



Popular Annual Financial Report (PAFR) Fiscal Year Ending June 30, 2016

GREETINGS FROM THE MAYOR

Dear Citizens of the Town of Wickenburg,

I am pleased to present the Town's first Popular Annual Financial Report (PAFR) for the fiscal year ending June 30, 2016. This report is a summarized version of the Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2016. To conform with Generally Accepted Audited Standards (GAAS) and Generally Accepted Accounting Principles (GAAP), the CAFR must include the Town's component units and the presentation of individual funds in much more detail, as well as full disclosure of all material events, financial and non-financial. The data in this PAFR however 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, 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. Additionally, the Town has a policy that nonrecurring (e.g. one-time) sources of income not be used for operating purposes. The unassigned fund balance in the General Fund at year-end was 94% of the total General Fund revenues.

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,

Everett Sickles

Mayor



TABLE OF CONTENTS

About Wickenburg	2
Fun Facts about Wickenburg	2
Mission Stmt, Vision & Beliefs	2
Local Economy	2
Organization Chart	3
Net Position	4
Management Discussion	5
Revenue & Expenses	6
Sales Tax Collection by Category	7
Town Accomplishments	8
Utility Customer Chart	9
Population Growth	10
Accolades	10



ABOUT WICKENBURG

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: 6,661

Registered Voters: 3,964

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

Emergency Responses: 1,596

Fires Extinguished: 82

Fire Dept. Training Hours: 2,025

Police Protection: 18 sworn officers and 7 staff members

Physical Arrests: 288

Traffic Violations: 1,238

Building Permits Issued: 395

Building Inspections: 1,726

Avg. Daily Water Consumption: 1,263,000 gallons

Volumes in Library: 39,496

Total Volumes Borrowed: 43,256

Airport Runway: 6,100 ft.

Annual takeoffs/landings: 35,000

Median Household Income: \$40,574

Median Value of Home: \$150,000

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," and now is quickly becoming 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, a skate park, public art, hospital, behavioral health centers, guest ranches, a fine art museum, performing arts center, three golf courses, senior retirement facilities, 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; construction and maintenance of streets and related infrastructure; programming of various recreational activities; and enforcement of both the Town Code and Local Tax Code.

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.

