

*Town of Payson, Arizona*

# 2012 FINANCIAL REPORT

POPULAR ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2012



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## Where is Payson, Arizona?



Payson has been called the  
**"Heart of Arizona"**  
because it is located almost exactly in the geographic center of the state.

## ... Welcome ...

Members of the Financial Services Department are pleased to present the Town of Payson's seventh Popular Annual Financial report for the fiscal year ended June 30, 2012. This report is intended to present an accessible overview of the Town's financial position and policies, and its commitment to providing responsive services and programs in a fiscally responsible manner.

We share with you details of how the Town's revenue is generated, where the dollars are spent, and how the local economy impacts Payson's overall financial status. Above all, our goal is to provide you with an opportunity to better understand the many financial aspects that affect your local government.

The financial annual report information provided here is drawn from detailed information found within the 2012 Comprehensive Annual Financial Report (CAFR). The financial statements were prepared in conformance with Generally Accepted Accounting Principles (GAAP) and audited by an independent accounting firm, receiving an unqualified (or clean) opinion. The numbers contained within the CAFR were obtained by employing the basis of accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

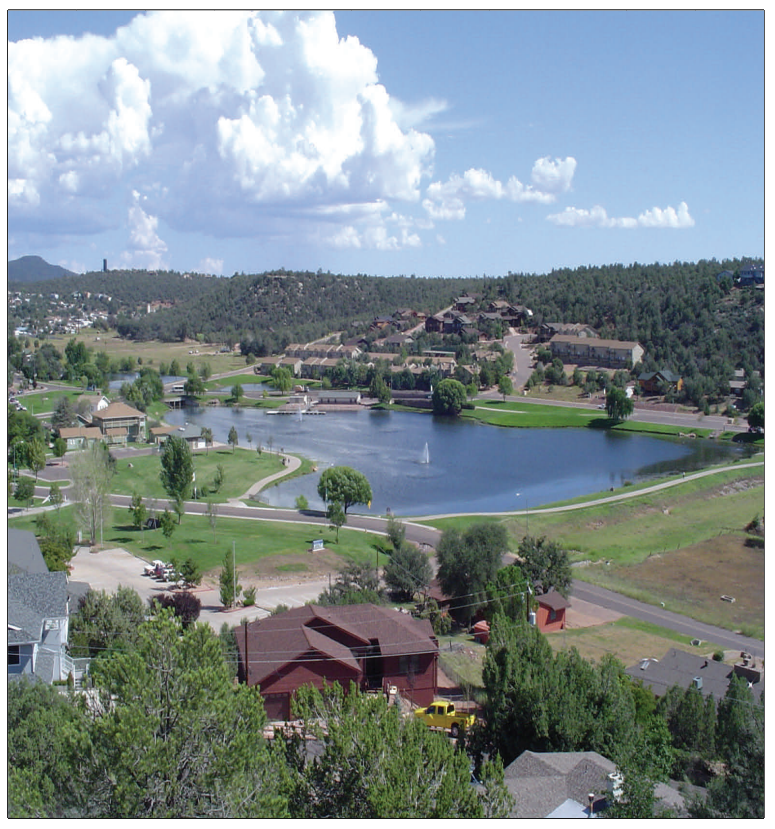
In short, the highest standards of accounting principles have been utilized to ensure full financial disclosure and accountability. Recognition of this commitment is evidenced by the Town attaining the Certificate of Achievement for Excellence in Financial Reporting for fourteen consecutive years, the Award for Outstanding Achievement in Popular Annual Financial Reporting for six consecutive years, and the Distinguished Budget Presentation Award for fourteen consecutive years. These awards are presented by the Government Finance Officer's Association.

While the numbers in this Popular Report come from an audited source, they are presented in an abridged, unaudited non-GAAP format. Citizens who wish to review audited GAAP-basis financial statements can refer to the Town's 2012 CAFR, which is available from the Financial Services Department, the Payson Library, and online at [www.paysonaz.gov](http://www.paysonaz.gov).

Members of the Financial Services Department and Staff across the organization are proud to serve this fine community. We hope that the 2012 Popular Annual Financial Report serves its purpose and helps assure you that every effort is made to manage the community's resources wisely for the benefit of all.



Debra A Galbraith, CGFM  
Town Manager



*Overlooking Green Valley Park*

## 2012 Financial Overview

*In this section, we present an overview of monies in and monies out for the Town of Payson for the fiscal year ending June 30, 2012.*



### >>> MONIES IN <<<<



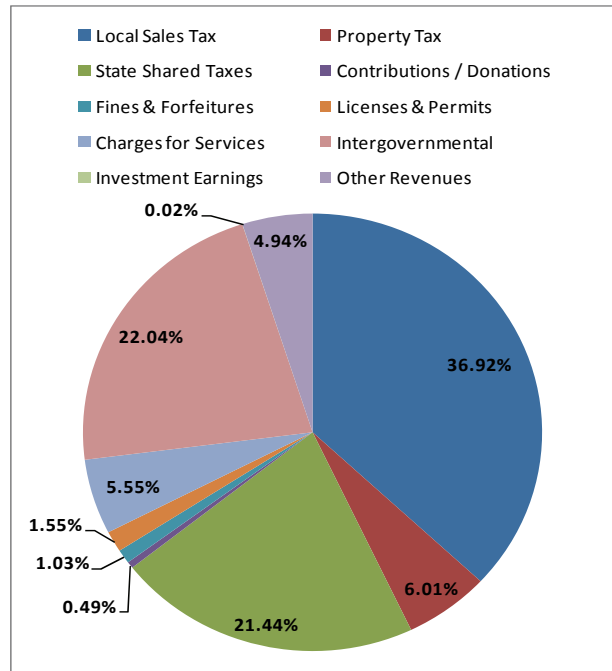
As a governmental entity, the Town uses fund accounting (self-balancing sets of accounts segregated for specific activities). Governmental funds account for tax supported activities and the Town receives the funding it needs to provide services to the community from a variety of sources.

