

Superstition Mountains Community Facilities District No. 1

Apache Junction, Arizona

## **Comprehensive Annual**

## **Financial Report**

for the fiscal year ended June 30, 2015



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Superstition Mountains Community Facilities District No. 1

Apache Junction, Arizona

**2015 COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

for the fiscal year ended June 30, 2015



*Prepared by the Finance Department of the  
Superstition Mountains Community  
Facilities District No. 1*

Superstition Mountains Community Facilities District No. 1

Apache Junction, Arizona

**INTRODUCTORY SECTION**



Superstition Mountains Community Facilities District No. 1

Apache Junction, Arizona

2015 COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

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Superstition Mountains Community Facilities District No. 1

Apache Junction, Arizona

2015 COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

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Superstition Mountains Community Facilities District No. 1

Apache Junction, Arizona

**District Officials**



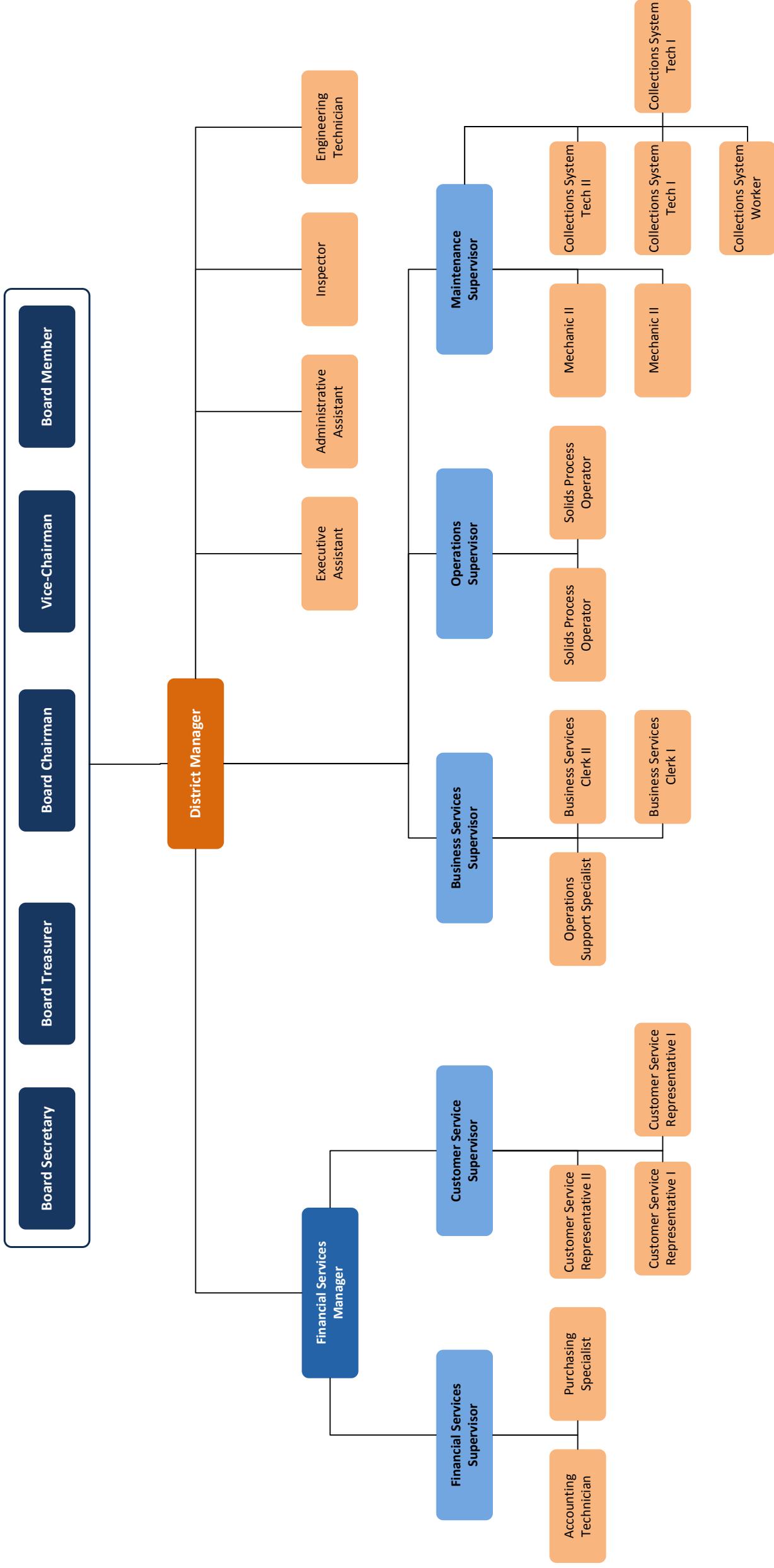
Board of Directors

Kathleen Waldron	Chairman
Patricia Richmond	Vice-Chairman
Steven McDaniel	Secretary
Anthony Bowler	Treasurer
Jeff Struble	Board Member

District Financial Management

Darron Anglin	District Manager
Susan A. Sopko	Financial Services Manager
Maria N. Zagar	Financial Services Supervisor

# Superstition Mountains Community Facilities District No. 1 Organizational Chart





Government Finance Officers Association

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

Presented to

**Superstition Mountains Community  
Facilities District No. 1, Arizona**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO



## **SUPERSTITION MOUNTAINS COMMUNITY FACILITIES DISTRICT NO. 1**

5661 South Ironwood Drive | Apache Junction, Arizona 85120

(480) 941-6754 | Fax (480) 671-3180 | [www.smcfcd.org](http://www.smcfcd.org)

**October 23, 2015**

To the District Chairman and Members of the Board of Directors  
Superstition Mountains Community Facilities District No. 1

Honorable Chairman and Members of the Board of Directors:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Superstition Mountains Community Facilities District No. 1 (District) for the year ended June 30, 2015. This is the sixth consecutive year that the District has prepared a CAFR.

Arizona Revised Statutes (ARS) do not require that the District undergo an annual audit. However, the District's Bond Resolution with Alliance Bank of Arizona, dated March 27, 2013, requires that the District prepare financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) and use as a guideline the relevant provisions of ARS §9-481 and §41-1279.07.

The responsibility for the completeness, fairness and accuracy of the data presented and all accompanying disclosures rests with the District. To provide a reasonable basis for making these representations, District management has established a comprehensive framework of internal controls designed to protect District assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh the benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by Fester & Chapman PC, a certified public accounting firm based in Phoenix, Arizona. The goal of the independent audit was to provide reasonable assurance that the financial statements for the fiscal year ended June 30, 2015 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor concluded that, based upon the results of the audit, there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2015 are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component of the financial section of this report.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

## **BACKGROUND INFORMATION ON THE DISTRICT**

The District is a municipal corporation and political subdivision of the State of Arizona. The District was formed on July 7, 1992, under the provisions of the Community Facilities District Act of 1988, as amended, constituting Title 48, Chapter 4, Article 6 of Arizona Revised Statutes.

When the City of Apache Junction (City) was incorporated in 1979, it is believed to have been the largest incorporated area in the continental United States without a sanitary sewer system and central treatment facility. Septic tanks, which provide only primary treatment, were the predominant form of wastewater treatment in the City. Due to the lack of a regional sewer treatment system, the Arizona Department of Environmental Quality (ADEQ) imposed restrictions on the use of septic tanks for new industrial and commercial development within the Apache Junction area. Permits for commercial and industrial uses could be obtained for new septic tanks, but ADEQ had conditioned these permits upon the developer agreeing to connect to a central sewer system when the system was available.

The City sought voter approval to form a utility department but was unsuccessful. As an alternative to municipal service, and with petitions from the majority of land owners within the boundaries of the proposed community facilities district, the City formed the District to acquire, construct and develop a sewer collection system and wastewater treatment facility for the City.

The District originally consisted of 48 largely noncontiguous parcels of undeveloped land comprising approximately 600 acres located entirely within the City. On June 7, 1994, the City Council approved the expansion of the District. On June 21, 1994, an election of the District's qualified electors was held on the issue of expansion. The electors qualified to vote included all owners of land within the original District, all owners of land in the area proposed to be added to the District and all resident electors of either area. The qualified electors approved the expansion of the District to include 2,388 total parcels of land. On June 29, 1994, the Board of Directors of the District canvassed the election and formally declared the expansion of the District.

The District is governed by a five member Board of Directors, appointed by the City Council. The Board has the authority to pass resolutions which establish the policies and procedures of the District. The resolutions relating to use of the wastewater system and user fees are contained in the District's Operating Policies and Procedures. Such resolutions have substantially the same purpose as the ordinances of a local governmental entity.

The District's Board determines long-term strategic direction and provides for funding to meet the strategic objectives of the District by adopting an annual budget. The budget is adopted prior to the beginning of the fiscal year on July 1<sup>st</sup>.

## **ECONOMIC CONDITION AND OUTLOOK**

Growth in the local economy during fiscal year 2015 remained slow and was substantially unchanged from the prior year. The outlook for fiscal year 2016 calls for similar conditions. The unemployment rate showed gradual improvement to near pre-Great Recession levels<sup>1</sup>, supporting conditions for the economy to continue its growth<sup>2</sup>.

In fiscal year 2015, many parts of the Phoenix metropolitan area experienced an increase in new housing starts when compared to prior years. In contrast, new housing starts in the Apache Junction market remained lower than the surrounding areas and relatively unchanged from the prior fiscal year. A significant challenge for new single family home construction in Apache Junction is the lack of developable lots. At the close of fiscal year 2015 there were a total of 60 buildable single family lots, representing a two year inventory at current new home construction start rates for the area. In order for improved growth in new housing starts in the area, more developable lots must become available.

