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**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
TOWN OF SAHUARITA, ARIZONA**



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Prepared by the Finance Department



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# TOWN OF SAHUARITA, ARIZONA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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**Introductory Section**



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October 14, 2014

**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, 2014.

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 financial statements for the year ended June 30, 2014. 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**

**An impressive citizen profile:** Incorporated in 1994, with more than 27,000 citizens, we are recognized as one of the state's fastest growing communities. We project 1.7% population growth in FY 2014 and 2% in FY 2015. The median age is 34.4 years; the median household income is \$72,781 and 34% of our residents have a bachelor's degree or higher attainment – higher education levels than Pima County or the state. In FY 2014, the Town added a fulltime economic development manager who is implementing an aggressive program to attract and retain local talent and to expand and add new business.

In the Town's first Citizens' Survey (2013), 85% of respondents rated the quality of life as excellent or good.

**Our Council-Manager form of government gets high marks:** Sahuarita citizens elect seven Town Council members; the Council then appoints a Mayor and Vice Mayor within the seven members. The Town Council guides policy and the Town Manager is responsible for day-to-day operations, delivered by 12 departments and 134 fulltime equivalent (FTE) employees. Citizens give positive ratings to the Town's reputation, its responsive and knowledgeable employees and to core services such as public safety, parks and recreation, and streets.

**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**

The Sahuarita Town Council unanimously approved the recommended \$63.30 million budget for FY 2015 on June 23, 2014. The budget process takes more than six months and includes no less than three public meetings. The tentative FY 2015 budget was approved on June 9, 2014, with budget materials available to the public via the Town's website and at the Sahuarita Library. (Information, presentations and details about the FY 2015 budget are at [www.sahuaritaaz.gov/.](http://www.sahuaritaaz.gov/))

The FY 2015 budget is balanced: every dollar that the Town starts the fiscal year with or collects during the fiscal year is allocated for a specific use – to be spent for operations, debt service, capital or saved for the future (as an ending balance). This conservative financial approach continues to position the Town well for future sustainability.

Of the \$63.30 million budget, \$19 million is not expected to be spent and is an ending fund balance. The Town adheres to purpose and policy restrictions in directing surpluses. For example, the Town currently has three reserve funds in place:

- **Operating Reserve** – at least 25% of budgeted expenditures is reserved for unforeseen circumstances
- **Capital Reserve** – 20% of the dollar amount of local capital projects for contingency is set aside
- **Opportunity Fund** – Town Council adopted a policy to set aside \$10 million for economic development, parks, etc.

Evidence of the Town's sound approach is that we achieved the Council's opportunity fund goal in FY 2014 – six years before the 2020 target date. We have a track record of strategically leveraging revenues from the boom years to obtain grant, state and federal funds.

### **Expenditures Align with Strategic Plan, Goals and Policies**

**Personnel to Deliver Core Services** – Employees deliver core services to citizens and are the Town's largest operational cost (60%). Staffing levels continue to be relatively level with 134.7 FTEs in FY 2015; in FY 2015 the Town is adding 1.74 FTE – the first year in the last five for an increase in FTEs. Personnel-related expenditures include salaries, wages, uniforms, health and dental coverage, payroll taxes, pension plan contributions, workers' compensation, and unemployment insurance. The Town plans to contract with an independent firm to conduct a compensation plan update to ensure that our personnel related costs are competitive with other communities.

**Public Safety is a Priority** – In April 2014, Sahuarita was ranked as one of the **10 Safest Cities in Arizona** by Safewise. The Town dedicates 45% of its operations budget to public safety with 61.5 FTEs. (The Police Department budget is more than three times higher than the next highest department budget.) It is no surprise that 96% of the citizens surveyed ranked neighborhood safety as excellent or good.

**Investing in and Maintaining Roads and Streets are Essential** - Sahuarita has a regional reputation of fast repair of streets, sidewalks, traffic signals, and streetlights. The operating budget for the Streets Department

is nearly \$2 million in FY 2015. Pothole repairs are completed in about one business day. The capital budget includes \$17.6 million for roadway improvement and major repair projects.

**Capital Project Budget Reflects the New Reality**

Overall, the FY 2015 budget is 34% lower than FY 2014. Why? In FY 2015, capital outlay is decreasing by \$32.8 million because of fewer opportunities for the Town to secure external funding for capital projects. The 2015 budget does not include projects funded by grants which are unlikely to be awarded. In the past, high priority projects were included in the budget even if the odds of realizing the grants were remote. The Town’s FY 2015 capital outlay of \$20.0 million is better aligned with the Town’s conservative approach and the reality of the down shift of capital project funding from regional, state and federal entities.

Our 2015 capital budget includes 31 projects, most notably:

- **\$11.5 million for Sahuarita Road: Interstate 19 to Country Club Improvements** – The vast majority of this project is slated to be completed in 2015. The project includes a new bridge at the Santa Cruz River, a new overpass at the UPRR tracks, widening from 2 to 4 lanes, drainage, bike/pedestrian facilities, and signals. The Town of Sahuarita, alongside of Rancho Sahuarita, SUSD, and FICO, received the Timothy M. Ahrens Partnering Award from the Pima Association of Governments and the Regional Transportation Authority (RTA) in recognition of their collaboration and partnering for a common goal. Primary funding source is the RTA.
- **\$4.5 million for the Pima Mine Road Bridge Reconstruction** – This project corrects structural issues with the existing bridge and provides additional travel lanes, bike lanes, sidewalks and new waterline crossings. Major construction is slated to begin spring 2015. Primary funding sources are the RTA, State and private partnership contributions, and grants.
- **\$1.5 million Quail Creek Veteran Municipal Park** – Engineering, site-prep, plumbing, and more for two multi-use lighted ball fields. Work is slated to be completed for summer 2015. The Town is funding this project with local funds.

To attract new funding sources for infrastructure, the Town of Sahuarita created the Rancho Sahuarita Community Facilities District (CFD) on March 24, 2014. The CFD is legally separate from the Town; however, for accounting purposes, the Town includes it in financial reports. The CFD Board must adopt the 2015 budget prior to October 1. With voter approval, the CFD is expected to issue general obligation bonds in 2015 to build roads, sewer lines, and other infrastructure within undeveloped areas of Rancho Sahuarita. A secondary property tax, levied against property owners within the CFD will be used to repay the bonds over time, typically 25 years. The CFD will help a significant portion of Sahuarita to be more shovel ready and able to attract new commercial development, a major economic development goal of our **Strategic Plan**.

**Smart Planning Today = Bright Future**

This fiscal year we are funding studies and conducting planning efforts that provide more and better direction for our future:

- **2015 Citizens’ Survey.** Purpose: To build on the Town’s first Citizens’ Survey (2013), listen to community feedback, and to highlight trends and concerns.
- **2015 Strategic Plan for Economic Development.** Purpose: Immediate, cost effective implementation of tools to attract and retain talent, commercial business, retail, tourism, and international business.

- **2015 Comprehensive Water and Wastewater Resources Study.** Purpose: Examine issues about water delivery, wastewater enterprise fund, recharge credits, and to better define regional collaboration opportunities.
- **Sahuarita East Conceptual Area Plan (SECAP).** Purpose: Develop a conceptual land use and transportation plan for the area from the eastern boundary of the Town to Houghton Road; reach a consensus as to the proposed boundary for future annexation with the State Land Department; perform a broad level opportunities and constraints analysis of the infrastructure needs of the area; and design a phased implementation approach to annexation to support feasible infrastructure development. SECAP will integrate with the update to the Town’s General Plan by July 2015.
- **Sahuarita Farms Specific Plan.** Purpose: Farmers Investment Company (FICO) is preparing a comprehensive, long term plan to guide the future 5,630 acres and its 10 miles of Santa Cruz riverfront over the next 40 to 50 years. Expect public hearings on the Plan in fall 2015.
- **Update to the General Plan.** Purpose: Update Sahuarita’s General Plan, a roadmap to guide long range growth and land development, while preserving our unique quality of life. Final draft is expected in fall 2014, with public comments, agency review, and public hearings to follow into spring 2015.

**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, 2013. This was the twelfth 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, 2013**



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

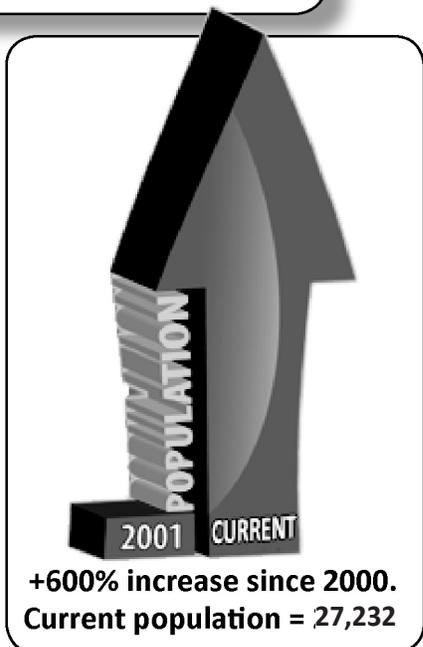
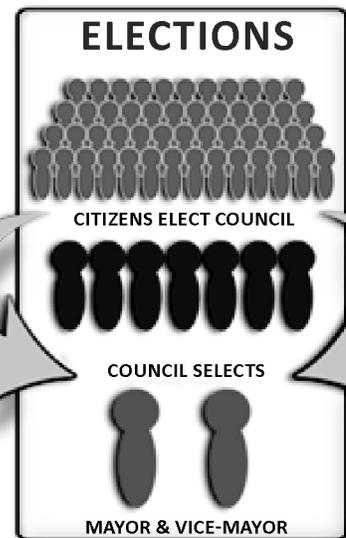
Elevation  
2,844 feet

Land Area  
30 square miles

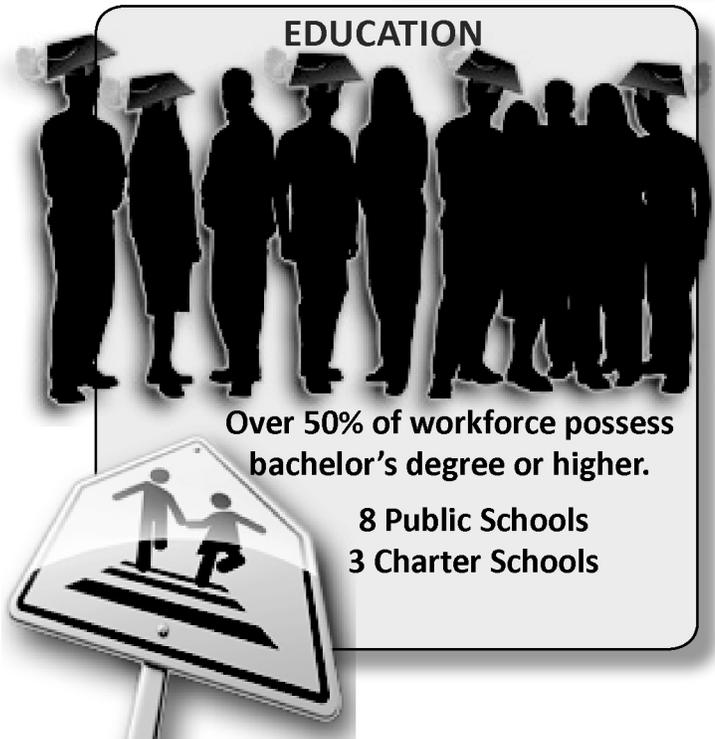


## HISTORY

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



## 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, and the aggregate remaining fund information of the Town of Sahuarita, Arizona (Town), as of and for the year ended June 30, 2014, 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. 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, each major fund, and the aggregate remaining fund information of the Town of Sahuarita, Arizona as of June 30, 2014, 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 - 25 and 56 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.

Town Council  
Town of Sahuarita, Arizona

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.

*Clifton Larson Allen LLP*

Phoenix, Arizona  
October 14, 2014

# 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, 2014. 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

- At June 30, 2014 assets exceeded liabilities by \$166,316 (*net position*). Of this amount, \$22,385 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- Capital asset balances totaled \$194,161, an increase of \$8,346 (+4.5%) compared to last year. Construction in progress accounted for \$34,927, approximately 17%, of the total balance.
- Total net position increased by \$10,210. 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 decreased \$3,361 to a new balance of \$26,152. Of this amount, \$4,248 is in a nonspendable form, \$953 is restricted for specific purposes due to agreements or laws, \$3,811 is committed for reserves, \$5,763 is assigned by the Town Council for capital acquisition and maintenance or to Town Center development, and \$11,378 is unassigned.
- The Wastewater Enterprise Fund improved its unrestricted net position by \$537 over the course of the year, ending with a deficit balance of (\$4,172)
- The Wastewater Enterprise Fund borrowed an additional \$82 from the Water Infrastructure Financing Authority to design and permit the next wastewater treatment plant expansion.

## 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

# MANAGEMENT'S DISCUSSION AND ANALYSIS

(dollar amounts in thousands)

governmental 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 six 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 three 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*.

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 39-54 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 56 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 59-64 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 \$166,316 at the close of the most recent fiscal year.

