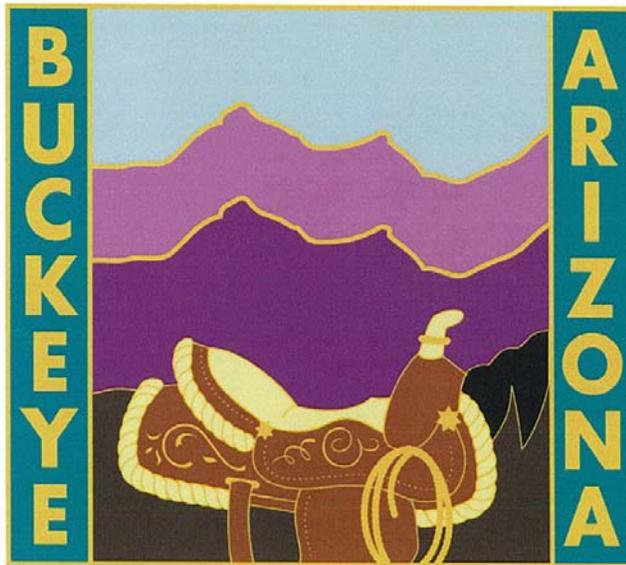




Comprehensive Annual Financial Report
June 30, 2012

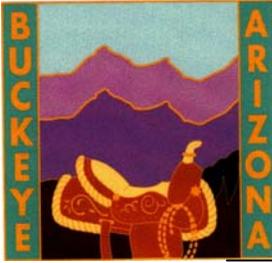


TOWN OF BUCKEYE, ARIZONA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE
FISCAL YEAR ENDED June 30, 2012

Prepared by the
Finance Department

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Introductory Section



TOWN OF BUCKEYE

Finance Department

530 E. Monroe Ave
Buckeye, Arizona 85326
Voice (623) 349-6000
FAX (623) 349-6160

November 26, 2012

Honorable Mayor and Town Council
Town of Buckeye, AZ

The Finance Department respectfully submits the Comprehensive Annual Financial Report (CAFR) of the Town of Buckeye, Arizona for the fiscal year ended June 30, 2012. The State of Arizona requires in ARS Section 9-481 that each incorporated town be audited at least once for every two fiscal years; the Town elects to be audited annually. The State of Arizona also requires additional supplemental information in the form of a report entitled "Expenditure Limitation Report" to be completed annually. This report is under separate cover. Federal law requires that a single audit be performed for federal grant funds in conformance with the provisions of the Single Audit Act of 1984 and OMB Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations." All information related to the single audit, including the schedule of expenditures of federal awards, findings and recommendations, and the independent auditor's reports on the internal control structure and compliance with applicable laws and regulations are under separate cover.

This report was prepared by the Finance Department with the assistance of various other Town departments. Town 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 unqualified opinion on the Town's CAFR for the year ended June 30, 2012. As indicated by the opinion of our independent auditors, the report fairly presents the financial position and the results of operations of the Town 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 Town's financial affairs. It includes disclosures necessary for the reader to gain an understanding of the Town'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 Town. This section is intended to familiarize the reader with the Town of Buckeye's organizational structure, nature, and scope of provided services, and specifics of its operating environment. The information in this section is intended to provide adequate background and sufficient context to assist the reader with the Financial Section of this CAFR.

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

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

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

Profile of the Town of Buckeye

The Town of Buckeye was founded in 1888 and is the western-most incorporated town 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 slightly over 52,000 in 2012 based on interim census projections. 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 Town has a planning area of 600 square miles with a total of 392 annexed square miles. Town 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 Town operates under a council-manager form of government. The seven-member Town 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 Town elections are non-partisan. The Town Council is responsible for passing ordinances, adopting the budget, appointing members of commissions and hiring the Town Manager. The Town Manager carries out the policies and ordinances of the Town Council, oversees the day-to-day operations of the Town and appoints the various department heads.

The Town 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 Town's enterprise funds. Sanitation, refuse collection and recycling services are provided through a separate enterprise fund. The Town provides, or will provide, street lighting and maintenance for developing areas through legally formed street lighting and maintenance improvement districts. The Town 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 Town includes all government activities, organizations and functions for which the Town 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 Town 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 Town Treasurer.

Financial Information

Local Economy The Town 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 Town's revenues over the past several years. The slowdown in housing and the economy generally has been readily apparent in the revenue collections. The challenge faced by Buckeye is that the retail and office development desired by residents, and which would provide the Town with a reliable, long-term source of revenue, was only beginning to emerge at the same time the economy started its downward trends. Buckeye's retail is growing slowly but steadily.

Buckeye is intersected by four major highways, including Interstate 10, a major east / west trucking corridor. Buckeye also is home to a general aviation airport, and is served by the Union Pacific Railroad. Virtually every major mode of transportation makes Buckeye accessible from multiple points. Large tracts of undeveloped land lie within Buckeye that are suitable for solar power generation facilities. In addition to this, the Town 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 Town 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 Town'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 Town 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 Town of Buckeye adopted its first seven (7) Year Capital Improvement Program (FY 11/12 – FY 17/18). The Capital Improvement Program (CIP) is a suggested schedule of capital expenditures to be incurred in a given fiscal year for a fixed period of years to meet capital needs. The Town of Buckeye Capital Improvement Program (“CIP”) specifically sets forth each project or capital expenditure that the Town 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 Town of Buckeye budgeting process.

Relevant Financial Policies The Town of Buckeye maintains accounts in accordance with the principles of fund accounting to ensure that limitations and restrictions on the Town’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 Town 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 Town 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.

Town management monitors the Town’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 Town 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.

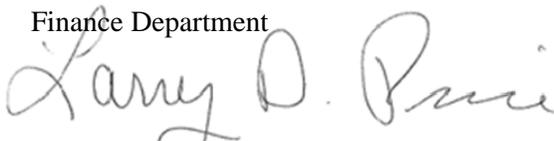
Acknowledgements

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 Town Department who contributed to its preparation and recognize the major effort of the Financial Services Division in administering the Town’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 Town in a responsible and progressive manner.

Respectfully submitted,

Finance Department



Larry D. Ptice
Finance Director

Jackie Meck
Mayor

Brian McAchran
Vice Mayor

Michelle Hess
Councilmember

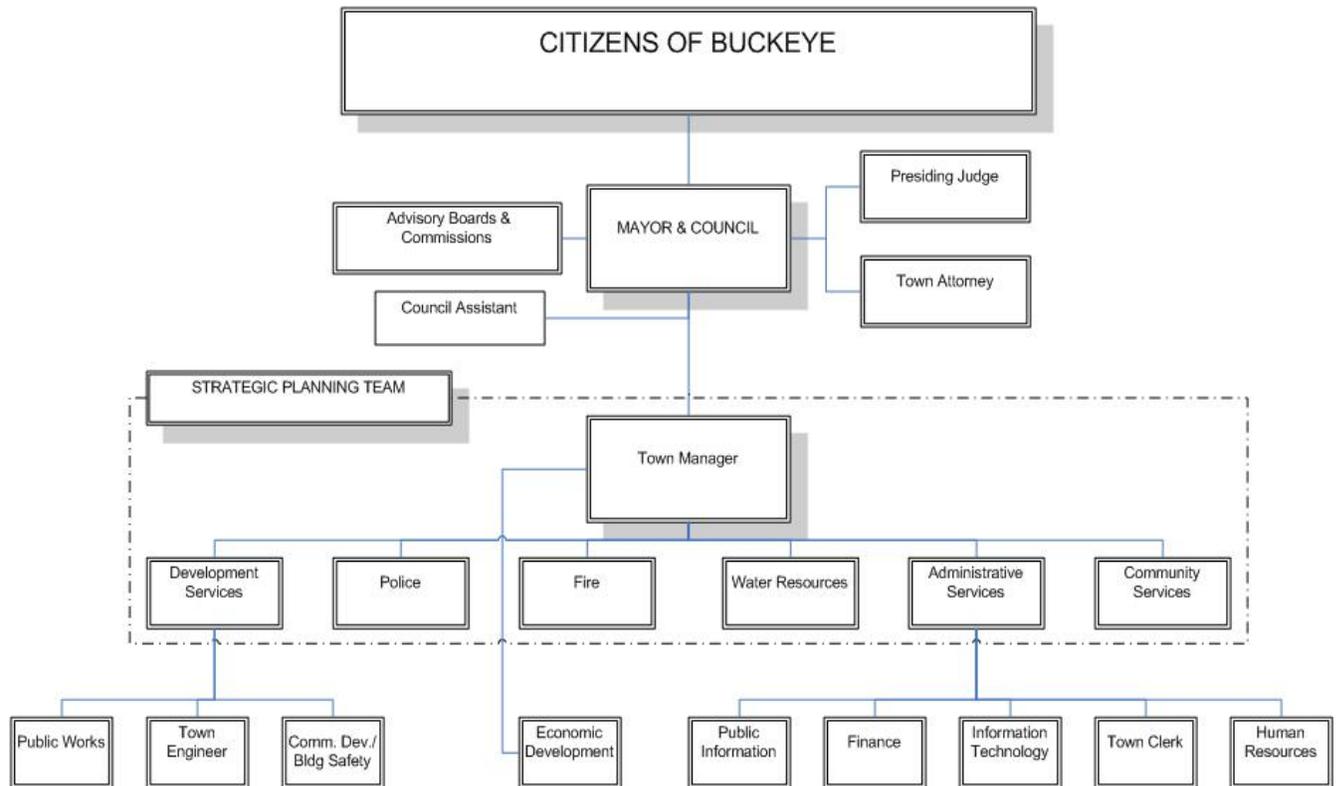
Ray Strauss
Councilmember

Craig Heustis
Councilmember

Eric Orsborn
Councilmember

Robert Garza
Councilmember

Town of Buckeye Organization Chart
 September, 2011



Financial Section



Independent Auditor's Report

The Honorable Mayor and the Town Council of the
Town of Buckeye, Arizona
Buckeye, Arizona

We have audited the accompanying financial statements 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 Town of Buckeye, Arizona (the Town) as of and for the year ended June 30, 2012, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these basic 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Town as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 13 to the financial statements, the Town applied an adjustment to beginning fund balances and net assets to correct improperly recorded capital assets in the prior year.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2012, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding progress on pages 3 through 13 and 55 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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.

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Phoenix, Arizona
November 26, 2012

As management of the Town of Buckeye, Arizona, we are pleased to provide an overview of our financial activities for the fiscal year ended June 30, 2012. 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; service levels; 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 Town 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 Town's elected officials serve as the Board of Directors for each CFD), making the Town financially accountable for their operations. The Town, however, has no financial liability for the debts of the CFDs. A description of these component units is available in Note 1 on page 30. Separate financial statements are not prepared for the CFDs.

Financial Highlights

- The total assets of the Town of Buckeye, Arizona exceeded its total liabilities at the close of the fiscal year ended June 30, 2012 by \$645,520,932 (net assets). Of this amount, \$114,598,315 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of fiscal year 2012, the Town of Buckeye, Arizona's governmental funds reported combined ending fund balances of \$65,546,008, an increase of \$469,704 in comparison to fiscal year 2011. This change was mainly due to:
 - The General Fund increased by \$5,796,469;
 - The governmental Impact Fee Funds decreased by (\$1,467,899);
 - The various CFD Funds had a net decrease of (\$1,418,070);
 - The various Debt Service Funds had a net decrease of (\$130,629);
 - The Highway User Revenue Fund increased by \$389,329; and
 - Nonmajor Governmental Funds had a net decrease of (\$2,699,496).
- As of June 30, 2012, the total fund balance in the General Fund was \$16,531,773. The fund balance in the governmental Impact Fees totaled \$17,394,126.
- For fiscal year 2011-12, total General Fund revenues of \$39,681,810 were greater than the original budgeted revenues of \$36,718,797, an increase of \$2,963,013 or 108.07% of actual General fund revenues over originally budgeted amounts. Total General Fund expenditures of \$32,307,939 were less than the original budgeted expenditures of \$42,569,269. A decrease of \$10,261,330 or 24.1%.
- For fiscal year 2011-12, total governmental Impact Fee revenues of \$2,005,070 were greater than the original budgeted revenues of \$746,200, an increase of \$1,258,870 or 268.7% of actual Impact Fee fund revenue over originally budgeted amounts. Total governmental Impact Fee expenditures of \$3,472,969 were less than the original budgeted expenditures of \$19,118,162. A decrease of \$15,645,193 or 18.17%.
- The Town received an ARRA grant in the amount of \$3,500,000 for the construction of a new fire station located in the Verrado community. Additional funds of \$947,370 were received from Pulte Development. The open house for the station was held in May 2012.

Overview of the Financial Statements

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

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

The statement of net assets presents information on all of the Town of Buckeye, Arizona's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as useful indicators of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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 Town 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 Town 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 Town's water, sewer, solid waste, and airport operations.

The government-wide financial statements can be found on pages 14 and 15 of this report.

Fund Financial Statements. Also presented are the traditional fund financial statements for governmental funds. The fund financial statements focus on major funds of the Town. 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 Town of Buckeye, Arizona, like other state and local governments, used fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town 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 16 of this report.

Proprietary Funds. The Town 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 Town of Buckeye, Arizona uses enterprise funds to account for its water, sewer, solid waste, and airport operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Water, Sewer, Solid Waste, and Airport funds of the Town.

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 24 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 Town 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 Town 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 28 of this report.

Notes to the Basic Financial Statements. The notes to the basic financial statements beginning on page 30 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 Town 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 Town has disclosed this information in Note 11 to the basic financial statements and in required supplementary information on page 55.

Government-Wide Financial Statements Analysis

Net assets may serve over time as a useful indicator of a government's financial position. The following table reflects the condensed Statement of Net Assets of the Town as of June 30, 2012 and 2011, showing that assets exceeded liabilities for both governmental and business-type activities by a total of \$645,520,932 for the fiscal year ended June 30, 2012.

Town of Buckeye, Arizona
Management's Discussion and Analysis
June 30, 2012

Town of Buckeye, Arizona
Condensed Statement of Net Assets
June 30, 2012 and 2011

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
ASSETS						
Current and other assets	\$ 145,622,641	\$ 177,695,025	\$ 35,671,527	\$ 30,266,323	\$ 181,294,168	\$ 207,961,348
Capital assets:						
Non-depreciable	180,725,672	172,191,853	5,506,555	6,263,100	186,232,227	178,454,953
Depreciable (net)	208,528,658	208,048,404	259,956,888	246,168,139	468,485,546	454,216,543
Total Assets	\$ 534,876,971	\$ 557,935,282	\$ 301,134,970	\$ 282,697,562	\$ 836,011,941	\$ 840,632,844
LIABILITIES						
Other liabilities	\$ 18,099,267	\$ 45,779,593	\$ 2,014,802	\$ 2,398,653	\$ 20,114,069	\$ 48,178,246
Non-current liabilities:						
Due within one year	6,821,101	6,908,580	578,785	585,230	7,399,886	7,493,810
Due in more than one year	153,385,179	161,166,046	10,570,636	9,628,951	163,955,815	170,794,997
Loss in refunding & defeasance	(978,761)	(1,041,684)			(978,761)	(1,041,684)
Total Liabilities	\$ 177,326,786	\$ 212,812,535	\$ 13,164,223	\$ 12,612,834	\$ 190,491,009	\$ 225,425,369
NET ASSETS						
Invested in capital assets, net of related debt	\$ 229,048,050	\$ 212,165,631	\$ 254,414,719	\$ 242,885,105	\$ 483,462,769	\$ 455,050,736
Restricted for						0
Impact fees	17,394,126	18,862,025			17,394,126	18,862,025
SLID operations	80,255	69,341			80,255	69,341
Highway and streets	799,639	410,310			799,639	410,310
Debt service	13,002,285	14,543,223			13,002,285	14,543,223
Capital outlay	13,768,211	16,309,468			13,768,211	16,309,468
Other	2,415,332	1,290,125			2,415,332	1,290,125
Unrestricted	81,042,287	81,472,624	33,556,028	27,199,623	114,598,315	108,672,247
TOTAL NET ASSETS	\$ 357,550,185	\$ 345,122,747	\$ 287,970,747	\$ 270,084,728	\$ 645,520,932	\$ 615,207,475

Net assets consist of three components. One portion of the Town's net assets (74.9%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Buckeye, Arizona's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town of Buckeye, Arizona's net assets (7.3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$114,598,315 (17.8%), may be used to meet the government's ongoing obligations to citizens and creditors.