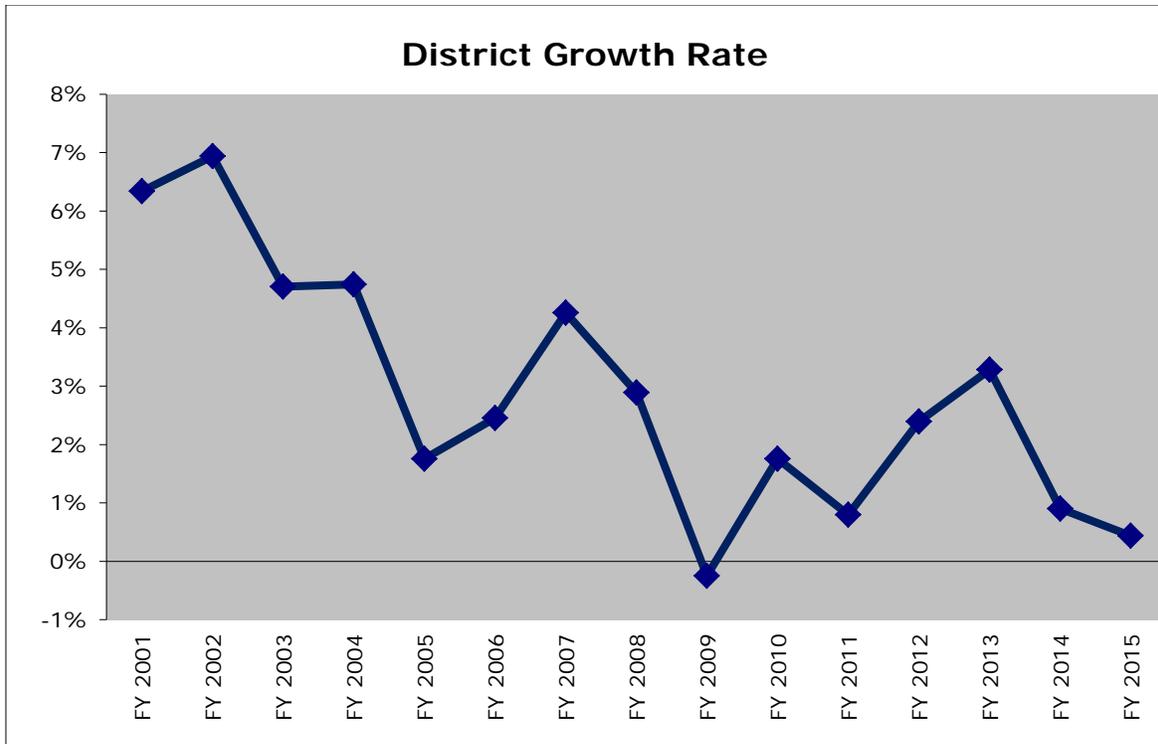
Looking toward fiscal year 2016, there is one new subdivision under construction with four more in the review and approval process. These projects together would contribute 327 developable lots within the City. Two of these projects were anticipated to be completed in fiscal year 2015, however, construction has not started as of yet. When construction in these proposed subdivisions begins, new home starts in the City should increase. It should be noted that any new subdivision brought forth during fiscal year 2016 will not yield lots for new home construction until fiscal year 2017 at the earliest. Outside of these proposed subdivisions, the amount of privately owned developable land is diminishing. For the City to grow at rates consistent with surrounding areas, the largest land area, which is State Trust Land, must become available for development. Until this land is available, new home construction in the City and the District's service area is likely to remain low.

Although new home growth is anticipated to be slow for the foreseeable future, the District does benefit from connections of existing homes that are currently utilizing septic systems. As these septic systems fail, existing properties are required to connect to the sewer and the District gains additional customers independent of new home construction. While economic growth is important, the District is not dependent upon growth to fund the repayment of its existing debt, continued operation or most of the planned capital and replacement projects.

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<sup>1</sup> U.S. Department of Labor, Bureau of Labor Statistics, *THE EMPLOYMENT SITUATION - SEPTEMBER 2015*, NEWS RELEASE, <http://www.bls.gov/news.release/pdf/empsit.NR0.HTM> (2 Oct. 2015).

<sup>2</sup> Elliot D. Pollack & Company, Economic Update, 2015 Should be the Strongest Year Since 2006, <http://www.edpco.com/files/Desert Lifestyle - Economic Snapshot The Strongest Year Since 2006.pdf>



**FINANCIAL POLICIES AND PRACTICES**

The District’s Bond Resolution with its bondholder mandates that certain financial performance measures are maintained. The District follows very conservative budgeting and expense management practices to assure compliance with these performance measures.

**MAJOR INITIATIVES**

**Capital Improvements**

The District’s Water Reclamation Facility (WRF) was constructed and placed into operation over twenty years ago. Since that time, more than eight (8) billion gallons of wastewater have flowed through the treatment facility. As the WRF completes its 20<sup>th</sup> year of continuous operation, many of the original components are reaching the end of their design life and require improvement or full replacement in order to continue proper operation. For this reason, the District has allocated over \$1 million for capital improvements in the upcoming fiscal year.

One significant capital improvement project is planned for the aeration basins. The aeration basins are the heart of the treatment process and allow the District to effectively treat wastewater to drinking water quality standards. The years of service coupled with the harsh climate conditions have significantly deteriorated the watertight liners of the basins. The improvement project calls for a complete draining of each basin, removal of solids, removal of the existing liner and replacement of the liner. The treatment components in each basin will also be assessed, repaired and replaced, if necessary.

Another key project involves rehabilitating the treatment facility headworks. The headworks is the gateway to the treatment process, through which all wastewater enters the facility. At this stage large objects, sediment and other debris are removed from the waste stream. The concrete and other components at the headworks are beginning to show signs of wear as a result of the high flow volumes and corrosive nature of the wastewater flowing through the structure. These items are being rehabilitated to ensure continued operations.

The District also works closely with the City of Apache Junction to coordinate collection system extensions and repairs to be completed during City road improvement projects. Each fiscal year budget includes funds for planned and unplanned collection system expansion opportunities. Other significant capital improvement projects planned for the treatment facility include septage receiving station upgrades and aeration blower upgrades.

### **AWARDS AND ACKNOWLEDGMENTS**

We are very proud to report that the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its CAFR for the fiscal year ended June 30, 2014. This was the fifth year the District prepared a CAFR and the fifth time the District was honored with this prestigious award.

The District's Finance Department is to be commended for their efforts and dedication to preparing the District's CAFR. Special thanks are due to District employees Susan A. Sopko, Financial Services Manager and Maria N. Zagar, Financial Services Supervisor, for compiling and assembling the majority of the financial information and schedules presented in this report.

As always, we owe our sincere appreciation to the Board of Directors for their continued support of our efforts. We recognize that we are a team and no one individual can lay claim to the District's accomplishments and achievements. We are proud of the job that we are doing today and are committed to the future long term success of the District in meeting the needs of our customers.

Respectfully submitted,



Darron Anglin  
District Manager



Susan A. Sopko  
Financial Services Manager

Superstition Mountains Community Facilities District No. 1

Apache Junction, Arizona

**FINANCIAL SECTION**



Independent Auditors' Report

To the Board of Directors of  
Superstition Mountains Community Facilities District No. 1  
Apache Junction, Arizona

**Report on the Financial Statements**

We have audited the accompanying statement of net position of Superstition Mountains Community Facilities District No. 1 (the District) as of June 30, 2015, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the District'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 the financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

Our responsibility is to express an opinion 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 District'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 entity'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 opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2015, and the changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 1 to the financial statements, for the year ended June 30, 2015, the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 11 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 an opinion on the District's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory and statistical sections have not been subjected to 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.

*Fester & Chapman P.C.*

October 30, 2015

**SUPERSTITION MOUNTAINS COMMUNITY FACILITIES DISTRICT NO. 1**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2015**

The Superstition Mountains Community Facilities District's (the District's) discussion and analysis provides an overview of the District's financial performance for the fiscal year ended June 30, 2015. Please read it in conjunction with the District's financial statements, which immediately follow this section.

**FINANCIAL SUMMARY**

- The District implemented Governmental Accounting Standards Board Statement No. 68 *Accounting and Financial Reporting for Pensions* for the fiscal year ended June 30, 2015. The implementation resulted in a decrease of \$2.9 million to beginning net position.
- Net position improved by \$582.6 thousand during fiscal year 2015.
- Cash and cash equivalents increased by \$824 thousand over fiscal year 2014.
- Liabilities decreased by over \$1.3 million primarily as a result of the decrease in outstanding debt.
- Operating revenues were virtually unchanged when compared to fiscal year 2014.
- Operating expenses decreased by \$255 thousand, or 4.73%, from fiscal year 2014.
- Net nonoperating expenses were \$104 thousand higher than fiscal year 2014.
- Interest expense decreased by \$48 thousand, or 5%, from the prior year.

**DESCRIPTION OF BASIC FINANCIAL STATEMENTS**

The District's financial statements are prepared using proprietary fund (enterprise fund) accounting which uses the same basis of accounting as private-sector business enterprises. The District's costs of providing services to the public on a continuing basis are financed primarily through user charges.

The District's financial statements consist of the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows. These statements were prepared using the accrual basis of accounting which recognizes income when earned and expenses when incurred.

## CONDENSED FINANCIAL DATA

Table 1 summarizes the total assets, liabilities and net position of the District for the fiscal years ended June 30, 2015 and June 30, 2014. The information for fiscal year 2015 is provided in greater detail in the basic financial statements which follow this analysis.

## NET POSITION

In 2015, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. The objective of this Statement is to improve accounting and financial reporting for pensions. The District does not offer its own pension plan, but instead participates in the Arizona State Retirement System (ASRS) which administers a cost-sharing, multiple-employer, defined benefit pension plan. Thus, the majority of the information required to implement GASB Statement No. 68 was provided by the ASRS in their audited Schedules of Employer Allocations and Schedule of Pension Amounts by Employer.

As part of the implementation, the District recorded an adjustment to fiscal year ended June 30, 2014 to reflect a net pension liability of \$2,892,069 and a corresponding decrease in unrestricted net position. This liability will be adjusted each fiscal year from 2014 forward.

The net pension liability is not a liability that must be satisfied in a traditional sense. The ASRS describes the liability as “an accounting estimate of the [District’s] proportional share of the actuarial present value of projected long term benefits, at a point-in-time, that is attributed to past periods of ASRS member service, under the Entry Age Cost actuarial method, less the plan’s fiduciary net position.” In simpler terms, it is the District’s share of the ASRS retirement plan funding shortfall.

GASB Statement No. 68 also mandates that the following amounts related to pensions be recognized and classified as either deferred outflows of resources or deferred inflows of resources accordingly:

- a. Differences between expected and actual experience in the measurement of the total pension liability;
- b. Changes of assumptions or other inputs;
- c. Net difference between projected and actual earnings on pension plan investments;
- d. Changes in the employer’s proportion and differences between the employer’s contributions (other than those to separately finance specific liabilities of the individual employer to the pension plan) and the employer’s proportionate share of contributions; and
- e. Contributions to the pension plan from the employer subsequent to the measurement date of the collective net pension liability and before the end of the employer’s reporting period should be reported as a deferred outflow of resources related to pensions.

Thus, effective with fiscal year 2015, the District's Statement of Net Position reflects deferred outflows and deferred inflows of resources related to pensions.

Note 6 to the Financial Statements provides additional information about the District's pension obligation.

