



Sunnyville Popular Annual Financial Report

FOR THE FISCAL YEAR ENDED 2011

Letter from the Mayor

TO THE CITIZENS OF SUNNYVILLE

The City of Sunnyville is pleased to present our Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2011. This report provides a brief analysis of where the City's revenue comes from and where the dollars are spent, as well as interesting information about the City. The report is intended to increase awareness throughout the community of the financial operations of the City. As such, this report is written in a manner that will summarize, in a user friendly manner the City's financial condition. Financial information within this report is derived in large part from the City's independently audited financial statements that are part of the 2011 Comprehensive Annual Financial Report (CAFR). The PAFR is unaudited and not presented in the Generally Accepted Accounting Principles (GAAP) format.

In 2011, the City was recognized and received awards from the Government Finance Officers Association (GFOA) for the commendable work done on the annual budget process and Comprehensive Annual Financial Report. Communication to the public increased with expanded programming on the City's government access SunTV and the introduction of the City's Facebook page and Twitter account.

We continue to use state-of-the-art technology throughout the City in providing services to our citizens and businesses. We made several improvements to the City's technological infrastructure resulting in data processing efficiencies, increased safety of and access to data during emergencies, increased internal controls, and additional E-government solutions related to recreation registrations and human resource activities. The City completed landscape renovations at Sunny Park and renovated soccer fields at Star Park, among other capital improvements. Furthermore, at the north end of the City, the long-awaited water tank and administration buildings for the Utilities and Public Works Departments was completed. These are excellent examples of the dedication the City Council and the City's workforce have in providing great service to our citizens, as well as the residents' commitment in support of our great City.

During the year, City officials and administration with joint effort from the public came together for the Sunnyville Vision 2020 program. The goal of this initiative was to develop a 10-year "greenprint" for the City's future that will serve as the City's strategic plan. This plan will drive our budget process ensuring that the City's departments goals and limited financial resources align with the community's vision.

On behalf of the City Council, I thank you for taking the time to read our PAFR. This report is a great opportunity for us to let you know how the City is doing financially and to showcase the City's various programs and projects.

Sally Sunshine, Mayor

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Sunnyville City Profile

SUNNYVILLE CITY PROFILE

The City of Sunnyville was incorporated in 1873. The boundaries of Sunnyville encompass an area of approximately 40 miles with an estimated population of 178,704 as of the 2010 census. Sunnyville offers more than 335 days of sunshine each year.

The City of Sunnyville is the largest city in Sun County, and is located in north central Arizona. It is in close proximity to the metropolitan area of Phoenix. This central location, close to a large employment and educational market, makes Sunnyville an escape from the congested traffic and noise. Like many other communities, Sunnyville has seen a decline in growth over the past few years.

DEMOGRAPHIC AND ECONOMIC STATISTICS

Population*

• Male	47.5%
• Female	52.5%
• Median Age	34.5 years

Type of Transportation to Work*

• Car, Truck, or Van	66%
• Public Transportation	17%
• Walk	9%
• Other	8%

Median Household Income \$37,595

Occupations

• Management, Business, and Financial Occupations	43%
• Service Occupations	25%
• Sales and Office Occupations	20%
• Other	12%

Unemployment Rate** (rate is not seasonally adjusted)

• Nation	9.0%
• Arizona	8.7%
• Sunnyville	6.5%*

Number of Public Schools

• Elementary Schools (K-8)	19
• Number of High Schools (9-12)	6
• Number of Community Colleges	2
• Number of Public Universities	1

Top 5 Principal Employers

• City of Sunnyville	4,253
• State of Arizona	3,859
• Sunnyville Public Schools	2,857
• Sunnyville Health Care	2,576
• Walcome Communications	1,985



Welcome to Sunnyville
Population 178,704

*Source: 2010 Community Survey

**Source: US Bureau of Labor Statistics



The Scenic Route

CITY SERVICES AND ACHIEVEMENTS

Police Department

The Police Department handled some 52,000 calls for service and worked closely with the Boys and Girls Club, local school system and other organizations to provide a positive experience and opportunities for our children including the annual 'Back to School Shopping with a Police Officer.' The Department was awarded the Governor's Office of Highway Safety Grant in the amount of \$40,000 for continued support of the HERO Officer program.

