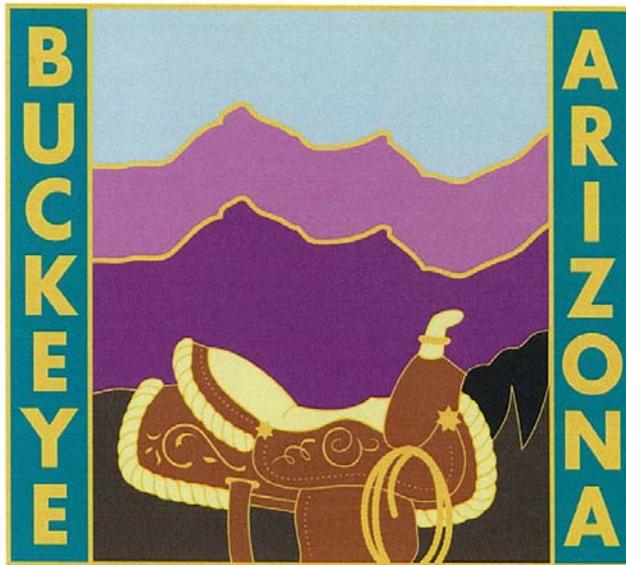




Comprehensive Annual Financial Report
June 30, 2013

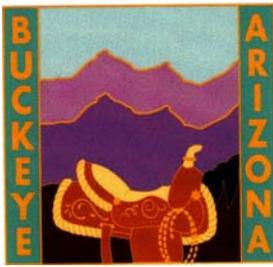


TOWN OF BUCKEYE, ARIZONA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE
FISCAL YEAR ENDED June 30, 2013

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 22, 2013

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, 2013. 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, 2013. 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 auditor's 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 54,000 in 2013 based on a report published by Department of Public Safety. 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 expenditure 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 incorporates performance expectations and initiatives into their annual budgeting process, which are intended to move the Town toward achieving its goals. Department directors are held responsible for the fiscal performance of their units as well as the programmatic performance of their units. The 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
/iw

Jackie Meck
Mayor

Brian McAchran
Vice Mayor

Michelle Hess
Councilmember

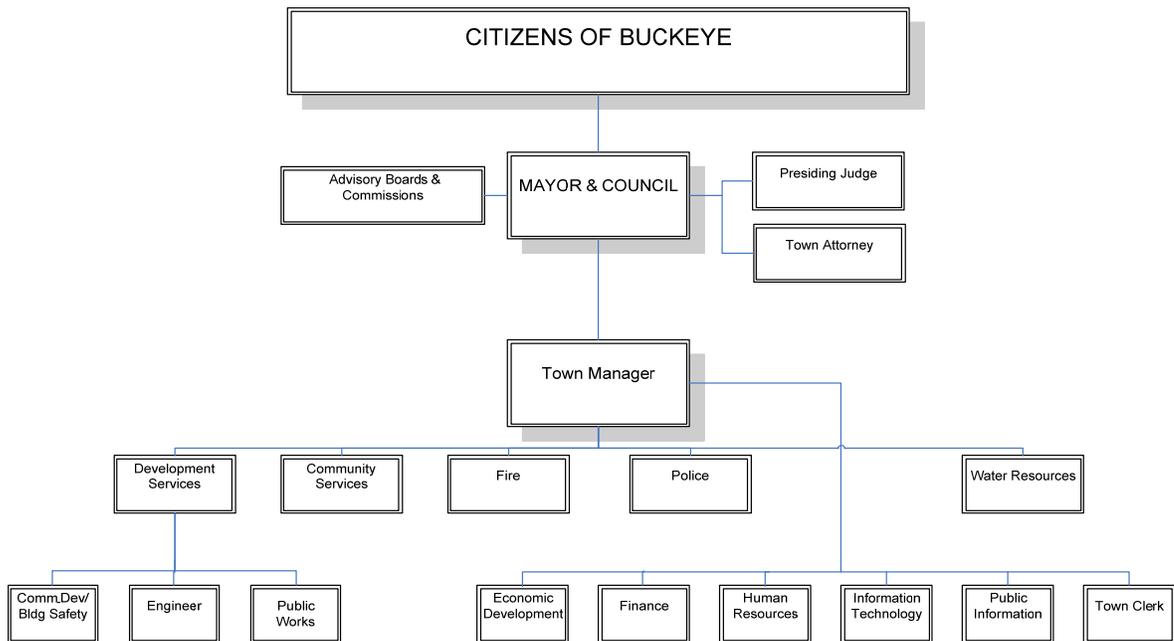
Ray Strauss
Councilmember

Craig Heustis
Councilmember

Eric Orsborn
Councilmember

Robert Garza
Councilmember

Town of Buckeye Organization Chart
12/01/12



Financial Section



Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Buckeye, Arizona (the Town) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the respective budgetary comparison for the general fund and major special revenue funds of the Town, as of June 30, 2013, and the respective changes in financial position and, where, applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding progress on pages 3 through 14 and 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, the respective budgetary comparison for the major debt service funds, the combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The respective budgetary comparison for the major debt service funds and the combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the respective budgetary comparison for the major debt service funds, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2013 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* in considering the Town's internal control over financial reporting and compliance.


Phoenix, Arizona
November 22, 2013

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, 2013. 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 31. 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, 2013 by \$639,787,144 (net position). Of this amount, \$94,183,978 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of fiscal year 2013, the Town of Buckeye, Arizona's governmental funds reported combined ending fund balances of \$58,545,624, a decrease of \$7,000,400 in comparison to fiscal year 2012. This change was mainly due to:
 - The General Fund's fund balance increased by \$956,597;
 - The governmental Impact Fee Funds' fund balance decreased by (\$2,991,707);
 - The various CFD Funds' fund balance decreased by (\$2,792,192);
 - The various Debt Service Funds' fund balance decreased by (\$152,694);
 - The Highway User Revenue Fund's (HURF) fund balance decreased by (\$382,172);
 - Nonmajor Governmental Funds' fund balance decreased by (\$1,638,226).
- As of June 30, 2013, the total fund balance in the General Fund was \$17,383,875. The fund balance in the governmental Impact Fees totaled \$14,402,419.
- For fiscal year 2013, total General Fund revenues of \$43,785,984 were greater than budgeted revenues of \$38,819,016; an increase of \$4,966,968 or 12.8%. Total General Fund expenditures of \$36,501,553 were less than the budgeted expenditures of \$47,779,088; a decrease of \$11,171,467 or 23.4%.
- For fiscal year 2013, total governmental Impact Fee revenues of \$1,568,311 were greater than budgeted revenues of \$940,000; an increase of \$628,311 or 66.8%. Total governmental Impact Fee expenditures of \$4,947,012 were less than budgeted expenditures of \$20,392,827; a difference of \$15,445,815 or 75.7% when compared to budget.

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 position presents information on all of the Town of Buckeye, Arizona's assets, deferred outflows, liabilities and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned, but unused, vacation leave).

The government-wide financial statements distinguish functions of the 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 15 and 16 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 17 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 25 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 29 of this report.

Notes to the Basic Financial Statements. The notes to the basic financial statements beginning on page 31 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 59.

Government-Wide Financial Statements Analysis

Net position may serve over time as a useful indicator of a government's financial position. The following table reflects the condensed Statement of Net Position of the Town as of June 30, 2013 and 2012, showing that assets exceeded liabilities for both governmental and business-type activities by a total of \$639,787,144 for the fiscal year ended June 30, 2013.

Town of Buckeye, Arizona
Management's Discussion and Analysis
June 30, 2013

Town of Buckeye, Arizona
Condensed Statement of Net Position
June 30, 2013 and 2012

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
ASSETS						
Current and other assets	\$ 131,917,728	\$ 145,622,641	\$ 32,588,931	\$ 35,671,527	\$ 164,506,659	\$ 181,294,168
Capital assets:						
Non-depreciable	171,975,629	180,725,672	7,367,857	5,506,555	179,343,486	186,232,227
Depreciable (net)	222,233,293	208,528,658	253,712,431	259,956,888	475,945,724	468,485,546
Total Assets	\$ 526,126,650	\$ 534,876,971	\$ 293,669,219	\$ 301,134,970	\$ 819,795,869	\$ 836,011,941
LIABILITIES						
Other liabilities	\$ 14,893,150	\$ 18,099,267	\$ 4,762,477	\$ 2,014,802	\$ 19,655,627	\$ 20,114,069
Non-current liabilities:						
Due within one year	7,605,056	6,821,101	285,007	578,785	7,890,063	7,399,886
Due in more than one year	149,025,343	153,385,179	4,353,530	10,570,636	153,378,873	163,955,815
Loss in refunding & defeasance	(915,838)	(978,761)	-	-	(915,838)	(978,761)
Total Liabilities	\$ 170,607,711	\$ 177,326,786	\$ 9,401,014	\$ 13,164,223	\$ 180,008,725	\$ 190,491,009
NET POSITION						
Net investment in capital assets	\$ 237,578,523	\$ 229,048,050	\$ 256,525,111	\$ 254,414,719	\$ 494,103,634	\$ 483,462,769
Restricted for						
Impact fees	14,402,419	17,394,126	11,808,074	-	26,210,493	17,394,126
SLID operations	85,523	80,255	-	-	85,523	80,255
Highway and streets	417,467	799,639	-	-	417,467	799,639
Debt service	10,073,095	13,002,285	-	-	10,073,095	13,002,285
Capital outlay	10,612,492	13,768,211	-	-	10,612,492	13,768,211
Other	4,100,462	2,415,332	-	-	4,100,462	2,415,332
Unrestricted	78,248,958	81,042,287	15,935,020	33,556,028	94,183,978	114,598,315
TOTAL NET POSITION	\$ 355,518,939	\$ 357,550,185	\$ 284,268,205	\$ 287,970,747	\$ 639,787,144	\$ 645,520,932

Net position consists of three components. One portion of the Town's net position (77.2%) reflects its net 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 position (7.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$94,183,978 (15.1%), 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 position for the government as a whole.

Town of Buckeye, Arizona
Management's Discussion and Analysis
June 30, 2013

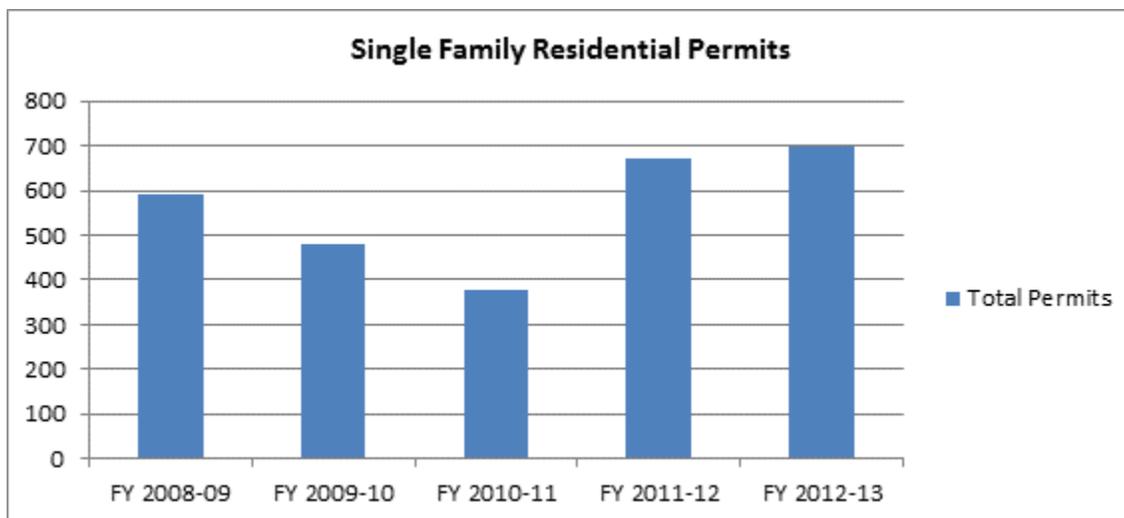
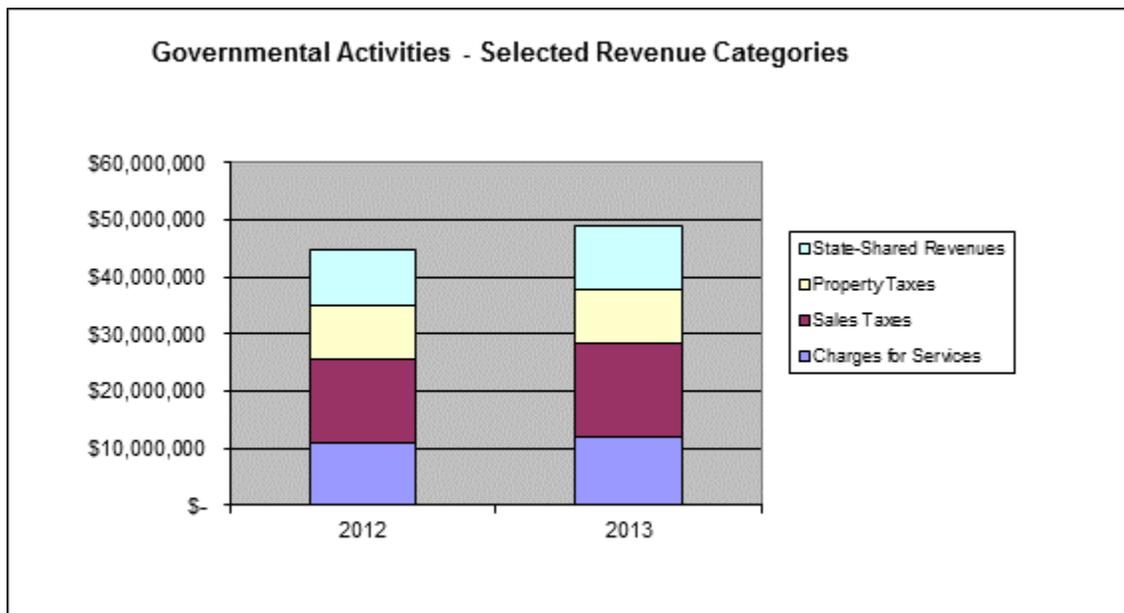
The following table reflects the condensed Statement of Changes in Net Position for the fiscal years ended June 30, 2013 and 2012. This information is helpful in understanding the sources and uses of funds during the fiscal year.

