

*Town of Payson, Arizona*

# 2013 FINANCIAL REPORT

POPULAR ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2013



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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.



### ...Payson FACTS...

Population: 15,215	Median resident age: 53.1
Area: 19.5 sq. mi.	Average Annual Temperature: 57.7
Elevation: 4,921 ft.	Average Precipitation: 18.7 in.
Incorporated: 1973	Average Annual Snowfall: 3.89 in.

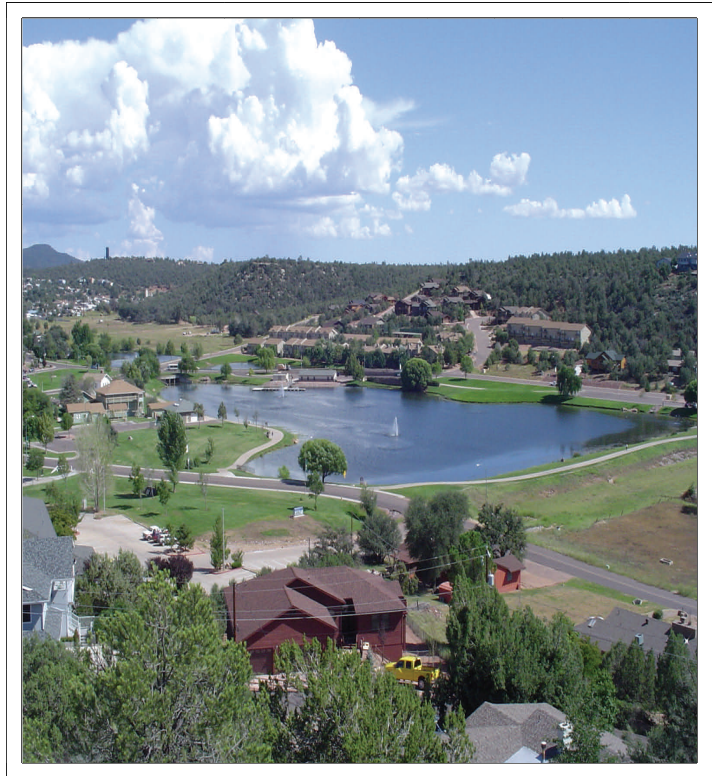
## ... Welcome ...

Members of the Financial Services Department are pleased to present the Town of Payson's eighth Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2013. This report is intended to present an 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 2013 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 fifteen consecutive years, the Award for Outstanding Achievement in Popular Annual Financial Reporting for seven consecutive years, and the Distinguished Budget Presentation Award for fifteen consecutive years. These awards are presented by the Government Finance Officer's Association.



*Overlooking Green Valley Park*

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 2013 CAFR, which is available from the Financial Services Department, the Payson Public 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 2013 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.

A handwritten signature in cursive script that reads "Debra A Galbraith".

Debra A Galbraith, CGFM  
Town Manager

## Profile of Payson, Arizona



The Town of Payson, incorporated in 1973, is easily accessed from States Routes 87 or 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 4,921 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 15,215. 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 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.

## WHAT SERVICES / FACILITIES DOES THE TOWN OF PAYSON PROVIDE?

- ◆ 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.
- ◆ Payson's park system consists of 150+ acres of land 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 7,800 accounts.
- ◆ 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 34 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 organization. Responsibilities include, but are not limited to, implementing policy direction, overseeing Town 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.



## HIGHLIGHT OF SERVICES / FACILITIES



## MISSION STATEMENT

*The Town of Payson is dedicated to enhancing the quality of life for our citizens by working hard to provide a superior level of service in the most effective and efficient manner while exercising fiscal responsibility.*

To accomplish this we...  
 Value open communication  
 Encourage citizen participation  
 Operate honestly and fairly  
 Conduct ourselves through unity and teamwork  
 Respect our differences  
 Treasure our natural resources and unique environment

## Corporate Strategic Plan

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 2013/2014:

- 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*

## THE TOWN OF PAYSON TEAM FOCUS

## Government Wide Statement of Net Position

The Statement of Net Position provides a "snapshot" of where we stood financially as of June 30, 2013, the last day of the fiscal year. Net position represents the Town's ownership (equity) in the assets within its possession.