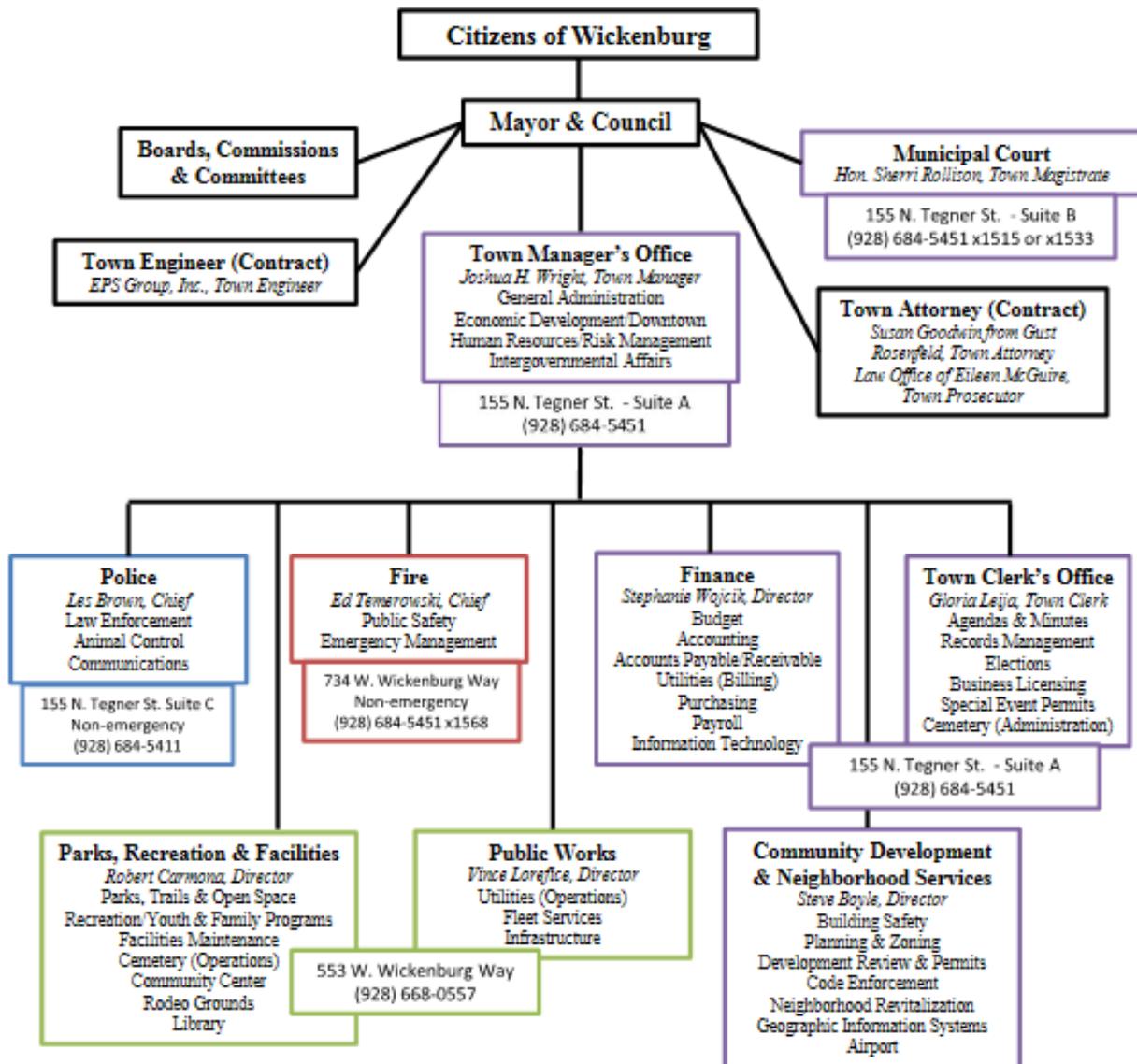
Local Economy

The "general" sales tax rate has remained the same 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%, with the new revenue dedicated to a special fund for future enhancement of Vulture Mine Road between US 60 and US 93. 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 17.66% in local sales tax since the prior fiscal year. The largest increase of 31.7% was seen in the retail category, which is attributed to an increase in residential units from new construction. The construction category saw an increase of 21.52% and the restaurant & bars category saw a modest increase of 4.58%. Overall, the retail category accounts for about 42% of the total sales tax collected (see chart on page 7).



TOWN OF WICKENBURG ORGANIZATIONAL CHART





CAPITAL ASSETS (NET)

	Total	
	2016	2015
Land	\$21,996,349	\$21,882,749
Land Improvements	3,979,126	2,931,435
Buildings and Improvements	3,921,616	3,909,047
Infrastructure (including Utilities)	21,805,066	21,219,200
Airport Runways and Hangars	9,745,669	7,531,904
Intangible Property	42,958	44,259
Furniture, Equipment and Vehicles	4,030,284	4,421,800
Construction in Progress	937,068	452,374
Total Capital Assets	\$66,458,136	\$62,392,768

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. Over time, financial fluctuations in the Net Position can indicate positive improvement or negative trends.

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

	Total	
	2016	2015
ASSETS		
Current & Other Assets	\$15,824,799	\$15,477,075
Capital Assets	66,458,136	62,392,768
Total Assets	82,282,935	77,869,843
Deferred Outflow of Resources	1,554,576	1,402,512
LIABILITIES		
Current Liabilities	1,505,521	1,288,684
Non-Current Liabilities		
Due within One Year	416,748	407,848
Due in More Than One Year	8,667,056	8,470,336
Total Liabilities	10,589,325	10,166,868
Deferred Inflow of Resources	576,594	754,245
NET POSITION		
Net Investment in Capital Assets	64,477,583	60,229,518
Restricted	1,045,320	936,495
Unrestricted	7,148,689	7,185,229
Total Net Position	\$72,671,592	\$68,351,242