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

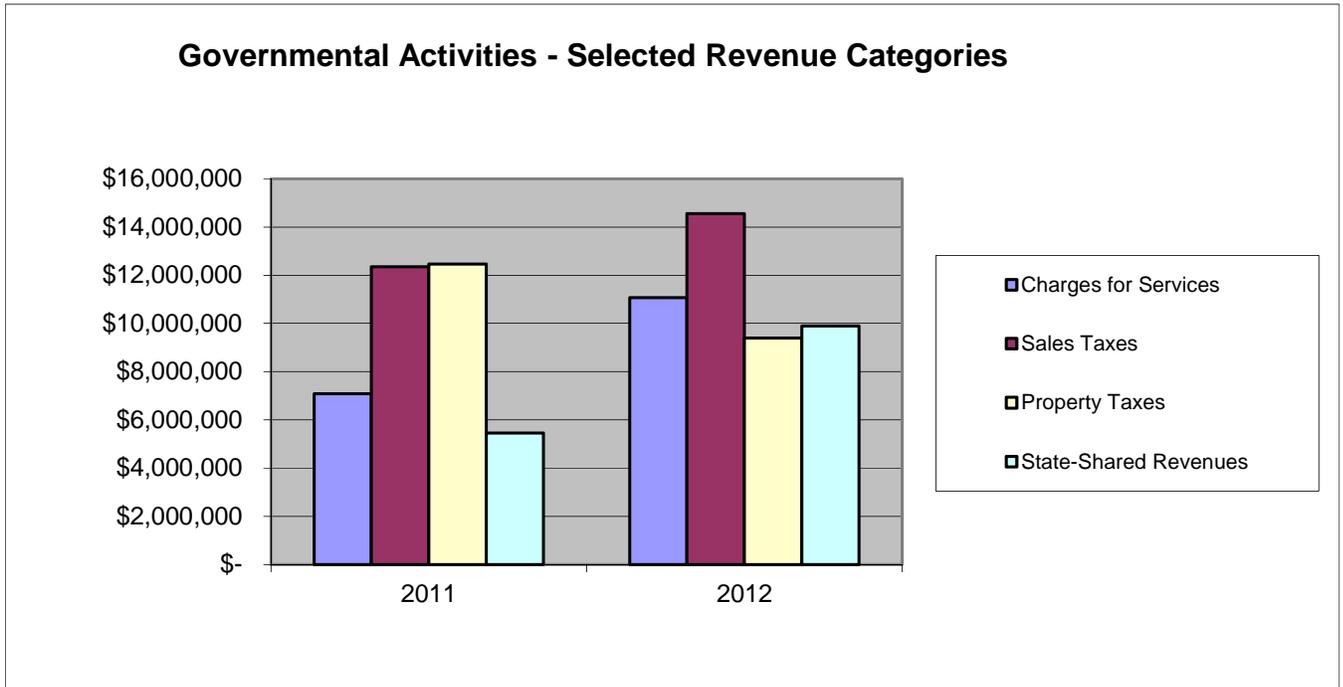
Town of Buckeye, Arizona
Management's Discussion and Analysis
June 30, 2012

The following table reflects the condensed Statement of Changes in Net Assets for the fiscal years ended June 30, 2012 and 2011. This information is helpful in understanding the sources and uses of funds during the fiscal year.

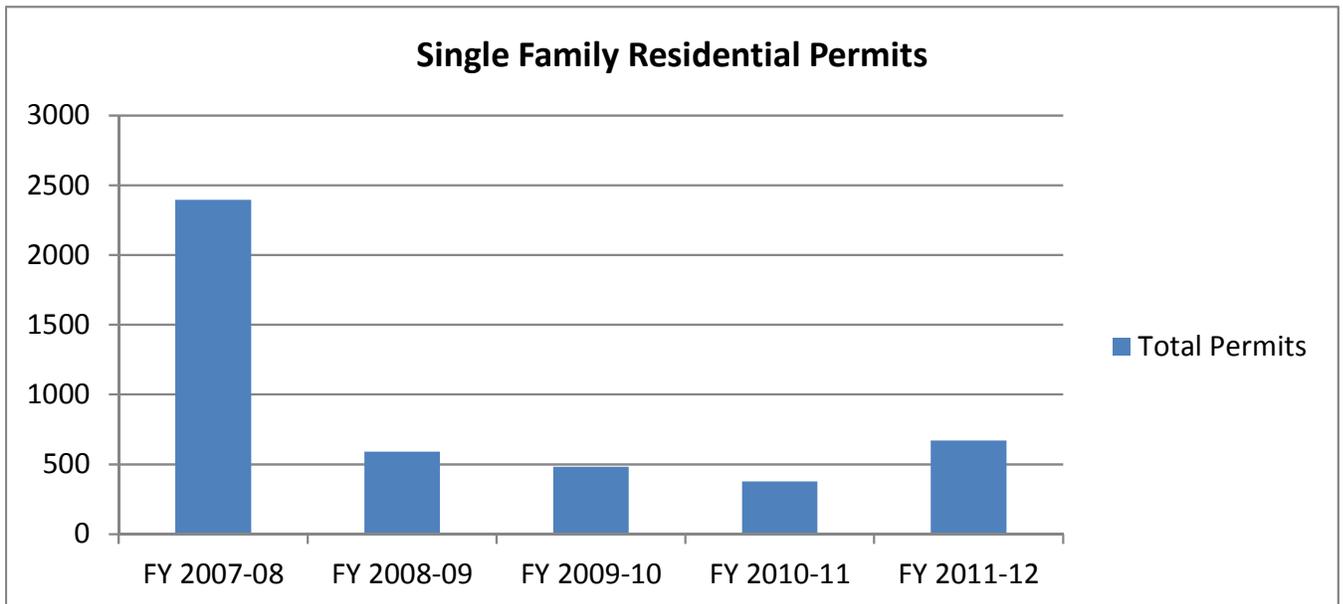
Town of Buckeye, Arizona Changes in Net Assets For the Fiscal Years Ended June 30, 2012 and 2011						
	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
REVENUES						
Program revenues						
Fees, fines and charges for services	\$ 11,075,230	\$ 7,087,351	\$ 17,375,776	\$ 15,327,448	\$ 28,451,006	\$ 22,414,799
Operating grants and contributions	2,991,777	2,206,753			2,991,777	2,206,753
Capital grants and contributions	15,882,820	8,200,563	20,720,942	3,399,344	36,603,762	11,599,907
General revenues						
Sales taxes	14,562,064	12,354,727			14,562,064	12,354,727
Property taxes	9,395,320	11,687,424			9,395,320	11,687,424
Franchise taxes	2,262,280	2,412,675			2,262,280	2,412,675
State-shared revenues	9,902,246	5,451,122			9,902,246	5,451,122
Investment earnings	376,364	65,563	11,056	34,861	387,420	100,424
Other	5,707,195	5,447,660	500,591	508,381	6,207,786	5,956,041
Total Revenues	\$ 72,155,296	\$ 54,913,838	\$ 38,608,365	\$ 19,270,034	\$ 110,763,661	\$ 74,183,872
EXPENSES						
General government	\$ 20,693,785	\$ 12,115,703			\$ 20,693,785	\$ 12,115,703
Public safety	26,327,788	18,340,230			26,327,788	18,340,230
Highways and streets	2,992,849	12,956,864			2,992,849	12,956,864
Culture and recreation	2,860,117	2,330,762			2,860,117	2,330,762
Community development	776,062	550,909			776,062	550,909
Economic development	185,640	102,221			185,640	102,221
Health and welfare	570,138	582,396			570,138	582,396
Miscellaneous	986,548	0			986,548	0
Interest on long-term debt	9,491,828	8,816,233			9,491,828	8,816,233
Airport			600,320	1,175,306	600,320	1,175,306
Sewer			12,178,534	11,241,013	12,178,534	11,241,013
Water			8,309,959	8,096,366	8,309,959	8,096,366
Total Expenses	\$ 64,884,755	\$ 55,795,318	\$ 21,088,813	\$ 20,512,685	\$ 85,973,568	\$ 76,308,003
Changes in net assets before transfers	7,270,541	(881,480)	17,519,552	(1,242,651)	24,790,093	(2,124,131)
Transfers	(366,467)	881,195	366,467	(881,195)		
Change in net assets	6,904,074	(285)	17,886,019	(2,123,846)	24,790,093	(2,124,131)
Net assets at beginning of year	345,122,747	352,443,790	270,084,725	265,684,308	615,207,475	618,128,101
Prior Period Adjustment	5,523,364	(7,320,758)	0	6,524,263	5,523,364	(796,495)
Net Assets - beginning of year (as restated)	350,646,111	345,123,032	270,084,725	272,208,571	620,730,839	617,331,606
Total net assets	\$ 357,550,185	\$ 345,122,747	\$ 287,970,744	\$ 270,084,725	\$ 645,520,932	\$ 615,207,475

Governmental Activities. Governmental activities increased the Town's net assets by \$6,904,074 from the prior fiscal year. This net increase is attributable to an increase in revenues as discussed further below.

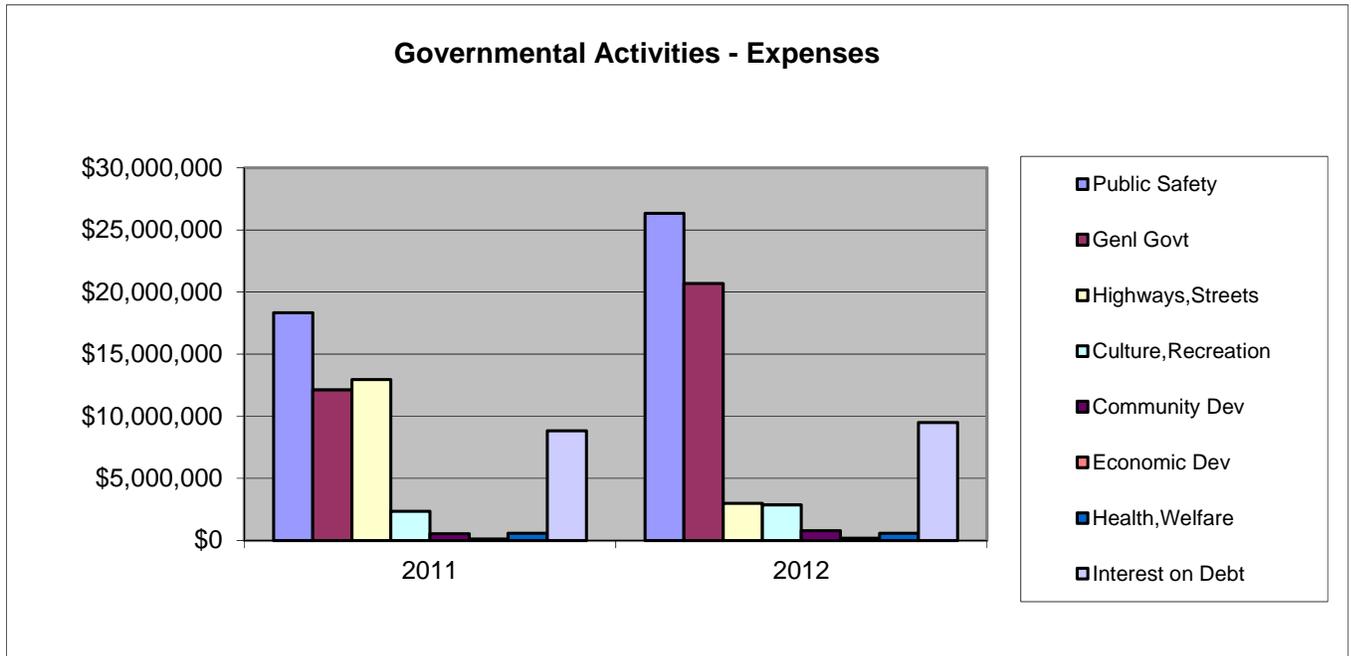
The chart below graphically reflects certain of the information above relative to the Town's revenues.



The Town of Buckeye saw a greater increase in the Building Permits from 2011 to 2012 than the previous year. The sales tax collections increased through June 30, 2012. The local sales tax for 2012 was \$14,562,064 in comparison to 2011 in the amount of \$12,354,727.



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



Total expenses of the governmental funds increased a total of \$9,089,437 from FY 2010-11 to FY 2011-12. Spending in the general government and public safety area increased.

Business-Type Activities. Business-type activities increased the Town's net assets by \$17,886,019 (pg 40) during the fiscal year ended June 30, 2012. Capital grants and contributions showed an increase of \$17,321,598 during the fiscal year. During fiscal year 2011, total grants and contribution received were \$3,399,344 while in fiscal year 2012 a total of \$20,720,942 was received.

Fund Financial Statements Analysis

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Town'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 Town'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 Town include the General Funds, Impact Fee Funds, CFD (Community Facility Districts) Funds for both capital improvements and CFD debt service, Debt Service 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, 2012, the Town's governmental funds reported combined ending fund balances of \$65,546,008 (pg 16), an increase of \$469,704 from June 30, 2011. Approximately 25.2% 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.

Town of Buckeye, Arizona
 Fund Balances - Governmental Funds
 For the Fiscal Years Ended June 30, 2012 and 2011

	Governmental Activities		Increase
	2012	2011	<Decrease> from 2010/11
General Funds	\$ 16,531,773	\$ 10,735,304	\$ 5,796,469
Impact Fee Funds	17,394,126	18,862,025	(1,467,899)
CFD Funds	12,351,431	13,769,501	(1,418,070)
Debt Service Funds	751,428	882,057	(130,629)
HURF Fund	799,639	410,310	389,329
Nonmajor Governmental Funds	17,717,611	20,417,107	(2,699,496)

General Fund The General Fund is the chief operating fund of the Town of Buckeye, Arizona. This fund increased by \$5,796,469. Key factors in this change were:

- General fund collections of local transaction privilege tax and building-related fees and charges were increased from the prior year.
- Operating expenditures remained below budget over the fiscal year.
- The positive change in the General fund relates directly to the increase in State shared revenue, capital grants and contributions for FY 2011-12.

Impact Fee Fund. Balances decreased during the fiscal year by \$1,467,899, due primarily to the expansion of the regional wireless radio system for the police department and the construction of the Sundance Park. Total impact fees collected were \$1,997,461 (pg 22), an increase of \$1,271,161 from the amount originally budgeted for FY 2011-12.

Community Facility District (CFD) Funds. During the fiscal year, the various CFD Funds balances decreased by \$1,418,070, primarily due to a decrease in property tax revenues assessed for the payment of principal and interest on the debt of the CFDs. Although the ad valorem tax rate remained unchanged from prior years at \$3.30 per \$100 of assessed valuation.

Debt Service Fund. The balance in the debt service fund decreased during this fiscal year by \$130,629.

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 \$389,329 during the fiscal year. The Town receives distributions of state HURF monies which must be used solely for allowable costs related to streets and street lighting. Current fiscal year collections of \$2,554,300 were less than budgeted revenues of \$2,561,636 (pg 23). Revenues exceeded expenditures by \$321,405.

Nonmajor Governmental Funds. Nonmajor governmental fund balances decreased by \$2,699,496 during the fiscal year. All nonmajor governmental funds of the Town are combined into one column on the governmental fund financial statements.

Proprietary Funds. The Town 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 assets at the end of the year are as follows for the indicated funds:

Town of Buckeye, Arizona
 Unrestricted Net Assets - Proprietary Funds
 For the Fiscal Years Ended June 30, 2012 and 2011

	Business-Type Activities		Increase <Decrease> from 2010/11
	2012	2011	
Sewer Fund	\$ 16,351,017	\$ 13,645,779	\$ 2,705,238
Water Fund	17,042,867	13,447,465	3,595,402
Airport Fund	162,144	106,379	55,765
Internal Service Fund	912,976	746,533	166,443

Developers transferred and the Town accepted infrastructure totaling \$21,249,760 during the fiscal year that will be used in sewer and water operations.

Budgetary Highlights

The Town's annual budget is the legally adopted expenditure control document of the Town. Budgetary comparison statements are required for the General Fund and all major special revenue funds and may be found beginning on page 20. These statements compare the original adopted budget, and the actual expenditures prepared on a budgetary basis. Differences between actual and budget amounts relates to more sales taxes collected during the year, greater revenue from the issuance of licenses and permits as well as an increase in impacted fees collected. Expenses were continually monitored to ensure appropriateness of spending.

Capital Asset and Debt Administration

The Town of Buckeye, Arizona's capital assets for its governmental and business-type activities as of June 30, 2012 amount to \$654,717,773 (net of accumulated depreciation). For government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the fiscal year. Fund financial statements record capital asset acquisitions as expenditures. See Note 5 for further information regarding capital assets.

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 Town contracts for solid waste services.

