



# Popular Annual Financial Report (PAFR) Fiscal Year Ending June 30, 2017

## TABLE OF CONTENTS

About Wickenburg	2
Fun Facts about Wickenburg	2
Mission Stmt, Vision & Beliefs	2
Local Economy	2
Organization Chart	3
Capital Assets	4
Net Position Overview	4
Statement of Chgs in Net Position	5
Management Discussion	5
Revenue & Expenses	6
Sales Tax Collection	7
Town Accomplishments	8
Utility Customers	8
Population Growth	10
Accolades	10

## GREETINGS FROM THE MAYOR

Dear Citizens of the Town of Wickenburg,

I am pleased to present the Town's 2nd Popular Annual Financial Report (PAFR) for the fiscal year ending June 30, 2017. This report is a summarized version of the Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2017. The CAFR is audited in accordance with Generally Accepted Audited Standards (GAAS) and prepared in conformance with the Generally Accepted Accounting Principles (GAAP). The data in this PAFR is abridged, unaudited, and in a non-GAAP format. While the PAFR is not intended to present a complete financial picture of the Town, it is an overview for the citizens of Wickenburg, reflecting the practical management of the community's resources in a way that benefits everyone.

For a more in-depth, detailed review of the finances of the Town, you are encouraged to review our CAFR on the Town website at [www.wickenburgaz.org](http://www.wickenburgaz.org), by clicking on "Documents" and then selecting the Finance Department folder.

For the upcoming year, the Council's Strategic Plan continues to focus on five areas: Economic Development, Downtown, Public Safety, Youth & Families, and Natural Resources & Recreation. Together, it is our hope that these initiatives will encourage forward thinking in how the Town plans and funds the upkeep and growth of the community.

The Town takes pride in having a comprehensive set of policies to assure sustainability and transparency of the Town's finances by setting guidelines for fund balances, which are an important measure of the economic stability of the Town. It is essential that the Town maintain adequate levels of unassigned fund balance to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures, and similar circumstances. The fund balance also provides cash flow liquidity for general operations. The unassigned fund balance in the General Fund at year-end was \$9.9 million. Additionally, the Town has a policy that nonrecurring (e.g. one-time) sources of revenue not be used for operating purposes. For the new fiscal year Capital improvements are currently budgeted as \$5,323,923

The preparation of this PAFR would not have been possible without the dedicated service of the Finance Department staff, and I would like to extend my gratitude for their assistance in providing the data necessary for this report. Credit is also due to my fellow Town Councilmembers and the Town Manager for their support in maintaining the highest standards of professionalism in the management of the Town's finances.

Respectfully,

*Vincent Lorefice*

Town Manager



## FUN FACTS ABOUT WICKENBURG

Established: 1863

Incorporated: June 19, 1909

Named After: Henry Wickenburg, founder

Form of Government: Council – Manager

Elevation: 2,100 feet

Land Area: 26.1 square miles

Population: 7,004

Registered Voters: 4,057

Fire Protection: 13 full time and 7 part-time employees

Emergency Responses: 1,776

Fires Extinguished: 44

Fire Dept. Training Hours: 2,353

Fire Inspections: 36

Police Protection: 18 sworn officers and 7.5 staff members

Physical Arrests: 280

Traffic Violations: 1,122

Building Permits Issued: 512

Building Inspections: 2,509

Volumes in Library: 41,228

Total Volumes Borrowed: 42,248

Airport Runway: 6,100 ft.

Annual takeoffs/landings: 35,000

## ABOUT WICKENBURG

Gold was discovered in 1862 along the Colorado River, which attracted many miners to the area. Henry Wickenburg, the community's founder, discovered his gold in 1863 at the Vulture Mine. People came from all over to work the mines and establish businesses and ranches. The town grew and Wickenburg was incorporated as a municipality in 1909. Vulture Mine is still known as the richest gold producing mine in Arizona history, and some of the quaint, historic buildings from Wickenburg's mining era are still in use today. Wickenburg has grown from a famous mining town into the "Dude Ranch Capital of the World," but is now beginning to be known as the "Team Roping Capital of the World."

Wickenburg has three public and two private schools, an airport, rodeo grounds, four team roping arenas, a library and learning center, community center, nine parks, a swimming pool, 6 pickle ball courts, 2 tennis courts, a splash pad, skate park, hospital, behavioral health centers, guest ranches, a fine art museum, a performing arts center, three golf courses, and year-round community and recreation programs for all ages and interests, among numerous other amenities.

