



Comprehensive Annual Financial Report
June 30, 2015



CITY OF BUCKEYE, ARIZONA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE
FISCAL YEAR ENDED June 30, 2015

Prepared by the
Finance Department

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Introductory Section



December 15, 2015

Honorable Mayor and City Council
City of Buckeye, AZ

The Finance Department respectfully submits the Comprehensive Annual Financial Report (CAFR) of the City of Buckeye, Arizona for the fiscal year ended June 30, 2015. The State of Arizona requires in ARS Section 9-481 that each incorporated city be audited at least once for every fiscal year. The State of Arizona also requires additional supplemental information in the form of a report entitled "Expenditure Limitation Report" to be completed annually. This report is under separate cover. Federal law requires that a single audit be performed for federal grant funds in conformance with the provisions of the Single Audit Act of 1984 and OMB Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations". All information related to the single audit, including the schedule of expenditures of federal awards, findings and recommendations, and the independent auditor's reports on the internal control structure and compliance with applicable laws and regulations are under separate cover.

This report was prepared by the Finance Department with the assistance of various other City departments. City management assumes full responsibility for the accuracy of the data presented and the completeness and fairness of presentation, including all disclosures, based on a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. Eide Bailly, LLP, a firm of licensed certified public accountants, have issued an unmodified opinion on the City's CAFR for the year ended June 30, 2015. As indicated by the opinion of our independent auditors, the report fairly presents the financial position and the results of operations of the City as measured by the financial activity of its various funds. The report has been set forth in a manner that will give the reader a broad understanding of the City's financial affairs. It includes disclosures necessary for the reader to gain an understanding of the City's financial activities. The independent auditors' report is located at the front of the financial statements in the Financial Section of the report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors report and provides a narrative introduction overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

A CAFR consists of three main sections: the Introductory section, the Financial section, and the Statistical section.

The **Introductory Section** includes this transmittal letter and an organization chart that lists the major divisions, components, and mechanisms of the City. This section is intended to familiarize the reader with the City of Buckeye's organizational structure, nature and scope of provided services, and specifics of its operating environment. The information in this section is intended to provide adequate background and sufficient context to assist the reader with the Financial Section of this CAFR.

The **Financial Section** contains all financial statements and supplemental information required to be disclosed by Generally Accepted Accounting Principles (GAAP) used in the United States and Arizona State Law, as well as information on all individual funds. Also in this section is other useful supplementary information that is not required by GAAP or Arizona State Law to represent a financial overview of the Town of Buckeye. This section includes six parts:

- (1) Independent Auditor's Report,
- (2) Management's Discussion and Analysis (MD&A),
- (3) Basic Financial Statements (BFS),
- (4) Notes to the Basic Financial Statements,
- (5) Required Supplementary Information, and
- (6) Combining, Individual Fund Financial Statements and Schedules.

The **Statistical Section** is unaudited. It includes various tables and charts that reflect financial, economic, social, and demographic information about the City of Buckeye that are interesting and relevant to assessing the City's financial condition. This section is intended to assist the reader in understanding the environment in which the City operates.

PROFILE OF THE CITY OF BUCKEYE

The City of Buckeye was founded in 1888 and is the western-most incorporated city in the Valley of the Sun, which is the economic, political and population center in Arizona and includes the City of Phoenix and surrounding communities. What was once solely an agricultural community has grown from a population of 4,436 in 1990 to approximately 58,745 based on a report from Maricopa Association of Government. Robust population growth in the greater Phoenix area during the last twenty years had the inevitable effect of focusing housing attention in the southwest valley as other areas approached build-out. Not only has the population of Buckeye grown, today the City has a planning area of 600 square miles with a total of 392 annexed square miles. City planners' project total build-out could take at least 30 years for the nearly 600-mile planning area that stretches from almost Wickenburg on the north to Gila Bend on the south, and from the Hassayampa River on the west to Perryville Road on the east.

With a short drive of about 35 miles or less, Buckeye residents can take advantage of the cultural, economic and entertainment venues found in major urban areas, yet they can return to the ease and ambience of an essentially rural community where neighbors know each other.

The City operates under a council-manager form of government. The seven-member City Council consists of six members elected by district to serve staggered four-year terms. The Mayor is elected at-large for a four-year term and serves as a voting member of the Council. All City elections are non-partisan. The City Council is responsible for passing ordinances, adopting the budget, appointing members of commissions and hiring the City Manager. The City Manager carries out the policies and ordinances of the City Council, oversees the day-to-day operations of the City and appoints the various department heads.

The City provides traditional municipal services such as public safety (police, fire, and magistrate court), airport facility for business and recreational flying, street construction and maintenance, parks, recreation and culture, planning and zoning, and general administrative and support services. Water and sewer utility services are provided to many of the residents through the City's enterprise funds. Sanitation, refuse collection and recycling services are provided through a separate enterprise fund. The City provides, or will provide, street lighting and maintenance for developing areas through legally formed street lighting and maintenance improvement districts. The City provides and accounts for a legally separate volunteer firefighters' pension fund as mandated by Arizona Revised Statute, Title 9, as well as a number of community facilities districts and improvement districts designed to provide funding for the construction and acquisition of public infrastructure improvements; a discussion of these component units is available in the footnotes to the Financial Statements.

The CAFR of the City includes all government activities, organizations and functions for which the City is financially accountable. The criteria used to determine financial accountability are based on, and are consistent with, the pronouncements of the Governmental Accounting Standards Board which sets criteria for defining the financial reporting entity. The phrase “financially accountable” is defined to include, but is not limited to, selection of governing authority, designation of management, ability to significantly influence operations, financial interdependence, and accountability for fiscal matters.

All of the various school districts and certain special districts within the City of Buckeye are governed independently. The financial statements of these districts are not included in this report except to reflect amounts held in an agency / trust capacity by the City Treasurer.

FINANCIAL INFORMATION

Local Economy The City has an agricultural background and history, which it retains to this day. However, substantial efforts have been put into developing thoughtful and comprehensive master plans that include retail, commercial, entertainment, health care, education and employment centers. However, housing construction has been the primary source of the City’s revenues over the past several years. The slowdown in housing and the economy generally has been readily apparent in the revenue collections. The challenge faced by Buckeye is that the retail and office development desired by residents, and which would provide the City with a reliable, long-term source of revenue, was only beginning to emerge at the same time the economy started its downward trends. Buckeye’s retail is growing slowly but steadily.

Buckeye is intersected by four major highways, including Interstate 10, a major east/ west trucking corridor. Buckeye also is home to a general aviation airport, and is served by the Union Pacific Railroad. Virtually every major mode of transportation makes Buckeye accessible from multiple points. Large tracts of undeveloped land lie within Buckeye that are suitable for solar power generation facilities. In addition to this, the City of Buckeye sits on the state’s largest untapped groundwater aquifer, the Hassayampa River Basin, and the majestic view of the White Tank Mountains from every vantage point creates a unique and unparalleled landscape.

Long-Term Financial Planning Buckeye is excited to face the challenges of the coming years where we will be accommodating growth, while ensuring that the City develops as a place where people can live, work and play. Increases in population and the property tax base, as well as commercial and retail activity and the City’s economic development efforts are all expected to provide additional revenue to offset the costs related to both modest continuing growth, in addition to expanding services and facilities.

Because of today’s economic uncertainties, the City established a contingency reserve in the general fund budget for the fiscal year, and carried that policy forward into the budget for the following fiscal year. Various other funds also have budgeted contingency amounts not specifically designated or allocated for a specific activity or use to provide some flexibility in the face of an economic slowdown that appears to be deeper and longer term than originally projected by economists.

On May 9, 2012 the City of Buckeye adopted its first seven (7) Year Capital Improvement Program (FY 11/12 – FY 17/18). The Capital Improvement Program (CIP) is a suggested schedule of capital expenditures to be incurred in a given fiscal year for a fixed period of years to meet capital needs. The City of Buckeye Capital Improvement Program (“CIP”) specifically sets forth each project or capital expenditure that the City initiates. Each project or capital expenditures will contain estimates of cost and proposed financing, with each project annually reviewed, updated, and possibly revised as part of the City of Buckeye budgeting process.

Relevant Financial Policies The City of Buckeye maintains accounts in accordance with the principles of fund accounting to ensure that limitations and restrictions on the City’s available resources are observed and adhered to. Fund accounting classifies resources into funds with respect to the intended activities or objectives specified by those resources for accounting controls and financial reporting purposes. Each fund is an independent fiscal and accounting entity, and its operations are accounted for in a separate set of self-balancing accounts that are comprised of assets, liabilities, fund equity, revenues, and expenditures or expenses.

The City incorporates performance expectations and initiatives into their annual budgeting process, which are intended to move the City toward achieving its goals. Department directors are held responsible for the fiscal performance of their units as well as the programmatic performance of their units. The City has adopted the practice of not “cleaning-up” program over-expenditures, but rather reporting them in the CAFR as budget overspent. This practice provides necessary information for future budget cycles and brings attention to the reasons for the budget overage. In the event a fund is overspent, the City will transfer enough money from the General Fund to show a zero balance. In most cases, there is sufficient fund balance to take that action.

City management monitors the City’s budget at the fund level for Special Revenue, Debt Service, and Internal Service Funds. The General Fund and Capital Project Funds are monitored at the department and project level respectively. The budget is modified throughout the year as certain additional resources become available or anticipated resources dissipate, if permitted under Arizona statutes. This practice ensures all available resources are accounted for with appropriate budgetary controls, and only available resources are disbursed or encumbered.

Historically, the City has been very conservative in its approach to financial matters, minimizing borrowing to control interest costs and controlling the use of both recurring and non-recurring operating revenues.

ACKNOWLEDGEMENTS

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We wish to express our sincere appreciation to all members of every City Department who contributed to its preparation and recognize the major effort of the Financial Services Division in administering the City’s accounting system and in preparing this report.

We also wish to thank each of you for your interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

Finance Department
/iw

Jackie Meck
Mayor

Eric Orsborn
Vice Mayor

Michelle Hess
Councilmember

Ray Strauss
Councilmember

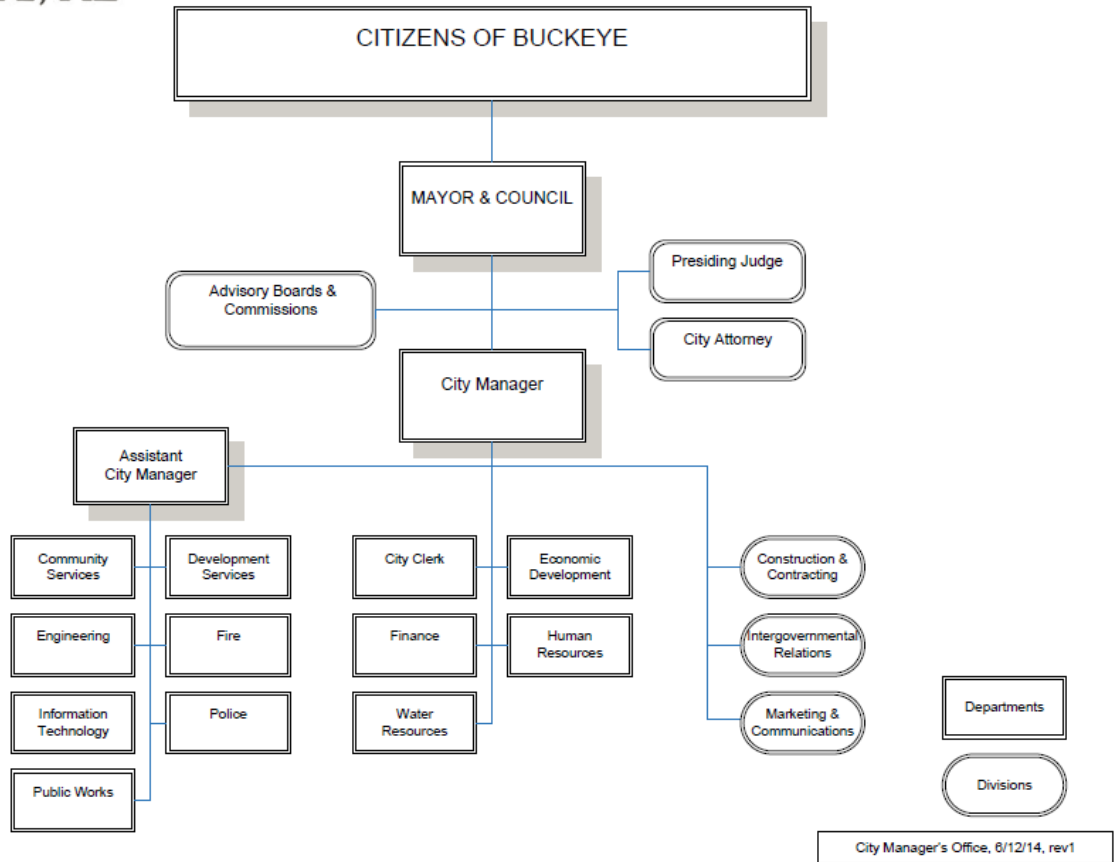
Craig Heustis
Councilmember

Brian McAchran
Councilmember

Robert Garza
Councilmember



City of Buckeye Organizational Chart
 June, 2015



Financial Section



Independent Auditor's Report

The Honorable Mayor and the City Council of the
City of Buckeye, Arizona
Buckeye, 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 Buckeye, Arizona (the City) as of and for the year ended June 30, 2015, 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, the aggregate remaining fund information, and the respective budgetary comparison for the general fund and major special revenue funds of the City, as of June 30, 2015, 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.

Emphasis of Matters

Correction of an Error

As described in Note 14 to the financial statements, the City applied an adjustment to beginning net position to correct improperly recorded revenue in the prior year related to utility billing. Our opinions are not modified with respect to this matter.

Adoption of New Accounting Standard

As described in Note 1 and 13 to the financial statements, the City adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which has resulted in a restatement of the net position as of July 1, 2014. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the City's proportionate share of net pension liability for the Arizona State Retirement System, schedule of changes in the City's net pension liability and related ratios for the Public Safety Personnel Retirement System, and schedule of City pension contributions for the Arizona State Retirement System and the Arizona Public Safety Personnel Retirement System on pages 4 through 15 and 74 through 77 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's basic financial statements. The introductory section, the respective budgetary comparison for the major debt service funds, the combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The respective budgetary comparison for the major debt service funds and the combining and individual nonmajor fund financial statements 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 respective budgetary comparison for the major debt service funds, the combining and individual nonmajor fund financial statements 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 December 15, 2015, on our consideration of the City'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's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Phoenix, Arizona
December 15, 2015

As financial management of the City of Buckeye, Arizona, we are pleased to provide an overview of our financial activities for the fiscal year ended June 30, 2015. The intended purpose of Management's Discussion and Analysis (MD&A) is to provide an introduction to the basic financial statements and notes that provides an objective and easy-to-read analysis of our financial activities based on currently known facts, decisions, and conditions. An easily readable summary of operating results and reasons for changes will help the reader to determine if our financial position improved or deteriorated over the past year. This report addresses current operational activities; the sources, uses and changes in resources; adherence to budget; limitations; significant economic factors; and the status of infrastructure and its impacts on our debt and operations. When referring to prior year data in this analysis, we will be drawing on information from last year's audited financial reports.

The City includes Community Facility Districts (CFDs), which are separate legal entities, in this report because they are deemed to be "component units" of local government by reason of the commonality of management (the City's elected officials serve as the Board of Directors for each CFD). The City, however, has no financial liability for the CFDs. A description of these component units is available in Note 1. Separate financial statements are not prepared for the CFDs.

Financial Highlights

- The total assets of the City of Buckeye, Arizona exceeded its total liabilities at the close of the fiscal year ended June 30, 2015 by \$593,438,647 (net position). Of this amount, \$45,711,043 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of fiscal year 2015, the City of Buckeye, Arizona's governmental funds reported combined ending fund balances of \$55,021,568, a decrease of \$10,649,378 in comparison to fiscal year 2014. This change was mainly due to:
 - The General Fund's fund balance increased by \$777,100;
 - The governmental Impact Fee Funds' fund balance decreased by (\$2,092,159);
 - The various CFD Debt Service Funds' fund balance decreased by (\$1,418,683);
 - The various Improvement District Debt Service Funds' fund balance decreased by (\$519,036);
 - The Highway User Revenue Fund's (HURF) fund balance increased by \$304,101;
 - Nonmajor Governmental Funds' fund balance decreased by (\$7,700,701).
- As of June 30, 2015, the total fund balance in the General Fund was \$19,615,278. The fund balance in the governmental Impact Fees Funds totaled \$11,426,538.
- For fiscal year 2015, total General Fund revenues of \$51,007,840 were greater than budgeted revenues of \$46,776,415. An increase of \$4,231,425 or 9.05%. Total General Fund expenditures of \$48,729,487 were less than the budgeted expenditures of \$59,210,506. A decrease of \$10,481,019 or 17.7%.
- For fiscal year 2015, total governmental Impact Fee revenues of \$1,657,798 were greater than budgeted revenues of \$1,316,485. An increase of \$341,313 or 25.9%. Total governmental Impact Fee expenditures of \$3,931,268 were less than budgeted expenditures of \$14,969,461. A difference of \$11,038,193 or 73.7% when compared to budget.
- The decrease in the CFD funds is related to the reimbursement provided to the developer by issuing general obligation refunding bonds. The bonds are payable from property taxes levied on property owners within the specific District.

Overview of the Financial Statements

The financial section of the Comprehensive Annual Financial Report (CAFR) for the City of Buckeye, Arizona consists of the discussion and analysis, the basic financial statements, the required supplementary schedules, and the combining and individual fund statements presented after the basic financial statements. The basic financial statements include the government-wide financial statements, fund financial statements, including the budgetary statements for the General Fund, and major special revenue funds and notes to the basic financial statements.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Buckeye, Arizona's finances, in a manner similar to private-sector businesses.

The statement of net position presents information on all of the City of Buckeye, Arizona's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position defined as assets plus deferred outflows of resources less liabilities less deferred inflows of resources. Over time, increases or decreases in net position may serve as useful indicators of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned, but unused, vacation leave).

The government-wide financial statements distinguish functions of the City of Buckeye, Arizona that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Buckeye, Arizona include general government, public safety, highways and streets, culture and recreation, community development, economic development, and health and welfare. The business-type activities include the City's water, sewer, solid waste, and airport operations.

The government-wide financial statements can be found on pages 16 and 17 of this report.

Fund Financial Statements. Also presented are the traditional fund financial statements for governmental, proprietary and fiduciary funds. The fund financial statements focus on major funds of the City. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Buckeye, Arizona, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Buckeye, Arizona can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Since the governmental fund financial statements focus on near-term expendable resources, while the governmental activities on the government-wide financial statements have a longer term focus, a reconciliation of the differences between the two is provided with the fund financial statements.

The basic governmental fund financial statements can be found beginning on page 18 of this report.

Proprietary Funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City of Buckeye, Arizona maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as “business-type activities” in the government-wide financial statements. The City of Buckeye, Arizona uses enterprise funds to account for its water, sewer, solid waste, and airport operations.

The second type of Proprietary Fund is the *Internal Service fund*, which is used to account for activities that involve the governmental entity providing goods or services to other departments or agencies on a cost-reimbursement basis.

The basic proprietary fund financial statements can be found beginning on page 26 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Fiduciary fund held by the City is for the Volunteer Fire Fighters Alternate Pension & Benefit Plan. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Buckeye, Arizona's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found beginning on page 30 of this report.

Notes to the Basic Financial Statements. The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements and should be read with the financial statements.

Required Supplementary Information Other than this MD&A. Governments have an option of including the budgetary comparison statements for the general fund and major special revenue funds as either part of the fund financial statements within the basic financial statements, or as required supplementary information after the footnotes. The City has chosen to represent these budgetary statements as part of the basic financial statements. Additionally, governments are required to disclose certain information about employee pension funds. The City has disclosed this information in Note 11 to the basic financial statements and in required supplementary information on page 73.

Adoption of New Accounting Standards. Governmental Accounting Standards Board (“GASB”) issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (“GASB 68”) and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* (“GASB 71”). Both GASBs 68 and 71 are effective for fiscal years beginning after June 15, 2014. The two statements establish the standards for measuring and recognizing net pension liabilities, deferred outflows of resources, deferred inflows of resources, and expenses related to pensions. In addition, the statements require additional disclosures of information related to defined benefit pension plans. The City adopted these standards with a chosen measurement date of June 30, 2014. The City made the application of these standards retroactively by adjusting the beginning net position of the governmental activities and business-type activities as of July 1, 2014 (see Note 11 and 13 for further information).

Government-Wide Financial Statements Analysis

Net position may serve over time as a useful indicator of a government's financial position. The following table reflects the condensed Statement of Net Position of the City as of June 30, 2015 and 2014, showing that assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources for both governmental and business-type activities by a total of \$593,438,647 for the fiscal year ended June 30, 2015.

City of Buckeye, Arizona
Management's Discussion and Analysis
June 30, 2015

City of Buckeye, Arizona
Condensed Statement of Net Position
June 30, 2015 and 2014

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
ASSETS						
Current and other assets	\$ 114,928,457	\$ 129,365,957	\$ 32,899,301	\$ 34,350,808	\$ 147,827,758	\$ 163,716,765
Capital assets:						
Non-depreciable	175,430,931	174,141,773	16,970,399	10,549,165	192,401,330	184,690,938
Depreciable (net)	224,720,239	215,647,169	257,933,389	248,105,265	482,653,628	463,752,434
Total Assets	515,079,627	519,154,899	307,803,089	293,005,238	822,882,716	812,160,137
Deferred Outflows of Resources						
Loss on refunding and defeasance	789,992	852,915	-	-	789,992	852,915
Pension related deferred outflows ASRS	5,725,617	-	1,131,784	-	6,857,401	-
Pension related deferred outflows PSPRS	6,839,844	-	-	-	6,839,844	-
Total deferred outflows of resources	13,355,453	852,915	1,131,784	-	14,487,237	852,915
LIABILITIES						
Other liabilities	16,773,002	14,881,175	4,648,307	2,791,887	21,421,309	17,673,062
Non-current liabilities:						
Due within one year	8,806,136	8,583,634	953,277	591,458	9,759,413	9,175,092
Net Pension Liability - ASRS	19,190,618	-	3,298,389	-	22,489,007	-
Net Pension Liability - PSPRS	8,877,175	-	-	-	8,877,175	-
Due in more than one year	157,167,813	168,069,204	4,800,868	4,391,172	161,968,681	172,460,376
Other long term obligations	-	-	14,122,555	-	14,122,555	-
Total Liabilities	210,814,744	191,534,013	27,823,396	7,774,517	238,638,140	199,308,530
Deferred Inflows of Resources						
Gain on refunding and defeasance	296,401	-	-	-	296,401	-
Pension related deferred inflows ASRS	3,355,847	-	576,786	-	3,932,633	-
Pension related deferred inflows PSPRS	1,064,132	-	-	-	1,064,132	-
Total deferred inflows of resources	4,716,380	-	576,786	-	5,293,166	-
NET POSITION						
Net investment in capital assets	234,177,221	213,136,104	269,321,232	254,014,252	503,498,453	467,150,356
Restricted for						
Impact fees	11,426,538	13,518,697	9,176,829	9,958,939	20,603,367	26,210,493
SLID operations	70,676	82,198	-	-	70,676	82,198
Highway and streets	540,623	236,523	-	-	540,623	236,523
Debt service	8,251,457	10,188,264	-	-	8,251,457	10,188,264
Capital outlay	8,834,902	11,593,038	-	-	8,834,902	11,593,038
Other	5,928,126	10,131,429	-	-	5,928,126	10,131,429
Unrestricted	43,674,413	69,587,548	2,036,630	21,257,530	45,711,043	94,183,978
TOTAL NET POSITION	\$ 312,903,956	\$ 328,473,801	\$ 280,534,691	\$ 285,230,721	\$ 593,438,647	\$ 613,704,522

GASB 68 information is not available for fiscal year 2014 and therefore, the City's net position as of June 30, 2014 has not been restated for the implementation of GASBs 68 and 71. Refer to note 11 and Note 13 for further details.

Net position consists of three components. The net investment in capital assets in the amount of \$503,498,453 is 84.8% of the City's total net position of \$593,438,647. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Buckeye, Arizona'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 the City of Buckeye, Arizona's net position \$44,229,151 (7.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$45,711,043 (7.7%), may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Buckeye, Arizona is able to report positive balances in all three categories of net position for the government as a whole.

The following table reflects the condensed Statement of Changes in Net Position for the fiscal years ended June 30, 2015 and 2014. This information is helpful in understanding the sources and uses of funds during the fiscal year.

City of Buckeye, Arizona Changes in Net Position For the Fiscal Years Ended June 30, 2015 and 2014						
	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
REVENUES						
Program revenues						
Fees, fines and charges for services	\$ 12,395,073	\$ 15,185,231	\$ 23,790,599	\$ 22,860,407	\$ 36,185,672	\$ 38,045,638
Operating grants and contributions	3,502,821	6,314,969	-	-	3,502,821	6,314,969
Capital grants and contributions	16,400,069	4,582,925	1,892,119	43,187	18,292,188	4,626,112
General revenues						
Sales taxes	19,825,186	17,057,331	-	-	19,825,186	17,057,331
Property taxes	11,324,388	8,891,436	-	-	11,324,388	8,891,436
Franchise taxes	2,716,880	2,558,045	-	-	2,716,880	2,558,045
State-shared revenues	12,751,618	11,912,520	-	-	12,751,618	11,912,520
Investment earnings	371,027	365,368	5,854	4,199	376,881	369,567
Other	5,151,495	7,080,275	761	23,534	5,152,256	7,103,809
Total Revenues	84,438,557	73,948,100	25,689,333	22,931,327	110,127,890	96,879,427
EXPENSES						
General government	24,540,769	44,353,079	-	-	24,540,769	44,353,079
Public safety	34,614,731	32,145,964	-	-	34,614,731	32,145,964
Highways and streets	3,350,140	3,376,108	-	-	3,350,140	3,376,108
Culture and recreation	4,314,988	3,556,699	-	-	4,314,988	3,556,699
Community development	4,764,126	4,589,090	-	-	4,764,126	4,589,090
Economic development	741,431	857,980	-	-	741,431	857,980
Health and welfare	534,357	515,372	-	-	534,357	515,372
Miscellaneous	161,431	221,643	-	-	161,431	221,643
Interest on long-term debt	8,872,085	8,750,687	-	-	8,872,085	8,750,687
Airport	-	-	777,569	678,268	777,569	678,268
Solid Waste	-	-	4,049,953	3,702,671	4,049,953	3,702,671
Sewer	-	-	10,083,075	9,297,155	10,083,075	9,297,155
Water	-	-	10,092,263	9,026,581	10,092,263	9,026,581
Total Expenses	81,894,058	98,366,622	25,002,860	22,704,675	106,896,918	121,071,297
Changes in net position before transfers	2,544,499	(24,418,522)	686,473	226,652	3,230,972	(24,191,870)
Transfers	1,299,100	895,971	(1,299,100)	(895,971)	-	-
Change in net position	3,843,599	(23,522,551)	(612,627)	(669,319)	3,230,972	(24,191,870)
Net position at beginning of year	328,473,801	355,518,939	285,230,721	284,268,205	613,704,522	639,787,147
Adoption of new accounting standard Note13	(19,413,444)	(5,458,825)	(2,645,882)	-	(22,059,326)	(5,458,825)
Correction of error - Note 14	-	2,168,884	(1,437,521)	1,399,188	(1,437,521)	3,568,072
Net Position - beginning of year (as restated)	309,060,357	352,228,998	281,147,318	285,667,393	590,207,675	637,896,391
Total net position	\$ 312,903,956	\$ 326,537,563	\$ 280,534,691	\$ 283,598,886	\$ 593,438,647	\$ 639,787,144

GASB 68 information is not available for fiscal year 2014 and therefore, the City's net position as of June 30, 2014 has not been restated for the implementation of GASBs 68 and 71. Refer to note 11 and Note 13 for further details.

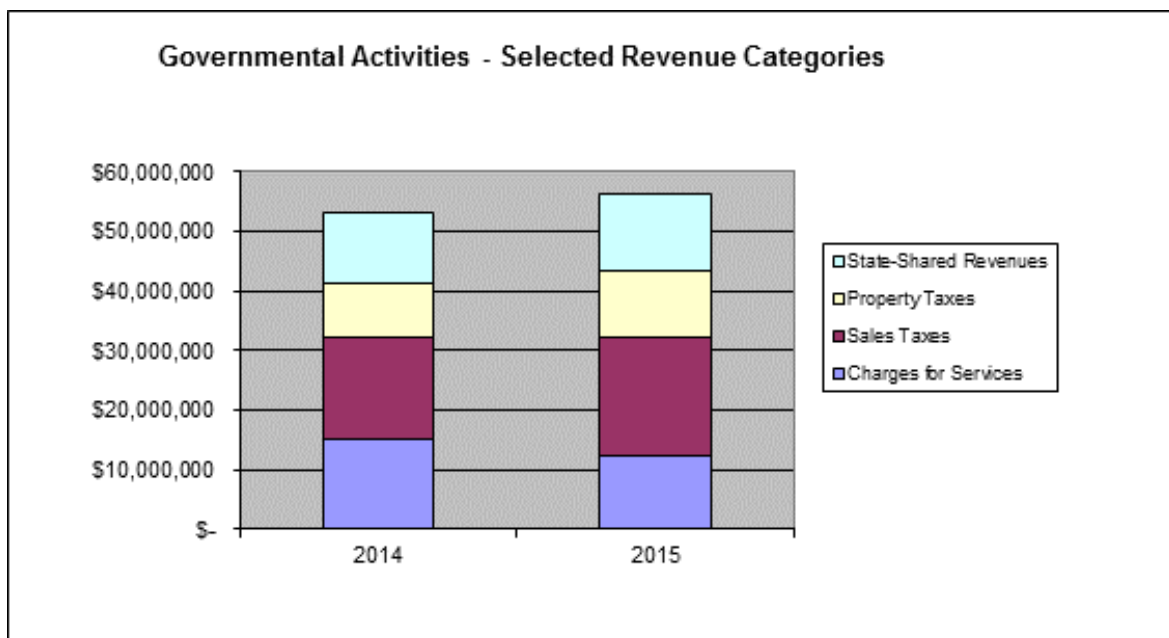
The City's net position was restated as of June 30, 2013 for the implementation of GASB Statement No. 65 ("GASB 65"), *Items Previously Reported as Assets and Liabilities*. The implementation of this statement had a material effect on the financial statements which resulted in a restatement of the governmental activities in the government-wide financial statements for the write-off of bond issuance costs as of June 30, 2013, with the exception of any portions related to prepaid issuance cost, which were previously capitalized and amortized over the life of the related bonds.

The City's net position was also restated as of June 30, 2013 for the correction of an error resulting from the understatement of capital assets.

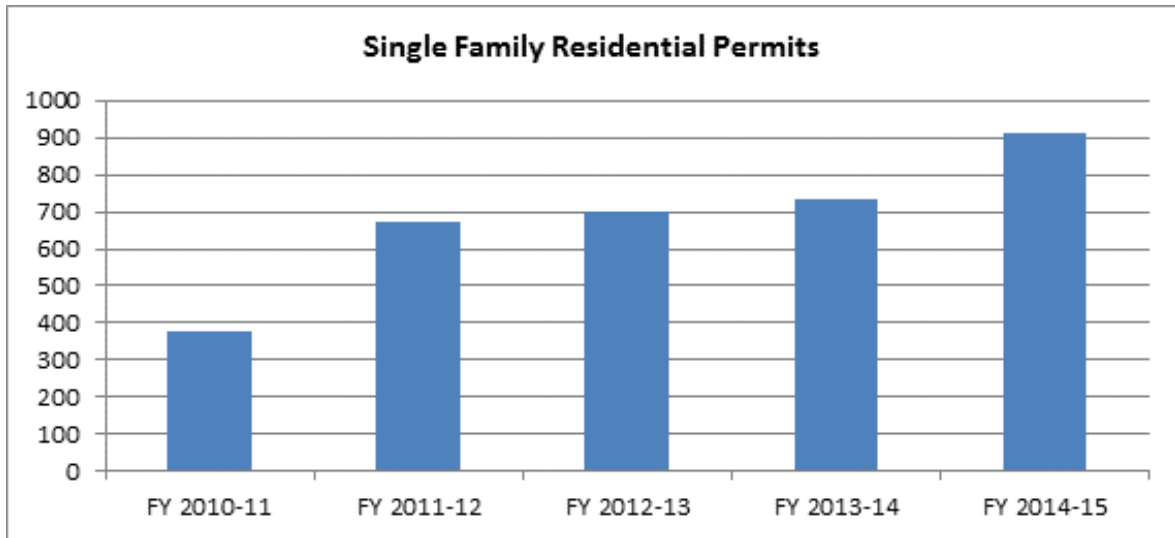
Governmental Activities. Governmental activities increased the City's net position by \$3,843,599 from the prior fiscal year. This net increase is attributable to an increase in revenues and decrease in expenses as discussed further below.

The greatest increase in revenue can be found in the grants and contribution area as well as sales tax and property tax area. As the population in the City continues to grow, the number of businesses is also increasing. This growth is directly related to the increase in property taxes and sales tax. Construction sales tax increased by \$1mill from the prior fiscal year, directly relating to the increase in permits issued for single family homes. Retail sales tax increased by \$900,000 from the prior fiscal year. The City accepted numerous streets and sidewalks from developers as a result of the positive economy. Total highways and streets conveyed to the City increased by \$12mill from the prior fiscal year. Due to the upward trend in the economy state shared revenue has increased by \$900,000 from the prior fiscal year.

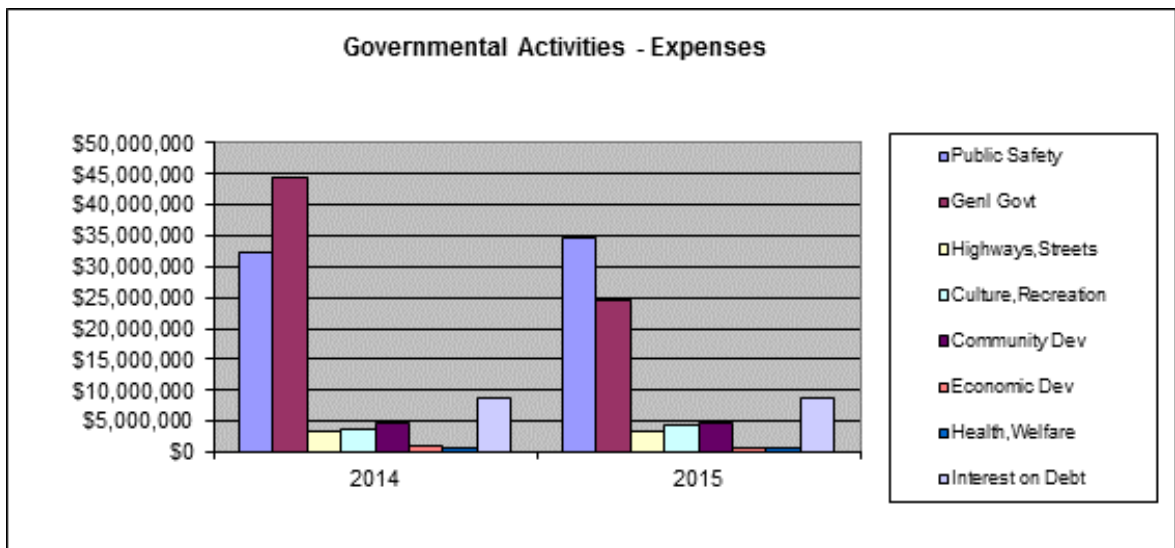
The chart below graphically reflects certain of the information above relative to the City's revenues.



