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# Town of Sahuarita, Arizona

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**



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Prepared by: Finance Department



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# Town of Sahuarita, Arizona



## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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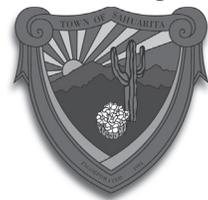
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COMPREHENSIVE ANNUAL FINANCIAL REPORT

Introductory Section



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**TOWN MANAGER DEPARTMENT**

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August 21 , 2013

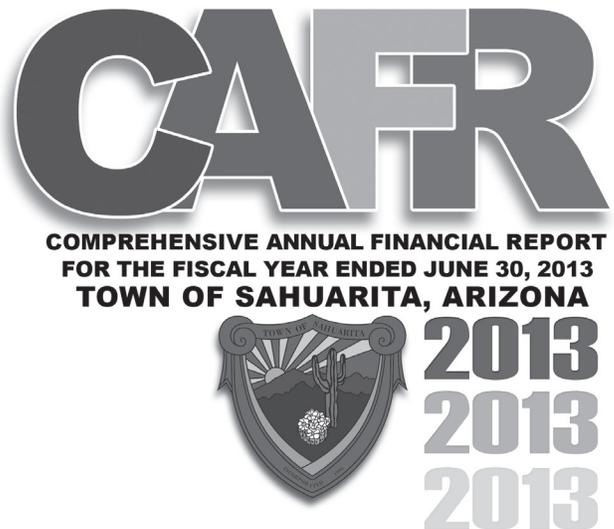
**To the Honorable Mayor, Members of the Council,  
and Citizens of the Town of Sahuarita, Arizona (Town):**

State law §9-481 requires that towns have an audit performed on their financial statements at least once for every two fiscal years and shall include all financial transactions during that period. The audit shall be completed and the final audit report shall be submitted within six months after the close of the fiscal year or years audited. The Town exceeds the State mandated requirement by issuing an audited report annually. This report is published to fulfill that requirement for the fiscal year ended June 30, 2013.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has 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.

CliftonLarsonAllen LLP, Certified Public Accountants, have issued an unmodified opinion on the Town of Sahuarita's financials statements for the year ended June 30, 2013. The independent auditors' report is located at the front of the financial section of this report.

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



## **GOVERNMENT PROFILE**

### **BASIC INFORMATION**

The Town of Sahuarita is one of Arizona's fastest-growing communities with a 2.2% population growth forecast over the next five years. Incorporated in 1994, Sahuarita's 27,000 plus citizens enjoy a small town atmosphere, a business-friendly community, outstanding recreational amenities, easy access to Mexico and Tucson, and a rich history with multi-cultural roots.

The Town operates under the Council-Manager form of government; that means that the Town Council guides policy decisions and hire the Town Manager, who oversees staff and is responsible for day-to-day operations. Thirteen departments and 133 employees deliver an array of services and amenities: public safety, streets, parks and recreation, wastewater, development services, and economic development.

There are seven members of the Town Council, who are elected at-large to staggered four-year terms. All mail-in elections are held in the spring of odd-numbered years. The positions of Mayor and Vice Mayor are chosen by the Council members after each election. The Town Council Members also act as the governing body for the Quail Creek Community Facilities District, a legally separate entity but blended component unit of the Town. We typically hold Town Council meetings every second and fourth Monday of the month at 6:30 pm at the Town Hall Council Chambers. The District Board meets as necessary.

The Town's leadership has a clear vision of the future that includes nurturing community, promoting economic development, and encouraging collaborations of all types. The Town initiated its first Citizens' Survey in 2013, developed, customized and administered by the National Research Center, in Partnership with the International City/County Management Association (ICMA). This statistically-valid survey shows that 85% of the respondents rate Sahuarita's quality of life as excellent or good. Respondents also gave positive ratings to the Town's reputation, as well as key core services: public safety, roads and streets, and town parks. (Link to survey/new link required: <http://ci.sahuarita.az/us/>)

This 2013 Citizens' Survey, together with Sahuarita's Town Council Action Plan, help to shape policy, define measureable goals, and develop financial plans. Overall, the Town's strategic goals are little changed from past years, the result of ongoing planning, open communication among staff, elected officials and citizen groups, and being nimble.

### **BUDGET**

The Council is required to annually adopt a budget on or before the third Monday in August. The budget serves as the foundation for the Town of Sahuarita's financial planning and control. The budget is prepared by fund, function, and department.

Department heads may transfer budget appropriations within a department. The Town Manager may appropriate certain balances that have been assigned by the Council in the budget for contingency purposes. Other budget amendments or appropriations, however, require the approval of the Town Council.

### **ECONOMIC CONDITION**

#### **Going Forward to Fiscal Year 2014**

The Sahuarita Town Council unanimously approved the recommended \$95.7 million FY 2014 budget on June 10, 2013, with a budget hearing and final budget approval on June 24, 2013. (Financial plan drafts, recommendations and presentations are available via the town's website <http://sahuaritaaz.gov/>.)

Although the \$95.7 million budget amount represents a 29% increase from the FY 2013 budget, we are expecting

to add to our ending fund balances. These surpluses are budgeted to increase by \$2 million up to a total of \$22 million by the end of the FY 2014 budget year. The Town adheres to policy and purpose restrictions in dedicating surpluses and revenues. For example, the Town dictates that enough cash be held in reserve to fund 25% of the operating budget in case of emergency. As another example, Arizona Highway User Revenue funds received by the Town of Sahuarita can only be used for transportation related projects – and not deposited in the Town’s General Fund.

When planning for general operations, the FY 2014 budget and the five year budget plan call for surpluses each year based on increased revenues from the State and from an improving economy and jobs outlook. The Town is estimating approximately \$33 million more in intergovernmental revenues in fiscal 2014, which will be focused on capital projects.

Our overall expenditures for fiscal year 2014 are \$73.7 million; this represents a \$18.9 million increase in expenditures from FY 2013. The Town’s two primary uses are capital projects (55% of the budget) and operations (17% of the budget). Our Town goals and policies continue to be aligned with our expenditure priorities:

- Building, improving and maintaining streets and roads, as well as traffic signals and street lighting
- Ensuring public safety and justice – funding to support police, building safety, court, engineering, and planning
- Maintaining and extending cultural and recreational opportunities – funding Parks & Recreation Department
- Wastewater treatment plant expansion and personnel

The operations budget related to programs and staffing has increased a modest 2.4% for fiscal year 2014.

#### **The Top Capital Projects for FY 2014**

The FY 2014 budget reflects \$52.7 million to build and purchase capital assets. The Town’s FY 2014- 2018 Capital Improvement Plan outlines capital projects and funding sources by year, with a total of 21 capital projects in 2014. Of note in FY 2014:

- \$18.7 million for Sahuarita Road: Interstate 19 to Country Club. Improvements include widening from 2 to 4 lanes, drainage, bicycle/pedestrian facilities, signals, new bridge structure at Santa Cruz River, and a new overpass structure at UPRR tracks.
- \$26.7 million for the Sahuarita/Interstate 19 Interchange, dependent on significant contribution from Arizona Department of Transportation.
- \$2.3 million to reconstruct the Pima Mine Road Bridge over the Santa Cruz River.
- \$1.2 million to acquire park lands and open space, and to make needed repairs to our existing facilities.

#### **Facing Challenges and Creating Opportunities**

Juggling population growth with staffing levels. The Town of Sahuarita is growing with a relatively small and flexible staff. For the FY 2014 budget and the next five years, there is a trend to limit staffing levels even while our population continues to grow. In FY 2013 there were 5.01 full time equivalent (FTE) positions per 1,000 citizens; in FY 2014, 4.85 FTEs per 1,000 citizens is budgeted. More than 75% of the respondents in the 2013 Citizens’ Survey rated Town employees excellent or good for knowledge, courtesy, and responsiveness. Moving forward, it will be a challenge for Town staff to continue to meet these high standards of service and control personnel related expenses, while our Town population grows.

Changes in collecting construction sales tax. This spring, the State Legislature introduced House Bill 2111 that would have eliminated \$2.6 million in construction sales tax for the Town of Sahuarita in FY 2014. This bill failed to remove all construction sales taxes, but it will change the way construction sales taxes are collected when it becomes effective in 2015. For example, in 2015 when a Sahuarita homeowner works with a service contractor to repair, maintain or replace materials the contractor will pay for materials and sales tax at the point of sale. The service contractor will no longer be responsible for collecting sales tax from a homeowner. This new method of collecting sales taxes will have a negative impact of \$200,000 in our capital project fund in FY 2015.

Expanding recreational facilities. Sahuarita's exceptional environment and recreational offerings are a priority for our citizens. The Town is responsible for maintaining parks and roadways and we are fortunate that much of this infrastructure is relatively new and maintenance costs are relatively cheap – today. However, as demand grows from our residents for more parks and recreation programs, the Town will need to add new recreational facilities such as ball fields. The Town has the opportunity to participate in the Pima County Bond program which may allow:

- The Town to build a 57,000-square foot recreation/aquatic center at Anamax Park. We will partner with the YMCA to build this new facility.
- The Town to add ball fields at Quail Creek Veterans' Municipal Park and North Santa Cruz Park.

In closing, the Town of Sahuarita continues to be poised for strategic growth, with a strong, financially responsible budget that supports our exciting future. Our FY 2014 budget and capital projects are aligned with Town policy, the goals of the Town Council's Action Plan, and, most importantly, feedback from our citizens. Working together we can ensure our community grows, our quality of life thrives, and our financial sustainability continues today and in the future.

### **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Sahuarita for its comprehensive annual financial report for the fiscal year ended June 30, 2012. This was the eleventh consecutive year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the Finance department and to the many members of other departments who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and Council for their leadership and support.

*Respectfully submitted,*



**L. Kelly Udall**  
Town Manager



**A.C. Marriotti, CPA**  
Finance Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Town of Sahuarita  
Arizona**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO

# Mayor & Council

*Set public policy and provide staff with direction to meet community needs*

*The Town Council is comprised of seven elected officials. Council Members serve overlapping four-year terms with elections held in the spring of odd-numbered years, with a Mayor and Vice Mayor selected by the Council after each election. As the Town's governing body, the Council establishes goals and objectives, adopts public policies, and approves the annual budget to meet the community's needs. All powers of the Council are exercised by ordinance, resolution, order, or motion.*



## **Mayor Duane Blumberg**

Blumberg came to Sahuarita in 2005; he was elected to Town Council in 2009 and was elected Mayor in 2011.



## **Vice-Mayor Bill Bracco**

Bracco was elected to Town Council in 2011, he has lived in Sahuarita since 2005.



## **Lynne Skelton**

Skelton was first elected to Town Council in 1999. She served as Mayor from 2007 until 2011.



## **Kara Egbert**

Egbert was elected to Town Council in 2009. Egbert has lived in Sahuarita since 2005.



## **Melissa Smith**

Smith was elected to Town Council in 2011 and has lived in the area since 1999.



## **Gil Lusk**

Lusk was first appointed to Town Council in 2012, and then elected in 2013.



## **Tom Murphy**

Murphy was elected to Town Council in 2013.

# Organization



**Citizens**

**Mayor & Council**

**Boards  
& Commissions**

**Municipal Court**

**Town Manager**

**Department of Law**

**Town Clerk**

**Planning & Building**

**Finance**

**Parks & Recreation**

**Human Resources**

**Police**

**Public Works**

**Streets**

**Wastewater**

# About Sahuarita

## LOCATION



Town Hall to Tucson City Hall  
19.5 miles  
Town limits to Tucson City limits  
3,721 feet at closest point  
Town Hall to Nogales, Mexico Port of Entry  
48.2 miles

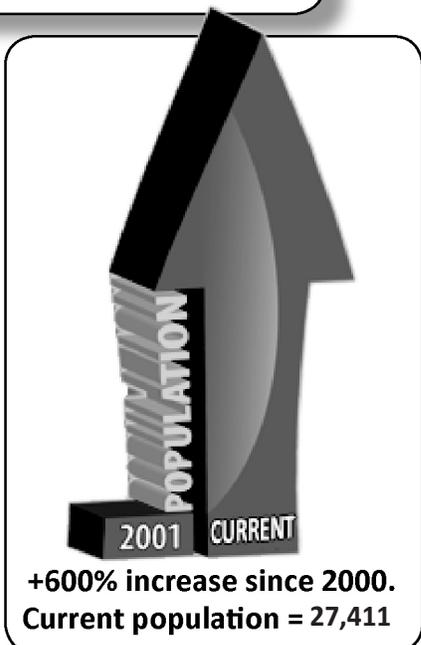
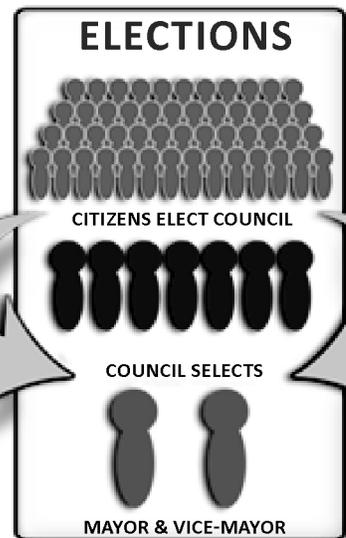
Elevation  
2,844 feet

Land Area  
30 square miles



## HISTORY

The Town of Sahuarita was officially incorporated in 1994.



## EDUCATION



Over 50% of workforce possess bachelor's degree or higher.

8 Public Schools  
3 Charter Schools

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

Financial Section



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## INDEPENDENT AUDITORS' REPORT

Town Council  
Town of Sahuarita, Arizona  
Sahuarita, Arizona

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information of the Town of Sahuarita, Arizona (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.

### ***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 Town'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 Town'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, the each major fund, and the aggregate remaining fund information of the Town of Sahuarita, Arizona as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison schedules of the General and the Highway User Revenue Funds 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 management's discussion and analysis and the schedule of agent retirement plan's funding progress on pages 15 - 26 and 58 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 combining and individual nonmajor fund financial statements and schedules and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules is 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 combining and individual nonmajor fund financial statements and schedules is 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.

Town Council  
Town of Sahuarita, Arizona

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 2013, on our consideration of the Town of Sahuarita, Arizona'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 result 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.

*CliftonLarsonAllen LLP*

Phoenix, Arizona  
August 21, 2013

# MANAGEMENT'S DISCUSSION AND ANALYSIS

(dollar amounts in thousands)

As management of the Town of Sahuarita, Arizona (Town), we are pleased to provide an overview of our financial activities for the fiscal year ended June 30, 2013. This overview is presented with all amounts rounded to thousands in order to make it more reader friendly and to focus on significant changes. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our transmittal letter, which can be found on pages 3-6 of this report.

## FINANCIAL HIGHLIGHTS

- Assets exceeded liabilities at the close of the most recent fiscal year by \$156,106 (*net position*). Of this amount, \$23,260 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- Capital asset balances totaled \$185,815, an increase of \$7,757 (+4%) compared to last year. Construction in progress accounted for \$24,748, approximately 13%, of the total balance.
- Total net position increased by \$10,372. Virtually all of this resulted in an investment in the Town's capital assets.
- As of the close of the current fiscal year, the governmental funds combined ending fund balances had increased \$3,310 to a new balance of \$29,513. Of this amount, \$4,589 is in a nonspendable form, \$960 is restricted for specific purposes due to agreements or laws, \$3,772 is committed for reserves, \$10,069 is assigned by the Town Council for capital acquisition and maintenance or to Town Center development, and \$10,124 is unassigned.
- At year end, the Wastewater Enterprise Fund had a deficit unrestricted net position of \$4,709, which was more deficit than the prior year by \$457.
- The Wastewater Enterprise Fund borrowed an additional \$61 from the Water Infrastructure Financing Authority to improve and expand its wastewater treatment plant.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The *statement of net position* presents information on all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the Town'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 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., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town 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

# MANAGEMENT'S DISCUSSION AND ANALYSIS

(dollar amounts in thousands)

activities of the Town include general government, public safety, highways and streets, and culture and recreation. The business-type activities of the Town include a sewer treatment operation. The government-wide financial statements can be found on pages 28-29 of this report.

**Fund financial statements.** 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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories, governmental funds and a proprietary fund.

**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 spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town maintains five individual governmental funds. Information is presented separately in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Highway User Revenue Fund, and for the Capital Infrastructure Improvement Fund, which are considered to be major funds. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Town adopts an annual appropriated budget for its funds. Budgetary comparison statements and schedules have been provided for the governmental funds to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 30-35 of this report.

**Proprietary funds.** Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Town maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses an enterprise fund to account for its wastewater treatment operation, which is considered to be a major fund of the Town. The basic proprietary fund financial statements can be found on pages 36-38 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39-55 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Town's progress in funding its obligation to provide pension benefits to its employees enrolled in the Public Safety Personnel Retirement System. Required supplementary information can be found on page 58 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 61-65 of this report.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

(dollar amounts in thousands)

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. The Town's assets exceeded liabilities by \$156,106 at the close of the most recent fiscal year.