The table below presents a summary of governmental revenues by primary type for 2012 and 2011, in order to present a picture of typical revenues from year to year. The recession and weak economic conditions nationwide continue to negatively impact revenues. Total revenue in governmental funds was basically unchanged over last year with a slight decrease of less than 0.4%.

### Governmental Funds Two-Year Revenue Summary by Type

Revenue	2012	2011
Local Sales Tax	\$ 5,717,795	\$ 5,593,466
Property Tax	931,351	976,039
State Shared Taxes	3,320,055	3,533,894
Intergovernmental	3,413,202	2,942,504
Fines & Forfeitures	159,629	177,314
Licenses & permits	240,600	215,695
Charges for Services	859,788	684,754
Contributions/Donations	75,491	463,860
Investment Earnings	2,610	5,234
Other Revenues	765,491	952,715
<b>Total Revenues</b>	<b>\$ 15,486,012</b>	<b>\$ 15,545,475</b>

*\*Note: The revenues reflected here are representative of the Town's fund level statements and do not include bond proceeds or the Town's Enterprise Funds.*



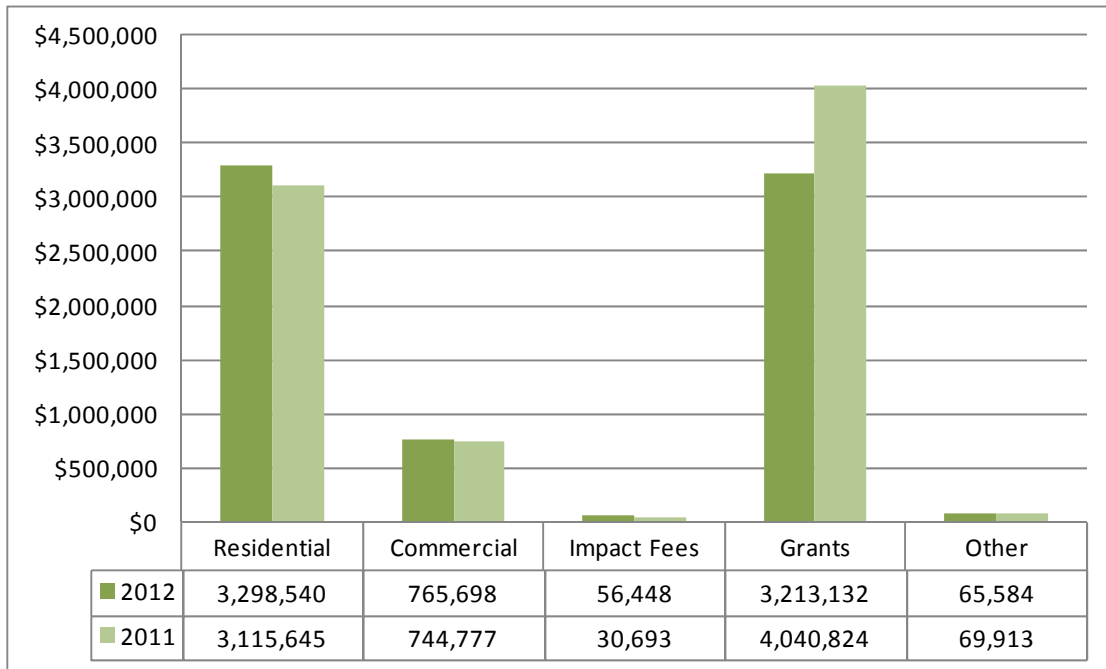
The pie chart above depicts the significance of each source of revenue to the Town's overall fiscal health. Local sales tax leads the way and clearly indicates the importance of a proactive economic development program to keep this revenue stream strong. State Shared revenues are a vital part of the revenue stream. These revenues are volatile as the majority of the amount received each year depends on State appropriation. State shared income tax revenue is a predetermined amount based on returns from two years prior.

### REVENUE TYPE DEFINITIONS

- **Sales Taxes**—A local sales tax of 2.12% is charged on most goods purchased in Town.
- **Property Taxes**—A primary property tax is charged based on assessed property valuation
- **State Shared Taxes**—Revenue sharing programs: sales tax, income tax and vehicle license fees
- **Intergovernmental**—Revenues received from other governments or entities
- **Fines & Forfeitures**—Revenues received from library and court fines
- **Licenses & Permits**—Development building permit fees, business license fees, fire inspections, etc.
- **Charges for Services**—Revenues received for services provided: law enforcement, fire services, building services, park & recreation, etc.
- **Investment Earnings**—Revenue received from interest on invested monies
- **Other**—Revenues that don't fit under another classification



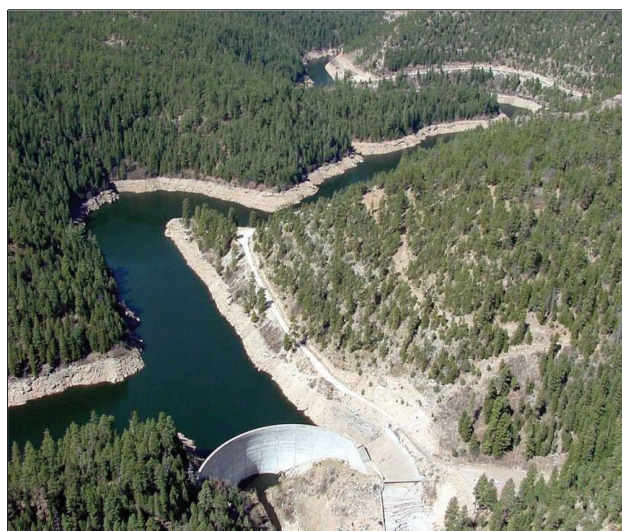
### Enterprise Fund Revenue



The Town receives additional revenue sources from “business” activities. Referred to as Enterprise Funds, these operations are set apart from other revenue sources since they are designed to be self-supporting. The Town has two Enterprise Funds—Water and C. C. Cragin. The Water fund is used to record revenues and expenses to maintain and improve the water system infrastructure. The C.C. Cragin fund is used to record revenue and expenses pertaining to the construction of the new pipeline to obtain water from the C.C. Cragin Reservoir.