The Town of Wickenburg operates under the Council-Manager form of government, with policy-making and legislative authority vested in the Town Council. The Town Council is responsible for the hiring of the Town Manager, who is responsible for overseeing all local government related activities and implementation of the policies of the Town Council. With the exception of the Town Attorney and Magistrate, the Town Manager appoints all Department Directors subject to ratification by the Town Council. Together the Council, Management and Staff provide a full range of services, including water, electric, sanitation and wastewater utilities; police and fire protection; a public library and learning center, community center, public pool and parks; inspections, licenses and permits; maintenance of streets and related infrastructure; and programming of various recreational activities.

### **Mission Statement:**

*The mission of the Town of Wickenburg is to provide excellent customer service and a clean, safe, and vibrant western community for the benefit of all residents, businesses, and visitors.*

### **Vision & Beliefs:**

*Wickenburg will be known as the best western town in Arizona, and one of America's best places to live, raise a family, do business, and enjoy an outdoor lifestyle.*

## Local Economy

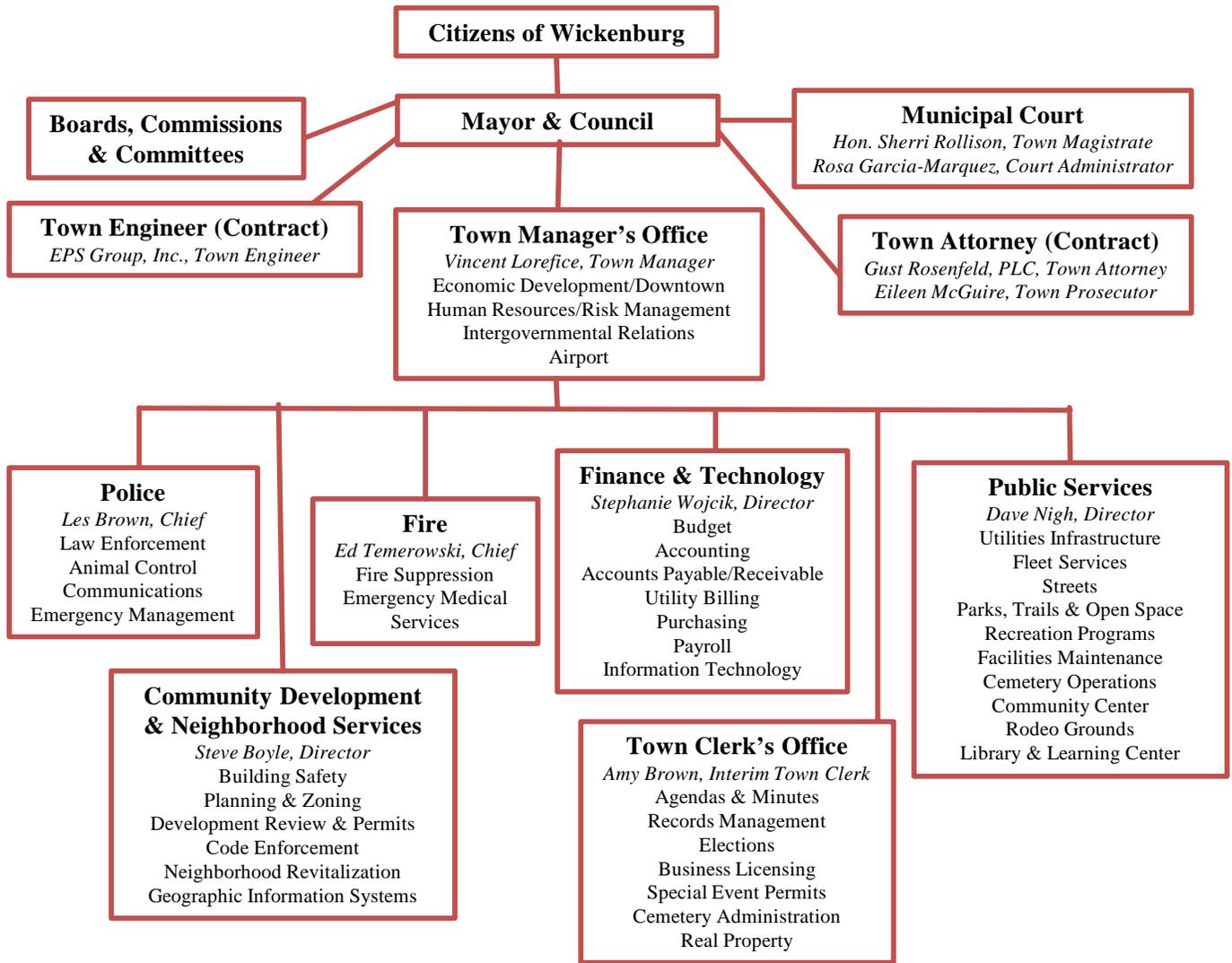
The "general" sales tax rate has remained at 2.2% since June 1, 2009, with Rental and Leasing of Real Property tax rates dropping from 2.2% to 1.7% on October 1, 2009. The Town increased the Transient Lodging "Bed Tax" from 2% to 3% on August 1, 2015. Effective April 1, 2016, the construction tax increased from 2.2% to 3.5%, effective July 1, 2017 Council directed that of the 1.30% increase .90% would be dedicated to future enhancement of Vulture Mine Road between US 60 and US 93 with the remaining .40% going to the Highway Users Revenue Fund (HURF). The tiered rate for single item purchases of \$5,000 or more has remained at 1.69% since September 1, 2012.