<b>Table 1</b>				
<b>Superstition Mountains Community Facilities District No. 1</b>				
<b>Net Position</b>				
	<u>June 30, 2015</u>	<i>restated</i> <u>June 30, 2014</u>	<b>Increase (Decrease)</b>	
			<b>current year from prior</b>	
			<u>Amount</u>	<u>Percentage</u>
Cash & cash equivalents	\$ 5,904,483	\$ 5,080,308	\$ 824,175	16.22%
Other current assets	1,024,414	1,086,358	(61,944)	-5.70%
Capital assets	<u>17,841,025</u>	<u>19,241,132</u>	<u>(1,400,107)</u>	-7.28%
<b>Total assets</b>	24,769,922	25,407,798	(637,876)	-2.51%
<b>Deferred outflows</b>	<u>382,303</u>	-	382,303	n/a
Current liabilities	1,932,069	1,689,670	242,399	14.35%
Long term liabilities				
Series 2013 bond	21,489,000	22,992,000	(1,503,000)	-6.54%
Net pension liability	<u>2,821,146</u>	<u>2,892,069</u>	<u>(70,923)</u>	-2.45%
<b>Total liabilities</b>	26,242,215	27,573,739	(1,331,524)	-4.83%
<b>Deferred inflows</b>	<u>493,331</u>	-	493,331	n/a
Net investment in				
capital assets	(3,722,546)	(3,520,176)	(202,370)	-5.75%
Restricted	751,574	751,833	(259)	-0.03%
Unrestricted	<u>1,387,651</u>	<u>602,402</u>	<u>785,249</u>	130.35%
<b>Total net position (deficit)</b>	\$ (1,583,321)	\$ (2,165,941)	\$ 582,620	26.90%

The District's net position as of June 30, 2015 improved by 27%, or \$582.6 thousand, from the prior year. Total assets decreased by 2.5% or \$637.9 thousand; total liabilities decreased 4.83% or \$1.3 million.

The increase in Cash and cash equivalents was \$824 thousand when compared to fiscal year 2014. The increase is largely attributed to an increase in the Capital and Replacement account. A summary of the components of Cash and cash equivalents is provided in Table 2.

Net additions to Capital assets for fiscal year 2015 totaled \$305 thousand; after normal depreciation of \$1.7 million, Capital assets decreased by \$1.4 million. A summary of the components of Capital assets is provided in Table 4 and in Note 4 to the Financial Statements.

The decrease of \$1.3 million in Total liabilities is a result of adherence to the District's Series 2013 bond repayment schedule.

## CASH AND CASH EQUIVALENTS

<b>Table 2</b>					
<b>Superstition Mountains Community Facilities District No. 1</b>					
<b>Cash and Cash Equivalents</b>					
	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<b>Increase (Decrease)</b>		
			<b>current year from prior</b>		
			<u>Amount</u>	<u>Percentage</u>	
Checking accounts	\$ 3,724,481	\$ 2,888,784	\$ 835,697	28.93%	
Restricted funds					
Debt Service Fund	175,766	186,645	(10,879)	-5.83%	
Debt Service Reserve	1,252,662	1,253,046	(384)	-0.03%	
Operations Reserve	<u>751,574</u>	<u>751,833</u>	<u>(259)</u>	-0.03%	
<b>Total cash and cash equivalents</b>	<b>\$ 5,904,483</b>	<b>\$ 5,080,308</b>	<b>\$ 824,175</b>	<b>16.22%</b>	

The District's checking accounts are used to accumulate daily receipts for services provided and to disburse periodic payments for payroll, goods and services received. The increase of \$835 thousand over the prior year is the result of an increase in the Capital and Replacement account.

In addition to the checking accounts, the District maintains three accounts specifically required by its bondholder, Alliance Bank of Arizona. The purpose and ultimate use of monies in these restricted funds is dictated by the terms of the Bond Resolution between the District and the bondholder.

### *Debt Service Fund*

The Debt Service Fund serves to accumulate the full amount of the next monthly debt payment due on the District's bonds, both principal and interest. As of June 30, 2015, the balance of \$175.7 thousand was held to meet the scheduled debt payment due on July 1, 2015. The balance on hand at June 30, 2014 was deposited to make the scheduled debt payment due on July 1, 2014.

### *Debt Service Reserve*

The Debt Service Reserve Fund represents a supplemental source of funds to make scheduled payments on the bond debt. The balances at June 30, 2015 and 2014 slightly exceed the requirement of \$1.25 million mandated by the District's Bond Resolution because of the accumulation of interest. Funds in excess of \$1.25 million are available to be transferred to an unrestricted account in January and July of each year.

### Operations Reserve

Funds in the Operations Reserve can be used to supplement shortfalls that may occur in other funds. This reserve can be used for District operations, capital acquisitions or debt repayment. Under the current Bond Resolution, the Operations Reserve is mandated to maintain a balance of \$750 thousand. The balances at June 30, 2015 and 2014 slightly exceed the requirement because of the accumulation of interest. Funds in excess of \$750 thousand are available to be transferred to an unrestricted account in January and July of each year.

### CHANGES IN NET POSITION

<b>Table 3</b>				
<b>Superstition Mountains Community Facilities District No. 1</b>				
<b>Changes in Net Position</b>				
	<i>restated</i>	<i>restated</i>	<b>Increase (Decrease)</b>	
	<b>June 30, 2015</b>	<b>June 30, 2014</b>	<b>Amount</b>	<b>Percentage</b>
Operating revenues				
Sewer services	\$ 6,002,153	\$ 5,780,527	\$ 221,626	3.83%
Connection fees	133,700	269,203	(135,503)	-50.33%
Septage charges	408,143	452,860	(44,717)	-9.87%
Recharge credit sales	129,105	169,493	(40,388)	-23.83%
Miscellaneous	<u>88,258</u>	<u>88,474</u>	<u>(216)</u>	-0.24%
Total operating revenue	6,761,359	6,760,557	802	0.01%
Operating expenses	5,126,570	5,381,233	(254,663)	-4.73%
Operating income	1,634,789	1,379,324	255,465	18.52%
Nonoperating revenue/(expense)				
Interest expense	(906,489)	(954,518)	(48,029)	-5.03%
Other nonoperating	<u>(145,680)</u>	<u>6,365</u>	<u>(152,045)</u>	-2388.77%
Total nonoperating revenue/(expense)	(1,052,169)	(948,153)	104,016	10.97%
<b>Increase in net position</b>	\$ 582,620	\$ 431,171	\$ 151,449	35.13%
Net position - beginning	(2,165,941)	294,957	(2,460,898)	834.32%
Restatement for GASB 68	<u>-</u>	<u>(2,892,069)</u>	<u>2,892,069</u>	n/a
Net position - ending	\$ (1,583,321)	\$ (2,165,941)	\$ 582,620	26.90%

## **Operating Revenues**

Operating revenues were virtually unchanged from the prior year. A modest revenue gain was realized in Sewer services; however, all other revenue categories decreased from fiscal year 2014.

Revenue from Sewer services increased over the prior year because of modest rate increases as well as modest customer growth. Connection fees decreased by over 50% because of a drop in the number of new connections to the system. In fiscal year 2015, 59 permits were issued for connection to the sewer system compared to 74 in fiscal year 2014.

Septage charges, realized from commercial haulers who remove waste from septic tanks and transport it to the District's facility for treatment and disposal, decreased by \$44.7 thousand because of a slight decline in volumes transported by existing customers and contractual rate adjustments made.

In March 2005, the District received its final permits allowing for the recharge of effluent and the accumulation of saleable recharge credits. The District negotiated agreements to sell its recharge credits to the Water Utilities Community Facilities District, operating as Apache Junction Water District, the Central Arizona Water Conservation District and Roadhaven RV Resort HOA. Revenues realized from recharge activities in fiscal year 2015 declined \$40.4 thousand from the previous year because of maintenance performed on the recharge facilities which temporarily limited recharge volumes.

Miscellaneous revenues were virtually unchanged from the prior year.

## **Operating Expenses**

Operating expenses decreased \$254.7 thousand from fiscal year 2014. The most significant expense categories showing decreases were Payroll and payroll related and Depreciation and amortization. Categories showing increases were Repairs and maintenance – treatment facility, Administrative and Consulting. Payroll and payroll related expense decreased \$213 thousand in fiscal year 2015 primarily because of functional consolidation. The most significant of these consolidations involved the Manager of Operations who was promoted to District Manager but retained the duties of Manager of Operations. Payroll and payroll related expenses also decreased over the prior year because of decreases in employee benefit costs. Increases to Repairs and maintenance – treatment facility of \$20 thousand can be largely attributed to improvements made at the District's administrative facility and grounds.

## **Nonoperating Revenues and Expenses**

Total nonoperating expense increased \$104 thousand over 2014. Interest expense decreased by \$48 thousand; Note 5 to the Financial Statements provides additional information about the District's outstanding bond debt. Losses on assets disposed totaled \$157 thousand in fiscal year 2015 compared to \$6.7 thousand in 2014.

**Increase or Decrease in Net Position**

The increase in net position for fiscal year 2015 of \$582.6 thousand reflects an improvement of \$151 thousand over the prior year result. The primary factor for the improvement can be tied to operating expense control.

**CAPITAL ASSETS**

<b>Table 4</b>				
<b>Superstition Mountains Community Facilities District No. 1</b>				
<b>Capital Assets</b>				
	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<b>Increase (Decrease)</b>	
			<b>current year from prior</b>	
			<u>Amount</u>	<u>Percentage</u>
Land and easements	\$ 1,229,706	\$ 1,233,104	\$ (3,398)	-0.28%
Treatment plant	15,231,776	15,140,640	91,136	0.60%
Collection system	22,502,932	22,400,686	102,246	0.46%
Buildings & grounds	754,299	645,200	109,099	16.91%
Machinery & equipment	2,923,480	2,876,016	47,464	1.65%
Office equipment & software	320,393	301,920	18,473	6.12%
Other intangibles	50,241	50,241	-	0.00%
Construction in process	<u>202,188</u>	<u>262,060</u>	<u>(59,872)</u>	-22.85%
<b>Total capital assets</b>	43,215,015	42,909,867	305,149	0.71%
Accumulated depreciation	<u>(25,373,990)</u>	<u>(23,668,735)</u>	<u>(1,705,255)</u>	7.20%
<b>Net capital assets</b>	<b>\$ 17,841,025</b>	<b>\$ 19,241,132</b>	<b>\$ (1,400,106)</b>	<b>-7.28%</b>

**Capital Assets**

The District operates and maintains approximately 112 miles of sewer line throughout the City of Apache Junction as well as a 2.1 MGD (million gallons per day) capacity wastewater treatment facility. The District is continually expanding, replacing and maintaining the sewer collection system and treatment facility. Most components of the sewer collection system and treatment facility have exceeded 20 years of use, with a small portion of the sewer collection system in excess of 30 years of service.

In fiscal year 2015, modest increases were noted in most capital asset categories. Several small additions were made to the collections system during fiscal year 2015 to serve additional customers. Improvements were made at the District's facilities to secure the perimeter and District assets, and repairs were made to the sludge drying beds and recharge facilities.

Note 4 to the Financial Statements provides additional information about the District's capital assets.