## NET POSITION

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Current and other assets	\$ 33,013	\$ 32,095	\$ (1,950)	\$ (1,906)	\$ 31,063	\$ 30,189
Capital assets	135,188	126,099	50,627	51,958	185,815	178,057
Total assets	<u>168,201</u>	<u>158,194</u>	<u>48,677</u>	<u>50,052</u>	<u>216,878</u>	<u>208,246</u>
Current liabilities	3,266	2,417	1,977	1,939	5,243	4,356
Long-term liabilities	29,244	30,577	26,285	27,579	55,529	58,156
Total liabilities	<u>32,510</u>	<u>32,994</u>	<u>28,262</u>	<u>29,518</u>	<u>60,772</u>	<u>62,512</u>
Net position:						
Net investment in capital assets	106,717	96,270	23,016	23,100	129,733	119,370
Restricted	1,005	822	2,108	1,686	3,113	2,508
Unrestricted	<u>27,969</u>	<u>28,108</u>	<u>(4,709)</u>	<u>(4,252)</u>	<u>23,260</u>	<u>23,856</u>
Total net position	<u>\$135,691</u>	<u>\$125,200</u>	<u>\$20,415</u>	<u>\$20,534</u>	<u>\$156,106</u>	<u>\$145,734</u>

The largest portion of the Town's net position (83%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, vehicles, and equipment), less any related outstanding debt that was used to acquire those assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources used 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's net position (2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$23,260 is unrestricted and may be used to meet the Town's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, except for the deficit reported in unrestricted net position of the business-type activities, the Town is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

(dollar amounts in thousands)

## CHANGES IN NET POSITION

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 1,793	\$ 1,747	\$3,525	\$4,409	\$ 5,318	\$ 6,156
Operating grants and contributions	2,143	2,135	-	-	2,143	2,135
Capital grants and contributions	13,760	4,857	-	-	13,760	4,857
General revenues:						
Property taxes	289	290	-	-	289	290
Sales taxes	7,487	6,280	-	-	7,487	6,280
Franchise taxes	310	313	-	-	310	313
Share of state income tax	2,580	2,132	-	-	2,580	2,132
Share of state sales tax	2,068	1,974	-	-	2,068	1,974
Share of state vehicle license tax	925	911	-	-	925	911
Investment earnings (losses)	60	337	(16)	(46)	44	291
Miscellaneous	865	779	48	42	913	821
Total revenues	<u>32,280</u>	<u>21,755</u>	<u>3,557</u>	<u>4,405</u>	<u>35,837</u>	<u>26,160</u>
<b>EXPENSES</b>						
Program expenses:						
Governmental activities:						
General government	4,510	4,127	-	-	4,510	4,127
Public safety	6,585	6,428	-	-	6,585	6,428
Highways and streets	7,225	7,401	-	-	7,225	7,401
Culture and recreation	2,023	1,972	-	-	2,023	1,972
Interest and amortization on long-term debt	1,446	1,499	-	-	1,446	1,499
Business-type activities:						
Sewer	-	-	3,676	3,563	3,676	3,563
Total expenses	<u>21,789</u>	<u>21,427</u>	<u>3,676</u>	<u>3,563</u>	<u>25,465</u>	<u>24,990</u>
Change in net position	10,491	328	(119)	842	10,372	1,170
Net position at beginning of year	125,200	124,872	20,534	19,692	145,734	144,564
Net position at end of year	<u>\$135,691</u>	<u>\$125,200</u>	<u>\$20,415</u>	<u>\$20,534</u>	<u>\$156,106</u>	<u>\$145,734</u>

# MANAGEMENT'S DISCUSSION AND ANALYSIS

(dollar amounts in thousands)

## Governmental Activities

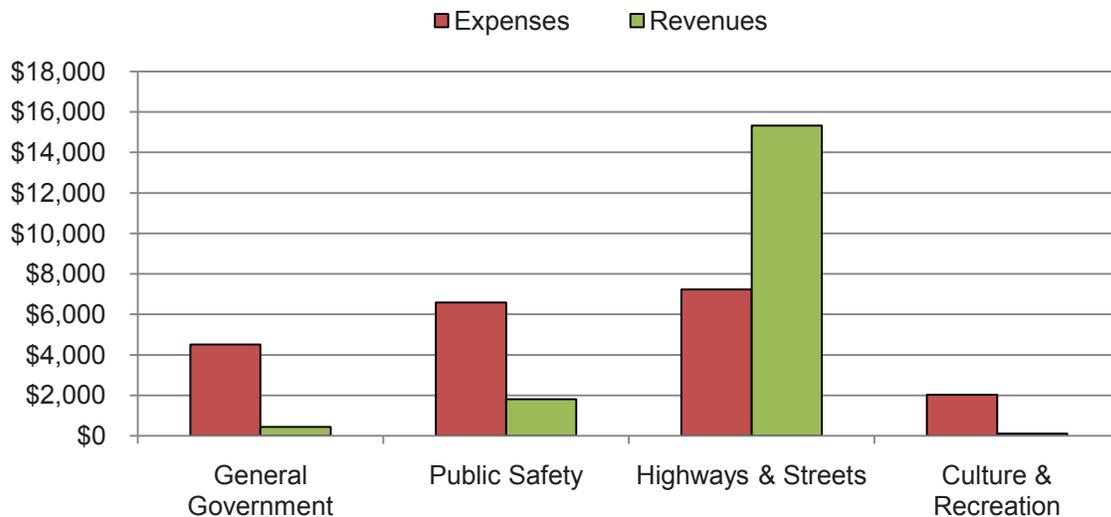
During the year, net position for governmental activities increased \$10,491 from the prior fiscal year, which was \$10,163 more than the change in net position last year.

Significant variances between fiscal year 2013 and 2012 program revenues and expenses are explained below:

- Capital grants and contributions were \$8,903 (+183%) more than last year. The majority of the Town's construction projects are financed on a reimbursement basis from intergovernmental revenue sources, and the projects progressed at a faster pace in 2013 than in 2012.
- Expenses were fairly stable when compared to last year, increasing by less than 2% in total. The functional components did not vary significantly as well.

As shown on the chart below, the general government, public safety, and culture and recreation functions had greater program expenses than program revenues. Accordingly, general revenues were used to fund each of these functions. Program revenues exceeded program revenues in the highways and streets function. Virtually all of these net revenues were invested in the Town's capital assets.

## Governmental Activities Program Revenues and Expenses



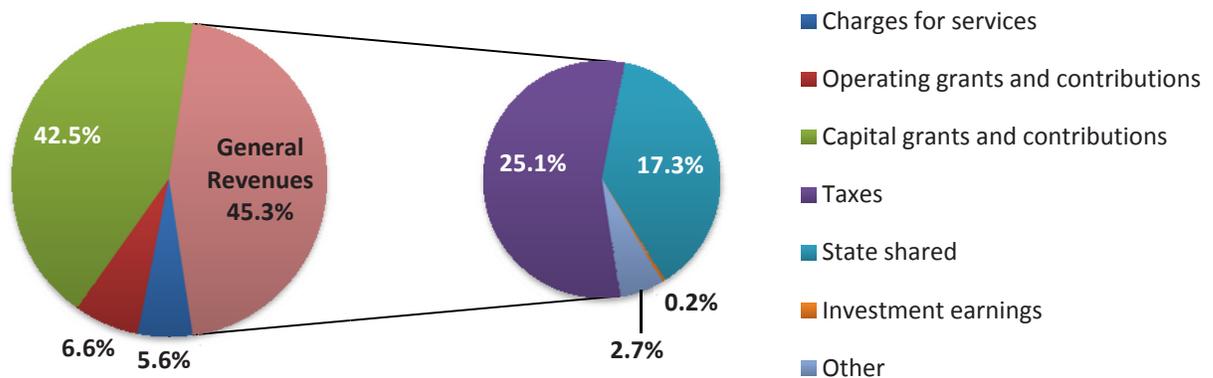
# MANAGEMENT'S DISCUSSION AND ANALYSIS

(dollar amounts in thousands)

General revenues (\$14,584), which comprised 45% of all governmental activities revenue sources, were \$1,568 more (+12%) than last year. Explanations for the primary impacts follow:

- Sales taxes increased \$1,207 (+19%) over 2012. A sales tax audit generated \$740 in construction contracting taxes in 2013. The remaining increases were the result of better economic conditions (e.g., lower unemployment, higher consumer confidence).
- State shared revenues were \$556 (+11%) more than last year. The State's financial condition has been improving with the economy as well. This resulted in more shared revenues with the Town.
- Investment earnings were \$277 (-82%) less than last year. Changes in market conditions generated unrealized losses which offset prior period gains in the Town's investment in the State Treasurer's LGI Pool 500.

## Governmental Activities Revenues by Source



# MANAGEMENT'S DISCUSSION AND ANALYSIS

(dollar amounts in thousands)

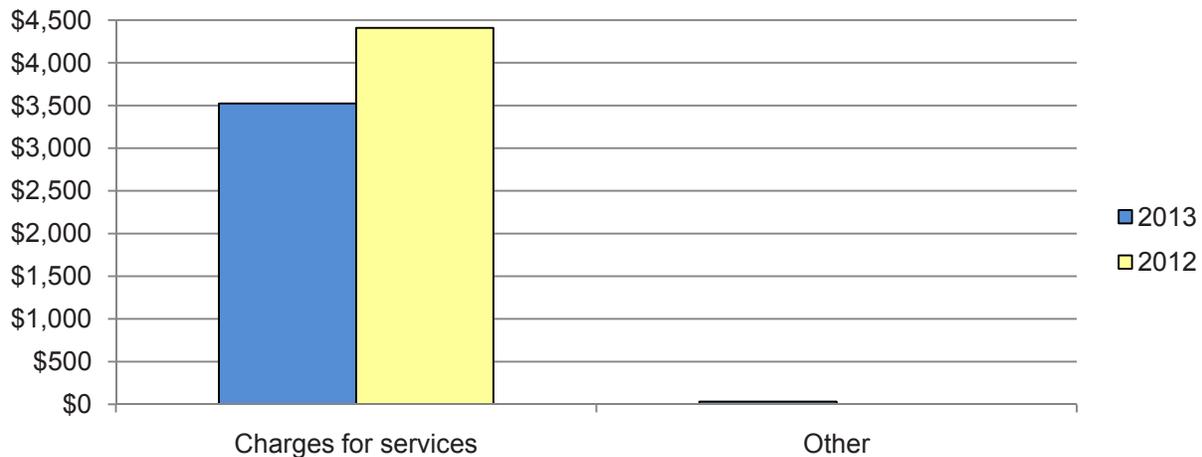
## Business-type Activities

Business-type activities decreased the Town's net position by \$119 in fiscal year 2013. Last year, the change in net position was \$842, a difference of \$961 when compared to the current year change.

Significant variances between fiscal year 2013 and 2012 are explained below:

- Charges for services were \$884 less (-20%) than last year. The decrease in revenues is associated with commercial connection fees, which were \$1,149 in 2012 but only \$265 in 2013. Commercial connections are one-time occurrences usually related to new development. In 2012, however, the Sahuarita Unified School District connected a significant amount of their existing facilities, previously on septic, to the Wastewater System.

## Business-type Activities Revenues by Source



## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

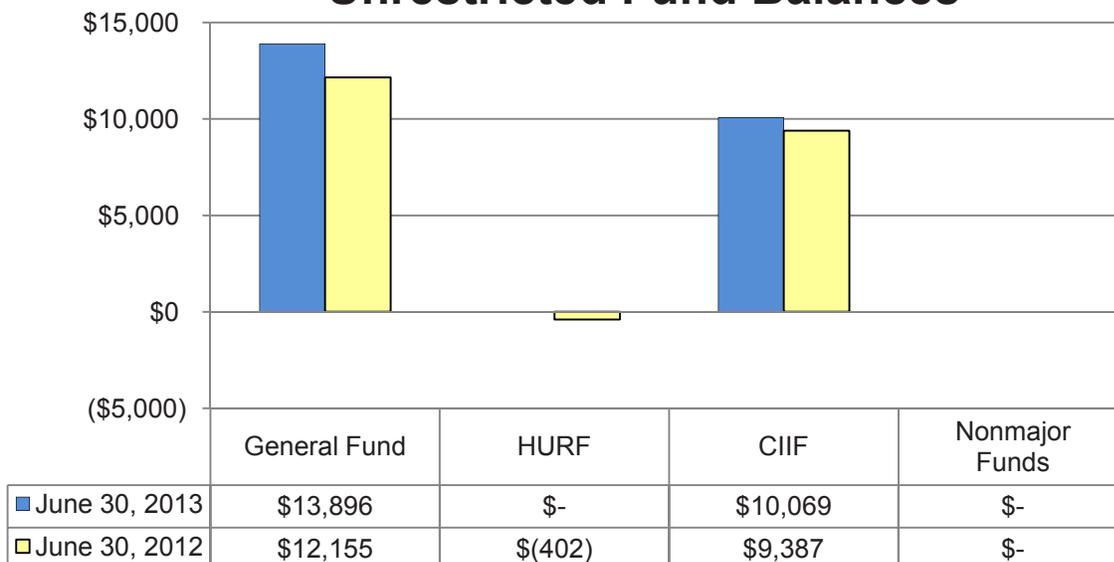
**Governmental funds.** The focus of the Town's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town's financing requirements. In particular, unrestricted fund balances (the total of the committed, assigned, and unassigned fund balance) may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$29,513, an increase of \$3,310 (+13%) in comparison with the prior year. Most of the amount (\$23,965) constitutes unrestricted fund balances. The remaining fund balance is either non-spendable (\$4,589) to indicate that it is not available because it has already been spent on prepaid items or associated with long-term notes receivable and advances to other funds, or restricted (\$960) through agreements with other entities or by enabling legislation.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

(dollar amounts in thousands)

## Governmental Funds Unrestricted Fund Balances



The General Fund is the chief operating fund of the Town. As a measure of the General Fund's liquidity, it may be useful to compare unrestricted fund balance to total fund expenditures. Unrestricted fund balance represented 119% of total General Fund expenditures. This fund balance increased by \$1,741 (+14%) primarily because the Town implements a conservative budgeting strategy and because the economy improved which resulted in more revenues.

The Highway User Revenue Fund (HURF) fund balances are restricted unless in a deficit position as they were in 2012. The Town has done a better job of billing and collecting reimbursements for its grants, which reduced the amount of revenues needing to be deferred. This eliminated the deficit balances.

The Capital Infrastructure Improvement Fund (CIIF) unrestricted fund balance increased by \$682 (+7%). This change is the result of an improved grant billing and collection process, resulting in timely revenue recognition. Increases were offset partially by having to report more (\$528) nonspendable fund balance to account for advances made to the Wastewater Enterprise Fund to cover its cash deficits.

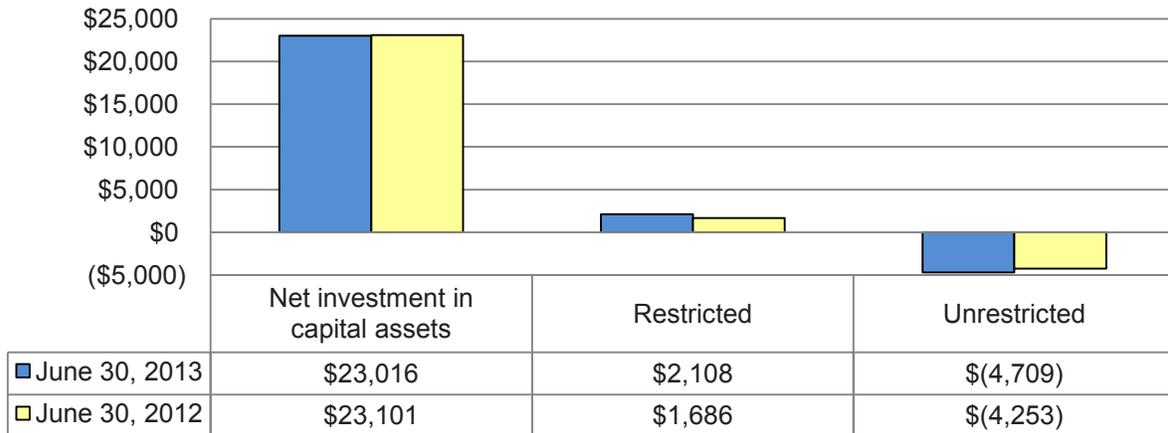
The Nonmajor Funds, consist of two funds: the Quail Creek Community Facilities District (QC CFD) Fund and the Racketeer Influenced and Corrupt Organizations (RICO) Fund. The entire fund balance of the RICO fund is restricted. The QC CFD received a General Fund subsidy sufficient to bring its fund balance to \$0 at year end.

**Proprietary fund.** The Town's Wastewater Enterprise Fund provides the same type of information found in the government-wide financial statements but in more detail. Unrestricted net position of the wastewater treatment operation at the end of the year amounted to a deficit (negative) balance of \$4,709, which is a decrease (more deficit) of \$456 compared to last year. At June 30, 2013, restricted net position was \$2,108 and represent debt service reserves set aside to comply with loan agreements. The debt service reserves are now fully funded. Other factors concerning the finances of this fund have already been addressed in the discussion of the Town's business-type activities.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

(dollar amounts in thousands)

## Wastewater Enterprise Fund Net Position



### GENERAL FUND BUDGETARY HIGHLIGHTS

**Original budget compared to final budget.** During the year there were no significant amendments to increase either the original estimated revenues or original budget appropriations. Minor amendments were made, however, to accommodate the revenues and costs associated with new grant programs (\$10), and to appropriate contingency reserves (\$131) to implement items that were not contemplated when the original budget was developed. These budget amendments were authorized by the Town Council.

**Final budget compared to actual results.** Total actual revenues exceeded the estimated revenues \$548. The most significant differences were as follows:

<u>Revenue source</u>	<u>Budgeted Revenues</u>	<u>Actual Revenues</u>	<u>Difference</u>
Licenses and permits	\$ 766	\$1,202	\$436
Intergovernmental	5,921	6,098	177
Investment earnings	161	61	(100)
Miscellaneous	43	96	53

- Licenses and permits revenues exceeded the budget because there was more new development than anticipated. The budget figure was derived under the assumption there would be 230 new residential permits issued during the year. The Town actually issued 267 for the year. Right-of-way and grading permit revenues also exceeded the budget, primarily due to conservative budget practices and the difficulty in projecting revenues from this type of activity.
- Approximately \$44 of the variance in intergovernmental revenues was associated with revenues that were deferred last year and recorded in the current year. The rest of the difference stems from Police Department efforts to fulfill grant-funded program goals. This activity was greater than anticipated.
- Changes in market conditions generated unrealized investment losses which offset prior period gains in the Town's investment in the State Treasurer's LGI Pool 500.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

(dollar amounts in thousands)

- Miscellaneous revenues exceeded budget as numerous one-time revenue generating items, such as rebates, refunds, and equipment sales were not included in the budget.

Total actual expenditures were less than departmental appropriations by \$670. All but three departments had budget savings, the Police Department realizing the most (\$385) due to personnel vacancy savings. The Town Manager and Town Clerk Departments ended the year over budget by \$12 and \$5, respectively, due to unbudgeted termination benefit costs for employees leaving service. These budget variances were covered by expenditure savings from other General Fund areas. The Law Department exceeded its budget by \$14 due to specialized contracted legal services associated with development projects in the Town. The Town received reimbursement for these costs, which were recorded as revenues. None of these budget variations have a significant effect on future service levels or liquidity.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital assets.** The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2013, amounts to \$185,815 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, sewer conveyance systems, machinery and equipment, vehicles, park facilities, roads, highways, and bridges.

### CAPITAL ASSETS

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land	\$ 9,151	\$ 9,150	\$ 2,640	\$ 2,640	\$ 11,791	\$ 11,790
Buildings & improvements	19,280	19,723	-	-	19,280	19,723
Sewer conveyance system	-	-	47,267	48,608	47,267	48,608
Infrastructure	80,957	85,799	-	-	80,957	85,799
Vehicles	742	658	159	181	901	839
Equipment and software	858	961	13	21	871	982
Construction in progress	24,200	9,808	548	509	24,748	10,317
	<u>\$135,188</u>	<u>\$126,099</u>	<u>\$50,627</u>	<u>\$51,959</u>	<u>\$185,815</u>	<u>\$178,058</u>

The Town's investment in capital assets increased by \$7,757 (+4%) during the year, which is the net difference between new capital acquisition and depreciation.

Major capital asset events during the fiscal year included the following:

- The Town's governmental activities capitalized \$15,313 of project costs to acquire and improve capital assets. The major capital projects included the Sahuarita Road Improvement Project (\$14,264) and the Desert Gem Lane Extension Project (\$378). The Sahuarita Road Improvement Project was still under construction at year end.
- During the year, capital assets valued at \$380 were acquired without cost to the Town. These came in the form of developer contributions, police seizures, and other donations.
- Completion of governmental activities projects, totaling \$390, resulted in increases to infrastructure with a corresponding decrease in construction in progress.

Additional information on the Town's capital assets can be found in note 5 on pages 45-46 of this report.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

(dollar amounts in thousands)

**Long-term debt.** At the end of the current fiscal year, the Town had total debt outstanding of \$54,727. Of this amount, \$10,900 comprises debt backed by the full faith and credit of the Quail Creek Community Facilities District. The remainder of the debt is secured by specific revenue sources. A summary of outstanding long-term debt follows.

## LONG-TERM DEBT

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Quail Creek CFD general obligation bonds	\$10,900	\$11,285	\$ -	\$ -	\$10,900	\$11,285
Loans payable	17,572	18,544	26,255	27,551	43,827	46,095
	<u>\$28,472</u>	<u>\$29,829</u>	<u>\$26,255</u>	<u>\$27,551</u>	<u>\$54,727</u>	<u>\$57,380</u>

No additional debt was obtained by the governmental activities of the Town during fiscal year 2013. Principal payments and amortization of premiums and discounts reduced the debt liability by \$1,357.

During 2013, the business-type activities of the Town obtained an additional \$60 in loan proceeds from the Water Infrastructure Financing Authority (WIFA) for the wastewater treatment plant expansion capital project. Principal payments of \$1,356 were also made during the year.

State statutes limit the amount of general obligation debt a governmental entity may issue. However, as the Quail Creek Community Facilities District is a legally separate entity, its general obligation debt does not apply against the Town's debt capacity, which is \$49,470.

Additional information on the Town's long-term debt can be found in note 6 on pages 46-49 of this report.