STATEMENT OF CHANGES IN NET POSITION

	Total	
REVENUES	2016	2015
Charges for Services	\$9,000,144	\$8,260,281
Operating Grants & Contributions	541,540	439,692
Capital Grants & Contributions	4,077,139	3,116,968
General Revenues	0	0
Local Taxes	4,424,318	4,067,139
State Shared Revenues	1,632,263	1,594,864
Investment Earnings	44,545	26,360
Other	79,427	331,341
Total Revenues	\$19,799,376	\$17,836,645
EXPENSES	2016	2015
General Government	2,658,702	2,970,703
Public Safety	4,074,234	3,816,543
Streets	981,551	698,372
Parks, Rec & Facilities	1,638,563	1,480,726
Interest	0	1,686
Water	1,445,318	1,100,406
Electric	1,603,218	1,575,803
Sanitation	761,331	705,006
Wastewater	1,354,709	1,110,541
Airport	961,400	1,003,164
Total Expenses	\$15,479,026	\$14,462,950
Change in Net Position	2016	2015
Before Transfers	4,320,350	3,373,695
Transfers	0	0
Change in Net Position	4,320,350	3,373,695
Net Position - Beginning of Year, as Restated	68,351,242	64,977,547
Net Position - End of Year	\$72,671,592	\$68,351,242

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 \$72.7 million (Net Position). Of this amount, \$7.1 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 \$9.6 million, an increase of \$0.4 million in comparison with the prior year.

At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$8.2 million, or 110.4% of the total General Fund expenditures.

Budgeted General Fund revenues were less than actual revenues by \$0.4 million last fiscal year. Additionally, budgeted expenditures were less than actual expenditures in the General Fund by \$4.0 million.

General Fund revenues were greater than expenditures by \$1.5 million, a positive variance of \$4.4 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, 2015 & 2016, showing net position of \$72.7 million at June 30, 2016.

More detailed reports, explanations, and analysis, can be found in the Comprehensive Annual Financial Report for the Year Ended June 30, 2016, which is available on the Town of Wickenburg's website: www.wickenburgaz.org. Just click on "Documents," then select the Finance Department folder.



FY 2015-2016 REVENUE & EXPENSES

FY 2015-16	EXPENSES	SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	REVENUE SUB TOTALS BY FUNCTION
General Government	2,658,702	2,011,134	15,033	\$447,782			\$2,473,949
Public Safety	4,074,234	486,630	64,710				\$551,340
Highways and Streets	981,551		461,797				\$461,797
Culture and Recreation	1,638,563	108,085		287,760			\$395,845
Interest and Fiscal Charges							\$0
Water	1,445,318	1,326,194		774,264			\$2,100,458
Electric	1,603,218	2,575,894					\$2,575,894
Sanitation	761,331	764,553					\$764,553
Wastewater	1,354,709	1,358,993		123,979			\$1,482,972
Airport	961,400	368,661		2,443,354			\$2,812,015
Sales Tax					4,103,951		\$4,103,951
Property Taxes					320,367		\$320,367
State Rev Sharing					766,104		\$766,104
State Sales Tax Rev Sharing					603,408		\$603,408
Auto Lieu Tax Rev Sharing					262,751		\$262,751
Investment Earnings					21,902	22,643	\$44,545
Other					47,196	32,231	\$79,427
SUB-TOTALS BY GROUP	\$15,479,026	\$9,000,144	\$541,540	\$4,077,139	\$6,125,679	\$54,874	\$19,799,376
TOTAL EXPENSES	\$15,479,026				TOTAL REVENUE		\$19,799,376

