30)</u>
Total revenues	<u>5,050</u>	<u>4,947</u>	<u>(103)</u>
<b>Expenditures</b>			
Public safety: Magistrate	<u>40,000</u>	<u>16,280</u>	<u>23,720</u>
Total expenditures	<u>40,000</u>	<u>16,280</u>	<u>23,720</u>
Excess of revenues over (under) expenditures	(34,950)	(11,333)	23,617
Fund balance, beginning of year	<u>43,166</u>	<u>43,166</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u><u>\$ 8,216</u></u>	<u><u>\$ 31,833</u></u>	<u><u>\$ 23,617</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, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Charges for services	\$ 18,000	\$ 21,793	\$ 3,793
Other revenues	<u>17,500</u>	<u>19,069</u>	<u>1,569</u>
Total revenues	<u>35,500</u>	<u>40,862</u>	<u>5,362</u>
<b>Expenditures</b>			
Current:			
Community support	<u>11,300</u>	<u>10,884</u>	<u>416</u>
Total expenditures	<u>11,300</u>	<u>10,884</u>	<u>416</u>
Excess of revenues over (under) expenditures	<u>24,200</u>	<u>29,978</u>	<u>5,778</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(55,000)</u>	<u>(55,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(55,000)</u>	<u>(55,000)</u>	<u>-</u>
Net change in fund balances	(30,800)	(25,022)	5,778
Fund balance, beginning of year	<u>330,725</u>	<u>330,725</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u><u>\$ 299,925</u></u>	<u><u>\$ 305,703</u></u>	<u><u>\$ 5,778</u></u>

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## STATISTICAL SECTION

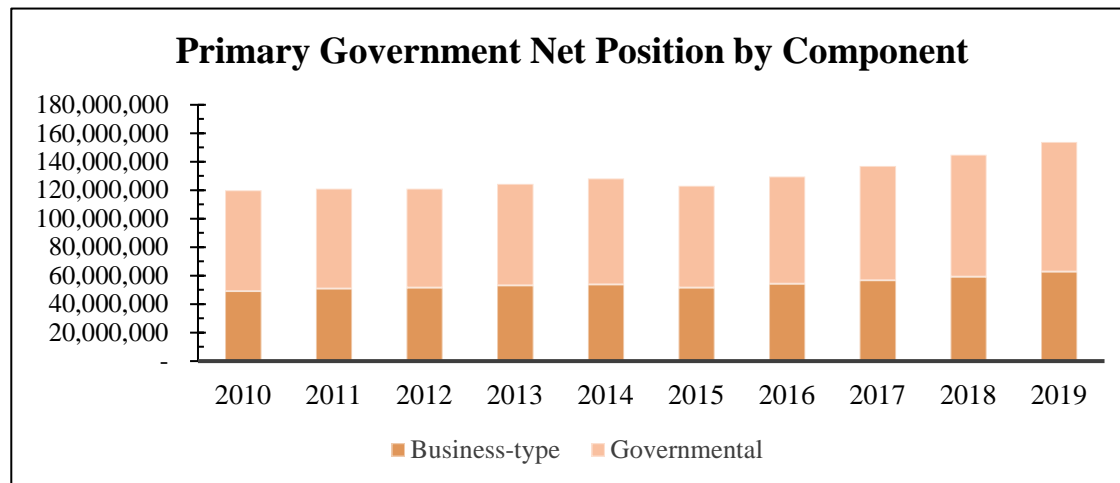
This part of the City of Page's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends .....	107
<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 .....	115
<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 .....	117
<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.....	123
<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 .....	125
<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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental activities:</b>										
Net investment capital assets	\$ 63,941,276	\$ 65,842,704	\$ 66,231,720	\$ 65,791,312	\$ 65,625,222	\$ 66,846,433	\$ 66,219,507	\$ 66,200,813	\$ 68,395,001	\$ 69,659,085
Restricted	6,362,771	3,743,731	1,936,741	2,113,080	2,677,622	3,636,384	5,517,158	10,106,948	11,338,638	9,682,423
Unrestricted	403,210	351,277	1,241,145	3,427,166	5,940,046	813,828	3,607,697	3,936,599	5,831,771	11,684,949
<b>Total governmental activities net position</b>	<b>70,707,257</b>	<b>69,937,712</b>	<b>69,409,606</b>	<b>71,331,558</b>	<b>74,242,890</b>	<b>71,296,645</b>	<b>75,344,362</b>	<b>80,244,360</b>	<b>85,565,410</b>	<b>91,026,457</b>
<b>Business-type activities:</b>										
Net investment capital assets	32,746,623	32,749,251	31,211,950	31,228,277	31,503,885	32,419,796	32,210,341	32,807,741	32,628,302	35,838,822
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	16,555,666	18,333,993	20,463,831	21,911,704	22,449,818	19,339,087	22,086,197	23,938,589	26,699,050	27,041,775
<b>Total business-type activities net position</b>	<b>49,302,289</b>	<b>51,083,244</b>	<b>51,675,781</b>	<b>53,139,981</b>	<b>53,953,703</b>	<b>51,758,883</b>	<b>54,296,538</b>	<b>56,746,330</b>	<b>59,327,352</b>	<b>62,880,597</b>
<b>Primary government</b>										
Net investment capital assets	96,687,899	98,591,955	97,443,670	97,019,589	97,129,107	99,266,229	98,429,848	99,008,554	101,023,303	105,497,907
Restricted	6,362,771	3,743,731	1,936,741	2,113,080	2,677,622	3,636,384	5,517,158	10,106,948	11,338,638	9,682,423
Unrestricted	16,958,876	18,685,270	21,704,976	25,338,870	28,389,864	20,152,915	25,693,894	27,875,188	32,530,821	38,726,724
<b>Total primary government net position</b>	<b>120,009,546</b>	<b>121,020,956</b>	<b>121,085,387</b>	<b>124,471,539</b>	<b>128,196,593</b>	<b>123,055,528</b>	<b>129,640,900</b>	<b>136,990,690</b>	<b>144,892,762</b>	<b>153,907,054</b>

Source: Statement of Net Position



**City of Page, Arizona**

**Change in Net Position (unaudited)**

**Last Ten Fiscal Years**

**Statistical Section**

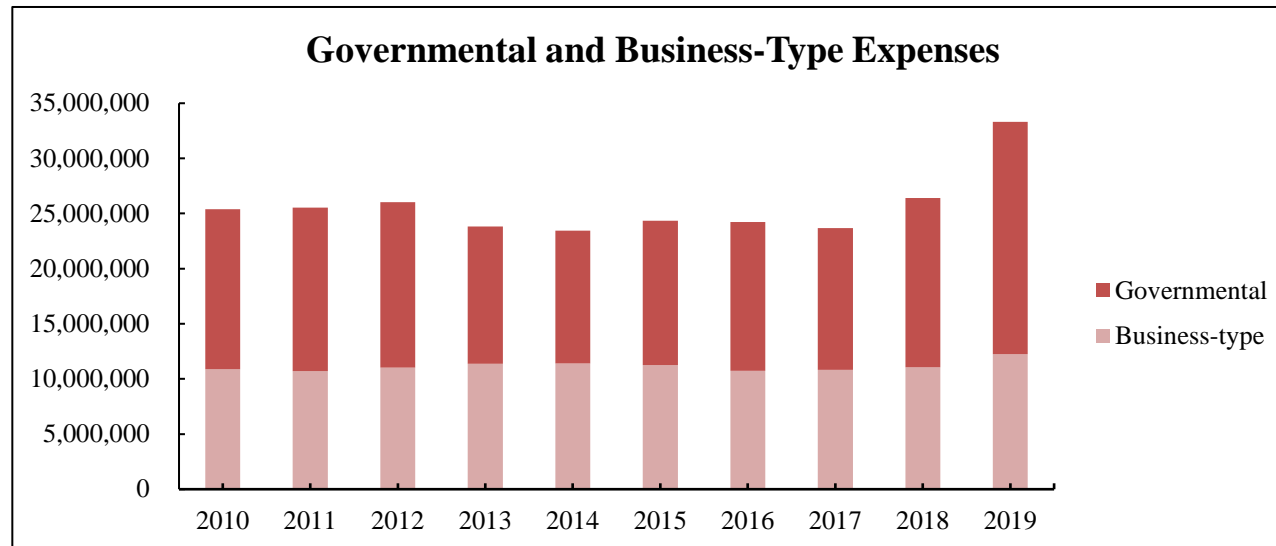
**Financial Trends**

(Accrual basis of accounting)

