

2020

Comprehensive Annual Financial Report  
For Year Ended June 30, 2020



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**CITY OF PAGE, ARIZONA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED**

**JUNE 30, 2020**

**PREPARED BY:**

**CITY OF PAGE FINANCE DEPARTMENT**

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**CITY OF PAGE, ARIZONA**

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November 15, 2020

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, 2020.

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

The City of Page's financial statements have been audited by HintonBurdick, PLLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Page for the fiscal year ended June 30, 2020, 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 unmodified opinion that the City of Page's financial statements for the fiscal year ended June 30, 2020, 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-taking and legislative authority, consists of a mayor and a six-member council. The Council is responsible for, among other things, passing ordinances, resolutions and adopting the annual budget. They also appoint committees and hire the City Manager, City Attorney, City Clerk, City Magistrate and General Manager for the Page Utility Enterprises. The City Manager is responsible for carrying out the policies, ordinances and resolutions of the Council, and for overseeing the day-to-day operations of the City 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 4.33 million visitors in 2019. 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 when NGS closed 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 would impact the community. The total annual economic contribution of the Navajo Generating Station on the City of Page was estimated to be approximately \$51 million.

Recognizing that NGS was 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 2019/2020, the Mayor and Council continued to focus on debt reduction and revenue acquisition.

The City addressed its "bond debt" obligations and is dedicating 75% 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.

The City of Page's taxable revenue for the General Fund was on a path to increase by 10% to 20% in the year (2021) prior to COVID-19 and the nationwide lockdown. In fiscal year (2020) the taxable value decreased by \$2,137,044, compared with the previous year (2019) we saw an increase of 1,258,550. Page has seen a sustained increase in sales tax contributions to the General Fund for the last five years. 2020's revenue decrease is attributed solely to the unexpected COVID-19 pandemic.

There were some very difficult decisions made in the 2020 fiscal year. COVID-19 made a large impact on the last 5 months of 2020's sales tax revenue stream. The City Council and staff made the tough decision to not replace individuals because of retirement. This resulted in a continuing decline in the number of full-time employees working for the City of Page. It was also necessary to furlough or lay off individuals whose departments had been specifically compromised by the decline in revenue. To reference the above, in fiscal year 2019 the City employed 178 FTEs, in this fiscal year 2020 Page currently employs 152 FTEs, a decrease of 26 employees. This alone is a major savings to the budget, and in turn to the citizens of the City of Page. A reorganization of departments to increase efficiency was also been implemented. The departments that saw changes are Fire, Police, Public Works, Horseshoe Bend, Recreation, Library, Finance, and Lake Powell National Golf Course. Positions and duties were privately contracted, duties have been absorbed by other employees, and some positions have been fully eliminated. All requests for new hire were completely eliminated or denied. It was because of budget restraints that city employees' wages were frozen. With these changes the City of Page has positioned itself for continued financial success in the coming years.

## **AWARDS AND ACKNOWLEDGEMENTS**

**Awards.** The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This is the tenth 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 2019-20 certificate.

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

Respectfully submitted,

A handwritten signature in blue ink that reads "Darren Coldwell". The signature is written in a cursive style and is positioned above a horizontal line.

Darren Coldwell  
City Manager

A handwritten signature in blue ink that reads "Linda L. Watson". The signature is written in a cursive style and is positioned above a horizontal line.

Linda L. Watson  
Finance Director

# City of Page

## Members of City Council

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

## City Appointed Officials

Darren Coldwell  
*City Manager*

Joshua Smith  
*City Attorney*

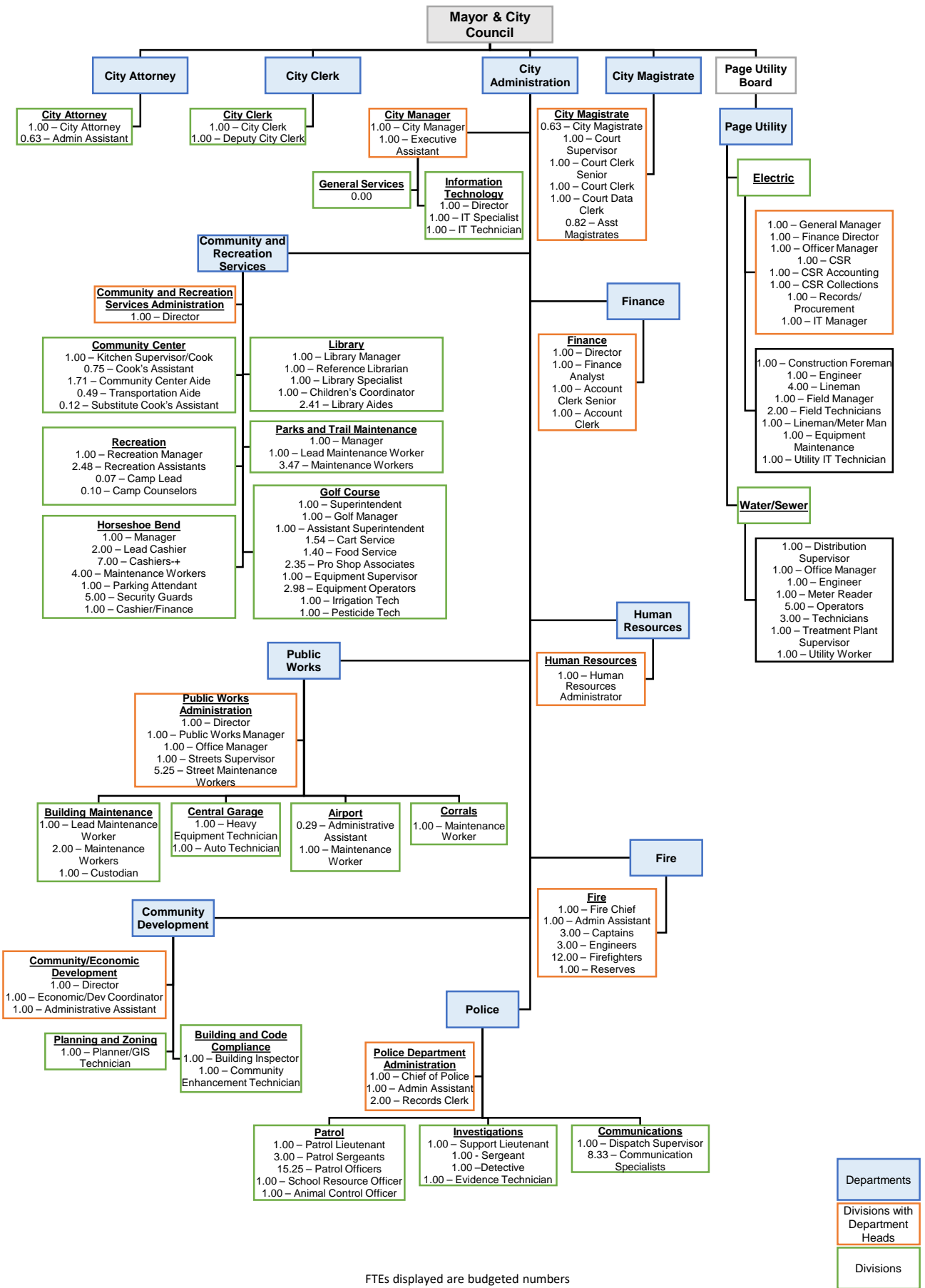
Kim Larson  
*City Clerk*

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



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, 2019

*Christopher P. Morrill*

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, 2020, 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, 2020, 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 18, 2020, 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 18, 2020

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**CITY OF PAGE, ARIZONA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2020**

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, 2020. 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 \$166,069,523. This amount is comprised of \$104,837,153 in capital assets net of related debt, 11,944,783 of restricted net position and \$49,287,587 in unrestricted net position. This position reflects an overall net increase of \$12,162,469 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 Golf Course Fund and the continuation of the new revenue stream that the Horseshoe Bend parking fees have been bringing in, however, we have seen a drastic decline in revenue as a result of the restrictions placed on out of country travel and closure of the borders as a result of the COVID-19 pandemic. The Electric Utility has completed the extension of electric infrastructure four miles out to Horseshoe Bend, one of the City's main tourist attractions. The Utility also replaced \$500,000 of direct buried electrical cable. A large pond liner was replaced at the Wastewater Treatment Plant and the project to being replacing fifty streetlights each year with LED lights, began this year. 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 1,506,721 in deferred inflows related to pensions for both Governmental and Business-type Activities. This net pension liability totals \$8,579,463 for all City pension plans at the end of the fiscal year and is reported as required by the Governmental Accounting Standards Board (GASB).
- City Sales tax remains the single largest revenue source in the General Fund budget for the City of Page. This fiscal year, city tax revenue decreased from last year by just over \$2 million. This decrease is a direct result the decrease in tourism due to the COVID-19 pandemic. The City has in the past budgeted conservatively and brought in higher revenues to build our cash reserves. This fiscal year we budgeted to receive tax revenue in the amount of \$12.24 million, and we received \$12,334,281 million by June 2020. While the hotel category remains the prime driver of the tax revenue in bringing in \$4.102 million, the retail sales and restaurant categories combined pulled in \$4.919 million of the sales tax revenue to the City of Page.
- The City received capital grants in the amount of \$3,222,457 from the Federal Aviation Administration and Arizona Department of Transportation for the Apron Reconstruction 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; and County and State funds are distributed to our local Library. The U.S. Department of Transportation has assisted the City of Page with a grant for Essential Air Service for air travel in and out of Page, Arizona. This fiscal year, the City received \$4.4 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, 2020, the City had earned a total of \$541,510.39 in interest from those investments, of which \$173,090.95 was earned in fiscal year 2020 alone. The City Council authorized an additional outside investment of \$6.3 million in fiscal year 2019 and then another \$3.3 million in fiscal year 2020 for total amount of funds invested in outside investments of \$16.1 million. The balance remaining in the City of Page LGIP accounts as of June 30, 2020 was approximately \$6.6 million, with \$79,321 being reserved for Highway User Revenue Fund; \$2 million reserved toward the early retirement of the 2011 Series Bond Debt in July 2021 and \$4.6 million in the General Account.
- As of June 2020, the balance on the principal amount for the 2011 Series Bond was \$6,040,000. In addition, the City has an outstanding principal bond for the Airport in the amount of \$197,492.36 and capital leases payable for Golf Course Equipment in the amount of \$123,059. This fiscal year, we added the lease payment for six new patrol vehicles and paid \$8,610 toward that lease this fiscal year. The lease balance on the patrol vehicles at June 30, 2020 was \$333,422.33. Overall, the total principal on outstanding long-term debt currently held by the City of Page is \$6.7 million. The City Council has identified paying off our existing long-term debt as a top priority and has requested that the bonds be paid in full by the first call date in July 1, 2021.

## **USING THIS ANNUAL REPORT**

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

### **Reporting the City as a Whole**

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

A frequently asked question regarding the City's financial health is whether the year's activities contributed positively to the overall financial well-being. The Statement of Net Position and the Statement of Activities provide information about the City and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is like the accounting used by most private-sector companies. All the current year's revenues and expenses are considered regardless of when cash is received or paid.

These two statements report the change in the City's net position. Net position, the difference between assets and liabilities, are one way to measure the City's financial health, or financial position. Over time, increases or decreases in net position are an indicator of whether the financial health is improving or deteriorating. However, it is important to consider other non-financial factors such as changes in the City's sales tax revenue or condition of the City's roads to accurately assess the overall health of the City.

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

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

## **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, 2020 as shown in the following condensed statement of net position. The City has chosen to account for its utility operations, golf 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	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Current and other assets	\$ 33,949,820	\$ 29,475,831	\$ 36,281,897	\$ 32,424,582	\$ 70,231,717	\$ 61,900,413
Capital assets	76,745,152	77,221,009	38,933,259	35,838,822	115,678,411	113,059,831
Total assets	110,694,972	106,696,840	75,215,156	68,263,404	185,910,128	174,960,244
Deferred charge on refunding	20,926	92,675	-	-	20,926	92,675
Deferred outflows related to pensions/OPEB	2,819,598	3,385,252	455,661	471,377	3,275,259	3,856,629
Total deferred outflows of resources	2,840,524	3,477,927	455,661	471,377	3,296,185	3,949,304
Long-term liabilities outstanding	11,265,136	14,192,662	3,731,166	2,960,802	14,996,302	17,153,464
Other liabilities	4,547,729	3,657,313	2,086,038	2,532,843	6,633,767	6,190,156
Total liabilities	15,812,865	17,849,975	5,817,204	5,493,645	21,630,069	23,343,620
Deferred inflows related to pensions/OPEB	1,195,907	1,298,335	310,814	360,539	1,506,721	1,658,874
Net position:						
Net investment in capital assets	69,889,750	69,659,085	34,947,403	35,838,822	104,837,153	105,497,907
Restricted	11,944,783	9,682,423	-	-	11,944,783	9,682,423
Unrestricted	14,692,191	11,684,949	34,595,396	27,041,775	49,287,587	38,726,724
Total net position	\$ 96,526,724	\$ 91,026,457	\$ 69,542,799	\$ 62,880,597	\$ 166,069,523	\$ 153,907,054

The City has \$185.9 million in total assets, with \$115,678,411 in capital assets (net of depreciation). The City's water, sewer, sanitation, electric enterprise and Golf and Horseshoe Bend operations are included in the Business-type activities column. These operations are capital intensive, using a large portion of their resources to maintain and replace major equipment and facilities.

**Governmental Activities**

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



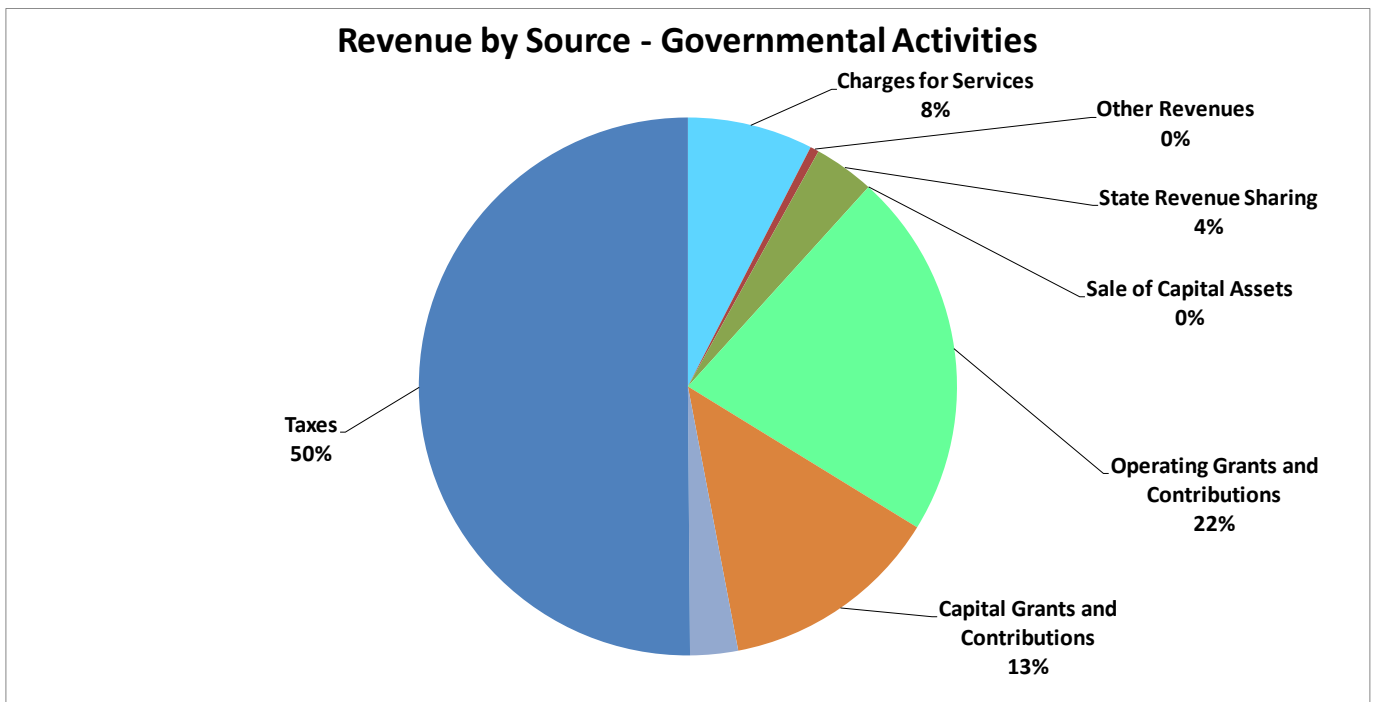
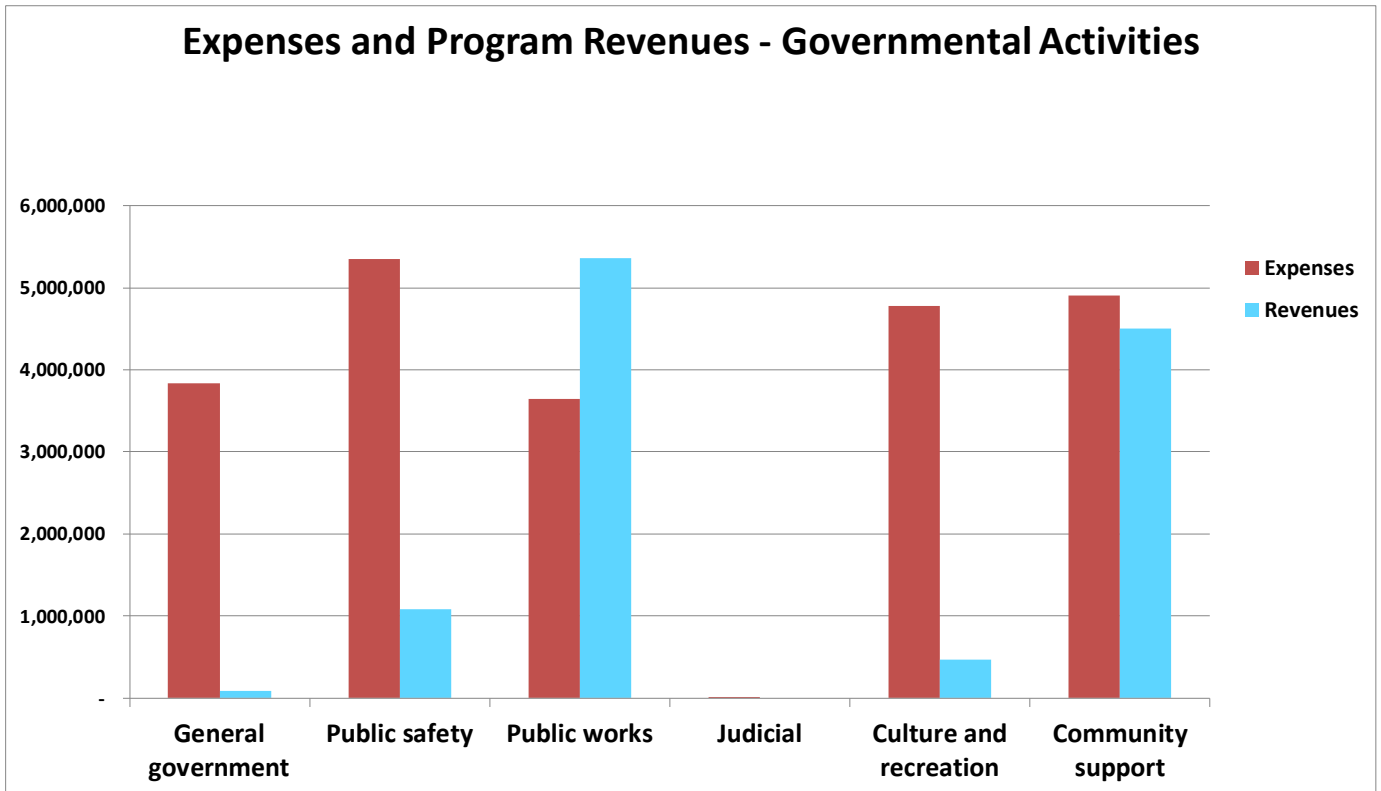
**City of Page**  
**Changes in Net Position**

	Governmental activities		Business-type activities		Combined Total	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019	6/30/2020	6/30/2019
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 2,026,292	\$ 2,046,722	\$ 19,038,328	\$ 15,686,401	\$ 21,064,620	\$ 17,733,123
Operating grants and contributions	5,928,375	5,641,026	-	-	5,928,375	5,641,026
Capital grants and contributions	3,554,737	530,262	3,597,898	528,738	7,152,635	1,059,000
<b>General revenues:</b>						
Taxes	13,468,432	15,535,278	-	-	13,468,432	15,535,278
State revenue sharing	978,393	914,667	-	-	978,393	914,667
Investment Income	771,305	509,076	233,213	276,715	1,004,518	785,791
Gain/(Loss) on disposal of asset	-	-	-	40,284	-	40,284
Other revenue/(expense)	141,458	221,452	-	-	141,458	221,452
<b>Total revenues</b>	<b>26,868,992</b>	<b>25,398,483</b>	<b>22,869,439</b>	<b>16,532,138</b>	<b>49,738,431</b>	<b>41,930,621</b>
<b>Expenses:</b>						
General government	3,831,163	4,644,028	-	-	3,831,163	4,644,028
Public safety	5,346,184	3,998,934	-	-	5,346,184	3,998,934
Public works/Streets	3,648,509	5,497,750	-	-	3,648,509	5,497,750
Judicial	9,936	16,142	-	-	9,936	16,142
Culture and recreation	4,774,238	1,544,092	-	-	4,774,238	1,544,092
Community support	4,905,730	4,970,310	-	-	4,905,730	4,970,310
Interest on long-term debt	383,336	407,326	-	-	383,336	407,326
Water	-	-	1,588,783	1,727,545	1,588,783	1,727,545
Sewer	-	-	1,616,752	1,520,319	1,616,752	1,520,319
Sanitation	-	-	749,644	717,310	749,644	717,310
Electric	-	-	6,922,860	8,013,267	6,922,860	8,013,267
Golf	-	-	1,398,663	-	1,398,663	-
Horseshoe Bend	-	-	2,400,164	263,265	2,400,164	263,265
<b>Total expenses</b>	<b>22,899,096</b>	<b>21,078,582</b>	<b>14,676,866</b>	<b>12,241,706</b>	<b>37,575,962</b>	<b>33,320,288</b>
<b>Increase (Decrease) in net position</b>						
before transfers	3,969,896	4,319,901	8,192,573	4,290,432	12,162,469	8,610,333
Transfers	1,530,371	141,147	(1,530,371)	(141,147)	-	-
<b>Change in net position</b>	<b>5,500,267</b>	<b>4,461,048</b>	<b>6,662,202</b>	<b>4,149,285</b>	<b>12,162,469</b>	<b>8,610,333</b>
Net position, beginning	91,026,457	85,565,409	62,880,597	59,327,352	153,907,054	144,892,761
Prior period adjustment	-	1,000,000	-	(596,040)	-	403,960
<b>Net position, ending</b>	<b>\$ 96,526,724</b>	<b>\$ 91,026,457</b>	<b>\$ 69,542,799</b>	<b>\$ 62,880,597</b>	<b>\$ 166,069,523</b>	<b>\$ 153,907,054</b>

The cost of all governmental activities this year was \$22.9 million, while the cost of all business-type activities totaled \$14.7 million, bringing the total expenses for the government to \$37.6 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 \$13.5 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 Golf and Horseshoe Bend. The total revenue received for the business-type activities during the year was \$22.9 million, which is \$6.3 million more than the prior year. This increase in revenues is primarily because of activity increases in the Electric Utility, Golf Course and Horseshoe Bend..