## NET POSITION

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current and other assets	\$ 33,052	\$ 33,013	\$ (1,449)	\$ (1,950)	\$ 31,603	\$ 31,063
Capital assets	<u>144,864</u>	<u>135,188</u>	<u>49,297</u>	<u>50,627</u>	<u>194,161</u>	<u>185,815</u>
Total assets	177,916	168,201	47,848	48,677	225,764	216,878
Current liabilities	4,558	3,266	1,987	1,977	6,545	5,243
Long-term liabilities	<u>27,937</u>	<u>29,244</u>	<u>24,966</u>	<u>26,285</u>	<u>52,903</u>	<u>55,529</u>
Total liabilities	32,495	32,510	26,953	28,262	59,448	60,772
Net position:						
Net investment in capital assets	117,810	106,717	22,959	23,016	140,769	129,733
Restricted	1,054	1,005	2,108	2,108	3,162	3,113
Unrestricted	<u>26,557</u>	<u>27,969</u>	<u>(4,172)</u>	<u>(4,709)</u>	<u>22,385</u>	<u>23,260</u>
Total net position	<u>\$ 145,421</u>	<u>\$ 135,691</u>	<u>\$ 20,895</u>	<u>\$ 20,415</u>	<u>\$ 166,316</u>	<u>\$ 156,106</u>

The largest portion of the Town's net position (85%) 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 \$22,385 is unrestricted and may be used to meet the Town's ongoing obligations to its citizens and creditors.

The Town continues the past trend in improving the net position, while providing the necessary services to the citizens and expanding the necessary infrastructure.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(dollar amounts in thousands)

**CHANGES IN NET POSITION**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 1,462	\$ 1,793	\$ 3,349	\$ 3,525	\$ 4,811	\$ 5,318
Operating grants and contributions	2,079	2,143	-	-	2,079	2,143
Capital grants and contributions	14,275	13,760	-	-	14,275	13,760
General revenues:						
Property taxes	300	289	-	-	300	289
Sales taxes	6,916	7,487	-	-	6,916	7,487
Franchise taxes	304	310	-	-	304	310
Share of state income tax	2,815	2,580	-	-	2,815	2,580
Share of state sales tax	2,199	2,068	-	-	2,199	2,068
Share of state vehicle license tax	963	925	-	-	963	925
Investment earnings (losses)	368	60	(41)	(16)	327	44
Micellaneous	898	865	2	48	900	913
Total revenues	32,579	32,280	3,310	3,557	35,889	35,837
<b>EXPENSES</b>						
Program expenses:						
Governmental activities:						
General government	4,679	4,510	-	-	4,679	4,510
Public safety	6,586	6,585	-	-	6,586	6,585
Highways and streets	7,225	7,225	-	-	7,225	7,225
Culture and recreation	2,278	2,023	-	-	2,278	2,023
Interest and amortization						
on long-term debt	1,388	1,446	-	-	1,388	1,446
Business-type activities:						
Sewer			3,523	3,676	3,523	3,676
Total expenses	22,156	21,789	3,523	3,676	25,679	25,465
Transfers	(693)	-	693	-	-	-
Change in net position	9,730	10,491	480	(119)	10,210	10,372
Net position at beginning of year	135,691	125,200	20,415	20,534	156,106	145,734
Net position at end of year	\$ 145,421	\$ 135,691	\$ 20,895	\$ 20,415	\$ 166,316	\$ 156,106

# MANAGEMENT'S DISCUSSION AND ANALYSIS

(dollar amounts in thousands)

## Governmental Activities

The \$9,730 change in net position for governmental activities was \$761 less (-7%) than the change in net position of the previous fiscal year. This was primarily due to an operating transfer to the business type activities to assist with cash-flow needs.

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 help pay for each of these functions. Program revenues exceeded program expenses 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



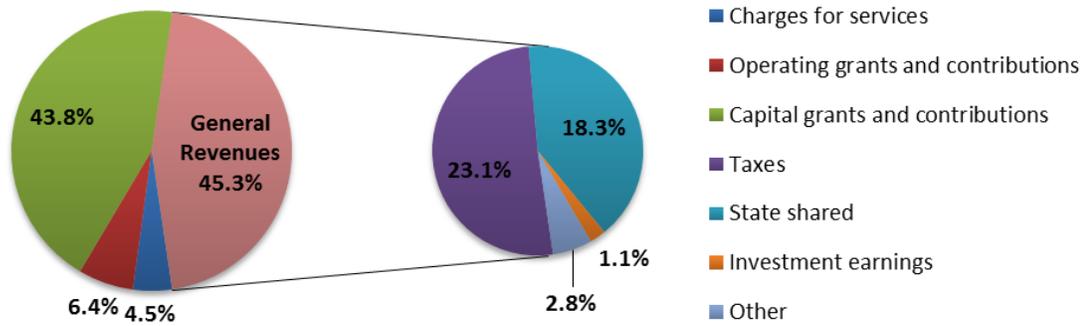
General revenues and transfers out totaling \$14,070, which comprised 45% of all governmental activities revenue sources, were \$514 less (-3.5%) than last year. Explanations for the primary impacts follow:

- Sales taxes decreased \$571 (-8%) from 2013. The variance is attributed to a sales tax audit in 2013 that generated \$740 in construction contracting taxes.
- State shared revenues were \$404 (+7%) more than last year. The State's financial condition has been improving along with the general economy. This resulted in more revenues shared with the Town.
- Investment earnings increased by \$308 (+513%) over last year. Realized investment gains were fairly stable year-to-year. However, due to market conditions, the valuations of fixed income securities improved dramatically from the previous year. This resulted in significant unrealized gains that offset most of the unrealized losses recognized in 2013.
- The governmental activities transferred \$693 to the business-type activities to help meet some of its cash needs.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

(dollar amounts in thousands)

## Governmental Activities Revenues by Source



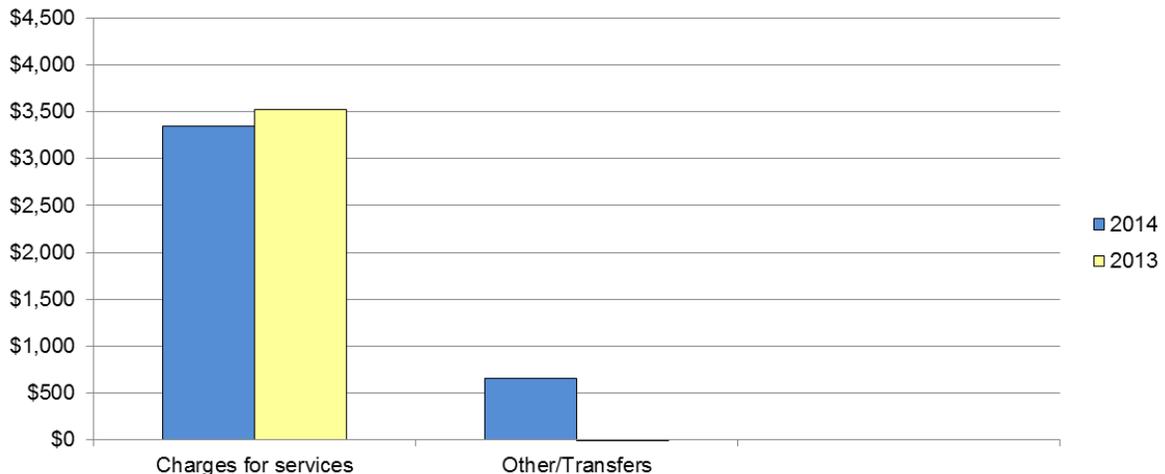
### Business-type Activities

Business-type activities increased the Town's net position by \$480 in fiscal year 2014. Last year, the change in net position was (\$119), a difference of \$599 when compared to the current year change.

Significant variances between fiscal year 2014 and 2013 are explained below:

- Charges for services were \$176 less (-5%) than last year. The decrease in revenues is associated with sewer connection fees, which were \$834 in 2013 and \$409 in 2014. This decline was the result of less development occurring than the previous year. The decrease was partially offset by an overall increase of \$249 in sewer user fees, which were partially attributed to an 8.9% rate increase that took effect on July 1, 2013.
- The business-type activities received a \$693 transfer of funds from the governmental activities to help meet some of its cash needs.

## Business-type Activities Revenues by Source



# MANAGEMENT'S DISCUSSION AND ANALYSIS

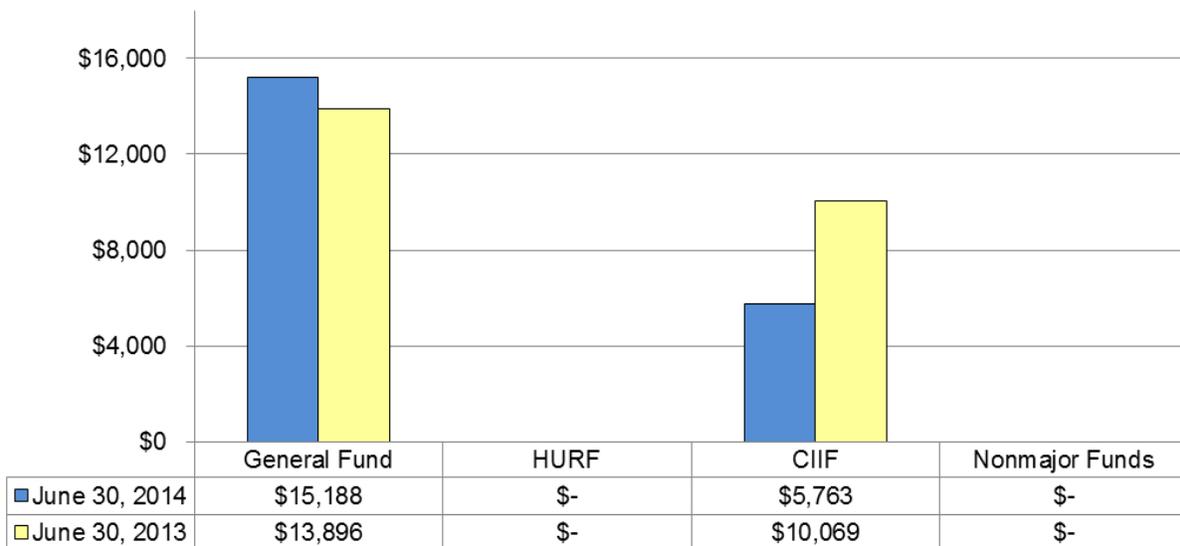
(dollar amounts in thousands)

## 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.

At June 30, 2014, the Town's governmental funds reported combined ending fund balances of \$26,152, a decrease of \$3,361 or (-11%) in comparison with the prior year. Of this amount, \$20,951 constitutes available fund balances, which includes the unassigned, assigned and committed fund balances. The remaining fund balance is either non-spendable (\$4,248) 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 (\$953) through agreements with other entities or by enabling legislation.

### Governmental Funds Available 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 available fund balance to total fund expenditures. Available fund balances represented 134% of total General Fund expenditures. This fund balance increased by \$1,292 (+9%) primarily because the Town implements a conservative budgeting strategy and because of the economic improvements resulting in increased revenues.

The Highway User Revenue Fund (HURF) fund balances are restricted unless in a deficit position.

The Capital Infrastructure Improvement Fund (CIIF) available fund balances decreased by \$4,306 (-43%). About \$2,200 of this decline is related to revenues that are reported as deferred inflows of resources since collections will not be received until later in 2015. The rest of the decline was anticipated in the capital budget; the funds are being used to construct infrastructure in the community.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

(dollar amounts in thousands)

The Nonmajor Funds consist of three special revenue funds: the Quail Creek Community Facilities District (QC CFD) Fund, Rancho Sahuarita Community Facilities District (RS CFD) Fund, and the Grants and Restricted Sources (GARS) Fund. Ending balances of these funds are restricted and would not be considered available.

**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 balance of \$4,172, which is \$537 improvement compared to last year. At June 30, 2014, restricted net position was \$2,108 and represents 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.

## Wastewater Enterprise Fund Net Position



### GENERAL FUND BUDGETARY HIGHLIGHTS

**Original budget compared to final budget.** During the year there was a \$149 budget amendment to transfer the Communications Division from the Town Manager Department to the Town Clerk Department. Other minor amendments were made to accommodate the revenues and costs associated with new grant programs (\$46), and to appropriate contingency reserves (\$38) to implement items that were not contemplated when the original budget was developed. All of the aforementioned budget amendments were authorized by the Town Council.

**Final budget compared to actual results.** Total actual revenues fell short of estimated revenues by \$236. The most significant differences were as follows:

<u>Revenue Sources</u>	<u>Budgeted Revenues</u>	<u>Actual Revenues</u>	<u>Difference</u>
Taxes	\$ 4,838	\$ 4,736	\$ (102)
Licenses and permits	967	780	(187)
Charges for services	971	868	(103)
Miscellaneous	27	104	77

# MANAGEMENT'S DISCUSSION AND ANALYSIS

(dollar amounts in thousands)

- City sales taxes were down by \$78 due to lower new retail establishments than anticipated, as well as a reduction in franchise fees of (-7%).
- Licenses and permits revenues fell short of the projected budget due to lower new development than anticipated. The budget for licenses and permits revenues was derived under the assumption there would be 240 new residential permits issued during the year. The Town actually issued 169 for the year.
- A component of charges for services revenues comes from indirect cost recoveries. There were fewer costs allocated to the Capital Infrastructure Improvement Fund because there was less capital activity during the year than what was anticipated in the budget, accounting for the shortfall.
- Miscellaneous revenues exceeded budget as numerous one-time revenue generating items, such as rebates, refunds, and equipment sales were not included in the budget but actually occurred during the year.