	Fiscal Year Ended June 30									
Expenses	2010	2011	2012	2013	2014	2015	2016*	2017	2018	2019
<b>Governmental activities:</b>										
General government	\$ 2,393,812	\$ 2,957,556	\$ 2,862,521	\$ 2,360,309	\$ 2,524,762	\$ 2,689,305	\$ 2,384,107	\$ 2,517,770	\$ 3,282,422	\$ 4,644,028
Public safety	5,151,308	5,055,399	5,020,723	4,529,114	4,548,431	5,088,415	5,277,461	5,300,648	6,048,643	3,998,934
Judicial	324,255	335,018	376,928	264,242	272,341	331,636	3,312,763	13,245	8,457	5,497,750
Public works	2,820,598	3,051,926	2,934,715	2,559,162	2,298,994	2,515,340	8,348	2,642,246	3,362,138	16,142
Culture and recreation	1,853,122	2,081,624	1,815,364	1,351,765	1,277,349	1,400,709	1,259,145	1,368,639	1,601,945	1,544,092
Community Support	1,275,054	977,583	959,067	823,049	614,650	569,090	774,053	567,743	618,843	4,970,310
Interest on long-term debt	684,889	358,964	1,027,886	547,454	511,285	489,762	467,237	448,474	427,529	407,326
<b>Total governmental activities</b>	<b>14,503,038</b>	<b>14,818,070</b>	<b>14,997,204</b>	<b>12,435,095</b>	<b>12,047,812</b>	<b>13,084,257</b>	<b>13,483,114</b>	<b>12,858,765</b>	<b>15,349,977</b>	<b>21,078,582</b>
<b>Business-type activities:</b>										
Water	1,518,213	1,502,106	1,545,058	1,518,786	1,676,973	1,570,517	1,422,969	1,621,247	1,639,605	1,727,545
Sewer	1,264,840	1,286,837	1,419,674	1,407,188	1,295,142	1,358,747	1,322,480	1,438,193	1,396,058	1,520,319
Electric	7,454,824	7,269,317	7,445,984	7,817,693	7,804,901	7,697,548	7,351,933	7,100,576	7,320,987	717,310
Sanitation	656,690	656,820	619,764	639,129	616,463	633,182	642,385	665,396	689,077	8,013,267
Horseshoe Bend	-	-	-	-	-	-	-	-	-	263,265
<b>Total business-type activities</b>	<b>10,894,567</b>	<b>10,715,080</b>	<b>11,030,480</b>	<b>11,382,796</b>	<b>11,393,479</b>	<b>11,259,994</b>	<b>10,739,767</b>	<b>10,825,412</b>	<b>11,045,727</b>	<b>12,241,706</b>
<b>Total Primary Governmental Expenses</b>	<b>25,397,605</b>	<b>25,533,150</b>	<b>26,027,684</b>	<b>23,817,891</b>	<b>23,441,291</b>	<b>24,344,251</b>	<b>24,222,881</b>	<b>23,684,177</b>	<b>26,395,704</b>	<b>33,320,288</b>

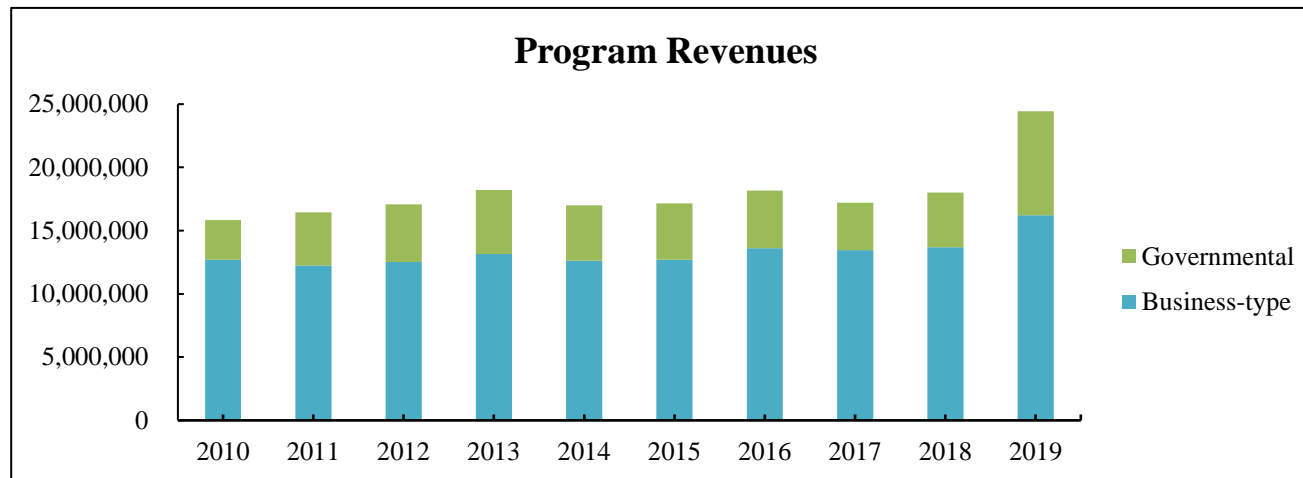
Source: Statement of Activities

2016 Restated: Electric and Sanitation numbers in incorrect row.



	Fiscal Year Ended June 30									
Program Revenues	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental activities:</b>										
Charges for services										
General government	\$ 136,644	\$ 841,902	\$ 69,360	\$ 106,805	\$ 105,700	\$ 110,537	\$ 119,155	\$ 140,530	\$ 108,321	\$ 96,461
Public safety	853,783	60,112	847,143	692,620	594,231	780,392	1,230,660	1,197,174	1,234,686	1,170,052
Judicial	235,153	310,299	366,378	322,395	326,320	285,196	0	0	0	0
Public works	653,235	677,174	592,057	617,876	653,229	675,223	750,676	716,320	614,337	679,565
Culture and recreation	350,873	301,734	339,833	177,454	140,516	137,129	99,874	94,299	102,395	87,525
Community support	36,955	31,615	32,078	35,702	39,470	37,786	32,555	20,251	12,438	13,119
Operating grants and contributions	507,960	513,129	911,426	1,324,153	1,369,623	1,248,559	1,433,449	1,350,225	1,356,363	5,641,026
Capital grants and contributions	355,618	1,477,168	1,398,753	1,783,868	1,139,188	1,184,230	872,703	232,075	898,224	530,262
<b>Total governmental activities</b>	<b>3,130,221</b>	<b>4,213,133</b>	<b>4,557,028</b>	<b>5,060,873</b>	<b>4,368,277</b>	<b>4,459,052</b>	<b>4,539,072</b>	<b>3,750,874</b>	<b>4,326,764</b>	<b>8,218,010</b>
<b>Business-type activities:</b>										
Charges for services										
Water	1,580,427	1,787,363	1,819,551	1,788,473	1,727,920	1,897,152	1,870,895	1,902,113	2,028,813	1,906,558
Sewer	1,389,585	1,150,514	1,140,122	1,621,033	1,561,479	1,469,034	1,583,968	1,845,445	1,950,676	1,923,262
Electric	9,082,700	8,639,770	8,888,259	8,816,630	8,489,555	8,475,019	9,287,791	8,798,034	8,765,309	964,834
Sanitation	657,801	663,340	684,540	921,727	845,130	861,008	872,859	902,969	932,174	9,245,198
Horseshoe Bend	-	-	-	-	-	-	-	-	-	1,646,549
Capital grants and contributions	-	-	-	-	-	-	-	-	-	528,738
<b>Total business-type activities</b>	<b>12,710,513</b>	<b>12,240,987</b>	<b>12,532,472</b>	<b>13,147,863</b>	<b>12,624,084</b>	<b>12,702,213</b>	<b>13,615,513</b>	<b>13,448,561</b>	<b>13,676,972</b>	<b>16,215,139</b>
<b>Total Program Revenues</b>	<b>15,840,734</b>	<b>16,454,120</b>	<b>17,089,500</b>	<b>18,208,736</b>	<b>16,992,361</b>	<b>17,161,265</b>	<b>18,154,585</b>	<b>17,199,435</b>	<b>18,003,736</b>	<b>24,433,149</b>

Source: Statement of Activities



**City of Page, Arizona**

**Change in Net Position - continued (unaudited)**

**Last Ten Fiscal Years**

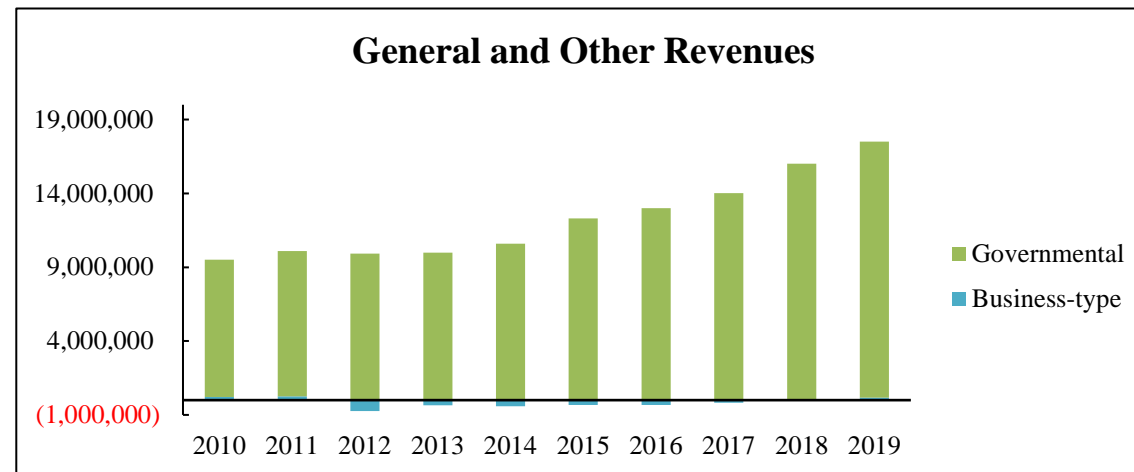
**Statistical Section**

**Financial Trends**

(Accrual basis of accounting)