Town of Buckeye, Arizona Changes in Net Position For the Fiscal Years Ended June 30, 2013 and 2012						
	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
REVENUES						
Program revenues						
Fees, fines and charges for services	\$ 12,171,785	\$ 11,075,230	\$ 18,234,801	\$ 17,375,776	\$ 30,406,586	\$ 28,451,006
Operating grants and contributions	3,210,818	2,991,777	-	-	3,210,818	2,991,777
Capital grants and contributions	12,117,675	15,882,820	3,043,271	20,720,942	15,160,946	36,603,762
General revenues						
Sales taxes	16,364,424	14,562,064	-	-	16,364,424	14,562,064
Property taxes	9,259,137	9,395,320	-	-	9,259,137	9,395,320
Franchise taxes	2,384,979	2,262,280	-	-	2,384,979	2,262,280
State-shared revenues	11,063,282	9,902,246	-	-	11,063,282	9,902,246
Investment earnings	396,874	376,364	19,584	11,056	416,458	387,420
Other	2,867,160	5,707,195	13,918	500,591	2,881,078	6,207,786
Total Revenues	\$ 69,836,134	\$ 72,155,296	\$ 21,311,574	\$ 38,608,365	\$ 91,147,708	\$ 110,763,661
EXPENSES						
General government	\$ 26,509,546	\$ 20,693,785	\$ -	\$ -	\$ 26,509,546	\$ 20,693,785
Public safety	28,524,189	26,327,788	-	-	28,524,189	26,327,788
Highways and streets	3,494,907	2,992,849	-	-	3,494,907	2,992,849
Culture and recreation	3,210,037	2,860,117	-	-	3,210,037	2,860,117
Community development	1,011,271	776,062	-	-	1,011,271	776,062
Economic development	634,894	185,640	-	-	634,894	185,640
Health and welfare	458,642	570,138	-	-	458,642	570,138
Miscellaneous	133,417	986,548	-	-	133,417	986,548
Interest on long-term debt	8,786,448	9,491,828	-	-	8,786,448	9,491,828
Airport	-	-	704,766	600,320	704,766	600,320
Solid Waste	-	-	3,477,546	3,046,175	3,477,546	3,046,175
Sewer	-	-	11,176,242	9,132,359	11,176,242	9,132,359
Water	-	-	8,759,591	8,309,959	8,759,591	8,309,959
Total Expenses	\$ 72,763,351	\$ 64,884,755	\$ 24,118,145	\$ 21,088,813	\$ 96,881,496	\$ 85,973,568
Changes in net position before transfers	(2,927,217)	7,270,541	(2,806,571)	17,519,552	(5,733,788)	24,790,093
Transfers	895,971	(366,467)	(895,971)	366,467	-	-
Change in net position	(2,031,246)	6,904,074	(3,702,542)	17,886,019	(5,733,788)	24,790,093
Net position at beginning of year	357,550,185	345,122,747	287,970,747	270,084,725	645,520,932	615,207,475
Prior Period Adjustment	-	5,523,364	-	-	-	5,523,364
Net Position - beginning of year (as restated)	357,550,185	345,123,032	287,970,747	270,084,725	645,520,932	615,207,757
Total net position	\$ 355,518,939	\$ 357,550,185	\$ 284,268,205	\$ 287,970,744	\$ 639,787,144	\$ 615,207,475

Governmental Activities. Governmental activities decreased the Town's net position by (\$2,031,246) from the prior fiscal year. This net decrease is attributable to a decrease in revenue and an increase in expenses as discussed further below.

The greatest decrease in revenue was due to a reduction of Capital Grants and Contributions for the governmental activities in the amount of \$3,765,145 from fiscal year 2012.

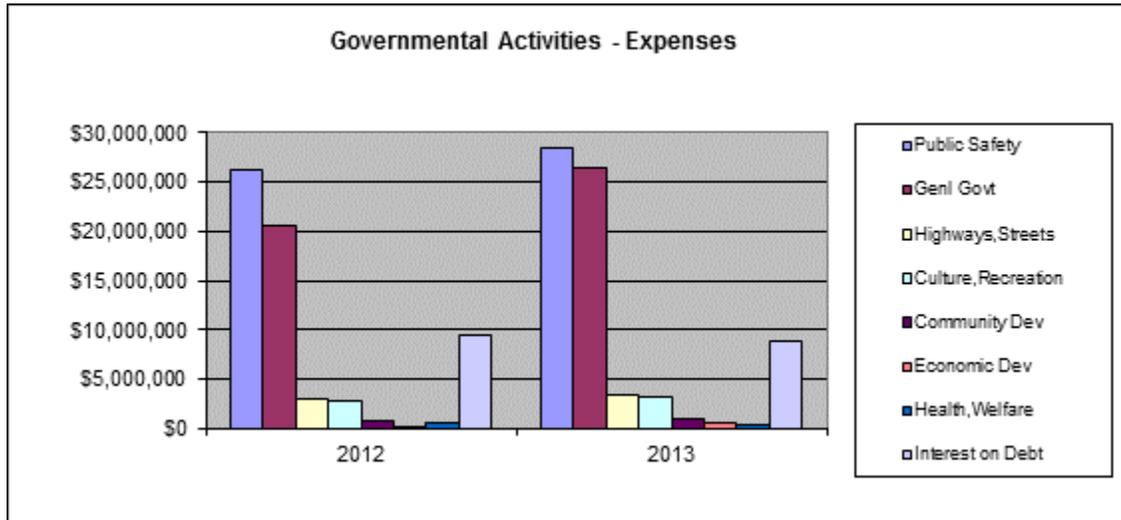
The chart below graphically reflects certain of the information above relative to the Town's revenues.



The Town of Buckeye saw a greater increase in the Building Permits from fiscal year 2012 to 2013. The sales tax collections increased through June 30, 2013. The local sales tax for 2013 was \$16,364,424 in comparison to 2012 in the amount of \$14,562,064. The sales tax shows a steady increase as does the charges for services category. State shared revenues are on an uphill climb as well and should continue to increase over time.

The above graphs do not include the reduction in capital grants and contributions but only focuses on the major revenue sources.

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 \$7,878,596 from fiscal year 2012 to fiscal year 2013. Spending in the general government and public safety area increased. Various projects were completed during the fiscal year and the vehicle rotation program was put in place. Staff was increased in the economic development area as well as community development. The recreational activities increased as the population increased in the Town, therefore staff had to be added in those areas as well. The before and after school program as well as the sports activities were extremely successful. Public Safety added an additional 18 positions during fiscal year 2013 compared to fiscal year 2012.

Business-Type Activities. Business-type activities decreased the Town's net position by (\$3,702,542) (pg 26) during the fiscal year ended June 30, 2013. Capital grants and contributions showed a decrease of (\$17,677,671) during the fiscal year. During fiscal year 2013, total grants and contribution received were \$3,043,271 while in fiscal year 2012 a total of \$20,720,942 was received. Developer contributions were limited as a result of the slow economy. Contribution to the water and waste water infrastructure will continue to experience a moderate increase.

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, 2013, the Town's governmental funds reported combined ending fund balances of \$58,545,624 (pg 19), a decrease of \$7,079,052 from June 30, 2012. Approximately 29.7% 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, 2013 and 2012

	Governmental Activities		Increase <Decrease> from FY 2012
	2013	2012	
General Funds	\$ 17,383,875	\$ 16,531,773	\$ 852,102
Impact Fee Funds	14,402,419	17,394,126	(2,991,707)
CFD Funds	9,559,239	12,351,431	(2,792,192)
Debt Service Funds	598,734	751,428	(152,694)
HURF Fund	417,467	799,639	(382,172)
Nonmajor Governmental Funds	16,183,890	17,717,611	(1,533,721)

General Fund The General Fund is the chief operating fund of the Town of Buckeye, Arizona. This fund increased by \$956,597. 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.

Impact Fee Fund. Balances decreased during the fiscal year by \$2,991,707, primarily due to the expansion of the regional wireless radio system for the police department, the construction of the Sundance Park, and the purchase of office space at Yuma Road and Dean Road. Total impact fees collected were \$1,553,281 (pg 19), an increase of \$613,281 from the amount budgeted for FY 2013.

Community Facility District (CFD) Funds. During the fiscal year, the various CFD Funds balances decreased by \$2,792,192, primarily due to a decrease in property tax revenues assessed for the payment of principal and interest on the debt of the CFDs. 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 \$152,694.

HURF (Highway User Revenues Fund). The HURF Fund, which is required by Arizona law to be accounted for separately from all other funds, decreased by \$382,172 during the fiscal year. With the increase in the number of streets and sidewalks the Town is responsible for, the cost of the maintenance for them has increased as well. We are expecting a continued increase in this area as the repair and maintenance cost increase. The Town receives distributions of state HURF monies which must be used solely for allowable costs related to streets and street lighting. Revenues exceeded expenditures by \$119,259.

Nonmajor Governmental Funds. Nonmajor governmental fund balances decreased by \$1,533,721 during the fiscal year. This decrease was mainly due to the grant expenditure for the fire station in Verrado. The Town also received a large contribution from the developer for the expenditure related to this project. 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 position at the end of the year is as follows for the indicated funds:

Town of Buckeye, Arizona
 Unrestricted Net Position- Proprietary Funds
 For the Fiscal Years Ended June 30, 2013 and 2012

	Business-Type Activities		Increase <Decrease> from FY 2012
	2013	2012	
Sewer Fund	\$ 3,565,794	\$ 3,196,981	\$ 368,813
Solid Waste	1,181,851	723,377	\$ 458,474
Water Fund	13,086,153	11,993,678	1,092,475
Airport Fund	351,222	162,144	189,078
Internal Service Fund	1,214,611	912,976	301,635

Developers transferred and the Town accepted infrastructure totaling \$3,043,271 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 21. These statements compare the original adopted budget and revised budget, and the actual expenditures prepared on a budgetary basis. Revenues collected in the general fund exceeded budgeted amounts by \$4,966,968. Expenditures were less than budgeted by \$11,171,467 as the general fund department activities continue to be closely monitored. Differences between actual and budget revenue amounts relates to an increase in sales taxes collected and an increase in charges for services during the year.

Capital Asset and Debt Administration

The Town of Buckeye, Arizona's capital assets for its governmental and business-type activities as of June 30, 2013 amount to \$655,289,210 (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 this fiscal year. Some of these capital projects were started during fiscal year 2012, some are still ongoing, and some of the projects have been completed and recorded during fiscal year 2013.

- N. Miller Road improvement including the Yuma Road realignment was completed during the fiscal year. The total cost for this project was \$2,171,157. The project incorporated additional lanes as well as turn lanes to allow for better traffic flow with the new Quick Trip gasoline station.

- New traffic signals were installed along Miller, Durango, and Pima for a total cost of \$969,116. The installation of the traffic signals has improved the flow of the truck and regular traffic at the I-10 and Miller Road exit.
- New traffic signal at Miller Road and Monroe Ave (MC 85) for \$231,888. The traffic signal has improved the traffic flow in the downtown area as well as increased pedestrian safety while crossing the road.
- A new radio tower was installed for the Police and Fire Department. This project included the remodel of the offices for the 911 operators. All 911 consoles and radios were upgraded.
- Sundance Park (30 acres) construction was completed including the new access road and park equipment. A dog park was included in the design and construction of the park. Total cost of the project including the well upgrade and all necessary park equipment was \$5,043,990.
- Improvements along Miller Road and Maricopa Road in the amount of \$123,497. The project reconstructed the deteriorated streets in the area of 7th Ave West and 6th Ave West between Alarcon Blvd and Escalante Road.
- Two (2) new Sutphen fire trucks were purchased at the end of the fiscal year. These two trucks will be on line in the historic Buckeye and the Sundance area during fiscal 2014.

The following table provides details of the Town's capital assets as of June 30, 2013 and 2012:

Town of Buckeye, Arizona
Capital Assets at June 30, 2013 and 2012
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 170,179,824	\$ 169,178,058	\$ 5,457,720	\$ 5,372,660	\$ 175,637,544	\$ 174,550,718
Construction in progress	1,795,805	11,547,614	1,910,137	133,895	3,705,942	11,681,509
Land improvements	11,699,399	8,139,013	3,798,214	4,152,273	15,497,613	12,291,286
Buildings and improvements	27,512,330	21,974,727	70,498,349	72,767,270	98,010,679	94,741,997
Infrastructure	171,759,873	171,490,636			171,759,873	171,490,636
Furniture, machinery and equipment	11,261,691	6,924,282	1,008,526		12,270,217	6,924,282
Wastewater system			113,158,434	114,714,567	113,158,434	114,714,567
Water system			65,248,908	67,286,279	65,248,908	67,286,279
Machinery, equipment and vehicles			0	1,036,499	0	1,036,499
	<u>\$ 394,208,922</u>	<u>\$ 389,254,330</u>	<u>\$ 261,080,288</u>	<u>\$ 265,463,443</u>	<u>\$ 655,289,210</u>	<u>\$ 654,717,773</u>

Long-Term Debt

At the end of the fiscal year, the Town of Buckeye, Arizona had total long-term obligations outstanding of \$160,268,936. Of this amount, \$126,544,000 (78.6%) is Community Facilities District bonds backed solely by the property owners within the various CFDs. Improvement district bonds of \$2,485,000 (1.5%) are backed principally by the property owners within the improvement district. An additional \$25,700,000 (16.0%) (governmental activities) and \$4,555,177 (2.8%) (business-type activities) of outstanding debt is secured by pledges of specific revenue sources of the Town. The remaining \$1,901,399 (1.1%) 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, 2013.

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, 2013 and 2012. Further details on the Town's outstanding debt may be found in Note 8 beginning on page 44.

Town of Buckeye, Arizona
 Long-term Obligations at June 30, 2013 and 2012

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Improvement district bonds	\$ 2,485,000	\$ 2,797,000	\$ -	\$ -	\$ 2,485,000	\$ 2,797,000
Revenue bonds	25,700,000	26,740,000	4,555,177	11,048,724	30,255,177	37,788,724
Community facility district bonds	126,544,000	128,673,000	-	-	126,544,000	128,673,000
Deferred amount on premium	859,428	920,606	-	-	859,428	920,606
Deferred amount on discount	(596,783)	(645,515)	-	-	(596,783)	(645,515)
Capital leases	669,840	766,757	-	-	669,840	766,757
Compensated absences	968,914	954,432	83,360	100,697	1,052,274	1,055,129
	<u>\$ 156,630,399</u>	<u>\$ 160,206,280</u>	<u>\$ 4,638,537</u>	<u>\$ 11,149,421</u>	<u>\$ 161,268,936</u>	<u>\$ 171,355,701</u>

FY 2014 Budget Proposal Highlights

The fiscal year 2014 proposal of \$193,549,632 is 6% or \$10,620,640 greater than the fiscal year 2013 budget of \$182,929,992. Total revenues are estimated to be 13% greater than the fiscal year 2013 revenue estimates. The reserves/contingency funds are estimated to increase 14% from \$62.4 million dollars to \$71.4 million dollars in fiscal year 2014.

The primary property tax levy decreases from \$5,332,766 in fiscal year 2013 to \$5,079,332 in fiscal year 2014, a 4.8% decrease. The primary property tax rate is estimated to remain the same as fiscal year 2013, or \$1.80 per \$100 of taxable assessed value. The primary property tax levy is dedicated to Public Safety.

Department's new fulltime positions:

• Town Clerk	1
• Community Development	1
• Community Services	1
• Economic Development	2
• Fire	1
• Manager	2
• Police	5
• Streets	1
• Water Resources	<u>8</u>
Total	22

The proposal includes the employee retention program (step restoration) adopted by Council on April 16, 2013; estimated cost of \$3 million dollars.