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

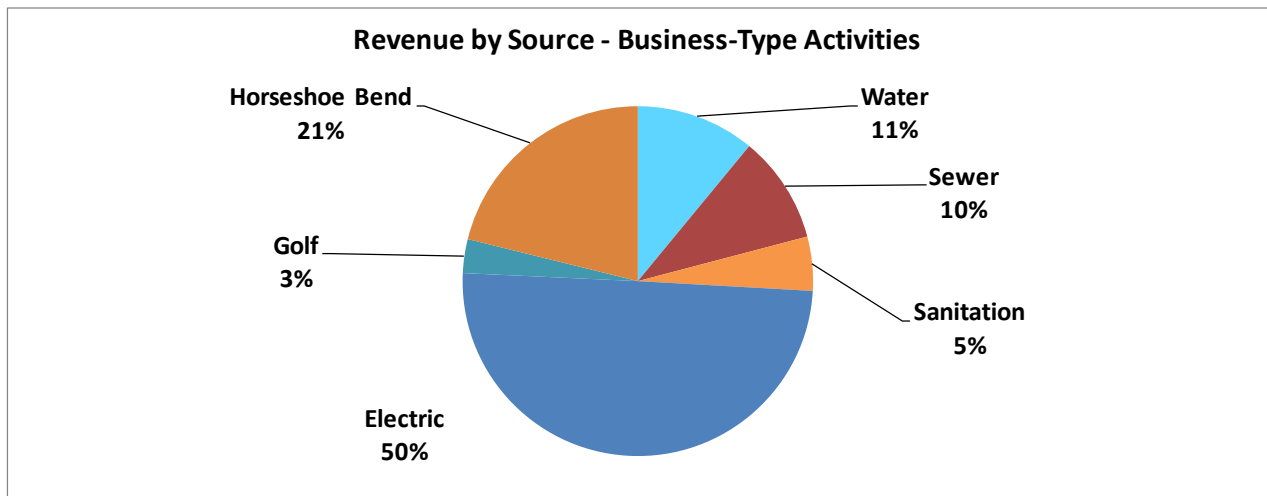
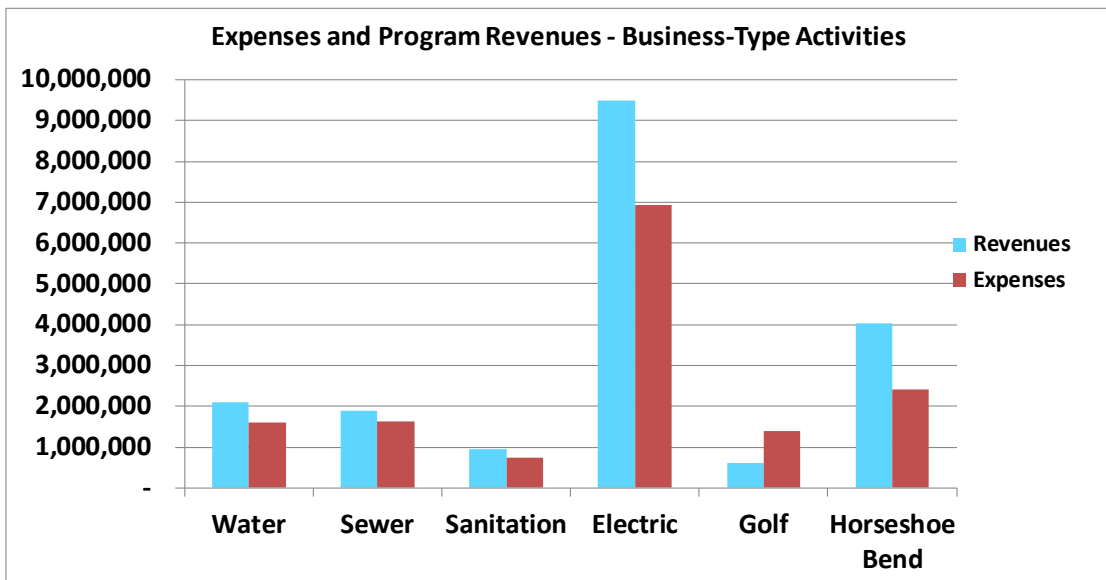


## Business Type Activities

The net position of the Business Type activities at June 30, 2020 as reflected in the Statement of Net Position was \$69.5 million. The cost of providing all Business Type activities this year was \$14.67 million. As shown in the statement of Changes in Net Position, the amounts paid by users of the system were \$22.9 million reflecting a \$6,337,301 increase in revenue from the prior year. The increase in revenues is mainly due to the increase for a full year of Horseshoe Bend activity. The Net Position increased by \$6.7 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 2019-20 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 City's Funds**

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

### **Governmental Funds**

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spend-able resources. Such information is useful in assessing the City of Page's financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of Governmental Funds reported by the City, include the General Fund, Special Revenue Funds, Capital Project Funds and Debt Service Funds.

As of the end of the current fiscal year, the City of Page's governmental funds reported a combined ending fund balance of \$30.7 million, an increase of \$3.66 million in comparison with the prior year. This growth reflects an addition of \$175,692 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 \$7.8 million; an added \$12.3 million in cash was received from sales tax revenue, falling short of meeting our budgeted amount for FY 2020 by only \$60,000; the Capital Projects Fund held a final fund balance of \$3.6 million and the remaining \$1.7 million dollar fund balance represents increases from charges for service and interest earnings from our investments. Approximately 57% of this total amount or \$17.58 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 \$17,577,602, nearly 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 143.8% of total general fund expenditures for fiscal year 2020.

The Highway User Revenue Fund has a total fund balance of \$84,670, all of which is restricted for road and street construction and improvements. The net increase in the fund balance during the current year was \$53,989. The current year Highway User revenues were nearly all utilized for current year street and road maintenance that was completed throughout the City.

The Capital Projects Fund balance increased by \$1,987,835 this fiscal year due to various capital projects being put on hold mid-year due to the onset of the COVID-19 pandemic crisis. When the travel restrictions were implemented by our Federal Government, our tourism industry was drastically affected. With the loss of sales tax revenue, the City was forced to lay off 27 of our staff members, along with cutting our expenditures to an 'emergency spending' mode of operations. Having to make these difficult decisions, forced the City Administration look to at eliminating or postponing some of our larger capital projects that were budgeted in the Capital Projects Fund. Some of those projects included Horseshoe Bend Phase III construction; John C. Page Memorial Park design; City Center Streetscape; and the relocation of our Public Works and Central Garage departments

The City of Page did accomplish purchasing some of their capital equipment items and improvements early in the fiscal year before the pandemic struck. The equipment purchased in fiscal year 2020 was, a new command vehicle and defibrillator for the Fire Department; backhoe and Ford F250 truck for Public Works Department; a radio analog repeater, an evidence refrigerator and lease for 6 new patrol vehicles (including upfitting costs) was purchased for the Police Department; and a Ford F250 truck was purchased for Horseshoe Bend. On the capital improvements side of the budget, the City's largest capital improvement was at the Airport for the Apron Reconstruction and the Master Plan update for the Page Municipal Airport. This

project was funded by Federal, and State grants inclusive of the City's matching funds for a total investment of \$3.6 million. The City also purchased playground equipment with a Community Development Block Grant (CDBG); installed electrical lines to Horseshoe Bend; completed the ballistic lobby remodel at City Hall; completed the Magistrate Court security improvements; and purchased a traffic interface program for Spillman for our Police Department.

### **Proprietary Funds**

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

Revenues and transfers in exceeded expenses and transfers out in the proprietary funds by \$ 6.6 million for the fiscal year ended June 30, 2020. This reflects an overall increase in net position of 10.6% from prior year. The major part of the overall increase was related to \$2.7 million in capital improvements made by the Electric Utility and the growth in our Horseshoe Bend fund by approximately \$600,000. The Golf Fund was a new enterprise fund added to the City and reported a net position of \$2.4 million.

### **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 \$16,815,015. The amount budgeted for the year was \$17,142,393, showing an excess in revenue of \$327,378 from budget. The variance in budget to actual numbers was primarily due to receiving more interest earnings on our investments, higher collections on ambulance billings, more building fees received and finally the receipt of stimulus funds from the US Health & Human Services Cares Act. Actual expenditures of \$12,224,977 were 82% of the budgeted expenditures of \$14,913,173. Actual expenditures were less than budget by \$2,688,196. The variance in budget was primarily due mandatory budget cuts due to the lack of revenue income caused by the COVID-19 pandemic.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

The capital assets of the City are those assets that are used in performance of City functions, including infrastructure assets. Capital Assets include equipment, vehicles, buildings, land, park facilities and roads. At the end of fiscal year 2020, net capital assets of the government activities totaled \$76.7 million and the net capital assets of the business-type activities totaled \$38.9 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 \$7.7 million in governmental long-term debt outstanding, not including the net pension liability of \$5.3 million. The debt is a liability of the government and includes our two bonds and our capital lease obligations. The City's initial Series 1999 bond was issued to cover the costs of constructing the public safety facility and the library, costs associated with closing the landfill, and costs associated with improvements made to the water and wastewater treatment plants. The 1999 bond was restructured to what is now called the Series 2011 Bond. The balance as of June 30, 2020 for the Series 2011 Bond is \$6,040,000. The City entered a new lease purchase agreement for the purchase of Police cars in the current year for \$342,033. The ending balance of all capital lease obligations is \$365,107. The City also continues to pay on the Airport bond debt, carrying a current principal balance owing of \$197,492 at year end. (See note 7 to the financial statements for detailed descriptions on all debt outstanding.)

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

The City of Page, Arizona as well as other Arizona cities, remains dependent on state shared revenues and local sales taxes for resources. These revenue sources are economically sensitive taxes and subject to slowdowns in the economy and legislative appropriations. This year the COVID-19 pandemic struck the City of Page mid-year and we have made appropriate adjustments in our spending as a result of it.

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

The City has adopted a Financial Management Policy which establishes guidelines for the City's overall fiscal planning and management. These principles are intended to foster and support the continued financial strength and stability of the City of Page as reflected in its financial goals.

The City Council set the following guidelines for their Strategic Goals and Priorities for FY 2018 & FY 2019 Budget years. These guidelines continue to be followed today:

### **Community Development**

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

### **Fiscal Stability:**

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

### **High Performing Organization:**

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

### **Improving Infrastructure:**

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

### **Quality of Life:**

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

The City established an Emergency Reserve Fund and set the minimum cash reserve for General Fund operations at \$8 million, per Resolution 1229-19. This reserve must be obtained while maintaining the capital and ongoing operation needs of the community. The adopted fiscal year 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, 2020**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 28,450,175	\$ 34,497,028	\$ 62,947,203
Receivables (net of allowance)	2,450,070	1,363,027	3,813,097
Prepaid expenses	260	341,279	341,539
Inventories	-	1,638,454	1,638,454
Net pension/OPEB asset	448,648	-	448,648
Internal balances	2,535,025	(2,535,025)	-
Restricted assets (temporarily restricted):			
Cash and cash equivalents	65,642	977,134	1,042,776
Capital assets (net of accumulated depreciation)			
Land and improvements	45,199,590	63,000	45,262,590
Construction in progress	4,212,300	340,605	4,552,905
Buildings and improvements	8,442,701	16,936,362	25,379,063
Furniture, equipment and vehicles	2,029,756	4,803,010	6,832,766
Infrastructure	16,860,805	-	16,860,805
Distribution systems	-	16,790,282	16,790,282
Total assets	<u>110,694,972</u>	<u>75,215,156</u>	<u>185,910,128</u>
<b>Deferred Outflows of Resources</b>			
Deferred charge on refunding	20,926	-	20,926
Deferred outflows related to pensions/OPEB	2,819,598	455,661	3,275,259
Total deferred outflows of resources	<u>2,840,524</u>	<u>455,661</u>	<u>3,296,185</u>
<b>Liabilities</b>			
Accounts payable and other current liabilities	2,794,099	988,953	3,783,052
Customer deposits	-	977,134	977,134
Interest payable	2,063	-	2,063
Unearned revenue	693	-	693
Noncurrent liabilities:			
Due within one year	1,750,874	119,951	1,870,825
Due in more than one year	5,991,083	425,756	6,416,839
Net pension/OPEB liability	5,274,053	3,305,410	8,579,463
Total liabilities	<u>15,812,865</u>	<u>5,817,204</u>	<u>21,630,069</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows related to pensions/OPEB	1,195,907	310,814	1,506,721
<b>Net Position</b>			
Net investment in capital assets	69,889,750	34,947,403	104,837,153
Restricted for:			
Debt service	7,772,803	-	7,772,803
Capital projects	3,613,664	-	3,613,664
Highways and streets	84,670	-	84,670
Perpetual care - expendable	294,874	-	294,874
Community support and other	178,772	-	178,772
Unrestricted	14,692,191	34,595,396	49,287,587
Total net position	<u>\$ 96,526,724</u>	<u>\$ 69,542,799</u>	<u>\$ 166,069,523</u>

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



**CITY OF PAGE, ARIZONA**  
**Statement of Activities**  
**For the Year Ended June 30, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 3,831,163	\$ 86,163	\$ -	\$ -	\$ (3,745,000)	\$ -	\$ (3,745,000)
Public safety	5,346,184	1,069,039	10,440	2,213	(4,264,492)	-	(4,264,492)
Public works	3,648,509	804,126	1,076,190	3,483,376	1,715,183	-	1,715,183
Judicial	9,936	-	-	-	(9,936)	-	(9,936)
Culture and recreation	4,774,238	52,048	353,881	69,148	(4,299,161)	-	(4,299,161)
Community support	4,905,730	14,916	4,487,864	-	(402,950)	-	(402,950)
Interest on long-term debt	383,336	-	-	-	(383,336)	-	(383,336)
Total governmental activities	<u>22,899,096</u>	<u>2,026,292</u>	<u>5,928,375</u>	<u>3,554,737</u>	<u>(11,389,692)</u>	<u>-</u>	<u>(11,389,692)</u>
Business-type activities:							
Water	1,588,783	2,087,440	-	-	-	498,657	498,657
Sewer	1,616,752	1,891,245	-	-	-	274,493	274,493
Sanitation	749,644	951,109	-	-	-	201,465	201,465
Electric	6,922,860	9,488,096	-	-	-	2,565,236	2,565,236
Golf	1,398,663	596,210	-	3,221,792	-	2,419,339	2,419,339
Horseshoe Bend	2,400,164	4,024,228	-	376,106	-	2,000,170	2,000,170
Total business-type activities	<u>14,676,866</u>	<u>19,038,328</u>	<u>-</u>	<u>3,597,898</u>	<u>-</u>	<u>7,959,360</u>	<u>7,959,360</u>
Total primary government	<u>\$ 37,575,962</u>	<u>\$ 21,064,620</u>	<u>\$ 5,928,375</u>	<u>\$ 7,152,635</u>	<u>(11,389,692)</u>	<u>7,959,360</u>	<u>(3,430,332)</u>
General Revenues:							
Taxes:							
City sales tax					12,100,877	-	12,100,877
Franchise tax					233,405	-	233,405
State sales tax (unrestricted)					781,163	-	781,163
Auto lieu tax (unrestricted)					352,987	-	352,987
State revenue sharing (unrestricted)					978,393	-	978,393
Unrestricted investment earnings (losses)					771,305	233,213	1,004,518
Other general revenues					141,458	-	141,458
Transfers					1,530,371	(1,530,371)	-
Total general revenues & transfers					<u>16,889,959</u>	<u>(1,297,158)</u>	<u>15,592,801</u>
Change in net position					5,500,267	6,662,202	12,162,469
Net position - beginning					91,026,457	62,880,597	153,907,054
Net position - ending					<u>\$ 96,526,724</u>	<u>\$ 69,542,799</u>	<u>\$ 166,069,523</u>

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

**CITY OF PAGE, ARIZONA**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2020**

	<u>General</u>	<u>Highway User Fund</u>	<u>Grants Fund</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 17,127,832	\$ 35,833	\$ 93,152
Prepaid items	260	-	-
Other receivables	53,142	-	-
Due from other funds	1,320,089	-	-
Due from other governments	1,199,096	64,039	435,414
Restricted cash and cash equivalents	8,450	-	-
<b>Total assets</b>	<u><u>\$ 19,708,869</u></u>	<u><u>\$ 99,872</u></u>	<u><u>\$ 528,566</u></u>
<b>Liabilities</b>			
Accounts payable	\$ 178,635	\$ 15,202	\$ 411,587
Accrued liabilities	318,016	-	-
Deposits payable	8,450	-	-
Due to other funds	1,625,213	-	-
Unearned revenue	693	-	-
<b>Total liabilities</b>	<u><u>2,131,007</u></u>	<u><u>15,202</u></u>	<u><u>411,587</u></u>
<b>Fund Balances</b>			
Nonspendable			
Prepaid	260	-	-
Restricted:			
Roads and highways	-	84,670	-
Debt service	-	-	-
Perpetual care - expendable	-	-	-
Public safety - substance abuse funds	-	-	-
Community support	-	-	116,979
Committed:			
Public works	-	-	-
Judicial	-	-	-
Assigned:			
Capital outlay	-	-	-
Debt service	-	-	-
Unassigned	17,577,602	-	-
<b>Total fund balances</b>	<u><u>17,577,862</u></u>	<u><u>84,670</u></u>	<u><u>116,979</u></u>
Total liabilities, deferred inflows and fund balances	<u><u>\$ 19,708,869</u></u>	<u><u>\$ 99,872</u></u>	<u><u>\$ 528,566</u></u>

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

<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 7,741,246	\$ 1,948,234	\$ 1,503,878	\$ 28,450,175
-	-	-	260
-	-	50,431	103,573
-	2,839,936	213	4,160,238
-	645,853	2,095	2,346,497
32,557	-	24,635	65,642
<u>\$ 7,773,803</u>	<u>\$ 5,434,023</u>	<u>\$ 1,581,252</u>	<u>\$ 35,126,385</u>
\$ 1,000	\$ 1,820,359	\$ 14,172	\$ 2,440,955
-	-	2,043	320,059
-	-	24,635	33,085
-	-	-	1,625,213
-	-	-	693
<u>1,000</u>	<u>1,820,359</u>	<u>40,850</u>	<u>4,420,005</u>
-	-	-	260
-	-	-	84,670
32,557	-	-	32,557
-	-	294,874	294,874
-	-	27,741	27,741
-	-	34,052	151,031
-	-	1,158,237	1,158,237
-	-	25,498	25,498
-	3,613,664	-	3,613,664
7,740,246	-	-	7,740,246
-	-	-	17,577,602
<u>7,772,803</u>	<u>3,613,664</u>	<u>1,540,402</u>	<u>30,706,380</u>
<u>\$ 7,773,803</u>	<u>\$ 5,434,023</u>	<u>\$ 1,581,252</u>	<u>\$ 35,126,385</u>

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**CITY OF PAGE, ARIZONA**  
**Reconciliation of Total Governmental Fund Balances**  
**To Net Position of Governmental Activities**  
**June 30, 2020**

Total governmental fund balances	\$	30,706,380
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Governmental capital assets	\$	107,618,153
Less: accumulated depreciation		<u>(30,873,001)</u>
		76,745,152
<p>Net OPEB asset is not an available resource and, therefore is not reported in the funds.</p>		
		448,648
<p>Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future reporting periods and, therefore, are not reported in the funds.</p>		
Deferred outflows	\$	2,819,598
Deferred inflows		<u>(1,195,907)</u>
		1,623,691
<p>Some liabilities, including bonds payable and capital leases, are not due and payable in the current period and therefore are not reported in the funds.</p>		
Bonds payable	\$	(6,040,000)
Airport lease purchase		(197,492)
Capital leases		(365,107)
Compensated absences		(865,629)
Net pension/OPEB liability		(5,274,053)
Bond premiums		(273,729)
Deferred amount on refunding		<u>20,926</u>
		(12,995,084)
<p>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.</p>		
		<u>(2,063)</u>
Total net position of governmental activities	\$	<u><u>96,526,724</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, 2020**

	<u>General</u>	<u>Highway User Fund</u>	<u>Grants Fund</u>
<b>Revenues</b>			
Taxes	\$ 12,334,282	\$ -	\$ -
Licenses, permits and fees	307,155	-	-
Intergovernmental revenue	2,463,076	1,046,706	4,592,086
Charges for services	892,926	-	-
Fines and forfeitures	236,453	-	-
Rental revenue	-	-	-
Investment earnings	524,430	9,589	-
Land sales	1,295	-	-
Other revenues	55,398	274	-
Total revenues	<u>16,815,015</u>	<u>1,056,569</u>	<u>4,592,086</u>
<b>Expenditures</b>			
Current:			
General government	3,983,865	-	-
Public safety	5,505,020	-	-
Public works	1,237,154	909,458	64,236
Judicial	-	-	-
Culture and recreation	812,718	-	-
Community support	686,220	-	4,440,932
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>12,224,977</u>	<u>909,458</u>	<u>4,505,168</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,590,038</u>	<u>147,111</u>	<u>86,918</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	1,395,122	-	-
Transfers out	(4,218,161)	(93,122)	(37,971)
Issuance of debt	-	-	-
Total other financing sources and uses	<u>(2,823,039)</u>	<u>(93,122)</u>	<u>(37,971)</u>
Net change in fund balances	1,766,999	53,989	48,947
Fund balances, beginning of year	<u>15,810,863</u>	<u>30,681</u>	<u>68,032</u>
Fund balances, end of year	<u>\$ 17,577,862</u>	<u>\$ 84,670</u>	<u>\$ 116,979</u>