	Fiscal Year Ended June 30									
General and Other Revenues	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental activities</b>										
Taxes:										
City Sales taxes	\$ 6,768,417	\$ 6,902,409	\$ 6,960,801	\$ 7,359,792	\$ 7,854,872	\$ 9,014,013	\$ 10,286,279	\$ 11,336,994	\$ 13,194,212	\$ 14,166,152
State Sales taxes	-	-	566,283	593,180	630,799	658,664	685,284	686,412	729,558	759,827
Property taxes	-	-	-	-	-	-	-	-	-	-
Franchise taxes	-	-	236,028	297,102	268,405	241,159	244,342	237,920	233,788	250,360
Auto lieu tax	-	-	273,207	276,242	285,107	295,945	319,311	329,229	351,107	358,939
Unrestricted state shared revenue	2,301,972	2,252,850	611,652	740,265	807,770	877,294	872,538	916,348	941,208	914,667
Land Sales	-	138,750	377,650	227,038	229,597	729,101	-	-	-	-
Investment earnings (losses)	19,021	34,830	11,653	9,699	4,639	7,198	61,888	136,796	287,136	509,076
Miscellaneous	194,989	90,892	147,311	30,093	157,453	136,509	157,195	132,094	141,340	221,452
Gain/(loss) on disposal of asset	-	153,126	-	-	-	-	-	-	-	-
Transfers	-	262,535	727,485	454,622	351,101	346,838	364,922	232,096	140,108	141,147
<b>Total Governmental Activities</b>	<b>9,284,399</b>	<b>9,835,392</b>	<b>9,912,070</b>	<b>9,988,033</b>	<b>10,589,743</b>	<b>12,306,721</b>	<b>12,991,759</b>	<b>14,007,889</b>	<b>16,018,457</b>	<b>17,321,620</b>
<b>Business-type activities</b>										
Investment earnings/(losses)	9,092	13,098	(15,279)	111,565	(64,657)	8,824	26,831	58,739	150,517	276,715
Miscellaneous	214,867	214,753	-	-	-	-	-	-	-	-
Gain/(loss) on disposal of asset	-	289,732	-	-	-	1,133	-	-	(61,163)	40,284
Transfers	-	(262,535)	(727,485)	(454,622)	(352,226)	(346,838)	(364,922)	(232,096)	(140,108)	(141,147)
<b>Total business-type activities</b>	<b>223,959</b>	<b>255,048</b>	<b>(742,764)</b>	<b>(343,057)</b>	<b>(416,883)</b>	<b>(336,881)</b>	<b>(338,091)</b>	<b>(173,357)</b>	<b>(50,754)</b>	<b>175,852</b>
<b>Total General and Other Revenues</b>	<b>9,508,358</b>	<b>10,090,440</b>	<b>9,169,306</b>	<b>9,644,976</b>	<b>10,172,860</b>	<b>11,969,840</b>	<b>12,653,668</b>	<b>13,834,532</b>	<b>15,967,703</b>	<b>17,497,472</b>

Source: Statement of Activities





# City of Page, Arizona

## Change in Net Position - continued (unaudited)

### Last Ten Fiscal Years

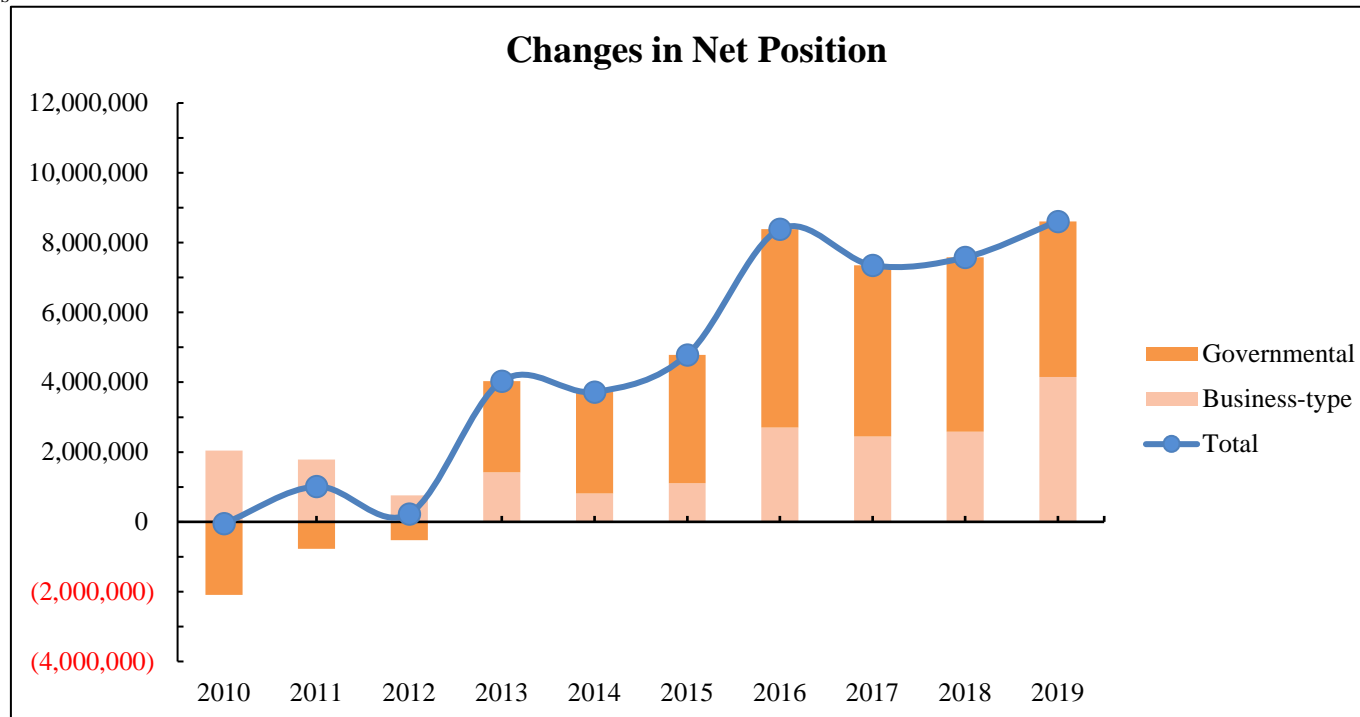
## Statistical Section

### Financial Trends

(Accrual basis of accounting)

	Fiscal Year Ended June 30									
Summary	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental Activities</b>										
Expenses	\$ (14,503,038)	\$ (14,818,070)	\$ (14,997,204)	\$ (12,435,095)	\$ (12,047,812)	\$ (13,084,257)	\$ (12,858,765)	\$ (12,858,765)	\$ (15,349,977)	\$ (21,078,582)
Program Revenue	3,130,221	4,213,133	4,557,028	5,060,873	4,368,277	4,459,052	4,539,072	3,750,874	4,326,764	8,218,010
Net (Expense) Revenue	(11,372,817)	(10,604,937)	(10,440,176)	(7,374,222)	(7,679,535)	(8,625,205)	(8,319,693)	(9,107,891)	(11,023,213)	(12,860,572)
General Revenues and Other	9,284,399	9,835,392	9,912,070	9,988,033	10,589,743	12,306,721	14,007,889	14,007,889	16,018,457	17,321,620
<b>Total governmental activities</b>	<b>(2,088,418)</b>	<b>(769,545)</b>	<b>(528,106)</b>	<b>2,613,811</b>	<b>2,910,208</b>	<b>3,681,516</b>	<b>5,688,196</b>	<b>4,899,998</b>	<b>4,995,244</b>	<b>4,461,048</b>
<b>Business-type Activities</b>										
Expenses	10,894,567	10,715,080	11,030,480	11,382,796	11,393,479	11,259,994	10,739,767	10,825,412	11,045,727	12,241,706
Program Revenue	12,710,513	12,240,987	12,532,472	13,147,863	12,624,084	12,702,213	13,615,513	13,448,561	13,676,972	16,215,139
General Revenues and Other	223,959	255,048	(742,764)	(343,057)	(416,883)	(336,881)	(173,357)	(173,357)	(50,754)	175,852
<b>Total business-type activities</b>	<b>2,039,905</b>	<b>1,780,955</b>	<b>759,228</b>	<b>1,422,010</b>	<b>813,722</b>	<b>1,105,338</b>	<b>2,702,389</b>	<b>2,449,792</b>	<b>2,580,491</b>	<b>4,149,285</b>
<b>Total Primary Government</b>	<b>(48,513)</b>	<b>1,011,410</b>	<b>231,122</b>	<b>4,035,821</b>	<b>3,723,930</b>	<b>4,786,854</b>	<b>8,390,585</b>	<b>7,349,790</b>	<b>7,575,735</b>	<b>8,610,333</b>