### C.C. Cragin Pipeline Project

The Reservoir, built in 1965 by Phelps Dodge for use in their mining operation, was acquired by the Salt River Project (SRP) through an agreement implemented in 1962. The Reservoir has a water storage capacity of 15,000 acre-feet of water. The Town has approved a partnership with SRP for use of up to 3,000 acre-feet of water from the reservoir.



An additional 500 acre-feet is available for communities along the pipeline. The Town is in the process of constructing a 17 mile pipeline from the end of the current pipeline into a water treatment plant, yet to be constructed.

In 2009, the Town received a \$10,685,000 loan from the Water Infrastructure Financing Authority of Arizona (WIFA). \$4,000,000 of that loan was American Reinvestment and Recovery Act (ARRA) money that is forgivable. That means the Town will not have to repay \$4,000,000 of the \$10,685,000 loan.

At the end of 2012, the Water Division was in the process of securing another loan from WIFA in the amount of \$6,250,000 for Phase II of the C. C. Cragin Reservoir Project. The debt service for these funds will come from water services revenue.



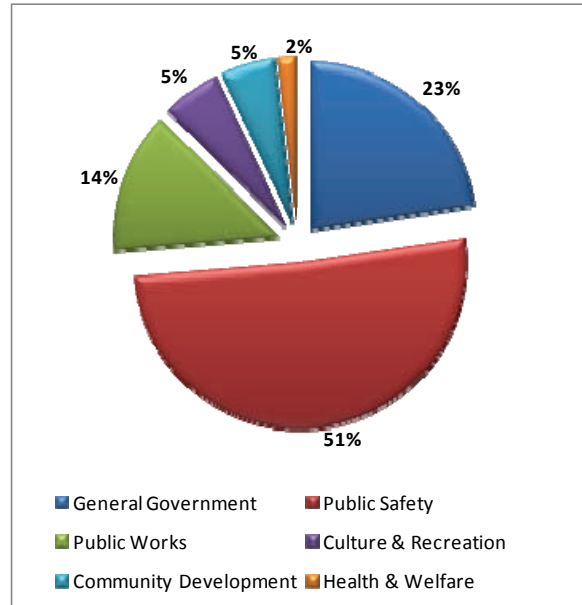
<<<< **MONIES OUT** >>>>



The two-year comparison below shows a slight change in the total expenditures for governmental funds. These expenditures reflect the impact of the rising costs for insurance, fuel, utilities, and a wide variety of goods and services. Additionally, the acquisition of police vehicles for other government agencies contributed to the increase in Public Safety. Overall, 2012 Total Governmental Fund expenditures increased by \$349,654 or 2% over 2011.

**Governmental Funds  
Two-Year Town Expenditures by Type**

Expenditure	2012	2011
General Government	\$ 3,450,235	\$ 2,600,725
Public Safety	7,763,007	7,178,572
Culture & Recreation	847,518	791,896
Public Works	2,074,324	2,173,759
Community Development	811,327	967,377
Health & Welfare	267,414	259,707
Debt Service Payments	1,234,032	1,182,556
Capital Outlay	1,052,702	1,996,313
<b>Total Expenditures</b>	<b>\$ 17,500,559</b>	<b>\$ 17,150,905</b>



The pie chart above provides a view of expenditure types within the Town’s operating budget (excluding debt service and capital outlay).

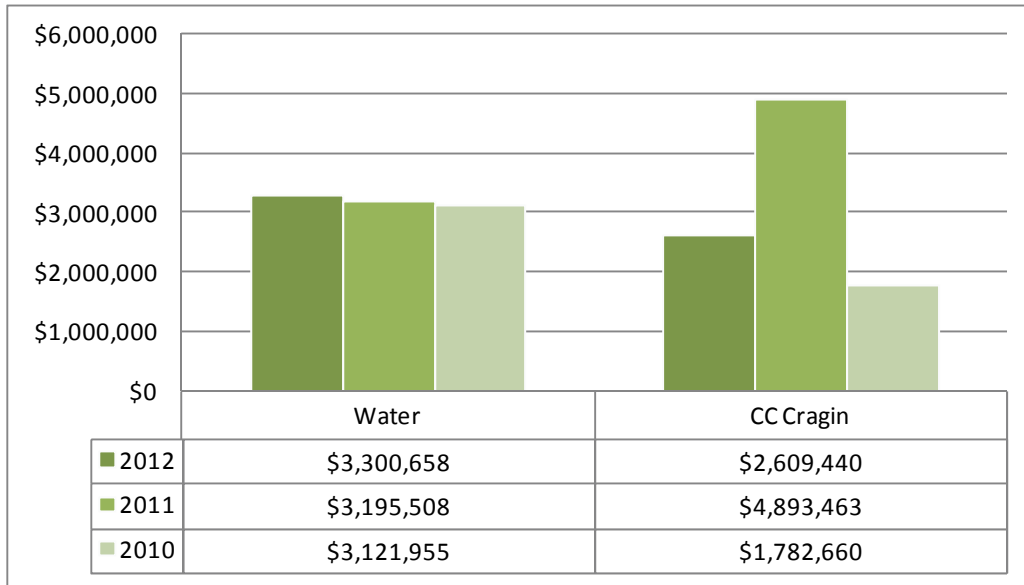
Debt service payments increased in 2012 by \$51,476 or 4%. Although the Enterprise Funds incurred new debt, that is not reflected in the governmental funds.