Total actual expenditures were less than departmental appropriations by \$967. All but two departments had budget savings, the Police Department realizing the greatest \$434 due to personnel vacancy savings. The Non-Departmental and Law Department ended the year over budget by \$6 and \$18, respectively. The Non-Departmental department experienced an unforeseen increase in program costs related to animal control services. This budget variance was covered by expenditure savings from other General Fund areas. The Law Department exceeded its budget 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. The division of Planning and Building-Zoning exceeded appropriations by \$8, however the expenditures at the department level were under budget. 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, 2014, amounts to \$194,161 (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

	Governmental Activities		Business-type Activities		Total	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Land	\$ 9,151	\$ 9,151	\$ 2,640	\$ 2,640	\$ 11,791	\$ 11,791
Buildings & improvements	18,832	19,280	-	-	18,832	19,280
Sewer conveyance system	-	-	45,862	47,267	45,862	47,267
Infrastructure	80,916	80,957	-	-	80,916	80,957
Vehicles	917	742	140	159	1,057	901
Equipment and software	755	858	21	13	776	871
Construction in progress	34,293	24,200	634	548	34,927	24,748
Total assets	<u>\$144,864</u>	<u>\$135,188</u>	<u>\$ 49,297</u>	<u>\$ 50,627</u>	<u>\$ 194,161</u>	<u>\$ 185,815</u>

The Town's investment in capital assets increased by \$8,346 (+4%) during the year, which is the net difference between new capital acquisitions, disposals, and depreciation.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

(dollar amounts in thousands)

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

- The Town's governmental activities capitalized \$11,194 of project costs to acquire and improve capital assets. Major capital projects included the Sahuarita Road Improvement (\$9,372), La Villita/Rancho Sahuarita Intersection (\$435), and the Pima Mine Rd Bridge Reconstruction (\$286) projects. All three projects were still under construction at year end.
- During the year, capital assets valued at \$5,212 were acquired without cost to the Town. These came in the form of developer-contributed roadways.

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

**Long-term debt.** At the end of the current fiscal year, the Town had total debt outstanding of \$51,986. Of this amount, \$10,495 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

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
	Quail Creek CFD general obligation bonds	\$ 10,495	\$ 10,900	\$ -	\$ -	\$ 10,495
Loans payable	16,559	17,572	24,932	26,255	41,491	43,827
Total long-term debt	\$ 27,054	\$ 28,472	\$ 24,932	\$ 26,255	\$ 51,986	\$ 54,727

No additional debt was obtained by the governmental activities of the Town during fiscal year 2014. Principal payments and amortization of premiums and discounts reduced the debt liability by \$1,418.

During 2014, the business-type activities of the Town obtained an additional \$82 in loan proceeds from the Water Infrastructure Financing Authority (WIFA) for the wastewater treatment plant expansion capital project. The long-term principal balance was also reduced by \$1,406.

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.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

(dollar amounts in thousands)

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

The current estimated population of 27,232 is 1.7% larger than last year's estimated population of 26,772, and more than eight times larger than the census population in 2000 which was 3,242. The Town uses a growth rate of 2% for planning purposes.

The secondary assessed property valuation decreased 0.2%, to \$190,269, since last year. The total full cash property value decreased 0.1%, to \$1,824,774, during the same period.

The Town's budget for fiscal year 2015 totals \$63,306. Revenues of the governmental funds are expected to increase by \$9,617, or 37%. This is largely attributed to a 53% increase in intergovernmental revenues from the Regional Transportation Authority, programmed in the Capital Improvement Plan. The increase in spending is associated with major street improvements in the Town. Ending fund balances are expected to be \$19,019 by the end of 2015.

The first year of the five-year Capital Improvement Plan is incorporated into the 2015 capital budget and amounts to \$20,772. Significant projects include the construction of the Sahuarita Road, the reconstruction of the Pima Mine Road bridge, and the Quail Creek park expansion. The Town intends to finance \$16,563 of the 2015 capital budget with grants and contributions from other entities and \$365 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 by 4.0% in fiscal year 2015. The fee increases are needed to cover the cost of providing sewer services and, pursuant to loan agreements, to ensure there is sufficient revenue-to-debt service coverage.

All of these factors were considered in preparing the Town's budget for the 2015 fiscal year.

## **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.ci.sahuarita.az.us](http://www.ci.sahuarita.az.us).



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**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

## Basic Financial Statements



# Town of Sahuarita, Arizona

## Statement of Net Position

June 30, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 23,667,668	\$ -	\$ 23,667,668
Receivables, net of allowances for doubtful accounts	4,625,519	558,769	5,184,288
Internal balances	4,115,492	(4,115,492)	-
Prepaid items	122,620	-	122,620
Restricted assets	520,477	2,108,048	2,628,525
Capital assets:			
Land and construction in progress	43,443,579	3,274,379	46,717,958
Other capital assets, net of depreciation	101,419,972	46,023,049	147,443,021
Total capital assets	<u>144,863,551</u>	<u>49,297,428</u>	<u>194,160,979</u>
Total assets	<u>177,915,327</u>	<u>47,848,753</u>	<u>225,764,080</u>
<b>LIABILITIES</b>			
Accrued payroll and benefits	415,750	23,712	439,462
Payables:			
Accounts	2,282,938	64,023	2,346,961
Bonds due and payable	405,000	1,406,333	1,811,333
Interest	299,915	490,279	790,194
Contract retention	747,396	2,159	749,555
Deposits	38,474	-	38,474
Unearned revenues	368,689	-	368,689
Noncurrent liabilities:			
Due within one year	1,975,078	1,480,050	3,455,128
Due in more than one year	25,961,391	23,486,969	49,448,360
Total liabilities	<u>32,494,631</u>	<u>26,953,525</u>	<u>59,448,156</u>
<b>NET POSITION</b>			
Net investment in capital assets	117,809,456	22,959,593	140,769,049
Restricted for:			
Court	54,248	-	54,248
Public safety	774,948	-	774,948
Transportation	221,671	-	221,671
Quail Creek CFD	3,542	-	3,542
Debt service	-	2,108,048	2,108,048
Unrestricted	26,556,831	(4,172,413)	22,384,418
Total net position	<u>\$ 145,420,696</u>	<u>\$ 20,895,228</u>	<u>\$ 166,315,924</u>

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, 2014

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		Total
					Governmental Activities	Business-type Activities	
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 4,678,867	\$ 424,426	\$ 25,302	\$ -	\$ (4,229,139)		\$ (4,229,139)
Public safety	6,586,449	947,254	373,894	-	(5,265,301)		(5,265,301)
Highways and streets	7,224,948	-	1,680,264	14,274,634	8,729,950		8,729,950
Culture and recreation	2,277,660	90,545	-	-	(2,187,115)		(2,187,115)
Interest and amortization on long-term debt	1,388,415	-	-	-	(1,388,415)		(1,388,415)
Total governmental activities	<u>22,156,339</u>	<u>1,462,225</u>	<u>2,079,460</u>	<u>14,274,634</u>	<u>(4,340,020)</u>		<u>(4,340,020)</u>
Business-type activities:							
Sewer	3,523,158	3,349,567	-	-		\$ (173,591)	(173,591)
Total business-type activities	<u>3,523,158</u>	<u>3,349,567</u>	<u>-</u>	<u>-</u>		<u>(173,591)</u>	<u>(173,591)</u>
Total primary government	<u>\$ 25,679,497</u>	<u>\$ 4,811,792</u>	<u>\$ 2,079,460</u>	<u>\$ 14,274,634</u>	<u>(4,340,020)</u>	<u>(173,591)</u>	<u>(4,513,611)</u>
General revenues:							
Property taxes					299,920	-	299,920
Sales taxes					6,916,291	-	6,916,291
Franchise taxes					303,598	-	303,598
Share of state income tax					2,815,436	-	2,815,436
Share of state sales tax					2,198,614	-	2,198,614
Share of state vehicle license tax					962,878	-	962,878
Investment earnings (losses)					368,272	(41,352)	326,920
Miscellaneous					897,650	2,428	900,078
Transfers					(693,080)	693,080	-
Net general revenues and transfers					<u>14,069,579</u>	<u>654,156</u>	<u>14,723,735</u>
Change in net position					9,729,559	480,565	10,210,124
Net position at beginning of year					<u>135,691,137</u>	<u>20,414,663</u>	<u>156,105,800</u>
Net position at end of year					<u>\$ 145,420,696</u>	<u>\$ 20,895,228</u>	<u>\$ 166,315,924</u>

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

# Town of Sahuarita, Arizona

## Balance Sheet Governmental Funds June 30, 2014

	General Fund	Highway User Revenue Fund	Capital Infrastructure Improvement Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and investments	\$ 15,106,156	\$ 225,214	\$ 7,637,077	\$ 699,221	\$ 23,667,668
Receivables, net of allowances for doubtful accounts	1,008,908	256,751	2,978,377	381,483	4,625,519
Prepaid items	122,620	-	-	-	122,620
Restricted assets	-	-	-	520,477	520,477
Advances to other funds	1,569,775	-	2,545,717	-	4,115,492
Total assets	\$ 17,807,459	\$ 481,965	\$ 13,161,171	\$ 1,601,181	\$ 33,051,776
<b>Liabilities</b>					
Accrued payroll and benefits	\$ 378,619	\$ 20,982	\$ 16,149	\$ -	\$ 415,750
Payables:					
Accounts	359,443	239,312	1,659,356	24,827	2,282,938
Bonds	-	-	-	405,000	405,000
Interest	-	-	-	299,915	299,915
Contract retention	-	-	747,396	-	747,396
Deposits	38,474	-	-	-	38,474
Unearned revenues	129,988	-	200,000	38,701	368,689
Total liabilities	906,524	260,294	2,622,901	768,443	4,558,162
<b>Deferred inflows of resources</b>					
Unavailable revenues	10,237	42,672	2,229,637	59,005	2,341,551
Total deferred inflows of resources	10,237	42,672	2,229,637	59,005	2,341,551
<b>Fund balances</b>					
Nonspendable:					
Long-term notes receivable	9,870	-	-	-	9,870
Prepaid items	122,620	-	-	-	122,620
Long-term interfund advances	1,569,775	-	2,545,717	-	4,115,492
Restricted:					
Transportation	-	178,999	-	-	178,999
Courts	-	-	-	54,248	54,248
Public safety	-	-	-	719,485	719,485
Committed for stabilization reserves	3,810,700	-	-	-	3,810,700
Assigned:					
Town Center development	-	-	558,759	-	558,759
Capital projects	-	-	5,204,157	-	5,204,157
Unassigned	11,377,733	-	-	-	11,377,733
Total fund balances	16,890,698	178,999	8,308,633	773,733	26,152,063
Total liabilities, deferred inflows of resources, and fund balances	\$ 17,807,459	\$ 481,965	\$ 13,161,171	\$ 1,601,181	\$ 33,051,776

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, 2014

Total fund balances—governmental funds \$ 26,152,063

Amounts reported for governmental activities in the statement of net position 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	34,292,781	
Buildings and improvements	22,201,653	
Infrastructure	116,226,182	
Vehicles	2,555,292	
Equipment and software	3,319,158	
Accumulated depreciation	<u>(42,882,313)</u>	
Total capital assets		144,863,551

Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as deferred inflows of resources. 2,341,551

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	(10,495,000)	
Loans payable	(16,130,000)	
Unamortized premium on long-term debt	(463,752)	
Unamortized discount on long-term debt	34,657	
Compensated absences	<u>(882,374)</u>	
Total noncurrent liabilities		<u>(27,936,469)</u>

Net position of governmental activities \$ 145,420,696

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, 2014**

	<b>General Fund</b>	<b>Highway User Revenue Fund</b>	<b>Capital Infrastructure Improvement Fund</b>	<b>Total Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>					
Taxes	\$ 4,735,881	\$ -	\$ 2,484,008	\$ 302,967	\$ 7,522,856
Licenses and permits	779,759	-	-	-	779,759
Intergovernmental	6,000,483	4,799,245	3,865,209	342,125	15,007,062
Charges for services	868,453	-	-	16,800	885,253
Fines and forfeitures	277,697	-	-	160,206	437,903
Investment earnings (losses)	219,902	(152)	140,207	8,315	368,272
Miscellaneous	104,383	24,364	7,354	767,424	903,525
Total revenues	<u>12,986,558</u>	<u>4,823,457</u>	<u>6,496,778</u>	<u>1,597,837</u>	<u>25,904,630</u>
<b>Expenditures</b>					
Current:					
General government	4,245,592	-	-	5,529	4,251,121
Public safety	5,812,530	-	-	486,456	6,298,986
Highways and streets	-	1,733,806	-	18,501	1,752,307
Culture and recreation	1,254,838	-	-	53,661	1,308,499
Capital outlay	-	-	12,156,038	-	12,156,038
Debt service:					
Principal	-	-	975,000	405,000	1,380,000
Interest	-	-	820,875	599,830	1,420,705
Fiscal charges	-	-	1,150	4,000	5,150
Total expenditures	<u>11,312,960</u>	<u>1,733,806</u>	<u>13,953,063</u>	<u>1,572,977</u>	<u>28,572,806</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,673,598</u>	<u>3,089,651</u>	<u>(7,456,285)</u>	<u>24,860</u>	<u>(2,668,176)</u>
<b>Other financing sources (uses)</b>					
Transfers in	-	-	3,150,510	166,328	3,316,838
Transfers out	(859,408)	(3,150,510)	-	-	(4,009,918)
Total other financing sources (uses)	<u>(859,408)</u>	<u>(3,150,510)</u>	<u>3,150,510</u>	<u>166,328</u>	<u>(693,080)</u>
Net change in fund balances	814,190	(60,859)	(4,305,775)	191,188	(3,361,256)
Fund balance at beginning of year	16,076,508	239,858	12,614,408	582,545	29,513,319
Fund balance at end of year	<u>\$ 16,890,698</u>	<u>\$ 178,999</u>	<u>\$ 8,308,633</u>	<u>\$ 773,733</u>	<u>\$ 26,152,063</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, 2014

Net change in fund balances—governmental funds \$ (3,361,256)

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	\$ 11,194,413	
Depreciation expense	<u>(6,725,833)</u>	
Excess of depreciation expense over capitalized expenditures		4,468,580

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. 5,212,456

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 inflows of resources	2,107,973
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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 amortized in the statement of activities.