Total City Government	June 30, 2012	June 30, 2013
	(in thousands)	
<u>Assets</u>		
Current & Other Assets	12,120	12,543
Capital Assets	131,687	132,812
<b>Total Assets</b>	<b>143,807</b>	<b>145,355</b>
<u>Liabilities</u>		
Current Liabilities	1,360	1,307
Noncurrent Liabilities	14,299	18,056
<b>Total Liabilities</b>	<b>15,659</b>	<b>19,363</b>
<u>Net Position</u>		
Invested in Capital Assets, Net of Related Debt	124,236	122,805
Restricted	2,924	2,540
Unrestricted	988	647
<b>Total Net Position</b>	<b>128,148</b>	<b>125,992</b>

**ASSETS** represent what the Town owns. Current and other assets include cash, investments, and receivables (money due to the Town). Capital assets include land, buildings, infrastructure, water system, vehicles, machinery, and equipment.

**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.

**NET POSITION** may serve, over time, as a useful indicator of a government's financial health and consists 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.

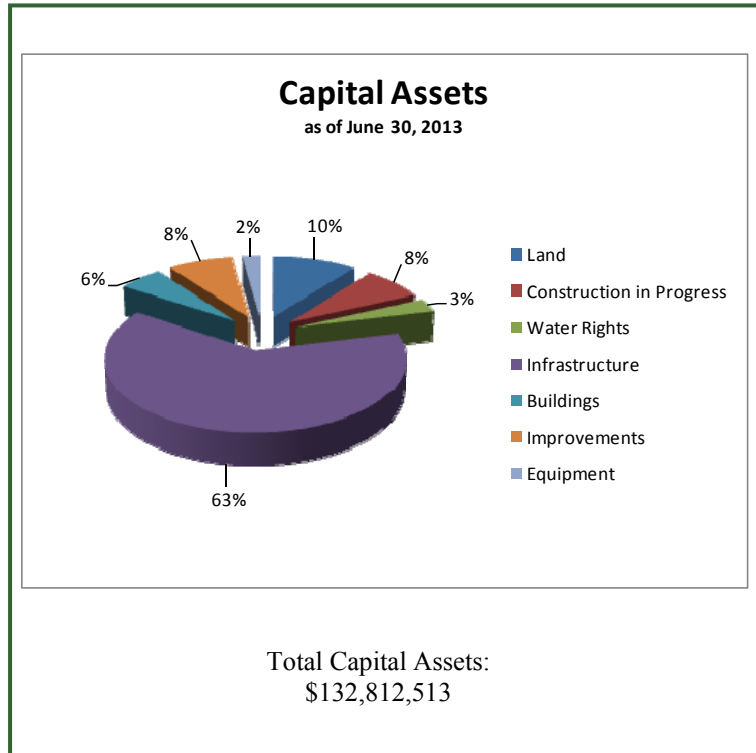
## STATEMENT OF NET POSITION

## TOWN OF PAYSON'S CAPITAL ASSETS

The Town of Payson invests in capital assets to provide services that will enhance the quality of life for our citizens. The Town's total investment in capital assets (net of depreciation) was \$132,812,513.

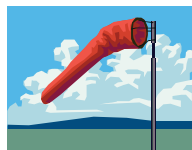
### CAPITAL ASSET CATEGORIES

- **BUILDINGS** include police and fire stations, library, recreation/sports facilities
- **IMPROVEMENTS** include upgrades such as parking lots, fences, sports courts and ball fields
- **EQUIPMENT** includes fire engines, service vehicles, tractors, plotters, etc.
- **LAND** includes real estate purchased to provide services to residents like parks or police stations
- **CONSTRUCTION IN PROGRESS** reflects the cost of all projects for construction of buildings, other improvements and equipment that are in progress but not yet completed
- **WATER RIGHTS** legally secures the right of a user to use water from a water source
- **INFRASTRUCTURE** includes streets, sidewalks, water lines, water mains and wells