Expenditures for capital overlay decreased by \$943,611 mainly due to the fact that construction for the new fire station was completed in 2011 and many new capital projects were postponed pending economic recovery.

**EXPENDITURE TYPE DEFINITIONS**

- **General Government**—Functions serving Town operations as a whole including: Town Council Office, Town Manager’s Office, Town Attorney, Town Clerk’s Office, Financial Services and Central Services
- **Public Safety**—Police Department, Fire Departments, and Wildland Program
- **Cultural, Recreation & Tourism**—Represents the services, programs and facilities provided by the Recreation & Tourism Department and the Library
- **Public Works**—Includes the areas of Engineering, Grounds Maintenance and Streets Division
- **Community Development**—Planning & Zoning and the Building Division
- **Health & Welfare**—Encompasses contributions to other entities providing services for the Town
- **Debt Service Payments**—Interest and other related costs affiliated with the Town’s issuance of debt to support various Capital Improvement activities
- **Capital Outlay**-Expenditures on the Town’s Capital Improvement Program projects

### Enterprise Fund Expenses



Fluctuations in expenses for Water resulted from funding requirements of different maintenance projects. In addition, personnel services, capital outlay and debt service comprise the expense categories.

### C.C. Cragin Pipeline Project



In 2009 & 2010, the Town paid Salt River Project (SRP) over \$1,000,000 for our share of the repairs to the existing 12 miles of pipeline from the C.C. Cragin Reservoir to the Washington Park transfer station.

During the 2010/2011 fiscal year and 2011/2012 fiscal year, funds were used to complete the environmental assessment, infrastructure planning and purchase of the steel pipe to build the 14.5 mile water pipeline. Construction of the in-town portion of the water pipeline began at the end of fiscal year 2011/2012.

Upon completion of this project, 17 miles of new pipeline will bring the water from Washington Park to a new water treatment plant in Town. From there, the treated (cleaned) water will be sent through our current water pipeline grid to our storage tanks and then to residents.

As study and construction expenses are incurred for the pipeline, they are submitted to the Water Infrastructure Financing Authority of Arizona (WIFA) for reimbursement from the loan that the Town received.



For more information, contact the Water Division at (928) 474-5242, Option #4 or view the Town website at [www.paysonaz.gov](http://www.paysonaz.gov).



**C.C. Cragin Pumping Station**

## Capital Reinvestments

The Town is committed to doing its part in reinvesting in Payson, as evidenced by its long-term capital improvement planning. The Capital Improvement Plan (CIP) is a separate document that can be viewed at [www.paysonaz.gov](http://www.paysonaz.gov). The chart at the right shows capital projects proposed for fiscal year 2012/2013.

### CAPITAL PROJECTS

The Town's capital outlay consists of investments in our water system, roads, equipment, public facilities, and parks.

The Town develops an on-going Capital Improvement Plan that provides for a comparable annual value of infrastructure improvement projects. Town Council and staff review and update the plan each year as part of the budget process. The projects are funded using a combination of debt and existing funds.

During fiscal year 2011/2012, the reduced availability of funding from all sources continued to cause many capital projects to be drastically reduced or put on hold pending economic recovery. The C.C. Cragin Pipeline Project was one of a limited number of capital projects that was granted continuation since it is a key component in Payson's water infrastructure plans.

### CAPITAL EQUIPMENT



During fiscal year 2011/12, the Town invested in a fire truck. The 2009 Crimson / Spartan Type 1 fire engine was placed in service on 8/15/11. The fire truck has a 1,500 gpm Waterous pump, 750 gal water tank, 400 hp Cummins diesel motor, Allison automatic transmission, and Class A foam injection system.

2012/13 Proposed CAPITAL Projects	
<b>STREETS</b>	
202 Vehicles	\$ 20,000
202 Pavement Preservation	50,000
430 Bonita St Phase 3 & 4	380,000
434 Montezuma Castle Land Exchange ID	450,000
	<u>\$ 900,000</u>
<b>FIRE</b>	
402 State Fire Assistance Grant	\$ 75,000
403 Fire Cariac Monitors/Defibs	185,000
433 Fire Station #13 Lightning Project	13,000
	<u>\$ 273,000</u>
<b>WATER</b>	
460 Reserve Well Development	\$ 155,000
460 Environmental Project	45,000
460 Water Line	50,000
460 Project Fees	200,000
661 Buildings	45,000
661 Land Acquisition	12,000
661 Wells	75,000
661 Radon Removal Study	30,000
661 Security Gate	5,000
661 Water Line	150,000
661 Pumps for Wells	75,000
661 Computer Equipment	25,000
661 Service Truck	35,000
661 SCADA Equipment - Wells / Tanks	20,000
661 Chlorine Generator	47,500
661 GVP Shoreline Protection	500,000
662 CC Cragin Pipeline	6,730,000
*Reflects full ARRA fundig	<u>\$ 8,199,500</u>
<b>POLICE</b>	
403 Homeland Security Radio Program	\$ 24,100
403 Radar Equipment	36,600
425 LE - Radio Program	160,000
Includes grants and continuation of bond expenditures	<u>\$ 220,700</u>
<b>ADMINISTRATION</b>	
101 Computer Equipment	\$ 58,500
	<u>\$ 58,500</u>
<b>AIRPORT</b>	
260 Environmental Assessment	\$ 10,000
260 Grade Runway Safety Area	220,000
260 Install New AWOS	250,000
	<u>\$ 480,000</u>
<b>TOURISM</b>	
402 Tourism Quads	\$ 12,000
	<u>\$ 12,000</u>
<b>TOTAL</b>	<b>\$ 10,143,700</b>



## How Capital Investments are Funded

The Town's Debt Policy provides a set of criteria to help determine when it's best to fund capital projects and which method of funding to use. Funding options might include using existing revenues, issuing bonds or seeking loans. The Town has an A+ bond rating from Standard & Poor's. This allows the Town to receive very competitive interest rates when issuing debt.