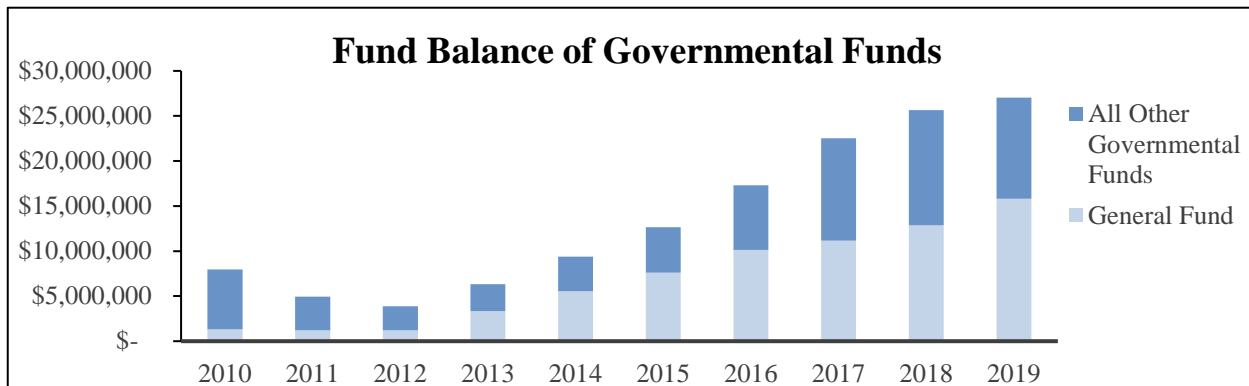
Source: Statement of Activities



**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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Fund:</b>										
Reserved										
Unreserved	0									
Nonspendable			0	0	50,099	\$ 62,976	\$ 73,698	\$ -	\$ -	\$ -
Restricted								-	-	-
Committed			0					-	-	-
Assigned			0	0	0	-	-	-	-	-
Unassigned		1,210,172	1,218,820	3,340,840	5,503,593	7,541,520	10,066,148	11,148,425	12,869,809	15,810,863
<b>Total General Fund</b>	<b>\$ 1,311,241</b>	<b>\$ 1,210,172</b>	<b>\$ 1,218,820</b>	<b>\$ 3,340,840</b>	<b>\$ 5,553,692</b>	<b>\$ 7,604,496</b>	<b>\$ 10,139,846</b>	<b>\$ 11,148,425</b>	<b>\$ 12,869,809</b>	<b>\$ 15,810,863</b>
<b>All Other Governmental Funds:</b>										
Reserved	\$ 266,889									
Unreserved, reported in:										
Special revenue funds	3,074,754									
Capital projects funds	3,660,289									
Debt service fund	(365,360)									
Nonspendable										
Restricted		2,847,695	1,936,741	2,113,080	2,677,622	\$ 3,636,384	\$ 5,517,158	\$ 10,106,948	\$ 11,338,638	\$ 509,529
Committed		896,036	712,259	869,135	1,166,739	1,419,991	1,653,804	1,282,845	1,454,239	1,552,535
Assigned		0	0	0	-	-	-	-	-	9,172,894
Unassigned		0	0	0	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 6,636,572</b>	<b>\$ 3,743,731</b>	<b>\$ 2,649,000</b>	<b>\$ 2,982,215</b>	<b>\$ 3,844,361</b>	<b>\$ 5,056,375</b>	<b>\$ 7,170,962</b>	<b>\$ 11,389,793</b>	<b>\$ 12,792,877</b>	<b>\$ 11,234,958</b>
<b>Total Government Funds</b>	<b>\$ 7,947,813</b>	<b>\$ 4,953,903</b>	<b>\$ 3,867,820</b>	<b>\$ 6,323,055</b>	<b>\$ 9,398,053</b>	<b>\$ 12,660,871</b>	<b>\$ 17,310,808</b>	<b>\$ 22,538,218</b>	<b>\$ 25,662,686</b>	<b>\$ 27,045,821</b>



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.

**City of Page, Arizona**

**Changes in Fund Balances of Governmental Funds**

**Last Ten Fiscal Years**

**Statistical Section**

**Financial Trends**

(Accrual basis of accounting)

	Fiscal Year Ended June 30									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues:</b>										
Taxes	\$ 6,246,647	\$ 6,902,409	\$ 7,196,829	\$ 7,656,894	\$ 8,123,277	\$ 9,255,172	\$ 10,530,621	\$ 11,574,914	\$ 13,428,000	\$ 14,416,512
Licenses and permits	339,228	382,509	85,254	114,268	127,525	186,044	294,055	294,515	169,436	244,088
Intergovernmental	3,687,320	2,676,147	3,784,784	4,670,891	3,225,006	4,325,745	4,284,524	3,482,449	4,189,230	8,178,358
Charges for services	1,285,140	1,127,736	1,239,203	1,007,824	869,669	1,025,308	1,154,090	1,145,367	1,202,810	1,106,542
Fines and forfeitures	249,338	327,704	381,075	340,829	352,606	313,388	286,430	252,557	222,594	246,499
Rents and royalties	392,937	384,887	422,509	364,764	390,504	383,710	382,473	368,224	363,312	336,270
Investment income	19,021	34,830	11,653	9,698	4,640	6,892	56,656	136,766	287,106	509,056
Land sales	1,065,800	138,750	377,650	233,487	246,275	357,700	144,300	293,004	-	53,456
Miscellaneous	194,989	1,796,642	213,983	202,074	239,400	193,573	177,059	267,475	342,646	307,728
<b>Total revenues</b>	<b>13,480,420</b>	<b>13,771,614</b>	<b>13,712,940</b>	<b>14,600,729</b>	<b>13,578,902</b>	<b>16,047,532</b>	<b>17,310,208</b>	<b>17,815,271</b>	<b>20,205,134</b>	<b>25,398,509</b>
<b>Expenditures:</b>										
Current -										
General government	\$ 2,799,265	\$ 2,823,491	\$ 2,453,151	\$ 2,145,080	\$ 2,344,342	\$ 2,412,666	\$ 2,484,086	\$ 2,493,096	\$ 3,722,547	\$ 4,349,976
Public safety	4,691,379	4,729,248	4,700,348	3,965,869	4,161,909	4,288,079	4,709,304	4,981,725	5,461,311	5,380,344
Judicial	327,582	357,364	376,928	264,242	272,341	331,636	1,320,767	13,216	8,447	4,364,007
Public works	1,901,620	1,958,048	1,610,576	1,265,727	1,077,785	1,296,595	8,062	1,354,570	2,090,641	16,280
Culture and recreation	1,509,629	1,830,562	1,466,996	976,150	929,787	1,018,995	900,986	1,035,250	1,276,693	1,227,325
Community support	1,258,244	1,001,266	931,457	763,728	561,816	546,129	506,816	509,616	560,471	4,961,023
Capital outlay	1,783,885	3,822,407	1,510,175	1,839,664	143,081	1,754,289	1,708,821	1,107,036	2,707,997	2,481,663
Debt service -										
Principal	684,889	422,727	482,895	709,424	873,963	1,013,504	939,171	959,329	984,997	1,011,399
Interest and fiscal charges	358,366	358,964	546,587	525,950	491,106	469,660	447,180	428,565	407,670	385,184
Refunding bond issuance costs			566,457							
<b>Total expenditures</b>	<b>\$ 15,314,859</b>	<b>\$ 17,304,077</b>	<b>\$ 14,645,570</b>	<b>\$ 12,455,834</b>	<b>\$ 10,856,130</b>	<b>\$ 13,131,553</b>	<b>\$ 13,025,193</b>	<b>\$ 12,882,403</b>	<b>\$ 17,220,774</b>	<b>\$ 24,177,201</b>
Revenues over Expenditures	<b>\$(1,834,439)</b>	<b>\$(3,532,463)</b>	<b>\$ (932,630)</b>	<b>\$ 2,144,895</b>	<b>\$ 2,722,772</b>	<b>\$ 2,915,979</b>	<b>\$ 4,285,015</b>	<b>\$ 4,932,868</b>	<b>\$ 2,984,360</b>	<b>\$ 1,221,308</b>
<b>Other Funding Sources</b>										
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	29,451	688,968	61,935	-	-	-	-	-	-	\$ -
Transfers in	1,182,086	2,314,412	1,896,780	1,612,011	1,901,044	3,097,016	4,176,746	6,428,900	4,597,346	6,570,523
Transfers out	(1,182,086)	(2,051,877)	(1,169,295)	(1,157,388)	(1,548,818)	(2,750,178)	(3,811,824)	(6,196,804)	(4,457,238)	(6,429,376)
Debt proceeds	-	-	-	-	-	-	-	62,446	-	-
Issuance of Debt	-	-	-	-	-	-	-	-	-	20,681
<b>Total other financing sources</b>	<b>29,451</b>	<b>951,503</b>	<b>(153,453)</b>	<b>454,623</b>	<b>352,226</b>	<b>346,838</b>	<b>364,922</b>	<b>294,542</b>	<b>140,108</b>	<b>161,828</b>
<b>Net Change in Fund Balance</b>	<b>\$(1,804,988)</b>	<b>\$(2,580,960)</b>	<b>\$(1,086,083)</b>	<b>\$ 2,599,518</b>	<b>\$ 3,074,998</b>	<b>\$ 3,262,817</b>	<b>\$4,649,937</b>	<b>\$5,227,410</b>	<b>\$3,124,468</b>	<b>\$1,383,136</b>

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

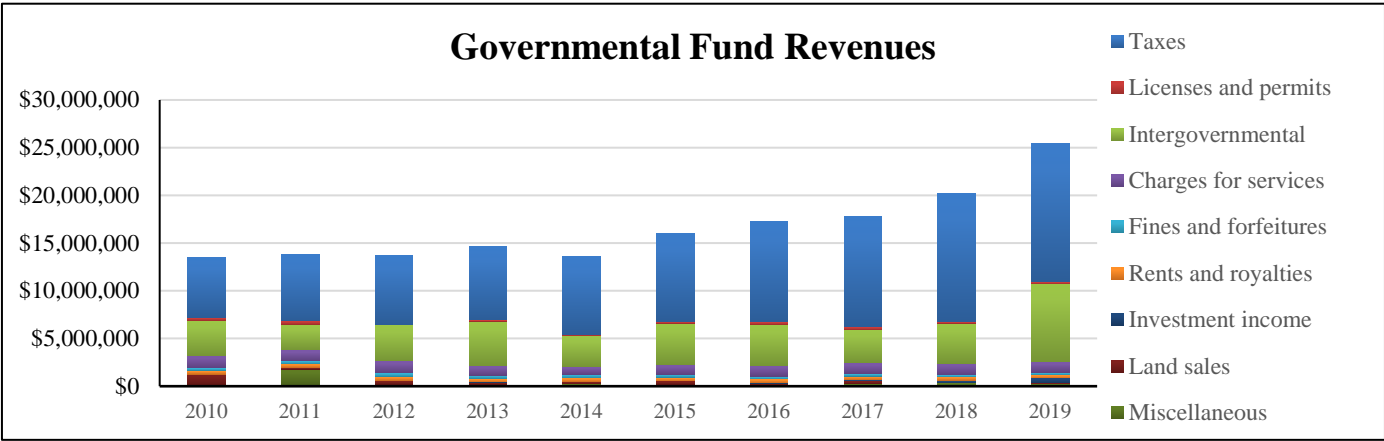
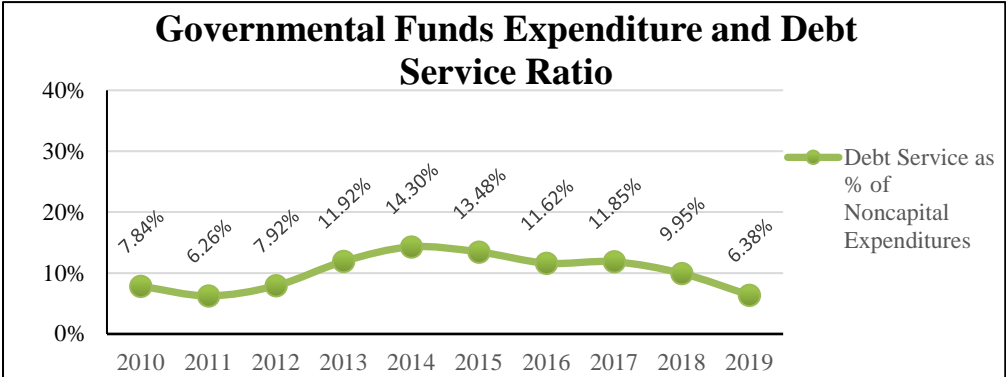
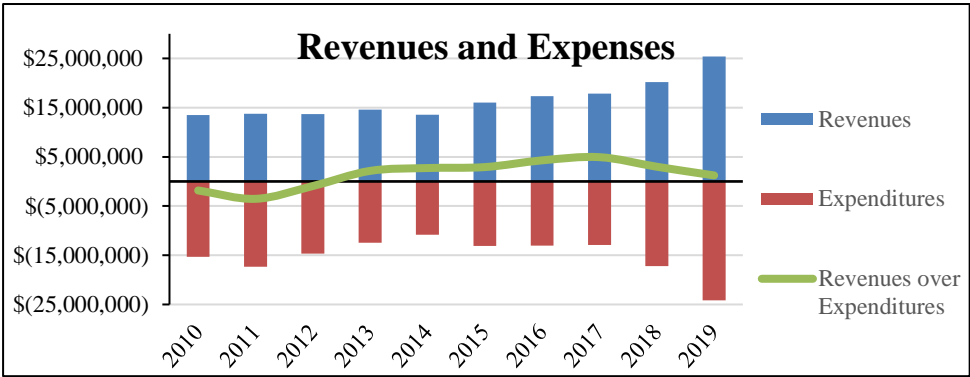
Statistical Section  
Financial Trends  
(Accrual basis of accounting)