### Major Additions To Capital Assets During The 2012/2013 Fiscal Year

- ⇒ **Fire Station #13 construction project was completed. Installation of lightning protection at the new fire station represented the majority of the \$47,000 expended in the 2012/13 fiscal year.**
- ⇒ **Purchased and installed an Automated Weather Observation Station (AWOS) for the Airport for \$203,400**
- ⇒ **Purchased an ATV for \$12,600 to be utilized by the Tourism Division during the hosting of special events**
- ⇒ **Street Pavement Preservation expenditures totaled \$21,800**
- ⇒ **Purchased a replacement service truck for the Water Division for \$38,700**
- ⇒ **Construction in Progress additions for the continued construction on the C.C. Cragin Water Pipeline Project totaled \$3.1 million**
- ⇒ **The Town reported \$0.3 million in additions to water rights**



## CAPITAL ASSETS



## C.C. Cragin Pipeline Project—Payson’s Water Source for the Future

*Although many capital projects have been postponed pending economic recovery, the C.C. Cragin Pipeline Project, which is key to Payson’s water infrastructure plan, continues to be a high priority.*



The C.C. Cragin (formerly Blue Ridge) 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. In 2008, the Town 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 plans to construct a 14.5 mile pipeline from the current treatment plant at Washington Park to within the northern Town limits. A new water treatment plant will be constructed at that point. From there, the treated (cleaned) water will be sent through the Town’s current water pipeline grid to storage tanks and then to residents. The project is scheduled for completion between 2015 and 2020. Within this timeframe, a renewable surface water supply will become an integral part of the Town’s water resources portfolio. The anticipated costs associated with this new vital resource are estimated to be approximately \$30-\$50 million. This cost projection includes the estimate for the construction of a pipeline, treatment facilities and rehabilitation of existing pumping facilities.

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

## 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.

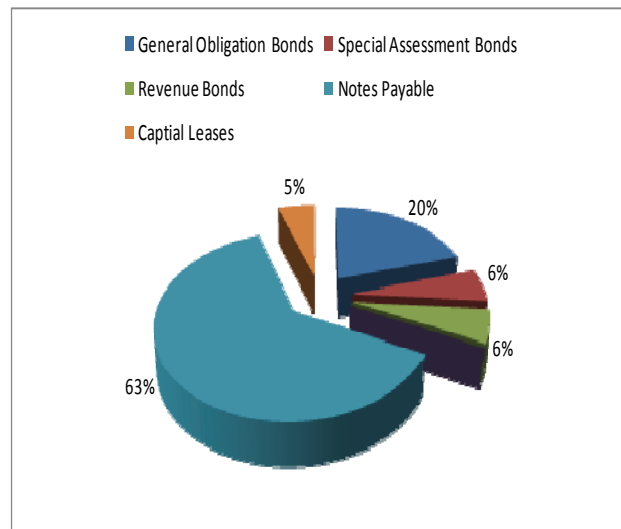
The Town’s **A+** bond rating from Standard & Poor’s allows for very competitive interest rates when issuing debt.

Debt Type	2012	2013
General Obligation Bonds	2,474,325	2,044,952
Special Assessment Bonds	635,000	585,000
Revenue Bonds	675,000	575,000
Certificates of Participation	45,000	-
Notes Payable	2,827,053	6,282,229
Capital Leases	794,200	520,198
<b>Total Debt</b>	<b>7,450,578</b>	<b>10,007,379</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 improvement 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

### OUTSTANDING DEBT BY TYPE

The Town typically issues General Obligation (G.O.) Bonds to fund the capital projects of general government (non-enterprise) departments. Current G.O. Bonds funded various public safety improvements, Green Valley Park improvements, and the construction of Fire Station #13. These 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. At this time, 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 this debt.



Special assessments imposed on certain parcels of land within the assessment district are used to pay the Westerly Drive Improvement District bonds.

Revenue bonds issued in 2003 provided financing for a new public works building. These bonds will be repaid from the excise tax revenues (sales taxes, franchise fees, state shared revenue, etc.) of the Town.