Debt service - principal payments	\$ 1,380,000	
Net amortization of discounts and premiums	<u>37,439</u>	
Net effect of long-term debt and related items		1,417,439

Book value of disposed capital assets (5,475)

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>(110,158)</u>
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Change in net position of governmental activities \$ 9,729,559

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, 2014**

	<b>Original Budget</b>	<b>Final Amended Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Taxes	\$ 4,837,650	\$ 4,837,650	\$ 4,735,881	\$ (101,769)
Licenses and permits	967,090	967,090	779,759	(187,331)
Intergovernmental	5,906,010	5,952,010	6,000,483	48,473
Charges for services	970,740	970,740	868,453	(102,287)
Fines and forfeitures	244,770	244,770	277,697	32,927
Investment earnings	222,920	222,920	219,902	(3,018)
Miscellaneous	27,000	27,000	104,383	77,383
Total revenues	<u>13,176,180</u>	<u>13,222,180</u>	<u>12,986,558</u>	<u>(235,622)</u>
<b>Expenditures</b>				
General government:				
Mayor and Council	127,390	127,390	117,021	10,369
Town Manager	636,960	488,190	476,357	11,833
Law	477,600	477,600	496,343	(18,743)
Town Clerk	292,270	478,850	361,227	117,623
Finance	1,080,620	1,080,620	968,312	112,308
Human Resources	204,850	204,850	196,047	8,803
Municipal Court	542,680	542,680	523,725	18,955
Planning and Building-Zoning	577,130	576,666	584,275	(7,609)
Public Works-Facilities	465,370	465,370	413,287	52,083
Non-Departmental	102,850	102,850	108,998	(6,148)
Total general government	<u>4,507,720</u>	<u>4,545,066</u>	<u>4,245,592</u>	<u>299,474</u>
Public safety:				
Planning and Building-Building Safety	574,830	575,294	545,544	29,750
Public Works-Engineering	349,750	349,750	318,688	31,062
Police	5,336,670	5,382,670	4,948,298	434,372
Total public safety	<u>6,261,250</u>	<u>6,307,714</u>	<u>5,812,530</u>	<u>495,184</u>
Culture and recreation:				
Parks and Recreation	1,427,610	1,427,610	1,254,838	172,772
Total culture and recreation	<u>1,427,610</u>	<u>1,427,610</u>	<u>1,254,838</u>	<u>172,772</u>
Contingency reserves	15,453,930	15,416,120	-	15,416,120
Total expenditures	<u>27,650,510</u>	<u>27,696,510</u>	<u>11,312,960</u>	<u>16,383,550</u>
Excess (deficiency) of revenues over (under) expenditures	(14,474,330)	(14,474,330)	1,673,598	16,147,928
<b>Other financing sources (uses)</b>				
Transfers out	(803,700)	(803,700)	(859,408)	(55,708)
Total other financing sources (uses)	<u>(803,700)</u>	<u>(803,700)</u>	<u>(859,408)</u>	<u>(55,708)</u>
Net change in fund balance	(15,278,030)	(15,278,030)	814,190	16,092,220
Fund balance at beginning of year	15,278,030	15,278,030	16,076,508	798,478
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,890,698</u>	<u>\$ 16,890,698</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, 2014

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ 12,750,960	\$ 12,800,960	\$ 4,799,245	\$ (8,001,715)
Investment earnings (losses)	800	800	(152)	(952)
Miscellaneous	-	-	24,364	24,364
Total revenues	<u>12,751,760</u>	<u>12,801,760</u>	<u>4,823,457</u>	<u>(7,978,303)</u>
<b>Expenditures</b>				
Current:				
Highways and streets	1,855,920	1,905,920	1,733,806	172,114
Contingency reserves	64,890	64,890	-	64,890
Total expenditures	<u>1,920,810</u>	<u>1,970,810</u>	<u>1,733,806</u>	<u>237,004</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,830,950</u>	<u>10,830,950</u>	<u>3,089,651</u>	<u>(7,741,299)</u>
<b>Other financing sources (uses)</b>				
Transfers out	<u>(11,061,430)</u>	<u>(11,061,430)</u>	<u>(3,150,510)</u>	<u>7,910,920</u>
Total other financing sources (uses)	<u>(11,061,430)</u>	<u>(11,061,430)</u>	<u>(3,150,510)</u>	<u>7,910,920</u>
Net change in fund balance	(230,480)	(230,480)	(60,859)	169,621
Fund balance at beginning of year	230,480	230,480	239,858	9,378
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 178,999</u>	<u>\$ 178,999</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, 2014

	<b>Wastewater Enterprise Fund</b>
<b>Assets</b>	
Current:	
Accounts receivable (net of allowance for doubtful accounts of \$12,525)	\$ 558,769
Total current	<u>558,769</u>
Noncurrent assets:	
Restricted cash and cash equivalents	2,108,048
Capital assets:	
Land	2,640,000
Construction in progress	634,379
Sewage conveyance system	53,014,002
Vehicles and equipment	369,978
Accumulated depreciation	<u>(7,360,931)</u>
Capital assets, net of accumulated depreciation	<u>49,297,428</u>
Total noncurrent assets	<u>51,405,476</u>
Total assets	<u>51,964,245</u>
<b>Liabilities</b>	
Current:	
Accrued payroll and benefits	23,712
Accounts payable	64,023
Contract retention payable	2,159
Interest payable-current	490,279
Loan payable-current	<u>1,406,333</u>
Total current liabilities	<u>1,986,506</u>
Noncurrent liabilities:	
Accrued compensated absences	35,517
Advances from other funds	4,115,492
Loan payable	<u>24,931,502</u>
Total noncurrent liabilities	<u>29,082,511</u>
Total liabilities	<u>31,069,017</u>
<b>Net position</b>	
Net investment in capital assets	22,959,593
Restricted for debt service reserves	2,108,048
Unrestricted	<u>(4,172,413)</u>
Total net position	<u>\$ 20,895,228</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, 2014**

	<b>Wastewater Enterprise Fund</b>
<b>Operating revenues</b>	
Charges for services	\$ 2,940,100
Total operating revenues	<u>2,940,100</u>
<b>Operating expenses</b>	
Personnel	553,977
Operating supplies and services	285,706
Utilities	202,635
General and administrative	181,154
Depreciation	1,382,810
Total operating expenses	<u>2,606,282</u>
Operating income	<u>333,818</u>
<b>Nonoperating revenues (expenses)</b>	
Sewer connection fees	409,467
Investment earnings (losses)	(41,352)
Other	2,428
Loss on disposal of property	(8,456)
Interest expense on debt	(908,420)
Total nonoperating revenues (expenses)	<u>(546,333)</u>
Net income before transfers	<u>(212,515)</u>
Transfers in	693,080
Change in net position	480,565
Net position at beginning of year	20,414,663
Net position at end of year	<u>\$ 20,895,228</u>

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, 2014

	<b>Wastewater Enterprise Fund</b>
<b>Cash Flows From Operating Activities</b>	
Receipts from customers and users	\$ 2,886,481
Payments to suppliers and contractors	(689,641)
Payments to employees	(547,272)
Miscellaneous receipts	2,428
Net cash provided by operating activities	<u>1,651,996</u>
<b>Cash Flows from Noncapital Financing Activities</b>	
Proceeds from interfund loans	4,115,492
Repayment of interfund loans	(4,563,279)
Transfers from other funds	693,080
Net cash provided by noncapital financing activities	<u>245,293</u>
<b>Cash Flows From Capital and Related Financing Activities</b>	
Sewer connection fees	409,467
Proceeds from capital debt	82,373
Acquisition and construction of capital assets	(84,797)
Principal payments on capital debt	(1,355,854)
Interest payments on capital debt	(932,126)
Proceeds from the sale of capital assets	25,000
Net cash used for capital and related financing activities	<u>(1,855,937)</u>
<b>Cash Flows From Investing Activities</b>	
Interest paid on the investment of deficit balances	(41,352)
Net cash used for investing activities	<u>(41,352)</u>
Net change in cash and cash equivalents	-
Cash and cash equivalents at beginning of year	2,108,048
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	\$ 333,818
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	1,382,810
Other nonoperating revenues	2,428
Changes in assets and liabilities:	
Increase in accounts receivable	(53,619)
Increase in accrued payroll and benefits	6,705
Decrease in accounts payable related to operations	(20,146)
Net cash provided by operating activities	<u>\$ 1,651,996</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, 2014

### **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 Units

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.

On March 24, 2014, the Town Council approved Resolution No. 2014-383 which ordered and declared the formation of the Rancho Sahuarita Community Facilities District, a legally separate entity from the Town. The District encompasses an area of approximately 3,089 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.

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.

# Town of Sahuarita, Arizona

## Notes to the Financial Statements

### For the Fiscal Year Ended June 30, 2014

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 community facilities districts 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.

#### **C. Basis of Accounting**

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 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 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.

#### **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.

# Town of Sahuarita, Arizona

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2014

### 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.

### 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.

Capital assets are reported at actual cost or estimated historical cost, if the historical records are not available. 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, non-exempt employees may elect to convert overtime hours to compensatory time. Police officers may accumulate up to a maximum of 100 hours and all 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. Leave amounts for employees who are currently eligible to receive termination payments and employees who are expected to become eligible in the future of receiving payments 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 the time of separation.

### 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 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, discounts and issuance costs during the current period. The face amount of debt issued, premiums and discounts are reported as other financing sources. Issuance costs are reported as expenditures.

# Town of Sahuarita, Arizona

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2014

### 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. The net 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 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 nonspendable and spendable fund balances. Nonspendable balances include amounts that cannot be spent because they are either not in spendable form or have a requirement to remain intact. 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. The Town Council assigns amounts to specific purposes.

*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 24, 2013, 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,

# Town of Sahuarita, Arizona

## Notes to the Financial Statements

### For the Fiscal Year Ended June 30, 2014

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.

#### NOTE 2—CASH AND INVESTMENTS

**Deposits**—At June 30, 2014, the Town had cash on hand of \$2,805. The carrying amount of the Town's cash in bank was \$5,270,966 and the bank balance was \$5,929,149. Of this amount, \$250,000 was insured by the Federal Depository Insurance Corporation (FDIC), \$5,070,195 was collateralized with securities that were held by the Town's custodial bank in the Town's name, and the remaining \$608,954 was uninsured and uncollateralized. Additionally, the Town had deposits of \$42,298 held by Pima County in a fiduciary capacity.

**Investments**—At June 30, 2014, \$17,286,741 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. The Town's investment policy attempts to mitigate exposure to declines in fair values by specifying that its composite portfolio should be managed 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, 2014.

	<u>Maturities (in Months)</u>			<u>Fair Value</u>	<u>%</u>
	<u>&lt; 6</u>	<u>6 to &lt; 18</u>	<u>18 to 27</u>		
<b>Deposits:</b>					
Cash on hand	\$ 2,805	\$ -	\$ -	\$ 2,805	0.0%
Cash in bank	5,270,966	-	-	5,270,966	20.0%
Cash held by fiduciary	42,298	-	-	42,298	0.2%
<b>Investments:</b>					
Government money market fund	484,168	-	-	484,168	1.8%
State Treasurer's LGI Pool 5	19,396	-	-	19,396	0.1%
State Treasurer's LGI Pool 500	-	-	15,140,096	15,140,096	57.6%
State Treasurer's LGI Pool 700	-	-	2,127,249	2,127,249	8.1%
Certificates of deposit	491,418	2,717,797	-	3,209,215	12.2%
<b>Total composite portfolio</b>	<b><u>\$ 6,311,051</u></b>	<b><u>\$ 2,717,797</u></b>	<b><u>\$ 17,267,345</u></b>	<b><u>26,296,193</u></b>	<b><u>100.0%</u></b>
<b>Less:</b>					
Restricted cash and investments				<u>(2,628,525)</u>	
<b>Total non-restricted cash and investments</b>				<b><u>\$ 23,667,668</u></b>	

# Town of Sahuarita, Arizona

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2014

*Credit Risk.* Credit risk is the risk that an issuer 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 Pool 5 received a credit rating of AAAF/S1+ by Standard and Poor's (S&P). 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 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.