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

<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ -	\$ 12,334,282
-	-	-	307,155
-	3,451,351	6,247	11,559,466
-	-	75,752	968,678
-	-	-	236,453
-	-	386,317	386,317
46,835	190,435	-	771,289
-	-	-	1,295
78,033	-	170,352	304,057
<u>124,868</u>	<u>3,641,786</u>	<u>638,668</u>	<u>26,868,992</u>
2,250	-	-	3,986,115
-	-	-	5,505,020
-	-	355,699	2,566,547
-	-	10,889	10,889
-	-	887	813,605
-	-	11,647	5,138,799
-	5,654,824	-	5,654,824
1,045,302	-	-	1,045,302
348,590	11,146	-	359,736
<u>1,396,142</u>	<u>5,665,970</u>	<u>379,122</u>	<u>25,080,837</u>
<u>(1,271,274)</u>	<u>(2,024,184)</u>	<u>259,546</u>	<u>1,788,155</u>
2,593,752	3,669,986	-	7,658,860
(1,146,786)	-	(632,449)	(6,128,489)
-	342,033	-	342,033
<u>1,446,966</u>	<u>4,012,019</u>	<u>(632,449)</u>	<u>1,872,404</u>
175,692	1,987,835	(372,903)	3,660,559
7,597,111	1,625,829	1,913,305	27,045,821
<u>\$ 7,772,803</u>	<u>\$ 3,613,664</u>	<u>\$ 1,540,402</u>	<u>\$ 30,706,380</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, 2020**

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

Net change in fund balances - total governmental funds \$ 3,660,559

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	\$ 4,800,668	
Depreciation expense	<u>(2,052,881)</u>	
		2,747,787

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, donations, and disposals) is a decrease in net position. (3,223,644)

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		(342,033)
Principal paid		1,071,277
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. (878)

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	\$ 2,003,398	
Pension/OPEB expense	<u>(414,554)</u>	
		1,588,844

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. 21,077

Change in net position of governmental activities \$ 5,500,267

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, 2020**

	<u>Horseshoe Bend</u>	<u>Water</u>	<u>Sewer</u>
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 3,207,534	\$ 5,888,568	\$ 3,599,798
Receivables, net of allowance	-	217,031	166,451
Due from other funds	-	-	-
Inventories	-	185,459	204,678
Prepaid expenses	-	27,916	27,187
Total current assets	<u>3,207,534</u>	<u>6,318,974</u>	<u>3,998,114</u>
Noncurrent assets:			
Restricted cash	-	119,275	-
Capital assets:			
Land	-	-	-
Construction-in-progress	247,143	-	-
Buildings and improvements	3,582,785	3,393,200	4,525,333
Machinery, equipment, vehicles	198,373	1,926,649	3,326,978
Distribution system	-	18,117,111	10,937,068
Less accumulated depreciation	(123,957)	(15,923,664)	(14,476,354)
Total noncurrent assets	<u>3,904,344</u>	<u>7,632,571</u>	<u>4,313,025</u>
Total assets	<u>7,111,878</u>	<u>13,951,545</u>	<u>8,311,139</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows related to pensions/OPEB	96,670	76,849	41,639
Total deferred outflows of resources	<u>96,670</u>	<u>76,849</u>	<u>41,639</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	20,945	235,343	68,586
Accrued liabilities	8,837	19,556	14,697
Customer deposits	-	119,275	-
Due to other funds	3,902,702	-	-
Current portion of long-term liabilities	3,912	3,912	46,619
Total current liabilities	<u>3,936,396</u>	<u>378,086</u>	<u>129,902</u>
Noncurrent liabilities:			
Compensated absences	2,107	67,809	11,431
Net pension/OPEB liability	701,252	557,471	302,055
Capital leases payable (net of current portion)	-	-	-
Total noncurrent liabilities	<u>703,359</u>	<u>625,280</u>	<u>313,486</u>
Total liabilities	<u>4,639,755</u>	<u>1,003,366</u>	<u>443,388</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows related to pensions/OPEB	65,940	52,420	28,403
Total deferred inflows of resources	<u>65,940</u>	<u>52,420</u>	<u>28,403</u>
<b>Net Position</b>			
Net investment in capital assets	1,642	7,513,296	4,313,025
Unrestricted	<u>2,501,211</u>	<u>5,459,312</u>	<u>3,567,962</u>
Total net position	<u>\$ 2,502,853</u>	<u>\$ 12,972,608</u>	<u>\$ 7,880,987</u>

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

<u>Electric</u>	<u>Sanitation (non-major)</u>	<u>Golf (non-major)</u>	<u>Total</u>
\$ 20,928,015	\$ 873,113	\$ -	\$ 34,497,028
902,945	76,600	-	1,363,027
1,625,000	-	-	1,625,000
1,248,317	-	-	1,638,454
286,176	-	-	341,279
<u>24,990,453</u>	<u>949,713</u>	<u>-</u>	<u>39,464,788</u>
857,859	-	-	977,134
63,000	-	-	63,000
93,462	-	-	340,605
12,939,380	-	7,612,861	32,053,559
6,105,785	-	539,817	12,097,602
28,742,789	-	-	57,796,968
(27,912,309)	-	(4,982,191)	(63,418,475)
<u>20,889,966</u>	<u>-</u>	<u>3,170,487</u>	<u>39,910,393</u>
<u>45,880,419</u>	<u>949,713</u>	<u>3,170,487</u>	<u>79,375,181</u>
188,240	-	52,263	455,661
<u>188,240</u>	<u>-</u>	<u>52,263</u>	<u>455,661</u>
478,783	63,003	32,534	899,194
46,669	-	-	89,759
857,859	-	-	977,134
14,480	-	242,843	4,160,025
37,733	-	27,775	119,951
<u>1,435,524</u>	<u>63,003</u>	<u>303,152</u>	<u>6,246,063</u>
258,923	-	2,332	342,602
1,365,509	-	379,123	3,305,410
-	-	83,154	83,154
<u>1,624,432</u>	<u>-</u>	<u>464,609</u>	<u>3,731,166</u>
<u>3,059,956</u>	<u>63,003</u>	<u>767,761</u>	<u>9,977,229</u>
128,401	-	35,650	310,814
<u>128,401</u>	<u>-</u>	<u>35,650</u>	<u>310,814</u>
20,032,107	-	3,087,333	34,947,403
22,848,195	886,710	(667,994)	34,595,396
<u>\$ 42,880,302</u>	<u>\$ 886,710</u>	<u>\$ 2,419,339</u>	<u>\$ 69,542,799</u>

**CITY OF PAGE, ARIZONA**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2020**

	<b>Horseshoe Bend</b>	<b>Water</b>	<b>Sewer</b>
<b>Operating revenues</b>			
Service fees	\$ 4,024,228	\$ 2,078,300	\$ 1,891,245
Other revenues	-	9,140	-
Total operating revenues	<u>4,024,228</u>	<u>2,087,440</u>	<u>1,891,245</u>
<b>Operating expenses</b>			
Salaries and wages	628,246	288,467	424,485
Employee benefits	892,229	61,506	77,103
Insurance	-	37,534	31,287
Service, supplies and other	146,735	538,580	546,567
Power costs	-	-	-
Contract services	359,735	25,840	16,521
Depreciation	114,653	636,856	520,789
Total operating expenses	<u>2,141,598</u>	<u>1,588,783</u>	<u>1,616,752</u>
Operating income	<u>1,882,630</u>	<u>498,657</u>	<u>274,493</u>
<b>Nonoperating revenues (expenses)</b>			
Interest income	26,040	41,760	15,958
Interest expense	(258,566)	-	-
Total nonoperating revenues (expenses)	<u>(232,526)</u>	<u>41,760</u>	<u>15,958</u>
Income (loss) before transfers	1,650,104	540,417	290,451
Capital contributions	376,106	-	-
Transfers to other funds	(1,435,379)	-	-
<b>Change in net position</b>	590,831	540,417	290,451
Total net position, beginning of year	<u>1,912,022</u>	<u>12,432,191</u>	<u>7,590,536</u>
<b>Total net position, end of year</b>	<u><u>\$ 2,502,853</u></u>	<u><u>\$ 12,972,608</u></u>	<u><u>\$ 7,880,987</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>Golf (non-major)</b>	<b>Total</b>
\$ 9,488,096	\$ 951,109	\$ 596,210	\$ 19,029,188
-	-	-	9,140
<u>9,488,096</u>	<u>951,109</u>	<u>596,210</u>	<u>19,038,328</u>
1,029,658	-	358,562	2,729,418
20,886	-	485,800	1,537,524
85,421	-	3,795	158,037
145,842	8,201	301,178	1,687,103
4,343,360	-	-	4,343,360
61,197	741,443	5,358	1,210,094
1,236,496	-	240,397	2,749,191
<u>6,922,860</u>	<u>749,644</u>	<u>1,395,090</u>	<u>14,414,727</u>
<u>2,565,236</u>	<u>201,465</u>	<u>(798,880)</u>	<u>4,623,601</u>
146,871	2,584	-	233,213
-	-	(3,573)	(262,139)
<u>146,871</u>	<u>2,584</u>	<u>(3,573)</u>	<u>(28,926)</u>
2,712,107	204,049	(802,453)	4,594,675
-	-	3,221,792	3,597,898
-	(94,992)	-	(1,530,371)
<u>2,712,107</u>	<u>109,057</u>	<u>2,419,339</u>	<u>6,662,202</u>
40,168,195	777,653	-	62,880,597
<u>\$ 42,880,302</u>	<u>\$ 886,710</u>	<u>\$ 2,419,339</u>	<u>\$ 69,542,799</u>

**CITY OF PAGE, ARIZONA**  
**Statement of Cash Flows**  
**Proprietary Fund Types**  
**For the Year Ended June 30, 2020**

	<u>Horseshoe Bend</u>	<u>Water</u>	<u>Sewer</u>
<b>Cash Flows From Operating Activities:</b>			
Cash received from customers, service fees	\$ 4,024,228	\$ 2,033,792	\$ 1,915,721
Cash received from other operating revenues	-	9,140	-
Cash paid to suppliers	(532,660)	(420,715)	(673,754)
Cash paid to employees	(843,934)	(439,139)	(516,805)
Net cash flows from operating activities	<u>2,647,634</u>	<u>1,183,078</u>	<u>725,162</u>
<b>Cash Flows From Noncapital Activities:</b>			
Transfers (to) / from other funds	(1,435,379)	-	-
Payments (to) from other funds	2,222,805	-	-
Net cash flows from noncapital activities	<u>787,426</u>	<u>-</u>	<u>-</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Interest paid	(258,566)	-	-
Purchase of capital assets	-	(248,791)	(611,275)
Proceeds from sale of capital assets	-	-	-
Principal payments on capital leases	-	-	-
Net cash flows from capital and related financing activities:	<u>(258,566)</u>	<u>(248,791)</u>	<u>(611,275)</u>
<b>Cash Flows From Investing Activities:</b>			
Interest on investments	26,040	41,760	15,958
Net cash flows from investing activities	<u>26,040</u>	<u>41,760</u>	<u>15,958</u>
Net change in cash and cash equivalents	<u>3,202,534</u>	<u>976,047</u>	<u>129,845</u>
Cash and cash equivalents, beginning of year, including temporarily restricted cash	<u>5,000</u>	<u>5,031,796</u>	<u>3,469,953</u>
<b>Cash and cash equivalents, end of year, including temporarily restricted cash</b>	<u><u>\$ 3,207,534</u></u>	<u><u>\$ 6,007,843</u></u>	<u><u>\$ 3,599,798</u></u>
Reconciliation of operating income to net cash provided by operating activities:			
Net operating income	\$ 1,882,630	\$ 498,657	\$ 274,493
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation/amortization	114,653	636,856	520,789
Pension/OPEB expense	740,999	(32,727)	(20,301)
Employer pension/OPEB contributions	(70,477)	(56,026)	(30,357)
Changes in operating assets and liabilities:			
(Increase) Decrease in receivables	-	(44,508)	24,476
(Increase) Decrease in prepaid expenses	-	815	-
(Increase) Decrease in inventories	-	4,597	(51,948)
Increase (Decrease) in accounts payable	(20,717)	187,387	(18,603)
Increase (Decrease) in compensated absences	6,019	(413)	35,441
Increase (Decrease) in accrued liabilities	(5,473)	(11,560)	(8,828)
Net cash flows from operating activities	<u><u>\$ 2,647,634</u></u>	<u><u>\$ 1,183,078</u></u>	<u><u>\$ 725,162</u></u>
<b>Noncash investing, capital, and financing activities:</b>			
Borrowing under capital lease	\$ -	\$ -	\$ -
Contributions of capital assets from government	376,106	-	-

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

<u>Electric</u>	<u>Sanitation (non-major)</u>	<u>Golf (non-major)</u>	<u>Total</u>
\$ 9,427,196	\$ 967,330	\$ 596,210	\$ 18,964,477
-	-	-	9,140
(5,149,160)	(747,430)	(277,797)	(7,801,516)
<u>(1,513,321)</u>	<u>-</u>	<u>(475,188)</u>	<u>(3,788,387)</u>
<u>2,764,715</u>	<u>219,900</u>	<u>(156,775)</u>	<u>7,383,714</u>
-	(94,992)	-	(1,530,371)
269	(11,836)	242,843	2,454,081
<u>269</u>	<u>(106,828)</u>	<u>242,843</u>	<u>923,710</u>
-	-	(3,573)	(262,139)
(1,196,572)	-	(65,536)	(2,122,174)
-	-	-	(16,959)
<u>-</u>	<u>-</u>	<u>(16,959)</u>	<u>(16,959)</u>
<u>(1,196,572)</u>	<u>-</u>	<u>(86,068)</u>	<u>(2,418,231)</u>
146,871	2,584	-	233,213
<u>146,871</u>	<u>2,584</u>	<u>-</u>	<u>233,213</u>
<u>1,715,283</u>	<u>115,656</u>	<u>-</u>	<u>6,122,406</u>
20,070,591	757,457	-	29,334,797
<u>\$ 21,785,874</u>	<u>\$ 873,113</u>	<u>\$ -</u>	<u>\$ 35,457,203</u>
\$ 2,565,236	\$ 201,465	\$ (798,880)	\$ 4,623,601
1,236,496	-	240,397	2,749,191
(299,781)	-	400,613	788,803
(137,236)	-	(38,103)	(332,199)
(60,900)	16,221	-	(64,711)
35,452	-	-	36,267
(96,236)	-	-	(143,587)
(414,390)	2,214	32,534	(231,575)
(25,760)	-	6,664	21,951
(38,166)	-	-	(64,027)
<u>\$ 2,764,715</u>	<u>\$ 219,900</u>	<u>\$ (156,775)</u>	<u>\$ 7,383,714</u>
\$ -	\$ -	\$ 123,556	\$ 123,556
-	-	-	376,106

**CITY OF PAGE, ARIZONA**  
**Statement of Net Position**  
**Fiduciary Funds**  
**June 30, 2020**

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	<b>Volunteer Firefighters' Pension</b>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 506,176
Total assets	<u>506,176</u>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	<u>-</u>
Total liabilities	<u>-</u>
<b>Net position</b>	
Restricted for pensions	<u><u>\$ 506,176</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, 2020**

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	<u><b>Volunteer Firefighters' Pension</b></u>
<b>Additions</b>	
Contributions:	
Employer	1,890
Employee	3,471
State fire insurance premium	18,761
Other	2,835
	<hr/>
Total contributions	26,957
	<hr/>
<b>Investment income</b>	
Net appreciation (depreciation) in fair value of investments	(12,695)
Interest	23,953
	<hr/>
Net investment income	11,258
	<hr/>
Total additions	38,215
	<hr/>
<b>Deductions</b>	
Benefits	57,883
Administration	2,691
	<hr/>
Total deductions	60,574
	<hr/>
Net increase (decrease)	(22,359)
Net position held in trust for pension benefits:	
Beginning of year	528,535
	<hr/>
End of year	\$ 506,176
	<hr/> <hr/>

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

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2020**

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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, 2020**

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

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

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

The City reports the following major proprietary funds:

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

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

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

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

Additionally, the City reports the following fund types:

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

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

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2020**

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

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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.

**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.

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2020**

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

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**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.

***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.

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2020**

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

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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

***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.

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2020**

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

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*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.

*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.

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2020**

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

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**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.

***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.



**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2020**

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

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**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.

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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.

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2020**

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

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

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

There were no supplementary budgetary appropriations made during the year ended June 30, 2020.

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, 2020, 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, 2020**

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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	\$ 62,947,203
Restricted cash and cash equivalents	1,042,776
Fiduciary Fund cash and cash equivalents	<u>506,176</u>
Total	<u>\$ 64,496,155</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, 2020, \$518,015 of the City's bank balance of \$24,349,902 was exposed to custodial credit risk because it was not covered by FDIC insurance or collateralized with securities held by the pledging financial institution's trust department or agent.

**Investments**

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

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

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

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2020**

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

As of June 30, 2020 the City had the following deposits and investments:

	<u>Fair Value</u>	<u>Quality Rating</u>	<u>Weighted Average Maturity (2)</u>
<b>Deposits:</b>			
Cash on hand	\$ 134	N/A	N/A
Cash in bank	27,202,557	N/A	N/A
<b>Investments:</b>			
State Treasurer's Investment Pool	21,405,400	AAA	0.09 Years
U.S. Government Agency Securities	9,015,469	AA+	1.66 Years
Mutual Funds	477,420	N/A	N/A
Certificates of deposit	<u>6,395,175</u>	N/A	N/A
Total cash and investments	<u>\$ 64,496,155</u>		

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

**Interest rate risk**

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

**Credit risk**

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

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2020**

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

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**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, 2020 consisted of the following cash reserves:

<u>Restricted Cash</u>		
Magistrate Bond Deposits	\$	3,125
Refundable Deposits		5,325
Cash Restricted for Debt Service		32,557
Airport - Refundable Deposits		24,635
Water Fund - Customer Deposits		119,275
Electric Fund - Customer Deposits		<u>857,859</u>
Total Restricted Cash	\$	<u><u>1,042,776</u></u>

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Note 6. Capital Assets**

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

<b>Governmental Activities:</b>	Balance 06/30/19	Additions	Deletions	Transferred Assets*	Balance 06/30/20
Capital assets, not being depreciated					
Land	\$ 45,199,590	\$ -	\$ -	\$ -	\$ 45,199,590
Construction in progress	757,674	3,935,386	(480,760)		4,212,300
Total capital assets, not being depreciated	<u>45,957,264</u>	<u>3,935,386</u>	<u>(480,760)</u>		<u>49,411,890</u>
Capital assets, being depreciated					
Buildings and improvements	19,270,701	539,920	(6,224)	(632,350)	19,172,047
Furniture, equipment, and vehicles	8,381,688	806,122	(34,897)	(579,398)	8,573,515
Infrastructure	37,441,212	-	-	(6,980,511)	30,460,701
Total capital assets being depreciated	<u>65,093,601</u>	<u>1,346,042</u>	<u>(41,121)</u>	<u>(8,192,259)</u>	<u>58,206,263</u>
Less accumulated depreciation for:					
Buildings and improvements	(10,522,647)	(536,596)	4,371	325,526	(10,729,346)
Furniture, equipment, and vehicles	(6,672,817)	(378,828)	34,897	472,989	(6,543,759)
Infrastructure	(16,634,392)	(1,137,457)	-	4,171,953	(13,599,896)
Total accumulated depreciation	<u>(33,829,856)</u>	<u>(2,052,881)</u>	<u>39,268</u>	<u>4,970,468</u>	<u>(30,873,001)</u>
Total capital assets, being depreciated, net	<u>31,263,745</u>	<u>(706,839)</u>	<u>(1,853)</u>	<u>(3,221,791)</u>	<u>27,333,262</u>
Governmental activities capital assets, net	<u>\$ 77,221,009</u>	<u>\$ 3,228,547</u>	<u>\$ (482,613)</u>	<u>\$ (3,221,791)</u>	<u>\$ 76,745,152</u>

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

<b>Governmental Activities:</b>	
General government	\$ 221,616
Public safety	355,528
Public works	1,300,225
Culture and recreation	121,460
Community support	54,052
Total depreciation expense - governmental activities	<u>\$ 2,052,881</u>

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

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Note 6. Capital Assets, Continued**

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

<b>Business Type Activities:</b>	Balance June 30, 2019	Additions	Deletions	Transferred Assets*	Balance June 30, 2020
Capital assets, not being depreciated					
Land	\$ 63,000	\$ -	\$ -		\$ 63,000
Construction in progress	44,989	439,135	(143,519)		340,605
<b>Total capital assets, not being depreciated</b>	<b>107,989</b>	<b>439,135</b>	<b>(143,519)</b>		<b>403,605</b>
Capital assets, being depreciated					
Buildings and improvements	23,556,494	884,203	-	7,612,861	32,053,558
Furniture, equipment, and vehicles	10,732,082	1,014,793	(228,674)	579,399	12,097,600
Electric distribution system	28,441,929	300,861	-		28,742,790
Water distribution system	18,026,391	90,720	-		18,117,111
Sewer distribution system	10,901,428	35,639	-		10,937,067
<b>Total capital assets being depreciated</b>	<b>91,658,324</b>	<b>2,326,216</b>	<b>(228,674)</b>	<b>8,192,260</b>	<b>101,948,126</b>
Less accumulated depreciation for:					
Buildings and improvements	(9,547,061)	(778,795)	-	(4,497,479)	(14,823,335)
Furniture, equipment, and vehicles	(6,729,792)	(614,347)	228,674	(472,989)	(7,588,454)
Electric distribution system	(18,332,429)	(593,324)	-	-	(18,925,753)
Water distribution system	(11,718,913)	(508,815)	-		(12,227,728)
Sewer distribution system	(9,599,295)	(253,910)	-	-	(9,853,205)
<b>Total accumulated depreciation</b>	<b>(55,927,490)</b>	<b>(2,749,191)</b>	<b>228,674</b>	<b>(4,970,468)</b>	<b>(63,418,475)</b>
<b>Total capital assets, being depreciated, net</b>	<b>35,730,834</b>	<b>(422,975)</b>	<b>-</b>	<b>3,221,792</b>	<b>38,529,651</b>
<b>Total capital assets, net</b>	<b>\$ 35,838,823</b>	<b>\$ 16,160</b>	<b>\$ (143,519)</b>	<b>\$ 3,221,792</b>	<b>\$ 38,933,256</b>
<b>Business-Type Activities:</b>					
Water		636,856			
Sewer		520,789			
Electric		1,236,496			
Horseshoe Bend		114,653			
Golf		240,397			
Total depreciation expense business-type activities		<u>\$ 2,749,191</u>			

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

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Note 7. Long-Term Liabilities**

The following is a summary of changes in long-term obligations for the year ended June 30, 2020:

<b>Governmental activities:</b>	Balance June 30, 2019	Additions	Retirements	Balance June 30, 2020	Current Portion
<b>General Obligation:</b>					
Airport Lease Purchase, Series 2004	\$ 387,794	\$ -	\$ (190,302)	\$ 197,492	\$ 197,492
Capital Lease Obligations	49,049	342,033	(25,975)	365,107	100,723
Total General Obligation	<u>436,843</u>	<u>342,033</u>	<u>(216,277)</u>	<u>562,599</u>	<u>298,215</u>
<b>Revenue Obligation:</b>					
Pledged Revenue Refunding Obligations, Series 2011	6,895,000	-	(855,000)	6,040,000	890,000
Bond Premiums	322,756	-	(49,027)	273,729	-
Total Revenue Obligation	<u>7,217,756</u>	<u>-</u>	<u>(904,027)</u>	<u>6,313,729</u>	<u>890,000</u>
<b>Accrued compensated absences</b>	886,706	368,770	(389,847)	865,629	562,659
<b>Net pension/OPEB liabilities</b>	<u>7,292,776</u>	<u>(2,018,722)</u>	<u>-</u>	<u>5,274,054</u>	<u>-</u>
Total Governmental Activity Long-term Liabilities	<u>\$ 15,834,081</u>	<u>\$ (1,307,919)</u>	<u>\$ (1,510,151)</u>	<u>\$ 13,016,011</u>	<u>\$ 1,750,874</u>
<b>Business-type activities:</b>					
Capital Lease Obligations	\$ -	\$ 123,556	\$ (16,959)	\$ 106,597	\$ 23,443
Accrued compensated absences	417,160	167,035	(145,084)	439,111	\$ 285,422
Net pension/OPEB liabilities	2,822,123	(590,773)	-	2,231,350	-
Total Business-type Activity Long-term Liabilities	<u>3,239,283</u>	<u>(423,738)</u>	<u>(145,084)</u>	<u>2,670,461</u>	<u>285,422</u>
<b>Total Long-Term Liabilities</b>	<u>\$ 19,073,364</u>	<u>\$ (1,731,657)</u>	<u>\$ (1,655,235)</u>	<u>\$ 15,686,472</u>	<u>\$ 2,036,296</u>

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

The City has no unused lines of credit as of June 30, 2020.

