



Comprehensive Annual Financial Report  
June 30, 2017



**CITY OF BUCKEYE, ARIZONA**  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE  
FISCAL YEAR ENDED JUNE 30, 2017

Prepared by the  
Finance Department

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# **Introductory Section**

December 19, 2017

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, 2017. 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 the *Uniform Guidance, Audit of State, 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, 2017. 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 City 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 62,582 based on a report from the U. S. Census Bureau. 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. Buckeye’s retail is growing slowly but steadily, and a new manufacturing company completed construction during the fiscal year. A Fry’s Marketplace is planned close to Verrado community at the corner of Indian School Road and Jackrabbit Trail. The infrastructure for this project will be completed during the next fiscal year.

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 11/122 – 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*

Craig Heustis  
*Vice Mayor*

Tony Youngker  
*Councilmember*

Jeanine Guy  
*Councilmember*

Michelle Hess  
*Councilmember*

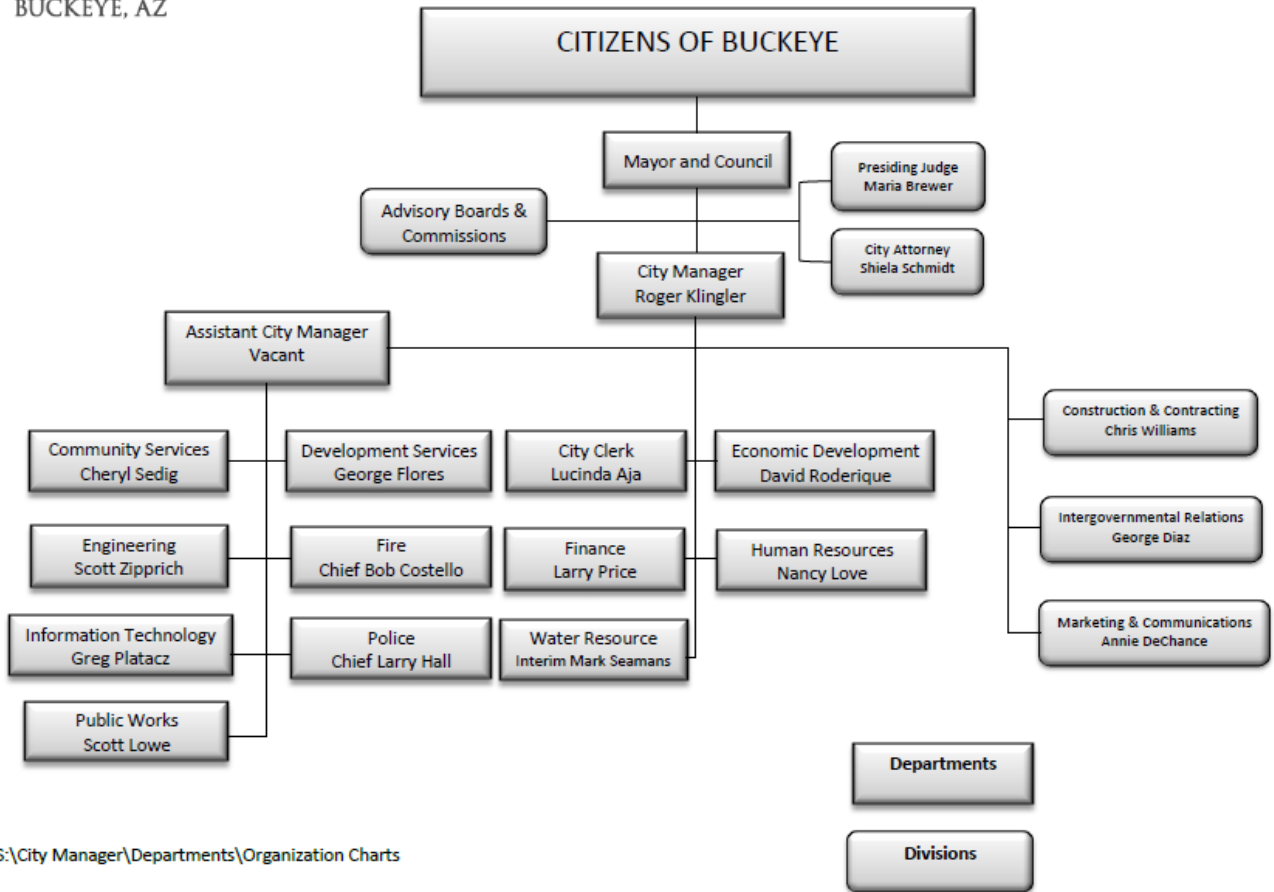
Patrick Hagestad  
*Councilmember*

Eric Orsborn  
*Councilmember*

City of Buckeye, Arizona  
 Organizational Chart  
 June 30, 2017



City of Buckeye Organizational Chart 2017



S:\City Manager\Departments\Organization Charts

## **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, 2017, 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, 2017, and the respective changes in financial position and, where, applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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 78 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 and 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 19, 2017, 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 solely 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 the effectiveness of the City's 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 19, 2017

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, 2017. 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, 2017 by \$579,485,128 (net position). Of this amount, \$ 97,869,158 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of fiscal year 2017, the City of Buckeye, Arizona's governmental funds reported combined ending fund balances of \$48,832,944 an increase of \$5,122,851 in comparison to fiscal year 2016. This change was mainly due to:
  - The General Fund's fund balance increased by \$5,732,332;
  - The governmental Impact Fee Funds' fund balance increased by \$3,098,712;
  - The various CFD Debt Service Funds' fund balance decreased by (\$499,025);
  - The various Improvement District Debt Service Funds' fund balance decreased by (\$2,288);
  - The Highway User Revenue Fund's (HURF) fund balance increased by \$395,855;
  - Nonmajor Governmental Funds' fund balance decreased by (\$3,602,735).
  - 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.
- As of June 30, 2017, the total fund balance in the General Fund was \$19,704,199. The fund balance in the governmental Impact Fees Funds totaled \$14,006,777.
- For fiscal year 2017, total General Fund revenues of \$64,992,990 were greater than budgeted revenues of \$60,295,676. An increase of \$4,697,314 or 9.28%. Total General Fund expenditures of \$54,334,844 were less than the budgeted expenditures of \$65,581,394. A decrease of \$11,246,550 or 17.2%.
- For fiscal year 2017 total governmental Impact Fee revenues of \$3,517,221 were greater than budgeted revenues of \$1,719,786. An increase of \$1,797,435 or 104.52%. Total governmental Impact Fee expenditures of \$232,509 were less than budgeted expenditures of \$11,520,667. A difference of \$11,252,746 or 97.67% when compared to budget.

## **Overview of the Financial Statements**

The financial section of the Comprehensive Annual Financial Report (CAFR) for the City of Buckeye, Arizona consists of the introductory section, discussion and analysis, the basic financial statements, the required supplementary schedules, the combining and individual fund statements and statistical section 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, 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, use 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 13 to the basic financial statements and in required supplementary information on pages 74 – 78.

### **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, 2017 and 2016, 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 \$579,845,128 for the fiscal year ended June 30, 2017.

City of Buckeye, Arizona  
Management's Discussion and Analysis  
June 30, 2017

City of Buckeye, Arizona  
Condensed Statement of Net Position  
June 30, 2017 and 2016

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>ASSETS</b>						
Current and other assets	\$ 102,472,879	\$ 104,060,361	\$ 57,337,806	\$ 45,351,184	\$ 159,810,685	\$ 149,411,545
Capital assets:						
Non-depreciable	179,197,897	181,862,385	25,292,610	25,551,109	204,490,507	207,413,494
Depreciable (net)	223,842,899	226,722,177	263,604,349	269,612,275	487,447,248	496,334,452
<b>Total Assets</b>	<b>\$ 505,513,675</b>	<b>\$ 512,644,923</b>	<b>\$ 346,234,765</b>	<b>\$ 340,514,568</b>	<b>\$ 851,748,440</b>	<b>\$ 853,159,491</b>
<b>Deferred Outflows of Resources</b>						
Excess consideration for acquisition	-	-	30,202,296	33,523,460	30,202,296	33,523,460
Loss on refunding and defeasance	664,146	727,069	-	-	664,146	727,069
Pension related deferred outflows ASRS	6,891,348	5,432,500	2,138,566	1,685,907	9,029,914	7,118,407
Pension related deferred outflows PSPRS	12,297,267	7,854,153	-	-	12,297,267	7,854,153
<b>Total deferred outflow of resources</b>	<b>\$ 19,852,761</b>	<b>\$ 14,013,722</b>	<b>\$ 32,340,862</b>	<b>\$ 35,209,367</b>	<b>\$ 52,193,623</b>	<b>\$ 49,223,089</b>
<b>LIABILITIES</b>						
Other liabilities	\$ 7,390,445	\$ 9,454,231	\$ 7,383,176	\$ 5,805,966	\$ 14,773,621	\$ 15,260,197
Non-current liabilities:						
Due within one year	18,604,440	20,453,692	1,125,950	1,091,377	19,730,390	21,545,069
Net Pension Liability - ASRS	23,092,342	19,842,287	7,081,652	6,701,124	30,173,994	26,543,411
Net Pension Liability - PSPRS	20,318,967	9,089,030	-	-	20,318,967	9,089,030
Due in more than one year	150,635,234	147,644,364	69,788,954	69,485,262	220,424,188	217,129,626
Other long term obligations	-	-	14,163,425	14,163,425	14,163,425	14,163,425
<b>Total Liabilities</b>	<b>\$ 220,041,428</b>	<b>\$ 206,483,604</b>	<b>\$ 99,543,157</b>	<b>\$ 97,247,154</b>	<b>\$ 319,584,585</b>	<b>\$ 303,730,758</b>
<b>Deferred Inflows of Resources</b>						
Gain on refunding and defeasance	\$ 715,730	\$ 715,730	\$ -	\$ -	\$ 715,730	\$ 715,730
Pension related deferred inflows ASRS	2,810,353	1,675,657	861,843	565,901	3,672,196	2,241,558
Pension related deferred inflows PSPRS	484,424	1,321,738	-	-	484,424	1,321,738
<b>Total deferred inflows of resources</b>	<b>\$ 4,010,507</b>	<b>\$ 3,713,125</b>	<b>\$ 861,843</b>	<b>\$ 565,901</b>	<b>\$ 4,872,350</b>	<b>\$ 4,279,026</b>
<b>NET POSITION</b>						
Net investment in capital assets	\$ 243,071,412	\$ 251,728,460	\$ 204,025,522	\$ 210,619,449	\$ 447,096,934	\$ 462,347,909
Restricted for						
Impact fees	14,006,777	10,908,065	5,654,724	5,561,027	19,661,501	26,210,493
SLID operations	65,093	69,524	-	-	65,093	69,524
Highway and streets	1,398,969	1,003,114	-	-	1,398,969	1,003,114
Debt service	6,086,013	6,588,583	-	-	6,086,013	6,588,583
Capital projects	5,991,283	8,034,945	-	-	5,991,283	8,034,945
Other	1,316,177	2,577,893	-	-	1,316,177	2,577,893
Unrestricted	29,378,777	35,551,332	68,490,381	61,730,404	97,869,158	45,711,043
<b>TOTAL NET POSITION</b>	<b>\$ 301,314,501</b>	<b>\$ 316,461,916</b>	<b>\$ 278,170,627</b>	<b>\$ 277,910,880</b>	<b>\$ 579,485,128</b>	<b>\$ 594,372,796</b>

Net position consists of three components. The net investment in capital assets in the amount of \$447,096,934 is 77.2% of the City's total net position of \$579,485,128. 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.

City of Buckeye, Arizona  
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An additional portion of the City of Buckeye, Arizona's net position \$34,519,036 (6.0%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$97,869,158 (16.9%), 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.

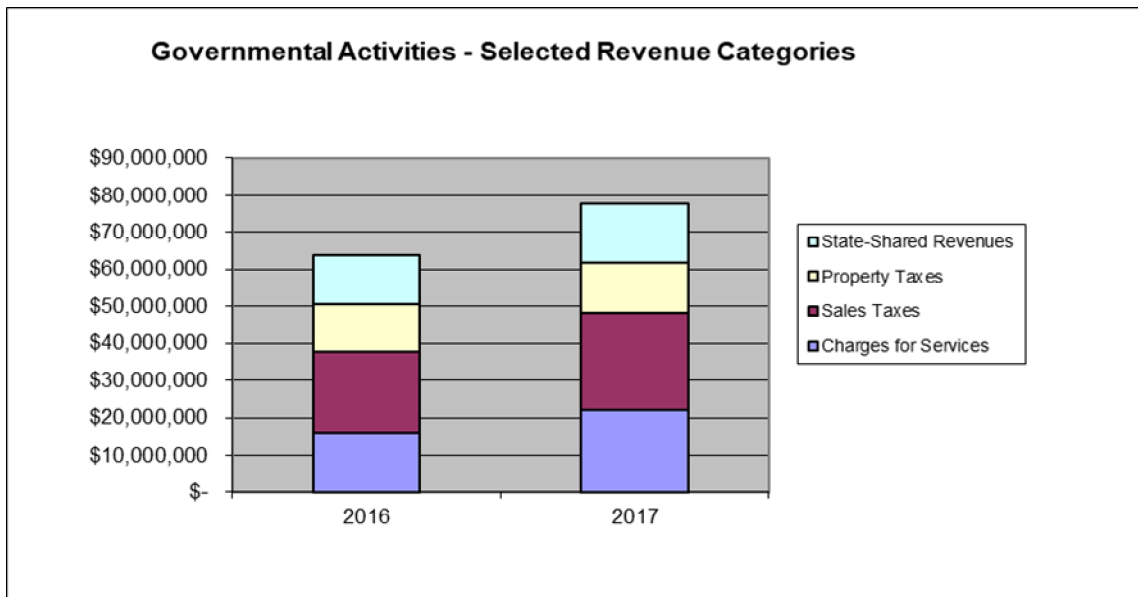
The following table reflects the condensed Statement of Changes in Net Position for the fiscal years ended June 30, 2017 and 2016. This information is helpful in understanding the sources and uses of funds during the fiscal year.

City of Buckeye, Arizona Changes in Net Position For the Fiscal Years Ended June 30, 2017 and 2016						
	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>REVENUES</b>						
Program revenues						
Fees, fines and charges for services	\$ 21,998,705	\$ 15,793,306	\$ 42,177,547	\$ 39,037,004	\$ 64,176,252	\$ 54,830,310
Operating grants and contributions	4,552,239	4,999,416	-	-	4,552,239	4,999,416
Capital grants and contributions	8,407,364	10,673,563	1,904,260	1,442,342	10,311,624	12,115,905
General revenues						
Sales taxes	26,203,438	22,031,849	-	-	26,203,438	22,031,849
Property taxes	13,745,711	12,847,463	-	-	13,745,711	12,847,463
Franchise taxes	3,052,055	2,962,205	-	-	3,052,055	2,962,205
State-shared revenues	15,866,089	13,141,892	-	-	15,866,089	13,141,892
Investment earnings	763,289	495,713	4,079	3,593	767,368	499,306
Other	1,527,122	7,643,072	-	-	1,527,122	7,643,072
<b>Total Revenues</b>	<b>\$ 96,116,012</b>	<b>\$ 90,588,479</b>	<b>\$ 44,085,886</b>	<b>\$ 40,482,939</b>	<b>\$ 140,201,898</b>	<b>\$ 131,071,418</b>
<b>EXPENSES</b>						
General government	\$ 48,082,884	\$ 23,020,739	-	-	\$ 48,082,884	\$ 23,020,739
Public safety	37,385,252	37,852,297	-	-	37,385,252	37,852,297
Highways and streets	5,658,117	5,959,605	-	-	5,658,117	5,959,605
Culture and recreation	5,517,637	5,607,427	-	-	5,517,637	5,607,427
Development services	6,352,032	5,412,082	-	-	6,352,032	5,412,082
Economic development	313,087	608,776	-	-	313,087	608,776
Health and welfare	599,601	576,954	-	-	599,601	576,954
Miscellaneous	122,347	88,254	-	-	122,347	88,254
Interest on long-term debt	7,909,219	9,717,320	-	-	7,909,219	9,717,320
Airport	-	-	695,944	754,139	695,944	754,139
Solid Waste	-	-	5,537,308	4,773,650	5,537,308	4,773,650
Sewer	-	-	11,136,875	11,578,374	11,136,875	11,578,374
Water	-	-	25,779,262	24,187,652	25,779,262	24,187,652
<b>Total Expenses</b>	<b>\$ 111,940,176</b>	<b>\$ 88,843,454</b>	<b>\$ 43,149,389</b>	<b>\$ 41,293,815</b>	<b>\$ 155,089,565</b>	<b>\$ 130,137,269</b>
Changes in net position before transfers	(15,824,164)	1,745,025	936,497	(810,876)	(14,887,667)	934,149
Transfers	676,750	1,812,935	(676,750)	(1,812,935)	-	-
<b>Change in net position</b>	<b>(15,147,414)</b>	<b>3,557,960</b>	<b>259,747</b>	<b>(2,623,811)</b>	<b>(14,887,667)</b>	<b>934,149</b>
Net position at beginning of year	316,461,915	312,903,956	277,910,880	280,534,691	594,372,795	593,438,647
<b>Total net position</b>	<b>\$ 301,314,501</b>	<b>\$ 316,461,916</b>	<b>\$ 278,170,627</b>	<b>\$ 277,910,880</b>	<b>\$ 579,485,128</b>	<b>\$ 594,372,796</b>

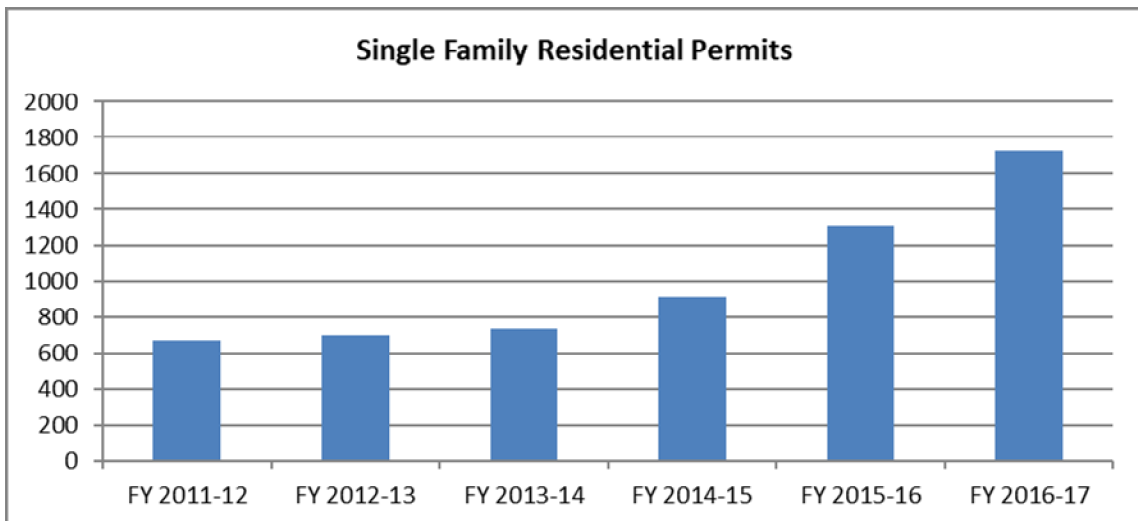
Governmental Activities. Governmental activities decreased the City's net position by \$15,147,414 from the prior fiscal year. This net decrease is attributable to an increase in revenue but a larger increase in expenses as discussed further below.

The greatest increase in revenue can be found in the fees, fines and charges for services, sales tax and state-shared revenues. 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. Sales tax increased by \$4,171,589 when compared to the prior fiscal year. Building permits have increased by 425 permits from prior fiscal year. The City accepted numerous streets and sidewalks from developers as a result of the positive economy, even though the total highways and streets conveyed to the City decreased by \$2.2 million from the prior fiscal year.

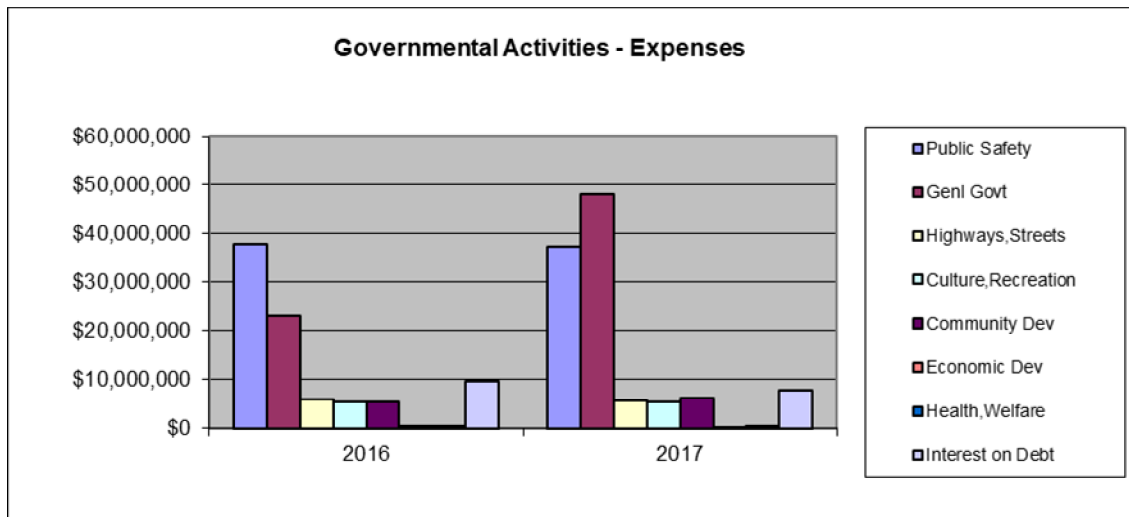
The chart below graphically reflects certain of the information above relative to the City's revenues.



The City of Buckeye saw another increase in the Building Permits for single family residential from 2016 to 2017.



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



Total expenses of the governmental funds increased a total of \$23,096,722 from fiscal year 2016 to fiscal year 2017. The increase in large is related to the pension expense for Arizona State Retirement System and Public Safety Personnel Retirement System net of accumulated amortization for governmental activities.

Business-Type Activities. Business-type activities increased the City's net position by \$259,747 (pg 17) during the fiscal year ended June 30, 2017. Capital grants and contributions showed an increase of \$461,918 during the fiscal year mostly based on contributions from developers for water and sewer lines.

**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, 2017, the City's governmental funds reported combined ending fund balances of \$48,832,944 (pg 18), an increase of \$5,122,850 from June 30, 2016. Approximately 40.35% 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, 2017 and 2016

	Governmental Activities		Increase (Decrease) from FY 2016
	2017	2016	
General Funds	\$ 19,704,199	\$ 13,971,867	\$ 5,732,332
Impact Fee Funds	14,006,777	10,908,065	3,098,712
CFD Funds	6,078,771	6,577,796	(499,025)
Debt Service Funds	8,896	11,184	(2,288)
HURF Fund	1,398,969	1,003,114	395,855
Nonmajor Governmental Funds	7,635,332	11,238,068	(3,602,736)

General Fund. The General Fund is the chief operating fund of the City of Buckeye, Arizona. This fund increased by \$5,732,332. Key factors in this change were:

- The increase in state-shared revenue has been a contributing factor in the fund balance increase. Construction sales tax continues to increase as the number of single family building permits increase. The sales tax increase due to construction is considered a one-time revenue and used only for one-time expenditures.
- The reduced capital contributions and grants reduced the total revenues received but is off-set by the increase in sales tax revenue.

Impact Fee Funds. Balances increased during the fiscal year by \$3,098,712, due to the construction increase for single family homes. Total impact fees ending fund balance was \$14,006,777 (pg 18), which is an increase of \$3,098,712 from the prior fiscal year, 2016.

Community Facility District (CFD) Funds. During the fiscal year, the various CFD Funds balances decreased by \$499,025. 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 2017

District Name	Operation & Maintenance	Debt Service	Total
Anthem Sun Valley CFD	0.3000		0.3000
Elianto CFD	0.3000		0.3000
Festival Ranch CFD	0.3000	2.8251	3.1251
Mirielle CFD	0.3000		0.3000
Sundance CFD	0.3000	2.9449	3.2449
Tartesso West CFD	0.3000	5.0536	5.3536
Trillium CFD	0.3000		0.3000
Verrado District 1 CFD	0.3000	3.8355	4.1355
Verrado Western Overlay CFD	0.3000	3.8610	4.1610
Watson Rd CFD	0.3000		0.3000
Westpark CFD	0.3000	6.3156	6.6156

Improvement District Debt Funds. The fund balance in the debt service fund decreased during this fiscal year by \$2,288.

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 \$395,855 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 \$395,855.

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, 2017 and 2016

	Business-Type Activities		Increase (Decrease) from FY 2016
	2017	2016	
Sewer Fund	\$ 7,930,060	\$ 5,410,386	\$ 2,519,674
Solid Waste	299,946	481,487	(181,541)
Water Fund	59,987,491	55,563,872	4,423,619
Airport Fund	272,884	274,659	(1,775)
Internal Service Fund	(22,297)	8,317	(30,614)

Developers transferred and the City accepted infrastructure totaling \$1,904,260 during the fiscal year that will be used in sewer and water operations.

**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 \$4,697,314. Expenditures were less than budgeted by (\$11,246,550) 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.

### **Capital Asset and Debt Administration**

The City of Buckeye, Arizona's capital assets for its governmental and business-type activities as of June 30, 2017 amount to \$691,937,755 (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 6 for further information regarding capital assets.

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 2016, continued during 2017, still ongoing, and some of the projects have been completed and recorded during fiscal year 2017.

- Skyline Park Phase II was completed during the fiscal year. The planning and construction continues with Phase III during FY 2018. Visitation to Skyline Regional Park continues to increase as more people become aware of all the changes. Between 2016 and 2017 the number of vehicles entering the park has increased by approximately 27%. The park offers horse trails and overnight camping.
- Community Services Division has moved to a new location on 110 N. Irwin. This building was purchased and renovated to accommodate staff and have a more central location for our citizens.
- Phase II of the Enterprise Resource Plan was completed during FY 2017 with Payroll going Live. The next phase is slated to be completed during FY 2018 for Utility Billing.
- The construction for Festival Ranch Fire Station (704) was completed during FY 2017.
- Apache Road Improvements included the removal of old asphalt, adjusting and replacing existing sewer manholes, water valves, protect and support underground utilities, new curb ramps, widening of Apache Road in this section. The improvement is in part related to the economic development in the area by Cardinal IG Company.
- The Airport Well #2 modification was completed during FY 2017. This enhancement will increase future economic growth at the Buckeye Airport and the Palo Verde Road/I-10 area.



City of Buckeye, Arizona  
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The following table provides details of the City's capital assets as of June 30, 2017 and 2016:

City of Buckeye, Arizona  
Capital Assets at June 30, 2017 and 2016  
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 176,332,472	\$ 176,028,805	\$ 11,515,046	\$ 11,113,702	\$ 187,847,518	\$ 187,142,507
Water Rights	-	-	3,883,259	3,883,259	3,883,259	3,883,259
Construction in progress	2,865,425	5,833,580	9,894,305	10,554,148	12,759,730	16,387,728
Land improvements	14,338,778	15,069,800	3,186,900	3,515,498	17,525,678	18,585,298
Buildings and improvements	35,556,330	31,197,844	62,335,433	64,682,591	97,891,763	95,880,435
Infrastructure	159,444,912	165,187,159	-	-	159,444,912	165,187,159
Furniture, machinery, equipment and vehicles	14,502,879	15,267,374	1,832,791	1,336,019	16,335,670	16,603,393
Wastewater system	-	-	112,235,677	115,083,755	112,235,677	115,083,755
Water system	-	-	84,013,548	84,994,412	84,013,548	84,994,412
	<u>\$ 403,040,796</u>	<u>\$ 408,584,562</u>	<u>\$ 288,896,959</u>	<u>\$ 295,163,384</u>	<u>\$ 691,937,755</u>	<u>\$ 703,747,946</u>

**Long-Term Debt**

At the end of the fiscal year, the City of Buckeye, Arizona had total long-term obligations outstanding of \$295,540,674. Of this amount, \$133,807,370 (45.3%) is Community Facilities District bonds backed solely by the property owners within the various CFDs. Improvement district bonds of \$1,296,000 (0.4%) are backed principally by the property owners within the improvement district. An additional \$20,090,000 (6.8%) (governmental activities) and \$66,608,603 (22.5%) (business-type activities) of outstanding debt is secured by pledges of specific revenue sources of the City. The remaining \$73,738,701(24.9%) is for capital leases, compensated absences, other long term obligations, 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, 2017.