## **DEBT ADMINISTRATION**

The District has one bond issue, Series 2013, held by Alliance Bank of Arizona. This obligation replaced the Series 2000 bond obligation which was refunded during fiscal year 2013. The Series 2013 debt obligation requires that the District maintain a ratio of net revenues to bond service charges of at least 1.20. For fiscal year 2015, this ratio was 1.52 compared to 1.22 in 2014. Note 5 to the Financial Statements provides additional information about the bond debt.

## **ECONOMIC FACTORS BEARING ON THE DISTRICT'S RESULTS**

As noted in prior years, revenue growth in fiscal year 2015 resulted primarily from the District's practice of annual, modest rate increases for the services it provides. These rate increases, when coupled with expense control, allowed the District to cover its regular operating expenses and debt service as well as contribute toward capital additions and replacements.

The District is somewhat insulated from economic downturns by its broad residential customer base. Almost 97% of the units billed by the District for sewer service are residential, representing 84% of total sewer service revenue for fiscal year 2015.

The decrease in expenses reflects the District's continued commitment to expense control by focusing on areas where significant improvements can be made without impacting the quality of the services it provides; a significant area of focus remains on preventative and proactive repairs and maintenance to extend the useful lives of the District's equipment, systems and facilities.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability and compliance with respect to fiscal matters. If there are questions concerning this report or if further information is required, please contact the Superstition Mountains Community Facilities District No. 1 at 5661 S. Ironwood Drive, Apache Junction, Arizona 85120 or visit our website at [www.smcfcd.org](http://www.smcfcd.org).

Superstition Mountains Community Facilities District No. 1

STATEMENT OF NET POSITION

June 30, 2015

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 3,724,481
Cash and cash equivalents, restricted	175,766
Accounts receivable – sewage, net of allowance for doubtful accounts of \$47,079	638,128
Accounts receivable - other	242,253
Inventory	25,208
Prepaid expenses	118,825
Total current assets	<u>4,924,661</u>

NONCURRENT ASSETS

Capital assets:

Capital assets not being depreciated	1,416,900
Capital assets, net of accumulated depreciation	16,424,125
Total capital assets	<u>17,841,025</u>

Other assets:

Cash and cash equivalents, restricted	2,004,236
Total other assets	<u>2,004,236</u>

Total noncurrent assets 19,845,261

Total assets 24,769,922

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions	382,303
Total deferred outflows of resources	<u>382,303</u>

LIABILITIES

CURRENT LIABILITIES

Accounts payable	121,190
Accrued expenses	189,583
Accrued interest payable	73,766
Current portion, bonds payable	1,503,000
Unearned revenue	44,530
Total current liabilities	<u>1,932,069</u>

NONCURRENT LIABILITIES

Series 2013 bonds payable, less current maturity	21,489,000
Net pension liability	2,821,146
Total noncurrent liabilities	<u>24,310,146</u>

Total liabilities 26,242,215

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to pensions	493,331
Total deferred inflows of resources	<u>493,331</u>

NET POSITION

Net investment in capital assets	(3,722,547)
Restricted by debt covenant for:	
Operations	751,574
Unrestricted	1,387,652
Total net position	<u>\$ (1,583,321)</u>

The accompanying notes are an integral part of these financial statements.

Superstition Mountains Community Facilities District No. 1

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Year Ended June 30, 2015

Operating revenues:	
Net charges for services	\$ 6,135,853
Charges for septage	408,143
Sales of recharge credits	129,105
Miscellaneous	88,258
Total operating revenues	<u>6,761,359</u>
Operating expenses:	
Payroll and payroll related	2,231,122
Repairs and maintenance - treatment facility	277,139
Repairs and maintenance - other	3,316
Supplies and services - treatment facility	346,803
Accounting	15,250
Consulting	37,800
Administrative	321,160
Insurance	81,620
Legal	81,672
Depreciation and amortization	1,724,608
Miscellaneous	6,080
Total operating expenses	<u>5,126,570</u>
Operating income	1,634,789
Nonoperating revenues and (expenses):	
Interest income	11,788
Loss on equipment disposed	(157,468)
Interest expense	(906,489)
Total nonoperating revenues and (expenses)	<u>(1,052,169)</u>
Increase in net position	582,620
Net position as restated, July 1, 2014	<u>(2,165,941)</u>
Net position, June 30, 2015	<u><u>\$(1,583,321)</u></u>

The accompanying notes are an integral part of these financial statements.

Superstition Mountains Community Facilities District No. 1

STATEMENT OF CASH FLOWS

Year Ended June 30, 2015

Cash flows from operating activities:	
Cash received from customers	\$ 6,838,174
Cash payments to suppliers for goods and services	(1,177,920)
Cash payments to employees for services	(2,246,530)
Net cash provided by operating activities	<u>3,413,724</u>
Cash flows from capital and related financing activities:	
Acquisition of structures, sewer improvements and equipment	(481,969)
Principal payments on bonds payable	(1,209,000)
Bond interest paid	(910,368)
Net cash used by capital and related financing activities	<u>(2,601,337)</u>
Cash flows from investing activities:	
Interest received from investing activities	<u>11,788</u>
Net cash provided by investing activities	<u>11,788</u>
Net change in cash	824,175
Cash and cash equivalents, July 1, 2014	<u>5,080,308</u>
Cash and cash equivalents, June 30, 2015	<u>\$ 5,904,483</u>
Cash and cash equivalents at June 30, 2015 consist of:	
Unrestricted cash and cash equivalents	\$ 3,724,481
Restricted cash and cash equivalents, current	175,766
Restricted cash and cash equivalents, noncurrent	<u>2,004,236</u>
Total	<u>\$ 5,904,483</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 1,634,789
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	1,724,608
Pension expense	213,944
Employer pension contributions	(173,839)
Changes in assets and liabilities:	
Accounts receivable - sewage	3,842
Accounts receivable - other	63,228
Inventory	(2,412)
Prepaid expenses	(2,714)
Accounts payable	(1,954)
Accrued expenses	(55,513)
Unearned revenue	9,745
Net cash provided by operating activities	<u>\$ 3,413,724</u>

The accompanying notes are an integral part of these financial statements.

# Superstition Mountains Community Facilities District No. 1

## NOTES TO FINANCIAL STATEMENTS

June 30, 2015

### NOTE 1 – BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Superstition Mountains Community Facilities District No. 1 (the District) is a public utility, formed under the laws of the State of Arizona on July 7, 1992. The District was formed to finance, construct, own and operate a wastewater treatment plant and collection system (the Project) to serve as the central sewer system for a portion of the City of Apache Junction, Arizona.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to proprietary funds of governmental units. The more significant accounting policies of the District follow:

Description of Fund: A Fund is described as an independent fiscal and accounting entity with a self-balancing set of accounts used to record assets, related liabilities, reserves and equities which are segregated for the purpose of carrying on activities of the reporting entity.

Proprietary (Enterprise) Fund: This fund type is used to account for operations that are financed and operated in a manner similar to private business enterprises, in which the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Pronouncements of GASB and FASB: For the year ended June 30, 2015, the District implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. GASB Statement Nos. 68 and 71 establish standards for measuring and recognizing net pension liabilities, deferred outflows of resources, deferred inflows of resources and expenses related to pension benefits provided through defined benefit pension plans. In addition, Statement No. 68 requires disclosure of information related to pension benefits.

Basis of Presentation: The accrual basis of accounting is used in proprietary fund types. The accrual basis of accounting recognizes income when earned and expenses when incurred.

Net Position Classification: Net position is reported as restricted when constraints placed on the use of resources are either: a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for an expenditure, it is the District's practice to apply unrestricted funds unless the use of restricted funds is mandated by the District's Bond Resolution.

Cash and Cash Equivalents: Cash and cash equivalents consist of cash and short term investments with an initial maturity of three months or less.

Allowance for Doubtful Accounts: The District provides an allowance for doubtful accounts equal to the estimated uncollectible portion. This estimate is based on historical collection experience and a review of the current status of accounts receivable.

Superstition Mountains Community Facilities District No. 1

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 1 – BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventory: Inventory is stated at purchased cost (which approximates market). Inventory on hand at year-end is determined using the first-in, first-out method.

Capital Assets and Depreciation: Capital assets are stated at cost, which is allocated to current and future periods through depreciation. Capital asset expenditures are considered for capitalization when unit costs exceed \$5,000. Capitalized sewer improvement costs represent expenditures for the design and construction of the project, along with capitalized interest. Depreciation and amortization are computed using the straight-line method based on economic lives of the assets as follows:

Equipment	3 to 10 years
Structures and sewer improvements	10 to 30 years

Contributed Capital Assets: The District receives contributed capital assets in the form of sewer lines built and connected by developers of new residential and business properties in Apache Junction. The contributions are made in lieu of the developers paying the District to build the lines with District personnel. The District may also receive contributed capital assets in the form of easements granted by property owners in lieu of paying connection or other fees to the District.

Deferred Outflows and Inflows of Resources: The Statement of Net Position includes separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense in future periods. Deferred inflows of resources represent an acquisition of net position that applies to future periods.

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources related to pensions, deferred inflows of resources related to pensions and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Income Taxes: The District is exempt from income taxes as a public utility.

Operating and Nonoperating Revenues and Expenses: Operating revenues include all income derived from the operation of the sewer system or water treatment facility net of uncollectible amounts. Operating expenses include all costs incurred to support the operation of the sewer system and water treatment facility, including repair and maintenance expenses, administrative expenses and depreciation on capital assets.

Nonoperating revenues include income realized from contributed capital assets, proceeds received from mediation and litigation settlements, gains realized from the disposal of capital assets and earned interest. Nonoperating expenses include interest expense, cash management fees and losses realized from the disposal or abandonment of capital assets.

Superstition Mountains Community Facilities District No. 1

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 1 – BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in Accounting Principle: Net position as of July 1, 2014, has been restated as follows for the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

**Prior Period Adjustment**

Net position as previously reported at June 30, 2014	\$ 726,128
Prior period adjustment-implementation of GASB 68:	
Net pension liability (measurement date as of June 30, 2013)	(3,075,968)
Deferred outflows-contributions made during fiscal year 2014	<u>183,899</u>
Total prior period adjustment	<u>\$ (2,892,069)</u>
Net position as restated, July 1, 2014	<u><u>\$ (2,165,941)</u></u>

Use of Estimates: In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events: Subsequent events have been evaluated through October 30, 2015, which was the date the District's financial statements were issued.

Superstition Mountains Community Facilities District No. 1

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 2 – RESTRICTED CASH AND CASH EQUIVALENTS

Restricted cash and cash equivalents at June 30, 2015 consist of amounts established relative to the District’s Bond Resolution with Alliance Bank of Arizona, a division of Western Alliance Bank. The Bond Resolution mandates that the District maintain a Debt Service Reserve of \$1,250,000 and an Operations Reserve of \$750,000. The Bond Resolution authorizes the District to invest in government obligations or any other investment or security in which the District is permitted to invest pursuant to State law.