Below is a listing of the major capital asset events which occurred during the fiscal year. Some of these capital projects were started during fiscal year 2011, some projects are still ongoing, and some of the projects have been completed and recorded during fiscal year 2012:

- East Buckeye Park and Ride; \$3,705,815
- Lower Buckeye Road East of Miller. Lower Buckeye Road now connects Miller Road and Watson Road, eliminating downtown congestion; \$771,078

- Verrado Fire Station; \$4,981,447
- Sundance Park (30 Acres); \$2,106,357
- Rainbow and Roosevelt RID tunnel; \$225,677
- Blast Pads and Run-Up Areas at the Buckeye Airport; \$514,170

The following table provides details of the Town's capital assets as of June 30, 2012 and 2011:

Town of Buckeye, Arizona
Capital Assets at June 30, 2012 and 2011
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 169,178,058	\$ 163,185,587	\$ 5,372,660	\$ 5,303,958	\$ 174,550,718	\$ 168,489,545
Construction in progress	11,547,614	9,006,266	133,895	959,142	11,681,509	9,965,408
Land improvements	8,139,013	6,168,160	4,152,273	3,958,498	12,291,286	10,126,658
Buildings and improvements	21,974,727	20,163,290	72,767,270	75,009,971	94,741,997	95,173,261
Infrastructure	171,490,636	174,148,214			171,490,636	174,148,214
Furniture, machinery and equipment	6,924,282	7,568,740			6,924,282	7,568,740
Wastewater system			114,714,567	102,787,527	114,714,567	102,787,527
Water system			67,286,279	63,740,407	67,286,279	63,740,407
Machinery, equipment and vehicles			1,036,499	671,736	1,036,499	671,736
	<u>\$ 389,254,330</u>	<u>\$ 380,240,257</u>	<u>\$ 265,463,443</u>	<u>\$ 252,431,239</u>	<u>\$ 654,717,773</u>	<u>\$ 632,671,496</u>

Long-Term Debt

At the end of the fiscal year, the Town of Buckeye, Arizona had total long-term obligations outstanding of \$171,355,701. Of this amount, \$128,673,000 (75.1%) is Community Facilities District bonds backed solely by the property owners within the various CFDs. Improvement district bonds of \$2,797,000 (1.6%) are backed principally by the property owners within the improvement district. An additional \$26,740,000 (15.6%) (governmental activities) and \$11,048,724 (6.4%) (business-type activities) of outstanding debt is secured by pledges of specific revenue sources of the Town. The remaining \$2,096,977 (1.2%) is for capital leases, compensated absences and deferred amounts on bond premiums and discounts.

The Town has no secondary property tax authority and no outstanding general obligation debt outstanding as of June 30, 2012.

The following table shows the long-term obligations of the Town (including both the current and long-term portions of those obligations) as of June 30, 2012 and 2011. Further details on the Town's outstanding debt may be found in Note 8 beginning on page 42.

Town of Buckeye, Arizona
Long-term Obligations at June 30, 2012 and 2011

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Improvement district bonds	\$ 2,797,000	\$ 3,508,000	\$ -	\$ -	\$ 2,797,000	\$ 3,508,000
Revenue bonds	26,740,000	27,565,000	11,048,724	10,027,644	37,788,724	37,592,644
Community facility district bonds	128,673,000	134,623,000			128,673,000	134,623,000
Deferred amount on premium	920,606	981,784			920,606	981,784
Deferred amount on discount	(645,515)	(694,247)			(645,515)	(694,247)
Capital leases	766,757	1,109,388	0	0	766,757	1,109,388
Compensated absences	954,432	981,701	100,697	186,537	1,055,129	1,168,238
	<u>\$ 160,206,280</u>	<u>\$ 168,074,626</u>	<u>\$ 11,149,421</u>	<u>\$ 10,214,181</u>	<u>\$ 171,355,701</u>	<u>\$ 178,288,807</u>

Economic Factors and Next Year's Budgets and Rates

The Town's management and elected officials considered a variety of factors and options when setting the operating budgets for FY 2011-12. The State Shared Revenues were budgeted with an 87.4% increase from \$5,261,243 to \$9,858,000 from FY 2010-11 to FY 2011-12 based on the new census increasing the population for the Town.

Primary property tax revenues were projected to increase to \$5,065,024 as the value of, primarily, residential construction decreased due to the economic downturn. The Town's primary property tax rate for FY 2011-12 was increased from \$1.1883 per \$100 of assessed value to \$1.6061 per \$100 of assessed valuation. The Town of Buckeye does not have a secondary property tax.

The Town engages in continuous monitoring of all categories of revenues and expenses, particularly with respect to general fund operations. Due to close monitoring, the general fund showed a positive balance at the end of the fiscal year, keeping spending aligned with revenues.

The Town's adopted FY2012-13 budget, along with other financial documents and reports, are available for review on the Town's website.

Financial Contact Information

This report is designed to provide a general overview of the Town'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:

Town of Buckeye
Finance Department
530 East Monroe Avenue
Buckeye, AZ 85326
623-349-6000 (main telephone number)

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

Basic Financial Statements

Town of Buckeye, Arizona
Statement of Net Assets
June 30, 2012

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 5,856,069	\$ 33,000,654	\$ 38,856,723
Cash with paying agent	2,194,651	-	2,194,651
Investments	50,182,763	-	50,182,763
Receivables, net			
Accounts receivable	2,992,126	2,668,969	5,661,095
Taxes receivable	127,431	-	127,431
Intergovernmental receivable	40,886	-	40,886
Special assessments receivable	55,908,000	-	55,908,000
Accrued interest	99,235	-	99,235
Deferred charges	5,782,721	1,904	5,784,625
Prepaid items	6,590	-	6,590
Restricted cash	22,414,017	-	22,414,017
Capital assets			
Non-depreciable	180,725,672	5,506,555	186,232,227
Depreciable, net	208,528,658	259,956,888	468,485,546
Total assets	534,858,819	301,134,970	835,993,789
Liabilities			
Accounts payable and other current liabilities	5,047,870	807,969	5,855,839
Accrued wages and benefits	504,755	42,593	547,348
Interest payable	626,331	138,101	764,432
Intergovernmental payable	-	67,579	67,579
Deferred revenue	3,611	-	3,611
Unearned revenue	1,428,549	-	1,428,549
Customer deposits payable	72,510	958,560	1,031,070
Performance bonds payable	1,327,411	-	1,327,411
Matured debt interest payable	3,710,078	-	3,710,078
Matured debt principal payable	5,360,000	-	5,360,000
Noncurrent liabilities			
Due within one year	6,821,101	578,785	7,399,886
Due in more than one year	152,406,418	10,570,636	162,977,054
Total liabilities	177,308,634	13,164,223	190,472,857
Net Assets			
Invested in capital assets, net of related debt	230,026,811	254,414,719	484,441,530
Restricted for			
Impact fees	17,394,126	17,479,848	34,873,974
SLID operations	80,255	-	80,255
Highways and streets	799,639	-	799,639
Debt service	13,002,285	-	13,002,285
Capital outlay	13,768,211	-	13,768,211
Other	2,415,332	-	2,415,332
Unrestricted	80,063,526	16,076,180	96,139,706
Total net assets	\$ 357,550,185	\$ 287,970,747	\$ 645,520,932

Town of Buckeye, Arizona
Statement of Activities
Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
General government	\$ 20,693,785	\$ 9,184,715	\$ 437,477	\$ -	\$ (11,071,593)	\$ -	\$ (11,071,593)
Public safety	26,327,788	870,527	-	-	(25,457,261)	-	(25,457,261)
Highways and streets	2,992,849	182,955	2,554,300	15,882,820	15,627,226	-	15,627,226
Culture and recreation	2,860,117	837,033	-	-	(2,023,084)	-	(2,023,084)
Community development	776,062	-	-	-	(776,062)	-	(776,062)
Economic development	185,640	-	-	-	(185,640)	-	(185,640)
Health and welfare	570,138	-	-	-	(570,138)	-	(570,138)
Miscellaneous	986,548	-	-	-	(986,548)	-	(986,548)
Interest on long-term debt	9,491,828	-	-	-	(9,491,828)	-	(9,491,828)
Total governmental activities	<u>64,884,755</u>	<u>11,075,230</u>	<u>2,991,777</u>	<u>15,882,820</u>	<u>(34,934,928)</u>	<u>-</u>	<u>(34,934,928)</u>
Business-type activities							
Airport	600,320	283,828	-	2,663	-	(313,829)	(313,829)
Sewer	12,178,534	8,355,323	-	14,032,590	-	10,209,379	10,209,379
Water	8,309,959	8,736,625	-	6,685,689	-	7,112,355	7,112,355
Total business-type activities	<u>21,088,813</u>	<u>17,375,776</u>	<u>-</u>	<u>20,720,942</u>	<u>-</u>	<u>17,007,905</u>	<u>17,007,905</u>
Total Primary Government	<u>\$ 85,973,568</u>	<u>\$ 28,451,006</u>	<u>\$ 2,991,777</u>	<u>\$ 36,603,762</u>	<u>(34,934,928)</u>	<u>17,007,905</u>	<u>(17,927,023)</u>
General revenues							
Taxes							
Sales taxes					14,562,064	-	14,562,064
Property taxes					9,395,320	-	9,395,320
Franchise taxes					2,262,280	-	2,262,280
Unrestricted State revenue sharing					4,293,972	-	4,293,972
Unrestricted State sales tax revenue sharing					3,975,466	-	3,975,466
Unrestricted auto lieu tax revenue sharing					1,632,808	-	1,632,808
Investment earnings					376,364	11,056	387,420
Other					5,707,195	500,591	6,207,786
Transfers					(366,467)	366,467	-
Total general revenues and transfers					<u>41,839,002</u>	<u>878,114</u>	<u>42,717,116</u>
Change in net assets					<u>6,904,074</u>	<u>17,886,019</u>	<u>24,790,093</u>
Net Assets - beginning of year (as previously stated)					<u>345,122,747</u>	<u>270,084,728</u>	<u>615,207,475</u>
Correction of an error - Note 13					<u>5,523,364</u>	<u>-</u>	<u>5,523,364</u>
Net Assets - beginning of year (as restated)					<u>350,646,111</u>	<u>270,084,728</u>	<u>620,730,839</u>
Net Assets - end of year					<u>\$ 357,550,185</u>	<u>\$ 287,970,747</u>	<u>\$ 645,520,932</u>

Town of Buckeye, Arizona
Governmental Funds – Balance Sheet
June 30, 2012

	General	Impact Fees	CFD	Debt Service	HURF	Nonmajor Governmental Funds	Totals
Assets							
Cash and cash equivalents	\$ 613,254	\$ 811,700	\$ -	\$ 757,404	\$ 4,406	\$ 2,748,601	\$ 4,935,365
Cash with paying agent	1,666,331	-	-	528,320	-	-	2,194,651
Investments	16,347,434	18,027,273	-	-	711,226	15,096,830	50,182,763
Receivables, net							
Accounts	1,791,593	-	-	-	250,010	937,622	2,979,225
Taxes	81,646	-	41,458	-	-	4,327	127,431
Intergovernmental	40,886	-	-	-	-	-	40,886
Special assessments	-	-	53,111,000	2,797,000	-	-	55,908,000
Accrued interest	99,235	-	-	-	-	-	99,235
Due from other funds	18,152	-	-	-	-	-	18,152
Prepaid items	6,590	-	-	-	-	-	6,590
Restricted cash	-	-	21,412,165	-	-	1,001,852	22,414,017
	<u>\$ 20,665,121</u>	<u>\$ 18,838,973</u>	<u>\$ 74,564,623</u>	<u>\$ 4,082,724</u>	<u>\$ 965,642</u>	<u>\$ 19,789,232</u>	<u>\$ 138,906,315</u>
Liabilities and Fund Balance							
Liabilities							
Accounts payable	1,409,463	1,444,847	-	5,976	117,097	2,049,858	5,027,241
Due to other funds	-	-	-	-	-	18,152	18,152
Accrued wages and benefits	455,849	-	-	-	48,906	-	504,755
Deferred revenue	-	-	53,111,000	2,797,000	-	3,611	55,911,611
Unearned revenue	868,115	-	560,434	-	-	-	1,428,549
Customer deposits payable	72,510	-	-	-	-	-	72,510
Performance bonds payable	1,327,411	-	-	-	-	-	1,327,411
Matured debt interest payable	-	-	3,612,758	97,320	-	-	3,710,078
Matured debt principal payable	-	-	4,929,000	431,000	-	-	5,360,000
Total liabilities	<u>4,133,348</u>	<u>1,444,847</u>	<u>62,213,192</u>	<u>3,331,296</u>	<u>166,003</u>	<u>2,071,621</u>	<u>73,360,307</u>
Fund Balance							
Non-spendable	6,590	-	-	-	-	-	6,590
Restricted							
Impact Fees	-	17,394,126	-	-	-	-	17,394,126
SLID Operations	80,255	-	-	-	-	-	80,255
Highways and streets	-	-	-	-	799,639	-	799,639
Debt Service	-	-	12,351,431	650,854	-	-	13,002,285
Capital projects	-	-	-	-	-	13,768,211	13,768,211
Other special revenue	-	-	-	-	-	2,415,332	2,415,332
Assigned	-	-	-	100,574	-	2,090,378	2,190,952
Unassigned	16,444,928	-	-	-	-	(556,310)	15,888,618
	<u>16,531,773</u>	<u>17,394,126</u>	<u>12,351,431</u>	<u>751,428</u>	<u>799,639</u>	<u>17,717,611</u>	<u>65,546,008</u>
Total fund balances	<u>16,531,773</u>	<u>17,394,126</u>	<u>12,351,431</u>	<u>751,428</u>	<u>799,639</u>	<u>17,717,611</u>	<u>65,546,008</u>
Total liabilities and fund balances	<u>\$ 20,665,121</u>	<u>\$ 18,838,973</u>	<u>\$ 74,564,623</u>	<u>\$ 4,082,724</u>	<u>\$ 965,642</u>	<u>\$ 19,789,232</u>	<u>\$ 138,906,315</u>

Town of Buckeye, Arizona
 Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
 June 30, 2012

Fund balances - total governmental funds	<u>\$ 65,546,008</u>
Amounts reported for governmental activities in the statement of net assets are different because:	
Special assessment revenue not available for current financial resources	<u>55,908,000</u>
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Governmental capital assets	491,396,856
Less accumulated depreciation	<u>(102,142,526)</u>
Capital assets used in governmental activities	<u>389,254,330</u>
Other long-term assets are not available to pay for current-period expenditures:	
Net deferred charges	<u>5,782,721</u>
Internal service funds used by the management to charge cost of insurance to individual funds	
	<u>912,976</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	(2,797,000)
Revenue bonds	(26,740,000)
Community facilities district bonds	(128,673,000)
Loss on refunding and defeasance of bonds amortized over the life of the debt	978,761
Deferred amount on premium	(920,606)
Deferred amount on discount	645,515
Capital leases	(766,757)
Compensated absences	(954,432)
Accrued interest on long-term debt	<u>(626,331)</u>
	<u>(159,853,850)</u>
Net assets of governmental activities	<u><u>\$ 357,550,185</u></u>

Town of Buckeye, Arizona
 Governmental Funds – Statement of Revenues, Expenditures, and Changes in Fund Balances
 Year Ended June 30, 2012

	General	Impact Fees	CFD	Debt Service	HURF	Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Taxes							
Sales taxes	\$ 14,562,064	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,562,064
Property taxes	4,917,346	-	4,477,974	-	-	-	9,395,320
Franchise taxes	2,262,280	-	-	-	-	-	2,262,280
Improvement proceeds	-	-	-	-	-	512,853	512,853
Intergovernmental	10,081,106	-	-	-	2,554,300	258,617	12,894,023
Fines and forfeitures	623,072	-	-	-	-	-	623,072
License and permits	3,426,051	-	-	-	-	-	3,426,051
Charges for services	1,051,338	-	-	-	-	818,121	1,869,459
Developer agreements	-	-	1,894,972	-	-	-	1,894,972
Contributions and donations	20,487	-	-	-	-	7,193,480	7,213,967
Impact fees	-	1,997,461	-	-	-	-	1,997,461
Special assessments	-	-	5,980,393	923,039	-	-	6,903,432
Investment earnings	364,445	7,609	1,932	-	188	2,190	376,364
Other	2,373,621	-	215,146	46,464	25,576	2,533,535	5,194,342
Total revenues	39,681,810	2,005,070	12,570,417	969,503	2,580,064	11,318,796	69,125,660
Expenditures							
Current							
General government	9,536,047	61,356	-	143,123	-	2,385,511	12,126,037
Public safety	17,727,365	-	-	-	-	1,259,843	18,987,208
Highway and streets	-	-	-	-	2,158,398	-	2,158,398
Culture and recreation	2,062,674	-	-	-	-	-	2,062,674
Community development	559,684	-	-	-	-	-	559,684
Economic development	185,640	-	-	-	-	-	185,640
Health and welfare	-	-	-	-	-	570,138	570,138
Miscellaneous	-	-	986,548	-	-	-	986,548
Debt service							
Principal retirement	769,800	342,631	5,950,000	711,000	55,200	-	7,828,631
Interest on long-term debt	1,233,016	59,141	7,359,502	201,501	12,337	-	8,865,497
Capital outlay	233,713	3,009,841	-	44,508	32,724	10,660,306	13,981,092
Total expenditures	32,307,939	3,472,969	14,296,050	1,100,132	2,258,659	14,875,798	68,311,547
Revenues over (Under) Expenditures	7,373,871	(1,467,899)	(1,725,633)	(130,629)	321,405	(3,557,002)	814,113
Other Financing Sources (Uses)							
Transfers in	1,446,066	-	2,944,574	-	67,924	1,800,155	6,258,719
Transfers out	(3,023,468)	-	(2,637,016)	-	-	(942,633)	(6,603,117)
Total other financing sources (uses)	(1,577,402)	-	307,558	-	67,924	857,522	(344,398)
Net Change in Fund Balances	5,796,469	(1,467,899)	(1,418,075)	(130,629)	389,329	(2,699,480)	469,715
Fund Balances, Beginning of Year	10,735,304	18,862,025	13,769,506	882,057	410,310	20,417,091	65,076,293
Fund Balances, End of Year	<u>\$ 16,531,773</u>	<u>\$ 17,394,126</u>	<u>\$ 12,351,431</u>	<u>\$ 751,428</u>	<u>\$ 799,639</u>	<u>\$ 17,717,611</u>	<u>\$ 65,546,008</u>

Town 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, 2012

Net change in fund balances - total governmental funds \$ 469,715

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.