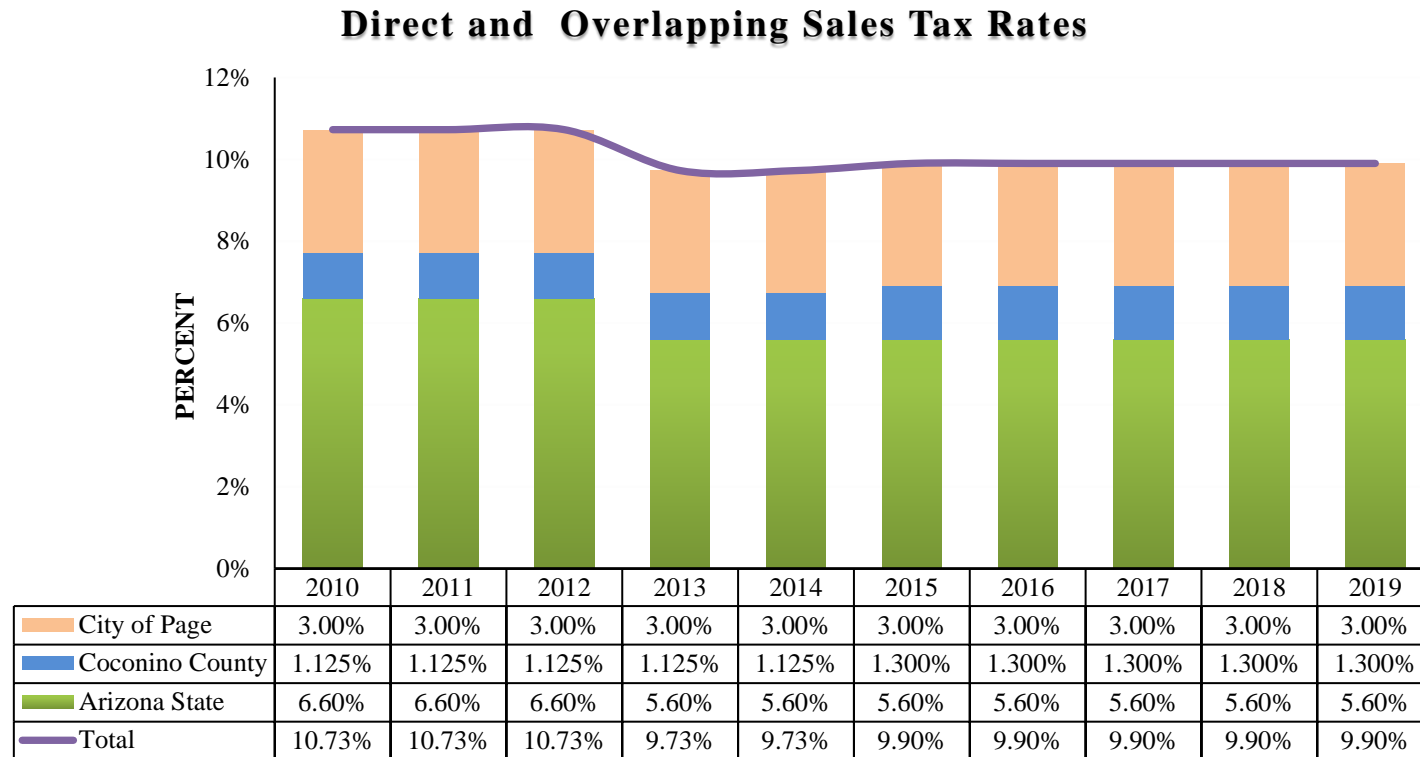
	Fiscal Year Ended June 30									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Capital Outlay (1)	2,005,905	4,822,255	1,646,937	2,090,813	1,306,959	2,125,001	1,095,959	1,171,699	3,224,914	2,293,400
Debt Ratio										
Total Debt Service	\$ 1,043,255	\$ 781,691	\$ 1,029,482	\$ 1,235,374	\$ 1,365,069	\$ 1,483,164	\$ 1,386,351	\$ 1,387,894	\$ 1,392,667	\$ 1,396,583
Total Noncapital Expenditure (2)	13,308,954	12,481,822	12,998,633	10,365,021	9,549,171	11,006,552	11,929,234	11,710,704	13,995,860	21,883,801
Debt Service as a percentage of noncapital expenditures	7.84%	6.26%	7.92%	11.92%	14.30%	13.48%	11.62%	11.85%	9.95%	6.38%

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.



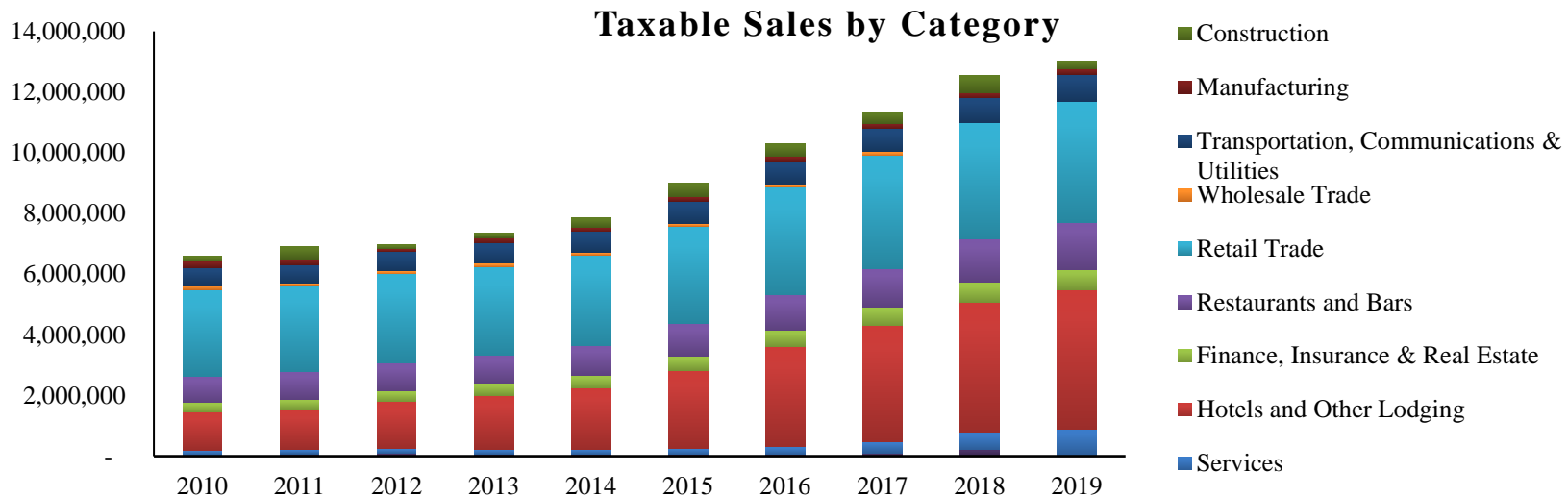


Source: Arizona Department of Revenue Transaction Privilege and Tax Rate Table

**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									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Categories</b>										
Construction	\$ 151,596	\$ 404,265	\$ 127,505	\$ 150,935	\$ 312,655	\$ 461,993	\$ 408,699	\$ 370,741	\$ 554,171	\$ 250,629
Manufacturing	206,285	181,350	86,876	182,183	140,883	139,967	145,124	172,211	188,648	172,613
Transportation, Communications & Utilities	570,762	623,650	633,976	672,357	682,079	744,845	769,986	759,392	803,685	903,730
Wholesale Trade	153,761	41,413	104,809	106,875	91,432	91,675	101,742	128,746	143,147	122,855
Retail Trade	2,849,320	2,858,788	2,921,545	2,915,898	2,989,931	3,203,563	3,548,038	3,710,587	3,841,144	3,977,240
Restaurants and Bars	879,893	910,057	928,366	933,878	977,250	1,074,792	1,156,701	1,271,029	1,434,142	1,573,388
Finance, Insurance & Real Estate	318,610	348,948	362,710	391,759	414,060	465,350	532,235	628,326	645,173	645,473
Hotels and Other Lodging	1,238,544	1,312,374	1,538,461	1,774,479	2,008,533	2,562,717	3,313,126	3,804,273	4,292,818	4,587,620
Services	166,676	140,424	153,249	166,140	181,779	218,461	256,001	378,709	567,546	882,898
All Others Not Specified	41,382	81,140	103,303	65,286	56,270	50,651	54,628	112,983	218,776	21,660
	<u>6,576,830</u>	<u>6,902,409</u>	<u>6,960,801</u>	<u>7,359,792</u>	<u>7,854,872</u>	<u>9,014,013</u>	<u>10,286,279</u>	<u>11,336,995</u>	<u>12,689,250</u>	<u>13,138,107</u>
<b>Total</b>	<u>\$ 6,576,830</u>	<u>\$ 6,902,409</u>	<u>\$ 6,960,801</u>	<u>\$ 7,359,792</u>	<u>\$ 7,854,872</u>	<u>\$ 9,014,013</u>	<u>\$10,286,279</u>	<u>\$11,336,995</u>	<u>\$ 12,689,250</u>	<u>\$13,138,107</u>



Source: The source of this information is the City's financial records-Standard Industry (NAICS) Summary for Page, Arizona July 2017 - June 2018 from Monthly Tax Report.