The economy in Wickenburg continues to see a significant improvement, with an increase of more than 28% in local sales tax since the prior fiscal year. The largest increase of more than 242% was seen in the construction category, which is attributed to an increase in residential units from new construction. The retail category saw a slight decrease of about 6.6%, yet the restaurant and bars category saw an increase of 6.9%. Overall retail accounts for almost 41% of the total sales tax collected. (see chart on page 7).

Another indication of an improving economy in the community is an increase of 39% in Building Permits & Plan Reviews.



# Organizational Chart



**Everett Sickles**  
**Mayor**



**Royce Kardinal**  
**Vice Mayor**



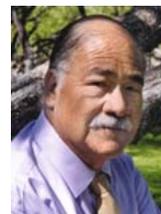
**Chris Band**  
Council Member



**Kelly Blunt**  
Council Member



**Sam Crissman**  
Council Member



**Rubin Madrid**  
Council Member



**Rui Pereira**  
Council Member

# CAPITAL ASSETS (NET)



	Governmental Activities		Business-Type Activities		FY Total	FY Total
	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17
Land	17,143,209	17,942,784	4,853,140	4,853,140	\$21,996,349	\$22,795,924
Construction in Progress	262,223	149,033	674,845	19,276	\$937,068	\$168,309
Land Improvements	3,747,592	3,557,179	231,534	218,466	\$3,979,126	\$3,775,645
Buildings & Improvements	3,921,616	3,850,313			\$3,921,616	\$3,850,313
Infrastructure	6,675,764	8,207,521	15,129,302	15,721,795	\$21,805,066	\$23,929,316
Intangible Property	42,958	41,657			\$42,958	\$41,657
Furniture, Equipment & Vehicles	2,279,952	2,503,156	1,750,332	1,556,961	\$4,030,284	\$4,060,117
Airport Runways & Hangars			9,745,669	9,250,019	\$9,745,669	\$9,250,019
<b>Total Capital Assets</b>	<b>\$ 34,073,314</b>	<b>\$ 36,251,643</b>	<b>\$ 32,384,822</b>	<b>\$ 31,619,657</b>	<b>\$ 66,458,136</b>	<b>\$ 67,871,300</b>

*The Statement of Net Position below presents the values of all the Town's assets and liabilities, with the difference between the two reported as Net Position.*

## DEFINITIONS

### ASSETS:

Current & Other Assets – are short-term resources usually sold, or used within the year.

Capital Assets – long-term investments, such as land, buildings, and equipment, that are not available for future spending.

### LIABILITIES:

Current Liabilities—payments due within one year; includes principal and interest on long-term debt due in the next year, accounts payable, payroll and interest.

Non-Current Liabilities – usually debt incurred to finance major projects/large purchases, that will be paid in the future.

### NET POSITION:

Net Investment in Capital Assets– the offset of capital assets less outstanding debt used to acquire those assets.

Restricted—resources set aside for debt service, capital projects, street improvements, grantor and contributor purposes.

Unrestricted—resources available to provide services to the community if no additional revenues or resources are obtainable.