Expenditures for capital assets	13,981,092
Capital contributions	6,773,881
Gain(loss) on sale of capital assets	(2,855,925)
Less current year depreciation	<u>(13,876,858)</u>
Excess depreciation over capital expenditures	<u>4,022,190</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>(4,078,000)</u>
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Internal service funds used by the management to charge cost of insurance to individual funds	<u>166,443</u>
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Net transfer of assets from Capital Projects Fund to Proprietary Fund	<u>(531,481)</u>
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. The issuance of long-term debt increases long-term liabilities on the statement of net assets and the repayment of principal on long-term debt reduces long-term debt on the statement of net assets. 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.

Principal payments on long-term debt	7,486,000
Principal payments on capital leases	342,631
Amortization of discount	(48,732)
Amortization of issuance costs	(323,885)
Amortization of premium	61,178
Amortization of economic loss on refunding and defeasance	(62,923)
Interest on long-term debt	(626,331)

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 decrease in compensated absences	<u>27,269</u>
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Change in net assets of governmental activities	<u><u>\$ 6,904,074</u></u>
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Town of Buckeye, Arizona

General Fund – Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Revised Budget Positive (Negative)</u>
	<u>Adopted</u>	<u>Revised</u>		
Revenues				
Taxes				
Sales taxes	\$ 13,420,000	\$ 13,420,000	\$ 14,562,064	\$ 1,142,064
Property taxes	5,173,024	5,173,024	4,917,346	(255,678)
Franchise taxes	2,242,700	2,242,700	2,262,280	19,580
Intergovernmental	10,084,440	10,084,440	10,081,106	(3,334)
Fines and forfeitures	710,000	710,000	623,072	(86,928)
Licenses and permits	2,062,000	2,062,000	3,426,051	1,364,051
Charges for services	859,333	859,333	1,051,338	192,005
Contributions and donations	22,500	22,500	20,487	(2,013)
Investment earnings	14,000	14,000	364,445	350,445
Other	2,130,800	2,130,800	2,373,621	242,821
Total revenues	<u>36,718,797</u>	<u>36,718,797</u>	<u>39,681,810</u>	<u>2,963,013</u>
Expenditures				
Current				
General government				
Mayor and council	310,366	310,366	285,839	(24,527)
Town Clerk	218,855	219,099	204,999	(14,100)
Town Manager	301,683	301,683	293,473	(8,210)
Human resources	558,428	558,428	470,437	(87,991)
Finance department	1,009,882	1,009,882	854,224	(155,658)
Magistrate	562,874	562,874	565,479	2,605
Vehicle maintenance	570,069	570,069	613,657	43,588
Non-departmental	4,477,173	5,481,929	4,610,371	(871,558)
Public works - administration	421,755	421,755	438,571	16,816
Administrative services	270,566	270,566	226,468	(44,098)
Information technology	753,158	753,158	795,320	42,162
Debt Service	1,245,277	1,245,277	2,002,816	757,539
Other	234,440	234,440	177,209	(57,231)
Total general government	<u>10,934,526</u>	<u>11,939,526</u>	<u>11,538,863</u>	<u>(400,663)</u>
Public safety				
Police	9,378,683	9,378,683	9,181,877	(196,806)
Fire	7,663,566	7,663,566	7,876,006	212,440
Fire and building safety	571,283	571,283	669,482	98,199
Total public safety	<u>17,613,532</u>	<u>17,613,532</u>	<u>17,727,365</u>	<u>113,833</u>
Culture and recreation				
Community services	2,151,386	2,151,386	2,062,674	(88,712)
Total culture and recreation	<u>2,151,386</u>	<u>2,151,386</u>	<u>2,062,674</u>	<u>(88,712)</u>

Town of Buckeye, Arizona

General Fund – Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Revised Budget Positive (Negative)
	<u>Adopted</u>	<u>Revised</u>		
Community development				
Community development	666,971	666,971	559,684	(107,287)
Total community development	<u>666,971</u>	<u>666,971</u>	<u>559,684</u>	<u>(107,287)</u>
Economic development				
Economic development	361,070	361,070	185,640	(175,430)
Total economic development	<u>361,070</u>	<u>361,070</u>	<u>185,640</u>	<u>175,430</u>
Contingencies	<u>10,841,784</u>	<u>9,847,233</u>	-	<u>(9,847,233)</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>233,713</u>	<u>233,713</u>
Total expenditures	<u>42,569,269</u>	<u>42,579,718</u>	<u>32,307,939</u>	<u>(73,686)</u>
Revenues over (Under)				
Expenditures	<u>(5,850,472)</u>	<u>(5,860,921)</u>	<u>7,373,871</u>	<u>13,234,792</u>
Other Financing Sources (Uses)				
Transfers in	163,707	-	1,446,066	1,446,066
Transfers (out)	<u>(2,606,953)</u>	<u>(2,432,797)</u>	<u>(3,023,468)</u>	<u>(590,671)</u>
Net Change in Fund Balance	(8,293,718)	(8,293,718)	5,796,469	14,090,187
Fund Balance, Beginning of the Year	<u>8,293,718</u>	<u>8,293,718</u>	<u>10,735,304</u>	<u>2,441,586</u>
Fund Balance, End of the Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,531,773</u>	<u>\$ 16,531,773</u>

Town of Buckeye, Arizona
Impact Fees Fund – Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		Total Impact Fees Fund	Variance with Revised Budget Positive (Negative)
	<u>Adopted</u>	<u>Revised</u>		
Revenues				
Impact fees	\$ 726,300	\$ 726,300	\$ 1,997,461	\$ 1,271,161
Investment earnings	19,900	19,900	7,609	(12,291)
Total revenues	<u>746,200</u>	<u>746,200</u>	<u>2,005,070</u>	<u>1,258,870</u>
Expenditures				
Current				
General government	60,800	60,800	61,356	556
Public safety	164,109	164,109	-	(164,109)
Debt Service				
Principal retirement	-	-	342,631	342,631
Interest on long-term debt	-	-	59,141	59,141
Contingencies	6,791,883	6,791,883	-	(6,791,883)
Capital outlay	12,101,370	12,101,370	3,009,841	(9,091,529)
Total expenditures	<u>19,118,162</u>	<u>19,118,162</u>	<u>3,472,969</u>	<u>(15,645,193)</u>
Revenues over (Under)				
Expenditures	<u>(18,371,962)</u>	<u>(18,371,962)</u>	<u>(1,467,899)</u>	<u>16,904,063</u>
Net Change in Fund Balances	(18,371,962)	(18,371,962)	(1,467,899)	16,904,063
Fund Balances, Beginning of Year	<u>18,371,962</u>	<u>18,371,962</u>	<u>18,862,025</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,394,126</u>	<u>\$ 16,904,063</u>

Town of Buckeye, Arizona

HURF Fund – Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Revised Budget Positive (Negative)
	<u>Adopted</u>	<u>Revised</u>		
Revenues				
Intergovernmental	\$ 2,561,636	\$ 1,672,990	\$ 2,554,300	\$ (881,310)
Interest income	700	700	188	512
Other	42,100	42,100	25,576	16,524
Total revenues	<u>2,604,436</u>	<u>1,715,790</u>	<u>2,580,064</u>	<u>(864,274)</u>
Expenditures				
Current				
Highways and streets	1,986,415	1,986,415	2,158,398	(171,983)
Debt Service				
Principal retirement	-	-	55,200	(55,200)
Interest on long-term debt	-	-	12,337	(12,337)
Contingencies	904,643	884,643	-	884,643
Capital outlay	-	20,000	32,724	(12,724)
Total expenditures	<u>2,891,058</u>	<u>2,891,058</u>	<u>2,258,659</u>	<u>632,399</u>
Excess (Deficiency) of Revenues over Expenditures	(286,622)	(1,175,268)	321,405	(1,496,673)
Other Financing Sources (Uses)				
Transfers in	-	-	67,924	(67,924)
Transfers (out)	(124,751)	(124,751)	-	(124,751)
Net Change in Fund Balance	(411,373)	(1,300,019)	389,329	(1,689,348)
Fund Balances, Beginning of Year	<u>411,373</u>	<u>411,373</u>	<u>410,310</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ (888,646)</u>	<u>\$ 799,639</u>	<u>\$ (1,689,348)</u>

Town of Buckeye, Arizona
Proprietary Funds – Statement of Net Assets
June 30, 2012

	Business-type Activities				Governmental
	Airport	Sewer	Water	Totals	Internal Service Fund
Assets					
Current assets:					
Cash and cash equivalents	\$ 199,616	\$ 15,923,386	\$ 16,877,652	\$ 33,000,654	\$ 920,704
Accounts receivable, net	82,914	1,149,361	1,436,694	2,668,969	12,901
Deferred charges	-	1,904	-	1,904	-
Total current assets	<u>282,530</u>	<u>17,074,651</u>	<u>18,314,346</u>	<u>35,671,527</u>	<u>933,605</u>
Noncurrent assets:					
Capital assets:					
Non-depreciable	4,724,666	619,649	162,240	5,506,555	-
Depreciable, net	5,321,789	175,862,333	78,772,766	259,956,888	-
Total noncurrent assets	<u>10,046,455</u>	<u>176,481,982</u>	<u>78,935,006</u>	<u>265,463,443</u>	<u>-</u>
Total assets	<u>10,328,985</u>	<u>193,556,633</u>	<u>97,249,352</u>	<u>301,134,970</u>	<u>933,605</u>
Liabilities					
Current liabilities:					
Accounts payable	118,971	514,232	174,766	807,969	20,629
Accrued wages and benefits	1,415	15,939	25,239	42,593	-
Intergovernmental payable	-	-	67,579	67,579	-
Customer deposits payable	-	31,960	926,600	958,560	-
Compensated absences	-	23,402	61,836	85,238	-
Accrued interest payable	-	138,101	-	138,101	-
Bonds, notes and loans payable	-	493,547	-	493,547	-
Total current liabilities	<u>120,386</u>	<u>1,217,181</u>	<u>1,256,020</u>	<u>2,593,587</u>	<u>20,629</u>
Noncurrent liabilities:					
Compensated absences	-	-	15,459	15,459	-
Bonds, notes and loans payable	-	10,555,177	-	10,555,177	-
Total noncurrent liabilities	<u>-</u>	<u>10,555,177</u>	<u>15,459</u>	<u>10,570,636</u>	<u>-</u>
Total liabilities	<u>120,386</u>	<u>11,772,358</u>	<u>1,271,479</u>	<u>13,164,223</u>	<u>20,629</u>
Net Assets					
Invested in capital assets, net of related debt	10,046,455	165,433,258	78,935,006	254,414,719	-
Restricted	-	12,430,659	5,049,189	17,479,848	-
Unrestricted	162,144	3,920,358	11,993,678	16,076,180	912,976
Total net assets	<u>\$ 10,208,599</u>	<u>\$ 181,784,275</u>	<u>\$ 95,977,873</u>	<u>\$ 287,970,747</u>	<u>\$ 912,976</u>

Town of Buckeye, Arizona
Proprietary Funds – Statement of Revenues, Expenses, and Changes in Fund Net Assets
Year Ended June 30, 2012

	Business-type Activities - Enterprise Funds				Governmental
	Airport	Sewer	Water	Total	Internal Service Fund
Operating Revenues					
Charges for services	\$ 283,828	\$ 8,226,774	\$ 8,636,967	\$ 17,147,569	\$ 333,755
Operating Expenses					
Cost of sales and services	214,484	7,010,258	4,480,857	11,705,599	676,724
Depreciation	385,836	4,794,330	3,829,102	9,009,268	-
Total operating expenses	600,320	11,804,588	8,309,959	20,714,867	676,724
Operating Loss	(316,492)	(3,577,814)	327,008	(3,567,298)	(342,969)
Nonoperating Revenues (Expenses)					
Impact fees	-	128,549	86,300	214,849	-
Investment earnings	-	4,826	6,230	11,056	-
Interest and fee expense	-	(373,946)	-	(373,946)	-
Intergovernmental	500,591	-	-	500,591	-
Developer reimbursements	-	-	13,358	13,358	-
Total nonoperating revenues (expense)	500,591	(240,571)	105,888	365,908	-
Income (Loss) before contributions and transfers	184,099	(3,818,385)	432,896	(3,201,390)	(342,969)
Capital Contributions	2,663	14,461,629	6,788,131	21,252,423	-
Transfers In	-	483,504	-	483,504	509,412
Transfers Out	-	(66,718)	(581,800)	(648,518)	-
Change in Net Assets	186,762	11,060,030	6,639,227	17,886,019	166,443
Net Assets, Beginning of Year	10,021,837	170,724,245	89,338,646	270,084,728	746,533
Net Assets, End of Year	\$ 10,208,599	\$ 181,784,275	\$ 95,977,873	\$ 287,970,747	\$ 912,976

Town of Buckeye, Arizona
Proprietary Funds – Statement of Cash Flows
Year Ended June 30, 2012

	Business-type Activities - Enterprise Funds				Governmental
	Airport	Sewer	Water	Totals	Internal Service Fund
Cash Flows from Operating Activities					
Receipts from customers	\$ 214,151	\$ 8,022,335	\$ 8,181,352	\$ 16,417,838	\$ 385,961
Payments to suppliers	(152,382)	(6,774,183)	(2,862,001)	(9,788,566)	(667,255)
Payments to employees	(43,065)	(915,369)	(1,906,507)	(2,864,941)	-
Customer deposits received	-	31,960	307,130	339,090	-
Net cash provided by (used in) operating activities	<u>18,704</u>	<u>364,743</u>	<u>3,719,974</u>	<u>4,103,421</u>	<u>(281,294)</u>
Cash Flows from Capital and Related Financing Activities					
Impact fees	-	128,549	86,300	214,849	-
Developer reimbursements	-	-	13,358	13,358	-
Intergovernmental	500,591	-	-	500,591	-
Purchases of capital assets	(516,833)	(190,083)	(84,796)	(791,712)	-
Capital contributions	2,663	-	-	2,663	-
Interest paid on capital debt	-	(235,845)	-	(235,845)	-
Proceeds on capital debt	-	1,502,590	-	1,502,590	-
Principal paid on capital debt	-	(481,510)	-	(481,510)	-
Net cash provided by (used in) capital and related financing activities	<u>(13,579)</u>	<u>723,701</u>	<u>14,862</u>	<u>724,984</u>	<u>-</u>
Cash Flows from Noncapital Financing Activities					
Transfers from (to) other funds	-	416,786	(581,800)	(165,014)	509,412
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>416,786</u>	<u>(581,800)</u>	<u>(165,014)</u>	<u>509,412</u>
Cash Flows from Investing Activities					
Investment earnings	-	4,826	6,230	11,056	-
Net cash provided by investing activities	<u>-</u>	<u>4,826</u>	<u>6,230</u>	<u>11,056</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	5,125	1,510,056	3,159,266	4,674,447	228,118
Cash and Cash Equivalents, Beginning of year	<u>194,491</u>	<u>14,413,330</u>	<u>13,718,386</u>	<u>28,326,207</u>	<u>692,586</u>
Cash and Cash Equivalents, End of year	<u>\$ 199,616</u>	<u>\$ 15,923,386</u>	<u>\$ 16,877,652</u>	<u>\$ 33,000,654</u>	<u>\$ 920,704</u>

Town of Buckeye, Arizona
Proprietary Funds – Statement of Cash Flows
Year Ended June 30, 2012

	Business-type Activities - Enterprise Funds				Governmental
	Airport	Sewer	Water	Totals	Internal Service Fund
Reconciliation of Operating Loss to Net Cash provided by operating activities					
Operating income (loss)	\$ (316,492)	\$ (3,577,814)	\$ 327,008	\$ (3,567,298)	\$ (342,969)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:					
Depreciation expense	385,836	4,794,330	3,829,102	9,009,268	-
(Increase) decrease in					
Accounts receivable	(69,677)	(204,439)	(455,615)	(729,731)	52,206
Deferred charges	-	(1,904)	878	(1,026)	-
Increase (decrease) in					
Accounts payable	20,884	(656,141)	32,326	(602,931)	9,469
Accrued wages and benefits	(1,847)	(22,603)	(54,088)	(78,538)	-
Intergovernmental payable	-	-	(179,573)	(179,573)	-
Compensated absences payable	-	1,354	(87,194)	(85,840)	-
Customer deposits	-	31,960	307,130	339,090	-
Total adjustments	<u>335,196</u>	<u>3,942,557</u>	<u>3,392,966</u>	<u>7,670,719</u>	<u>61,675</u>
Net cash provided by/(used) in operating activities	<u>\$ 18,704</u>	<u>\$ 364,743</u>	<u>\$ 3,719,974</u>	<u>\$ 4,103,421</u>	<u>\$ (281,294)</u>
Noncash Investing, Capital, and Financing Activities					
Contributions of capital assets	<u>\$ -</u>	<u>\$ 14,461,629</u>	<u>\$ 6,788,131</u>	<u>\$ 21,249,760</u>	<u>\$ -</u>

Town of Buckeye, Arizona
Fiduciary Funds – Statement of Fiduciary Net Assets
June 30, 2012

	<u>Pension Trust</u>
Assets	
Cash and cash equivalents	<u>\$ 254,753</u>
Total assets	<u><u>\$ 254,753</u></u>
Net Assets	
Held in trust for pension benefits	<u>\$ 254,753</u>
Total net assets	<u><u>\$ 254,753</u></u>

Town of Buckeye, Arizona
 Fiduciary Funds – Statement of Changes in Fiduciary Net Assets
 Year Ended June 30, 2012

	Pension Trust
Additions	
State fire insurance premium	\$ 7
Investment earnings	
Net increase/(decrease) in fair value of investments	(22,734)
Total additions	(22,727)
Deductions	
Benefits	720
Administration	1,668
Total deductions	2,388
Changes in Net Assets	(25,115)
Net Assets, Beginning of Year	279,868
Net Assets, End of Year	\$ 254,753

Note 1 - Summary of Significant Accounting Policies

The accompanying financial statements of the Town of Buckeye, Arizona (Town) 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 Town's more significant accounting policies follows.