The District has not adopted a formal investment policy.

Restricted Cash and Cash Equivalents

Cash and cash equivalents, consisting of deposits in Alliance Bank and with the Certificate of Deposit Account Registry Service are allocated as follows as of June 30, 2015:

	<u>2015</u>
Principal and interest fund	\$ 175,766
Debt service reserve fund	1,252,662
Operations reserve fund	<u>751,574</u>
Total restricted cash and cash equivalents	<u>\$ 2,180,002</u>

NOTE 3 – CONCENTRATION OF CREDIT RISK

The District maintains its cash balances with financial institutions located in Phoenix, Arizona. At June 30, 2015, all amounts held in excess of FDIC limits were fully collateralized by securities pledged to the Statewide Collateral Pool Program. Under the Statewide Collateral Pool Program, administered by the Arizona State Treasurer’s Office, each financial institution with public deposits pledges a pool of collateral against all of the public deposits it holds for state and local governments of the State of Arizona except as provided by law. That collateral is pledged to the Pooled Collateral Administrator who is responsible for monitoring the collateral on behalf of all public depositors. The Administrator is responsible for ensuring that eligible depositories have posted 102% collateral for each public depositor in excess of any federally insured deposits. All ledger balances in demand deposit (non-interest bearing) accounts and interest bearing accounts - including non-negotiable certificates of deposits - must be covered by either federal insurance or eligible collateral equal to at least 102% of deposits at all times.

Superstition Mountains Community Facilities District No. 1

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

	Balance at <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance at <u>June 30, 2015</u>
<u>Nondepreciable assets:</u>				
Land	\$ 1,122,238	\$ -	\$ -	\$ 1,122,238
Easements	92,474	-	-	92,474
Construction in process	262,060	188,388	(248,260)	202,188
<u>Depreciable assets:</u>				
Treatment plant	15,140,640	100,170	(9,034)	15,231,776
Collection system	22,400,686	102,246	-	22,502,932
Equipment	3,177,936	81,384	(15,447)	3,243,873
Buildings & grounds	645,200	109,099	-	754,299
Rights of way	18,392	-	(3,398)	14,994
Other intangible assets	50,241	-	-	50,241
Total assets	<u>42,909,867</u>	<u>581,287</u>	<u>(276,139)</u>	<u>43,215,015</u>
<u>Accumulated depreciation:</u>				
Treatment plant	(8,500,388)	(663,647)	9,034	(9,155,001)
Collection system	(12,325,331)	(750,646)	-	(13,075,977)
Equipment	(2,492,585)	(231,156)	6,921	(2,716,820)
Buildings & grounds	(333,180)	(76,612)	-	(409,792)
Rights of way	(12,924)	(872)	3,398	(10,398)
Other intangible assets	(4,327)	(1,675)	-	(6,002)
Total accumulated depreciation	<u>(23,668,735)</u>	<u>(1,724,608)</u>	<u>19,353</u>	<u>(25,373,990)</u>
Net capital assets	<u>\$ 19,241,132</u>	<u>\$ (1,143,321)</u>	<u>\$ (256,786)</u>	<u>\$ 17,841,025</u>

Superstition Mountains Community Facilities District No. 1

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 5 – SERIES 2013 BONDS PAYABLE

On March 27, 2013, the District issued \$26,182,000 in sewer revenue bonds at 3.85% to advance refund the outstanding principal of the Series 2000 bond of \$28,670,000 which carried a rate of 6.00%. The net proceeds of the bonds, after paying bond issuance costs, were combined with other District resources and deposited with the Trustee who made payment in full to the prior bondholder, Allstate Insurance. The Series 2000 bond is considered to be defeased and the liability has been removed from the District’s fiscal year 2013 financial statements.

The Series 2013 bond obligation was issued at par and is held by a single bondholder, Alliance Bank of Arizona. The bonds are considered to be a current interest obligation with principal and interest payments due and payable on the first day of each month commencing on May 1, 2013, and continuing through July 1, 2025. All revenues of the District are assigned and used as security for the bond.

The following is a summary of changes in revenue bonds payable for the fiscal year ended June 30, 2015:

	<u>Balance at July 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at June 30, 2015</u>
Series 2013 bonds:				
Current portion	\$ 1,209,000	\$ 1,503,000	\$ 1,209,000	\$ 1,503,000
Noncurrent	22,992,000	-	1,503,000	21,489,000
Total bonds payable	<u>\$ 24,201,000</u>	<u>\$ 1,503,000</u>	<u>\$ 2,712,000</u>	<u>\$ 22,992,000</u>

Maturities of the Series 2013 sewer revenue bond, including interest payments, are as follows for June 30,

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,503,000	\$ 859,259	\$ 2,362,259
2017	1,592,000	799,436	2,391,436
2018	1,771,000	735,202	2,506,202
2019	1,898,000	664,654	2,562,654
2020	2,059,000	588,825	2,647,825
2021 - 2025	12,924,000	1,573,720	14,497,720
2026	1,245,000	3,994	1,248,994
Total	<u>\$ 22,992,000</u>	<u>\$ 5,225,090</u>	<u>\$ 28,217,090</u>

Superstition Mountains Community Facilities District No. 1

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 6 – RETIREMENT PLAN

Plan Description

The District contributes to the Arizona State Retirement System (ASRS) which administers a cost-sharing multiple-employer defined benefit pension plan; a cost-sharing, multiple-employer defined benefit health insurance premium benefit plan; and a cost-sharing, multiple-employer defined benefit long-term disability plan that covers general employees of the District. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of ARS. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at [www.azasrs.gov](http://www.azasrs.gov).

Benefits Provided

The ASRS provides retirement, health insurance premium supplement, long-term disability and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation and service credit as follows:

	<b>Retirement</b>	
	<b>Initial membership date:</b>	
	<b><u>Before July 1, 2011</u></b>	<b><u>On or after July 1, 2011</u></b>
	Sum of years and age equals	30 years age 55
	80	25 years age 60
Years of service and age required to receive benefit	10 years age 62	10 years age 62
	5 years age 50*	5 years age 50*
	any years age 65	any years age 65
Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

*\*With actuarially reduced benefits.*

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earning. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

Superstition Mountains Community Facilities District No. 1

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 6 – RETIREMENT PLAN (CONTINUED)

Contributions

In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2015, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.6% (11.48% for retirement and 0.12% for long-term disability) of the members' annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 11.6% (10.89% for retirement, 0.59% for health insurance premium benefit and 0.12% for long-term disability) of the active members' annual covered payroll. The District's contributions into the pension plan for the year ended June 30, 2015 were \$173,839.

The District's contributions for the current and 2 preceding years for the Health Benefit Supplement and Long Term Disability, which are required contributions, were as follows:

Year ended June 30,	Health Benefit Supplement Fund	Long Term Disability Fund
2015	\$ 8,933	\$ 1,819
2014	10,312	3,907
2013	10,674	3,854

Pension Liability

At June 30, 2015, the District reported a liability of \$2,821,146 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2014. The District's proportion measured as of June 30, 2014, was .019066%, which increased from its proportion of .018503% measured as of June 30, 2013.

Superstition Mountains Community Facilities District No. 1

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 6 – RETIREMENT PLAN (CONTINUED)

Pension expense and deferred outflows/inflows of resources

For the year ended June 30, 2015, the District recognized pension expense for ASRS of \$213,944. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 143,379	\$ -
Net difference between projected and actual earnings on pension plan investments	-	493,331
Changes in proportion and differences between District contributions and proportionate share of contributions	65,085	-
District contributions subsequent to the measurement date	173,839	-
Total	<u>\$ 382,303</u>	<u>\$ 493,331</u>

The \$173,839 reported as deferred outflows of resources related to ASRS pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year ending June 30,	
2016	\$ 32,696
2017	32,696
2018	96,142
2019	123,333

Superstition Mountains Community Facilities District No. 1

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 6 – RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions

The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial valuation date	June 30, 2013
Actuarial roll forward date	June 20, 2014
Actuarial cost method	Entry age normal
Investment rate of return	8%
Projected salary increases	3–6.75%
Inflation	3%
Permanent benefit increase	Included
Mortality rates	1994 GAM Scale BB

Actuarial assumptions used in the June 30, 2013, valuation were based on the results of an actuarial experience study for the 5 year period ended June 30, 2012.

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.79% using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Equity	63%	7.03%
Fixed income	25%	3.20%
Real estate	8%	4.75%
Commodities	4%	4.50%
Total	<u>100%</u>	

Superstition Mountains Community Facilities District No. 1

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE 6 – RETIREMENT PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the ASRS total pension liability was 8%, which is less than the long-term expected rate of return of 8.79%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s proportionate share of the ASRS net pension liability to changes in the discount rate

The following table presents the District’s proportionate share of the net pension liability calculated using the discount rate of 8%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7%) or 1 percentage point higher (9%) than the current rate:

	<b>1% Decrease (7%)</b>	<b>Current Discount Rate (8%)</b>	<b>1% Increase (9%)</b>
District's proportionate share of the net pension liability	\$ 3,565,784	\$ 2,821,146	\$ 2,417,143

Pension plan fiduciary net position

Detailed information about the pension plan’s fiduciary net position is available from the ASRS in the separately issued ASRS financial report.

NOTE 7 – COMMITMENTS AND CONTINGENT LIABILITIES

In the ordinary course of business, the District is subject to various legal actions and claims, including those related to employment matters. Although the outcome of such legal proceedings cannot be predicted with certainty, the District believes it is adequately insured and adequately reserved for such matters.

Superstition Mountains Community Facilities District No. 1

Apache Junction, Arizona

**STATISTICAL SECTION**



# Superstition Mountains Community Facilities District No. 1

Apache Junction, Arizona

## **STATISTICAL SECTION**

This part of the Superstition Mountains Community Facilities District No. 1 comprehensive annual financial report presents detailed information as a context for understanding what the information in the statements, note disclosures and required supplementary information says about the District's financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	28
These schedules contain trend information to assist the reader in understanding how the District's financial performance and well-being has changed over time.	
<b>Revenue Capacity</b>	30
These schedules contain information to assist the reader in assessing the District's most significant revenue source, sewer fees.	
<b>Debt Capacity</b>	34
These schedules present information to assist the reader in assessing the affordability of the District's current level of outstanding debt.	
<b>Demographic and Economic Information</b>	36
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.	
<b>Operating Information</b>	38
These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services that the District provides and the activities that it performs.	