Police Chief Jacobs received an award from Mothers Against Drunk Driving (MADD) for the City's arrests of persons suspected to be driving under the influence.

The Department of Justice awarded the Police Department a COPS Hiring Recovery Program grant totaling \$342,099 for two officers' salaries and benefits for three years.

Fire Department

The Fire Department responded to 3,548 emergency calls with an average response time of fewer than four minutes. The Sunnyville Fire Department held the first "Live Burn" training exercise at its new training facility. The Fire Department continues to be involved in the community by offering the smoke detector program for the seniors, blood pressure screening and the annual Empty Stocking Drive to provide toys to the less fortunate.

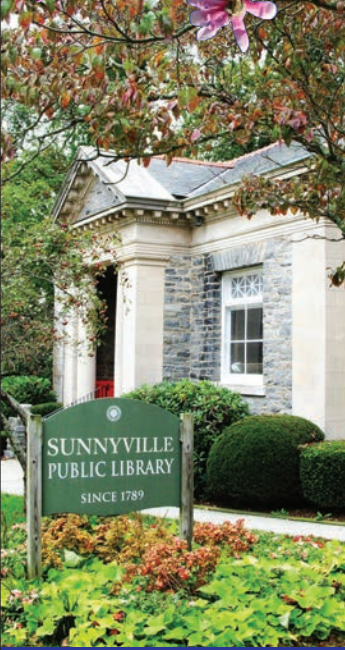
Finance and Organization Awards

In 2011, the City was awarded both the Award for Outstanding Achievement in Popular Annual Financial Reporting and the Certificate of Achievement for Excellence in Financial Reporting for our CAFR from the Government Finance Officers Association.

Sunnyville became the first municipality in Arizona to earn the Audubon Green Community Award, from the Audubon International Organization. The City was recognized for its strong commitment to embody the ideals of sustainability, economic vitality, environmental protection, and social responsibility.

The production team of SunTV was recognized during a City Council meeting for receiving awards from the Arizona Government Communication Association.

For the twentieth consecutive year, Sunnyville has been named a Tree City, USA. The Tree City USA program, sponsored by the Arbor Day Foundation in cooperation with the USDA Forest Service and the National Association of State Foresters, recognizes urban and community forestry programs in thousands of towns and cities throughout the country.



In the Driver's Seat

CITY SERVICES AND ACHIEVEMENTS *continued*

A Full Service City

The City provides a full range of services, which include affordable housing; child protection and social services, child support services, clerk-recorder, coroner and forensic services, district attorney, election and voter registration, environmental health, flood control and transportation, jails and juvenile facilities, landfills and solid waste disposal, public safety, libraries, public assistance, public and mental health, tax assessment collection and appeals, and veteran services.

The City of Sunnyville is a charter city that is governed by a five-member City Council who represents the community which they live. The City of Sunnyville is a charter city that is governed by a five-member City Council who represents the community which they live.

Top Ten Achievements

- Built a new community library encompassing over 8,000 square feet and a collection of over 22,000 books.
- Obtained convictions on 235 gang members
- Improved fire response time to 2.8 minutes
- Administered flu shots to 956 seniors
- Provided a summer youth program to 458 children
- Widened 39 miles of freeway
- Held six community clean up events at Sun Park
- Implemented School-Home Connections, a program developed for newly placed foster children
- Increased public safety and reduced crime by 8%
- Installed 12 solar panels on city facilities which will save 7% in utility expenses



City Council Members: Five-members who represents the community in which they live.