The City of Buckeye saw another increase in the Building Permits for single family residential from 2014 to 2015. The sales tax collections increased through June 30, 2015. The local sales tax for 2015 was \$19,825,186 in comparison to 2014 in the amount of \$17,057,331. State shared revenues are on an uphill climb as well and should continue to increase over time.



Information relative to the City's expense categories from the table is reflected graphically below.



Total expenses of the governmental funds decreased a total of \$16,472,564 from fiscal year 2014 to fiscal year 2015. The decrease is related to less assets conveyed to the City by developers during 2015.

Business-Type Activities. Business-type activities decreased the City's net position by (\$612,627) (pg. 27) during the fiscal year ended June 30, 2015. Capital grants and contributions showed an increase of \$1,848,932 during the fiscal year mostly based on contributions from developers for water and sewer lines. During the fiscal year council approved an increase in the base rate for water consumption while also increasing usage rate per 1,000 gallons. Along with the rate increase an additional increase was approved related to the meter size used by multi-family, commercial and landscape.

Fund Financial Statements Analysis

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of resources that are available for spending. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year. Types of governmental funds reported by the City include the General Fund, Impact Fee Funds, CFD (Community Facility Districts) Funds for both capital improvements and CFD debt service, CFD Debt Funds for both capital improvements and related debt service, and Non-Major Governmental Funds, which includes Special Revenue Funds and Capital Project Funds among others.

As of June 30, 2015, the City's governmental funds reported combined ending fund balances of \$55,021,568 (pg. 18), a decrease of (\$10,649,378) from June 30, 2014. Approximately 35.65% of this total, as reflected in the table below, is the General Fund balance which is available for contribution to the designated, undesignated and reserved fund balances.

City of Buckeye, Arizona
Fund Balances - Governmental Funds
For the Fiscal Years Ended June 30, 2015 and 2014

	Governmental Activities		Increase <Decrease> from FY 2014
	2015	2014	
General Funds	\$ 19,615,278	\$ 18,838,178	\$ 777,100
Impact Fee Funds	11,426,538	13,518,697	(2,092,159)
CFD Funds	8,244,736	9,663,419	(1,418,683)
Debt Service Funds	8,276	527,312	(519,036)
HURF Fund	540,623	236,522	304,101
Nonmajor Governmental Funds	15,186,117	22,886,818	(7,700,701)

General Fund. The General Fund is the chief operating fund of the City of Buckeye, Arizona. This fund increased by \$777,100. Key factors in this change were:

- General fund collections of local transaction privilege tax, charges for services, and grants and contributions increased from the prior year.
- Operating expenditures remained below budget over the fiscal year.

Impact Fee Funds. Balances decreased during the fiscal year by \$2,092,159, due to a new development fee structure reducing impact fees received. The Skyline Park Phase I construction continued and is to be completed by December 2015. The Sundance Crossing Phase I project was completed, and now holds the new Police and Fire Administration as well as the new Coyote Library. Total impact fees collected were \$11,426,538 (pg. 18), a decrease of \$2,092,159 from the prior fiscal year 2014.

Community Facility District (CFD) Funds. During the fiscal year, the various CFD Funds balances decreased by \$1,418,663. The ad valorem tax rate is different for most CFDs. Please see the table below for detail:

Tax rate table for Community Facility Districts (CFD) FY 2015

District Name	Operation & Maintenance	Debt Service	Total
Anthem Sun Valley CFD	0.30		0.30
Elianto CFD	0.30		0.30
Festival Ranch CFD	0.30	2.66	2.96
Mirielle CFD	0.30		0.30
Sundance CFD	0.30	2.61	2.91
Tartesso West CFD	0.30	4.80	5.10
Trillium CFD	0.30		0.30
Verrado District 1 CFD	0.30	3.00	3.30
Verrado Western Overlay CFD	0.30	3.00	3.30
Watson Road CFD	0.30		0.30
Westpark CFD	0.30	5.31	5.61

Improvement District Debt Funds. The balance in the debt service fund decreased during this fiscal year by \$519,036.

HURF (Highway User Revenues Fund). The HURF Fund, which is required by Arizona law to be accounted for separately from all other funds, increased by \$304,100 during the fiscal year. The City receives distributions of state HURF monies which must be used solely for allowable costs related to streets and street lighting. Revenues exceeded expenditures by \$366,201.

Nonmajor Governmental Funds. Nonmajor governmental fund balances decreased by \$7,700,701 during the fiscal year. This decrease was due to the decrease in contributions and donations. All non-major governmental funds of the City are combined into one column on the governmental fund financial statements.

Proprietary Funds. The City of Buckeye, Arizona's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position at the end of the year is as follows for the indicated funds:

City of Buckeye, Arizona
 Unrestricted Net Position- Proprietary Funds
 For the Fiscal Years Ended June 30, 2015 and 2014

	Business-Type Activities		Increase <Decrease> from FY 2013
	2015	2014	
Sewer Fund	\$ (12,360,133)	\$ 4,601,261	\$ (16,961,394)
Solid Waste	1,365,229	1,634,258	(269,029)
Water Fund	12,715,499	14,594,383	(1,878,884)
Airport Fund	316,035	427,628	(111,593)
Internal Service Fund	144,484	525,599	(381,115)

Developers transferred and the City accepted infrastructure totaling \$1,892,119 during the fiscal year that will be used in sewer and water operations. The negative unrestricted net position in the Sewer Fund relates to the purchase of the Tartesso Wastewater Treatment Plant which will be paid with future impact fees for the Tartesso Development.

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 and may be found beginning on page 22. These statements compare the original adopted budget and revised budget, and the actual expenditures prepared on a budgetary basis. Revenues collected in the general fund exceeded budgeted amounts by \$4,231,425. Expenditures were less than budgeted by \$10,481,019 as the general fund department activities continue to be closely monitored. Differences between actual and budget revenue amounts relates to an increase in licenses and permits and sales tax. Areas such as fines and forfeitures and charges for services increased slightly.

Capital Asset and Debt Administration

The City of Buckeye, Arizona's capital assets for its governmental and business-type activities as of June 30, 2015 amount to \$675,054,958 (net of accumulated depreciation). For government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the fiscal year. Fund financial statements record capital asset acquisitions as expenditures. See Note 5 for further information regarding capital assets.

The significant decrease in the Sewer Fund relates to the acquisition of the Tartesso Wastewater Treatment Plant (WWTP). The plant including the real property was acquired for \$14,931,543 and is located in the Tartesso West area located just North of I-10 at Sun Valley Parkway. The WWTP was designed to treat 1.2 million gallons per day of influent hydraulically and biologically based on design influent characteristics. Based on the City's current standard of 250 gallons per single family dwelling unit per day, the Tartesso WWTP is estimated to provide wastewater treatment for 4,800 single family dwelling units.

The City acquired Hopeville Water Company located just south of I-10 on Sun Valley Parkway. With this purchase, the City increased its water capacity and is now able to create a water supply along the I-10 corridor for future industrial or business opportunities.

Capital assets include land and improvements; buildings and improvements; infrastructure; furniture, machinery, equipment and vehicles; the airport campus; the water system; and the waste water system. The City contracts for solid waste services.

Below is a listing of the major capital asset events which occurred during this fiscal year. Some of these capital projects were started during fiscal year 2014, continued during 2015, still ongoing, and some of the projects have been completed and recorded during fiscal year 2015.

- Skyline Park Phase I is in construction and moving forward on schedule. This project is expected to be completed by December 2015.
- Four new traffic signals were installed in the Sundance community along Sundance Parkway. One signal is currently still under construction and should be completed during FY 2016.

- The City started the Enterprise Resource Plan, and the first phase of the project will be completed during FY 2016. This is a comprehensive project as it involves numerous areas that will all use one software so the individual departments will be using the same software which will increase the customer service internal as well as external.
- A new Fire Station (704) is currently in the design phase for the Festival Ranch and Tartesso area. A large portion will be paid with contribution funds from the developer and impact fees already collected. Construction is planned during the first quarter of FY 2016.

The following table provides details of the City's capital assets as of June 30, 2015 and 2014:

City of Buckeye, Arizona
Capital Assets at June 30, 2015 and 2014
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 171,908,552	\$ 171,852,454	\$ 10,159,744	\$ 5,500,907	\$ 182,068,296	\$ 177,353,361
Construction in progress	3,522,379	2,289,319	6,810,655	5,048,256	10,333,034	7,337,575
Land improvements	10,599,180	11,271,720	3,818,507	4,172,568	14,417,687	15,444,288
Buildings and improvements	30,239,984	26,626,544	66,724,060	68,264,508	96,964,044	94,891,052
Infrastructure	168,811,104	164,410,408		-	168,811,104	164,410,408
Furniture, machinery, equipment and vehicles	15,069,971	13,338,497	1,367,103	2,005,611	16,437,074	15,344,108
Wastewater system		-	116,599,806	109,967,141	116,599,806	109,967,141
Water system		-	69,423,913	64,679,809	69,423,913	64,679,809
	<u>\$ 400,151,170</u>	<u>\$ 389,788,942</u>	<u>\$ 274,903,788</u>	<u>\$ 259,638,800</u>	<u>\$ 675,054,958</u>	<u>\$ 649,427,742</u>

Long-Term Debt

At the end of the fiscal year, the City of Buckeye, Arizona had total long-term obligations outstanding of \$217,216,831. Of this amount, \$138,324,150 (63.68%) is Community Facilities District bonds backed solely by the property owners within the various CFDs. Improvement district bonds of \$1,480,000 (0.68%) are backed principally by the property owners within the improvement district. An additional \$23,080,000 (10.63%) (governmental activities) and \$5,582,556 (2.57%) (business-type activities) of outstanding debt is secured by pledges of specific revenue sources of the City. The remaining \$47,459,817 (21.85%) is for capital leases, compensated absences, deferred amounts on bond premiums and discounts and pension liability related to ASRS and PSPRS per GASB 68.

With the acquisition of the Tartesso WWTP the Sewer Fund shows the remaining amount outstanding on the balance sheet as other long term obligations. The acquisition will be paid for with future permits being issued in the Tartesso West area only. No other revenue sources are used to pay the acquisition.

The City has no secondary property tax authority and no outstanding general obligation debt outstanding as of June 30, 2015.

The following table shows the long-term obligations of the City (including both the current and long-term portions of those obligations) as of June 30, 2015 and 2014. Further details on the City's outstanding debt may be found in Note 8 beginning on page 46.

City of Buckeye, Arizona
Long-term Obligations at June 30, 2015 and 2014

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Improvement district bonds	\$ 1,480,000	\$ 2,071,000	-	\$ -	\$ 1,480,000	\$ 2,071,000
Revenue bonds	23,080,000	24,620,000	5,582,556	4,640,083	28,662,556	29,260,083
Community facility district bonds	138,324,150	147,079,000	-	-	138,324,150	147,079,000
Deferred amount on premium	1,789,627	1,585,694	-	-	1,789,627	1,585,694
Deferred amount on discount	(499,319)	(548,051)	-	-	(499,319)	(548,051)
Capital leases	261,693	454,914	-	-	261,693	454,914
Compensated absences	1,537,798	1,390,281	171,589	152,075	1,709,387	1,542,356
Other long term obligations			14,122,555	-	14,122,555	-
Net Pension Liability - ASRS	19,190,618	-	3,298,389	-	22,489,007	-
Net Pension Liability - PSPRS	8,877,175	-	-	-	8,877,175	-
	<u>\$ 194,041,742</u>	<u>\$ 176,652,838</u>	<u>\$ 23,175,089</u>	<u>\$ 4,792,158</u>	<u>\$ 217,216,831</u>	<u>\$ 181,444,996</u>

Fiscal Year 2016 Budget Proposal Highlights

The fiscal year 2016 proposal of \$258,069,054 is 28.3% or \$73,019,032 greater than the fiscal year 2015 budget of \$185,050,021. Total revenues are estimated to be 11% greater than the fiscal year 2015 revenue estimates. The reserves/contingency funds are estimated to decrease 3.6% from \$59.2 million dollars to \$57.2 million dollars in fiscal year 2016. The budget for fiscal year 2016 also includes \$62,300,000 for the acquisition of the Global Water Company.

The primary property tax levy increases from \$5,332,600 in fiscal year 2015 to \$5,763,043 in fiscal year 2016, an 8.08% increase. The primary property tax rate is estimated to remain the same as fiscal year 2015, or \$1.80 per \$100 of taxable assessed value. The primary property tax levy is dedicated to Public Safety.

Financial Contact Information

This report is designed to provide a general overview of the City's finances for those with interest in the topic and to demonstrate accountability in 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 Buckeye
Finance Department
530 East Monroe Avenue
Buckeye, AZ 85326
623-349-6000 (main telephone number)

or visit the City's website at www.buckeyeaz.gov. Financial documents and reports are available on the website (select Departments, select Finance, select Reports), along with many other City government documents, reports and information.

Basic Financial Statements

City of Buckeye, Arizona
Statement of Net Position
June 30, 2015

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 21,110,665	\$ 10,976,816	\$ 32,087,481
Investments	27,260,027	18,844,730	46,104,757
Receivables, net			
Accounts receivable	2,421,872	3,073,783	5,495,655
Taxes receivable	138,114	-	138,114
Intergovernmental receivable	206,022	-	206,022
Special assessments receivable	43,411,150	-	43,411,150
Accrued interest	69,733	-	69,733
Prepaid items	37,723	3,972	41,695
Restricted assets			
Cash with paying agent	1,704,563	-	1,704,563
Restricted cash	18,568,588	-	18,568,588
Capital assets			
Non-depreciable	175,430,931	16,970,399	192,401,330
Depreciable, net	224,720,239	257,933,389	482,653,628
Total assets	515,079,627	307,803,089	822,882,716
Deferred Outflows of Resources			
Loss on refunding and defeasance	789,992	-	789,992
Pension related deferred outflows - ASRS	5,725,617	1,131,784	6,857,401
Pension related deferred outflows - PSPRS	6,839,844	-	6,839,844
Total deferred outflows of resources	13,355,453	1,131,784	14,487,237
Liabilities			
Accounts payable and other current liabilities	3,418,277	2,813,114	6,231,391
Accrued wages and benefits	1,019,964	102,637	1,122,601
Interest payable	421,747	-	421,747
Intergovernmental payable	-	94,509	94,509
Advance revenue	1,497,252	-	1,497,252
Customer deposits payable	34,120	1,638,047	1,672,167
Performance bonds payable	150,000	-	150,000
Noncurrent liabilities			
Due within one year			
Matured debt interest payable	3,682,792	-	3,682,792
Matured debt principal payable	6,548,850	-	6,548,850
Bonds and leases payable	8,806,136	953,277	9,759,413
Due in more than one year			
Bonds and leases payable	157,167,813	4,800,868	161,968,681
Net Pension Liability - ASRS	19,190,618	3,298,389	22,489,007
Net Pension Liability - PSPRS	8,877,175	-	8,877,175
Other long term obligations	-	14,122,555	14,122,555
Total liabilities	210,814,744	27,823,396	238,638,140
Deferred Inflows of Resources			
Gain on refunding and defeasance	296,401	-	296,401
Pension related deferred inflows - ASRS	3,355,847	576,786	3,932,633
Pension related deferred inflows - PSPRS	1,064,132	-	1,064,132
Total deferred inflows of resources	4,716,380	576,786	5,293,166
Net Position			
Net investment in capital assets	234,177,221	269,321,232	503,498,453
Restricted for			
Impact fees	11,426,538	9,176,829	20,603,367
SLID operations	70,676	-	70,676
Highways and streets	540,623	-	540,623
Debt service	8,251,457	-	8,251,457
Capital projects	8,834,902	-	8,834,902
Other	5,928,126	-	5,928,126
Unrestricted	43,674,413	2,036,630	45,711,043
Total net position	\$ 312,903,956	\$ 280,534,691	\$ 593,438,647

City of Buckeye, Arizona
Statement of Activities
Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
General government	\$ 24,540,769	\$ 10,738,468	\$ 263,181	\$ -	\$ (13,539,120)	\$ -	\$ (13,539,120)
Public safety	34,614,731	1,024,038	-	-	(33,590,693)	-	(33,590,693)
Highways and streets	3,350,140	97,149	3,239,640	16,400,069	16,386,718	-	16,386,718
Culture and recreation	4,314,988	535,418	-	-	(3,779,570)	-	(3,779,570)
Community development	4,764,126	-	-	-	(4,764,126)	-	(4,764,126)
Economic development	741,431	-	-	-	(741,431)	-	(741,431)
Health and welfare	534,357	-	-	-	(534,357)	-	(534,357)
Miscellaneous	161,431	-	-	-	(161,431)	-	(161,431)
Interest on long-term debt	8,872,085	-	-	-	(8,872,085)	-	(8,872,085)
Total governmental activities	<u>81,894,058</u>	<u>12,395,073</u>	<u>3,502,821</u>	<u>16,400,069</u>	<u>(49,596,095)</u>	<u>-</u>	<u>(49,596,095)</u>
Business-type activities							
Airport	777,569	317,928	-	-	-	(459,641)	(459,641)
Solid Waste	4,049,953	4,467,357	-	-	-	417,404	417,404
Sewer	10,083,075	6,939,464	-	679,055	-	(2,464,556)	(2,464,556)
Water	10,092,263	12,065,850	-	1,213,064	-	3,186,651	3,186,651
Total business-type activities	<u>25,002,860</u>	<u>23,790,599</u>	<u>-</u>	<u>1,892,119</u>	<u>-</u>	<u>679,858</u>	<u>679,858</u>
Total Primary Government	<u>\$ 106,896,918</u>	<u>\$ 36,185,672</u>	<u>\$ 3,502,821</u>	<u>\$ 18,292,188</u>	<u>(49,596,095)</u>	<u>679,858</u>	<u>(48,916,237)</u>
General revenues							
Taxes							
Sales taxes					19,825,186	-	19,825,186
Property taxes					11,324,388	-	11,324,388
Franchise taxes					2,716,880	-	2,716,880
Unrestricted State revenue sharing					6,158,854	-	6,158,854
Unrestricted State sales tax revenue sharing					4,649,494	-	4,649,494
Unrestricted auto lieu tax revenue sharing					1,943,270	-	1,943,270
Investment earnings					371,027	5,854	376,881
Other					5,151,495	761	5,152,256
Transfers					1,299,100	(1,299,100)	-
Total general revenues and transfers					<u>53,439,694</u>	<u>(1,292,485)</u>	<u>52,147,209</u>
Change in net position					<u>3,843,599</u>	<u>(612,627)</u>	<u>3,230,972</u>
Net Position - beginning of year					328,473,801	285,230,721	613,704,522
Adoption of new accounting standard (Note 13)					(19,413,444)	(2,645,882)	(22,059,326)
Correction of an error (Note 14)					-	(1,437,521)	(1,437,521)
Net Position - beginning of year (as restated)					<u>309,060,357</u>	<u>281,147,318</u>	<u>590,207,675</u>
Net Position - end of year					<u>\$ 312,903,956</u>	<u>\$ 280,534,691</u>	<u>\$ 593,438,647</u>

City of Buckeye, Arizona
Governmental Funds – Balance Sheet
June 30, 2015

	General	Impact Fees	CFD Debt Service	Debt Service	HURF	Nonmajor Governmental Funds	Totals
Assets							
Cash and cash equivalents	\$ 13,355,324	\$ 1,701,556	\$ -	\$ 8,427	\$ 8,163	\$ 6,036,645	\$ 21,110,115
Investments	5,996,913	10,182,932	-	-	354,049	10,538,390	27,072,284
Receivables, net							
Accounts	1,938,817	-	-	-	297,800	185,255	2,421,872
Taxes	61,773	-	64,621	-	-	11,720	138,114
Intergovernmental	206,022	-	-	-	-	-	206,022
Special assessments	-	-	41,931,150	1,480,000	-	-	43,411,150
Accrued interest	69,733	-	-	-	-	-	69,733
Prepaid items	37,723	-	-	-	-	-	37,723
Restricted assets							
Cash with paying agent	1,658,313	-	-	46,250	-	-	1,704,563
Restricted cash	-	-	18,365,506	-	-	203,082	18,568,588
Total assets	\$ 23,324,618	\$ 11,884,488	\$ 60,361,277	\$ 1,534,677	\$ 660,012	\$ 16,975,092	\$ 114,740,164
Liabilities, Deferred Inflows of Resources and Fund Balance							
Liabilities							
Accounts payable	1,727,597	457,950	-	150	33,463	1,155,308	3,374,468
Accrued wages and benefits	934,038	-	-	-	85,926	-	1,019,964
Advance revenue	863,585	-	-	-	-	633,667	1,497,252
Customer deposits payable	34,120	-	-	-	-	-	34,120
Performance bonds payable	150,000	-	-	-	-	-	150,000
Matured debt interest payable	-	-	3,636,541	46,251	-	-	3,682,792
Matured debt principal payable	-	-	6,548,850	-	-	-	6,548,850
Total liabilities	3,709,340	457,950	10,185,391	46,401	119,389	1,788,975	16,307,446
Deferred Inflows of Resources							
Special assessments not yet due	-	-	41,931,150	1,480,000	-	-	43,411,150
Total deferred inflows of resources	-	-	41,931,150	1,480,000	-	-	43,411,150
Fund Balance							
Non-spendable	37,723	-	-	-	-	-	37,723
Restricted							
Impact Fees	-	11,426,538	-	-	-	-	11,426,538
SLID Operations	-	-	-	-	-	70,676	70,676
Highways and streets	-	-	-	-	540,623	-	540,623
Debt Service	-	-	8,244,736	6,721	-	-	8,251,457
Capital projects	-	-	-	-	-	8,834,902	8,834,902
Other special revenue	-	-	-	-	-	5,928,126	5,928,126
Assigned	-	-	-	1,555	-	906,930	908,485
Unassigned	19,577,555	-	-	-	-	(554,517)	19,023,038
Total fund balances	19,615,278	11,426,538	8,244,736	8,276	540,623	15,186,117	55,021,568
Total liabilities, deferred inflows of resources and fund balances	\$ 23,324,618	\$ 11,884,488	\$ 60,361,277	\$ 1,534,677	\$ 660,012	\$ 16,975,092	\$ 114,740,164

City of Buckeye, Arizona
 Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
 June 30, 2015

Fund balances - total governmental funds	<u>\$ 55,021,568</u>
Amounts reported for governmental activities in the statement of net position are different because:	
Special assessment revenue not available for current financial resources	<u>43,411,150</u>
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Governmental capital assets	545,936,339
Less accumulated depreciation	<u>(145,785,169)</u>
Capital assets used in governmental activities	<u>400,151,170</u>
Internal service funds used by the management to charge cost of insurance to individual funds. The assets and liabilities of the internal services funds are included in governmental activities in the statement of net position.	
	<u>144,484</u>
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.	
Improvement bonds	(1,480,000)
Revenue bonds	(23,080,000)
Community facilities district bonds	(138,324,150)
Loss on refunding and defeasance of bonds	789,992
Gain on refunding and defeasance of bonds	(296,401)
Premium on long-term debt issued	(1,789,627)
Discount on long-term debt issued	499,319
Capital leases	(261,693)
Compensated absences	(1,537,798)
Accrued interest on long-term debt	(421,747)
Net Pension Liability - ASRS	(19,190,618)
Net Pension Liability - PSPRS	(8,877,175)
Deferred inflow of resources - ASRS	(3,355,847)
Deferred inflow of resources - PSPRS	(1,064,132)
Deferred outflow of resources - ASRS	5,725,617
Deferred outflow of resources - PSPRS	<u>6,839,844</u>
	<u>(185,824,416)</u>
Net position of governmental activities	<u><u>\$ 312,903,956</u></u>

City of Buckeye, Arizona
 Governmental Funds – Statement of Revenues, Expenditures, and Changes in Fund Balances
 Year Ended June 30, 2015

	General	Impact Fees	CFD Debt Service	Debt Service	HURF	Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Taxes							
Sales taxes	\$ 19,825,186	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,825,186
Property taxes	5,249,285	-	6,075,103	-	-	-	11,324,388
Franchise taxes	2,716,880	-	-	-	-	-	2,716,880
Improvement proceeds	-	-	-	-	-	645,575	645,575
Intergovernmental	12,751,618	-	-	-	3,239,640	263,181	16,254,439
Fines and forfeitures	569,682	-	-	-	-	-	569,682
Permits	5,848,179	-	-	-	-	-	5,848,179
Charges for services	1,936,104	-	-	-	-	685,988	2,622,092
Developer agreements	-	-	-	-	-	528,834	528,834
Contributions and donations	14,312	-	-	-	-	1,489,717	1,504,029
Impact fees	-	1,656,605	-	-	-	-	1,656,605
Special assessments	-	-	6,565,368	404,396	-	-	6,969,764
Investment earnings	363,826	1,193	1,880	-	10	4,118	371,027
Other	1,732,768	-	2,325,267	30,618	18,392	393,283	4,500,328
Total revenues	51,007,840	1,657,798	14,967,618	435,014	3,258,042	4,010,696	75,337,008
Expenditures							
Current							
General government	12,597,320	-	-	259,182	-	4,257,282	17,113,784
Public safety	25,388,386	-	-	-	-	1,127,401	26,515,787
Highway and streets	-	-	-	-	2,566,295	-	2,566,295
Culture and recreation	3,305,393	-	-	-	-	-	3,305,393
Community development	3,649,445	-	-	-	-	-	3,649,445
Economic development	346,069	-	-	-	-	395,362	741,431
Health and welfare	-	-	-	-	-	534,357	534,357
Miscellaneous	-	-	152,110	-	-	9,321	161,431
Debt service							
Principal retirement	1,125,000	193,221	8,754,850	591,000	-	-	10,664,071
Interest on long-term debt	851,387	21,892	7,643,957	108,868	117,822	-	8,743,926
Capital outlay	1,466,487	3,716,155	-	-	207,724	7,633,874	13,024,240
Total expenditures	48,729,487	3,931,268	16,550,917	959,050	2,891,841	13,957,597	87,020,160
Revenues over (Under)							
Expenditures	2,278,353	(2,273,470)	(1,583,299)	(524,036)	366,201	(9,946,901)	(11,683,152)
Other Financing Sources (Uses)							
Bonds issued	6,565,000	-	-	-	-	-	6,565,000
Premiums issued	586,422	-	-	-	-	-	586,422
Payment to escrow agent	(7,151,422)	-	-	-	-	-	(7,151,422)
Transfers in	1,356,200	181,311	4,046,498	49,677	-	2,450,751	8,084,437
Transfers out	(2,857,453)	-	(3,881,882)	(44,677)	(62,100)	(204,551)	(7,050,663)
Total other financing sources (uses)	(1,501,253)	181,311	164,616	5,000	(62,100)	2,246,200	1,033,774
Net Change in Fund Balances	777,100	(2,092,159)	(1,418,683)	(519,036)	304,101	(7,700,701)	(10,649,378)
Fund Balances, Beginning of Year	18,838,178	13,518,697	9,663,419	527,312	236,522	22,886,818	65,670,946
Fund Balances, End of Year	\$ 19,615,278	\$ 11,426,538	\$ 8,244,736	\$ 8,276	\$ 540,623	\$ 15,186,117	\$ 55,021,568

City of Buckeye, Arizona
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in
 Fund Balances of the Governmental Funds to the Statement of Activities
 Year Ended June 30, 2015

Net change in fund balances - total governmental funds \$ (10,649,378)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Outlay for capital assets	13,024,240
Capital contributions	14,367,206
Loss on sale of capital assets	(794,943)
Less current year depreciation	<u>(16,234,275)</u>
Excess depreciation over capital outlay	<u>10,362,228</u>

Some revenues reported in the governmental funds that did not provide current financial resources in prior years have been recognized previously in the statement of activities and therefore are not reported as revenues in the statement of activities.

Special assessments	<u>(5,457,850)</u>
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Internal service funds used by the management to charge cost of insurance to individual funds	<u>(381,115)</u>
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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. The issuance of long-term debt increases long-term liabilities on the statement of net position and the repayment of principal on long-term debt reduces long-term debt on the statement of net position. Likewise, refunding and defeasance of existing debt reduces the balance of long-term debt without adding additional debt. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when the debt is first issued, whereas these items are deferred and amortized over the term of the long-term debt in the statement of activities.

Issuance of long-term debt	(6,565,000)
Premiums on debts issued	(586,422)
Principal payments on long-term debt	10,470,850
Principal payments on capital leases	193,221
Defeasance of debt	7,151,422
Amortization of loss on refunding and defeasance	(62,923)
Amortization of gain on refunding and defeasance	5,592
Amortization of premium	80,496
Amortization of discount	(48,732)
Interest on long-term debt	(12,406)
Pension Expense - ASRS	(1,426,624)
Pension Expense - PSPRS	917,757
	<u>10,117,231</u>

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Net increase in compensated absences	<u>(147,517)</u>
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Change in net position of governmental activities	<u>\$ 3,843,599</u>
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City of Buckeye, Arizona

General Fund – Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Revised Budget Positive (Negative)
	Adopted	Revised		
Revenues				
Taxes				
Sales taxes	\$ 17,292,522	\$ 17,292,522	\$ 19,825,186	\$ 2,532,664
Property taxes	5,402,600	5,402,600	5,249,285	(153,315)
Franchise taxes	2,713,100	2,713,100	2,716,880	3,780
Intergovernmental	12,554,496	12,554,496	12,751,618	197,122
Fines and forfeitures	312,165	312,165	569,682	257,517
Licenses and permits	4,211,360	4,211,360	5,848,179	1,636,819
Charges for services	1,796,900	1,796,900	1,936,104	139,204
Contributions and donations	11,132	11,132	14,312	3,180
Investment earnings	357,340	357,340	363,826	6,486
Other	2,124,800	2,124,800	1,732,768	(392,032)
Total revenues	<u>46,776,415</u>	<u>46,776,415</u>	<u>51,007,840</u>	<u>4,231,425</u>
Expenditures				
Current				
General government				
Mayor and council	550,882	550,882	496,734	(54,148)
City Clerk	369,862	369,862	362,033	(7,829)
City Manager	794,980	798,440	709,991	(88,449)
Human resources	832,298	832,298	755,910	(76,388)
Finance department	951,233	951,233	960,551	9,318
Magistrate	768,509	768,509	746,527	(21,982)
Vehicle maintenance	816,104	816,104	786,273	(29,831)
Non-departmental	3,332,848	4,071,048	5,260,741	1,189,693
Contracting and purchasing	284,533	523,442	484,348	(39,094)
Public works - administration	676,746	676,746	681,126	4,380
Marketing and communications	215,528	215,528	237,275	21,747
Administrative services	149,950	149,950	107,866	(42,084)
Information technology	1,107,519	1,188,922	1,007,945	(180,977)
Debt Service	1,071,920	1,071,920	1,976,387	904,467
Total general government	<u>11,922,912</u>	<u>12,984,884</u>	<u>14,573,707</u>	<u>1,588,823</u>
Public safety				
Police	13,786,931	13,543,021	14,360,251	817,230
Fire	10,102,649	10,149,149	11,028,135	878,986
Total public safety	<u>23,889,580</u>	<u>23,692,170</u>	<u>25,388,386</u>	<u>1,696,216</u>
Culture and recreation				
Community services	3,584,958	3,584,958	3,305,393	(279,565)
Total culture and recreation	<u>3,584,958</u>	<u>3,584,958</u>	<u>3,305,393</u>	<u>(279,565)</u>

City of Buckeye, Arizona

General Fund – Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual
Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Revised Budget Positive (Negative)
	<u>Adopted</u>	<u>Revised</u>		
Community development				
Community development	3,948,630	4,847,227	3,649,445	(1,197,782)
Total community development	<u>3,948,630</u>	<u>4,847,227</u>	<u>3,649,445</u>	<u>(1,197,782)</u>
Economic development				
Economic development	352,135	352,135	346,069	(6,066)
Total economic development	<u>352,135</u>	<u>352,135</u>	<u>346,069</u>	<u>(6,066)</u>
Contingencies	<u>12,355,745</u>	<u>11,165,551</u>	-	<u>(11,165,551)</u>
Capital outlay	<u>4,451,741</u>	<u>2,583,581</u>	<u>1,466,487</u>	<u>(1,117,094)</u>
Total expenditures	<u>60,505,701</u>	<u>59,210,506</u>	<u>48,729,487</u>	<u>(10,481,019)</u>
Revenues over (Under)				
Expenditures	<u>(13,729,286)</u>	<u>(12,434,091)</u>	<u>2,278,353</u>	<u>14,712,444</u>
Other Financing Sources (Uses)				
Bonds issued	-	-	6,565,000	6,565,000
Premiums issued	-	-	586,422	586,422
Defeasance of debt	-	-	(7,151,422)	(7,151,422)
Transfers in	500,000	500,000	1,356,200	856,200
Transfers (out)	<u>(6,844,561)</u>	<u>(8,813,366)</u>	<u>(2,857,453)</u>	<u>5,955,913</u>
Net Change in Fund Balance	(20,073,847)	(20,747,457)	777,100	21,524,557
Fund Balance, Beginning of the Year	<u>20,073,847</u>	<u>18,838,152</u>	<u>18,838,178</u>	<u>26</u>
Fund Balance, End of the Year	<u>\$ -</u>	<u>\$ (1,909,305)</u>	<u>\$ 19,615,278</u>	<u>\$ 21,524,583</u>

City of Buckeye, Arizona
Impact Fees Fund – Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		Total Impact Fee Funds	Variance with Revised Budget Positive (Negative)
	<u>Adopted</u>	<u>Revised</u>		
Revenues				
Impact fees	\$ 1,315,000	\$ 1,315,000	\$ 1,656,605	\$ 341,605
Investment earnings	1,485	1,485	1,193	(292)
Total revenues	<u>1,316,485</u>	<u>1,316,485</u>	<u>1,657,798</u>	<u>341,313</u>
Expenditures				
Current				
Debt Service				
Principal retirement	215,175	215,175	193,221	(21,954)
Interest on long-term debt	-	-	21,892	21,892
Contingencies	8,147,076	8,507,976	-	(8,507,976)
Capital outlay	<u>4,874,608</u>	<u>6,246,310</u>	<u>3,716,155</u>	<u>(2,530,155)</u>
Total expenditures	<u>13,236,859</u>	<u>14,969,461</u>	<u>3,931,268</u>	<u>(11,038,193)</u>
Revenues over (Under)				
Expenditures	<u>(11,920,374)</u>	<u>(13,652,976)</u>	<u>(2,273,470)</u>	<u>11,379,506</u>
Other Financing Sources (Uses)				
Transfers in	<u>(608,879)</u>	<u>800,000</u>	<u>181,311</u>	<u>618,689</u>
Total other financing sources (uses)	<u>(608,879)</u>	<u>800,000</u>	<u>181,311</u>	<u>618,689</u>
Net Change in Fund Balances	(12,529,253)	(12,852,976)	(2,092,159)	11,998,195
Fund Balances, Beginning of Year	<u>12,529,253</u>	<u>12,852,976</u>	<u>13,518,697</u>	<u>665,721</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,426,538</u>	<u>\$ 12,663,916</u>

City of Buckeye, Arizona

HURF Fund – Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Revised Budget Positive (Negative)
	<u>Adopted</u>	<u>Revised</u>		<u>(Negative)</u>
Revenues				
Intergovernmental	\$ 3,040,583	\$ 3,040,583	\$ 3,239,640	\$ 199,057
Interest income	50	50	10	(40)
Other	2,600	2,600	18,392	15,792
Total revenues	<u>3,043,233</u>	<u>3,043,233</u>	<u>3,258,042</u>	<u>214,809</u>
Expenditures				
Current				
Highways and streets	3,019,832	3,019,832	2,566,295	(453,537)
Debt Service				
Principal Retirement	62,100	62,100	-	(62,100)
Interest on long-term debt	117,824	117,824	117,822	(2)
Contingencies	228,132	79,999	-	(79,999)
Capital outlay	-	-	207,724	207,724
Total expenditures	<u>3,427,888</u>	<u>3,279,755</u>	<u>2,891,841</u>	<u>(387,914)</u>
Excess (Deficiency) of Revenues over Expenditures	(384,655)	(236,522)	366,201	602,723
Other Financing Sources (Uses) Transfers (out)	<u>-</u>	<u>-</u>	<u>(62,100)</u>	<u>(62,100)</u>
Net Change in Fund Balance	(384,655)	(236,522)	304,101	540,623
Fund Balances, Beginning of Year	<u>384,655</u>	<u>236,522</u>	<u>236,522</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 540,623</u>	<u>\$ 540,623</u>