The Town has entered into lease agreements for the acquisition of public safety vehicles and equipment. General fund revenue will be used to pay the capital lease obligations.

The Town has entered into a note payable for the purchase of real property (Little Note Payable) and a Water Infrastructure Finance Authority of Arizona (WIFA) loan for improvements to the water system. The Town obtained a second WIFA loan to fund Phase II of the C.C. Cragin Pipeline Project with semi-annual interest and annual principal payments due at 2.8% through fiscal year 2033.



## REVENUES FOR FISCAL YEAR 2012/2013



Governmental Funds are used to account for the basic functions of the Town such as police, fire, parks, community development and general administration.

The revenues used to fund governmental activities come mainly from:

- **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**—State revenue-sharing programs: sales tax, income tax and vehicle license fees
- **FRANCHISE TAX**—Fees paid by public utilities, telecommunications companies and cable television businesses
- **INTERGOVERNMENTAL REVENUES**—Monies 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



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

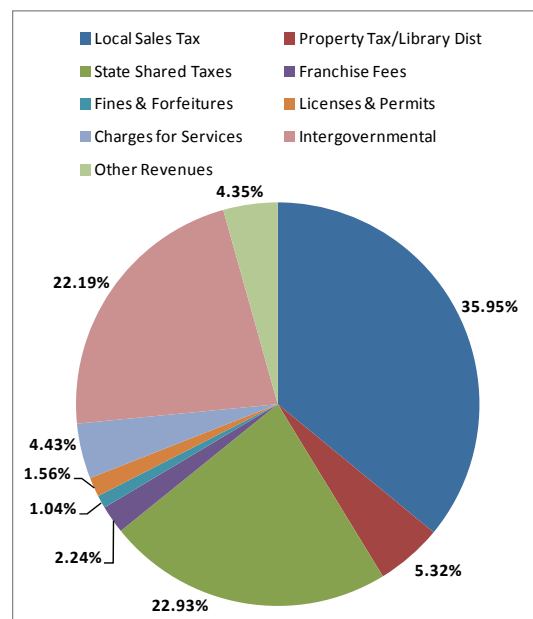
Revenue	2012	2013
Local Sales Tax	5,717,795	5,719,536
Property Tax/Library Dist.	931,351	846,236
State Shared Taxes	3,320,055	3,648,011
Franchise Taxes	351,227	356,550
Intergovernmental	3,413,202	3,530,609
Fines & Forfeitures	159,629	165,210
Licenses & Permits	240,600	247,821
Charges for Service	859,788	704,572
Contributions/Donations	75,491	39,249
Investment Earnings	2,610	388
Other Revenues	414,264	652,401
<b>Total Revenues</b>	<b>15,486,012</b>	<b>15,910,583</b>

The table above presents a summary of governmental revenues by primary type for 2012 and 2013 in order to present a picture of typical revenues from year to year. Although 2013 revenues showed a slight increase of 2.7% over 2012, the recession and weak economic conditions nationwide continue to impact revenues.

*\*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.*

### Sources of Governmental Revenue For Fiscal Year 2012/13\*

The pie chart below 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 tourism / economic development program to maintain a strong revenue stream.