**City of Page, Arizona**

**Ratios of Outstanding Debt by Type**

**Last Ten Fiscal Years**

**Statistical Section**

**Debt Capacity**

(Accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Governmental Activities</b>										
General Obligation Bonds (1)	1,996,469	1,834,033	1,663,200	1,486,334	1,309,609	1,127,691	943,520	759,190	574,193	387,794
Capital Leases	431,782	860,459	612,363	468,523	344,412	223,284	148,078	128,968	41,683	49,049
Notes Payable	-	-	-	-	-	-	-	-	-	-
Revenue Obligation Bonds (1)	12,300,000	12,300,000	11,801,027	11,996,918	11,347,891	10,568,864	9,764,837	8,940,810	8,091,783	7,217,756
Total Governmental Activities	14,728,251	14,994,492	14,076,590	13,951,775	13,001,912	11,919,839	10,856,435	9,828,968	8,707,659	7,654,599
<b>Business Activities</b>										
Bonds	-	-	-	-	-	-	-	-	-	-
Capital Leases	136,456	78,747	18,545	-	-	-	-	-	-	-
Total Business Activities	136,456	78,747	18,545	-	-	-	-	-	-	-
<b>Total Primary Government</b>	<u>14,864,707</u>	<u>15,073,239</u>	<u>14,095,135</u>	<u>13,951,775</u>	<u>13,001,912</u>	<u>11,919,839</u>	<u>10,856,435</u>	<u>9,828,968</u>	<u>8,707,659</u>	<u>7,654,599</u>
% of Assessed Value (2)	20.96%	21.83%	20.75%	22.29%	20.10%	17.74%	15.62%	13.70%	10.71%	9.41%
% of Personal Income (3)	9.19%	9.22%	7.82%	6.81%	6.57%	7.05%	5.92%	4.90%	5.60%	4.92%
Per Capita (4)	\$ 2,087	\$ 2,036	\$ 1,897	\$ 1,879	\$ 1,734	\$ 1,581	\$ 1,442	\$ 1,293	\$ 1,151	\$ 1,012

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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Governmental Activities</b>										
General Obligation Bonds (1)	1,996,469	1,834,033	1,663,200	1,486,334	1,309,609	1,127,691	943,520	759,190	574,193	387,794
Less: Amounts Available in Debt Service Fund (5)	(219,980)	(191,815)	(175,149)	(157,382)	(139,994)	(121,953)	(94,339)	(75,939)	(58,130)	(50,046)
<b>Total Primary Government</b>	<u>\$1,776,489</u>	<u>\$1,642,218</u>	<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>
<b>% of Assessed Value (2)</b>	2.50%	2.38%	2.19%	2.12%	1.81%	1.50%	1.26%	0.95%	0.68%	0.42%
<b>% of Personal Income (3)</b>	0.73%	0.66%	0.58%	0.53%	0.42%	0.34%	0.28%	0.34%	0.33%	0.22%
<b>Per Capita (4)</b>	\$ 249	\$ 227	\$ 202	\$ 181	\$ 158	\$ 133	\$ 113	\$ 90	\$ 68	\$ 45

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 .



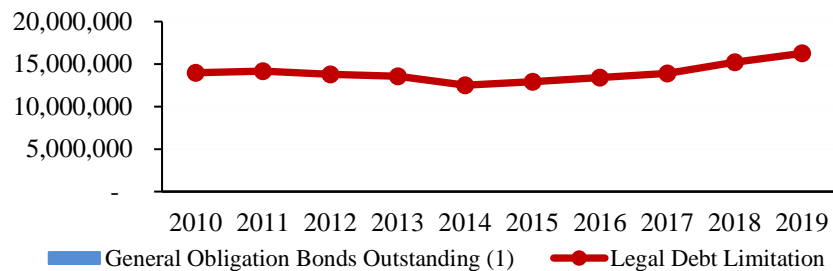
The City of Page is autonomous from any county, town, or other political subdivisions of the State of Arizona. There is no overlapping general obligation debt or taxing powers.

**City of Page, Arizona**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

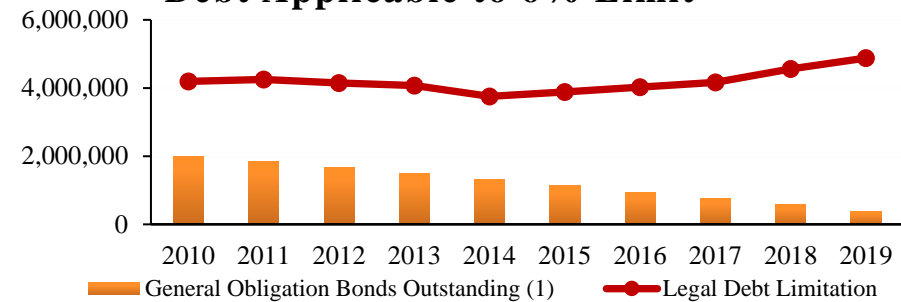
**Statistical Section**  
**Debt Capacity**  
**(Accrual basis of accounting)**

	Fiscal Year Ended June 30									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Assessed Value of Real Property (2)* reinstated</b>	\$ 70,924,548	\$ 69,060,674	\$ 67,912,010	\$ 62,585,129	\$ 64,679,910	\$ 67,174,588	\$ 69,491,903	\$ 71,737,815	\$ 76,071,757	\$ 81,314,653
<b>20% Limitation</b>										
Legal Debt Limitation	\$ 13,975,900	\$ 14,184,910	\$ 13,812,135	\$ 13,582,402	\$ 12,517,026	\$ 12,935,982	\$ 13,434,918	\$ 13,898,381	\$ 15,214,351	\$ 16,262,931
General Obligation Bonds Outstanding (1)	-	-	-	-	-	-	-	-	-	-
Debt Margin Available	\$ 13,975,900	\$ 14,184,910	\$ 13,812,135	\$ 13,582,402	\$ 12,517,026	\$ 12,935,982	\$ 13,434,918	\$ 13,898,381	\$ 15,214,351	\$ 16,262,931
<b>Total Net Debt applicable to the 20 %</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>6 % Limitation</b>										
Legal Debt Limitation	4,192,770	4,255,473	4,143,640	4,074,721	3,755,108	3,880,795	4,030,475	4,169,514	4,564,305	4,878,879
General Obligation Bonds Outstanding (1)	1,996,469	1,834,033	1,663,200	1,486,334	1,309,609	1,127,691	943,520	759,190	574,193	387,794
Debt Margin Available	\$ 2,196,301	\$ 2,421,440	\$ 2,480,440	\$ 2,588,387	\$ 2,445,499	\$ 2,753,104	\$ 3,086,955	\$ 3,410,324	\$ 3,410,324	\$ 4,491,085
<b>Total Net Debt applicable to the 20 % * reinstated</b>	2.81%	2.66%	2.45%	2.37%	2.02%	1.68%	1.36%	1.06%	0.75%	0.48%

**Debt Applicable to 20% Limit**



**Debt Applicable to 6% Limit**



Source: Notes to the Financial Statements Long-Term Liabilities

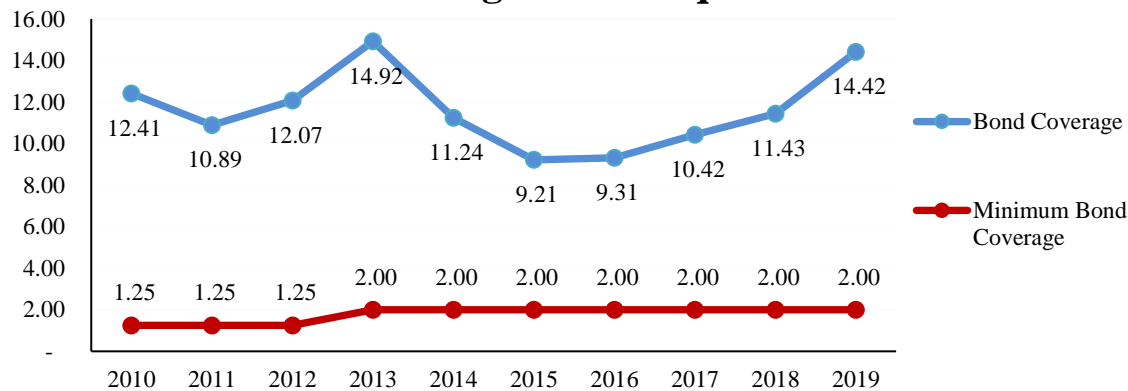
Note (1): Prior to fiscal year 2007, under Arizona law, cities could issue general obligation bonds for purposes of water, sewer, artificial light, open space preserves, parks, playgrounds, and recreational facilities, up to an amount not exceeding 20% of a City's Secondary Net Assessed Valuation. In 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