Sally Sunshine

Mayor

Term: 2010-2014

ssunshine@sunnyville.org

(555) 123-0123

Harry Hott

Vice-Mayor

Term: 2010-2014

hhott@sunnyville.org

(555) 123-1234

Richard Raye

Council Member

Term: 2008-2012

rraye@sunnyville.org

(555) 123-3456

Beatrice Beem

Council Member

Term: 2010-2014

bbeem@sunnyville.org

(555) 123-4567

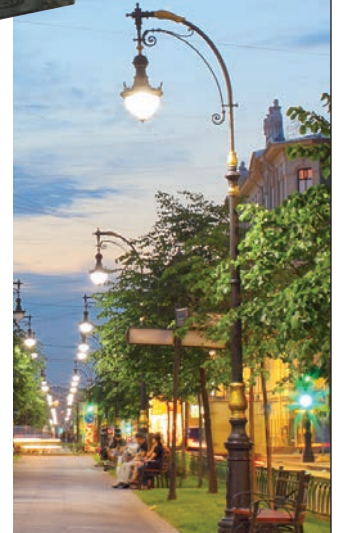
Barbara Brite

Council Member

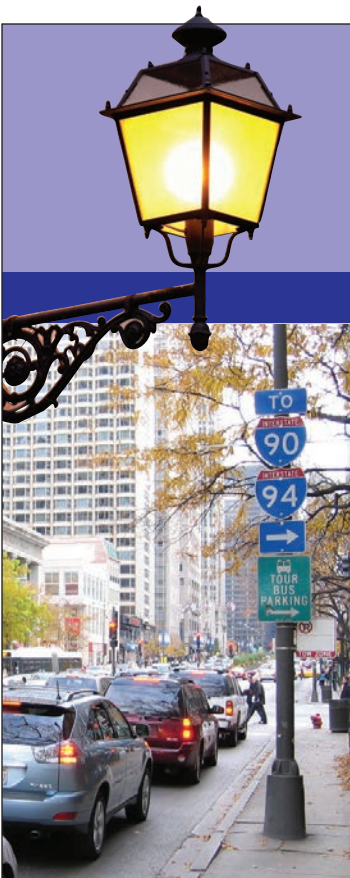
Term: 2008-2012

bbrite@sunnyville.org

(555) 123-2345



What Fuels Us

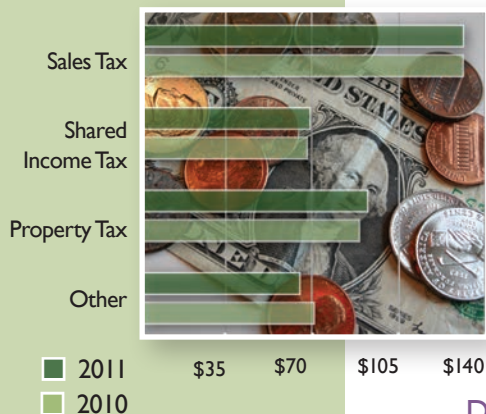


FINANCIAL REPORTS

City Council and Budget

The City's budget and accounting system for government funds are reported on a modified accrual basis, which presents the short-term perspective of the City's financial activities. The fiscal year begins on July 1. Revenues are budgeted in the amount expected to be received or as they are applicable to the fiscal year. Expenditures are budgeted at an amount sufficient for 12 months if they are ongoing and in their full amount if they are one-time expenses. The City Council adopts the budget which becomes the spending plan for the City's departments. Actual revenues and expenditures are monitored during the year and are reported to the City Council on a quarterly basis. The budget may be modified on these quarterly reports to reflect any new assumptions or unanticipated events.

TAX REVENUE BY TYPE (in thousands)



Where our Money Comes From

Like all governments, the City must raise funds to pay for the services that it provides to its citizens and businesses. These sources of funds, referred to as revenue, are raised through grant, charges, and taxes. The General Fund is the general operating fund of the City and supports the regular day-to-day operations of the City. It is used to account for all revenues and expenditures of the City, except those required to be accounted for in a separate fund. The largest revenue source for the General Fund is taxes. The City collects taxes from different entities for a variety of reasons. The major categories of tax collections of the City are shown on the next page.

Debt Administration

The bond rating agencies have responded favorably to the actions that have been taken to stabilize the City's finances. The City of Sunnyville has not experienced any downgrades, nor is the City on credit watch by any of the rating agencies. The City of Sunnyville continues to maintain its rating of Aa1 (Moody's) and AA+ (Standards & Poor's). These ratings are considered 'High Quality' ratings in municipal government. At the end of the current fiscal year, the City had total long-term obligations outstanding of \$866.5 million which is an increase of \$7.1 million over the prior fiscal year. The increase is due in large part to the issuance of bonds for water and wastewater, police and fire, community service, and streets capital projects.