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 Finance, select Reports), along with many other Town government documents, reports and information.

Basic Financial Statements

Town of Buckeye, Arizona
Statement of Net Position
June 30, 2013

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 6,893,692	\$ 18,358,628	\$ 25,252,320
Investments	43,482,654	11,521,714	55,004,368
Receivables, net			
Accounts receivable	2,324,370	2,681,521	5,005,891
Taxes receivable	132,375	-	132,375
Intergovernmental receivable	490,367	-	490,367
Special assessments receivable	52,410,000	-	52,410,000
Accrued interest	81,696	-	81,696
Internal balance	-	27,068	27,068
Deferred charges	5,458,825	-	5,458,825
Prepaid items	20,535	-	20,535
Restricted assets			
Cash with paying agent	1,759,390	-	1,759,390
Restricted cash	18,863,824	-	18,863,824
Capital assets			
Non-depreciable	171,975,629	7,367,857	179,343,486
Depreciable, net	222,233,293	253,712,431	475,945,724
Total assets	526,126,650	293,669,219	819,795,869
Liabilities			
Accounts payable and other current liabilities	2,171,581	1,069,912	3,241,493
Internal balance	27,068	-	27,068
Accrued wages and benefits	1,038,012	61,633	1,099,645
Interest payable	604,482	56,940	661,422
Developer agreements payable	-	2,250,000	2,250,000
Intergovernmental payable	-	74,105	74,105
Unearned revenue	551,509	-	551,509
Unavailable revenue	980,167	-	980,167
Customer deposits payable	72,510	1,249,887	1,322,397
Performance bonds payable	483,081	-	483,081
Noncurrent liabilities			
Due within one year			
Matured debt interest payable	3,620,740	-	3,620,740
Matured debt principal payable	5,344,000	-	5,344,000
Bonds and leases payable, net	7,605,056	285,007	7,890,063
Due in more than one year			
Bonds and leases payable, net	149,025,343	4,353,530	153,378,873
Loss on refunding and defeasance	(915,838)	-	(915,838)
Total liabilities	170,607,711	9,401,014	180,008,725
Net Position			
Net investment in capital assets	237,578,523	256,525,111	494,103,634
Restricted for			
Impact fees	14,402,419	11,808,074	26,210,493
SLID operations	85,523	-	85,523
Highways and streets	417,467	-	417,467
Debt service	10,073,095	-	10,073,095
Capital projects	10,612,492	-	10,612,492
Other	4,100,462	-	4,100,462
Unrestricted	78,248,958	15,935,020	94,183,978
Total net position	\$ 355,518,939	\$ 284,268,205	\$ 639,787,144

Town of Buckeye, Arizona
Statement of Activities
Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
General government	\$ 26,509,546	\$ 10,618,504	\$ 408,793	\$ -	\$ (15,482,249)	\$ -	\$ (15,482,249)
Public safety	28,524,189	814,160	-	-	(27,710,029)	-	(27,710,029)
Highways and streets	3,494,907	188,753	2,802,025	12,117,675	11,613,546	-	11,613,546
Culture and recreation	3,210,037	550,368	-	-	(2,659,669)	-	(2,659,669)
Community development	1,011,271	-	-	-	(1,011,271)	-	(1,011,271)
Economic development	634,894	-	-	-	(634,894)	-	(634,894)
Health and welfare	458,642	-	-	-	(458,642)	-	(458,642)
Miscellaneous	133,417	-	-	-	(133,417)	-	(133,417)
Interest on long-term debt	8,786,448	-	-	-	(8,786,448)	-	(8,786,448)
Total governmental activities	<u>72,763,351</u>	<u>12,171,785</u>	<u>3,210,818</u>	<u>12,117,675</u>	<u>(45,263,073)</u>	<u>-</u>	<u>(45,263,073)</u>
Business-type activities							
Airport	704,766	298,418	-	-	-	(406,348)	(406,348)
Solid Waste	3,477,546	3,936,020	-	-	-	458,474	458,474
Sewer	8,926,242	5,238,787	-	1,868,934	-	(1,818,521)	(1,818,521)
Water	8,759,591	8,761,576	-	1,174,337	-	1,176,322	1,176,322
Total business-type activities	<u>21,868,145</u>	<u>18,234,801</u>	<u>-</u>	<u>3,043,271</u>	<u>-</u>	<u>(590,073)</u>	<u>(590,073)</u>
Total Primary Government	<u>\$ 94,631,496</u>	<u>\$ 30,406,586</u>	<u>\$ 3,210,818</u>	<u>\$ 15,160,946</u>	<u>(45,263,073)</u>	<u>(590,073)</u>	<u>(45,853,146)</u>
General revenues							
Taxes							
Sales taxes					16,364,424	-	16,364,424
Property taxes					9,259,137	-	9,259,137
Franchise taxes					2,384,979	-	2,384,979
Unrestricted State revenue sharing					5,196,874	-	5,196,874
Unrestricted State sales tax revenue sharing					4,164,294	-	4,164,294
Unrestricted auto lieu tax revenue sharing					1,702,114	-	1,702,114
Investment earnings					396,874	19,584	416,458
Other					2,867,160	13,918	2,881,078
Transfers					895,971	(895,971)	-
Special item - legal settlement (Note 12)					-	(2,250,000)	(2,250,000)
Total general revenues and transfers					<u>43,231,827</u>	<u>(3,112,469)</u>	<u>40,119,358</u>
Change in net position					(2,031,246)	(3,702,542)	(5,733,788)
Net Position - beginning of year					<u>357,550,185</u>	<u>287,970,747</u>	<u>645,520,932</u>
Net Position - end of year					<u>\$ 355,518,939</u>	<u>\$ 284,268,205</u>	<u>\$ 639,787,144</u>

Town of Buckeye, Arizona
Governmental Funds – Balance Sheet
June 30, 2013

	General	Impact Fees	CFD	Debt Service	HURF	Nonmajor Governmental Funds	Totals
Assets							
Cash and cash equivalents	\$ 3,644,705	\$ 117,662	\$ -	\$ 619,239	\$ 4,748	\$ 2,507,338	\$ 6,893,692
Investments	12,500,171	14,350,209	-	-	284,133	15,127,966	42,262,479
Receivables, net							
Accounts	1,839,405	-	-	-	264,061	220,904	2,324,370
Taxes	65,377	-	58,197	-	-	8,801	132,375
Intergovernmental	490,367	-	-	-	-	-	490,367
Special assessments	-	-	49,925,000	2,485,000	-	-	52,410,000
Accrued interest	81,696	-	-	-	-	-	81,696
Due from other funds	11,194	-	-	-	-	-	11,194
Prepaid items	20,535	-	-	-	-	-	20,535
Restricted assets							
Cash with paying agent	1,684,481	-	-	74,909	-	-	1,759,390
Restricted cash	-	-	18,660,989	-	-	202,835	18,863,824
Total assets	<u>\$ 20,337,931</u>	<u>\$ 14,467,871</u>	<u>\$ 68,644,186</u>	<u>\$ 3,179,148</u>	<u>\$ 552,942</u>	<u>\$ 18,067,844</u>	<u>\$ 125,249,922</u>
Liabilities and Fund Balance							
Liabilities							
Accounts payable	720,030	65,452	-	10,506	75,846	1,294,183	2,166,017
Due to other funds	-	-	-	-	-	38,262	38,262
Accrued wages and benefits	978,383	-	-	-	59,629	-	1,038,012
Unearned revenue	-	-	49,925,000	2,485,000	-	551,509	52,961,509
Unearned developer payments	700,052	-	280,115	-	-	-	980,167
Customer deposits payable	72,510	-	-	-	-	-	72,510
Performance bonds payable	483,081	-	-	-	-	-	483,081
Matured debt interest payable	-	-	3,545,832	74,908	-	-	3,620,740
Matured debt principal payable	-	-	5,334,000	10,000	-	-	5,344,000
Total liabilities	<u>2,954,056</u>	<u>65,452</u>	<u>59,084,947</u>	<u>2,580,414</u>	<u>135,475</u>	<u>1,883,954</u>	<u>66,704,298</u>
Fund Balance							
Non-spendable	20,535	-	-	-	-	-	20,535
Restricted							
Impact Fees	-	14,402,419	-	-	-	-	14,402,419
SLID Operations	-	-	-	-	-	85,523	85,523
Highways and streets	-	-	-	-	417,467	-	417,467
Debt Service	-	-	9,559,239	513,856	-	-	10,073,095
Capital projects	-	-	-	-	-	10,612,492	10,612,492
Other special revenue	-	-	-	-	-	4,100,462	4,100,462
Assigned	-	-	-	84,878	-	1,853,884	1,938,762
Unassigned	17,363,340	-	-	-	-	(468,471)	16,894,869
Total fund balances	<u>17,383,875</u>	<u>14,402,419</u>	<u>9,559,239</u>	<u>598,734</u>	<u>417,467</u>	<u>16,183,890</u>	<u>58,545,624</u>
Total liabilities and fund balances	<u>\$ 20,337,931</u>	<u>\$ 14,467,871</u>	<u>\$ 68,644,186</u>	<u>\$ 3,179,148</u>	<u>\$ 552,942</u>	<u>\$ 18,067,844</u>	<u>\$ 125,249,922</u>

Town of Buckeye, Arizona
 Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
 June 30, 2013

Fund balances - total governmental funds	<u>\$ 58,545,624</u>
Amounts reported for governmental activities in the statement of net position are different because:	
Special assessment revenue not available for current financial resources	<u>52,410,000</u>
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Governmental capital assets	508,759,025
Less accumulated depreciation	<u>(114,550,103)</u>
Capital assets used in governmental activities	<u>394,208,922</u>
Other long-term assets are not available to pay for current-period expenditures:	
Net deferred charges	<u>5,458,825</u>
Internal service funds used by the management to charge cost of insurance to individual funds. The assets and liabilities of the internal services funds are included in governmental activities in the statement of net position.	
	<u>1,214,611</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	(2,485,000)
Revenue bonds	(25,700,000)
Community facilities district bonds	(126,544,000)
Loss on refunding and defeasance of bonds amortized over the life of the debt	915,838
Add premium	(859,428)
Less discount	596,783
Capital leases	(669,840)
Compensated absences	(968,914)
Accrued interest on long-term debt	<u>(604,482)</u>
	<u>(156,319,043)</u>
Net position of governmental activities	<u><u>\$ 355,518,939</u></u>

Town of Buckeye, Arizona
 Governmental Funds – Statement of Revenues, Expenditures, and Changes in Fund Balances
 Year Ended June 30, 2013

	General	Impact Fees	CFD	Debt Service	HURF	Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Taxes							
Sales taxes	\$ 16,364,424	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,364,424
Property taxes	5,290,276	-	3,968,861	-	-	-	9,259,137
Franchise taxes	2,384,979	-	-	-	-	-	2,384,979
Improvement proceeds	-	-	-	-	-	574,763	574,763
Intergovernmental	11,063,282	-	-	-	2,802,025	408,793	14,274,100
Fines and forfeitures	503,800	-	-	-	-	-	503,800
Permits	4,499,670	-	-	-	-	-	4,499,670
Charges for services	1,694,576	-	-	-	-	644,069	2,338,645
Developer agreements	-	-	2,048,263	-	-	455,138	2,503,401
Contributions and donations	14,379	-	-	-	-	2,651,847	2,666,226
Impact fees	-	1,553,281	-	-	-	-	1,553,281
Special assessments	-	-	6,200,123	469,495	-	-	6,669,618
Investment earnings	371,786	15,030	238	-	357	9,463	396,874
Other	1,598,812	-	61,227	46,577	36,036	549,745	2,292,397
Total revenues	<u>43,785,984</u>	<u>1,568,311</u>	<u>12,278,712</u>	<u>516,072</u>	<u>2,838,418</u>	<u>5,293,818</u>	<u>66,281,315</u>
Expenditures							
Current							
General government	9,737,426	97,776	6,308	62,273	-	8,288,813	18,192,596
Public safety	20,904,914	-	-	-	-	869,908	21,774,822
Highway and streets	-	-	-	71,588	2,596,357	-	2,667,945
Culture and recreation	2,450,481	-	-	-	-	-	2,450,481
Community development	771,985	-	-	-	-	-	771,985
Economic development	226,885	-	-	-	-	408,009	634,894
Health and welfare	-	-	-	-	-	458,642	458,642
Miscellaneous	-	-	133,417	-	-	-	133,417
Debt service							
Principal retirement	1,040,000	96,917	7,529,000	312,000	-	-	8,977,917
Interest on long-term debt	1,110,056	118,192	7,285,417	169,794	122,802	-	8,806,261
Capital outlay	259,806	4,634,127	-	70,787	-	8,954,502	13,919,222
Total expenditures	<u>36,501,553</u>	<u>4,947,012</u>	<u>14,954,142</u>	<u>686,442</u>	<u>2,719,159</u>	<u>18,979,874</u>	<u>78,788,182</u>
Revenues over (Under)							
Expenditures	<u>7,284,431</u>	<u>(3,378,701)</u>	<u>(2,675,430)</u>	<u>(170,370)</u>	<u>119,259</u>	<u>(13,686,056)</u>	<u>(12,506,867)</u>
Other Financing Sources (Uses)							
Bonds issued	-	-	-	-	-	5,400,000	5,400,000
Transfers in	1,149,194	386,991	3,580,044	17,676	-	7,138,772	12,272,677
Transfers out	<u>(7,477,028)</u>	<u>-</u>	<u>(3,696,809)</u>	<u>-</u>	<u>(501,431)</u>	<u>(490,942)</u>	<u>(12,166,210)</u>
Total other financing sources (uses)	<u>(6,327,834)</u>	<u>386,991</u>	<u>(116,765)</u>	<u>17,676</u>	<u>(501,431)</u>	<u>12,047,830</u>	<u>5,506,467</u>
Net Change in Fund Balances	956,597	(2,991,710)	(2,792,195)	(152,694)	(382,172)	(1,638,226)	(7,000,400)
Fund Balances, Beginning of Year	<u>16,427,278</u>	<u>17,394,129</u>	<u>12,351,434</u>	<u>751,428</u>	<u>799,639</u>	<u>17,822,116</u>	<u>65,546,024</u>
Fund Balances, End of Year	<u>\$ 17,383,875</u>	<u>\$ 14,402,419</u>	<u>\$ 9,559,239</u>	<u>\$ 598,734</u>	<u>\$ 417,467</u>	<u>\$ 16,183,890</u>	<u>\$ 58,545,624</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, 2013

Net change in fund balances - total governmental funds \$ (7,000,400)

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	13,919,222
Capital contributions	6,948,048
Gain(loss) on sale of capital assets	(1,698,490)
Less current year depreciation	(14,214,184)
Excess depreciation over capital expenditures	<u>4,954,596</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>(3,498,000)</u>
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Internal service funds used by the management to charge cost of insurance to individual funds	<u>301,636</u>
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The issuance of long-term debt increases long-term liabilities on the statement of net position and the repayment of principal on long-term debt reduces long-term debt on the statement of net position. Likewise, refunding and defeasance of existing debt reduces the balance of long-term debt without adding additional debt. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when the debt is first issued, whereas these items are deferred and amortized over the term of the long-term debt in the statement of activities.