## NET POSITION— OVERVIEW

	2015-16	2016-17
<b>ASSETS</b>		
Current & Other Assets	\$15,824,799	\$18,996,892
Capital Assets	66,458,136	67,871,300
<b>Total Assets</b>	<b>82,282,935</b>	<b>86,868,192</b>
<b>LIABILITIES</b>		
Deferred Outflow of Resources	1,554,576	2,768,695
Current Liabilities	1,505,521	1,574,452
Non-Current Liabilities		
Due within One Year	416,748	601,895
Due in More Than One Year	8,667,056	10,314,892
<b>Total Liabilities</b>	<b>10,589,325</b>	<b>12,491,239</b>
Deferred Inflow of Resources	576,594	966,372
<b>NET POSITION</b>		
Net Investment in Capital Assets	64,477,583	65,467,492
Restricted	1,045,320	283,735
Unrestricted	7,148,689	10,428,049
<b>Total Net</b>	<b>\$72,671,592</b>	<b>\$76,179,276</b>



## STATEMENT OF CHANGES IN NET POSITION

REVENUES	2015-16	2016-17
Charges for Services	\$9,000,144	\$9,605,393
Operating Grants & Contributions	\$541,540	\$567,950
Capital Grants & Contributions	\$4,077,139	\$1,984,084
Local Taxes	\$4,424,318	\$5,917,561
State Shared Revenues	\$1,632,263	\$1,727,869
Investment Earnings	\$44,545	\$90,272
Other	\$79,427	\$186,312
<b>Total Revenues</b>	<b>\$19,799,376</b>	<b>\$20,079,441</b>
EXPENSES	2015-16	2016-17
General Government	\$2,658,702	\$2,576,827
Public Safety	\$4,074,234	\$5,154,215
Streets	\$981,551	\$1,003,764
Parks, Rec & Facilities	\$1,638,563	\$1,745,688
Interest	\$0	\$4,057
Water	\$1,445,318	\$1,268,968
Electric	\$1,603,218	\$1,587,325
Sanitation	\$761,331	\$866,391
Wastewater	\$1,354,709	\$1,422,380
Airport	\$961,400	\$942,142
<b>Total Expenses</b>	<b>\$15,479,026</b>	<b>\$16,571,757</b>
Change in Net Position	2015-16	2016-17
Before Transfers	\$4,320,350	\$3,507,684
Transfers	\$0	\$0
Change in Net Position	\$4,320,350	\$3,507,684
Net Position - Beginning of Year, as Restated	\$68,351,242	\$72,671,592
<b>Net Position - End of Year</b>	<b>\$72,671,592</b>	<b>\$76,179,276</b>

## MANAGEMENT'S DISCUSSION & ANALYSIS

The Town's financial assets and deferred outflows exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$76.2 million (Net Position). Of this amount, \$10.4 million (unrestricted Net Position) may be used to meet the Town's ongoing obligations to citizens and creditors.

As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$11.5 million, an increase of \$1.9 million in comparison with the prior year.

At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$9.9 million, or 120.2% of the total General Fund expenditures.

Budgeted General Fund revenues were less than actual revenues by \$0.7 million last fiscal year. Additionally, budgeted expenditures were less than actual expenditures in the General Fund by \$4.8 million.

General Fund revenues were greater than expenditures by \$2.2 million, a positive variance of \$5.6 million from the final budget.

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. All of the funds of the Town can be divided into three categories: Governmental Funds (used to account for near-term spendable resources); Proprietary Funds—made up of Enterprise Funds (business-type activities like utilities and the airport operations) and Internal Service Funds (maintenance shop and fuel facility funds); and lastly, Fiduciary Funds (account for resources held for the benefit of parties outside the government—e.g., pensions).

Net position may serve over time as useful indicators of a government's financial position. The table on the left reflects the condensed Statement of Net Position of the Town for June 30, 2016 & 2017, showing net position of \$76.2 million at June 30, 2017.

More detailed reports, explanations, and analysis, can be found in the Comprehensive Annual Financial Report for the Year Ended June 30, 2017, which is available on the Town of Wickenburg's website: [www.wickenburgaz.org](http://www.wickenburgaz.org). Just click on "Documents," then select the Finance Department folder.