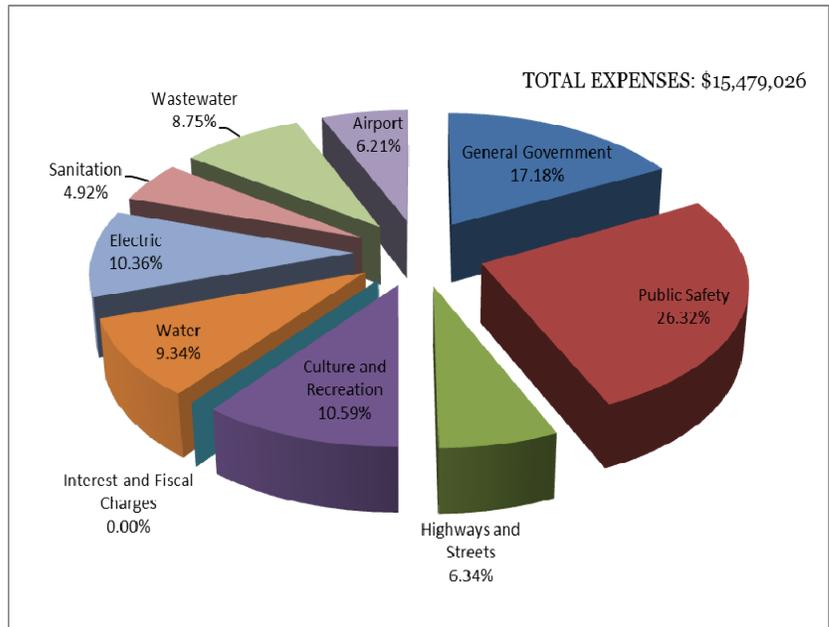
EXPENSES—HOW THE MONEY WAS SPENT

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 \$8.6 million, while total fund balance reached \$9.6 million. The fund balance of the Town's General Fund increased by \$1.6 million. The increase was largely due to an increase in sales tax revenue (\$0.3 million), charges for services (\$0.2 million) and expenditures increasing at a slower rate than revenues. Sales tax and charges for services were all higher in the current year due to increased construction activity and charges for services activity primarily related to the Wickenburg Ranch development.

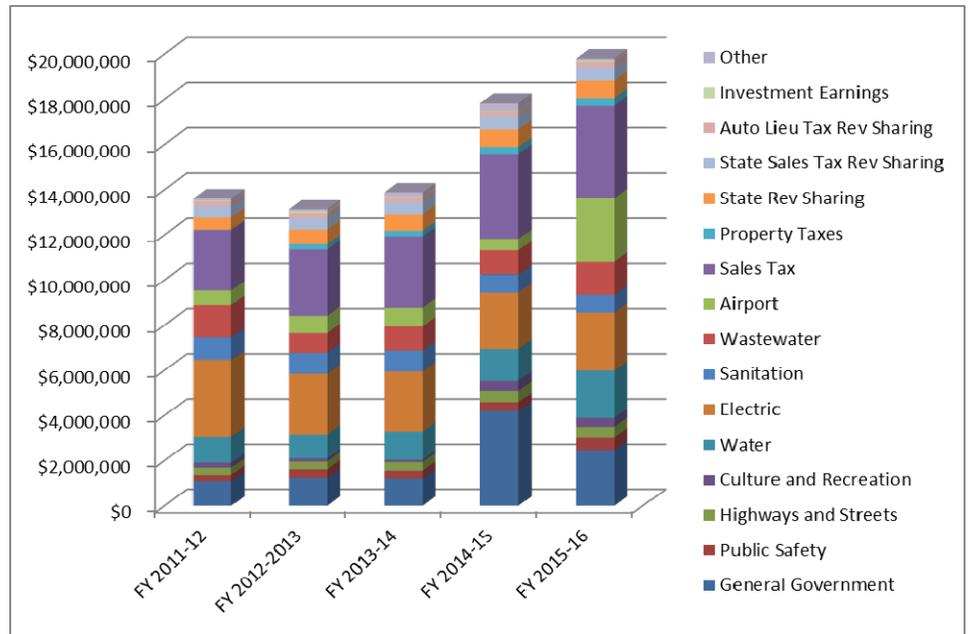
Capital Improvement Fund

Fund balance of the Capital Improvement Fund decreased \$1.1 million. The decrease was the result of revenues declining by \$0.4 million, as less intergovernmental revenues were received, and expenditures increasing by \$1.9 million. The projects primarily responsible for this change in fund balance include the Via Tortuga Low Water Crossing project (\$0.6 million) and the Kerkes/Hassayampa School Drainage project (\$0.7 million) in the current year.