Issuance of long-term debt	(5,400,000)
Principal payments on long-term debt	8,881,000
Principal payments on capital leases	96,917
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	21,849
	<u>3,225,404</u>

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

Net decrease in compensated absences	<u>(14,482)</u>
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Change in net position of governmental activities	<u>\$ (2,031,246)</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, 2013

	<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	\$ 14,265,000	\$ 14,265,000	\$ 16,364,424	\$ 2,099,424
Property taxes	5,440,766	5,440,766	5,290,276	(150,490)
Franchise taxes	2,299,400	2,299,400	2,384,979	85,579
Intergovernmental	11,136,000	11,136,000	11,063,282	(72,718)
Fines and forfeitures	617,000	617,000	503,800	(113,200)
Permits	1,843,600	1,843,600	4,499,670	2,656,070
Charges for services	987,750	987,750	1,694,576	706,826
Contributions and donations	7,400	7,400	14,379	6,979
Investment earnings	252,100	252,100	371,786	119,686
Other	1,970,000	1,970,000	1,598,812	(371,188)
Total revenues	<u>38,819,016</u>	<u>38,819,016</u>	<u>43,785,984</u>	<u>4,966,968</u>
Expenditures				
Current				
General government				
Mayor and council	329,063	331,246	365,990	34,744
Town Clerk	230,890	235,402	229,025	(6,377)
Town Manager	327,629	334,077	309,784	(24,293)
Human resources	560,144	576,291	526,872	(49,419)
Finance department	1,013,117	1,033,373	928,042	(105,331)
Magistrate	581,611	592,422	620,179	27,757
Vehicle maintenance	648,442	665,946	652,899	(13,047)
Non-departmental	5,113,944	5,113,944	4,576,954	(536,990)
Public works - administration	439,534	545,828	540,384	(5,444)
Administrative services	259,992	264,666	90,114	(174,552)
Information technology	843,193	855,520	897,183	41,663
Debt Service	1,160,610	1,160,610	2,150,056	989,446
Total general government	<u>11,508,169</u>	<u>11,709,325</u>	<u>11,887,482</u>	<u>178,157</u>
Public safety				
Police	9,887,125	11,045,940	11,035,858	(10,082)
Fire	8,492,702	8,766,152	9,060,308	294,156
Fire and building safety	673,540	839,659	808,748	(30,911)
Total public safety	<u>19,053,367</u>	<u>20,651,751</u>	<u>20,904,914</u>	<u>253,163</u>
Culture and recreation				
Community services	2,285,074	2,412,677	2,450,481	37,804
Total culture and recreation	<u>2,285,074</u>	<u>2,412,677</u>	<u>2,450,481</u>	<u>37,804</u>

Town of Buckeye, Arizona

General Fund – Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual
Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Revised Budget Positive (Negative)
	<u>Adopted</u>	<u>Revised</u>		
Community development				
Community development	775,023	790,631	771,985	(18,646)
Total community development	<u>775,023</u>	<u>790,631</u>	<u>771,985</u>	<u>(18,646)</u>
Economic development				
Economic development	274,877	279,919	226,885	(53,034)
Total economic development	<u>274,877</u>	<u>279,919</u>	<u>226,885</u>	<u>53,034</u>
Contingencies	<u>13,546,235</u>	<u>11,934,785</u>	-	<u>(11,934,785)</u>
Capital outlay	<u>-</u>	<u>-</u>	259,806	259,806
Total expenditures	<u>47,442,745</u>	<u>47,779,088</u>	<u>36,501,553</u>	<u>763,318</u>
Revenues over (Under)				
Expenditures	<u>(8,623,729)</u>	<u>(8,960,072)</u>	7,284,431	<u>16,244,503</u>
Other Financing Sources (Uses)				
Transfers in	87,528	87,528	1,149,194	1,061,666
Transfers (out)	<u>(7,004,882)</u>	<u>(7,554,734)</u>	<u>(7,477,028)</u>	<u>77,706</u>
Net Change in Fund Balance	(15,541,083)	(16,427,278)	956,597	17,383,875
Fund Balance, Beginning of the Year	<u>15,541,083</u>	<u>16,427,278</u>	<u>16,427,278</u>	-
Fund Balance, End of the Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,383,875</u>	<u>\$ 17,383,875</u>

Town of Buckeye, Arizona
Impact Fees Fund – Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Total Impact Fees Fund	Variance with Revised Budget Positive (Negative)
	<u>Adopted</u>	<u>Revised</u>		
Revenues				
Impact fees	\$ 940,000	\$ 940,000	\$ 1,553,281	\$ 613,281
Investment earnings	-	-	15,030	15,030
Total revenues	<u>940,000</u>	<u>940,000</u>	<u>1,568,311</u>	<u>628,311</u>
Expenditures				
Current				
General government	-	23,110	97,776	74,666
Debt Service				
Principal retirement	-	-	96,917	96,917
Interest on long-term debt	-	-	118,192	118,192
Contingencies	12,884,612	12,571,502	-	(12,571,502)
Capital outlay	<u>6,958,363</u>	<u>7,798,215</u>	<u>4,634,127</u>	<u>(3,164,088)</u>
Total expenditures	<u>19,842,975</u>	<u>20,392,827</u>	<u>4,947,012</u>	<u>(15,445,815)</u>
Revenues over (Under)				
Expenditures	<u>(18,902,975)</u>	<u>(19,452,827)</u>	<u>(3,378,701)</u>	<u>16,074,126</u>
Other Financing Sources (Uses)				
Transfers in	-	-	386,991	(386,991)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>386,991</u>	<u>(386,991)</u>
Net Change in Fund Balances	(18,902,975)	(19,452,827)	(2,991,710)	15,687,135
Fund Balances, Beginning of Year	<u>18,888,515</u>	<u>18,888,515</u>	<u>17,394,129</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ (14,460)</u>	<u>\$ (564,312)</u>	<u>\$ 14,402,419</u>	<u>\$ 15,687,135</u>

Town of Buckeye, Arizona

HURF Fund – Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Revised Budget Positive (Negative)</u>
	<u>Adopted</u>	<u>Revised</u>		
Revenues				
Intergovernmental	\$ 2,565,000	\$ 2,565,000	\$ 2,802,025	\$ 237,025
Interest income	100	100	357	257
Other	9,000	9,000	36,036	27,036
Total revenues	<u>2,574,100</u>	<u>2,574,100</u>	<u>2,838,418</u>	<u>264,318</u>
Expenditures				
Current				
Highways and streets	2,068,364	2,333,505	2,596,357	262,852
Debt Service				
Interest on long-term debt	-	-	122,802	122,802
Contingencies	1,002,021	736,880	-	(736,880)
Total expenditures	<u>3,070,385</u>	<u>3,070,385</u>	<u>2,719,159</u>	<u>(351,226)</u>
Excess (Deficiency) of Revenues over Expenditures	(496,285)	(496,285)	119,259	615,544
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	(476,019)	(476,019)	(501,431)	(25,412)
Net Change in Fund Balance	(972,304)	(972,304)	(382,172)	590,132
Fund Balances, Beginning of Year	<u>972,304</u>	<u>972,304</u>	<u>799,639</u>	<u>(172,665)</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 417,467</u>	<u>\$ 417,467</u>

Town of Buckeye, Arizona
Proprietary Funds – Statement of Net Position
June 30, 2013

	Business-type Activities - Enterprise Funds					Governmental Activities
	Airport	Solid Waste	Sewer	Water	Totals	Internal Service Fund
Assets						
Current assets:						
Cash and cash equivalents	\$ 479,559	\$ 1,107,474	\$ 3,612,587	\$ 13,159,008	\$ 18,358,628	\$ -
Investments	-	-	6,321,536	5,200,178	11,521,714	1,220,175
Accounts receivable, net	7,179	416,122	713,246	1,544,974	2,681,521	-
Interfund receivables	-	-	-	27,068	27,068	-
Inventories	-	-	-	-	-	-
Deferred charges	-	-	-	-	-	-
Restricted assets	-	-	-	-	-	-
Total current assets	<u>486,738</u>	<u>1,523,596</u>	<u>10,647,369</u>	<u>19,931,228</u>	<u>32,588,931</u>	<u>1,220,175</u>
Noncurrent assets:						
Capital assets:						
Non-depreciable	4,672,490	-	619,649	2,075,718	7,367,857	-
Depreciable, net	4,902,289	-	172,724,600	76,085,542	253,712,431	-
Total noncurrent assets	<u>9,574,779</u>	<u>-</u>	<u>173,344,249</u>	<u>78,161,260</u>	<u>261,080,288</u>	<u>-</u>
Total assets	<u>10,061,517</u>	<u>1,523,596</u>	<u>183,991,618</u>	<u>98,092,488</u>	<u>293,669,219</u>	<u>1,220,175</u>
Liabilities						
Current liabilities:						
Accounts payable	134,635	277,431	194,759	463,087	1,069,912	5,564
Accrued wages and benefits	881	3,262	21,242	36,248	61,633	-
Intergovernmental payable	-	-	12,616	61,489	74,105	-
Developer agreements payable	-	-	2,250,000	-	2,250,000	-
Customer deposits payable	-	61,052	21,491	1,167,344	1,249,887	-
Compensated absences	-	-	19,986	46,702	66,688	-
Accrued interest payable	-	-	56,940	-	56,940	-
Capital leases payable	-	-	-	-	-	-
Bonds, notes and loans payable	-	-	218,319	-	218,319	-
Total current liabilities	<u>135,516</u>	<u>341,745</u>	<u>2,795,353</u>	<u>1,774,870</u>	<u>5,047,484</u>	<u>5,564</u>
Noncurrent liabilities:						
Compensated absences	-	-	4,996	11,676	16,672	-
Bonds, notes and loans payable	-	-	4,336,858	-	4,336,858	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>4,341,854</u>	<u>11,676</u>	<u>4,353,530</u>	<u>-</u>
Total liabilities	<u>135,516</u>	<u>341,745</u>	<u>7,137,207</u>	<u>1,786,546</u>	<u>9,401,014</u>	<u>5,564</u>
Net Position						
Net investment in capital assets	9,574,779	-	168,789,072	78,161,260	256,525,111	-
Restricted	-	-	6,749,545	5,058,529	11,808,074	-
Unrestricted	351,222	1,181,851	1,315,794	13,086,153	15,935,020	1,214,611
Total net position	<u>\$ 9,926,001</u>	<u>\$ 1,181,851</u>	<u>\$ 176,854,411</u>	<u>\$ 96,305,942</u>	<u>\$ 284,268,205</u>	<u>\$ 1,214,611</u>

Town of Buckeye, Arizona
Proprietary Funds – Statement of Revenues, Expenses, and Changes in Fund Net Position
Year Ended June 30, 2013

	Business-type Activities - Enterprise Funds					Governmental Activities
	Airport	Solid Waste	Sewer	Water	Total	Internal Service Fund
Operating Revenues						
Charges for services	\$ 298,418	\$ 3,936,020	\$ 4,893,735	8,735,027	\$ 17,863,200	\$ 104,771
Operating Expenses						
Cost of sales and services	226,219	3,477,546	3,695,454	4,639,671	12,038,890	592,639
Depreciation	419,500	-	5,041,908	4,104,920	9,566,328	-
Total operating expenses	645,719	3,477,546	8,737,362	8,744,591	21,605,218	592,639
Operating Loss	(347,301)	458,474	(3,843,627)	(9,564)	(3,742,018)	(487,868)
Nonoperating Revenues (Expenses)						
Impact fees	-	-	345,052	26,549	371,601	-
Investment earnings	-	-	2,712	16,872	19,584	-
Interest and fee expense	-	-	(188,880)	-	(188,880)	-
Intergovernmental	(6,871)	-	-	(15,000)	(21,871)	-
Gain/(loss) on disposal of assets	-	-	-	9,088	9,088	-
Developer reimbursements	-	-	-	4,830	4,830	-
Other expenses	(52,176)	-	-	-	(52,176)	-
Total nonoperating revenues (expense)	(59,047)	-	158,884	42,339	142,176	-
Income (Loss) before contributions and transfers	(406,348)	458,474	(3,684,743)	32,775	(3,599,842)	(487,868)
Capital Contributions	-	-	1,868,934	1,174,337	3,043,271	-
Transfers In	123,750	-	6,000,000	-	6,123,750	789,504
Transfers Out	-	-	(6,140,678)	(879,043)	(7,019,721)	-
Total capital contributions and net transfers	123,750	-	1,728,256	295,294	2,147,300	789,504
Special item - legal settlement	-	-	(2,250,000)	-	(2,250,000)	-
Change in Net Position	(282,598)	458,474	(4,206,487)	328,069	(3,702,542)	301,636
Net Position, Beginning of Year	10,208,599	723,377	181,060,898	95,977,873	287,970,747	912,975
Net Position, End of Year	\$ 9,926,001	\$ 1,181,851	\$ 176,854,411	\$ 96,305,942	\$ 284,268,205	\$ 1,214,611

Town of Buckeye, Arizona
Proprietary Funds – Statement of Cash Flows
Year Ended June 30, 2013

	Business-type Activities - Enterprise Funds					Governmental
	Airport	Solid Waste	Sewer	Water	Totals	Activities Internal Service Fund
Cash Flows from Operating Activities						
Receipts from customers	\$ 374,153	\$ 3,952,445	\$ 4,897,303	\$ 8,599,679	\$ 17,823,580	\$ 117,672
Payments to suppliers	(167,911)	(3,249,345)	(2,501,144)	(2,629,114)	(8,547,514)	(607,705)
Payments to employees	(43,178)	(204,167)	(1,235,721)	(1,736,234)	(3,219,300)	-
Customer deposits received	-	38,765	11,818	240,744	291,327	-
Net cash provided by (used in) operating activities	163,064	537,698	1,172,256	4,475,075	6,348,093	(490,033)
Cash Flows from Capital and Related Financing Activities						
Impact fees	-	-	345,052	26,549	371,601	-
Developer reimbursements	-	-	-	4,830	4,830	-
Intergovernmental	(6,871)	-	-	(15,000)	(21,871)	-
Purchases of capital assets	-	-	(35,241)	(2,156,837)	(2,192,078)	-
Proceeds on sale of assets	-	-	-	9,088	9,088	-
Interest paid on capital debt	-	-	(270,041)	-	(270,041)	-
Principal paid on capital debt	-	-	(6,493,547)	-	(6,493,547)	-
Net cash provided by (used in) capital and related financing activities	(6,871)	-	(6,453,777)	(2,131,370)	(8,592,018)	-
Cash Flows from Noncapital Financing Activities						
Transfers from (to) other funds	123,750	-	(140,678)	(879,043)	(895,971)	789,504
Net cash provided by (used in) noncapital financing activities	123,750	-	(140,678)	(879,043)	(895,971)	789,504
Cash Flows from Investing Activities						
Purchase of investments from governmental funds	-	-	(6,321,536)	(5,200,178)	(11,521,714)	(1,220,175)
Investment earnings	-	-	2,712	16,872	19,584	-
Net cash provided by investing activities	-	-	(6,318,824)	(5,183,306)	(11,502,130)	(1,220,175)
Net Change in Cash and Cash Equivalents	279,943	537,698	(11,741,023)	(3,718,644)	(14,642,026)	(920,704)
Cash and Cash Equivalents, Beginning of year	199,616	569,776	15,353,610	16,877,652	33,000,654	920,704
Cash and Cash Equivalents, End of year	\$ 479,559	\$ 1,107,474	\$ 3,612,587	\$ 13,159,008	\$ 18,358,628	\$ -