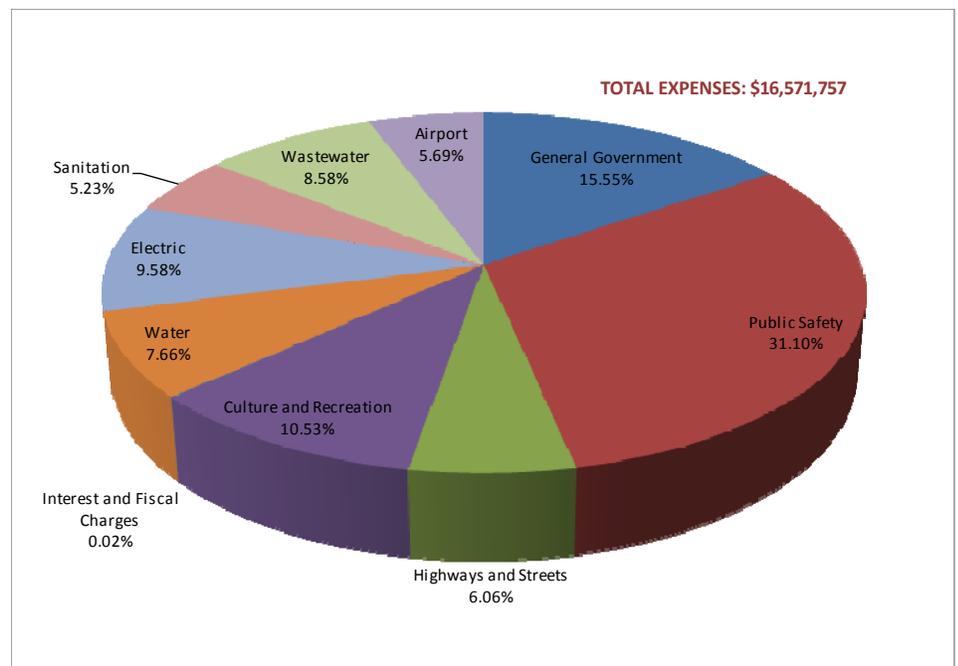
# FY 2016-2017 REVENUE & EXPENSES

	EXPENSES	REVENUES					NET
		SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAP GRANTS & CONTRIBUTIONS	GOVERNMENT AL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
General Government	\$2,576,827	\$2,007,739	\$2,909	\$1,424,301			\$858,122
Public Safety	\$5,154,215	\$502,710	\$74,241				(\$4,577,264)
Highways and Streets	\$1,003,764		\$490,800	\$168,577			(\$344,387)
Culture and Recreation	\$1,745,688	\$86,918		\$22,019			(\$1,636,751)
Interest	\$4,057						(\$4,057)
Water	\$1,268,968	\$1,435,303		\$369,187			\$535,522
Electric	\$1,587,325	\$2,569,959					\$982,634
Sanitation	\$866,391	\$796,620					(\$69,771)
Wastewater	\$1,422,380	\$1,901,928					\$479,548
Airport	\$942,142	\$304,216					(\$637,926)
Sales Tax					\$5,579,360		\$5,579,360
Property Taxes					\$338,201		\$338,201
State Rev Sharing					\$832,665		\$832,665
State Sales Tax Rev Sharing					\$625,377		\$625,377
Auto Lieu Tax Rev Sharing					\$269,827		\$269,827
Investment Earnings					\$54,658	\$35,614	\$90,272
Other					\$82,838	\$103,474	\$186,312
Transfers					\$675,952	(\$675,952)	\$0
<b>SUB-TOTALS</b>	<b>\$16,571,757</b>	<b>\$9,605,393</b>	<b>\$567,950</b>	<b>\$1,984,084</b>	<b>\$8,458,878</b>	<b>(\$536,864)</b>	<b>\$3,507,684</b>
		<b>TOTAL REVENUE: \$20,079,441</b>					
		<b>Change in Net Position: \$3,507,684</b>					

## HOW THE MONEY WAS SPENT

### General Fund

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the fund balance of the General Fund was \$10.3 million. The fund balance of the Town's General Fund increased by \$1.7 million over the prior year. The increase was largely due to an increase in sales tax revenue and expenditures increasing at a slower rate than revenues. Sales taxes were higher in the current year due to continued improvement in the local economy and continued construction activity.