**Schedule A-1  
Superstition Mountains Community Facilities District No. 1  
Net Position by Component  
Last Ten Fiscal Years**

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009 <sup>1</sup>	2010	2011	2012	2013	restated 2014 <sup>3</sup>	2015
Net position:										
Net investment in capital assets				\$ (1,802,439)	\$ (2,752,352)	\$ (3,481,676)	\$ (4,375,973)	\$ (3,106,982)	\$ (3,520,176)	\$ (3,722,546)
Restricted by debt covenants for:										
Debt service	\$ 1,803,870	\$ 1,788,420	\$ 1,820,420							
Capital acquisition				3,469,944	3,488,216	3,157,895	3,884,453			
Operations				809,050	1,148,971	1,166,675	826,933	750,473	751,833	751,574
Unrestricted <sup>2</sup>	707,987	2,044,335	2,042,005	410,528	66,219	261,021	362,001	2,651,466	602,402	1,387,651
Total net position	\$ 2,511,857	\$ 3,832,755	\$ 3,862,425	\$ 2,887,083	\$ 1,951,054	\$ 1,103,915	\$ 697,414	\$ 294,957	\$ (2,165,941)	\$ (1,583,321)

<sup>1</sup> The District modified its presentation of Net Position with the issuance of the comparative June 30, 2010 financial statements to conform with direction received from the AICPA. Prior years are stated as they were reported on the District's audited financial statements.

<sup>2</sup> All years presented were modified to reflect the adoption of GASB 65.

<sup>3</sup> The District adopted GASB 68 in fiscal year 2015; as part of this adoption, a prior period restatement of Net Position was required for fiscal year 2014.

Source: Statements of Net Position

**Schedule A-2  
Superstition Mountains Community Facilities District No. 1  
Changes in Net Position  
Last Ten Fiscal Years**