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, 2017 and 2016. Further details on the City's outstanding debt may be found in Note 9 beginning on page 47.

City of Buckeye, Arizona  
Long-term Obligations at June 30, 2017 and 2016

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Improvement district bonds	\$ 1,296,000	\$ 1,390,000	\$ -	\$ -	\$ 1,296,000	\$ 1,390,000
Revenue bonds	20,090,000	21,380,000	66,608,603	66,134,808	86,698,603	87,514,808
Community facility district bonds	133,807,370	130,571,949	-	-	133,807,370	130,571,949
Deferred amount on premium	3,269,329	2,087,880	4,099,409	4,245,702	7,368,738	6,333,582
Deferred amount on discount	(401,587)	(450,587)	-	-	(401,587)	(450,587)
Capital leases	76,054	148,419	-	-	76,054	148,419
Compensated absences	1,832,218	1,683,749	206,892	196,129	2,039,110	1,879,878
Other long term obligations	-	-	14,163,425	14,163,425	14,163,425	14,163,425
Net Pension Liability - ASRS	23,092,342	19,842,287	7,081,652	6,701,124	30,173,994	26,543,411
Net Pension Liability - PSPRS	20,318,967	9,089,030	-	-	20,318,967	9,089,030
	<u>\$ 203,380,693</u>	<u>\$ 185,742,727</u>	<u>\$ 92,159,981</u>	<u>\$ 91,441,188</u>	<u>\$ 295,540,674</u>	<u>\$ 277,183,915</u>

**Fiscal Year 2018 Budget Proposal Highlights**

The fiscal year 2018 proposal of \$194,853,657 is 13.6% or \$63,215,397 less than the fiscal year 2017 budget of \$258,069,054. Total revenues are estimated to be 24% less than the fiscal year 2015 revenue estimates. Fiscal year 2015 included the bond sale for the Valencia Water division explaining the reduction in estimated revenues. The reserves/contingency funds are estimated to decrease 13.4% from \$57.2 million dollars to \$50.4 million dollars in fiscal year 2017.

The primary property tax levy increases from \$6,114,649 in fiscal year 2017 to \$6,751,375 in fiscal year 2018, a 10.4% increase. The primary property tax rate is estimated to remain the same as fiscal year 2017, 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](http://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, 2017

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 20,068,244	\$ 3,912,974	\$ 23,981,218
Investments	24,513,723	47,477,929	71,991,652
Receivables, net			
Accounts receivable	768,036	5,944,211	6,712,247
Taxes receivable	2,729,042	-	2,729,042
Special assessments receivable	37,393,370	-	37,393,370
Accrued interest	273,112	-	273,112
Prepaid items	46,195	2,692	48,887
Restricted assets			
Cash with paying agent	1,350,969	-	1,350,969
Restricted cash	15,330,186	-	15,330,186
Capital assets			
Non-depreciable	179,197,897	25,292,610	204,490,507
Depreciable, net	223,842,899	263,604,349	487,447,248
<b>Total assets</b>	<b>505,513,673</b>	<b>346,234,765</b>	<b>851,748,438</b>
<b>Deferred Outflows of Resources</b>			
Excess consideration provided for acquisition	-	30,202,296	30,202,296
Loss on refunding and defeasance	664,146	-	664,146
Pension related deferred outflows - ASRS	6,891,348	2,138,566	9,029,914
Pension related deferred outflows - PSPRS	12,297,267	-	12,297,267
<b>Total deferred outflows of resources</b>	<b>19,852,761</b>	<b>32,340,862</b>	<b>52,193,623</b>
<b>Liabilities</b>			
Accounts payable and other current liabilities	3,529,943	3,781,401	7,311,344
Accrued wages and benefits	1,620,918	195,917	1,816,835
Interest payable	391,873	203,145	595,018
Intergovernmental payable	-	260,139	260,139
Advance revenue	602,023	-	602,023
Customer deposits payable	785,399	2,942,574	3,727,973
Other current liabilities	460,289	-	460,289
Noncurrent liabilities			
Due within one year			
Matured debt interest payable	3,131,713	-	3,131,713
Matured debt principal payable	6,138,579	-	6,138,579
Bonds and leases payable	7,868,376	960,438	8,828,814
Compensated absences	1,465,774	165,512	1,631,286
Due in more than one year			
Bonds and leases payable	150,268,790	69,747,574	220,016,364
Net Pension Liability - ASRS	23,092,342	7,081,652	30,173,994
Net Pension Liability - PSPRS	20,318,967	-	20,318,967
Compensated absences	366,444	41,380	407,824
Other long-term obligations	-	14,163,425	14,163,425
<b>Total liabilities</b>	<b>220,041,430</b>	<b>99,543,157</b>	<b>319,584,587</b>
<b>Deferred Inflows of Resources</b>			
Gain on refunding and defeasance	715,730	-	715,730
Pension related deferred inflows - ASRS	2,810,353	861,843	3,672,196
Pension related deferred inflows - PSPRS	484,424	-	484,424
<b>Total deferred inflows of resources</b>	<b>4,010,507</b>	<b>861,843</b>	<b>4,872,350</b>
<b>Net Position</b>			
Net investment in capital assets	236,518,475	204,025,522	440,543,997
Restricted for			
Impact fees	14,006,777	5,654,724	19,661,501
SLID operations	65,093	-	65,093
Highways and streets	1,398,969	-	1,398,969
Debt service	6,086,013	-	6,086,013
Capital projects	5,991,283	-	5,991,283
Other	1,315,425	-	1,315,425
Unrestricted	35,932,462	68,490,381	104,422,843
<b>Total net position</b>	<b>\$ 301,314,497</b>	<b>\$ 278,170,627</b>	<b>\$ 579,485,124</b>

City of Buckeye, Arizona  
Statement of Activities  
Year Ended June 30, 2017

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	\$ 47,921,959	\$ 18,469,389	\$ 445,873	\$ -	\$ (29,006,697)	\$ -	\$ (29,006,697)
Public safety	37,495,527	1,867,288	-	-	(35,628,239)	-	(35,628,239)
Highways and streets	5,674,807	243,271	4,106,366	8,407,364	7,082,194	-	7,082,194
Culture and recreation	5,533,913	1,418,757	-	-	(4,115,156)	-	(4,115,156)
Development services	6,369,720	-	-	-	(6,369,720)	-	(6,369,720)
Economic development	313,087	-	-	-	(313,087)	-	(313,087)
Health and welfare	599,601	-	-	-	(599,601)	-	(599,601)
Miscellaneous	122,347	-	-	-	(122,347)	-	(122,347)
Interest on long-term debt	7,909,219	-	-	-	(7,909,219)	-	(7,909,219)
Total governmental activities	<u>111,940,180</u>	<u>21,998,705</u>	<u>4,552,239</u>	<u>8,407,364</u>	<u>(76,981,872)</u>	<u>-</u>	<u>(76,981,872)</u>
Business-type activities							
Airport	695,944	326,880	-	-	-	(369,064)	(369,064)
Solid Waste	5,537,308	5,397,696	-	-	-	(139,612)	(139,612)
Sewer	11,136,875	10,142,610	-	442,600	-	(551,665)	(551,665)
Water	25,779,262	26,310,361	-	1,461,660	-	1,992,759	1,992,759
Total business-type activities	<u>43,149,389</u>	<u>42,177,547</u>	<u>-</u>	<u>1,904,260</u>	<u>-</u>	<u>932,418</u>	<u>932,418</u>
Total Primary Government	<u>\$ 155,089,569</u>	<u>\$ 64,176,252</u>	<u>\$ 4,552,239</u>	<u>\$ 10,311,624</u>	<u>(76,981,872)</u>	<u>932,418</u>	<u>(76,049,454)</u>
General revenues							
Taxes							
Sales taxes					26,203,438	-	26,203,438
Property taxes					13,745,711	-	13,745,711
Franchise taxes					3,052,055	-	3,052,055
Unrestricted State revenue sharing					7,656,457	-	7,656,457
Unrestricted State sales tax revenue sharing					5,744,180	-	5,744,180
Unrestricted auto lieu tax revenue sharing					2,465,452	-	2,465,452
Investment earnings					763,289	4,079	767,368
Other					1,527,122	-	1,527,122
Transfers					676,750	(676,750)	-
Total general revenues and transfers					<u>61,834,454</u>	<u>(672,671)</u>	<u>61,161,783</u>
Change in net position					<u>(15,147,418)</u>	<u>259,747</u>	<u>(14,887,671)</u>
Net Position - beginning of year					<u>316,461,915</u>	<u>277,910,880</u>	<u>594,372,795</u>
Net Position - end of year					<u>\$ 301,314,497</u>	<u>\$ 278,170,627</u>	<u>\$ 579,485,124</u>

City of Buckeye, Arizona  
Governmental Funds – Balance Sheet  
June 30, 2017

	General	Impact Fees	CFD Debt Service	Debt Service	HURF	Nonmajor Governmental Funds	Totals
<b>Assets</b>							
Cash and cash equivalents	\$ 8,571,764	\$ 2,856,692	\$ -	\$ 8,898	\$ 1,226,252	\$ 7,384,096	\$ 20,047,702
Investments	11,249,207	11,150,085	-	-	-	2,114,431	24,513,723
Receivables, net							
Accounts	74,425	-	-	-	582,743	110,868	768,036
Taxes	2,663,201	-	59,789	-	-	6,052	2,729,042
Special assessments	-	-	36,097,370	1,296,000	-	-	37,393,370
Accrued interest	273,112	-	-	-	-	-	273,112
Prepaid items	24,144	-	-	-	-	22,051	46,195
Restricted assets							
Cash with paying agent	1,295,000	-	-	55,969	-	-	1,350,969
Restricted cash	-	-	15,330,186	-	-	-	15,330,186
<b>Total assets</b>	<b>\$ 24,150,853</b>	<b>\$ 14,006,777</b>	<b>\$ 51,487,345</b>	<b>\$ 1,360,867</b>	<b>\$ 1,808,995</b>	<b>\$ 9,637,498</b>	<b>\$102,452,335</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>							
<b>Liabilities</b>							
Accounts payable	1,715,468	-	96,885	-	274,606	1,400,145	3,487,104
Accrued wages and benefits	1,485,498	-	-	-	135,420	-	1,620,918
Interest payable	-	-	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-	-	-
Advance revenue	-	-	-	-	-	602,023	602,023
Customer deposits payable	785,399	-	-	-	-	-	785,399
Other current liabilities	460,289	-	-	-	-	-	460,289
Matured debt interest payable	-	-	3,090,740	40,971	-	-	3,131,711
Matured debt principal payable	-	-	6,123,579	15,000	-	-	6,138,579
<b>Total liabilities</b>	<b>4,446,654</b>	<b>-</b>	<b>9,311,204</b>	<b>55,971</b>	<b>410,026</b>	<b>2,002,168</b>	<b>16,226,023</b>
<b>Deferred Inflows of Resources</b>							
Special assessments not yet due	-	-	36,097,370	1,296,000	-	-	37,393,370
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>36,097,370</b>	<b>1,296,000</b>	<b>-</b>	<b>-</b>	<b>37,393,370</b>
<b>Fund Balance</b>							
Non-spendable	24,144	-	-	-	-	22,051	46,195
Restricted							
Impact Fees	-	14,006,777	-	-	-	-	14,006,777
SLID Operations	-	-	-	-	-	65,093	65,093
Highways and streets	-	-	-	-	1,398,969	-	1,398,969
Debt Service	-	-	6,078,771	7,242	-	-	6,086,013
Capital projects	-	-	-	-	-	5,991,283	5,991,283
Other special revenue	-	-	-	-	-	1,315,425	1,315,425
Assigned - Debt Service	-	-	-	1,654	-	683,596	685,250
Unassigned	19,680,055	-	-	-	-	(442,118)	19,237,937
<b>Total fund balances</b>	<b>19,704,199</b>	<b>14,006,777</b>	<b>6,078,771</b>	<b>8,896</b>	<b>1,398,969</b>	<b>7,635,330</b>	<b>48,832,942</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 24,150,853</b>	<b>\$ 14,006,777</b>	<b>\$ 51,487,345</b>	<b>\$ 1,360,867</b>	<b>\$ 1,808,995</b>	<b>\$ 9,637,498</b>	<b>\$102,452,335</b>

City of Buckeye, Arizona

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

June 30, 2017

Fund balances - total governmental funds	<u>\$ 48,832,942</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>37,393,370</u>
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Governmental capital assets	583,580,013
Less accumulated depreciation	(180,539,217)
Capital assets used in governmental activities	<u>403,040,796</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>(22,297)</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	(1,296,000)
Revenue bonds	(20,090,000)
Community facilities district bonds	(133,807,370)
Loss on refunding and defeasance of bonds	664,146
Gain on refunding and defeasance of bonds	(715,730)
Premium on long-term debt issued	(3,269,329)
Discount on long-term debt issued	401,587
Capital leases	(76,054)
Compensated absences	(1,832,218)
Accrued interest on long-term debt	(391,875)
Net Pension Liability - ASRS	(23,092,342)
Net Pension Liability - PSPRS	(20,318,967)
Deferred inflow of resources - ASRS	(2,810,353)
Deferred inflow of resources - PSPRS	(484,424)
Deferred outflow of resources - ASRS	6,891,348
Deferred outflow of resources - PSPRS	12,297,267
	<u>(187,930,314)</u>
Net position of governmental activities	<u>\$ 301,314,497</u>

City of Buckeye, Arizona  
 Governmental Funds – Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Year Ended June 30, 2017

	General	Impact Fees	CFD Debt Service	Debt Service	HURF	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>							
<b>Taxes</b>							
Sales taxes	\$ 26,203,438	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,203,438
Property taxes	6,000,771	-	7,744,940	-	-	-	13,745,711
Franchise taxes	3,052,055	-	-	-	-	-	3,052,055
Improvement proceeds	-	-	-	-	-	709,572	709,572
Intergovernmental	15,866,089	-	-	-	4,106,366	445,873	20,418,328
Fines and forfeitures	817,919	-	-	-	-	-	817,919
Permits	9,642,437	-	-	-	-	-	9,642,437
Charges for services	2,541,082	-	-	-	-	610,039	3,151,121
Developer agreements	-	-	590,864	-	-	1,361,073	1,951,937
Contributions and donations	13,847	-	-	-	-	1,712,386	1,726,233
Impact fees	-	3,516,320	-	-	-	-	3,516,320
Special assessments	-	-	6,916,529	175,578	-	-	7,092,107
Investment earnings	738,466	901	20,906	-	-	3,016	763,289
Other	116,886	-	54,645	567	212,384	406,770	791,252
<b>Total revenues</b>	<b>64,992,990</b>	<b>3,517,221</b>	<b>15,327,884</b>	<b>176,145</b>	<b>4,318,750</b>	<b>5,248,729</b>	<b>93,581,719</b>
<b>Expenditures</b>							
<b>Current</b>							
General government	14,249,550	72,540	-	1,027	-	15,032,854	29,355,971
Public safety	28,904,928	-	-	-	-	966,253	29,871,181
Highway and streets	-	27,944	-	-	2,988,397	1,504,550	4,520,891
Culture and recreation	3,897,798	-	-	-	-	510,848	4,408,646
Development services	4,791,148	-	-	-	-	-	4,791,148
Economic development	313,087	-	-	-	-	-	313,087
Health and welfare	-	-	-	-	-	599,601	599,601
Acquisition and construction	-	-	355,675	-	-	-	355,675
Miscellaneous	-	-	122,347	-	-	-	122,347
<b>Debt service</b>							
Principal retirement	1,290,000	72,364	8,607,579	94,000	-	-	10,063,943
Interest on long-term debt	462,935	7,569	7,099,515	84,406	78,873	-	7,733,298
Capital outlay	425,398	52,092	-	-	775,525	7,093,293	8,346,308
<b>Total expenditures</b>	<b>54,334,844</b>	<b>232,509</b>	<b>16,185,116</b>	<b>179,433</b>	<b>3,842,795</b>	<b>25,707,399</b>	<b>100,482,096</b>
<b>Revenues over (Under)</b>							
Expenditures	10,658,146	3,284,712	(857,232)	(3,288)	475,955	(20,458,670)	(6,900,377)
<b>Other Financing Sources (Uses)</b>							
Bonds issued	-	-	14,281,957	-	-	20,421,042	34,702,999
Premiums issued	-	-	-	-	-	1,399,291	1,399,291
Issuance costs	-	-	-	-	-	(1,070,570)	(1,070,570)
Payment to escrow agent	-	-	(22,860,000)	-	-	-	(22,860,000)
Transfers in	786,850	-	14,506,256	1,717	-	5,699,257	20,994,080
Transfers out	(5,712,664)	(186,000)	(5,570,006)	(717)	(80,100)	(9,593,087)	(21,142,574)
<b>Total other financing sources (uses)</b>	<b>(4,925,814)</b>	<b>(186,000)</b>	<b>358,207</b>	<b>1,000</b>	<b>(80,100)</b>	<b>16,855,933</b>	<b>12,023,226</b>
<b>Net Change in Fund Balances</b>	<b>5,732,332</b>	<b>3,098,712</b>	<b>(499,025)</b>	<b>(2,288)</b>	<b>395,855</b>	<b>(3,602,737)</b>	<b>5,122,849</b>
<b>Fund Balances, Beginning of Year</b>	<b>13,971,867</b>	<b>10,908,065</b>	<b>6,577,796</b>	<b>11,184</b>	<b>1,003,114</b>	<b>11,238,067</b>	<b>43,710,093</b>
<b>Fund Balances, End of Year</b>	<b>\$ 19,704,199</b>	<b>\$ 14,006,777</b>	<b>\$ 6,078,771</b>	<b>\$ 8,896</b>	<b>\$ 1,398,969</b>	<b>\$ 7,635,330</b>	<b>\$ 48,832,942</b>



# 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, 2017

Net change in fund balances - total governmental funds \$ 5,122,849

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	8,346,308
Capital contributions	4,729,194
Less current year depreciation	(18,619,270)
Excess depreciation over capital outlay	<u>(5,543,768)</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>(2,429,579)</u>
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Internal service funds used by the management to charge cost of insurance to individual funds (30,615)

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	(34,702,999)
Premiums on debts issued	(1,399,291)
Principal payments on long-term debt	9,991,578
Principal payments on capital leases	72,366
Defeasance of debt	22,860,000
Amortization of loss on refunding and defeasance	(62,923)
Amortization of gain on refunding and defeasance	26,298
Amortization of premium	217,842
Amortization of discount	(48,732)
Interest on long-term debt	(196,563)
Pension Expense - ASRS	(2,925,903)
Pension Expense - PSPRS	(5,949,509)
	<u>(12,117,836)</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>(148,469)</u>
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Change in net position of governmental activities \$ (15,147,418)

City of Buckeye, Arizona

General Fund – Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual  
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Revised Budget Positive (Negative)
	Adopted	Final		
Revenues				
Taxes				
Sales taxes	\$ 23,851,720	\$ 23,851,720	\$ 26,203,438	\$ 2,351,718
Property taxes	6,114,649	6,114,649	6,000,771	(113,878)
Franchise taxes	2,985,600	2,985,600	3,052,055	66,455
Intergovernmental	15,991,180	15,991,180	15,866,089	(125,091)
Fines and forfeitures	732,490	732,490	817,919	85,429
Licenses and permits	7,333,445	7,353,445	9,642,437	2,288,992
Charges for services	2,471,607	2,471,607	2,541,082	69,475
Contributions and donations	26,600	26,600	13,847	(12,753)
Investment earnings	347,460	347,460	738,466	391,006
Other	420,925	420,925	116,886	(304,039)
Total revenues	<u>60,275,676</u>	<u>60,295,676</u>	<u>64,992,990</u>	<u>4,697,314</u>
Expenditures				
Current				
General government				
Mayor and council	682,537	682,537	554,547	(127,990)
City Clerk	629,217	629,217	603,532	(25,685)
City Manager	1,017,767	1,017,767	776,087	(241,680)
Human resources	1,003,475	1,003,475	1,019,422	15,947
Finance department	4,623,559	4,658,351	4,261,874	(396,477)
Magistrate	884,003	884,003	907,117	23,114
Vehicle maintenance	996,508	1,003,508	1,034,354	30,846
Contracting and purchasing	757,283	786,402	778,197	(8,205)
Public works - administration	1,102,272	1,177,682	1,118,431	(59,251)
Marketing and communications	390,648	390,648	303,112	(87,536)
Information technology	3,038,500	3,038,500	2,892,877	(145,623)
Debt Service	942,474	942,474	1,752,935	810,461
Total general government	<u>16,068,243</u>	<u>16,214,564</u>	<u>16,002,485</u>	<u>(212,079)</u>
Public safety				
Police	16,573,990	16,573,990	16,268,418	(305,572)
Fire	12,228,886	12,577,599	12,636,510	58,911
Total public safety	<u>28,802,876</u>	<u>29,151,589</u>	<u>28,904,928</u>	<u>(246,661)</u>
Culture and recreation				
Community services	4,317,051	4,260,870	3,897,798	(363,072)
Total culture and recreation	<u>4,317,051</u>	<u>4,260,870</u>	<u>3,897,798</u>	<u>(363,072)</u>
Development services				
Development services	4,858,696	5,042,304	4,791,148	(251,156)
Total development services	<u>4,858,696</u>	<u>5,042,304</u>	<u>4,791,148</u>	<u>(251,156)</u>
Economic development				
Economic development	472,693	472,693	313,087	(159,606)
Total economic development	<u>472,693</u>	<u>472,693</u>	<u>313,087</u>	<u>(159,606)</u>
Operational Expenditures	<u>54,519,559</u>	<u>55,142,020</u>	<u>53,909,446</u>	<u>(1,232,574)</u>
Contingencies	<u>10,648,571</u>	<u>9,899,761</u>	<u>-</u>	<u>(9,899,761)</u>
Capital outlay	<u>729,240</u>	<u>539,613</u>	<u>425,398</u>	<u>(114,215)</u>
Total expenditures	<u>65,897,370</u>	<u>65,581,394</u>	<u>54,334,844</u>	<u>(11,246,550)</u>

City of Buckeye, Arizona

General Fund – Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual  
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Revised Budget Positive (Negative)
	Adopted	Final		
Revenues over (Under)				
Expenditures	<u>(5,621,694)</u>	<u>(5,285,718)</u>	<u>10,658,146</u>	<u>15,943,864</u>
Other Financing Sources (Uses)				
Transfers in	-	-	786,850	786,850
Transfers (out)	<u>(8,761,537)</u>	<u>(8,761,537)</u>	<u>(5,712,664)</u>	<u>3,048,873</u>
Total other financing sources (uses)	<u>(8,761,537)</u>	<u>(8,761,537)</u>	<u>(4,925,814)</u>	<u>3,835,723</u>
Net Change in Fund Balance	(14,383,231)	(14,047,255)	5,732,332	19,779,587
Fund Balance, Beginning of the Year	<u>14,383,231</u>	<u>14,047,255</u>	<u>13,971,867</u>	<u>(75,388)</u>
Fund Balance, End of the Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,704,199</u>	<u>\$ 19,704,199</u>

City of Buckeye, Arizona  
Impact Fees Fund – Statement of Revenues, Expenditures, and Changes in Fund Balance –  
Budget and Actual  
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Revised Budget Positive (Negative)
	Adopted	Final		
Revenues				
Impact fees	1,719,506	1,719,506	3,516,320	\$ 1,796,814
Investment earnings	280	280	901	621
Total revenues	<u>1,719,786</u>	<u>1,719,786</u>	<u>3,517,221</u>	<u>1,797,435</u>
Expenditures				
Current				
General government	-	107,952	72,540	(35,412)
Public safety	-	112,000	-	(112,000)
Highway and streets	-	29,968	27,944	(2,024)
Culture and recreation	-	10,192	-	(10,192)
Debt Service				
Principal retirement	80,000	80,000	72,364	(7,636)
Interest on long term debt	-	-	7,569	7,569
Contingencies	12,362,756	10,609,483	-	(10,609,483)
Capital outlay	530,272	571,072	52,092	(518,980)
Total expenditures	<u>12,973,028</u>	<u>11,520,667</u>	<u>232,509</u>	<u>(11,252,746)</u>
Revenues over (Under)				
Expenditures	<u>(11,253,242)</u>	<u>(9,800,881)</u>	<u>3,284,712</u>	<u>13,050,181</u>
Other Financing Sources (Uses)				
Transfers out	-	-	(186,000)	(186,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(186,000)</u>	<u>(186,000)</u>
Net Change in Fund Balances	(11,253,242)	(9,800,881)	3,098,712	12,864,181
Fund Balances, Beginning of Year	<u>11,253,242</u>	<u>9,800,881</u>	<u>10,908,065</u>	<u>1,107,184</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,006,777</u>	<u>\$ 13,971,365</u>

City of Buckeye, Arizona

HURF Fund – Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual  
Year Ended June 30, 2017

	Budgeted Amounts			Variance with Revised Budget Positive (Negative)
	Adopted	Final	Actual	
Revenues				
Intergovernmental	\$ 4,016,281	\$ 4,016,281	\$ 4,106,366	\$ 90,085
Other	223,150	223,150	212,384	(10,766)
Total revenues	<u>4,239,431</u>	<u>4,239,431</u>	<u>4,318,750</u>	<u>79,319</u>
Expenditures				
Current				
Highways and streets	3,114,717	3,242,977	2,988,397	(254,580)
Debt Service				
Principal Retirement	37,000	37,000	-	(37,000)
Interest on long-term debt	62,291	62,291	78,873	16,582
Contingencies	1,938,422	1,029,162	-	(1,029,162)
Capital outlay	-	781,000	775,525	(5,475)
Total expenditures	<u>5,152,430</u>	<u>5,152,430</u>	<u>3,842,795</u>	<u>(1,309,635)</u>
Excess (Deficiency) of Revenues over Expenditures	(912,999)	(912,999)	475,955	1,388,954
Other Financing Sources (Uses)				
Transfers (out)	-	-	(80,100)	(80,100)
Net Change in Fund Balance	(912,999)	(912,999)	395,855	1,308,854
Fund Balances, Beginning of Year	<u>912,999</u>	<u>912,999</u>	<u>1,003,114</u>	<u>90,115</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,398,969</u>	<u>\$ 1,398,969</u>

City of Buckeye, Arizona  
Proprietary Funds – Statement of Net Position  
June 30, 2017