*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, 2014, restricted assets consisted of the following:

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Restricted assets:			
Deposits:			
Amounts held by fiduciary	\$ 42,298	\$ -	\$ 42,298
Investments:			
Government money market fund	478,179	-	478,179
State Treasurer's LGI Pool 700	-	2,108,048	2,108,048
Total restricted assets	<u>\$ 520,477</u>	<u>\$ 2,108,048</u>	<u>\$ 2,628,525</u>

The government money market funds, which were held in trust, represent property tax collections which are obligated for debt service 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. The Town's Police Department may only use these funds for public safety purposes.

The State Treasurer's LGI Pool 700 amount represents funds that are reserved for debt service in accordance with requirements specified in the WIFA 2008A System Revenues Loan Agreement.

# Town of Sahuarita, Arizona

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2014

### 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	\$ 767,408	\$ -	\$ 673,155	\$ 3,950	\$ 1,444,513
Accounts	7,469	1,709	-	226,736	235,914
Intergovernmental	228,078	255,042	2,463,411	150,797	3,097,328
Notes	9,870	-	-	-	9,870
Gross receivables	<u>1,012,825</u>	<u>256,751</u>	<u>3,136,566</u>	<u>381,483</u>	<u>4,787,625</u>
Less: Allowance for doubtful accounts	<u>(3,917)</u>	<u>-</u>	<u>(158,189)</u>	<u>-</u>	<u>(162,106)</u>
Net receivables	<u>\$ 1,008,908</u>	<u>\$ 256,751</u>	<u>\$ 2,978,377</u>	<u>\$ 381,483</u>	<u>\$ 4,625,519</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, 2014, follows:

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 9,150,798	\$ -	\$ -	\$ 9,150,798
Construction in progress	24,200,234	10,092,547	-	34,292,781
Total capital assets not being depreciated	<u>33,351,032</u>	<u>10,092,547</u>	<u>-</u>	<u>43,443,579</u>
Capital assets being depreciated:				
Buildings and improvements	22,154,283	47,370	-	22,201,653
Infrastructure	110,528,926	5,697,256	-	116,226,182
Vehicles	2,341,425	437,079	(223,213)	2,555,291
Equipment and software	3,186,542	132,617	-	3,319,159
Total capital assets being depreciated	<u>138,211,176</u>	<u>6,314,322</u>	<u>(223,213)</u>	<u>144,302,285</u>
Less accumulated depreciation for:				
Buildings and improvements	(2,874,291)	(495,754)	-	(3,370,045)
Infrastructure	(29,571,368)	(5,738,842)	-	(35,310,210)
Vehicles	(1,599,613)	(256,107)	217,738	(1,637,982)
Equipment and software	(2,328,946)	(235,130)	-	(2,564,076)
Total accumulated depreciation	<u>(36,374,218)</u>	<u>(6,725,833)</u>	<u>217,738</u>	<u>(42,882,313)</u>
Total capital assets being depreciated, net	<u>101,836,958</u>	<u>(411,511)</u>	<u>(5,475)</u>	<u>101,419,972</u>
Governmental activities capital assets, net	<u>\$ 135,187,990</u>	<u>\$ 9,681,036</u>	<u>\$ (5,475)</u>	<u>\$ 144,863,551</u>

# Town of Sahuarita, Arizona

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2014</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 2,640,000	\$ -	\$ -	\$ 2,640,000
Construction in progress	548,013	86,366	-	634,379
Total capital assets not being depreciated	<u>3,188,013</u>	<u>86,366</u>	<u>-</u>	<u>3,274,379</u>
Capital assets being depreciated:				
Sewer conveyance system	53,063,567	-	(49,565)	53,014,002
Vehicles	337,524	-	-	337,524
Equipment and software	32,454	-	-	32,454
Total capital assets being depreciated	<u>53,433,545</u>	<u>-</u>	<u>(49,565)</u>	<u>53,383,980</u>
Less accumulated depreciation for:				
Sewer conveyance system	(5,796,820)	(1,355,646)	-	(7,152,466)
Vehicles	(178,063)	(19,425)	-	(197,488)
Equipment and software	(19,347)	(7,739)	16,109	(10,977)
Total accumulated depreciation	<u>(5,994,230)</u>	<u>(1,382,810)</u>	<u>16,109</u>	<u>(7,360,931)</u>
Total capital assets being depreciated, net	<u>47,439,315</u>	<u>(1,382,810)</u>	<u>(33,456)</u>	<u>46,023,049</u>
Business-type activities capital assets, net	<u>\$ 50,627,328</u>	<u>\$ (1,296,444)</u>	<u>\$ (33,456)</u>	<u>\$ 49,297,428</u>

Depreciation Expense was charged to functions as follows:

**Governmental activities:**

General government	\$ 597,684
Public safety	268,886
Highways and streets	5,186,839
Culture and recreation	672,424
Total governmental activities depreciation	<u>\$ 6,725,833</u>

**Business-type activities:**

Sewer	<u>\$ 1,382,810</u>
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**NOTE 6—LONG-TERM LIABILITIES**

Long-term liability activity for the year ended June 30, 2014, was as follows:

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2014</u>	<u>Due within</u> <u>1 year</u>
<b>Governmental Activities</b>					
Quail Creek CFD general obligations bonds	\$ 10,900,000	\$ -	\$ (405,000)	\$ 10,495,000	\$ 425,000
Loans Payable	17,105,000	-	(975,000)	16,130,000	1,015,000
Unamortized Premiums	503,502	-	(39,750)	463,752	39,750
Unamortized Discounts	(36,968)	-	2,311	(34,657)	(2,310)
Compensated Absences	<u>772,216</u>	<u>579,666</u>	<u>(469,508)</u>	<u>882,374</u>	<u>497,638</u>
Total governmental activities long-term liabilities	<u>\$ 29,243,750</u>	<u>\$ 579,666</u>	<u>\$ (1,886,947)</u>	<u>\$ 27,936,469</u>	<u>\$ 1,975,078</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, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2014</u>	<u>Due within</u> <u>1 year</u>
<b>Business-Type Activities</b>					
Loans payable	\$ 26,255,462	\$ 82,373	\$ (1,406,333)	\$ 24,931,502	\$ 1,458,691
Compensated Absences	29,944	25,724	(20,151)	35,517	21,359
 Total business-type activities long-term liabilities	 <u>\$ 26,285,406</u>	 <u>\$ 108,097</u>	 <u>\$ (1,426,484)</u>	 <u>\$ 24,967,019</u>	 <u>\$ 1,480,050</u>

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

The District's general obligation bonds payable at June 30, 2014 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, 2014</u>
Series 2006	\$12,660,000	5.15 – 5.55%	2015-2030	\$10,495,000

The following schedule provides the debt service requirements to maturity at June 30, 2014.

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 425,000	\$ 578,973
2016	450,000	557,085
2017	470,000	533,910
2018	500,000	507,825
2019	525,000	480,075
2020-2024	3,105,000	1,928,903
2025-2029	4,065,000	966,533
2030	955,000	53,002
Total	<u>\$10,495,000</u>	<u>\$5,606,306</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 \$10,445,000 of principal issued in March 2006 and \$5,685,000 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 26% of revenues pledged. Interest is payable semi-annually and is calculated based upon the principal amount of the loans outstanding during

# Town of Sahuarita, Arizona

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2014

such period. The loans are payable from the revenues of the Town's governmental funds through 2029. During that timeframe total principal and interest to be paid on the loan will be \$21,929,714. During fiscal year ended June 30, 2014, total principal and interest paid was \$1,795,875 and the total revenue subject to pledge was \$13,791,541.

<u>Issue</u>	<u>Issue Amount</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Outstanding June 30, 2014</u>
2006A GADA Loan	\$16,355,000	4.25 – 5.00%	2015-2025	\$10,445,000
2009B GADA Loan	6,700,000	4.00 – 5.00%	2015-2029	<u>5,685,000</u>
			Loan payable outstanding	\$16,130,000
			Unamortized amounts	429,094
			Total loans outstanding	<u>\$16,559,094</u>

The following schedule provides the debt service requirements to maturity at June 30, 2014.

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
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	1,220,000	579,588
2020-2024	7,040,000	1,952,613
2025-2029	<u>3,535,000</u>	<u>422,000</u>
	<u>\$16,130,000</u>	<u>\$5,799,714</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, \$1,249,348 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 \$6,895,743, 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 6% of pledged resources. In the current year, total principal and interest paid, and total pledged resources were \$277,309 and \$10,199,791, respectively.

# Town of Sahuarita, Arizona

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2014

<u>Issue</u>	<u>Issue Amount</u>	<u>Interest Rates</u>	<u>Maturities</u>	<u>Outstanding June 30, 2014</u>
2008 WIFA System Revenues Loan	\$28,350,000	3.723%	2015-2028	\$22,680,372
2008 WIFA Non-System Revenues Loan	Variable To \$4,375,525	3.723%	2014-2028	<u>2,251,130</u>
Total loans payable				<u>\$24,931,502</u>

The following schedule estimates total debt service requirements to maturity at June 30, 2014.

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 1,458,691	\$ 981,713
2016	1,512,998	927,667
2017	1,569,327	871,608
2018	1,627,752	813,463
2019	1,688,354	753,152
2020-2024	9,372,168	2,723,286
2025-2028	7,702,212	729,981
	<u>\$ 24,931,502</u>	<u>\$ 7,800,870</u>

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

The Town has active construction projects at June 30, 2014. At fiscal year end the Town's commitments with construction contractors and engineering firms were as follows:

<u>Project Description</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Sahuarita Road: La Villita to Country Club	\$27,651,220	\$13,232,915
Pima Mine Road Bridge Reconstruction	285,532	335,638
Total	<u>\$27,936,752</u>	<u>\$13,568,553</u>

### **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	\$ 41,664
HURF Fund	52,769
QCCFD Fund	1,166
GARS Fund	29,991
CIIF Fund	64,573
Wastewater Fund	46,659
Total	<u>\$ 236,822</u>

# Town of Sahuarita, Arizona

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2014

### **NOTE 8—DEFERRED INFLOWS OF RESOURCES AND UNEARNED REVENUES**

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 record unearned revenues for 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 inflows of resources and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable Receipts</u>	<u>Unearned Revenues</u>
<u>General Fund</u>		
Advances received for future services	\$ -	\$ 129,988
Sales tax audit assessment liens	3,917	-
Restitution	6,320	-
Total General Fund	<u>10,237</u>	<u>129,988</u>
<u>HURF Fund</u>		
Capital grants from the State	41,194	-
Restitution	1,478	-
Total HURF Fund	<u>42,672</u>	<u>-</u>
<u>CIIF Fund</u>		
Capital grants from private parties		200,000
Construction sales tax audit assessments liens	158,189	-
Capital grants from Regional Transportation Authority	2,071,448	-
Total CIIF Fund	<u>2,229,637</u>	<u>200,000</u>
<u>Nonmajor Governmental Funds</u>		
Advances received for future services		38,701
Operating grants from other governments	55,463	
Delinquent property taxes	3,542	-
Total Nonmajor Governmental Funds	<u>59,005</u>	<u>38,701</u>
Total for governmental funds	<u>\$ 2,341,551</u>	<u>\$ 368,689</u>

### **NOTE 9—INTERFUND ACTIVITY**

Advances from the General and CIIF funds relate to working capital loans made to the Wastewater Fund. A repayment to the General Fund in the amount of \$458,160 is expected in the subsequent year. Remaining balances of \$3,657,332 will be paid in future years.

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	
General Fund	Wastewater Fund	\$1,569,775
CIIF Fund	Wastewater Fund	<u>2,545,717</u>
Total advances from/to other funds		<u>\$4,115,492</u>

# Town of Sahuarita, Arizona

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2014

Transfers out of the General Fund were used to (1) acquire 1,405.27 recharge credits from the Wastewater Fund, (2) cover fund balance deficits of the QCCFD Fund, a nonmajor governmental fund, and (3) move all restricted monies to the GARS Fund, a nonmajor governmental fund. Transfers out of the HURF Fund were used to reimburse the CIIF Fund for capital costs incurred on certain transportation projects.

***Interfund transfers***

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
General Fund	Wastewater Fund	\$ 693,080
General Fund	Nonmajor Governmental Funds	166,328
HURF Fund	CIIF Fund	<u>3,150,510</u>
Total transfers		<u>\$4,009,918</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, 2014, active plan members were required by statute to contribute at the actuarially determined rate of 11.54 percent (11.30 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 11.54 percent (10.65 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, 2014, 2013, and 2012, which were equal to the required contributions for each year, were as follows:

Fiscal Year Ended	Retirement Portion	Health Insurance Subsidy	Long-term Disability
<u>June 30</u> 2012	\$524,516	\$33,480	\$13,188
2013	526,193	33,368	12,320
2014	514,170	31,381	11,586

**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.

# Town of Sahuarita, Arizona

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2014

Funding Policy—The fund manager is responsible for establishing contribution rates in accordance with an actuarial study and state statute. For the fiscal year ended June 30, 2014, covered employees were required to contribute 10.35 percent of their annual salary to the PSPRS, and the Town was required to contribute 13.00 percent of annual covered payroll. The contribution rates include both the pension benefit (12.11%) and the OPEB (0.89%). 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 was 17.07 percent of applicable payroll.