City of Buckeye, Arizona
Proprietary Funds – Statement of Net Position
June 30, 2015

	Business-type Activities - Enterprise Funds					Governmental Activities
	Airport	Sewer	Water	Non-Major Enterprise Fund Solid Waste	Totals	Internal Service Fund
Assets						
Current assets:						
Cash and cash equivalents	\$ -	\$ 4,774,380	\$ 6,202,436	\$ -	\$ 10,976,816	\$ 550
Investments	415,973	2,449,115	14,453,461	1,526,181	18,844,730	187,743
Accounts receivable, net	8,685	1,031,971	1,559,422	473,705	3,073,783	-
Prepaid Expenses	-	112	2,690	1,170	3,972	-
Total current assets	<u>424,658</u>	<u>8,255,578</u>	<u>22,218,009</u>	<u>2,001,056</u>	<u>32,899,301</u>	<u>188,293</u>
Noncurrent assets:						
Capital assets:						
Non-depreciable	4,672,490	8,928,444	3,369,465	-	16,970,399	-
Depreciable, net	4,063,288	174,417,307	79,440,568	12,226	257,933,389	-
Total noncurrent assets	<u>8,735,778</u>	<u>183,345,751</u>	<u>82,810,033</u>	<u>12,226</u>	<u>274,903,788</u>	<u>-</u>
Total assets	<u>9,160,436</u>	<u>191,601,329</u>	<u>105,028,042</u>	<u>2,013,282</u>	<u>307,803,089</u>	<u>188,293</u>
Deferred Outflows of Resources						
Pension related deferred outflows - ASRS	<u>30,564</u>	<u>416,293</u>	<u>603,484</u>	<u>81,443</u>	<u>1,131,784</u>	<u>-</u>
Total deferred outflows of resources	<u>30,564</u>	<u>416,293</u>	<u>603,484</u>	<u>81,443</u>	<u>1,131,784</u>	<u>-</u>
Liabilities						
Current liabilities:						
Accounts payable	29,267	1,273,127	1,195,537	315,183	2,813,114	43,809
Accrued wages and benefits	1,534	34,019	55,352	11,732	102,637	-
Intergovernmental payable	-	12,616	81,893	-	94,509	-
Customer deposits payable	-	35,291	1,492,001	110,755	1,638,047	-
Compensated absences	2,988	42,836	90,854	594	137,272	-
Bonds, notes and loans payable	-	446,941	369,064	-	816,005	-
Total current liabilities	<u>33,789</u>	<u>1,844,830</u>	<u>3,284,701</u>	<u>438,264</u>	<u>5,601,584</u>	<u>43,809</u>
Noncurrent liabilities:						
Compensated absences	747	10,709	22,713	148	34,317	-
Bonds, notes and loans payable	-	4,115,062	651,489	-	4,766,551	-
Net Pension Liability - ASRS	89,075	1,213,213	1,758,749	237,352	3,298,389	-
Other long term obligations	-	14,122,555	-	-	14,122,555	-
Total noncurrent liabilities	<u>89,822</u>	<u>19,461,539</u>	<u>2,432,951</u>	<u>237,500</u>	<u>22,221,812</u>	<u>-</u>
Total liabilities	<u>123,611</u>	<u>21,306,369</u>	<u>5,717,652</u>	<u>675,764</u>	<u>27,823,396</u>	<u>43,809</u>
Deferred Inflows of Resources						
Pension related deferred inflows - ASRS	<u>15,576</u>	<u>212,153</u>	<u>307,551</u>	<u>41,506</u>	<u>576,786</u>	<u>-</u>
Total deferred inflows of resources	<u>15,576</u>	<u>212,153</u>	<u>307,551</u>	<u>41,506</u>	<u>576,786</u>	<u>-</u>
Net Position						
Net investment in capital assets	8,735,778	178,783,748	81,789,480	12,226	269,321,232	-
Restricted	-	4,075,485	5,101,344	-	9,176,829	-
Unrestricted	<u>316,035</u>	<u>(12,360,133)</u>	<u>12,715,499</u>	<u>1,365,229</u>	<u>2,036,630</u>	<u>144,484</u>
Total net position	<u>\$ 9,051,813</u>	<u>\$ 170,499,100</u>	<u>\$ 99,606,323</u>	<u>\$ 1,377,455</u>	<u>\$ 280,534,691</u>	<u>\$ 144,484</u>

City of Buckeye, Arizona
Proprietary Funds – Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2015

	Business-type Activities - Enterprise Funds					Governmental Activities
	Airport	Sewer	Water	Non - Major Enterprise Fund Solid Waste	Total	Internal Service Fund
Operating Revenues						
Charges for services	\$ 317,928	\$ 6,746,100	\$ 11,861,010	\$ 4,467,357	\$ 23,392,395	\$ 186,601
Operating Expenses						
Cost of sales and services	457,178	4,836,057	6,169,611	4,045,988	15,508,834	833,042
Depreciation	419,501	5,122,658	3,589,748	3,965	9,135,872	-
Total operating expenses	876,679	9,958,715	9,759,359	4,049,953	24,644,706	833,042
Operating Income (Loss)	(558,751)	(3,212,615)	2,101,651	417,404	(1,252,311)	(646,441)
Nonoperating Revenues (Expenses)						
Impact fees	-	193,364	204,840	-	398,204	-
Investment earnings	-	76	5,778	-	5,854	-
Interest and fee expense	-	(124,360)	(332,904)	-	(457,264)	-
Intergovernmental	99,110	-	-	-	99,110	-
Developer reimbursements	-	-	761	-	761	-
Total nonoperating revenues (expense)	99,110	69,080	(121,525)	-	46,665	-
Income (Loss) before contributions and transfers	(459,641)	(3,143,535)	1,980,126	417,404	(1,205,646)	(646,441)
Capital Contributions	-	679,055	1,213,064	-	1,892,119	-
Transfers In	4,653	808,989	-	-	813,642	265,326
Transfers Out	(4,653)	(919,389)	(688,700)	(500,000)	(2,112,742)	-
Total capital contributions and net transfers	-	568,655	524,364	(500,000)	593,019	265,326
Change in Net Position	(459,641)	(2,574,880)	2,504,490	(82,596)	(612,627)	(381,115)
Net Position, Beginning of Year	9,582,907	174,430,100	99,567,265	1,650,449	285,230,721	525,599
Adoption of new accounting standard (Note 13)	(71,453)	(973,208)	(1,410,823)	(190,398)	(2,645,882)	-
Correction of an error (Note 14)	-	(382,912)	(1,054,609)	-	(1,437,521)	-
Net Position, Beginning of Year (as restated)	9,511,454	173,073,980	97,101,833	1,460,051	281,147,318	525,599
Net Position, End of Year	\$ 9,051,813	\$ 170,499,100	\$ 99,606,323	\$ 1,377,455	\$ 280,534,691	\$ 144,484

City of Buckeye, Arizona
Proprietary Funds – Statement of Cash Flows
Year Ended June 30, 2015

	Business-type Activities - Enterprise Funds					Governmental
	Airport	Sewer	Water	Non - Major Enterprise Fund Solid Waste	Totals	Internal Service Fund
Cash Flows from Operating Activities						
Receipts from customers	\$ 322,002	\$ 6,486,914	\$ 11,917,930	\$ 4,422,701	\$ 23,149,547	\$ 186,601
Payments to suppliers	(346,317)	(1,902,617)	(2,931,853)	(3,740,377)	(8,921,164)	(1,263,636)
Payments to employees	(128,242)	(1,931,123)	(2,504,526)	(285,883)	(4,849,774)	-
Customer deposits received	-	6,829	158,757	24,828	190,414	-
Net cash from (used in) operating activities	(152,557)	2,660,003	6,640,308	421,269	9,569,023	(1,077,035)
Cash Flows from Capital and Related Financing Activities						
Impact fees	-	193,364	204,840	-	398,204	-
Developer reimbursements	-	-	761	-	761	-
Intergovernmental	99,110	-	-	-	99,110	-
Purchases of capital assets	-	(3,736,786)	(4,824,780)	-	(8,561,566)	-
Proceeds on sale of assets	-	-	-	-	-	-
Interest paid on capital debt	-	(123,360)	(332,904)	-	(456,264)	-
Proceeds on capital debt	-	1,030,128	860,261	-	1,890,389	-
Principal paid on capital debt	-	(1,422,782)	(334,123)	-	(1,756,905)	-
Net cash from (used in) capital and related financing activities	99,110	(4,059,436)	(4,425,945)	-	(8,386,271)	-
Cash Flows from Noncapital Financing Activities						
Transfers from (to) other funds	-	(110,400)	(688,700)	(500,000)	(1,299,100)	265,326
Net cash from (used in) noncapital financing activities	-	(110,400)	(688,700)	(500,000)	(1,299,100)	265,326
Cash Flows from Investing Activities						
Sales (purchases) of investments from governmental funds	(413,339)	(2,469,274)	(8,459,770)	(1,519,164)	(12,861,547)	812,259
Investment earnings	-	76	5,778	-	5,854	-
Net cash from (used in) investing activities	(413,339)	(2,469,198)	(8,453,992)	(1,519,164)	(12,855,693)	812,259
Net Change in Cash and Cash Equivalents	(466,786)	(3,979,031)	(6,928,329)	(1,597,895)	(12,972,041)	550
Cash and Cash Equivalents, Beginning of year	466,786	8,753,411	13,130,765	1,597,895	23,948,857	-
Cash and Cash Equivalents, End of year	\$ -	\$ 4,774,380	\$ 6,202,436	\$ -	\$ 10,976,816	\$ 550

City of Buckeye, Arizona
Proprietary Funds – Statement of Cash Flows
Year Ended June 30, 2015

	Business-type Activities - Enterprise Funds					Governmental Activities
	Airport	Sewer	Water	Non - Major Enterprise Fund Solid Waste	Totals	Internal Service Fund
Reconciliation of Operating Loss to Net Cash provided by operating activities						
Operating income (loss)	\$ (558,751)	\$ (3,212,615)	\$ 2,101,651	\$ 417,404	\$ (1,252,311)	\$ (646,441)
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:						
Depreciation expense	419,501	5,122,658	3,589,748	3,965	9,135,872	-
(Increase) decrease in						
Accounts receivable	4,074	(259,186)	56,920	(44,656)	(242,848)	-
Prepaid expenses	-	(34)	(2,612)	(413)	(3,059)	385
Other assets	-	-	-	-	-	-
Increase (decrease) in						
Accounts payable	(17,600)	987,839	713,839	16,380	1,700,458	(35,753)
Accrued wages and benefits	(1,140)	(1,292)	3,785	4,807	6,160	-
Interfund payable	-	-	-	-	-	(395,226)
Intergovernmental payable	-	-	14,823	-	14,823	-
Compensated absences payable	1,359	15,804	3,397	(1,046)	19,514	-
Customer deposits	-	6,829	158,757	24,828	190,414	-
Total adjustments	406,194	5,872,618	4,538,657	3,865	10,821,334	(430,594)
Net cash from (used) in operating activities	\$ (152,557)	\$ 2,660,003	\$ 6,640,308	\$ 421,269	\$ 9,569,023	\$ (1,077,035)
Noncash Investing, Capital, and Financing Activities						
Contributions of capital assets	\$ -	\$ 679,055	\$ 1,213,064	\$ -	\$ 1,892,119	\$ -
Capital assets acquired through issuance of long-term obligations	-	14,931,544	-	-	14,931,544	-
	\$ -	\$ 15,610,599	\$ 1,213,064	\$ -	\$ 16,823,663	\$ -

With the implementation of GASBs 68 and 71 in FY 2015, deferred outflows of resources, deferred inflows of resources, and pension expense were computed and recorded based on pension contributions and certain actuarial assumptions and computations. The impact on the Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Net Position is as follows:

Deferred outflows of resources:						
Pension	\$ (30,564)	\$ (416,292)	\$ (603,484)	\$ (81,443)	\$ (1,131,783)	\$ -
Liabilities:						
Net pension liability	89,075	1,213,212	1,758,749	237,352	3,298,388	-
Deferred inflows of resources:						
Pension	15,576	212,153	307,551	41,506	576,786	-
Net Position						
Unrestricted	(71,453)	(973,208)	(1,410,823)	(190,398)	(2,645,882)	-
Operating Expenses						
Salaries and benefits	(2,634)	(35,865)	(51,993)	(7,017)	(97,509)	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

City of Buckeye, Arizona
Fiduciary Funds – Statement of Fiduciary Net Position
June 30, 2015

	<u>Pension Trust</u>
Assets	
Cash and cash equivalents	<u>\$ 287,913</u>
Total assets	<u><u>\$ 287,913</u></u>
Net Position	
Held in trust for pension benefits	<u>\$ 287,913</u>
Total net position	<u><u>\$ 287,913</u></u>

City of Buckeye, Arizona
 Fiduciary Funds – Statement of Changes in Fiduciary Net Position
 Year Ended June 30, 2015

	Pension Trust
Additions	
State fire insurance premium	\$ 1,346
Investment earnings	
Net increase in fair value of investments	2,353
Total additions	3,699
Deductions	
Administration	1,831
Total deductions	1,831
Changes in Net Position	1,868
Net Position, Beginning of Year	286,045
Net Position, End of Year	\$ 287,913

Note 1 - Summary of Significant Accounting Policies

The accompanying financial statements of the City of Buckeye, Arizona (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB). A summary of the City's more significant accounting policies follows.

A. Reporting Entity

The City is a municipal government that is governed by a separately elected governing body. It is legally separate from and fiscally independent of other state and local governments. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations.

Included within the reporting entity:

The Verrado Community Facilities District No. 1 (formerly Whitestone District No. 1), Sundance Community Facilities District, Verrado Western Overlay Community Facilities District, West Park Community Facilities District, Elianto Community Facilities District, Trillium West Community Facilities District, Festival Ranch Community Facilities District, Tartesso West Community Facilities District, Watson Road Community Facilities District, Anthem Communities and Mirlle Community Facilities District (collectively, the Districts) were formed for the purpose of acquiring and improving public infrastructure in specified land areas. As special purpose districts and separate political subdivisions under the Arizona Constitution, the Districts can levy taxes and issue bonds independently of the City and are considered component units. Property owners in the designated areas are assessed for District taxes and thus for the costs of operating the Districts. The City Council serves as the Board of Directors; however, the City has no liability for the Districts' debt. For financial reporting purposes, transactions of the Districts are combined together and blended as if they were part of the City's operations.

Separate financial statements of the Districts are not prepared.

B. Government-wide and Fund 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. The effect of interfund activity has been removed from these statements. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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, except expenditures related to compensated absences and claims and judgments, which are recorded only when payment is due. However, since debt service resources are provided during the current year for payment of long-term principal and interest due early in the following year, the expenditures and related liabilities have been recognized in the Debt Service Fund.

Property taxes, intergovernmental grants and aid, 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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 City, except those required to be accounted for in another fund. The Payroll Fund, Court Enhancement Fund and SLID Operations Fund are reported as part of the General Fund.

The Impact Fees Fund accounts for resources accumulated and payments made for new developments within the City.

The CFD Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of community facilities districts.

The Debt Service Fund accounts for resources accumulated and payments made for principal and interest on long-term debt of governmental funds, which is comprised of the City's improvement district bonds.

The Highway User Fund (HURF) accounts for revenue and expenditures that are legally restricted to expenditures for transportation, the construction, repairs and maintenance of public works and streets.

The City reports the following major proprietary funds:

The Airport Fund accounts for the activities of the City's airport operations.

The Sewer Fund accounts for the activities of the City's sewer operations.

The Water Fund accounts for the activities of the City's water operations.

Additionally, the government reports the following fund types:

Internal Service Fund is accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting. The fund accounts for financial activity of the City's workers compensation claims and other risk issues.

The Pension Trust Fund accounts for the activities of the Volunteer Firefighters' Relief and Pension Fund, which accumulates resources for pension benefit payments to qualified firefighters.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, charges for interfund services provided and used are not eliminated if the prices approximate their external exchange values.

Amounts reported as program revenues include 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

When both restricted and unrestricted resources are available for use for governmental activities it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions. For business-type activities, the use of restricted resources is governed by the applicable bond covenants.

D. Cash and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, cash and investments held by the State Treasurer, and highly liquid investments with maturities of three months or less from the date of acquisition.

Cash and investments are pooled except for funds required to be held by fiscal agents or restricted under provisions of bond indentures. Interest earned from investments purchased with such pooled monies is allocated to each of the funds based on the average daily cash balances. State statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, certificates of deposit in eligible depositories, repurchase agreements, obligations of the State of Arizona or any of its counties or incorporated cities, towns or duly organized school districts, improvement districts in this state and the State Treasurer's Local Government Investment Pool. Investments are stated at fair value based on quoted market prices.

E. Receivables and Payables

Receivables are shown net of a \$64,967 allowance for uncollectibles.

Maricopa County levies real property taxes on or before the third Monday in August that become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May. However, a lien against real and personal property assessed attaches on the first day of January preceding assessment and levy thereof.

During the course of operations, individual funds within the City's pooled cash accounts may borrow money from the other funds within the pool on a short-term basis. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet of the fund financial statements and are eliminated in the preparation of the government-wide financial statements. The City had no interfund receivable/payables at June 30, 2015.

F. Restricted Assets

Certain proceeds of the City's bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants.

Customer deposits are also classified as restricted assets because their use is limited.

G. Capital Assets

Capital assets, which include property, plant, infrastructure, furniture, equipment and vehicles are reported in the governmental and business-type activities column in the government-wide financial statements as applicable and in the proprietary fund statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Property, plant, furniture, equipment and vehicles purchased or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on a straight-line basis over the following estimated useful lives:

Land improvements	10-20 years
Buildings and improvements	50 years
Wastewater system	50 years
Water system	50 years
Improvements other than buildings	40 years
Infrastructure	20-50 years
Furniture, machinery, and equipment	3-10 years
Vehicles	5-10 years

H. Deferred Outflows of Resources

For current refundings and advance refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt should be reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. As of June 30, 2015, deferred outflows of resources consisted of deferred amounts on refunding of debt, net of accumulated amortization, in the amount of \$789,992.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, require actuarial assumptions be made, based on the measurement date, in computing deferred outflows of resources determined in connection with recording total pension liability. Contributions made by the City to its pension plans since the measurement date of the plan's net pension liability, the difference between expected and actual experiences in the plan, changes in assumptions, and changes in the proportion and differences between employer contributions and the proportionate share of contributions to the plan are reported as pension related deferred outflows of resources. The contributions made since the measurement date of the plan will be recognized when the time period in which the contributions were made are encompassed by the plan. The difference between expected and actual experiences in the plan, changes in assumptions, and the changes in the proportion and differences between employer contributions and the proportionate share of contributions to the plan are amortized over the estimated remaining work-life of active participants in the plan and recognized as a reduction of pension expense.

As of June 30, 2015, there was a \$5,725,617 and \$1,131,784 in deferred outflows related to pension expense for Arizona State Retirement System (ASRS), net of accumulated amortization for governmental and business-type activities, respectively. As of June 30, 2015, there was a \$3,900,490 and \$2,939,354 in deferred outflows related to pension expense for Public Safety Personnel Retirement System (PSPRS) – Police and PSPRS – Fire, net of accumulated amortization for governmental activities. See Note 11 for additional information and disclosures related to the pension plan.

I. Compensated Absences

The liability for compensated absences reported in the fund financial statements and the government-wide statements consists of unpaid, accumulated leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. For governmental activities, compensated absences are liquidated by the general fund.

J. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. In accordance with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. Deferred Inflows of Resources

For current refundings and advance refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt should be reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. As of June 30, 2015, deferred inflows of resources consisted of deferred amounts on refunding of debt, net of accumulated amortization, in the amount of \$301,993.

Revenues and other governmental fund financial resources should be recognized in the accounting period in which they become both measurable and available. When an asset is recorded in governmental fund financial statements but the revenue is not available, the government should report a deferred inflow of resources until such time as the revenue becomes available. As a result, the City has recorded deferred inflows of resources related to special assessment revenues that are not yet available to the City as of June 30, 2015 in the amount of \$43,411,150.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, require actuarial assumptions be made, based on the measurement date, in computing deferred inflows of resources determined in connection with recording total pension liability. The difference between projected and actual investment earnings of the pension plan and changes in the proportion and differences between employer contributions and the proportionate share of contributions to the plan are presented as pension related deferred inflows of resources. This difference between projected and actual investment earnings of the pension plan is amortized over five years and recognized as a component of pension expense. The changes in the proportion and differences between employer contributions and the proportionate share of contributions to the plan are amortized over the estimated remaining work-life of active participants in the plan and recognized as a reduction of pension expense.

As of June 30, 2015, there was a \$3,355,847 and \$576,786 in deferred inflows related to pension expense for ASRS, net of accumulated amortization for governmental and business-type activities, respectively. As of June 30, 2015, there was a \$532,818 and \$531,314 in deferred inflows related to pension expense for PSPRS – Police and PSPRS – Fire, net of accumulated amortization for governmental activities. See Note 11 for additional information and disclosures related to the pension plan.

L. Net Position

In the government-wide financial statements, net position is reported in three categories: net investment in capital assets; restricted net position; and unrestricted net position. Net investment in capital assets is separately reported because capital assets make up a significant portion of total net position. Restricted net position accounts for the portion of net position restricted by parties outside the City. Unrestricted net position is the remaining net position not included in the previous two categories.

M. Fund Balance

The following classifications describe the relative strength of the spending constraints:

Nonspendable fund balance—amounts that are in nonspendable form (such as inventory) or are required to be maintained intact.

Restricted fund balance—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance—amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e., City Council). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the constraint.

Assigned fund balance—amounts the City intends to use for a specific purpose. Intent can be expressed by the City Council or by an official or body to which the City Council delegates the authority. The City Council and the Director of Finance have authority to assign fund balances intended to be used for specific purposes.

Unassigned fund balance—amounts that are available for any purpose. Positive amounts are reported only in the general fund.

Governmental fund balances as of June 30, 2015 are as follows:

	General	Impact Fees	CFD	Debt Service	HURF	Nonmajor Governmental Funds	Total
Fund Balance							
Non-spendable - Inventory	\$ 37,723	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,723
Restricted							
Impact Fees	-	11,426,538	-	-	-	-	11,426,538
SLID Operations	-	-	-	-	-	70,676	70,676
Highways and streets	-	-	-	-	540,623	-	540,623
Debt Service	-	-	8,244,736	6,721	-	-	8,251,457
Capital projects	-	-	-	-	-	8,834,902	8,834,902
Other special revenue	-	-	-	-	-	5,928,126	5,928,126
Assigned	-	-	-	1,555	-	906,930	908,485
Unassigned	19,577,555	-	-	-	-	(554,517)	19,023,038
	<u>\$ 19,615,278</u>	<u>\$ 11,426,538</u>	<u>\$ 8,244,736</u>	<u>\$ 8,276</u>	<u>\$ 540,623</u>	<u>\$ 15,186,117</u>	<u>\$ 55,021,568</u>

The following funds had deficit fund balance as of June 30, 2015:

	Amount of Deficit Fund Balance
Other funds:	
Downtown Revitalization Fund	\$ (507,870)
R.I.C.O Fund	(46,647)
	<u>\$ (554,517)</u>

Downtown Revitalization Fund

In January 2011, the Council approved a 30 year lease agreement with the Maricopa County Community College District. The District agreed to lease the A-Wing building for a 30 year term after the necessary improvements were completed by the City. Estrella Mountain Community College is using the space as a satellite campus.

Currently the only activity in this fund is the prepaid rent showing in a liability account. At the beginning of every fiscal year, the rent is transferred from the liability account to the revenue account showing as earned until the lease expires.

R.I.C.O Fund

This fund is reimbursed thru the Maricopa County Forfeiture department but any expenditures have to be approved prior to making the purchase. There is typically money remaining, but this year the reimbursement request was submitted after year end, which caused the deficit at year end. The R.I.C.O. Fund deficit is expected to be eliminated through current operations.

N. New Accounting Standards

As of July 1, 2014, the City adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The implementation of these standards requires governments calculate and report the costs and obligations associated with pensions in their basic financial statements. Employers are required to recognize pension amounts for all benefits provided through the plan which include the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. The effect of the implementation of these standards on beginning net position is disclosed in Note 13 and the additional disclosures required by these standards are included in Note 11.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the pension plans. 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.

Note 2 - Compliance and Accountability

Budgetary Information

The City Council follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Arizona Revised Statutes, the City Manager submits a proposed budget for the fiscal year commencing the following July 1 to the City Council. The operating budget includes proposed expenditures and the means of financing them for the upcoming year.
2. Public hearings are conducted to obtain taxpayer comment.
3. Prior to the third Monday in July, the expenditure limitation for the City is legally enacted through passage of a resolution. To ensure compliance with the expenditure limitation, a uniform expenditure report must be filed with the State each year. This report, issued under a separate cover, reconciles total City expenditures from the audited financial statements to total expenditures for reporting in accordance with the State's uniform expenditure reporting system (A.R.S. §41-1279.07).

4. By Arizona Constitution, expenditures may not legally exceed the expenditure limitation described below 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 Manager, subject to City Council approval, may at any time transfer any unencumbered appropriation balance or portion thereof between a department or activity. The adopted budget cannot be amended in any way without City Council approval.
5. Formal budgetary integration is employed as a management control device during the year for the General, HURF, Special Revenue, Debt Service and Capital Projects Funds 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 carryover 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.

No supplementary budgetary appropriations were necessary during the year.

There were no fund expenditures in excess of appropriations in fiscal year 2015.

Note 3 - Deposits and Investments

Cash and investments at June 30, 2015 consisted of the following:

Deposits	
Cash on hand	\$ 2,600
Cash in bank	15,515,576
Cash on deposit with paying agent	1,704,563
Investments	
Cash on deposit with trustee	17,477,767
Pension Trust Money Market	285,832
State Treasurer's Investment Pool	17,662,207
U.S. agency securities	46,104,757
Total deposits and investments	<u>98,753,302</u>
Restricted Cash	(18,568,588)
Fiduciary Funds	(287,913)
Cash with Paying Agent	(1,704,563)
Investments	<u>(46,104,757)</u>
Total cash and cash equivalent	<u>\$ 32,087,481</u>

Deposits – At June 30, 2015, the carrying amount of the City's deposits was \$15,515,576 and the bank balance was \$16,718,420. The difference represents outstanding checks and other reconciling items.

Investments – The State Board of Deposit provides oversight for the State Treasurer's pools, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the Treasurer. The fair value of a participant's position in the pool approximates the value of that participant's pool shares. The shares are not identified with specific investments and are not subject to custodial credit risk. In addition, the pension trust mutual fund is not subject to custodial credit risk. Cash on deposit with trustee is held in trust for the City under a Trust Agreement with Wells Fargo Bank. The funds held in trust are invested in money market funds, are valued at cost, and are invested in cash and cash equivalents and U.S. Treasury Bills. The funds are not subject to credit risk or interest rate risk. The City's investment in the State Treasurer's investment pool did not receive a credit quality rating from a national agency.

The City records its investment in U.S. agency securities at their fair market values based on quoted market prices. The unrealized gains and losses on these investments are included in net increase (decrease) in fair value of investments in the fund statements and statement of activities.

Interest Rate Risk – It is the City's policy, to the extent possible and consistent with statutory requirements, to match its investments with anticipated cash flow requirements. The City will not directly invest in securities maturing more than five years from the date of purchase. The City's investments are invested in U.S. agency step-up securities which are considered to be highly sensitive to interest rate changes. These securities can be called by the issuer on certain specified dates. If the security is not called, the interest rate is increased by a specified amount. Prevailing interest rates may go up faster than the increase in the coupon interest rate.

As of June 30, 2015, the City had the following investments and related maturities:

<u>Investment Type</u>	<u>Investment Maturities</u>		
	<u>Total</u>	<u>Less Than 1 Year</u>	<u>1-5 Years</u>
US Agency Securities	<u>\$ 46,104,757</u>	<u>\$ 10,306,481</u>	<u>\$ 35,798,276</u>

Credit Risk – The risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations. The City's policy is to diversify its investments by security type and institution.

As of June 30, 2015, the City's investments were rated in the following manner:

<u>Investment Type</u>	<u>Rating</u>	<u>Rating Agency</u>	<u>Amount</u>
Federal Farm Credit Bank (FFCB)	AAA	Moody's	\$ 3,992,880
Federal Home Loan Bank (FHLB)	AAA	Moody's	5,293,723
Federal Home Loan Mortgage Company (FHLMC)	AAA	Moody's	10,607,306
Federal National Mortgage Association (FNMA)	AAA	Moody's	21,007,988
United States Treasury Note (USTN)	AAA	Moody's	5,202,860
			<u>\$ 46,104,757</u>

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a formal investment policy in regards to custodial credit risk. However, the City's investments are not subject to custodial credit risk.

Custodial Credit Risk – Deposits. This is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposits at June 30, 2015, were entirely covered by federal depository insurance or by collateral held by the City's custodial bank in the City's name.

Concentration of Credit Risk – The City's policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific maturity. Concentration of credit risk is the risk of a loss attributed to the magnitude of a government's investment in a single issuer.

As of June 30, 2015, the City's investments were concentrated in the following manner:

Federal Farm Credit Bank (FFCB)	\$ 3,992,880	8.7%
Federal Home Loan Bank (FHLB)	5,293,723	11.5%
Federal Home Loan Mortgage Company (FHLMC)	10,607,306	23.0%
Federal National Mortgage Association (FNMA)	21,007,988	45.6%
United States Treasury Note (USTN)	5,202,860	11.3%
	<u>\$ 46,104,757</u>	

Note 4 - Receivables and Advanced Revenue

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable revenue and advanced revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Advanced</u>
CFD Debt Service Fund - Special assessments not yet due	\$ 41,931,150	\$ -
Debt Service Fund - Special assessments not yet due	1,480,000	-
General Fund - Prepaid building permits	-	863,585
Nonmajor Governmental Funds - Other advanced revenue	-	633,667
	<u>\$ 43,411,150</u>	<u>\$ 1,497,252</u>

Note 5 - Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 171,852,454	\$ 56,098	\$ -	\$ -	\$ 171,908,552
Construction in progress	2,289,319	7,226,682	(737,113)	(5,256,509)	3,522,379
Total capital assets, not being depreciated	<u>174,141,773</u>	<u>7,282,780</u>	<u>(737,113)</u>	<u>(5,256,509)</u>	<u>175,430,931</u>
Capital assets, being depreciated:					
Land improvements	15,094,388	-	-	-	15,094,388
Building and improvements	32,768,238	15,075	-	4,633,047	37,416,360
Infrastructure	274,132,376	16,075,284	-	623,462	290,831,122
Furniture, machinery and equipment	23,520,797	4,018,307	(375,566)	-	27,163,538
Total capital assets being depreciated	<u>345,515,799</u>	<u>20,108,666</u>	<u>(375,566)</u>	<u>5,256,509</u>	<u>370,505,408</u>
Less accumulated depreciation for:					
Land improvements	(3,822,668)	(672,540)	-	-	(4,495,208)
Building and improvements	(6,141,694)	(1,034,682)	-	-	(7,176,376)
Infrastructure	(109,721,968)	(12,298,050)	-	-	(122,020,018)
Furniture, machinery and equipment	(10,182,300)	(2,229,003)	317,736	-	(12,093,567)
Total accumulated depreciation	<u>(129,868,630)</u>	<u>(16,234,275)</u>	<u>317,736</u>	<u>-</u>	<u>(145,785,169)</u>
Total capital assets, being depreciated, net	<u>215,647,169</u>	<u>3,874,391</u>	<u>(57,830)</u>	<u>5,256,509</u>	<u>224,720,239</u>
Governmental activities capital assets, net	<u>\$ 389,788,942</u>	<u>\$ 11,157,171</u>	<u>\$ (794,943)</u>	<u>\$ -</u>	<u>\$ 400,151,170</u>
Depreciation was charged by function as follows:					
General government					\$ 5,227,210
Public safety					8,098,944
Highways and streets					783,845
Culture and recreation					1,009,595
Community development					<u>1,114,681</u>
Total depreciation expense - governmental activities					<u>\$ 16,234,275</u>

Capital asset activity for business-type activities for the year ended June 30, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 5,500,907	\$ 4,490,075	\$ -	\$ 168,762	\$ 10,159,744
Construction in progress	5,048,258	9,045,808	-	(7,283,411)	6,810,655
Total capital assets, not being depreciated	<u>10,549,165</u>	<u>13,535,883</u>	<u>-</u>	<u>(7,114,649)</u>	<u>16,970,399</u>
Capital assets, being depreciated:					
Wastewater system	139,976,013	10,121,341	-	-	150,097,354
Water system	102,914,114	491,813	-	7,114,649	110,520,576
Land improvements	12,926,579	-	-	-	12,926,579
Building and improvements	86,734,816	715,963	-	-	87,450,779
Machinery, equipment and vehicles	2,005,611	520,230	(7,423)	-	2,518,418
Total capital assets being depreciated	<u>344,557,133</u>	<u>11,849,347</u>	<u>(7,423)</u>	<u>7,114,649</u>	<u>363,513,706</u>
Less accumulated depreciation for:					
Wastewater system	(30,008,872)	(3,488,676)	-	-	(33,497,548)
Water system	(38,234,305)	(2,862,358)	-	-	(41,096,663)
Land improvements	(8,754,013)	(354,059)	-	-	(9,108,072)
Building and improvements	(18,470,308)	(2,256,411)	-	-	(20,726,719)
Machinery, equipment and vehicles	(984,370)	(174,368)	7,423	-	(1,151,315)
Total accumulated depreciation	<u>(96,451,868)</u>	<u>(9,135,872)</u>	<u>7,423</u>	<u>-</u>	<u>(105,580,317)</u>
Total capital assets, being depreciated, net	<u>248,105,265</u>	<u>2,713,475</u>	<u>-</u>	<u>7,114,649</u>	<u>257,933,389</u>
Business-type activities capital assets, net	<u>\$ 258,654,430</u>	<u>\$ 16,249,358</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 274,903,788</u>
Depreciation was charged by function as follows:					
Airport					\$ 419,501
Solid Waste					3,965
Sewer					5,122,658
Water					<u>3,589,748</u>
Total depreciation expense - business-type activities					<u>\$ 9,135,872</u>

Note 6 - Construction Commitments

The City has various active construction projects at June 30, 2015. At fiscal year end, the City's commitments with contractors were as follows:

Governmental Activities		
Project	Spent-to-date	Remaining Commitment
Skyline Park	\$ 1,384,890	\$ 2,000,000
Festival Fire Station 704	164,969	5,500,000
Traffic Signal Jackrabbit & Indian School	4,797	950,000
PD Substation Sundance Crossings	485	1,200,000
Enterprise Resource Plan	1,314,767	800,000
	\$ 2,869,908	\$ 10,450,000

Business-type Activities		
Project	Spent-to-date	Remaining Commitment
Sundance Water Sys to Historic Buckeye Reach 2	\$ 135,678	\$ 3,300,000
Reclaimed Water Project Effluent	3,386,101	4,180,000
Airport Well #2	737,830	2,800,000
Hopeville Water Improvements	241	250,000
	\$ 4,259,850	\$ 10,530,000

Note 7 - Obligations Under Lease

Capital Leases

The City has entered into lease agreements as a lessee for financing the acquisition of various furniture, machinery and equipment items for its governmental activities. These lease agreements qualify as capital leases for accounting purposes and; therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

Assets:	
Furniture, equipment and vehicles	\$ 1,721,119
Less: accumulated depreciation	(846,310)
	\$ 874,809

Amortization expense has been included in depreciation expense.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015, were as follows:

Year ending June 30:	Governmental Activities
2016	\$ 79,933
2017	79,933
2018	124,356
Less: amount representing interest	(22,529)
Present value of minimum lease payments	\$ 261,693

Note 8 - Long-Term Debt

The City has various loan agreements with the Water Infrastructure Finance Authority of Arizona Revolving Fund Loan Program for the acquisition and construction of water and wastewater facilities and obtaining water rights.