	Business-type Activities - Enterprise Funds					Governmental
					Totals	Internal Service Fund
	Airport	Sewer	Water	Nonmajor Enterprise Fund Solid Waste		
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 441,866	\$ 1,064,869	\$ 1,695,962	\$ 710,277	\$ 3,912,974	\$ 20,542
Investments	-	13,125,940	34,351,989	-	47,477,929	-
Accounts receivable, net	7,243	1,333,506	3,784,027	819,435	5,944,211	-
Prepaid expenses	723	996	125	848	2,692	-
Total current assets	<u>449,832</u>	<u>15,525,311</u>	<u>39,832,103</u>	<u>1,530,560</u>	<u>57,337,806</u>	<u>20,542</u>
Noncurrent assets:						
Capital assets:						
Non-depreciable	4,726,474	11,985,251	8,551,242	29,643	25,292,610	-
Depreciable, net	3,252,514	166,896,766	93,392,119	62,950	263,604,349	-
Total noncurrent assets	<u>7,978,988</u>	<u>178,882,017</u>	<u>101,943,361</u>	<u>92,593</u>	<u>288,896,959</u>	<u>-</u>
Total assets	<u>8,428,820</u>	<u>194,407,328</u>	<u>141,775,464</u>	<u>1,623,153</u>	<u>346,234,765</u>	<u>20,542</u>
Deferred Outflows of Resources						
Excess consideration provided for acquisition	-	-	30,202,296	-	30,202,296	-
Pension related deferred outflows - ASRS	29,908	603,237	1,277,000	228,421	2,138,566	-
Total deferred outflows of resources	<u>29,908</u>	<u>603,237</u>	<u>31,479,296</u>	<u>228,421</u>	<u>32,340,862</u>	<u>-</u>
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	87,112	1,171,873	2,102,294	420,122	3,781,401	42,839
Accrued wages and benefits	7,197	58,819	109,246	20,655	195,917	-
Intergovernmental payable	-	12,616	247,523	-	260,139	-
Customer deposits payable	1,456	59,841	2,720,712	160,565	2,942,574	-
Compensated absences	-	32,690	125,424	7,398	165,512	-
Accrued interest payable	-	107,271	95,874	-	203,145	-
Bonds, notes and loans payable	-	563,851	396,587	-	960,438	-
Total current liabilities	<u>95,765</u>	<u>2,006,961</u>	<u>5,797,660</u>	<u>608,740</u>	<u>8,509,126</u>	<u>42,839</u>
Noncurrent liabilities:						
Compensated absences	-	8,174	31,356	1,850	41,380	-
Bonds, notes and loans payable	-	8,048,660	61,698,914	-	69,747,574	-
Net Pension Liability - ASRS	99,038	1,997,561	4,228,662	756,391	7,081,652	-
Other long term obligations	-	14,163,425	-	-	14,163,425	-
Total noncurrent liabilities	<u>99,038</u>	<u>24,217,820</u>	<u>65,958,932</u>	<u>758,241</u>	<u>91,034,031</u>	<u>-</u>
Total liabilities	<u>194,803</u>	<u>26,224,781</u>	<u>71,756,592</u>	<u>1,366,981</u>	<u>99,543,157</u>	<u>42,839</u>
Deferred Inflows of Resources						
Pension related deferred inflows - ASRS	12,053	243,105	514,631	92,054	861,843	-
Total deferred inflows of resources	<u>12,053</u>	<u>243,105</u>	<u>514,631</u>	<u>92,054</u>	<u>861,843</u>	<u>-</u>
<b>Net Position</b>						
Net investment in capital assets	7,978,988	156,106,081	39,847,860	92,593	204,025,522	-
Restricted	-	4,506,538	1,148,186	-	5,654,724	-
Unrestricted	272,884	7,930,060	59,987,491	299,946	68,490,381	(22,297)
Total net position	<u>\$ 8,251,872</u>	<u>\$ 168,542,679</u>	<u>\$ 100,983,537</u>	<u>\$ 392,539</u>	<u>\$ 278,170,627</u>	<u>\$ (22,297)</u>

City of Buckeye, Arizona  
Proprietary Funds – Statement of Revenues, Expenses, and Changes in Net Position  
Year Ended June 30, 2017

	Business-type Activities - Enterprise Funds					Governmental
	Airport	Sewer	Water	Nonmajor Enterprise Fund Solid Waste	Total	Internal Service Fund
Operating Revenues						
Charges for services	\$ 326,880	\$ 8,535,682	\$ 25,662,105	\$ 5,397,696	\$ 39,922,363	\$ 208,380
Operating Expenses						
Cost of sales and services	303,080	5,429,150	9,945,181	5,520,328	21,197,739	1,064,239
Amortization	-	-	3,321,164	-	3,321,164	-
Depreciation	399,859	5,549,621	6,467,094	16,980	12,433,554	-
Total operating expenses	702,939	10,978,771	19,733,439	5,537,308	36,952,457	1,064,239
Operating Income (Loss)	(376,059)	(2,443,089)	5,928,666	(139,612)	2,969,906	(855,859)
Nonoperating Revenues (Expenses)						
Impact fees	-	1,551,928	648,256	-	2,200,184	-
Investment earnings	-	95	3,984	-	4,079	-
Interest and fee expense	-	(158,104)	(2,540,451)	-	(2,698,555)	-
Intergovernmental	6,995	55,000	-	-	61,995	-
Gain/(loss) on disposal of assets	-	-	17,017	-	17,017	-
Developer reimbursements	-	(1,161,452)	(2,360,937)	-	(3,522,389)	-
Total nonoperating revenues (expense)	6,995	287,467	(4,232,131)	-	(3,937,669)	-
Income (Loss) Before Contributions and Transfers	(369,064)	(2,155,622)	1,696,535	(139,612)	(967,763)	(855,859)
Capital Contributions	-	442,600	1,461,660	-	1,904,260	-
Transfers In	30,000	150,000	-	-	180,000	825,244
Transfers Out	-	(92,000)	(764,750)	-	(856,750)	-
Total Capital Contributions and Net Transfers	30,000	500,600	696,910	-	1,227,510	825,244
Change in Net Position	(339,064)	(1,655,022)	2,393,445	(139,612)	259,747	(30,615)
Net Position, Beginning of Year	8,590,936	170,197,701	98,590,092	532,151	277,910,880	8,318
Net Position, End of Year	\$ 8,251,872	\$ 168,542,679	\$ 100,983,537	\$ 392,539	\$ 278,170,627	\$ (22,297)

City of Buckeye, Arizona  
Proprietary Funds – Statement of Cash Flows  
Year Ended June 30, 2017

	Business-type Activities - Enterprise Funds					Governmental
	Airport	Sewer	Water	Nonmajor Enterprise Fund Solid Waste	Totals	Internal Service Fund
<b>Cash Flows from Operating Activities</b>						
Receipts from customers	\$ 327,499	\$ 9,033,842	\$ 25,767,919	\$ 5,191,676	\$ 40,320,936	\$ 208,380
Payments to suppliers	(149,019)	(3,561,951)	(5,362,814)	(4,463,483)	(13,537,267)	(1,078,729)
Payments to employees	(96,147)	(1,798,013)	(3,777,721)	(662,146)	(6,334,027)	-
Customer deposits received	-	17,057	423,312	22,562	462,931	-
<b>Net cash from (used in) operating activities</b>	<b>82,333</b>	<b>3,690,935</b>	<b>17,050,696</b>	<b>88,609</b>	<b>20,912,573</b>	<b>(870,349)</b>
<b>Cash Flows from Capital and Related Financing Activities</b>						
Impact fees	-	1,551,928	648,256	-	2,200,184	-
Developer reimbursements	-	(1,161,452)	(2,360,937)	-	(3,522,389)	-
Intergovernmental	6,995	55,000	-	-	61,995	-
Purchases of capital assets	(62,569)	(1,289,980)	(2,851,313)	(58,507)	(4,262,369)	-
Consideration in excess of fair value	-	-	-	-	-	-
Premium on capital debt	-	-	-	-	-	-
Proceeds on sale of assets	-	-	-	-	-	-
Interest paid on capital debt	-	(108,976)	(2,604,627)	-	(2,713,603)	-
Proceeds from capital debt	-	1,093,067	316,200	-	1,409,267	-
Principal paid on capital debt	-	(550,098)	(385,374)	-	(935,472)	-
<b>Net cash from (used in) capital and related financing activities</b>	<b>(55,574)</b>	<b>(410,511)</b>	<b>(7,237,795)</b>	<b>(58,507)</b>	<b>(7,762,387)</b>	<b>-</b>
<b>Cash Flows from Noncapital Financing Activities</b>						
Transfers from (to) other funds	30,000	58,000	(764,750)	-	(676,750)	825,244
<b>Net cash from (used in) noncapital financing activities</b>	<b>30,000</b>	<b>58,000</b>	<b>(764,750)</b>	<b>-</b>	<b>(676,750)</b>	<b>825,244</b>
<b>Cash Flows from Investing Activities</b>						
Sales (purchases) of investments from governmental funds	-	(2,650,404)	(9,032,233)	-	(11,682,637)	-
Investment earnings	-	95	3,984	-	4,079	-
<b>Net cash from (used in) investing activities</b>	<b>-</b>	<b>(2,650,309)</b>	<b>(9,028,249)</b>	<b>-</b>	<b>(11,678,558)</b>	<b>-</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>56,759</b>	<b>688,115</b>	<b>19,902</b>	<b>30,102</b>	<b>794,878</b>	<b>(45,105)</b>
<b>Cash and Cash Equivalents, Beginning of year</b>	<b>385,107</b>	<b>376,754</b>	<b>1,676,060</b>	<b>680,175</b>	<b>3,118,096</b>	<b>65,647</b>
<b>Cash and Cash Equivalents, End of year</b>	<b>\$ 441,866</b>	<b>\$ 1,064,869</b>	<b>\$ 1,695,962</b>	<b>\$ 710,277</b>	<b>\$ 3,912,974</b>	<b>\$ 20,542</b>



City of Buckeye, Arizona  
Proprietary Funds – Statement of Cash Flows  
Year Ended June 30, 2017

	Business-type Activities - Enterprise Funds					Governmental
	Airport	Sewer	Water	Nonmajor	Totals	Internal Service
				Enterprise Fund		
				Solid Waste		Fund
Reconciliation of Operating Income (Loss) to Net Cash from (used in) operating activities						
Operating income (loss)	\$ (376,059)	\$ (2,443,089)	\$ 5,928,666	\$ (139,612)	\$ 2,969,906	\$ (855,859)
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities						
Depreciation expense	399,859	5,549,621	6,467,094	16,980	12,433,554	-
Amortization expense	-	-	3,321,164	-	3,321,164	-
Changes in assets and liabilities						
Accounts receivable	619	498,160	105,814	(206,020)	398,573	-
Prepaid expenses	(723)	(996)	571	(201)	(1,349)	-
Pension related deferred outflow	(6,521)	(210,984)	(96,201)	(138,953)	(452,659)	-
Accounts payable	49,350	(262,956)	1,233,275	58,692	1,078,361	(14,490)
Accrued wages and benefits	4,854	5,401	18,667	2,269	31,191	-
Intergovernmental payable	-	-	(16,330)	-	(16,330)	-
Compensated absences payable	(5,759)	(3,159)	17,726	1,953	10,761	-
Customer deposits	-	17,057	423,312	22,562	462,931	-
Net pension liability	12,009	431,064	(470,827)	408,282	380,528	-
Pension related deferred inflow	4,704	110,816	117,765	62,657	295,942	-
Total adjustments	458,392	6,134,024	11,122,030	228,221	17,942,667	(14,490)
Net cash from (used in) operating activities	\$ 82,333	\$ 3,690,935	\$ 17,050,696	\$ 88,609	\$ 20,912,573	\$ (870,349)
Noncash Investing, Capital, and Financing Activities						
Contributions of capital assets	-	442,600	1,461,660	-	1,904,260	-
	\$ -	\$ 442,600	\$ 1,461,660	\$ -	\$ 1,904,260	\$ -

City of Buckeye, Arizona  
Fiduciary Funds – Statement of Fiduciary Net Position  
June 30, 2017

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	<u>Pension Trust</u>
Assets	
Cash and cash equivalents	<u>\$ 275,980</u>
Total assets	<u><u>\$ 275,980</u></u>
Net Position	
Held in trust for pension benefits	<u>\$ 275,980</u>
Total net position	<u><u>\$ 275,980</u></u>

# City of Buckeye, Arizona

## Fiduciary Funds – Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2017

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	Pension Trust
<b>Additions</b>	
State fire insurance premium	\$ 1,431
Investment earnings	
Net increase in fair value of investments	<u>53,200</u>
Total additions, net of depreciation in fair value	<u>54,631</u>
<b>Deductions</b>	
Pension payments	44,707
Administration	<u>2,077</u>
Total deductions	<u>46,784</u>
Changes in Net Position	7,847
Net Position, Beginning of Year	<u>268,133</u>
Net Position, End of Year	<u><u>\$ 275,980</u></u>

## 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 Mirielle 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. 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 \$104,196 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, 2017.

**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 acquisition 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, 2017, deferred outflows of resources consisted of deferred amounts on refunding of debt, net of accumulated amortization, in the amount of \$664,146.

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, 2017, there was \$6,891,348 and \$2,138,566 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, 2017, there was a \$5,912,504 and \$6,384,763 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 13 for additional information and disclosures related to the pension plan.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations* requires that in instances where the acquiring government provides consideration in excess of the net position acquired, the acquiring government should report the difference as a deferred outflow of resources. As of June 30, 2017, there was \$30,202,296 in deferred outflows related to the excess consideration provided by the City in relation to the acquisition further described in Note 12. This deferred outflow of resources is attributed to future periods in a systematic and rational manner, based on the estimated service lives of the capital assets acquired. The amortization expense related to this deferred outflow for the year ended June 30, 2017 was \$3,321,164. The deferred outflow will be reviewed periodically and the estimated services lives will be revised as necessary.

## **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, 2017, deferred inflows of resources consisted of deferred amounts on refunding of debt, net of accumulated amortization, in the amount of \$715,730.

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, 2017 in the amount of \$37,393,370.

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, 2017, there was a \$2,810,353 and \$861,843 in deferred inflows related to pension expense for ASRS, net of accumulated amortization for governmental and business-type activities, respectively. As of June 30, 2017, there was a \$118,679 and \$365,545 in deferred inflows related to pension expense for PSPRS – Police and PSPRS – Fire, net of accumulated amortization for governmental activities. See Note 13 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. It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

**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 and prepaids) 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.

It is the government’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Governmental fund balances as of June 30, 2017 are as follows:

	General	Impact Fees	CFD	Debt Service	HURF	Non-Major Governmental Funds	Total
Fund Balance							
Non-spendable - Inventory	\$ 24,144	\$ -	\$ -	\$ -	\$ -	\$ 22,051	\$ 46,195
Restricted							
Impact Fees	-	14,006,777	-	-	-	-	14,006,777
SLID Operations	-	-	-	-	-	65,093	65,093
Highways and streets	-	-	-	-	1,398,969	-	1,398,969
Debt Service	-	-	6,078,771	7,242	-	-	6,086,013
Capital projects	-	-	-	-	-	5,991,283	5,991,283
Other special revenue	-	-	-	-	-	1,315,425	1,315,425
Assigned - Debt Service	-	-	-	1,654	-	683,596	685,250
Unassigned	19,680,055	-	-	-	-	(442,118)	19,237,937
	<u>\$ 19,704,199</u>	<u>\$ 14,006,777</u>	<u>\$ 6,078,771</u>	<u>\$ 8,896</u>	<u>\$ 1,398,969</u>	<u>\$ 7,635,330</u>	<u>\$ 48,832,942</u>

The following funds had deficit fund balance as of June 30, 2017:

	Amount of Deficit Fund Balance
Other funds	
Roadway Construction Fund	\$ (206,016)
Social Service/Area Agency on Aging Fund	(152,667)
Internal Service Fund	(22,297)
Downtown Revitalization Fund	(468,802)
	<u>\$ (849,782)</u>

**Roadway Construction Fund**

The deficit balance was eliminated through a transfer from General Fund completed in July to cover additional invoices after year end close.

**Social Service/Area Agency on Aging Fund**

The deficit balance was eliminated through a transfer from General Fund completed in July to cover additional invoices after year end close.

**Internal Service Fund**

The deficit balance was eliminated through a transfer from General Fund completed in July to cover additional invoices after year end close.

**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.

**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 total appropriations in fiscal year 2017.

### Note 3 - Deposits and Investments

Cash and investments at June 30, 2017 consisted of the following:

Deposits	
Cash on hand	\$ 4,005
Cash in bank	14,566,357
Cash on deposit with paying agent	1,430,598
Cash on deposit with trustee	14,148,555
Investments	
Pension Trust Money Market	275,542
State Treasurer's Investment Pool	10,513,298
U.S. agency securities	71,991,652
Total deposits and investments	112,930,007
Restricted Cash	(15,330,186)
Fiduciary Funds	(275,980)
Cash with Paying Agent	(1,350,969)
Investments	(71,991,652)
Total cash and cash equivalent	\$ 23,981,220

**Deposits** – At June 30, 2017, the carrying amount of the City's deposits was \$15,996,955 and the bank balance was \$17,603,602. 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, 2017, 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	\$ 71,991,652	\$ 20,349,794	\$ 51,641,858
State Treasurer's Investment Pool	10,513,298	10,513,298	-
	<u>\$ 82,504,950</u>	<u>\$ 30,863,092</u>	<u>\$ 51,641,858</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, 2017, 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	\$ 9,929,594
Federal Home Loan Bank (FHLB)	AAA	Moody's	16,283,111
Federal Home Loan Mortgage Company (FHLMC)	AAA	Moody's	10,462,115
Federal National Mortgage Association (FNMA)	AAA	Moody's	4,947,875
United States Treasury Note (USTN)	AAA	Moody's	30,368,957
			<u>\$ 71,991,652</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, 2017, were entirely covered by federal depository insurance or by collateral held by the City's custodial bank in the City's name.

**Custodial Credit Risk – Cash with Paying Agent**- 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, 2017, were entirely covered by federal depository insurance or by collateral held by the City's custodial bank in the City's name.

**Custodial Credit Risk – Restricted Cash** - 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, 2017, 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, 2017, the City's investments were concentrated in the following manner:

Federal Farm Credit Bank (FFCB)	\$ 9,929,594	13.8%
Federal Home Loan Bank (FHLB)	16,283,111	22.6%
Federal Home Loan Mortgage Company (FHLMC)	10,462,115	14.5%
Federal National Mortgage Association (FNMA)	4,947,875	6.9%
United States Treasury Note (USTN)	<u>30,368,957</u>	42.2%
	<u>\$ 71,991,652</u>	

#### **Note 4 - Fair Value Measurement and Disclosures**

The City reports certain assets at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk or liquidity profile of the asset or liability.

U.S. Government obligations are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates and market-rate assumptions, and are classified within Level 2.

The following table presents assets and liabilities measured at fair value on a recurring basis, except those measured at cost as identified below, at June 30, 2017:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
U.S Agency Securities	\$ 71,991,652	\$ -	\$ 71,991,652	\$ -

#### Note 5 - 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:

	Unavailable	Advanced
CFD Debt Service Fund - Special assessments not yet due	\$ 36,097,370	\$ -
Debt Service Fund - Special assessments not yet due	1,296,000	-
Nonmajor Governmental Funds - Other advanced revenue	-	602,023
	<u>\$ 37,393,370</u>	<u>\$ 602,023</u>

**Note 6 - Capital Assets**

Capital asset activity for governmental activities for the year ended June 30, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 176,028,805	\$ 303,667	\$ -	\$ -	\$ 176,332,472
Construction in progress	5,833,580	5,847,799	-	(8,815,954)	2,865,425
Total capital assets, not being depreciated	<u>181,862,385</u>	<u>6,151,466</u>	<u>-</u>	<u>(8,815,954)</u>	<u>179,197,897</u>
Capital assets, being depreciated:					
Land improvements	20,188,375	-	-	240,086	20,428,461
Building and improvements	39,534,821	57,998	-	5,648,690	45,241,509
Infrastructure	300,031,780	4,728,811	-	2,691,685	307,452,276
Furniture, machinery and equipment	29,282,563	2,137,227	(395,413)	235,493	31,259,870
Total capital assets being depreciated	<u>389,037,539</u>	<u>6,924,036</u>	<u>(395,413)</u>	<u>8,815,954</u>	<u>404,382,116</u>
Less accumulated depreciation for:					
Land improvements	(5,118,575)	(971,108)	-	-	(6,089,683)
Building and improvements	(8,336,977)	(1,348,202)	-	-	(9,685,179)
Infrastructure	(134,844,621)	(13,162,743)	-	-	(148,007,364)
Furniture, machinery and equipment	(14,015,189)	(3,137,215)	395,413	-	(16,756,991)
Total accumulated depreciation	<u>(162,315,362)</u>	<u>(18,619,268)</u>	<u>395,413</u>	<u>-</u>	<u>(180,539,217)</u>
Total capital assets, being depreciated, net	<u>226,722,177</u>	<u>(11,695,232)</u>	<u>-</u>	<u>8,815,954</u>	<u>223,842,899</u>
Governmental activities capital assets, net	<u>\$ 408,584,562</u>	<u>\$ (5,543,766)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 403,040,796</u>
Depreciation was charged by function as follows:					
General government					\$ 7,492,844
Public safety					7,624,346
Highways and streets					1,153,916
Culture and recreation					1,125,267
Development services					1,222,897
Total depreciation expense - governmental activities					<u>\$ 18,619,268</u>



City of Buckeye, Arizona  
Notes to Financial Statements  
June 30, 2017

Capital asset activity for business-type activities for the year ended June 30, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 11,113,702	\$ 401,344	\$ -	\$ -	\$ 11,515,046
Water Rights	3,883,259	-	-	-	3,883,259
Construction in progress	10,554,148	4,057,889	-	(4,717,732)	9,894,305
Total capital assets, not being depreciated	<u>25,551,109</u>	<u>4,459,233</u>	<u>-</u>	<u>(4,717,732)</u>	<u>25,292,610</u>
Capital assets, being depreciated:					
Wastewater system	152,352,388	385,991	-	600,481	153,338,860
Water system	131,562,486	520,346	(64,792)	4,117,251	136,135,291
Land improvements	12,977,630	8,585	-	-	12,986,215
Building and improvements	87,756,748	-	-	-	87,756,748
Machinery, equipment and vehicles	2,607,147	792,974	(5,000)	-	3,395,121
Total capital assets being depreciated	<u>387,256,399</u>	<u>1,707,896</u>	<u>(69,792)</u>	<u>4,717,732</u>	<u>393,612,235</u>
Less accumulated depreciation for:					
Wastewater system	(37,268,633)	(3,834,550)	-	-	(41,103,183)
Water system	(46,568,074)	(5,618,461)	64,792	-	(52,121,743)
Land improvements	(9,462,132)	(337,183)	-	-	(9,799,315)
Building and improvements	(23,074,157)	(2,347,158)	-	-	(25,421,315)
Machinery, equipment and vehicles	(1,271,128)	(296,202)	5,000	-	(1,562,330)
Total accumulated depreciation	<u>(117,644,124)</u>	<u>(12,433,554)</u>	<u>69,792</u>	<u>-</u>	<u>(130,007,886)</u>
Total capital assets, being depreciated, net	<u>269,612,275</u>	<u>(10,725,658)</u>	<u>-</u>	<u>4,717,732</u>	<u>263,604,349</u>
Business-type activities capital assets, net	<u>\$ 295,163,384</u>	<u>\$ (6,266,425)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 288,896,959</u>
Depreciation was charged by function as follows:					
Airport					\$ 399,859
Solid Waste					16,980
Sewer					5,549,621
Water					<u>6,467,094</u>
Total depreciation expense - business-type activities					<u>\$ 12,433,554</u>

**Note 7 - Construction Commitments**

The City has various active construction projects at June 30, 2017. At fiscal year end, the City's commitments with contractors were as follows:

Governmental Activities		
Project	Spent-to-date	Remaining Commitment
Traffic Signal Jackrabbit & Indian School	\$ 1,136,928	\$ 164,000
Enterprise Resource Plan Phase II	340,242	100,000
Skyline Park Phase III	19,000	160,000
	\$ 1,496,170	\$ 424,000
Business-type Activities		
Project	Spent-to-date	Remaining Commitment
Reclaimed Water Project Effluent	\$ 6,350,710	\$ 385,615
Apache Road Waterline	68,450	130,950
Sundance Well #8	823,634	23,315
Cart Storage with Work Shop (SW)	29,643	45,357
Maintenance Equipment and Storage Building	48,105	117,760
	\$ 7,320,542	\$ 702,997

**Note 8 - 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:

	Governmental Activities
Assets:	
Furniture, equipment and vehicles	\$ 660,486
Less: accumulated depreciation	(250,985)
	\$ 409,501

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, 2017, were as follows:

<u>Year ending June 30:</u>	<u>Governmental Activities</u>
2018	\$ 79,933
Less: amount representing interest	<u>(3,879)</u>
Present value of minimum lease payments	<u>\$ 76,054</u>

### **Note 9 - 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 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, 2017, total principal and interest remaining is \$4,227,464, and the City was in compliance with all covenants.

On April 5, 2013, the City entered into an agreement with 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, 2017, total principal and interest remaining is \$7,076,329, and the City was in compliance with all covenants.

On April 5, 2013, the City entered into an agreement with 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, 2017, total principal and interest remaining is \$4,799,075, and the City was in compliance with all covenants.

On April 5, 2013, the City entered into an agreement with 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, 2017, total principal and interest remaining is \$3,790,578, and the City was in compliance with all covenants.

On December 5, 2014, the City entered into an agreement with 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, 2017, total principal and interest remaining is \$792,528, 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 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 \$1,860,375. Principal and interest paid for the current year was \$178,406, and total assessments billed were \$155,798. 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 \$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, 2017, the total principal and interest to be paid on the bonds is \$2,326,743, and the City was in compliance with all covenants. Principal and interest paid for the current year was \$153,731.

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, 2017, the total principal and interest to be paid on the bonds is \$928,675, and the City was in compliance with all covenants. Principal and interest paid for the current year was \$227,148.

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 \$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, 2017, the total principal and interest to be paid on the bonds is \$6,241,000, and the City was in compliance with all covenants. Principal and interest paid for the current year was \$1,013,185.

The City has pledged future excise tax revenues, which include the City's Water Utility Revenues to repay \$250,000 in Water and Sewer Systems Senior Revenue Bonds 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, 2017, the total principal and interest to be paid on the bonds is \$570,625, and the City was in compliance with all covenants. Interest paid for the current year was \$12,616, there were no principal payments 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, to repay \$12,620,000 in Series 2016 Excise Tax Revenue Refunding Obligation Bonds issued in April 2016 to refund the outstanding Series 2006A 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 2006 bonds were used to construct a municipal complex. As of June 30, 2017, the total principal and interest to be paid on the bonds is \$14,826,763, and the City was in compliance with all covenants. Principal and interest paid for the current year was \$627,448.

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 \$51,260,000 in Excise Tax Revenue Bonds, Series 2015 issued in July 2015. 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 obtained for purposes of financing the costs of acquiring various water systems, facilities and improvements as set forth in the Settlement Agreement for Stipulated Condemnation, by and among Global Water Resources, Inc. As of June 30, 2017, the total principal and interest to be paid on the bonds is \$93,301,775, and the City was in compliance with all covenants. Interest paid for the current year was \$2,470,457, there were no principal payments in the current year.