A. Reporting Entity

The Town 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 Town and its component units, entities for which the Town is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the Town'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 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 Town 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 Town Council serves as the Board of Directors; however, the Town has no liability for the Districts' debt. For financial reporting purposes, transactions of the Districts are combined together and blended as if they were part of the Town'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 assets 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 Town 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 Town reports the following major governmental funds:

The General Fund is the Town's primary operating fund. It accounts for all financial resources of the Town, 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 Town.

The CFD 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.

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

The Town reports the following major proprietary funds:

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

The Sewer and Solid Waste Fund accounts for the activities of the Town's sewer operations.

The Water Fund accounts for the activities of the Town'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 Town'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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for the business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

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 Town'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 Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town 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 Town'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 Town 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.

E. Receivables and Payables

Receivables are shown net of a \$389,335 allowance for un-collectibles.

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 Town'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 Town had \$18,152 in inter-fund receivable/payables at year-end between the general fund and a non-major special revenue fund.

F. Restricted Assets

Certain proceeds of the Town's bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net assets 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 Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

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

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

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

H. 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.

I. 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 assets. Bond premiums and discounts, as well as issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

J. Net Assets

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

K. Fund Balance

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

Nonspendable fund balance—amounts that are not in nonspendable form (such as inventory) or are required to be maintained intact.

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

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

Assigned fund balance—amounts the Town intends to use for a specific purpose. Intent can be expressed by the Town Council or by an official or body to which the Town Council delegates the authority. The Town Council had 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.

The following funds had deficit fund balance as of June 30, 2012:

	Amount of Overexpenditure
Other funds:	
Social Services/Area Agency on Aging Fund	\$ 61
Downtown Revitalization Fund	\$ 566,472

The negative balance in the Social Services/Area Agency on Aging Fund at June 30, 2012 was due to an oversight and should not happen again. In future years, the Town will transfer enough funds from the General Fund at year end to avoid such an occurrence.

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 Town. 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 Town Council follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Arizona Revised Statutes, the Town Manager submits a proposed budget for the fiscal year commencing the following July 1 to the Town 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 Town 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 Town 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 Town adopts a budget by department for the General Fund and in total by fund for other funds. The Town Manager, subject to Town 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 Town 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 Town is subject to the State of Arizona's Spending Limitation Law for Towns and Cities. This law does not permit the Town 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 Town complied with this law during the year.

No supplementary budgetary appropriations were necessary during the year.

There were no fund expenditures in excess of appropriations in fiscal year 2012.

Note 3 - Deposits and Investments

Cash and investments at June 30, 2012 consisted of the following:

Deposits	
Cash on hand	\$ 2,500
Cash in bank	13,861,799
Cash on deposit with paying agent	2,194,651
Investments	
Cash on deposit with trustee	21,059,172
Pension Trust Money Market	254,753
State Treasurer's Investment Pool	26,347,269
U.S. agency securities	50,182,763
Total deposits and investments	113,902,907
Restricted Cash	(22,414,017)
Fiduciary Funds	(254,753)
Cash with Paying Agent	(2,194,651)
Investments	(50,182,763)
Total cash and cash equivalent	\$ 38,856,723

Cash on Hand – This includes a petty cash fund and beginning cash for the registers at Town Hall. Cash on hand at June 30, 2012 was \$2,500.

Deposits – At June 30, 2012, the carrying amount of the Town's deposits was \$13,959,856 and the bank balance was \$15,668,144. 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 Town 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 Town's investment in the State Treasurer's investment pool did not receive a credit quality rating from a national agency.

The Town 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 Town's policy, to the extent possible and consistent with statutory requirements, to match its investments with anticipated cash flow requirements. The Town will not directly invest in securities maturing more than five years from the date of purchase. The Town'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, 2012, the Town had the following investments and related maturities:

Investment Type	Investment Maturities		
	Total	Less Than 1 Year	1-5 Years
US Agency Securities	\$ 50,182,763	\$ 5,011,100	\$ 45,171,663

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 town’s policy is to diversify its investments by security type and institution.

As of June 30, 2012, the Town’s investments were rated in the following manner:

Investment Type	Rating	Rating Agency	Amount
US Agency Securities	AAA	Moody's	\$ 49,121,258
US Agency Securities	Not Rated	N/A	1,061,505
			\$ 50,182,763

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 Town does not have a formal investment policy in regards to custodial credit risk. However, the Town'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 Town’s deposits may not be returned to it. The Town’s deposits and bank balances are normally covered by federal depository insurance (FDIC) for the first \$250,000 in each account and by collateral held in the pledging financial institution’s trust department in the Town’s name for the remainder of the deposits. The Town's deposits at June 30, 2012, were entirely covered by federal depository insurance or by collateral held by the Town's custodial bank in the Town's name.

Concentration of Credit Risk – The Town’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, 2012, the Town’s investments were concentrated in the following manner:

FHLB	\$ 5,011,100	10.0%
FHLMC	14,445,160	28.8%
FNMA	30,726,503	61.2%
	\$ 50,182,763	

Note 4 - Receivables

Governmental funds report deferred 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 deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
Special assessments not yet due - CFD Debt Service Fund	\$ 55,908,000	\$ -
Prepaid building permits - General Fund	-	1,428,549
	\$ 55,908,000	\$ 1,428,549

Intergovernmental receivables were due from the following:

City of Phoenix	\$ 40,886
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Note 5 - Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2012 was as follows:

	Beginning Balance	Prior Period Adjustment	Increases	Decreases	Transfers	Ending Balance
Governmental activities:						
Capital assets, not being depreciated:						
Land	\$ 163,185,587	\$ -	\$ 4,666,004	\$ -	\$ 1,326,467	\$ 169,178,058
Construction in progress	9,006,266	-	12,829,152	(2,855,925)	(7,431,879)	11,547,614
Total capital assets, not being depreciated	172,191,853	-	17,495,156	(2,855,925)	(6,105,412)	180,725,672
Capital assets, being depreciated:						
Land improvements	8,309,493	-	32,724	-	2,379,349	10,721,566
Building and improvements	23,861,349	-	17,698	-	2,467,038	26,346,085
Infrastructure	248,485,291	5,979,504	1,566,066	-	1,129,530	257,160,391
Furniture, machinery and equipment	15,951,028	-	1,643,329	(749,229)	(401,986)	16,443,142
Total capital assets being depreciated	296,607,161	5,979,504	3,259,817	(749,229)	5,573,931	310,671,184
Less accumulated depreciation for:						
Land improvements	(2,141,333)	-	(441,220)	-	-	(2,582,553)
Building and improvements	(3,698,059)	-	(673,299)	-	-	(4,371,358)
Infrastructure	(74,337,077)	(456,140)	(10,876,538)	-	-	(85,669,755)
Furniture, machinery and equipment	(8,382,288)	-	(1,885,801)	749,229	-	(9,518,860)
Total accumulated depreciation	(88,558,757)	(456,140)	(13,876,858)	749,229	-	(102,142,526)
Total capital assets, being depreciated, net	208,048,404	5,523,364	(10,617,041)	-	5,573,931	208,528,658
Governmental activities capital assets, net	\$ 380,240,257	\$ 5,523,364	\$ 6,878,115	\$ (2,855,925)	\$ (531,481)	\$ 389,254,330

Town of Buckeye, Arizona
Notes to Financial Statements
June 30, 2012

Depreciation was charged by function as follows:

General government	\$ 4,688,006
Public safety	7,340,580
Highways and streets	834,451
Culture and recreation	797,443
Community development	<u>216,378</u>
Total depreciation expense - governmental activities	<u><u>\$ 13,876,858</u></u>

Capital asset activity for business-type activities for the year ended June 30, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 5,303,958	\$ 68,702	\$ -	\$ -	\$ 5,372,660
Construction in progress	<u>959,142</u>	<u>742,510</u>	<u>-</u>	<u>(1,567,757)</u>	<u>133,895</u>
Total capital assets, not being depreciated	<u>6,263,100</u>	<u>811,212</u>	<u>-</u>	<u>(1,567,757)</u>	<u>5,506,555</u>
Capital assets, being depreciated:					
Wastewater system	122,649,826	14,085,817	-	1,061,456	137,797,099
Water system	93,405,359	6,956,682	(415,214)	121,626	100,068,453
Land improvements	11,683,998	-	-	514,170	12,198,168
Building and improvements	86,729,216	5,600	-	-	86,734,816
Machinery, equipment and vehicles	<u>1,305,711</u>	<u>63,299</u>	<u>-</u>	<u>401,986</u>	<u>1,770,996</u>
Total capital assets being depreciated	<u>315,774,110</u>	<u>21,111,398</u>	<u>(415,214)</u>	<u>2,099,238</u>	<u>338,569,532</u>
Less accumulated depreciation for:					
Wastewater system	(19,862,299)	(3,220,233)	-	-	(23,082,532)
Water system	(29,664,952)	(3,119,817)	2,595	-	(32,782,174)
Land improvements	(7,725,500)	(320,395)	-	-	(8,045,895)
Building and improvements	(11,719,245)	(2,248,301)	-	-	(13,967,546)
Machinery, equipment and vehicles	<u>(633,975)</u>	<u>(100,522)</u>	<u>-</u>	<u>-</u>	<u>(734,497)</u>
Total accumulated depreciation	<u>(69,605,971)</u>	<u>(9,009,268)</u>	<u>2,595</u>	<u>-</u>	<u>(78,612,644)</u>
Total capital assets, being depreciated, net	<u>246,168,139</u>	<u>12,102,130</u>	<u>(412,619)</u>	<u>2,099,238</u>	<u>259,956,888</u>
Business-type activities capital assets, net	<u><u>\$ 252,431,239</u></u>	<u><u>\$ 12,913,342</u></u>	<u><u>\$ (412,619)</u></u>	<u><u>\$ 531,481</u></u>	<u><u>\$ 265,463,443</u></u>
Depreciation was charged by function as follows:					
Airport					\$ 385,836
Sewer					4,794,330
Water					<u>3,829,102</u>
Total depreciation expense - business-type activities					<u><u>\$ 9,009,268</u></u>

Note 6 - Construction Commitments

The Town has various active construction projects at June 30, 2012. At fiscal year end, the Town's commitments with contractors were as follows:

Governmental Activities		
Project	Spent-to-date	Remaining Commitment
Sundance Park	\$ 2,106,357	\$ 1,253,307
N. Miller Rd, Yuma & Durango intersection with Traffic Signals	595,992	1,815,720
	\$ 2,702,349	\$ 3,069,027
Business-type Activities		
Project	Spent-to-date	Remaining Commitment
Sundance Park Irrigation Line	\$ 81,719	\$ 23,801

Note 7 - Obligations Under Lease

Capital Leases

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

The assets acquired through capital leases are as follows:

Assets:	
Furniture, equipment and vehicles	Governmental Activities \$ 3,005,313
Less: accumulated depreciation	(1,271,869)
	\$ 1,733,444

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, 2012, were as follows:

Year ending June 30:	Governmental Activities
2013	\$ 215,109
2014	215,109
2015	215,113
2016	79,933
2017	79,933
Thereafter	79,933
Less: amount representing interest	(118,373)
Present value of minimum lease payments	\$ 766,757

Note 8 - Long-Term Debt

The Town has long-term bonds issued to provide funds for the acquisition and construction of major capital facilities. The Town 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 Town Council by property owners within the district areas.

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

The Jackrabbit Trail Sanitary Sewer Improvement District was created so the Town 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 Town for repayment of the improvement bond. In case of default, the Town has the responsibility to cover delinquencies of special assessment bonds with other sources until foreclosure proceeds are received.

Community facilities districts (CFDs) are created only by petition to the Town Council by property owners within the District areas. As the board of directors for the District, the Town 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 Town. In addition, cumulative debt of all CFDs cannot exceed five percent of the Town's net secondary assessed valuation.

Improvement Bonds

The Town has pledged revenue derived from an annual assessment on the real property of the Miller Road Improvement District to repay \$4,435,000 in improvement bonds issued August 2001. Special assessment districts are created only by petition of the Town Council by property owners within the District area. Proceeds from these bonds were used to install and construct water and sewer lines within the District. The bonds are payable solely from assessments on the property owners and are payable through 2017. The total principal and interest remaining to be paid on the bonds is \$1,146,836. Principal and interest paid for the current year was \$281,313 and total assessments billed were \$283,940.

The Town 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 Town Council by property owners within the District area. Proceeds from these bonds were used to install and construct water and sewer lines within the District. The bonds are payable solely from assessments on the property owners and are payable through 2029. The total principal and interest remaining to be paid on the bonds is \$2,893,438. Principal and interest paid for the current year was \$631,188 and total assessments billed were \$201,256.

Revenue Bonds

The Town has pledged future excise tax revenues, which include the Town's sales and transaction privilege tax, franchise fees, licenses and permit fees and fines and forfeitures, to repay \$9,400,000 in Greater Arizona Development Authority Excise Tax Revenue Bonds issued February 2005. Proceeds from these bonds were used to reconstruct streets, and to construct water wells and the related distribution system, flood control structures and a wastewater treatment facility expansion. Annual principal and interest payments on the bonds are expected to require five percent of net revenues. The total principal and interest to be paid on the bonds is \$11,397,119. Interest paid for the current year was \$422,738.

The Town has pledged future excise tax revenues, which include the Town's sales and transaction privilege tax, franchise fees, licenses and permit fees and fines and forfeitures, to repay \$14,730,000 in Greater Arizona Development Authority Excise Tax Revenue Bonds issued March 2006. Proceeds from these bonds were used to construct a municipal complex. Annual principal and interest payments on the bonds are expected to require five percent of net revenues. The total principal and interest to be paid on the bonds is \$24,755,653. Interest paid for the current year was \$694,631.

The Town has pledged future excise tax revenues, which include the Town'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. 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. The total principal and interest to be paid on the bonds is \$3,107,778. Interest paid for the current year was \$94,644.

The Town has pledged future excise tax revenues, which include the Town'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. Proceeds from the Series 2000 bonds were used to connect an unused water well to the existing water system of the Town. The total principal and interest to be paid on the bonds is \$2,095,975. Interest paid for the current year was \$64,569.

Community Facilities District Bonds

The Town 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 Town 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 \$4,246,810. Principal and interest paid for the current year was \$905,748 and total assessments billed were \$564,655.

The Town 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 Town 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 \$5,954,727. Principal and interest paid for the current year was \$669,656 and total assessments billed were \$422,439.