Town of Buckeye, Arizona
Proprietary Funds – Statement of Cash Flows
Year Ended June 30, 2013

	Business-type Activities - Enterprise Funds					Governmental
	Airport	Solid Waste	Sewer	Water	Totals	Internal Service Fund
Reconciliation of Operating Loss to Net Cash provided by operating activities						
Operating income (loss)	\$ (347,301)	\$ 458,474	\$ (3,843,627)	\$ (9,564)	\$ (3,742,018)	\$ (487,868)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:						
Depreciation expense	419,500	-	5,041,908	4,104,920	9,566,328	-
(Increase) decrease in						
Accounts receivable	75,735	16,425	3,568	(135,348)	(39,620)	12,901
Deferred charges	-	615	1,289	-	1,904	-
Increase (decrease) in						
Accounts payable	15,664	28,917	(70,959)	288,321	261,943	(15,066)
Accrued wages and benefits	(534)	312	8,253	11,009	19,040	-
Intergovernmental payable	-	-	12,616	(6,090)	6,526	-
Compensated absences payable	-	(5,810)	7,390	(18,917)	(17,337)	-
Customer deposits	-	38,765	11,818	240,744	291,327	-
Total adjustments	<u>510,365</u>	<u>79,224</u>	<u>5,015,883</u>	<u>4,484,639</u>	<u>10,090,111</u>	<u>(2,165)</u>
Net cash provided by/(used) in operating activities	<u>\$ 163,064</u>	<u>\$ 537,698</u>	<u>\$ 1,172,256</u>	<u>\$ 4,475,075</u>	<u>\$ 6,348,093</u>	<u>\$ (490,033)</u>
Noncash Investing, Capital, and Financing Activities						
Contributions of capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,868,934</u>	<u>\$ 1,174,337</u>	<u>\$ 3,043,271</u>	<u>\$ -</u>

Town of Buckeye, Arizona
Fiduciary Funds – Statement of Fiduciary Net Position
June 30, 2013

	<u>Pension Trust</u>
Assets	
Cash and cash equivalents	<u>\$ 258,816</u>
Total assets	<u><u>\$ 258,816</u></u>
Net Position	
Held in trust for pension benefits	<u>\$ 258,816</u>
Total net position	<u><u>\$ 258,816</u></u>

Town of Buckeye, Arizona
 Fiduciary Funds – Statement of Changes in Fiduciary Net Position
 Year Ended June 30, 2013

	Pension Trust
Additions	
State fire insurance premium	\$ 7
Investment earnings	
Net increase/(decrease) in fair value of investments	7,827
Total additions	7,834
Deductions	
Benefits	2,000
Administration	1,771
Total deductions	3,771
Changes in Net Position	4,063
Net Position, Beginning of Year	254,753
Net Position, End of Year	\$ 258,816

Note 1 - Summary of Significant Accounting Policies

The accompanying financial statements of the Town of Buckeye, Arizona (the 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 position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The effect of interfund activity has been removed from these statements. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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.

Solid Waste Fund accounts for the activities of the Town's solid waste operations.

The Sewer 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.

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 \$604,462 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 \$11,194 in inter-fund receivable/payables at year-end between the general fund and a non-major special revenue fund and \$27,068 between the water fund and a non-major capital projects 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 position because their use is limited by applicable bond covenants.

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

G. Capital Assets

Capital assets, which include property, plant, infrastructure, furniture, equipment and vehicles are reported in the governmental and business-type activities column in the government-wide financial statements as applicable and in the proprietary fund statements. Capital assets are defined by the 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 position. 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 Position

In the government-wide financial statements, net position is reported in three categories: net investment in capital assets; restricted net position; and unrestricted net position. Net investment in capital assets is separately reported because capital assets make up a significant portion of total net position. Restricted net position accounts for the portion of net position restricted by parties outside the Town. Unrestricted net position is the remaining net position 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 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 and the Director of Finance have authority to assign fund balances intended to be used for specific purposes.

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

Governmental fund balances as of June 30, 2013 are as follows:

	General	Impact Fees	CFD	Debt Service	HURF	Nonmajor Governmental Funds	Total
Fund Balance							
Non-spendable	\$ 20,535	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,535
Restricted							
Impact Fees	-	14,402,419	-	-	-	-	14,402,419
SLID Operations	-	-	-	-	-	85,523	85,523
Highways and streets	-	-	-	-	417,467	-	417,467
Debt Service	-	-	9,559,239	513,856	-	-	10,073,095
Capital projects	-	-	-	-	-	10,612,492	10,612,492
Other special revenue	-	-	-	-	-	4,100,462	4,100,462
Assigned	-	-	-	84,878	-	1,853,884	1,938,762
Unassigned	17,363,340	-	-	-	-	(468,471)	16,894,869
	<u>\$ 17,383,875</u>	<u>\$ 14,402,419</u>	<u>\$ 9,559,239</u>	<u>\$ 598,734</u>	<u>\$ 417,467</u>	<u>\$ 16,183,890</u>	<u>\$ 58,545,624</u>

The following funds had deficit fund balance as of June 30, 2013:

	<u>Amount of Deficit Fund Balance</u>
Other funds:	
Social Services/Area Agency on Aging Fund	\$ (78,467)
Downtown Revitalization Fund	\$ (546,938)

The Social Services/Area Agency on Aging Fund deficit is expected to be eliminated through current operations.

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.

L. New Accounting Standards

As of June 30, 2013, the Town implemented GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The implementation of the statement had no impact on the financial statements or net position of the Town as the entity had previously elected to apply all Financial Accounting Standards Boards Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989 that were not in conflict with or in contradiction of GASB pronouncements.

As of June 30, 2013, the Town implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The implementation of the statement had no impact on the financial statements or net position of the Town.

As of June 30, 2014, the Town will implement GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. Upon implementation, the standard will decrease total net position of the Town by approximately \$5,500,000 related to the adjustment of unamortized deferred charges that existed as of June 30, 2013.

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 2013.

Note 3 - Deposits and Investments

Cash and investments at June 30, 2013 consisted of the following:

Deposits	
Cash on hand	\$ 3,300
Cash in bank	10,991,963
Cash on deposit with paying agent	1,759,385
Investments	
Cash on deposit with trustee	17,719,759
Pension Trust Money Market	254,536
State Treasurer's Investment Pool	15,405,407
U.S. agency securities	55,004,368
Total deposits and investments	<u>101,138,718</u>
Restricted Cash	(18,863,824)
Fiduciary Funds	(258,816)
Cash with Paying Agent	(1,759,390)
Investments	<u>(55,004,368)</u>
Total cash and cash equivalent	<u>\$ 25,252,320</u>

Cash on Hand – This includes a petty cash fund and beginning cash for the registers at Town Hall. Cash on hand at June 30, 2013 was \$3,300.

Deposits – At June 30, 2013, the carrying amount of the Town's deposits was \$10,991,963 and the bank balance was \$12,588,608. 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, 2013, the Town had the following investments and related maturities:

<u>Investment Type</u>	<u>Investment Maturities</u>		
	<u>Total</u>	<u>Less Than 1 Year</u>	<u>1-5 Years</u>
US Agency Securities	<u>\$ 55,004,368</u>	<u>\$ -</u>	<u>\$ 55,004,368</u>

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

As of June 30, 2013, the Town’s investments were rated in the following manner:

<u>Investment Type</u>	<u>Rating</u>	<u>Rating Agency</u>	<u>Amount</u>
Federal Home Loan Bank (FHLB) Federal Home Loan Mortgage Company (FHLMC)	AAA	Moody's	\$ 3,886,116
Federal National Mortgage Association (FNMA)	AAA	Moody's	20,360,258
			<u>30,757,994</u>
			<u>\$ 55,004,368</u>

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The 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, 2013, 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, 2013, the Town’s investments were concentrated in the following manner:

Federal Home Loan Bank (FHLB)	\$ 3,886,116	7.1%
Federal Home Loan Mortgage Company (FHLMC)	20,360,258	37.0%
Federal National Mortgage Association (FNMA)	<u>30,757,994</u>	55.9%
	<u>\$ 55,004,368</u>	

Note 4 - Receivables

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

	Unavailable	Unearned
Special assessments not yet due - CFD Debt Service Fund	\$ 52,410,000	\$ -
Prepaid building permits - General Fund	<u>-</u>	<u>980,167</u>
	<u>\$ 52,410,000</u>	<u>\$ 980,167</u>

Intergovernmental receivables were due from the following:

City of Phoenix	<u>\$ 490,367</u>
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Note 5 - Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 169,178,058	\$ 2,328,233	\$ (1,326,467)	\$ -	\$ 170,179,824
Construction in progress	11,547,614	8,520,039	(372,023)	(17,899,825)	1,795,805
Total capital assets, not being depreciated	<u>180,725,672</u>	<u>10,848,272</u>	<u>(1,698,490)</u>	<u>(17,899,825)</u>	<u>171,975,629</u>
Capital assets, being depreciated:					
Land improvements	10,721,566	25,121	-	4,112,344	14,859,031
Building and improvements	26,346,085	1,464,019	-	4,942,608	32,752,712
Infrastructure	257,160,391	6,555,829	(10,319)	4,934,943	268,640,844
Furniture, machinery and equipment	16,443,142	1,974,025	(1,796,288)	3,909,930	20,530,809
Total capital assets being depreciated	<u>310,671,184</u>	<u>10,018,994</u>	<u>(1,806,607)</u>	<u>17,899,825</u>	<u>336,783,396</u>
Less accumulated depreciation for:					
Land improvements	(2,582,553)	(577,079)	-	-	(3,159,632)
Building and improvements	(4,371,358)	(869,024)	-	-	(5,240,382)
Infrastructure	(85,669,755)	(11,219,141)	10,319	-	(96,878,577)
Furniture, machinery and equipment	(9,518,860)	(1,548,940)	1,796,288	-	(9,271,512)
Total accumulated depreciation	<u>(102,142,526)</u>	<u>(14,214,184)</u>	<u>1,806,607</u>	<u>-</u>	<u>(114,550,103)</u>
Total capital assets, being depreciated, net	<u>208,528,658</u>	<u>(4,195,190)</u>	<u>-</u>	<u>17,899,825</u>	<u>222,233,293</u>
Governmental activities capital assets, net	<u>\$ 389,254,330</u>	<u>\$ 6,653,082</u>	<u>\$ (1,698,490)</u>	<u>\$ -</u>	<u>\$ 394,208,922</u>
Depreciation was charged by function as follows:					
General government					\$ 5,639,013
Public safety					6,749,367
Highways and streets					826,962
Culture and recreation					759,556
Community development					239,286
Total depreciation expense - governmental activities					<u>\$ 14,214,184</u>

Town of Buckeye, Arizona
Notes to Financial Statements
June 30, 2013

Capital asset activity for business-type activities for the year ended June 30, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 5,372,660	\$ 85,060	\$ -	\$ -	\$ 5,457,720
Construction in progress	133,895	2,090,886	(52,176)	(262,468)	1,910,137
Total capital assets, not being depreciated	<u>5,506,555</u>	<u>2,175,946</u>	<u>(52,176)</u>	<u>(262,468)</u>	<u>7,367,857</u>
Capital assets, being depreciated:					
Wastewater system	137,797,099	1,868,934	-	-	139,666,033
Water system	100,068,453	1,089,277	-	262,468	101,420,198
Land improvements	12,198,168	-	-	-	12,198,168
Building and improvements	86,734,816	-	-	-	86,734,816
Machinery, equipment and vehicles	1,770,996	101,192	(53,185)	-	1,819,003
Total capital assets being depreciated	<u>338,569,532</u>	<u>3,059,403</u>	<u>(53,185)</u>	<u>262,468</u>	<u>341,838,218</u>
Less accumulated depreciation for:					
Wastewater system	(23,082,532)	(3,425,067)	-	-	(26,507,599)
Water system	(32,782,174)	(3,389,116)	-	-	(36,171,290)
Land improvements	(8,045,895)	(354,059)	-	-	(8,399,954)
Building and improvements	(13,967,546)	(2,251,381)	-	-	(16,218,927)
Machinery, equipment and vehicles	(734,497)	(146,705)	53,185	-	(828,017)
Total accumulated depreciation	<u>(78,612,644)</u>	<u>(9,566,328)</u>	<u>53,185</u>	<u>-</u>	<u>(88,125,787)</u>
Total capital assets, being depreciated, net	<u>259,956,888</u>	<u>(6,506,925)</u>	<u>-</u>	<u>262,468</u>	<u>253,712,431</u>
Business-type activities capital assets, net	<u>\$ 265,463,443</u>	<u>\$ (4,330,979)</u>	<u>\$ (52,176)</u>	<u>\$ -</u>	<u>\$ 261,080,288</u>
Depreciation was charged by function as follows:					
Airport					\$ 419,500
Sewer					5,041,908
Water					<u>4,104,920</u>
Total depreciation expense - business-type activities					<u>\$ 9,566,328</u>

Note 6 - Construction Commitments

The Town has various active construction projects at June 30, 2013. At fiscal year end, the Town's commitments with contractors were as follows:

Governmental Activities		
Project	Spent-to-date	Remaining Commitment
Phase II 4th Ave Pedestrian	\$ 28,063	\$ 211,679
Phase III 3rd Ave Pedestrian	50,021	285,559
Alarcon-Kino Pedestrian	46,840	238,087
	\$ 124,924	\$ 735,325

Business-type Activities		
Project	Spent-to-date	Remaining Commitment
Sundance Water Sys to Historic Buckeye	\$ 1,304,595	\$ 333,903
MC 85 Waterline Extension	47,386	1,552,600
Airport Well #2	37,815	757,135
BWCDD Wilson Rd Pump & Pipes	188,742	1,534,903
Waterline Restore Monroe Ave	93,441	737,396
	\$ 1,671,979	\$ 4,915,937

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 \$ 1,721,119
Less: accumulated depreciation	(652,054)
	\$ 1,069,065

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, 2013, were as follows:

Year ending June 30:	Governmental Activities
2014	\$ 291,479
2015	215,113
2016	79,933
2017	79,933
2018	79,933
Less: amount representing interest	(76,551)
Present value of minimum lease payments	\$ 669,840

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.