As of June 30, 2017, the City's total revenue bond debt service requirement was approximately \$1,800,000 and sales and transaction privilege tax, franchise fees, licenses and permit fees, and fines and forfeitures produced a total bond coverage ratio of approximately 7.6. 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. During the current year, the City made a debt service payment of \$544,000, which resulted in an early extinguishment of debt. The total principal and interest remaining to be paid on the bonds is \$0. Principal and interest paid for the current year was \$565,080, and total assessments billed were \$317,180. 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 \$2,678,833. Principal and interest paid for the current year was \$274,071, and total assessments billed were \$66,895. 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 \$705,430. Principal and interest paid for the current year was \$107,515, and total assessments billed were \$23,077. 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 \$1,700,268. Principal and interest paid for the current year was \$163,606, and total assessments billed were \$161,922. 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 \$39,345,585. Principal and interest paid for the current year was \$5,240,535, and total assessments billed were \$3,296,034. 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 \$124,259. Principal and interest paid for the current year was \$38,193, and total assessments billed were \$98,691. 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 \$1,367,886. Principal and interest paid for the current year was \$151,102, and total assessments billed were \$106,831. 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 \$1,521,690. Principal and interest paid for the current year was \$139,466, and total assessments billed were \$22,494. 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 revenue 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 \$335,519. Principal and interest paid for the current year was \$35,419, and total assessments billed were \$26,950. 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 revenue 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 \$435,750. Principal and interest paid for the current year was \$43,188, and total assessments billed were \$13,801. 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 revenue 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 \$214,443. Principal and interest paid for the current year was \$20,327, and total assessments billed were \$23,543. 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 9) to repay \$288,000 in special assessment revenue bonds issued July 2015. 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 \$364,720. Principal and interest paid for the current year was \$77,990, and total assessments billed were \$17,853. 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 10) to repay \$200,000 in special assessment revenue bonds issued March 2016. 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 \$287,147. There were no principal or interest payments in the current year and no total assessments. 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 11) to repay \$2,738,000 in special assessment revenue bonds issued February 2017. 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 \$4,411,917. Interest paid for the current year was \$15,990, and total assessments billed were \$17,853. There were no principal payment made in the current year. 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. By way of a current refunding, these bonds were defeased in full through issuance of \$2,940,000 Festival Ranch Community Facilities District General Obligation Refunding Bonds, Series 2017. The combined defeasance resulted in cash flow savings of \$112,951 and an economic gain (net present value of savings) of \$130,174.

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. By way of a current refunding, these bonds were defeased in full through issuance of \$2,940,000 Festival Ranch Community Facilities District General Obligation Refunding Bonds, Series 2017. The combined defeasance resulted in cash flow savings of \$112,951 and an economic gain (net present value of savings) of \$130,174.

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. By way of an advance refunding, these bonds were partially defeased through issuance of \$2,940,000 Festival Ranch Community Facilities District General Obligation Refunding Bonds, Series 2017. The combined defeasance resulted in cash flow savings of \$112,951 and an economic gain (net present value of savings) of \$130,174. As of June 30, 2017, the defeased amount outstanding on the bonds was \$1,235,000.

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 \$4,291,088. Principal and interest paid during the current year totaled \$343,988.

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 \$2,754,202. Principal and interest was paid during the current year totaled \$126,398.

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 \$5,410,000 in general obligation bonds, Series 2016 issued in July 2016. Proceeds were used for the construction and acquisition of public infrastructure. The total principal and interest to be paid is \$8,597,350. Principal and interest was paid during the current year totaled \$283,027.

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 \$2,940,000 in general obligation bonds, Series 2017 issued in June 2017. Proceeds were used to current refund the full outstanding balances of Festival Ranch Community Facilities District General Obligation Bonds, Series 2006 and 2007 and to advance refund a portion of the outstanding balance of Festival Ranch Community Facilities District General Obligation Bonds, Series 22009A. The total principal and interest to be paid is \$4,011,076. There were no principal or interest payments made in the current 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 \$3,665,000 in general obligation bonds, Series 2017 issued in July 2016. Proceeds were used for the construction and acquisition of public infrastructure. The total principal and interest to be paid is \$6,098,557. There were no principal or interest payments made in the current year.

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 \$110,400. Principal and interest paid for the current year was \$8,740.

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 \$9,864,460. Principal and interest paid for the current year was \$657,556.

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. By way of a current refunding, these bonds were defeased in full through issuance of \$14,055,000 Verrado Community Facilities District General Obligation Refunding Bonds, Series 2017. The combined defeasance resulted in cash flow savings of \$1,943,398 and an economic gain (net present value of savings) of \$1,917,345.

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 \$20,929,800. Principal and interest paid for the current year was \$2,254,950.

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 \$9,709,275. Principal and interest paid for the current year was \$189,970.

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 \$14,055,000 in general obligation bonds, Series 2017, issued March 2017. Proceeds were used to current refund the full outstanding amount of Verrado Community Facilities District No. 1, Series 2006. 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 \$18,328,005. Interest paid for the current year was \$145,528, there were no principal payments in the current year.

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 \$10,403,284. Principal and interest paid for the current year was \$680,949.

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 \$377,386. The total principal and interest remaining to be paid on the bonds is \$4,373,507. 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, 2017, the defeased amount outstanding on the bonds was \$0. Principal and interest paid for the current year was \$377,386.

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 \$24,163,088. Principal and interest paid for the current year was \$1,300,619.

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. By way of a current refunding, these bonds were defeased in full through issuance of \$5,895,000 Westpark Community Facilities District General Obligation Refunding Bonds, Series 2016. The combined defeasance resulted in cash flow savings of \$220,121 and an economic gain (net present value of savings) of \$161,215.

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. By way of a current refunding, these bonds were defeased in full through issuance of \$5,895,000 Westpark Community Facilities District General Obligation Refunding Bonds, Series 2016. The combined defeasance resulted in cash flow savings of \$220,121 and an economic gain (net present value of savings) of \$161,215.

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. Through issuance of \$5,895,000 Westpark Community Facilities District General obligation Refunding Bonds, Series 2016, cash was paid to a trust agent for the purpose of holding amount in escrow for future debt service payments on the defeased bonds outstanding. As of June 30, 2017, the defeased amount outstanding on the bonds was \$2,005,000. The combined defeasance resulted in cash flow savings of \$220,121 and an economic gain (net present value of savings) of \$161,215.

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 \$5,895,000 in general obligation bonds, Series 2016, issued November 2016. Proceeds were used to current refund the full outstanding amounts of West Park Community Facilities District General Obligation Bonds Series 2005 and Series 2006 and advance refund the full outstanding balance of West Park Community Facilities District General Obligation Bonds Series 2007. 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 \$1,700,268. Interest paid for the current year was \$166,281. There were no principal payments made in the current year.

City of Buckeye, Arizona  
Notes to Financial Statements  
June 30, 2017

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	\$ 1,296,000
Total Improvement District Bonds			<u>\$ 2,545,000</u>	<u>\$ 1,296,000</u>
<i>Revenue Bonds:</i>				
Greater Arizona Development Authority Excise Tax Revenue Bonds -				
Series 2007A	4.0 - 5.0%	August 2031	2,200,000	1,675,000
Excise Tax Revenue Refunding Bonds, Series 2010	2.5% - 4%	July 2020	1,795,000	860,000
Excise Tax Revenue Refunding Bonds, Series 2015	2.0 - 5.0%	July 2024	6,565,000	5,380,000
Excise Tax Revenue Refunding Bonds, Series 2016	2.0 - 4.0%	July 2036	<u>12,620,000</u>	<u>12,175,000</u>
Total Revenue Bonds			<u>\$ 23,180,000</u>	<u>\$ 20,090,000</u>
<i>Community Facilities District Bonds:</i>				
Sundance Special Assessment Revenue Bonds				
Series 2002	2.25 - 7.75%	July 2022	\$ 11,300,000	\$ -
Series 2003	5.0 - 7.125%	July 2027	7,175,000	1,871,000
Series 2004	6.50%	July 2029	2,050,000	470,000
West Park Special Assessment Revenue Bonds,				
Series 2005	4.55 - 5.9%	July 2029	3,800,000	1,221,000
Festival Ranch Special Assessment Revenue Bonds,				
Series 2005	4.0 - 5.55%	July 2030	1,448,000	87,000
Series 2009	8.88%	July 2034	356,000	170,000
Series 2011	8.50%	July 2035	404,000	219,000
Series 2013	7.25%	July 2033	186,000	124,370
Series 2015	6.00%	July 2035	288,000	220,000
Series 2016	5.75%	July 2035	200,000	176,000
Series 2017	2.5% - 5.2%	July 2037	2,738,000	2,738,000
Watson Road Special Assessment Revenue Bonds, Series 2005				
	4.5 - 6.0%	July 2030	49,000,000	26,849,000
Festival Ranch Special Assessment Lien Bonds,				
Series 2007	4.2 - 5.0%	July 2032	1,868,000	947,000
Series 2007	4.3 - 5.75%	July 2032	1,784,000	1,005,000
Verrado District No. 1, General Obligation Bonds				
Series 2006	4.85 - 5.35%	July 2031	18,600,000	-
Series 2013A	2.0 - 6.0%	July 2027	20,400,000	15,740,000
Series 2013B	5.0 - 6.0%	July 2033	6,000,000	5,930,000
Series 2017	3.55%	July 2031	14,055,000	14,055,000
Sundance General Obligation Bonds,				
Series 2005	4.0 - 5.125%	July 2030	6,000,000	3,260,000
Series 2014	2.0 - 4.625%	July 2034	17,945,000	16,420,000
Verrado Western Overlay General Obligation Bonds, Series 2004				
	Variable	July 2029	13,000,000	8,600,000
Tartesso West General Obligation Bonds,				
Series 2005	6.00%	July 2030	110,000	75,000
Series 2007	4.35 - 5.90%	July 2032	8,750,000	6,425,000
West Park General Obligation Bonds,				
Series 2005	5.15 - 5.60%	July 2030	690,000	-
Series 2006	4.20 - 5.25%	July 2031	4,420,000	-
Series 2007	4.7 - 5.45%	July 2032	2,480,000	-
Series 2016	4.0% - 5.0%	July 2032	5,895,000	5,895,000
Festival Ranch General Obligation Bonds,				
Series 2006	4.9 - 5.3%	July 2031	800,000	-
Series 2007	4.65 - 5.8%	July 2032	1,535,000	-
Series 2009A	5.0 - 6.5%	July 2031	5,435,000	2,795,000
Series 2009B	8.0 - 8.625%	July 2034	2,165,000	1,755,000
Series 2012	1.0 - 5%	July 2031	5,400,000	3,080,000
Series 2013	2.0 - 5.25%	July 2033	1,800,000	1,735,000
Series 2016	2.0 - 4.0%	July 2036	5,410,000	5,340,000
Series 2017A	3.0 - 5.0%	July 2037	3,665,000	3,665,000
Series 2017B	3.0 - 4.0%	July 2032	<u>2,940,000</u>	<u>2,940,000</u>
Total Community Facilities Districts Bonds			<u>\$ 230,092,000</u>	<u>\$ 133,807,370</u>

City of Buckeye, Arizona  
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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
Excise Tax Revenue Obligations, Series 2015	3.50 - 5.00%	July 2045	<u>51,260,000</u>	<u>51,260,000</u>
Total Revenue Bonds			<u>\$ 51,510,000</u>	<u>\$ 51,510,000</u>
<i>WIFA Bonds:</i>				
WIFA Bond - 91A140 - 10	2.85%	July 2029	\$ 12,000,000	\$ 3,647,602
WIFA Bond - 910158 - 13	2.50%	July 2032	7,370,000	4,963,908
WIFA Bond - 920239 - 13	2.975%	July 2032	5,065,000	2,953,669
WIFA Bond - 920241 - 13	2.975%	July 2032	3,617,450	2,976,993
WIFA Bond - 920240 - 15	2.184%	July 2034	<u>761,000</u>	<u>556,431</u>
Total WIFA Bonds			<u>\$ 28,813,450</u>	<u>\$ 15,098,603</u>

Debt service requirements on long-term debt at June 30, 2017 are as follows:

Year ending June 30:	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2018	\$ 7,648,983	\$ 7,322,860	\$ 960,438	\$ 2,866,170
2019	8,352,417	6,983,108	986,077	2,839,841
2020	8,855,882	6,598,839	1,012,406	2,812,802
2021	9,337,381	6,202,794	1,039,444	2,785,036
2022	9,516,916	5,773,037	2,152,210	2,702,272
2023-2027	41,989,835	18,399,876	9,476,774	9,908,853
2028-2032	47,504,921	11,308,794	13,750,793	10,124,442
2033-2037	19,357,035	2,592,315	11,859,180	7,732,135
2038-2042	2,630,000	106,470	12,295,000	4,929,625
2043-2045	-	-	9,205,000	1,303,075
Thereafter	-	-	<u>6,709,000</u>	<u>106,800</u>
	<u>\$ 155,193,370</u>	<u>\$ 65,288,093</u>	<u>\$ 69,446,322</u>	<u>\$ 48,111,051</u>

Less: Amounts not drawn down at year-end (2,837,719)

\$ 66,608,603

**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. There were no principal payments made in the current year.

City of Buckeye, Arizona  
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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, 2017 are as follows:

	July 1, 2016	Increases	Decreases	June 30, 2017	Due Within One Year
<b>Governmental Activities:</b>					
<b>Bonds payable:</b>					
Improvement	\$ 1,390,000	\$ -	\$ (94,000)	\$ 1,296,000	\$ 76,000
Revenue	21,380,000	-	(1,290,000)	20,090,000	1,295,000
Community facilities district	130,571,949	34,702,999	(31,467,578)	133,807,370	6,277,983
Deferred amount on premium	2,087,880	1,399,291	(217,842)	3,269,329	192,071
Deferred amount on discount	(450,319)	-	48,732	(401,587)	(48,732)
Total bonds payable	<u>154,979,510</u>	<u>36,102,290</u>	<u>(33,020,688)</u>	<u>158,061,112</u>	<u>7,792,322</u>
<b>Other liabilities:</b>					
Capital leases	148,419	-	(72,365)	76,054	76,054
Compensated absences	1,683,749	1,653,208	(1,504,739)	1,832,218	1,465,774
Net Pension Liability - ASRS	19,842,287	23,092,342	(19,842,287)	23,092,342	-
Net Pension Liability - PSPRS	9,089,030	15,987,378	(4,757,441)	20,318,967	-
Total other liabilities	<u>30,763,485</u>	<u>40,732,928</u>	<u>(26,176,832)</u>	<u>45,319,581</u>	<u>1,541,828</u>
Total long-term liabilities	<u>\$ 185,742,995</u>	<u>\$ 76,835,218</u>	<u>\$ (59,197,520)</u>	<u>\$ 203,380,693</u>	<u>\$ 9,334,150</u>
<b>Business-type Activities:</b>					
<b>Bonds payable:</b>					
Revenue	\$ 66,134,808	\$ 1,409,267	\$ (935,472)	\$ 66,608,603	\$ 960,438
Deferred amount on premium	4,245,702	-	(146,293)	4,099,409	146,923
Total bonds payable	<u>70,380,510</u>	<u>1,409,267</u>	<u>(1,081,765)</u>	<u>70,708,012</u>	<u>1,107,361</u>
<b>Other liabilities:</b>					
Other long term obligations	14,163,425	-	-	14,163,425	-
Compensated absences	196,129	163,703	(152,940)	206,892	165,512
Net Pension Liability - ASRS	6,701,124	7,081,652	(6,701,124)	7,081,652	-
Total other liabilities	<u>21,060,678</u>	<u>7,245,355</u>	<u>(6,854,064)</u>	<u>21,451,969</u>	<u>165,512</u>
Total long-term liabilities	<u>\$ 91,441,188</u>	<u>\$ 8,654,622</u>	<u>\$ (7,935,829)</u>	<u>\$ 92,159,981</u>	<u>\$ 1,272,873</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. The majority of the compensated absences are paid by the general fund.

**Note 10 - Interfund Transfers**

Interfund transfers for the year ended June 30, 2017 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	
General Fund	\$ -	\$ -	\$ 80,100	\$ -	\$ -	\$ 92,000	\$ 614,750	\$ -	\$ -	\$ 786,850
CFD Fund	-	5,409,538	-	-	-	-	-	-	9,096,718	14,506,256
Debt Service Fund	1,000	-	-	-	-	-	-	717	-	1,717
Impact Fees	-	-	-	-	-	-	-	-	-	-
HURF Fund	-	-	-	-	-	-	-	-	-	-
Airport Fund	30,000	-	-	-	-	-	-	-	-	30,000
Sewer Fund	-	-	-	-	-	-	150,000	-	-	150,000
Water Fund	-	-	-	-	-	-	-	-	-	-
Internal Service Fund	825,244	-	-	-	-	-	-	-	-	825,244
Nonmajor Governmental Funds	4,856,420	160,468	-	186,000	-	-	-	-	496,369	5,699,257
<b>Total</b>	<b>\$ 5,712,664</b>	<b>\$ 5,570,006</b>	<b>\$ 80,100</b>	<b>\$ 186,000</b>	<b>\$ -</b>	<b>\$ 92,000</b>	<b>\$ 764,750</b>	<b>\$ 717</b>	<b>\$ 9,593,087</b>	<b>\$ 21,999,324</b>

Transfers were made for operations in the applicable funds and debt service transfers were for debt service payments made in other funds.

**Note 11 - 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 12 - Government Combinations**

On July 9, 2015, the City acquired Global Water Resources, Inc. (Global Water), a water utility service corporation through the issuance of the Excise Tax Revenue Obligation Bonds series 2015, in the amount of \$51,260,000. The City desired to acquire the assets to enhance its water utility system in order to provide its residents with greater consistence in rates, water quality, water resources management, and other policies and practices relating to the provision of water utility services to its residents. The acquisition resulted in the recognition of \$18,142,630 in capital assets, \$36,844,624 in deferred outflows and customer deposits of \$462,584. The deferred outflows as described in Note 1, are the result of consideration provided in excess of the fair value of the assets obtained.



In addition to the consideration paid of \$51,260,000, the City has agreed to pay a growth premium equal to \$3,000 per new account during the growth period, up to \$45,000,000. The growth period is defined at the period of 20 years commencing January 1, 2015. Growth premiums paid during the current year were \$1,458,000. Growth premiums paid to date are \$2,526,000.

**Note 13 - Retirement Plans**

The City contributes to the three plans described below. The plans are component units of the State of Arizona. At June 30, 2017, 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	\$ 43,411,309	\$ 7,081,652	\$ 50,492,961
Deferred outflows of resources	19,188,615	2,138,566	21,327,181
Deferred inflows of resources	3,294,777	861,843	4,156,620
Pension expense	12,964,371	720,450	13,684,821

The City reported \$13,684,821 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](http://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, 2017, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.47% (11.35% for retirement and 0.12% 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 11.47% (10.85% for retirement, 0.50% for health insurance premium benefit, and 0.12% 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 9.36 percent (9.17 percent for retirement and 0.13 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, 2017, were \$2,033,383. The City's contributions for the current and three 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>
2017	\$ 87,126	\$ 20,910
2016	102,808	20,910
2015	86,507	17,595
2014	87,973	35,189

During fiscal year 2017, the City paid for ASRS pension and OPEB contributions as follows: 70% from the General Fund, 27% from major funds, and 3% from other funds.

**Pension Liability** – At June 30, 2017, the City reported a liability of \$30,173,994 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of **June 30, 2016**. 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, 2015**, to the measurement date of **June 30, 2016**.

The City's reported liability at June 30, 2017, increased to \$30,173,994 from the City's prior year liability of \$26,543,410 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, 2016**. The City's proportion measured as of **June 30, 2016** was 0.18694%, which was an increase of 0.01653% from its proportion measured as of **June 30, 2015**.

**Pension Expense and Deferred Outflows/Inflows of Resources** – For the year ended June 30, 2017, the City recognized pension expense for ASRS of \$5,183,597. At June 30, 2017, and the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 183,365	\$ 2,075,751
Difference between projected and actual investment earnings	3,269,857	
Changes in assumptions		1,596,445
Changes in proportion and differences between City contributions and proportionate share of contributions	3,542,809	-
City contributions subsequent to the measurement date	<u>2,033,883</u>	<u>-</u>
	<u>\$ 9,029,914</u>	<u>\$ 3,672,196</u>

The \$2,033,883 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, 2018. 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	\$ 910,852
2017	(6,343)
2018	1,502,468
2019	<u>916,858</u>
Total	<u>\$ 3,323,835</u>

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

Actuarial valuation date	June 30, 2015
Actuarial roll forward date	June 30, 2016
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, 2015**, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2014.

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.75% 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	58%	3.90%
Fixed income	25%	0.93%
Commodities	2%	0.08%
Real estate	10%	0.42%
Multi-asset class	5%	0.17%
Total	100%	5.50%
Inflation		3.25%
Expected arithmetic nominal return		8.75%

**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 8.75%. 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%)
City's proportionate share of the net pension liability	\$ 38,474,134	\$ 30,173,994	\$ 23,858,786

**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](http://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, 2017, the following employees were covered by the agent pension plans’ benefit terms:

	PSPRS Police	PSPRS Fire
Inactive employees or beneficiaries currently receiving benefits	15	-
Inactive employees entitled to but not yet receiving benefits	6	2
Active employees	84	80
Total	105	82

**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, 2017, are indicated below. Rates are a percentage of active members’ annual covered payroll.

	PSPRS Police	PSPRS Fire
Active members Pension	15.34%	15.27%
City Pension	26.29%	21.47%
Health insurance premium benefit	0.32%	0.34%
City Total	26.61%	21.81%

In addition, the City was required by statute to contribute at the actuarially determined rate of 26.61% 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, 2017, were:

	PSPRS Police	PSPRS Fire
Pension contributions made	\$ 1,508,263	\$ 1,021,773
Health insurance premium benefit OPEB contributions made	25,352	24,672

During fiscal year 2017, the City paid for PSPRS pension and OPEB contributions 100% from the General Fund.

**Pension Liability** – At June 30, 2017, the City reported the following net pension liabilities:

	Net Pension Liability
PSPRS Police	\$ 12,774,421
PSPRS Fire	7,544,546

The net pension liabilities were measured as of **June 30, 2016**, 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, 2016
Actuarial cost method	Entry age normal
Discount rate	7.85%
Projected salary increases	3.0% - 8.0%
Inflation	3.00%
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, 2016**, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on PSPRS 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equity	16%	6.23%
Non-U.S. equity	14%	8.63%
Private equity	11%	9.50%
Fixed income	7%	2.92%
Credit opportunities	13%	7.08%
Absolute return	5%	4.11%
GTAA	10%	4.38%
Real assets	8%	4.77%
Real estate	10%	4.48%
Risk parity	4%	5.13%
Short term investments	2%	0.75%
Total	100%	

**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**

<b>PSPRS Police</b>	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2016	\$ 23,649,249	\$ 15,687,643	\$ 7,961,606
Changes for the year:			
Service cost	1,423,922	-	1,423,922
Interest on the total pension liability	1,868,584	-	1,868,584
Changes of benefit terms	2,485,144	-	2,485,144
Differences between expected and actual experience in the measurement of the pension liability	257,874	-	257,874
Changes of assumptions	1,274,163	-	1,274,163
Contributions - employer	-	1,435,056	(1,435,056)
Contributions - employee	-	868,827	(868,827)
Net investment income	-	93,818	(93,818)
Benefit payments, including refunds of employee contributions	(1,115,189)	(1,115,189)	-
Pension plan administrative expenses	-	(13,900)	13,900
Other changes	-	113,071	(113,071)
Net changes	6,194,498	1,381,683	4,812,815
Balances at June 30, 2017	\$ 29,843,747	\$ 17,069,326	\$ 12,774,421



City of Buckeye, Arizona  
Notes to Financial Statements  
June 30, 2017

PSPRS Fire	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2016	\$ 17,501,253	\$ 16,373,829	\$ 1,127,424
Changes for the year:			
Service cost	1,441,767	-	1,441,767
Interest on the total pension liability	1,430,438	-	1,430,438
Changes of benefit terms	2,870,483	-	2,870,483
Differences between expected and actual experience in the measurement of the pension liability	1,533,880	-	1,533,880
Changes of assumptions	1,265,636	-	1,265,636
Contributions - employer	-	1,229,932	(1,229,932)
Contributions - employee	-	916,577	(916,577)
Net investment income	-	100,160	(100,160)
Benefit payments, including refunds of employee contributions	-	-	-
Pension plan administrative expenses	-	(14,811)	14,811
Other changes	-	(106,776)	106,776
Net changes	8,542,204	2,125,082	6,417,122
Balances at June 30, 2017	\$ 26,043,457	\$ 18,498,911	\$ 7,544,546

**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 (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
PSPRS Police	\$ 17,678,288	\$ 12,774,421	\$ 8,821,211
PSPRS Fire	12,535,667	7,544,546	3,532,880
City's net pension liability	\$ 30,213,955	\$ 20,318,967	\$ 12,354,091

**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, 2017, the City recognized \$4,369,470 for PSPRS Police and \$4,131,084 for PSPRS Fire in pension expense.

**Pension Deferred Outflows/Inflows of Resources** – At June 30, 2017, 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
<b>PSPRS Police</b>		
Difference between expected and actual experience	\$ 1,351,336	\$ 118,879
Changes in assumptions	1,999,077	-
Difference between projected and actual investment earnings	1,053,828	-
City contributions subsequent to the measurement date	1,508,263	-
	\$ 5,912,504	\$ 118,879
<b>PSPRS Fire</b>		
Difference between expected and actual experience	\$ 2,896,881	\$ 365,545
Changes in assumptions	1,336,687	-
Difference between projected and actual investment earnings	1,129,422	-
City contributions subsequent to the measurement date	1,021,773	-
	\$ 6,384,763	\$ 365,545

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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	PSPRS Police	PSPRS Fire
Year ending June 30:		
2018	\$ 768,640	\$ 622,087
2019	768,639	622,085
2020	899,269	752,350
2021	777,764	626,276
2022	540,121	373,344
Thereafter	530,929	2,001,303
Total	\$ 4,285,362	\$ 4,997,445

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

Year ending June 30:	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation
<b>PSPRS Police</b>			
2017	\$ 25,352	100%	25,352
2016	22,745	100%	22,745
2015	82,029	100%	82,029
<b>PSPRS Fire</b>			
2017	\$ 27,847	100%	27,847
2016	24,672	100%	24,672
2015	42,596	100%	42,596

**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 2017 contribution requirements, are as follows:

**PSPRS – OPEB Contribution Requirements**

Actuarial valuation date	June 30, 2016
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	21 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 80% / 120% market
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases	4.0% - 8.0%
Wage growth	4.5%

The funded status of the all the PSPRS health insurance premium benefit plans in the **June 30, 2016** 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, 2016
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, 2016**.

	PSPRS Police	PSPRS Fire
Actuarial value of assets (a)	\$ 550,647	\$ 443,497
Actuarial accrued liability (b)	547,448	547,082
Unfunded actuarial accrued liability (funding excess) (b) - (a)	(3,199)	103,585
Funded ration (a)/(b)	100.6%	81.1%
Annual covered payroll ('c)	9,495,431	8,369,559
Unfunded actuarial accrued liability as a percentage of covered payroll (b) - (a)/('c)	0.0%	1.2%

**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, 2017, 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, 2017, 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 14 - 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, 2017, 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, 2017, the City has paid out one single family home or unit connection during the current fiscal year which totaled approximately \$12,500.

**Other Agreements** - The City enters into various agreements with local business under Arizona Revised Statute 9-500.05 and 9-500.11. Under the Revised Statute the City is empowered to appropriate public funds to further employment opportunities and economic enhancement of the City. These agreements may be granted to any businesses located within or promising to relocate to the City. The City has determined that is in the best interests of the citizens of the City to rebate a portion of the sales taxes generated and collected from the certain business's retail sales to reimburse the businesses for certain amounts advances by the business for construction of public infrastructure necessary for the development of the new facilities, all to provide opportunities for enhances economic welfare and new job creation in the City.