		Debt Service Requirements							
		Series 2011 Bond			Series 1999A Bond				
Fiscal Year	Excise Tax, Revenues and State Shared Revenues (2)	Debt Service Obligation Being Refunded	Debt Service Principal	Debt Service Interest	Debt Service Principal	Debt Service Interest	Total Debt Service	Coverage Ratio (3)	Minimum
	As restated								
2010	6,463,948	-	-		-	593,488	593,488	12.41	1.25
2011	7,162,101	-	-		-	593,488	593,488	10.89	1.25
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

### Bond Coverage and Requirements



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

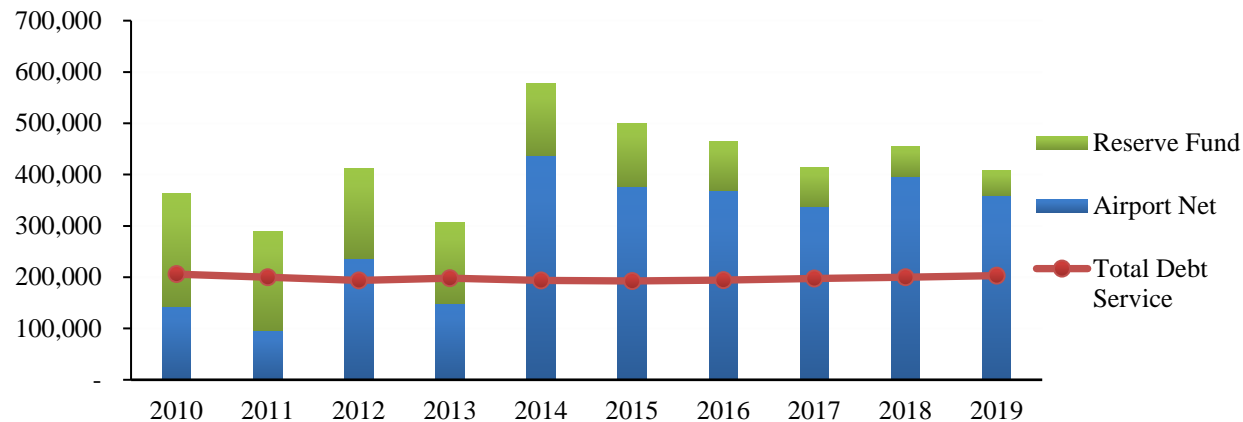
Note (1): In Fiscal Year 2012, Series 1999A Bond was restructured.

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		Debt Service Interest	Total Debt Service	Coverage Ratio from Net Revenues(2)(4)	Reserve Fund for Debt Service
		Debt Service Principal	Interest Rate (1)				
2010	143,162	137,333	2.249%	68,550	205,883	0.70	219,980
2011	96,578	162,436	1.642%	37,191	199,627	0.48	191,815
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

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 (4)	**Personal Income	Per Capita Income (1)	School Enrollment (3)	Unemployment Rate (2)		
	Year					Arizona	Coconino County	City of Page
Acres 24,532.6	2009	7,122	161,690,766	22,703	2,919	10.3%	8.5%	8.5%
Median Income \$60,135*	2010	7,395	163,266,810	22,078	2,829	10.4%	9.9%	6.8%
Below Poverty Level 17.4%+	2011	7,423	180,067,134	24,258	2,781	9.5%	9.5%	9.4%
Housing Units 2,714+	2012	7,425	204,870,600	27,592	2,675	8.3%	8.6%	11.4%
Occupied - 2,282+	2013	7,492	197,833,752	26,406	2,613	7.7%	8.1%	10.8%
Vacant - 432+	2014	7,521	168,673,467	22,427	2,621	6.8%	7.1%	8.6%
U.S. Census Bureau American	2015	7,517	182,948,746	24,338	2,594	6.1%	6.5%	7.9%
Fact Finder	2016	7,565	185,380,325	24,505	2,621	5.4%	6.0%	7.4%
2011-2017+	2017	7,568	156,604,624	20,693	2,754	4.9%	5.5%	6.8%
2012-2018*	2018	7,566	\$155,623,859	\$ 20,569 +	2,689	4.8%	5.5%	6.7%

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

### Principal Employers - Current Year and Five Years Ago

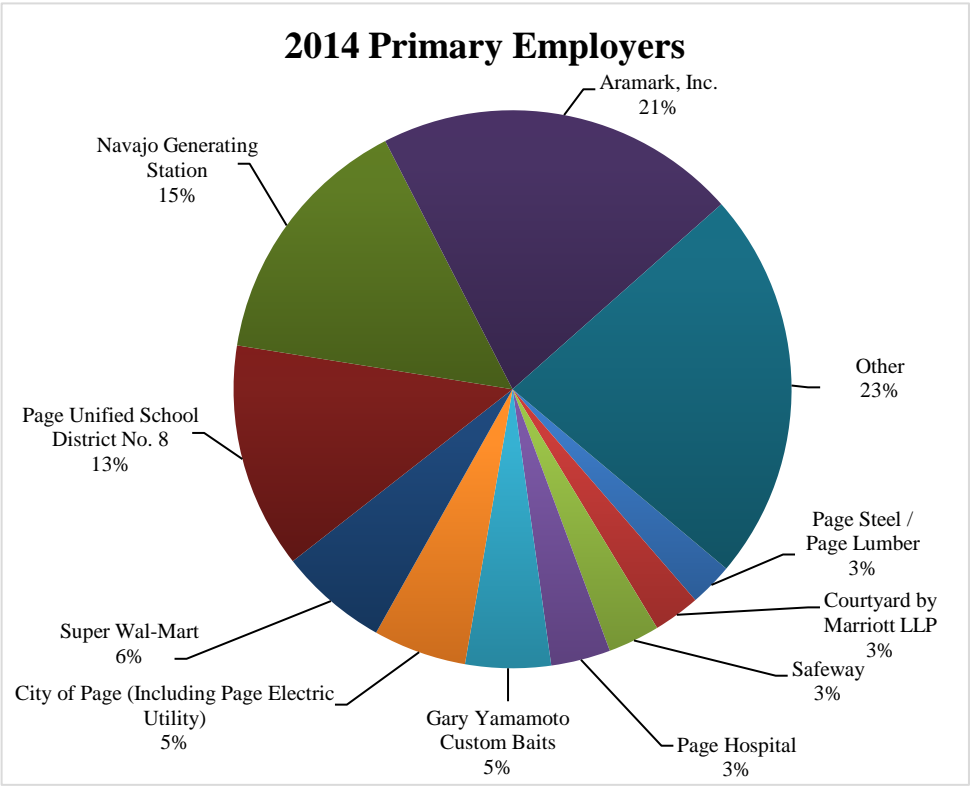
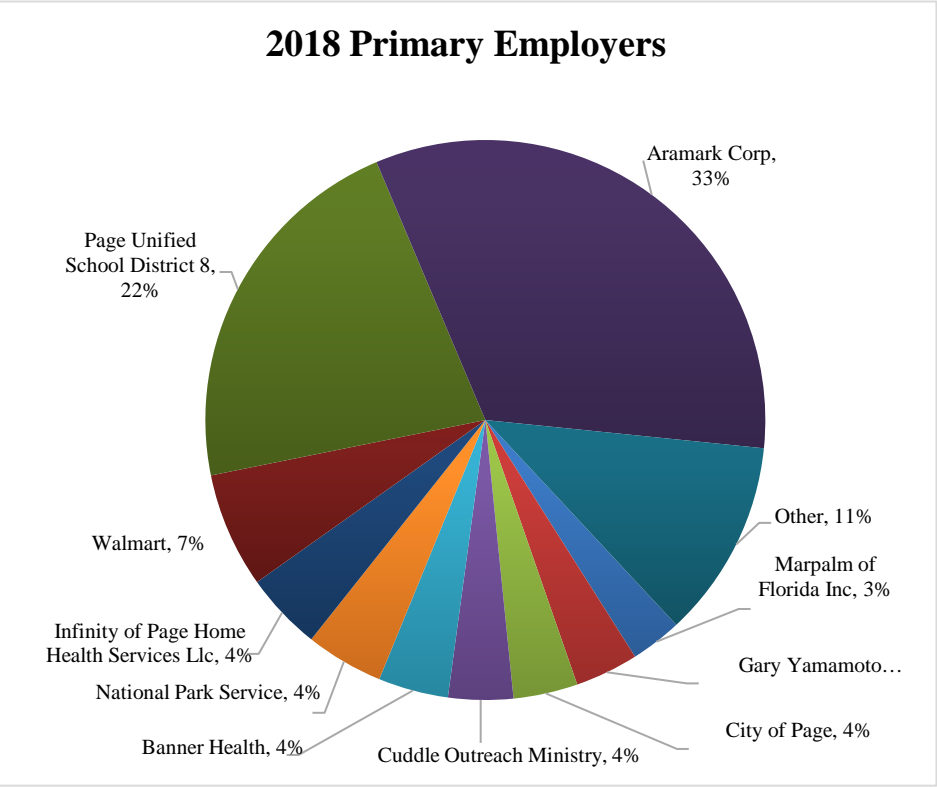
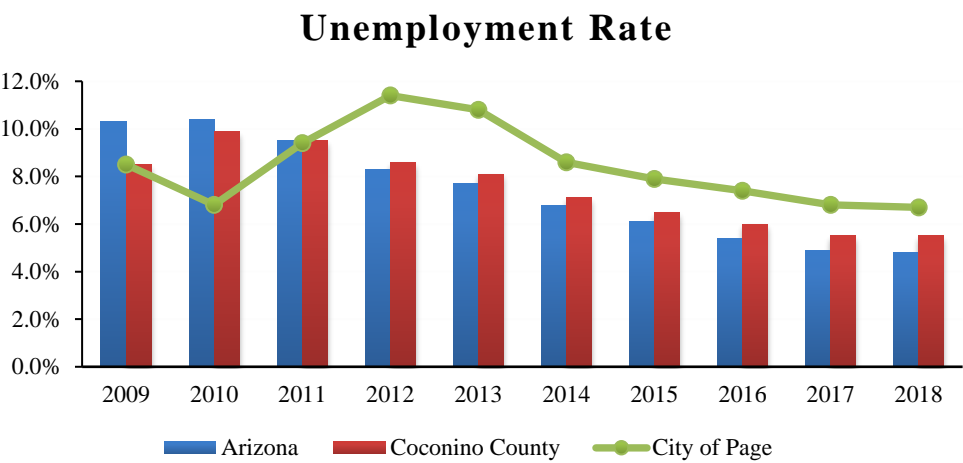
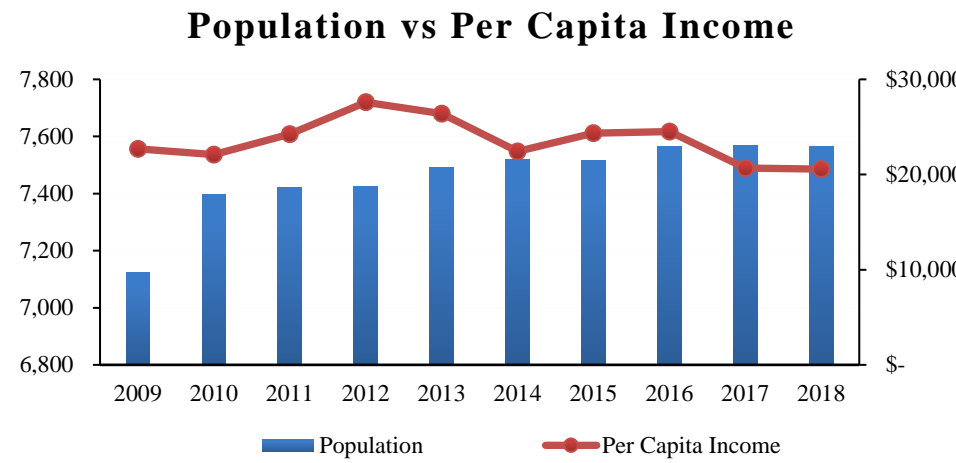
2019			2014		
Employer	Employees	% of Total Employment	Employer	Employees	% of Total Employment
Marpalm of Florida Inc	99	3.0%	Page Steel / Page Lumber	84	2.5%
Gary Yamamoto Custom Baits Inc	122	4.0%	Courtyard by Marriott LLP	90	2.7%
City of Page	124	4.0%	Safeway	100	3.0%
Cuddle Outreach Ministry	125	4.0%	Page Hospital	115	3.5%
Banner Health	135	4.0%	Gary Yamamoto Custom Baits	165	5.0%
National Park Service	150	4.0%	City of Page (Including Page Electric Utility)	180	5.4%
Infinity of Page Home Health Services Llc	150	4.0%	Super Wal-Mart	210	6.3%
Walmart	222	7.0%	Page Unified School District No. 8	436	13.1%
Page Unified School District 8	728	22.0%	Navajo Generating Station	498	14.9%
Aramark Corp	1,100	33.0%	Aramark, Inc.	700	21.0%
Total	2,955	88.6%	Total	2,578	77.3%
Other	382	11.4%	Other	755	22.7%
Labor Force		3,709	Labor Force		3,686
Total employment		3,337	Total employment		3,333
Unemployment		372	Unemployment		353
Unemployment Rate to Labor Force		10.0%	Unemployment Rate to Labor Force		9.6%