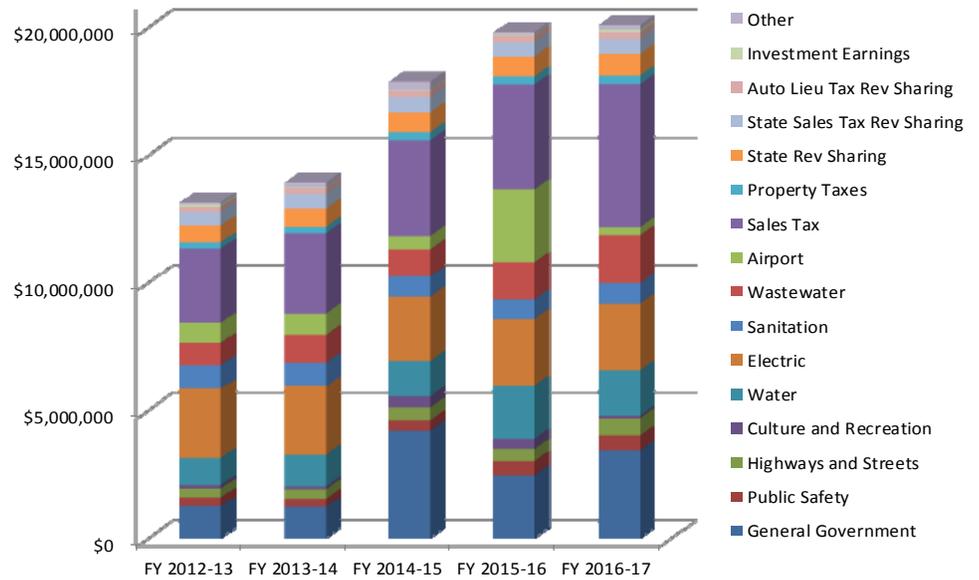


Revenues for the last few years continue to improve. The largest increase in the past fiscal year was in Sales Tax, primarily due to construction and an increase in retail trade.

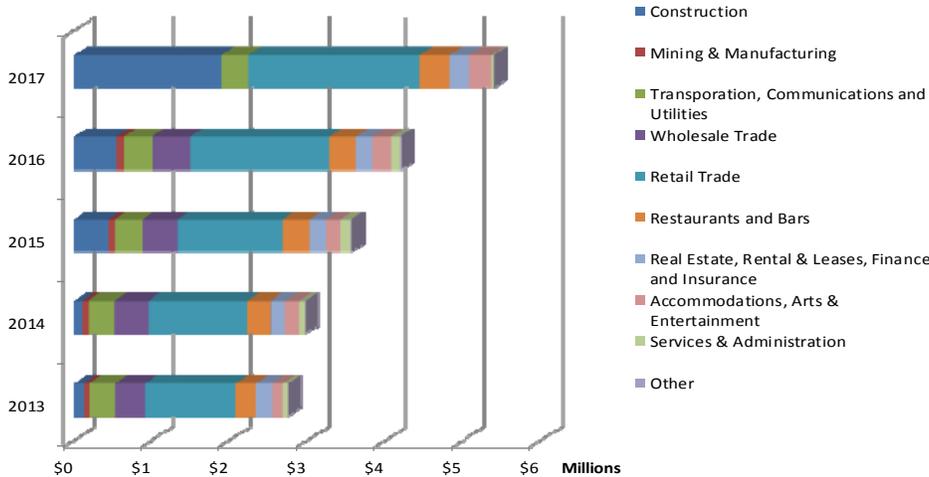
The Airport reported a decrease in revenue, primarily due to problems with the fuel system resulting in decreased sales.

Overall, utility revenues saw a slight increase of 2.2%.

### Revenue for the Last Five Years



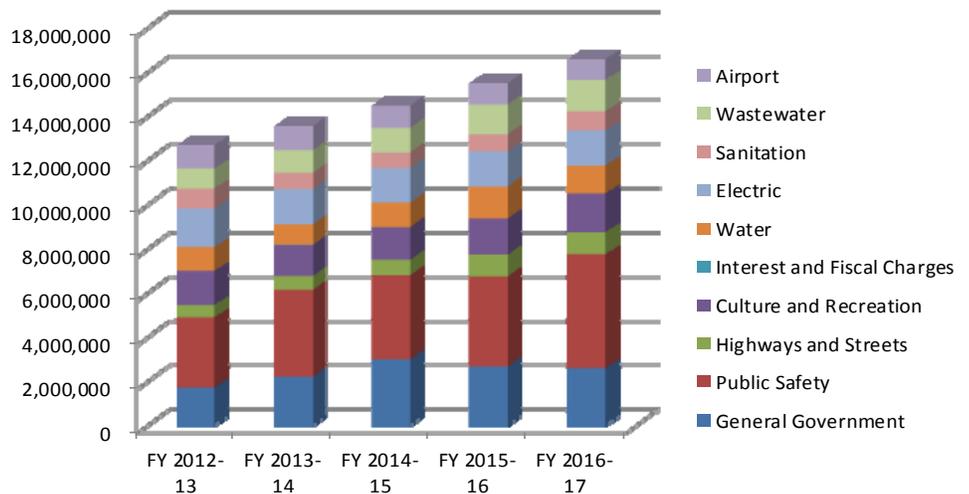
### Sales Tax Collections by Category (in millions)