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

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.

Water Infrastructure Finance Authority Debt

On November 20, 2009, the Town entered into an agreement with the Arizona Water Infrastructure Finance Authority (WIFA) for \$12,000,000 in general obligation debt as part of the water infrastructure improvements related to expansion of the water and wastewater plant. As part of this agreement, the Town has covenanted that the water and wastewater plant will produce sufficient revenues to cover operating and maintenance expenses of the plant plus 120% of the aggregate payments on the loan including any outstanding parity obligations. Interest accrues at a rate of 2.5%. Annual payments of varying amounts are due through July 2029. On January 1, 2013, the Town made a debt service payment of \$6,000,000 to WIFA, which resulted in an early extinguishment of debt. As of June 30, 2013, total principal and interest remaining is \$5,590,441 and the Town was in compliance with all covenants.

On April 5, 2013, the Town entered into an agreement with the Arizona Water Infrastructure Finance Authority (WIFA) for \$4,870,000 in general obligation debt as part of the water infrastructure improvements related to constructing, acquiring, and improving water reclamation and recharge systems. As part of this agreement, the Town has covenanted that the water and wastewater plant will produce sufficient revenues to cover operating and maintenance expenses of the plant plus 120% of the aggregate payments on the loan including any outstanding parity obligations. Interest accrues at a rate of 2.5%. Annual payments are \$312,397 through July 2032. As of June 30, 2013, no funds have been drawn on this loan and the Town was in compliance with all covenants.

On April 5, 2013, the Town entered into an agreement with the Arizona Water Infrastructure Finance Authority (WIFA) for \$5,065,000 in general obligation debt as part of the water infrastructure improvements related to constructing and acquiring waterline to extend and connect existing services. As part of this agreement, the Town has covenanted that the water and wastewater plant will produce sufficient revenues to cover operating and maintenance expenses of the plant plus 120% of the aggregate payments on the loan including any outstanding parity obligations. Interest accrues at a rate of 2.975%. Annual payments are \$339,661 through July 2032. As of June 30, 2013, no funds have been drawn on this loan and the Town was in compliance with all covenants.

On April 5, 2013, the Town entered into an agreement with the Arizona Water Infrastructure Finance Authority (WIFA) for \$3,617,450 in general obligation debt as part of the water infrastructure improvements related to repairing and improving an existing well site and integrating it with the current system. As part of this agreement, the Town has covenanted that the water and wastewater plant will produce sufficient revenues to cover operating and maintenance expenses of the plant plus 120% of the aggregate payments on the loan including any outstanding parity obligations. Interest accrues at a rate of 2.975%. Annual payments are \$242,588 through July 2032. As of June 30, 2013, no funds have been drawn on this loan and the Town was in compliance with all covenants.

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 \$840,701. Principal and interest paid for the current year was \$291,693 and total assessments billed were \$265,313.

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 \$2,732,312. Principal and interest paid for the current year was \$172,063 and total assessments billed were \$174,084.

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. As part of the bond agreement, the Town has covenanted that it will maintain a bond covenant coverage ratio of no less than 2.0. Annual principal and interest payments on the bonds are expected to require five percent of net revenues. As of June 30, 2013, the total principal and interest to be paid on the bonds is \$10,517,881 and the Town was in compliance with all covenants. Interest paid for the current year was \$399,238.

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. As part of the bond agreement, the Town has covenanted that it will maintain a bond covenant coverage ratio of no less than 2.0. Proceeds from these bonds were used to construct a municipal complex. Annual principal and interest payments on the bonds are expected to require five percent of net revenues. As of June 30, 2013, the total principal and interest to be paid on the bonds is \$23,758,422, and the Town was in compliance with all covenants. Interest paid for the current year was \$682,232.

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. As part of the bond agreement, the Town has covenanted that it will maintain a bond covenant coverage ratio of no less than 2.0. Proceeds from these bonds were used for the acquisition and improvement of a facility for administrative purposes. Annual principal and interest payments on the bonds are expected to require one percent of net revenues. As of June 30, 2013, the total principal and interest to be paid on the bonds is \$2,950,635, and the Town was in compliance with all covenants. Interest paid for the current year was \$92,144.

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. As part of the bond agreement, the Town has covenanted that it will maintain a bond covenant coverage ratio of no less than 2.0. Proceeds from the Series 2000 bonds were used to connect an unused water well to the existing water system of the Town. As of June 30, 2013, the total principal and interest to be paid on the bonds is \$1,858,775, and the Town was in compliance with all covenants. Interest paid for the current year was \$57,200.

As of June 30, 2013, the Town's total revenue bond debt service requirement was approximately \$2,147,000 and sales and transaction privilege tax, franchise fees, licenses and permit fees, and fines and forfeitures produced a total bond coverage ratio of approximately 3.4. Water Utility Revenue is pledged for repayment of Excise Tax Revenue Bonds debt service in addition to the bond coverage ratio previously stated.

Community Facilities District Bonds

The 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 \$3,348,630. Principal and interest paid for the current year was \$724,556 and total assessments billed were \$525,077.

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 \$5,249,340. Principal and interest paid for the current year was \$596,353 and total assessments billed were \$394,255.

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. Proceeds were used for infrastructure improvements within the special assessment district. The total principal and interest remaining to be paid on the bonds is \$1,335,305. Principal and interest paid for the current year was \$154,248 and total assessments billed were \$84,850.

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 \$3,375,063. Principal and interest paid for the current year was \$51,860 and total assessments billed were \$213,050.

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 \$467,153. Principal and interest paid for the current year was \$147,692 and total assessments billed were \$36,975.

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 \$61,280,240. Principal and interest paid for the current year was \$3,862,374 and total assessments billed were \$3,761,300.

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 \$2,082,198. Principal and interest paid for the current year was \$1,396,990 and total assessments billed were \$112,760.

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 \$2,257,984. Principal and interest paid for the current year was \$152,221 and total assessments billed were \$120,736.

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 \$582,215. Principal and interest paid for the current year was \$70,891 and total assessments billed were \$29,902.

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 \$831,800. Principal and interest paid for the current year was \$46,065 and total assessments billed were \$38,450.

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 \$1,026,655. Principal and interest paid for the current year was \$55,550.

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 \$2,224,490. Principal and interest paid for the current year was \$128,788.

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 \$12,826,351. Principal and interest paid for the current year was \$643,913.

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 \$144,620. Principal and interest paid for the current year was \$8,610.

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 \$12,489,254. Principal and interest paid for the current year was \$650,472.

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 \$30,083,600. Principal and interest paid for the current year was \$2,130,250. By way of an advanced refunding truncation, these bonds were defeased in full in July 2013 through issuance of \$20,400,000 Verrado District 1 Community Facilities District General Obligation Refunding Bonds, Series 2013A.

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 \$24,946,673. Principal and interest paid for the current year was \$1,372,628.

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 \$13,995,746. Principal and interest paid for the current year was \$701,621.

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 \$415,134. The total principal and interest remaining to be paid on the bonds is \$5,904,983. 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, 2013, the defeased amount outstanding on the bonds was \$984,936.

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 \$871,265. Principal and interest paid for the current year was \$353,017.

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 \$5,833,893. Principal and interest paid for the current year was \$316,936.

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 \$3,702,115. Principal and interest paid for the current year was \$176,310.

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, 2013, the defeased amount outstanding on the bonds was \$4,406,082.

The Town has pledged revenue derived from the property taxes levied on the real property of the Festival Ranch Community Facilities District to repay \$5,400,000 in general obligation bonds issued July 2012. Proceeds were used for the construction and acquisition of public infrastructure. The total principal and interest to be paid is \$5,520,238. Principle and interest paid during the current year totaled \$1,632,868.

Subsequent to June 30, 2013, the Town pledged revenue derived from the property taxes levied on the real property of the Verrado Community Facilities District to repay \$6,000,000 in Verrado District 1 Community Facilities District General Obligation Bonds, Series 2013B issued in July 2013. Proceeds will be used for the construction and acquisition of public infrastructure.

Subsequent to June 30, 2013, the Town pledged revenue derived from the property taxes levied on the real property of the Festival Ranch Community Facilities District to repay \$1,800,000 in Festival Ranch District Community Facilities District General Obligation Bonds, Series 2013 issued in November 2013. Proceeds will be used for the construction and acquisition of public infrastructure.

Town of Buckeye, Arizona
Notes to Financial Statements
June 30, 2013

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	\$ 755,000
Jackrabbit Trail Sewer Improvements Bonds	6.25%	January 2029	<u>2,545,000</u>	<u>1,730,000</u>
Total Improvement District Bonds			<u>\$ 6,980,000</u>	<u>\$ 2,485,000</u>
<i>Revenue Bonds:</i>				
Greater Arizona Development Authority Excise Tax Revenue Bonds -				
Series 2005A	3.0 - 5.0%	July 2030	\$ 9,400,000	\$ 8,015,000
Series 2006A	4.0 - 5.0%	August 2036	14,730,000	14,110,000
Series 2007A	4.0 - 5.0%	August 2031	2,200,000	1,960,000
Excise Tax Revenue Refunding Bonds, Series 2010	2.5% - 4%	July 2020	<u>1,795,000</u>	<u>1,615,000</u>
Total Revenue Bonds			<u>\$ 28,125,000</u>	<u>\$ 25,700,000</u>
<i>Community Facilities District Bonds:</i>				
Sundance Special Assessment Revenue Bonds				
Series 2002	2.25 - 7.75%	July 2022	\$ 11,300,000	\$ 2,275,000
Series 2003	5.0 - 7.125%	July 2027	7,175,000	3,219,000
Series 2004	6.50%	July 2029	2,050,000	809,000
West Park Special Assessment Revenue Bonds,				
Series 2005	4.55 - 5.9%	July 2029	3,800,000	2,130,000
Festival Ranch Special Assessment Revenue Bonds,				
Series 2005	4.0 - 5.55%	July 2030	1,448,000	293,000
Series 2009	8.88%	July 2034	356,000	251,000
Series 2011	8.50%	July 2035	404,000	366,000
Watson Road Special Assessment Revenue Bonds, Series 2005				
	4.5 - 6.0%	July 2030	49,000,000	37,910,000
Festival Ranch Special Assessment Lien Bonds,				
Series 2007	4.2 - 5.0%	July 2032	1,868,000	1,314,000
Series 2007	4.3 - 5.75%	July 2032	1,784,000	1,358,000
Verrado District No. 1, General Obligation Bonds				
Series 2003	6.0 - 6.5%	July 2027	24,000,000	19,600,000
Series 2006	4.85 - 5.35%	July 2031	18,600,000	15,790,000
Sundance General Obligation Bonds,				
Series 2005	4.0 - 5.125%	July 2030	6,000,000	4,030,000
Verrado Western Overlay General Obligation Bonds, Series 2004				
	Variable	July 2029	13,000,000	11,000,000
Tartesso West General Obligation Bonds,				
Series 2005	6.00%	July 2030	110,000	89,000
Series 2007	4.35 - 5.90%	July 2032	8,750,000	7,405,000
West Park General Obligation Bonds,				
Series 2005	5.15 - 5.60%	July 2030	690,000	555,000
Series 2006	4.20 - 5.25%	July 2031	4,420,000	3,705,000
Series 2007	4.7 - 5.45%	July 2032	2,480,000	2,185,000
Festival Ranch General Obligation Bonds,				
Series 2006	4.9 - 5.3%	July 2031	800,000	655,000
Series 2007	4.65 - 5.8%	July 2032	1,535,000	1,315,000
Series 2009A	5% - 6.5%	July 2031	5,435,000	4,420,000
Series 2009B	8% - 8.625%	July 2034	2,165,000	2,165,000
Series 2012	1% - 5%	July 2031	<u>5,400,000</u>	<u>3,705,000</u>
Total Community Facilities Districts Bonds			<u>\$ 172,570,000</u>	<u>\$ 126,544,000</u>

Town of Buckeye, Arizona
Notes to Financial Statements
June 30, 2013

Purpose	Interest Rates (%)	Matures	Original Issue Amount	Amount Outstanding
Business-type Activities:				
WIFA Bond	2.85%	July 2029	12,000,000	4,555,177
Total Business-type Bonds			<u>\$ 12,000,000</u>	<u>\$ 4,555,177</u>

Changes in long-term obligations for the year ended June 30, 2013 are as follows:

	July 1, 2012	Increases	Decreases	June 30, 2013	Due Within One Year
Governmental Activities:					
Bonds payable:					
Improvement	\$ 2,797,000	\$ -	\$ (312,000)	\$ 2,485,000	\$ 247,000
Revenue	26,740,000	-	(1,040,000)	25,700,000	1,080,000
Community facilities district	128,673,000	5,400,000	(7,529,000)	126,544,000	5,199,000
Deferred amount on premium	920,606	-	(61,178)	859,428	61,178
Deferred amount on discount	(645,515)	-	48,732	(596,783)	(48,732)
Total bonds payable	<u>158,485,091</u>	<u>5,400,000</u>	<u>(8,893,446)</u>	<u>154,991,645</u>	<u>6,538,446</u>
Other liabilities:					
Capital leases	766,757	-	(96,917)	669,840	291,479
Compensated absences	954,432	1,034,561	(1,020,079)	968,914	775,131
Total other liabilities	<u>1,721,189</u>	<u>1,034,561</u>	<u>(1,116,996)</u>	<u>1,638,754</u>	<u>1,066,610</u>
Total long-term liabilities	<u>\$ 160,206,280</u>	<u>\$ 6,434,561</u>	<u>\$ (10,010,442)</u>	<u>\$ 156,630,399</u>	<u>\$ 7,605,056</u>
Business-type Activities:					
Bonds payable:					
Revenue	\$ 11,048,724	\$ -	\$ (6,493,547)	\$ 4,555,177	\$ 218,319
Total bonds payable	<u>11,048,724</u>	<u>-</u>	<u>(6,493,547)</u>	<u>4,555,177</u>	<u>218,319</u>
Other liabilities:					
Compensated absences	100,697	99,481	(116,818)	83,360	66,688
Total other liabilities	<u>100,697</u>	<u>99,481</u>	<u>(116,818)</u>	<u>83,360</u>	<u>66,688</u>
Total long-term liabilities	<u>\$ 11,149,421</u>	<u>\$ 99,481</u>	<u>\$ (6,610,365)</u>	<u>\$ 4,638,537</u>	<u>\$ 285,007</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, 2013 are as follows:

Year ending June 30:	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2014	\$ 6,526,000	\$ 8,505,840	\$ 218,319	\$ 111,150
2015	6,786,000	8,172,705	223,777	105,624
2016	7,033,000	7,821,669	229,372	99,960
2017	7,363,000	7,427,306	235,106	94,154
2018	7,349,000	7,055,682	240,984	88,203
2019-2023	42,699,000	28,701,518	1,298,357	346,408
2024-2028	47,688,000	15,934,504	1,468,972	173,659
2029-2033	25,089,000	4,265,492	640,290	16,106
2034-2038	4,196,000	424,819	-	-
	<u>\$ 154,729,000</u>	<u>\$ 88,309,535</u>	<u>\$ 4,555,177</u>	<u>\$ 1,035,264</u>

Note 9 - Interfund Transfers

Interfund transfers for the year ended June 30, 2013 consisted of the following:

Transfers To	Transfers From						Total
	General Fund	CFD Fund	HURF Fund	Sewer Fund	Water Fund	Nonmajor Governmental Fund	
General Fund	\$ -	\$ -	\$ 56,700	\$ 140,678	\$ 879,043	\$ 72,773	\$ 1,149,194
CFD Fund	-	3,692,875	-	-	-	(112,831)	3,580,044
Debt Service Fund	17,676	-	-	-	-	-	17,676
Impact Fees	386,991	-	-	-	-	-	386,991
Airport Fund	123,750	-	-	-	-	-	123,750
Sewer Fund	-	-	-	6,000,000	-	-	6,000,000
Internal Service Fund	789,504	-	-	-	-	-	789,504
Nonmajor Governmental Funds	6,159,107	3,934	444,731	-	-	531,000	7,138,772
Total	<u>\$ 7,477,028</u>	<u>\$ 3,696,809</u>	<u>\$ 501,431</u>	<u>\$ 6,140,678</u>	<u>\$ 879,043</u>	<u>\$ 490,942</u>	<u>\$ 19,185,931</u>

Transfers were made for operations in the applicable fund.