Note (1): Local data 2012- 2018 from U.S. Census Bureau American Fact Finder. Arizona (Nonmetropolitan Portion) data for 2007-2008 from Bureau of Economic Analysis.

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

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

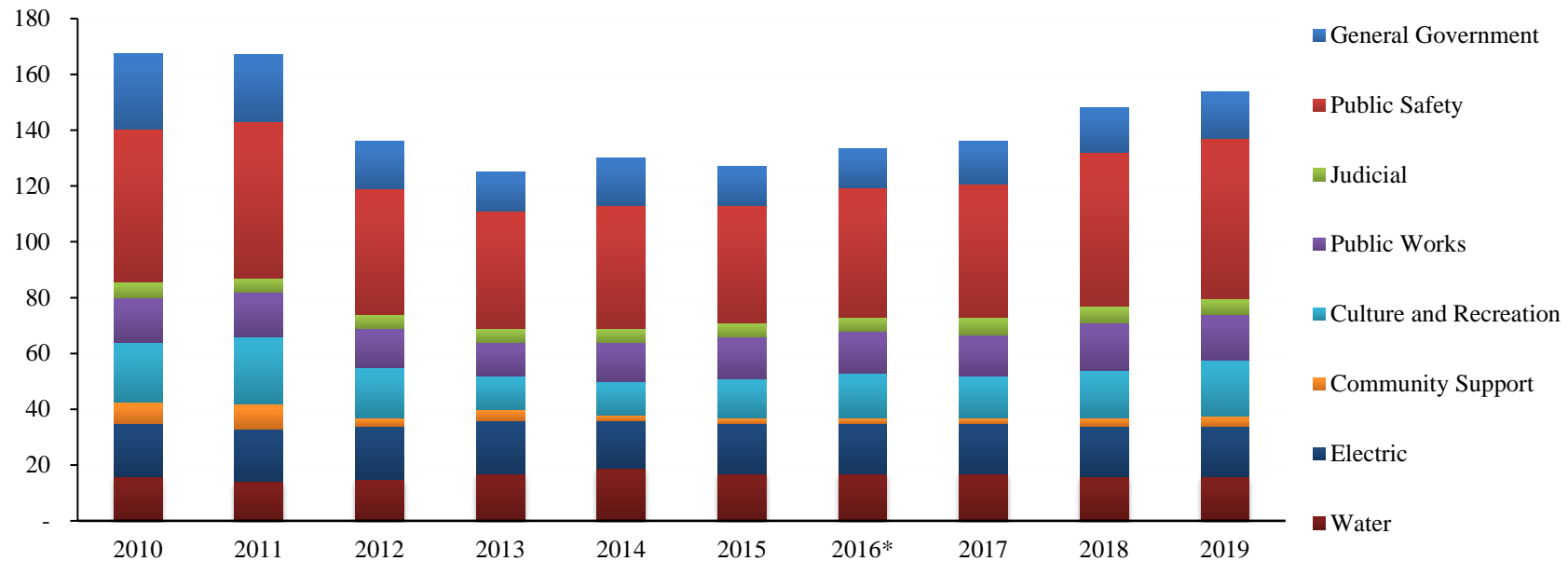
Note (4): Source - U.S. Census - 2012 to 2018 Annual Estimates of the Resident Population. 2007 to 2009 Intercensal Population Estimates for Arizona, It's Counties, and Incorporated Places.



**Full-Time-Equivalent City Government Employees by Function/Program**  
**Last Ten Fiscal Years**

Full-time Equivalent Employees as of June 30										
Function	2010	2011	2012	2013	2014	2015	2016*	2017	2018	2019
General Government	27	24	17	14	17	14	14	15	16	17
Public Safety	55	56	45	42	44	42	46	48	55	58
Judicial	6	5	5	5	5	5	5	6	6	5
Public Works	16	16	14	12	14	15	15	15	17	17
Culture and Recreation	22	24	18	12	12	14	16	15	17	20
Community Support	8	9	3	4	2	2	2	2	3	4
Electric	19	19	19	19	17	18	18	18	18	18
Water	16	14	15	17	19	17	17	17	16	16
Total	168	167	136	125	130	127	133	136	147	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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2018</u>
<b>Planning and Building Safety</b>										
Building permits issued (new single family homes)	23	6	1	6	3	3	8	12	11	15
<b>Highway and Streets</b>										
Street resurfacing (miles)	1.4	2.4	0.0	0.0	0.0	1.0	0.0	0.2	3.2	17.6
Streets striped (miles)	16.5	16.5	16.7	9.3	9.3	7.6	0.0	20.4	12.9	10.0
<b>Culture and Recreation</b>										
Summer recreation camps	11	12	13	0	0	0	0	5	4	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)**

	Fiscal Year Ended June 30									
<u>Function</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Highways and Streets</b>										
Streets (miles)	47.0	47.0	47.2	47.2	47.2	47.2	47.2	47.2	47.2	47.2
Streetlights	811	811	817	817	817	817	817	817	817	817
Traffic Signals	53	53	53	53	53	53	53	53	53	53
<b>Culture and recreation</b>										
Parks acreage	17.73	17.73	17.73	17.73	17.73	17.73	17.73	17.73	17.73	17.73
Parks	6	6	6	6	6	6	6	6	6	6
Community centers	1	1	1	1	1	1	1	1	1	1
<b>Sewer</b>										
Sanitary sewers (miles)	32	38	39	39	38.94	38.94	49.26	49.26	49.26	49.26
Storm sewers (miles)	8.3	8.3	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	2,500,000
Average daily treatment (gallons)	872,000	901,000	945,000	918,000	908,005	875,000	889,000	882,000	918,194	918,194
<b>Water</b>										
Water lines (miles)	55	59	59	59.61	60.07	59.94	59.94	60.19	60.19	60.19
Raw water lines (miles)	N/A	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	5,000,000
Average daily treatment (gallons)	1,918,000	1,921,000	1,988,000	1,890,000	1,751,756	1,618,500	1,940,000	1,890,000	1,872,540	1,872,540

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, 2019, 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 November 14, 2019.

**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) to determine the 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 determination of financial statement amounts. 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  
November 14, 2019



## **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, 2019, and have issued our report thereon dated November 14, 2019. 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, 2019.

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  
November 14, 2019

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