Capital Improvement Plan

The City continues its proactive efforts to address the significant financial challenges through comprehensive, long-term financial planning. Important components of this plan are the periodic update of the long range forecast for each of the major operating funds (General, Water/Wastewater, Transit, General Obligation Debt Services, etc.) and the update of the debt



The Road Ahead

FINANCIAL REPORTS *continued*

management plan. This is the key tool used in capital planning. Given the current economic environment both nationally and locally, the central focus of all the City's planning efforts in the achievement of long-term financial sustainability in order to continue the delivery of services.

The City maintains a separate Capital Projects Fund to account for the financial transactions and resources used by the City for the acquisition or construction of major capital facilities. The amount that the City spent on capital assets, by function, is shown below:

Capital Expenditures by Function (in thousands)

Beginning Capital Projects Fund Balance	\$52,764
Capital Project Revenue	8,764
Capital Expenditures by function	
• General Government	(1,427)
• Public Safety	(4,500)
• Public Works	(15,178)
• Community, Recreational, and Cultural	(436)
• Economic and Physical Development	(3,385)
• Capital Acquisition	(685)
Transfer to Other Funds	(4,203)
Ending Capital Projects Fund Balance	31,714

FEDERAL GRANTS: Federal grants, such as Community Development Block Grant may be used for the purposes specified in Federal laws.

STATE GRANTS: State grants are awarded by State of Arizona agencies such as the Arizona Department of Transportation and Arizona Department of Environmental Protection. These grants may be used for specific State laws.

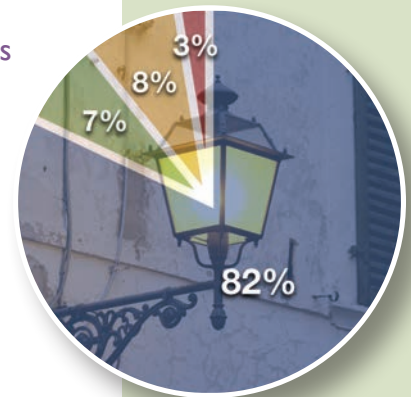
COUNTY GRANTS: Sun County may contribute funding in the form of a grant for specific projects to be undertaken by the City.

OTHER GRANTS: these are grants which do not derive from Federal, State or Sun County resources.

CITY BONDS: there are two types of bonds that can be issued by the City for capital improvements. 1.) **General Obligation Bonds:** backed by the full faith and credit of the City and are secured by the City's ad valorem taking power. These bonds finance specific capital improvement programs such as public safety, highway or storm sewers. 2.) **Special Obligation Bonds:** secured by a limited revenue source. In order to accelerate the construction of much needed roads infrastructure projects, the City leveraged recurring revenue streams into a special obligation bond.

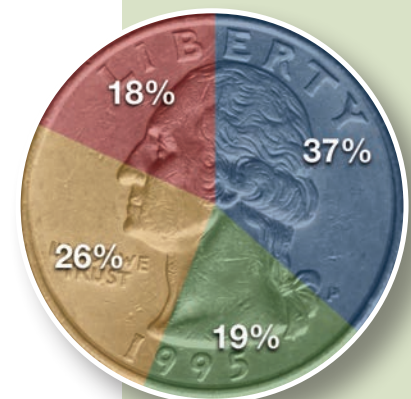
General Fund Revenues

- 82% - Taxes
- 7% - Charges
- 8% - Grants
- 3% - Other



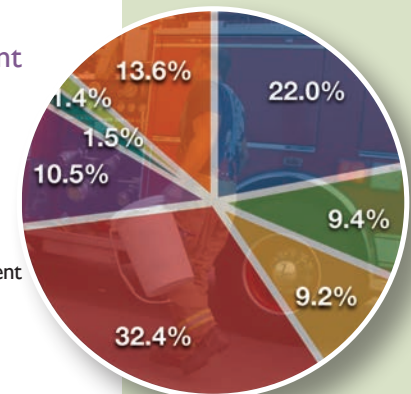
Tax Revenues by Type

- 37% - Sales Taxes
- 19% - Shared Income Tax
- 26% - Property Taxes
- 18% - Other



Where the Money Went

- 21.4% Police
- 9.1% Fire
- 9.0% Community Service
- 31.5% Public Works
- 10.2% Community Development
- 1.5% Community Relations
- 1.4% Municipal Court
- 13.2% Other





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