For the fiscal year ended June 30, 2017, the City had the following agreements:

The City has an agreement with a local business where the local business owner constructed and developed a new facility on a piece of land to provide a unique retail business for the City, increase the value of the land for property tax purposes, create new opportunities for employment in the City, and enhance retails transaction (sales) tax. The City Council is empowered, pursuant to Arizona Revised Statute (ARS) Section 9-500.11, to appropriate public funds to further employment opportunities and economic enhancement of the City. The City agreed to reimburse the business owner through a 49 percent land generate sales tax rebate for up to \$300,000 of verifiable infrastructure costs or ten years. The City has repaid approximately \$175,000 and has a remaining contingent obligation of up to \$125,000.

The City has an agreement with a local business where the local business owner provided funds for the City's design, construction, and installation of certain public improvements. The business owner paid the City \$1,350,000 for purposes of paying the design and construction costs. The advance will be repaid by the City through a one percent sales tax rebate for sales taxes generated by certain future commercial developments and received by the City for up to twenty years. This sales tax rebate is limited to the full reimbursement of the advanced funds received from the retail business that they provided to the City to design, construct and install the necessary public infrastructure. The City has repaid approximately \$174,000 and has a remaining contingent obligation of approximately \$1,176,000.

The City has an agreement with a local business where the local business owner provided funds for the City's design, construction, and installation of certain public improvements. The business owner paid the City \$2,500,000 for purposes of paying the design and construction costs. The advance will be repaid by the City through a 49 percent sales tax rebate for land generated sales taxes received by the City for up to twenty years. This sales tax rebate is limited to the full reimbursement of the advanced funds received from the retail business that they provided to the City to design, construct and install the necessary public infrastructure. The city has repaid approximately \$139,000 and has a remaining contingent obligation of approximately \$2,361,000.

## **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, 2017

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ASRS	Reporting Fiscal Year (Measurement Date)			
	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2007*
City’s proportion of the net pension liability	0.186940%	0.017041%	0.151988%	Information
City’s proportionate share of the net pension liability	\$ 30,173,994	\$ 26,543,410	\$ 22,489,006	not available
City’s covered-employee payroll	15,930,284	13,860,903	12,164,109	
City’s proportionate share of the net pension liability as a percentage of its covered-employee payroll	189.41%	191.50%	184.88%	
Plan fiduciary net position as a percentage of the total pension liability	67.06%	68.35%	69.49%	

\*Scheduled is intended to show information for 10 years. Additional years will be displayed as they become available.



City of Buckeye, Arizona

Public Safety Personnel Retirement System – Schedule of Changes in the City’s Net Pension Liability and Related Ratios

June 30, 2017

PSPRS Police	Reporting Fiscal Year (Measurement Date)			2014 through 2008*
	2017 (2016)	2016 (2015)	2015 (2014)	
Total pension liability				Information not available
Service cost	\$ 1,423,922	\$ 1,238,971	\$ 980,797	
Interest on the total pension liability	1,868,584	1,712,805	1,317,252	
Changes of benefit terms	2,485,144	-	159,238	
Differences between expected and actual experience in the measurement of the pension liability	257,874	(156,843)	1,747,466	
Changes of assumptions and other inputs	1,274,163	-	1,369,971	
Benefit payments, including refunds of employee contributions	(1,115,189)	(690,735)	(639,100)	
Net change in total pension liability	6,194,498	2,104,198	4,935,624	
Total pension liability - beginning	23,649,249	21,545,051	16,609,427	
Total pension liability - ending (a)	\$ 29,843,747	\$ 23,649,249	\$ 21,545,051	
Plan fiduciary net position				
Contributions - employer	\$ 1,435,056	\$ 1,096,508	\$ 1,006,884	
Contributions - employee	868,827	711,650	633,425	
Net investment income	93,818	534,404	1,584,629	
Benefit payments, including refunds of employee contributions	(1,115,189)	(690,735)	(639,100)	
Pension plan administrative expenses	(13,900)	(13,427)	-	
Other changes	113,071	108,428	(20,638)	
Net change in plan fiduciary net position	1,381,683	1,746,828	2,565,200	
Plan fiduciary net position - beginning	15,687,643	13,940,815	11,375,615	
Plan fiduciary net position - ending (b)	\$ 17,069,326	\$ 15,687,643	\$ 13,940,815	
City's net pension liability - ending (a) - (b)	\$ 12,774,421	\$ 7,961,606	\$ 7,604,236	
Plan fiduciary net position as a percentage of the total pension liability	57.20%	66.33%	64.71%	
Covered-employee payroll	9,495,431	8,598,026	6,415,170	
City's net pension liability as a percentage of covered-employee payroll	134.53%	92.60%	118.54%	

\*Scheduled is intended to show information for 10 years. Additional years will be displayed as they become available.

City of Buckeye, Arizona  
Public Safety Personnel Retirement System – Schedule of Changes in the City’s Net Pension Liability and  
Related Ratios  
June 30, 2017

PSPRS Fire	Reporting Fiscal Year (Measurement Date)			2014 through 2008*
	2017 (2016)	2016 (2015)	2015 (2014)	
Total pension liability				Information not available
Service cost	\$ 1,441,767	\$ 1,257,769	\$ 1,046,482	
Interest on the total pension liability	1,430,438	1,259,873	928,031	
Changes of benefit terms	2,870,483	-	(42,676)	
Differences between expected and actual experience in the measurement of the pension liability	1,533,880	(436,845)	1,956,924	
Changes of assumptions and other inputs	1,265,636	-	232,886	
Benefit payments, including refunds of employee contributions	-	-	-	
Net change in total pension liability	8,542,204	2,080,797	4,121,647	
Total pension liability - beginning	17,501,253	15,420,456	11,298,809	
Total pension liability - ending (a)	<u>\$ 26,043,457</u>	<u>\$ 17,501,253</u>	<u>\$ 15,420,456</u>	
Plan fiduciary net position				
Contributions - employer	\$ 1,229,932	\$ 975,453	\$ 967,398	
Contributions - employee	916,577	737,903	679,303	
Net investment income	100,160	546,165	1,580,157	
Benefit payments, including refunds of employee contributions	-	-	-	
Pension plan administrative expenses	(14,811)	(13,716)	-	
Other changes	(106,776)	(19,493)	(176,816)	
Net change in plan fiduciary net position	2,125,082	2,226,312	3,050,042	
Plan fiduciary net position - beginning	16,373,829	14,147,517	11,097,475	
Plan fiduciary net position - ending (b)	<u>\$ 18,498,911</u>	<u>\$ 16,373,829</u>	<u>\$ 14,147,517</u>	
City's net pension liability - ending (a) - (b)	<u>\$ 7,544,546</u>	<u>\$ 1,127,424</u>	<u>\$ 1,272,939</u>	
Plan fiduciary net position as a percentage of the total pension liability	71.03%	93.56%	91.75%	
Covered-employee payroll	\$ 8,369,559	7,594,358	6,576,844	
City's net pension liability as a percentage of covered-employee payroll	90.14%	14.85%	19.35%	

\*Scheduled is intended to show information for 10 years. Additional years will be displayed as they become available.

City of Buckeye, Arizona  
 Schedule of City Pension Contributions  
 June 30, 2017

ASRS	Reporting Fiscal Year				2013 through 2008*
	2017	2016	2015	2014	
Statutorily required contribution	\$ 1,898,825	\$ 2,021,313	\$ 1,700,819	\$ 1,465,966	Information not available
City's contributions in relation to the statutorily required contribution	\$ 2,033,883	2,021,313	1,700,819	1,595,526	
City's contribution deficiency (excess)	\$ (135,058)	\$ -	\$ -	\$ (129,560)	
City's covered-employee payroll	\$ 16,744,491	\$ 15,930,284	\$ 13,860,903	\$ 11,783,797	
City's contributions as a percentage of covered-employee payroll	12.15%	12.69%	12.27%	13.54%	
<b>PSPRS Police</b>					
PSPRS Police	Reporting Fiscal Year				2013 through 2008*
	2017	2016	2015	2014	
Statutorily required contribution	\$ 1,435,056	\$ 1,355,812	\$ 911,198	\$ 1,006,884	Information not available
City's contributions in relation to the statutorily required contribution	1,508,263	1,503,814	1,153,032	1,006,884	
City's contribution deficiency (excess)	\$ (73,207)	\$ (148,002)	\$ (241,834)	\$ -	
City's covered-employee payroll	\$ 9,471,195	\$ 9,495,431	\$ 8,598,026	\$ 8,306,224	
City's contributions as a percentage of covered-employee payroll	15.92%	15.84%	13.41%	12.12%	
<b>PSPRS Fire</b>					
PSPRS Fire	Reporting Fiscal Year				2013 through 2008*
	2017	2016	2015	2014	
Statutorily required contribution	\$ 917,228	\$ 912,664	\$ 663,192	\$ 967,398	Information not available
City's contributions in relation to the statutorily required contribution	1,021,773	1,156,055	922,926	967,398	
City's contribution deficiency (excess)	\$ (104,545)	\$ (243,391)	\$ (259,734)	\$ -	
City's covered-employee payroll	\$ 8,405,839	\$ 8,369,559	\$ 7,594,358	\$ 7,894,345	
City's contributions as a percentage of covered-employee payroll	12.16%	13.81%	12.15%	12.25%	

\*Scheduled is intended to show information for 10 years. Additional years will be displayed as they become available.

**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, 2016	
Actuarial cost method	Individual Entry Age Normal	
Amortization method	Level Percentage of Payroll, Closed	
Remaining amortization period	22 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%; No explicit price inflation assumption is used in this valuation	
Salary increases	4.00% to 8.00% including inflation	
Investment rate of return	7.85%, net of investment and administrative	

**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, 2017

	Budgeted Amounts			Variance with Revised Budget Positive (Negative)
	Adopted	Final	Actual	
Revenues				
Taxes	\$ 7,757,293	\$ 7,957,293	\$ 7,744,940	\$ (212,353)
Special assessments	5,061,997	5,102,997	6,916,529	1,813,532
Investment earnings	1,372	1,372	20,906	19,534
Developer agreements	-	-	590,864	590,864
Other	397,243	407,243	54,645	(352,598)
Total revenues	<u>13,217,905</u>	<u>13,468,905</u>	<u>15,327,884</u>	<u>1,858,979</u>
Expenditures				
Current				
General government	-	-	-	-
Improvement expense	-	-	-	-
Acquisition and construction	-	-	355,675	355,675
Miscellaneous expense	-	-	122,347	122,347
Debt Service				
Principal retirement	6,921,579	7,871,426	8,607,579	736,153
Interest on long-term debt	7,246,973	7,376,832	7,099,515	(277,317)
Contingencies	6,417,385	4,425,211	-	(4,425,211)
Total expenditures	<u>20,585,937</u>	<u>19,673,469</u>	<u>16,185,116</u>	<u>(3,488,353)</u>
Revenues over (Under)				
Expenditures	<u>(7,368,032)</u>	<u>(6,204,564)</u>	<u>(857,232)</u>	<u>5,347,332</u>
Other Financing Sources (Uses)				
Bonds issue	-	14,055,000	14,281,957	226,957
Payments to escrow agent	(200,000)	(18,966,000)	(22,860,000)	(3,894,000)
Transfers in	5,497,630	9,287,630	14,506,256	5,218,626
Transfers out	(5,492,190)	(5,724,658)	(5,570,006)	154,652
Total other financing sources (uses)	<u>(194,560)</u>	<u>(1,348,028)</u>	<u>358,207</u>	<u>5,373,278</u>
Net Change in Funds Balances	(7,562,592)	(7,552,592)	(499,025)	10,720,610
Funds Balances, Beginning of Year	<u>7,562,592</u>	<u>7,552,592</u>	<u>6,577,796</u>	<u>(974,796)</u>
Funds Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,078,771</u>	<u>\$ 6,078,771</u>

City of Buckeye, Arizona

Debt Service Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual  
Year Ended June 30, 2017

	Budgeted Amounts			Variance with Revised Budget Positive (Negative)
	Adopted	Final	Actual	
Revenues				
Special assessments	\$ 231,250	\$ 231,250	\$ 175,578	\$ (55,672)
Other	550	1,550	567	(983)
Total revenues	<u>231,800</u>	<u>232,800</u>	<u>176,145</u>	<u>(56,655)</u>
Expenditures				
Current				
General government	5,423	6,423	1,027	(5,396)
Debt Service				
Principal retirement	105,000	105,000	94,000	(11,000)
Interest on long-term debt	126,250	126,250	84,406	(41,844)
Contingencies	90,094	5,761	-	(5,761)
Total expenditures	<u>326,767</u>	<u>243,434</u>	<u>179,433</u>	<u>(64,001)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(94,967)</u>	<u>(10,634)</u>	<u>(3,288)</u>	<u>7,346</u>
Other Financing Sources (Uses)				
Transfers in	-	-	1,717	1,717
Transfers out	-	-	(717)	(717)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>
Net Change in Fund Balances	(94,967)	(10,634)	(2,288)	8,346
Fund Balances, Beginning of Year	<u>94,967</u>	<u>10,634</u>	<u>11,184</u>	<u>550</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,896</u>	<u>\$ 8,896</u>

City of Buckeye, Arizona  
 Nonmajor Governmental Funds – Combining Balance Sheet  
 June 30, 2017

	Special Revenue Funds	CFD Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 1,396,171	\$ 1,300,499	\$ 4,687,426	\$ 7,384,096
Investments	-	-	2,114,431	2,114,431
Receivables, net				
Accounts	109,240	1,628	-	110,868
Taxes	1,216	4,836	-	6,052
Prepaid expenses	22,051	-	-	22,051
	<u>1,528,678</u>	<u>1,306,963</u>	<u>6,801,857</u>	<u>9,637,498</u>
<b>Total assets</b>	<b>\$ 1,528,678</b>	<b>\$ 1,306,963</b>	<b>\$ 6,801,857</b>	<b>\$ 9,637,498</b>
<b>Liabilities and Fund Balance</b>				
<b>Liabilities</b>				
Accounts payable	\$ 419,892	\$ 264,425	\$ 715,828	\$ 1,400,145
Advanced revenue	507,277	-	94,746	602,023
Interest payable	-	-	-	-
<b>Total liabilities</b>	<b>927,169</b>	<b>264,425</b>	<b>810,574</b>	<b>2,002,168</b>
<b>Fund Balance</b>				
Unspendable	22,051	-	-	22,051
Restricted	1,021,576	358,942	5,991,283	7,371,801
Assigned - Debt Service	-	683,596	-	683,596
Unassigned	(442,118)	-	-	(442,118)
<b>Total fund balance</b>	<b>601,509</b>	<b>1,042,538</b>	<b>5,991,283</b>	<b>7,635,330</b>
<b>Total liabilities and fund balance</b>	<b>\$ 1,528,678</b>	<b>\$ 1,306,963</b>	<b>\$ 6,801,857</b>	<b>\$ 9,637,498</b>



# City of Buckeye, Arizona

## Nonmajor Governmental Funds – Combining Statement of Revenues, Expenditures and Changes in Fund Balances Year Ended June 30, 2017

	Special Revenue Funds	CFD Special Revenue Fund	Capital Project Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Improvement proceeds	\$ -	\$ 709,572	\$ -	\$ 709,572
Intergovernmental	445,873	-	-	445,873
Charges for services	327,212	191,735	91,092	610,039
Developer agreements	-	763,045	598,028	1,361,073
Contributions and donations	1,413,824	-	298,562	1,712,386
Investment earnings	-	2,774	242	3,016
Other	361,179	7,000	38,591	406,770
<b>Total revenues</b>	<b>2,548,088</b>	<b>1,674,126</b>	<b>1,026,515</b>	<b>5,248,729</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	739,362	13,604,272	689,220	15,032,854
Public safety	810,211	-	156,042	966,253
Highway and streets	541,092	-	963,458	1,504,550
Culture and recreation	510,848	-	-	510,848
Economic development	-	-	-	-
Health and welfare	599,601	-	-	599,601
Capital outlay	3,477,608	992,072	2,623,613	7,093,293
<b>Total expenditures</b>	<b>6,678,722</b>	<b>14,596,344</b>	<b>4,432,333</b>	<b>25,707,399</b>
<b>Revenues over (Under) Expenditures</b>	<b>(4,130,634)</b>	<b>(12,922,218)</b>	<b>(3,405,818)</b>	<b>(20,458,670)</b>
<b>Other Financing Sources (Uses)</b>				
Bonds issued	-	20,421,042	-	20,421,042
Premiums issued	-	1,399,291	-	1,399,291
Issuance costs	-	(1,070,570)	-	(1,070,570)
Transfers in	3,776,897	161,772	1,760,588	5,699,257
Transfers out	(95,065)	(9,098,022)	(400,000)	(9,593,087)
<b>Total other financing sources (uses)</b>	<b>3,681,832</b>	<b>11,813,513</b>	<b>1,360,588</b>	<b>16,855,933</b>
<b>Net Change in Fund Balances</b>	<b>(448,802)</b>	<b>(1,108,705)</b>	<b>(2,045,230)</b>	<b>(3,602,737)</b>
<b>Fund Balances, Beginning of Year</b>	<b>1,050,311</b>	<b>2,151,243</b>	<b>8,036,513</b>	<b>11,238,067</b>
<b>Fund Balances, End of Year</b>	<b>\$ 601,509</b>	<b>\$ 1,042,538</b>	<b>5,991,283</b>	<b>\$ 7,635,330</b>

City of Buckeye, Arizona  
 Nonmajor Special Revenue Funds – Combining Balance Sheet  
 June 30, 2017

	3001	3035	3037	3038	3050	3052	3573	3575	3574	3576	3577	5005
	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	Nuclear Management	Equipment Replacement Fund
<b>Assets</b>												
Cash and cash equivalents	\$ 42,134	\$ 26,684	\$ 3,479	\$ 10,069	\$ 5,118	\$ 99,795	\$ 8,516	\$ 143,446	\$ 10,591	\$ 18,704	\$ 139,566	\$ 60,202
Receivables, net												
Accounts	1,503	-	-	-	-	-	47,494	30,660	3,789	19,000	-	-
Taxes	-	-	-	-	-	-	-	-	-	-	-	-
Prepays	-	21,301	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 43,637</b>	<b>\$ 47,985</b>	<b>\$ 3,479</b>	<b>\$ 10,069</b>	<b>\$ 5,118</b>	<b>\$ 99,795</b>	<b>\$ 56,010</b>	<b>\$ 174,106</b>	<b>\$ 14,380</b>	<b>\$ 37,704</b>	<b>\$ 139,566</b>	<b>\$ 60,202</b>
<b>Liabilities and Fund Balance</b>												
<b>Liabilities</b>												
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,834	\$ 1,012	326,773	\$ 9,379	\$ 19,000	\$ -	\$ -
Advances	-	-	-	-	5,118	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,118</b>	<b>2,834</b>	<b>1,012</b>	<b>326,773</b>	<b>9,379</b>	<b>19,000</b>	<b>-</b>	<b>-</b>
<b>Fund Balance</b>												
Unspendable	-	21,301	-	-	-	-	-	-	-	-	-	-
Restricted	43,637	-	3,479	10,069	-	96,961	54,998	(152,667)	5,001	18,704	139,566	60,202
Assigned - Debt Service	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	26,684	-	-	-	-	-	-	-	-	-	-
<b>Total fund balance</b>	<b>43,637</b>	<b>47,985</b>	<b>3,479</b>	<b>10,069</b>	<b>-</b>	<b>96,961</b>	<b>54,998</b>	<b>(152,667)</b>	<b>5,001</b>	<b>18,704</b>	<b>139,566</b>	<b>60,202</b>
<b>Total liabilities and fund balance</b>	<b>\$ 43,637</b>	<b>\$ 47,985</b>	<b>\$ 3,479</b>	<b>\$ 10,069</b>	<b>\$ 5,118</b>	<b>\$ 99,795</b>	<b>\$ 56,010</b>	<b>\$ 174,106</b>	<b>\$ 14,380</b>	<b>\$ 37,704</b>	<b>\$ 139,566</b>	<b>\$ 60,202</b>

City of Buckeye, Arizona  
 Nonmajor Special Revenue Funds – Combining Balance Sheet  
 June 30, 2017

	3002	3056	3051	3003	3075	3070	3150	3058	3090	3200	3055	
	JCEF Fund	Downtown Revitalization	Better Your Buckeye	Court Enhancement	Transient Lodging	Economic Development Reinvestment	SLID Operations	Community Services Program	Sundance Crossings	Non- Construction Improvements	Rodeo	Total
<b>Assets</b>												
Cash and cash equivalents	\$ 66,298	\$ -	\$ 1,328	\$ 139,755	\$ 138,175	\$ -	\$ 63,877	\$ 65,087	\$ 332,719	\$ 10,782	\$ 9,846	\$ 1,396,171
Receivables, net												
Accounts	-	-	-	-	-	-	-	-	6,794	-	-	109,240
Taxes	-	-	-	-	-	-	1,216	-	-	-	-	1,216
Prepays	-	-	-	-	750	-	-	-	-	-	-	22,051
<b>Total assets</b>	<b>\$ 66,298</b>	<b>\$ -</b>	<b>\$ 1,328</b>	<b>\$ 139,755</b>	<b>\$ 138,925</b>	<b>\$ -</b>	<b>\$ 65,093</b>	<b>\$ 65,087</b>	<b>\$ 339,513</b>	<b>\$ 10,782</b>	<b>\$ 9,846</b>	<b>\$ 1,528,678</b>
<b>Liabilities and Fund Balance</b>												
<b>Liabilities</b>												
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,963	\$ -	\$ 23,805	\$ 21,682	\$ 6,404	\$ 40	\$ 419,892
Advances	-	468,802	-	-	-	-	-	10,000	23,357	-	-	507,277
<b>Total liabilities</b>	<b>-</b>	<b>468,802</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,963</b>	<b>-</b>	<b>33,805</b>	<b>45,039</b>	<b>6,404</b>	<b>40</b>	<b>927,169</b>
<b>Fund Balance</b>												
- Pr - -	-	-	-	-	750	-	-	-	-	-	-	22,051
Restricted	66,298	-	1,328	139,755	138,175	(8,963)	65,093	31,282	294,474	4,378	9,806	1,021,576
Assigned	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	(468,802)	-	-	-	-	-	-	-	-	-	(442,118)
<b>Total fund balance</b>	<b>66,298</b>	<b>(468,802)</b>	<b>1,328</b>	<b>139,755</b>	<b>138,925</b>	<b>(8,963)</b>	<b>65,093</b>	<b>31,282</b>	<b>294,474</b>	<b>4,378</b>	<b>9,806</b>	<b>601,509</b>
<b>Total liabilities and fund balance</b>	<b>\$ 66,298</b>	<b>\$ -</b>	<b>\$ 1,328</b>	<b>\$ 139,755</b>	<b>\$ 138,925</b>	<b>\$ -</b>	<b>\$ 65,093</b>	<b>\$ 65,087</b>	<b>\$ 339,513</b>	<b>\$ 10,782</b>	<b>\$ 9,846</b>	<b>\$ 1,528,678</b>

City of Buckeye, Arizona  
 Nonmajor Special Revenue Funds – Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Year Ended June 30, 2017

	3001	3035	3037	3038	3050	3052	3573	3575	3574	3576	3577	5005
	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	Nuclear Management	Equipment Replacement Fund
<b>Revenues</b>												
Intergovernmental revenue	\$ 4,883	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	102,756	-	-	-	-	-	-
Contributions and donations	-	241,086	-	-	-	-	333,891	184,010	220,772	66,059	-	-
Investment earnings	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	53,695	-	-	-	-	-	139,057	-	-	-	116,190
Total revenues	<u>4,883</u>	<u>294,781</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,756</u>	<u>333,891</u>	<u>323,067</u>	<u>220,772</u>	<u>66,059</u>	<u>-</u>	<u>116,190</u>
<b>Expenditures</b>												
<b>Current</b>												
General government	-	-	-	-	-	-	-	-	-	6,312	-	-
Public safety	-	210,192	-	-	-	92,266	261,041	-	240,712	-	-	-
Highway and streets	-	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	10,448	-	25,859	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	599,601	-	-	-	-
Capital outlay	-	79,777	-	-	-	45,319	77,465	55,685	-	20,658	-	1,093,448
Total expenditures	<u>-</u>	<u>289,969</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>137,585</u>	<u>338,506</u>	<u>665,734</u>	<u>240,712</u>	<u>52,829</u>	<u>-</u>	<u>1,093,448</u>
<b>Revenues over (Under)</b>												
Expenditures	<u>4,883</u>	<u>4,812</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,829)</u>	<u>(4,615)</u>	<u>(342,667)</u>	<u>(19,940)</u>	<u>13,230</u>	<u>-</u>	<u>(977,258)</u>
<b>Other Financing Sources (Uses)</b>												
Transfers in	-	-	-	-	-	-	-	190,000	-	-	139,566	940,000
Transfers out	-	-	-	-	-	-	-	-	(85,065)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>190,000</u>	<u>(85,065)</u>	<u>-</u>	<u>139,566</u>	<u>940,000</u>
Net Change in Fund Balances	4,883	4,812	-	-	-	(34,829)	(4,615)	(152,667)	(105,005)	13,230	139,566	(37,258)
Fund Balances, Beginning of Year	38,754	43,173	3,479	10,069	-	131,790	59,613	-	110,006	5,474	-	97,460
Fund Balances, End of Year	<u>\$ 43,637</u>	<u>\$ 47,985</u>	<u>\$ 3,479</u>	<u>\$ 10,069</u>	<u>\$ -</u>	<u>\$ 96,961</u>	<u>\$ 54,998</u>	<u>\$ (152,667)</u>	<u>\$ 5,001</u>	<u>\$ 18,704</u>	<u>\$ 139,566</u>	<u>\$ 60,202</u>

City of Buckeye, Arizona  
 Nonmajor Special Revenue Funds – Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Year Ended June 30, 2017

	3002	3056	3051	3003	3075	3070	3150	3058	3090	3200	3055	
	JCEF Fund	Downtown Revitalization	Better Your Buckeye	Court Enhancement	Transient Lodging	Economic Development Reinvestment	SLID Operations	Community Services Program	Sundance Crossings	Non- Construction Improvements	Rodeo	Total
<b>Revenues</b>												
Intergovernmental revenue	\$ 11,745	\$ 19,534	\$ -	\$ 32,681	\$ 152,527	\$ -	\$ 224,503	\$ -	\$ -	\$ -	\$ -	\$ 445,873
Charges for services	-	-	-	-	-	-	-	-	224,456	-	-	327,212
Contributions and donations	-	-	-	-	-	281,125	-	86,881	-	-	-	1,413,824
Investment earnings	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	273	-	-	-	-	24,479	-	-	27,485	361,179
Total revenues	<u>11,745</u>	<u>19,534</u>	<u>273</u>	<u>32,681</u>	<u>152,527</u>	<u>281,125</u>	<u>224,503</u>	<u>111,360</u>	<u>224,456</u>	<u>-</u>	<u>27,485</u>	<u>2,548,088</u>
<b>Expenditures</b>												
<b>Current</b>												
General government	-	-	-	-	75,653	657,397	-	-	-	-	-	739,362
Public safety	-	-	-	6,000	-	-	-	-	-	-	-	810,211
Highway and streets	-	-	-	-	-	-	228,934	-	312,158	-	-	541,092
Culture and recreation	-	-	-	-	-	-	-	155,967	-	163,730	154,844	510,848
Economic development	-	-	-	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-	-	-	599,601
Capital outlay	-	-	-	-	-	1,668,621	-	60,330	335,476	40,829	-	3,477,608
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,000</u>	<u>75,653</u>	<u>2,326,018</u>	<u>228,934</u>	<u>216,297</u>	<u>647,634</u>	<u>204,559</u>	<u>154,844</u>	<u>6,678,722</u>
Revenues over (Under)												
Expenditures	<u>11,745</u>	<u>19,534</u>	<u>273</u>	<u>26,681</u>	<u>76,874</u>	<u>(2,044,893)</u>	<u>(4,431)</u>	<u>(104,937)</u>	<u>(423,178)</u>	<u>(204,559)</u>	<u>(127,359)</u>	<u>(4,130,634)</u>
<b>Other Financing Sources (Uses)</b>												
Transfers in	-	-	-	-	-	2,035,927	-	-	340,000	31,404	100,000	3,776,897
Transfers out	-	-	-	-	(10,000)	-	-	-	-	-	-	(95,065)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,000)</u>	<u>2,035,927</u>	<u>-</u>	<u>-</u>	<u>340,000</u>	<u>31,404</u>	<u>100,000</u>	<u>3,681,832</u>
Net Change in Fund Balances	11,745	19,534	273	26,681	66,874	(8,966)	(4,431)	(104,937)	(83,178)	(173,155)	(27,359)	(448,802)
Fund Balances, Beginning of Year	54,553	(488,336)	1,055	113,074	72,051	3	69,524	136,219	377,652	177,533	37,165	1,050,311
Fund Balances, End of Year	<u>\$ 66,298</u>	<u>\$ (468,802)</u>	<u>\$ 1,328</u>	<u>\$ 139,755</u>	<u>\$ 138,925</u>	<u>\$ (8,963)</u>	<u>\$ 65,093</u>	<u>\$ 31,282</u>	<u>\$ 294,474</u>	<u>\$ 4,378</u>	<u>\$ 9,806</u>	<u>\$ 601,509</u>

## **Statistical Section (Unaudited)\***

\*The preceding statistical information for the Communities Facilities Districts does not include the continuing disclosures for the current fiscal year.