## ECONOMIC FACTORS, NEXT YEAR'S BUDGET, AND RATES

The current estimated population of 27,411 is 2.2% larger than last year's estimated population of 26,875 and more than eight times larger than the census population in 2000 which was 3,242. The Town uses a growth rate of 2.2% for planning purposes.

The secondary assessed property valuation decreased 4.9%, to \$190,269, since last year. The total full cash property value decreased 1.7%, to \$1,824,774, during the same period.

The Town's budget for fiscal year 2014 totals \$95,717, 29% higher than the fiscal year 2013 budget. Operating revenues are expected to increase 13% (\$2,594) due to an improving economy. Capital grants and contributions are expected to increase by \$18,404. Budgeted expenditures (\$73,742) are \$18,918, or 35%, more than in fiscal year 2013. The increase in spending is associated with major street improvements in the Town. Unused contingency reserves (i.e., ending fund balances) are expected to be \$21,742 by the end of 2014.

The first year of the five-year Capital Improvement Plan is incorporated into the 2014 capital budget, which amounts to \$47,772, principally for the construction of the Sahuarita Road, design on the Sahuarita/Interstate 19 interchange, and reconstruction of the Pima Mine Road bridge. The Town intends to finance \$44,755 of the 2014 capital budget with grants and contributions from other entities and \$330 with long-term debt proceeds. The remainder of the capital budget will be financed with Town revenues and beginning fund balances.

The Wastewater sewer user fees will be increased 8.9% in fiscal year 2014. The fee increases are needed to cover the cost of providing sewer services and, pursuant to a loan agreement, to ensure there is sufficient revenue-to-debt service coverage.

All of these factors were considered in preparing the Town's budget for the 2014 fiscal year.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

(dollar amounts in thousands)

## REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town of Sahuarita, Arizona's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 375 W. Sahuarita Center Way, Sahuarita, AZ 85629 or by visiting the Town's website at [www.sahuaritaaz.gov](http://www.sahuaritaaz.gov).

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
Basic Financial Statements



**2013**  
2013  
2013

# Town of Sahuarita, Arizona

## Statement of Net Position

June 30, 2013

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<b>ASSETS</b>			
Cash and investments	\$ 22,877,197	\$ -	\$ 22,877,197
Receivables, net of allowances for doubtful accounts	5,074,058	505,150	5,579,208
Internal balances	4,563,279	(4,563,279)	-
Prepaid items	16,129	-	16,129
Restricted assets	482,075	2,108,048	2,590,123
Capital assets:			
Land and construction in progress	33,351,032	3,188,013	36,539,045
Other capital assets, net of depreciation	101,836,958	47,439,315	149,276,273
Total capital assets	135,187,990	50,627,328	185,815,318
Total assets	168,200,728	48,677,247	216,877,975
<b>LIABILITIES</b>			
Accrued payroll and benefits	423,234	22,580	445,814
Payables:			
Accounts	523,708	83,391	607,099
Bonds due and payable	385,000	1,355,854	1,740,854
Interest	309,829	513,985	823,814
Contract retention	1,182,571	1,368	1,183,939
Deposits	48,075	-	48,075
Unearned revenues	393,424	-	393,424
Noncurrent liabilities:			
Due within one year	1,958,806	1,422,099	3,380,905
Due in more than one year	27,284,944	24,863,307	52,148,251
Total liabilities	32,509,591	28,262,584	60,772,175
<b>NET POSITION</b>			
Net investment in capital assets	106,716,456	23,016,012	129,732,468
Restricted for:			
Courts	51,293	-	51,293
Public safety	668,546	-	668,546
Transportation	278,388	-	278,388
Quail Creek CFD	6,589	-	6,589
Debt service	-	2,108,048	2,108,048
Unrestricted	27,969,865	(4,709,397)	23,260,468
Total net position	\$ 135,691,137	\$ 20,414,663	\$ 156,105,800

The accompanying notes to financial statements are an integral part of this statement.

# Town of Sahuarita, Arizona

## Statement of Activities

For the Fiscal Year Ended June 30, 2013

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 4,510,041	\$ 378,578	\$ 12,088	\$ 48,600	\$ (4,070,775)		\$ (4,070,775)
Public safety	6,585,275	1,315,158	463,808	33,858	(4,772,451)		(4,772,451)
Highways and streets	7,225,326	-	1,652,912	13,677,177	8,104,763		8,104,763
Culture and recreation	2,023,125	99,350	14,150	-	(1,909,625)		(1,909,625)
Interest and amortization on long-term debt	1,445,431	-	-	-	(1,445,431)		(1,445,431)
Total governmental activities	<u>21,789,198</u>	<u>1,793,086</u>	<u>2,142,958</u>	<u>13,759,635</u>	<u>(4,093,519)</u>		<u>(4,093,519)</u>
Business-type activities:							
Sewer	3,675,890	3,524,391	-	-		\$ (151,499)	(151,499)
Total business-type activities	<u>3,675,890</u>	<u>3,524,391</u>	<u>-</u>	<u>-</u>		<u>(151,499)</u>	<u>(151,499)</u>
Total primary government	<u>\$ 25,465,088</u>	<u>\$ 5,317,477</u>	<u>\$ 2,142,958</u>	<u>\$ 13,759,635</u>	<u>(4,093,519)</u>	<u>(151,499)</u>	<u>(4,245,018)</u>
General revenues:							
Property taxes					289,408	-	289,408
Sales taxes					7,487,481	-	7,487,481
Franchise taxes					310,304	-	310,304
Share of state income tax					2,580,152	-	2,580,152
Share of state sales tax					2,067,495	-	2,067,495
Share of state vehicle license tax					925,392	-	925,392
Investment earnings (losses)					59,754	(16,707)	43,047
Miscellaneous					864,841	48,312	913,153
Net general revenues					<u>14,584,827</u>	<u>31,605</u>	<u>14,616,432</u>
Change in net position					10,491,308	(119,894)	10,371,414
Net position at beginning of year					125,199,829	20,534,557	145,734,386
Net position at end of year					<u>\$ 135,691,137</u>	<u>\$ 20,414,663</u>	<u>\$ 156,105,800</u>

The accompanying notes to financial statements are an integral part of this statement.

# Town of Sahuarita, Arizona

## Balance Sheet Governmental Funds June 30, 2013

	General Fund	Highway User Revenue Fund	Capital Infrastructure Improvement Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and investments	\$ 12,408,671	\$ -	\$ 9,874,185	\$ 594,341	\$ 22,877,197
Receivables, net of allowances for doubtful accounts	1,041,895	1,985,417	1,810,103	236,643	5,074,058
Due from other funds	1,506,799	-	-	-	1,506,799
Prepaid items	16,129	-	-	-	16,129
Restricted assets	-	-	-	482,075	482,075
Advances to other funds	2,017,562	-	2,545,717	-	4,563,279
Total assets	\$ 16,991,056	\$ 1,985,417	\$ 14,230,005	\$ 1,313,059	\$ 34,519,537
<b>Liabilities</b>					
Accrued payroll and benefits	\$ 379,113	\$ 21,991	\$ 22,130	\$ -	\$ 423,234
Payables:					
Accounts	263,669	178,239	52,707	29,093	523,708
Bonds	-	-	-	385,000	385,000
Interest	-	-	-	309,829	309,829
Contract retention	-	-	1,182,571	-	1,182,571
Deposits	48,075	-	-	-	48,075
Due to other funds	-	1,506,799	-	-	1,506,799
Unearned revenues	193,421	-	200,000	3	393,424
Total liabilities	884,278	1,707,029	1,457,408	723,925	4,772,640
<b>Deferred inflows of resources</b>					
Unavailable revenues	30,270	38,530	158,189	6,589	233,578
Total deferred inflows of resources	30,270	38,530	158,189	6,589	233,578
<b>Fund balances</b>					
Nonspendable:					
Long-term notes receivable	9,870	-	-	-	9,870
Prepaid items	16,129	-	-	-	16,129
Long-term interfund advances	2,017,562	-	2,545,717	-	4,563,279
Restricted:					
Courts	51,293	-	-	-	51,293
Transportation	-	239,858	-	-	239,858
Public safety	86,001	-	-	582,545	668,546
Committed for stabilization reserves	3,772,040	-	-	-	3,772,040
Assigned:					
Town Center development	-	-	546,300	-	546,300
Capital projects	-	-	9,522,391	-	9,522,391
Unassigned	10,123,613	-	-	-	10,123,613
Total fund balances	16,076,508	239,858	12,614,408	582,545	29,513,319
Total liabilities, deferred inflows of resources, and fund balances	\$ 16,991,056	\$ 1,985,417	\$ 14,230,005	\$ 1,313,059	\$ 34,519,537

The accompanying notes to financial statements are an integral part of this statement.

**Town of Sahuarita, Arizona**  
**Reconciliation of Total Governmental Fund Balances**  
**to Net Position of Governmental Activities**  
June 30, 2013

Total fund balances—governmental funds \$ 29,513,319

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

Capital assets used in the governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	\$ 9,150,798	
Construction in progress	24,200,234	
Buildings and improvements	22,154,283	
Infrastructure	110,528,926	
Vehicles	2,341,425	
Equipment and software	3,186,542	
Accumulated depreciation	<u>(36,374,218)</u>	
Total capital assets		135,187,990

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. 233,578

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Bonds payable	(10,900,000)	
Loans payable	(17,105,000)	
Unamortized premium on long-term debt	(503,502)	
Unamortized discount on long-term debt	36,968	
Compensated absences	<u>(772,216)</u>	
Total noncurrent liabilities		<u>(29,243,750)</u>

Net position of governmental activities \$ 135,691,137

The accompanying notes to financial statements are an integral part of this statement.

# Town of Sahuarita, Arizona

## Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds

For the Fiscal Year Ended June 30, 2013

	General Fund	Highway User Revenue Fund	Capital Infrastructure Improvement Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$ 4,513,295	\$ -	\$ 3,284,489	\$ 284,343	\$ 8,082,127
Licenses and permits	1,202,273	-	-	-	1,202,273
Intergovernmental	6,097,718	7,526,189	10,696,993	3,497	24,324,397
Charges for services	941,508	-	-	-	941,508
Fines and forfeitures	281,589	-	-	117,264	398,853
Investment earnings (losses)	61,082	3,675	(5,328)	325	59,754
Miscellaneous	95,565	37,270	500	749,795	883,130
Total revenues	<u>13,193,030</u>	<u>7,567,134</u>	<u>13,976,654</u>	<u>1,155,224</u>	<u>35,892,042</u>
<b>Expenditures</b>					
Current:					
General government	4,225,983	-	-	-	4,225,983
Public safety	6,154,269	-	-	189,931	6,344,200
Highways and streets	-	1,625,310	-	11,102	1,636,412
Culture and recreation	1,300,827	-	-	26,799	1,327,626
Capital outlay	-	-	16,244,947	-	16,244,947
Debt service:					
Principal	-	-	935,000	385,000	1,320,000
Interest	-	-	858,063	619,658	1,477,721
Fiscal charges	-	-	1,150	4,000	5,150
Total expenditures	<u>11,681,079</u>	<u>1,625,310</u>	<u>18,039,160</u>	<u>1,236,490</u>	<u>32,582,039</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,511,951</u>	<u>5,941,824</u>	<u>(4,062,506)</u>	<u>(81,266)</u>	<u>3,310,003</u>
<b>Other financing sources (uses)</b>					
Transfers in	31,909	-	5,299,966	13,763	5,345,638
Transfers out	(13,763)	(5,299,966)	(27,939)	(3,970)	(5,345,638)
Total other financing sources (uses)	<u>18,146</u>	<u>(5,299,966)</u>	<u>5,272,027</u>	<u>9,793</u>	<u>-</u>
Net change in fund balances	1,530,097	641,858	1,209,521	(71,473)	3,310,003
Fund balance at beginning of year	14,546,411	(402,000)	11,404,887	654,018	26,203,316
Fund balance at end of year	<u>\$ 16,076,508</u>	<u>\$ 239,858</u>	<u>\$ 12,614,408</u>	<u>\$ 582,545</u>	<u>\$ 29,513,319</u>

The accompanying notes to financial statements are an integral part of this statement.

# Town of Sahuarita, Arizona

## Reconciliation of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities - Governmental Activities

For the Fiscal Year Ended June 30, 2013

Net change in fund balances—governmental funds \$ 3,310,003

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 as depreciation expense. In the current period, these amounts are:

Capitalized expenditures	\$ 15,313,249	
Depreciation expense	<u>(6,601,098)</u>	
Excess of depreciation expense over capitalized expenditures		8,712,151

Some capital additions were acquired during the year without cost to the Town. These assets are not recognized in governmental funds, but in the statement of activities, the fair market values are reported as revenues. 379,685

Some revenues reported in the statement of activities do not represent the collection of current financial resources and are not reported as revenues in the governmental funds. Conversely, some revenues reported in the governmental funds are collections of current financial resources that relate to other periods and are not reported as revenues in the statement of activities. These revenues consist of:

Decrease in unavailable deferred revenues	(3,241,224)
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The issuance of long term-debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumed the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of premiums and discounts when debt is first issued whereas these amounts are deferred and amortized in the statement of activities.

Debt service - principal payments	\$ 1,320,000	
Net amortization of discounts and premiums	<u>37,441</u>	
Net effect of long-term debt and related items		1,357,441

Book value of disposed capital assets	(2,567)
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Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Increase in compensated absences	<u>(24,181)</u>
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Change in net position of governmental activities	<u><u>\$ 10,491,308</u></u>
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The accompanying notes to financial statements are an integral part of this statement.

**Town of Sahuarita, Arizona**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
For the Fiscal Year Ended June 30, 2013

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Taxes	\$ 4,496,270	\$ 4,496,270	\$ 4,513,295	\$ 17,025
Licenses and permits	766,160	766,160	1,202,273	436,113
Intergovernmental	5,911,220	5,920,720	6,097,718	176,998
Charges for services	987,380	987,380	941,508	(45,872)
Fines and forfeitures	270,450	270,450	281,589	11,139
Investment earnings	161,290	161,290	61,082	(100,208)
Miscellaneous	43,000	43,000	95,565	52,565
Total revenues	<u>12,635,770</u>	<u>12,645,270</u>	<u>13,193,030</u>	<u>547,760</u>
<b>Expenditures</b>				
General government:				
Mayor and Council	146,990	146,990	121,861	25,129
Town Manager	620,530	645,530	657,624	(12,094)
Law	451,820	451,820	465,938	(14,118)
Town Clerk	335,440	335,440	340,737	(5,297)
Finance	962,400	962,400	943,713	18,687
Human Resources	195,450	195,450	184,745	10,705
Municipal Court	538,980	538,980	517,724	21,256
Planning and Building-Zoning	429,740	529,960	445,906	84,054
Public Works-Facilities	465,660	465,660	439,940	25,720
Non-Departmental	143,620	143,620	107,795	35,825
Total general government	<u>4,290,630</u>	<u>4,415,850</u>	<u>4,225,983</u>	<u>189,867</u>
Public safety:				
Planning and Building-Building Safety	554,780	560,260	534,950	25,310
Public Works-Engineering	340,770	340,770	320,900	19,870
Police	5,683,260	5,683,260	5,298,419	384,841
Total public safety	<u>6,578,810</u>	<u>6,584,290</u>	<u>6,154,269</u>	<u>430,021</u>
Culture and recreation:				
Parks and Recreation	1,341,070	1,350,570	1,300,827	49,743
Total culture and recreation	<u>1,341,070</u>	<u>1,350,570</u>	<u>1,300,827</u>	<u>49,743</u>
Contingency reserves	14,354,880	14,224,180	-	14,224,180
Total expenditures	<u>26,565,390</u>	<u>26,574,890</u>	<u>11,681,079</u>	<u>14,893,811</u>
Excess (deficiency) of revenues over (under) expenditures	(13,929,620)	(13,929,620)	1,511,951	15,441,571
<b>Other financing sources (uses)</b>				
Transfers in	27,940	27,940	31,909	3,969
Transfers out	(28,000)	(28,000)	(13,763)	14,237
Total other financing sources (uses)	<u>(60)</u>	<u>(60)</u>	<u>18,146</u>	<u>18,206</u>
Net change in fund balance	(13,929,680)	(13,929,680)	1,530,097	15,459,777
Fund balance at beginning of year	13,929,680	13,929,680	14,546,411	616,731
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,076,508</u>	<u>\$ 16,076,508</u>

The accompanying notes to financial statements are an integral part of this statement.

**Town of Sahuarita, Arizona**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Highway User Revenue Fund - Special Revenue Fund**  
For the Fiscal Year Ended June 30, 2013

	<b>Original Budget</b>	<b>Final Amended Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Intergovernmental	\$ 13,907,150	\$ 13,907,150	\$ 7,526,189	\$ (6,380,961)
Investment earnings	750	750	3,675	2,925
Miscellaneous	-	-	37,270	37,270
Total revenues	<u>13,907,900</u>	<u>13,907,900</u>	<u>7,567,134</u>	<u>(6,340,766)</u>
<b>Expenditures</b>				
Current:				
Highways and streets	1,728,080	1,728,080	1,625,310	102,770
Contingency reserves	50,990	50,990	-	50,990
Total expenditures	<u>1,779,070</u>	<u>1,779,070</u>	<u>1,625,310</u>	<u>153,760</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,128,830</u>	<u>12,128,830</u>	<u>5,941,824</u>	<u>(6,187,006)</u>
<b>Other financing sources (uses)</b>				
Transfers out	<u>(12,237,000)</u>	<u>(12,237,000)</u>	<u>(5,299,966)</u>	<u>6,937,034</u>
Total other financing sources (uses)	<u>(12,237,000)</u>	<u>(12,237,000)</u>	<u>(5,299,966)</u>	<u>6,937,034</u>
Net change in fund balance	(108,170)	(108,170)	641,858	750,028
Fund balance at beginning of year	108,170	108,170	(402,000)	(510,170)
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 239,858</u>	<u>\$ 239,858</u>

The accompanying notes to financial statements are an integral part of this statement.

# Town of Sahuarita, Arizona

## Statement of Net Position

### Proprietary Fund

June 30, 2013

	<b>Wastewater Enterprise Fund</b>
<b>Assets</b>	
Current:	
Accounts receivable (net of allowance for doubtful accounts of \$10,892)	\$ 505,150
Total current	<u>505,150</u>
Noncurrent assets:	
Restricted cash and cash equivalents	2,108,048
Capital assets:	
Land	2,640,000
Construction in progress	548,013
Sewage conveyance system	53,063,567
Vehicles and equipment	369,978
Accumulated depreciation	<u>(5,994,230)</u>
Capital assets, net of accumulated depreciation	<u>50,627,328</u>
Total noncurrent assets	<u>52,735,376</u>
Total assets	<u>53,240,526</u>
<b>Liabilities</b>	
Current:	
Accrued payroll and benefits	22,580
Accounts payable	83,391
Contract retention payable	1,368
Interest payable-current	513,985
Loan payable-current	1,355,854
Total current liabilities	<u>1,977,178</u>
Noncurrent liabilities:	
Accrued compensated absences	29,944
Advances from other funds	4,563,279
Loan payable	26,255,462
Total noncurrent liabilities	<u>30,848,685</u>
Total liabilities	<u>32,825,863</u>
<b>Net position</b>	
Net investment in capital assets	23,016,012
Restricted for debt service reserves	2,108,048
Unrestricted	<u>(4,709,397)</u>
Total net position	<u>\$ 20,414,663</u>

The accompanying notes to financial statements are an integral part of this statement.