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, 2020**

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

The following is a listing of long-term debt outstanding as of June 30, 2020:

**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. \$ 197,492

**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.

	6,040,000
Total long-term debt payable	\$ 6,237,492

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

Governmental Activities		
Fiscal Period		
Ending		
30-Jun	Principal	Interest
2021	\$ 1,087,492	\$ 302,326
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	\$ 6,237,492	\$ 1,100,328

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, 2020**

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

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

Fiscal Year Ending June 30,	Governmental Activities	Business-Type Activities
2021	\$ 111,712	\$ 27,376
2022	101,590	27,376
2023	97,627	27,376
2024	78,414	27,376
2025	-	6,819
Total remaining lease payments	389,343	116,322
Less: amounts representing interest	(24,236)	(9,725)
remaining minimum lease payments	\$ 365,107	\$ 106,597

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

	Governmental Activities	Business-Type Activities
Furniture, Equipment, and Vehicles	\$ 425,159	\$ 123,556
Less: Accumulated Depreciation	(50,130)	(14,709)
Total	\$ 375,029	\$ 108,847

**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, 2020 the City has no debt outstanding applicable to the 20% limit and \$197,492 outstanding general obligation bonds applicable to the 6% limit. Accordingly at June 30, 2020, the City's legal borrowing capacity is \$33,090,635 for the 20% limit and \$9,788,946 for the general obligation 6% limit.

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2020**

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

As of June 30, 2020, interfund receivables and payables that resulted from various interfund transactions were as follows:

<b>Due To:</b>	<b>Due From:</b>				
	General Fund	Horseshoe Bend Fund	Electric Fund	Golf Fund	Total
General	\$ -	\$ 1,062,766	\$ 14,480	\$ 242,843	\$ 1,320,089
Capital Project Fund	-	2,839,936	-	-	2,839,936
Non-Major Governmental Funds	213	-	-	-	213
Electric	1,625,000	-	-	-	1,625,000
<b>Total</b>	<b>\$ 1,625,213</b>	<b>\$ 3,902,702</b>	<b>\$ 14,480</b>	<b>\$ 242,843</b>	<b>\$ 5,785,238</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. The Horseshoe Bend balance of \$2,839,936 payable to the Capital Projects fund is payable over 5 years at 6% interest. The Horseshoe Bend balance of \$1,062,766 payable to the General fund is payable over 6 years at 6% interest.

Interfund transfers for the fiscal year ended June 30, 2020 are as follows:

<b>Transfers Out:</b>	<b>Transfers In:</b>			
	General Fund	Debt Service Fund	Capital Projects Fund	Total
General Fund	\$ -	\$ 2,296,069	\$ 1,922,091	\$ 4,218,160
Debt Service Fund	1,146,786	-	-	1,146,786
Highway User Fund	-	-	93,122	93,122
Grants fund	37,971	-	-	-
Non-Major Governmental	-	202,692	429,758	632,450
Sanitation Fund	-	94,992	-	94,992
Horseshoe Bend Fund	210,365	-	1,225,014	1,435,379
<b>Total Transfers Out</b>	<b>\$ 1,395,122</b>	<b>\$ 2,593,753</b>	<b>\$ 3,669,985</b>	<b>\$ 7,620,889</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, 2020**

**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, 2020, 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</b>				<b>Governmental</b>	<b>Business-Type</b>
<b>Statement of Activities</b>	<b>ASRS</b>	<b>PSPRS</b>	<b>Combined Total</b>	<b>Activities Total</b>	<b>Activities Total</b>
Net OPEB asset	\$ 13,591	\$ 448,648	\$ 462,239	\$ 455,924	\$ 6,315
Net OPEB liabilities	31,908	-	31,908	31,908	-
Net pension liabilities	7,095,147	1,466,000	8,561,147	5,249,421	3,311,726
Total pension/OPEB liabilities	7,127,055	1,466,000	8,593,055	5,281,329	3,311,726
Deferred outflows of resources	980,613	2,294,646	3,275,259	2,819,598	455,661
Deferred inflows of resources	668,892	837,829	1,506,721	1,195,907	310,814
Pension/OPEB expense	713,411	445,777	1,159,188	384,417	774,688

The City reported \$886,330 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, 2020**

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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, 2020, statute required active ASRS members to contribute at the actuarially determined rate of 12.11 percent (11.94 percent for retirement and 0.17 percent for long-term disability) of the members' annual covered payroll, and statute required the City to contribute at the actuarially determined rate of 12.11 percent (11.45 percent for retirement, 0.49 percent for health insurance premium benefit, and 0.17 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 10.41 percent (10.29 percent for retirement, 0.05 percent for health insurance premium benefit, and 0.07 percent for long-term disability) of annual covered payroll of retired members who worked for the City in positions that an employee who contributes to the ASRS would typically fill.

The City's contributions to the pension, health insurance premium benefit, and long-term disability plans for the year ended June 30, 2020, were \$675,952, \$28,927, and \$10,036 respectively.

**Liability** – At June 30, 2020, 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</b>
	<b><u>(asset) liability</u></b>
Pension	\$ 7,095,147
Health insurance premium benefit	(13,591)
Long-term disability	31,908

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2020**

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

The net asset and net liabilities were measured as of June 30, 2019. 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, 2018, to the measurement date of June 30, 2019.

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, 2019. The City's proportions measured as of June 30, 2019, and the change from its proportions measured as of June 30, 2018, were:

	Proportion June 30, 2018	Proportion June 30, 2019	Increase (decrease) from June 30, 2018
Pension	0.050710%	0.048760%	-0.001950%
Health insurance premium benefit	0.051180%	0.049180%	-0.002000%
Long-term disability	0.050780%	0.048980%	-0.001800%

**Expense** – For the year ended June 30, 2020, the City recognized pension OPEB expense:

	<b><u>Pension/OPEB Expense</u></b>
Pension	\$ 686,076
Health insurance premium benefit	17,050
Long-term disability	10,285

**Deferred outflows/inflows of resources** – At June 30, 2020, 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, 2020**

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

	Pension		Health Insurance Premium Benefit		Long-Term Disability	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 128,176	\$ 1,334	\$ -	\$ 16,247	\$ 3,770	\$ -
Changes of assumptions or other inputs	29,991	282,543	26,728	-	4,773	-
Net difference between projected and actual earnings on pension plan investments	-	159,474	-	17,674	-	681
Changes in proportion and differences between contributions and proportionate share of contributions	71,802	190,198	50	30	408	711
Contributions subsequent to the measurement date	675,952	-	28,927	-	10,036	-
<b>Total</b>	<b>\$ 905,921</b>	<b>\$ 633,549</b>	<b>\$ 55,705</b>	<b>\$ 33,951</b>	<b>\$ 18,987</b>	<b>\$ 1,392</b>

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

Year Ended June 30,	Pension	Health Insurance Premium Benefit	Long-term disability
2021	\$ (136,564)	\$ (5,878)	\$ 740
2022	(279,102)	(5,877)	741
2023	(30,626)	1,662	1,404
2024	42,712	3,304	1,526
2025	-	(384)	1,273
Thereafter	-	-	1,875

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2020**

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

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

Actuarial valuation date	June 30, 2018
Actuarial roll forward date	June 30, 2019
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	2012 GLTD for long-term disability
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 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%	6.09%
Credit	20%	5.36%
Interest rate sensitive bonds	10%	1.62%
Real estate	20%	5.85%
Totals	<u>100%</u>	



**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2020**

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

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

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

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
Proportionate share of:			
Net pension (asset) / liability	\$ 10,098,038	\$ 7,095,147	\$ 4,585,503
Net insurance premium benefit liability (asset)	68,845	(13,591)	(83,831)
Net long-term disability liability	35,313	31,908	28,606

**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, 2020**

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

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

	<b>Initial Membership Date:</b>		
	<b>Before January 1, 2012</b>	<b>On or After January 1, 2012 and before July 1, 2017</b>	<b>On or after July 1, 2017</b>
<b>Retirement and Disability</b>			
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		
<b>Survivor Benefit</b>			
Retired Members	80% to 100% of retired member's pension benefit		
Active Members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job		

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

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. Benefits range from \$150 per month to \$260 per month depending on the age of the member and dependents.

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2020**

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

**Employees covered by benefit terms** – At June 30, 2020, the following employees were covered by the agent plans’ benefit terms:

<b>PSPRS - Police</b>	<u><b>Pension</b></u>	<u><b>Health</b></u>
Inactive employees or beneficiaries currently receiving benefits	9	9
Inactive employees entitled to but not yet receiving benefits	4	0
Active employees	15	15
<b>Total</b>	<u>28</u>	<u>24</u>

<b>PSPRS - Fire</b>	<u><b>Pension</b></u>	<u><b>Health</b></u>
Inactive employees or beneficiaries currently receiving benefits	2	2
Inactive employees entitled to but not yet receiving benefits	8	0
Active employees	11	11
<b>Total</b>	<u>21</u>	<u>13</u>

**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, 2020, are indicated below. Rates are a percentage of active members’ annual covered payroll.

	<u><b>Active Member</b></u>		<u><b>City-Health</b></u>
	<u><b>Pension</b></u>	<u><b>City - Pension</b></u>	<u><b>Insurance</b></u>
			<u><b>Premium</b></u>
PSPRS Police	7.65%	26.03%	0.00%
PSPRS Police Tier 3 risk pool	9.80%	9.80%	0.21%
PSPRS Fire	7.65%	17.78%	0.34%
PSPRS Fire Tier 3 risk pool	9.80%	9.80%	0.21%

In addition, statute required the City to contribute at the actuarially determined rate of 14.17% for police and 4.15% 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, 2020**

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

The City's contributions to the plans for the year ended June 30, 2020, were:

<b>Pension</b>	<b>PSPRS Police</b>	<b>PSPRS Fire</b>
Contributions made	\$ 1,032,350	\$ 287,759
PSPRS Tier 3 risk pool contributions	148,416	131,266
<b>Health Insurance Premium Benefit</b>		
Annual OPEB cost	\$ -	\$ 1,914
PSPRS Tier 3 risk pool	-	873

During fiscal year 2020, the City paid for PSPRS pension and OPEB contributions 100% from the general fund.

**Liability** – At June 30, 2020, the City reported the following assets and liabilities.

	Net pension (asset) liability	Net OPEB (asset) liability
PSPRS Police	\$ 1,273,841	\$ (422,538)
PSPRS Fire	192,159	(26,110)
Total	\$ 1,466,000	\$ (448,648)

The net assets and net liabilities were measured as of June 30, 2019, and the total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date. The total liabilities as of June 30, 2019, reflect changes of actuarial assumptions to decrease the investment rate of return from 7.4 percent to 7.3 percent and update mortality rates.

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2020**

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

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

Actuarial valuation date	June 30, 2019
Actuarial cost method	Entry Age Normal
Investment rate of return	7.3%
Wage inflation	3.5% for pensions/not applicable for OPEB
Price inflation	2.5% for pensions/not applicable for OPEB
Cost-of-living adjustment	1.75% for pension/not applicable for OPEB
Mortality rates	PubS-2010 tables
Healthcare cost trend rate	Not applicable

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
Short term investments	2.00%	0.25%
Risk parity	4.00%	4.01%
Fixed income	5.00%	3.00%
Real assets	9.00%	6.75%
GTS	12.00%	4.01%
Private credit	16.00%	5.36%
Real estate	10.00%	4.50%
Private equity	12.00%	8.40%
Non-U.S. equity	14.00%	5.00%
U.S. equity	16.00%	4.75%
<b>Total</b>	<u>100.00%</u>	

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2020**

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

**Discount Rate** – At June 30, 2019, the discount rate used to measure the PSPRS total pension/OPEB liability was 7.3 percent, which was a decrease of 0.1 from the discount rate used as of June 30, 2018. 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 (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, 2019	\$ 7,290,092	\$ 4,791,081	\$ 2,499,011	\$ 51,192	\$ 448,991	\$ (397,799)
Adjustment to beginning of year	-	-	-	-	209	(209)
Changes for the year:						
Service cost	231,776	-	231,776	3,852	-	3,852
Interest on total pension liability	540,991	-	540,991	4,073	-	4,073
Changes of benefit terms	-	-	-	-	-	-
Difference between expected and actual experience in the measurement of the pension liability	(46,488)	-	(46,488)	(9,257)	-	(9,257)
Changes of assumptions	105,455	-	105,455	720	-	720
Contributions - employer	-	1,658,508	(1,658,508)	-	-	-
Contributions - employee	-	101,240	(101,240)	-	-	-
Net investment income	-	303,632	(303,632)	-	24,338	(24,338)
Benefit payments, including refunds of employee contributions	(422,346)	(422,346)	-	-	-	-
Hall/Parker settlement	-	-	-	-	-	-
Plan administrative expenses	-	(6,268)	6,268	-	(420)	420
Other changes*	-	(208)	208	-	209	(209)
Net changes	409,388	1,634,558	(1,225,170)	(612)	24,127	(24,739)
Balances at June 30, 2020	\$ 7,699,480	\$ 6,425,639	\$ 1,273,841	\$ 50,580	\$ 473,327	\$ (422,538)

\* 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, 2020**

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

**Changes in the net pension/OPEB liability**

PSPRS Fire	Pension Increase (decrease)			Health insurance premium benefit Increase (decrease)		
	Total Pension Liability	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
	(a)	(b)	(a) - (b)	(a)	(b)	(a) - (b)
Balances at June 30, 2019	\$ 2,926,838	\$ 2,409,743	\$ 517,095	\$ 65,054	\$ 71,453	\$ (6,399)
Adjustment to beginning of year	-	-	-	-	938	-
Changes for the year:						
Service cost	178,178	-	178,178	2,787	-	2,787
Interest on total pension liability	226,814	-	226,814	4,976	-	4,976
Changes of benefit terms	-	-	-	-	-	-
Difference between expected and actual experience in the measurement of the pension liability	(272,319)	-	(272,319)	(21,552)	-	(21,552)
Changes of assumptions	88,892	-	88,892	1,017	-	1,017
Contributions - employer	-	345,573	(345,573)	-	2,204	(2,204)
Contributions - employee	-	66,450	(66,450)	-	-	-
Net investment income	-	138,804	(138,804)	-	3,864	(3,864)
Benefit payments, including refunds of employee contributions	(79,936)	(79,936)	-	(1,200)	(1,200)	-
Hall/Parker settlement	-	-	-	-	-	-
Plan administrative expenses	-	(3,388)	3,388	-	(67)	67
Other changes*	-	(938)	938	-	938	(938)
Net changes	141,629	466,565	(324,936)	(13,972)	5,739	(19,711)
Balances at June 30, 2020	\$ 3,068,467	\$ 2,876,308	\$ 192,159	\$ 51,082	\$ 78,130	\$ (26,110)

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

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

	Current		
	1% Decrease (6.30%)	Discount Rate (7.30%)	1% Increase (8.30%)
<b>PSPRS Police</b>			
Net pension (asset) / liability	\$ 2,271,066	\$ 1,273,841	\$ 457,792
Net OPEB (asset) / liability	(414,616)	(422,538)	(429,059)
<b>PSPRS Fire</b>			
Net pension (asset) / liability	\$ 693,726	\$ 192,159	\$ (200,062)
Net OPEB (asset) / liability	(19,409)	(26,110)	(31,723)

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2020**

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

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

**Expense** – For the year ended June 30, 2020, the City recognized the following pension and OPEB expense:

	Pension expense	OPEB expense
PSPRS Police	\$ 329,570	\$ (29,753)
PSPRS Fire	145,914	46

**Deferred outflows/inflows of resources** – At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension		Health Insurance Premium Benefit	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
PSPRS - Police				
Differences between expected and actual experience	\$ 9,541	\$ 288,829	\$ -	\$ 17,283
Changes in assumptions	283,346	-	618	2,864
Net difference between projected and actual earnings on pension plan investments	74,920	-	1,675	-
Contributions subsequent to the measurement date	1,180,766	-	-	-
Total	\$ 1,548,573	\$ 288,829	\$ 2,293	\$ 20,147

	Pension		Health Insurance Premium Benefit	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
PSPRS - Fire				
Differences between expected and actual experience	\$ -	\$ 503,359	\$ 978	\$ 24,065
Changes in assumptions	280,266	-	920	1,429
Net difference between projected and actual earnings on pension plan investments	39,448	-	356	-
Contributions subsequent to the measurement date	419,025	-	2,787	-
Total	\$ 738,739	\$ 503,359	\$ 5,041	\$ 25,494



**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2020**

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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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized as expenses as follows:

Year Ending June 30,	Deferred Outflows (Inflows) of Resources			
	PSPRS - Police		PSPRS Fire	
	Pension	Health Insurance Premium Benefit	Pension	Insurance Premium
2021	\$ 50,131	\$ (4,886)	\$ (19,099)	\$ (2,462)
2022	17,623	(4,888)	(44,412)	(2,461)
2023	11,645	(1,662)	(28,136)	(1,967)
2024	10,215	(2,005)	(29,917)	(2,026)
2025	(10,636)	(3,084)	(33,182)	(2,318)
Thereafter	-	(1,329)	(28,899)	(12,006)

**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, 2020, the State's contribution was \$18,761.

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Note 10. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The City’s risk management, property and liability insurance was obtained through the brokers, Reseco Insurance Advisors, using Travelers Insurance for the coverage. The limit for claims general liability is \$2,000,000 per occurrence on a claims made basis. The City’s Worker’s Compensation program is also through Travelers Insurance for approximately 155 members. The City has had comparable insurance coverage for the past 48 years, and has had no claims exceeding this insurance coverage.

Premiums were paid quarterly to Travelers Insurance for workers compensation through June 2020 and general liability through February 2020. Beginning March 1, 2020, the City switched our general liability insurance coverage and our Worker’s Compensation coverage and moved to the Arizona Municipal Risk Retention Pool (AMRRP). Beginning with the next fiscal year, the workers compensation coverage and the general liability coverage will both be on the same fiscal year period.

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

**Note 11. Contingent Liabilities and Commitments**

The City is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. In the opinion of City management, based on the advice of the City Attorney with respect to such litigation, such matters will not have a material adverse effect on the City’s financial position at June 30, 2020.