	Fiscal Year Ended June 30,																																																																																																																																																																																																																																																																																																																																																			
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015 <sup>2</sup>																																																																																																																																																																																																																																																																																																																																										
Operating revenues:											Charges for services	\$ 4,838,257	\$ 5,096,524	\$ 5,131,969	\$ 5,092,310	\$ 5,383,544	\$ 5,252,671	\$ 5,785,728	\$ 6,219,595	\$ 6,049,730	\$ 6,135,853	Charges for seepage	382,572	404,169	388,145	411,627	421,608	500,324	425,095	478,723	452,860	408,143	Sales of recharge credits	74,717	135,201	154,364	158,326	110,210	139,385	178,676	179,507	169,493	129,105	Miscellaneous	63,057	73,723	122,621	203,750	171,994	236,689	204,643	118,755	88,474	88,258	Total operating revenue	5,358,603	5,709,617	5,797,099	5,866,013	6,087,356	6,129,049	6,594,142	6,996,580	6,760,557	6,761,359	Operating expenses:											Payroll and payroll related	\$ 1,109,559	\$ 1,276,237	\$ 1,975,047	\$ 2,079,004	\$ 2,362,689	\$ 2,310,810	\$ 2,284,174	\$ 2,382,128	\$ 2,444,042	\$ 2,231,122	Repairs and maintenance - treatment facility	188,786	253,666	269,925	321,350	385,595	325,013	308,866	321,320	257,555	277,139	Repairs and maintenance - other	10,028	17,497	21,521	9,483	6,408	10,283	16,690	3,738	6,875	3,316	Supplies and services	291,449	315,232	338,507	315,627	346,623	330,145	357,845	355,682	353,727	346,803	Accounting	12,600	13,300	13,500	14,900	14,000	14,900	14,900	14,950	14,950	15,250	Consulting	51,436	37,672	43,924	154,309	14,903	22,893	41,698	6,105	30,736	37,800	Administrative	144,605	207,755	213,769	185,480	249,851	222,417	277,362	398,788	313,841	321,160	Insurance	88,961	85,082	84,451	79,525	71,563	74,546	75,234	84,743	84,993	81,620	Legal	72,429	93,545	97,645	96,575	63,810	162,865	66,978	90,353	98,046	81,672	Office rent	27,068	41,474	38,238	40,087	11,704	-	-	-	-	-	Depreciation and amortization <sup>1</sup>	1,295,299	1,370,898	1,535,314	1,680,733	1,697,816	1,731,906	1,811,856	1,794,023	1,766,400	1,724,608	Miscellaneous	110	189	3,235	21,000	504	383	511	2,142	10,068	6,080	Total operating expenses	3,292,330	3,712,547	4,635,076	4,998,073	5,225,466	5,206,161	5,256,114	5,393,972	5,381,233	5,126,570	Operating income	2,066,273	1,997,070	1,162,023	867,940	861,890	922,888	1,338,028	1,602,608	1,379,324	1,634,789	Nonoperating revenues and (expenses):											Contributed capital assets	\$ 786,827	\$ 156,680	\$ 235,902	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Mediation and litigation settlement	139,074	586,184	184,152	-	-	-	-	-	-	-	Interest income	273,306	397,785	263,587	52,658	3,598	10,180	6,944	3,852	13,075	11,788	Equipment scrapped or abandoned	(1,862)	-	-	(91,045)	(12,417)	(5,207)	5,677	(116,384)	(6,710)	(157,468)	Trust and cash management fees	(23,150)	(28,401)	(27,574)	(17,434)	(8,000)	(8,000)	(8,000)	(10,000)	-	-	Interest expense	(1,789,770)	(1,788,420)	(1,788,420)	(1,787,460)	(1,781,100)	(1,767,000)	(1,749,150)	(1,538,553)	(954,518)	(906,489)	Bond issuance costs	-	-	-	-	-	-	-	(343,980)	-	-	Total nonoperating revenue and (expense)	(615,575)	(676,172)	(1,132,353)	(1,843,281)	(1,797,919)	(1,770,027)	(1,744,529)	(2,005,065)	(948,153)	(1,052,169)	Change in net position	\$ 1,450,698	\$ 1,320,898	\$ 29,670	\$ (975,341)	\$ (936,029)	\$ (847,139)	\$ (406,501)	\$ (402,457)	\$ 431,171	\$ 582,620
Charges for services	\$ 4,838,257	\$ 5,096,524	\$ 5,131,969	\$ 5,092,310	\$ 5,383,544	\$ 5,252,671	\$ 5,785,728	\$ 6,219,595	\$ 6,049,730	\$ 6,135,853	Charges for seepage	382,572	404,169	388,145	411,627	421,608	500,324	425,095	478,723	452,860	408,143	Sales of recharge credits	74,717	135,201	154,364	158,326	110,210	139,385	178,676	179,507	169,493	129,105	Miscellaneous	63,057	73,723	122,621	203,750	171,994	236,689	204,643	118,755	88,474	88,258	Total operating revenue	5,358,603	5,709,617	5,797,099	5,866,013	6,087,356	6,129,049	6,594,142	6,996,580	6,760,557	6,761,359	Operating expenses:											Payroll and payroll related	\$ 1,109,559	\$ 1,276,237	\$ 1,975,047	\$ 2,079,004	\$ 2,362,689	\$ 2,310,810	\$ 2,284,174	\$ 2,382,128	\$ 2,444,042	\$ 2,231,122	Repairs and maintenance - treatment facility	188,786	253,666	269,925	321,350	385,595	325,013	308,866	321,320	257,555	277,139	Repairs and maintenance - other	10,028	17,497	21,521	9,483	6,408	10,283	16,690	3,738	6,875	3,316	Supplies and services	291,449	315,232	338,507	315,627	346,623	330,145	357,845	355,682	353,727	346,803	Accounting	12,600	13,300	13,500	14,900	14,000	14,900	14,900	14,950	14,950	15,250	Consulting	51,436	37,672	43,924	154,309	14,903	22,893	41,698	6,105	30,736	37,800	Administrative	144,605	207,755	213,769	185,480	249,851	222,417	277,362	398,788	313,841	321,160	Insurance	88,961	85,082	84,451	79,525	71,563	74,546	75,234	84,743	84,993	81,620	Legal	72,429	93,545	97,645	96,575	63,810	162,865	66,978	90,353	98,046	81,672	Office rent	27,068	41,474	38,238	40,087	11,704	-	-	-	-	-	Depreciation and amortization <sup>1</sup>	1,295,299	1,370,898	1,535,314	1,680,733	1,697,816	1,731,906	1,811,856	1,794,023	1,766,400	1,724,608	Miscellaneous	110	189	3,235	21,000	504	383	511	2,142	10,068	6,080	Total operating expenses	3,292,330	3,712,547	4,635,076	4,998,073	5,225,466	5,206,161	5,256,114	5,393,972	5,381,233	5,126,570	Operating income	2,066,273	1,997,070	1,162,023	867,940	861,890	922,888	1,338,028	1,602,608	1,379,324	1,634,789	Nonoperating revenues and (expenses):											Contributed capital assets	\$ 786,827	\$ 156,680	\$ 235,902	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Mediation and litigation settlement	139,074	586,184	184,152	-	-	-	-	-	-	-	Interest income	273,306	397,785	263,587	52,658	3,598	10,180	6,944	3,852	13,075	11,788	Equipment scrapped or abandoned	(1,862)	-	-	(91,045)	(12,417)	(5,207)	5,677	(116,384)	(6,710)	(157,468)	Trust and cash management fees	(23,150)	(28,401)	(27,574)	(17,434)	(8,000)	(8,000)	(8,000)	(10,000)	-	-	Interest expense	(1,789,770)	(1,788,420)	(1,788,420)	(1,787,460)	(1,781,100)	(1,767,000)	(1,749,150)	(1,538,553)	(954,518)	(906,489)	Bond issuance costs	-	-	-	-	-	-	-	(343,980)	-	-	Total nonoperating revenue and (expense)	(615,575)	(676,172)	(1,132,353)	(1,843,281)	(1,797,919)	(1,770,027)	(1,744,529)	(2,005,065)	(948,153)	(1,052,169)	Change in net position	\$ 1,450,698	\$ 1,320,898	\$ 29,670	\$ (975,341)	\$ (936,029)	\$ (847,139)	\$ (406,501)	\$ (402,457)	\$ 431,171	\$ 582,620											
Charges for seepage	382,572	404,169	388,145	411,627	421,608	500,324	425,095	478,723	452,860	408,143	Sales of recharge credits	74,717	135,201	154,364	158,326	110,210	139,385	178,676	179,507	169,493	129,105	Miscellaneous	63,057	73,723	122,621	203,750	171,994	236,689	204,643	118,755	88,474	88,258	Total operating revenue	5,358,603	5,709,617	5,797,099	5,866,013	6,087,356	6,129,049	6,594,142	6,996,580	6,760,557	6,761,359	Operating expenses:											Payroll and payroll related	\$ 1,109,559	\$ 1,276,237	\$ 1,975,047	\$ 2,079,004	\$ 2,362,689	\$ 2,310,810	\$ 2,284,174	\$ 2,382,128	\$ 2,444,042	\$ 2,231,122	Repairs and maintenance - treatment facility	188,786	253,666	269,925	321,350	385,595	325,013	308,866	321,320	257,555	277,139	Repairs and maintenance - other	10,028	17,497	21,521	9,483	6,408	10,283	16,690	3,738	6,875	3,316	Supplies and services	291,449	315,232	338,507	315,627	346,623	330,145	357,845	355,682	353,727	346,803	Accounting	12,600	13,300	13,500	14,900	14,000	14,900	14,900	14,950	14,950	15,250	Consulting	51,436	37,672	43,924	154,309	14,903	22,893	41,698	6,105	30,736	37,800	Administrative	144,605	207,755	213,769	185,480	249,851	222,417	277,362	398,788	313,841	321,160	Insurance	88,961	85,082	84,451	79,525	71,563	74,546	75,234	84,743	84,993	81,620	Legal	72,429	93,545	97,645	96,575	63,810	162,865	66,978	90,353	98,046	81,672	Office rent	27,068	41,474	38,238	40,087	11,704	-	-	-	-	-	Depreciation and amortization <sup>1</sup>	1,295,299	1,370,898	1,535,314	1,680,733	1,697,816	1,731,906	1,811,856	1,794,023	1,766,400	1,724,608	Miscellaneous	110	189	3,235	21,000	504	383	511	2,142	10,068	6,080	Total operating expenses	3,292,330	3,712,547	4,635,076	4,998,073	5,225,466	5,206,161	5,256,114	5,393,972	5,381,233	5,126,570	Operating income	2,066,273	1,997,070	1,162,023	867,940	861,890	922,888	1,338,028	1,602,608	1,379,324	1,634,789	Nonoperating revenues and (expenses):											Contributed capital assets	\$ 786,827	\$ 156,680	\$ 235,902	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Mediation and litigation settlement	139,074	586,184	184,152	-	-	-	-	-	-	-	Interest income	273,306	397,785	263,587	52,658	3,598	10,180	6,944	3,852	13,075	11,788	Equipment scrapped or abandoned	(1,862)	-	-	(91,045)	(12,417)	(5,207)	5,677	(116,384)	(6,710)	(157,468)	Trust and cash management fees	(23,150)	(28,401)	(27,574)	(17,434)	(8,000)	(8,000)	(8,000)	(10,000)	-	-	Interest expense	(1,789,770)	(1,788,420)	(1,788,420)	(1,787,460)	(1,781,100)	(1,767,000)	(1,749,150)	(1,538,553)	(954,518)	(906,489)	Bond issuance costs	-	-	-	-	-	-	-	(343,980)	-	-	Total nonoperating revenue and (expense)	(615,575)	(676,172)	(1,132,353)	(1,843,281)	(1,797,919)	(1,770,027)	(1,744,529)	(2,005,065)	(948,153)	(1,052,169)	Change in net position	\$ 1,450,698	\$ 1,320,898	\$ 29,670	\$ (975,341)	\$ (936,029)	\$ (847,139)	\$ (406,501)	\$ (402,457)	\$ 431,171	\$ 582,620																						
Sales of recharge credits	74,717	135,201	154,364	158,326	110,210	139,385	178,676	179,507	169,493	129,105	Miscellaneous	63,057	73,723	122,621	203,750	171,994	236,689	204,643	118,755	88,474	88,258	Total operating revenue	5,358,603	5,709,617	5,797,099	5,866,013	6,087,356	6,129,049	6,594,142	6,996,580	6,760,557	6,761,359	Operating expenses:											Payroll and payroll related	\$ 1,109,559	\$ 1,276,237	\$ 1,975,047	\$ 2,079,004	\$ 2,362,689	\$ 2,310,810	\$ 2,284,174	\$ 2,382,128	\$ 2,444,042	\$ 2,231,122	Repairs and maintenance - treatment facility	188,786	253,666	269,925	321,350	385,595	325,013	308,866	321,320	257,555	277,139	Repairs and maintenance - other	10,028	17,497	21,521	9,483	6,408	10,283	16,690	3,738	6,875	3,316	Supplies and services	291,449	315,232	338,507	315,627	346,623	330,145	357,845	355,682	353,727	346,803	Accounting	12,600	13,300	13,500	14,900	14,000	14,900	14,900	14,950	14,950	15,250	Consulting	51,436	37,672	43,924	154,309	14,903	22,893	41,698	6,105	30,736	37,800	Administrative	144,605	207,755	213,769	185,480	249,851	222,417	277,362	398,788	313,841	321,160	Insurance	88,961	85,082	84,451	79,525	71,563	74,546	75,234	84,743	84,993	81,620	Legal	72,429	93,545	97,645	96,575	63,810	162,865	66,978	90,353	98,046	81,672	Office rent	27,068	41,474	38,238	40,087	11,704	-	-	-	-	-	Depreciation and amortization <sup>1</sup>	1,295,299	1,370,898	1,535,314	1,680,733	1,697,816	1,731,906	1,811,856	1,794,023	1,766,400	1,724,608	Miscellaneous	110	189	3,235	21,000	504	383	511	2,142	10,068	6,080	Total operating expenses	3,292,330	3,712,547	4,635,076	4,998,073	5,225,466	5,206,161	5,256,114	5,393,972	5,381,233	5,126,570	Operating income	2,066,273	1,997,070	1,162,023	867,940	861,890	922,888	1,338,028	1,602,608	1,379,324	1,634,789	Nonoperating revenues and (expenses):											Contributed capital assets	\$ 786,827	\$ 156,680	\$ 235,902	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Mediation and litigation settlement	139,074	586,184	184,152	-	-	-	-	-	-	-	Interest income	273,306	397,785	263,587	52,658	3,598	10,180	6,944	3,852	13,075	11,788	Equipment scrapped or abandoned	(1,862)	-	-	(91,045)	(12,417)	(5,207)	5,677	(116,384)	(6,710)	(157,468)	Trust and cash management fees	(23,150)	(28,401)	(27,574)	(17,434)	(8,000)	(8,000)	(8,000)	(10,000)	-	-	Interest expense	(1,789,770)	(1,788,420)	(1,788,420)	(1,787,460)	(1,781,100)	(1,767,000)	(1,749,150)	(1,538,553)	(954,518)	(906,489)	Bond issuance costs	-	-	-	-	-	-	-	(343,980)	-	-	Total nonoperating revenue and (expense)	(615,575)	(676,172)	(1,132,353)	(1,843,281)	(1,797,919)	(1,770,027)	(1,744,529)	(2,005,065)	(948,153)	(1,052,169)	Change in net position	\$ 1,450,698	\$ 1,320,898	\$ 29,670	\$ (975,341)	\$ (936,029)	\$ (847,139)	\$ (406,501)	\$ (402,457)	\$ 431,171	\$ 582,620																																	