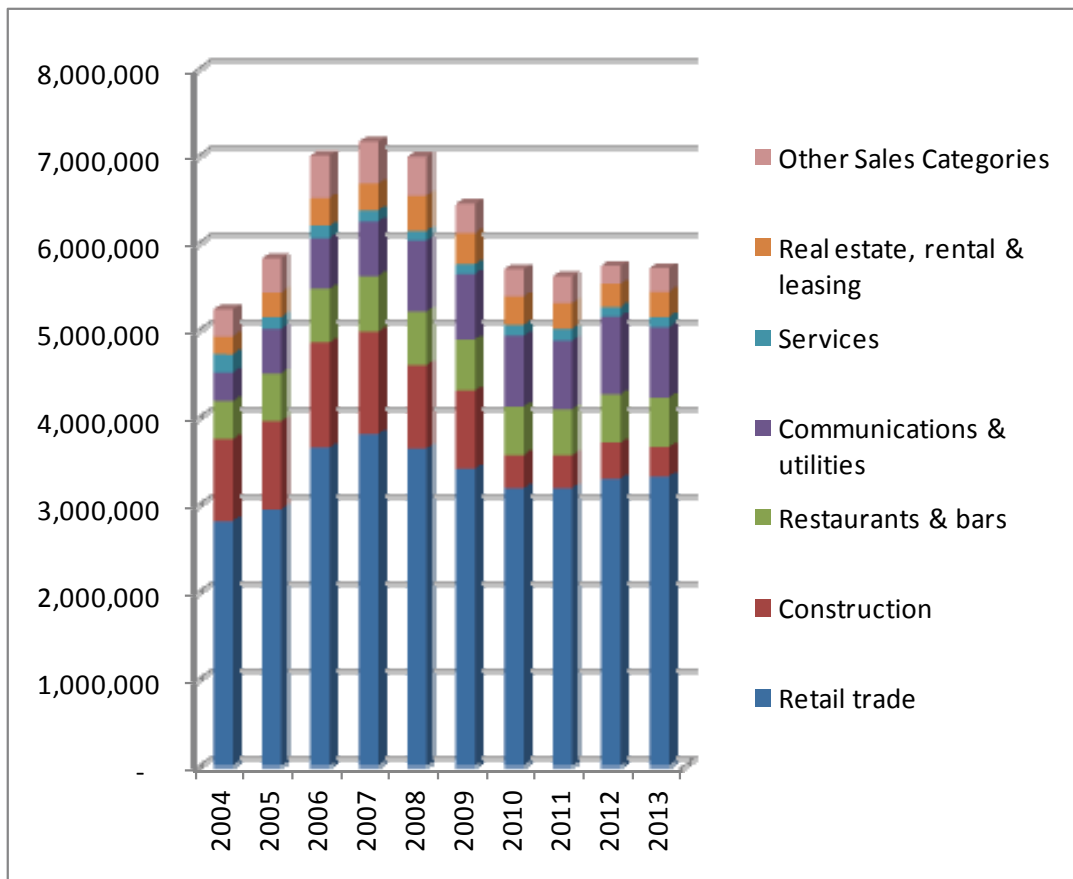


## WHERE GOVERNMENTAL FUND MONEY COMES FROM

## Transaction Privilege Taxes by Category

The Transaction Privilege Tax (Sales Tax) is collected on the gross receipts of business activities that occur within the Town of Payson. The Town adopted the Model City Tax Code and has an Intergovernmental Agreement (IGA) with the State Department of Revenue to administer and collect the tax for the Town. The collected funds are deposited directly into the Town’s depository on a timely basis and the Town is notified, by facsimile, as to the amount.

The chart below shows a ten year history of the Town’s sales tax activity by category. This clearly illustrates the impact of the nationwide economic downturn and the continued struggle for recovery.



Other Sales Categories includes transportation & warehousing, manufacturing, finance & insurance, wholesale trade, and arts & entertainment.



### Sales Tax Rate

effective 6/30/2013

Town of Payson 2.12%	+	Gila County 1.00%	+	State of Arizona 5.60%	=	<b>TOTAL 8.72%</b>
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## Revenues from Enterprise Funds

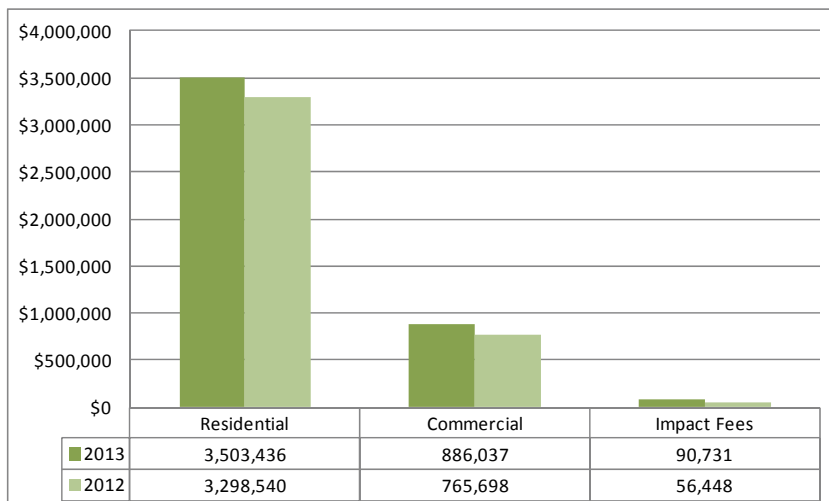
Enterprise Funds are business-type funds considered to be self-supporting in that the services rendered are generally financed through user charges or fees.