**Town of Sahuarita, Arizona**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Fund**  
For the Fiscal Year Ended June 30, 2013

	<b>Wastewater Enterprise Fund</b>
<b>Operating revenues</b>	
Charges for services	\$ 2,690,666
Total operating revenues	2,690,666
<b>Operating expenses</b>	
Personnel	534,248
Operating supplies and services	244,983
Utilities	218,846
General and administrative	196,653
Depreciation	1,454,319
Total operating expenses	2,649,049
Operating income	41,617
<b>Nonoperating revenues (expenses)</b>	
Sewer connection fees	833,725
Investment earnings (losses)	(16,707)
Other	48,312
Interest expense on debt	(1,026,841)
Total nonoperating revenues (expenses)	(161,511)
Change in net position	(119,894)
Net position at beginning of year	20,534,557
Net position at end of year	\$ 20,414,663

The accompanying notes to financial statements are an integral part of this statement.

# Town of Sahuarita, Arizona

## Statement of Cash Flows

### Proprietary Fund

For the Fiscal Year Ended June 30, 2013

	<b>Wastewater Enterprise Fund</b>
<b>Cash Flows From Operating Activities</b>	
Receipts from customers and users	\$ 2,628,185
Payments to suppliers and contractors	(654,250)
Payments to employees	(532,397)
Miscellaneous receipts	48,312
Net cash provided by operating activities	<u>1,489,850</u>
<b>Cash Flows from Noncapital Financing Activities</b>	
Proceeds from interfund loans	4,563,279
Repayment of interfund loans	(4,035,124)
Net cash provided by noncapital financing activities	<u>528,155</u>
<b>Cash Flows From Capital and Related Financing Activities</b>	
Sewer connection fees	833,725
Proceeds from capital debt	60,617
Acquisition and construction of capital assets	(123,631)
Principal payments on capital debt	(1,307,188)
Interest payments on capital debt	(1,043,221)
Net cash used for capital and related financing activities	<u>(1,579,698)</u>
<b>Cash Flows From Investing Activities</b>	
Interest paid on the investment of deficit balances	(16,707)
Net cash used for investing activities	<u>(16,707)</u>
Net increase in cash and cash equivalents	421,600
Cash and cash equivalents at beginning of year	1,686,448
Cash and cash equivalents at end of year	<u>\$ 2,108,048</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating income	\$ 41,617
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	1,454,319
Other nonoperating revenues	48,312
Changes in assets and liabilities:	
Increase in accounts receivable	(62,481)
Increase in accrued payroll and benefits	1,851
Increase in accounts payable related to operations	6,232
Net cash provided by operating activities	<u>\$ 1,489,850</u>

The accompanying notes to financial statements are an integral part of this statement.

# Town of Sahuarita, Arizona

## Notes to the Financial Statements

### For the Fiscal Year Ended June 30, 2013

#### **NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

#### **A. Reporting Entity**

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

##### Blended Component Unit

On September 12, 2005, the Town Council approved Resolution No. 2005-86 which ordered and declared the formation of the Quail Creek Community Facilities District, a legally separate entity from the Town. The District encompasses an area of approximately 1,248 acres wholly within the corporate boundaries of the Town. The District was formed as a tax levying public improvement district for the purpose of financing public facilities. The Town Council acts as the District's Board of Directors and the management of the Town has operational responsibility for the District. Accordingly, the District is a blended component unit of the Town and is reported as a special revenue fund in the Town's financial statements. The District does not issue separate financial statements.

#### **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 activities of the primary government. 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 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and the proprietary fund. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 two months of the end of the current fiscal period. Expenditures generally are

# Town of Sahuarita, Arizona

## Notes to the Financial Statements

### For the Fiscal Year Ended June 30, 2013

available if they are collected within two months 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, which are recorded only when payment is due.

Taxes, state shared revenues, grants submitted for reimbursement, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and revenue recognition in the current fiscal 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 *Highway User Revenue Fund—Special Revenue Fund* accounts for the Town's share of the State's motor fuel tax revenues.

The *Capital Infrastructure Improvement Fund—Capital Projects Fund* accounts for the acquisition, construction, and maintenance of major capital facilities other than those financed by the Quail Creek Community Facilities District and the proprietary fund.

The Town reports the following major proprietary fund:

The *Wastewater Enterprise Fund* accounts for the operations and capital acquisition of the Town's sewer system.

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. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### **D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

##### Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, investments held by the State Treasurer in short-term investment pools, and short-term investments with original 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 are restricted. 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, Town's or duly organized school districts, improvement districts in this state and the State Treasurer's Local Government Investment Pools. Investments are stated at fair value.

##### Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

##### Restricted Assets

Resources set aside for debt service and amounts held by fiduciary are classified as restricted assets on the balance sheet because they are maintained in separate accounts and their use is limited by applicable debt covenants or enabling legislation.

# Town of Sahuarita, Arizona

## Notes to the Financial Statements

### For the Fiscal Year Ended June 30, 2013

#### Capital Assets

Capital assets, which include property, plant, equipment, and intangible assets are reported in the applicable governmental activities or business-type activities column in the government-wide financial 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 and equipment 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. If material, interest costs on wastewater construction projects are capitalized over a period beginning with project commencement to when they are substantially complete and ready for use. Other costs for repairs and maintenance are expensed as incurred.

General infrastructure assets acquired prior to July 1, 2004 are not reported in the basic financial statements.

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

Buildings and improvements	10 to 50 years
Sewage conveyance system	20 to 50 years
Infrastructure	10 to 20 years
Equipment / Vehicles	4 to 15 years

#### Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary statements consists of unpaid, accumulated leave balances. Vacation leave may be accumulated up to a maximum of 240 hours and is payable upon termination of employment. Therefore, the full amount of vacation leave earned is recorded for each employee. In lieu of overtime pay, employees may elect to earn compensatory time. Police officers may accumulate up to a maximum of 100 hours and other employees up to a maximum of 60 hours. This time is payable upon termination of employment and the full amount of hours earned is recorded for each employee. Sick leave liability may be accumulated with no maximum, and 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. Employees who have become vested are entitled to a payment based on one-third of the total number of sick leave accumulated at that time.

#### Long-Term Obligations

In the government-wide financial statements long-term debt is reported as a liability in the governmental activities statement of net position. Discount and premiums are deferred and amortized over the life of the bonds using the straight-line method. Debt is reported along with applicable unamortized amounts.

In the fund financial statements, governmental fund types recognize debt premiums and issuance costs during the current period. The face amount of debt issued and premiums are reported as other financing sources. Issuance costs are reported as expenditures.

#### Net Position

In the government-wide and propriety fund financial statements, net position is reported in three categories: net investment in capital assets, restricted, and unrestricted. Investment in capital assets balances are separately reported because capital assets make up a significant portion of net position. Restricted balances account for the portion of net position restricted by external resource providers or through enabling legislation. Unrestricted balances are the remaining balances not included in the previous two categories.

#### Fund Balance

**Flow assumptions.** Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be

# Town of Sahuarita, Arizona

## Notes to the Financial Statements

### For the Fiscal Year Ended June 30, 2013

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

**General policies.** In the fund financial statements, governmental funds distinguish between spendable and nonspendable fund balances. Spendable balances are further classified as restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent.

The *restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by external resource providers or through enabling legislation.

The *committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Town Council is the highest level of decision-making authority for the Town that can, by adoption of an ordinance or resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance or resolution remains in place until a similar action is taken by the Town Council to remove or revise the limitation.

Amounts in the *assigned* fund balance classification are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as restricted or committed. Assignments occur as a result of Council-adopted policies and by identification in the adopted budget.

*Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

**Minimum fund balance policy.** The Town Council has adopted a financial policy to maintain a minimum level of reserves in the funds. Each fund should maintain a fund balance of at least 25% of its adopted operating budget and 20% of its annual adopted capital outlay budget (adjusted for amounts not subjecting the Town to obligation) for the year. The General Fund and the Capital Infrastructure Improvement Fund minimums shall include any fund balance deficiencies of other funds with respect to the operating and capital outlay budgets, respectively. The reserves are intended to provide fiscal stability when economic downturns and other unexpected events occur.

**Stabilization arrangement.** In accordance with Sahuarita Town Code §3.20, on June 25, 2012, the Town Council adopted a resolution to establish an amount to maintain in the General Fund's stabilization reserve. The reserve is funded with available (i.e., unrestricted) cash and investments. Other resources may be directed for inclusion in the reserve through the adoption of an ordinance or resolution by the Town Council. Expenditure of the amounts in the stabilization reserve may occur only when specific circumstances exist. The Town Code directs that these resources may only be used to temporarily divest monies to avoid negative cash balances. This situation can only occur when, but for the use of reserves, disbursements would cause cash balances to fall below \$0. To allow for the withdrawal of the resources, their use must first be approved by the Town Council.

#### E. Property Tax Calendar

The Quail Creek Community Facilities District levies real and personal 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 calendar year and becomes delinquent after the first business day of May. A lien assessed against real and personal property attaches on the first day of January preceding assessment and levy.

# Town of Sahuarita, Arizona

## Notes to the Financial Statements

### For the Fiscal Year Ended June 30, 2013

#### NOTE 2—CASH AND INVESTMENTS

Deposits—At June 30, 2013, the Town had cash on hand of \$10,871. The carrying amount of the Town's cash in bank was \$4,796,824 and the bank balance was \$6,294,876. Of this amount, \$250,000 was insured by the Federal Depository Insurance Corporation (FDIC) and the remaining \$6,044,876 was collateralized with securities valued at \$7,576,020 which were held by the Town's custodial bank in the Town's name. Additionally, the Town had deposits of \$17,297 held by Pima County in a fiduciary capacity.

Investments—At June 30, 2013, \$16,980,373 of the Town's investment portfolio consisted of deposits in the State Treasurer's Local Government Investment (LGI) Pools. The pools are not required to register (and are not registered) with the Securities and Exchange Commission under the 1940 Investment Advisors Act. The activity and performance of the pools are reviewed monthly by the State Board of Investment in accordance with Arizona Revised Statutes §35-311. The fair value of investments is measured on a monthly basis. Participant shares are purchased and sold based on the net asset value (NAV) of the shares. The NAV is determined by dividing the fair value of the portfolio by the total shares outstanding. Those shares are not identified with specific investments, are not subject to custodial credit risk, and have no stated interest rate or maturity date. The State Treasurer does not contract with an outside insurer in order to guarantee the value of the portfolio or the price of shares redeemed.

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Town mitigates exposure to declines in fair values by managing its composite portfolio to achieve a one year dollar-weighted average maturity. The following table summarizes the Town's interest rate risk based on maturity dates of its deposits and investments as of June 30, 2013.

	Maturities (in Months)			Fair Value	%
	< 6	6 to < 18	18 to 26		
Deposits:					
Cash on hand	\$ 10,871	\$ -	\$ -	\$ 10,871	0.0%
Cash in bank	4,796,824	-	-	4,796,824	18.8%
Cash held by fiduciary	17,297	-	-	17,297	0.1%
Investments:					
Government money market fund	1,208,870	-	-	1,208,870	4.8%
State Treasurer's LGI Pool 500	-	-	14,954,354	14,954,354	58.7%
State Treasurer's LGI Pool 700	-	-	2,026,019	2,026,019	8.0%
Negotiable certificates of deposit	-	497,109	499,259	996,368	3.9%
U.S. agency bonds	1,456,717	-	-	1,456,717	5.7%
Total composite portfolio	<u>\$ 7,490,579</u>	<u>\$ 497,109</u>	<u>\$ 17,479,632</u>	<u>25,467,320</u>	<u>100.0%</u>
Less:					
Restricted cash and investments				(2,590,123)	
Total non-restricted cash and investments				<u>\$ 22,877,197</u>	

*Credit Risk.* Credit risk is the risk that an issue or other counterparty to an investment will not fulfill its obligations to the holder of the investment. The Town's investment policy minimizes credit risk by limiting investments to a specific list of the safest types of securities. The State Treasurer's LGI Pools 500 and 700 did not receive a credit quality rating from a national rating agency. The securities in LGIP Pool 500 had a weighted average credit rating of AA by Standard & Poor's (S&P). LGI Pool 700 investments are specifically limited to those securities that carry the full faith and credit of the United States Government, having a weighted average credit rating of AA+ by S&P. The negotiable certificates of deposit were entirely insured by the FDIC. The following table accounts for the credit rating as of June 30, 2013 for each investment type.

# Town of Sahuarita, Arizona

## Notes to the Financial Statements

### For the Fiscal Year Ended June 30, 2013

	Aaa / AAA	Exempt from Disclosure	Fair Value
Investments:			
Government money market fund	\$ -	\$ 1,208,870	\$ 1,208,870
State Treasurer's LGI Pools	-	16,980,373	16,980,373
Negotiable certificates of deposit	-	996,368	996,368
U.S. agency bonds	1,456,717	-	1,456,717
Total Investments	<u>\$ 1,456,717</u>	<u>\$ 19,185,611</u>	<u>\$ 20,642,328</u>

*Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. With the exception of U.S. Treasury securities, U.S. Agency securities, and authorized investment pools, the Town's investment policy does not allow for more than 30% of the total portfolio to be invested in corporate or municipal obligations. Additionally, no more than 10% may be invested in the corporate or municipal holdings of any one issuer.

#### **NOTE 3—RESTRICTED ASSETS**

At June 30, 2013, restricted assets consisted of the following:

	Governmental Activities	Business-type Activities	Total
Restricted assets:			
Deposits:			
Cash in bank	\$ -	\$ 82,029	\$ 82,029
Amounts held by fiduciary	17,297	-	17,297
Investments:			
Government money market fund	464,778	-	464,778
State Treasurer's LGI Pool 700	-	2,026,019	2,026,019
Total restricted assets	<u>\$ 482,075</u>	<u>\$ 2,108,048</u>	<u>\$ 2,590,123</u>

The government money market funds, which were held in trust, represent property tax collections which were obligated for debt service payments on the Quail Creek Community Facilities District Series 2006 General Obligation Bonds. The Town's share of State RICO funds were held in a fiduciary capacity by Pima County. These funds are restricted for use by the Town's Police Department for public safety purposes.

The cash in bank and State Treasurer's LGI Pool 700 balance total \$2,108,048 and represent funds that were obligated for debt service reserves in accordance with the WIFA 2008A System Revenues Loan agreement requirements.

# Town of Sahuarita, Arizona

## Notes to the Financial Statements

### For the Fiscal Year Ended June 30, 2013

#### **NOTE 4—RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS**

Amounts are aggregated into a single accounts receivable (net of allowance for doubtful accounts) line for certain funds and aggregated columns. Below is the detail of receivables for the governmental funds, including the applicable allowances for doubtful accounts:

	General Fund	HURF Fund	CIIF Fund	Nonmajor Governmental Funds	Total Governmental Funds
Taxes	\$ 691,542	\$ -	\$ 577,457	\$ 6,589	\$ 1,275,588
Accounts	5,349	12,227	-	230,054	247,630
Intergovernmental	340,236	1,981,460	1,390,835	-	3,712,531
Notes	9,870	-	-	-	9,870
Gross receivables	<u>1,046,997</u>	<u>1,993,687</u>	<u>1,968,292</u>	<u>236,643</u>	<u>5,245,619</u>
Less: Allowance for doubtful accounts	(5,102)	(8,270)	(158,189)	-	(171,561)
Net receivables	<u>\$ 1,041,895</u>	<u>\$ 1,985,417</u>	<u>\$ 1,810,103</u>	<u>\$ 236,643</u>	<u>\$ 5,074,058</u>

The only receivables not expected to be collected within one year are the \$9,870 notes receivable reported in the General Fund and \$158,189 of tax lien receivables reported in the Capital Infrastructure Improvement Fund.

#### **NOTE 5—CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2013, follows:

	Balance July 1, 2012	Increases	Decreases	Balance June 30, 2013
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 9,150,468	\$ 330	\$ -	\$ 9,150,798
Construction in progress	9,808,303	14,782,304	(390,373)	24,200,234
Total capital assets not being depreciated	<u>18,958,771</u>	<u>14,782,634</u>	<u>(390,373)</u>	<u>33,351,032</u>
Capital assets being depreciated:				
Buildings and improvements	22,103,283	51,000	-	22,154,283
Infrastructure	109,772,721	756,205	-	110,528,926
Vehicles	2,192,231	308,348	(159,154)	2,341,425
Equipment and software	3,001,422	185,120	-	3,186,542
Total capital assets being depreciated	<u>137,069,657</u>	<u>1,300,673</u>	<u>(159,154)</u>	<u>138,211,176</u>
Less accumulated depreciation for:				
Buildings and improvements	(2,380,352)	(493,939)	-	(2,874,291)
Infrastructure	(23,974,585)	(5,596,783)	-	(29,571,368)
Vehicles	(1,534,348)	(221,852)	156,587	(1,599,613)
Equipment and software	(2,040,422)	(288,524)	-	(2,328,946)
Total accumulated depreciation	<u>(29,929,707)</u>	<u>(6,601,098)</u>	<u>156,587</u>	<u>(36,374,218)</u>
Total capital assets being depreciated, net	<u>107,139,950</u>	<u>(5,300,425)</u>	<u>(2,567)</u>	<u>101,836,958</u>
Governmental activities capital assets, net	<u>\$ 126,098,721</u>	<u>\$ 9,482,209</u>	<u>\$ (392,940)</u>	<u>\$ 135,187,990</u>

# Town of Sahuarita, Arizona

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2013

	<u>Balance July 1, 2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2013</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 2,640,000	\$ -	\$ -	\$ 2,640,000
Construction in progress	509,358	38,655	-	548,013
Total capital assets not being depreciated	<u>3,149,358</u>	<u>38,655</u>	<u>-</u>	<u>3,188,013</u>
Capital assets being depreciated:				
Sewer conveyance system	52,979,148	84,419	-	53,063,567
Vehicles	337,524	-	-	337,524
Equipment and software	32,454	-	-	32,454
Total capital assets being depreciated	<u>53,349,126</u>	<u>84,419</u>	<u>-</u>	<u>53,433,545</u>
Less accumulated depreciation for:				
Sewer conveyance system	(4,372,095)	(1,424,725)	-	(5,796,820)
Vehicles	(156,208)	(21,855)	-	(178,063)
Equipment and software	(11,608)	(7,739)	-	(19,347)
Total accumulated depreciation	<u>(4,539,911)</u>	<u>(1,454,319)</u>	<u>-</u>	<u>(5,994,230)</u>
Total capital assets being depreciated, net	<u>48,809,215</u>	<u>(1,369,900)</u>	<u>-</u>	<u>47,439,315</u>
Business-type activities capital assets, net	<u>\$ 51,958,573</u>	<u>\$ (1,331,245)</u>	<u>\$ -</u>	<u>\$ 50,627,328</u>

Depreciation Expense was charged to functions as follows:

**Governmental activities:**

General government	\$ 623,274
Public safety	249,912
Highways and streets	5,050,343
Culture and recreation	677,569
Total governmental activities depreciation	<u>\$ 6,601,098</u>

**Business-type activities:**

Sewer	<u>\$ 1,454,319</u>
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### NOTE 6—LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2013, was as follows:

	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2013</u>	<u>Due within 1 year</u>
<b>Governmental Activities</b>					
Quail Creek CFD general obligations bonds	\$ 11,285,000	\$ -	\$ (385,000)	\$ 10,900,000	\$ 405,000
Loans Payable	18,040,000	-	(935,000)	17,105,000	975,000
Unamortized Premiums	543,253	-	(39,751)	503,502	39,750
Unamortized Discounts	(39,278)	-	2,310	(36,968)	(2,310)
Compensated Absences	748,035	534,133	(509,952)	772,216	541,366
Total governmental activities long-term liabilities	<u>\$ 30,577,010</u>	<u>\$ 534,133</u>	<u>\$ (1,867,393)</u>	<u>\$ 29,243,750</u>	<u>\$ 1,958,806</u>

For the governmental activities, compensated absences are generally liquidated in the General Fund.