The Town 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. Special assessment districts are created only by petition to the Town Council by property owners within the Districts area. Proceeds were used for infrastructure improvements within the special assessment district.

The bonds are payable solely from assessments on the property owners. The total principal and interest remaining to be paid on the bonds is \$1,474,975. Principal and interest paid for the current year was \$177,985 and total assessments billed were \$89,072.

The Town 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 Town 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 \$3,786,942. Principal and interest paid for the current year was \$364,930 and total assessments billed were \$226,850.

The Town 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 Town 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 \$638,447. Principal and interest paid for the current year was \$146,869 and total assessments billed were \$43,506.

The Town 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 Town 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 \$65,226,835. Principal and interest paid for the current year was \$4,027,684 and total assessments billed were \$3,779,012.

The Town 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 Town Council by property owners within the District area. Proceeds were used for infrastructure improvements within the special assessment district. The bonds are payable solely from assessments on the property owners. The total principal and interest remaining to be paid on the bonds is \$2,253,867. Principal and interest paid for the current year was \$157,297 and total assessments billed were \$115,879.

The Town 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 Town Council by property owners within the District area. Proceeds were used for infrastructure improvements within the special assessment district. The bonds are payable solely from assessments on the property owners. The total principal and interest remaining to be paid on the bonds is \$2,413,807. Principal and interest paid for the current year was \$161,214 and total assessments billed were \$123,398.

The Town has pledged revenue derived from an annual assessment on the real property of the Festival Ranch Community Facilities District (Assessment District 6) to repay \$356,000 in special assessment lien bonds issued November 2009. Special assessment districts are created only by petition to the Town 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 \$667,164. Principal and interest paid for the current year was \$65,533 and total assessments billed were \$33,105.

The Town has pledged revenue derived from an annual assessment on the real property of the Festival Ranch Community Facilities District (Assessment District 7) to repay \$404,000 in special assessment lien bonds issued April 2011. Special assessment districts are created only by petition to the Town 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 \$883,225. Principal and interest paid for the current year was \$52,873 and total assessments billed were \$40,140.

The Town has pledged revenue derived from the property taxes levied on the real property of the Festival Ranch Community Facilities District to repay \$800,000 in general obligation bonds issued October 2006. Proceeds were used for the acquisition and construction of wastewater infrastructure sewer lines. The bonds are payable from property taxes levied on property owners within the District. The total principal and interest remaining to be paid on the bonds is \$1,081,715. Principal and interest paid for the current year was \$56,040.

The Town has pledged revenue derived from the property taxes levied on the real property of the Festival Ranch Community Facilities District to repay \$1,535,000 in general obligation bonds issued October 2007. Proceeds were used for the acquisition and construction of wastewater infrastructure sewer lines. The bonds are payable from property taxes levied on property owners within the District. The total principal and interest remaining to be paid on the bonds is \$2,341,500. Principal and interest paid for the current year was \$113,638.

The Town has pledged revenue derived from the property taxes levied on the real property of the Festival Ranch Community Facilities District to repay \$7,600,000 in general obligation bonds issued December 2009. Proceeds were used for the acquisition and construction of community district facilities. The bonds are payable from property taxes levied on property owners within the District. The total principal and interest remaining to be paid on the bonds is \$13,556,014. Principal and interest paid for the current year was \$648,163.

The Town 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 \$153,140. Principal and interest paid for the current year was \$8,700.

The Town 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 \$13,144,473. Principal and interest paid for the current year was \$655,725.

The Town has pledged revenue derived from the property taxes levied on the real property of the Verrado Community Facilities District No. 1 to repay \$24,000,000 in general obligation bonds issued April 2003. 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 \$32,189,850. Principal and interest paid for the current year was \$2,154,250.

The Town has pledged revenue derived from the property taxes levied on the real property of the Verrado Community Facilities District No. 1 to repay \$18,600,000 in general obligation bonds issued October 2006. Proceeds were used for the construction and acquisition of public infrastructure. The bonds are payable from property taxes levied on property owners within the District. The total principal and interest remaining to be paid on the bonds is \$26,332,175. Principal and interest paid for the current year was \$1,384,753.

The Town 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 \$14,869,666. Principal and interest paid for the current year was \$640,242.

The Town has pledged revenue derived from the property taxes levied on the real property of the West Park Community Facilities District to repay \$690,000 in general obligation bonds issued December 2005. Proceeds were used for the construction and acquisition of public infrastructure. The bonds are payable from property taxes levied on property owners within the District. The total principal and interest remaining to be paid on the bonds is \$922,610. Principal and interest paid for the current year was \$52,375.

The Town has pledged revenue derived from the property taxes levied on the real property of the West Park Community Facilities District to repay \$4,420,000 in general obligation bonds issued October 2006. Proceeds were used for the construction and acquisition of public infrastructure. The bonds are payable from property taxes levied on property owners within the District. The total principal and interest remaining to be paid on the bonds is \$6,157,925. Principal and interest paid for the current year was \$319,668.

The Town has pledged revenue derived from the property taxes levied on the real property of the West Park Community Facilities District to repay \$2,480,000 in general obligation bonds issued July 2007. Proceeds were used for the construction and acquisition of public infrastructure. The bonds are payable from property taxes levied on property owners within the District. The total principal and interest remaining to be paid on the bonds is \$3,872,133. Principal and interest paid for the current year was \$177,603.

On February 24, 2011, the Town extinguished the remaining outstanding debt on the Sundance Community Facilities District Series 2004 General Obligation Bonds. Cash was paid to a trust agent for the purpose of holding amounts in escrow for future debt service payments on the defeased bonds outstanding. As of June 30, 2012, the defeased amount outstanding on the bonds was \$4,747,948.

The Town 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 \$371,856. The total principal and interest remaining to be paid on the bonds is \$6,260,119. On February 24, 2011, the Town 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, 2012, the defeased amount outstanding on the bonds was \$1,014,492.

Town of Buckeye, Arizona
Notes to Financial Statements
June 30, 2012

Purpose	Interest Rates (%)	Matures	Original Issue Amount	Amount Outstanding
Governmental activities:				
<i>Improvement District Bonds:</i>				
Miller Road Improvement Bonds	5.45%	July 2017	\$ 4,435,000	\$ 1,005,000
Jackrabbit Trail Sewer Improvements Bonds	6.25%	January 2029	2,545,000	1,792,000
Total Improvement District Bonds			<u>\$ 6,980,000</u>	<u>\$ 2,797,000</u>
<i>Revenue Bonds:</i>				
Greater Arizona Development Authority Excise Tax Revenue Bonds -				
Series 2005A	3.0 - 5.0%	July 2030	\$ 9,400,000	\$ 8,495,000
Series 2006A	4.0 - 5.0%	August 2036	14,730,000	14,425,000
Series 2007A	4.0 - 5.0%	August 2031	2,200,000	2,025,000
Excise Tax Revenue Refunding Bonds, Series 2010	2.5% - 4%	July 2020	1,795,000	1,795,000
Total Revenue Bonds			<u>\$ 28,125,000</u>	<u>\$ 26,740,000</u>
<i>Community Facilities District Bonds:</i>				
Sundance Special Assessment Revenue Bonds				
Series 2002	2.25 - 7.75%	July 2022	\$ 11,300,000	\$ 2,893,000
Series 2003	5.0 - 7.125%	July 2027	7,175,000	3,586,000
Series 2004	6.50%	July 2029	2,050,000	876,000
West Park Special Assessment Revenue Bonds, Series 2005	4.55 - 5.9%	July 2029	3,800,000	2,368,000
Festival Ranch Special Assessment Revenue Bonds,				
Series 2005	4.0 - 5.55%	July 2030	1,448,000	400,000
Series 2009	8.88%	July 2034	356,000	289,000
Series 2011	8.50%	July 2035	404,000	383,000
Watson Road Special Assessment Revenue Bonds, Series 2005	4.5 - 6.0%	July 2030	49,000,000	39,482,000
Festival Ranch Special Assessment Lien Bonds,				
Series 2007	4.2 - 5.0%	July 2032	1,868,000	1,409,000
Series 2007	4.3 - 5.75%	July 2032	1,784,000	1,425,000
Verrado District No. 1, General Obligation Bonds				
Series 2003	6.0 - 6.5%	July 2027	24,000,000	20,400,000
Series 2006	4.85 - 5.35%	July 2031	18,600,000	16,315,000
Sundance General Obligation Bonds,				
Series 2005	4.0 - 5.125%	July 2030	6,000,000	4,200,000
Verrado Western Overlay General Obligation Bonds, Series 2004				
	Variable	July 2029	13,000,000	11,500,000
Tartesso West General Obligation Bonds,				
Series 2005	6.00%	July 2030	110,000	92,000
Series 2007	4.35 - 5.90%	July 2032	8,750,000	7,620,000
West Park General Obligation Bonds,				
Series 2005	5.15 - 5.60%	July 2030	690,000	575,000
Series 2006	4.20 - 5.25%	July 2031	4,420,000	3,830,000
Series 2007	4.7 - 5.45%	July 2032	2,480,000	2,235,000
Festival Ranch General Obligation Bonds,				
Series 2006	4.9 - 5.3%	July 2031	800,000	675,000
Series 2007	4.65 - 5.8%	July 2032	1,535,000	1,355,000
Series 2009A	5% - 6.5%	July 2031	5,435,000	4,600,000
Series 2009B	8% - 8.625%	July 2034	2,165,000	2,165,000
Total Community Facilities Districts Bonds			<u>\$ 167,170,000</u>	<u>\$ 128,673,000</u>

Town of Buckeye, Arizona
Notes to Financial Statements
June 30, 2012

Purpose	Interest Rates (%)	Matures	Original Issue Amount	Amount Outstanding
Business-type Activities:				
WIFA Bond	2.85%	July 2029	12,000,000	11,048,724
Total Business-type Bonds			<u>\$ 12,000,000</u>	<u>\$ 11,048,724</u>

Changes in long-term obligations for the year ended June 30, 2012 are as follows:

	July 1, 2011	Increases	Decreases	June 30, 2012	Due Within One Year
Governmental Activities:					
Bonds payable:					
Improvement	\$ 3,508,000	\$ -	\$ (711,000)	\$ 2,797,000	\$ 263,000
Revenue	27,565,000	-	(825,000)	26,740,000	1,040,000
Community facilities district	134,623,000	-	(5,950,000)	128,673,000	4,527,000
Deferred amount on premium	981,784	-	(61,178)	920,606	61,178
Deferred amount on discount	(694,247)	-	48,732	(645,515)	(48,732)
Total bonds payable	<u>165,983,537</u>	<u>-</u>	<u>(7,498,446)</u>	<u>158,485,091</u>	<u>5,842,446</u>
Other liabilities:					
Capital leases	1,109,388	-	(342,631)	766,757	215,109
Compensated absences	981,701	1,028,922	(1,056,191)	954,432	763,546
Total other liabilities	<u>2,091,089</u>	<u>1,028,922</u>	<u>(1,398,822)</u>	<u>1,721,189</u>	<u>978,655</u>
Total long-term liabilities	<u>\$ 168,074,626</u>	<u>\$ 1,028,922</u>	<u>\$ (8,897,268)</u>	<u>\$ 160,206,280</u>	<u>\$ 6,821,101</u>
Business-type Activities:					
Bonds payable:					
Revenue	\$ 10,027,644	\$ 1,502,590	\$ (481,510)	\$ 11,048,724	\$ 493,547
Total bonds payable	<u>10,027,644</u>	<u>1,502,590</u>	<u>(481,510)</u>	<u>11,048,724</u>	<u>493,547</u>
Other liabilities:					
Compensated absences	186,537	16,422	(102,262)	100,697	85,238
Total other liabilities	<u>186,537</u>	<u>16,422</u>	<u>(102,262)</u>	<u>100,697</u>	<u>85,238</u>
Total long-term liabilities	<u>\$ 10,214,181</u>	<u>\$ 1,519,012</u>	<u>\$ (583,772)</u>	<u>\$ 11,149,421</u>	<u>\$ 578,785</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.

Debt service requirements on long-term debt at June 30, 2012 are as follows:

Year ending June 30:	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2013	\$ 5,830,000	\$ 8,710,779	\$ 493,547	\$ 232,484
2014	6,455,000	8,385,555	505,886	219,991
2015	6,718,000	8,060,264	518,533	207,186
2016	6,969,000	7,710,936	531,497	194,060
2017	7,306,000	7,338,309	544,784	180,607
2018-2022	40,569,000	30,467,186	2,935,153	689,162
2023-2027	47,641,000	18,260,796	3,320,856	298,637
2028-2032	31,139,000	5,891,512	2,198,468	8,698
2033-2035	5,583,000	789,580	-	-
	<u>\$ 158,210,000</u>	<u>\$ 95,614,917</u>	<u>\$ 11,048,724</u>	<u>\$ 2,030,826</u>

Note 9 - Interfund Transfers

Interfund transfers for the year ended June 30, 2012 consisted of the following:

Transfers To	Transfers From					Total
	General Fund	CFD Fund	Sewer Fund	Water Fund	Nonmajor Governmental Fund	
General Fund	\$ 414,000	\$ -	\$ 66,718	\$ 338,296	\$ 627,052	\$ 1,446,066
CFD Fund	-	2,633,607	-	-	310,967	2,944,574
HURF Fund	67,924	-	-	-	-	67,924
Sewer Fund	240,000	-	-	243,504	-	483,504
Internal Service Fund	509,412	-	-	-	-	509,412
Nonmajor Governmental Funds	1,792,132	3,409	-	-	4,614	1,800,155
Total	<u>\$ 3,023,468</u>	<u>\$ 2,637,016</u>	<u>\$ 66,718</u>	<u>\$ 581,800</u>	<u>\$ 942,633</u>	<u>\$ 7,251,635</u>

Transfers were made for operations in the applicable fund.

Note 10 - Risk Management

The Town 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 Town's insurance protection is provided by the Arizona Municipal Risk Retention Pool, of which the Town 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 Town is also insured by Arizona Municipal Workers Compensation Fund for potential worker related accidents.

Note 11 - Retirement Plans

Arizona State Retirement System

A. Plan Descriptions

The Town contributes to a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing, multiple-employer defined benefit health care plan; and a cost-sharing, multiple-employer defined benefit long-term disability plan, all of which are administered by the Arizona State Retirement System. The Arizona State Retirement System (through its Retirement Fund) provides retirement (i.e., pension), death, and survivor benefits; the Health Benefit Supplement Fund provides health insurance premium benefits (i.e., a monthly subsidy); and the Long-Term Disability Fund provides long-term disability benefits. Benefits are established by state statute. The System is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

The System issues a comprehensive annual financial report that includes financial statements and required supplementary information. The most recent report may be obtained by writing the System, 3300 North Central Avenue, P.O. Box 33910, Phoenix, AZ 85067-3910 or by calling (602) 240-2000 or (800) 621-3778.

The funding policy and funded status information presented in the following disclosures pertains to information obtained through June 30, 2011 as information for the current year was not available upon issuance of these financial statements.

B. Funding Policy

The Arizona State Legislature establishes and may amend active plan members' and the Town's contribution rates. For the year ended June 30, 2012, the Town and active plan members were each required by statute to contribute at the actuarially determined rate of 10.74 percent (10.5 percent for retirement and 0.24 percent for long-term disability) of the members' annual covered payroll. Amounts of the Town's contributions for the years ended June 30:

	Retirement Fund	Health Benefit Supplement Fund	Long-Term Disability Fund
2012	\$ 819,933	\$ 106,948	\$ 21,186
2011	683,770	89,187	20,129
2010	689,415	142,298	142,298

Public Safety Personnel Retirement System (PSPRS)

A. Plan Description

The Town contributes to the Public Safety Personnel Retirement System (PSPRS), an agent multiple-employer, public employee retirement system that acts as a common investment and administrative agent to provide retirement and death and disability benefits for public safety personnel who are regularly assigned hazardous duty in the employ of the State of Arizona or a political subdivision thereof. All benefit provisions and other requirements are established by State statute. The Public Safety Personnel Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for PSPRS. That report may be obtained by writing to Public Safety Personnel, 1020 E. Missouri Ave., Phoenix, AZ 85014 or by calling (602) 255-5575.

B. Funding Policy

Covered employees are required to contribute 7.65 percent of their annual salary to the PSPRS. The Town is required to contribute the remaining amounts necessary to fund the PSPRS, as determined by the actuarial basis specified by statute. The current rate is 5.97 percent for police and 5.27 percent for fire of annual covered payroll.

C. Annual Pension Cost

During the year ended June 30, 2012, 2011 and 2010 the Town of Buckeye, Arizona's annual pension cost of \$554,2267, \$591,278 and \$415,127 for police, respectively, and \$452,744, \$512,008 and \$407,033 for fire, respectively, was equal to the Town of Buckeye, Arizona's required and actual contributions.