Annual Pension Cost and OPEB Cost—the Town is required to contribute the annually 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	12.07%
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent-of-pay closed
Remaining amortization period	23 years for underfunded actuarial accrued liability, 20 years for overfunded
Asset valuation method	7-year smoothed market value, 80%/120% market
Actuarial assumptions:	
Investment rate or return	7.85%
Projected salary increases	4.5% - 8.5%
Payroll Growth	4.5%
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 portion of the total required contribution that is applied to the amortization of the unfunded actuarial accrued liability for the prior fiscal year.

### 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
2012	\$288,460	100%	\$ -
2013	304,889	100%	-
2014	319,716	100%	-

Fiscal Year Ended <u>June 30</u>	Annual OPEB Cost	Percent Contributed	Net OPEB Obligation
2012	\$26,371	100%	\$ -
2013	24,909	100%	-
2014	23,061	100%	-

# Town of Sahuarita, Arizona

## Notes to the Financial Statements

### For the Fiscal Year Ended June 30, 2014

Funded Status and Funding Progress—The most recent actuarial valuation available is dated June 30, 2013 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, 2013 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	\$6,417,223	\$6,697,228	104.4%	\$(280,005)	\$2,489,096	(11.2%)
OPEB	241,829	-	0.00%	241,829	2,489,096	9.7%
<b>Total</b>	<b>\$6,659,052</b>	<b>\$6,697,228</b>	<b>100.1%</b>	<b>\$ (38,176)</b>	<b>\$2,489,096</b>	<b>(1.5%)</b>

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).

Funding Policy—The EORP's funding policy (required by State Statutes) provides for periodic employer contributions at actuarially determined rates and employee contributions of 13.0 percent of their annual covered salary. The employer rate for fiscal year 2014 was 39.62 percent. The Town's contributions to EORP for the fiscal years ended June 30, 2014, 2013, and 2012 were \$14,784, \$17,109, and \$15,934, respectively, which equal the required contributions for each year. The Town's employees contributed \$6,276, \$5,249, and \$4,830, 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.

# Town of Sahuarita, Arizona

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2014

### **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 (except for the Rancho Sahuarita Community Facilities District, which was formed late in the fiscal year but did not have a budget prepared). 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 establishes the legal level of budgetary control. It 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.

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**

Expenditures exceeded appropriations in the following General Fund departments and functions of other funds:

<u>General Fund</u>	
Department of Law	\$18,743
Non-departmental	6,148
<u>QCCFD Fund</u>	
Highways and streets function	\$791
<u>RSCFD Fund</u>	
General government function	\$301
<u>GARS Fund</u>	
Culture and recreation function	\$11,406

These negative budget variances were minor and were funded from positive variances in other accounts in the same fund.

# CAFR

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

Required Supplementary Information Other Than MD&A



# Town of Sahuarita, Arizona

## Schedule of Agent Retirement Plan's Funding Progress Public Safety Personnel Retirement System (PSPRS)

### 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
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%
2013	6,697,228	6,417,223	(280,005)	104.4%	2,489,096	-11.2%

### 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
2011	\$ -	\$ 225,188	\$ 225,188	0.0%	\$ 2,329,203	9.7%
2012	-	229,564	229,564	0.0%	2,350,231	9.8%
2013	-	241,829	241,829	0.0%	2,489,096	9.7%

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

# CAFR

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

### Combining Statements and Other Schedules



# NONMAJOR GOVERNMENTAL FUNDS

## Special Revenue Funds

*Quail Creek Community Facilities District*— accounts for the District's secondary property tax revenues, and costs for operations and maintenance, acquisition, and construction of major capital facilities within the District's boundaries.

*Rancho Sahuarita Community Facilities District*—accounts for accounts for the District's secondary property tax revenues, and costs for operations and maintenance, acquisition, and construction of major capital facilities within the District's boundaries.

*Grants and Restricted Sources (GARS) Fund*—accounts for revenues and other sources with purpose restrictions that are not accounted for in other funds.

# Town of Sahuarita, Arizona

## Combining Balance Sheet Nonmajor Governmental Funds June 30, 2014

	<b>SPECIAL REVENUE FUNDS</b>			<b>Total Nonmajor Governmental Funds</b>
	<b>Quail Creek CFD Fund</b>	<b>Rancho Sahuarita CFD Fund</b>	<b>GARS Fund</b>	
<b>Assets</b>				
Cash and investments	\$ 4,982	\$ 29,801	\$ 664,438	\$ 699,221
Receivables	230,686	-	150,797	381,483
Restricted assets	478,179	-	42,298	520,477
Total assets	\$ 713,847	\$ 29,801	\$ 857,533	\$ 1,601,181
<b>Liabilities</b>				
Payables:				
Accounts	\$ 5,390	\$ -	\$ 19,437	\$ 24,827
Bonds	405,000	-	-	405,000
Interest	299,915	-	-	299,915
Unearned revenues	-	29,801	8,900	38,701
Total liabilities	710,305	29,801	28,337	768,443
<b>Deferred inflows of resources</b>				
Unavailable revenues	3,542	-	55,463	59,005
Total deferred inflows of resources	3,542	-	55,463	59,005
<b>Fund balances</b>				
Restricted for Court			54,248	54,248
Restricted for public safety	-	-	719,485	719,485
Total fund balances	-	-	773,733	773,733
Total liabilities, deferred inflows of resources, and fund balances	\$ 713,847	\$ 29,801	\$ 857,533	\$ 1,601,181

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

# Town of Sahuarita, Arizona

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds For the Fiscal Year Ended June 30, 2014

	<b>SPECIAL REVENUE FUNDS</b>			<b>Total Nonmajor Governmental Funds</b>
	<b>Quail Creek CFD Fund</b>	<b>Rancho Sahuarita CFD Fund</b>	<b>GARS Fund</b>	
<b>Revenues</b>				
Taxes	\$ 302,967	\$ -	\$ -	\$ 302,967
Intergovernmental	-	-	342,125	342,125
Charges for services	-	-	16,800	16,800
Fines and forfeitures	-	-	160,206	160,206
Investment earnings	(105)	102	8,318	8,315
Miscellaneous	729,690	199	37,535	767,424
Total revenues	1,032,552	301	564,984	1,597,837
<b>Expenditures</b>				
Current:				
General government	-	301	5,228	5,529
Public safety	-	-	486,456	486,456
Highways and streets	18,501	-	-	18,501
Culture and recreation	34,255	-	19,406	53,661
Debt service:				
Principal	405,000	-	-	405,000
Interest	599,830	-	-	599,830
Fiscal charges	4,000	-	-	4,000
Total expenditures	1,061,586	301	511,090	1,572,977
Excess (deficiency) of revenues over (under) expenditures	(29,034)	-	53,894	24,860
<b>Other financing sources (uses)</b>				
Transfers in	29,034	-	137,294	166,328
Transfers out	-	-	-	-
Total other financing sources (uses)	29,034	-	137,294	166,328
Net change in fund balances	-	-	191,188	191,188
Fund balance at beginning of year	-	-	582,545	582,545
Fund balance at end of year	\$ -	\$ -	\$ 773,733	\$ 773,733

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

# 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, 2014

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Taxes	\$ 2,610,230	\$ 2,610,230	\$ 2,484,008	\$ (126,222)
Intergovernmental	36,784,460	36,834,460	3,865,209	(32,969,251)
Investment earnings (losses)	134,630	134,630	140,207	5,577
Miscellaneous	-	-	7,354	7,354
Total revenues	<u>39,529,320</u>	<u>39,579,320</u>	<u>6,496,778</u>	<u>(33,082,542)</u>
<b>Expenditures</b>				
Capital outlay:				
General government	729,220	729,220	434,345	294,875
Public safety	466,460	516,460	490,873	25,587
Highways and streets	49,313,740	49,313,740	10,901,982	38,411,758
Culture and recreation	1,290,000	1,351,000	328,838	1,022,162
Total capital outlay	<u>51,799,420</u>	<u>51,910,420</u>	<u>12,156,038</u>	<u>39,754,382</u>
Debt service:				
Principal	975,000	975,000	975,000	-
Interest	820,880	820,880	820,875	5
Other	5,000	5,000	1,150	3,850
Total debt service	<u>1,800,880</u>	<u>1,800,880</u>	<u>1,797,025</u>	<u>3,855</u>
Contingency reserves	10,058,090	9,997,090	-	9,997,090
Total expenditures	<u>63,658,390</u>	<u>63,708,390</u>	<u>13,953,063</u>	<u>49,755,327</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(24,129,070)</u>	<u>(24,129,070)</u>	<u>(7,456,285)</u>	<u>16,672,785</u>
<b>Other financing sources (uses)</b>				
Transfers in	11,061,430	11,061,430	3,150,510	(7,910,920)
Total other financing sources (uses)	<u>11,061,430</u>	<u>11,061,430</u>	<u>3,150,510</u>	<u>(7,910,920)</u>
Net change in fund balance	(13,067,640)	(13,067,640)	(4,305,775)	8,761,865
Fund balance at beginning of year	13,067,640	13,067,640	12,614,408	(453,232)
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,308,633</u>	<u>\$ 8,308,633</u>

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

# 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, 2014

	<b>Original Budget</b>	<b>Final Amended Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Taxes	\$ 292,420	\$ 292,420	\$ 302,967	\$ 10,547
Investment earnings (losses)	(270)	(270)	(105)	165
Miscellaneous	739,680	739,680	729,690	(9,990)
Total revenues	<u>1,031,830</u>	<u>1,031,830</u>	<u>1,032,552</u>	<u>722</u>
<b>Expenditures</b>				
Current:				
Highways and streets	17,710	17,710	18,501	(791)
Culture and recreation	40,740	40,740	34,255	6,485
Total current	<u>58,450</u>	<u>58,450</u>	<u>52,756</u>	<u>5,694</u>
Debt service:				
Principal	405,000	405,000	405,000	-
Interest	599,830	599,830	599,830	-
Fiscal charges	4,500	4,500	4,000	500
Total debt service	<u>1,009,330</u>	<u>1,009,330</u>	<u>1,008,830</u>	<u>500</u>
Total expenditures	<u>1,067,780</u>	<u>1,067,780</u>	<u>1,061,586</u>	<u>6,194</u>
Excess (deficiency) of revenues over (under) expenditures	(35,950)	(35,950)	(29,034)	6,916
<b>Other financing sources (uses)</b>				
Transfers in	35,950	35,950	29,034	(6,916)
Total other financing sources (uses)	<u>35,950</u>	<u>35,950</u>	<u>29,034</u>	<u>(6,916)</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>

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

# Town of Sahuarita, Arizona

## Schedule of Revenues, Expenditures, and Changes in Fund Balance—Budget and Actual Rancho Sahuarita Community Facilities District—Special Revenue Fund For the Fiscal Year Ended June 30, 2014

	<b>Original Budget</b>	<b>Final Amended Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Investment earnings (losses)	\$ -	\$ -	\$ 102	\$ 102
Miscellaneous	-	-	199	199
Total revenues	<u>-</u>	<u>-</u>	<u>301</u>	<u>301</u>
<b>Expenditures</b>				
Current:				
General government	-	-	301	(301)
Total current	<u>-</u>	<u>-</u>	<u>301</u>	<u>(301)</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>301</u>	<u>(301)</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
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>

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

# Town of Sahuarita, Arizona

## Schedule of Revenues, Expenditures, and Changes in Fund Balance—Budget and Actual Grants and Restricted Sources Fund—Special Revenue Fund For the Fiscal Year Ended June 30, 2014

	<b>Original Budget</b>	<b>Final Amended Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Intergovernmental	\$ 354,970	\$ 354,970	\$ 342,125	\$ (12,845)
Charges for services	15,000	15,000	16,800	1,800
Fines and forfeitures	116,520	116,520	160,206	43,686
Investment earnings	9,080	9,080	8,318	(762)
Miscellaneous	18,000	18,000	37,535	19,535
Total revenues	<u>513,570</u>	<u>513,570</u>	<u>564,984</u>	<u>51,414</u>
<b>Expenditures</b>				
Current:				
General government	5,500	5,500	5,228	272
Public safety	828,310	828,310	486,456	341,854
Culture and recreation	8,000	8,000	19,406	(11,406)
Contingency reserves	412,140	412,140	-	412,140
Total expenditures	<u>1,253,950</u>	<u>1,253,950</u>	<u>511,090</u>	<u>742,860</u>
Excess of revenues over expenditures	(740,380)	(740,380)	53,894	794,274
<b>Other financing sources</b>				
Transfers in	120,000	120,000	137,294	17,294
Total other financing sources	<u>120,000</u>	<u>120,000</u>	<u>137,294</u>	<u>17,294</u>
Excess (deficiency) of revenues over (under) expenditures	(620,380)	(620,380)	191,188	811,568
Fund balance at beginning of year	620,380	620,380	582,545	(37,835)
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 773,733</u>	<u>\$ 773,733</u>