The Miller Road Improvement District was created so the City could fund improvements. Specifically, the District financed the construction of main water lines to provide access to the City of Buckeye's water system for property from Beloit Road to the Buckeye Canal and main sewer lines to provide access to the City of Buckeye's sewer system for certain properties from Beloit Road to Lower Buckeye Road. Each of the 24 property owners within the District were assessed a special assessment lien by the City for repayment of the improvement bond. In case of default, the City has the responsibility to cover delinquencies of special assessment bonds with other sources until foreclosure proceeds are received.

The Jackrabbit Trail Sanitary Sewer Improvement District was created so the City could fund improvements. Specifically, the District financed the construction of sewage treatment plant capacity, design engineering, and inspection and construction of certain sewer collection related improvements. Each of the 49 property owners within the District were assessed a special assessment lien by the City for repayment of the improvement bond. In case of default, the City has the responsibility to cover delinquencies of special assessment bonds with other sources until foreclosure proceeds are received.

The City has long-term bonds issued to provide funds for the acquisition and construction of major capital facilities. The City has also issued debt to refund earlier obligations with higher interest rates. The debt is being repaid by various debt service funds. Compensated absences are paid by the applicable fund where each employee is regularly paid, primarily the General Fund.

Special Assessment districts are created only by petition of the City Council by property owners within the district areas.

Community facilities districts (CFDs) are created only by petition to the City Council by property owners within the District areas. As the board of directors for the District, the City Council has adopted a formal policy that CFD debt will be permitted only when the ratio of full cash value of the District property (prior to improvements being installed), when compared to proposed District debt, is a minimum of 3 to 1 prior to issuance of debt and 5 to 1 or higher after construction of improvements. These ratios are verified by an appraisal paid for by the District and administered by the City. In addition, cumulative debt of all CFDs cannot exceed five percent of the City's net secondary assessed valuation.

Water Infrastructure Finance Authority Debt

On November 20, 2009, the City entered into an agreement with the Arizona Water Infrastructure Finance Authority (WIFA) for \$12,000,000 in general obligation debt as part of the water infrastructure improvements related to expansion of the water and wastewater plant. As part of this agreement, the City has covenanted that the water and wastewater plant will produce sufficient revenues to cover operating and maintenance expenses of the plant plus 120 percent of the aggregate payments on the loan including any outstanding parity obligations. Interest accrues at a rate of 2.5 percent. Annual payments of varying amounts are due through July 2029. On January 1, 2013, the City made a debt service payment of \$6,000,000 to WIFA, which resulted in an early extinguishment of debt. As of June 30, 2015, total principal and interest remaining is \$4,880,250 and the City was in compliance with all covenants.

On April 5, 2013, the City entered into an agreement with the Arizona Water Infrastructure Finance Authority (WIFA) for \$7,370,000 in general obligation debt as part of the water infrastructure improvements related to constructing, acquiring, and improving water reclamation and recharge systems. As part of this agreement, the City has covenanted that the water and wastewater plant will produce sufficient revenues to cover operating and maintenance expenses of the plant plus 120 percent of the aggregate payments on the loan including any outstanding parity obligations. Interest accrues at a rate of 2.5 percent. Annual payments of varying amounts are due through July 2032. As of June 30, 2015, total principal and interest remaining is \$6,931,938 and the City was in compliance with all covenants.

On April 5, 2013, the City entered into an agreement with the Arizona Water Infrastructure Finance Authority (WIFA) for \$5,065,000 in general obligation debt as part of the water infrastructure improvements related to constructing and acquiring waterline to extend and connect existing services. As part of this agreement, the City has covenanted that the water and wastewater plant will produce sufficient revenues to cover operating and maintenance expenses of the plant plus 120 percent of the aggregate payments on the loan including any outstanding parity obligations. Interest accrues at a rate of 2.975 percent. Annual payments of varying amounts are due through July 2032. As of June 30, 2015, total principal and interest remaining is \$4,785,504 and the City was in compliance with all covenants.

On April 5, 2013, the City entered into an agreement with the Arizona Water Infrastructure Finance Authority (WIFA) for \$3,617,450 in general obligation debt as part of the water infrastructure improvements related to repairing and improving an existing well site and integrating it with the current system. As part of this agreement, the City has covenanted that the water and wastewater plant will produce sufficient revenues to cover operating and maintenance expenses of the plant plus 120 percent of the aggregate payments on the loan including any outstanding parity obligations. Interest accrues at a rate of 2.975 percent. Annual payments are \$242,588 through July 2032. As of June 30, 2015, total principal and interest remaining is \$4,267,612 and the City was in compliance with all covenants.

On December 5, 2014, the City entered into an agreement with the Arizona Water Infrastructure Finance Authority (WIFA) for \$761,000 in general obligation debt as part of the water infrastructure improvements related to repairing and improving an existing well site and integrating it with the current system. As part of this agreement, the City has covenanted that the water and wastewater plant will produce sufficient revenues to cover operating and maintenance expenses of the plant plus 120 percent of the aggregate payments on the loan including any outstanding parity obligations. Interest accrues at a rate of 2.184 percent. Annual payments are \$43,371 through July 2034. As of June 30, 2015, total principal and interest remaining is \$920,531 and the City was in compliance with all covenants.

Improvement Bonds

The City has pledged revenue derived from an annual assessment on the real property of the Miller Road Improvement District to repay \$4,435,000 in improvement bonds issued August 2001. Special assessment districts are created only by petition of the City Council by property owners within the District area. Proceeds from these bonds were used to install and construct water and sewer lines within the District. The bonds are payable solely from assessments on the property owners and are payable through 2017. Total assessment billed were \$227,546. On January 1, 2015, the City made a debt service payment in the amount of \$525,000 resulting in an early extinguishment of all remaining debt. Resources used to call the debt early were from cash reserves.

The City has pledged revenue derived from an annual assessment on the real property of the Jackrabbit Trail Improvement District to repay \$2,545,000 in improvement bonds issued December 2009. Special assessment districts are created only by petition of the City Council by property owners within the District area. Proceeds from these bonds were used to install and construct water and sewer lines within the District. The bonds are payable solely from assessments on the property owners and are payable through 2029. The total principal and interest remaining to be paid on the bonds is \$2,220,500. Principal and interest paid for the current year was \$162,625 and total assessments billed were \$161,015. Principal and interest paid for the current year approximate amounts received from improvement district property owners, which, at times, exceed assessments billed for the year.

Revenue Bonds

The City has pledged future excise tax revenues, which include the City's sales and transaction privilege tax, franchise fees, licenses and permit fees, and fines and forfeitures, to repay \$9,400,000 in Greater Arizona Development Authority Excise Tax Revenue Bonds issued February 2005. Proceeds from these bonds were used to reconstruct streets, and to construct water wells and the related distribution system, flood control structures and a wastewater treatment facility expansion. As part of the bond agreement, the City has covenanted that it will maintain a bond covenant coverage ratio of no less than 2.0. Annual principal and interest payments on the bonds are expected to require five percent of net revenues. By way of an advance refunding, these bonds were defeased in full as of April 2015 through issuance of \$6,565,000 Excise Tax Revenue Refunding Bonds, Series 2015. The in-substance defeasance resulted in cash flow savings of \$848,309 and an economic gain (net present value of savings) of \$769,468. The difference between the reacquisition price of the debt and the net carrying amount of the debt resulted in a deferred gain on refunding of approximately \$301,993. As of June 30, 2015, the defeased amount of bonds outstanding was \$6,980,000.

The City has pledged future excise tax revenues, which include the City's sales and transaction privilege tax, franchise fees, licenses and permit fees, and fines and forfeitures, to repay \$14,730,000 in Greater Arizona Development Authority Excise Tax Revenue Bonds issued March 2006. As part of the bond agreement, the City has covenanted that it will maintain a bond covenant coverage ratio of no less than 2.0. Proceeds from these bonds were used to construct a municipal complex. Annual principal and interest payments on the bonds are expected to require five percent of net revenues. As of June 30, 2015, the total principal and interest to be paid on the bonds is \$21,759,928, and the City was in compliance with all covenants. Principal and interest paid for the current year was \$999,575.

The City has pledged future excise tax revenues, which include the City's sales and transaction privilege tax, franchise fees, licenses and permit fees, and fines and forfeitures, to repay \$2,200,000 in Greater Arizona Development Authority Excise Tax Revenue Bonds issued May 2007. As part of the bond agreement, the City has covenanted that it will maintain a bond covenant coverage ratio of no less than 2.0. Proceeds from these bonds were used for the acquisition and improvement of a facility for administrative purposes. Annual principal and interest payments on the bonds are expected to require one percent of net revenues. As of June 30, 2015, the total principal and interest to be paid on the bonds is \$2,639,578, and the City was in compliance with all covenants. Principal and interest paid for the current year was \$156,594.

The City has pledged future excise tax revenues, which include the City's sales and transaction privilege tax, franchise fees, licenses and permit fees, and fines and forfeitures, as well as Water Utility Revenues to repay \$1,795,000 in Series 2010 Excise Tax Revenue Refunding Obligation Bonds issued in November 2010 to refund the outstanding Series 2000 Excise Tax Revenue Bonds. As part of the bond agreement, the City has covenanted that it will maintain a bond covenant coverage ratio of no less than 2.0. Proceeds from the Series 2000 bonds were used to connect an unused water well to the existing water system of the City. As of June 30, 2015, the total principal and interest to be paid on the bonds is \$1,394,750 and the City was in compliance with all covenants. Principal and interest paid for the current year was \$231,775.

The City has pledged future excise tax revenues, which include the City's sales and transaction privilege tax, franchise fees, licenses and permit fees, and fines and forfeitures, as well as Water Utility Revenues to repay \$6,565,000 in Series 2015 Excise Tax Revenue Refunding Obligation Bonds issued in April 2015 to refund the outstanding Series 2005A Greater Arizona Development Authority Excise Tax Revenue Bonds. As part of the bond agreement, the City has covenanted that it will maintain a bond covenant coverage ratio of no less than 2.0. Proceeds from the Series 2005 bonds were used to reconstruct streets, and to construct water wells and the related distribution system, flood control structures and a wastewater treatment facility expansion. As of June 30, 2015, the total principal and interest to be paid on the bonds is \$7,877,650 and the City was in compliance with all covenants. There was no principal or interest paid in the current year.

The City has pledged future excise tax revenues, which include the City's sales and transaction privilege tax, franchise fees, licenses and permit fees, and fines and forfeitures, as well as Water Utility Revenues to repay \$250,000 in Water and Sewer Systems Senior Revenue Bonds, Series 2015 issued in March 2015. As part of the bond agreement, the City has covenanted that it will maintain a bond covenant coverage ratio of no less than 1.2. Proceeds from these bonds were obtained for purposes of procuring funds to be used to aid in the purchase of water utility properties to expand the Systems. Annual principal and interest payments on the bonds are expected to require one percent of net revenues. As of June 30, 2015, the total principal and interest to be paid on the bonds is \$597,311, and the City was in compliance with all covenants. There was no principal or interest paid in the current year.

As of June 30, 2015, the City's total revenue bond debt service requirement was approximately \$1,810,000 and sales and transaction privilege tax, franchise fees, licenses and permit fees, and fines and forfeitures produced a total bond coverage ratio of approximately 14.35. Water Utility Revenue is pledged for repayment of Excise Tax Revenue Bonds debt service in addition to the bond coverage ratio previously stated.

Community Facilities District Bonds

The CFD Board of Directors has pledged revenue derived from an annual assessment on the real property of the Sundance Community, Facilities District No. 1 to repay \$11,300,000 in special assessment revenue bonds issued September 2002. Special assessment districts are created only by petition to the City Council by property owners within the Districts area. Proceeds were used for infrastructure improvements within the special assessment district. The bonds are payable solely from assessments on the property owners. The total principal and interest remaining to be paid on the bonds is \$1,107,145. Principal and interest paid for the current year was \$1,107,926 and total assessments billed were \$451,604. Principal and interest paid for the current year approximate amounts received from special assessment property owners, which, at times, exceed special assessments billed for the year.

The CFD Board of Directors has pledged revenue derived from an annual assessment on the real property of the Sundance Community Facilities District No. 2 to repay \$7,175,000 in special assessment revenue bonds issued April 2003. Special assessment districts are created only by petition to the City Council by property owners within the Districts area. Proceeds were used for infrastructure improvements within the special assessment district. The bonds are payable solely from assessments on the property owners. The total principal and interest remaining to be paid on the bonds is \$3,934,045. Principal and interest paid for the current year was \$567,164 and total assessments billed were \$373,481. Principal and interest paid for the current year approximate amounts received from special assessment property owners, which, at times, exceed special assessments billed for the year.

The CFD Board of Directors has pledged revenue derived from an annual assessment and levy of taxes on the real property of the Sundance Community Facilities District No. 3 to repay \$2,050,000 in special assessment bonds issued June 2004. Proceeds were used for infrastructure improvements within the special assessment district. The total principal and interest remaining to be paid on the bonds is \$1,005,655. Principal and interest paid for the current year was \$144,000 and total assessments billed were \$83,252. Principal and interest paid for the current year approximate amounts received from special assessment property owners, which, at times, exceed special assessments billed for the year.

The CFD Board of Directors has pledged revenue derived from an annual assessment on the real property of the West Park Community Facilities District (Assessment District 1) to repay \$3,800,000 in special assessment revenue bonds issued May 2005. Special assessment districts are created only by petition to the City Council by property owners within the District area. Proceeds were used for infrastructure improvements within the special assessment district. The bonds are payable solely from assessments on the property owners. The total principal and interest remaining to be paid on the bonds is \$2,538,110. Principal and interest paid for the current year was \$391,642 and total assessments billed were \$189,939. Principal and interest paid for the current year approximate amounts received from special assessment property owners, which, at times, exceed special assessments billed for the year.

The CFD Board of Directors has pledged revenue derived from an annual assessment and levy of taxes on the real property of the Watson Road Community Facilities District to repay \$49,000,000 in special assessment revenue bonds issued December 2005. Special assessment districts are created only by petition to the City Council by property owners within the District area. Proceeds were used for infrastructure improvements within the special assessment district. The bonds are payable solely from assessments on the property owners. The total principal and interest remaining to be paid on the bonds is \$50,941,038. Principal and interest paid for the current year was \$4,844,061 and total assessments billed were \$3,648,846. Principal and interest paid for the current year approximate amounts received from special assessment property owners, which, at times, exceed special assessments billed for the year.

The CFD Board of Directors has pledged revenue derived from an annual assessment on the real property of the Festival Ranch Community Facilities District (Assessment District 1) to repay \$1,448,000 in special assessment revenue bonds issued November 2005. Special assessment districts are created only by petition to the City Council by property owners within the District area. Proceeds were used for infrastructure improvements within the special assessment district. The bonds are payable solely from assessments on the property owners. The total principal and interest remaining to be paid on the bonds is \$261,935. Principal and interest paid for the current year was \$87,286 and total assessments billed were \$29,773. Principal and interest paid for the current year approximate amounts received from special assessment property owners, which, at times, exceed special assessments billed for the year.

The CFD Board of Directors has pledged revenue derived from an annual assessment on the real property of the Festival Ranch Community Facilities District (Assessment District 2 and 3) to repay \$1,868,000 in special assessment lien bonds issued April 2007. Special assessment districts are created only by petition to the City Council by property owners within the District area. Proceeds were used for infrastructure improvements within the special assessment district. The bonds are payable solely from assessments on the property owners. The total principal and interest remaining to be paid on the bonds is \$1,708,805. Principal and interest paid for the current year was \$154,072 and total assessments billed were \$106,584. Principal and interest paid for the current year approximate amounts received from special assessment property owners, which, at times, exceed special assessments billed for the year.

The CFD Board of Directors has pledged revenue derived from an annual assessment on the real property of the Festival Ranch Community Facilities District (Assessment District 4 and 5) to repay \$1,784,000 in special assessment lien bonds issued October 2007. Special assessment districts are created only by petition to the City Council by property owners within the District area. Proceeds were used for infrastructure improvements within the special assessment district. The bonds are payable solely from assessments on the property owners. The total principal and interest remaining to be paid on the bonds is \$1,882,841. Principal and interest paid for the current year was \$170,973 and total assessments billed were \$116,637. Principal and interest paid for the current year approximate amounts received from special assessment property owners, which, at times, exceed special assessments billed for the year.

The CFD Board of Directors has pledged revenue derived from an annual assessment on the real property of the Festival Ranch Community Facilities District (Assessment District 6) to repay \$356,000 in special assessment lien bonds issued November 2009. Special assessment districts are created only by petition to the City Council by property owners within the District area. Proceeds were used for infrastructure improvements within the special assessment district. The bonds are payable solely from assessments on the property owners. The total principal and interest remaining to be paid on the bonds is \$427,981. Principal and interest paid for the current year was \$50,835 and total assessments billed were \$24,703. Principal and interest paid for the current year approximate amounts received from special assessment property owners, which, at times, exceed special assessments billed for the year.

The CFD Board of Directors has pledged revenue derived from an annual assessment on the real property of the Festival Ranch Community Facilities District (Assessment District 7) to repay \$404,000 in special assessment lien bonds issued April 2011. Special assessment districts are created only by petition to the City Council by property owners within the District area. Proceeds were used for infrastructure improvements within the special assessment district. The bonds are payable solely from assessments on the property owners. The total principal and interest remaining to be paid on the bonds is \$647,895. Principal and interest paid for the current year was \$60,353 and total assessments billed were \$26,893. Principal and interest paid for the current year approximate amounts received from special assessment property owners, which, at times, exceed special assessments billed for the year.

The CFD Board of Directors has pledged revenue derived from an annual assessment on the real property of the Festival Ranch Community Facilities District (Assessment District 8) to repay \$186,000 in special assessment lien bonds issued July 2013. Special assessment districts are created only by petition to the City Council by property owners within the District area. Proceeds were used for infrastructure improvements within the special assessment district. The bonds are payable solely from assessments on the property owners. The total principal and interest remaining to be paid on the bonds is \$267,969. Principal and interest paid for the current year was \$37,506 and total assessments billed were \$17,547. Principal and interest paid for the current year approximate amounts received from special assessment property owners, which, at times, exceed special assessments billed for the year.

The CFD Board of Directors has pledged revenue derived from the property taxes levied on the real property of the Festival Ranch Community Facilities District to repay \$800,000 in general obligation bonds issued October 2006. Proceeds were used for the acquisition and construction of wastewater infrastructure sewer lines. The bonds are payable from property taxes levied on property owners within the District. The total principal and interest remaining to be paid on the bonds is \$909,720. Principal and interest paid for the current year was \$58,467.

The CFD Board of Directors has pledged revenue derived from the property taxes levied on the real property of the Festival Ranch Community Facilities District to repay \$1,535,000 in general obligation bonds issued October 2007. Proceeds were used for the acquisition and construction of wastewater infrastructure sewer lines. The bonds are payable from property taxes levied on property owners within the District. The total principal and interest remaining to be paid on the bonds is \$2,001,220. Principal and interest paid for the current year was \$112,260.

CFD Board of Directors City has pledged revenue derived from the property taxes levied on the real property of the Festival Ranch Community Facilities District to repay \$7,600,000 in general obligation bonds issued December 2009. Proceeds were used for the acquisition and construction of community district facilities. The bonds are payable from property taxes levied on property owners within the District. The total principal and interest remaining to be paid on the bonds is \$11,604,526. Principal and interest paid for the current year was \$646,163.

The CFD Board of Directors has pledged revenue derived from the property taxes levied on the real property of the Festival Ranch Community Facilities District to repay \$5,400,000 in general obligation bonds issued July 2012. Proceeds were used for the construction and acquisition of public infrastructure. The total principal and interest to be paid is \$4,903,863. Principal and interest paid during the current year totaled \$306,113.

The CFD Board of Directors has pledged revenue derived from the property taxes levied on the real property of the Festival Ranch Community Facilities District to repay \$1,800,000 in general obligation bonds issued in November 2013. Proceeds were used for the construction and acquisition of public infrastructure. The total principal and interest to be paid is \$2,972,193. Principal and interest was paid during the current year totaled \$91,798.

The CFD Board of Directors has pledged revenue derived from the property taxes levied on the real property of the Tartesso West Community Facilities District to repay \$110,000 in general obligation bonds issued September 2005. Proceeds were used for the acquisition and construction of infrastructure improvements. The bonds are payable from property taxes levied on property owners within the District. The total principal and interest remaining to be paid on the bonds is \$128,120. Principal and interest paid for the current year was \$8,160.

The CFD Board of Directors has pledged revenue derived from the property taxes levied on the real property of the Tartesso West Community Facilities District to repay \$8,750,000 in general obligation bonds issued October 2007. Proceeds were used for the acquisition of public infrastructure. The bonds are payable from property taxes levied on property owners within the District. The total principal and interest remaining to be paid on the bonds is \$11,177,385. Principal and interest paid for the current year was \$657,668.

The CFD Board of Directors has pledged revenue derived from the property taxes levied on the real property of the Verrado Community Facilities District No. 1 to repay \$18,600,000 in general obligation bonds issued October 2006. Proceeds were used for the construction and acquisition of public infrastructure. The bonds are payable from property taxes levied on property owners within the District. The total principal and interest remaining to be paid on the bonds is \$22,173,268. Principal and interest paid for the current year was \$1,388,365.

The CFD Board of Directors has pledged revenue derived from the property taxes levied on the real property of the Verrado Community Facilities District No. 1 to repay \$20,400,000 in general obligation refunding bonds, Series 2013A, issued July 2013. Proceeds were used to current refund the full outstanding amount of Verrado Community Facilities District No. 1 general obligations bonds, Series 2003. The bonds are payable from property taxes levied on property owners within the District. The total principal and interest remaining to be paid on the bonds is \$25,405,900. Principal and interest paid for the current year was \$2,287,950.

The CFD Board of Directors has pledged revenue derived from the property taxes levied on the real property of the Verrado Community Facilities District No. 1 to repay \$6,000,000 in general obligation bonds, Series 2013B, issued July 2013. Proceeds were used for the construction and acquisition of public infrastructure. The bonds are payable from property taxes levied on property owners within the District. The total principal and interest remaining to be paid on the bonds is \$10,461,615. Principal and interest paid for the current year was \$342,440.

The CFD Board of Directors has pledged revenue derived from the property taxes levied on the real property of the Verrado Western Overlay Community Facilities District to repay \$13,000,000 in general obligation bonds issued November 2004. Proceeds were used for the construction and acquisition of public infrastructure. The bonds are payable from property taxes levied on property owners within the District. The total principal and interest remaining to be paid on the bonds is \$12,151,820. Principal and interest paid for the current year was \$649,223.

The CFD Board of Directors has pledged revenue derived from the property taxes levied on the real property of the Sundance Community Facilities District to repay \$6,000,000 in general obligation bonds issued October 2005. Proceeds were used for the construction and acquisition of public infrastructure. Principal and interest paid for the current year was \$373,866. The total principal and interest remaining to be paid on the bonds is \$5,242,203. On February 24, 2011, the City extinguished a portion of the remaining outstanding debt on the Sundance Series 2005 General Obligation Bonds in the amount of \$910,000. Cash was paid to a trust agent for the purpose of holding amounts in escrow for future debt service payments on the defeased bonds outstanding. As of June 30, 2015, the defeased amount outstanding on the bonds was \$925,177.

On February 24, 2011, the CFD Board of Directors extinguished the remaining outstanding debt on the Sundance Community Facilities District Series 2004 General Obligation Bonds. Cash was paid to a trust agent for the purpose of holding amounts in escrow for future debt service payments on the defeased bonds outstanding. As of June 30, 2015, the defeased amount outstanding on the bonds was \$0.

The CFD Board of Directors has pledged revenue derived from the property taxes levied on the real property of the Sundance Community Facilities District to repay \$17,945,000 in general obligation bonds issued March 2014. Proceeds were used for the construction and acquisition of public infrastructure. The bonds are payable from property taxes levied on property owners within the District. The total principal and interest remaining to be paid on the bonds is \$26,766,125. No principal and interest paid for the current year was \$1,297,820.

The CFD Board of Directors has pledged revenue derived from the property taxes levied on the real property of the West Park Community Facilities District to repay \$690,000 in general obligation bonds issued December 2005. Proceeds were used for the construction and acquisition of public infrastructure. The bonds are payable from property taxes levied on property owners within the District. The total principal and interest remaining to be paid on the bonds is \$771,665. Principal and interest paid for the current year was \$49,800.

The CFD Board of Directors has pledged revenue derived from the property taxes levied on the real property of the West Park Community Facilities District to repay \$4,420,000 in general obligation bonds issued October 2006. Proceeds were used for the construction and acquisition of public infrastructure. The bonds are payable from property taxes levied on property owners within the District. The total principal and interest remaining to be paid on the bonds is \$5,189,073. Principal and interest paid for the current year was \$321,725.

The CFD Board of Directors has pledged revenue derived from the property taxes levied on the real property of the West Park Community Facilities District to repay \$2,480,000 in general obligation bonds issued July 2007. Proceeds were used for the construction and acquisition of public infrastructure. The bonds are payable from property taxes levied on property owners within the District. The total principal and interest remaining to be paid on the bonds is \$3,354,985. Principal and interest paid for the current year was \$174,662.

Purpose	Interest Rates (%)	Matures	Original Issue Amount	Amount Outstanding
Governmental activities:				
<i>Improvement District Bonds:</i>				
Jackrabbit Trail Sewer Improvements Bonds	6.25%	January 2029	\$ 2,545,000	\$ 1,480,000
Total Improvement District Bonds			<u>\$ 2,545,000</u>	<u>\$ 1,480,000</u>
<i>Revenue Bonds:</i>				
Greater Arizona Development Authority Excise Tax Revenue Bonds -				
Series 2006A	4.0 - 5.0%	August 2036	\$ 14,730,000	\$ 13,435,000
Series 2007A	4.0 - 5.0%	August 2031	2,200,000	1,825,000
Excise Tax Revenue Refunding Bonds, Series 2010	2.5% - 4%	July 2020	1,795,000	1,255,000
Excise Tax Revenue Refunding Bonds, Series 2015	2.0 - 5.0%	July 2024	<u>6,565,000</u>	<u>6,565,000</u>
Total Revenue Bonds			<u>\$ 25,290,000</u>	<u>\$ 23,080,000</u>

Purpose	Interest Rates (%)	Matures	Original Issue Amount	Amount Outstanding
<i>Community Facilities District Bonds:</i>				
Sundance Special Assessment Revenue Bonds				
Series 2002	2.25 - 7.75%	July 2022	\$ 11,300,000	\$ 841,000
Series 2003	5.0 - 7.125%	July 2027	7,175,000	2,584,000
Series 2004	6.50%	July 2029	2,050,000	636,000
West Park Special Assessment Revenue Bonds,				
Series 2005	4.55 - 5.9%	July 2029	3,800,000	1,670,000
Festival Ranch Special Assessment Revenue Bonds,				
Series 2005	4.0 - 5.55%	July 2030	1,448,000	175,000
Series 2009	8.88%	July 2034	356,000	203,000
Series 2011	8.50%	July 2035	404,000	260,000
Series 2013	7.25%	July 2033	186,000	147,150
Watson Road Special Assessment Revenue Bonds, Series 2005				
	4.5 - 6.0%	July 2030	49,000,000	33,094,000
Festival Ranch Special Assessment Lien Bonds,				
Series 2007	4.2 - 5.0%	July 2032	1,868,000	1,135,000
Series 2007	4.3 - 5.75%	July 2032	1,784,000	1,186,000
Verrado District No. 1, General Obligation Bonds				
Series 2006	4.85 - 5.35%	July 2031	18,600,000	14,660,000
Series 2013A	2.0 - 6.0%	July 2027	20,400,000	18,385,000
Series 2013B	5.0 - 6.0%	July 2033	6,000,000	6,000,000
Sundance General Obligation Bonds,				
Series 2005	4.0 - 5.125%	July 2030	6,000,000	3,660,000
Series 2014	2.0 - 4.625%	July 2034	17,945,000	17,610,000
Verrado Western Overlay General Obligation Bonds, Series 2004				
	Variable	July 2029	13,000,000	9,800,000
Tartesso West General Obligation Bonds,				
Series 2005	6.00%	July 2030	110,000	83,000
Series 2007	4.35 - 5.90%	July 2032	8,750,000	6,940,000
West Park General Obligation Bonds,				
Series 2005	5.15 - 5.60%	July 2030	690,000	515,000
Series 2006	4.20 - 5.25%	July 2031	4,420,000	3,440,000
Series 2007	4.7 - 5.45%	July 2032	2,480,000	2,070,000
Festival Ranch General Obligation Bonds,				
Series 2006	4.9 - 5.3%	July 2031	800,000	605,000
Series 2007	4.65 - 5.8%	July 2032	1,535,000	1,240,000
Series 2009A	5.0 - 6.5%	July 2031	5,435,000	4,030,000
Series 2009B	8.0 - 8.625%	July 2034	2,165,000	2,165,000
Series 2012	1.0 - 5%	July 2031	5,400,000	3,400,000
Series 2013	2.0 - 5.25%	July 2033	1,800,000	1,790,000
Total Community Facilities Districts Bonds			<u>\$ 194,901,000</u>	<u>\$ 138,324,150</u>

City of Buckeye, Arizona
Notes to Financial Statements
June 30, 2015

Purpose	Interest Rates (%)	Matures	Original Issue Amount	Amount Outstanding
<i>Business-type Activities:</i>				
<i>Revenue Bonds:</i>				
Water & Sewer System Senior Revenue Bonds 2015	4.75%	July 2044	\$ 250,000	\$ 250,000
Total Revenue Bonds			<u>\$ 250,000</u>	<u>\$ 250,000</u>
<i>WIFA Bonds:</i>				
WIFA Bond - 91A140 - 10	2.85%	July 2029	\$ 12,000,000	\$ 4,112,081
WIFA Bond - 910158 - 13	2.50%	July 2032	4,870,000	449,922
WIFA Bond - 920239 - 13	2.975%	July 2032	5,065,000	1,043
WIFA Bond - 920241 - 13	2.975%	July 2032	3,617,450	248,510
WIFA Bond - 920240 - 15	2.184%	July 2034	761,000	521,000
Total WIFA Bonds			<u>\$ 26,313,450</u>	<u>\$ 5,332,556</u>

Debt service requirements on long-term debt at June 30, 2015 are as follows:

	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
Year ending June 30:				
2016	\$ 7,464,201	\$ 8,383,299	\$ 816,003	\$ 292,916
2017	7,709,579	8,042,461	935,471	271,957
2018	8,030,983	7,675,658	960,438	246,337
2019	8,378,417	7,349,266	986,077	217,805
2020	8,749,882	6,932,277	1,012,406	188,417
2021-2025	49,634,658	27,585,521	5,493,468	682,838
2026-2030	51,072,533	13,860,643	6,256,730	334,921
2031-2035	19,978,897	2,947,029	3,239,307	90,179
2036-2040	1,865,000	94,375	-	59,375
2041-2044	-	-	250,000	47,500
	<u>\$ 162,884,150</u>	<u>\$ 82,870,530</u>	<u>\$ 19,949,900</u>	<u>\$ 2,432,246</u>
			Less: Amounts not drawn down at year-end	<u>(14,367,344)</u>
				<u>\$ 5,582,556</u>

Other Long Term Obligations

On May 19, 2015, the City entered into an agreement to purchase Tartesso Wastewater Treatment Plant (WWTP) for \$14,930,544. The purchase price is to be paid from the City's collection of wastewater impact fees from users of the Tartesso WWTP located in the Central North service area within the City of Buckeye. Each payment is to be made quarterly and will be made up of wastewater impact fees collected by the City in the quarter. The City's payment obligation for the purchase price terminates when the purchase price is paid in full. Interest will not be charged on any unpaid balance of the purchase price. Principal paid in the current year was \$808,989.

The City has also committed to reimburse the seller of the Tartesso WWTP for the construction and installation of an additional well, Tartesso Well No.3 provided that the Seller performs the work in compliance with procurement laws and the City's requirements, and upon the City Engineer's acceptance of Tartesso Well No.3, the Seller will be entitled to reimbursement of all eligible and verified costs from water development impact fees collected from the Tartesso West project.

Changes in long-term obligations for the year ended June 30, 2015 are as follows:

	July 1, 2014	Increases	Decreases	June 30, 2015	Due Within One Year
Governmental Activities:					
Bonds payable:					
Improvement	\$ 2,071,000	\$ -	\$ (591,000)	\$ 1,480,000	\$ 70,000
Revenue	24,620,000	6,565,000	(8,105,000)	23,080,000	1,240,000
Community facilities district	147,079,000	-	(8,754,850)	138,324,150	6,154,201
Deferred amount on premium	1,585,694	586,422	(382,489)	1,789,627	80,496
Deferred amount on discount	(548,051)	-	48,732	(499,319)	(48,732)
Total bonds payable	<u>174,807,643</u>	<u>7,151,422</u>	<u>(17,784,607)</u>	<u>164,174,458</u>	<u>7,495,965</u>
Other liabilities:					
Capital leases	454,914	-	(193,221)	261,693	79,933
Compensated absences	1,390,281	1,394,864	(1,247,347)	1,537,798	1,230,238
Net Pension Liability - ASRS	-	19,190,618	-	19,190,618	-
Net Pension Liability - PSPRS	-	8,877,175	-	8,877,175	-
Total other liabilities	<u>1,845,195</u>	<u>29,462,657</u>	<u>(1,440,568)</u>	<u>29,867,284</u>	<u>1,310,171</u>
Total long-term liabilities	<u>\$ 176,652,838</u>	<u>\$ 36,614,079</u>	<u>\$ (19,225,175)</u>	<u>\$ 194,041,742</u>	<u>\$ 8,806,136</u>
Business-type Activities:					
Bonds payable:					
Revenue	\$ 4,640,083	\$ 1,890,389	\$ (947,916)	\$ 5,582,556	\$ 816,005
Total bonds payable	<u>4,640,083</u>	<u>1,890,389</u>	<u>(947,916)</u>	<u>5,582,556</u>	<u>816,005</u>
Other liabilities:					
Other long term obligations	-	14,931,544	(808,989)	14,122,555	-
Compensated absences	152,075	108,772	(89,258)	171,589	137,272
Net Pension Liability - ASRS	-	3,298,389	-	3,298,389	-
Total other liabilities	<u>152,075</u>	<u>18,338,705</u>	<u>(898,247)</u>	<u>17,592,533</u>	<u>137,272</u>
Total long-term liabilities	<u>\$ 4,792,158</u>	<u>\$ 20,229,094</u>	<u>\$ (1,846,163)</u>	<u>\$ 23,175,089</u>	<u>\$ 953,277</u>

The personnel policy allows up to 80 hours of each employee's accrued vacation hours to be liquefied at the employee's request. These amounts are included in the changes in long-term obligations schedule above.