Sales tax revenue increased \$1.5 million in local sales tax collection from the previous year as the local economy continues to show improvement. The largest increase of 242% was seen in the construction category, which is attributed to an increase in residential units from new construction. The retail category saw a slight decrease of about 6.6%, yet the restaurant & bars category saw an increase of 6.9%. Overall, retail accounts for about 41% of the total sales tax collected.

In addition to day-to-day operating expenses, improvements are continuing to be made throughout the Town. After several years of challenging budgets, the Town has been able to dedicate additional funding to areas such as public safety, facility maintenance, equipment replacement, street maintenance, water and wastewater infrastructure, and cultural and recreational activities.

### Expenses for the Last Five Years





### Police Explorer Program

The Police Explorer Program had another seven participants for their very successful second year. While learning leadership skills and community service, participants 14-20 years of age were exposed to police training for the opportunity to discover and grow their interest in a public safety career.

The Police Explorers were exposed to the basics in the fields of knowledge that formal officers receive during their training, such as the history of law enforcement, radio procedures, basic patrol procedures, report writing, criminal law, traffic law, collision investigation, and firearms training. They also attended an 80-hour academy over the summer at the El Mirage Police Department.

Explorers may return each year to the program, building on their experience and knowledge, in the hopes that some Explorers will choose a career in law enforcement, emergency management, military, or other community service field. There are five active participants continuing with the program and Sergeant Hadley is expecting more!

Through a fundraiser hosted by our local McDonald's over \$800 was raised in just a few hours and donated to the Police Explorer program with fire funds going towards the Hassayampa Helpers program.

# TOWN ACCOMPLISHMENTS

### Parks

Sunset Park now has very popular splash pad! Baseball field improvements were done to include repairing the infield, outfield, fencing, and additional handicap parking was added for access.

Locomotive #761 and Drover Caboose on Frontier Street was rehabilitated, replacing glass, wood, and paint. Additions include a shade structure and interpretive signage.

The department improvements include: replacement of the truck, the rodeo ground's water truck, adding a landscaping/brush trailer, and a mounted portable security Wi-Fi camera system.

The Literary Festival was the Arizona Parks and Recreation 2016 Community event of the year.

### Street & Parking Improvements

The intersection of Aircleta and Vulture Mine Road was reconstructed, new curbing and gutters installed, and a RRFB crosswalk light was added at the school crossing.

North Tegner Street intersection received an improved ADA intersection and crosswalks.

The Washington Street Improvement project continued with an additional 20 new parking spaces, public art, a new wrought iron fence with gabion baskets (to match last year's northern improvements), and a sidewalk connecting the US 60 underpass to the Boetto House.

Grant's obtained through the Water Infrastructure Finance Authority, matched with Town funds, repaired/replaced the 2015 flood-damaged drainage structure on Mariposa Drive and rerouted the drainage in the Kerkes Street/middle school parking lot.

### Airport

The Terminal Roof was replaced with a new metal roof.



## UTILITY CUSTOMERS BY TYPE

		FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Water	Residential	2,001	2,004	2,028	2,035	2,061
	Commercial & Gov't	339	349	357	357	366
Electric	Residential	1,018	1,024	1,041	1,050	1,050
	Commercial & Gov't	373	395	404	405	403
Wastewater	Residential	1,504	1,521	1,538	1,545	1,553
	Commercial & Gov't	270	275	277	273	278
Sanitation	Residential	2,147	2,141	2,166	2,223	2,374
	Commercial & Gov't	283	281	236	203	202



## TOWN ACCOMPLISHMENTS (CONT'D)

### POLICE & FIRE

Along with answering 1,776 emergency calls, extinguishing 44 fires, performing 36 inspections, and participating in 2,353 training hours, last year the Wickenburg Fire Department aided Northern California, New Mexico, and deployed teams nine times to other Arizona towns, to aid in fighting wildfires. They stay busy!

Both the police and fire departments have improved data access with relocation of their communications repeater and tower, and the purchase and installation of the Mobile Data Terminals (MDTs).