The required contribution was determined as part of the actuarial valuation using an entry age actuarial funding method. Significant actuarial assumptions used in determining the entry age actuarial accrued liability include (a) a rate of return on the investment of present and future assets of 8.25% per year compounded annually, (b) projected salary increases of 5.0% per year compounded annually attributable to inflation, and (c) additional projected salary increases of 0.5% to 8.0% per year attributable to seniority/merit.

D. Funded Status and Funding Progress

As of June 30, 2011, the plan was 82.7% funded for police and 107.2% funded for fire. For police, the actuarial accrued liability for benefits was \$12.3 million, and the actuarial value of assets was \$10.2 million, resulting in an unfunded actuarial accrued liability of (UAAL) of \$1.2 million. For fire, the actuarial accrued liability for benefits was \$7.6 million, and the actuarial value of assets was \$8.1 million, resulting in a fully funded actuarial accrued liability (UAAL). The covered payroll (annual payroll of active employees covered by the plan) was \$4.3 million for police and \$4.5 million for fire, and the ratio of the UAAL to the covered payroll was 49.4% for police and 0% for fire.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The actuarial value of the Town of Buckeye, Arizona's assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period. The Town of Buckeye, Arizona's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2011, was 19 years.

The preceding methods comply with the financial reporting standards established by the Governmental Accounting Standards Board.

Three-Year Trend Information

Police			
Fiscal Year Ended June 30	Annual Pension Cost (APC)	Percent Contributed	Net Pension Obligation
2009	578,180	100.0%	-
2010	415,127	100.0%	-
2011	591,278	100.0%	-

Three-Year Trend Information

Fire			
Fiscal Year Ended June 30	Annual Pension Cost (APC)	Percent Contributed	Net Pension Obligation
2009	722,834	100.0%	-
2010	407,033	100.0%	-
2011	512,008	100.0%	-

Additional historical trend information for the Town's PSPRS is disclosed on page 55.

Historical trend information is presented in order for a reader to assess the progress made in accumulating sufficient assets to pay pension benefits as they become payable.

Firefighters' Relief and Pension Fund

The Town of Buckeye Volunteer Firefighters' Relief and Pension Fund is a defined contribution pension plan administered by the Town and a board of trustees for the Town'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, 2011, there were no contributions made.

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

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

Note 12 - Contingent Liabilities

Accumulated Sick Leave - Sick leave benefits provide for ordinary sick pay and are cumulative but do not vest with employees and, therefore, are not accrued. Unvested accumulated sick leave of Town employees at June 30, 2012, totaled \$1,503,800.

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

Note 13 - Correction of an Error

During the current year, the Town's finance department discovered sidewalks donated to the Town in prior fiscal years that had not been recorded. As a result, a restatement has been made in these financial statements for the fiscal year to adjust the Town's capital assets for the amount of \$5,523,364 for the governmental activities. As of June 30, 2012, this error was corrected to reflect true and complete balances.

	Governmental Activities
Net assets, beginning balance, as previously stated	\$ 345,122,747
Capital assets not included, net	5,523,364
Net assets, beginning balance, as restated	\$ 350,646,111

Note 14 - Subsequent Event

Subsequent to year-end, the Town issued \$5,400,000 in general obligation bonds and pledged revenue derived from the property taxes levied on the real property of the Festival Ranch Community Facilities District to repay the bonds. Proceeds are to be used for the acquisition and construction of community district facilities. The bonds are payable from property taxes levied on property owners within the District. The total principal and interest to be paid on the bonds is \$7,378,524.

Required Supplementary Information

Town of Buckeye, Arizona
Public Safety Personnel Retirement System – Schedule of Funding Progress
June 30, 2012

Police						
Valuation Date June 30	Actuarial Value of Assets	Entry Age Actuarial Accrued Liability (AAL)	Percent Funded	Over (Under) Funded AAL	Annual Covered Payroll	Over (Under) Funded AAL as a Percentage of Covered Payroll
2009	8,455,403	9,383,706	90.1%	(928,303)	4,583,561	(20.3)%
2010	9,069,732	9,958,482	91.1%	(888,750)	4,341,609	(20.5)%
2011	10,153,281	12,276,556	82.7%	(2,123,275)	4,302,307	49.4%
Fire						
Valuation Date June 30	Actuarial Value of Assets	Entry Age Actuarial Accrued Liability (AAL)	Percent Funded	Over (Under) Funded AAL	Annual Covered Payroll	Over (Under) Funded AAL as a Percentage of Covered Payroll
2009	5,665,144	5,524,960	102.5%	140,184	5,011,058	0.0%
2010	6,775,242	5,921,844	114.4%	853,398	4,555,087	0.0%
2011	8,139,108	7,595,654	107.2%	543,454	4,546,044	0.0%

**Combining and Individual Fund
Statements and Schedules**

Town of Buckeye, Arizona

CFD Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>			Variance with Revised Budget Positive (Negative)
	<u>Adopted</u>	<u>Revised</u>	<u>Actual</u>	
Revenues				
Taxes	\$ 4,163,689	\$ 4,163,689	\$ 4,477,974	\$ 314,285
Special assessments	5,890,359	5,890,359	5,980,393	90,034
Investment earnings	1,935	449,208	1,932	(447,276)
Other	<u>2,041,117</u>	<u>2,041,117</u>	<u>2,110,118</u>	<u>69,001</u>
Total revenues	<u>12,097,100</u>	<u>12,544,373</u>	<u>12,570,417</u>	<u>26,044</u>
Expenditures				
Current				
Miscellaneous expense	-	-	986,548	986,548
Debt Service				
Principal retirement	4,611,000	4,611,000	5,950,000	1,339,000
Interest on long-term debt	8,875,513	8,875,513	7,359,502	(1,516,011)
Contingencies	<u>16,155,581</u>	<u>10,704,254</u>	<u>-</u>	<u>(10,704,254)</u>
Total expenditures	<u>29,642,094</u>	<u>24,190,767</u>	<u>14,296,050</u>	<u>(9,894,717)</u>
Revenues over (Under)				
Expenditures	<u>(17,544,994)</u>	<u>(11,646,394)</u>	<u>(1,725,633)</u>	<u>9,920,761</u>
Other Financing Sources (Uses)				
Transfers in	3,009,470	3,009,470	2,944,574	(64,896)
Transfers out	<u>(3,012,770)</u>	<u>(3,012,770)</u>	<u>(2,637,016)</u>	<u>375,754</u>
Total other financing sources (uses)	<u>(3,300)</u>	<u>(3,300)</u>	<u>307,558</u>	<u>310,858</u>
Net Change in Fund Balances	(17,548,294)	(11,649,694)	(1,418,075)	10,231,619
Fund Balances, Beginning of Year	<u>17,548,294</u>	<u>11,649,694</u>	<u>13,769,506</u>	<u>(2,119,812)</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,351,431</u>	<u>\$ 8,111,807</u>

Town of Buckeye, Arizona

Debt Service Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Year Ended June 30, 2012

	Budgeted Amounts			Variance with Revised Budget Positive (Negative)
	Adopted	Revised	Actual	
Revenues				
Special assessments	\$ 719,813	\$ 719,813	\$ 923,039	\$ 203,226
Other	60,800	60,800	46,464	(14,336)
Total revenues	<u>780,613</u>	<u>780,613</u>	<u>969,503</u>	<u>188,890</u>
Expenditures				
Current				
General government	50,325	50,325	143,123	92,798
Highway and street	262,970	262,970	-	(262,970)
Debt Service				
Principal retirement	400,000	400,000	711,000	311,000
Interest on long-term debt	274,003	274,003	201,501	(72,502)
Contingencies	728,626	728,626	-	(728,626)
Capital Outlay	24,461	24,461	44,508	20,047
Total expenditures	<u>1,740,385</u>	<u>1,740,385</u>	<u>1,100,132</u>	<u>(640,253)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(959,772)</u>	<u>(959,772)</u>	<u>(130,629)</u>	<u>829,143</u>
Net Change in Fund Balances	(959,772)	(959,772)	(130,629)	829,143
Fund Balances, Beginning of Year	<u>959,772</u>	<u>959,772</u>	<u>882,057</u>	<u>77,715</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 751,428</u>	<u>\$ 906,858</u>

Town of Buckeye, Arizona
 Nonmajor Governmental Funds – Combining Balance Sheet
 June 30, 2012

	Special Revenue Funds	CFD Special Revenue	Capital Projects Fund	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 577,366	\$ 1,002,617	\$ 1,168,618	\$ 2,748,601
Investments	1,340,232	1,481,344	12,275,254	15,096,830
Receivables, net				
Accounts	365,567	4,100	567,955	937,622
Taxes	-	4,327	-	4,327
Restricted assets	-	543,964	457,888	1,001,852
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 2,283,165</u>	<u>\$ 3,036,352</u>	<u>\$ 14,469,715</u>	<u>\$ 19,789,232</u>
Liabilities and Fund Balance				
Liabilities				
Accounts payable	\$ 956,567	\$ 402,010	\$ 691,281	\$ 2,049,858
Due to other funds	18,152	-	-	18,152
Deferred revenue	3,611	-	-	3,611
Total liabilities	<u>978,330</u>	<u>402,010</u>	<u>691,281</u>	<u>2,071,621</u>
Fund Balance				
Restricted	1,871,368	543,964	13,768,211	16,183,543
Assigned	-	2,090,378	-	2,090,378
Unassigned	(566,533)	-	10,223	(556,310)
Total fund balance	<u>1,304,835</u>	<u>2,634,342</u>	<u>13,778,434</u>	<u>17,717,611</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balance	<u>\$ 2,283,165</u>	<u>\$ 3,036,352</u>	<u>\$ 14,469,715</u>	<u>\$ 19,789,232</u>

Town of Buckeye, Arizona

Nonmajor Governmental Funds – Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2012

	Special Revenue Funds	CFD Special Revenue	Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues				
Improvement proceeds	\$ -	\$ 512,853	\$ -	\$ 512,853
Intergovernmental	171,975	-	86,642	258,617
Charges for services	449,201	368,920	-	818,121
Contributions and donations	706,068	155,664	6,331,748	7,193,480
Investment earnings	197	77	1,916	2,190
Other	1,141,060	3,544	1,388,931	2,533,535
	<u>2,468,501</u>	<u>1,041,058</u>	<u>7,809,237</u>	<u>11,318,796</u>
Expenditures				
Current				
General government	526,629	1,797,313	61,569	2,385,511
Public safety	1,259,843	-	-	1,259,843
Health and welfare	570,138	-	-	570,138
Capital outlay	798,973	-	9,861,333	10,660,306
	<u>3,155,583</u>	<u>1,797,313</u>	<u>9,922,902</u>	<u>14,875,798</u>
Revenues over (Under) Expenditures	<u>(687,082)</u>	<u>(756,255)</u>	<u>(2,113,665)</u>	<u>(3,557,002)</u>
Other Financing Sources (Uses)				
Transfers in	1,541,817	8,024	250,314	1,800,155
Transfers out	(5,463)	(315,580)	(621,590)	(942,633)
	<u>1,536,354</u>	<u>(307,556)</u>	<u>(371,276)</u>	<u>857,522</u>
Net Change in Fund Balances	849,272	(1,063,811)	(2,484,941)	(2,699,480)
Fund Balances, Beginning of Year	<u>455,563</u>	<u>3,698,153</u>	<u>16,263,375</u>	<u>20,417,091</u>
Fund Balances, End of Year	<u>\$ 1,304,835</u>	<u>\$ 2,634,342</u>	<u>13,778,434</u>	<u>\$ 17,717,611</u>

Town of Buckeye, Arizona
 Nonmajor Special Revenue Funds – Combining Statement Balance Sheet
 June 30, 2012

	Fill the Gap Fund	R.I.C.O. Fund	V.A.L.U.E. Kids Fund	Buckeye Explorer Fund	Youth Scholarship Fund	Impound Fund	Maricopa County CAP	Police Department Grants Fund	Social Services/Area Agency on Aging Fund
Assets									
Cash and cash equivalents	\$ 18,275	\$ 111,672	\$ 3,877	\$ 10,311	\$ 3,611	\$ 79,152	\$ 60,505	\$ -	\$ 146,387
Investments	-	-	-	-	-	-	-	-	-
Receivables, net									
Accounts	1,673	145,132	-	-	-	-	14,974	160,440	43,348
Total assets	<u>\$ 19,948</u>	<u>\$ 256,804</u>	<u>\$ 3,877</u>	<u>\$ 10,311</u>	<u>\$ 3,611</u>	<u>\$ 79,152</u>	<u>\$ 75,479</u>	<u>\$ 160,440</u>	<u>\$ 189,735</u>
Liabilities and Fund Balance									
Liabilities									
Accounts payable	\$ -	\$ 93,341	\$ -	\$ -	\$ -	\$ 9,448	\$ 2,385	\$ 76,016	\$ 189,796
Due to other funds	-	-	-	-	-	-	-	18,152	-
Deferred revenue	-	-	-	-	3,611	-	-	-	-
Total liabilities	<u>-</u>	<u>93,341</u>	<u>-</u>	<u>-</u>	<u>3,611</u>	<u>9,448</u>	<u>2,385</u>	<u>94,168</u>	<u>189,796</u>
Fund Balance									
Restricted	19,948	163,463	3,877	10,311	-	69,704	73,094	66,272	-
Unassigned	-	-	-	-	-	-	-	-	(61)
Total fund balance	<u>19,948</u>	<u>163,463</u>	<u>3,877</u>	<u>10,311</u>	<u>-</u>	<u>69,704</u>	<u>73,094</u>	<u>66,272</u>	<u>(61)</u>
Total liabilities and fund balance	<u>\$ 19,948</u>	<u>\$ 256,804</u>	<u>\$ 3,877</u>	<u>\$ 10,311</u>	<u>\$ 3,611</u>	<u>\$ 79,152</u>	<u>\$ 75,479</u>	<u>\$ 160,440</u>	<u>\$ 189,735</u>

Town of Buckeye, Arizona
 Nonmajor Special Revenue Funds – Combining Statement Balance Sheet
 June 30, 2012

	Fire Grants Fund	Grant Programs	Equipment Replacement Fund	JCEF	Downtown Revitalization	Better Your Buckeye	Special District	Total
Assets								
Cash and cash equivalents	\$ 31,322	\$ 65,069	\$ -	\$ 44,850	\$ -	\$ 2,335	\$ -	\$ 577,366
Investments	-	-	970,232	-	-	-	370,000	1,340,232
Receivables, net	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-	365,567
	<u>31,322</u>	<u>65,069</u>	<u>970,232</u>	<u>44,850</u>	<u>-</u>	<u>2,335</u>	<u>370,000</u>	<u>2,283,165</u>
Total assets	<u>\$ 31,322</u>	<u>\$ 65,069</u>	<u>\$ 970,232</u>	<u>\$ 44,850</u>	<u>\$ -</u>	<u>\$ 2,335</u>	<u>\$ 370,000</u>	<u>\$ 2,283,165</u>
Liabilities and Fund Balance								
Liabilities								
Accounts payable	\$ -	\$ 2,299	\$ -	\$ 16,668	\$ 566,472	\$ 142	\$ -	\$ 956,567
Due to other funds	-	-	-	-	-	-	-	18,152
Deferred revenue	-	-	-	-	-	-	-	3,611
Total liabilities	<u>-</u>	<u>2,299</u>	<u>-</u>	<u>16,668</u>	<u>566,472</u>	<u>142</u>	<u>-</u>	<u>978,330</u>
Fund Balance								
Restricted	31,322	62,770	970,232	28,182	-	2,193	370,000	1,871,368
Unassigned	-	-	-	-	(566,472)	-	-	(566,533)
Total fund balance	<u>31,322</u>	<u>62,770</u>	<u>970,232</u>	<u>28,182</u>	<u>(566,472)</u>	<u>2,193</u>	<u>370,000</u>	<u>1,304,835</u>
	<u>31,322</u>	<u>65,069</u>	<u>970,232</u>	<u>44,850</u>	<u>-</u>	<u>2,335</u>	<u>370,000</u>	<u>2,283,165</u>
Total liabilities and fund balance	<u>\$ 31,322</u>	<u>\$ 65,069</u>	<u>\$ 970,232</u>	<u>\$ 44,850</u>	<u>\$ -</u>	<u>\$ 2,335</u>	<u>\$ 370,000</u>	<u>\$ 2,283,165</u>

Town of Buckeye, Arizona

Nonmajor Special Revenue Funds – Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2012