Debt Type	2012	2011
General Obligation Bonds	\$ 2,474,325	\$ 2,883,978
Special Assessment Bonds	635,000	900,000
Revenue Bonds	675,000	770,000
Certificates of Participation	45,000	135,000
Notes Payable	2,827,053	768,548
Capital Leases	794,200	363,914
<b>TOTAL DEBT</b>	<b>\$ 7,450,578</b>	<b>\$ 5,821,440</b>

The Town currently has long-term bonds and special assessments payable issued to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are backed by the full faith and credit of the Town. In Arizona, municipalities may pay the principal and interest on G.O. Bonds through a property tax levy, referred to as a "secondary" property tax. Currently, Payson does not have a secondary property tax. Instead, the Town has dedicated a special tax at the rate of 0.12% on all items subject to the Town's general sales tax for the payment of Public Safety bonds. Special assessments imposed on certain parcels of land within the assessment district are used to pay the Westery Drive Improvement District bonds. The excise tax revenue obligation bonds will be repaid from excise tax revenues of the Town. The certificates of participation will be repaid from park development fees and is guaranteed by a land ground lease.

In 2009, to begin construction on the C.C. Cragin pipeline project, the Water Division was able to secure a \$10,585,000 loan from the Water Infrastructure Finance Authority of Arizona (WIFA). \$4,000,000 of this loan obtained through ARRA funding is forgivable, meaning no repayment is required. Of the remaining \$6,585,000, \$4,177,807 has been used and the remaining amount was de-obligated.

At the end of 2012, the Water Division was in the process of obtaining another loan from WIFA in the amount of \$6,250,000 to fund Phase II of the C.C. Cragin Reservoir Project. This loan will be drawn upon as funds are expended with semi-annual interest and annual principal payments due at 2.8% through fiscal year 2033.

In 2010, the Town issued the remaining \$1,525,000 of the voter approved 2003 bond issue. These bonds were approved to build and equip a new fire station. The need for the third station was not felt until 2010.

In 2012, the final payment was made on the East Loop Road Improvement District Bonds.

Year Ended June 30,	Prinicipal	Interest
2013	615,000	141,996
2014	385,000	122,173
2015	685,000	102,249
2016	470,000	81,181
2017	485,000	62,719
2018-2022	1,130,000	90,115
<b>TOTAL OUTSTANDING</b>	<b>\$ 3,770,000</b>	<b>\$ 600,433</b>

### DEBT TYPE DEFINITIONS

- **General Obligation Bonds**-long term debt that is repaid from the Town's available resources
- **Special Assessment Bonds**-long term debt with repayment assessed to homeowners within the assessment district
- **Revenue Bonds**-long term debt with repayment to come from a pledged Town revenue stream
- **Certificates of Participation**-long term debt where an investor buys a share of the improvement and is paid back over the term of the Certificates
- **Notes payable**-long term debt that does not include bonds, but a contract for repayment
- **Capital Leases**-short term debt used for equipment

## The Town's Net Assets

(in thousands)

	Governmental Activity		Business-Type Activity		Total	
	2012	2011	2012	2011	2012	2011
<b>Assets</b>						
Current & Other Assets	4,664	6,294	7,456	7,265	12,120	13,559
Capital Assets	109,152	109,661	22,535	20,369	131,687	130,030
<b>Total Assets</b>	<b>113,816</b>	<b>115,955</b>	<b>29,991</b>	<b>27,634</b>	<b>143,807</b>	<b>143,589</b>
<b>Liabilities</b>						
Current Liabilities	660	672	700	1,361	1,360	2,033
Noncurrent Liabilities	10,648	10,208	3,651	1,448	14,299	11,656
<b>Total Liabilities</b>	<b>11,308</b>	<b>10,880</b>	<b>4,351</b>	<b>2,809</b>	<b>15,659</b>	<b>13,689</b>
<b>Net Assets</b>						
Invested in Capital Assets, net of Related Debt	104,529	104,608	19,708	19,600	124,237	124,208
Restricted	2,472	3,106	452	-	2,924	3,106
Unrestricted	(4,493)	(2,639)	5,481	5,225	988	2,586
<b>Total Net Assets</b>	<b>102,508</b>	<b>105,075</b>	<b>25,641</b>	<b>24,825</b>	<b>128,149</b>	<b>129,900</b>

The Town's statement of net assets provides a "snapshot" of where we stood financially as of June 30, 2012, the last day of the fiscal year. Net assets represent the Town's ownership (equity) in the assets within its possession.

**ASSETS** represent what the Town owns. Current and other assets include cash, investments, and receivables (money due to the Town). Capital assets are land, buildings, infrastructure, water system, vehicles, machinery, and equipment. They are broken down as non-depreciable (land) and depreciable (all other capital assets).

**LIABILITIES** represent what the Town owes. Current and other liabilities consist of payables (money due from the Town to pay what it owes). Non-current liabilities represent debt that the Town must pay back and is broken out into the current year and future years.