# Town of Sahuarita, Arizona

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2013</u>	<u>Due within</u> <u>1 year</u>
<b>Business-Type Activities</b>					
Loans payable	\$ 27,550,699	\$ 60,617	\$ (1,355,854)	\$ 26,255,462	\$ 1,406,333
Compensated Absences	28,422	16,373	(14,851)	29,944	15,766
Total business-type activities long-term liabilities	<u>\$ 27,579,121</u>	<u>\$ 76,990</u>	<u>\$ (1,370,705)</u>	<u>\$ 26,285,406</u>	<u>\$ 1,422,099</u>

### QUAIL CREEK COMMUNITY FACILITIES DISTRICT GENERAL OBLIGATION BONDS Governmental Activities

The District's general obligation bonds payable at June 30, 2013 follows. The District issued debt to provide funds for the construction and acquisition of enhanced infrastructure within the District boundaries. Of the total \$30,000,000 originally authorized from the November 8, 2005 bond election, \$17,340,000 has not been issued. Interest is payable semi-annually and is calculated based upon the principal amount of the bonds outstanding during such period. The bonds are payable from the District's property tax revenues through 2030.

<u>Issue</u>	<u>Issue Amount</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Outstanding</u> <u>June 30, 2013</u>
Series 2006	\$12,660,000	5.15 – 5.55%	2014-2030	\$10,900,000

The following schedule provides the debt service requirements to maturity at June 30, 2013.

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 405,000	\$ 599,830
2015	425,000	578,973
2016	450,000	557,085
2017	470,000	533,910
2018	500,000	507,825
2019-2023	2,940,000	2,092,073
2024-2028	3,850,000	1,180,207
2029-2030	1,860,000	156,232
Total	<u>\$10,900,000</u>	<u>\$6,206,135</u>

### LOAN PAYABLE Governmental Activities

The Town participated in the Greater Arizona Development Authority's (GADA) bond issuances in March 2006 and June 2009. The Town received loans in exchange for pledged future State-shared revenues and excise tax collections, which GADA used as security for its Bond issuances. The Town will repay \$11,155,000 of principal issued in March 2006 and \$5,950,000 of principal issued in June 2009. Proceeds of the loans provided financing for the construction of municipal complex as well as road projects and North Santa Cruz Park improvements. Annual principal and interest payments on the loans are expected to require approximately 24% of revenues pledged. Interest is payable semi-annually and is calculated based upon the principal amount of the loans outstanding during such period. The loans are payable from the revenues of the Town's governmental funds through 2029. During that

# Town of Sahuarita, Arizona

## Notes to the Financial Statements

### For the Fiscal Year Ended June 30, 2013

timeframe total principal and interest to be paid on the loan will be \$23,725,589. During fiscal year ended June 30, 2013, total principal and interest paid was \$1,793,063 and the total revenue subject to pledge was \$14,840,148.

<u>Issue</u>	<u>Issue Amount</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Outstanding June 30, 2013</u>
2006A GADA Loan	\$16,355,000	4.25 – 5.00%	2014-2025	\$11,155,000
2009B GADA Loan	6,700,000	3.50 – 5.00%	2014-2029	<u>5,950,000</u>
			Loan payable outstanding	\$17,105,000
			Unamortized amounts	<u>466,534</u>
			Total loans outstanding	<u>\$17,571,534</u>

The following schedule provides the debt service requirements to maturity at June 30, 2013.

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 975,000	\$ 820,875
2015	1,015,000	781,425
2016	1,055,000	738,975
2017	1,105,000	689,075
2018	1,160,000	636,038
2019-2023	6,715,000	2,279,213
2024-2028	4,565,000	649,238
2029	515,000	25,750
Total	<u>\$17,105,000</u>	<u>\$6,620,589</u>

#### LOANS PAYABLE Business-type Activities

The Town had entered into three loan agreements with the Water Infrastructure Finance Authority of Arizona (WIFA) to provide funds for the construction and design of several wastewater treatment plant expansions. Interest is payable semi-annually and is calculated based upon the principal amount of the loan outstanding during such period. Principal and interest payments to maturity are subject to change based upon the total amounts drawn down on the loans. Of the total amount originally authorized through WIFA, \$1,331,721 of the 2008 WIFA Non-System Revenue Loan remains to be borrowed.

For the 2008 WIFA System Revenues Loan, the Town has pledged wastewater system resources, net of specified operating expenses. Annual principal and interest payments on the loan are expected to require 100% of pledged revenues. In the current year, total principal and interest paid, and total pledged resources were \$2,108,048 and \$6,924,545, respectively.

For the 2008 WIFA Non-System Revenues Loan, the Town has pledged wastewater system resources, net of specified operating expenses, and the excess of non-system revenues (i.e. excise taxes) not pledged towards other debt. Annual principal and interest payments on the loan are expected to require less than 4% of pledged resources. In the current year, total principal and interest paid, and total pledged resources were \$274,647 and \$15,648,909, respectively.

# Town of Sahuarita, Arizona

## Notes to the Financial Statements

### For the Fiscal Year Ended June 30, 2013

<u>Issue</u>	<u>Issue Amount</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Outstanding June 30, 2013</u>
2008 WIFA System Revenues Loan	\$28,350,000	3.723%	2014-2028	\$23,898,673
2008 WIFA Non-System Revenues Loan	Variable To \$4,375,525	3.723%	2014-2028	<u>2,356,789</u>
Total loans payable				<u>\$26,255,462</u>

The following schedule estimates total debt service requirements to maturity at June 30, 2013.

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 1,406,333	\$1,033,820
2015	1,458,690	981,713
2016	1,512,998	927,667
2017	1,569,326	871,608
2018	1,627,753	813,463
2019-2023	9,094,184	3,116,479
2024-2028	9,586,178	1,086,874
	<u>\$26,255,462</u>	<u>\$8,831,624</u>

#### **NOTE 7—CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

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

##### Governmental Activities

<u>Project Description</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Sahuarita Road: La Villita to Country Club	\$19,029,105	\$7,464,575
Sahuarita Road /Interstate 19 Interchange	2,313,508	125,766
Total	<u>\$21,342,613</u>	<u>\$7,590,341</u>

##### Business-type Activities

<u>Project Description</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Wastewater Plant Phase V Expansion	\$546,013	<u>\$6,936</u>

#### Operating Leases

The Town leases office equipment and field equipment under the provisions of long-term lease agreements classified as operating leases. Rental expenditures under the terms of the operating leases totaled \$9,096 for the year ended June 30, 2013. The operating leases have remaining noncancelable lease terms through 2014, with a future minimum rental payment of \$7,003 in that year.

# Town of Sahuarita, Arizona

## Notes to the Financial Statements

### For the Fiscal Year Ended June 30, 2013

Encumbrances

Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$455,552
HURF Fund	82,020
CIIF Fund	<u>55,049</u>
Total	<u>\$582,621</u>

**NOTE 8—DEFERRED AMOUNTS**

Governmental funds report deferred inflows of resources for revenue due and receivable but not considered to be available to liquidate liabilities of the current period. Governmental funds also defer recognition of resources that have been received, but not earned, due to unfulfilled requirements to perform a function or service. At the end of the current fiscal year, the various components of deferred amounts reported in the governmental funds were as follows:

	<b>Unavailable Receipts</b>	<b>Unearned Revenues</b>
<u>General Fund</u>		
Advances received for future services	\$ -	\$ 193,421
Sales tax audit assessment liens	3,918	-
Operating grants from other governments	22,682	-
Resitution	3,670	-
Total General Fund	30,270	193,421
<u>HURF Fund</u>		
Capital grants from the State	34,653	-
Insurance claims	923	-
Restitution	2,954	-
Total HURF Fund	38,530	-
<u>CIIF Fund</u>		
Capital grants from private parties	-	200,000
Construction sales tax audit assessments liens	158,189	-
Total CIIF Fund	158,189	200,000
<u>Nonmajor Governmental Funds</u>		
Advances received for future debt service payments	-	3
Delinquent property taxes	6,589	-
Total Nonmajor Governmental Funds	6,589	3
Total deferred amounts for governmental funds	\$ 233,578	\$ 393,424

# Town of Sahuarita, Arizona

## Notes to the Financial Statements

### For the Fiscal Year Ended June 30, 2013

**NOTE 9—INTERFUND ACTIVITY**

The due from/to other fund and advances from/to other fund represent short-term and long-term working capital loans, respectively, that are needed to cover deficit positions in the Town's internal cash and investment pool. As of June 30, 2013, the Town had the following outstanding internal balances:

***Due to/from other funds:***

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	HURF Fund	\$1,506,799

***Advances from/to other funds***

<u>Receivable Fund</u>	<u>Payable Fund</u>	
General Fund	Wastewater Fund	2,017,562
CIIF Fund	Wastewater Fund	<u>2,545,717</u>
Total advances from/to other funds		<u>\$4,563,279</u>
Total internal balances		<u>\$6,070,078</u>

Transfers out of the General Fund were used to subsidize the deficits of the QCCFD Fund, a nonmajor governmental fund. Transfers out of the HURF Fund were used to reimburse the CIIF Fund for capital costs on transportation projects. Transfers out of the CIIF Fund and the RICO Fund, a nonmajor governmental fund, were used to reimburse the General Fund for certain operating activities. During the year, the Town had the following transfers between funds:

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 13,763
HURF Fund	CIIF Fund	5,299,966
CIIF Fund	General Fund	27,939
Nonmajor Governmental Funds	General Fund	<u>3,970</u>
Total transfers		<u>\$5,345,638</u>

**NOTE 10—RETIREMENT AND PENSION PLANS**

**Arizona State Retirement System (ASRS)**

Plan Description—The Town contributes to a cost-sharing multiple-employer defined benefit pension plan administered by the ASRS. Benefits are established by state statute and generally provide retirement, death, long-term disability, survivor, and health insurance premium benefits. The system is governed by the ASRS Board according to the provisions of Arizona Revised Statutes (A.R.S.) Title 38, Chapter 5, Article 2.

The ASRS issues a comprehensive annual financial report that includes financial statements and required supplementary information. The most recent report may be obtained by writing the ASRS, 3300 North Central Avenue, P.O. Box 3910, Phoenix, AZ 85067-3910 or by calling (602) 240-2001 or (800) 621-3778.

Funding Policy—The Arizona State Legislature establishes and may amend active plan members' and the Town's contribution rate. For the year ended June 30, 2013, active plan members were required by statute to contribute at the actuarially determined rate of 11.14 percent (10.90 percent for retirement and 0.24 percent for long-term disability), and the Town was required by statute to contribute at the actuarially determined rate of 11.14 percent (10.25 percent retirement, 0.65 percent health and 0.24 percent long-term disability) of the members' annual covered payroll. The Town's contributions to the ASRS for the years ended June 30, 2013, 2012, and 2011, which were equal to the required contributions for each year, were as follows:

# Town of Sahuarita, Arizona

## Notes to the Financial Statements

### For the Fiscal Year Ended June 30, 2013

Fiscal Year Ended <u>June 30</u>	Retirement <u>Portion</u>	Health Insurance <u>Subsidy</u>	Long-term <u>Disability</u>
2011	\$485,530	\$31,794	\$13,470
2012	524,516	33,480	13,188
2013	526,193	33,368	12,320

#### **Public Safety Personnel Retirement System (PSPRS)**

Plan Description—The Town’s police officers are participants in the PSPRS, which is an agent multiple-employer, defined benefit plan. PSPRS was established by Title 38, Chapter 5, Article 4 of the Arizona Revised Statutes to provide pension, disability and survivor’s benefits as well as an Other Post Employment Benefit (OPEB) of health insurance premium subsidy. The PSPRS is jointly administered by the fund manager and participating local boards. The fund manager is a five member board appointed by the Governor and the State Legislature. The PSPRS 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 East Missouri Ave., Phoenix, AZ 85014 or by calling (602) 255-5575.

Funding Policy—The fund manager is responsible for establishing contributions rates in accordance with an actuarial study and state statute. For the current fiscal year (year ended June 30, 2013), covered employees are required to contribute 9.55 percent of their annual salary to the PSPRS, and the Town is required to contribute 13.30 percent of annual covered payroll. The contribution rates include both the pension benefit (12.33%) and the OPEB (0.97%). Additionally, the Town is statutorily required to contribute an alternate contribution for any retired (not active) members who return to work in a capacity which would ordinarily be filled by an employee eligible for PSPRS. The alternate contribution rate is 12.61% of applicable payroll.

Annual Pension Cost and OPEB Cost—the Town is required to contribute the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The Town is also required to contribute an alternate contribution of the employer for applicable payroll, at a rate determined by State statute. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities. The alternate contribution is a rate which is intended to mitigate the potential actuarial impact of a retired member who returns to work. The current ARC rate is based on the following actuarial methods and assumptions identified in the actuarial report.

#### **ARC, and Actuarial Methods, and Assumptions:**

ARC as a percent of total covered payroll	11.98%
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent-of-pay closed
Remaining amortization period	24 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value
Actuarial assumptions:	
Investment rate or return	8.00%
Projected salary increases	5.0% - 9.0%
Payroll Growth	5.0%
Cost-of-living adjustments	None

The current alternate contribution rate is based on Arizona revised Statutes Title 38-843.05 which requires the employer to contribute at rate equal to the that portion of the total required contribution that is applied to the amortization of the unfunded actuarial accrued liability for the prior fiscal year.

# Town of Sahuarita, Arizona

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2013

### Three-Year Trend Information Police

Annual pension cost and OPEB cost is substantially equivalent to total ARC. Information for the current and 2 preceding years follows for the Pension plan and the OPEB:

Fiscal Year Ended <u>June 30</u>	Annual Pension Cost (APC)	Percent Contributed	Net Pension Obligation
2011	\$225,859	100%	\$ -
2012	288,460	100%	-
2013	304,889	100%	-

Fiscal Year Ended <u>June 30</u>	Annual OPEB Cost	Percent Contributed	Net OPEB Obligation
2011	\$23,949	100%	\$ -
2012	26,371	100%	-
2013	24,909	100%	-

Funded Status and Funding Progress—The most recent actuarial valuation available is dated June 30, 2012 and this report was used to report the following data. The Town made the contributions to the plan as noted in the table above, however as noted in the June 30, 2012 PSPRS Comprehensive Annual Financial Report (Note 7), contributions in excess of the health benefit subsidy payment are reported in the pension plan. Therefore, no assets are accounted separately to offset any actuarially accrued liability. All assets of the plan are available to pay both pension benefits and health insurance subsidy. The accumulated funding for the pension plan and the OPEB were as follows (since all assets are available to pay accrued liabilities, a row indicating totals has been added):

	Actuarial Accrued Liability (AAL)	Actuarial Valuation of Assets	Percent Funded	(Over)/ Unfunded AAL	Annual Covered Payroll (ACP)	(Over)/ Unfunded AAL as % of ACP
Pension Plan	\$5,896,273	\$5,892,772	99.94%	\$ 3,501	\$2,350,231	0.15 %
OPEB	229,564	-	0.00%	229,564	2,350,231	9.77 %
Total	\$6,125,837	\$5,892,772	96.19%	\$ 233,065	\$2,350,231	9.92 %

The schedule of funding progress, presented as required supplementary information 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.

### Elected Officials Retirement Plan (EORP)

Plan Description—The Town's Mayor and Council members participate in the EORP, a multiple-employer, cost sharing pension plan. The Fund Manager of the Public Safety Personnel Retirement System (PSPRS) is the administrator for the EORP which was established by Title 38, Chapter 5, Article 3 of the Arizona Revised Statutes to provide pension benefits for state and county elected officials, judges, and certain elected municipal officials. EORP provides retirement benefits as well as death and disability benefits and a health insurance subsidy premium (an OPEB). Because the OPEB is not established as a formal trust, the EORP is reported in accordance with GASB 45 as an agent multiple-employer defined benefit plan. EORP issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to the Elected Officials Retirement Plan, 3010 E. Camelback Rd., Suite 200, Phoenix, Arizona, 85016, by calling (602) 255-5575, or on the internet at [www.psprs.com](http://www.psprs.com).

# **Town of Sahuarita, Arizona**

## **Notes to the Financial Statements**

### **For the Fiscal Year Ended June 30, 2013**

Funding Policy—The EORP's funding policy (required by State Statutes) provides for periodic employer contributions at actuarially determined rates and employee contributions of 11.5 percent of their annual covered salary. The employer rate for fiscal year 2013 was 36.44 percent. The Town's contributions to EORP for the fiscal years ended June 30, 2013, 2012, and 2011 were \$17,109, \$15,934, and \$13,960, respectively, which equal the required contributions for each year. The Town's employees contributed \$5,249, \$4,830, and \$3,280 for the same time periods. Due to its statutory construction, the EORP is reported as an agent multiple-employer plan. Therefore, the fund manager obtains an actuarial valuation for the EORP as a cost-sharing plan and, therefore, actuarial information for the Town is not available.

#### **NOTE 11—RISK MANAGEMENT**

The Town of Sahuarita, 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 (AMRRP), of which the Town is a participating member. The limit for the basic coverage is for \$2 million per occurrence on a claims-made basis. Excess coverage is for an additional \$10 million per occurrence on a follow form, claims-made basis. Losses have not exceeded these coverage limits in any of the past three years.

The AMRRP 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 member's additional premiums should reserves and annual premiums be insufficient to meet the pool's obligations.

The Town is insured by Arizona Municipal Workers Compensation Pool for potential worker-related accidents.

#### **NOTE 12—STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

##### **A. Expenditure Limitation**

On or before the third Monday in August, the expenditure limitation for the Town is legally enacted through passage of an ordinance. 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).

The Town is subject to the State of Arizona's Spending Limitation Law for Towns and Cities. The law does not permit the Town to spend more than budgeted revenues plus the carry-over 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.

##### **B. Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end.

In accordance with Arizona Revised Statutes, the Town Manager submits a proposed budget to the Town Council for the fiscal year commencing the following July 1. The Town Council holds public hearings and a final budget must be prepared and adopted on or before the third Monday in August.

The appropriated budget is prepared by fund and department for the General Fund and by fund and function for other funds. The Town's department heads may make transfers of appropriations within a department. Transfers of appropriations from funds, contingency reserves, or between departments require the approval of the Town Council.

# Town of Sahuarita, Arizona

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2013

Encumbrance accounting is employed in all funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

### C. Excess of Expenditures Over Appropriations

The actual public safety expenditures in the RICO Fund exceeded appropriations by \$10,951. A recreational vehicle was donated to the Police Department to be used as a mobile command post. Costs needed to prepare the vehicle for its intended use were \$27,275. The donation and aforementioned costs were not contemplated in the budget and resulted in the negative budget variance which was funded from available fund balances.

Other expenditure excesses over appropriations include:

<u>General Fund</u>	
Town Manager Department	\$12,094
Department of Law	14,118
Town Clerk Department	5,297
<u>CIIF Fund</u>	
Public Safety function	\$923

These negative variances were minor and were funded from positive budget variances in other accounts within their respective funds.