The Town has two Enterprise Funds—Water Fund and C.C. Cragin Fund.

The Water Fund is used to record revenues and expenses related to the maintenance and improvement of the current water system infrastructure. The Town’s Water Division provides a safe & adequate domestic water supply to Payson residents.

The C.C. Cragin Fund is used to record revenue and expenses pertaining to the construction of the new pipeline project that will ensure adequate water resources for Payson’s future.

### Water Fund Revenues by Type



The chart to the left compares the major Water Fund revenues from fiscal year 2011/12 and fiscal year 2012/13.

Since there wasn’t a significant change in Payson’s population during this time period, the increase in residential and commercial revenues was largely due to a rate increase that took effect in October 2012.

A slight increase in construction caused impact fee revenues to go up.

### C.C. Cragin Fund

In Fiscal Year 2009/10, the Town was fortunate enough to have received \$10,685,000 in American Recovery and Reinvestment Act (ARRA) funds through the Arizona Water Infrastructure Financing Authority (WIFA) to fund the C.C. Cragin Pipeline Project. \$4,000,000 of these funds was forgivable, requiring no payback by the Town.

At the close of Fiscal Year 2011/12, the Town de-obligated \$2,407,191 of the loan, leaving \$4,177,809 to be repaid by the Water Division.

In Fiscal Year 2012/13, the Town secured another WIFA loan in the amount of \$6,250,000 to fund Phase II of the project.





## EXPENDITURES FOR FISCAL YEAR 2012/2013

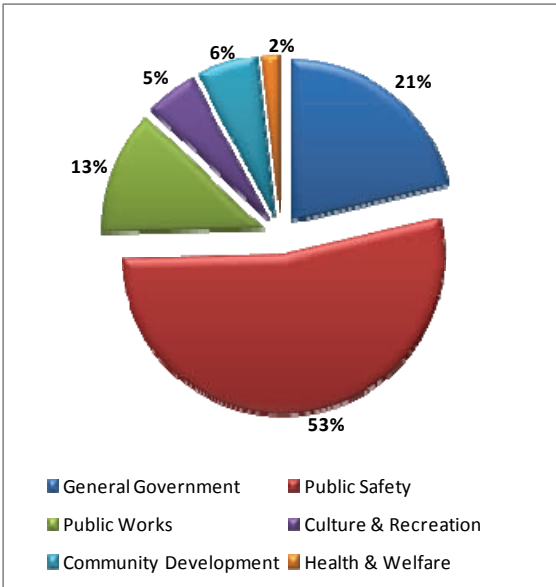


### Governmental Funds Two-Year Town Expenditures by Type

The two-year comparison below shows the change in total expenditures for governmental funds. Although expenditures were impacted by the rising cost of insurance, fuel, utilities, and a wide variety of goods and services, the departments were diligent in monitoring spending and cutting costs whenever possible. Capital Outlay had a significant change due to the fact that many capital projects were postponed pending economic recovery. Overall, Fiscal Year 2012/2013 Total Governmental Fund expenditures decreased by \$1,217,987 or 7% as compared to Fiscal Year 2011/2012.