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



**CAFR**  
Statistical Section

# 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									
	2005	2006*	2007*	2008*	2009*	2010*	2011*	2012*	2013	2014
Governmental activities										
Net investment in capital assets	\$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	\$117,809,456
Restricted	1,146,499	1,859,614	3,172,002	1,966,475	412,108	440,452	521,782	822,200	1,004,816	1,054,409
Unrestricted	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	26,556,831
Total governmental activities net assets	<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>	<u>\$145,420,696</u>
Business-type activities										
Net investment in capital assets	\$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	\$22,959,593
Restricted	-	-	-	-	421,610	843,219	1,264,829	1,686,448	2,108,048	2,108,048
Unrestricted	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)	(4,172,413)
Total business-type activities net assets	<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>	<u>\$20,895,228</u>
Primary government										
Net investment in capital assets	\$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	\$140,769,049
Restricted	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	3,162,457
Unrestricted	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	22,384,418
Total primary government net assets	<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>	<u>\$166,315,924</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									
	2005	2006*	2007*	2008*	2009*	2010*	2011*	2012*	2013	2014
<b>Expenses</b>										
Governmental activities:										
General government	\$ 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	\$ 4,678,867
Public safety	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	6,586,449
Highways and streets	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	7,224,948
Culture and recreation	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	2,277,660
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	1,388,415
Total governmental activities expenses	<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>	<u>22,156,339</u>
Business-type activities:										
Sewer	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	3,523,158
Total business-type activities expenses	<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>	<u>3,523,158</u>
Total primary government expenses	<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>	<u>\$ 25,679,497</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 786,240	\$ 454,551	\$ 358,390	\$ 335,242	\$ 471,217	\$ 342,413	\$ 455,865	\$ 348,701	\$ 378,578	\$ 424,426
Public safety	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	947,254
Highways and streets	345,038	756,603	1,147,993	-	-	-	-	-	-	-
Culture and recreation	77,766	89,006	228,698	119,869	139,735	140,422	153,157	103,665	99,350	90,545
Operating grants and contributions	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	2,079,460
Capital grants and contributions	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	14,274,634
Total governmental activities program revenues	<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>	<u>17,816,319</u>
Business-type activities:										
Charges for services:										
Sewer	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	3,349,567
Operating grants and contributions	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>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>	<u>3,349,567</u>
Total primary government program revenues	<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>	<u>\$ 21,165,886</u>
<b>Net (Expenses)/Revenues</b>										
Governmental activities	\$ 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)	\$ (4,340,020)
Business-type activities	1,748,332	4,608,752	1,405,407	1,118,477	(347,121)	3,590,248	(19,302)	845,845	(151,499)	(173,591)
Total primary government (expense)/revenue	<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>	<u>\$ (4,513,611)</u>

(continued)

# Town of Sahuarita, Arizona

## Changes in Net Position

Last 10 Fiscal Years

*(accrual basis of accounting)*

(Unaudited)

(concluded)

	Fiscal Year									
	2005	2006*	2007*	2008*	2009*	2010*	2011*	2012*	2013	2014
<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	299,920
Sales taxes	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	6,916,291
Franchise taxes	136,697	159,133	221,911	273,894	293,812	302,295	308,900	313,653	310,304	303,598
Share of state income taxes	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	2,815,436
Share of state sales taxes	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	2,198,614
Share of state vehicle license tax	141,542	198,166	612,957	617,476	588,042	550,098	544,747	911,007	925,392	962,878
Grants and contributions not restricted to specific programs	13,313	14,069	39,504	136,047	122,154	108,854	-	-	-	-
Investment earnings	346,331	1,217,013	2,666,866	1,702,153	593,201	330,383	232,639	337,457	59,754	368,272
Miscellaneous	16,813	19,076	29,740	61,494	787,664	856,957	852,403	778,876	864,841	897,650
Transfers	-	-	-	-	-	-	(141,945)	-	-	(693,080)
<b>Total governmental activities</b>	<b>9,318,995</b>	<b>12,610,018</b>	<b>20,758,732</b>	<b>16,698,988</b>	<b>14,602,338</b>	<b>12,328,752</b>	<b>11,050,969</b>	<b>13,016,233</b>	<b>14,584,827</b>	<b>14,069,579</b>
Business-type activities										
Investment earnings (losses)	43,125	117,861	159,324	68,299	(1,083)	(8,744)	(21,574)	(45,978)	(16,707)	(41,352)
Miscellaneous	-	-	-	-	104,778	-	442	42,330	48,312	2,428
Extraordinary or special items	-	-	-	(3,670,641)	-	-	(1,288,341)	-	-	-
Transfers	-	-	-	-	-	-	141,945	-	-	693,080
<b>Total business-type activities</b>	<b>43,125</b>	<b>117,861</b>	<b>159,324</b>	<b>(3,602,342)</b>	<b>103,695</b>	<b>(8,744)</b>	<b>(1,167,528)</b>	<b>(3,648)</b>	<b>31,605</b>	<b>654,156</b>
<b>Total primary government</b>	<b>\$ 9,362,120</b>	<b>\$ 12,727,879</b>	<b>\$ 20,918,056</b>	<b>\$ 13,096,646</b>	<b>\$ 14,706,033</b>	<b>\$ 12,320,008</b>	<b>\$ 9,883,441</b>	<b>\$ 13,012,585</b>	<b>\$ 14,616,432</b>	<b>\$ 14,723,735</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 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	\$ 9,729,559
Business-type activities	1,791,457	4,726,613	1,564,731	(2,483,865)	(243,426)	3,581,504	(1,186,830)	842,197	(119,894)	480,565
<b>Total primary government</b>	<b>\$ 13,810,745</b>	<b>\$ 23,434,218</b>	<b>\$ 22,962,947</b>	<b>\$ 7,199,819</b>	<b>\$ 1,414,909</b>	<b>\$ 23,070,090</b>	<b>\$ 1,471,565</b>	<b>\$ 1,170,290</b>	<b>\$ 10,371,414</b>	<b>\$ 10,210,124</b>

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

# Town of Sahuarita, Arizona

## Fund Balances-Governmental Funds

### Last 10 Fiscal Years

*(modified accrual basis of accounting)*

(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>	<u>2014</u>
General Fund										
Non-spendable						\$ 69,839	\$ 149,885	\$ 2,225,140	\$ 2,043,561	\$ 1,702,265
Restricted						50,000	101,450	166,658	137,294	-
Committed						-	3,865,030	-	3,772,040	3,810,700
Unassigned						15,102,726	9,325,017	12,154,613	10,123,613	11,377,733
Reserved	\$ 22,057	\$ 4,841	\$ 18,516	\$ 71,021	\$ 87,789					
Unreserved	8,758,778	10,580,349	11,565,100	12,816,510	15,492,359					
Total general fund	<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>	<u>\$ 16,890,698</u>
All Other Governmental Funds										
Non-spendable						\$ 1,698	\$ 1,822	\$ 2,017,562	\$ 2,545,717	\$ 2,545,717
Restricted						390,452	420,332	654,018	822,403	952,732
Committed						-	4,065,020	-	-	-
Assigned						13,823,584	5,176,598	9,387,325	10,068,691	5,762,916
Unassigned						(3,392)	(46,656)	(402,000)	-	-
Reserved	\$ -	\$ -	\$ 19,921	\$ -	\$ -					
Unreserved, reported in:										
Special revenue funds	11,245,133	43,611,968	30,510,232	20,305,049	19,038,460					
Total all other governmental funds	<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>	<u>\$ 9,261,365</u>
Total governmental funds	<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>	<u>\$ 26,152,063</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**

*(modified accrual basis of accounting)*  
(Unaudited)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Taxes	\$ 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	\$ 7,522,856
Licenses and permits	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	779,759
Intergovernmental	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	15,007,062
Charges for services	678,718	1,067,117	1,493,634	686,951	1,115,383	1,148,856	1,080,804	997,209	941,508	885,253
Fines and forfeitures	176,215	288,902	261,099	490,311	276,177	274,666	456,552	541,803	398,853	437,903
Investment earnings	346,331	1,217,013	2,666,866	1,702,153	593,201	330,383	232,639	337,457	59,754	368,272
Miscellaneous	44,467	38,726	55,640	144,634	818,057	856,957	852,159	877,867	883,130	903,525
<b>Total revenues</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>25,904,630</b>
<b>Expenditures</b>										
General government	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	4,251,121
Public safety	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	6,298,986
Highways and streets	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	1,752,307
Culture and recreation	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	1,308,499
Capital outlay	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	12,156,038
Debt service:										
Principal	-	945,000	540,000	560,000	905,000	940,000	1,225,000	1,275,000	1,320,000	1,380,000
Interest	-	313,139	1,450,876	1,383,521	1,361,120	1,661,354	1,578,890	1,529,366	1,477,721	1,420,705
Fiscal charges	-	-	450	165,758	12,287	8,413	6,069	6,525	5,150	5,150
Debt issuance costs	-	944,853	-	-	122,853	-	-	-	-	-
<b>Total expenditures</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>	<b>28,572,806</b>
Excess (deficiency) of revenues over (under) expenditures	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	(2,668,176)
<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	-	-	4,243,775	764,271	4,410,695	5,278,279	1,236,694	1,983,609	5,345,638	3,316,838
Transfers out	-	-	(4,243,775)	(764,271)	(4,410,695)	(5,278,279)	(1,378,639)	(1,983,609)	(5,345,638)	(4,009,918)
<b>Net other financing sources (uses)</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>(693,080)</b>
<b>Net change in fund balances</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>	<b>\$ (3,361,256)</b>
Debt service as a percentage of noncapital expenditures	0.0%	20.5%	15.6%	13.2%	14.4%	16.0%	16.5%	16.8%	16.2%	16.1%

Town of Sahuarita, Arizona  
 Assessed Value and Estimated Actual Value of Taxable Property  
 Last 10 Fiscal Years  
 (Unaudited)

<b>Tax Year</b>	<b>Residential Property</b>	<b>Other Property</b>	<b>Less: Tax-Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Taxable Assessed Value as a Percentage of Actual Taxable Value</b>
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%
2014	147,350,240	61,851,496	18,932,866	190,268,870	3.3000	1,824,773,549	10.43%

**Source:** The Arizona Department of Revenue or Pima County *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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<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	\$0.3000
Quail Creek CFD-debt service	-	-	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000
Rancho Sahuarita CFD-operations & maintenance	-	-	-	-	-	-	-	-	-	-
Rancho Sahuarita-debt service	-	-	-	-	-	-	-	-	-	-
<b>Total Direct Rate</b>	<b>-</b>	<b>-</b>	<b>\$3.3000</b>							
<b>Overlapping Rates</b>										
State of Arizona Education Assistance	\$0.4358	-	-	-	\$0.3306	\$0.3306	\$0.4259	\$0.4717	\$0.5123	\$0.5089
Pima County	5.2228	\$4.5570	\$4.2870	\$3.9963	4.0233	4.0633	4.1978	4.1978	4.4465	4.9779
Pima County Flood Control District	0.3746	0.3746	0.3446	0.2935	0.2935	0.2635	0.2635	0.2635	0.2635	0.3035
Pima County Community College District	1.3114	1.2515	1.1845	1.1355	1.0770	1.0848	1.1093	1.1741	1.2933	1.3344
Pima County Free Library District	0.2575	0.3675	0.3975	0.3393	0.2643	0.3100	0.3460	0.3460	0.3753	0.4353
Central Arizona Water Conservation District	0.1200	0.1200	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1400	0.1400
Green Valley Fire District	1.7500	1.7500	1.8000	1.9000	1.9000	1.9000	1.9000	2.0400	2.2100	2.2800
Fire District Assistance	0.0420	0.0415	0.0383	0.0411	0.0406	0.0032	0.0418	0.0447	0.0456	0.0472
Sahuarita Unified School District #30	8.1495	7.7345	6.1807	5.9176	5.4230	6.5753	5.4067	5.5183	6.6341	7.2885
Continental School District #39	2.1532	2.0682	1.8970	1.7343	1.6122	1.6945	2.0258	1.5729	1.7027	2.6146
Joint Technological Education District	-	-	0.0500	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 - 2014

(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%	6,589	289,408	100.0%
2014	299,920	295,971	98.7%			

**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

Last 10 Years

(Unaudited)

Industry	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>	<u>2014</u>
Communications and utilities	\$ 288,264	\$ 374,911	\$ 503,490	\$ 623,014	\$ 672,962	\$ 746,139	\$ 737,133	\$ 765,632	\$ 770,052	\$ 800,476
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	1,910,680
Manufacturing	18,982	82,671	191,822	238,468	198,564	255,246	379,474	248,127	207,854	216,527
Wholesale trade	2,190	12,718	9,304	18,686	16,339	23,427	24,112	26,111	23,728	19,069
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	3,085,336
Finance and insurance	1,397	3,038	935	2,778	3,083	5,143	3,954	3,730	5,997	30,971
Real estate, rental and leasing	254,514	695,618	1,040,549	439,015	309,294	224,851	259,381	247,630	267,564	282,915
Restaurant and bar	129,795	151,380	195,258	231,411	266,846	274,886	315,297	299,601	295,327	327,043
Services	319,670	67,091	100,345	108,068	88,551	73,273	70,586	57,841	61,450	73,430
Other	436,236	130,124	35,412	30,237	75,871	125,462	114,687	148,078	188,937	169,844
<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>	<b>\$ 6,916,291</b>
Direct sales tax rate	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

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)