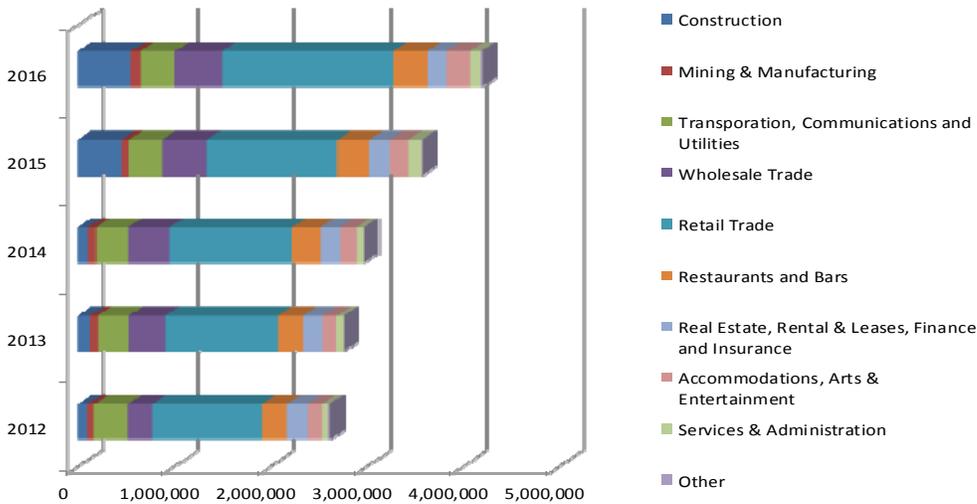


REVENUE FOR THE LAST FIVE YEARS

Revenues for the last few years continue to improve. Though it appears the largest increase in the past fiscal year was in the Airport Fund, this is only because of reimbursements from the Federal Aviation Administration and the Arizona Department of Transportation. The largest increase in "new" revenue is seen in the Water and Wastewater funds as a result of a five-year rate increase plan, and in sales tax, which is attributed to an improved economy and new construction.



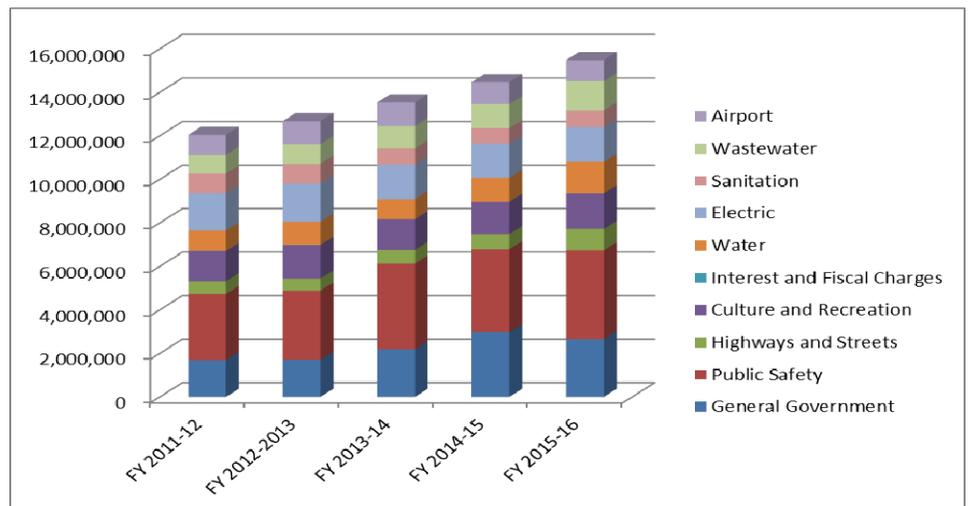
Sales Tax Collections by Category

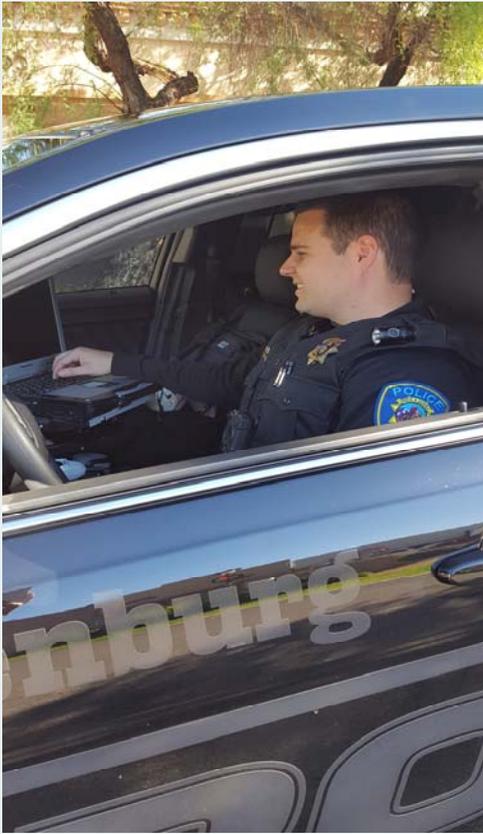


The economy in Wickenburg continues to see significant improvement, with an increase of 17.66% in local sales tax collection since the prior fiscal year. The largest increase of 31.7% was seen in the retail category, which is attributed partly to an increase in population from new construction as well as increased consumer spending. The construction category saw an increase of 21.52% and the restaurant & bars category saw a modest increase of 4.58%. Overall, the retail category accounts for about 42% of the total sales tax.