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

<u>Project</u>	<u>Estimated Cost</u>	<u>Construction in Progress</u>
Public Works Building	\$ 1,500,000	\$ 44,502
Grandview Knoll	100,000	50,000
Airport Master Plan	513,000	485,197
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	110,795
Block 17 Revitization	1,750,000	10,538
Apron Reconstruction	4,862,000	3,366,409
JCPMP/Community Center Fiber	30,000	4,693
	<u>\$ 12,367,000</u>	<u>\$ 4,212,300</u>

**CITY OF PAGE, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2020**

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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 \$392,906 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, 2020. The remaining estimated cost of post-closure care is \$392,906. This amount is based on an estimated annual post-closure cost estimate of \$37,766 multiplied by an annual inflation factor of 1.01743% and the number of years remaining or 10. The figure is based on what it would cost to perform all post-closure care in 2020. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The City has utilized a local government guarantee rather than establishing a trust fund or other financial mechanism to demonstrate financial responsibility for post-closure costs.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF PAGE, ARIZONA**  
**Required Supplementary Information**  
**Schedule of the Proportionate Share of the Net Pension Liability**  
**June 30, 2020**

<b>ASRS - Pension</b>	<b>Reporting Fiscal Year</b>					
	<b>(Measurement Date)</b>					
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
	<b>(2019)</b>	<b>(2018)</b>	<b>(2017)</b>	<b>(2016)</b>	<b>(2015)</b>	<b>(2014)</b>
Proportion of the net pension liability (asset)	0.048760%	0.050710%	0.493800%	0.049140%	0.050540%	0.049360%
Proportionate share of the net pension liability (asset)	\$ 7,095,147	\$ 7,072,260	\$ 7,692,441	\$ 7,931,690	\$ 7,871,684	\$ 7,303,554
Covered payroll	\$ 5,306,531	\$ 5,142,759	\$ 4,917,806	\$ 4,927,345	\$ 4,832,709	\$ 4,635,081
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	133.71%	137.52%	156.42%	160.97%	162.88%	157.57%
Plan fiduciary net position as a percentage of the total pension liability	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%

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

See accompanying notes to pension/OPEB plan schedules

**CITY OF PAGE, ARIZONA**  
**Required Supplementary Information**  
**Schedule of the Proportionate Share of the Net OPEB Liability**  
**June 30, 2020**

<b>ASRS - Health insurance premium benefit</b>	<b>Reporting Fiscal Year (Measurement Date)</b>			
	<b>2020 (2019)</b>	<b>2019 (2018)</b>	<b>2018 (2017)</b>	<b>2017 (2016)</b>
Proportion of the net pension liability (asset)	0.049180%	0.051180%	0.049660%	0.049658%
Proportionate share of the net pension liability (asset)	\$ (13,591)	\$ (18,429)	\$ (27,035)	\$ 14,359
Covered payroll	\$ 5,306,531	\$ 5,142,759	\$ 4,917,806	\$ 4,927,345
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-0.26%	-0.36%	-0.55%	0.29%
Plan fiduciary net position as a percentage of the total pension liability	101.62%	102.20%	103.57%	98.02%

<b>ASRS - Long-term disability</b>	<b>Reporting Fiscal Year (Measurement Date)</b>			
	<b>2020 (2019)</b>	<b>2019 (2018)</b>	<b>2018 (2017)</b>	<b>2017 (2016)</b>
Proportion of the net pension liability (asset)	0.048980%	0.050780%	0.049440%	0.049441%
Proportionate share of the net pension liability (asset)	\$ 31,908	\$ 26,533	\$ 17,921	\$ 17,767
Covered payroll	\$ 5,306,531	\$ 5,142,759	\$ 4,917,806	\$ 4,927,345
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.60%	0.52%	0.36%	0.36%
Plan fiduciary net position as a percentage of the total pension liability	72.85%	77.83%	84.44%	85.17%

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

See accompanying notes to pension/OPEB plan schedules

**CITY OF PAGE, ARIZONA**  
**Required Supplementary Information**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**June 30, 2020**

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

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

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

See accompanying notes to pension/OPEB plan schedules



**CITY OF PAGE, ARIZONA**  
**Required Supplementary Information**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**June 30, 2020**

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

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

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

See accompanying notes to pension/OPEB plan schedules

**CITY OF PAGE, ARIZONA**  
**Required Supplementary Information**  
**Schedule of Changes in the Net OPEB Liability and Related Ratios**  
**June 30, 2020**

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

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

See accompanying notes to pension/OPEB plan schedules

**CITY OF PAGE, ARIZONA**  
**Required Supplementary Information**  
**Schedule of Changes in the Net OPEB Liability and Related Ratios**  
**June 30, 2020**

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

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

See accompanying notes to pension/OPEB plan schedules

**CITY OF PAGE, ARIZONA**  
**Required Supplementary Information**  
**Schedule of Pension/OPEB Contributions**  
**June 30, 2020**

ASRS - Pension	Reporting Fiscal Year					
	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 675,952	\$ 574,955	\$ 549,366	\$ 519,238	\$ 499,192	506,890
Contributions in relation to the contractually required contribution	(675,952)	(574,955)	(549,366)	(519,238)	(499,192)	(506,890)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 6,255,586	\$ 5,306,531	\$ 5,142,759	\$ 4,917,806	\$ 4,927,345	\$ 4,832,709
Contributions as a percentage of covered payroll	10.81%	10.83%	10.68%	10.56%	10.13%	10.49%

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

See accompanying notes to pension/OPEB plan schedules

**CITY OF PAGE, ARIZONA**  
**Required Supplementary Information**  
**Schedule of Pension/OPEB Contributions**  
**June 30, 2020**

**ASRS - Health insurance premium benefit**

	<b>Reporting Fiscal Year</b>			
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Contractually required contribution	\$ 28,927	\$ 21,967	\$ 22,218	\$ 26,735
Contributions in relation to the contractually required contribution	(28,927)	(21,967)	(22,218)	(26,735)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>		
Covered payroll	\$ 6,255,586	\$ 5,306,531	\$ 5,142,759	\$ 4,917,806
Contributions as a percentage of covered payroll	0.46%	0.41%	0.43%	0.54%

**ASRS - Long-term disability**

	<b>Reporting Fiscal Year</b>			
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Contractually required contribution	\$ 10,036	\$ 8,057	\$ 8,079	\$ 6,724
Contributions in relation to the contractually required contribution	(10,036)	(8,057)	(8,079)	(6,724)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>		
Covered payroll	\$ 6,255,586	\$ 5,306,531	\$ 5,142,759	\$ 4,917,806
Contributions as a percentage of covered payroll	0.16%	0.15%	0.16%	0.14%

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

See accompanying notes to pension/OPEB plan schedules

**CITY OF PAGE, ARIZONA**  
**Required Supplementary Information**  
**Schedule of Pension/OPEB Contributions**  
**June 30, 2020**

**PSPRS - Police  
Pension**

	Reporting Fiscal Year						
	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 274,760	\$ 386,166	\$ 445,030	\$ 353,353	\$ 336,612	\$ 201,140	\$ 212,639
Contributions in relation to the actuarially determined contribution	(1,180,766)	(1,658,508)	(1,307,650)	(353,353)	(336,612)	(201,140)	(212,639)
Contribution deficiency (excess)	<u>\$ (906,006)</u>	<u>\$ (1,272,342)</u>	<u>\$ (862,620)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,201,864	\$ 936,923	\$ 1,100,649	\$ 1,170,755	\$ 947,481	\$ 858,148	\$ 908,313
Contributions as a percentage of covered payroll	8.58%	41.22%	40.43%	30.18%	35.53%	23.44%	23.41%

**PSPRS - Police**

**Health Insurance Premium Benefit**

	Reporting Fiscal Year			
	2020	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>	<u>\$ -</u>
Covered payroll	\$ 3,201,864	\$ 936,923	\$ 1,100,649	\$ 1,170,755
Contributions as a percentage of covered payroll	0.00%	0.00%	-0.02%	0.00%

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

See accompanying notes to pension/OPEB plan schedules

**CITY OF PAGE, ARIZONA**  
**Required Supplementary Information**  
**Schedule of Pension/OPEB Contributions**  
**June 30, 2020**

**PSPRS - Fire Pension**

	Reporting Fiscal Year						
	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 178,245	\$ 173,287	\$ 167,968	\$ 129,943	\$ 121,210	\$ 107,714	\$ 121,193
Contributions in relation to the actuarially determined contribution	(419,025)	(386,287)	(327,142)	(129,943)	(121,210)	(107,714)	(121,193)
Contribution deficiency (excess)	<u>\$ (240,780)</u>	<u>\$ (213,000)</u>	<u>\$ (159,174)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,215,000	\$ 724,034	\$ 819,724	\$ 881,946	\$ 907,097	\$ 861,668	\$ 902,241
Contributions as a percentage of covered payroll	14.67%	23.93%	20.49%	14.73%	13.36%	12.50%	13.43%

**PSPRS - Fire  
Health Insurance Premium Benefit**

	Reporting Fiscal Year			
	2020	2019	2018	2017
Actuarially determined contribution	\$ 2,787	\$ 2,204	\$ 2,052	\$ 2,735
Contributions in relation to the actuarially determined contribution	(2,787)	(2,204)	(2,052)	(2,735)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,215,000	\$ 724,034	\$ 819,724	\$ 907,097
Contributions as a percentage of covered payroll	0.23%	0.30%	0.25%	0.30%

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, 2020**

**Note 1. Actuarially Determined Contribution Rates**

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

Actuarial cost method	Entry age normal
Amortization Method	Level percent of pay, closed
Remaining Amortization Period As of the 2018 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	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, 2020**

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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 2019 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.

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

**Basis of Budgeting:**

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

**CITY OF PAGE, ARIZONA**  
**GENERAL FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
<b>Taxes:</b>				
City sales tax	\$ 12,000,000	\$ 12,000,000	\$ 12,100,877	\$ 100,877
Franchise taxes	240,000	240,000	233,405	(6,595)
Total Taxes	<u>12,240,000</u>	<u>12,240,000</u>	<u>12,334,282</u>	<u>94,282</u>
<b>Licenses, Permits and Fees:</b>				
Plat fees	500	500	3,740	3,240
Site plan review fees	3,000	3,000	5,280	2,280
Dog licenses	600	600	360	(240)
Business registration fees	2,000	2,000	1,600	(400)
Building permits	185,000	185,000	222,562	37,562
Other	94,200	94,200	73,613	(20,587)
Total Licenses, Permits and Fees	<u>285,300</u>	<u>285,300</u>	<u>307,155</u>	<u>21,855</u>
<b>Intergovernmental:</b>				
State revenue sharing	999,698	999,698	978,393	(21,305)
Auto lieu taxes	400,966	400,966	352,987	(47,979)
State sales taxes	793,729	793,729	781,163	(12,566)
County library district	335,000	335,000	336,846	1,846
Other	15,700	15,700	13,687	(2,013)
Total Intergovernmental	<u>2,545,093</u>	<u>2,545,093</u>	<u>2,463,076</u>	<u>(82,017)</u>
<b>Charges for Services:</b>				
Recreation	62,000	62,000	25,137	(36,863)
Rescue services	876,000	876,000	727,431	(148,569)
Library services	32,000	32,000	18,912	(13,088)
Public safety	37,300	37,300	34,878	(2,422)
Rents	77,700	77,700	56,339	(21,361)
Other	31,500	31,500	30,229	(1,271)
Total Charges for Services	<u>1,116,500</u>	<u>1,116,500</u>	<u>892,926</u>	<u>(223,574)</u>
<b>Fines and Forfeitures:</b>				
Fines & forfeitures	240,000	240,000	236,453	(3,547)
Total Fines and Forfeitures	<u>240,000</u>	<u>240,000</u>	<u>236,453</u>	<u>(3,547)</u>
<b>Interest</b>	<u>180,000</u>	<u>180,000</u>	<u>524,430</u>	<u>344,430</u>
<b>Other Revenues:</b>				
Land sales	502,500	502,500	1,295	(501,205)
Miscellaneous	33,000	33,000	55,398	22,398
Total Other Revenues	<u>535,500</u>	<u>535,500</u>	<u>56,693</u>	<u>(478,807)</u>
<b>TOTAL REVENUES</b>	<u>17,142,393</u>	<u>17,142,393</u>	<u>16,815,015</u>	<u>(327,378)</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, 2020**

<b>EXPENDITURES:</b>	Budgeted Amounts		<b>Actual</b>	<b>Variance Positive (Negative)</b>
	Original	Final		
<b>General Government:</b>				
City Council	102,450	102,450	85,334	17,116
City Administration	252,277	252,277	236,714	15,563
City Clerk	224,803	224,803	181,712	43,091
City Attorney	238,043	238,043	234,240	3,803
Finance	466,609	466,609	408,256	58,353
Human Resources	1,707,791	1,707,791	1,686,926	20,865
General Services	1,060,342	1,060,342	671,907	388,435
Information Technology	528,211	528,211	478,776	49,435
Total General Government	4,580,526	4,580,526	3,983,865	596,661
<b>Public Safety:</b>				
Administration	385,455	385,455	322,850	62,605
Patrol	2,206,883	2,206,883	1,738,439	468,444
Communications	608,922	608,922	496,291	112,631
Investigations	412,660	412,660	412,660	-
Fire	2,333,646	2,333,646	2,014,772	318,874
Magistrate	429,748	429,748	393,959	35,789
Building and Safety	167,756	167,756	126,049	41,707
Total Public Safety	6,545,070	6,545,070	5,505,020	1,040,050
<b>Public Works</b>				
Administration	715,062	715,062	545,357	169,705
Planning and Zoning	365,561	365,561	123,228	242,333
Central Garage	299,727	299,727	292,840	6,887
Buildings Maintenance	377,312	377,312	275,729	101,583
Total Public Works	1,757,662	1,757,662	1,237,154	520,508
<b>Culture and Recreation:</b>				
Library	389,086	389,086	320,334	68,752
Parks & Trails Maintenance	412,658	412,658	290,851	121,807
Recreation	317,967	317,967	201,533	116,434
Total Culture and Recreation	1,119,711	1,119,711	812,718	306,993

(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, 2020**

	Original	Final	Actual	Positive (Negative)
<b>Community Development</b>				
Community Center	235,462	235,462	186,935	48,527
Community Development	674,742	674,742	499,285	175,457
	<u>910,204</u>	<u>910,204</u>	<u>686,220</u>	<u>223,984</u>
<b>TOTAL EXPENDITURES</b>	<u>14,913,173</u>	<u>14,913,173</u>	<u>12,224,977</u>	<u>2,688,196</u>
Excess of Revenues Over (Under)				
Expenditures	<u>2,229,220</u>	<u>2,229,220</u>	<u>4,590,038</u>	<u>2,360,818</u>
Other Financing Sources (Uses):				
Issuance of debt	-	-	-	-
Transfers in	1,294,280	1,397,255	1,395,122	(2,133)
Transfers out	(5,314,500)	(5,314,500)	(4,218,161)	1,096,339
Total Other Financing Sources (Uses)	<u>(4,020,220)</u>	<u>(3,917,245)</u>	<u>(2,823,039)</u>	<u>1,094,206</u>
Net change in fund balance	(1,791,000)	(1,688,025)	1,766,999	3,455,024
Fund balance, beginning of year	<u>15,810,863</u>	<u>15,810,863</u>	<u>15,810,863</u>	<u>-</u>
Fund balance, end of year	<u>\$ 14,019,863</u>	<u>\$ 14,122,838</u>	<u>\$ 17,577,862</u>	<u>\$ 3,455,024</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, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental Revenue:				
Highway user revenue	\$ 904,312	\$ 904,312	\$ 1,046,706	\$ 142,394
Investment earnings	15,000	15,000	9,589	(5,411)
Other revenues	-	-	274	274
	<u>919,312</u>	<u>919,312</u>	<u>1,056,569</u>	<u>137,257</u>
<b>Expenditures</b>				
<b>Streets and Highways</b>				
Current:				
Salaries, wages and benefits	50	50	38	12
Service, supplies and other	920,350	920,350	909,420	10,930
	<u>920,400</u>	<u>920,400</u>	<u>909,458</u>	<u>10,942</u>
Excess of revenues over (under) expenditures	(1,088)	(1,088)	147,111	148,199
<b>Other financing sources (uses)</b>				
Transfers to other funds	(135,000)	(135,000)	(93,122)	41,878
	<u>(135,000)</u>	<u>(135,000)</u>	<u>(93,122)</u>	<u>41,878</u>
Net change in fund balance	(136,088)	(136,088)	53,989	190,077
Fund balance, beginning of year	30,681	30,681	30,681	-
<b>Fund balance, end of year</b>	<u>\$ (105,407)</u>	<u>\$ (105,407)</u>	<u>\$ 84,670</u>	<u>\$ 190,077</u>

**CITY OF PAGE, ARIZONA**  
**GRANTS FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>Revenues</b>				
Intergovernmental revenue	\$ 5,074,500	\$ 5,074,500	\$ 4,592,086	\$ (482,414)
Total revenues	5,074,500	5,074,500	4,592,086	(482,414)
<b>Expenditures</b>				
Public works	140,000	140,000	64,236	75,764
Culture and recreation	410,000	410,000	-	410,000
Community support	4,517,930	4,517,930	4,440,932	76,998
Total expenditures	5,067,930	5,067,930	4,505,168	562,762
Excess of revenues over (under) expenditures	6,570	6,570	86,918	80,348
<b>Other financing sources (uses)</b>				
Transfers:				
Transfers out	(38,000)	(38,000)	(37,971)	29
Total other financing sources (uses)	(38,000)	(38,000)	(37,971)	29
Net change in fund balance	(31,430)	(31,430)	48,947	80,377
Fund balance, beginning of year	68,032	68,032	68,032	-
<b>Fund balance, end of year</b>	<b>\$ 36,602</b>	<b>\$ 36,602</b>	<b>\$ 116,979</b>	<b>\$ 80,377</b>



**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, 2020**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Investment earnings	\$ 55,000	\$ 46,835	\$ (8,165)
Other revenue	118,000	78,033	(39,967)
Total revenues	<u>173,000</u>	<u>124,868</u>	<u>(48,132)</u>
<b>Expenditures</b>			
General government	1,627,250	2,250	1,625,000
Debt service:			
Principal	1,041,250	1,045,302	(4,052)
Interest	352,725	348,590	4,135
Total expenditures	<u>3,021,225</u>	<u>1,396,142</u>	<u>1,625,083</u>
Excess of revenues over (under) expenditures	<u>(2,848,225)</u>	<u>(1,271,274)</u>	<u>1,576,951</u>
<b>Other financing sources (uses)</b>			
Transfers in	3,234,750	2,593,752	(640,998)
Transfers out	(1,144,255)	(1,146,786)	(2,531)
Total other financing sources (uses)	<u>2,090,495</u>	<u>1,446,966</u>	<u>(643,529)</u>
Net change in fund balances	(757,730)	175,692	933,422
Fund balance, beginning of year	<u>7,597,111</u>	<u>7,597,111</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u><u>\$ 6,839,381</u></u>	<u><u>\$ 7,772,803</u></u>	<u><u>\$ 933,422</u></u>

**CITY OF PAGE, ARIZONA**  
**CAPITAL PROJECTS FUND**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2020**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental revenue	\$ 4,724,947	\$ 3,451,351	\$ (1,273,596)
Investment earnings	-	190,435	190,435
Other revenue	30,374	-	(30,374)
	<u>4,755,321</u>	<u>3,641,786</u>	<u>(1,113,535)</u>
<b>Expenditures</b>			
Capital outlay	9,517,703	5,654,824	3,862,879
Debt service	11,500	11,146	354
	<u>9,529,203</u>	<u>5,665,970</u>	<u>3,863,233</u>
Excess of revenues over (under) expenditures	<u>(4,773,882)</u>	<u>(2,024,184)</u>	<u>2,749,698</u>
<b>Other Financing Sources (Uses)</b>			
Transfer in	4,639,875	3,669,986	(969,889)
Lease proceeds	-	342,033	342,033
	<u>4,639,875</u>	<u>4,012,019</u>	<u>(627,856)</u>
Net change in fund balances	(134,007)	1,987,835	2,121,842
Fund balance, beginning of year	<u>1,625,829</u>	<u>1,625,829</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u><u>\$ 1,491,822</u></u>	<u><u>\$ 3,613,664</u></u>	<u><u>\$ 2,121,842</u></u>

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

**Special Revenue Funds**

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

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

**CITY OF PAGE, ARIZONA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2020**

	<u>Substance Abuse</u>	<u>Miscellaneous Donations</u>	<u>Airport</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 27,741	\$ 34,052	\$ 1,126,680
Receivables:			
Other	-	-	43,442
Due from other funds	-	-	-
Due from other governments	-	-	2,095
Restricted cash and cash equivalents	-	-	24,635
Total assets	<u>\$ 27,741</u>	<u>\$ 34,052</u>	<u>\$ 1,196,852</u>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ -	\$ 11,937
Accrued liabilities	-	-	2,043
Deposits payable	-	-	24,635
Total liabilities	<u>-</u>	<u>-</u>	<u>38,615</u>
<b>Fund Balances</b>			
Restricted for:			
Perpetual care	-	-	-
Public safety	27,741	-	-
Community support	-	34,052	-
Committed for:			
Public works - airport	-	-	1,158,237
Judicial	-	-	-
Total fund balances	<u>27,741</u>	<u>34,052</u>	<u>1,158,237</u>
Total liabilities and fund balances	<u>\$ 27,741</u>	<u>\$ 34,052</u>	<u>\$ 1,196,852</u>

<b>Judicial Collection Enhancement</b>	<b>Perpetual Care</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 25,285	\$ 290,120	\$ 1,503,878
-	6,989	50,431
213	-	213
-	-	2,095
-	-	24,635
<u>\$ 25,498</u>	<u>\$ 297,109</u>	<u>\$ 1,581,252</u>
\$ -	\$ 2,235	\$ 14,172
-	-	2,043
-	-	24,635
<u>-</u>	<u>2,235</u>	<u>40,850</u>
-	294,874	294,874
-	-	27,741
-	-	34,052
-	-	1,158,237
25,498	-	25,498
<u>25,498</u>	<u>294,874</u>	<u>1,540,402</u>
<u>\$ 25,498</u>	<u>\$ 297,109</u>	<u>\$ 1,581,252</u>

**CITY OF PAGE, ARIZONA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2020**

	<u>Special Revenue</u>		
	<u>Substance Abuse</u>	<u>Miscellaneous Donations</u>	<u>Airport</u>
<b>Revenues</b>			
Intergovernmental revenue	\$ 1,708	\$ -	\$ -
Charges for services	-	-	45,550
Rental revenue	-	-	386,317
Other revenues	-	6,437	134,417
	<u>1,708</u>	<u>6,437</u>	<u>566,284</u>
<b>Expenditures</b>			
Current:			
Public safety	-	-	-
Public works	-	-	355,699
Judicial	-	-	-
Culture and recreation	-	887	-
Community support	-	532	-
	<u>-</u>	<u>1,419</u>	<u>355,699</u>
Total expenditures	<u>-</u>	<u>1,419</u>	<u>355,699</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,708</u>	<u>5,018</u>	<u>210,585</u>
<b>Other Financing Sources (Uses)</b>			
Transfers out	<u>-</u>	<u>-</u>	<u>(573,050)</u>
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(573,050)</u>
Net change in fund balances	1,708	5,018	(362,465)
Fund balances, beginning of year	<u>26,033</u>	<u>29,034</u>	<u>1,520,702</u>
Fund balances, end of year	<u><u>\$ 27,741</u></u>	<u><u>\$ 34,052</u></u>	<u><u>\$ 1,158,237</u></u>