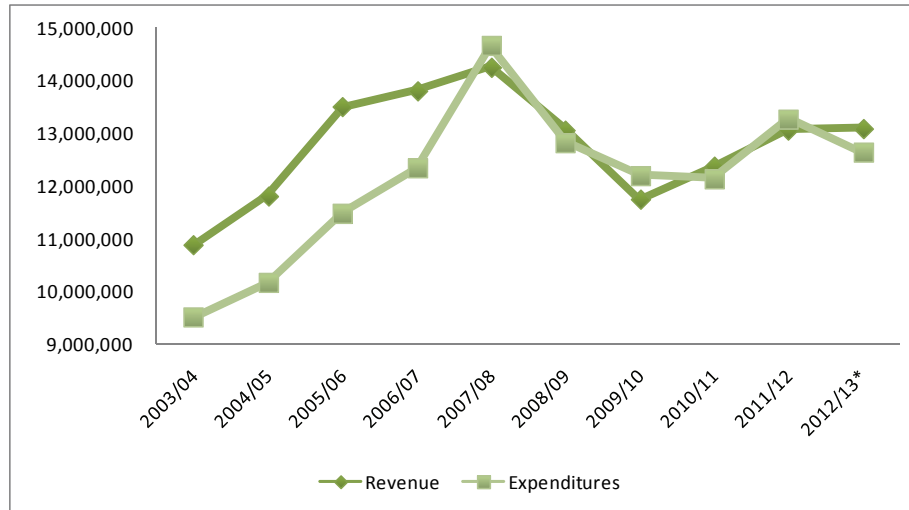
**NET ASSETS** may serve, over time, as useful indicators of a government's financial position and consist of three components. The largest portion of the Town of Payson's net assets (97%) reflects its investment in capital assets less any outstanding related debt used to acquire those assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of net assets (2%) represents resources that are subject to external restrictions on how they may be used. These legal restrictions are imposed by outside entities such as federal or state governments. An example of such a restriction is the gasoline tax. The State of Arizona charges the gasoline tax and shares some of the revenue with local communities. These revenues are legally restricted by the State to be used only for expenditures on street projects. The remainder of net assets (1%) is unrestricted as to purpose.

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At the end of the current fiscal year, the Town of Payson was able to report positive balances in all three categories of net assets for the government as a whole. The negative unrestricted net assets reported in the governmental activities was largely due to the current year accruals for other post employment benefits.

## Comparison of General Fund Revenues & Expenditures (Operating Only)

The following graph & table illustrate the ten year trend in General Fund revenues and expenditures (consisting of Operating and Personnel Services).



YEAR	REVENUES	PERCENT CHANGE	EXPENDITURES	PERCENT CHANGE	DIFFERENCE
2003/04	10,871,395	2.6%	9,505,536	2.9%	1,365,859
2004/05	11,808,984	8.6%	10,163,344	6.9%	1,645,640
2005/06	13,498,218	14.3%	11,481,678	13.0%	2,016,540
2006/07	13,813,297	2.3%	12,338,258	7.5%	1,475,039
2007/08	14,257,080	3.2%	14,659,696	18.8%	(402,616)
2008/09	13,062,967	-8.4%	12,832,838	-12.5%	230,129
2009/10	11,742,799	-10.1%	12,203,549	-4.9%	(460,750)
2010/11	12,363,189	5.3%	12,139,428	-0.5%	223,761
2011/12	13,067,399	5.7%	13,275,906	9.4%	(208,507)
2012/13*	13,091,500	0.2%	12,633,100	-4.8%	458,400

\*Estimated

Revenues continued to show the effects of the national economic downturn. The economic recovery that was anticipated for Fiscal Year 11/12 was minute at best. Construction-related revenues continue to be low and grant funding is extremely limited. The Recreation & Tourism Department continued to pursue opportunities to expand tourism-related revenues (sales tax & bed tax) by promoting many special events throughout the year. Economic Development division worked diligently to draw new business to Payson and provided support to current businesses. These efforts will continue in Fiscal Year 12/13 as the Town evaluates all options for increasing the revenue stream.

All departments have felt the effects of another tight budget year. The Town's limited financial resources have meant additional cuts in every department. Great efforts have been made in scrutinizing expenditures, streamlining processes to maximize efficiency, and working as a team to make every dollar count by cutting waste whenever and where ever possible.



# Profile of Payson, Arizona



The Town of Payson, Arizona, was incorporated in 1973 and is located at the intersections of States Routes 87 and 260. Our Town of 19.5 square miles in northern Gila County is nestled just below the Mogollon Rim. Surrounded by the 2.9 million acre Tonto National Forest, the Town is bordered on three sides by the largest stand of ponderosa pine trees in the world. Payson is located midway between Phoenix (90 miles to the south) and Flagstaff (92 miles to the northwest). At an elevation of 4,982 feet and surrounded by rolling hills and mountain vistas, the regional climate is characterized by four mild seasons.

The town site was established in 1882 with a population of 40, which has grown to 15,301. In its early years, Payson's economy was based on logging, ranching and mining. Recently, the economy has been shifting to provide housing and services for a growing retirement population relocating to the area for clean air, good climate, and a friendly, small town atmosphere. Also being encouraged is light industry that is compatible with the community's "High Quality of Life". Payson's major employers include the Payson Unified School District, Mazatzal Casino, Payson Regional Medical Center, Home Depot, Walmart, Safeway Supermarket and the Town of Payson.

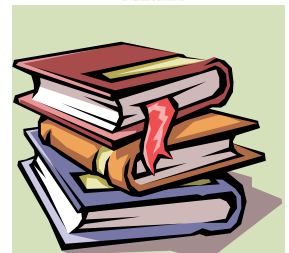


The past still lives on in Payson. The Payson Rodeo, now billed as the world's oldest continuous rodeo, came into being in 1884. The Hashknife Pony Express also makes its annual historical run through Payson, picking up letters for delivery. Other events include arts & crafts fairs, fishing tournaments, classic car shows, Mountain High Days Festival and State Championship Fiddlers Contest.