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 recently 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





TOWN ACCOMPLISHMENTS

Police Explorer Program

The Police Explorer Program had seven participants and a very successful first 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.

Technology Infrastructure Upgrades

Technology improvements within the Wickenburg Police Department include mobile data terminals in all vehicles, new radios, and body cameras. The Wickenburg Fire Department likewise has begun the implementation of mobile data terminals in its vehicles. All of these technology initiatives will allow our officers and firefighters to respond more effectively and work better, safer, and faster.

The Community Center is a great place to hold meetings utilizing the audio/visual upgrades—check it out and plan your next meeting right here in town!

All Town water meters were replaced with automated meter reading technology, improving the speed, reliability and accuracy of measured water usage.

Parks

The Sunset Multi-Use Path along US 60 was enhanced with benches, trash cans and mutt-mitt stations. The tennis courts at Sunset Park were resurfaced to create six pickleball courts in partnership with the Wickenburg Pickleball Club. The Club offers lessons and competitions during the week, and sometimes it is even necessary to create overflow space when the courts are full!

The Coffinger Park tennis courts were likewise crack-sealed and resurfaced to create an improved playing experience.

A new tractor was put to work and already has a full schedule!



LIBRARY

“...Stop by any Wednesday morning, and you'll find a small army of preschool-age children reading, crafting, and having fun. So much fun, in fact, that we'll soon be adding folding noise partitions out of respect for the ears of our adult customers!

Check our summer, fall, and winter recreation guides for the list of special interest classes we offer year-round. From astronomy to magic shows to learning how to use the iPad you got for Christmas, there's something for everyone.

Our new teen center arrived just in time to beat the summer heat, with tons of computers and video games to enjoy. Comfortable, lounge-style furniture is arriving soon and will make the library a teens' go-to destination after school or camp.

Last month saw the grand opening of our workforce development center, an innovative partnership with Maricopa County's Arizona @ Work division where customers can learn about available jobs, receive resume help, and even get referrals to job training classes. The aforementioned career fair drew an incredible 84 applicants for an estimated 40 positions at the new Goodwill Industries store.

The Town Council deserves tremendous praise for their vision for the library, along with the staff of our Parks, Recreation & Facilities Department, the Town's Library Advisory Board, the Friends of the Wickenburg Public Library, the Wickenburg Library Society, and the many volunteers and donors who make it possible to do what we do.”

Josh Wright, Town Manager— Quote excerpt from The Wickenburg Sun Opinion column, dated June 21, 2016



Pictured in California assisting with wildfire response (L-R): George Denny from the Harquahala Fire Department, and Wickenburg firefighters Bruce Hansen, Jim Bowie, and Colin Morse.

TOWN ACCOMPLISHMENTS (CON.)

Street & Parking Improvements

The US 60/Valentine St. crosswalk was relocated on US 60 to create better lines of sight for pedestrians, and flashing lights were installed on both sides of that intersection and the US 60/Kerkes St. intersection. The lights can be activated by pedestrians to alert drivers of crosswalk activity. The project increases the safety and visibility of pedestrians crossing to and from the stores, theater, restaurants, and hotel located in Wickenburg’s historic downtown.

A new public parking lot was added in the heart of downtown near Hassayampa Elementary School at the intersection of Coconino and Valentine streets. The Valentine Lot includes lighting and parking for motorcycles, oversized trucks and trailers, and standard passenger vehicles.

The Washington Street Improvement project enhanced the aesthetics and added much-needed downtown parking along the BNSF railroad tracks. Brush was cleared, the ground was graded and paved, and concrete curbing and gutters were installed. Western-style fencing and gabion baskets complete the look.

The Town obtained a federal Community Development Block Grant to replace over 900 feet of water line on Yavapai Street from Frontier Street to US 60. Two water line bores were run (under the railroad tracks and US 60), along with repaving, installation of new fire hydrants, sidewalk/ADA ramp improvements, and restriping of crosswalks and stop bars.