<u>Judicial Collection Enhancement</u>	<u>Perpetual Care</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 4,539	\$ -	\$ 6,247
-	30,202	75,752
-	-	386,317
15	29,483	170,352
<u>4,554</u>	<u>59,685</u>	<u>638,668</u>
-	-	-
-	-	355,699
10,889	-	10,889
-	-	887
-	11,115	11,647
<u>10,889</u>	<u>11,115</u>	<u>379,122</u>
<u>(6,335)</u>	<u>48,570</u>	<u>259,546</u>
<u>-</u>	<u>(59,399)</u>	<u>(632,449)</u>
<u>-</u>	<u>(59,399)</u>	<u>(632,449)</u>
(6,335)	(10,829)	(372,903)
<u>31,833</u>	<u>305,703</u>	<u>1,913,305</u>
<u>\$ 25,498</u>	<u>\$ 294,874</u>	<u>\$ 1,540,402</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, 2020**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Substance abuse revenue	<u>\$ 4,000</u>	<u>\$ 1,708</u>	<u>\$ (2,292)</u>
<b>Expenditures</b>			
Public safety:			
Substance abuse expenditures	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Excess of revenue over(under) expenditures	(21,000)	1,708	22,708
Fund balance, beginning of year	<u>26,033</u>	<u>26,033</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u><u>\$ 5,033</u></u>	<u><u>\$ 27,741</u></u>	<u><u>\$ 22,708</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, 2020**

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	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Other revenues	\$ 3,610	\$ 6,437	\$ 2,827
Total revenues	<u>3,610</u>	<u>6,437</u>	<u>2,827</u>
<b>Expenditures</b>			
Culture and recreation	2,500	887	1,613
Community support	<u>28,296</u>	<u>532</u>	<u>27,764</u>
Total expenditures	<u>30,796</u>	<u>1,419</u>	<u>29,377</u>
Excess of revenues over (under) expenditures	(27,186)	5,018	32,204
Fund balance, beginning of year	<u>29,034</u>	<u>29,034</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u><u>\$ 1,848</u></u>	<u><u>\$ 34,052</u></u>	<u><u>\$ 32,204</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, 2020**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Charges for services	\$ 47,000	\$ 45,550	\$ (1,450)
Rents and royalties	395,000	386,317	(8,683)
Miscellaneous	<u>103,100</u>	<u>134,417</u>	<u>31,317</u>
Total revenues	<u>545,100</u>	<u>566,284</u>	<u>21,184</u>
<b>Expenditures</b>			
Public works	<u>392,963</u>	<u>355,699</u>	<u>37,264</u>
Total expenditures	<u>392,963</u>	<u>355,699</u>	<u>37,264</u>
Excess of revenues over (under) expenditures	<u>152,137</u>	<u>210,585</u>	<u>58,448</u>
<b>Other Financing Sources (uses)</b>			
Transfers out	<u>(926,125)</u>	<u>(573,050)</u>	<u>353,075</u>
Total other financing sources (uses)	<u>(926,125)</u>	<u>(573,050)</u>	<u>353,075</u>
Net change in fund balance	(773,988)	(362,465)	411,523
Fund balance, beginning of year	<u>1,520,702</u>	<u>1,520,702</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u><u>\$ 746,714</u></u>	<u><u>\$ 1,158,237</u></u>	<u><u>\$ 411,523</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, 2020**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental revenue	\$ 4,500	\$ 4,539	\$ 39
Other revenues	50	15	(35)
Total revenues	<u>4,550</u>	<u>4,554</u>	<u>4</u>
<b>Expenditures</b>			
Public safety:			
Magistrate	<u>40,000</u>	<u>10,889</u>	<u>29,111</u>
Total expenditures	<u>40,000</u>	<u>10,889</u>	<u>29,111</u>
Excess of revenues over (under) expenditures	(35,450)	(6,335)	29,115
Fund balance, beginning of year	<u>31,833</u>	<u>31,833</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u><u>\$ (3,617)</u></u>	<u><u>\$ 25,498</u></u>	<u><u>\$ 29,115</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, 2020**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Charges for services	\$ 20,500	\$ 30,202	\$ 9,702
Other revenues	<u>21,000</u>	<u>29,483</u>	<u>8,483</u>
Total revenues	<u>41,500</u>	<u>59,685</u>	<u>18,185</u>
<b>Expenditures</b>			
Current:			
Community support	<u>21,300</u>	<u>11,115</u>	<u>10,185</u>
Total expenditures	<u>21,300</u>	<u>11,115</u>	<u>10,185</u>
Excess of revenues over (under) expenditures	<u>20,200</u>	<u>48,570</u>	<u>28,370</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(125,000)</u>	<u>(59,399)</u>	<u>65,601</u>
Total other financing sources (uses)	<u>(125,000)</u>	<u>(59,399)</u>	<u>65,601</u>
Net change in fund balances	(104,800)	(10,829)	93,971
Fund balance, beginning of year	<u>305,703</u>	<u>305,703</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u><u>\$ 200,903</u></u>	<u><u>\$ 294,874</u></u>	<u><u>\$ 93,971</u></u>

## STATISTICAL SECTION

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

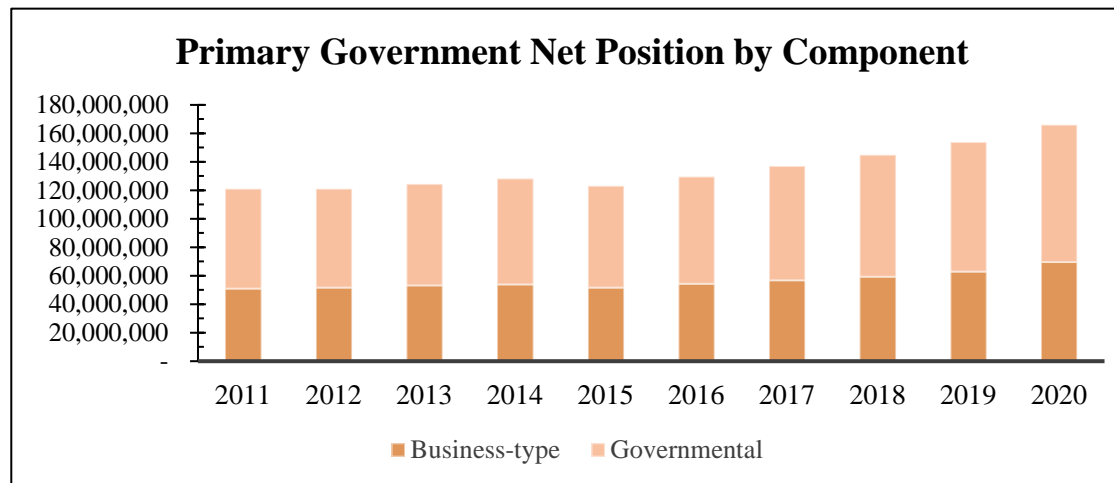
Contents	Page
Financial Trends .....	105
<i>These schedules contain trend information to help the reader understand how the government’s financial performance and well being have changed over time.</i>	
Revenue Capacity .....	113
<i>These schedules contain information to help the reader assess the government’s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

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	Fiscal Year Ended June 30									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental activities:</b>										
Net investment capital assets	\$ 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	\$ 69,889,750
Restricted	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	11,944,783
Unrestricted	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	14,692,191
<b>Total governmental activities net position</b>	69,937,712	69,409,606	71,331,558	74,242,890	71,296,645	75,344,362	80,244,360	85,565,410	91,026,457	96,526,724
<b>Business-type activities:</b>										
Net investment capital assets	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	34,947,403
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	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	34,595,396
<b>Total business-type activities net position</b>	51,083,244	51,675,781	53,139,981	53,953,703	51,758,883	54,296,538	56,746,330	59,327,352	62,880,597	69,542,799
<b>Primary government</b>										
Net investment capital assets	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	104,837,153
Restricted	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	11,944,783
Unrestricted	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	49,287,587
<b>Total primary government net position</b>	121,020,956	121,085,387	124,471,539	128,196,593	123,055,528	129,640,900	136,990,690	144,892,762	153,907,054	166,069,523

Source: Statement of Net Position



**City of Page, Arizona**

**Change in Net Position (unaudited)**

**Last Ten Fiscal Years**

**Statistical Section**

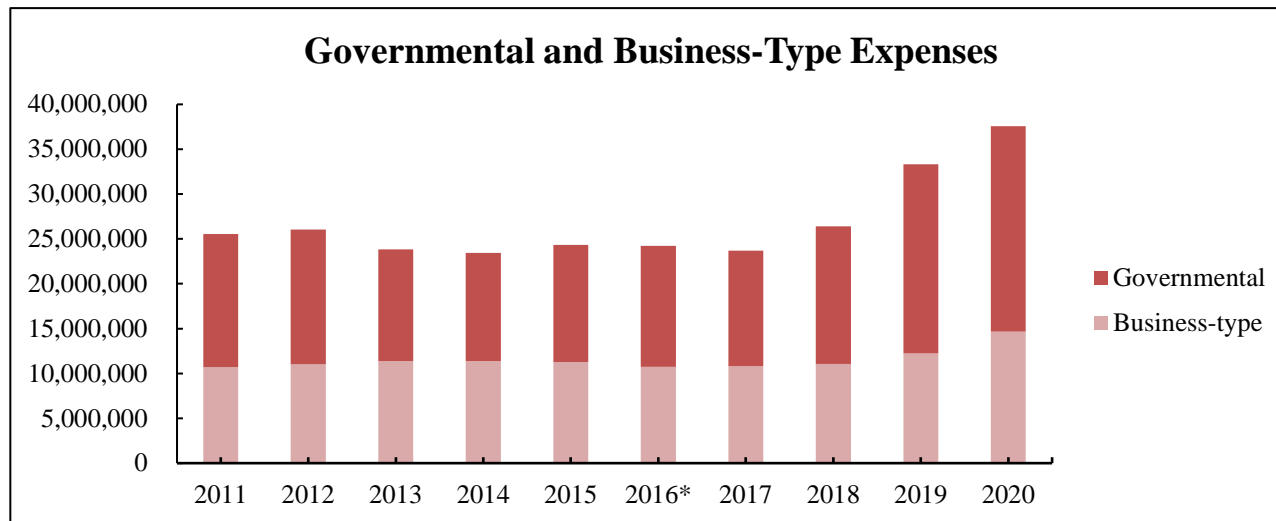
**Financial Trends**

**(Accrual basis of accounting)**

Expenses	Fiscal Year Ended June 30									
	2011	2012	2013	2014	2015	2016*	2017	2018	2019	2020
<b>Governmental activities:</b>										
General government	\$ 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	\$ 3,831,163
Public safety	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	5,346,184
Judicial	335,018	376,928	264,242	272,341	331,636	3,312,763	13,245	8,457	5,497,750	3,648,509
Public works	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	9,936
Culture and recreation	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	4,774,238
Community Support	977,583	959,067	823,049	614,650	569,090	774,053	567,743	618,843	4,970,310	4,905,730
Interest on long-term debt	358,964	1,027,886	547,454	511,285	489,762	467,237	448,474	427,529	407,326	383,336
<b>Total governmental activities</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>22,899,096</b>
<b>Business-type activities:</b>										
Water	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	1,588,783
Sewer	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	1,616,752
Electric	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	6,922,860
Sanitation	656,820	619,764	639,129	616,463	633,182	642,385	665,396	689,077	8,013,267	749,644
Horseshoe Bend	-	-	-	-	-	-	-	-	263,265	2,400,164
Golf	-	-	-	-	-	-	-	-	-	1,398,663
<b>Total business-type activities</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>14,676,866</b>
<b>Total Primary Governmental Expenses</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>	<b>37,575,962</b>

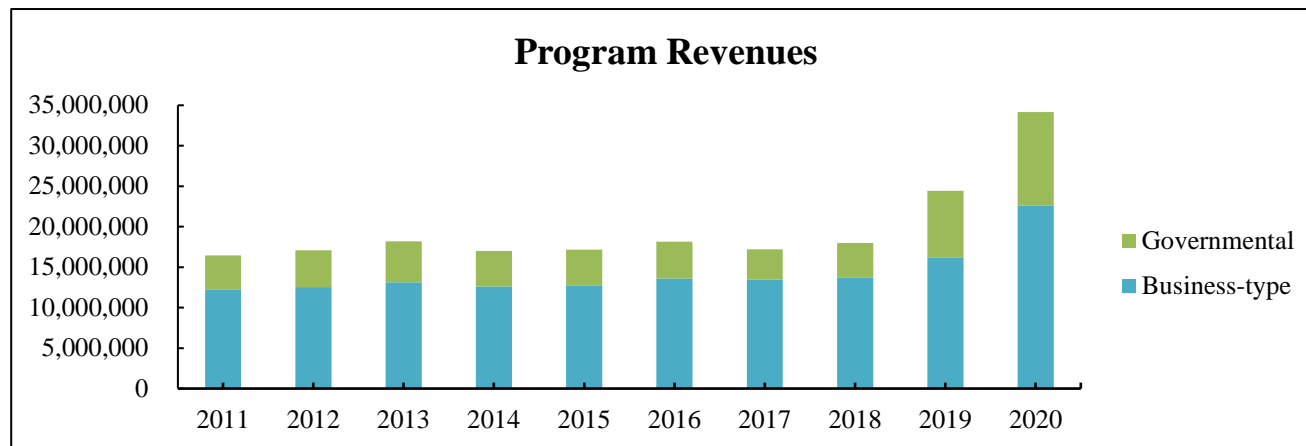
Source: Statement of Activities

2016 Restated: Electric and Sanitation numbers in incorrect row.



Program Revenues	Fiscal Year Ended June 30									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental activities:</b>										
Charges for services										
General government	\$ 841,902	\$ 69,360	\$ 106,805	\$ 105,700	\$ 110,537	\$ 119,155	\$ 140,530	\$ 108,321	\$ 96,461	\$ 86,163
Public safety	60,112	847,143	692,620	594,231	780,392	1,230,660	1,197,174	1,234,686	1,170,052	1,069,039
Judicial	310,299	366,378	322,395	326,320	285,196	0	0	0	0	0
Public works	677,174	592,057	617,876	653,229	675,223	750,676	716,320	614,337	679,565	804,126
Culture and recreation	301,734	339,833	177,454	140,516	137,129	99,874	94,299	102,395	87,525	52,048
Community support	31,615	32,078	35,702	39,470	37,786	32,555	20,251	12,438	13,119	14,916
Operating grants and contributions	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	5,928,375
Capital grants and contributions	1,477,168	1,398,753	1,783,868	1,139,188	1,184,230	872,703	232,075	898,224	530,262	3,554,737
<b>Total governmental activities</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>11,509,404</b>
<b>Business-type activities:</b>										
Charges for services										
Water	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	2,087,440
Sewer	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	1,891,245
Electric	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	9,488,096
Sanitation	663,340	684,540	921,727	845,130	861,008	872,859	902,969	932,174	9,245,198	951,109
Horseshoe Bend	-	-	-	-	-	-	-	-	1,646,549	4,024,228
Golf	-	-	-	-	-	-	-	-	-	596,210
Capital grants and contributions	-	-	-	-	-	-	-	-	528,738	3,597,898
<b>Total business-type activities</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>22,636,226</b>
<b>Total Program Revenues</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>	<b>34,145,630</b>

Source: Statement of Activities



Change in Net Position - continued (unaudited)

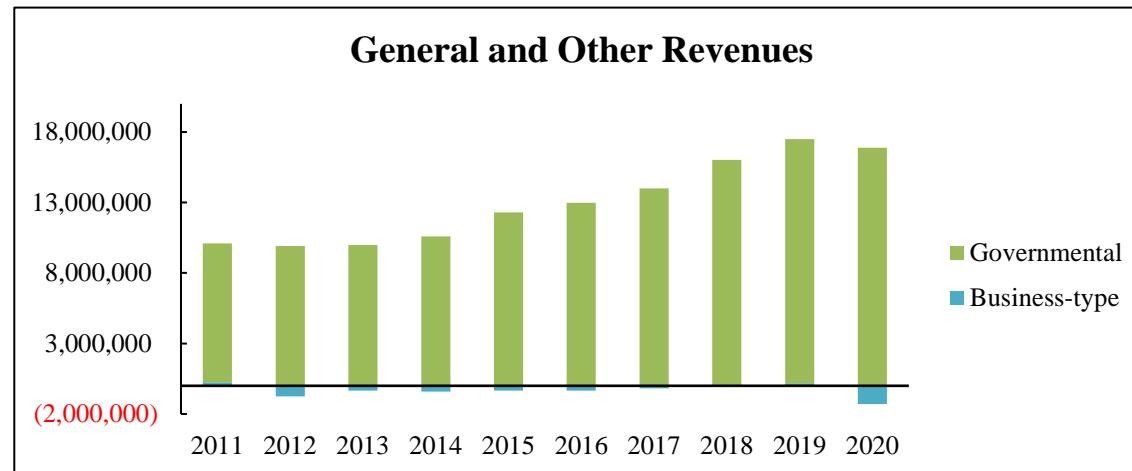
Financial Trends

Last Ten Fiscal Years

(Accrual basis of accounting)

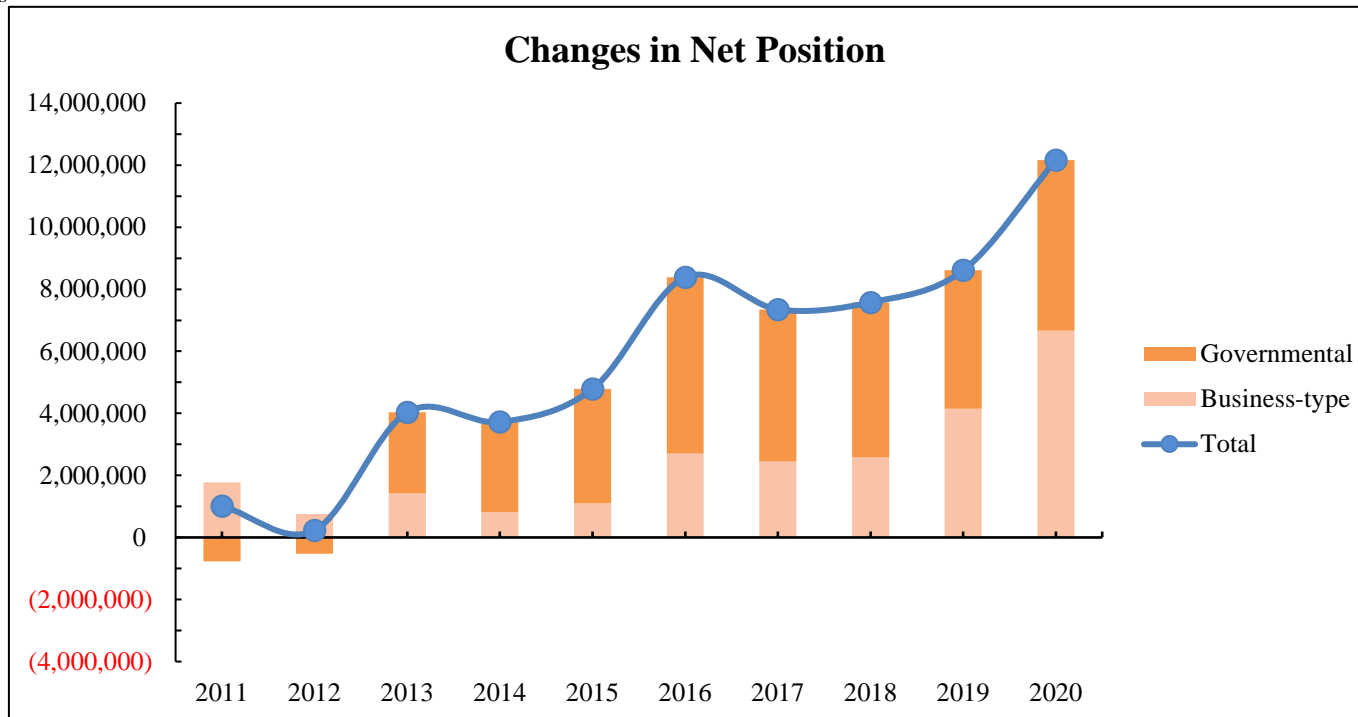
General and Other Revenues	Fiscal Year Ended June 30									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental activities</b>										
Taxes:										
City Sales taxes	\$ 6,902,409	\$ 6,960,801	\$ 7,359,792	\$ 7,854,872	\$ 9,014,013	\$ 10,286,279	\$ 11,336,994	\$ 13,194,212	\$ 14,166,152	\$ 12,100,877
State Sales taxes	-	566,283	593,180	630,799	658,664	685,284	686,412	729,558	759,827	781,163
Property taxes	-	-	-	-	-	-	-	-	-	-
Franchise taxes	-	236,028	297,102	268,405	241,159	244,342	237,920	233,788	250,360	233,405
Auto lieu tax	-	273,207	276,242	285,107	295,945	319,311	329,229	351,107	358,939	352,987
Unrestricted state shared revenue	2,252,850	611,652	740,265	807,770	877,294	872,538	916,348	941,208	914,667	978,393
Land Sales	138,750	377,650	227,038	229,597	729,101	-	-	-	-	-
Investment earnings (losses)	34,830	11,653	9,699	4,639	7,198	61,888	136,796	287,136	509,076	771,305
Miscellaneous	90,892	147,311	30,093	157,453	136,509	157,195	132,094	141,340	221,452	141,458
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	1,530,371
<b>Total Governmental Activities</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>16,889,959</b>
<b>Business-type activities</b>										
Investment earnings/(losses)	13,098	(15,279)	111,565	(64,657)	8,824	26,831	58,739	150,517	276,715	233,213
Miscellaneous	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)	(1,530,371)
<b>Total business-type activities</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>(1,297,158)</b>
<b>Total General and Other Revenues</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>	<b>15,592,801</b>

Source: Statement of Activities



Summary	Fiscal Year Ended June 30									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental Activities</b>										
Expenses	\$ (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)	\$ (22,899,096)
Program Revenue	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	11,509,404
Net (Expense) Revenue	(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)	(11,389,692)
General Revenues and Other	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	16,889,959
<b>Total governmental activities</b>	(769,545)	(528,106)	2,613,811	2,910,208	3,681,516	5,688,196	4,899,998	4,995,244	4,461,048	5,500,267
<b>Business-type Activities</b>										
Expenses	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	14,676,866
Program Revenue	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	22,636,226
General Revenues and Other	255,048	(742,764)	(343,057)	(416,883)	(336,881)	(173,357)	(173,357)	(50,754)	175,852	(1,297,158)
<b>Total business-type activities</b>	1,780,955	759,228	1,422,010	813,722	1,105,338	2,702,389	2,449,792	2,580,491	4,149,285	6,662,202
<b>Total Primary Government</b>	1,011,410	231,122	4,035,821	3,723,930	4,786,854	8,390,585	7,349,790	7,575,735	8,610,333	12,162,469

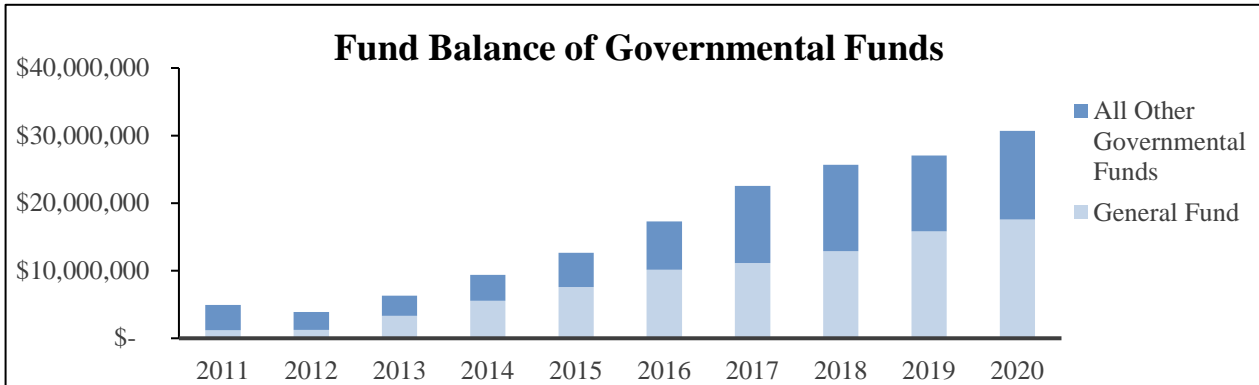
Source: Statement of Activities



**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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Fund:</b>										
Reserved										
Unreserved										
Nonspendable		0	0	50,099	62,976	\$ 73,698	\$ -	\$ -	\$ -	\$ 260
Restricted							-	-	-	-
Committed		0					-	-	-	-
Assigned		0	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	17,577,602
<b>Total General Fund</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>\$ 17,577,862</b>
<b>All Other Governmental Funds:</b>										
Reserved										
Unreserved, reported in:										
Special revenue funds										
Capital projects funds										
Debt service fund										
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	\$ 590,873
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	1,183,735
Assigned	0	0	0	0	-	-	-	-	9,172,894	11,353,910
Unassigned	0	0	0	0	-	-	-	-	-	-
<b>Total all other governmental funds</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>\$ 13,128,518</b>
<b>Total Government Funds</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>	<b>\$ 30,706,380</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.

Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years

Financial Trends  
(Accrual basis of accounting)

	Fiscal Year Ended June 30									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues:</b>										
Taxes	\$ 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	\$ 12,334,282
Licenses and permits	382,509	85,254	114,268	127,525	186,044	294,055	294,515	169,436	244,088	307,155
Intergovernmental	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	11,559,466
Charges for services	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	968,678
Fines and forfeitures	327,704	381,075	340,829	352,606	313,388	286,430	252,557	222,594	246,499	236,453
Rents and royalties	384,887	422,509	364,764	390,504	383,710	382,473	368,224	363,312	336,270	386,317
Investment income	34,830	11,653	9,698	4,640	6,892	56,656	136,766	287,106	509,056	771,289
Land sales	138,750	377,650	233,487	246,275	357,700	144,300	293,004	-	53,456	1,295
Miscellaneous	1,796,642	213,983	202,074	239,400	193,573	177,059	267,475	342,646	307,728	304,057
<b>Total revenues</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>26,868,992</b>
<b>Expenditures:</b>										
Current -										
General government	\$ 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	\$ 3,986,115
Public safety	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	5,505,020
Judicial	357,364	376,928	264,242	272,341	331,636	1,320,767	13,216	8,447	16,280	10,889
Public works	1,958,048	1,610,576	1,265,727	1,077,785	1,296,595	8,062	1,354,570	2,090,641	4,364,007	2,566,547
Culture and recreation	1,830,562	1,466,996	976,150	929,787	1,018,995	900,986	1,035,250	1,276,693	1,227,325	813,605
Community support	1,001,266	931,457	763,728	561,816	546,129	506,816	509,616	560,471	4,961,023	5,138,799
Capital outlay	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	5,654,824
Debt service -										
Principal	422,727	482,895	709,424	873,963	1,013,504	939,171	959,329	984,997	1,011,399	1,045,302
Interest and fiscal charges	358,964	546,587	525,950	491,106	469,660	447,180	428,565	407,670	385,184	359,736
Refunding bond issuance costs		566,457								
<b>Total expenditures</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>	<b>\$ 25,080,837</b>
Revenues over Expenditures	\$(3,532,463)	\$(932,630)	\$2,144,895	\$2,722,772	\$2,915,979	\$4,285,015	\$4,932,868	\$2,984,360	\$1,221,308	\$1,788,155
<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	688,968	61,935	-	-	-	-	-	-	-	-
Transfers in	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	7,658,860
Transfers out	(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)	(6,128,489)
Debt proceeds	-	-	-	-	-	-	62,446	-	-	-
Issuance of Debt	-	-	-	-	-	-	-	-	20,681	342,033
<b>Total other financing sources</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>1,872,404</b>
<b>Net Change in Fund Balance</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>	<b>\$3,660,559</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**

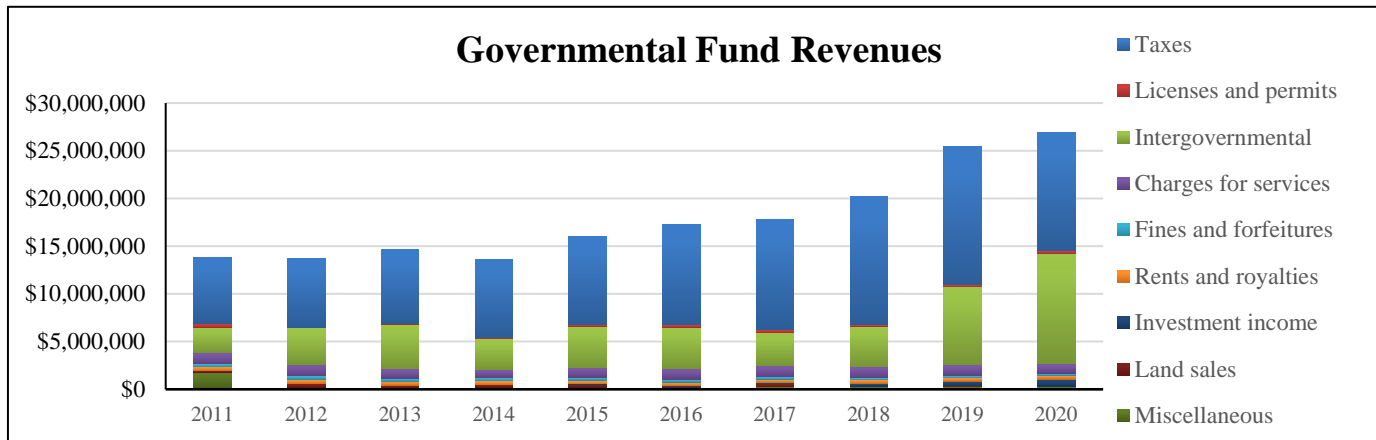
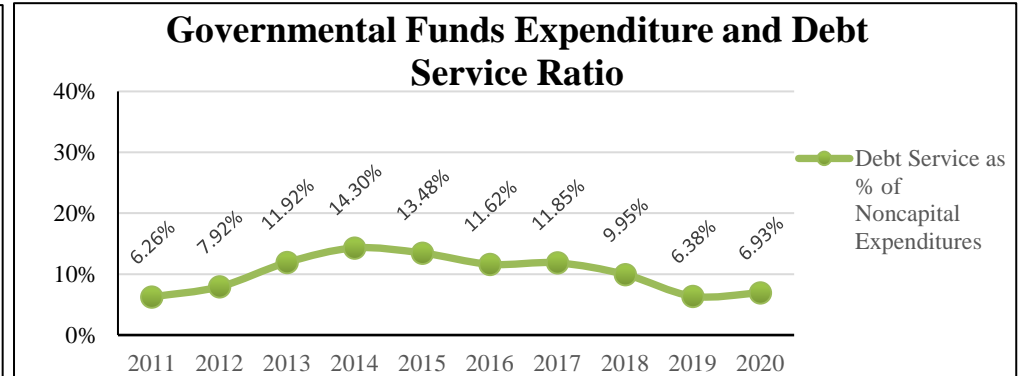
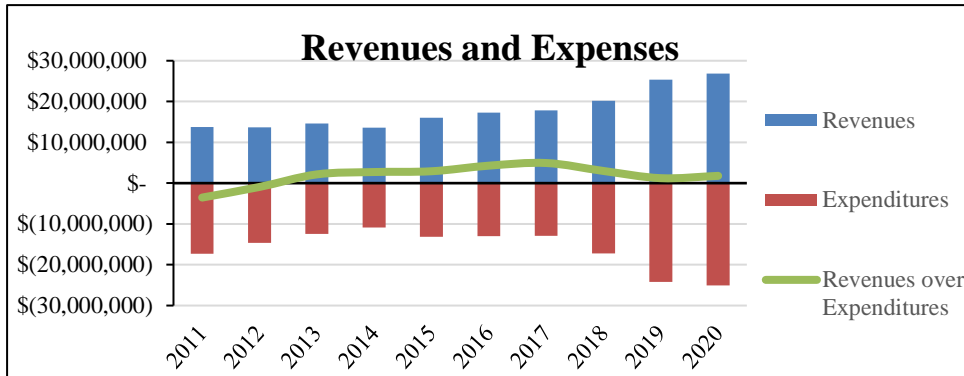
(Accrual basis of accounting)

	Fiscal Year Ended June 30										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Capital Outlay (1)	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	4,800,668	
<b>Debt Ratio</b>											
Total Debt Service	\$ 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	\$ 1,405,038	
Total Noncapital Expenditure (2)	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	20,280,169	
Debt Service as a percentage of noncapital expenditures	6.26%	7.92%	11.92%	14.30%	13.48%	11.62%	11.85%	9.95%	6.38%	6.93%	

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

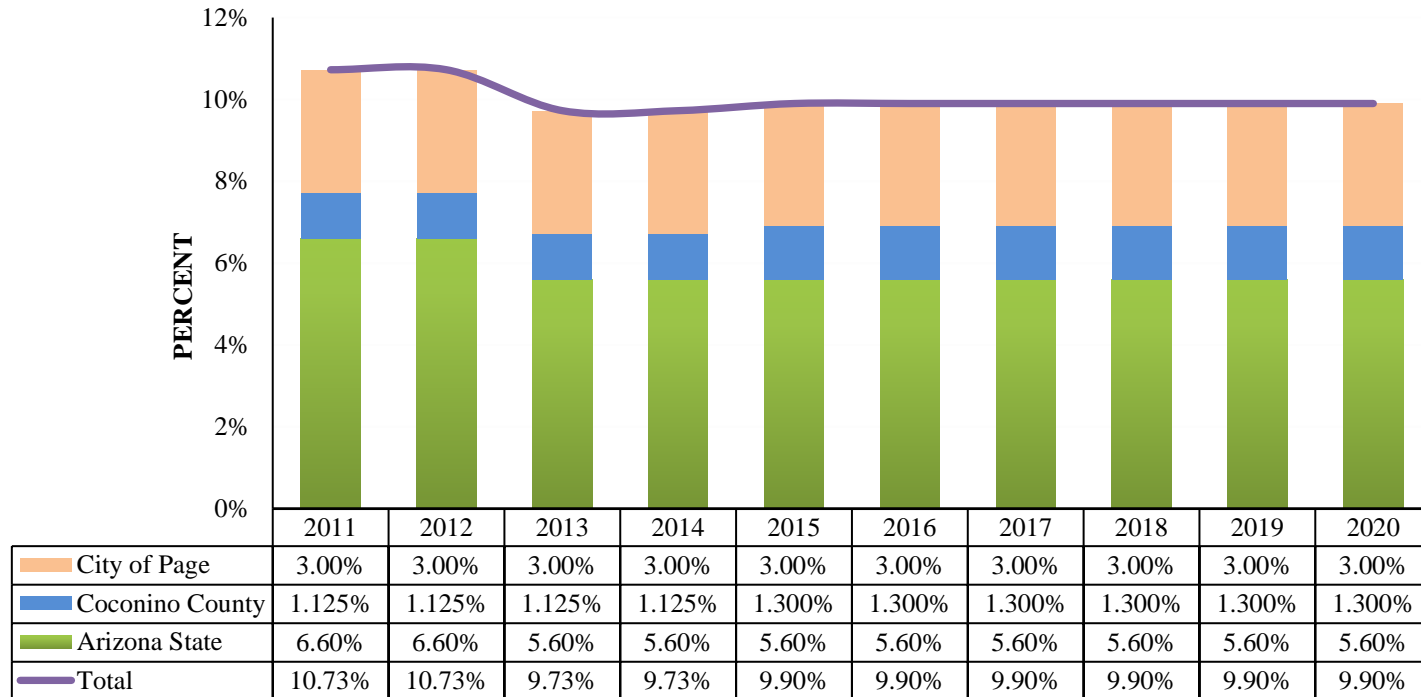
Note (1): Capital outlay amount from Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds.

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





**Direct and Overlapping Sales Tax Rates**

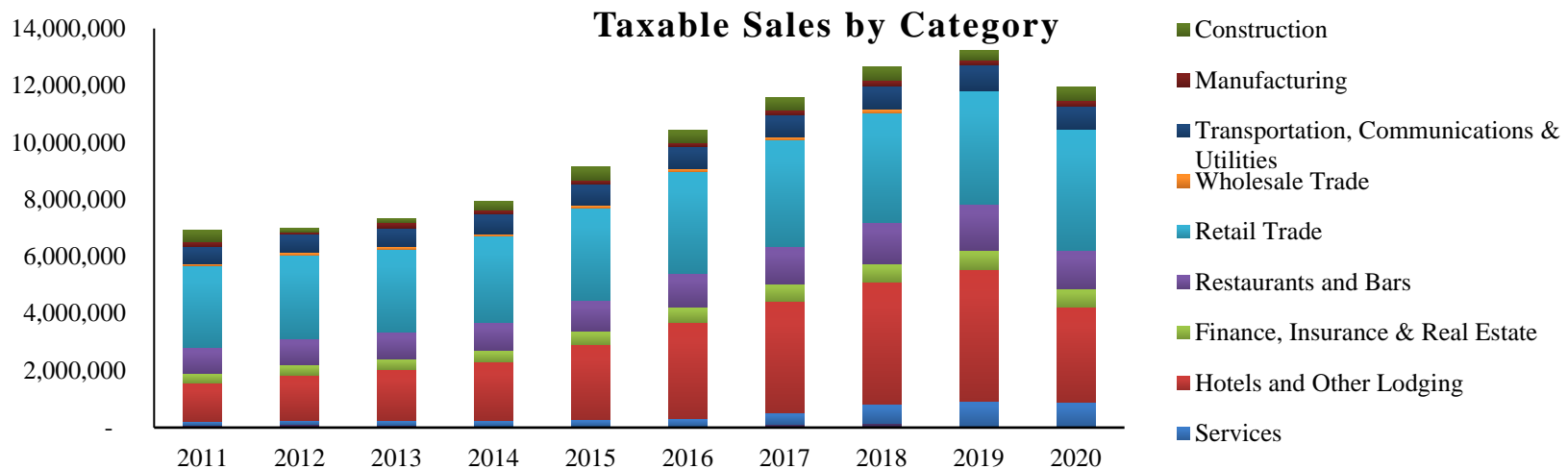


Source: Arizona Department of Revenue Transaction Privilege and Tax Rate Table

**City of Page, Arizona**  
**Taxable Sales by Category**  
**Last Ten Fiscal Years**

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

Categories	Fiscal Year Ended June 30									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Construction	\$ 405,212	\$ 113,974	\$ 159,192	\$ 327,841	\$ 452,763	\$ 409,185	\$ 429,858	\$ 487,537	\$ 344,929	\$ 475,299
Manufacturing	181,012	86,115	179,723	137,727	142,410	145,331	172,444	187,977	179,667	209,963
Transportation, Communications & Utilities	613,357	641,798	656,084	685,400	749,131	779,169	757,718	815,827	905,392	811,780
Wholesale Trade	45,594	103,733	107,086	89,162	95,188	106,697	126,063	143,049	120,021	152,700
Retail Trade	2,875,187	2,902,807	2,905,653	3,004,568	3,242,532	3,571,896	3,740,548	3,834,007	3,984,088	4,241,485
Restaurants and Bars	913,892	921,920	917,810	992,213	1,073,044	1,177,615	1,288,074	1,453,554	1,603,891	1,356,159
Finance, Insurance & Real Estate	345,826	364,462	395,103	420,751	478,540	537,463	632,185	624,175	668,962	638,480
Hotels and Other Lodging	1,332,026	1,579,748	1,783,429	2,051,502	2,630,073	3,379,315	3,902,505	4,289,017	4,616,283	3,320,223
Services	143,507	156,022	167,310	184,030	221,786	258,716	404,210	671,542	914,912	872,146
All Others Not Specified	83,959	110,333	75,750	56,667	51,755	50,509	111,894	152,545	20,305	22,644
	<u>6,939,572</u>	<u>6,980,911</u>	<u>7,347,142</u>	<u>7,949,863</u>	<u>9,137,222</u>	<u>10,415,895</u>	<u>11,565,499</u>	<u>12,659,231</u>	<u>13,358,451</u>	<u>12,100,877</u>
<b>Total</b>	<u>\$6,939,572</u>	<u>\$6,980,911</u>	<u>\$ 7,347,142</u>	<u>\$ 7,949,863</u>	<u>\$ 9,137,222</u>	<u>\$10,415,895</u>	<u>\$11,565,499</u>	<u>\$12,659,231</u>	<u>\$ 13,358,451</u>	<u>\$12,100,877</u>



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

*City of Page, Arizona*

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

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

	<u>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>	<u>2020</u>
<b>Governmental Activities</b>										
General Obligation Bonds (1)	1,834,033	1,663,200	1,486,334	1,309,609	1,127,691	943,520	759,190	574,193	387,794	197,492
Capital Leases	860,459	612,363	468,523	344,412	223,284	148,078	128,968	41,683	49,049	365,107
Notes Payable	-	-	-	-	-	-	-	-	-	-
Revenue Obligation Bonds (1)	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	6,313,729
<b>Total Governmental Activities</b>	<b>14,994,492</b>	<b>14,076,590</b>	<b>13,951,775</b>	<b>13,001,912</b>	<b>11,919,839</b>	<b>10,856,435</b>	<b>9,828,968</b>	<b>8,707,659</b>	<b>7,654,599</b>	<b>6,876,328</b>
<b>Business Activities</b>										
Bonds	-	-	-	-	-	-	-	-	-	-
Capital Leases	78,747	18,545	-	-	-	-	-	-	-	106,597
<b>Total Business Activities</b>	<b>78,747</b>	<b>18,545</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>106,597</b>
<b>Total Primary Government</b>	<b>15,073,239</b>	<b>14,095,135</b>	<b>13,951,775</b>	<b>13,001,912</b>	<b>11,919,839</b>	<b>10,856,435</b>	<b>9,828,968</b>	<b>8,707,659</b>	<b>7,654,599</b>	<b>6,982,925</b>
% of Assessed Value (2)	21.83%	20.75%	22.29%	20.10%	17.74%	15.62%	13.70%	10.71%	9.41%	8.12%
% of Personal Income (3)	9.22%	7.82%	6.81%	6.57%	7.05%	5.92%	4.90%	5.60%	4.92%	4.39%
Per Capita (4)	\$ 2,036	\$ 1,897	\$ 1,879	\$ 1,734	\$ 1,581	\$ 1,442	\$ 1,293	\$ 1,151	\$ 1,012	\$ 927

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>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>	<u>2020</u>
<b>Governmental Activities</b>										
General Obligation Bonds (1)	1,834,033	1,663,200	1,486,334	1,309,609	1,127,691	943,520	759,190	574,193	387,794	197,492
Less: Amounts Available in Debt Service Fund (5)	<u>(191,815)</u>	<u>(175,149)</u>	<u>(157,382)</u>	<u>(139,994)</u>	<u>(121,953)</u>	<u>(94,339)</u>	<u>(75,939)</u>	<u>(58,130)</u>	<u>(50,046)</u>	<u>(32,557)</u>
<b>Total Primary Government</b>	<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>	<u>\$ 164,935</u>
<b>% of Assessed Value (2)</b>	2.38%	2.19%	2.12%	1.81%	1.50%	1.26%	0.95%	0.68%	0.42%	0.19%
<b>% of Personal Income (3)</b>	0.66%	0.58%	0.53%	0.42%	0.34%	0.28%	0.34%	0.33%	0.22%	0.10%
<b>Per Capita (4)</b>	\$ 227	\$ 202	\$ 181	\$ 158	\$ 133	\$ 113	\$ 90	\$ 68	\$ 45	\$ 22

Source: Notes to the Financial Statements Long-Term Liabilities

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

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

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

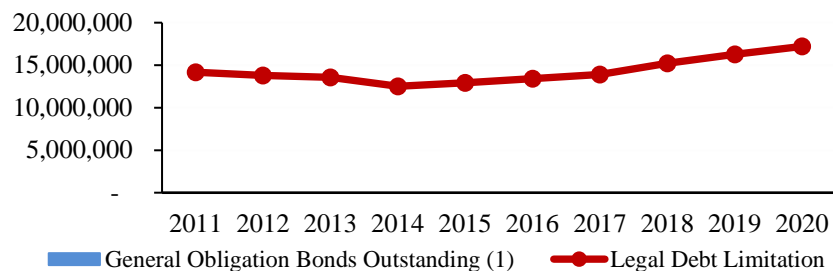
Note (4): Amount is Total Primary Government divided by population disclosed in Demographic and Economic Information page

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

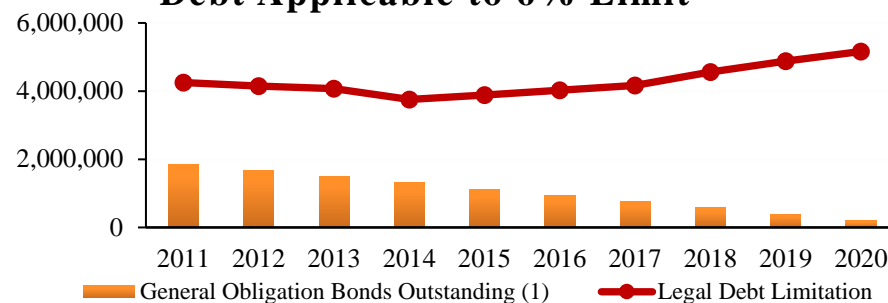
The City of Page is autonomous from any county, town, or other political subdivisions of the State of Arizona. There is no overlapping general obligation debt or taxing powers.