Note 9 - Interfund Transfers

Interfund transfers for the year ended June 30, 2015 consisted of the following:

Transfers To	Transfers From										Total
	General Fund	CFD Fund	HURF Fund	Impact Fee Fund	Airport Fund	Sewer Fund	Water Fund	Debt Service Fund	Nonmajor Governmental Fund	Nonmajor Enterprise Fund Solid Waste	
General Fund	\$ -	\$ -	\$ 62,100	\$ -	\$ -	\$ 110,400	\$ 683,700	\$ -	\$ -	\$ 500,000	\$ 1,356,200
CFD Fund	-	3,878,582	-	-	-	-	-	-	167,916	-	4,046,498
Debt Service Fund	-	-	-	-	-	-	5,000	44,677	-	-	49,677
Impact Fees	181,311	-	-	-	-	-	-	-	-	-	181,311
HURF Fund	-	-	-	-	-	-	-	-	-	-	-
Airport Fund	-	-	-	-	4,653	-	-	-	-	-	4,653
Sewer Fund	-	-	-	-	-	808,989	-	-	-	-	808,989
Water Fund	-	-	-	-	-	-	-	-	-	-	-
Internal Service Fund	265,326	-	-	-	-	-	-	-	-	-	265,326
Nonmajor Governmental Funds	2,410,816	3,300	-	-	-	-	-	-	36,635	-	2,450,751
Total	\$ 2,857,453	\$ 3,881,882	\$ 62,100	\$ -	\$ 4,653	\$ 919,389	\$ 688,700	\$ 44,677	\$ 204,551	\$ 500,000	\$ 9,163,405

Transfers were made for operations in the applicable fund.

Note 10 - Risk Management

The City of Buckeye, Arizona, 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 insurance protection is provided by the Arizona Municipal Risk Retention Pool, of which the City is a participating member. The limit for basic coverage is for \$3,000,000 per occurrence on a claims made basis. Excess coverage is for an additional \$3,000,000 per occurrence on a follow form, claims made basis. No significant reduction in insurance coverage occurred during the year and no settlements exceeded insurance coverage during any of the past three fiscal years.

The Arizona Municipal Risk Retention Pool is structured such that member premiums are based on an actuarial review that will provide adequate reserves to allow the pool to meet its expected financial obligations. The pool has the authority to assess its members' additional premiums should reserves and annual premiums be insufficient to meet the pool's obligations.

The City is also insured by Arizona Municipal Workers Compensation Fund for potential worker related accidents.

Note 11 - Retirement Plans

The City contributes to the three plans described below. The plans are component units of the State of Arizona. At June 30, 2015, the City reported the following aggregate amounts related to pensions for all plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities	Business-Type Activities	Total
Net pension liabilities	\$ 28,067,793	\$ 3,298,389	\$ 31,366,182
Deferred outflows of resources	12,565,461	1,131,784	13,697,245
Deferred inflows of resources	4,419,979	576,786	4,996,765
Pension Expense	3,910,158	472,993	4,383,151

The City reported \$3,523,666 of pension expenditures in the governmental funds related to all pension plans to which it contributes.

Arizona State Retirement System

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 Web site at www.azasrs.gov.

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

	Initial Membership Date	
	Before July 1, 2011	On or after July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equal 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% per year of service	2.1% to 2.3%	2.1% to 2.3%

*With actuarially reduced benefits

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.

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, 2015, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.6 percent (11.48 percent for retirement and 0.12 percent for long-term disability) of the members' annual covered payroll, and the City was required by statute to contribute at the actuarially determined rate of 11.6 percent (10.89 percent for retirement, 0.59 percent for health insurance premium benefit, and 0.12 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 9.57 percent (9.51 percent for retirement and 0.06 percent for long-term disability) of annual covered payroll of retired members who worked for the City in positions that would typically be filled by an employee who contributes to the ASRS. The City's contributions to the pension plan for the year ended June 30, 2015, were \$1,700,819. The City's contributions for the current and 2 preceding years for OPEB, all of which were equal to the required contributions, were as follows:

Year ended June 30:	<u>Health Benefit Supplement Fund</u>	<u>Long-Term Disability Fund</u>
2015	\$ 86,507	\$ 17,595
2014	87,973	35,189
2013	95,305	35,189

During fiscal year 2015, the City paid for ASRS pension and OPEB contributions as follows: 74% from the General Fund, 25% from major funds, and 1% from other funds.

Pension Liability – At June 30, 2015, the City reported a liability of \$22,489,006 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using updated procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014.

The City's reported liability at June 30, 2015, increased to \$22,489,006 from the City's prior year liability of \$19,506,073 because of changes in the ASRS' net pension liability and the City's proportionate share of that liability. The ASRS' publicly available financial report provides details on the change in the net pension liability.

The City's proportion of the net pension liability was based on accrued retirement contributions for employers that were members of the ASRS as of June 30, 2014. The City's proportion measured as of June 30, 2014 was 0.151988%, which was an increase of 0.034654% from its proportion measured as of June 30, 2013.

Pension Expense and Deferred Outflows/Inflows of Resources – For the year ended June 30, 2015, the City recognized pension expense for ASRS of \$3,224,950. At June 30, 2015, and the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,142,957	\$ -
Difference between projected and actual investment earnings	-	3,932,633
Changes in proportion and differences between City contributions and proportionate share of contributions	4,013,625	-
City contributions subsequent to the measurement date	1,700,819	-
	\$ 6,857,401	\$ 3,932,633

The \$1,700,819 reported as deferred outflows of resources related to ASRS pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year ending June 30:	
2016	\$ 1,258,835
2017	1,258,835
2018	(310,561)
2019	(983,160)
Total	\$ 1,223,949

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

Actuarial valuation date	June 30, 2013
Actuarial roll forward date	June 30, 2014
Actuarial cost method	Entry age normal
Investment rate of return	8%
Projected salary increases	3% - 6.75%
Inflation	3%
Permanent benefit increase	Included
Mortality rates	1994 GAM Scale BB

Actuarial assumptions used in the June 30, 2013, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2012.

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.79% using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	63%	4.43%
Fixed income	25%	0.80%
Real estate	8%	0.18%
Commodotieis	4%	0.38%
Total	100%	5.79%
Inflation		3.00%
Expected arithmetic nominal return		8.79%

Discount Rate – The discount rate used to measure the ASRS total pension liability was 8%, which is less than the long-term expected rate of return of 8.79%. 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 pension 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the ASRS Net Pension Liability to Changes in the Discount Rate – The following table presents the City’s proportionate share of the net pension liability calculated using the discount rate of 8%, 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 (7%) or 1 percentage point higher (9%) than the current rate:

	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
Authority's proportionate share of the net pension liability	\$ 28,424,950	\$ 22,489,006	\$ 19,268,458

Public Safety Personnel Retirement System (PSPRS)

Plan Descriptions – City’s police employees and fire employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS). The PSPRS administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium benefit (OPEB) plan (agent plans). A seven-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.

The PSPRS issue publicly available financial reports that include their financial statements and required supplementary information. The reports are available on the PSPRS Web site at www.psprs.com.

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

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

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

Employees Covered by Benefit Terms – At June 30, 2015, the following employees were covered by the agent pension plans’ benefit terms:

	PSPRS Police	PSPRS Fire
Inactive employees or beneficiaries currently receiving benefits	14	-
Inactive employees entitled to but not yet receiving benefits	5	2
Active employees	84	82
Total	103	84

Contributions and Annual OPEB Cost – State statutes establish the pension contribution requirements for active PSPRS. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS 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, 2015, are indicated below. Rates are a percentage of active members’ annual covered payroll.

	PSPRS Police	PSPRS Fire
Active members		
Pension	11.05%	11.05%
City		
Pension	16.39%	11.21%
Health insurance premium benefit	0.79%	0.72%
City Total	17.18%	11.93%

In addition, the City was required by statute to contribute at the actuarially determined rate of 19.65% for the PSPRS of annual covered payroll of retired members who worked for the City in positions that would typically be filled by an employee who contributes to the PSPRS.

For the agent plans, the City’s contributions to the pension plan and annual OPEB cost and contributions for the health insurance premium benefit for the year ended June 30, 2015, were:

	PSPRS Police	PSPRS Fire
Pension contributions made	\$ 1,153,032	\$ 922,926
Health insurance premium benefit OPEB contributions made	82,029	42,596

During fiscal year 2015, the City paid for PSPRS pension and OPEB contributions 100% from the General Fund.

Pension Liability – At June 30, 2015, the City reported the following net pension liabilities:

	Net Pension Liability
PSPRS Police	\$ 7,604,236
PSPRS Fire	1,272,939

The net pension liabilities were measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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

Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Discount rate	7.85%
Projected salary increases	4.0% - 8.0%
Inflation	4.00%
Permanent benefit increase	Included
Mortality rates	RP-200 mortality table (adjusted by 105% for both males and females)

Actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2011.

The long-term expected rate of return on PSPRS pension plan investments was determined to be 7.85% using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension 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:

	Target Allocation	Long-Term Expected Real Rate of Return
Asset Class		
Short term investments	2%	3.25%
Absolute return	4%	6.75%
Risk parity	4%	6.04%
Fixed income	7%	4.75%
Real assets	8%	5.96%
GTAA	10%	5.73%
Private equity	11%	9.50%
Real estate	11%	6.50%
Credit opportunities	13%	8.00%
Non-U.S. equity	14%	8.63%
U.S. equity	16%	7.60%
	100%	
Total		

Pension Discount Rates – The PSPRS Police and PSPRS Fire used a discount rate of 7.85% to measure the total pension liabilities.

The projection of cash flows used to determine the PSPRS discount rates 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 the actuarially determined contribution rate and the member rate. Based on those assumptions, the pension 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

PSPRS Police	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2014	\$ 16,609,427	\$ 11,375,615	\$ 5,233,812
Changes for the year:			
Service cost	980,797	-	980,797
Interest on the total pension liability	1,317,252	-	1,317,252
Changes of benefit terms	159,238	-	159,238
Differences between expected and actual experience in the measurement of the pension liability	1,747,466	-	1,747,466
Changes of assumptions	1,369,971	-	1,369,971
Contributions - employer	-	1,006,884	(1,006,884)
Contributions - employee	-	633,425	(633,425)
Net investment income	-	1,584,629	(1,584,629)
Benefit payments, including refunds of employee contributions	(639,100)	(639,100)	-
Other changes	-	(20,638)	20,638
Net changes	4,935,624	2,565,200	2,370,424
Balances at June 30, 2015	<u>\$ 21,545,051</u>	<u>\$ 13,940,815</u>	<u>\$ 7,604,236</u>

PSPRS Fire	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
	(a)	(b)	(a) - (b)
Balances at June 30, 2014	\$ 11,298,809	\$ 11,097,475	\$ 201,334
Changes for the year:			
Service cost	1,046,482	-	1,046,482
Interest on the total pension liability	928,031	-	928,031
Changes of benefit terms	(42,676)	-	(42,676)
Differences between expected and actual experience in the measurement of the pension liability	1,956,924	-	1,956,924
Changes of assumptions	232,886	-	232,886
Contributions - employer	-	967,398	(967,398)
Contributions - employee	-	679,303	(679,303)
Net investment income	-	1,580,157	(1,580,157)
Benefit payments, including refunds of employee contributions	-	-	-
Other changes	-	(176,816)	176,816
Net changes	4,121,647	3,050,042	1,071,605
Balances at June 30, 2015	\$ 15,420,456	\$ 14,147,517	\$ 1,272,939

Sensitivity of the City's Net Pension Liability to Changes in the Discount Rate – The following table presents the City's net pension liabilities calculated using the discount rates noted above, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (6.85%)	Current Discount Rate (7.85%)	1% Increase (8.85%)
PSPRS Police	\$ 10,880,899	\$ 7,604,236	\$ 4,925,766
PSPRS Fire	4,125,357	1,272,939	(1,045,210)
City's net pension liability	\$ 15,006,256	\$ 8,877,175	\$ 3,880,556

Pension Plan Fiduciary Net Position – Detailed information about the pension plans' fiduciary net position is available in the separately issued PSPRS financial reports.

Pension Expense – For the year ended June 30, 2015, the City recognized \$835,473 for PSPRS Police and \$322,728 for PSPRS Fire in pension expense.

Pension Deferred Outflows/Inflows of Resources – At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PSPRS Police	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 1,540,076	\$ -
Changes in assumptions	1,207,382	-
Difference between projected and actual investment earnings	-	532,818
City contributions subsequent to the measurement date	<u>1,153,032</u>	<u>-</u>
	<u>\$ 3,900,490</u>	<u>\$ 532,818</u>
PSPRS Fire		
Difference between expected and actual experience	\$ 1,801,981	\$ -
Changes in assumptions	214,447	-
Difference between projected and actual investment earnings	-	531,314
City contributions subsequent to the measurement date	<u>922,926</u>	<u>-</u>
	<u>\$ 2,939,354</u>	<u>\$ 531,314</u>

The amounts reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (or an increase in the net pension asset) in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>PSPRS Police</u>	<u>PSPRS Fire</u>
Year ending June 30:		
2016	\$ 236,774	\$ 40,553
2017	236,774	40,553
2018	236,774	40,553
2019	236,774	40,553
2020	369,978	173,382
Thereafter	<u>897,566</u>	<u>1,149,520</u>
Total	<u>\$ 2,214,640</u>	<u>\$ 1,485,114</u>

Agent Plan OPEB Trend Information – The table below presents the annual OPEB cost information for the health insurance premium benefit for the current and 2 preceding years:

Year ending June 30:	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation
PSPRS Police			
2015	\$ 82,029	100%	\$ 82,029
2014	80,880	100%	80,880
2013	81,774	100%	81,774
PSPRS Fire			
2015	42,596	100%	42,596
2014	36,703	100%	36,703
2013	36,588	100%	36,588

Agent Plan OPEB Actuarial Assumptions – Actuarial valuations involve estimates of the reported amounts’ value and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plans and the annual required contributions are subject to continual revision as actual results are compared to past expectations and new estimates are made. The required schedule of funding progress for the health insurance premium benefit presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of the plans’ assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits are based on (1) the plans as understood by the City and plans’ members and include the types of benefits in force at the valuation date, and (2) the pattern of sharing benefit costs between the City and plans’ members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The significant actuarial methods and assumptions used are the same for all PSPRS plans and related benefits (unless noted), and the actuarial methods and assumptions used to establish the fiscal year 2015 contribution requirements, are as follows:

PSPRS – OPEB Contribution Requirements

Actuarial valuation date	June 30, 2013
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	23 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 20% corridor
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases	4.5% - 8.5%
Wage growth	4.5%

The funded status of the all the PSPRS health insurance premium benefit plans in the June 30, 2014, actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

PSPRS – OPEB Funded Status

Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	22 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 20% corridor
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases	4.0% - 8.0%
Wage growth	4.0%

Agent Plan OPEB Funded Status – The following table presents the funded status of the health insurance premium benefit plans as of the most recent valuation date, June 30, 2014.

	PSPRS Police	PSPRS Fire
Actuarial value of assets (a)	\$ 423,169	\$ 316,047
Actuarial accrued liability (b)	436,816	411,619
Unfunded actuarial accrued liability (funding excess) (b) - (a)	13,647	95,572
Funded ration (a)/(b)	96.9%	76.8%
Annual covered payroll (c)	6,415,170	6,576,844
Unfunded actuarial accrued liability as a percentage of covered payroll (b) - (a)/(c)	0.2%	1.5%

Firefighters' Relief and Pension Fund

The City of Buckeye 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. According to state statute, a volunteer firefighter who has served for 25 years or more or has reached 60 years of age and has served 20 years or more shall be eligible to receive a monthly retirement not to exceed \$150 per month, as determined by the board of trustees. Such pension, if paid, may be increased or decreased in amount, or discontinued at the discretion of the board of trustees. Pension and relief benefits may only be paid from the income of the trust fund.

However, a firefighter who leaves the service without being eligible for retirement benefits is entitled to all previous deductions from his salary plus interest at a rate determined by the board of trustees. As established by state statute, in lieu of another acceptable pension plan, all volunteer firefighters must participate in the pension plan from the date they enter service.

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, 2015, there were no contributions made.

No pension provision changes occurred during the year that affected the required contributions made by the City or its volunteer firefighters.

The Firefighters' Relief and Pension Fund held no securities of the City or other related parties during the fiscal years or as of the close of the fiscal year.

Postemployment Health Plan

The City's post-employment health benefit plan is a defined contribution health benefit plan established by the City in May of 2013 to provide health benefits at retirement to qualified general and public safety employees of the City. The plan is administered by the Nationwide Retirement Solutions. At June 30, 2015, there were 88 plan members. Plan membership is required at a cost of \$10 plus 0.50 percent of covered salary per pay period to the employee. The City does not contribute to the plan. Plan provisions and contribution requirements are established and may be amended by the City Council.

Note 12 - Contingent Liabilities

Lawsuits - The City is a defendant in various lawsuits. In the opinion of the City's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the City except as noted below.

In 2013, the City settled a legal action brought by a group of developers alleging that the City has breached the terms of a Letter of Understanding and Memorandum of Understanding between the City and the developers. Under the settlement, the City has agreed to provide monetary relief up to \$7,250,000, to be paid in an initial payment of \$2,250,000, with the remaining \$5,250,000 contingent upon occurrence of connections.

The contingent amount payable by the City for each connection shall be the following amounts:

- For each single family home or unit connection, an amount equal to \$1,250; and
- For each commercial, industrial or other non-residential connection, an amount equal to the lesser of (A) \$5,000, or (B) 25% of the amount normally charged as a sewer connection fee for such type of building.

The \$2,250,000 initial payment has been included in the Propriety Funds Statement of Revenues, Expenses, and Changes in Fund Net Position for the year ended June 30, 2013. As of June 30, 2015, the City has not recorded a provision for the remaining \$5,250,000 as the liability is contingent upon occurrence of connections and management does not believe payment of the entire amount is probable. The City believes, however, that any liability it may incur would not have a material adverse effect on its financial condition or its results of operations. As of June 30, 2015, the City has paid out one single family home or unit connection during the current fiscal year which totaled approximately \$1,330.

Note 13 - Adoption of New Accounting Standards

As of July 1, 2014, the City adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The implementation of these standards requires governments calculate and report the costs and obligations associated with pensions in their basic financial statements. Employers are required to recognize pension amounts for all benefits provided through the plan which include the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. The effect of the implementation of these standards on beginning net position is disclosed in Note 13 and the additional disclosures required by these standards are included in Note 11.

Note 14 - Prior Period Restatements

It was noted that the City’s finance department improperly recorded the utility billing revenue for the Water and Sewer Funds, which resulted in an overstatement of both revenue and receivable in the prior year. The result of this overstatement was the prior years ending net position for the Water and Sewer fund were overstated.

Therefore, a prior period adjustment to the financial statements as of the beginning of the fiscal year was required to adjust the City’s beginning net position for the amount of \$1,054,609 and \$382,912 for the Water and Sewer Funds, respectively.

Beginning net position of governmental activities, business-type activities and enterprise funds was adjusted for the impact of the adoption of new accounting standards, as described in Note 13.

The total effect on beginning balances of net position is as follows:

	Governmental Activities	Business-Type Activities
Net position - beginning of year (as previously stated)	\$ 328,473,801	\$ 285,230,721
Net Pension Liability ASRS, beginning of year (Note 13)	(15,394,224)	
Major Enterprise Fund - Airport		(71,453)
Major Enterprise Fund - Sewer		(973,208)
Major Enterprise Fund - Water		(1,410,823)
Non-major Enterprise Fund - Solid Waste		(190,398)
Net Pension Liability PSPRS, beginning of year (Note 13)	(4,019,220)	-
Correction of an error	-	(1,437,521)
Net position, beginning of year (as restated)	\$ 309,060,357	\$ 281,147,318

Note 15 - Subsequent Events

On July 14, 2015, the City entered into a Settlement Agreement for a Stipulated Condemnation of a water company known as Global Water (The Water Company), this condemnation allowed the City to acquire the Water Company's assets and liabilities for a stipulated amount. The agreed upon just compensation for the Water Company was \$55,000,000 with a "Growth Premium" or contingent liability, that the City will pay \$3,000 per new account during the "Growth Period" (defined as January 1, 2015 through December 31, 2034) of up to \$45,000,000.

The compensation paid to the Water Company was financed through issuance of Excise Tax Revenue Obligations Series 2015 in the amount \$55,646,784, which has an interest rate of 3.5% to 5% and annual principal payments beginning July 1, 2021.

Required Supplementary Information

City of Buckeye, Arizona

Arizona State Retirement System – Schedule of the City’s Proportionate Share of the Net Pension Liability
 June 30, 2015

	Reporting Fiscal Year (Measurement Date)	
	2015 (2014)	2014 through 2006
City’s proportion of the net pension liability	0.151988%	Information
City’s proportionate share of the net pension liability	\$ 22,489,006	not available
City's covered-employee payroll	12,164,109	
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	184.88%	
Plan fiduciary net position as a percentage of the total pension liability	69.49%	

City of Buckeye, Arizona
Public Safety Personnel Retirement System – Schedule of Changes in the City’s Net Pension Liability and
Related Ratios
June 30, 2015

PSPRS Police	Reporting Fiscal Year (Measurement Date)	
	2015 (2014)	2014 through 2006
Total pension liability		Information not available
Service cost	\$ 980,797	
Interest on the total pension liability	1,317,252	
Changes of benefit terms	159,238	
Differences between expected and actual experience in the measurement of the pension liability	1,747,466	
Changes of assumptions and other inputs	1,369,971	
Benefit payments, including refunds of employee contributions	(639,100)	
Net change in total pension liability	4,935,624	
Total pension liability - beginning	16,609,427	
Total pension liability - ending (a)	\$ 21,545,051	
Plan fiduciary net position		
Contributions - employer	\$ 1,006,884	
Contributions - employee	633,425	
Net investment income	1,584,629	
Benefit payments, including refunds of employee contributions	-	
Other changes	(20,638)	
Net change in plan fiduciary net position	2,565,200	
Plan fiduciary net position - beginning	11,375,615	
Plan fiduciary net position - ending (b)	\$ 13,940,815	
City's net pension liability - ending (a) - (b)	\$ 7,604,236	
Plan fiduciary net position as a percentage of the total pension liability	64.71%	
Covered-employee payroll	6,415,170	
City's net pension liability as a percentage of covered-employee payroll	118.54%	

City of Buckeye, Arizona
Public Safety Personnel Retirement System – Schedule of Changes in the City’s Net Pension Liability and
Related Ratios
June 30, 2015

PSPRS Fire	Reporting Fiscal Year (Measurement Date)	
	2015 (2014)	2014 through 2006
Total pension liability		Information not available
Service cost	\$ 1,046,482	
Interest on the total pension liability	928,031	
Changes of benefit terms	(42,676)	
Differences between expected and actual experience in the measurement of the pension liability	1,956,924	
Changes of assumptions and other inputs	232,886	
Benefit payments, including refunds of employee contributions	-	
Net change in total pension liability	4,121,647	
Total pension liability - beginning	11,298,809	
Total pension liability - ending (a)	\$ 15,420,456	
Plan fiduciary net position		
Contributions - employer	\$ 967,398	
Contributions - employee	679,303	
Net investment income	1,580,157	
Benefit payments, including refunds of employee contributions	-	
Other changes	(176,816)	
Net change in plan fiduciary net position	3,050,042	
Plan fiduciary net position - beginning	11,097,475	
Plan fiduciary net position - ending (b)	\$ 14,147,517	
City's net pension liability - ending (a) - (b)	\$ 1,272,939	
Plan fiduciary net position as a percentage of the total pension liability	91.75%	
Covered-employee payroll	6,576,844	
City's net pension liability as a percentage of covered-employee payroll	19.35%	

City of Buckeye, Arizona
Schedule of City Pension Contributions
June 30, 2015

ASRS	Reporting Fiscal Year		
	2015	2014	2013 through 2006
Statutorily required contribution	\$ 1,700,819	\$ 1,465,966	Information not available
City's contributions in relation to the statutorily required contribution	1,700,819	1,595,526	
City's contribution deficiency (excess)	\$ -	\$ (129,560)	
City's covered-employee payroll	\$ 13,709,522	\$ 12,164,109	
City's contributions as a percentage of covered-employee payroll	12.41%	13.12%	
PSPRS Police			
	Reporting Fiscal Year		
	2015	2014	2013 through 2006
Statutorily required contribution	\$ 911,198	\$ 1,006,884	Information not available
City's contributions in relation to the statutorily required contribution	1,153,032	1,006,884	
City's contribution deficiency (excess)	\$ (241,834)	\$ -	
City's covered-employee payroll	\$ 8,598,026	\$ 6,415,170	
City's contributions as a percentage of covered-employee payroll	13.41%	15.70%	
PSPRS Fire			
	Reporting Fiscal Year		
	2015	2014	2013 through 2006
Statutorily required contribution	\$ 663,192	\$ 967,398	Information not available
City's contributions in relation to the statutorily required contribution	922,926	967,398	
City's contribution deficiency (excess)	\$ (259,734)	\$ -	
City's covered-employee payroll	\$ 7,492,914	\$ 6,576,844	
City's contributions as a percentage of covered-employee payroll	12.32%	14.71%	

Note 1 - Methods and Assumptions Used in Calculations of Actuarially Determined Contributions

The actuarially determined contribution rates in the schedule of pension contributions for PSPRS are calculated as of June 30, 12 months prior to the beginning of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

	PSPRS Police	PSPRS Fire
Valuation date	June 30, 2014	
Actuarial cost method	Individual Entry Age Normal	
Amortization method	Level Percentage of Payroll, Closed	
Remaining amortization period	24 years; if the actuarial value of assets exceeded the actuarial accrued liability, the excess was amortized over an open period of 20 years and applied as a credit to reduce the normal cost which otherwise would be payable	
Asset valuation method	7-Year smoothed market; 20% corridor	
Inflation	3.0% - 4.0% -- approximate; No explicit price inflation assumption is used in this valuation	
Salary increases	5.00% to 9.00% including inflation	
Investment rate of return	8.00%, net of investment and administrative expenses	

**Combining and Individual Fund
Statements**

City of Buckeye, Arizona

CFD Funds - Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Year Ended June 30, 2015

	Budgeted Amounts			Variance with Revised Budget Positive (Negative)
	Adopted	Revised	Actual	
Revenues				
Taxes	\$ 6,079,503	\$ 6,079,503	\$ 6,075,103	\$ (4,400)
Special assessments	5,475,871	5,475,871	6,565,368	1,089,497
Investment earnings	500	500	1,880	1,380
Other	1,074,842	1,074,842	2,325,267	1,250,425
Total revenues	<u>12,630,716</u>	<u>12,630,716</u>	<u>14,967,618</u>	<u>2,336,902</u>
Expenditures				
Current				
Miscellaneous expense	180,000	180,000	152,110	(27,890)
Debt Service				
Principal retirement	6,497,850	6,497,850	8,754,850	2,257,000
Interest on long-term debt	7,888,517	7,888,517	7,643,957	(244,560)
Contingencies	<u>6,582,218</u>	<u>6,582,218</u>	<u>-</u>	<u>(6,582,218)</u>
Total expenditures	<u>21,148,585</u>	<u>21,148,585</u>	<u>16,550,917</u>	<u>(4,597,668)</u>
Revenues over (Under)				
Expenditures	<u>(8,517,869)</u>	<u>(8,517,869)</u>	<u>(1,583,299)</u>	<u>6,934,570</u>
Other Financing Sources (Uses)				
Transfers in	5,181,288	5,181,288	4,046,498	(1,134,790)
Transfers out	<u>(5,184,588)</u>	<u>(5,184,588)</u>	<u>(3,881,882)</u>	<u>1,302,706</u>
Total other financing sources (uses)	<u>(3,300)</u>	<u>(3,300)</u>	<u>164,616</u>	<u>167,916</u>
Net Change in Funds Balances	(8,521,169)	(8,521,169)	(1,418,683)	7,102,486
Funds Balances, Beginning of Year	<u>8,411,713</u>	<u>8,411,713</u>	<u>9,663,419</u>	<u>1,251,706</u>
Funds Balances, End of Year	<u>\$ (109,456)</u>	<u>\$ (109,456)</u>	<u>\$ 8,244,736</u>	<u>\$ 8,354,192</u>

City of Buckeye, Arizona

Debt Service Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Revised Budget Positive (Negative)
	<u>Adopted</u>	<u>Revised</u>		
Revenues				
Special assessments	\$ 673,000	\$ 673,000	\$ 404,396	\$ (268,604)
Other	-	-	30,618	30,618
Total revenues	<u>673,000</u>	<u>673,000</u>	<u>435,014</u>	<u>(237,986)</u>
Expenditures				
Current				
General government	-	-	259,182	259,182
Debt Service				
Principal retirement	352,000	352,000	591,000	239,000
Interest on long-term debt	136,000	136,000	108,868	(27,132)
Contingencies	<u>723,756</u>	<u>723,756</u>	-	<u>(723,756)</u>
Total expenditures	<u>1,211,756</u>	<u>1,211,756</u>	<u>959,050</u>	<u>(252,706)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(538,756)</u>	<u>(538,756)</u>	<u>(524,036)</u>	<u>14,720</u>
Other Financing Sources (Uses)				
Transfers in	-	-	49,677	49,677
Transfers out	-	-	<u>(44,677)</u>	<u>(44,677)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Net Change in Fund Balances	(538,756)	(538,756)	(519,036)	19,720
Fund Balances, Beginning of Year	<u>538,756</u>	<u>538,756</u>	<u>527,312</u>	<u>(11,444)</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,276</u>	<u>\$ 8,276</u>

City of Buckeye, Arizona
Nonmajor Governmental Funds – Combining Balance Sheet
June 30, 2015

	Special Revenue Funds	CFD Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 723,317	\$ 2,596,642	\$ 2,716,686	\$ 6,036,645
Investments	3,408,980	846,510	6,282,900	10,538,390
Receivables, net				
Accounts	185,069	186	-	185,255
Taxes	1,182	10,538	-	11,720
Intergovernmental	-	-	-	-
Special assessments	-	-	-	-
Restricted assets	-	-	203,082	203,082
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 4,318,548</u>	<u>\$ 3,453,876</u>	<u>\$ 9,202,668</u>	<u>\$ 16,975,092</u>
Liabilities and Fund Balance				
Liabilities				
Accounts payable	\$ 617,288	\$ 284,653	\$ 253,367	\$ 1,155,308
Advanced revenue	538,921	-	94,746	633,667
Total liabilities	<u>1,156,209</u>	<u>284,653</u>	<u>348,113</u>	<u>1,788,975</u>
Fund Balance				
Restricted	3,682,463	2,316,339	8,834,902	14,833,704
Assigned	34,393	852,884	19,653	906,930
Unassigned	(554,517)	-	-	(554,517)
Total fund balance	<u>3,162,339</u>	<u>3,169,223</u>	<u>8,854,555</u>	<u>15,186,117</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balance	<u>\$ 4,318,548</u>	<u>\$ 3,453,876</u>	<u>\$ 9,202,668</u>	<u>\$ 16,975,092</u>

City of Buckeye, Arizona

Nonmajor Governmental Funds – Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2015

	Special Revenue Funds	CFD Special Revenue Fund	Capital Project Funds	Total Nonmajor Governmental Funds
Revenues				
Improvement proceeds	\$ -	\$ 645,575	\$ -	\$ 645,575
Intergovernmental	263,181	-	-	263,181
Charges for services	413,336	272,652	-	685,988
Developer agreements	-	-	528,834	528,834
Contributions and donations	1,453,614	21,600	14,503	1,489,717
Investment earnings	230	3,077	811	4,118
Other	323,958	-	69,325	393,283
Total revenues	2,454,319	942,904	613,473	4,010,696
Expenditures				
Current				
General government	981,122	2,278,719	997,441	4,257,282
Public safety	1,127,401	-	-	1,127,401
Economic development	395,362	-	-	395,362
Health and welfare	534,357	-	-	534,357
Other	-	-	9,321	9,321
Capital outlay	2,284,350	1,927,305	3,422,219	7,633,874
Total expenditures	5,322,592	4,206,024	4,428,981	13,957,597
Revenues over (Under) Expenditures	(2,868,273)	(3,263,120)	(3,815,508)	(9,946,901)
Other Financing Sources (Uses)				
Transfers in	1,413,063	3,300	1,034,388	2,450,751
Transfers out	(36,635)	(167,916)	-	(204,551)
Total other financing sources (uses)	1,376,428	(164,616)	1,034,388	2,246,200
Net Change in Fund Balances	(1,491,845)	(3,427,736)	(2,781,120)	(7,700,701)
Fund Balances, Beginning of Year	4,654,184	6,596,959	11,635,675	22,886,818
Fund Balances, End of Year	\$ 3,162,339	\$ 3,169,223	8,854,555	\$ 15,186,117

City of Buckeye, Arizona
 Nonmajor Special Revenue Funds – Combining Balance Sheet
 June 30, 2015

	032	035	037	038	039	045	073	074	075	076
	Fill the Gap Fund	R.I.C.O. Fund	V.A.L.U.E. Kids Fund	Buckeye Explorer Fund	Youth Scholarship Fund	Impound Fund	Police Department Grants Fund	Social Services/Area Agency on Aging Fund	Fire Grants Fund	Community Service Grants
Assets										
Cash and cash equivalents	\$ 32,242	\$ 30,009	\$ 3,479	\$ 10,069	\$ 20,111	\$ 3	\$ 3,640	\$ 624	\$ 41,672	\$ 140,436
Investments	-	-	-	-	-	186,068	-	264,659	-	-
Receivables, net										
Accounts	1,069	-	-	-	-	-	70,585	28,904	61,483	975
Taxes	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 33,311</u>	<u>\$ 30,009</u>	<u>\$ 3,479</u>	<u>\$ 10,069</u>	<u>\$ 20,111</u>	<u>\$ 186,071</u>	<u>\$ 74,225</u>	<u>\$ 294,187</u>	<u>\$ 103,155</u>	<u>\$ 141,411</u>
Liabilities and Fund Balance										
Liabilities										
Accounts payable	\$ -	\$ 76,656	\$ -	\$ -	\$ -	\$ 29,306	\$ 9,919	\$ 259,794	5,718	\$ 35,144
Advances	-	-	-	-	20,111	-	-	-	-	-
Total liabilities	<u>-</u>	<u>76,656</u>	<u>-</u>	<u>-</u>	<u>20,111</u>	<u>29,306</u>	<u>9,919</u>	<u>259,794</u>	<u>5,718</u>	<u>35,144</u>
Fund Balance										
Restricted	33,311	-	3,479	10,069	-	156,765	64,306	-	97,437	106,267
Assigned	-	-	-	-	-	-	-	34,393	-	-
Unassigned	-	(46,647)	-	-	-	-	-	-	-	-
Total fund balance	<u>33,311</u>	<u>(46,647)</u>	<u>3,479</u>	<u>10,069</u>	<u>-</u>	<u>156,765</u>	<u>64,306</u>	<u>34,393</u>	<u>97,437</u>	<u>106,267</u>
Total liabilities and fund balance	<u>\$ 33,311</u>	<u>\$ 30,009</u>	<u>\$ 3,479</u>	<u>\$ 10,069</u>	<u>\$ 20,111</u>	<u>\$ 186,071</u>	<u>\$ 74,225</u>	<u>\$ 294,187</u>	<u>\$ 103,155</u>	<u>\$ 141,411</u>

City of Buckeye, Arizona
 Nonmajor Special Revenue Funds – Combining Balance Sheet
 June 30, 2015