Airport

The airport’s Mid-Field Apron Project through a grant from the Federal Aviation Administration with support from the Arizona Department of Transportation. A new, paved apron was completed along with drainage improvements and striping of the pavement tie downs.

POLICE & FIRE DEPARTMENTS

Last year, Wickenburg Fire Department aided the states of Washington, California and New Mexico in fighting wildfires, along with answering 1,596 emergency calls, extinguishing 82 fires, and performing 48 inspections. The fire station received needed maintenance on its roof, replacement of the bay doors, and a partial restroom renovation.

Wickenburg’s Police and Fire Departments not only participate in all of the Town programs, but they can also be seen giving impromptu tours of the fire trucks, playing ball with kids, listening to the community, removing snakes, supporting charitable causes such as the Pat Tillman Run and Law Enforcement Torch Run for Special Olympics, and conducting classes at the Webb Center’s Camp Imagination.

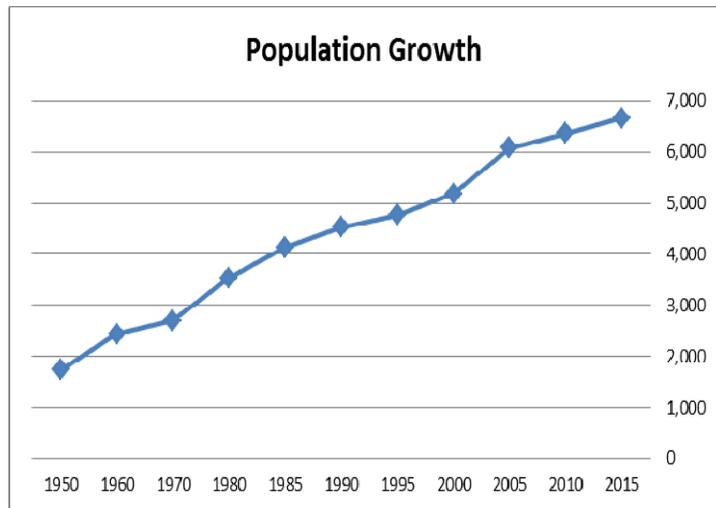


UTILITY CUSTOMERS BY TYPE

		FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Water	Residential	1,989	2,001	2,004	2,028	2,035
	Commercial & Gov't	348	339	349	357	357
Electric	Residential	1,016	1,018	1,024	1,041	1,050
	Commercial & Gov't	384	373	395	404	405
Wastewater	Residential	1,505	1,504	1,521	1,538	1,545
	Commercial & Gov't	280	270	275	277	273
Sanitation	Residential	2,144	2,147	2,141	2,166	2,223
	Commercial & Gov't	320	283	281	236	203

POPULATION GROWTH TABLE

Year	Population	Growth
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 384%.

ACCOLADES

The *Government Finance Officers Association of the United States and Canada (GFOA)* again presented a **Distinguished Budget Presentation Award** to the Town of Wickenburg for its annual budget for the fiscal year beginning July 1, 2015. In order to receive this award a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The *Government Finance Officers Association of the United States and Canada (GFOA)* also awarded a **Certificate of Achievement for Excellence in Financial Reporting** to the Town of Wickenburg for its CAFR for the fiscal year ended June 30, 2015, making this the fifth consecutive year the Town has achieved this prestigious award. Because of budget cuts, the Town discontinued participating in this program effective fiscal year ending June 30, 2006, at which time ten consecutive awards had been achieved, bringing the total awards to date to fifteen. In order to be awarded this certificate of achievement, the Town must publish an easily readable and efficiently organized CAFR that satisfies both GAAP and applicable program requirements. Achieving this certificate shows the Town's commitment to encouraging transparency in government.



Wickenburg was recognized as one of **2016's Safest Cities in Arizona** by Safewise and is a designated **2016 Arizona Safest Places** award recipient from ValuePenguin. Both designations reflect the strong performance of the Wickenburg Police Department in keeping crime rates low.

The Wickenburg Fire Department likewise 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.

The *National Association of Counties (NACo)* bestowed its **Achievement Award** on the Wickenburg Workforce Partnership Program. The partnership between the Maricopa County and the Town of Wickenburg created a new workforce development center within the Wickenburg Public Library & Learning Center to connect job seekers with jobs and employers with talent. The partnership also allows the public an opportunity to access career guidance and educational resources.