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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.

**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 16-17	\$339,702,713	\$0	\$0.0000	\$339,702,713	\$6,114,649	1.8000	\$6,114,649	1.8000	
FY 15-16	\$320,169,039	\$0	\$0.0000	\$320,169,039	\$5,763,043	1.8000	\$5,763,043	\$1.8000	
FY 14-15	\$324,277,466	\$0	\$0.0000	\$296,070,299	\$5,332,600	1.8011	\$5,332,600	\$1.8011	
FY 13-14	\$287,873,371	\$0	\$0.0000	\$282,005,064	\$5,079,332	1.8011	\$5,079,332	\$1.8011	
FY 12-13	\$300,289,266	\$0	\$0.0000	\$295,509,637	\$5,332,766	1.8046	\$5,332,766	\$1.8046	
FY 11-12	\$322,876,453	\$0	\$0.0000	\$315,361,719	\$5,065,024	1.6061	\$5,065,024	\$1.6061	
FY 10-11	\$430,499,390	\$0	\$0.0000	\$402,367,355	\$4,781,332	1.1883	\$4,781,332	\$1.1883	
FY 09-10	\$595,778,177	\$0	\$0.0000	\$483,890,822	\$4,282,918	0.8851	\$4,282,918	\$0.8851	



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	Community College District	Agua Fria Union High School District #216	Arlington School District #47	Buckeye			Litchfield			Palo Verde School District #49	Saddle Mtn. School District #90	Wickenburg School District #9	Central AZ Conservation District	Maricopa Health Care District	West Maricopa Education Center	Buckeye Valley Rural Fire District
										Elementary School District #33	High School District #201	Liberty School District #25	Elementary School District #79	Elementary School District #79	Elementary School District #25							
FY 18-17	Primary	1.8000	1.4009	-	-	-	1.2376	2.0845	1.0060	3.6463	2.0200	1.9955	2.2447	2.4126	2.0915	3.8975	-	-	-	-	-	
	Secondary	-	-	0.0556	0.1792	0.0112	0.2275	1.3889	0.1905	2.2759	1.2041	1.7967	1.5695	2.2224	0.4560	1.5069	0.1400	0.3053	0.0940	-	3.2500	
FY 15-16	Primary	1.8000	1.3609	-	-	-	1.2628	2.0732	1.1420	3.2117	2.2096	2.5534	2.2606	2.5716	2.1863	3.6581	-	-	-	-	-	
	Secondary	-	-	0.0556	0.1592	0.0116	0.2312	1.1935	0.1883	2.3722	1.4277	1.7242	1.5746	1.8079	0.4150	1.4229	0.1400	0.3021	0.0696	-	3.2500	
FY 14-15	Primary	1.8011	1.3209	-	-	-	1.2824	2.8900	1.1126	3.7761	2.3817	2.8010	2.3282	2.1696	2.1955	3.9198	-	-	-	-	-	
	Secondary	-	-	0.0556	0.1392	0.0113	0.2363	1.2105	0.1794	2.1411	1.1274	1.7001	1.4498	1.8555	0.4309	1.6306	0.1400	0.1856	0.0810	-	3.2500	
FY 13-14	Primary	1.8011	1.2807	-	-	-	1.2886	2.2938	0.9200	3.6619	2.5435	1.9056	2.4357	2.3096	1.1538	3.7838	-	-	-	-	-	
	Secondary	-	-	0.0438	0.1392	0.0121	0.2444	1.2787	0.1853	2.1952	1.1136	1.5465	1.5405	1.7073	0.5178	0.5540	0.1400	0.1939	0.0592	-	3.1000	
FY 12-13	Primary	1.8046	1.2407	-	-	-	1.1563	2.0437	0.5836	4.0276	2.3755	2.0706	2.3102	2.4512	0.5988	3.4020	-	-	-	-	-	
	Secondary	-	-	0.0492	0.1780	0.0110	0.2215	1.1255	0.1874	2.0678	1.0457	1.4589	1.5761	1.6276	0.4770	1.6500	0.1000	0.1683	-	-	3.1000	
FY 11-12	Primary	1.6061	1.2407	-	-	-	1.0123	1.6862	0.5837	3.1982	2.1952	1.8682	1.9408	2.2721	0.7666	3.0483	-	-	-	-	-	
	Secondary	-	-	0.0492	0.1780	0.0084	0.1959	0.9900	0.1729	1.8674	0.8752	1.3302	1.3182	1.5239	0.4446	1.4037	0.1000	0.1494	-	-	3.1000	
FY 10-11	Primary	1.1883	1.0508	-	-	-	0.7926	2.1600	0.5520	3.3536	1.7454	1.9639	1.6167	1.5408	0.7529	2.4014	-	-	-	-	-	
	Secondary	-	-	0.0412	0.1489	0.0066	0.1802	0.8300	0.1578	1.6656	1.0561	1.3425	1.2983	0.8488	0.6119	1.1585	0.1000	0.1122	-	-	2.5458	
FY 09-10	Primary	0.8851	0.9909	-	-	-	0.7246	-	0.6241	4.2307	1.6158	1.4854	1.6153	1.8630	0.6430	3.6060	-	-	-	-	-	
	Secondary	-	-	0.0353	0.1367	0.0057	0.1598	-	0.1532	1.2406	0.9803	1.1753	1.0062	0.5661	0.4722	0.9439	0.1000	0.0914	-	-	2.5458	

Source: County Assessor's Records

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

<b>Fiscal Year</b>	<b>Levy</b>	<b>Collections</b>	<b>Percentage Collected</b>	<b>Prior Year Collections</b>	<b>Total Collected</b>
FY 16-17	6,114,649	5,999,143	98.11%	71,604	6,070,747
FY 15-16	5,763,043	5,618,428	97.49%	72,669	5,691,097
FY 14-15	5,332,600	5,223,633	97.96%	(3,582)	5,220,051
FY 13-14	5,079,332	4,972,701	97.90%	75,602	5,048,303
FY 12-13	5,332,766	5,078,892	95.24%	120,989	5,199,881
FY 11-12	5,065,024	4,867,847	96.11%	27,092	4,894,939
FY 10-11	4,781,331	4,522,965	94.60%	183,572	4,706,537
FY 09-10	4,282,676	4,019,577	93.86%	144,561	4,164,138

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**

<b>Industry Group</b>	<b>FY 16-17</b>	<b>FY 15-16</b>	<b>FY 14-15</b>	<b>FY 13-14</b>	<b>FY 12-13</b>	<b>FY 11-12</b>	<b>FY 10-11</b>	<b>FY 09-10</b>
Mining	23,806	21,903	27,256	29,558	28,254	23,116	27,910	13,858
Telecom	500,011	822,976	905,795	837,402	734,060	638,909	506,308	560,214
Utilities	1,534,621	1,417,136	1,268,954	1,171,923	1,090,388	969,451	656,102	231,377
Trans & Warehouse	2,971	5,791	6,993	6,663	7,927	9,843	10,604	13,232
Construction	9,279,151	5,542,047	4,941,173	3,900,771	3,704,513	2,931,187	2,977,754	3,658,662
Retail	10,781,964	9,591,565	8,652,003	7,734,984	7,569,138	7,084,862	5,848,314	4,167,525
Real Estate Rentals	1,720,517	2,487,965	1,942,635	1,655,073	1,583,838	1,412,951	1,067,076	779,193
Rest .& Bars	1,791,482	1,529,818	1,356,620	1,189,310	1,142,134	987,256	736,748	459,774
Hotels	306,126	154,122	49,247	52,166	59,707	53,227	47,669	39,588
Svcs, Fin, Ins	93,420	344,310	379,308	332,258	285,153	248,639	234,262	149,910
Arts & Entertain	201,319	160,157	147,221	132,041	143,920	180,693	159,331	109,461
Other	-	-	-	-	-	-	-	822
Brits Charges	-	-	-	-	-	-	-	(3,119)
<b>Total</b>	<b>26,235,388</b>	<b>22,077,789</b>	<b>19,677,204</b>	<b>17,042,149</b>	<b>16,349,032</b>	<b>14,540,134</b>	<b>12,272,078</b>	<b>10,180,495</b>

**City Of Buckeye**  
**Direct and Overlapping Transaction Priviledge, & Use Tax (TPT)**  
**For The Periods Indicated**

Fiscal Year	Buckeye*	Maricopa County		Arizona State	TOTAL
		Road	Jail		
FY 16-17	3.00%	0.50%	0.20%	5.60%	9.30%
FY 15-16	3.00%	0.50%	0.20%	5.60%	9.30%
FY 14-15	3.00%	0.50%	0.20%	5.60%	9.30%
FY 13-14	3.00%	0.50%	0.20%	5.60%	9.30%
FY 12-13	3.00%	0.50%	0.20%	5.60%	9.30%
FY 11-12	3.00%	0.50%	0.20%	6.60%	10.30%
FY 10-11	3.00%	0.50%	0.20%	6.60%	10.30%
FY 09-10	2.00%	0.50%	0.20%	6.60%	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**

<b>Fiscal Year</b>	<b>Population 1 Estimates July 1</b>	<b>Personal Income 2</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate 3</b>
FY 16-17	65,509	2,867,000,000	43,765	5.2%
FY 15-16	62,582	2,500,714,138	39,959	5.0%
FY 14-15	58,745	2,279,188,510	38,798	7.4%
FY 13-14	56,459	2,054,430,092	36,388	8.5%
FY 12-13	54,102	2,114,765,339	39,088	8.9%
FY 11-12	52,334	2,051,178,796	39,194	10.2%
FY 10-11	51,019	2,505,894,222	49,117	9.8%
FY 09-10	51,560	2,430,717,396	47,144	11.5%

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

**City Of Buckeye  
Principal Employers,  
For FY 16-17**

<b>Employer</b>	<b>Employees</b>	<b>Percentage of Principal City Employment</b>
State Of Arizona	1,220	24%
Walmart	1,120	22%
Litchfield Elementary School District #79	470	9%
City of Buckeye	472	9%
Buckeye Union High School District 201	350	7%
Buckeye Elementary School District No. 33	320	6%
Clayton Homes Inc.	300	6%
Liberty Elementary School District	230	5%
Agua Fria Union High School Dist 216	160	3%
Youngker High School	150	3%
Lowe's Home Improvement	130	3%
Fry's Food Store	110	2%
<b>Total</b>	<b>5,032</b>	<b>100.00%</b>

Sources:

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

**City Of Buckeye  
Authorized Positions**

Program/Department	FY 16-17	FY 15-16	FY 14-15	FY 13-14	FY 12-13	FY 11-12	FY 10-11
Mayor & Council	2.00	2.00	2.00	2.00	1.00	1.00	1.00
Manager	6.00	6.00	5.00	5.00	2.00	2.00	2.00
Construction & Contracting	7.00	7.00	6.00	3.00	-	-	-
Marketing and Communication	3.00	3.00	3.00	-	-	-	-
Administrative Services	-	-	-	2.00	2.00	2.00	1.00
Clerk	4.00	4.00	4.00	4.00	3.00	3.00	3.00
Finance	9.00	9.00	8.00	8.00	11.00	11.00	11.00
Human Resources	7.00	7.00	7.00	8.00	6.00	6.00	5.50
Information Technology	12.00	10.00	9.00	8.00	8.00	6.00	6.00
<b>Administration</b>	<b>50.00</b>	<b>48.00</b>	<b>44.00</b>	<b>40.00</b>	<b>33.00</b>	<b>31.00</b>	<b>29.50</b>
Comm Services Admin	5.50	5.50	5.50	5.80	4.80	3.60	3.00
Library	14.00	14.00	15.00	9.00	8.88	8.00	8.00
Parks	7.00	7.00	8.00	6.00	6.50	6.50	4.50
Recreation	7.00	7.00	5.00	6.00	7.50	5.50	6.50
Senior Programs	7.50	7.50	7.50	7.20	7.20	6.65	7.00
CAP	-	-	-	-	-	3.75	3.00
<b>Community Services</b>	<b>41.00</b>	<b>41.00</b>	<b>41.00</b>	<b>34.00</b>	<b>34.88</b>	<b>34.00</b>	<b>32.00</b>
Fire	89.00	89.00	90.00	90.00	88.00	83.00	83.00
Cemetery	2.00	2.00	-	-	-	-	-
Magistrate Court	8.30	6.80	6.80	6.80	6.50	6.50	6.50
Police	123.00	119.50	118.50	117.50	112.00	97.00	95.00
<b>Public Safety</b>	<b>222.30</b>	<b>217.30</b>	<b>215.30</b>	<b>214.30</b>	<b>206.50</b>	<b>186.50</b>	<b>184.50</b>
Building Safety	13.00	11.00	11.00	11.00	11.00	8.30	8.30
Development Services	10.00	10.00	11.00	12.00	22.00	8.00	6.50
Economic Development	3.00	3.00	3.00	5.00	3.00	3.00	1.00
Engineering	14.00	14.00	14.00	14.00	-	-	-
<b>Community Development</b>	<b>40.00</b>	<b>38.00</b>	<b>39.00</b>	<b>42.00</b>	<b>36.00</b>	<b>19.30</b>	<b>15.80</b>
Public Works Admin	1.25	1.25	2.25	2.25	2.25	1.25	1.50
Facility Maintenance	4.00	4.00	4.00	3.00	3.00	2.00	2.00
Vehicle Maintenance	7.00	6.00	6.00	6.00	6.00	5.00	5.00
Solid Waste Enterprise	8.39	8.39	4.31	3.98	3.31	3.31	3.31
Airport Enterprise	1.00	1.00	1.25	1.25	0.25	0.25	0.50
Streets	22.00	20.00	20.50	20.50	19.50	15.50	15.00
<b>Public Works</b>	<b>43.64</b>	<b>40.64</b>	<b>38.31</b>	<b>36.98</b>	<b>34.31</b>	<b>27.31</b>	<b>27.31</b>
<b>Water &amp; Wastewater</b>	<b>75.36</b>	<b>69.36</b>	<b>59.69</b>	<b>55.02</b>	<b>47.69</b>	<b>40.69</b>	<b>36.69</b>
<b>Total</b>	<b>472.30</b>	<b>454.30</b>	<b>437.30</b>	<b>422.30</b>	<b>392.38</b>	<b>338.80</b>	<b>325.80</b>

**City Of Buckeye Selected Financial Indicators  
For FY 16-17**

Indicators	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	FY 16-17	FY 15-16	FY 14-15	FY 13-14	FY 12-13	FY 11-12	FY 10-11	FY 09-10	
<b>Population @ July 1</b>	65,192	62,582	58,745	56,459	54,102	52,334	51,019	51,560	
Annual Percent Change	4.17%	6.53%	4.05%	4.36%	3.38%	2.58%	-1.05%	4.94%	
<b>Primary Net Assessed Valuation (NAV)</b>	339,702,713	320,169,039	296,070,299	280,928,213	295,509,637	315,356,724	396,877,425	483,890,822	
Annual Percent Change	6.10%	8.14%	5.39%	-4.93%	-6.29%	-20.54%	-17.98%	20.59%	
<b>Fulltime Positions/1000Capita</b>	7.24	7.26	7.39	7.48	7.25	6.47	6.39	7.36	
Annual Percent Change	-0.28%	-1.80%	-1.16%	3.13%	12.03%	1.38%	-13.18%	-21.55%	
<b>General Fund Beginning Fund Balance</b>	\$ 14,383,231	\$ 21,212,673	\$ 20,073,847	\$ 20,622,096	\$ 15,541,083	\$ 8,251,981	\$ 6,276,479	\$ 8,551,245	
Annual Percent Change	-32.20%	5.67%	-2.66%	32.69%	88.33%	31.47%	-26.60%	-43.90%	
<b>Full Cash Value</b>	\$ 4,991,989,207	4,457,985,740	3,634,843,505	2,738,091,745	2,926,795,965	3,148,151,090	4,197,534,786	5,499,282,767	
Annual Percent Change	11.98%	22.65%	32.75%	-6.45%	-7.03%	-25.00%	-23.67%	3.02%	



**City Of Buckeye**  
**Estimated WIFA Bond Covenant Calculations**  
**FY 16-17**

<b>Operating Revenues and Expenditures</b>	<b>Unaudited FY 16-17</b>
Water & Sewer Operating Revenues	33,006,862
Water & Sewer Operating Expenditures	18,379,814
<b>Operating Revenues less Operating Expenditures</b>	<b>14,627,048</b>
PRINCIPLE DUE WIFA	957,884
INTEREST DUE WIFA	356,475
WIFA Debt Service FY 16-17	1,314,359
Bond Covenant Coverage Ratio Requirement	1.20
<b>D/S Coverage Ratio</b>	<b>11.13</b>

**Town Of Buckeye**  
**GADA and Excise Tax Loan/Bond Covenant Calculations**  
**For FY 16-17**

<b>Bonds/Loans</b>	<b>Prin</b>	<b>Int</b>	<b>Unaudited FY 16-17</b>
GADA 2005 - Refunding Bonds	575,000	217,200	792,200
GADA 2006 - Refunding Bonds	445,000	438,185	883,185
GADA 2007	75,000	78,731	153,731
<b>Total GADA FY 16-17 D/S</b>	<b>1,095,000</b>	<b>734,116</b>	<b>1,829,116</b>
Excise Tax Bonds - Refunding	195,000	32,148	227,148
Excise Tax Bonds 2015	-	2,470,457	2,470,457
<b>Total Debt Payments that have an Excise Tax Covenant</b>	<b>1,290,000</b>	<b>3,236,721</b>	<b>4,526,721</b>

<b>Total FY 16-17 Excise Tax Pledged Revenues</b>			<b>46,220,294</b>
Bond Covenant Coverage Ratio Requirement			2.00
<b>Actual Coverage Ratio</b>			<b>10.21</b>

City Sales Tax	26,401,741
Business Licenses	153,555
Franchise Fees	2,776,299
Charges for Services	2,837,524
Fines and Forfeitures	650,538
State-Shared Sales Taxes	5,744,180
State-Shared Income Taxes	7,656,457
<b>Total FY 16-17 Excise Tax Pledged Revenues</b>	<b>46,220,294</b>

REPORT OF DEBT, LEASES AND CONTRACTS MADE TO THE ARIZONA STATE DEPARTMENT OF ADMINISTRATION (ARS 35-501, 35-502)

Form fields: Date: 8/9/2017, CFO's Name: Lamy D. Price, City of Buckeye, Address: 530 E. Montrose Ave., City: Buckeye, State: AZ, Zip: 85326, County: Maricopa, Phone Number: 623-349-9154, Fax Number: 623-349-9150, Contact Name: Iris Wallace, Contact Phone Number: 623-349-9152, E-mail Address: wallace@buckeyeaz.gov

Table with 16 columns: 1 Name of Entity Borrowing, 2 Debt Type, 3 Purpose of Issue or Lease, 4 Date of Issue or Contract, 5 Interest Rate, 6 Original Date of Maturity, 7 Original Principal/Contract Amount, 8 Prior Year Outstanding Principal on 6/30/16, 9 New Debt or Contract in FY 2017, 10 Principal Payments in FY 2017, 11 Amount Refunded in FY 2017, 12 Amount Refunded through 6/30/2017, 13 Principal Amount Retired through 6/30/2017, 14 Outstanding Principal on 6/30/17, 15 Interest Paid in FY 2017, 16 Interest Paid To Date

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# **Continuing Disclosure Annual Report**

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**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, 2016**

## *Continuing Disclosure Annual Report*

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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](http://www.emma.msrb.org)

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*Current Fund Balances* *2-4*

**II. Attachments**

- *The District does not currently obtain audited financial statements*

*Continuing Disclosure Annual Report*

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**Overlapping General Obligation Bonded Indebtedness**

<b>Overlapping Jurisdiction</b>	<b>2015-16 Net Assessed</b>	<b>Net Outstanding Bonded Debt (a)</b>	<b>Proportion Applicable to the District</b>		<b>2015-16 Combined Tax Rate Per \$100 Assessed</b>
	<b>Limited Property Valuation</b>		<b>Approx. Percent</b>	<b>Amount</b>	
State of Arizona	\$54,838,548,829	None	0.08%	None	\$0.0000
Maricopa County	34,623,670,323	None	0.13%	None	2.2327 (b)
Maricopa CCCD	34,623,670,323	\$593,820,000	0.13%	797,350	0.3021
Maricopa County Health Care District	34,623,670,323	73,005,000	0.92%	675,086	1.4940
Western Maricopa Education Center	12,803,898,697	73,005,000	0.36%	265,080	0.0698
Wickenburg Unified SD #9	148,063,651	8,944,000	1.74%	155,626	5.0810
Town of Buckeye	320,169,039	None	14.52%	None	1.8000
<b>Festival Ranch CFD</b>	<b>46,490,826</b>	<b>13,230,000</b>	<b>100.00%</b>	<b>13,230,000</b>	<b>2.8181</b>
Total Net Direct and Overlapping General Obligation Bonded Debt				<u>\$15,123,142</u>	<u>\$13.7977</u>

(a) Net outstanding bonded debt for various jurisdictions.

(b) The County's tax rate includes the \$0.5054 State Equalization Rate, the \$0.1592 tax rate of the Maricopa County Flood Control District, the \$0.0556 tax rate of the Maricopa County Free Library District, the \$0.1400 tax rate of the Central Arizona Project, the \$0.3021 tax rate of the Maricopa County Health Care District, the \$0.0116 tax rate for the contribution to the Maricopa County Fire District, and the \$1.3609 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**

<b>Overlapping Entity</b>	<b>Authorized but Unissued Bonds</b>
Maricopa County Community College District	\$3,000
Maricopa County Health Care District	829,000,000
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	Status of Foreclosure Sales by Tax Parcel ID Number
A-1 Phase 1	4.6	24	\$2,000	\$46,542	\$48,000	\$1,117,000	23:1	Homebuyers	none	n/a
B-1	74.4	408	2,000	35,150	816,000	14,341,000	18:1	Homebuyers	see footnote (c)	n/a
C-1	36.9	143	2,000	34,203	286,000	4,891,000	17:1	Homebuyers	see footnote (d)	n/a
D-1	37.3	149	2,000	31,349	298,000	4,671,000	16:1	Homebuyers	none	n/a
Total	<u>153.2</u>	<u>724</u>			<u>\$1,448,000</u>	<u>\$25,020,000</u>				

\* 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 Undertaking Agreement, the appraisal values of properties (i.e. lots/parcels) in Assessment District No. 1 have not been updated on an ongoing, annual basis. Current values could be substantially lower than shown above.*

(c) One lot is delinquent. Total amount of delinquencies including penalties and interest is \$56.05.

(d) One lot is delinquent. Total amount of delinquencies including penalties and interest is \$56.05.

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

<b>Bond Fund/Principal</b>	<b>\$9,480.57</b>
<b>Bond Fund/Interest</b>	<b>\$21,990.52</b>
<b>Acquisition &amp; Construction Fund</b>	<b>NA-account closed</b>
<b>Issuance and Expenses Fund</b>	<b>NA-account closed</b>
<b>Reserve Fund</b>	<b>\$20,883.69</b>
<b>Prepayment Fund</b>	<b>\$26,096.72</b>

\*As of December 31, 2015 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)	(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	Status of Foreclosure Sales by Tax Parcel ID Number
<b>Assessment No. 2</b>										
E-1	36.8	141	\$2,000	\$45,000	\$282,000	\$6,028,000	21.38:1	Homebuyers	see footnote (c)	n/a
F-1	29.9	106	2,000	57,000	212,000	5,740,000	27.08:1	Homebuyers	see footnote (d)	n/a
G-1	52.1	99	2,000	50,000	200,000	5,320,000	26.60:1	Homebuyers	see footnote (e)	n/a
H-1	46.7	133	2,000	46,000	264,000	5,768,000	21.85:1	Homebuyers	see footnote (f)	n/a
<b>Assessment No. 3</b>										
Festival Foothills										
Unit 1	9.8	22	\$2,000	\$65,000	\$44,000	\$1,358,000	30.86:1	Pulte / Homebuyers (j)	none	n/a
Unit 3	18.5	73	2,000	57,000	144,000	3,899,000	27.08:1	Pulte / Homebuyers (j)	none	n/a
Unit 5	10.9	50	2,000	54,000	100,000	2,565,000	25.65:1	Pulte / Homebuyers (j)	see footnote (g)	n/a
Unit 7	22.2	85	2,000	54,000	170,000	4,360,000	25.65:1	Pulte / Homebuyers (j)	none	n/a
Unit 9	10.4	36	2,000	54,000	72,000	1,847,000	25.65:1	Homebuyers (j)	none	n/a
Unit 11	24.2	104	2,000	43,000	208,000	4,248,000	20.42:1	Pulte / Homebuyers (j)	see footnote (h)	n/a
Unit 13	14.5	86	2,000	38,000	172,000	3,105,000	18.05:1	Homebuyers (j)	see footnote (i)	n/a
Total	<u>275.8</u>	<u>935</u>			<u>\$1,868,000</u>	<u>\$44,238,000</u>				

\* 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 Agreement, the appraisal values of properties (i.e. lots/parcels) in Assessment Districts Nos. 2 & 3 have not been updated on an ongoing, annual basis. Current values could be substantially lower than shown above.*

(c) Three lots are delinquent. Total amount of delinquencies including penalties and interest is \$248.49.

(d) One lot is delinquent. Total amount of delinquencies including penalties and interest is \$82.83.

(e) One lot is delinquent. Total amount of delinquencies including penalties and interest is \$82.83.

(f) Four lots are delinquent. Total amount of delinquencies including penalties and interest is \$258.83.

(g) One lot is delinquent. Total amount of delinquencies including penalties and interest is \$82.83.

(h) Five lots are delinquent. Total amount of delinquencies including penalties and interest is \$496.52.

(i) Four lots are delinquent. Total amount of delinquencies including penalties and interest is \$331.32.

(j) 347 Lots in Festival Foothills have been sold to homebuyers and 109 Lots remain under Pulte's ownership.