<b>Town Direct Rates</b>					<b>Regional Transportation Authority</b>
<b>Fiscal Year</b>	<b>General</b>	<b>Construction Contracting</b>	<b>Transient Lodging</b>	<b>State</b>	
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%
2014	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 2014 and 2005

(Unaudited)

Tax Remitter <sup>1</sup>	Fiscal Year 2014			Fiscal Year 2005		
	Tax Liability	Rank	Percentage of Total	Tax Liability	Rank	Percentage of Total
Business A	\$ 1,019,893	1	14.75%	\$ 529,259	4	6.56%
Business B	463,845	2	6.71%	1,128,225	2	13.99%
Business C	363,751	3	5.26%	514,811	5	6.38%
Business D	323,090	4	4.67%	290,066	7	3.60%
Business E	297,964	5	4.31%			
Business F	282,697	6	4.09%	388,713	6	4.82%
Business G	267,068	7	3.86%			
Business H	254,760	8	3.68%			
Business J	227,955	9	3.30%			
Business K	144,734	10	2.09%			
Business L				1,555,069	1	19.28%
Business M				557,131	3	6.91%
Business N				228,903	8	2.84%
Business O				156,327	9	1.94%
Business P				127,382	10	1.58%
	<u>\$ 3,645,757</u>		<u>52.72%</u>	<u>\$ 5,475,886</u>		<u>67.90%</u>

<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)

Fiscal Year	Average Household Bill	Admin 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
2005	\$9.96	\$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	\$10.94	\$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	\$12.02	\$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	\$16.83	\$5.72	1.129	\$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	\$20.72	\$5.72	1.524	\$1.406	\$2.953	\$1.533	\$1.533	\$1.687	\$2.854	\$3.262	\$1.673	\$2.362	\$1.420	\$1.603	\$1.490	\$5.104	\$3.276	\$1.758	\$3.346	\$1.729
2010	\$31.48	\$9.82	1.000	\$3.094	\$6.497	\$3.372	\$3.372	\$3.713	\$6.281	\$7.178	\$7.178	\$7.178	\$7.178	\$7.178	\$7.178	\$11.231	\$7.178	\$7.178	\$7.178	\$7.178
2011	\$34.28	\$10.46	1.000	\$3.403	\$7.146	\$3.709	\$3.709	\$4.084	\$6.908	\$7.895	\$4.050	\$2.362	\$3.437	\$1.603	\$3.607	\$12.353	\$7.929	\$4.254	\$8.099	\$4.186
2012	\$37.50	\$11.14	1.000	\$3.744	\$7.862	\$4.081	\$4.081	\$4.493	\$7.600	\$8.686	\$4.455	\$6.801	\$3.781	\$1.603	\$3.969	\$13.591	\$8.724	\$4.680	\$8.911	\$4.605
2013	\$40.69	\$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
2014	\$44.34	\$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 - 2014

(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	\$ 16,191,753	\$ -	\$ -	\$ -	\$ 28,851,753	5.49%	\$1,585
2007	12,660,000	15,612,003	-	-	-	28,272,003	4.50%	1,386
2008	12,660,000	15,012,253	-	4,500,660	-	32,172,913	4.37%	1,420
2009	12,340,000	14,387,503	6,653,790	25,779,195	-	59,160,488	6.94%	2,389
2010	12,005,000	14,405,255	6,656,101	27,297,422	1,980,062	62,343,840	7.18%	2,468
2011	11,655,000	13,073,002	6,413,411	26,225,657	2,200,888	59,567,958	6.55%	2,316
2012	11,285,000	12,378,252	6,165,722	25,073,245	2,477,454	57,379,673	6.02%	2,186
2013	10,900,000	11,658,502	5,913,032	23,898,673	2,356,789	54,726,996	5.52%	2,044
2014	10,495,000	10,908,752	5,650,343	22,680,372	2,251,130	51,985,597	5.05%	1,909

**Note:** There was no outstanding debt prior to 2006.

# Town of Sahuarita, Arizona

## Ratios of General Bonded Debt Outstanding

Fiscal Years 2006 - 2014

(Unaudited)

<b>Tax 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
2014	10,495,000	98%	16,286

<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, 2014  
 (Unaudited)

<b><u>Governmental Unit</u></b>	<b><u>Debt Outstanding</u></b>	<b><u>Estimated Percentage Applicable<sup>1</sup></u></b>	<b><u>Estimated Share of Direct and Overlapping Debt</u></b>
<b>Debt repaid with property taxes</b>			
Pima County	\$ 407,275,000	2.51%	\$ 10,222,603
Pima County Community College	0	2.51%	0
Sahuarita Unified School District	32,430,000	41.3%	13,393,590
Continental School District	15,495,000	15.1%	2,339,745
Green Valley Fire District	7,515,000	29.4%	2,209,410
Subtotal, overlapping debt	<u>\$ 462,715,000</u>		<u>28,165,348</u>
<b>Town direct debt-governmental activities</b>			<u>27,054,095</u>
<b>Total direct and overlapping debt</b>			<u>\$ 55,219,443</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 2014

Assessed Value	\$ 190,268,870
Debt Limit:	
6% of assessed value <sup>1</sup>	11,416,132
20% of assessed value <sup>2</sup>	38,053,774
Total debt limit	49,469,906
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	\$ 49,469,906

	Tax 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>	<u>2014</u>
Debt Limit:	\$ 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	\$ 49,469,906
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 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	\$ 49,469,906
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 - 2014 (Unaudited)

### 2006A & 2009B GADA Loans

Fiscal Year	Pledged Revenues				Debt Service			Coverage Ratio	Required Ratio
	State Shared Revenues		Excise Tax Revenues	Total Revenues	Principal	Interest	Total Debt Service <sup>1</sup>		
	Sales Taxes	Urban Revenue Sharing							
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
2014	2,198,614	2,815,436	8,777,491	13,791,541	975,000	820,875	1,795,875	7.68	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
2014	3,310,643	(1,223,472)	4,808,572	6,895,743	1,218,301	889,747	2,108,048	3.27	1.20

### 2008B WIFA Loan

Fiscal Year	Pledged Resources (net of pledges above)			Debt Service			Coverage Ratio	Required Ratio
	WW System Revenues Excess	Excise Tax Revenues Excess	Total Revenues	Principal	Interest	Total Debt Service		
2010	\$ -	\$ 10,072,268	\$ 10,072,268	\$ 162,454	\$ 33,835	\$ 196,289	51.31	2.00
2011	-	7,826,010	7,826,010	168,503	78,049	246,552	31.74	2.00
2012	549,460	9,357,815	9,907,275	174,776	83,889	258,665	38.30	2.00
2013	-	11,254,022	11,254,022	181,283	93,364	274,647	40.98	2.00
2014	-	10,199,791	10,199,791	188,032	89,277	277,309	36.78	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 and transfers 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)

<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income</b> <i>(thousands of dollars)</i>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>
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	\$852,332	\$34,414	7.0%
2010	25,259	\$868,632	\$34,389	8.7%
2011	25,722	\$909,813	\$35,371	9.1%
2012	26,244	\$953,576	\$36,335	7.7%
2013	26,772	\$991,394	\$37,031	6.3%
2014	27,232	\$1,028,416	\$37,765	6.9%

**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

2014 and 2006

(Unaudited)

<u>Employer<sup>1</sup></u>	<u>2014</u>		<u>2006</u>	
	<u>Employees</u>	<u>Percentage of Total Town Employment</u>	<u>Employees</u>	<u>Percentage of Total Town Employment</u>
Sahuarita Unified School District	925	28.73%	465	25.25%
Walmart	340	10.56%	360	19.55%
Farmers Investment Company	274	8.51%	225	12.22%
Fry's	200	6.21%	-	-
Town of Sahuarita	134	4.16%	126	6.84%
Safeway	105	3.26%	120	6.52%
Jim Click Ford	60	1.86%	53	2.88%
Climax Engineered Materials	42	1.30%	71	3.85%
Pub22	35	1.09%	-	-
Ross Dress for Less	37	1.15%	-	-
Ashley's Furniture	31	0.96%	-	-
Walgreens	21	0.65%	-	-
Bashas	-	-	85	4.61%
<b>Total</b>	<u>2,204</u>	<u>70.71%</u>	<u>1,505</u>	<u>81.72%</u>

<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>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>	<u>2014</u>
<b>General Government</b>										
Town Manager	3.0	5.0	8.0	10.0	7.0	8.0	7.0	6.3	6.3	5.0
Town Clerk	3.0	4.0	3.0	3.0	3.0	3.0	3.5	3.4	3.4	5.0
Finance	3.0	5.0	6.0	7.5	8.0	8.0	8.0	8.0	8.0	8.0
Human Resources	-	-	-	-	2.0	2.0	2.0	2.0	2.0	2.0
Planning & Zoning	4.0	4.0	4.0	5.0	5.0	4.6	4.6	5.0	5.2	5.4
Public Works-Facilities	-	-	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Municipal Court	5.0	6.0	8.0	9.0	9.0	8.0	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	4.0
General Government Total	18.0	25.0	31.0	37.5	38.0	38.6	38.1	37.7	37.9	38.4
<b>Public Safety</b>										
Building Safety	12.3	18.8	20.0	15.0	12.0	10.8	7.0	6.0	6.0	6.0
Public Works-Engineering	-	-	-	5.0	3.9	3.9	3.8	3.2	3.5	3.5
Police Dept	27.0	34.0	42.0	46.0	51.0	55.2	52.4	50.5	51.0	50.0
Public Safety Total	39.3	52.8	62.0	66.0	66.9	69.9	63.2	59.7	60.5	59.5
<b>Culture &amp; Recreation</b>										
Parks & Recreation	12.5	16.0	19.6	18.6	16.8	15.1	15.1	15.1	15.1	14.7
<b>Highways &amp; Streets</b>										
Public Works	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	14.0
Highways & Streets Total	12.0	12.4	18.0	13.0	13.6	14.5	15.1	13.5	14.0	14.0
<b>Sewer</b>										
Wastewater Utility	1.0	3.6	6.0	9.0	9.5	8.2	8.2	8.0	7.3	7.3
<b>Total</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>	<b>133.9</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>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>	<u>2014</u>
<b>Building Safety</b>										
Building permits-single family residential	1,531	1,614	719	790	563	454	185	247	267	169
Building permits-other	435	805	739	618	902	440	559	528	592	686
<b>Police</b>										
Citations	1,954	2,232	1,662	2,287	1,897	1,836	1,674	1,432	2,099	2,717
Other contacts/call-outs	4,106	5,860	7,809	7,137	7,823	7,633	7,746	7,933	8,380	8,258
<b>Human Resources</b>										
Number of job openings	44	77	75	54	23	16	6	14	21	20
Number of applicants	672	945	982	905	780	344	219	564	741	611
Turnover rate	8%	20%	15%	19%	12%	9%	7%	7%	9%	12%
<b>Municipal Court</b>										
Hearings/Court sessions <sup>1</sup>	7,217	9,566	8,345	9,528	10,574	11,012	11,096	9,596	11,090	12,007
<b>Public Works</b>										
Street resurfacing ( <i>miles</i> )	4.0	7.5	12.3	6.1	4.0	6.9	19.7	19.7	17.8	18.0
Potholes repaired	224	108	98	136	162	211	196	196	225	172
<b>Parks and Recreation</b>										
Number of recreation programs offered								37.0	42.0	55.0
Ave. # of daily program participants								35.9	40.9	51.0
Ave. # of daily total park participation/visitation								527.6	634.1	793.5
Ave. # of daily facility rentals								1.1	1.2	1.0
Athletic field users	9,175	12,322	10,227	13,910	57,650	75,314	130,192			
Athletic field permits issued	21	30	21	24	119	128	170			
Recreation program participants	5,243	5,909	20,281	18,446	17,204	12,403	13,429			
Ramada rentals	60	79	124	112	133	170	164			
Special event attendance	2,540	4,590	8,105	11,024	16,917	18,375	17,531			
Recreation center rentals	18	38	77	32	34	23	61			
<b>Wastewater</b>										
Average daily sewage treatment ( <i>thousands of gallons</i> )	353.6	408.1	446.2	556.5	586.3	674.2	804.1	807.3	760.0	765.0

<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>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>	<u>2014</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	30	37	43	40	40	32	28	39	39	41
Public Works										
Streets and highways ( <i>miles</i> )	73	86	96	119	119	211	144	144	144	144
Streetlights	5	5	5	7	8	47	52	53	53	53
Traffic signals	3	5	5	6	10	9	14	15	15	15
Parks and Recreation										
Park acreage	50	50	67	92	107	107	107	107	107	107
Basketball courts	2	2	2	2	4	4	4	4	4	4
Playgrounds	1	1	2	2	4	4	5	5	5	5
Skate spots/parks				1	1	2	2	2	2	2
Baseball/softball fields (lighted)	3	3	3	3	5	6	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	6	11	11	17	22	22	22	22	22
Restroom facilities	2	2	4	4	5	6	8	8	8	8
Sand volleyball court				1	1	1	1	1	1	1
Off-leash dog area			1	1	2	2	2	2	2	2
Vehicles	6	7	7	7	7	7	7	8	8	8
Wastewater										
Treatment capacity ( <i>thousands of gallons</i> )	490	490	490	690	690	1,500	1,500	1,500	1,500	1,500

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