During fiscal year 2013, the Town transferred \$6,000,000 from the Sewer Impact Fee fund to the Sewer fund for the purpose of making early debt service payments related to the debt associated with the Arizona Water Infrastructure Finance Authority.

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, 2012 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 years ended June 30, 2013, 2012 and 2011 the Town and active plan members were each required by statute to contribute at the actuarially determined rate of 11.14 percent (10.90 per cent for retirement and 0.24 per cent for long-term disability), 10.74 percent and 9.60 percent, respectively, 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
2013	\$ 1,117,193	\$ 25,536	\$ 25,161
2012	819,933	106,948	21,186
2011	683,770	89,187	20,129

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 8.65 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. Required employer contributions are percent of payroll normal cost plus 30 year (24 years remaining as of June 30, 2012) amortization of unfunded actuarial accrued liability (20 year amortization for credit). The statutory minimum is 8% of payroll (5% of payroll if the actual employer contribution rate is less than 5% for the 2006-2007 fiscal year).

C. Annual Pension Cost

During the year ended June 30, 2013, 2012 and 2011 the Town of Buckeye, Arizona's annual pension cost of \$703,905, \$554,267 and \$591,278 for police, respectively, and \$543,803, \$452,744 and \$512,008 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 8.00% 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 0.02% to 9.0% per year attributable to seniority/merit.

D. Funded Status and Funding Progress

As of June 30, 2012, the plan was 78.3% funded for police and 113.5% funded for fire. For police, the actuarial accrued liability for benefits was \$14.8 million, and the actuarial value of assets was \$11.6 million, resulting in an unfunded actuarial accrued liability of (UAAL) of \$3.2 million. For fire, the actuarial accrued liability for benefits was \$9.3 million, and the actuarial value of assets was \$10.5 million, resulting in a fully funded actuarial accrued liability (UAAL). The covered payroll (annual payroll of active employees covered by the plan) was \$4.6 million for police and \$4.6 million for fire, and the ratio of the UAAL to the covered payroll was 69.5% 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, 2012, was 20 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
2010	415,127	100.0%	-
2011	591,278	100.0%	-
2012	554,267	100.0%	-

Three-Year Trend Information

Fire			
Fiscal Year Ended June 30	Annual Pension Cost (APC)	Percent Contributed	Net Pension Obligation
2010	407,033	100.0%	-
2011	512,008	100.0%	-
2012	452,744	100.0%	-

Additional historical trend information for the Town's PSPRS is disclosed on page 59.

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, 2013, 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.

Postemployment Health Plan

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

Note 12 - Contingent Liabilities

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 except as noted below.

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

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

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

The \$2,000,000 initial payment has been included in the Propriety Funds- Statement of Revenues, Expenses, and Changes in Fund Net Position for the year ended June 30, 2013. As of June 30, 2013, the Town has not recorded a provision for the remaining \$5,250,000 as the liability is contingent upon occurrence of connections and management does not believe payment of the entire amount is probable. The Town believes, however, that any liability it may incur would not have a material adverse effect on its financial condition or its results of operations.

Also in 2013, The Town tentatively settled a legal action brought by Buckeye Land Management Inc., (BLMI) against the Town and the Sundance Community Facilities District (CFD). BLMI brought the law suit to attempt to persuade the court order the CFD to issue General Obligation bonds and to utilize the proceeds to reimburse BLMI for the costs that BLMI claimed were incurred on infrastructure claimed as eligible for reimbursement under a financing development agreement involving BLMI, the CFD and the Town.

The tentative settlement agreement acknowledges the completion and acceptance of some of the required infrastructure, allocates responsibility for the remaining major infrastructure items and costs for the un-built items. The Board of BLMI has approved and signed the settlement agreement. The tentative settlement agreement was considered by the Town Council in October 2013.

If the settlement is approved by the Town Council, the lawsuit will be held pending consideration by the CFD Board over a six-month period whether to issue \$10,000,000 in CFD General Obligation bonds. If the bonds are issued, at the Board's discretion, approximately \$6,700,000 of the bond proceeds will be used to reimburse BLMI for public infrastructure that has been completed and for which the design and construction costs have been verified by the District staff. Upon reimbursement of the infrastructure costs to BLMI, the agreed-upon dismissal of the BLMI claims with prejudice will be entered by the court. If the bonds are not issued by the district either side may re-file the BLMI lawsuit claims.

Required Supplementary Information

Town of Buckeye, Arizona
Public Safety Personnel Retirement System – Schedule of Funding Progress
June 30, 2013

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
2010	9,069,732	9,958,482	91.1%	(888,750)	4,583,561	(20.3)%
2011	10,153,281	12,276,556	82.7%	(2,123,275)	4,302,307	49.4%
2012	11,598,871	14,808,457	78.3%	(3,209,586)	4,620,117	69.5%
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
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%
2012	10,529,478	9,279,836	107.2%	543,454	4,623,728	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, 2013

	<u>Budgeted Amounts</u>			Variance with Revised Budget Positive (Negative)
	<u>Adopted</u>	<u>Revised</u>	<u>Actual</u>	
Revenues				
Taxes	\$ 3,746,614	\$ 3,746,614	\$ 3,968,861	\$ 222,247
Special assessments	5,698,721	5,698,721	6,200,123	501,402
Investment earnings	446,988	446,988	238	(446,750)
Other	1,959,630	1,959,630	2,109,490	149,860
Total revenues	<u>11,851,953</u>	<u>11,851,953</u>	<u>12,278,712</u>	<u>426,759</u>
Expenditures				
Current				
General government	-	-	6,308	6,308
Miscellaneous expense	-	-	133,417	133,417
Debt Service				
Principal retirement	4,808,000	4,808,000	7,529,000	2,721,000
Interest on long-term debt	8,514,750	8,514,750	7,285,417	(1,229,333)
Contingencies	7,464,400	7,464,400	-	(7,464,400)
Total expenditures	<u>20,787,150</u>	<u>20,787,150</u>	<u>14,954,142</u>	<u>(5,833,008)</u>
Revenues over (Under)				
Expenditures	<u>(8,935,197)</u>	<u>(8,935,197)</u>	<u>(2,675,430)</u>	<u>6,259,767</u>
Other Financing Sources (Uses)				
Transfers in	2,234,305	2,234,305	3,580,044	1,345,739
Transfers out	(2,237,605)	(2,237,605)	(3,696,809)	(1,459,204)
Total other financing sources (uses)	<u>(3,300)</u>	<u>(3,300)</u>	<u>(116,765)</u>	<u>(113,465)</u>
Net Change in Fund Balances	(8,938,497)	(8,938,497)	(2,792,195)	6,146,302
Fund Balances, Beginning of Year	<u>9,030,153</u>	<u>9,030,153</u>	<u>12,351,434</u>	<u>(3,321,281)</u>
Fund Balances, End of Year	<u>\$ 91,656</u>	<u>\$ 91,656</u>	<u>\$ 9,559,239</u>	<u>\$ 2,825,021</u>

Town of Buckeye, Arizona

Debt Service Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Year Ended June 30, 2013

	<u>Budgeted Amounts</u>			Variance with Revised Budget Positive (Negative)
	<u>Adopted</u>	<u>Revised</u>	<u>Actual</u>	
Revenues				
Special assessments	\$ 673,000	\$ 673,000	\$ 469,495	\$ (203,505)
Other	30,800	30,800	46,577	15,777
Total revenues	<u>703,800</u>	<u>703,800</u>	<u>516,072</u>	<u>(187,728)</u>
Expenditures				
Current				
General government	30,488	30,488	62,273	31,785
Highway and street	58,188	58,188	71,588	13,400
Debt Service				
Principal retirement	420,000	420,000	312,000	(108,000)
Interest on long-term debt	253,000	253,000	169,794	(83,206)
Contingencies	573,936	573,936	-	(573,936)
Capital Outlay	70,000	70,000	70,787	787
Total expenditures	<u>1,405,612</u>	<u>1,405,612</u>	<u>686,442</u>	<u>(719,170)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(701,812)</u>	<u>(701,812)</u>	<u>(170,370)</u>	<u>531,442</u>
Other Financing Sources (Uses)				
Transfers in	-	-	17,676	17,676
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>17,676</u>	<u>17,676</u>
Net Change in Fund Balances	(701,812)	(701,812)	(152,694)	549,118
Fund Balances, Beginning of Year	<u>565,351</u>	<u>565,351</u>	<u>751,428</u>	<u>186,077</u>
Fund Balances, End of Year	<u>\$ (136,461)</u>	<u>\$ (136,461)</u>	<u>\$ 598,734</u>	<u>\$ 735,195</u>

Town of Buckeye, Arizona
 Nonmajor Governmental Funds – Combining Balance Sheet
 June 30, 2013

	Special Revenue Funds	CFD Special Revenue	Capital Projects Fund	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 353,557	\$ 835,794	\$ 1,317,987	\$ 2,507,338
Investments	4,176,217	1,034,024	9,917,725	15,127,966
Receivables, net				
Accounts	131,173	883	88,848	220,904
Taxes	1,296	7,505	-	8,801
Restricted assets	-	-	202,835	202,835
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 4,662,243</u>	<u>\$ 1,878,206</u>	<u>\$ 11,527,395</u>	<u>\$ 18,067,844</u>
Liabilities and Fund Balance				
Liabilities				
Accounts payable	\$ 382,026	\$ 24,322	\$ 887,835	\$ 1,294,183
Interfund payable	11,194	-	27,068	38,262
Deferred revenue	551,509	-	-	551,509
Total liabilities	<u>944,729</u>	<u>24,322</u>	<u>914,903</u>	<u>1,883,954</u>
Fund Balance				
Restricted	4,185,985	-	10,612,492	14,798,477
Assigned	-	1,853,884	-	1,853,884
Unassigned	(468,471)	-	-	(468,471)
Total fund balance	<u>3,717,514</u>	<u>1,853,884</u>	<u>10,612,492</u>	<u>16,183,890</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balance	<u>\$ 4,662,243</u>	<u>\$ 1,878,206</u>	<u>\$ 11,527,395</u>	<u>\$ 18,067,844</u>

Town of Buckeye, Arizona

Nonmajor Governmental Funds – Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2013

	Special Revenue Funds	CFD Special Revenue	Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues				
Improvement proceeds	\$ -	\$ 574,763	\$ -	\$ 574,763
Intergovernmental	253,174	-	155,619	408,793
Charges for services	320,188	323,881	-	644,069
Developer agreements	-	-	455,138	455,138
Contributions and donations	1,903,911	-	747,936	2,651,847
Investment earnings	2,357	10	7,096	9,463
Other	248,702	98,864	202,179	549,745
Total revenues	2,728,332	997,518	1,567,968	5,293,818
Expenditures				
Current				
General government	270,108	7,294,743	723,962	8,288,813
Public safety	869,908	-	-	869,908
Economic development	408,009	-	-	408,009
Health and welfare	458,642	-	-	458,642
Capital outlay	3,865,817	-	5,088,685	8,954,502
Total expenditures	5,872,484	7,294,743	5,812,647	18,979,874
Revenues over (Under) Expenditures	(3,144,152)	(6,297,225)	(4,244,679)	(13,686,056)
Other Financing Sources (Uses)				
Bonds issued	-	5,400,000	-	5,400,000
Transfers in	5,551,594	3,934	1,583,244	7,138,772
Transfers out	(103,773)	112,831	(500,000)	(490,942)
Total other financing sources (uses)	5,447,821	5,516,765	1,083,244	12,047,830
Net Change in Fund Balances	2,303,669	(780,460)	(3,161,435)	(1,638,226)
Fund Balances, Beginning of Year	1,413,845	2,634,344	13,773,927	17,822,116
Fund Balances, End of Year	\$ 3,717,514	\$ 1,853,884	10,612,492	\$ 16,183,890

Town of Buckeye, Arizona
 Nonmajor Special Revenue Funds – Combining Statement Balance Sheet
 June 30, 2013

	Fill the Gap Fund	R.I.C.O. Fund	V.A.L.U.E. Kids Fund	Buckeye Explorer Fund	Youth Scholarship Fund	Impound Fund	Maricopa County CAP	Police Department Grants Fund	Social Services/Area Agency on Aging Fund	Fire Grants Fund
Assets										
Cash and cash equivalents	\$ 23,346	\$ 89,119	\$ 3,479	\$ 10,311	\$ 4,571	\$ -	\$ -	\$ 5,006	\$ -	\$ -
Investments	-	-	-	-	-	94,515	-	-	273,991	-
Receivables, net										
Accounts	1,542	-	-	-	-	-	-	59,625	30,458	39,548
Taxes	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-	-
Restricted assets	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 24,888	\$ 89,119	\$ 3,479	\$ 10,311	\$ 4,571	\$ 94,515	\$ -	\$ 64,631	\$ 304,449	\$ 39,548
Liabilities and Fund Balance										
Liabilities										
Accounts payable	\$ -	\$ 78,844	\$ -	\$ -	\$ -	\$ 1,361	\$ -	\$ -	\$ 225,982	\$ -
Due to other funds	-	-	-	-	-	-	-	-	-	11,194
Interest payable	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	4,571	-	-	-	-	-
Matured debt principal payable	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	78,844	-	-	4,571	1,361	-	-	225,982	11,194
Fund Balance										
Restricted	24,888	10,275	3,479	10,311	-	93,154	-	64,631	-	28,354
Unassigned	-	-	-	-	-	-	-	-	78,467	-
Total fund balance	24,888	10,275	3,479	10,311	-	93,154	-	64,631	78,467	28,354
Total liabilities and fund balance	\$ 24,888	\$ 89,119	\$ 3,479	\$ 10,311	\$ 4,571	\$ 94,515	\$ -	\$ 64,631	\$ 304,449	\$ 39,548