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COMPREHENSIVE ANNUAL FINANCIAL REPORT

Required Supplementary Information Other Than MD&A



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# Town of Sahuarita, Arizona

## Schedule of Agent Retirement Plan's Funding Progress

### Public Safety Personnel Retirement System

#### Retirement

Valuation Date June 30	Actuarial Valuation Value of Assets	Actuarial Accrued Liability (AAL)	(Overfunded) Unfunded AAL	Percent Funded	Annual Covered Payroll	(Overfunded) Unfunded AAL as a % of Covered Payroll
2010	\$ 4,136,216	\$ 3,867,734	\$ (268,482)	106.9%	\$ 2,322,852	(11.6%)
2011	4,907,824	5,041,686	133,862	97.3%	2,329,203	5.7%
2012	5,892,772	5,896,273	3,501	99.9%	2,350,231	0.1%

#### Other Post Employment Benefit (Health Insurance Subsidy)

Valuation Date June 30	Actuarial Valuation Value of Assets	Actuarial Accrued Liability (AAL)	(Overfunded) Unfunded AAL	Percent Funded	Annual Covered Payroll	(Overfunded) Unfunded AAL as a % of Covered Payroll
2010	\$ -	\$ 147,604	\$ 147,604	0.0%	\$ 2,322,852	6.4%
2011	-	225,188	225,188	0.0%	2,329,203	9.7%
2012	-	229,564	229,564	0.0%	2,350,231	9.8%

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

Combining Statements and Other Schedules



**2013**  
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## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

*Quail Creek Community Facilities District*—accounts for the District’s acquisition, construction, and maintenance of major capital facilities within the District boundaries.

*Racketeering Influenced and Corrupt Organizations (RICO) Fund*—accounts for state and federal police seizures and forfeitures received by the Town.

# Town of Sahuarita, Arizona

## Combining Balance Sheet Nonmajor Governmental Funds

June 30, 2013

	<b>SPECIAL REVENUE FUNDS</b>		
	<b>Quail Creek CFD Fund</b>	<b>RICO Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets</b>			
Cash and investments	\$ 1,818	\$ 592,523	\$ 594,341
Receivables	236,643	-	236,643
Restricted assets	464,778	17,297	482,075
Total assets	<u>\$ 703,239</u>	<u>\$ 609,820</u>	<u>\$ 1,313,059</u>
<b>Liabilities</b>			
Payables:			
Accounts	\$ 1,818	\$ 27,275	\$ 29,093
Bonds	385,000	-	385,000
Interest	309,829	-	309,829
Unearned revenues	3	-	3
Total liabilities	<u>696,650</u>	<u>27,275</u>	<u>723,925</u>
<b>Deferred inflows of resources</b>			
Unavailable revenues	6,589	-	6,589
Total deferred inflows of resources	<u>6,589</u>	<u>-</u>	<u>6,589</u>
<b>Fund balances</b>			
Restricted for public safety	-	582,545	582,545
Total fund balances	<u>-</u>	<u>582,545</u>	<u>582,545</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 703,239</u>	<u>\$ 609,820</u>	<u>\$ 1,313,059</u>

# Town of Sahuarita, Arizona

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds For the Fiscal Year Ended June 30, 2013

	<b>SPECIAL REVENUE FUNDS</b>		<b>Total Nonmajor Governmental Funds</b>
	<b>Quail Creek CFD Fund</b>	<b>RICO Fund</b>	
<b>Revenues</b>			
Taxes	\$ 284,343	\$ -	\$ 284,343
Intergovernmental	-	3,497	3,497
Fines and forfeitures	-	117,264	117,264
Investment earnings	34	291	325
Miscellaneous	748,419	1,376	749,795
Total revenues	1,032,796	122,428	1,155,224
<b>Expenditures</b>			
Current:			
Public safety	-	189,931	189,931
Highways and streets	11,102	-	11,102
Culture and recreation	26,799	-	26,799
Debt service:			
Principal	385,000	-	385,000
Interest	619,658	-	619,658
Fiscal charges	4,000	-	4,000
Total expenditures	1,046,559	189,931	1,236,490
Excess (deficiency) of revenues over (under) expenditures	(13,763)	(67,503)	(81,266)
<b>Other financing sources (uses)</b>			
Transfers in	13,763	-	13,763
Transfers out	-	(3,970)	(3,970)
Total other financing sources (uses)	13,763	(3,970)	9,793
Net change in fund balances	-	(71,473)	(71,473)
Fund balance at beginning of year	-	654,018	654,018
Fund balance at end of year	\$ -	\$ 582,545	\$ 582,545

**Town of Sahuarita, Arizona**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Capital Infrastructure Improvement Fund - Capital Projects Fund**  
For the Fiscal Year Ended June 30, 2013

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Taxes	\$ 1,801,950	\$ 1,801,950	\$ 3,284,489	\$ 1,482,539
Intergovernmental	13,961,740	14,011,740	10,696,993	(3,314,747)
Investment earnings (losses)	133,360	133,360	(5,328)	(138,688)
Miscellaneous	3,243,000	3,243,000	500	(3,242,500)
Total revenues	<u>19,140,050</u>	<u>19,190,050</u>	<u>13,976,654</u>	<u>(5,213,396)</u>
<b>Expenditures</b>				
Capital outlay:				
General government	659,540	709,540	612,282	97,258
Public safety	273,000	273,000	273,923	(923)
Highways and streets	32,369,500	32,369,500	15,338,019	17,031,481
Culture and recreation	257,500	257,500	20,723	236,777
Total capital outlay	<u>33,559,540</u>	<u>33,609,540</u>	<u>16,244,947</u>	<u>17,364,593</u>
Debt service:				
Principal	935,000	935,000	935,000	-
Interest	858,070	858,070	858,063	7
Other	5,000	5,000	1,150	3,850
Total debt service	<u>1,798,070</u>	<u>1,798,070</u>	<u>1,794,213</u>	<u>3,857</u>
Contingency reserves	9,674,920	9,674,920	-	9,674,920
Total expenditures	<u>45,032,530</u>	<u>45,082,530</u>	<u>18,039,160</u>	<u>27,043,370</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(25,892,480)</u>	<u>(25,892,480)</u>	<u>(4,062,506)</u>	<u>21,829,974</u>
<b>Other financing sources (uses)</b>				
Transfers in	12,237,000	12,237,000	5,299,966	(6,937,034)
Transfers out	(27,940)	(27,940)	(27,939)	1
Total other financing sources (uses)	<u>12,209,060</u>	<u>12,209,060</u>	<u>5,272,027</u>	<u>(6,937,033)</u>
Net change in fund balance	(13,683,420)	(13,683,420)	1,209,521	14,892,941
Fund balance at beginning of year	13,683,420	13,683,420	11,404,887	(2,278,533)
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,614,408</u>	<u>\$ 12,614,408</u>

**Town of Sahuarita, Arizona**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Quail Creek Community Facilities District - Special Revenue Fund**  
For the Fiscal Year Ended June 30, 2013

	<b>Original Budget</b>	<b>Final Amended Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Taxes	\$ 274,830	\$ 274,830	\$ 284,343	\$ 9,513
Investment earnings (losses)	(70)	(70)	34	104
Miscellaneous	756,130	756,130	748,419	(7,711)
Total revenues	<u>1,030,890</u>	<u>1,030,890</u>	<u>1,032,796</u>	<u>1,906</u>
<b>Expenditures</b>				
Current:				
Highways and streets	17,730	17,730	11,102	6,628
Culture and recreation	32,000	32,000	26,799	5,201
Total current	<u>49,730</u>	<u>49,730</u>	<u>37,901</u>	<u>11,829</u>
Debt service:				
Principal	385,000	385,000	385,000	-
Interest	619,660	619,660	619,658	2
Fiscal charges	4,500	4,500	4,000	500
Total debt service	<u>1,009,160</u>	<u>1,009,160</u>	<u>1,008,658</u>	<u>502</u>
Total expenditures	<u>1,058,890</u>	<u>1,058,890</u>	<u>1,046,559</u>	<u>12,331</u>
Excess (deficiency) of revenues over (under) expenditures	(28,000)	(28,000)	(13,763)	14,237
<b>Other financing sources</b>				
Transfers in	28,000	28,000	13,763	(14,237)
Total other financing sources	<u>28,000</u>	<u>28,000</u>	<u>13,763</u>	<u>(14,237)</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Town of Sahuarita, Arizona**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Racketeer and Corrupt Organizations (RICO) Fund**  
**Special Revenue Fund**  
For the Fiscal Year Ended June 30, 2013

	<b>Original Budget</b>	<b>Final Amended Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Intergovernmental	\$ 17,500	\$ 17,500	\$ 3,497	\$ (14,003)
Fines and forfeitures	109,950	109,950	117,264	7,314
Investment earnings	2,650	2,650	291	(2,359)
Miscellaneous	-	-	1,376	1,376
Total revenues	<u>130,100</u>	<u>130,100</u>	<u>122,428</u>	<u>(7,672)</u>
<b>Expenditures</b>				
Current:				
Public safety	152,480	178,980	189,931	(10,951)
Contingency reserves	463,520	437,020	-	437,020
Total expenditures	<u>616,000</u>	<u>616,000</u>	<u>189,931</u>	<u>426,069</u>
Excess of revenues over expenditures	(485,900)	(485,900)	(67,503)	418,397
<b>Other financing uses</b>				
Transfers out	-	-	(3,970)	(3,970)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(3,970)</u>	<u>(3,970)</u>
Excess (deficiency) of revenues over (under) expenditures	(485,900)	(485,900)	(71,473)	414,427
Fund balance at beginning of year	485,900	485,900	654,018	168,118
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 582,545</u>	<u>\$ 582,545</u>



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COMPREHENSIVE ANNUAL FINANCIAL REPORT

Statistical Section



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# STATISTICAL SECTION

This section of the Town of Sahuarita'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.

## **Financial Trends**

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

## **Revenue Capacity**

These schedules contain trend information to help the reader assess the Town's most significant local revenue source, the sales tax.

## **Debt Capacity**

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

## **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

## **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the government provides and the activities it performs.

See the table of contents for page numbers of the schedules that encompass the above sections.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

# Town of Sahuarita, Arizona

## Net Position by Component

### Last 10 Fiscal Years

(accrual basis of accounting)  
(unaudited)

	Fiscal Year									
	2004	2005	2006*	2007*	2008*	2009*	2010*	2011*	2012*	2013
Governmental activities										
Net investment in capital assets	\$26,090,232	\$31,211,684	\$42,605,152	\$57,823,346	\$69,548,343	\$70,498,019	\$92,638,327	\$96,700,769	\$96,269,746	\$106,716,456
Restricted	1,537,438	1,146,499	1,859,614	3,172,002	1,966,475	412,108	440,452	521,782	822,200	1,004,816
Unrestricted	11,629,957	18,918,732	25,519,754	30,387,388	29,551,602	31,814,628	29,134,562	27,649,185	28,107,883	27,969,865
Total governmental activities net assets	<u>\$39,257,627</u>	<u>\$51,276,915</u>	<u>\$69,984,520</u>	<u>\$91,382,736</u>	<u>\$101,066,420</u>	<u>\$102,724,755</u>	<u>\$122,213,341</u>	<u>\$124,871,736</u>	<u>\$125,199,829</u>	<u>\$135,691,137</u>
Business-type activities										
Net investment in capital assets	\$9,688,370	\$11,335,546	\$14,882,157	\$17,842,537	\$21,961,024	\$21,469,386	\$22,472,627	\$23,029,268	\$23,100,686	\$23,016,012
Restricted	-	-	-	-	-	421,610	843,219	1,264,829	1,686,448	2,108,048
Unrestricted	2,253,806	2,398,087	3,578,089	2,182,440	(4,419,912)	(4,593,310)	(2,436,656)	(4,601,737)	(4,252,577)	(4,709,397)
Total business-type activities net assets	<u>\$11,942,176</u>	<u>\$13,733,633</u>	<u>\$18,460,246</u>	<u>\$20,024,977</u>	<u>\$17,541,112</u>	<u>\$17,297,686</u>	<u>\$20,879,190</u>	<u>\$19,692,360</u>	<u>\$20,534,557</u>	<u>\$20,414,663</u>
Primary government										
Net investment in capital assets	\$35,778,602	\$42,547,230	\$57,487,309	\$75,665,883	\$91,509,367	\$91,967,405	\$115,110,954	\$119,730,037	\$119,370,432	\$129,732,468
Restricted	1,537,438	1,146,499	1,859,614	3,172,002	1,966,475	833,718	1,283,671	1,786,611	2,508,648	3,112,864
Unrestricted	13,883,763	21,316,819	29,097,843	32,569,828	25,131,690	27,221,318	26,697,906	23,047,448	23,855,306	23,260,468
Total primary government net assets	<u>\$51,199,803</u>	<u>\$65,010,548</u>	<u>\$88,444,766</u>	<u>\$111,407,713</u>	<u>\$118,607,532</u>	<u>\$120,022,441</u>	<u>\$143,092,531</u>	<u>\$144,564,096</u>	<u>\$145,734,386</u>	<u>\$156,105,800</u>

\* Due to the implementation of GASB 63, & GASB 65 the reported balance of the net position of the governmental activities has been restated for FY 2006 - 2012.

# Town of Sahuarita, Arizona

## Changes in Net Position

### Last 10 Fiscal Years

(accrual basis of accounting)  
(unaudited)

	Fiscal Year									
	2004	2005	2006*	2007*	2008*	2009*	2010*	2011*	2012*	2013
<b>Expenses</b>										
Governmental activities:										
General government	\$ 1,449,702	\$ 1,650,224	\$ 2,466,153	\$ 2,831,755	\$ 4,214,983	\$ 4,478,612	\$ 4,339,260	\$ 4,244,787	\$ 4,127,397	\$ 4,510,041
Public safety	1,927,284	2,823,353	3,759,876	4,860,754	6,619,502	6,887,246	6,536,511	6,658,482	6,428,351	6,585,275
Highways and streets	1,947,957	2,070,007	3,068,447	4,022,588	3,766,718	4,824,811	5,214,597	6,760,320	7,400,954	7,225,326
Culture and recreation	519,836	754,139	994,690	1,417,683	1,423,812	1,545,515	1,851,245	1,830,300	1,971,790	2,023,125
Interest, amortization and issuance costs of long-term debt	-	-	1,244,743	1,411,575	1,509,529	1,456,509	1,632,328	1,547,519	1,498,452	1,445,431
Total governmental activities expenses	<u>5,844,779</u>	<u>7,297,723</u>	<u>11,533,909</u>	<u>14,544,355</u>	<u>17,534,544</u>	<u>19,192,693</u>	<u>19,573,941</u>	<u>21,041,408</u>	<u>21,426,944</u>	<u>21,789,198</u>
Business-type activities:										
Sewer	346,677	545,964	938,508	1,448,679	2,732,117	3,053,431	3,122,804	3,072,970	3,563,460	3,675,890
Total business-type activities expenses	<u>346,677</u>	<u>545,964</u>	<u>938,508</u>	<u>1,448,679</u>	<u>2,732,117</u>	<u>3,053,431</u>	<u>3,122,804</u>	<u>3,072,970</u>	<u>3,563,460</u>	<u>3,675,890</u>
Total primary government expenses	<u>\$ 6,191,456</u>	<u>\$ 7,843,687</u>	<u>\$ 12,472,417</u>	<u>\$ 15,993,034</u>	<u>\$ 20,266,661</u>	<u>\$ 22,246,124</u>	<u>\$ 22,696,745</u>	<u>\$ 24,114,378</u>	<u>\$ 24,990,404</u>	<u>\$ 25,465,088</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 444,364	\$ 786,240	\$ 454,551	\$ 358,390	\$ 335,242	\$ 471,217	\$ 342,413	\$ 455,865	\$ 348,701	\$ 378,578
Public safety	2,856,122	4,105,896	4,610,610	2,402,734	3,334,354	2,189,179	1,683,220	1,066,204	1,294,328	1,315,158
Highways and streets	295,297	345,038	756,603	1,147,993	-	-	-	-	-	-
Culture and recreation	40,355	77,766	89,006	228,698	119,869	139,735	140,422	153,157	103,665	99,350
Operating grants and contributions	397,578	458,248	567,124	1,313,449	1,488,296	1,470,809	1,374,028	1,722,145	2,135,292	2,142,958
Capital grants and contributions	20,339,772	4,224,828	11,153,602	9,732,575	5,241,479	1,977,750	23,193,692	9,251,463	4,856,818	13,759,635
Total governmental activities program revenues	<u>24,373,488</u>	<u>9,998,016</u>	<u>17,631,496</u>	<u>15,183,839</u>	<u>10,519,240</u>	<u>6,248,690</u>	<u>26,733,775</u>	<u>12,648,834</u>	<u>8,738,804</u>	<u>17,695,679</u>
Business-type activities										
Charges for services:										
Sewer	1,868,735	2,271,391	3,685,219	1,694,198	2,444,392	2,706,310	2,903,252	2,637,032	4,409,305	3,524,391
Operating grants and contributions	39,828	22,905	-	-	35,000	-	-	-	-	-
Capital grants and contributions	-	-	1,862,041	1,159,888	1,371,202	-	3,809,800	416,636	-	-
Total business-type activities program revenues	<u>1,908,563</u>	<u>2,294,296</u>	<u>5,547,260</u>	<u>2,854,086</u>	<u>3,850,594</u>	<u>2,706,310</u>	<u>6,713,052</u>	<u>3,053,668</u>	<u>4,409,305</u>	<u>3,524,391</u>
Total primary government program revenues	<u>\$ 26,282,051</u>	<u>\$ 12,292,312</u>	<u>\$ 23,178,756</u>	<u>\$ 18,037,925</u>	<u>\$ 14,369,834</u>	<u>\$ 8,955,000</u>	<u>\$ 33,446,827</u>	<u>\$ 15,702,502</u>	<u>\$ 13,148,109</u>	<u>\$ 21,220,070</u>
<b>Net (Expenses)/Revenues</b>										
Governmental activities	\$ 18,528,709	\$ 2,700,293	\$ 6,097,587	\$ 639,484	\$ (7,015,304)	\$ (12,944,003)	\$ 7,159,834	\$ (8,392,574)	\$ (12,688,140)	\$ (4,093,519)
Business-type activities	1,561,886	1,748,332	4,608,752	1,405,407	1,118,477	(347,121)	3,590,248	(19,302)	845,845	(151,499)
Total primary government (expense)/revenue	<u>\$ 20,090,595</u>	<u>\$ 4,448,625</u>	<u>\$ 10,706,339</u>	<u>\$ 2,044,891</u>	<u>\$ (5,896,827)</u>	<u>\$ (13,291,124)</u>	<u>\$ 10,750,082</u>	<u>\$ (8,411,876)</u>	<u>\$ (11,842,295)</u>	<u>\$ (4,245,018)</u>

(continued)

# Town of Sahuarita, Arizona

## Changes in Net Position

### Last 10 Fiscal Years

(accrual basis of accounting)  
(unaudited)

(concluded)

	Fiscal Year									
	<u>2004</u>	<u>2005</u>	<u>2006*</u>	<u>2007*</u>	<u>2008*</u>	<u>2009*</u>	<u>2010*</u>	<u>2011*</u>	<u>2012*</u>	<u>2013</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 114,727	\$ 247,864	\$ 272,396	291,464	289,751	289,408
Sales taxes	5,212,630	8,065,930	10,235,568	14,269,688	10,538,648	8,787,580	7,074,851	6,456,154	6,279,865	7,487,481
Franchise taxes	69,292	136,697	159,133	221,911	273,894	293,812	302,295	308,900	313,653	310,304
Share of state income taxes	292,329	298,029	339,435	1,588,364	1,968,813	2,068,932	1,806,256	1,361,686	2,131,878	2,580,152
Share of state sales taxes	272,750	300,340	427,558	1,329,702	1,285,736	1,113,089	1,026,662	1,144,921	1,973,746	2,067,495
Share of state vehicle license tax	140,331	141,542	198,166	612,957	617,476	588,042	550,098	544,747	911,007	925,392
Grants and contributions not restricted to specific programs	15,223	13,313	14,069	39,504	136,047	122,154	108,854	-	-	-
Investment earnings	145,408	346,331	1,217,013	2,666,866	1,702,153	593,201	330,383	232,639	337,457	59,754
Miscellaneous	39,949	16,813	19,076	29,740	61,494	787,664	856,957	852,403	778,876	864,841
Transfers	-	-	-	-	-	-	-	(141,945)	-	-
Total governmental activities	6,187,912	9,318,995	12,610,018	20,758,732	16,698,988	14,602,338	12,328,752	11,050,969	13,016,233	14,584,827
Business-type activities										
Investment earnings (losses)	22,278	43,125	117,861	159,324	68,299	(1,083)	(8,744)	(21,574)	(45,978)	(16,707)
Miscellaneous	-	-	-	-	-	104,778	-	442	42,330	48,312
Extraordinary or special items	-	-	-	-	(3,670,641)	-	-	(1,288,341)	-	-
Transfers	-	-	-	-	-	-	-	141,945	-	-
Total business-type activities	22,278	43,125	117,861	159,324	(3,602,342)	103,695	(8,744)	(1,167,528)	(3,648)	31,605
Total primary government	\$ 6,210,190	\$ 9,362,120	\$ 12,727,879	\$ 20,918,056	\$ 13,096,646	\$ 14,706,033	\$ 12,320,008	\$ 9,883,441	\$ 13,012,585	\$ 14,616,432
<b>Change in Net Position</b>										
Governmental activities	\$ 24,716,621	\$ 12,019,288	\$ 18,707,605	\$ 21,398,216	\$ 9,683,684	\$ 1,658,335	\$ 19,488,586	\$ 2,658,395	\$ 328,093	\$ 10,491,308
Business-type activities	1,584,164	1,791,457	4,726,613	1,564,731	(2,483,865)	(243,426)	3,581,504	(1,186,830)	842,197	(119,894)
Total primary government	\$ 26,300,785	\$ 13,810,745	\$ 23,434,218	\$ 22,962,947	\$ 7,199,819	\$ 1,414,909	\$ 23,070,090	\$ 1,471,565	\$ 1,170,290	\$ 10,371,414

\* Due to the implementation of GASB 63, & GASB 65 the expense reported in the governmental activities for the amortization of issuance costs has been restated for FY 2006 - 2012.