	Fiscal Year Ended June 30									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Assessed Value of Real Property (2)* reinstated</b>	\$ 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	\$ 86,048,461
<b>20% Limitation</b>										
Legal Debt Limitation	\$ 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	\$ 17,209,692
General Obligation Bonds Outstanding (1)	-	-	-	-	-	-	-	-	-	-
Debt Margin Available	\$ 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	\$ 17,209,692
<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	4,255,473	4,143,640	4,074,721	3,755,108	3,880,795	4,030,475	4,169,514	4,564,305	4,878,879	5,162,908
General Obligation Bonds Outstanding (1)	1,834,033	1,663,200	1,486,334	1,309,609	1,127,691	943,520	759,190	574,193	387,794	197,492
Debt Margin Available	\$ 2,421,440	\$ 2,480,440	\$ 2,588,387	\$ 2,445,499	\$ 2,753,104	\$ 3,086,955	\$ 3,410,324	\$ 3,410,324	\$ 4,491,085	\$ 4,965,416
<b>Total Net Debt applicable to the 20 % * reinstated</b>	2.66%	2.45%	2.37%	2.02%	1.68%	1.36%	1.06%	0.75%	0.48%	0.23%

Debt Applicable to 20% Limit



Debt Applicable to 6% Limit



Source: Notes to the Financial Statements Long-Term Liabilities

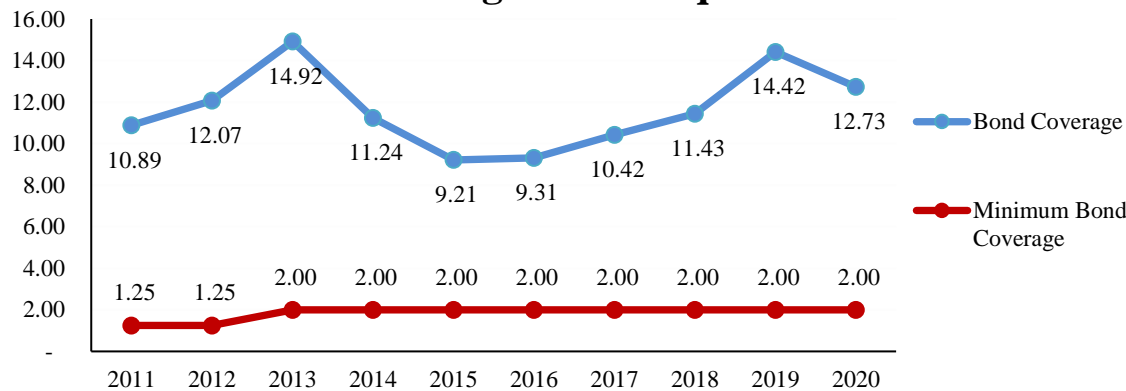
Note (1): Prior to fiscal year 2007, under Arizona law, cities could issue general obligation bonds for purposes of water, sewer, artificial light, open space preserves, parks, playgrounds, and recreational facilities, up to an amount not exceeding 20% of a City's Secondary Net Assessed Valuation. In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

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

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

Fiscal Year	Excise Tax, Revenues and State Shared Revenues (2) As restated	Debt Service Requirements							Coverage Ratio (3)	Minimum
		Series 2011 Bond			Series 1999A Bond		Total Debt Service			
		Debt Service Obligation Being Refunded	Debt Service Principal	Debt Service Interest	Debt Service Principal	Debt Service Interest				
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	
2020	\$ 15,163,641	\$ -	\$ 855,000	\$ 336,200	-	-	\$ 1,191,200	12.73	2.00	

Bond Coverage and Requirements



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

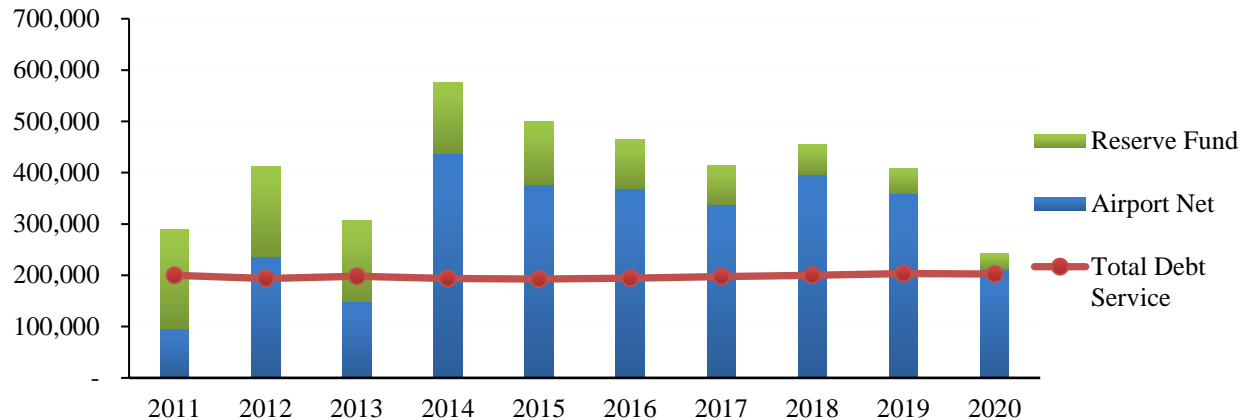
Note (1): In Fiscal Year 2012, Series 1999A Bond was restructured.

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

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

Fiscal Year	Airport Net Position (Revenue less Expenses)	Debt Service Requirements					
		Series 2004 Airport Bond			Total Debt Service	Coverage Ratio from Net Revenues(2)(4)	Reserve Fund for Debt Service
		Debt Service Principal	Interest Rate (1)	Debt Service Interest			
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
2020	\$ 210,585	\$ 190,302	3.050%	\$ 12,390	\$ 202,692	1.04	\$ 32,557

Airport Bond Coverage and Requirements



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

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

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

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

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



**City of Page, Arizona**

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

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

General	Calendar	Population (1)	**Personal	Per Capita	School	Unemployment Rate (2)		
	Year		Income	Income (1)	Enrollment (3)	Arizona	Coconino County	City of Page
Acres 24,532.6	2010	7,395	163,266,810	22,078	2,829	10.4%	9.9%	6.8%
Median Income \$57,475*	2011	7,423	180,067,134	24,258	2,781	9.5%	9.5%	9.4%
Below Poverty Level 14.0%*	2012	7,425	204,870,600	27,592	2,675	8.3%	8.6%	11.4%
Housing Units 2,799*	2013	7,492	197,833,752	26,406	2,613	7.7%	8.1%	10.8%
Occupied - 2,247*	2014	7,521	168,673,467	22,427	2,621	6.8%	7.1%	8.6%
Vacant - 452*	2015	7,517	182,948,746	24,338	2,594	6.1%	6.5%	7.9%
	2016	7,565	185,380,325	24,505	2,621	5.4%	6.0%	7.4%
U.S. Census Bureau American	2017	7,568	156,604,624	20,693	2,754	4.9%	5.5%	6.8%
Fact Finder	2018	7,547	155,623,859	21,246	2,689	4.8%	5.5%	6.9%
2014-2018*	2019	7,529	\$159,001,367	\$ 21,119 +	2,559	4.7%	5.5%	7.0%

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

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

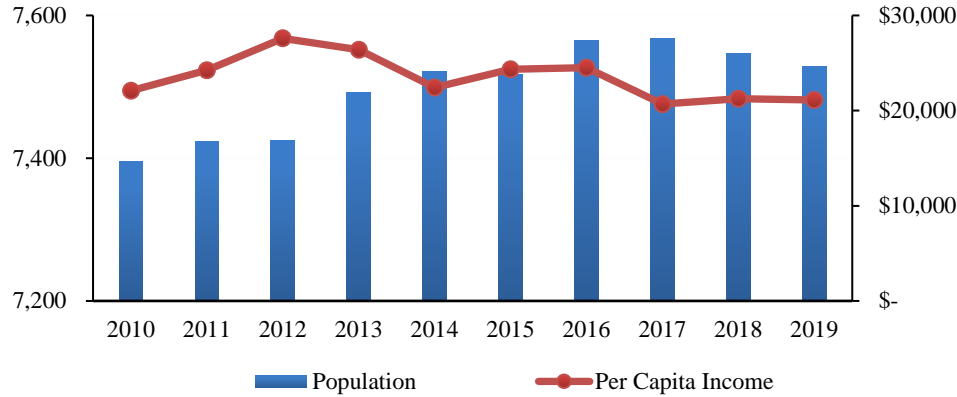
2020			2015		
Employer	Employees	% of Total Employment	Employer	Employees	% of Total Employment
Page Steel Inc	87	2.0%	Page Steel / Page Lumber	67	1.6%
Marpalm of Florida Inc	99	2.0%	Courtyard by Marriott LLP	97	2.4%
Gary Yamamoto Custom Baits Inc	122	3.0%	Safeway	100	2.5%
City of Page	126	3.0%	Page Hospital	123	3.0%
Banner Health	135	3.0%	Gary Yamamoto Custom Baits	154	3.8%
Infinity of Page Home Health Services Llc	150	4.0%	City of Page (Including Page Electric Utility)	191	4.7%
National Park Service	200	5.0%	Super Wal-Mart	233	5.7%
Walmart	222	6.0%	Page Unified School District No. 8	435	10.7%
Page Unified School District 8	728	18.0%	Navajo Generating Station	457	11.2%
Aramark Corp	1,100	28.0%	Aramark, Inc.	680	16.7%
Total	2,969	74.9%	Total	2,537	62.4%
Other	997	25.1%	Other	1,528	37.6%
Labor Force		4,266	Labor Force		4,991
Total employment		3,966	Total employment		4,065
Unemployment		300	Unemployment		926
Unemployment Rate to Labor Force		7.0%	Unemployment Rate to Labor Force		18.6%

Note (1): Local data 2012- 2018 from U.S. Census Bureau.

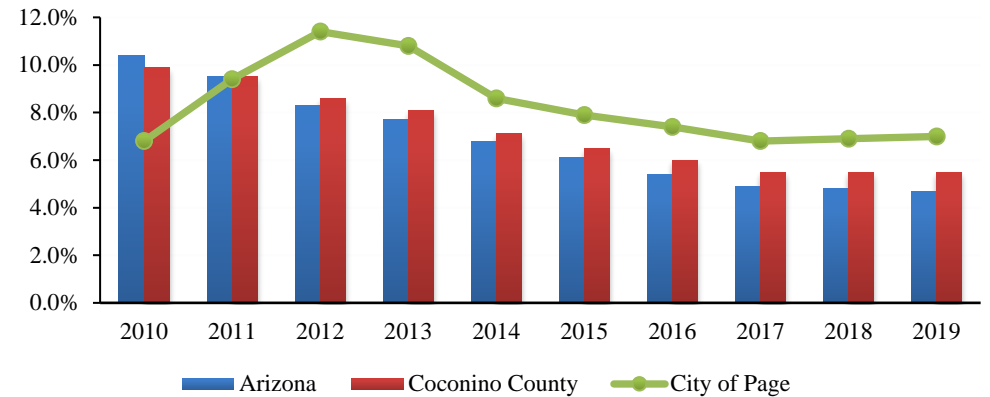
Note (2):Source - Arizona Department of Administration, Office of Employment Statistics. Not seasonally adjusted.

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

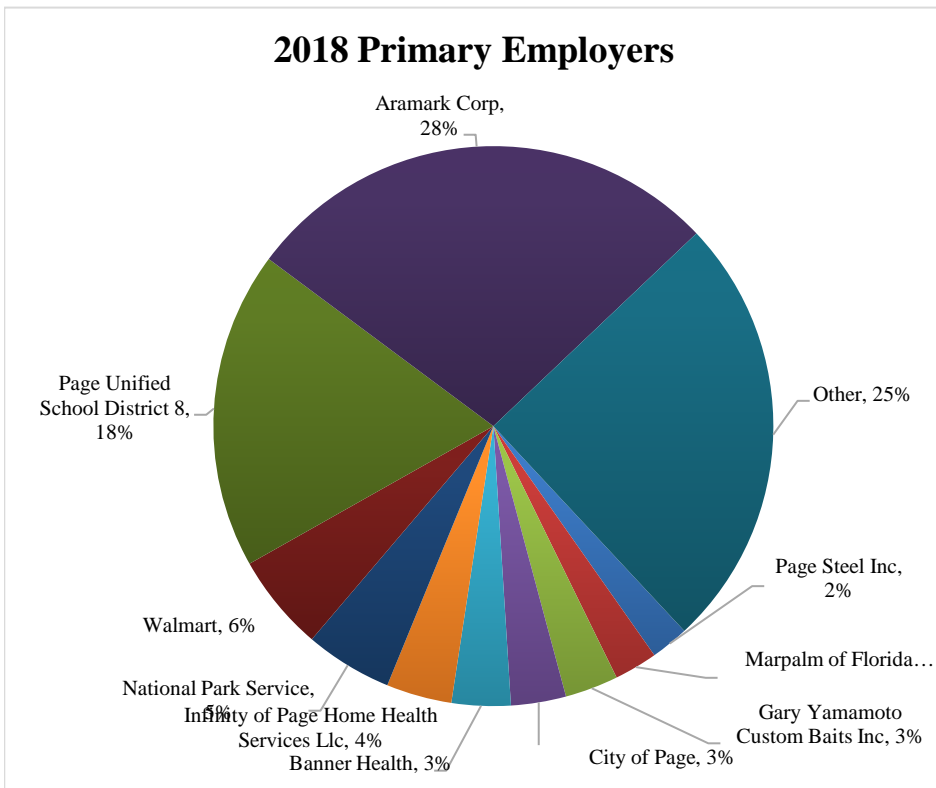
Population vs Per Capita Income



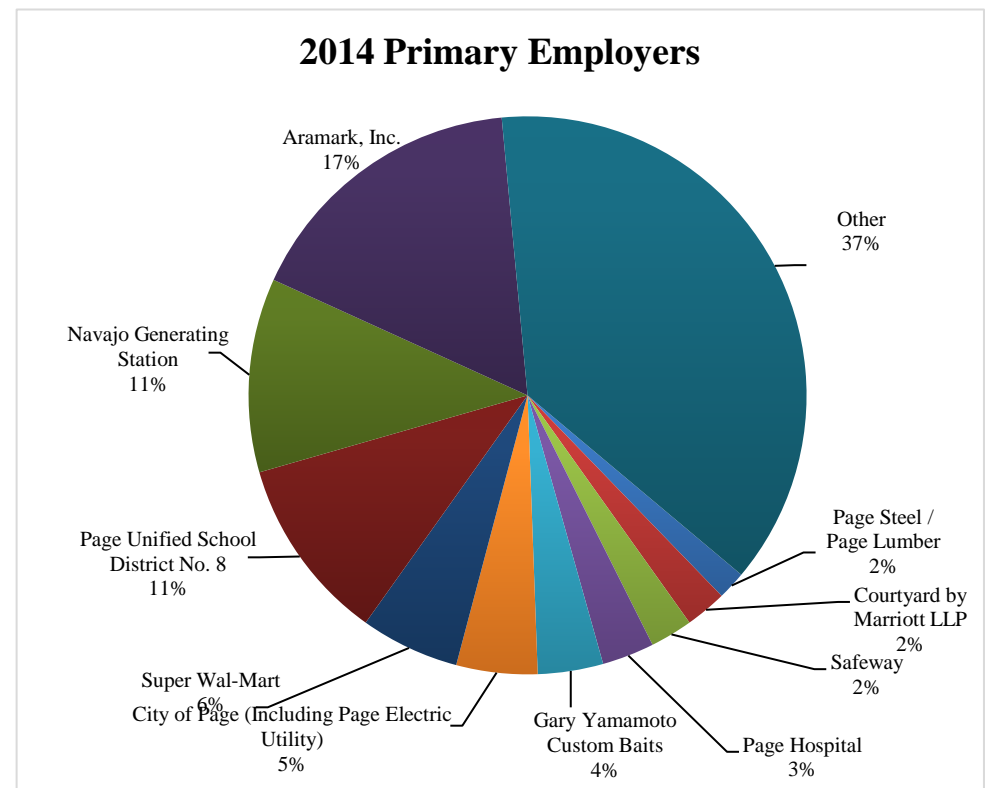
Unemployment Rate



2018 Primary Employers

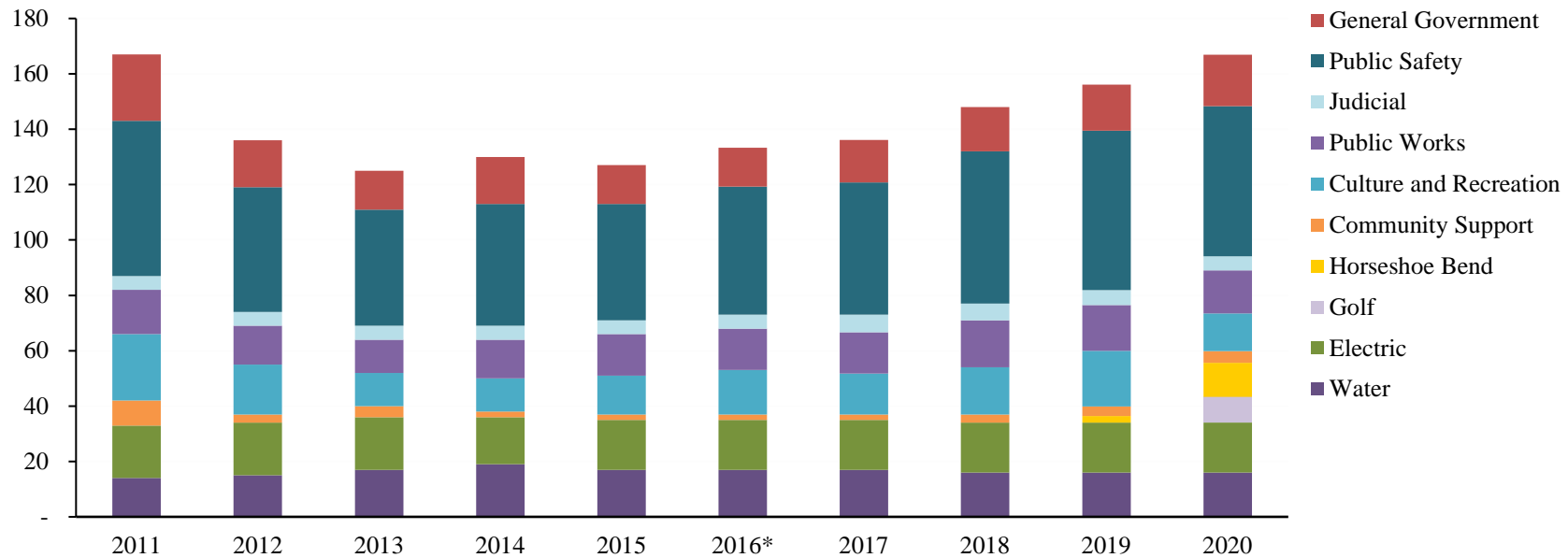


2014 Primary Employers



Full-time Equivalent Employees as of June 30										
Function	2011	2012	2013	2014	2015	2016*	2017	2018	2019	2020
General Government	24	17	14	17	14	14	15	16	17	19
Public Safety	56	45	42	44	42	46	48	55	58	54
Judicial	5	5	5	5	5	5	6	6	5	5
Public Works	16	14	12	14	15	15	15	17	17	16
Culture and Recreation	24	18	12	12	14	16	15	17	20	14
Community Support	9	3	4	2	2	2	2	3	4	4
Horseshoe Bend	-	-	-	-	-	-	-	-	2	12
Golf	-	-	-	-	-	-	-	-	-	9
Electric	19	19	19	17	18	18	18	18	18	18
Water	14	15	17	19	17	17	17	16	16	16
<b>Total</b>	<b>167</b>	<b>136</b>	<b>125</b>	<b>130</b>	<b>127</b>	<b>133</b>	<b>136</b>	<b>147</b>	<b>154</b>	<b>167</b>

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)**

	<b>Fiscal Years Ended June 30</b>									
	<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>	<u>2020</u>
<b>Planning and Building Safety</b>										
Building permits issued (new single family homes)	6	1	6	3	3	8	12	11	15	15
<b>Highway and Streets</b>										
Street resurfacing (miles)	2.4	0.0	0.0	0.0	1.0	0.0	0.2	3.2	17.6	2.6
Streets striped (miles)	16.5	16.7	9.3	9.3	7.6	0.0	20.4	12.9	10.0	5.2
<b>Culture and Recreation</b>										
Summer recreation camps	12	13	0	0	0	0	5	4	0	0

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

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

**Statistical Section**  
**Operating Information**  
**(Accrual basis of accounting)**

<b>Function</b>	<b>Fiscal Year Ended June 30</b>									
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Highways and Streets</b>										
Streets (miles)	47.0	47.2	47.2	47.2	47.2	47.2	47.2	47.2	47.2	47.2
Streetlights	811	817	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)	38	39	39	39	38.94	49.26	49.26	49.26	49.26	49.26
Storm sewers (miles)	8.3	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8
Maximum daily treatment capacity (gallons)	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Average daily treatment (gallons)	901,000	945,000	918,000	908,005	875,000	889,000	882,000	918,194	918,194	918,194
<b>Water</b>										
Water lines (miles)	59	59	60	60.07	59.94	59.94	60.19	60.19	60.19	60.19
Raw water lines (miles)	3	3	3	3	3	3	3	3	3	3
Maximum daily treatment capacity (gallons)	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Average daily treatment (gallons)	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	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, 2020, 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 18, 2020.

**Internal Control over Financial Reporting**

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

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

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

## Compliance and Other Matters

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

## Purpose of this Report

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



HintonBurdick, PLLC  
Gilbert, Arizona  
November 18, 2020



**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, 2020, and have issued our report thereon dated November 18, 2020. 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, 2020.

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 18, 2020

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