Wickenburg's Police Department began utilizing body worn cameras. Technology is modernizing law enforcement to allow for smarter and more efficient policing. According to Chief Les Brown, "Body worn cameras are a great tool and the officers of the Wickenburg Police Department are excited to use these cameras. The Town of Wickenburg has been very supportive in acquiring this new technology and the Department has posted the policy online in an effort to encourage transparency." Body worn cameras have also proven to protect officers from false claims, enhance public trust, improve civilian behavior, decrease litigation and make communities safer.

## POPULATION GROWTH TABLE

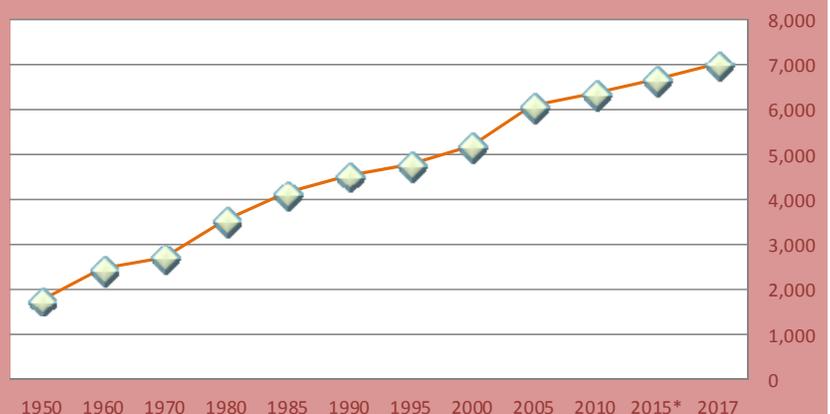
Year	Population	Growth
2017	7,004	5.15%
2015*	6,661	4.68%
2010	6,363	4.71%
2005	6,077	17.32%
2000	5,180	8.71%
1995	4,765	5.19%
1990	4,530	9.58%
1985	4,134	16.91%
1980	3,536	31.06%
1970	2,698	10.35%
1960	2,445	40.84%
1950	1,736	---

Data derived from: <https://population.az.gov/>

*Since the Town of Wickenburg was incorporated, the population has increased overall by 404%.*



## Population Growth



# ACCOLADES

The *Government Finance Officers Association of the United States and Canada (GFOA)* has given an award for Outstanding Achievement in Popular Annual Financial Reporting to the Town of Wickenburg for the fiscal year ending June 30, 2016. This award for outstanding achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of State and Local Government popular reports.

In order to receive this award, a government unit must publish a Popular Annual Financial Report whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An award for outstanding achievement in Popular Annual Financial Report is valid for a period of one year only. Fiscal year ending June 30, 2016 is the first time the Town of Wickenburg applied for and received this award. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it once again to GFOA to determine its eligibility for another award.



Government Finance Officers Association

## Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

**Town of Wickenburg  
Arizona**

For its Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

*Jeffrey R. Egan*  
Executive Director/CEO



Last year, the Wickenburg Fire Department earned the Town of Wickenburg a **HEART Safe Community** recognition through its automated external defibrillator (AED) distribution program and educational efforts to address cardiac arrest. The program was funded in partnership with The Wellik Foundation. This is a two-year designation for community-based programs that meet or exceed the Save Hearts in Arizona Registry and Education (SHARE) Program's preparedness criteria in the event of a sudden cardiac arrest emergency. If you are interested in renewing your certification or learning CPR/First Aid, please contact the Fire Department for the next class.

Arizona Parks & Recreation Association (APRA) awarded the Town of Wickenburg TWO awards: **The Outstanding Facility Award** for our Hassayampa River Walk Pedestrian Bridge, and the **Best Community or Neighborhood Special Event** was awarded to the Wickenburg Literary Festival. The literary festival partnerships included the Wickenburg Chamber of Commerce, the Del E. Webb Center for the Performing Arts, the Desert Caballeros Western Museum, the Wickenburg Unified School District, the Wickenburg Parent-Teacher Association, Friends of the Wickenburg Public Library, and the Wickenburg Library Society.



The Police Department was honored by the Elk's Lodge #2160 during their annual First Responder Appreciation and Awards Dinner. Honorees included Corporal Hadley, and Officers Fuentes, Urlaub, Pereboom and Pollei. Mothers Against Drunk Driving (M.A.D.D.) held their annual awards dinner to recognize the outstanding effort by law enforcement personnel all over the state. The Wickenburg Police Department nominated Officer LaJeunesse.