	121	033	180	041	034	122	550	630	078	660	079	
	Equipment Replacement Fund	JCEF Fund	Downtown Revitalization	Better Your Buckeye	Court Enhancement	Economic Development Reinvestment	SLID Operations	Community Services Program	Sundance Crossings	Non- Construction Improvements	Rodeo	Total
Assets												
Cash and cash equivalents	\$ 2,978	\$ 44,628	\$ -	\$ 763	\$ 86,782	\$ 143,125	\$ 69,494	\$ (2)	\$ 2	\$ 56,627	\$ 36,635	\$ 723,317
Investments	21,741	-	-	-	-	-	-	2,582,485	354,027	-	-	3,408,980
Receivables, net												
Accounts	-	-	-	-	-	-	-	-	22,053	-	-	185,069
Taxes	-	-	-	-	-	-	1,182	-	-	-	-	1,182
Total assets	\$ 24,719	\$ 44,628	\$ -	\$ 763	\$ 86,782	\$ 143,125	\$ 70,676	\$ 2,582,483	\$ 376,082	\$ 56,627	\$ 36,635	\$ 4,318,548
Liabilities and Fund Balance												
Liabilities												
Accounts payable	\$ 24,687	\$ -	\$ -	\$ -	\$ -	\$ 105,871	\$ -	\$ 225	\$ 13,341	\$ 56,627	-	\$ 617,288
Advances	-	-	507,870	-	-	-	-	-	10,940	-	-	538,921
Total liabilities	24,687	-	507,870	-	-	105,871	-	225	24,281	56,627	-	1,156,209
Fund Balance												
Restricted	32	44,628	-	763	86,782	37,254	70,676	2,582,258	351,801	-	36,635	3,682,463
Assigned	-	-	-	-	-	-	-	-	-	-	-	34,393
Unassigned	-	-	(507,870)	-	-	-	-	-	-	-	-	(554,517)
Total fund balance	32	44,628	(507,870)	763	86,782	37,254	70,676	2,582,258	351,801	-	36,635	3,162,339
Total liabilities and fund balance	\$ 24,719	\$ 44,628	\$ -	\$ 763	\$ 86,782	\$ 143,125	\$ 70,676	\$ 2,582,483	\$ 376,082	\$ 56,627	\$ 36,635	\$ 4,318,548

City of Buckeye, Arizona

Nonmajor Special Revenue Funds – Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2015

	032	035	037	038	039	045	063	073	074	075	076
	Fill the Gap Fund	R.I.C.O. Fund	V.A.L.U.E. Kids Fund	Buckeye Explorer Fund	Youth Scholarship Fund	Impound Fund	Maricopa County CAP	Police Department Grants Fund	Social Services/Area Agency on Aging Fund	Fire Grants Fund	Community Service Grants
Revenues											
Intergovernmental revenue	\$ 4,281	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	125,494	-	-	-	-	-
Contributions and donations	-	578,420	-	-	-	-	-	233,658	173,424	291,046	58,563
Investment earnings	-	-	-	-	-	-	-	-	-	-	-
Other	-	50,524	-	-	-	-	-	-	196,968	-	-
Total revenues	4,281	628,944	-	-	-	125,494	-	233,658	370,392	291,046	58,563
Expenditures											
Current											
General government	-	-	-	-	-	-	-	-	-	-	50,448
Public safety	-	608,924	-	-	-	117,332	-	178,277	-	222,868	-
Economic development	-	-	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	534,357	-	-
Capital outlay	-	177,747	-	-	-	-	-	53,359	125,180	24,068	-
Total expenditures	-	786,671	-	-	-	117,332	-	231,636	659,537	246,936	50,448
Revenues over (Under)											
Expenditures	4,281	(157,727)	-	-	-	8,162	-	2,022	(289,145)	44,110	8,115
Other Financing Sources (Uses)											
Transfers in	-	-	-	-	-	-	-	-	323,538	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	323,538	-	-
Net Change in Fund Balances	4,281	(157,727)	-	-	-	8,162	-	2,022	34,393	44,110	8,115
Fund Balances, Beginning of Year	29,030	111,080	3,479	10,069	-	148,603	-	62,284	-	53,327	98,152
Fund Balances, End of Year	\$ 33,311	\$ (46,647)	\$ 3,479	\$ 10,069	\$ -	\$ 156,765	\$ -	\$ 64,306	\$ 34,393	\$ 97,437	\$ 106,267

City of Buckeye, Arizona
 Nonmajor Special Revenue Funds – Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Year Ended June 30, 2015

	121	033	180	041	046	034	122	550	630	078	660	079	
	Equipment Replacement Fund	JCEF Fund	Downtown Revitalization	Better Your Buckeye	Special District	Court Enhancement	Economic Development Reinvestment	SLID Operations	Community Services Program	Sundance Crossings	Non- Construction Improvements	Rodeo	Total
Revenues													
Intergovernmental revenue	\$ -	\$ 10,573	\$ 19,534	\$ -	\$ -	\$ 28,898	\$ -	\$ 199,895	\$ -	\$ -	\$ -	\$ -	\$ 263,181
Charges for services	-	-	-	-	-	-	-	-	-	287,842	-	-	413,336
Contributions and donations	-	-	-	-	-	-	-	-	118,503	-	-	-	1,453,614
Investment earnings	230	-	-	-	-	-	-	-	-	-	-	-	230
Other	38,561	-	-	274	-	-	-	-	37,631	-	-	-	323,958
Total revenues	38,791	10,573	19,534	274	-	28,898	-	199,895	156,134	287,842	-	-	2,454,319
Expenditures													
Current													
General government	-	-	-	1,778	-	1,792	-	211,417	366,110	152,625	196,952	-	981,122
Public safety	-	-	-	-	-	-	-	-	-	-	-	-	1,127,401
Economic development	-	-	-	-	-	-	395,362	-	-	-	-	-	395,362
Health and welfare	-	-	-	-	-	-	-	-	-	-	-	-	534,357
Capital outlay	1,658,409	-	-	-	-	-	74,457	-	171,130	-	-	-	2,284,350
Total expenditures	1,658,409	-	-	1,778	-	1,792	469,819	211,417	537,240	152,625	196,952	-	5,322,592
Revenues over (Under)													
Expenditures	(1,619,618)	10,573	19,534	(1,504)	-	27,106	(469,819)	(11,522)	(381,106)	135,217	(196,952)	-	(2,868,273)
Other Financing Sources (Uses)													
Transfers in	548,866	-	-	-	-	-	307,072	-	-	-	196,952	36,635	1,413,063
Transfers out	-	-	-	-	-	-	-	-	(36,635)	-	-	-	(36,635)
Total other financing sources (uses)	548,866	-	-	-	-	-	307,072	-	(36,635)	-	196,952	36,635	1,376,428
Net Change in Fund Balances	(1,070,752)	10,573	19,534	(1,504)	-	27,106	(162,747)	(11,522)	(417,741)	135,217	-	36,635	(1,491,845)
Fund Balances, Beginning of Year	1,070,784	34,055	(527,404)	2,267	-	59,676	200,001	82,198	2,999,999	216,584	-	-	4,654,184
Fund Balances, End of Year	\$ 32	\$ 44,628	\$ (507,870)	\$ 763	\$ -	\$ 86,782	\$ 37,254	\$ 70,676	\$ 2,582,258	\$ 351,801	\$ -	\$ 36,635	\$ 3,162,339

Statistical Section (Unaudited)

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CITY OF BUCKEYE, ARIZONA

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

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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

Continuing Disclosure Requirements – *The District currently does not obtain audited financial statements*

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City Of Buckeye
Property Tax Levies and Rates
For The Periods Indicated

Year	Secondary			Primary			Total		
	AV	Levy	Rate/\$100	AV	Levy	Rate/\$100	Levy	Rate/\$100	
FY 09-10	\$595,778,177	\$0	\$0.0000	\$483,890,822	\$4,282,918	\$0.8851	\$4,282,918	\$0.8851	
FY 10-11	\$430,499,390	\$0	\$0.0000	\$402,367,355	\$4,781,332	\$1.1883	\$4,781,332	\$1.1883	
FY 11-12	\$322,876,453	\$0	\$0.0000	\$315,361,719	\$5,065,024	\$1.6061	\$5,065,024	\$1.6061	
FY 12-13	\$300,289,266	\$0	\$0.0000	\$295,509,637	\$5,332,766	\$1.8046	\$5,332,766	\$1.8046	
FY 13-14	\$287,873,371	\$0	\$0.0000	\$282,005,064	\$5,079,332	\$1.8011	\$5,079,332	\$1.8011	
FY 14-15	\$324,277,466	\$0	\$0.0000	\$296,070,299	\$5,332,600	\$1.8011	\$5,332,600	\$1.8011	

City Of Buckeye
 Direct and Overlapping Property Tax Rates - Does not Include Special Districts
 For The Years Indicated
 (rate per \$100.00 of assessed value)

Fiscal Year	Tax	City Of Buckeye	Maricopa County	Library District	Flood Control District	Fire District Assistance	Central AZ Water Conservation District	Maricopa Health Care District	West Maricopa Education Center	Community College District	Buckeye Valley Rural Fire District	Wickenburg School District	Liberty School District	Arlington School District	Palo Verde School District	Agua Fria		Litchfield		Buckeye		Buckeye Union High School District	Buckeye School District
																Union High School District #216	Elementary School District #79	Elementary School District #78	Saddle Mtn. District #90	Elementary School District #33	Union High School District #201		
FY 09-10	Primary	0.8851	0.9809	-	-	0.0057	0.1000	0.0914	-	0.7246	-	3.6060	1.4854	0.6241	1.8630	-	1.6153	0.6430	4.2307	1.6158	1.2406	0.9803	
	Secondary	-	-	0.0353	0.1367	-	0.1000	0.0914	-	0.1598	2.5458	0.8439	1.1753	0.1532	0.6661	-	1.0062	0.4722	-	-	-	-	-
FY 10-11	Primary	1.1883	1.0508	-	-	-	-	-	-	0.7926	-	2.4014	1.9639	0.5520	1.5408	2.1600	1.6167	0.7529	3.3536	1.7454	1.8656	1.0551	
	Secondary	-	-	0.0412	0.1489	0.0066	0.1000	0.1122	-	0.1802	2.5458	1.1585	1.3425	0.1578	0.8488	0.8300	1.2963	0.6119	1.8656	1.0551			
FY 11-12	Primary	1.6061	1.2407	-	-	0.0084	0.1000	0.1494	-	1.0123	-	3.0483	1.8682	0.5837	2.2721	1.8862	1.9408	0.7666	3.1982	2.1982	1.8674	0.8752	
	Secondary	-	-	0.0492	0.1780	-	0.1000	0.1683	-	0.1959	3.1000	1.4037	1.3302	0.1729	1.5239	0.9900	1.3182	0.4446	1.8674	0.8752			
FY 12-13	Primary	1.8046	1.2407	-	-	0.0110	0.1000	-	-	1.1663	-	3.4020	2.0706	0.5836	2.4512	2.0437	2.3102	0.5988	4.0276	2.3755	2.0678	1.0457	
	Secondary	-	-	0.0492	0.1780	-	0.1000	0.1683	-	0.2215	3.1000	1.6500	1.4688	0.1874	1.6276	1.1255	1.5761	0.4770	2.0678	1.0457			
FY 13-14	Primary	1.8011	1.2807	-	-	-	-	-	-	1.2896	-	3.7838	1.9056	0.9200	2.3096	2.2936	2.4367	1.1538	3.6619	2.5435	2.1952	1.1136	
	Secondary	-	-	0.0438	0.1392	0.0121	0.1400	0.1939	0.0592	0.2444	3.1000	0.5540	1.5465	0.1863	1.7073	1.2787	1.5405	0.6178	2.1952	1.1136			
FY 14-15	Primary	1.8011	1.3209	-	-	-	-	-	-	1.2824	-	3.9188	2.8010	1.1126	2.1696	2.9900	2.3282	2.1955	3.7761	2.3817	2.1411	1.1274	
	Secondary	-	-	0.0556	0.1392	0.0113	0.1400	0.1856	0.0810	0.2363	3.2500	1.6308	1.7001	0.1794	1.8555	1.2105	1.4498	0.4309	2.1411	1.1274			

Source: County Assessor's Records

City Of Buckeye
Property Tax Levies and Collections
For The Periods Indicated

Fiscal Year	Levy	Collections	Percentage Collected	Prior Year Collections	Total Collected
FY 09-10	4,282,676	4,019,577	93.86%	144,561	4,164,138
FY 10-11	4,781,331	4,522,965	94.60%	183,572	4,706,537
FY 11-12	5,065,024	4,867,847	96.11%	27,092	4,894,939
FY 12-13	5,332,766	5,078,892	95.24%	120,989	5,199,881
FY 13-14	5,079,332	4,972,701	97.90%	75,602	5,048,303
FY 14-15	5,332,600	5,223,633	97.96%		5,223,633

Source: Maricopa Assessors Office

City Of Buckeye
City Transaction Privilege Tax (TPT) Revenues
For The Periods Indicated

TPT Rate Increase From 2% To 3% Effective October 1, 2010

Industry Group	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
Mining	13,858	27,910	23,116	28,254	29,558	27,256
Telecom	560,214	506,308	638,909	734,060	837,402	905,795
Utilities	231,377	656,102	969,451	1,090,388	1,171,923	1,268,954
Trans & Warehouse	13,232	10,604	9,843	7,927	6,663	6,993
Construction	3,658,662	2,977,754	2,931,187	3,704,513	3,900,771	4,941,173
Retail	4,167,525	5,848,314	7,084,862	7,569,138	7,734,984	8,652,003
Real Estate Rentals	779,193	1,067,076	1,412,951	1,583,838	1,655,073	1,942,635
Rest. & Bars	459,774	736,748	987,256	1,142,134	1,189,310	1,356,620
Hotels	39,588	47,669	53,227	59,707	52,166	49,247
Svcs, Fin, Ins	149,910	234,262	248,639	285,153	332,258	379,308
Arts & Entertain	109,461	159,331	180,693	143,920	132,041	147,221
Other	822	-	-	-	-	-
Brits Charges	(3,119)	-	-	-	-	-
Total	10,180,495	12,272,078	14,540,134	16,349,032	17,042,149	19,677,204

**City Of Buckeye
Direct and Overlapping Sales Tax Rates,
For The Periods Indicated**

Fiscal Year	Buckeye*	Maricopa County		Arizona State	TOTAL
		Road	Jail		
FY 09-10	2.00%	0.50%	0.20%	6.60%	9.30%
FY 10-11	3.00%	0.50%	0.20%	6.60%	10.30%
FY 11-12	3.00%	0.50%	0.20%	6.60%	10.30%
FY 12-13	3.00%	0.50%	0.20%	5.60%	9.30%
FY 13-14	3.00%	0.50%	0.20%	5.60%	9.30%
FY 14-15	3.00%	0.50%	0.20%	5.60%	9.30%

Source: Arizona Department of Revenue

*Buckeye's 3.00% Tax Rate went into effect 10/1/2010

City Of Buckeye
Selected Demographic and Economic Statistics
For The Periods Indicated

Fiscal Year	Population 1 Estimates July 1	Personal Income 2	Per Capita Personal Income	Unemployment Rate 3
FY 09-10	51,560	2,532,460,944	49,117	11.5%
FY 10-11	51,019	1,999,638,686	39,194	9.8%
FY 11-12	52,334	2,363,246,438	45,157	10.2%
FY 12-13	54,102	1,968,663,576	36,388	8.9%
FY 13-14	56,459	2,190,496,282	38,798	8.5%
FY 14-15	58,745	2,347,391,455	39,959	7.4%

Sources: 1 Arizona Economics Estimates Commission
2 Arizona Economics Estimates Commission
3: Arizona Office of Employment Statistics

**City Of Buckeye
Principal Employers,
For FY 14-15**

Employer	Employees	Rank	Percentage of Principal City Employment
State Of Arizona	1,088		28%
Wal-Mart Disribution Center	800		20%
Buckeye Elementary School District No. 33	450		11%
City of Buckeye	420		11%
Buckeye Union High School District 201	350		9%
Litchfield Elementary School District #79	225		6%
Fry's Food Store	188		5%
Lowe's Home Improvement	150		4%
Agua Fria Union High School District 216	138		4%
DMB Verrado Golf, LLC	112		3%
Total	3,921		100.00%

Sources:

MAG Employer Database
Hoover's Inc., a D&B Company

**City Of Buckeye
Authorized Positions**

Program/Department	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
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Mayor & Council	1.00	1.00	1.00	1.00	2.00	2.00
Manager	9.00	2.00	2.00	2.00	5.00	5.00
Procurement	-	-	-	-	3.00	6.00
Marketing and Comm		-	-	-	-	3.00
Economic Development	-	1.00	3.00	3.00	5.00	3.00
Administrative Services	-	1.00	2.00	2.00	2.00	-
Clerk	4.00	3.00	3.00	3.00	4.00	4.00
Finance	18.00	11.00	11.00	11.00	8.00	8.00
Human Resources	7.50	5.50	6.00	6.00	8.00	7.00
Information Technology	6.00	6.00	6.00	8.00	8.00	9.00
Administration	45.50	30.50	34.00	36.00	45.00	47.00

Comm Services Admin	5.50	3.00	3.60	4.80	5.80	5.50
Library	7.00	8.00	8.00	8.88	9.00	15.00
Parks	11.00	4.50	6.50	6.50	6.00	8.00
Recreation	8.50	6.50	5.50	7.50	6.00	5.00
Senior Programs	6.00	7.00	6.65	7.20	7.20	7.50
CAP	1.00	3.00	3.75	-	-	-
Community Services	46.25	32.00	34.00	34.88	34.00	41.00

Fire	87.00	83.00	83.00	88.00	90.00	90.00
Magistrate Court	6.50	6.50	6.50	6.50	6.80	6.80
Police	94.50	95.00	97.00	112.00	117.50	118.50
Public Safety	188.00	184.50	186.50	206.50	214.30	215.30

Comm Development	12.00	6.50	8.00	22.00	12.00	11.00
Engineering	-	-	-	-	14.00	14.00
Building Safety	14.00	8.30	8.30	11.00	11.00	11.00
Development Services	26.00	14.80	16.30	33.00	37.00	36.00

**City Of Buckeye
Authorized Positions**

Program/Department	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
Public Works Admin	2.00	1.50	1.25	2.25	2.25	2.25
Facility Maintenance	8.00	2.00	2.00	3.00	3.00	4.00
Vehicle Maintenance	8.00	5.00	5.00	6.00	6.00	6.00
Solid Waste Enterprise	2.40	3.31	3.31	3.31	3.98	4.31
Airport Enterprise	2.00	0.50	0.25	0.25	1.25	1.25
Streets	15.00	15.00	15.50	19.50	20.50	20.50
Public Works	37.40	27.31	27.31	34.31	36.98	38.31
Water & Wastewater	36.10	36.69	40.69	47.69	55.02	59.69
Global Water Company		0.00	0.00	0.00	0.00	0.00
Total	379.25	325.80	338.80	392.38	422.30	437.30
Population	51,560	51,019	52,334	54,102	56,459	58,745
Positions Per 1000 Capita		6.39	6.47	7.25	7.48	7.44

City Of Buckeye Selected Financial Indicators
For FY 13-14

Indicators	Budget FY 10-11	Budget FY 11-12	Budget FY 12-13	Budget FY 13-14	Budget FY 14-15
Population @ July 1	51,019	52,334	54,102	56,459	58,745
Annual Percent Change	-1.05%	2.58%	3.38%	4.36%	4.05%
Net Assessed Valuation (NAV)	\$ 425,009,460	\$ 322,876,453	\$ 300,289,266	\$ 287,873,371	\$ 324,277,466
Annual Percent Change	-28.66%	-24.03%	-7.00%	-4.13%	12.65%
Fulltime Positions/1000Capita	6.39	6.47	7.25	7.48	7.39
Annual Percent Change	-13.18%	1.38%	12.03%	3.13%	-1.16%
General Fund Beginning Fund Balance	\$ 6,276,479	\$ 8,251,981	\$ 15,541,083	\$ 20,622,096	\$ 20,073,847
Annual Percent Change	-26.60%	31.47%	88.33%	32.69%	-2.66%
Full Cash Value	\$ 4,197,534,786	\$ 3,148,151,090	\$ 2,926,795,965	\$ 2,805,783,343	\$ 3,634,843,505
Annual Percent Change	-23.67%	-25.00%	-7.03%	-4.13%	29.55%

City Of Buckeye
 Estimated Bond Covenant Calculations
 FY 14-15

Acct No	Operating Revenues and Expenditures	Unaudited FY 14-15
	Water & Sewer Operating Revenues	17,053,675
	Water & Sewer Operating Expenditures	12,094,833
	Revenues less Expenditures	4,958,842
	WIFA Debt Service	1,250,407
	Series 2015 Interest	-
	Total D/S Subject to Coverage Ratio	1,250,407
Bond Covenant Coverage Ratio Requirement		1.20
	D/S Coverage Ratio	3.97

City Of Buckeye
GADA and Excise Tax Loan/Bond Covenant Calculations
For FY 14-15

Bonds/Loans	Prin	Int	Unaudited FY 14-15
GADA 2005	530,000	348,738	878,738
GADA 2006	345,000	654,576	999,576
GADA 2007	70,000	86,594	156,594
Total GADA FY 14-15 D/S	945,000	1,089,908	2,034,908
Excise Tax Bonds - Refunding	185,000	46,775	231,775
Total Debt Payments that have an Excise Tax Covenant	1,130,000	1,136,683	2,266,683

Total FY 14-15 Excise Tax Pledged Revenues			35,745,261
Bond Covenant Coverage Ratio Requirement			2.00
Actual Coverage Ratio			15.77

City Sales Tax	19,757,223
Business Licenses	197,723
Franchise Fees	2,542,964
Charges for Services	1,995,823
Fines and Forfeitures	495,028
State-Shared Sales Taxes	4,598,000
State-Shared Income Taxes	6,158,500
Total FY 14-15 Excise Tax Pledged Revenues	35,745,261

Continuing Disclosure Annual Report

Relating To

\$1,448,000

**FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO. 1
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2005
CUSIP: 315599**

\$1,868,000

**FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICTS NO. 2 AND 3
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2007
CUSIP: 315599**

\$1,784,000

**FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICTS NO. 4 AND 5
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2007
CUSIP: 315599**

Submitted:

February 1, 2015

Continuing Disclosure Annual Report

Pursuant to Rule 15c2-12(b)(5) of the Securities and Exchange Commission, this Continuing Disclosure Annual Report will be submitted to the Electronic Municipal Market Access (EMMA) system and the EMMA Continuing Disclosure Service of the Municipal Securities Rulemaking Board (MSRB), as a repository for municipal continuing disclosure information.

Website: www.emma.msrb.org

Continuing Disclosure Annual Report

Overlapping General Obligation Bonded Indebtedness

Overlapping Jurisdiction	2014-15 Net Secondary Assessed Valuation	Net Outstanding Bonded Debt (a)	Proportion Applicable to the District		2014-15 Combined Tax Rate Per \$100 Assessed
			Approx. Percent	Amount	
State of Arizona	\$55,352,051,074	None	0.27%	None	\$0.0000
Maricopa County	35,079,646,593	None	0.92%	None	2.3615 (b)
Maricopa CCCD	35,079,646,593	712,735,000	0.12%	867,440	1.5187
Western Maricopa Education Center	13,001,754,611	59,045,000	0.33%	193,887	0.0810
Wickenburg Unified SD #9	147,466,078	9,136,000	1.74%	158,966	5.5504
Town of Buckeye	324,277,466	None	13.17%	None	1.8011
Festival Ranch CFD	42,693,971	13,660,000	100.00%	13,660,000	2.9636
Total Net Direct and Overlapping General Obligation Bonded Debt				<u>\$14,880,293</u>	<u>\$14.2763</u>

(a) Net outstanding bonded debt for various jurisdictions.

(b) The County's tax rate includes the \$0.1400 tax rate of the Central Arizona Project, the \$0.1856 tax rate of the Maricopa County Health Care District, the \$0.1392 tax rate of the Maricopa County Flood Control District, the \$0.0556 tax rate of the Maricopa County Free Library, the \$0.0113 tax rate for the contribution to the Maricopa County Fire District, the \$0.5089 tax rate of the County Education Equalization and the \$1.3209 tax rate of the County. It should be noted that the County Flood Control District does not levy taxes on personal property.

Authorized But Unissued General Obligation Bonds

Overlapping Entity	Authorized but Unissued Bonds
Maricopa County Community College District	\$3,000
Western Maricopa Education Center	\$14,900,000
Festival Ranch Community Facilities District	157,865,000

Continuing Disclosure Annual Report

**Assessment District No. 1
Status of Ownership, Amounts of Delinquencies and Parcels Delinquent (including amount of penalties and interest)
and Status of Foreclosure Sales by Tax Parcel Identification Number ***

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Parcel	Assessable Acreage	Estimated Single Family Home Lots (a)	Assessment Per Lot	Estimated Appraisal Value per lot (b)	Assessment Per Assessed Parcel	Estimated Appraised Value Per Assessed Parcel (b)	Per Assessed Parcel Value to Lien (b)	Status Of Ownership	Delinquencies Per Lot	Foreclosure Sales by Tax Parcel ID Number
A-1 Phase I	4.6	24	\$2,000	\$46,542	\$48,000	\$1,117,000	23:1	Homebuyer (f)	none	n/a
B-1	74.4	408	2,000	35,150	816,000	14,341,000	18:1	Homebuyers (c)	see footnote (c)	n/a
C-1	36.9	143	2,000	34,203	286,000	4,891,000	17:1	Homebuyers (d)	see footnote (d)	n/a
D-1	37.3	149	2,000	31,349	298,000	4,671,000	16:1	Homebuyers (e)	see footnote (e)	n/a
Total	153.2	724			\$1,448,000	\$25,020,000				

* Source of Delinquency and Foreclosure Information: City of Buckeye, Arizona.

(a) Lots relate to single family, residential lots.

(b) *Appraisal values and the value to lien ratio are as originally reported in Table 5 of the Series 2005 Official Statement dated November 1, 2005. Pursuant to the Continuing Disclosure*

(c) 408 Lots have been sold to homebuyers. One lot is delinquent. Total amount of delinquencies including penalties and interest is \$57.87.

(d) 143 Lots have been sold to homebuyers. One lot is delinquent. Total amount of delinquencies including penalties and interest is \$57.87.

(e) 149 Lots have been sold to homebuyers. One lot is delinquent. Total amount of delinquencies including penalties and interest is \$57.87.

(f) 24 Lots have been sold to homebuyers.

**Assessment District No. 1
Current Balances in the Funds Held
Pursuant to the "Indenture of Trust"**

Bond Fund/Principal	\$5,551.36
Bond Fund/Interest	\$16,804.98
Acquisition & Construction Fund	NA-account closed
Issuance and Expenses Fund	NA-account closed
Reserve Fund	\$49,916.08
Prepayment Fund	\$26,879.37

*As of December 31, 2014, per Zions Bank, Trustee.

Continuing Disclosure Annual Report

**Assessment Districts Nos. 2 and 3
Status of Ownership, Amounts of Delinquencies and Parcels Delinquent (including amount of penalties and interest)
and Status of Foreclosure Sales by Tax Parcel Identification Number ***

(1) Parcel	(2) Assessable Acreage	(3) Estimated Single Family Home Lots (a)	(4) Assessment Per Lot	(5) Estimated Appraisal Value per lot (b)	(6) Assessment Per Assessed Parcel	(7) Estimated Appraised Value Per Assessed Parcel (b)	(8) Per Assessed Parcel Value to Lien (b)	(9) Status Of Ownership	(10) Delinquencies Per Lot	(11) Status of Foreclosure Sales by Tax Parcel ID Number
Assessment No. 2										
E-1	36.8	141	\$2,000	\$45,000	\$282,000	\$6,028,000	21.38:1	Homebuyers (c)	see footnote (c)	n/a
F-1	29.9	106	2,000	57,000	212,000	5,740,000	27.08:1	Homebuyers (d)	none	n/a
G-1	52.1	99	2,000	50,000	200,000	5,320,000	26.60:1	Homebuyers (e)	see footnote (c)	n/a
H-1	46.7	133	2,000	46,000	264,000	5,768,000	21.85:1	Homebuyers (f)	see footnote (f)	n/a
Assessment No. 3										
Festival Foothills										
Unit 1	9.8	22	\$2,000	\$65,000	\$44,000	\$1,358,000	30.86:1	Pulte / Homebuyers (g)	none	n/a
Unit 3	18.5	73	2,000	57,000	144,000	3,899,000	27.08:1	Pulte / Homebuyers (g)	none	n/a
Unit 5	10.9	50	2,000	54,000	100,000	2,565,000	25.65:1	Pulte / Homebuyers (g)	none	n/a
Unit 7	22.2	85	2,000	54,000	170,000	4,360,000	25.65:1	Pulte / Homebuyers (g)	none	n/a
Unit 9	10.4	36	2,000	54,000	72,000	1,847,000	25.65:1	Pulte / Homebuyers (g)	see footnote (h)	n/a
Unit 11	24.2	104	2,000	43,000	208,000	4,248,000	20.42:1	Pulte / Homebuyers (g)	see footnote (i)	n/a
Unit 13	14.5	86	2,000	38,000	172,000	3,105,000	18.05:1	Pulte / Homebuyers (g)	see footnote (i)	n/a
Total	275.8	935			\$1,868,000	\$44,238,000				

* Source of Delinquency and Foreclosure Information: City of Buckeye, Arizona.

- (a) Lots relate to single family, residential lots.
- (b) Appraisal values and the value to lien ratio are as originally reported in Table 5 of the Series 2007 Official Statement dated March 22, 2007. Pursuant to the Continuing Disclosure Undertaking
- (c) 141 Lots have been sold to homebuyers. One lot is delinquent. Total amount of delinquencies including penalties and interest is \$82.60.
- (d) 106 Lot have been sold to homebuyers.
- (e) 99 Lot have been sold to homebuyers. One lot is delinquent. Total amount of delinquencies including penalties and interest is \$82.60.
- (f) 133 Lots have been sold to homebuyers. Three lots are delinquent. Total amount of delinquencies including penalties and interest is \$247.80.
- (g) 311 Lots in Festival Foothills have been sold to homebuyers and 144 Lots remain under Pulte's Ownership.
- (h) One lot is delinquent. Total amount of delinquencies including penalties and interest is \$82.60.
- (i) Five lots are delinquent. Total amount of delinquencies including penalties and interest is \$375.24.
- (j) Two lots are delinquent. Total amount of delinquencies including penalties and interest is \$330.90.

**Assessment Districts Nos. 2 and 3
Current Balances in the Funds Held
Pursuant to the "Indenture of Trust"**

Bond Fund/Interest	\$48,581.49
Bond Fund/Principal	\$25,679.46
Acquisition & Construction Fund	NA-account closed
Issuance and Expenses Fund	NA-account closed
Reserve Fund	\$106,664.61
Prepayment Fund	\$23,018.09

*As of December 31, 2014, per Zions Bank, Trustee.

Continuing Disclosure Annual Report

**Assessment Districts Nos. 4 and 5
Status of Ownership, Amounts of Delinquencies and Parcels Delinquent (including amount of penalties and interest)
and Status of Foreclosure Sales by Tax Parcel Identification Number ***

(1) Parcel	(2) Assessable Acreage	(3) Estimated Single Family Home Lots (a)	(4) Assessment Per Lot	(5) Estimated Appraisal Value per lot (b)	(6) Assessment Per Assessed Parcel	(7) Estimated Appraised Value Per Assessed Parcel (b)	(8) Per Assessed Parcel Value to Lien (b)	(9) Status Of Ownership (c)	(10) Delinquencies Per Lot	(11) Status of Foreclosure Sales by Tax Parcel ID Number
Assessment No. 4										
I-1	36.34	163	\$2,000	\$47,000	\$304,000	\$6,787,000	22.33:1	Pulte / Homebuyers (c)	see footnote (c)	n/a
K-1	28.36	124	2,000	57,000	252,000	6,823,000	27.08:1	Homebuyers (d)	see footnote (d)	n/a
O-1	40.31	171	2,000	70,000	342,000	11,371,000	33.25:1	Pulte / Homebuyers (e)	none	n/a
P-1	81.07	193	2,000	46,000	386,000	10,268,000	26.60:1	Pulte (f)	none	n/a
Assessment No. 5										
Festival Foothills										
Unit 15	19.35	85	\$2,000	\$23,000	\$170,000	\$1,857,000	10.92:1	Pulte / Homebuyers (g)	see footnote (g)	n/a
Unit 17	14.70	71	2,000	26,000	142,000	1,754,000	12.35:1	Pulte / Homebuyers (h)	see footnote (h)	n/a
Unit 21	12.75	33	2,000	42,000	66,000	1,317,000	19.95:1	Pulte (i)	none	n/a
Unit 23	12.36	61	2,000	34,000	122,000	1,970,000	16.15:1	Pulte (j)	none	n/a
Total	245.24	901			\$1,784,000	\$42,147,000				

* Source of Delinquency and Foreclosure Information: City of Buckeye, Arizona.

(a) Lots relate to single family, residential lots.

(b) Appraisal values and the value to lien ratio are as originally reported in Table 4 of the Series 2007 Official Statement dated October 5, 2007. Pursuant to the Continuing Disclosure Undertaking

(c) 161 Lots have been sold to homebuyers and 2 Lots are still owned by Pulte Homes. Seven lots are delinquent. Total amount of delinquencies including penalties and interest is \$616.62.

(d) 124 Lots have been sold to homebuyers. One lot is delinquent. Total amount of delinquencies including penalties and interest is \$88.14.

(e) 35 Lots have been sold to homebuyers and 146 Lots are still owned by Pulte Homes.

(f) All 193 Lots are still owned by Pulte Homes.

(g) 83 Lots have been sold to homebuyers and 2 Lots are still delinquent. Total amount of delinquencies including penalties and interest is \$88.14.

(h) 54 Lots have been sold to homebuyers and 17 Lots are still delinquent. Total amount of delinquencies including penalties and interest is \$61.38.

(i) All 33 Lots are still owned by Pulte Homes.

(j) All 61 Lots are still owned by Pulte Homes.

**Assessment Districts Nos. 4 and 5
Current Balances in the Funds Held
Pursuant to the "Indenture of Trust"**

Bond Fund/Interest	\$49,263.19
Bond Fund/Principal	\$25,029.44
Acquisition & Construction Fund	NA-account closed
Issuance and Expenses Fund	NA-account closed
Reserve Fund	\$117,518.56
Prepayment Fund	\$32,330.14

*As of December 31, 2014 per Zions Bank, Trustee.

Continuing Disclosure Annual Report

Relating To

\$800,000

**FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
DISTRICT GENERAL OBLIGATION BONDS, SERIES 2006**

\$1,535,000

**FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
DISTRICT GENERAL OBLIGATION BONDS, SERIES 2007**

CUSIP: 315598

***Submitted:*
February 1, 2015**

Continuing Disclosure Annual Report

Pursuant to Rule 15c2-12(b)(5) of the Securities and Exchange Commission, this Continuing Disclosure Annual Report will be submitted to the Electronic Municipal Market Access (EMMA) system and the EMMA Continuing Disclosure Service of the Municipal Securities Rulemaking Board (MSRB), as a repository for municipal continuing disclosure information.

Website: www.emma.msrb.org

Submitted: February 1, 2015

Continuing Disclosure Annual Report

PROPERTY VALUATIONS IN THE DISTRICT

Fiscal Year	Full Cash	Secondary
	Value	Assessed Value
2014-15	\$415,989,283	\$42,693,971
2013-14	392,840,021	41,112,232
2012-13	384,518,458	40,563,577
2011-12	376,498,774	39,858,358
2010-11	352,650,269	37,850,349
2009-10	350,048,529	40,493,025
2008-09	225,841,851	27,282,628
2007-08	39,669,370	6,102,478
2006-07	13,124,457	2,099,913

Source: Maricopa County Assessor's Office.