The Town of Payson operates under the council-manager form of government. The Town Council, which has policy-making and legislative authority, consists of a mayor and a six-member council. The Town Manager is responsible for carrying out the policies, ordinances, and resolutions of the Town Council, and for overseeing the day-to-day operations of the Town. The Council is elected on a non-partisan "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 Town directly elect the Mayor for a two-year term.

## TOWN SERVICES / FACILITIES

- ◆ The Recreation Department provides a wide variety of cultural events and recreational programs for citizens of all ages.
- ◆ The Multi-Event Center is a 36-acre facility with bleacher seating available for over 3,500 people. This facility was established for hosting large scale special events including, but not limited to, equestrian activities.
- ◆ The Trails and Open Spaces division is responsible for the construction and maintenance of the Payson Area Trails System (PATS). This interconnecting trail system establishes an interior trail network that connects to Forest Service roads on Payson's periphery. This division also conducts outdoor recreation related classes.
- ◆ The Payson Municipal Airport is a public use airport designed to accommodate piston engine aircraft, turboprop aircraft and small business jet aircraft.
- ◆ Taylor Pool provides a safe and fun aquatic environment for swim lessons, swim teams, water aerobics and other aquatic activities for the entire family.
- ◆ The Town's park system consists of over 150 acres of parkland with diverse facilities including:
  - Rumsey Park - soccer fields, ball fields, tennis courts, volleyball courts, skate park, dog park, playground, picnic facilities and much more.
  - Green Valley Park - fishing lakes, walking paths, playground, bandstand, picnic facilities and much more.
- ◆ The Payson Library's modern facility provides information in a variety of formats. Its collection affords the opportunity to educate, inform, enrich, entertain, and inspire.
- ◆ The Water division is a public water utility that supplies drinking water to approximately 7,827 customers.
- ◆ The Police Department enforces local, state and federal laws in addition to protecting citizens and their property. This department, authorized with a staff of 48 law enforcement employees, is responsible for public safety and emergency service coordination.
- ◆ The Police Department Special Operations Division includes a School Resource Officer, Animal Control, and Drug Enforcement.
- ◆ The Fire Department's staff of 33 full-time employees provides emergency services which include responses to fire suppression, medical emergencies, technical rescues and first responder operations level response to hazardous materials incidents.
- ◆ The Fire Department also participates in the Wildland/Urban Program which allows departments from all over the state to enter into agreements to facilitate the movement of firefighting resources to any wildland fire.
- ◆ The Planning & Zoning division provides land use and development services.
- ◆ The Building division provides services to the building community and ensures that all structures are built in accordance with adopted building codes.
- ◆ The Housing division is responsible for the housing rehabilitation program and seeks to improve and expand housing opportunities in the community.
- ◆ The Public Works Department is responsible for providing safe and efficient infrastructure systems including the construction and maintenance of the Town's approximately 106 miles of roadway as well as parks maintenance.
- ◆ The Town Manager provides overall management direction to the Town organization. Responsibilities include, but are not limited to, implementing policy direction, overseeing and managing Town operations, coordinating operations and evaluating Town programs.
- ◆ Town Clerk's Office, Human Resources, Information Services, Financial Services, and the Town Attorney's Office play vital supporting roles providing a wide range of skills & expertise necessary for the successful day-to-day operations of the Town.



### Corporate Strategic Plan

The Town of Payson is dedicated to enhancing the quality of life for its citizens, providing a superior level of service in the most effective and efficient manner, while exercising fiscal responsibility. Payson has been, and will continue to be, very proactive in encouraging quality community and organizational development. Each year, the Town Council, citizens and the management staff participate in a strategic planning process to update and enhance the Corporate Strategic Plan (CSP) to accommodate changes in the community’s needs. The CSP operationalizes the Town’s mission statement and its General Plan by establishing Key Result Areas (KRA). Each KRA is specifically defined and includes priorities and strategies that help guide the organization. Funding is allocated during the subsequent budgeting process. The complete CSP document can be viewed on the Town of Payson website at [www.paysonaz.gov](http://www.paysonaz.gov). The following KRAs have been established for fiscal year 2012/2013:

- KRA 1: Economic Development, Tourism and Economic Vitality
- KRA 2: Financial Excellence
- KRA 3: Infrastructure
- KRA 4: Innovation and Efficiency
- KRA 5: Neighborhoods and Livability
- KRA 6: Social Services
- KRA 7: The Payson Team
- KRA 8: Public Safety
- KRA 9: Sustainability
- KRA 10: Technology

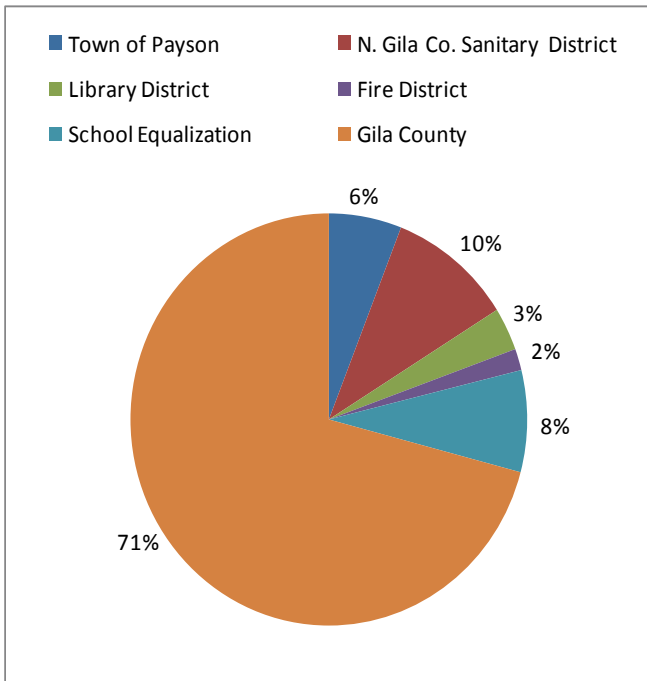


*We Continue To Build On Our Core Values:  
Customer Focus, Empowered Employees, Leadership, and Continuous Improvement*