Expenditures	2012	2013
General Government	3,450,235	3,204,129
Public Safety	7,763,007	7,973,221
Public Works	2,074,324	1,865,303
Culture & Recreation	847,518	757,043
Community Development	811,327	914,020
Health & Welfare	267,414	261,394
Subtotal	15,213,825	14,975,110
Debt Service Payments	1,234,032	1,046,052
Capital Outlay	1,052,702	261,410
<b>Total Expenditures</b>	<b>17,500,559</b>	<b>16,282,572</b>

### 2013 Governmental Fund Expenditures



The pie chart above reflects the breakdown of Fiscal Year 2012/2013 expenditures within the Town’s operating budget. These categories reflect personnel services / benefits and operating expenditures but exclude capital outlay and debt services.

Personnel services / benefits include salaries, wages and fringe benefits for Town employees.

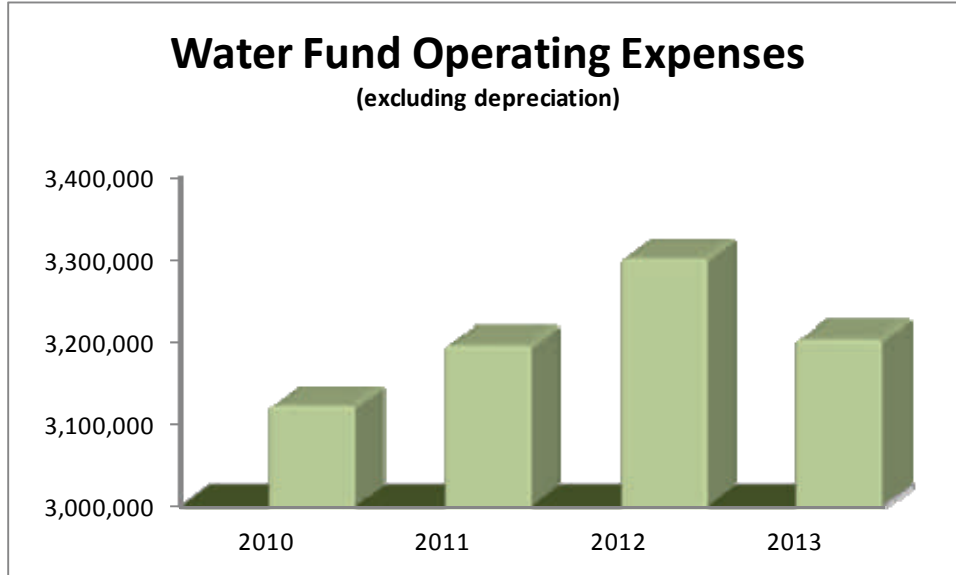
Operating expenditures are the supplies, other charges and services related to the day-to-day operations of the Town.

### 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 for projects / equipment on the Town’s Capital Improvement Program

## WHERE GOVERNMENTAL FUND MONEY GOES

**Expenditures from Enterprise Funds**



The Water Fund showed a modest 3% reduction in expenses for Fiscal Year 2012/2013. Over the past few years, there have been slight fluctuations in Water Fund expenses that resulted from the funding requirements of different maintenance projects. During the 2012/13 fiscal year, the water division provided high quality, reliable water services to approximately 7,800 accounts.



**C.C. Cragin Fund**

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

During the 2010/11 and 2011/12 fiscal years, 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.

During this past fiscal year, we began upgrading and laying new water pipelines within Town limits. We anticipate completing the Town-site purchase of the land for the water treatment plant and beginning construction design on the plant, during the next year. 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.



**C.C. Cragin Pumping Station**

## 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

**(vacant)**  
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 W. 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  
Payson, AZ 85541  
(928) 474-5242 X300

Fire Department—Station #12  
108 E. Rancho Rd.

Fire Department—Station #13  
103 S. Rim Club Pkwy.





Government Finance Officers Association

**Award for  
Outstanding  
Achievement in  
Popular Annual  
Financial Reporting**

Presented to

**Town of Payson  
Arizona**

For its Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO

**Want more information about the  
Town of Payson?**

This Popular Annual Financial Report (PAFR) is intended to summarize the financial information appearing in the 2013 Comprehensive Annual Financial Report (CAFR). Visit the Town of Payson Financial Services Dept., 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, after completion of the external audit, 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.
- 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.

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, 2012. 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.