**NET SECONDARY ASSESSED VALUATIONS
BY PROPERTY CLASSIFICATION**

Description	2010-11	2011-12	2012-13	2013-14	2014-15	2014-15
						Percent of Total
Commerical & Industrial	\$2,482,083	\$1,395,256	\$1,905,169	\$1,788,803	\$1,595,998	3.7%
Agricultural & Vacant	6,144,711	6,203,260	5,915,290	5,270,949	3,697,597	8.7%
Residential (Owner Occupied)	28,313,225	31,284,380	22,282,218	21,530,960	23,108,620	54.1%
Residential (Rental Occupied)	910,330	975,462	10,460,900	12,521,520	14,291,756	33.5%
Total	\$37,850,349	\$39,858,358	\$40,563,577	\$41,112,232	\$42,693,971	100.0%

Source: Maricopa County Assessor's Office.

**SECONDARY ASSESSED VALUATION BY
MAJOR TAXPAYERS**

Taxpayer	As Percent of District's 2014-15	
	Secondary Assessed Valuation	Secondary Assessed Valuation
PULTE HOME CORPORATION	\$3,964,780	9.29%
ACCIPTER COMMUNICATIONS INC	366,955	0.86%
TRANSWESTERN PIPELINE COMPANY LLC	323,173	0.76%
SUN CITY FESTIVAL COMMUNITY ASSOCIATION INC	213,347	0.50%
FRCS LLC	161,671	0.38%
INDIVIDUAL	54,820	0.13%
INDIVIDUAL	\$54,230	11.92%

Source: Maricopa County Assessor's Office.

Continuing Disclosure Annual Report

TAXES LEVIED AND COLLECTED IN THE DISTRICT

Fiscal Year (a)	Real and Secured Personal Property Tax Levy (b)	Collected to June 30th End of Tax Fiscal Year		Total Collections (c)(d)	
		Amount	Percent of Tax Levy	Amount	Percent of Tax Levy
2013-14	1,068,918	\$1,051,622	98.38%	1,051,622	98.38%
2012-13	1,298,034	1,281,926	98.76%	1,295,702	99.82%
2011-12	1,315,335	1,307,247	99.39%	1,315,100	99.98%
2010-11	1,249,070	1,219,455	97.63%	1,226,629	98.20%
2009-10	1,336,277	1,321,559	98.90%	1,296,091	96.99%
2008-09	900,330	896,511	99.58%	902,936	100.29%
2007-08	201,383	194,782	96.72%	199,318	98.97%
2006-07	69,297	68,998	99.57%	69,297	100.00%

Source: Maricopa County Treasurer's Office.

- (a) Tax levy is as reported by the Treasurer as of August of each fiscal year. Amount does not include adjustments made to levy amounts after the August report.
- (b) Reflects collections made through June 30, the end of the fiscal year, on such year's levy. Property taxes are payable in two installments. The first installment is due the first day of October and becomes delinquent on November 1, unless the full year's taxes are paid by December 31. The second installment becomes due the first day of March and is delinquent on May 1. Interest at the rate of 16% per annum attaches on first and second installments following their delinquent dates. Penalties for delinquent payments are not included in the above collection figures.
- (c) Collections resulting in other than 100% represent increases and/or decreases to the levy amount after the initial August levy amount set by the Board of Supervisors.
- (d) Reflects collections made through July 31, 2014.

**\$7,600,000, \$5,400,000, AND \$1,800,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)**

**SERIES 2009 DISTRICT GENERAL OBLIGATION BONDS,
SERIES 2012 DISTRICT GENERAL OBLIGATION BONDS,
AND
SERIES 2013 DISTRICT GENERAL OBLIGATION BONDS**

**2014
DISTRICT ANNUAL REPORT**

This continuing disclosure Annual Report has been prepared to satisfy the obligations of Festival Ranch Community Facilities District (the "Issuer") General Obligation Bonds, as provided in the Continuing Disclosure Undertaking dated December 30, 2009 for the Series 2009 Bonds, July 10, 2012 for the Series 2012 Bonds, and December 12, 2013 for the Series 2013 Bonds (collectively the "Continuing Disclosure Undertaking"), as executed and delivered by the Issuer, in connection with the sale and issuance of the above-captioned bonds. As provided in Section 2(a)(i) of the Continuing Disclosure Undertaking, a copy of this Annual Report is being forwarded to EMMA. All capitalized terms used herein shall have the meanings set forth in the Continuing Disclosure Undertaking.

The following information is being provided as required under Section 2(b) of the Continuing Disclosure Undertaking:

1. Updated financial information and operating data of the type contained in Tables 2, 3, 4, and 5 of the Official Statement for the Series 2013 Bonds.

-See Exhibit A attached.
2. The Audited Financial Statements, if any, as of June 30, 2014.

- The Audited Financial Statements for Fiscal Year 2013-2014 were filed with the Municipal Securities Rulemaking Board Electronic Municipal Market Access on January 15, 2015 (Submission ID: EA563941).

EXHIBIT A

TABLE 2 – PROPERTY VALUATIONS

TABLE 3 – NET SECONDARY AV BY PROPERTY CLASSIFICATION

TABLE 4 – NET SECONDARY AV OF MAJOR TAXPAYERS

TABLE 5 – RECORD OF TAXES LEVIED AND COLLECTED

**FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
DISTRICT GENERAL OBLIGATION BONDS, SERIES 2009, SERIES 2012, SERIES 2013
PROPERTY VALUATIONS
TABLE 2**

Fiscal Year	Estimated Net Full Cash Value [1,2]	Secondary Assessed Value [2]
2014-15	\$415,989,283	\$42,693,971
2013-14	\$378,193,132	\$41,112,232
2012-13	\$368,948,293	\$40,563,577
2011-12	\$362,826,340	\$39,858,358
2010-11	\$338,229,476	\$37,850,349
2009-10	\$336,778,501	\$40,493,025
2008-09	\$224,796,614	\$27,282,628
2007-08	\$39,588,758	\$6,102,478

[1] Estimated net full cash value is the total market value of the property within the District less the net exempt property within the District.

[2] Data for FY 2007-2008 through FY 2008-2009 based on information shown in Table 2 of the Official Statement for the Series 2012 Bonds. Data for FY 2009-2010 through FY 2013-2014 based on information shown in Table 2 of the Official Statement for the Series 2013 Bonds. Data for FY 2014-15 based on information provided by the County.

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FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
DISTRICT GENERAL OBLIGATION BONDS, SERIES 2009, SERIES 2012, SERIES 2013
NET SECONDARY ASSESSED VALUE BY PROPERTY CLASSIFICATION
TABLE 3

Legal Class	Description	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Percent of Total [1]
1	Commercial	\$2,193,772	\$6,569,761	\$2,482,083	\$1,488,134	\$1,905,169	\$1,788,803	\$1,585,998	3.74%
2	Agricultural and Vacant Land	\$9,445,982	\$7,777,635	\$6,144,711	\$6,184,734	\$5,915,290	\$5,270,949	\$3,697,597	8.66%
3	Residential (owner occupied)	\$14,972,824	\$25,417,262	\$29,313,225	\$31,156,940	\$22,282,219	\$21,530,960	\$23,108,620	54.13%
4	Residential (rental occupied)	\$670,050	\$728,377	\$910,330	\$1,048,550	\$10,460,900	\$12,521,520	\$14,291,756	33.47%
Total		\$27,282,628	\$40,493,025	\$37,850,349	\$39,858,358	\$40,563,577	\$41,112,232	\$42,693,971	100.00%

[1] Data for FY 2008-2009 based on information shown in Table 3 of the Official Statement for the Series 2012 Bonds. Data for FY 2008-2009 through FY 2013-14 based on information shown in Table 3 of the Official Statement for the Series 2013 Bonds. Data for FY 2014-15 based on information provided by the County.

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**FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
DISTRICT GENERAL OBLIGATION BONDS, SERIES 2009, SERIES 2012, SERIES 2013
NET SECONDARY ASSESSED VALUE OF MAJOR TAXPAYERS
TABLE 4**

Taxpayer	2014-15 Net Secondary Assessed Valuation	As % of District's 2014-15 Net Secondary Assessed Valuation
Pulte Home Corporation	\$3,964,780	9.29%
Accipter Communications Inc	\$366,955	0.86%
Transwestern Pipeline Company	\$323,173	0.76%
Sun City Festival Community Association Inc.	\$213,347	0.50%
FRCS LLC	\$161,671	0.38%
Individual Owners	\$37,664,045	88.22%
Total	\$42,693,971	100.00%

Source: Provided by the County.

**FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
DISTRICT GENERAL OBLIGATION BONDS, SERIES 2009, SERIES 2012, SERIES 2013
RECORD OF TAXES LEVIED AND COLLECTED
TABLE 5**

Fiscal Year	Adopted Levy [1]	Adjusted Tax Levy as of June 30th	Collected to June 30th [2,3]		Adjusted Tax Levy as of 10/7/14	Cumulative Collections to 10/7/14	
			Amount	Percent of Adjusted Tax Levy		Amount	Percent of Adjusted Tax Levy
2014-15	\$1,265,278	NA	NA	NA	NA	NA	NA
2013-14	\$1,068,918	\$1,068,918	\$1,050,226	98.25%	\$1,067,734	\$1,051,650	98.49%
2012-13	\$1,298,034	\$1,295,719	\$1,283,172	99.03%	\$1,293,299	\$1,293,281	100.00%
2011-12	\$1,315,335	\$1,315,117	\$1,307,247	99.40%	\$1,313,844	\$1,313,826	100.00%
2010-11	\$1,249,070	\$1,226,682	\$1,219,455	99.41%	\$1,219,365	\$1,219,365	100.00%
2009-10	\$1,336,277	\$1,335,923	\$1,321,559	98.92%	\$1,296,091	\$1,296,091	100.00%
2008-09	\$900,330	\$899,967	\$896,511	99.62%	\$899,951	\$902,936	100.33%
2007-08	\$201,383	\$201,383	\$194,782	96.72%	\$199,319	\$199,319	100.00%
2006-07	\$69,297	\$69,297	\$68,998	99.57%	\$69,297	\$69,297	100.00%

Source: Office of the Treasurer of Maricopa County

[1] Tax levy is as reported by the Treasurer as of August of each tax year. Amount does not include adjustments made to levy amounts after the August report. The District's tax rate includes a \$3.0000 tax rate for debt service as well as a \$0.3000 tax rate for maintenance and operation expenses for the District.

[2] Reflects collections made through June 30, the end of the fiscal year, on such year's levy. Property taxes are payable in two installments. The first installment is due the first day of October and becomes delinquent on November 1, but is waived if the full tax year's taxes are paid in full by December 31. The second installment becomes due the first day of March and is delinquent on May 1. Interest at the rate of 16% per annum attaches on first and second installments following their delinquent dates. Penalties for delinquent payments are not included in the above collection figures.

[3] Data for FY 2006-2007 through FY 2007-2008 based on information shown in Table 5 of the Official Statement for Series 2012 Bonds. Data for FY 2008-2009 through FY 2013-14 based on information shown in Table 5 of the Official Statement for Series 2013 Bonds. Data for FY 2014-15 based on information provided by the County.

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Continuing Disclosure Annual Report

Relating To

**\$11,300,000
Sundance Community Facilities District
(Town of Buckeye, Arizona)
Assessment District No. 1
Special Assessment Revenue Bonds, Series 2002**

CUSIP: 867241

***Submitted:*
February 1, 2015**

Continuing Disclosure Annual Report

Pursuant to Rule 15c2-12(b)(5) of the Securities and Exchange Commission, this Continuing Disclosure Annual Report will be submitted to the Electronic Municipal Market Access (EMMA) system and the EMMA Continuing Disclosure Service of the Municipal Securities Rulemaking Board (MSRB), as a repository for municipal continuing disclosure information.

Website: www.emma.msrb.org

Continuing Disclosure Annual Report

Direct and Overlapping Debt of the District

Overlapping Jurisdiction	2014-15 Net Secondary Assessed Valuation	Net Outstanding Bonded Debt (a)	Proportion Applicable to the District		2014-15 Combined Tax Rate Per \$100 Assessed
			Approx. Percent	Amount	
State of Arizona	\$55,352,051,074	\$0	0.09%	\$0	\$0.0000
Maricopa County	35,079,646,593	0	0.17%	0	2.3615 (b)
Maricopa CCCD	35,079,646,593	712,735,000	0.17%	1,221,042	1.5187
West-MEC	13,001,754,611	59,045,000	0.46%	272,922	0.0810
Buckeye Elementary SD #33	177,474,260	17,795,000	33.86%	6,025,876	5.9172
Liberty Elementary SD #25	195,374,149	19,570,000	30.76%	6,019,790	4.5011
Buckeye Union High SD #201	720,101,358	43,735,000	8.35%	3,650,002	3.5091
Town of Buckeye	324,277,466	0	18.53%	0	1.8011
Sundance CFD	60,097,666	21,795,000	100.00%	21,795,000	2.9104
Total Net Direct and Overlapping General Obligation Bonded Debt				<u>\$38,984,632</u>	

(a) Net outstanding bonded debt for various jurisdictions is as of December 31, 2014.

(b) The County's tax rate includes the \$0.1400 tax rate of the Central Arizona Project, the \$0.1856 tax rate of the Maricopa County Health Care District, the \$0.1392 tax rate of the Maricopa County Flood Control District, the \$0.0556 tax rate of the Maricopa County Free Library, the \$0.0113 tax rate for the contribution to the Maricopa County Fire District, the \$0.5089 tax rate of the County Education Equalization and the \$1.3209 tax rate of the County. It should be noted that the County Flood Control District does not levy taxes on personal property.

Remaining Authorizations

Overlapping Entity	Authorized but Unissued Bonds
Maricopa County Community College District	\$3,000
West Maricopa Education Center	\$14,900,000
Buckeye UHSD No. 201	None
Buckeye Elementary School District No. 33	15,420,000
Liberty Elementary School District No. 25	None
Sundance Community Facilities District	21,055,000

Continuing Disclosure Annual Report

Public Infrastructure Completion Schedule

<u>Description</u>	<u>Estimated Cost</u>	<u>Completion Date</u>
Water main and related appurtenances	\$ 2,693,220	Completed
Sanitary sewer lines and related appurtenances	2,023,863	Completed
Effluent line and related appurtenances	895,705	Completed
Well #1: Located 1300' south of Rainbow Road 350' east of Dean Road ("Well #1)	451,292	Completed
Domestic Water Storage Tank	2,704,853	Completed
Well #2: Located at the north east corner of Dean Road and Durango Road ("Well #2)	688,079	Completed
Major arterial roads	2,131,434	Completed
Minor arterial roads	419,043	Completed
Collector Roads	631,068	Completed
Well #3: Located on the north side of Durango Road 2700' west of Dean Road ("Well #3)	688,079	Completed
TOTAL:	<u>\$ 13,326,636</u> (a)	

Source: Developer

(a) The total estimated cost of the Public Infrastructure is greater than the amount to be available from proceeds of the sale of the Bonds; the balance of the cost of the Public Infrastructure will be paid by the Owners.

Continuing Disclosure Annual Report

Status of Ownership, Amounts of Delinquencies and Parcels Delinquent (including amount of penalties and interest) and Status of Foreclosure Sales by Tax Parcel Identification Number AND Update of the Land Sales, Status of Regulatory Approvals and Lot and Acreage Configurations for Each Parcel in the Assessment Area

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Parcel	Acreage	Lots	Assessment Per Lot	Total Assessment	Status of Land Ownership By Developer	Status of Land Sales	Status of Regulatory Approvals	Delinquencies Per Lot	Status of Foreclosure Sales by Tax Parcel ID Number
<i>Residential</i>									
2	67.87	309	\$3,887	\$1,201,006	D/C	No change	Recorded Final Plat	see footnote (a)	none
12	12.79	63	4,598	289,647	Taro (MTH option)	No change	Recorded Final Plat	see footnote (b)	none
13	26.83	103	4,402	453,456	Taro (MTH option)	No change	Recorded Final Plat	none	none
14	21.23	87	4,670	406,314	BL (MTH option in part and Taro (MTH option) in part)	No change	Recorded Final Plat	none	none
15	49.34	230	4,355	1,001,676	Taro (MTH option)	No change	Recorded Final Plat	see footnote (c)	none
24	10.80	35	5,645	197,584	Taro (MTH option)	No change	Recorded Final Plat	see footnote (d)	none
28A	17.31	103	4,253	438,107	Taro (MTH option)	No change	Recorded Final Plat	none	none
28B	37.00	174	4,467	777,265	Taro (MTH option)	No change	Recorded Final Plat	none	none
29	25.15	90	4,670	420,325	Taro (MTH option)	No change	Recorded Final Plat	none	none
36	31.40	108	4,014	433,527	D/C	No change	Recorded Final Plat	see footnote (e)	none
37A	37.21	156	4,797	748,388	Canterra@Sundance LLC/Sundance 1 Courts LLC	No change	Recorded Final Plat	see footnote (f)	none
37B	46.91	216	3,992	862,349	Taro (Pulte option)	No change	Recorded Final Plat	see footnote (g)	see foot note (k)
38	30.34	49	4,492	220,111	Canterra @ Sundance LLC	No change	Recorded Final Plat	none	none
40	49.76	223	3,853	859,147	Taro (Pulte option)	No change	Recorded Final Plat	see footnote (h)	none
41	30.12	58	4,647	269,524	Taro (Pulte option)	No change	Recorded Final Plat	see footnote (i)	none
45A	34.84	70	3,522	246,537	Canterra @ Sundance LLC	No change	Recorded Final Plat	none	none
45B	20.00	40	3,502	140,060	D/C	No change	Recorded Final Plat	see footnote (j)	none
47	21.62	12	17,362	208,341	BL	No change	Recorded Final Plat	none	none
Total Residential	570.52	2,126		\$9,173,364					
<i>Commercial</i>									
3	32.73	N/A	16,274	532,641	BL	No change	Under Construction	none	none
8	21.14	N/A	12,738	269,284	BL	No change	Conceptual Plans	none	none
9	16.75	N/A	16,277	272,633	BL	No change	Conceptual Plans	none	none
11	35.25	N/A	13,622	480,187	BL	No change	Site Plan Approved	none	none
30	23.20	N/A	9,138	212,000	BL	No change	Site Plan Submitted	none	none
30A	3.69	N/A	9,140	33,725	Watson	No change	Site Plan Approved	none	none
51	20.04	N/A	16,276	326,166	BL	No change	Unplatted	none	none
Total Commercial	152.80	N/A		\$2,126,636					
				TOTAL	\$11,300,000				

Source: City of Buckeye, Arizona on December 31, 2014.

- (a) Four lots are delinquent. Total amount of delinquencies including penalties and interest is \$406.42.
- (b) One lot is delinquent. Total amount of delinquencies including penalties and interest is \$103.94.
- (c) Seven lots are delinquent. Total amount of delinquencies including penalties and interest is \$686.80.
- (d) One lot is delinquent. Total amount of delinquencies including penalties and interest is \$107.08.
- (e) One lot is delinquent. Total amount of delinquencies including penalties and interest is \$100.84.
- (f) Three lots are delinquent. Total amount of delinquencies including penalties and interest is \$302.52.
- (g) One lot is delinquent. Total amount of delinquencies including penalties and interest is \$100.84.
- (h) Three lots are delinquent. Total amount of delinquencies including penalties and interest is \$302.52.
- (i) One lot is delinquent. Total amount of delinquencies including penalties and interest is \$103.95.
- (j) One lot is delinquent. Total amount of delinquencies including penalties and interest is \$98.77.
- (k) One lot parcel no. 504-22-475 sold at auction.

Continuing Disclosure Annual Report

**Current Balances in the Funds Held
Pursuant to the "Indenture of Trust"**

Principal Fund	\$57,155.22
Interest Fund	\$108,633.12
Acquisition & Construction Fund	NA-account closed
Issuance and Expenses Fund	NA-account closed
Reserve Fund	\$212,835.04
Prepayment Fund	\$704,159.31

As of December 31, 2014

Continuing Disclosure Annual Report

Relating To

\$7,175,000

Sundance Community Facilities District

(Town of Buckeye, Arizona)

Assessment District No. 2

Special Assessment Revenue Bonds, Series 2003

CUSIP: 867242

Submitted:

February 1, 2015

Continuing Disclosure Annual Report

Pursuant to Rule 15c2-12(b)(5) of the Securities and Exchange Commission, this Continuing Disclosure Annual Report will be submitted to the Electronic Municipal Market Access (EMMA) system and the EMMA Continuing Disclosure Service of the Municipal Securities Rulemaking Board (MSRB), as a repository for municipal continuing disclosure information.

Website: www.emma.msrb.org

Continuing Disclosure Annual Report

Direct and Overlapping Debt of the District

Overlapping Jurisdiction	2014-15 Net Secondary Assessed Valuation	Net Outstanding Bonded Debt (a)	Proportion Applicable to the District		2014-15 Combined Tax Rate Per \$100 Assessed
			Approx. Percent	Amount	
State of Arizona	\$55,352,051,074	\$0	0.09%	\$0	\$0.0000
Maricopa County	35,079,646,593	0	0.17%	0	2.3615 (b)
Maricopa CCCD	35,079,646,593	712,735,000	0.17%	1,221,042	1.5187
West-MEC	13,001,754,611	59,045,000	0.46%	272,922	0.0810
Buckeye Elementary SD #33	177,474,260	17,795,000	33.86%	6,025,876	5.9172
Liberty Elementary SD #25	195,374,149	19,570,000	30.76%	6,019,790	4.5011
Buckeye Union High SD #201	720,101,358	43,735,000	8.35%	3,650,002	3.5091
Town of Buckeye	324,277,466	0	18.53%	0	1.8011
Sundance CFD	60,097,666	21,795,000	100.00%	21,795,000	2.9104
Total Net Direct and Overlapping General Obligation Bonded Debt				<u>\$38,984,632</u>	

(a) Net outstanding bonded debt for various jurisdictions is as of December 31, 2014.

(b) The County's tax rate includes the \$0.1400 tax rate of the Central Arizona Project, the \$0.1856 tax rate of the Maricopa County Health Care District, the \$0.1392 tax rate of the Maricopa County Flood Control District, the \$0.0556 tax rate of the Maricopa County Free Library, the \$0.0113 tax rate for the contribution to the Maricopa County Fire District, the \$0.5089 tax rate of the County Education Equalization and the \$1.3209 tax rate of the County. It should be noted that the County Flood Control District does not levy taxes on personal property.

Remaining Authorizations

Overlapping Entity	Authorized but Unissued Bonds
Maricopa County Community College District	\$3,000
West Maricopa Education Center	\$14,900,000
Buckeye UHSD No. 201	None
Buckeye Elementary School District No. 33	15,420,000
Liberty Elementary School District No. 25	None
Sundance Community Facilities District	21,055,000

Continuing Disclosure Annual Report

Public Infrastructure Completion Schedule

<u>Description</u>	<u>Estimated Cost</u>	<u>Estimated Completion Date</u>
Water main and related appurtenances	\$ 490,644	Completed
Water Supply Feed Lines	390,000	Completed
Sanitary Sewer and Related Appurtenances	1,014,410	Completed
Wells and Well Pumps	720,000	Completed
	720,000	Completed
Domestic Water Storage	500,000	Completed
Collector Roads	1,999,992	Completed
Major arterial roads	<u>513,000</u>	Completed
TOTAL:	<u>\$ 6,348,046</u> (a)	

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Source: Developer

(a) The total estimated cost of the Public Infrastructure is greater than the amount to be available from proceeds of the sale of the Bonds; the balance of the cost of the Public Infrastructure will be paid by the Owners.

Continuing Disclosure Annual Report

Status of Ownership, Amounts of Delinquencies and Parcels Delinquent (including amount of penalties and interest) and Status of Foreclosure Sales by Tax Parcel Identification Number AND Update of the Land Sales, Status of Regulatory Approvals and Lot and Acreage Configurations for Each Parcel in the Assessment Area

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Parcel	Assessable Acreage	Lots	Assessment Per Lot	Total Assessment	Status of Land Ownership By Developer	Status of Land Sales	Status of Regulatory Approvals	Delinquencies Per Lot	Foreclosure Sales by Tax Parcel ID Number
<i>Residential</i>									
16	27.39	132	\$4,813	\$635,260	BL (MTH Option)	No change	Recorded Final Plat	see footnote (a)	none
17	24.36	114	4,717	537,750	BL (MTH Option)	No change	Recorded Final Plat	none	none
18	28.29	108	4,394	474,500	SB (MTH Option)	No change	Recorded Final Plat	see footnote (b)	none
19	60.98	236	4,671	1,102,363	Taro (MTH Option)	No change	Recorded Final Plat	see footnote (c)	none
20	44.78	105	4,671	490,458	SB (MTH Option)	No change	Recorded Final Plat	see footnote (d)	none
21	24.76	101	4,275	431,750	SB (MTH Option)	No change	Recorded Final Plat	see footnote (e)	none
22	33.89	151	4,857	733,352	BL (MTH Option)	No change	Recorded Final Plat	see footnote (f)	none
23A	39.56	156	4,773	744,625	BL (MTH Option)	No change	Recorded Final Plat	see footnote (g)	none
23B	12.35	54	4,325	233,552	BL (MTH Option)	No change	Recorded Final Plat	none	none
25	22.69	112	4,671	523,155	BL (MTH Option)	No change	Recorded Final Plat	see footnote (h)	none
26	25.86	111	4,671	518,484	BL (MTH Option)	No change	Recorded Final Plat	none	none
27	30.43	162	4,628	749,751	BL (MTH Option)	No change	Recorded Final Plat	none	none
Total	375.34	1,542		\$7,175,000					

Source: City of Buckeye, Arizona on December 31, 2014.

- (a) Five lots are delinquent. Total amount due for lots, including interest and penalties, is \$581.66.
- (b) One lot is delinquent. Total amount due for lots, including interest and penalties, is \$110.70.
- (c) Three lots are delinquent. Total amount due for lots, including interest and penalties, is \$332.12.
- (d) Two lots are delinquent. Total amount due for lots, including interest and penalties, is \$221.41.
- (e) Four lots are delinquent. Total amount due for lots, including interest and penalties, is \$1,270.40.
- (f) Three lots are delinquent. Total amount due for lots, including interest and penalties, is \$307.75.
- (g) Three lots are delinquent. Total amount due for lots, including interest and penalties, is \$314.25.
- (h) One lot is delinquent. Total amount due for lots, including interest and penalties, is \$136.74.

Continuing Disclosure Annual Report

**Current Balances in the Funds Held
Pursuant to the "Indenture of Trust"**

Bond Fund	\$22,743.72
Bond Fund Interest	\$122,702.57
Acquisition & Construction Fund	\$0.00
Issuance and Expenses Fund	NA-account closed
Reserve Fund	\$314,044.16
Prepayment Fund	\$139,941.85

As of December 31, 2014.

Continuing Disclosure Annual Report

Relating To

**\$2,050,000
Sundance Community Facilities District
(Town of Buckeye, Arizona)
Assessment District No. 3
Special Assessment Revenue Bonds, Series 2004**

CUSIP: 867242

***Submitted:*
February 1, 2015**

Continuing Disclosure Annual Report

Pursuant to Rule 15c2-12(b)(5) of the Securities and Exchange Commission, this Continuing Disclosure Annual Report will be submitted to the Electronic Municipal Market Access (EMMA) system and the EMMA Continuing Disclosure Service of the Municipal Securities Rulemaking Board (MSRB), as a repository for municipal continuing disclosure information.

Website: www.emma.msrb.org

Continuing Disclosure Annual Report

Direct and Overlapping Debt of the District

Overlapping Jurisdiction	2014-15 Net Secondary Assessed Valuation	Net Outstanding Bonded Debt (a)	Proportion Applicable to the District		2014-15 Combined Tax Rate Per \$100 Assessed
			Approx. Percent	Amount	
State of Arizona	\$52,594,377,492	\$0	0.09%	\$0	\$0.0000
Maricopa County	32,229,006,810	0	0.19%	0	2.3615 (b)
Maricopa CCCD	32,229,006,810	\$712,735,000	0.19%	1,329,042	1.5187
West-MEC	11,953,646,919	35,000,000	0.50%	175,965	0.0810
Buckeye Elementary SD #33	157,112,770	15,025,000	38.25%	5,747,257	5.9172
Liberty Elementary SD #25	172,916,183	7,845,000	34.76%	2,726,559	4.5011
Buckeye Union High SD #201	640,162,024	46,865,000	9.39%	4,399,632	3.5091
Town of Buckeye	287,873,371	0	20.88%	0	1.8011
Sundance CFD	60,097,666	21,795,000	100.00%	21,795,000	2.9104
Total Net Direct and Overlapping General Obligation Bonded Debt				<u>\$36,173,454</u>	

(a) Net outstanding bonded debt for various jurisdictions is as of December 31, 2014.

(b) The County's tax rate includes the \$0.1400 tax rate of the Central Arizona Project, the \$0.1856 tax rate of the Maricopa County Health Care District, the \$0.1392 tax rate of the Maricopa County Flood Control District, the \$0.0556 tax rate of the Maricopa County Free Library, the \$0.0113 tax rate for the contribution to the Maricopa County Fire District, the \$0.5089 tax rate of the County Education Equalization and the \$1.3209 tax rate of the County. It should be noted that the County Flood Control District does not levy taxes on personal property.

Remaining Authorizations

Overlapping Entity	Authorized but Unissued Bonds
Maricopa County Community College District	\$3,000
West Maricopa Education Center	\$14,900,000
Buckeye UHSD No. 201	None
Buckeye Elementary School District No. 33	15,420,000
Liberty Elementary School District No. 25	None
Sundance Community Facilities District	21,055,000

Continuing Disclosure Annual Report

Public Infrastructure Completion Schedule

<u>Description</u>	<u>Estimated Cost</u>	<u>Completion Date</u>
Sewer improvements	\$ 333,798	Completed
Water improvements	496,555	Completed
Proportionate share of installing paving for full collector street	914,133	Completed
TOTAL:	<u>\$ 1,744,486</u>	

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Source: Developer

Continuing Disclosure Annual Report

**Status of Ownership, Amounts of Delinquencies and Parcels Delinquent
(including amount of penalties and interest) and Status of Foreclosure Sales by Tax
Parcel Identification Number AND Update of the Land Sales, Status of Regulatory
Approvals and Lot and Acreage Configurations for Each Parcel in the Assessment Area**

Parcel	Assessable Acreage	Lots * 310	Assessment Per Lot * \$4,347	Total Assessment * \$1,347,684	Delinquencies Per Lot see footnote (b)	Status of Foreclosure Sales by Tax Parcel ID Number none
<i>Residential</i>						
31	60.37	310	\$4,347	\$1,347,684	see footnote (b)	none
32 (a)	34.26	86	4,347	373,874	see footnote (c)	none
33 (a)	20.71	52	4,347	226,063	none	none
35 (a)	22.34	27	4,347	117,379	none	none
Total	<u>137.68</u>	<u>475</u>		<u>\$2,065,000</u>		

Source: City of Buckeye, Arizona on December 31, 2014.

- (a) Parcels 32, 33 and 35 were modified to one assessment.
- (b) Four lots are delinquent. Total amount of delinquencies including penalties and interest is \$427,28.
- (c) Five lots are delinquent. Total amount of delinquencies including penalties and interest is \$533,67.

Continuing Disclosure Annual Report

**Current Balances in the Funds Held
Pursuant to the "Indenture of Trust"**

Bond Fund	\$24,529.75
Bond Fund Interest	\$60,191.96
Acquisition & Construction Fund	NA-account closed
Issuance and Expenses Fund	NA-account closed
Reserve Fund	\$42,815.84
Prepayment Fund	\$30,081.76

As of December 31, 2014.

Continuing Disclosure Annual Report

Relating To

\$6,000,000

**SUNDANCE COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2005
CUSIP: 86724P**

Submitted:

February 1, 2015

Continuing Disclosure Annual Report

Pursuant to Rule 15c2-12(b)(5) of the Securities and Exchange Commission, this Continuing Disclosure Annual Report will be submitted to the Electronic Municipal Market Access (EMMA) system and the EMMA Continuing Disclosure Service of the Municipal Securities Rulemaking Board (MSRB), as a repository for municipal continuing disclosure information.

Website: www.emma.msrb.org

Continuing Disclosure Annual Report

ASSESSMENT RATIOS

Property Classification (a)	Assessment as Percent of Full Cash Value				
	2010-11	2011-12	2012-13	2013-14	2014-15
Mining, Utility, Commercial, and Industrial (b)	21.0%	20%	20%	19.5%	19.0%
Agriculture and Vacant Land	16%	16%	16%	16%	16%
Owner Occupied Residential	10%	10%	10%	10%	10%
Leased or Rented Residential	10%	10%	10%	10%	10%
Railroad, Private Car Company and Airline Flight Property (c)	17%	15%	15%	15%	15%

- (a) Additional classes of property exist, but seldom amount to a significant portion of total valuation.
- (b) With respect to 2012-13, the first \$68,079 of full cash value of commercial, industrial and agricultural personal property is not taxable. This exemption is indexed annually for inflation. Any portion of the full cash value in excess of such amount will be assessed at the applicable rate. The assessment ratio for mining, utilities, commercial and industrial property will be reduced to 19.5% for tax year 2013 and further reduced one-half of one percent for each year to 18% for 2016 and thereafter. The assessment ratio for agricultural and vacant property will be reduced to 15% for tax year 2016 and thereafter.
- (c) This percentage is determined annually to be equal to the ratio of (i) the total assessed valuation of all mining, utility, commercial, industrial, and military reuse zone properties, agricultural personal property and certain leasehold personal property to (ii) the total full cash (market) of such properties.

TAXES LEVIED AND COLLECTED IN THE DISTRICT

Fiscal Year (a)	Real and Secured Personal Property Tax Levy (b)	Collected to June 30th End of Tax Fiscal Year		Total Collections (c)(d)	
		Amount	Percent of Tax Levy	Amount	Percent of Tax Levy
2012-13	159,131	\$155,120	97.48%	158,390	99.53%
2011-12	581,035	\$567,389	97.65%	575,951	99.13%
2010-11	2,256,921	2,206,949	97.79%	2,251,201	99.75%
2009-10	2,852,475	2,728,799	95.66%	2,827,158	99.11%
2008-09	3,359,784	3,246,675	96.63%	3,346,708	99.61%
2007-08	2,147,483	2,049,305	95.43%	2,130,487	99.21%
2006-07	955,122	895,421	93.75%	919,060	96.22%
2005-06	684,740	664,497	97.04%	658,739	96.20%

Source: Maricopa County Treasurer's Office.

- (a) Tax levy is as reported by the Treasurer as of August of each fiscal year. Amount does not include adjustments made to levy amounts after the August report.
- (b) Reflects collections made through June 30, the end of the fiscal year, on such year's levy. Property taxes are payable in two installments. The first installment is due the first day of October and becomes delinquent on November 1, unless the full year's taxes are paid by December 31. The second installment becomes due the first day of March and is delinquent on May 1. Interest at the rate of 16% per annum attaches on first and second installments following their delinquent dates. Penalties for delinquent payments are not included in the above collection figures.
- (c) Collections resulting in other than 100% represent increases and/or decreases to the levy amount after the initial August levy amount set by the Board of Supervisors.
- (d) Reflects collections made through July 31, 2014.

Continuing Disclosure Annual Report

PROPERTY VALUATIONS IN THE DISTRICT

Fiscal Year	Full Cash Value	Secondary Assessed Value
2014-15	\$536,095,946	\$60,097,666
2013-14	423,567,022	49,848,192
2012-13	455,268,560	60,097,666
2011-12	462,323,083	55,355,514
2010-11	574,699,575	68,390,861
2009-10	763,119,939	86,438,045
2008-09	921,989,177	101,811,028
2007-08	615,344,398	65,074,760
2006-07	302,182,956	33,656,005
2005-06	182,143,589	20,749,489

Source: Maricopa County Assessor's Office.