### Where Your Property Taxes Go

One of the biggest bills we face each year is tied to the property we own. Property tax in Payson is administered by Gila County and it is usually calculated into our monthly mortgage payment. As a result, we don’t always think of it in concrete terms nor do we explore in detail how this funding mechanism is used.



As the table and pie chart indicate, only a small portion of your property tax goes to support the Town of Payson. The majority of this tax supports Payson schools and various Gila County levies. Currently, property tax accounts for one of the smallest and most stable sources of revenue for the Town at 6% of total governmental funds revenue.

Taxing Authority	Tax Rate
Town of Payson	0.3502
N. Gila Co. Sanitary District	0.6000
Library District	0.2000
Fire District	0.1000
School Equalization	0.4717
Gila County	4.1900
<b>Total Property Tax Rate</b>	<b>5.9119</b>



## TOWN OF PAYSON, ARIZONA

### TOWN COUNCIL

<b>Mayor</b>	<b>Kenny Evans</b>
<b>Vice Mayor</b>	<b>Michael Hughes</b>
<b>Council Member</b>	<b>Su Connell</b>
<b>Council Member</b>	<b>Fred Carpenter</b>
<b>Council Member</b>	<b>Rick Croy</b>
<b>Council Member</b>	<b>Ed Blair</b>
<b>Council Member</b>	<b>John R. Wilson</b>

### ADMINISTRATIVE STAFF

**Debra A. Galbraith**  
Town Manager

**LaRon Garrett**  
Assistant Town Manager

**Don Engler**  
Deputy Town Manager:  
Public Safety

**(vacant)**  
Deputy Town Manager:  
Administrative Services

**Silvia Smith**  
Town Clerk

**Tim Wright**  
Town Attorney

**Hope Cribb**  
Finance Manager

**Dorothy Little**  
Magistrate

**Marty DeMasi**  
Fire Chief

**Emily Linkey**  
Library Director

**Cameron Davis**  
Recreation & Tourism Director

### CONTACT & LOCATION INFORMATION

To send an e-mail to the Mayor or any of the Council Members, just visit the Town of Payson website at [www.paysonaz.gov](http://www.paysonaz.gov) and select the appropriate Representative's icon

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Payson Town Hall  
303 N Beeline Highway  
Payson, AZ 85541  
Phone: (929) 474-5242  
Fax: (928) 474-4610  
TDD: (928) 472-6449

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Recreation & Tourism Department  
1000 Country Club Drive  
Payson, AZ 85541  
(928) 474-5242 Option #7

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Payson Public Library  
328 N. McLane  
Payson, AZ 85541  
(928) 474-9260

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Payson Police Department  
303 N. Beeline Hwy.  
Payson, AZ 85541  
Emergency—Dial 9-1-1  
Police Admin: (928) 474-5242 X220  
Non-Emergency: (928) 474-5177

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Fire Department—Station #11  
400 E. Main Street  
Fire Department—Station #12  
108 E. Rancho Rd.  
Fire Department—Station #13  
103 S. Rim Club Pkwy.  
Payson, AZ 85541  
(928) 474-5242 X300

# Award for Outstanding Achievement in Popular Annual Financial Reporting

PRESENTED TO

**Town of Payson  
Arizona**

for the Fiscal Year Ended

**June 30, 2011**



*Christopher P. Morill*  
President

*Jeffrey L. Esser*  
Executive Director

The Government Finance Officers Association of the United States and Canada has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the Town of Payson, Arizona for its Popular Annual Financial Report for the fiscal year ending June 30, 2011. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

## Want more information about the Town of Payson?

This Popular Annual Financial Report (PAFR) is intended to summarize the financial information appearing in the 2012 Comprehensive Annual Financial Report (CAFR). Visit the Town of Payson Financial Services Department, Payson Library, or [www.paysonaz.gov](http://www.paysonaz.gov) to obtain copies of these additional planning / financial documents which can provide more detailed information:

- Comprehensive Annual Financial Report (CAFR) - This report is published to provide detailed information concerning the financial condition and activities of the Town government for a specific fiscal year.
- Annual Budget Document - The Budget, adopted annually by the Town Council, is designed to be a policy document, financial plan, operations guide, and communications medium for a specific fiscal year.
- Capital Improvement Plan (CIP) - This document outlines the Town's five year capital improvement plan, sources of funds and associated debt. The document includes descriptions of the capital projects and the capital purchase plan for machinery & equipment.
- Corporate Strategic Plan (CSP) - This plan, covering a period of three fiscal years and reviewed by the Town Council annually as part of the budget process, highlights the Town's overall direction and priorities. Key Result Areas (KRA) are defined with a focus on strategic goals based on an understanding of the needs and desires of Payson residents. Quarterly updates on progress towards accomplishments of goals are reported to Town Council and the public.
- Financial Trend Monitoring System (FTMS) - This document provides a method for evaluating the Town's financial situation by identifying, organizing, and monitoring the factors that affect financial condition so that they can be measured and analyzed.