# Town of Sahuarita, Arizona

## Fund Balances - Governmental Funds

### Last 10 Fiscal Years

(accrual basis of accounting)  
(unaudited)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Non-spendable							\$ 69,839	\$ 149,885	\$ 2,225,140	\$ 2,043,561
Restricted							50,000	101,450	166,658	137,294
Committed							-	3,865,030	-	3,772,040
Unassigned							15,102,726	9,325,017	12,154,613	10,123,613
Reserved	\$ 6,576	\$ 22,057	\$ 4,841	\$ 18,516	\$ 71,021	\$ 87,789				
Unreserved	6,151,786	8,758,778	10,580,349	11,565,100	12,816,510	15,492,359				
Total general fund	<u>\$ 6,158,362</u>	<u>\$ 8,780,835</u>	<u>\$ 10,585,190</u>	<u>\$ 11,583,616</u>	<u>\$ 12,887,531</u>	<u>\$ 15,580,148</u>	<u>\$ 15,222,565</u>	<u>\$ 13,441,382</u>	<u>\$ 14,546,411</u>	<u>\$ 16,076,508</u>
All Other Governmental Funds										
Non-spendable							\$ 1,698	\$ 1,822	\$ 2,017,562	\$ 2,545,717
Restricted							390,452	420,332	654,018	822,403
Committed							-	4,065,020	-	-
Assigned							13,823,584	5,176,598	9,387,325	10,068,691
Unassigned							(3,392)	(46,656)	(402,000)	-
Reserved	\$ -	\$ -	\$ -	\$ 19,921	\$ -	\$ -				
Unreserved, reported in:										
Special revenue funds	7,131,147	11,245,133	43,611,968	30,510,232	20,305,049	19,038,460				
Total all other governmental funds	<u>\$ 7,131,147</u>	<u>\$ 11,245,133</u>	<u>\$ 43,611,968</u>	<u>\$ 30,530,153</u>	<u>\$ 20,305,049</u>	<u>\$ 19,038,460</u>	<u>\$ 14,212,342</u>	<u>\$ 9,617,116</u>	<u>\$ 11,656,905</u>	<u>\$ 13,436,811</u>
Total governmental funds	<u>\$ 13,289,509</u>	<u>\$ 20,025,968</u>	<u>\$ 54,197,158</u>	<u>\$ 42,113,769</u>	<u>\$ 33,192,580</u>	<u>\$ 34,618,608</u>	<u>\$ 29,434,907</u>	<u>\$ 23,058,498</u>	<u>\$ 26,203,316</u>	<u>\$ 29,513,319</u>

**Note:** GASB Statement No. 54, implemented in fiscal year 2010, changed the way fund balances are classified.

# Town of Sahuarita, Arizona

## Changes in Fund Balances - Governmental Funds

### Last 10 Fiscal Years

(accrual basis of accounting)  
(unaudited)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Taxes	\$ 5,281,922	\$ 8,202,627	\$ 10,394,701	\$ 14,491,599	\$ 10,598,868	\$ 9,314,734	\$ 7,673,943	\$ 7,055,647	\$ 6,884,758	\$ 8,082,127
Licenses and permits	3,507,860	4,453,292	4,554,751	2,526,177	2,901,993	1,989,607	1,622,262	801,119	1,034,299	1,202,273
Intergovernmental	2,241,465	5,200,354	3,074,710	9,620,753	8,064,243	6,522,683	11,003,718	7,137,531	13,405,385	24,324,397
Charges for services	40,355	678,718	1,067,117	1,493,634	686,951	1,115,383	1,148,856	1,080,804	997,209	941,508
Fines and forfeitures	87,923	176,215	288,902	261,099	490,311	276,177	274,666	456,552	541,803	398,853
Investment earnings	145,408	346,331	1,217,013	2,666,866	1,702,153	593,201	330,383	232,639	337,457	59,754
Miscellaneous	110,999	44,467	38,726	55,640	144,634	818,057	856,957	852,159	877,867	883,130
<b>Total revenues</b>	<b>11,415,932</b>	<b>19,102,004</b>	<b>20,635,920</b>	<b>31,115,768</b>	<b>24,589,153</b>	<b>20,629,842</b>	<b>22,910,785</b>	<b>17,616,451</b>	<b>24,078,778</b>	<b>35,892,042</b>
<b>Expenditures</b>										
General government	1,437,559	1,630,045	2,361,647	2,923,903	3,894,607	4,473,469	4,059,896	4,172,960	4,157,867	4,225,983
Public safety	2,009,683	2,957,178	3,738,076	4,842,011	6,574,466	6,782,108	6,235,440	6,569,662	6,368,664	6,344,200
Highways and streets	1,414,006	1,202,911	1,617,933	2,163,076	1,326,740	1,485,275	1,437,544	1,520,360	1,357,869	1,636,412
Culture and recreation	1,079,491	714,801	950,657	1,400,893	1,577,739	1,373,622	1,299,302	1,200,861	1,304,619	1,327,626
Capital outlay	1,199,314	5,865,200	5,403,428	29,877,948	18,027,511	9,341,870	12,452,537	7,577,113	4,934,050	16,244,947
Debt service:										
Principal			945,000	540,000	560,000	905,000	940,000	1,225,000	1,275,000	1,320,000
Interest	-	-	313,139	1,450,876	1,383,521	1,361,120	1,661,354	1,578,890	1,529,366	1,477,721
Fiscal charges	-	-	-	450	165,758	12,287	8,413	6,069	6,525	5,150
Debt issuance costs	-	-	944,853	-	-	122,853	-	-	-	-
<b>Total expenditures</b>	<b>7,140,053</b>	<b>12,370,135</b>	<b>16,274,733</b>	<b>43,199,157</b>	<b>33,510,342</b>	<b>25,857,604</b>	<b>28,094,486</b>	<b>23,850,915</b>	<b>20,933,960</b>	<b>32,582,039</b>
Excess (deficiency) of revenues over (under) expenditures	4,275,879	6,731,869	4,361,187	(12,083,389)	(8,921,189)	(5,227,762)	(5,183,701)	(6,234,464)	3,144,818	3,310,003
<b>Other Financing Sources (Uses)</b>										
Face amount of long-term debt	-	-	29,015,000	-	-	6,700,000	-	-	-	-
Premium on long-term debt	-	-	795,003	-	-	-	-	-	-	-
Discount on long-term debt	-	-	-	-	-	(46,210)	-	-	-	-
Proceeds from the sale of assets	-	4,590	-	-	-	-	-	-	-	-
Transfers in	4,462	-	-	4,243,775	764,271	4,410,695	5,278,279	1,236,694	1,983,609	5,345,638
Transfers out	(4,462)	-	-	(4,243,775)	(764,271)	(4,410,695)	(5,278,279)	(1,378,639)	(1,983,609)	(5,345,638)
<b>Net other financing sources (uses)</b>	<b>-</b>	<b>4,590</b>	<b>29,810,003</b>	<b>-</b>	<b>-</b>	<b>6,653,790</b>	<b>-</b>	<b>(141,945)</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 4,275,879</b>	<b>\$ 6,736,459</b>	<b>\$ 34,171,190</b>	<b>\$ (12,083,389)</b>	<b>\$ (8,921,189)</b>	<b>\$ 1,426,028</b>	<b>\$ (5,183,701)</b>	<b>\$ (6,376,409)</b>	<b>\$ 3,144,818</b>	<b>\$ 3,310,003</b>
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	20.5%	15.6%	13.2%	14.4%	16.0%	16.5%	16.8%	16.2%

# Town of Sahuarita, Arizona

## Assessed Value and Estimated Actual Value of Taxable Property Last 10 Fiscal Years (unaudited)

Tax Year	Residential Property	Other Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2004	\$ 36,815,197	\$ 29,277,536	\$ 2,868,379	\$ 63,224,354	-	\$ 529,909,740	11.93%
2005	53,565,123	36,220,043	3,597,453	86,187,713	-	736,220,036	11.71%
2006	81,972,340	41,760,620	3,962,981	119,769,979	-	1,050,888,456	11.40%
2007	118,173,166	62,517,972	7,634,366	173,056,772	\$3.3000	1,532,658,040	11.29%
2008	148,700,798	84,678,032	10,168,906	223,209,924	3.3000	2,031,634,065	10.99%
2009	166,456,657	70,391,863	10,593,259	226,255,261	3.3000	2,054,854,859	11.01%
2010	146,628,703	73,994,871	8,561,345	212,062,229	3.3000	1,950,872,685	10.87%
2011	141,186,905	76,413,857	11,316,951	206,283,811	3.3000	1,916,657,695	10.76%
2012	131,800,379	79,509,552	11,186,883	200,123,048	3.3000	1,856,862,178	10.78%
2013	146,509,080	63,231,794	19,036,647	190,704,227	3.3000	1,827,449,930	10.44%

**Source:** The Arizona Department of Revenue's *Abstract of the Assessment Roll* for the applicable year.

# Town of Sahuarita, Arizona

## Direct and Overlapping Property Tax Rates

### Last 10 Tax Years

(rate per \$100 of assessed value)  
(unaudited)

TAXING JURISDICTION	Tax Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Direct Rates</b>										
Town of Sahuarita-primary	-	-	-	-	-	-	-	-	-	-
Town of Sahuarita-debt service	-	-	-	-	-	-	-	-	-	-
Quail Creek CFD-operations & maintenance	-	-	-	\$0.3000	\$0.3000	\$0.3000	\$0.3000	\$0.3000	\$0.3000	\$0.3000
Quail Creek CFD-debt service	-	-	-	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000
<b>Total Direct Rate</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$3.3000</b>						
<b>Overlapping Rates</b>										
State of Arizona Education Assistance	\$0.4560	\$0.4358	-	-	-	\$0.3306	\$0.3306	\$0.4259	\$0.4717	\$0.5123
Pima County	5.3430	5.2228	\$4.5570	\$4.2870	\$3.9963	4.0233	4.0633	4.1978	4.1978	4.4465
Pima County Flood Control District	0.3546	0.3746	0.3746	0.3446	0.2935	0.2935	0.2635	0.2635	0.2635	0.2635
Pima County Community College District	1.3428	1.3114	1.2515	1.1845	1.1355	1.0770	1.0848	1.1093	1.1741	1.2933
Pima County Free Library District	0.2124	0.2575	0.3675	0.3975	0.3393	0.2643	0.3100	0.3460	0.3460	0.3753
Central Arizona Water Conservation District	0.1200	0.1200	0.1200	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1400
Green Valley Fire District	1.7500	1.7500	1.7500	1.8000	1.9000	1.9000	1.9000	1.9000	2.0400	2.2100
Fire District Assistance	0.0427	0.0420	0.0415	0.0383	0.0411	0.0406	0.0032	0.0418	0.0447	0.0456
Sahuarita Unified School District #30	8.3095	8.1495	7.7345	6.1807	5.9176	5.4230	6.5753	5.4067	5.5183	6.6341
Continental School District #39	2.2216	2.1532	2.0682	1.8970	1.7343	1.6122	1.6945	2.0258	1.5729	1.7027
Joint Technological Education District	-	-	-	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500

**Source:** The Pima County Assessor's Office and the Pima County Treasurer's Office.

# Town of Sahuarita, Arizona

## Property Tax Levies and Collections

### Fiscal Years 2008 - 2013

(unaudited)

#### QUAIL CREEK COMMUNITY FACILITIES DISTRICT

<b>Fiscal Year Ended</b>	<b>Tax Levy</b>	<b>Collections in Levy Year</b>	<b>%</b>	<b>Collections in Subsequent Year</b>	<b>Total Collections</b>	<b>%</b>
2008	\$ 114,727	\$ 114,481	99.8%	\$ 246	\$ 114,727	100.0%
2009	247,864	247,047	99.7%	817	247,864	100.0%
2010	272,396	269,593	99.0%	2,803	272,396	100.0%
2011	291,464	288,401	98.9%	3,063	291,464	100.0%
2012	276,730	275,207	99.4%	1,523	276,730	100.0%
2013	289,408	282,819	97.7%			

**Note:** The Quail Creek Community Facilities District levied its first property tax in 2008.

**Source:** Town Finance Department.

# Town of Sahuarita, Arizona

## Sales Tax Collections By Industry Group

### Fiscal Years 2005-2013

(unaudited)

	Fiscal Year								
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Industry</b>									
Communications and utilities	\$ 288,264	\$ 374,911	\$ 503,490	\$ 623,014	\$ 672,962	\$ 746,139	\$ 737,133	\$ 765,632	\$ 770,052
Construction	4,205,397	5,176,146	6,974,504	5,915,352	4,343,733	2,768,921	1,748,413	1,627,666	2,733,333
Manufacturing	18,982	82,671	191,822	238,468	198,564	255,246	379,474	248,127	207,854
Wholesale trade	2,190	12,718	9,304	18,686	16,339	23,427	24,112	26,111	23,728
Retail trade	2,409,487	3,541,871	5,218,071	2,931,619	2,812,337	2,577,503	2,803,117	2,855,447	2,933,239
Finance and insurance	1,397	3,038	935	2,778	3,083	5,143	3,954	3,730	5,997
Real estate, rental and leasing	254,514	695,618	1,040,549	439,015	309,294	224,851	259,381	247,630	267,564
Restaurant and bar	129,795	151,380	195,258	231,411	266,846	274,886	315,297	299,601	295,327
Services	319,670	67,091	100,345	108,068	88,551	73,273	70,586	57,841	61,450
Other	436,236	130,124	35,412	30,237	75,871	125,462	114,687	148,078	188,937
<b>Total</b>	<b>\$ 8,065,932</b>	<b>\$ 10,235,568</b>	<b>\$ 14,269,690</b>	<b>\$ 10,538,648</b>	<b>\$ 8,787,580</b>	<b>\$ 7,074,851</b>	<b>\$ 6,456,154</b>	<b>\$ 6,279,863</b>	<b>\$ 7,487,481</b>
Direct sales tax rate	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

**Note:** This information was not available prior to the 2005 fiscal year.

**Source:** The Arizona Department of Revenue's *City Sales Journals*.

# Town of Sahuarita, Arizona

## Direct and Overlapping Sales Tax Rates

### Last 10 Fiscal Years

(unaudited)

Fiscal Year	Town Direct Rates				Regional Transportation Authority
	General	Construction Contracting	Transient Lodging	State	
2004	2.00%	3.00%	4.00%	5.60%	N/A
2005	2.00%	3.00%	4.00%	5.60%	N/A
2006	2.00%	4.00%	4.00%	5.60%	N/A
2007	2.00%	4.00%	4.00%	5.60%	0.50%
2008	2.00%	4.00%	4.00%	5.60%	0.50%
2009	2.00%	4.00%	4.00%	5.60%	0.50%
2010	2.00%	4.00%	4.00%	6.60%	0.50%
2011	2.00%	4.00%	4.00%	6.60%	0.50%
2012	2.00%	4.00%	4.00%	6.60%	0.50%
2013	2.00%	4.00%	4.00%	5.60%	0.50%

**Source:** Town Code and Town Finance Department.

# Town of Sahuarita, Arizona

## Principal Sales Tax Remitters

### Fiscal Years 2013 and 2005

(unaudited)

Tax Remitter <sup>1</sup>	Fiscal Year 2013			Fiscal Year 2005		
	Tax Liability	Rank	Percentage of Total	Tax Liability	Rank	Percentage of Total
Business A	\$ 1,046,589	1	13.98%	\$ 529,259	4	6.56%
Business B	960,636	2	12.83%	1,555,069	1	19.28%
Business C	448,622	3	5.99%	1,128,225	2	13.99%
Business D	321,521	4	4.29%	388,713	6	4.82%
Business E	313,308	5	4.18%			
Business F	307,705	6	4.11%			
Business G	290,595	7	3.88%	514,811	5	6.38%
Business H	289,193	8	3.86%	290,066	7	3.60%
Business J	286,192	9	3.82%			
Business K	203,104	10	2.71%			
Business L				557,131	3	6.91%
Business M				228,903	8	2.84%
Business N				156,327	9	1.94%
Business O				127,382	10	1.58%
	\$ 4,467,465		59.65%	\$ 5,475,886		67.90%

<sup>1</sup> The Arizona Department of Revenue, the Town's tax collector, restricts the disclosure, printing, or publishing of any State return, or return information there from.