Town of Buckeye, Arizona
 Nonmajor Special Revenue Funds – Combining Statement Balance Sheet
 June 30, 2013

	Grant Programs	Equipment Replacement Fund	JCEF	Downtown Revitalization	Better Your Buckeye	Special District	Court Enhancement	Economic Development Reinvestment	SLID Operations	Community Services Program	Total
Assets											
Cash and cash equivalents	\$ 62,708	\$ 2,533	\$ 25,294	\$ -	\$ 651	\$ -	\$ 40,523	\$ -	\$ 84,835	\$ 1,181	\$ 353,557
Investments	-	2,063,893	-	-	-	600,954	-	1,142,864	-	-	4,176,217
Receivables, net											
Accounts	-	-	-	-	-	-	-	-	-	-	131,173
Taxes	-	-	-	-	-	-	-	-	1,296	-	1,296
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-	-	-
Restricted assets	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 62,708	\$ 2,066,426	\$ 25,294	\$ -	\$ 651	\$ 600,954	\$ 40,523	\$ 1,142,864	\$ 86,131	\$ 1,181	\$ 4,662,243
Liabilities and Fund Balance											
Liabilities											
Accounts payable	\$ 1,100	\$ 13,846	\$ -	\$ -	\$ -	\$ 3,115	\$ -	\$ 56,359	\$ 608	\$ 811	\$ 382,026
Due to other funds	-	-	-	-	-	-	-	-	-	-	11,194
Interest payable	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	546,938	-	-	-	-	-	-	551,509
Matured debt principal payab	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	1,100	13,846	-	546,938	-	3,115	-	56,359	608	811	944,729
Fund Balance											
Restricted	61,608	2,052,580	25,294	-	651	597,839	40,523	1,086,505	85,523	370	4,185,985
Unassigned	-	-	-	(546,938)	-	-	-	-	-	-	(468,471)
Total fund balance	61,608	2,052,580	25,294	(546,938)	651	597,839	40,523	1,086,505	85,523	370	3,717,514
Total liabilities and fund balance	\$ 62,708	\$ 2,066,426	\$ 25,294	\$ -	\$ 651	\$ 600,954	\$ 40,523	\$ 1,142,864	\$ 86,131	\$ 1,181	\$ 4,662,243

Town of Buckeye, Arizona
 Nonmajor Special Revenue Funds – Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Year Ended June 30, 2013

	Fill the Gap Fund	R.I.C.O. Fund	V.A.L.U.E. Kids Fund	Buckeye Explorer Fund	Youth Scholarship Fund	Impound Fund	Maricopa County CAP	Police Department Grants Fund	Social Services/Area Agency on Aging Fund	Fire Grants Fund
Revenues										
Intergovernmental revenue	\$ 4,940	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	77,088	-	-	-	-
Contributions and donations	-	365,549	-	-	-	-	-	273,652	174,978	232,044
Investment earnings	-	-	-	-	-	-	-	-	-	-
Other	-	51,583	-	-	-	-	-	-	111,558	-
Total revenues	<u>4,940</u>	<u>417,132</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,088</u>	<u>-</u>	<u>273,652</u>	<u>286,536</u>	<u>232,044</u>
Expenditures										
Current										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	404,123	398	-	-	53,638	-	275,294	-	136,455
Economic development	-	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	323	-	458,319	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	166,198	-	-	-	-	-	-	62,088	98,557
Total expenditures	<u>-</u>	<u>570,321</u>	<u>398</u>	<u>-</u>	<u>-</u>	<u>53,638</u>	<u>323</u>	<u>275,294</u>	<u>520,407</u>	<u>235,012</u>
Revenues over (Under)	4,940	(153,189)	(398)	-	-	23,450	(323)	(1,642)	(233,871)	(2,968)
Other Financing Sources (Uses)										
Transfers in	-	-	-	-	-	-	-	-	312,398	-
Transfers out	-	-	-	-	-	-	(72,773)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(72,773)</u>	<u>-</u>	<u>312,398</u>	<u>-</u>
Net Change in Fund Balances	4,940	(153,189)	(398)	-	-	23,450	(73,096)	(1,642)	78,527	(2,968)
Fund Balances, Beginning of Year	19,948	163,464	3,877	10,311	-	69,704	73,096	66,273	(60)	31,322
Fund Balances, End of Year	<u>\$ 24,888</u>	<u>\$ 10,275</u>	<u>\$ 3,479</u>	<u>\$ 10,311</u>	<u>\$ -</u>	<u>\$ 93,154</u>	<u>\$ -</u>	<u>\$ 64,631</u>	<u>\$ 78,467</u>	<u>\$ 28,354</u>

Town of Buckeye, Arizona
 Nonmajor Special Revenue Funds – Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Year Ended June 30, 2013

	Grant Programs	Equipment Replacement Fund	JCEF	Downtown Revitalization	Better Your Buckeye	Special District	Court Enhancement	Economic Development Reinvestment	SLID Operations	Community Services Program	Total
Revenues											
Intergovernmental revenue	\$ -	\$ -	\$ 7,578	\$ 19,534	\$ -	\$ -	\$ 25,732	\$ -	\$ 195,390	\$ -	\$ 253,174
Charges for services	-	-	-	-	-	243,100	-	-	-	-	320,188
Contributions and donations	207,688	650,000	-	-	-	-	-	-	-	-	1,903,911
Investment earnings	-	2,357	-	-	-	-	-	-	-	-	2,357
Other	-	51,144	-	-	10	-	-	-	-	34,407	248,702
Total revenues	207,688	703,501	7,578	19,534	10	243,100	25,732	-	195,390	34,407	2,728,332
Expenditures											
Current											
General government	3,271	1,440	10,464	-	1,552	15,261	9,453	-	190,122	38,545	270,108
Public safety	-	-	-	-	-	-	-	-	-	-	869,908
Economic development	-	-	-	-	-	-	-	408,009	-	-	408,009
Health and welfare	-	-	-	-	-	-	-	-	-	-	458,642
Water and sewer	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	205,579	2,019,209	-	-	-	-	-	1,314,186	-	-	3,865,817
Total expenditures	208,850	2,020,649	10,464	-	1,552	15,261	9,453	1,722,195	190,122	38,545	5,872,484
Revenues over (Under)											
Expenditures	(1,162)	(1,317,148)	(2,886)	19,534	(1,542)	227,839	16,279	(1,722,195)	5,268	(4,138)	(3,144,152)
Other Financing Sources (Uses)											
Transfers in	-	2,399,496	-	-	-	-	-	2,839,700	-	-	5,551,594
Transfers out	-	-	-	-	-	-	-	(31,000)	-	-	(103,773)
Total other financing sources (uses)	-	2,399,496	-	-	-	-	-	2,808,700	-	-	5,447,821
Net Change in Fund Balances	(1,162)	1,082,348	(2,886)	19,534	(1,542)	227,839	16,279	1,086,505	5,268	(4,138)	2,303,669
Fund Balances, Beginning of Year	62,770	970,232	28,180	(566,472)	2,193	370,000	24,244	-	80,255	4,508	1,413,845
Fund Balances, End of Year	\$ 61,608	\$ 2,052,580	\$ 25,294	\$ (546,938)	\$ 651	\$ 597,839	\$ 40,523	\$ 1,086,505	\$ 85,523	\$ 370	\$ 3,717,514

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 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
FY 12-13	300,289,266	-	-	295,509,637	5,332,766	\$ 1.8046	5,332,766	\$ 1.8046

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 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
FY 12-13	Primary	1.8046	1.2407	-	-	-	-	-	1.1563	-	3.4020	2.0706	0.5836	2.4512	3.4174	2.3102	0.5988	4.0276	2.3755
	Secondary	-	-	-	0.0492	0.1780	0.0110	0.1000	0.1683	0.2215	3.1000	1.6500	1.4689	0.1874	1.6276	0.5358	1.5761	0.4770	2.0678

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 07-08	3,185,881	3,048,188	95.68%	27,760	3,075,948
FY 08-09	3,604,918	3,294,194	91.38%	77,461	3,371,655
FY 09-10	4,282,676	4,019,577	93.86%	144,561	4,164,138
FY 10-11	4,781,331	4,522,965	94.60%	183,572	4,706,537
FY 11-12	5,065,024	4,867,847	96.11%	27,092	4,894,939
FY 12-13	5,332,766	5,078,892	95.24%	120,989	5,199,881

Source: Maricopa Assessors Office

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

Industry Group	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13
Mining	20,282	13,234	13,858	27,910	23,116	28,254
Telecom	595,295	444,682	560,214	506,308	638,909	734,060
Utilities	99,479	254,570	231,377	656,102	969,451	1,090,388
Trans & Warehouse	6,753	8,874	13,232	10,604	9,843	7,927
Construction	12,800,332	7,747,205	3,658,662	2,977,754	2,931,187	3,704,513
Retail	3,943,439	4,352,823	4,167,525	5,848,314	7,084,862	7,569,138
Real Estate Rentals	693,662	756,946	779,193	1,067,076	1,412,951	1,583,838
Rest .& Bars	465,604	526,868	459,774	736,748	987,256	1,142,134
Hotels	49,329	44,156	39,588	47,669	53,227	59,707
Svcs, Fin, Ins	88,433	194,011	149,910	234,262	248,639	285,153
Arts & Entertain	153,918	110,962	109,461	159,331	180,693	143,920
Other	1,195	-	822	-	-	-
Brits Charges	(20,225)	(8,069)	(3,119)	-	-	-
Total	18,897,495	14,446,262	10,180,495	12,272,078	14,540,134	16,349,032

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

Fiscal Year	Maricopa County			Arizona State	TOTAL
	Buckeye*	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%
FY 12-13	3.00%	0.50%	0.20%	5.60%	9.30%

Source: Arizona Department of Revenue

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

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 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%
FY 12-13	54,102	1,968,663,576	36,388	9.8%

Sources: 1 Arizona Department of Economic Security
 2: Arizona Department of Economic Security
 3: Arizona Workforce Information
 4: US Dept. of Commerce Bureau of Economic Analysis

FY 2012-2013

Employer	Employees	Rank	Percentage of Principal Town Employment
Wal-Mart Distribution Center	650	1	19.61%
Buckeye Elementary School District No. 33	450	2	13.58%
Town of Buckeye	420	3	12.67%
Buckeye Union High School District 201	350	4	10.56%
Litchfield Elementary School District #79	283	5	8.54%
Liberty Elementary School District	255	6	7.69%
Lewis Prison complex	230	7	6.94%
Smith Food Drug Stores Fry's Food Store	184	8	5.55%
Lowe's Home Improvement	150	9	4.53%
Agua Fria Union High School District 216	130	10	3.92%
DMB Verrado Golf, LLC	112	11	3.38%
Hickman's Egg Ranch Inc.	100	12	3.02%
Total	3,314		100.00%

Sources:

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

Town of Buckeye, Arizona
Authorized Positions
Last Six Fiscal Years

Program/Department	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	Revised FY 12-13
Administration	17.00	18.00	10.00	4.00	6.00	6.00
Mayor & Council	1.00	1.00	1.00	1.00	1.00	1.00
Economic Development	6.00	7.00	-	1.00	3.00	3.00
Manager	10.00	10.00	9.00	2.00	2.00	2.00
Administrative Services	48.00	54.00	35.50	26.50	28.00	30.00
Administrative Services	-	-	-	1.00	2.00	2.00
Clerk	6.00	7.00	4.00	3.00	3.00	3.00
Finance	27.00	29.00	18.00	11.00	11.00	11.00
Human Resources	6.00	9.00	7.50	5.50	6.00	6.00
Information Technology	9.00	9.00	6.00	6.00	6.00	8.00
Community Services	48.80	49.50	46.25	32.00	34.00	34.88
Community Services Admin	4.00	4.00	5.50	3.00	3.60	4.80
Library	9.00	9.50	7.00	8.00	8.00	8.88
Parks & Recreation	25.50	21.00	-	-	-	-
Parks	-	-	11.00	4.50	6.50	6.50
Recreation	-	4.50	8.50	6.50	5.50	7.50
Neighborhood & Family Services	-	-	7.25	-	-	-
Cemetery	3.00	3.00	-	-	-	-
Senior Programs	6.00	6.00	6.00	7.00	6.65	7.20
Community Assistance Program	1.30	1.50	1.00	3.00	3.75	-
Development Services	86.50	93.50	63.40	42.11	43.61	67.31
Community Development	30.00	22.00	12.00	6.50	8.00	22.00
Building Safety	16.00	33.00	14.00	8.30	8.30	11.00
Public Works Administration	7.50	2.50	2.00	1.50	1.25	2.25
Facility Maintenance	9.00	10.00	8.00	2.00	2.00	3.00
Vehicle Maintenance	6.00	8.00	8.00	5.00	5.00	6.00
Solid Waste Enterprise	-	0.00	2.40	3.31	3.31	3.31
Airport Enterprise	2.00	2.00	2.00	0.50	0.25	0.25
Streets	16.00	16.00	15.00	15.00	15.50	19.50
Public Safety	270.70	202.17	188.00	184.50	186.50	206.50
Fire	158.70	90.67	87.00	83.00	83.00	88.00
Magistrate Court	7.00	6.50	6.50	6.50	6.50	6.50
Police	105.00	105.00	94.50	95.00	97.00	112.00
Water & Wastewater	52.50	43.50	36.10	36.69	40.69	47.69
Total	523.50	460.67	379.25	325.80	338.80	392.38

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

Indicators	Budget FY 07-08	Budget FY 08-09	Budget FY 09-10	Budget FY 10-11	Budget FY 11-12	Budget FY 12-13
Population @ July 1	39,767	49,131	51,560	51,019	52,334	54,102
Annual Percent Change	27.09%	23.55%	4.94%	-1.05%	2.58%	3.38%
Net Assessed Valuation (NAV)	\$ 369,230,204	\$ 587,576,411	\$ 595,778,177	\$ 425,009,460	\$ 322,876,453	\$ 300,289,266
Annual Percent Change	90.72%	59.14%	1.40%	-28.66%	-24.03%	-7.00%
Fulltime Positions/1000Capita	13.16	9.38	7.36	6.39	6.47	7.25
Annual Percent Change	3.50%	-28.77%	-21.55%	-13.18%	1.38%	11.99%
General Fund Beginning Balance	\$ 21,363,427	\$ 15,242,542	\$ 8,551,245	\$ 6,276,479	\$ 8,251,981	15,541,083
Annual Percent Change	7.53%	-28.65%	-43.90%	-26.60%	31.47%	88.33%
Full Cash Value	\$ 3,010,476,884	\$ 5,337,971,708	\$ 5,499,282,767	\$ 4,197,534,786	\$ 3,492,706,722	2,926,795,965
Annual Percent Change	99.25%	77.31%	3.02%	-23.67%	-16.79%	-16.20%