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

<b>Bond Fund/Interest</b>	<b>\$48,091.91</b>
<b>Bond Fund/Principal</b>	<b>\$28,133.69</b>
<b>Acquisition &amp; Construction Fund</b>	<b>NA-account closed</b>
<b>Issuance and Expenses Fund</b>	<b>NA-account closed</b>
<b>Reserve Fund</b>	<b>\$102,683.08</b>
<b>Prepayment Fund</b>	<b>\$23,885.93</b>

\*As of December 31, 2015 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
<b>Assessment No. 4</b>										
I-1	36.34	163	\$2,000	\$47,000	\$304,000	\$6,787,000	22.33:1	Pulte / Homebuyers	see footnote (c)	n/a
K-1	28.36	124	2,000	57,000	252,000	6,823,000	27.08:1	Homebuyers	see footnote (d)	n/a
L-1	4.46	20	2,000	46,000 (h)	40,000	1,064,000	26.60:1 (h)	Pulte / Homebuyers	see footnote (e)	
O-1	40.31	181	1,944.75	70,000	352,000	11,371,000	33.25:1	Pulte / Homebuyers	see footnote (f)	n/a
P-1	76.61	173	2,000	46,000	346,000	10,268,000	26.60:1	Pulte	none	n/a
<b>Assessment No. 5</b>										
Festival Foothills										
Unit 15	19.35	85	\$2,000	\$23,000	\$170,000	\$1,857,000	10.92:1	Homebuyers	see footnote (g)	n/a
Unit 17	14.70	71	2,000	26,000	142,000	1,754,000	12.35:1	Pulte / Homebuyers (i)	none	n/a
Unit 21	12.75	33	2,000	42,000	66,000	1,317,000	19.95:1	Pulte	none	n/a
Unit 23	12.36	61	2,000	34,000	122,000	1,970,000	16.15:1	Pulte	none	n/a
Total	245.24	911			\$1,794,000	\$43,211,000				

\* 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 Agreement, the appraisal values of properties (i.e. lots/parcels) in Assessment Districts Nos. 4 & 5 have not been updated on an ongoing, annual basis. Current values could be substantially lower than shown above.*

(c) Seven lots are delinquent. Total amount of delinquencies including penalties and interest is \$680.40.

(d) One lot is delinquent. Total amount of delinquencies including penalties and interest is \$88.39.

(e) One lot is delinquent. Total amount of delinquencies including penalties and interest is \$88.39.

(f) Three lots are delinquent. Total amount of delinquencies including penalties and interest is \$424.95.

(g) One lot is delinquent. Total amount of delinquencies including penalties and interest is \$88.39.

(h) Parcel L-1 Estimated Appraisal Value, Estimated Appraised Value Per Assessed Parcel and Estimated Appraised Parcel Value to Lien is based on Parcel P-1 Values.

(i) 68 lots have been sold to homebuyers and 3 lots are owned by Pulte Homes.

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

<b>Bond Fund/Interest</b>	<b>\$48,301.86</b>
<b>Bond Fund/Principal</b>	<b>\$27,009.49</b>
<b>Acquisition &amp; Construction Fund</b>	NA-account closed
<b>Issuance and Expenses Fund</b>	NA-account closed
<b>Reserve Fund</b>	<b>\$113,544.78</b>
<b>Prepayment Fund</b>	<b>\$36,611.69</b>

\*As of December 31, 2015 per Zions Bank, Trustee.

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# **Continuing Disclosure Annual Report**

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**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, 2016**

## *Continuing Disclosure Annual Report*

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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](http://www.emma.msrb.org)

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<b>II. Attachments</b>	
- <i>The District does not currently obtain audited financial statements</i>	

*Continuing Disclosure Annual Report*

**PROPERTY VALUATIONS IN THE DISTRICT**

Fiscal Year	Full Cash Value	Net Assessed Limited Property Value
2015-16	\$510,365,897	\$46,490,826

Fiscal Year	Full Cash Value	Secondary 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

Source: Maricopa County Assessor's Office.

**PROPERTY CLASSIFICATION**

Description	Secondary Assessed Valuation		Net Assessed Limited Property Valuation	
	2014-15	2014-15 Percent of Total	2015-16	2015-16 Percent of Total
		Total		Total
Commerical & Industrial	\$1,595,998	3.7%	\$1,811,173	3.9%
Agricultural & Vacant	3,697,597	8.7%	2,645,759	5.7%
Residential (Owner Occupied)	23,108,620	54.1%	25,584,485	55.0%
Residential (Rental Occupied)	14,291,756	33.5%	16,449,409	35.4%
Total	<u>\$42,693,971</u>	<u>100.0%</u>	<u>\$46,490,826</u>	<u>100.0%</u>

Source: Maricopa County Assessor's Office.

**NET ASSESSED LIMITED PROPERTY VALUATION  
OF MAJOR TAXPAYERS**

Taxpayer	2015-16 Net Assessed Limited Property Valuation	As Percent of District's 2015-16 Net Assessed Limited Property Valuation
PULTE HOME CORPORATION	\$3,623,869	7.79%
ACCIPTER COMMUNICATIONS INC	321,861	0.69%
TRANSWESTERN PIPELINE COMPANY LLC	261,875	0.56%
FRCS LLC	165,287	0.36%
SUN CITY FESTIVAL COMMUNITY ASSOCIATION INC	118,822	0.26%
PRIVATE OWNER	57,562	0.12%
PRIVATE OWNER	53,089	0.11%
JOSMER ENTERPRISES LLC	50,958	0.11%
PRIVATE OWNER	46,568	0.10%
PRIVATE OWNER	45,045	0.10%
	<u>\$4,744,936</u>	<u>9.78%</u>

Source: Maricopa County Assessor's Office, as of December 16, 2015.

*Continuing Disclosure Annual Report*

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**TAXES LEVIED AND COLLECTED IN THE DISTRICT**

<b>Fiscal Year (a)</b>	<b>Real and Secured Personal Property Tax Levy (b)</b>	<b>Collected to June 30th End of Tax Fiscal Year</b>		<b>Total Collections (c)(d)</b>	
		<b>Amount</b>	<b>Percent of Tax Levy</b>	<b>Amount</b>	<b>Percent of Tax Levy</b>
2014-15	\$1,265,278	\$1,247,832	98.62%	\$1,247,832	98.62%
2013-14	1,068,918	1,050,226	98.25%	1,058,091	98.99%
2012-13	1,298,034	1,281,926	98.76%	1,293,281	99.63%
2011-12	1,315,335	1,307,247	99.39%	1,313,826	99.89%
2010-11	1,249,070	1,219,455	97.63%	1,226,629	98.20%

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 June 30, 2015.

**\$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**

**2015**  
**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, 2015.

- The Audited Financial Statements for Fiscal Year 2014-2015 were filed with the Municipal Securities Rulemaking Board Electronic Municipal Market Access on January 20, 2016 (Submission ID: ES616860).



**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**

<b>Fiscal Year</b>	<b>Estimated Net Full Cash Value [1,2]</b>	<b>Secondary Assessed Value [2]</b>
2015-16	\$509,915,477	\$52,340,215
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 through 2015-16 based on information provided by the County.

**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**

<b>Legal Class</b>	<b>Description</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>Percent of Total [1]</b>
1	Commercial	\$2,193,772	\$6,569,751	\$2,482,083	\$1,468,134	\$1,905,169	\$1,788,803	\$1,595,998	\$1,960,365	3.75%
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	\$4,186,924	8.00%
3	Residential (owner occupied)	\$14,972,824	\$25,417,262	\$28,313,225	\$31,156,940	\$22,282,219	\$21,530,960	\$23,108,620	\$28,572,996	54.59%
4	Residential (rental occupied)	\$670,050	\$728,377	\$910,330	\$1,048,550	\$10,460,900	\$12,521,520	\$14,291,756	\$17,619,930	33.66%
<b>Total</b>		<b>\$27,282,628</b>	<b>\$40,493,025</b>	<b>\$37,850,349</b>	<b>\$39,858,358</b>	<b>\$40,563,577</b>	<b>\$41,112,232</b>	<b>\$42,693,971</b>	<b>\$52,340,215</b>	<b>100.00%</b>

[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 through 2015-16 based on information provided by the County.

**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**

<b>Taxpayer</b>	<b>2015-16 Net Secondary Assessed Valuation</b>	<b>As % of District's 2015-16 Net Secondary Assessed Valuation</b>
Pulte Home Corporation	\$5,232,953	10.00%
Accipter Communications Inc	\$321,861	0.61%
Transwestern Pipeline Company	\$261,875	0.50%
Sun City Festival Community Association Inc.	\$249,891	0.48%
FRCS LLC	\$172,124	0.33%
Individual Owners	\$46,101,511	88.08%
<b>Total</b>	<b>\$52,340,215</b>	<b>100.00%</b>

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 11/16/15	Cumulative Collections to 1/20/16	
			Amount	Percent of Adjusted Tax Levy		Amount	Percent of Adjusted Tax Levy
2015-16	\$1,310,158	NA	NA	NA	NA	NA	NA
2014-15	\$1,265,278	\$1,262,784	\$1,247,832	98.82%	\$1,262,784	\$1,250,617	99.04%
2013-14	\$1,068,918	\$1,068,918	\$1,058,091	98.99%	\$1,067,734	\$1,058,091	99.10%
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	\$1,315,118	\$1,307,247	99.40%	\$1,313,844	\$1,313,826	100.00%
2010-11	\$1,249,070	\$1,226,629	\$1,219,455	99.42%	\$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 \$2.5181 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 through 2015-16 based on information provided by the County.

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# **Continuing Disclosure Annual Report**

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**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, 2016**

## *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](http://www.emma.msrb.org)

## *Continuing Disclosure Annual Report*

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- <i>The District does not currently obtain audited financial statements.</i>	



*Continuing Disclosure Annual Report*

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**Direct and Overlapping Debt of the District**

Overlapping Jurisdiction	2015-16 Net Assessed Limited Property Valuation	Net Outstanding Bonded Debt (a)	Proportion Applicable to the District		2015-16 Combined Tax Rate Per \$100 Assessed
			Approx. Percent	Amount	
State of Arizona	\$54,838,548,829	None	0.09%	\$0	\$0.0000
Maricopa County	34,623,670,323	None	0.16%	0	2.2327 (b)
Maricopa County Health Care District	34,623,670,323	\$106,000,000	0.16%	164,779	0.3021
Maricopa CCCD	34,623,670,323	593,820,000	0.16%	923,102	1.4940
West-MEC	12,803,898,697	73,005,000	0.42%	306,887	0.0698
Buckeye Elementary SD #33	167,481,283	16,710,000	23.06%	3,853,560	5.5839
Liberty Elementary SD #25	197,234,465	18,255,000	27.29%	4,981,579	4.2776
Buckeye Union High SD #201	656,613,462	76,273,460	8.20%	6,252,183	3.3373
Town of Buckeye	320,169,039	0	16.81%	0	1.8000
<b>Sundance CFD</b>	<b>53,823,016</b>	<b>21,270,000</b>	<b>100.00%</b>	<b>21,270,000</b>	<b>3.1302</b>
Total Net Direct and Overlapping General Obligation Bonded Debt				<u>\$37,752,090</u>	<u>\$22.2276</u>

(a) Net outstanding bonded debt for various jurisdictions is as of December 31, 2015.

(b) The County's tax rate includes the \$0.5054 State Equalization Rate, the \$0.1592 tax rate of the Maricopa County Flood Control District, the \$0.0556 tax rate of the Maricopa County Free Library District, the \$0.1400 tax rate of the Central Arizona Project, the \$0.3021 tax rate of the Maricopa County Health Care District, the \$0.0116 tax rate for the contribution to the Maricopa County Fire District, and the \$1.3609 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
Maricopa County Health Care District	829,000,000
Buckeye UHSD No. 201	21,000,000
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*

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**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	none	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 (b)	none
24	10.80	35	5,645	197,584	Taro (MTH option)	No change	Recorded Final Plat	none	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	see footnote (c)	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 (d)	none
37A	37.21	156	4,797	748,388	Canterra@Sundance LLC/Sundance 1 Courts LLC	No change	Recorded Final Plat	see footnote (e)	none
37B	46.91	216	3,992	862,349	Taro (Pulte option)	No change	Recorded Final Plat	see footnote (f)	none
38	30.34	49	4,492	220,111	Canterra @ Sundance LLC	No change	Recorded Final Plat	see footnote (g)	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	none	none
47	21.62	12	17,362	208,341	BL	No change	Recorded Final Plat	none	none
<b>Total Residential</b>	<b>570.52</b>	<b>2,126</b>		<b>\$9,173,364</b>					
<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
<b>Total Commercial</b>	<b>152.80</b>	<b>N/A</b>		<b>\$2,126,636</b>					
<b>TOTAL</b>				<b>\$11,300,000</b>					

Source: City of Buckeye, Arizona on December 31, 2015.

- (a) Four lots are delinquent. Total amount of delinquencies including penalties and interest is \$371.51.
- (b) Two lots are delinquent. Total amount of delinquencies including penalties and interest is \$188.40.
- (c) One lot is delinquent. Total amount of delinquencies including penalties and interest is \$98.47.
- (d) One lot is delinquent. Total amount of delinquencies including penalties and interest is \$92.80.
- (e) One lot is delinquent. Total amount of delinquencies including penalties and interest is \$76.59.
- (f) Three lots are delinquent. Total amount of delinquencies including penalties and interest is \$278.40.
- (g) Two lots are delinquent. Total amount of delinquencies including penalties and interest is \$196.94.
- (h) One lot is delinquent. Total amount of delinquencies including penalties and interest is \$92.80.
- (i) One lot is delinquent. Total amount of delinquencies including penalties and interest is \$95.62.

*Continuing Disclosure Annual Report*

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

<b>Principal Fund</b>	<b>\$181,209.02</b>
<b>Interest Fund</b>	<b>\$204,715.82</b>
<b>Acquisition &amp; Construction Fund</b>	<b>NA-account closed</b>
<b>Issuance and Expenses Fund</b>	<b>NA-account closed</b>
<b>Reserve Fund</b>	<b>\$104,865.32</b>
<b>Prepayment Fund</b>	<b>\$128,606.02</b>

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As of December 31, 2015 per Zions Bank.

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# **Continuing Disclosure Annual Report**

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**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, 2016**

## *Continuing Disclosure Annual Report*

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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](http://www.emma.msrb.org)

*Continuing Disclosure Annual Report*

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- <i>The District does not currently obtain audited financial statements.</i>	

*Continuing Disclosure Annual Report*

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**Direct and Overlapping Debt of the District**

Overlapping Jurisdiction	2015-16 Net Assessed Limited Property Valuation	Net Outstanding Bonded Debt (a)	Proportion Applicable to the District		2015-16 Combined Tax Rate Per \$100 Assessed
			Approx. Percent	Amount	
State of Arizona	\$54,838,548,829	None	0.09%	\$0	\$0.0000
Maricopa County	34,623,670,323	None	0.16%	0	2.2327 (b)
Maricopa County Health Care District	34,623,670,323	\$106,000,000	0.16%	164,779	0.3021
Maricopa CCCD	34,623,670,323	593,820,000	0.16%	923,102	1.4940
West-MEC	12,803,898,697	73,005,000	0.42%	306,887	0.0698
Buckeye Elementary SD #33	167,481,283	16,710,000	23.06%	3,853,560	5.5839
Liberty Elementary SD #25	197,234,465	18,255,000	27.29%	4,981,579	4.2776
Buckeye Union High SD #201	656,613,462	76,273,460	8.20%	6,252,183	3.3373
Town of Buckeye	320,169,039	0	16.81%	0	1.8000
<b>Sundance CFD</b>	<b>53,823,016</b>	<b>21,270,000</b>	<b>100.00%</b>	<b>21,270,000</b>	<b>3.1302</b>
Total Net Direct and Overlapping General Obligation Bonded Debt				<u>\$37,752,090</u>	<u>\$22</u>

(a) Net outstanding bonded debt for various jurisdictions is as of December 31, 2015.

(b) The County's tax rate includes the \$0.5054 State Equalization Rate, the \$0.1592 tax rate of the Maricopa County Flood Control District, the \$0.0556 tax rate of the Maricopa County Free Library District, the \$0.1400 tax rate of the Central Arizona Project, the \$0.3021 tax rate of the Maricopa County Health Care District, the \$0.0116 tax rate for the contribution to the Maricopa County Fire District, and the \$1.3609 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
Maricopa County Health Care District	829,000,000
Buckeye UHSD No. 201	21,000,000
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*

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**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	513,000	Completed
TOTAL:	<u>\$ 6,348,046</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	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	Status of 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	see footnote (b)	none
18	28.29	108	4,394	474,500	SB (MTH Option)	No change	Recorded Final Plat	none	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	see footnote (h)	none
25	22.69	112	4,671	523,155	BL (MTH Option)	No change	Recorded Final Plat	none	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	<u>375.34</u>	<u>1,542</u>		<u>\$7,175,000</u>					

Source: City of Buckeye, Arizona on December 31, 2015.

- (a) Three lots are delinquent. Total amount due for lots, including interest and penalties, is \$337.17.
- (b) One lot is delinquent. Total amount due for lots, including interest and penalties, is \$110.93.
- (c) Two lots are delinquent. Total amount due for lots, including interest and penalties, is \$221.86.
- (d) One lot is delinquent. Total amount due for lots, including interest and penalties, is \$186.49.
- (e) Two lots are delinquent. Total amount due for lots, including interest and penalties, is \$221.86.
- (f) Three lots are delinquent. Total amount due for lots, including interest and penalties, is \$332.79.
- (g) One lot is delinquent. Total amount due for lots, including interest and penalties, is \$115.63.
- (h) One lot is delinquent. Total amount due for lots, including interest and penalties, is \$110.93.

*Continuing Disclosure Annual Report*

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

<b>Bond Fund</b>	<b>\$31,281.62</b>
<b>Bond Fund Interest</b>	<b>\$142,345.88</b>
<b>Acquisition &amp; Construction Fund</b>	<b>\$0.00</b>
<b>Issuance and Expenses Fund</b>	<b>NA-account closed</b>
<b>Reserve Fund</b>	<b>\$282,097.22</b>
<b>Prepayment Fund</b>	<b>\$97,760.23</b>

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As of December 31, 2015 as per Zions Bank.

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# **Continuing Disclosure Annual Report**

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**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, 2016**

## *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.

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## *Continuing Disclosure Annual Report*

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<b>III. Audited Financial Statements</b>	
- <i>The District does not currently obtain audited financial statements.</i>	

*Continuing Disclosure Annual Report*

---

**Direct and Overlapping Debt of the District**

Overlapping Jurisdiction	2015-16 Net Assessed Limited Property Valuation	Net Outstanding Bonded Debt (a)	Proportion Applicable to the District		2015-16 Combined Tax Rate Per \$100 Assessed
			Approx. Percent	Amount	
State of Arizona	\$54,838,548,829	None	0.09%	\$0	\$0.0000
Maricopa County	34,623,670,323	None	0.16%	0	2.2327 (b)
Maricopa County Health Care District	34,623,670,323	\$106,000,000	0.16%	164,779	0.3021
Maricopa CCCD	34,623,670,323	593,820,000	0.16%	923,102	1.4940
West-MEC	12,803,898,697	73,005,000	0.42%	306,887	0.0698
Buckeye Elementary SD #33	167,481,283	16,710,000	23.06%	3,853,560	5.5839
Liberty Elementary SD #25	197,234,465	18,255,000	27.29%	4,981,579	4.2776
Buckeye Union High SD #201	656,613,462	76,273,460	8.20%	6,252,183	3.3373
Town of Buckeye	320,169,039	0	16.81%	0	1.8000
<b>Sundance CFD</b>	<b>53,823,016</b>	<b>21,270,000</b>	<b>100.00%</b>	<b>21,270,000</b>	<b>3.1302</b>
Total Net Direct and Overlapping General Obligation Bonded Debt				<u>\$37,752,090</u>	<u>\$22</u>

(a) Net outstanding bonded debt for various jurisdictions is as of December 31, 2015.

(b) The County's tax rate includes the \$0.5054 State Equalization Rate, the \$0.1592 tax rate of the Maricopa County Flood Control District, the \$0.0556 tax rate of the Maricopa County Free Library District, the \$0.1400 tax rate of the Central Arizona Project, the \$0.3021 tax rate of the Maricopa County Health Care District, the \$0.0116 tax rate for the contribution to the Maricopa County Fire District, and the \$1.3609 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
Maricopa County Health Care District	829,000,000
Buckeye UHSD No. 201	21,000,000
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*

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**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>	

.....  
Source: Developer



*Continuing Disclosure Annual Report*

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**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 *	Assessment Per Lot *	Total Assessment *	Delinquencies Per Lot	Status of Foreclosure Sales by Tax Parcel ID Number
<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, 2015.

- (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 \$430.16.
- (c) Three lots are delinquent. Total amount of delinquencies including penalties and interest is \$322.62.

*Continuing Disclosure Annual Report*

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

<b>Bond Fund</b>	<b>\$25,899.75</b>
<b>Bond Fund Interest</b>	<b>\$64,042.35</b>
<b>Acquisition &amp; Construction Fund</b>	<b>NA-account closed</b>
<b>Issuance and Expenses Fund</b>	<b>NA-account closed</b>
<b>Reserve Fund</b>	<b>\$38,823.13</b>
<b>Prepayment Fund</b>	<b>\$48,769.47</b>

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As of December 31, 2015 as per Zions Bank.

**\$17,495,000**  
**SUNDANCE COMMUNITY FACILITIES DISTRICT**  
**(CITY OF BUCKEYE, ARIZONA)**

**SERIES 2014 DISTRICT GENERAL OBLIGATION BONDS**

**2015**  
**DISTRICT ANNUAL REPORT**

This continuing disclosure Annual Report has been prepared to satisfy the obligations of Sundance Community Facilities District (the “Issuer”) General Obligation Bonds, as provided in the Continuing Disclosure Undertaking dated March 13, 2014 for the Series 2014 Bonds (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 1, 2, 3, 4, 5, and 8 of the Official Statement for the Series 2014 Bonds.

-See Exhibit A attached.

2. The Audited Financial Statements, if any, as of June 30, 2015.

- The Audited Financial Statements for Fiscal Year 2014-2015 were filed with the Municipal Securities Rulemaking Board Electronic Municipal Market Access on January 20, 2016 (Submission ID: ES616860).

**EXHIBIT A**

**TABLE 1 – PROPERTY TAX ASSESSMENT RATIOS**

**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**

**TABLE 8 – OVERLAPPING DEBT**

**SUNDANCE COMMUNITY FACILITIES DISTRICT  
(CITY OF BUCKEYE, ARIZONA)  
DISTRICT GENERAL OBLIGATION BONDS, SERIES 2014  
PROPERTY TAX ASSESSMENT RATIOS  
TABLE 1**

<b>Property Classification [1]</b>	<b>2009 2010</b>	<b>2010 2011</b>	<b>2011 2012</b>	<b>2012 2013</b>	<b>2013 2014</b>	<b>2014 2015</b>	<b>2015 2016</b>
Mining, Utilities, Commercial and Industrial	21.0%	20.0%	20.0%	19.5%	19.0%	19.0%	18.5%
Agriculture and Vacant Land	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%
Owner Occupied Residential	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Leased or Rented Residential	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Railroad, Private Car Company and Airline Flight Property	17.0%	15.0%	15.0%	15.0%	15.0%	19.0%	18.5%

[1] Data for FY 2009-2010 through FY 2013-2014 based on information shown in Table 1 of the Official Statement for the Series 2014 Bonds. Data for FY 2014-15 through 2015-16 based on information provided by the County.

**SUNDANCE COMMUNITY FACILITIES DISTRICT  
(CITY OF BUCKEYE, ARIZONA)  
DISTRICT GENERAL OBLIGATION BONDS, SERIES 2014  
PROPERTY VALUATIONS  
TABLE 2**

<b>Fiscal Year</b>	<b>Estimated Net Full Cash Value [1,2]</b>	<b>Secondary Assessed Value [2]</b>
2015-16	\$477,463,924	\$53,823,016
2014-15	\$536,095,946	\$60,097,666
2013-14	\$409,901,497	\$49,848,192
2012-13	\$431,753,536	\$53,035,676
2011-12	\$449,143,237	\$55,335,514
2010-11	\$559,929,081	\$68,390,861
2009-10	\$748,361,263	\$86,438,045

[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 2009-2010 through FY 2013-2014 based on information shown in Table 1 of the Official Statement for the Series 2014 Bonds. Data for FY 2014-15 through 2015-16 based on information provided by the County.

**SUNDANCE COMMUNITY FACILITIES DISTRICT  
(CITY OF BUCKEYE, ARIZONA)  
DISTRICT GENERAL OBLIGATION BONDS, SERIES 2014  
NET SECONDARY ASSESSED VALUE BY PROPERTY CLASSIFICATION  
TABLE 3**

<b>Legal Class</b>	<b>Description</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2015-16 Percent of Total [1]</b>
1	Commercial	\$15,926,185	\$18,032,545	\$16,340,369	\$16,593,981	\$15,849,907	\$14,623,035	\$14,534,349	27.00%
2	Agricultural and Vacant Land	\$7,773,089	\$7,878,861	\$5,936,250	\$4,176,844	\$2,992,450	\$2,472,048	\$2,266,492	4.21%
3	Residential (owner occupied)	\$55,910,091	\$36,482,663	\$27,803,670	\$21,561,354	\$19,608,556	\$26,640,737	\$23,337,627	43.36%
4	Residential (rental occupied)	\$6,828,680	\$5,996,792	\$5,275,226	\$10,703,497	\$11,397,279	\$16,361,846	\$13,684,548	25.43%
<b>Total</b>		<b>\$86,438,045</b>	<b>\$68,390,861</b>	<b>\$55,355,515</b>	<b>\$53,035,676</b>	<b>\$49,848,192</b>	<b>\$60,097,666</b>	<b>\$53,823,016</b>	<b>100.00%</b>

[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 through 2015-16 based on information provided by the County.

**SUNDANCE COMMUNITY FACILITIES DISTRICT  
(CITY OF BUCKEYE, ARIZONA)  
DISTRICT GENERAL OBLIGATION BONDS, SERIES 2014  
NET SECONDARY ASSESSED VALUE OF MAJOR TAXPAYERS  
TABLE 4**

<b>Taxpayer</b>	<b>2015-16 Net Secondary Assessed Valuation</b>	<b>As % of District's 2015-16 Net Secondary Assessed Valuation</b>
VSTC LLC	\$3,662,648	6.80%
Vestar Sundance Towne Center LLC/Wal-Mart Inc.	\$3,113,976	5.79%
Vestar Sundance Towne Center LLC/Lowes Hiw Inc.	\$2,009,267	3.73%
Interstate Holdings Inc.	\$1,519,923	2.82%
Arizona Public Service Company	\$1,199,443	2.23%
Individual Owners	\$42,317,759	78.62%
<b>Total</b>	<b>\$53,823,016</b>	<b>100.00%</b>

Source: Provided by the County.



**SUNDANCE COMMUNITY FACILITIES DISTRICT  
(CITY OF BUCKEYE, ARIZONA)  
DISTRICT GENERAL OBLIGATION BONDS, SERIES 2014  
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 11/25/15	Cumulative Collections to 1/20/16	
			Amount	Percent of Adjusted Tax Levy		Amount	Percent of Adjusted Tax Levy
2015-16	\$1,684,777	NA	NA	NA	NA	NA	NA
2014-15	\$1,749,081	\$1,744,968	\$1,726,375	98.93%	\$1,744,968	\$1,730,419	99.17%
2013-14	\$149,567	\$149,531	\$147,903	98.91%	\$148,646	\$148,611	99.98%
2012-13	\$159,131	\$158,493	\$155,972	98.41%	\$157,490	\$157,479	99.99%
2011-12	\$581,035	\$581,027	\$567,389	97.65%	\$575,934	\$575,876	99.99%
2010-11	\$2,256,921	\$2,252,740	\$2,206,949	97.97%	\$2,253,112	\$2,251,201	99.92%
2009-10	\$2,852,475	\$2,851,586	\$2,728,799	95.69%	\$2,829,498	\$2,827,158	99.92%

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 \$2.8302 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 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.