**Note:** 2004 information not available.

**Source:** The Arizona Department of Revenue's *City Sales Journals*.

# Town of Sahuarita, Arizona

## Monthly Sewer User Rates

### Last 10 Fiscal Years

(unaudited)

#### Wastewater Flow Contribution Rate (per ccf)

##### User Classification

Fiscal Year	Administrative Service Charge	Economy of Scale Factor	User Classification																
			General	3C	3K	3N	4E	4G	4H	5A	5C	5F	5G	5I	5J	5K	5L	5M	5S
2004	\$2.40	1.000	\$0.960	\$2.016	\$1.046	\$1.046	\$1.152	\$1.949	\$2.227	\$1.142	\$1.935	\$0.970	\$1.313	\$1.018	\$4.205	\$2.237	\$1.200	\$2.285	\$1.181
2005	\$2.61	1.000	\$1.050	\$2.205	\$1.145	\$1.145	\$1.260	\$2.132	\$2.436	\$1.250	\$2.117	\$1.061	\$1.436	\$1.113	\$4.599	\$2.447	\$1.313	\$2.499	\$1.292
2006	\$2.96	1.000	\$1.140	\$2.394	\$1.243	\$1.243	\$1.368	\$2.314	\$2.645	\$1.357	\$2.298	\$1.151	\$1.560	\$1.208	\$4.993	\$2.656	\$1.425	\$2.713	\$1.402
2007	\$3.76	1.000	\$1.180	\$2.478	\$1.286	\$1.286	\$1.416	\$2.395	\$2.738	\$1.404	\$2.379	\$1.192	\$1.614	\$1.251	\$5.168	\$2.749	\$1.475	\$2.808	\$1.451
2008	\$5.72	1.524	\$1.406	\$2.953	\$1.533	\$1.533	\$1.687	\$2.854	\$3.262	\$1.673	\$2.834	\$1.420	\$1.923	\$1.490	\$6.158	\$3.276	\$1.758	\$3.346	\$1.729
2009	\$9.82	1.000	\$3.094	\$6.497	\$3.372	\$3.372	\$3.713	\$6.281	\$7.178	\$3.682	\$2.362	\$3.125	\$1.603	\$3.280	\$11.231	\$7.209	\$3.868	\$7.364	\$3.806
2010	\$10.46	1.000	\$3.403	\$7.146	\$3.709	\$3.709	\$4.084	\$6.908	\$7.895	\$7.895	\$7.895	\$7.895	\$7.895	\$7.895	\$12.353	\$7.895	\$7.895	\$7.895	\$7.895
2011	\$11.14	1.000	\$3.744	\$7.862	\$4.081	\$4.081	\$4.493	\$7.600	\$8.686	\$4.455	\$2.362	\$3.781	\$1.603	\$3.969	\$13.591	\$8.724	\$4.680	\$8.911	\$4.605
2012	\$12.35	1.000	\$4.048	\$8.501	\$4.412	\$4.412	\$4.858	\$8.217	\$9.391	\$4.817	\$6.801	\$4.088	\$1.603	\$4.291	\$14.694	\$9.432	\$5.060	\$9.634	\$4.979
2013	\$13.30	1.000	\$4.434	\$9.311	\$4.833	\$4.833	\$5.321	\$9.001	\$10.287	\$5.276	\$6.801	\$4.478	\$1.603	\$4.700	\$16.095	\$10.331	\$5.543	\$10.553	\$5.454

**Application:** Each user of the system has monthly billings calculated as **Administrative Service Charge + (Economy of Scale Factor x User Classification x Water Flow)**

**Source:** Town of Sahuarita Ordinances.

# Town of Sahuarita, Arizona

## Ratios of Outstanding Debt by Type

Fiscal Years 2006 - 2013

(unaudited)

Fiscal Year	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	QC CFD GO Bonds	2006A GADA Loan	2009 GADA Loan	2008A WIFA Loans	2008B WIFA Loans			
2006	\$ 12,660,000	\$ 15,410,000	\$ -	\$ -	\$ -	\$ 28,070,000	5.34%	\$1,542
2007	12,660,000	14,870,000	-	-	-	27,530,000	4.38%	1,350
2008	12,660,000	14,310,000	-	4,500,660	-	31,470,660	4.28%	1,389
2009	12,340,000	13,725,000	6,700,000	25,779,195	-	58,544,195	7.28%	2,364
2010	12,005,000	13,120,000	6,700,000	27,297,422	1,980,062	61,102,484	7.17%	2,419
2011	11,655,000	12,490,000	6,455,000	26,225,657	2,200,888	59,026,545	6.16%	2,300
2012	11,285,000	11,835,000	6,205,000	25,073,245	2,477,454	56,875,699	6.18%	2,163
2013	10,900,000	11,155,000	5,950,000	23,898,673	2,356,789	54,260,462	5.45%	2,019

Note: There was no outstanding debt prior to 2006.

**Town of Sahuarita, Arizona**  
**Ratios of General Bonded Debt Outstanding**  
**Fiscal Years 2006 - 2013**  
(unaudited)

<b>Fiscal Year</b>	<b>Quail Creek CFD<sup>1</sup> General Obligation Bonds</b>	<b>Percentage of Actual Taxable Value of District Property</b>	<b>Estimated Per Capita Amount in District</b>
2006	\$12,660,000	819%	\$468,889
2007	12,660,000	364%	319,697
2008	12,660,000	169%	65,732
2009	12,340,000	149%	46,321
2010	12,005,000	136%	35,476
2011	11,655,000	133%	28,152
2012	11,285,000	129%	22,311
2013	10,900,000	120%	19,043

<sup>1</sup> The Quail Creek Community Facilities District, a legally separate entity, is a special taxing district whose debt was approved by the voters of the District.

Note: The District was formed in fiscal year 2006.

**Town of Sahuarita, Arizona**  
**Direct and Overlapping Governmental Activities Debt**  
**June 30, 2013**  
(unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>1</sup></u>	<u>Estimated Share of Direct and Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Pima County	\$ 456,690,000	2.51%	\$ 11,462,919
Pima County Community College	1,355,000	2.51%	34,011
Sahuarita Unified School District	42,445,000	41.3%	17,529,785
Continental School District	15,820,000	15.1%	2,388,820
Green Valley Fire District	7,940,000	29.4%	2,334,360
Subtotal, overlapping debt	<u>\$ 524,250,000</u>		<u>33,749,895</u>
<b>Town direct debt-governmental activities</b>			<u>28,005,000</u>
<b>Total direct and overlapping debt</b>			<u>\$ 61,754,895</u>

<sup>1</sup> The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the governmental unit's taxable assessed value that is within the Town's boundaries and dividing it by the unit's total taxable assessed value.

**Source:** The applicable jurisdiction's finance/administration department or the Arizona Department of Revenue.

# Town of Sahuarita, Arizona

## Legal Debt Margin Information

### Last 10 Tax Years

(unaudited)

#### Legal Debt Margin Calculation for Tax Year 2013

Assessed Value	\$ 190,704,227
Debt Limit:	
6% of assessed value <sup>1</sup>	11,442,254
20% of assessed value <sup>2</sup>	38,140,845
Total debt limit	49,583,099
Debt applicable to limit:	
General obligation bonds <sup>3</sup>	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	-
Legal debt margin	\$ 49,583,099

	Tax Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt Limit:	\$ 15,221,991	\$ 22,408,805	\$ 31,140,195	\$ 44,994,761	\$ 58,034,580	\$ 58,826,368	\$ 55,136,180	\$ 53,633,791	\$ 52,031,993	\$ 49,583,099
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 15,221,991	\$ 22,408,805	\$ 31,140,195	\$ 44,994,761	\$ 58,034,580	\$ 58,826,368	\$ 55,136,180	\$ 53,633,791	\$ 52,031,993	\$ 49,583,099
Total net debt applicable to the limit as a percentage of debt limit.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**Notes:**

<sup>1</sup> Under Arizona law, municipalities can issue general obligation bonds for general municipal purposes up to an amount not exceeding 6% of assessed valuation.

<sup>2</sup> Under Arizona law, municipalities can issue additional general obligation bonds for supplying specific services, such as water, sewer, lighting, parks and recreational facilities, and transportation, up to an amount not exceeding 20% of assessed valuation.

<sup>3</sup> The Quail Creek Community Facilities District, a legally separate entity, is a special taxing district whose debt was approved by the voters of the District. The District's general obligation debt does not count towards the Town's legal debt limit.

# Town of Sahuarita, Arizona

## Pledged Revenue Coverage

### Fiscal Years 2006 - 2013

(unaudited)

#### 2006A & 2009B GADA Loans

Fiscal Year	Pledged Revenues				Debt Service			Coverage Ratio	Required Ratio
	State Shared Revenues				Principal	Interest	Total Debt Service <sup>1</sup>		
	State Sales Taxes	Urban Revenue Sharing	Excise Tax Revenues	Total Revenues					
2006	\$ 427,558	\$ 339,435	\$ 16,222,657	\$ 16,989,650	\$ 945,000	\$ 313,139	\$ 1,258,139	13.50	2.00
2007	1,329,702	1,588,364	18,752,745	21,670,811	540,000	718,775	1,258,775	17.22	2.00
2008	1,285,736	1,968,813	14,322,376	17,576,925	560,000	697,175	1,257,175	13.98	2.00
2009	1,113,089	2,068,932	12,422,228	15,604,249	585,000	674,775	1,259,775	12.39	2.00
2010	1,026,662	1,806,256	10,430,564	13,263,482	605,000	990,607	1,595,607	8.31	2.00
2011	1,144,921	1,361,686	8,918,029	11,424,636	875,000	924,313	1,799,313	6.35	2.00
2012	1,973,746	2,131,878	8,845,717	12,951,341	905,000	891,763	1,796,763	7.21	2.00
2013	2,067,495	2,580,152	10,192,501	14,840,148	935,000	858,063	1,793,063	8.28	2.00

#### 2008A WIFA Loan

Fiscal Year	Pledged Resources				Debt Service			Coverage Ratio	Required Ratio
	Wastewater System Revenues	Wastewater O&M Expenses	Other Sources <sup>2</sup>	Total Sources Available for Coverage	Principal	Interest	Total Debt Service		
2009	\$ 2,810,005	\$ (2,056,785)	\$ -	\$ 753,220	\$ -	\$ 350,217	\$ 350,217	2.15	1.20
2010	2,894,508	(1,316,434)	1,377,228	2,955,302	1,052,577	1,055,471	2,108,048	1.40	1.20
2011	2,615,900	(1,164,986)	3,064,126	4,515,040	1,091,765	1,016,283	2,108,048	2.14	1.20
2012	4,405,657	(1,326,539)	4,035,124	7,114,242	1,132,412	975,636	2,108,048	3.37	1.20
2013	3,555,996	(1,194,730)	4,563,279	6,924,545	1,174,571	933,477	2,108,048	3.28	1.20

#### 2008B WIFA Loan

Fiscal Year	Pledged Resources (net of pledges above)			Debt Service			Coverage Ratio	Required Ratio
	Net WW System Funding	Net Excise Tax Revenues	Total Revenues	Principal	Interest	Total Debt Service		
2010	\$ 425,644	\$ 10,072,268	\$ 10,497,912	\$ 162,454	\$ 33,835	\$ 196,289	53.48	2.00
2011	1,985,382	7,826,010	9,811,392	168,503	78,049	246,552	39.79	2.00
2012	4,584,584	9,357,815	13,942,399	174,776	83,889	258,665	53.90	2.00
2013	4,394,887	11,254,022	15,648,909	181,283	93,364	274,647	56.98	2.00

<sup>1</sup> Figure represents the actual past payments pursuant to amortization schedule. The highest combined interest and principal requirement for any succeeding fiscal year of the 2006A and 2009B GADA Loan Agreements is \$1,801,025, which occurs in fiscal year 2020.

<sup>2</sup> Includes advances from other funds.

**Note:** The Town did not have debt requiring pledged-revenue coverage prior to fiscal year 2006.

# Town of Sahuarita, Arizona

## Demographic and Economic Statistics

### Last 10 Fiscal Years

(unaudited)

Fiscal Year	Population	Personal Income <i>(thousands of dollars)</i>	Per Capita Personal Income	Unemployment Rate
2004	10,153	\$ 261,917	\$ 25,797	4.6%
2005	13,990	386,110	27,599	4.6%
2006	18,199	525,842	28,894	4.3%
2007	20,393	628,370	30,813	3.5%
2008	22,650	735,446	32,470	4.8%
2009	24,767	803,689	32,450	7.0%
2010	25,259	852,567	33,753	8.7%
2011	25,659	957,491	37,316	9.1%
2012	26,297	920,053	34,987	7.7%
2013	26,875	995,208	37,031	6.3%

**Sources:** Population data obtained from the Town's Planning & Building Department, except for year 2005 which was obtained from the Arizona Department of Economic Security, and 2010 which was obtained from the US Census Bureau.

Per capita personal income data was derived from *Arizona's Economy*, Eller College of Management, the University of Arizona, Economic Forecast for the Tucson Metropolitan Statistical Area.

Unemployment data obtained from *Arizona's Economy*, Eller College of Management, the University of Arizona, for the Tucson Metropolitan Statistical Area.

# Town of Sahuarita, Arizona

## Principal Employers

### Fiscal Years 2013 and 2006

(unaudited)

Employer <sup>1</sup>	2013		2006	
	Employees	Percentage of Total Town Employment	Employees	Percentage of Total Town Employment
Sahuarita Unified School District	843	31.68%	465	25.25%
Walmart	402	15.11%	360	19.55%
Farmers Investment Company	233	8.76%	225	12.22%
Fry's	160	6.01%	-	-
Town of Sahuarita	134	5.04%	126	6.84%
Safeway	90	3.38%	120	6.52%
El Charro	50	1.88%	-	-
Jim Click Ford	48	1.80%	53	2.88%
Climax Engineered Materials	42	1.58%	71	3.85%
Ross Dress for Less	33	1.24%	-	-
Ashley's Furniture	27	1.01%	-	-
Walgreens	27	1.01%	-	-
Carondelet Medical Group	19	0.71%	-	-
Green Valley News & Sun	19	0.71%	-	-
Northwest Medical Center	18	0.68%	-	-
Big Lots	16	0.60%	-	-
Bashas	-	-	85	4.61%
<b>Total</b>	<b>2,161</b>	<b>81.20%</b>	<b>1,505</b>	<b>81.72%</b>

<sup>1</sup> Excludes homebuilders not based in the Town.

**Note:** Information prior to fiscal year 2006 was not available.

**Source:** Town Manager's Department-Economic Development Division survey of local businesses.

# Town of Sahuarita, Arizona

## Full-time Equivalent Town Government Employees

### Last 10 Fiscal Years

(unaudited)

<u>Function/Department</u>	<b>Full-time Equivalent Employees as of June 30</b>									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>General Government</b>										
Town Manager	3.0	3.0	5.0	8.0	10.0	7.0	8.0	7.0	6.3	6.3
Town Clerk	3.0	3.0	4.0	3.0	3.0	3.0	3.0	3.5	3.4	3.4
Finance	2.0	3.0	5.0	6.0	7.5	8.0	8.0	8.0	8.0	8.0
Human Resources	-	-	-	-	-	2.0	2.0	2.0	2.0	2.0
Planning & Zoning	3.0	4.0	4.0	4.0	5.0	5.0	4.6	4.6	5.0	5.2
Public Works-Facilities	-	-	-	-	1.0	1.0	1.0	1.0	1.0	1.0
Municipal Court	4.0	5.0	6.0	8.0	9.0	9.0	8.0	8.0	8.0	8.0
Law	-	-	1.0	2.0	2.0	3.0	4.0	4.0	4.0	4.0
<b>General Government Total</b>	<b>15.0</b>	<b>18.0</b>	<b>25.0</b>	<b>31.0</b>	<b>37.5</b>	<b>38.0</b>	<b>38.6</b>	<b>38.1</b>	<b>37.7</b>	<b>37.9</b>
<b>Public Safety</b>										
Building Safety	8.5	12.3	18.8	20.0	15.0	12.0	10.8	7.0	6.0	6.0
Public Works-Engineering	-	-	-	-	5.0	3.9	3.9	3.8	3.2	3.5
Police Dept	20.5	27.0	34.0	42.0	46.0	51.0	55.2	52.4	50.5	51.0
<b>Public Safety Total</b>	<b>29.0</b>	<b>39.3</b>	<b>52.8</b>	<b>62.0</b>	<b>66.0</b>	<b>66.9</b>	<b>69.9</b>	<b>63.2</b>	<b>59.7</b>	<b>60.5</b>
<b>Culture &amp; Recreation</b>										
Parks & Recreation	6.9	12.5	16.0	19.6	18.6	16.8	15.1	15.1	15.1	15.1
<b>Highways &amp; Streets</b>										
Public Works	8.5	11.0	10.0	10.0	-	-	-	-	-	-
Streets	-	1.0	2.4	8.0	13.0	13.6	14.5	15.1	13.5	14.0
<b>Highways &amp; Streets Total</b>	<b>8.5</b>	<b>12.0</b>	<b>12.4</b>	<b>18.0</b>	<b>13.0</b>	<b>13.6</b>	<b>14.5</b>	<b>15.1</b>	<b>13.5</b>	<b>14.0</b>
<b>Sewer</b>										
Wastewater Utility	-	1.0	3.6	6.0	9.0	9.5	8.2	8.2	8.0	7.3
<b>Total</b>	<b>59.4</b>	<b>82.8</b>	<b>109.8</b>	<b>136.6</b>	<b>144.1</b>	<b>144.8</b>	<b>146.3</b>	<b>139.7</b>	<b>134.0</b>	<b>134.8</b>

**Source:** Town Finance Department.

# Town of Sahuarita, Arizona

## Operating Indicators

### Last 10 Fiscal Years

(unaudited)

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Building Safety</b>										
Building permits-single family residential	1,127	1,531	1,614	719	790	563	454	185	247	267
Building permits-other	478	435	805	739	618	902	440	559	528	592
<b>Police</b>										
Citations	1,647	1,954	2,232	1,662	2,718	2,075	1,833	2,072	1,324	2,096
Other contacts/call-outs	2,805	4,106	5,860	7,809	9,855	9,569	9,185	9,591	8,996	8,380
<b>Human Resources</b>										
Number of job openings	40	44	77	75	54	23	16	6	14	21
Number of applicants	815	672	945	982	905	780	344	219	564	741
Turnover rate	27%	8%	20%	15%	19%	12%	9%	7%	7%	9%
<b>Municipal Court</b>										
Hearings/Court sessions <sup>1</sup>	4,851	7,217	9,566	8,345	9,528	10,574	11,012	11,096	9,596	11,090
<b>Public Works</b>										
Street resurfacing ( <i>miles</i> )	n/a	4.0	7.5	12.3	6.1	4.0	6.9	19.7	19.7	17.8
Potholes repaired	163	224	108	98	136	162	211	196	196	225
<b>Parks and Recreation</b>										
Number of recreation programs offered									37.0	42.0
Ave. # of daily program participants									35.9	40.9
Ave. # of daily total park participation/visitation									527.6	634.1
Ave. # of daily facility rentals									1.1	1.2
Athletic field users	8,640	9,175	12,322	10,227	13,910	57,650	75,314	130,192		
Athletic field permits issued	15	21	30	21	24	119	128	170		
Recreation program participants	4,452	5,243	5,909	20,281	18,446	17,204	12,403	13,429		
Ramada rentals	45	60	79	124	112	133	170	164		
Special event attendance	1,400	2,540	4,590	8,105	11,024	16,917	18,375	17,531		
Recreation center rentals	8	18	38	77	32	34	23	61		
<b>Wastewater</b>										
Average daily sewage treatment ( <i>thousands of gallons</i> )	214.0	353.6	408.1	446.2	556.5	586.3	674.2	804.1	807.3	760.0

<sup>1</sup> Includes bench/jury trials, review, status conferences, arraignments, pretrial conferences, evidentiary motions, hearings, sentencing, and probation. These are scheduled hearings that may or may not have been held, but these cases were individually processed.

**Source:** The applicable Town of Sahuarita departments.

# Town of Sahuarita, Arizona

## Capital Asset Statistics

### Last 10 Fiscal Years

(unaudited)

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	22	30	37	43	40	40	32	28	39	39
Public Works										
Streetlights	4	5	5	5	7	8	47	52	53	53
Traffic signals		3	5	5	6	10	9	14	15	15
Parks and Recreation										
Park acreage	50	50	50	67	92	107	107	107	107	107
Basketball courts	2	2	2	2	2	4	4	4	4	4
Playgrounds	1	1	1	2	2	4	4	5	5	5
Skate spots/parks					1	1	2	2	2	2
Baseball/softball fields (lighted)	3	3	3	3	3	5	6	6	6	6
Community centers	1	1	1	1	1	1	1	1	1	1
Parks maintenance buildings	1	1	1	1	1	1	1	1	1	1
Ramadas	5	5	6	11	11	17	22	22	22	22
Restroom facilities	2	2	2	4	4	5	6	8	8	8
Sand volleyball court					1	1	1	1	1	1
Off-leash dog area				1	1	2	2	2	2	2
Vehicles	5	6	7	7	7	7	7	7	8	8
Wastewater										
Treatment capacity <i>(thousands of gallons)</i>	250	490	490	490	690	690	1,500	1,500	1,500	1,500

**Source:** The applicable Town of Sahuarita departments.