**NET SECONDARY ASSESSED VALUATIONS
BY PROPERTY CLASSIFICATION**

Description	2010-11	2011-12	2012-13	2013-14	2014-15	2014-15
						Percent of Total
Commerical & Industrial	\$18,032,545	\$16,340,369	\$16,593,981	\$15,849,907	\$14,623,035	24.33%
Agricultural & Vacant	7,878,861	5,936,250	4,176,844	2,992,450	2,472,048	4.11%
Residential (Owner Occupied)	36,482,663	27,803,670	21,561,354	19,608,556	26,640,737	44.33%
Residential (Rental Occupied)	5,996,792	5,275,226	10,703,497	11,397,279	16,361,846	27.23%
Total	\$68,390,861	\$55,355,514	\$53,035,676	\$49,848,192	\$60,097,666	100.00%

Source: Maricopa County Assessor's Office.

**SECONDARY ASSESSED VALUATION BY
MAJOR TAXPAYERS**

Taxpayer	As Percent of District's 2014-15 Net Secondary Assessed Valuation	
	2014-15 Secondary Assessed Valuation	2014-15 Net Secondary Assessed Valuation
VSTC LLC	\$3,615,610	7.25%
VESTAR SUNDANCE TOWNE CNTR LLC/WAL-MART INC	3,133,442	6.29%
VESTAR SUNDANCE TOWNE CNTR LLC/LOWES HIW INC	2,139,476	4.29%
ARIZONA PUBLIC SERVICE COMPANY	1,233,919	2.48%
DTD-DEVCO 12 LLC	1,098,484	2.20%
MOF BUCKEYE LLC	839,861	1.68%
ARHC BMBUCAZ01 LLC	842,650	1.69%
SJSA INVESTMENTS LLC	348,242	0.70%
SUNDANCE PARKWAY LLC	320,058	0.64%
CHAMBERLAIN DEVELOPMENT LLC	264,000	0.53%
RACHEL SMITH SURVIVORS TRUST/ETAL	307,648	0.62%
	\$14,143,390	28.37%

Source: Maricopa County Assessor's Office, as of November 19, 2014.

Continuing Disclosure Annual Report

Direct and Overlapping Debt of the District

Overlapping Jurisdiction	2014-15 Net Secondary Assessed Valuation	Net Outstanding Bonded Debt (a)	Proportion Applicable to the District		2014-15 Combined Tax Rate Per \$100 Assessed
			Approx. Percent	Amount	
State of Arizona	\$55,352,051,074	\$0	0.09%	\$0	\$0.0000
Maricopa County	35,079,646,593	0	0.17%	0	2.3615 (b)
Maricopa CCCD	35,079,646,593	712,735,000	0.17%	1,221,042	1.5187
West-MEC	13,001,754,611	59,045,000	0.46%	272,922	0.0810
Buckeye Elementary SD #33	177,474,260	17,795,000	33.86%	6,025,876	5.9172
Liberty Elementary SD #25	195,374,149	19,570,000	30.76%	6,019,790	4.5011
Buckeye Union High SD #201	720,101,358	43,735,000	8.35%	3,650,002	3.5091
Town of Buckeye	324,277,466	0	18.53%	0	1.8011
Sundance CFD	60,097,666	21,795,000	100.00%	21,795,000	2.9104
Total Net Direct and Overlapping General Obligation Bonded Debt				<u>\$38,984,632</u>	

(a) Net outstanding bonded debt for various jurisdictions is as of December 31, 2014.

(b) The County's tax rate includes the \$0.1400 tax rate of the Central Arizona Project, the \$0.1856 tax rate of the Maricopa County Health Care District, the \$0.1392 tax rate of the Maricopa County Flood Control District, the \$0.0556 tax rate of the Maricopa County Free Library, the \$0.0113 tax rate for the contribution to the Maricopa County Fire District, the \$0.5089 tax rate of the County Education Equalization and the \$1.3209 tax rate of the County. It should be noted that the County Flood Control District does not levy taxes on personal property.

Continuing Disclosure Annual Report

Relating To

\$8,750,000

**Tartesso West Community Facilities District
(Buckeye, Arizona)
District General Obligation Bonds, Series 2007**

CUSIP: 876498

***Submitted:*
February 1, 2015**

Continuing Disclosure Annual Report

Pursuant to Rule 15c2-12(b)(5) of the Securities and Exchange Commission, this Continuing Disclosure Annual Report will be submitted to the Electronic Municipal Market Access (EMMA) system and the EMMA Continuing Disclosure Service of the Municipal Securities Rulemaking Board (MSRB), as a repository for municipal continuing disclosure information.

Website: www.emma.msrb.org

Continuing Disclosure Annual Report

PROPERTY VALUATIONS

Fiscal Year	Full Cash Value	Secondary Assessed Value
2014-15	\$127,507,293	\$13,508,234
2013-14	112,319,353	12,389,567
2012-13	122,712,121	12,970,266
2011-12	127,148,695	13,418,264
2010-11	198,366,552	22,240,527
2009-10	270,455,580	32,332,707
2008-09	268,780,900	33,303,170
2007-08	161,588,479	23,937,035

Source: Maricopa County Assessor's Office.

**NET SECONDARY ASSESSED VALUATIONS
BY PROPERTY CLASSIFICATION**

Legal Class Description	2012-13	2013-14	2014-15	2014-15 % of Total
1 Commercial	\$289,003	\$2,006,188	\$1,621,715	12.01%
2 Agriculture & Vacant	3,260,299	2,136,034	1,783,309	13.20%
3 Residential (owner occupied)	7,117,524	5,865,515	7,077,514	52.39%
4 Residential (rental occupied)	2,303,440	2,381,830	3,025,696	22.40%
Total	\$12,970,266	\$12,389,567	\$13,508,234	100.00%

Source: Maricopa County Assessor's Office.

**NET SECONDARY ASSESSED VALUATION
OF MAJOR TAXPAYERS**

Taxpayer (a)	2014-15 Secondary Assessed Valuation	As Percent Of District's 2014-15 Net Secondary Assessed Valuation
TARTESSO PARTNERS LLC	\$1,319,908	9.77%
TRANSWESTERN PIPELINE COMPANY LLC	1,037,056	7.68%
FROM LITTLE ACORNS GROW LLC	538,110	3.98%
ARIZONA PUBLIC SERVICE COMPANY	493,959	3.66%
REDUS ARIZONA LLC	89,570	0.66%
TERRAZZO II LLC	73,840	0.55%
GENDELL PARTNERS ARIZONA LLC	68,272	0.51%
PHOENIX HOLDINGS I LP	64,740	0.48%
FREO ARIZONA LLC	56,350	0.42%
	\$56,240	27.71%

Source: Maricopa County Assessor's Office, as of December 15, 2014.

Continuing Disclosure Annual Report

TAXES LEVIED AND COLLECTED IN THE DISTRICT

Fiscal Year	Real and Secured Personal Property Tax Levy (a)	Collected to June 30th End of Tax Fiscal Year (b)(c)		Total Collections (c)(d)	
		Amount	Percent of Tax Levy	Amount	Percent of Tax Levy
2012-13	376,146	367,342	97.66%	368,379	97.94%
2011-12	442,808	433,340	97.86%	442,070	99.83%
2010-11	733,941	704,926	96.05%	724,433	98.70%
2009-10	1,066,984	1,004,029	94.10%	1,062,829	99.61%
2008-09	1,099,008	1,009,745	91.88%	1,095,699	99.70%
2007-08	789,923	754,333	95.49%	783,983	99.25%
2006-07	113,059	94,994	84.02%	97,252	86.02%
2005-06	11,862	11,860	99.98%	11,862	100.00%

Source: Arizona Department of

- (a) Tax levy is as reported by the Treasurer as of August of each fiscal year. Amount does not include adjustments made to levy amounts after the August report.
- (b) Reflects collections made through June 30, the end of the fiscal year, on such year's levy. Property taxes are payable in two installments. The first installment is due the first day of October and becomes delinquent on November 1, unless the full year's taxes are paid by December 31. The second installment becomes due the first day of March and is delinquent on May 1. Interest at the rate of 16% per annum attaches on first and second installments following their delinquent dates. Penalties for delinquent payments are not included in the above collection figures.
- (c) Collections resulting in other than 100% represent increases and/or decreases to the levy amount after the initial August levy amount set by the Board of Supervisors.
- (d) Reflects collections made through July 31, 2014.

Direct and Overlapping Debt of the District

Overlapping Jurisdiction	2014-15 Net Secondary Assessed Valuation	Net Outstanding Bonded Debt	Proportion Applicable to the District		2014-15 Combined Tax Rate Per \$100 Assessed (a)
			Approx. Percent	Amount	
State of Arizona	\$55,352,051,074	\$0	0.00%	\$0	\$0.0000
Maricopa County	35,079,646,593	0	0.04%	0	2.3615 (b)
Maricopa County Community College District	35,079,646,593	712,735,000	0.04%	274,455	1.5187
West-MEC	13,001,754,611	59,045,000	0.10%	61,345	0.0810
Town of Buckeye	324,277,466	0	4.17%	0	1.8011
Saddle Mountain Unified School District No. 90	799,940,002	10,000,000	1.69%	168,866	2.6164
Tartesso West CFD	13,508,234	7,266,000	100.00%	7,266,000	5.0970
Total Net Direct and Overlapping General Obligation Bonded Debt				<u>\$7,770,666</u>	<u>13.4757</u>

- (a) The combined tax rate includes the tax rate for debt service payments, which is based on the secondary assessed valuation of each entity, and the tax rate for all other purposes such as maintenance and operation and capital outlay, which generally is based on the primary assessed valuation of jurisdictions other than special districts and on the secondary assessed valuation of special district such as the District.
- (b) The County's tax rate includes the \$0.1400 tax rate of the Central Arizona Project, the \$0.1856 tax rate of the Maricopa County Health Care District, the \$0.1392 tax rate of the Maricopa County Flood Control District, the \$0.0556 tax rate of the Maricopa County Free Library, the \$0.0113 tax rate for the contribution to the Maricopa County Fire District, the \$0.5089 tax rate of the County Education Equalization and the \$1.3209 tax rate of the County. It should be noted that the County Flood Control District does not levy taxes on personal property.

Continuing Disclosure Annual Report

Relating To

\$3,800,000

**Westpark Community Facilities District
(Town of Buckeye, Arizona)**

Assessment District No. 1

Special Assessment Revenue Bonds, Series 2005

CUSIP: 96122D

Submitted:

February 1, 2015

Continuing Disclosure Annual Report

Pursuant to Rule 15c2-12(b)(5) of the Securities and Exchange Commission, this Continuing Disclosure Annual Report will be submitted to the Electronic Municipal Market Access (EMMA) system and the EMMA Continuing Disclosure Service of the Municipal Securities Rulemaking Board (MSRB), as a repository for municipal continuing disclosure information.

Website: www.emma.msrb.org

Continuing Disclosure Annual Report

**OVERLAPPING GENERAL OBLIGATION
BONDED INDEBTEDNESS**

<u>Overlapping Jurisdiction</u>	<u>2014-15 Net Secondary Assessed Valuation</u>	<u>Net Outstanding Bonded Debt (a)</u>	<u>Proportion Applicable to the District</u>		<u>2014-15 Combined Tax Rate Per \$100 Assessed</u>
			<u>Approx. Percent</u>	<u>Amount</u>	
State of Arizona	\$55,352,051,074	None	0.02%	\$0	\$0.0000
Maricopa County	35,079,646,593	None	0.03%	0	2.3615 (b)
Maricopa CCCD	35,079,646,593	712,735,000	0.03%	1,102,378	1.5187
West-MEC	13,001,754,611	59,045,000		145,954	0.0810
Buckeye Elementary SD #33	177,474,260	17,795,000	5.14%	4,767,080	5.9172
Liberty Elementary SD #25	195,374,149	19,570,000	4.67%	2,261,553	4.5011
Buckeye Union High SD #201	720,101,358	43,735,000	1.27%	3,649,288	3.5091
Town of Buckeye	324,277,466	0	2.81%	0	1.8011
Westpark CFD	9,115,120	6,240,000	100.00%	6,240,000	5.6098
Total Net Direct and Overlapping General Obligation Bonded Debt				<u>\$18,166,253</u>	

(a) Net outstanding bonded debt for various jurisdictions is as of December 31, 2014.

(b) The County's tax rate includes the \$0.1400 tax rate of the Central Arizona Project, the \$0.1856 tax rate of the Maricopa County Health Care District, the \$0.1392 tax rate of the Maricopa County Flood Control District, the \$0.0556 tax rate of the Maricopa County Free Library, the \$0.0113 tax rate for the contribution to the Maricopa County Fire District, the \$0.5089 tax rate of the County Education Equalization and the \$1.3209 tax rate of the County. It should be noted that the County Flood Control District does not levy taxes on personal property.

REMAINING AUTHORIZATION

<u>Overlapping Entity</u>	<u>Authorized but Unissued Bonds</u>
Maricopa County Community College District	\$3,000
Western Maricopa Education Center	\$14,900,000
Buckeye UHSD No. 201	None
Buckeye Elementary School District No. 33	15,420,000
Liberty Elementary School District No. 25	None
Westpark Community Facilities District	17,410,000

Continuing Disclosure Annual Report

COMPLETION SCHEDULE

<u>Project</u>	<u>Estimated Start Date</u>	<u>Completion Date</u>	<u>Status of Project if Currently Under Construction</u>
Sewer line to waste water treatment plant		Completed	Completed
Water tank, booster station, transmission lines		Completed	Completed
Collector streets - Warner Street, Westpark Loop, Lower Buckeye Road		Completed	Completed
Public & Private Landscaping		Completed	Completed
Subdivision Improvements:			
Water		Completed	Completed
Sewer		Completed	Completed
Other		Completed	Completed

RECENT MARKET ACTIVITY

<u>Year</u>	<u>Housing Starts/Permits</u>	<u>Sales to Homeowners</u>
2005	900	500
2006	966	900
2007	1,085	1,025
2008	1,086	1,086

Source: Developer and Town of Buckeye, Arizona

Continuing Disclosure Annual Report

**STATUS OF OWNERSHIP, AMOUNTS OF DELINQUENCIES AND
PARCELS DELINQUENT (including amount of penalties and interest) AND
STATUS OF FORECLOSURE SALES BY TAX PARCEL IDENTIFICATION NUMBER**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Planning Area	Acreage	Lots	Assessment Per Lot	Total Assessment	Wholesale Bulk Value (a)	Value to Lien Ratio (a)	Status of Land If Not Owned By Developer	Delinquencies Per Lot	Status of Foreclosure Sales by Tax Parcel ID Number
15s		4	\$3,018		\$32,868		sold to Homelife	none	none
		4	3,018		32,868		Communities Group of		
		4	3,554		32,868		sold to Beazer Homes,	none	none
		9	3,554		32,868		sold to Hacienda	none	none
		9	3,554		32,868		sold to Beazer Homes,	none	none
							sold to Homelife	none	none
		4	4,024		32,868		Communities Group of		
		3	4,024		32,868		sold to Canterra Homes	none	none
							sold to Homelife	none	none
		1	4,024		32,868		Communities Group of		
							sold to Beazer Homes,	none	none
	23.01	38		\$134,524		9:1			
1	23.61	68	4,024	273,608	36,456	9:1	sold to Canterra Homes	see footnote	none
15n	16.92	62	3,554	220,362	33,387	9:1	sold to Beazer Homes,	see footnote	none
16s	18.85	92	3,018	277,632	30,370	10:1	sold to Beazer Homes,	see footnote	none
2n	24.26	74	3,554	263,012	31,622	9:1	sold to Canterra Homes	none	none
2s	11.86	53	3,554	188,374	33,434	9:1	sold to Canterra Homes	none	none
16n	15.48	75	3,018	226,330	28,120	9:1	sold to Beazer Homes,	see footnote	none
17n	26.57	144	3,018	434,554	28,771	10:1	sold to Hacienda	see footnote	none
17s	23.61	97	3,554	344,760	31,639	9:1	sold to Hacienda	see footnote	see footnote (k)
3n	27.04	89	4,024	358,105	34,101	9:1	sold to Homelife	see footnote	none
							Communities Group of	(g)	
3s	20.49	72	4,024	289,703	34,111	9:1	sold to Homelife	see footnote	none
							Communities Group of	(h)	
4n	33.79	132	3,554	469,157	31,629	9:1	sold to Beazer Homes,	see footnote	none
4s	19.41	90	3,554	318,880	31,633	9:1	sold to Hacienda	see footnote	none
TOTAL	284.90	1,086		\$3,800,000	\$648,217				

Source: City of Buckeye, Arizona on December 31,

(a) Represents the value to lien ratio as originally reported in Table 1 of the Series 2005 Limited Offering Memorandum dated May 4, 2005. Pursuant to the Continuing Disclosure Undertaking Agreement, the appraisal values of properties (i.e. lots/parcels) in the Westpark Assessment District No. 1 have not been updated on an ongoing, annual basis. Current values could be substantially lower than shown above.

- (a) One lot is delinquent. Total amount of delinquencies including penalties and interest is \$109.24
- (b) One lot is delinquent. Total amount of delinquencies including penalties and interest is \$97.84
- (c) One lot is delinquent. Total amount of delinquencies including penalties and interest is \$84.81.
- (d) Three lots are delinquent. Total amount of delinquencies including penalties and interest is \$254.43.
- (e) Four lots are delinquent. Total amount of delinquencies including penalties and interest is \$339.24
- (f) One lot is delinquent. Total amount of delinquencies including penalties and interest is \$97.84.
- (g) One lot is delinquent. Total amount of delinquencies including penalties and interest is \$109.24
- (h) Two lots are delinquent. Total amount of delinquencies including penalties and interest is \$175.86.
- (i) Four lots are delinquent. Total amount of delinquencies including penalties and interest is \$373.38.
- (j) Four lot are delinquent. Total amount of delinquencies including penalties and interest is \$343.01
- (k) One lot parcel no. 504-26-775 sold at auction.

Continuing Disclosure Annual Report

**CURRENT BALANCES IN THE FUNDS HELD
PURSUANT TO THE INDENTURE OF TRUST***

Principal Account Balance	\$11,468.55
Interest Account Balance	\$61,274.67
Acquisition & Construction Fund Balance	NA-account closed
Reserve Fund Balance:	\$203,914.86
Prepayment Fund Balance:	\$123,339.78

*As of December 31, 2014, per Zions Bank.

Continuing Disclosure Annual Report

Relating To

\$690,000

**WESTPARK COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
DISTRICT GENERAL OBLIGATION BONDS, SERIES 2005**

\$4,420,000

**WESTPARK COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
DISTRICT GENERAL OBLIGATION BONDS, SERIES 2006**

\$2,480,000

**WESTPARK COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
DISTRICT GENERAL OBLIGATION BONDS, SERIES 2007**

CUSIP: 96122E

***Submitted:*
February 1, 2015**

Continuing Disclosure Annual Report

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Website: www.emma.msrb.org

Continuing Disclosure Annual Report

PROPERTY VALUATIONS IN THE DISTRICT

Fiscal Year	Full Cash Value	Secondary Assessed Value
2014-15	\$99,312,134	\$9,115,120
2013-14	82,709,213	7,627,805
2012-13	86,454,162	8,066,834
2011-12	89,551,121	8,369,471
2010-11	135,939,480	14,503,817
2009-10	197,416,266	20,966,011
2008-09	265,870,478	29,394,504
2007-08	178,207,141	20,583,928
2006-07	79,300,379	9,434,253
2005-06	11,896,176	1,903,409
2004-05	2,893,179	449,428
2003-04	2,574,521	411,922

Source: Maricopa County Assessor's Office.

**NET SECONDARY ASSESSED VALUATIONS
BY PROPERTY CLASSIFICATION**

Description	2012-13	2013-14	2014-15	2014-15 Percent of Total
Commerical & Industrial	\$55,756	\$33,961	\$134,688	1.48%
Agricultural & Vacant	599,748	507,716	117,180	1.29%
Residential (Owner Occupied)	5,195,470	4,581,128	5,628,702	61.75%
Residential (Rental Occupied)	2,215,860	2,505,000	3,234,550	35.49%
Total	\$8,066,834	\$7,627,805	\$9,115,120	100.00%

Source: Maricopa County Assessor's Office.

**SECONDARY ASSESSED VALUATION BY
MAJOR TAXPAYERS**

Taxpayer	2014-15 Secondary Assessed Valuation	As Percent of District's 2014-15 Net Secondary Assessed Valuation
VALENCIA WATER CO INC	\$101,761	1.12%
AMERICAN RESIDENTIAL LEASING COMPANY LLC	94,000	1.03%
WESTPARK ONE LLC	92,096	1.01%
EMPIRE RESIDENTIAL OPPORTUNITY FUND V LLC	41,920	0.46%
FREO ARIZONA LLC	39,890	0.44%
	\$369,667	4.06%

Source: Maricopa County Assessor's Office, as of December 15, 2014.

Continuing Disclosure Annual Report

TAXES LEVIED AND COLLECTED IN THE DISTRICT

Fiscal Year (a)	Real and Secured Personal Property Tax Levy (b)	Collected to June 30th End of Tax Fiscal Year		Total Collections (c)(d)	
		Amount	Percent of Tax Levy	Amount	Percent of Tax Levy
2013-14	\$354,695	\$327,440	92.32%	\$329,613	92.93%
2012-13	496,114	470,139	94.76%	495,868	99.95%
2011-12	276,199	257,926	93.38%	276,060	99.95%
2010-11	478,632	403,988	84.40%	477,938	99.85%
2009-10	691,886	577,031	83.40%	678,904	98.12%
2008-09	970,018	790,008	81.44%	910,920	93.91%
2007-08	679,274	647,362	95.30%	677,762	99.78%
2006-07	311,333	285,400	91.67%	305,119	98.00%
2005-06	48,158	48,158	100.00%	45,610	94.71%
2004-05	1,348	1,348	100.00%	1,348	100.02%
2003-04	1,561	1,561	100.00%	1,561	99.99%

Source: Maricopa County Treasurer's Office.

- (a) Tax levy is as reported by the Treasurer as of August of each fiscal year. Amount does not include adjustments made to levy amounts after the August report.
- (b) Reflects collections made through June 30, the end of the fiscal year, on such year's levy. Property taxes are payable in two installments. The first installment is due the first day of October and becomes delinquent on November 1, unless the full year's taxes are paid by December 31. The second installment becomes due the first day of March and is delinquent on May 1. Interest at the rate of 16% per annum attaches on first and second installments following their delinquent dates. Penalties for delinquent payments are not included in the above collection figures.
- (c) Collections resulting in other than 100% represent increases and/or decreases to the levy amount after the initial August levy amount set by the Board of Supervisors.
- (d) Reflects collections made through July 31, 2014.

Continuing Disclosure Annual Report

Relating To

\$49,000,000

Watson Road Community Facilities District

(Town of Buckeye, Arizona)

Special Assessment Revenue Bonds, Series 2005

CUSIP: 942687

Submitted:
February 1, 2015

Continuing Disclosure Annual Report

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Website: www.emma.msrb.org

Continuing Disclosure Annual Report

**OVERLAPPING GENERAL OBLIGATION
BONDED INDEBTEDNESS**

Overlapping Jurisdiction	2014-15 Net Secondary Assessed Valuation	Net Outstanding Bonded Debt (a)	Proportion Applicable to the District		2014-15 Combined Tax Rate Per \$100 Assessed
			Approx. Percent	Amount	
State of Arizona	\$55,352,051,074	None	0.03%	\$0	\$0.0000
Maricopa County	35,079,646,593	None	0.04%	0	2.3615 (b)
Maricopa CCCD	35,079,646,593	\$712,735,000	0.04%	282,098	1.5187
West-MEC	13,001,754,611	59,045,000	0.11%	0	0.0810
Buckeye Elementary SD #33	177,474,260	17,795,000	7.82%	1,392,163	5.9172
Liberty Elementary SD #25	195,374,149	19,570,000	7.11%	1,390,757	4.5011
Buckeye Union High SD #201	720,101,358	43,735,000	1.93%	843,263	3.5091
Town of Buckeye	324,277,466	0	4.28%	0	1.8011
Watson Road CFD	13,884,415	0	100.00%	0	0.3000
Total Net Direct and Overlapping General Obligation Bonded Debt				\$3,908,282	

(a) Net outstanding bonded debt for various jurisdictions is as of December 31, 2014.

(b) The County's tax rate includes the \$0.1400 tax rate of the Central Arizona Project, the \$0.1856 tax rate of the Maricopa County Health Care District, the \$0.1392 tax rate of the Maricopa County Flood Control District, the \$0.0556 tax rate of the Maricopa County Free Library, the \$0.0113 tax rate for the contribution to the Maricopa County Fire District, the \$0.5089 tax rate of the County Education Equalization and the \$1.3209 tax rate of the County. It should be noted that the County Flood Control District does not levy taxes on personal property.

REMAINING AUTHORIZATION

Overlapping Entity	Authorized But Unissued Bonds
Maricopa County Community College District	\$3,000
Western Maricopa Education Center	\$14,900,000
Buckeye UHSD No. 201	None
Buckeye Elementary School District No. 33	15,420,000
Liberty Elementary School District No. 25	None

Continuing Disclosure Annual Report

COMPLETION SCHEDULE

<u>Project</u>	<u>Plat Status</u>	<u>Building Permits Issued</u>	<u>Wastewater Plumbing Connections (Y/N)</u>
Anderson Parc	Final Plat Submitted	0	N
Apache Farms	Final Plat Approved	0	N
Buena Vista	Final Plat Approved	0	N
Crystal Vista	Final Plat Approved	11	Y
Desert Moon	Preliminary Plat Approved	0	N
Montana Vista	Final Plat Submitted	0	N
Mystic Vista	Final Plat Submitted	0	N
Cottonwood Meadows N	Final Plat Approved	0	N
Park Place at Buckeye	Final Plat Approved	77	Y
Riata West	Final Plat Approved	886	Y
Cottonwood Meadows S	Final Plat Submitted	0	N
Siesta Lago	Final Plat Submitted	0	N
Sonoran Vista	Final Plat Approved	276	Y
Tyler Ranch	Final Plat Submitted	0	N
Vista Bonita	Preliminary Plat Approved	0	N
Watson Estates	Final Plat Approved	450	Y
Wingate	Final Plat Submitted	0	N
Wingate East	Final Plat Submitted	0	N

Source: City of Buckeye, as of December 31, 2014.

Continuing Disclosure Annual Report

**STATUS OF OWNERSHIP, AMOUNTS OF DELINQUENCIES AND
PARCELS DELINQUENT (including amount of penalties and interest) AND
STATUS OF FORECLOSURE SALES BY TAX PARCEL IDENTIFICATION NUMBER**

(1) Planning Area	(2) Acreage	(3) Lots	(4) Assessment Per Lot	(5) Total Assessment	(7) Value to Lien Ratio (a)	(8) Status of Land If Not Owned By Developer	(9) Delinquencies Per Lot	(10) Status of Foreclosure Sales by Tax Parcel ID Number
Anderson Parc	59.74	242	\$6,054	\$1,465,016	5.49:1	Buckeye 60 LLC	none	0
Apache Farms	68.01	277	6,021	1,667,823	5.21:1	Walton Development & Mgmt Inc	none	0
Buena Vista	171.09	602	6,970	4,195,674	5.32:1	Buena Yuma LLC	none	0
Crystal Vista	78.18	311	6,165	1,917,224	5.08:1	Vantage Homes	none	0
Desert Moon	200.06	739	6,639	4,906,111	5.06:1	Metro CV 300 LLC	none	0
Montana Vista	70.08	283	6,073	1,718,586	5.16:1	SPT AZ Land Holdings LLC	none	0
Mystic Vista	142.06	564	6,177	3,483,766	5.07:1	PK Development	none	0
NEC Apache & Southern	85.10	279	6,302	2,086,924	4.87:1	Starwood Land Ventures LLC	none	0
Park Place at Buckeye	66.07	267	4,385	1,170,662	9.55:1	Walton Development & Mgmt Inc	none	0
Riata West	216.50	888	5,978	5,309,272	5.42:1	Evergreen Communities	see footnote (b)	0
SEC Apache & Southern	149.34	597	6,135	3,662,294	5.12:1	DR Horton Inc	see footnote (c)	0
Siesta Lago	30.00	122	6,030	735,696	5.04:1	Walton Development	none	0
Sonoran Vista	137.24	543	6,198	3,365,564	5.17:1	Cheasapeake Holdings NC I LLC	none	0
Tyler Ranch	71.29	303	5,708	1,746,787	5.42:1	Starwood Land Ventures LLC	none	0
Vista Bonita	74.48	273	6,690	1,826,488	4.26:1	DR Horton Inc	see footnote (d)	0
Watson Estates	234.63	868	6,181	5,753,853	5.28:1	Walton Arizona LLC	none	0
						Vantage Homes	none	0
						Taylor Morrison	see footnote (e)	0
						Crown Phoenix VIII LLC	none	0
						Crown Phoenix IX LLC	none	0
						Crown Phoenix X LLC	none	0
						Shea Homes	see footnote (f)	0
						Security Title Agency	none	0
Wingate	147.23	547	4,769	2,608,697	5.57:1	Walton Development & Mgmt Inc	none	0
Wingate East	77.86	343	4,022	1,379,563	6.38:1	Walton Development & Mgmt Inc	none	0
TOTAL	2079	8,048	106,497	\$49,000,000				

Source: City of Buckeye, Arizona on December 31, 2014.

(a) Represents the value to lien ratio as originally reported in Table 1 of the Series 2005 Limited Offering Memorandum dated December 20, 2005. Pursuant to the Continuing Disclosure Undertaking Agreement, the appraisal values of properties (i.e. lots/parcels) in the Watson Road CFD have not been updated on an ongoing, annual basis. Current values could be substantially lower than shown above.

(b) Four lots are delinquent. Total amount of delinquencies including penalties and interest is \$491,531.

(c) Twenty-four lots are delinquent. Total amount of delinquencies including penalties and interest is \$3,814,561.

(d) Three lots are delinquent. Total amount of delinquencies including penalties and interest is \$500,341.

(e) Four lots are delinquent. Total amount of delinquencies including penalties and interest is \$655,641.

(f) Four lots are delinquent. Total amount of delinquencies including penalties and interest is \$655,641.

Continuing Disclosure Annual Report

**CURRENT BALANCES IN THE FUNDS HELD
PURSUANT TO THE INDENTURE OF TRUST ***

Principal Account Balance	\$52,959.53
Interest Account Balance	\$1,054,109.69
Acquisition & Construction Fund Balance	NA-account closed
Issuances & Expenses	NA-account closed
Reserve Fund Balance:	\$3,543,361.21
Asset & Stabilization Fund:	\$400,000.00
Prepayment Account:	\$1,128,166.53

* As of December 31, 2014, per Zions Bank.

City of Buckeye Arizona
Direct and Overlapping General Obligation Debt
As of June 30, 2015

<u>Governmental Unit</u>	<u>2014/15 Secondary Assessed Valuation</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Direct and Overlapping Debt</u>	<u>2014/15 Combined Tax Rate Per \$100 SAV</u>
Debt repaid with property taxes					
State of Arizona	\$ 55,352,051,074	\$ None	0.59%	None	0.0000
Maricopa County	35,079,646,593	None	0.92	None	1.8298
Maricopa County Community College District	35,079,646,593	593,820,000	0.92	5,463,144	1.5187
Western Maricopa Education Center	13,001,468,671	59,045,000	2.49	1,470,221	0.0810
Wickenburg Unified School District No. 9	147,466,078	9,380,000	30.75	2,884,350	5.5504
Liberty Elementary School District No. 25	195,374,149	19,570,000	20.74	4,058,818	4.5011
Buckeye Elementary School District No. 33	177,474,260	17,795,000	86.20	15,339,290	5.9172
Arlington Elementary School District No. 47	325,475,371	2,275,000	0.02	455	0.7734
Palo Verde Elementary School District No. 49	21,777,578	440,000	20.40	89,760	4.0251
Litchfield Unified School District No. 79	652,775,053	45,675,000	7.32	3,343,410	3.7780
Saddle Mountain Unified School District No. 90	812,844,836	25,000,000	4.07	1,017,500	1.3469
Agua Fria Union High School District No. 216	975,254,176	48,970,000	4.90	2,399,530	4.2005
Buckeye Union High School District No. 201	720,101,358	44,610,000	27.50	12,267,750	3.5091
Festival Ranch Community Facilities District	42,693,971	11,860,000	100.00%	11,860,000	2.9636
Sundance Community Facilities District	60,097,666	21,560,000	100.00%	21,560,000	2.9104
Tartesso West Community Facilities District	13,508,234	7,266,000	100.00%	7,266,000	5.0970
Verrado District No. 1 Community Facilities	63,972,940	40,920,000	100.00%	40,920,000	3.3000
Verrado Western Overlay Community Facilities District	14,291,050	10,400,000	100.00%	10,400,000	3.3000
Westpark Community Facilities District	9,115,120	6,240,000	100.00%	6,240,000	5.6098
Subtotal, overlapping debt				146,580,228	
City of Buckeye direct debt	324,277,466	0	100.00%	0	1.8011
Total direct and overlapping debt				\$ 146,580,228	

Source: The various jurisdictions

^a Proportion applicable to the City of Buckeye, Arizona is computed on the ratio of secondary assessed valuation for fiscal year 2014/15.

**CITY OF BUCKEYE, ARIZONA
FINANCIAL DATA**

**Current Year Statistics (For Fiscal Year 2014/15)
City of Buckeye, Arizona**

Total General Obligation Bonds Outstanding	None	
Total Water and Sewer Revenue Obligations Outstanding	\$ 20,028,541	(a)
Total Excise Tax-Secured and GADA Obligations to be Outstanding	23,075,000	(b)
Total Improvement District Obligations Outstanding	1,480,000	(c)
Primary Assessed Valuation	296,070,299	(d)
Secondary Assessed Valuation	324,277,466	(e)
Estimated Full Cash Value	3,634,355,175	(f)
Estimated Net Assessed Values (For Fiscal Year 2015/16) (g)		
Primary Assessed Valuation	320,169,039	
Secondary Assessed Valuation	408,074,462	

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- (a) See “Water and Sewer Revenue Obligations Outstanding” in this appendix.
- (b) See “Excise Tax-Secured and GADA Obligations to be Outstanding” in this appendix.
- (c) See “Improvement District Obligations Outstanding” in this appendix.
- (d) Arizona legislation divides property taxes into two categories, primary and secondary. Secondary property taxes are those taxes and assessments imposed to pay principal and interest on voter approved bonded indebtedness and certain other obligations, those imposed for special districts other than school districts and those imposed to exceed a budget, expenditure or tax limitation pursuant to voter approval. Primary property taxes are all ad valorem taxes other than secondary property taxes. Annual increases in the valuation of certain types of property for primary property tax purposes and the amount of primary property taxes which may be levied in any year are subject to certain limitations. Pursuant to a State Constitutional amendment in 2012 and enacting legislation, beginning in Fiscal Year 2015/16, annual increases in the valuation of property for both primary and secondary tax purposes will become subject to limitations.
- (e) Total estimated full cash value is the total market value of the property less unsecured personal property and less estimated exempt property within the City, as projected by the ADOR, Division of Property and Special Taxes.
- (f) Total estimated full cash value is the total market value of the property less unsecured personal property and less estimated exempt property within the City, as projected by the ADOR, Division of Property and Special Taxes.
- (g) Estimated valuations for Fiscal Year 2015/16 provided by the ADOR. Valuations for Fiscal Year 2015/16 are not official until approved by the Board of Supervisors of the County on the third Monday in August for the following fiscal year. Although the final official valuations are not expected to differ materially from the estimated valuations, they are subject to positive or negative adjustments until approved by the Board of Supervisors of the County.

Source: Maricopa County Finance Department and the Finance Department of the City.