**SUNDANCE COMMUNITY FACILITIES DISTRICT  
(CITY OF BUCKEYE, ARIZONA)  
DISTRICT GENERAL OBLIGATION BONDS, SERIES 2014  
TABLE 8**

<b>Overlapping Jurisdiction</b>	<b>FY 2015-16 Net Secondary Assessed Valuation</b>	<b>General Obligation Bonded Debt [1]</b>	<b>Approximate Percent Applicable to the District [2]</b>	<b>Net Debt Amount Applicable to the District [2]</b>	<b>FY 2015-16 Combined Tax Rate Per \$100 Assessed [3]</b>
State of Arizona	\$54,841,866,009	None	0.10%	None	None
Maricopa County [5]	\$34,623,670,323	None	0.16%	None	\$2.5348
Maricopa County Community College District	\$34,623,670,323	\$654,190,000	0.16%	\$1,016,948	\$1.4940
Western Maricopa Education Center	\$12,790,483,748	\$72,995,000	0.42%	\$307,167	\$0.0698
Buckeye Elementary School District No. 33	\$167,481,283	\$16,710,000	32.14%	\$5,370,048	\$4.4694
Buckeye Union High School District No. 201	\$656,613,462	\$68,375,000	8.20%	\$5,604,741	\$3.3373
City of Buckeye	\$320,169,039	None	16.81%	None	\$1.8000
Sundance Community Facilities District [4]	\$53,823,016	\$21,270,000	100.00%	\$21,270,000	\$3.1302
<b>Net Direct and Overlapping General Obligation Bonded Debt:</b>				<b>\$33,568,905</b>	<b>\$16.8355</b>

[1] The table includes general obligation bonds outstanding. The table does not include any debt that has been refunded in advance of maturity and is secured for payment by government securities held in irrevocable trust.

[2] Proportion applicable to the District is computed on the ratio of secondary assessed valuation for FY 2015-2016.

[3] The combined tax rate includes the tax rate for debt service payments, which is based on the secondary assessed valuation of the entity, and the tax rate for all other purposes such as maintenance and operation and capital outlay, which is based on the primary assessed valuation of the municipality.

[4] The full cash value of some of the Assessed Parcels has not been separately established by the Maricopa County Assessor. They remain assessed as portions of larger agricultural or vacant land with nominal value. When these Assessed Lots are separately assessed as vacant land, the Net Secondary Assessed Valuation of the District will increase and the portion of overlapping debt applicable to the District will increase.

[5] The County's tax rate includes the \$1.3609 tax rate for the County, \$0.1400 for CAWCD, \$0.1592 for the Flood Control District, \$0.0556 for the Free Library, \$0.3021 for the Special Health Care District, \$0.0116 for the Fire District, and \$0.5054 for State Equalization Assistance Property Tax.

Source: Maricopa County Assessor's Office, Arizona Tax Research Association, Individual Jurisdictions

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# **Continuing Disclosure Annual Report**

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**Relating To**

**\$8,750,000**

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

**CUSIP: 876498**

***Submitted:*  
February 1, 2016**

## *Continuing Disclosure Annual Report*

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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](http://www.emma.msrb.org)

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*Property Valuations* 1

*Property Classification* 1

*Net Assessed Limited Property Valuations of Major Taxpayers* 1

*Taxes Levied and Collected in the District* 2

*Direct and Overlapping General Obligation Bonded Indebtedness* 2

**II. Audited Financial Statements**

*The District does not currently obtain audited financial statements*

*Continuing Disclosure Annual Report*

**PROPERTY VALUATIONS**

<b>Fiscal Year</b>	<b>Full Cash Value</b>	<b>Secondary Assessed Value</b>
2015-16	\$162,712,777	\$12,714,470

<b>Fiscal Year</b>	<b>Full Cash Value</b>	<b>Secondary Assessed Value</b>
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

Source: Maricopa County Assessor's Office.

**PROPERTY CLASSIFICATION**

<b>Legal Class Description</b>	<b>Secondary Assessed Valuation</b>		<b>Net Assessed Limited Property Valuation</b>	
	<b>2014-15</b>	<b>2014-15 % of Total</b>	<b>2015-16</b>	<b>2015-16 % of Total</b>
1 Commercial	\$1,621,715	12.01%	\$1,423,324	11.19%
2 Agriculture & Vacant	1,783,309	13.20%	1,775,184	13.96%
3 Residential (owner occupied)	7,077,514	52.39%	6,856,596	53.93%
4 Residential (rental occupied)	3,025,696	22.40%	2,659,366	20.92%
<b>Total</b>	<b>\$13,508,234</b>	<b>100.00%</b>	<b>\$12,714,470</b>	<b>100.00%</b>

Source: Maricopa County Assessor's Office.

**NET ASSESSED LIMITED PROPERTY VALUATION OF MAJOR TAXPAYERS**

<b>Taxpayer</b>	<b>2015-16 Net Assessed Limited Property Valuation</b>	<b>As Percent of District's 2015-16 Net Assessed Limited Property Valuation</b>
TARTESSO PARTNERS LLC	\$1,362,863	10.72%
TRANSWESTERN PIPELINE COMPANY LLC	840,349	6.61%
ARIZONA PUBLIC SERVICE COMPANY	473,195	3.72%
FROM LITTLE ACORNS GROW LLC	451,228	3.55%
TERRAZZO II LLC	73,072	0.57%
GENDELL PARTNERS ARIZONA LLC	71,686	0.56%
TAH 2015-1 BORROWER LLC	60,903	0.48%
TERRAZZO INVESTMENTS LLC	55,648	0.44%
BISGROVE REAL ESTATE FUND LLC	41,480	0.33%
COX ARIZONA TELCOM LLC	32,369	0.25%
	<b>\$3,462,793</b>	<b>27.23%</b>

Source: Maricopa County Assessor's Office, as of December 16, 2015.

*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		Total	
		End of Tax Fiscal Year (b)(c)		Collections (c)(d)	
		Amount	Percent of Tax Levy	Amount	Percent of Tax Levy
2014-15	\$688,515	\$656,492	95.35%	\$656,492	95.35%
2013-14	656,648	642,595	97.86%	647,231	98.57%
2012-13	376,146	367,342	97.66%	366,951	97.56%
2011-12	442,808	433,340	97.86%	442,070	99.83%
2010-11	733,941	704,926	96.05%	724,433	98.70%

Source: Arizona Department of Revenue

- (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 June 30, 2015.

**Direct and Overlapping Debt of the District**

Overlapping Jurisdiction	2015-16 Net Assessed Limited Property Valuation	Net Outstanding Bonded Debt	Proportion Applicable to the District Approx. Percent	2015-16 Combined Tax Rate Per \$100 Assessed (a)	
				Amount	
State of Arizona	\$54,838,548,829	\$0	0.02%	\$0	\$0.0000
Maricopa County	34,623,670,323	0	0.04%	0	2.2327 (b)
Maricopa County Health Care District	34,623,670,323	106,000,000	0.04%	38,925	0.3021
Maricopa County Community College District	34,623,670,323	593,820,000	0.04%	218,062	1.4940
West-MEC	12,803,898,697	73,005,000	0.10%	72,495	0.0698
Town of Buckeye	320,169,039	0	3.97%	0	1.8000
Saddle Mountain Unified School District No. 90	781,996,778	22,460,000	1.63%	365,177	2.6013
Tartesso West CFD	12,714,470	7,023,000	100.00%	7,023,000	5.8057
Total Net Direct and Overlapping General Obligation Bonded Debt				<u>\$7,717,659</u>	<u>14.3056</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 \$0.5054 State Equalization Rate, the \$0.1592 tax rate of the Maricopa County Flood Control District, the \$0.0556 tax rate of the Maricopa County Free Library District, the \$0.1400 tax rate of the Central Arizona Project, the \$0.3021 tax rate of the Maricopa County Health Care District, the \$0.0116 tax rate for the contribution to the Maricopa County Fire District, and the \$1.3609 tax rate of the County. It should be noted that the County Flood Control District does not levy taxes on personal property.

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# **Continuing Disclosure Annual Report**

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**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, 2016**



## *Continuing Disclosure Annual Report*

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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](http://www.emma.msrb.org)

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<b>B. Attachments</b>	
- <i>The District does not currently obtain audited financial statements.</i>	

*Continuing Disclosure Annual Report*

**OVERLAPPING GENERAL OBLIGATION  
BONDED INDEBTEDNESS**

<b>Overlapping Jurisdiction</b>	<b>2015-16 Net Assessed Limited Property Valuation</b>	<b>Net Outstanding Bonded Debt (a)</b>	<b>Proportion Applicable to the District</b>		<b>2015-16 Combined Tax Rate Per \$100 Assessed</b>
			<b>Approx. Percent</b>	<b>Amount</b>	
State of Arizona	\$54,838,548,829	None	0.02%	\$0	\$0.0000
Maricopa County	34,623,670,323	None	0.02%	0	2.2327 (b)
Maricopa County Health Care District	34,623,670,323	\$106,000,000	0.02%	25,843	0.3021
Maricopa CCCD	34,623,670,323	593,820,000	0.02%	144,772	1.4940
West-MEC	12,803,898,697	73,005,000	0.07%	48,130	0.0698
Buckeye Elementary SD #33	167,481,283	16,710,000	5.04%	842,197	5.5839
Liberty Elementary SD #25	197,234,465	18,255,000	4.28%	781,273	4.2776
Buckeye Union High SD #201	656,613,462	76,273,460	1.29%	980,545	3.3373
Town of Buckeye	320,169,039	0	2.64%	0	1.8000
<b>Westpark CFD</b>	<b>8,441,190</b>	<b>6,025,000</b>	<b>100.00%</b>	<b>6,025,000</b>	<b>6.2799</b>
Total Net Direct and Overlapping General Obligation Bonded Debt				<u>\$8,847,759</u>	<u>\$25.3773</u>

(a) Net outstanding bonded debt for various jurisdictions is as of December 31, 2015.

(b) The County's tax rate includes the \$0.5054 State Equalization Rate, the \$0.1592 tax rate of the Maricopa County Flood Control District, the \$0.0556 tax rate of the Maricopa County Free Library District, the \$0.1400 tax rate of the Central Arizona Project, the \$0.3021 tax rate of the Maricopa County Health Care District, the \$0.0116 tax rate for the contribution to the Maricopa County Fire District, and the \$1.3609 tax rate of the County. It should be noted that the County Flood Control District does not levy taxes on personal property.

**REMAINING AUTHORIZATION**

<b>Overlapping Entity</b>	<b>Authorized but Unissued Bonds</b>
Maricopa County Community College District	\$3,000
Maricopa County Health Care District	829,000,000
Buckeye UHSD No. 201	21,000,000
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*

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**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) Planning Area	(2) Acreage	(3) Lots	(4) Assessment Per Lot	(5) Total Assessment	(6) Wholesale Bulk Value (a)	(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
15s		4	\$3,018		\$32,868		sold to Homelife Communities Group of Arizona, Inc.	none	none
		4	3,018		32,868		sold to Beazer Homes, Inc.	none	none
		4	3,554		32,868		sold to Hacienda Builders, Inc.	none	none
		9	3,554		32,868		sold to Beazer Homes, Inc.	none	none
		9	3,554		32,868		sold to Homelife Communities Group of Arizona, Inc.	none	none
		4	4,024		32,868		sold to Canterra Homes	none	none
		3	4,024		32,868		sold to Homelife Communities Group of Arizona, Inc.	none	none
		1	4,024		32,868		sold to Beazer Homes, Inc.	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	none	none
15n	16.92	62	3,554	220,362	33,387	9:1	sold to Beazer Homes, Inc.	none	none
16s	18.85	92	3,018	277,632	30,370	10:1	sold to Beazer Homes, Inc.	see footnote (a)	none
2n	24.26	74	3,554	263,012	31,622	9:1	sold to Canterra Homes	see footnote (b)	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, Inc.	see footnote (c)	none
17n	26.57	144	3,018	434,554	28,771	10:1	sold to Hacienda Builders, Inc.	see footnote (d)	none
17s	23.61	97	3,554	344,760	31,639	9:1	sold to Hacienda Builders, Inc.	see footnote (e)	none
3n	27.04	89	4,024	358,105	34,101	9:1	sold to Homelife Communities Group of Arizona, Inc.	see footnote (f)	none
3s	20.49	72	4,024	289,703	34,111	9:1	sold to Homelife Communities Group of Arizona, Inc.	none	none
4n	33.79	132	3,554	469,157	31,629	9:1	sold to Beazer Homes, Inc.	see footnote (g)	none
4s	19.41	90	3,554	318,880	31,633	9:1	sold to Hacienda Builders, Inc.	see footnote (h)	none
<b>TOTAL</b>	<b>284.90</b>	<b>1,086</b>		<b>\$3,800,000</b>	<b>\$648,217</b>				

Source: City of Buckeye, Arizona on December 31, 2015.

(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) Three lots are delinquent. Total amount of delinquencies including penalties and interest is \$258.06.
- (b) One lot is delinquent. Total amount of delinquencies including penalties and interest is \$99.15.
- (c) Two lots are delinquent. Total amount of delinquencies including penalties and interest is \$172.04.
- (d) Three lots are delinquent. Total amount of delinquencies including penalties and interest is \$258.06.
- (e) Two lots are delinquent. Total amount of delinquencies including penalties and interest is \$150.55.
- (f) One lot is delinquent. Total amount of delinquencies including penalties and interest is \$110.66.
- (g) Five lots are delinquent. Total amount of delinquencies including penalties and interest is \$495.75.
- (h) Four lots are delinquent. Total amount of delinquencies including penalties and interest is \$396.60.

*Continuing Disclosure Annual Report*

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

<b>Principal Account Balance</b>	<b>\$4,634.99</b>
<b>Interest Account Balance</b>	<b>\$66,236.02</b>
<b>Acquisition &amp; Construction Fund Balance</b>	<b>NA-account closed</b>
<b>Reserve Fund Balance:</b>	<b>\$184,949.41</b>
<b>Prepayment Fund Balance:</b>	<b>\$84,618.00</b>

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\*As of December 31, 2015, per Zions Bank.

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# **Continuing Disclosure Annual Report**

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**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, 2016**

## *Continuing Disclosure Annual Report*

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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](http://www.emma.msrb.org)



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<b>II. Attachments</b>	
- <i>The District does not currently obtain audited financial statements</i>	

*Continuing Disclosure Annual Report*

**PROPERTY VALUATIONS IN THE DISTRICT**

Fiscal Year	Full Cash Value	Net Assessed Limited Property Value
2015-16	\$131,406,229	\$8,441,190

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

Source: Maricopa County Assessor's Office.

**PROPERTY CLASSIFICATION**

Description	Secondary Assessed Valuation	Net Assessed Limited Property Valuation	
	2014-15	2014-15	2015-16
		Percent of Total	Percent of Total
Commerical & Industrial	\$134,688	1.48%	\$139,489 1.65%
Agricultural & Vacant	117,180	1.29%	121,737 1.44%
Residential (Owner Occupied)	5,628,702	61.75%	5,246,964 62.16%
Residential (Rental Occupied)	3,234,550	35.49%	2,933,000 34.75%
Total	\$9,115,120	100.00%	\$8,441,190 100.00%

Source: Maricopa County Assessor's Office.

**NET ASSESSED LIMITED PROPERTY VALUATION  
OF MAJOR TAXPAYERS**

Taxpayer	As Percent of District's 2015-16	
	Net Assessed Limited Property Valuation	Net Assessed Limited Property Valuation
VALENCIA WATER CO INC	\$110,112	1.30%
WESTPARK ONE LLC	96,542	1.14%
ARP 2014-1 BORROWER LLC	57,590	0.68%
EMPIRE RESIDENTIAL OPPORTUNITY FUND V LLC	38,600	0.46%
AMERICAN RESIDENTIAL LEASING COMPANY LLC	29,325	0.35%
EMPIRE RESIDENTIAL OPPORTUNITY FUND III LLC	29,210	0.35%
FREO ARIZONA LLC	28,736	0.34%
PRIVATE INDIVIDUAL	24,429	0.29%
BEAZER PRE-OWNED HOMES LLC	23,215	0.28%
FISCH PROPERTIES LP	20,548	0.24%
	\$458,307	3.94%

Source: Maricopa County Assessor's Office, as of December 16, 2015.

*Continuing Disclosure Annual Report*

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**TAXES LEVIED AND COLLECTED IN THE DISTRICT**

<b>Fiscal Year (a)</b>	<b>Real and Secured Personal Property Tax Levy (b)</b>	<b>Collected to June 30th End of Tax Fiscal Year</b>		<b>Total Collections (c)(d)</b>	
		<b>Amount</b>	<b>Percent of Tax Levy</b>	<b>Amount</b>	<b>Percent of Tax Levy</b>
2014-15	\$511,341	\$499,422	97.67%	\$499,422	97.67%
2013-14	354,695	327,440	92.32%	334,751	94.38%
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%

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 June 30, 2015.

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# **Continuing Disclosure Annual Report**

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**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, 2016**

## *Continuing Disclosure Annual Report*

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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](http://www.emma.msrb.org)

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- *Completion Schedule* 2
- *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* 3
- *Current Balances in the Funds Held Pursuant to the Indenture of Trust* 4

**II. Other**

*The District currently does not obtain audited financial statements.*

*Continuing Disclosure Annual Report*

**OVERLAPPING GENERAL OBLIGATION  
BONDED INDEBTEDNESS**

<b>Overlapping Jurisdiction</b>	<b>2015-16 Net Assessed Limited Property Valuation</b>	<b>Net Outstanding Bonded Debt (a)</b>	<b>Proportion Applicable to the District</b>		<b>2015-16 Combined Tax Rate Per \$100 Assessed</b>
			<b>Approx. Percent</b>	<b>Amount</b>	
State of Arizona	\$54,838,548,829	None	0.03%	\$0	\$0.0000
Maricopa County	34,623,670,323	None	0.05%	0	2.2327 (b)
Maricopa County Health Care District	34,623,670,323	\$106,000,000	0.05%	51,136	0.3021
Maricopa CCCD	34,623,670,323	593,820,000	0.05%	286,468	1.4940
West-MEC	12,803,898,697	73,005,000	0.13%	95,237	0.0698
Buckeye Elementary SD #33	167,481,283	16,710,000	9.97%	1,666,498	5.5839
Liberty Elementary SD #25	197,234,465	18,255,000	8.47%	1,545,943	4.2776
Buckeye Union High SD #201	656,613,462	76,273,460	2.54%	1,940,252	3.3373
Town of Buckeye	320,169,039	0	5.22%	0	1.8000
<b>Watson Road CFD</b>	<b>16,703,003</b>	<b>0</b>	<b>100.00%</b>	<b>0</b>	<b>0.3000</b>
Total Net Direct and Overlapping General Obligation Bonded Debt				<u>\$5,585,535</u>	<u>\$19.3974</u>

(a) Net outstanding bonded debt for various jurisdictions is as of December 31, 2015.

(b) The County's tax rate includes the \$0.5054 State Equalization Rate, the \$0.1592 tax rate of the Maricopa County Flood Control District, the \$0.0556 tax rate of the Maricopa County Free Library District, the \$0.1400 tax rate of the Central Arizona Project, the \$0.3021 tax rate of the Maricopa County Health Care District, the \$0.0116 tax rate for the contribution to the Maricopa County Fire District, and the \$1.3609 tax rate of the County. It should be noted that the County Flood Control District does not levy taxes on personal property.

**REMAINING AUTHORIZATION**

<b>Overlapping Entity</b>	<b>Authorized But Unissued Bonds</b>
Maricopa County Community College District	\$3,000
Maricopa County Health Care District	829,000,000
Buckeye UHSD No. 201	21,000,000
Buckeye Elementary School District No. 33	15,420,000
Liberty Elementary School District No. 25	None

*Continuing Disclosure Annual Report*

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**COMPLETION SCHEDULE**

<b>Project</b>	<b>Plat Status</b>	<b>Building Permits Issued</b>	<b>Wastewater Plumbing Connections (Y/N)</b>
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	114	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	347	Y
Tyler Ranch	Final Plat Submitted	0	N
Vista Bonita	Preliminary Plat Approved	0	N
Watson Estates	Final Plat Approved	463	Y
Wingate	Final Plat Submitted	0	N
Wingate East	Final Plat Submitted	0	N

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Source: City of Buckeye, as of December 31, 2015.



*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)	(7)	(8)	(9)	(10)
Planning Area	Acreage	Lots	Assessment Per Lot	Total Assessment	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
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 Arizona LLC	none	0
Villages at Sundance	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	LGI Homes	none	0
Desert Moon	200.06	739	6,639	4,906,111	5.06:1	SPT AZ Land Holdings LLC	none	0
Montana Vista	70.08	283	6,073	1,718,586	5.16:1	PK Development	none	0
Mystic Vista	142.06	564	6,177	3,483,766	5.07:1	Walton Development & Mgmt Inc	none	0
Cottonwood Meadows N	85.10	279	6,302	2,086,924	4.87:1	NSHE Buffalo Lake LLC	none	0
Park Place at Buckeye	66.07	267	4,385	1,170,662	9.55:1	Evergreen Communities	see footnote (b)	0
Riata West	216.50	888	5,978	5,309,272	5.42:1	DR Horton Inc	see footnote (c)	0
Cottonwood Meadows S	149.34	597	6,135	3,662,294	5.12:1	Walton Arizona LLC	none	0
Siesta Lago	30.00	122	6,030	735,696	5.04:1	Buckeye 30 LLC	none	0
Sonoran Vista	137.24	543	6,198	3,365,564	5.17:1	DR Horton Inc	see footnote (d)	0
Tyler Ranch	71.29	303	5,708	1,746,787	5.42:1	Walton Development & Mgmt Inc	none	0
Vista Bonita	74.48	273	6,690	1,826,488	4.26:1	Walton Development & Mgmt Inc	none	0
Watson Estates	234.63	868	6,181	5,753,853	5.28:1	Taylor Morrison	see footnote (e)	0
						DR Horton Inc	none	0
						Crown Phoenix IX LLC	none	0
						Crown Phoenix X LLC	none	0
						Shea Homes	none	0
						Security Title Agency	none	0
Wingate	147.23	547	4,769	2,608,697	5.57:1	Walton Arizona LLC	none	0
Wingate East	77.86	343	4,022	1,379,563	6.38:1	Stephen & Beth Grandy	none	see footnote (f)
<b>TOTAL</b>	<u>2079</u>	<u>8,048</u>	<u>106,497</u>	<u>\$49,000,000</u>				

Source: City of Buckeye, Arizona on December 31, 2015.

(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) Two lots are delinquent. Total amount of delinquencies including penalties and interest is \$231.70.

(c) Thirteen lots are delinquent. Total amount of delinquencies including penalties and interest is \$2,745.64.

(d) Three lots are delinquent. Total amount of delinquencies including penalties and interest is \$483.72.

(e) Not builder specific: Three lots are delinquent. Total amount of delinquencies including penalties and interest is \$475.08.

(f) (400-13-003F), (400-13-003G) and (400-13-003H), sold at auction

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

<b>Principal Account Balance</b>	<b>\$146,934.27</b>
<b>Interest Account Balance</b>	<b>\$976,027.54</b>
<b>Acquisition &amp; Construction Fund Balance</b>	<b>NA-account closed</b>
<b>Issuances &amp; Expenses</b>	<b>NA-account closed</b>
<b>Reserve Fund Balance:</b>	<b>\$2,278,461.16</b>
<b>Asset &amp; Stabilization Fund:</b>	<b>\$400,006.50</b>
<b>Prepayment Account:</b>	<b>\$1,246,089.61</b>

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\* As of December 31, 2015, per Zions Bank.

**CITY OF BUCKEYE, ARIZONA**  
**FINANCIAL DATA**

**Current Year Statistics (For Fiscal Year 2015/16)**

**City of Buckeye, Arizona**

Total General Obligation Bonds Outstanding	None	
Total Water and Sewer Revenue Obligations Outstanding	\$ 19,117,602	
Total Excise Tax-Secured and GADA Obligations Outstanding	72,635,000	
Total Improvement District Obligations Outstanding	1,480,000	
Net Limited Property Assessed Valuation	320,169,039	(a)
Estimated Net Full Cash Value	3,502,336,500	(b)
<b>Estimated Net Assessed Value (For Fiscal Year 2016/17) (b)</b>	<b>\$339,702,713</b>	
Net Limited Property Assessed Valuation		

- 
- (a) Net of property exempt from taxation and reflects application of applicable assessment ratios.
- (b) Estimated net 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 Arizona Department of Revenue, Division of Property and Special Taxes.
- (c) Estimated valuations for Fiscal Year 2016/17 provided by the Arizona Department of Revenue. Valuations for Fiscal Year 2016/17 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: State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

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

**City of Buckeye, Arizona**  
**Direct and Overlapping General Obligation Debt**  
**As of June 30, 2016**

<b>Governmental Unite</b>	<b>2015/16 Net Assessed LPV</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable*</b>	<b>Estimated Share of Direct and Overlapping Debt</b>	<b>2015/16 Combined Tax Rate Per \$100 Net Assessed LPV</b>
<b>Debt repaid with property taxes:</b>					
State of Arizona	\$54,838,548.82	None	0.58%	None	None
Maricopa County	34,623,670.32	None	0.92	None	\$1.8663
Maricopa County Community College District	34,623,670.32	\$593,820,000	0.92	\$5,463,14	1.4940
Maricopa Special Health Care District	36,198,108.53	106,000,000	0.88	932,80	0.3021
Western Maricopa Education District No. 402	13,282,152,927	72,995,000	2.41	1,759,18	0.0698
Liberty Elementary School District No. 25	197,234.46	18,255,000	19.69	3,594,41	
Buckeye Elementary School District No. 33	171,310.60	22,975,000	86.34	19,836,61	5.9222
Arlington Elementary School District No. 47	270,746.54	2,000,000	0.02	40	0.8514
Palo Verde Elementary School District No. 49	21,151.17	300,000	20.78	62,34	4.4795
Morristown Elementary School District No. 75	14,693.29	None	0.04	None	7.9397
Litchfield Elementary School District No. 79	661,374.24	48,475,000	7.75	3,756,81	3.8352
Wickenburg Unified School District No. 9	148,063.65	6,254,000	32.90	2,057,56	5.0810
Saddle Mountain Unified School District No. 90	796,528.83	22,460,000	4.00	898,40	1.4221
Agua Fria Union High School District No. 216	976,335.52	66,855,000	5.24	3,503,20	3.2667
Buckeye Union High School District No. 201	652,425.60	68,375,000	52.65	35,999,43	3.2241
Festival Ranch Community Facilities District	46,490.82	13,230,000	100.00	13,230,00	2.8181
Sundance Community Facilities District	53,823.01	21,270,000	100.00	21,270,00	3.1302
Tartesso West Community Facilities District	12,714.47	7,020,000	100.00	7,020,00	5.8057
Verrado District No. 1 Community Facilities	67,730.01	39,045,000	100.00	39,045,00	4.1689
Verrado Western Overlay Community Facilities District	14,349.85	9,800,000	100.00	9,800,00	4.0221
Westpark Community Facilities District	8,441,190	6,025,000	100.00	6,025,00	6.2799
Subtotal, overlapping debt				<u>174,254,30</u>	
City of Buckeye direct debt	320,169.03	None	100.00	None	1.8000
Total direct and overlapping debt				<u><u>174,254,30</u></u>	

LPV – Limited Property Value

Source: The various jurisdictions.

\*Proportion applicable to the City of Buckeye, Arizona is computed on the ratio of net assessed limited property valuation for fiscal year 2015/16.