	Fill the Gap Fund	R.I.C.O. Fund	V.A.L.U.E. Kids Fund	Buckeye Explorer Fund	Youth Scholarship Fund	Impound Fund	Maricopa County CAP	Police Department Grants Fund	Social Services/Area Agency on Aging Fund
Revenues									
Intergovernmental revenue	\$ 5,498	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 96,121	\$ -	\$ -
Charges for services	-	-	-	-	-	79,201	-	-	-
Contributions and donations	-	-	-	-	-	-	-	588,394	-
Investment earnings	-	-	-	-	-	-	-	-	-
Other	-	906,502	-	-	-	-	-	-	218,083
Total revenues	5,498	906,502	-	-	-	79,201	96,121	588,394	218,083
Expenditures									
Current									
General government	35,000	7,005	-	-	-	-	-	-	-
Public safety	-	528,675	-	-	-	66,903	-	544,105	-
Health and welfare	-	-	-	-	-	-	102,145	-	467,993
Capital outlay	-	212,662	-	-	-	-	-	7,512	-
Total expenditures	35,000	748,342	-	-	-	66,903	102,145	551,617	467,993
Revenues over (Under)									
Expenditures	(29,502)	158,160	-	-	-	12,298	(6,024)	36,777	(249,910)
Other Financing Sources (Uses)									
Transfers in	-	-	-	-	-	-	-	-	251,837
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	251,837
Net Change in Fund Balances	(29,502)	158,160	-	-	-	12,298	(6,024)	36,777	1,927
Fund Balances, Beginning of Year	49,450	5,303	3,877	10,311	-	57,406	79,118	29,495	(1,988)
Fund Balances, End of Year	\$ 19,948	\$ 163,463	\$ 3,877	\$ 10,311	\$ -	\$ 69,704	\$ 73,094	\$ 66,272	\$ (61)

Town of Buckeye, Arizona
 Nonmajor Special Revenue Funds – Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Year Ended June 30, 2012

	Fire Grants Fund	Grant Programs	Equipment Replacement Fund	JCEF	Downtown Revitalization	Better Your Buckeye	Special District	Total
Revenues								
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ 9,350	\$ 61,006	\$ -	\$ -	\$ 171,975
Charges for services	-	-	-	-	-	-	370,000	449,201
Contributions and donations	88,482	26,554	-	-	-	2,638	-	706,068
Investment earnings	-	-	197	-	-	-	-	197
Other	-	-	15,647	-	-	828	-	1,141,060
Total revenues	<u>88,482</u>	<u>26,554</u>	<u>15,844</u>	<u>9,350</u>	<u>61,006</u>	<u>3,466</u>	<u>370,000</u>	<u>2,468,501</u>
Expenditures								
Current								
General government	-	8,516	364,224	43,123	67,488	1,273	-	526,629
Public safety	120,160	-	-	-	-	-	-	1,259,843
Health and welfare	-	-	-	-	-	-	-	570,138
Capital outlay	-	13,763	-	-	565,036	-	-	798,973
Total expenditures	<u>120,160</u>	<u>22,279</u>	<u>364,224</u>	<u>43,123</u>	<u>632,524</u>	<u>1,273</u>	<u>-</u>	<u>3,155,583</u>
Revenues over (Under)								
Expenditures	<u>(31,678)</u>	<u>4,275</u>	<u>(348,380)</u>	<u>(33,773)</u>	<u>(571,518)</u>	<u>2,193</u>	<u>370,000</u>	<u>(687,082)</u>
Other Financing Sources (Uses)								
Transfers in	-	-	1,275,840	-	14,140	-	-	1,541,817
Transfers out	-	-	-	-	(5,463)	-	-	(5,463)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,275,840</u>	<u>-</u>	<u>8,677</u>	<u>-</u>	<u>-</u>	<u>1,536,354</u>
Net Change in Fund Balances	(31,678)	4,275	927,460	(33,773)	(562,841)	2,193	370,000	849,272
Fund Balances, Beginning of Year	<u>63,000</u>	<u>58,495</u>	<u>42,772</u>	<u>61,955</u>	<u>(3,631)</u>	<u>-</u>	<u>-</u>	<u>455,563</u>
Fund Balances, End of Year	<u>\$ 31,322</u>	<u>\$ 62,770</u>	<u>\$ 970,232</u>	<u>\$ 28,182</u>	<u>\$ (566,472)</u>	<u>\$ 2,193</u>	<u>\$ 370,000</u>	<u>\$ 1,304,835</u>

Statistical Section (Unaudited)

This part of the Town 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 Town's overall financial health.

Property Tax Levies and Rates

Direct and Overlapping Property Tax Rates (excluding Special Districts)

Property Tax Levies and Collections

Town Sales Tax Revenues

Direct and Overlapping Sales Tax Rates

Selected Demographic and Economic Statistics

Principal Employers

Authorized Positions

Selected Town of Buckeye Financial Indicators

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

Town of Buckeye, Arizona
Property Tax Levies and Rates
Last Six Fiscal Years

Year	Secondary			Primary			Total	
	Assessed Value	Levy	Rate/\$100	Assessed Value	Levy	Rate/\$100	Levy	Rate/\$100
FY 06-07	193,594,069	331,820	\$ 0.1714	165,083,549	1,924,378	\$ 1.1657	2,256,198	\$ 1.3371
FY 07-08	369,230,204	347,051	\$ 0.0940	270,854,878	2,838,830	\$ 1.0481	3,185,881	\$ 1.1421
FY 08-09	587,576,411	-	\$ -	401,259,863	3,604,918	\$ 0.8984	3,604,918	\$ 0.8984
FY 09-10	595,778,177	-	\$ -	483,863,477	4,282,676	\$ 0.8851	4,282,676	\$ 0.8851
FY 10-11	425,009,460	-	\$ -	402,367,355	4,781,331	\$ 1.1883	4,781,331	\$ 1.1883
FY 11-12	322,876,453	-	\$ -	315,361,719	5,065,024	\$ 1.6061	5,065,024	\$ 1.6061

Town of Buckeye, Arizona
Direct and Overlapping Property Tax Rates
Last Six Fiscal Years
(rate per \$100 of assessed value)

Fiscal Year	Tax	Town Of Buckeye	Maricopa County	Library District	Flood Control District	Fire District Assistance	Central AZ Water Conservation District	Maricopa Health Care District	Community College District	Buckeye Valley Rural Fire District	Wickenburg School District #9	Liberty School District #25	Arlington School District #47	Palo Verde School District #49	Morristown School District #75	Litchfield School District #79	Saddle Mtn. District #90	Buckeye School District #33	Union High School #201
FY 06-07	Primary	1.1657	1.1794	-	-	-	-	-	0.8815	-	3.8318	2.3710	0.6633	2.6157	4.1736	2.0284	0.8045	5.9226	2.2124
	Secondary	-	0.1714	-	0.0570	0.2047	0.0068	0.1200	0.1184	0.1831	1.9883	1.9164	1.6369	0.2132	0.7958	0.4436	1.2399	0.5512	1.7068
FY 07-08	Primary	1.0481	1.1046	-	-	-	-	-	0.8246	-	4.8790	2.2801	0.7403	2.0506	3.8937	1.8211	1.0773	4.8002	2.0597
	Secondary	-	0.0940	-	0.0391	0.1533	0.0053	0.1000	0.0935	0.1514	2.4616	1.4728	1.3429	0.2010	1.8013	0.3103	0.9013	0.5872	1.6313
FY 08-09	Primary	0.8984	1.0327	-	-	-	-	-	0.7752	-	3.7588	1.6996	0.5257	1.8004	2.4891	1.7569	1.3587	4.3574	1.8473
	Secondary	-	-	-	0.0353	0.1367	0.0053	0.1000	0.0856	0.1634	2.4845	0.9388	1.0019	0.1617	1.0573	0.1179	0.7732	0.4636	1.2449
FY 09-10	Primary	0.8851	0.9909	-	-	-	-	-	0.7246	-	3.6060	1.4854	0.6241	1.8630	2.5792	1.6153	0.6430	4.2307	1.6158
	Secondary	-	-	-	0.0353	0.1367	0.0057	0.1000	0.0914	0.1598	2.5458	0.9439	1.1753	0.1532	0.5661	0.0805	1.0062	0.4722	1.2406
FY 10-11	Primary	1.1883	1.0508	-	-	-	-	-	0.7926	-	2.4014	1.9639	0.5520	1.5408	2.6206	1.6167	0.7529	3.3536	1.7454
	Secondary	-	-	-	0.0412	0.1489	0.0066	0.1000	0.1122	0.1802	2.5458	1.1585	1.3425	0.1578	0.8488	0.3413	1.2963	0.6119	1.6656
FY 11-12	Primary	1.6061	1.2407	-	-	-	-	-	1.0123	-	3.0483	1.8682	0.5837	2.2721	3.3509	1.9408	0.7666	3.1982	2.1962
	Secondary	-	-	-	0.0492	0.1780	0.0084	0.1000	0.1494	0.1959	3.1000	1.4037	1.3302	0.1729	1.5239	0.5014	1.3182	0.4446	1.8674

Source: County Assessor's Records

Town of Buckeye, Arizona
 Property Tax Levies and Collections
 Last Six Fiscal Years

Fiscal Year	Levy	Collections	Percentage Collected	Prior Year Collections	Total Collected
FY 06-07	1,634,369	1,588,419	97.19%	22,107	1,610,526
FY 07-08	2,256,198	2,138,095	94.77%	27,760	2,165,855
FY 08-09	3,185,881	3,048,188	95.68%	77,461	3,125,649
FY 09-10	3,604,918	3,309,421	91.80%	144,561	3,453,982
FY 10-11	4,781,331	4,019,577	84.07%	183,572	4,203,149
FY 11-12	5,332,766	4,867,847	91.28%	27,092	4,894,939

Source: Maricopa Assessors Office

Town of Buckeye, Arizona
Town Sales Tax Revenue
Last Six Fiscal Years

Industry Group	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
Mining	38,320	20,282	13,234	13,858	27,910	23,116
Telecom	561,646	595,295	444,682	560,214	506,308	638,909
Utilities	-	99,479	254,570	231,377	656,102	969,451
Trans & Warehouse	3,340	6,753	8,874	13,232	10,604	9,843
Construction	17,262,236	12,800,332	7,747,205	3,658,662	2,977,754	2,931,187
Retail	2,338,839	3,943,439	4,352,823	4,167,525	5,848,314	7,084,862
Real Estate Rentals	507,960	693,662	756,946	779,193	1,067,076	1,412,951
Rest .& Bars	279,549	465,604	526,868	459,774	736,748	987,256
Hotels	36,867	49,329	44,156	39,588	47,669	53,227
Svcs, Fin, Ins	40,060	88,433	194,011	149,910	234,262	248,639
Arts & Entertain	111,038	153,918	110,962	109,461	159,331	180,693
Other	39,752	1,195	-	822	-	-
Brits Charges	(16,479)	(20,225)	(8,069)	(3,119)	-	-
Total	21,203,128	18,897,495	14,446,262	10,180,495	12,272,078	14,540,134

Town of Buckeye, Arizona
 Direct and Overlapping Sales Tax Rates
 Last Six Fiscal Years

Fiscal Year	Buckeye*	Maricopa County		Arizona State	TOTAL
		Road	Jail		
FY 06-07	2.00%	0.50%	0.20%	5.60%	8.30%
FY 07-08	2.00%	0.50%	0.20%	5.60%	8.30%
FY 08-09	2.00%	0.50%	0.20%	5.60%	8.30%
FY 09-10	2.00%	0.50%	0.20%	6.60%	9.30%
FY 10-11	3.00%	0.50%	0.20%	6.60%	10.30%
FY 11-12	3.00%	0.50%	0.20%	6.60%	10.30%

Source: Arizona Department of Revenue

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

Town of Buckeye, Arizona
 Selected Demographic and Economic Statistics
 Last Six Fiscal Years

Fiscal Year	Population 1 Estimates July 1	Personal Income 2	Per Capita Personal Income	Unemployment Rate 3
FY 06-07	31,290	1,478,746,408	47,259	4.0%
FY 07-08	39,767	2,288,611,185	57,550	4.8%
FY 08-09	49,131	2,671,819,612	54,381	6.1%
FY 09-10	51,560	2,532,460,944	49,117	8.5%
FY 10-11	51,019	1,999,638,686	39,194	11.2%
FY 11-12	52,334	2,363,246,438	45,157	10.1%

Sources: 1 Arizona Department of Economic Security
 2: Arizona Department of Economic Security
 3: Arizona Workforce Information

Town of Buckeye, Arizona
Principal Employers
Current Year

2012			
Employer	Employees	Rank	Percentage of Principal Town Employment
Lewis Prison complex	1,196	1	30.91%
Wal-Mart Distribution Center	1,109	2	28.66%
Town of Buckeye	330	3	8.53%
Litchfield Elementary School District #79	283	4	7.31%
Liberty Elementary School District	225	5	5.82%
Smith Food Drug Stores Fry's Food Store	184	6	4.76%
Buckeye Union High School District 201	150	7	3.88%
Lowe's	150	8	3.88%
Agua Fria Union High School District 216	130	9	3.36%
DMB Verrado Golf, LLC	112	10	2.89%
Total	3,869		100.00%

Source: MAG Employer Database.

Town of Buckeye, Arizona
Authorized Positions
Last Six Fiscal Years

Program/Department	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
Administration	14.00	17.00	18.00	10.00	4.00	6.00
Mayor & Council	1.00	1.00	1.00	1.00	1.00	1.00
Economic Development	3.00	6.00	7.00	-	1.00	3.00
Manager	10.00	10.00	10.00	9.00	2.00	2.00
Administrative Services	42.00	48.00	54.00	35.50	26.50	28.00
Administrative Services	-	-	-	-	1.00	2.00
Clerk	5.00	6.00	7.00	4.00	3.00	3.00
Finance	22.00	27.00	29.00	18.00	11.00	11.00
Human Resources	6.00	6.00	9.00	7.50	5.50	6.00
Information Technology	9.00	9.00	9.00	6.00	6.00	6.00
Community Services	32.30	48.80	49.50	46.25	32.00	34.00
Community Services Admin	3.00	4.00	4.00	5.50	3.00	3.60
Library	8.00	9.00	9.50	7.00	8.00	8.00
Parks & Recreation	14.50	25.50	21.00	-	-	-
Parks	-	-	-	11.00	4.50	6.50
Recreation	-	-	4.50	8.50	6.50	5.50
Neighborhood & Family Services	-	-	-	7.25	-	-
Cemetery	-	3.00	3.00	-	-	-
Senior Programs	6.00	6.00	6.00	6.00	7.00	6.65
Community Assistance Program	0.80	1.30	1.50	1.00	3.00	3.75
Development Services	68.00	86.50	93.50	63.40	42.11	43.61
Community Development	23.00	30.00	22.00	12.00	6.50	8.00
Building Safety	12.00	16.00	33.00	14.00	8.30	8.30
Public Works Administration	13.00	7.50	2.50	2.00	1.50	1.25
Facility Maintenance	-	9.00	10.00	8.00	2.00	2.00
Vehicle Maintenance	-	6.00	8.00	8.00	5.00	5.00
Solid Waste Enterprise	-	-	0.00	2.40	3.31	3.31
Airport Enterprise	2.00	2.00	2.00	2.00	0.50	0.25
Streets	18.00	16.00	16.00	15.00	15.00	15.50
Public Safety	199.70	270.70	202.17	188.00	184.50	186.50
Fire	97.70	158.70	90.67	87.00	83.00	83.00
Magistrate Court	6.00	7.00	6.50	6.50	6.50	6.50
Police	96.00	105.00	105.00	94.50	95.00	97.00
Water & Wastewater	42.00	52.50	43.50	36.10	36.69	40.69
Total	398.00	523.50	460.67	379.25	325.80	338.80

Town of Buckeye, Arizona
 Selected Town of Buckeye Financial Indicators
 Last Six Fiscal Years

Indicators	Budget FY 06-07	Budget FY 07-08	Budget FY 08-09	Budget FY 09-10	Budget FY 10-11	Budget FY 11-12
Population @ July 1	31,290	39,767	49,131	51,560	51,019	52,334
Annual Percent Change	32.11%	27.09%	23.55%	4.94%	-1.05%	2.58%
Net Assessed Valuation (NAV)	\$ 193,594,069	\$ 369,230,204	\$587,576,411	\$595,778,177	\$425,009,460	\$322,876,453
Annual Percent Change	67.88%	90.72%	59.14%	1.40%	-28.66%	-24.03%
Fulltime Positions/1000Capita	12.72	13.16	9.38	7.36	6.39	6.47
Annual Percent Change	-6.87%	3.50%	-28.77%	-21.55%	-13.18%	1.38%
General Fund Beginning Balance	19,867,167	21,363,427	15,242,542	8,551,245	6,276,479	8,251,981
Annual Percent Change	67.27%	7.53%	-28.65%	-43.90%	-26.60%	31.47%
Full Cash Value	\$ 1,510,913,127	\$ 3,010,476,884	\$ 5,337,971,708	\$ 5,499,282,767	\$ 4,197,534,786	\$ 3,492,706,722
Annual Percent Change	78.21%	99.25%	77.31%	3.02%	-23.67%	-16.79%