Miscellaneous	63,057	73,723	122,621	203,750	171,994	236,689	204,643	118,755	88,474	88,258	Total operating revenue	5,358,603	5,709,617	5,797,099	5,866,013	6,087,356	6,129,049	6,594,142	6,996,580	6,760,557	6,761,359	Operating expenses:											Payroll and payroll related	\$ 1,109,559	\$ 1,276,237	\$ 1,975,047	\$ 2,079,004	\$ 2,362,689	\$ 2,310,810	\$ 2,284,174	\$ 2,382,128	\$ 2,444,042	\$ 2,231,122	Repairs and maintenance - treatment facility	188,786	253,666	269,925	321,350	385,595	325,013	308,866	321,320	257,555	277,139	Repairs and maintenance - other	10,028	17,497	21,521	9,483	6,408	10,283	16,690	3,738	6,875	3,316	Supplies and services	291,449	315,232	338,507	315,627	346,623	330,145	357,845	355,682	353,727	346,803	Accounting	12,600	13,300	13,500	14,900	14,000	14,900	14,900	14,950	14,950	15,250	Consulting	51,436	37,672	43,924	154,309	14,903	22,893	41,698	6,105	30,736	37,800	Administrative	144,605	207,755	213,769	185,480	249,851	222,417	277,362	398,788	313,841	321,160	Insurance	88,961	85,082	84,451	79,525	71,563	74,546	75,234	84,743	84,993	81,620	Legal	72,429	93,545	97,645	96,575	63,810	162,865	66,978	90,353	98,046	81,672	Office rent	27,068	41,474	38,238	40,087	11,704	-	-	-	-	-	Depreciation and amortization <sup>1</sup>	1,295,299	1,370,898	1,535,314	1,680,733	1,697,816	1,731,906	1,811,856	1,794,023	1,766,400	1,724,608	Miscellaneous	110	189	3,235	21,000	504	383	511	2,142	10,068	6,080	Total operating expenses	3,292,330	3,712,547	4,635,076	4,998,073	5,225,466	5,206,161	5,256,114	5,393,972	5,381,233	5,126,570	Operating income	2,066,273	1,997,070	1,162,023	867,940	861,890	922,888	1,338,028	1,602,608	1,379,324	1,634,789	Nonoperating revenues and (expenses):											Contributed capital assets	\$ 786,827	\$ 156,680	\$ 235,902	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Mediation and litigation settlement	139,074	586,184	184,152	-	-	-	-	-	-	-	Interest income	273,306	397,785	263,587	52,658	3,598	10,180	6,944	3,852	13,075	11,788	Equipment scrapped or abandoned	(1,862)	-	-	(91,045)	(12,417)	(5,207)	5,677	(116,384)	(6,710)	(157,468)	Trust and cash management fees	(23,150)	(28,401)	(27,574)	(17,434)	(8,000)	(8,000)	(8,000)	(10,000)	-	-	Interest expense	(1,789,770)	(1,788,420)	(1,788,420)	(1,787,460)	(1,781,100)	(1,767,000)	(1,749,150)	(1,538,553)	(954,518)	(906,489)	Bond issuance costs	-	-	-	-	-	-	-	(343,980)	-	-	Total nonoperating revenue and (expense)	(615,575)	(676,172)	(1,132,353)	(1,843,281)	(1,797,919)	(1,770,027)	(1,744,529)	(2,005,065)	(948,153)	(1,052,169)	Change in net position	\$ 1,450,698	\$ 1,320,898	\$ 29,670	\$ (975,341)	\$ (936,029)	\$ (847,139)	\$ (406,501)	\$ (402,457)	\$ 431,171	\$ 582,620																																												
Total operating revenue	5,358,603	5,709,617	5,797,099	5,866,013	6,087,356	6,129,049	6,594,142	6,996,580	6,760,557	6,761,359	Operating expenses:											Payroll and payroll related	\$ 1,109,559	\$ 1,276,237	\$ 1,975,047	\$ 2,079,004	\$ 2,362,689	\$ 2,310,810	\$ 2,284,174	\$ 2,382,128	\$ 2,444,042	\$ 2,231,122	Repairs and maintenance - treatment facility	188,786	253,666	269,925	321,350	385,595	325,013	308,866	321,320	257,555	277,139	Repairs and maintenance - other	10,028	17,497	21,521	9,483	6,408	10,283	16,690	3,738	6,875	3,316	Supplies and services	291,449	315,232	338,507	315,627	346,623	330,145	357,845	355,682	353,727	346,803	Accounting	12,600	13,300	13,500	14,900	14,000	14,900	14,900	14,950	14,950	15,250	Consulting	51,436	37,672	43,924	154,309	14,903	22,893	41,698	6,105	30,736	37,800	Administrative	144,605	207,755	213,769	185,480	249,851	222,417	277,362	398,788	313,841	321,160	Insurance	88,961	85,082	84,451	79,525	71,563	74,546	75,234	84,743	84,993	81,620	Legal	72,429	93,545	97,645	96,575	63,810	162,865	66,978	90,353	98,046	81,672	Office rent	27,068	41,474	38,238	40,087	11,704	-	-	-	-	-	Depreciation and amortization <sup>1</sup>	1,295,299	1,370,898	1,535,314	1,680,733	1,697,816	1,731,906	1,811,856	1,794,023	1,766,400	1,724,608	Miscellaneous	110	189	3,235	21,000	504	383	511	2,142	10,068	6,080	Total operating expenses	3,292,330	3,712,547	4,635,076	4,998,073	5,225,466	5,206,161	5,256,114	5,393,972	5,381,233	5,126,570	Operating income	2,066,273	1,997,070	1,162,023	867,940	861,890	922,888	1,338,028	1,602,608	1,379,324	1,634,789	Nonoperating revenues and (expenses):											Contributed capital assets	\$ 786,827	\$ 156,680	\$ 235,902	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Mediation and litigation settlement	139,074	586,184	184,152	-	-	-	-	-	-	-	Interest income	273,306	397,785	263,587	52,658	3,598	10,180	6,944	3,852	13,075	11,788	Equipment scrapped or abandoned	(1,862)	-	-	(91,045)	(12,417)	(5,207)	5,677	(116,384)	(6,710)	(157,468)	Trust and cash management fees	(23,150)	(28,401)	(27,574)	(17,434)	(8,000)	(8,000)	(8,000)	(10,000)	-	-	Interest expense	(1,789,770)	(1,788,420)	(1,788,420)	(1,787,460)	(1,781,100)	(1,767,000)	(1,749,150)	(1,538,553)	(954,518)	(906,489)	Bond issuance costs	-	-	-	-	-	-	-	(343,980)	-	-	Total nonoperating revenue and (expense)	(615,575)	(676,172)	(1,132,353)	(1,843,281)	(1,797,919)	(1,770,027)	(1,744,529)	(2,005,065)	(948,153)	(1,052,169)	Change in net position	\$ 1,450,698	\$ 1,320,898	\$ 29,670	\$ (975,341)	\$ (936,029)	\$ (847,139)	\$ (406,501)	\$ (402,457)	\$ 431,171	\$ 582,620																																																							
Operating expenses:											Payroll and payroll related	\$ 1,109,559	\$ 1,276,237	\$ 1,975,047	\$ 2,079,004	\$ 2,362,689	\$ 2,310,810	\$ 2,284,174	\$ 2,382,128	\$ 2,444,042	\$ 2,231,122	Repairs and maintenance - treatment facility	188,786	253,666	269,925	321,350	385,595	325,013	308,866	321,320	257,555	277,139	Repairs and maintenance - other	10,028	17,497	21,521	9,483	6,408	10,283	16,690	3,738	6,875	3,316	Supplies and services	291,449	315,232	338,507	315,627	346,623	330,145	357,845	355,682	353,727	346,803	Accounting	12,600	13,300	13,500	14,900	14,000	14,900	14,900	14,950	14,950	15,250	Consulting	51,436	37,672	43,924	154,309	14,903	22,893	41,698	6,105	30,736	37,800	Administrative	144,605	207,755	213,769	185,480	249,851	222,417	277,362	398,788	313,841	321,160	Insurance	88,961	85,082	84,451	79,525	71,563	74,546	75,234	84,743	84,993	81,620	Legal	72,429	93,545	97,645	96,575	63,810	162,865	66,978	90,353	98,046	81,672	Office rent	27,068	41,474	38,238	40,087	11,704	-	-	-	-	-	Depreciation and amortization <sup>1</sup>	1,295,299	1,370,898	1,535,314	1,680,733	1,697,816	1,731,906	1,811,856	1,794,023	1,766,400	1,724,608	Miscellaneous	110	189	3,235	21,000	504	383	511	2,142	10,068	6,080	Total operating expenses	3,292,330	3,712,547	4,635,076	4,998,073	5,225,466	5,206,161	5,256,114	5,393,972	5,381,233	5,126,570	Operating income	2,066,273	1,997,070	1,162,023	867,940	861,890	922,888	1,338,028	1,602,608	1,379,324	1,634,789	Nonoperating revenues and (expenses):											Contributed capital assets	\$ 786,827	\$ 156,680	\$ 235,902	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Mediation and litigation settlement	139,074	586,184	184,152	-	-	-	-	-	-	-	Interest income	273,306	397,785	263,587	52,658	3,598	10,180	6,944	3,852	13,075	11,788	Equipment scrapped or abandoned	(1,862)	-	-	(91,045)	(12,417)	(5,207)	5,677	(116,384)	(6,710)	(157,468)	Trust and cash management fees	(23,150)	(28,401)	(27,574)	(17,434)	(8,000)	(8,000)	(8,000)	(10,000)	-	-	Interest expense	(1,789,770)	(1,788,420)	(1,788,420)	(1,787,460)	(1,781,100)	(1,767,000)	(1,749,150)	(1,538,553)	(954,518)	(906,489)	Bond issuance costs	-	-	-	-	-	-	-	(343,980)	-	-	Total nonoperating revenue and (expense)	(615,575)	(676,172)	(1,132,353)	(1,843,281)	(1,797,919)	(1,770,027)	(1,744,529)	(2,005,065)	(948,153)	(1,052,169)	Change in net position	\$ 1,450,698	\$ 1,320,898	\$ 29,670	\$ (975,341)	\$ (936,029)	\$ (847,139)	\$ (406,501)	\$ (402,457)	\$ 431,171	\$ 582,620																																																																		
Payroll and payroll related	\$ 1,109,559	\$ 1,276,237	\$ 1,975,047	\$ 2,079,004	\$ 2,362,689	\$ 2,310,810	\$ 2,284,174	\$ 2,382,128	\$ 2,444,042	\$ 2,231,122	Repairs and maintenance - treatment facility	188,786	253,666	269,925	321,350	385,595	325,013	308,866	321,320	257,555	277,139	Repairs and maintenance - other	10,028	17,497	21,521	9,483	6,408	10,283	16,690	3,738	6,875	3,316	Supplies and services	291,449	315,232	338,507	315,627	346,623	330,145	357,845	355,682	353,727	346,803	Accounting	12,600	13,300	13,500	14,900	14,000	14,900	14,900	14,950	14,950	15,250	Consulting	51,436	37,672	43,924	154,309	14,903	22,893	41,698	6,105	30,736	37,800	Administrative	144,605	207,755	213,769	185,480	249,851	222,417	277,362	398,788	313,841	321,160	Insurance	88,961	85,082	84,451	79,525	71,563	74,546	75,234	84,743	84,993	81,620	Legal	72,429	93,545	97,645	96,575	63,810	162,865	66,978	90,353	98,046	81,672	Office rent	27,068	41,474	38,238	40,087	11,704	-	-	-	-	-	Depreciation and amortization <sup>1</sup>	1,295,299	1,370,898	1,535,314	1,680,733	1,697,816	1,731,906	1,811,856	1,794,023	1,766,400	1,724,608	Miscellaneous	110	189	3,235	21,000	504	383	511	2,142	10,068	6,080	Total operating expenses	3,292,330	3,712,547	4,635,076	4,998,073	5,225,466	5,206,161	5,256,114	5,393,972	5,381,233	5,126,570	Operating income	2,066,273	1,997,070	1,162,023	867,940	861,890	922,888	1,338,028	1,602,608	1,379,324	1,634,789	Nonoperating revenues and (expenses):											Contributed capital assets	\$ 786,827	\$ 156,680	\$ 235,902	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Mediation and litigation settlement	139,074	586,184	184,152	-	-	-	-	-	-	-	Interest income	273,306	397,785	263,587	52,658	3,598	10,180	6,944	3,852	13,075	11,788	Equipment scrapped or abandoned	(1,862)	-	-	(91,045)	(12,417)	(5,207)	5,677	(116,384)	(6,710)	(157,468)	Trust and cash management fees	(23,150)	(28,401)	(27,574)	(17,434)	(8,000)	(8,000)	(8,000)	(10,000)	-	-	Interest expense	(1,789,770)	(1,788,420)	(1,788,420)	(1,787,460)	(1,781,100)	(1,767,000)	(1,749,150)	(1,538,553)	(954,518)	(906,489)	Bond issuance costs	-	-	-	-	-	-	-	(343,980)	-	-	Total nonoperating revenue and (expense)	(615,575)	(676,172)	(1,132,353)	(1,843,281)	(1,797,919)	(1,770,027)	(1,744,529)	(2,005,065)	(948,153)	(1,052,169)	Change in net position	\$ 1,450,698	\$ 1,320,898	\$ 29,670	\$ (975,341)	\$ (936,029)	\$ (847,139)	\$ (406,501)	\$ (402,457)	\$ 431,171	\$ 582,620																																																																													
Repairs and maintenance - treatment facility	188,786	253,666	269,925	321,350	385,595	325,013	308,866	321,320	257,555	277,139	Repairs and maintenance - other	10,028	17,497	21,521	9,483	6,408	10,283	16,690	3,738	6,875	3,316	Supplies and services	291,449	315,232	338,507	315,627	346,623	330,145	357,845	355,682	353,727	346,803	Accounting	12,600	13,300	13,500	14,900	14,000	14,900	14,900	14,950	14,950	15,250	Consulting	51,436	37,672	43,924	154,309	14,903	22,893	41,698	6,105	30,736	37,800	Administrative	144,605	207,755	213,769	185,480	249,851	222,417	277,362	398,788	313,841	321,160	Insurance	88,961	85,082	84,451	79,525	71,563	74,546	75,234	84,743	84,993	81,620	Legal	72,429	93,545	97,645	96,575	63,810	162,865	66,978	90,353	98,046	81,672	Office rent	27,068	41,474	38,238	40,087	11,704	-	-	-	-	-	Depreciation and amortization <sup>1</sup>	1,295,299	1,370,898	1,535,314	1,680,733	1,697,816	1,731,906	1,811,856	1,794,023	1,766,400	1,724,608	Miscellaneous	110	189	3,235	21,000	504	383	511	2,142	10,068	6,080	Total operating expenses	3,292,330	3,712,547	4,635,076	4,998,073	5,225,466	5,206,161	5,256,114	5,393,972	5,381,233	5,126,570	Operating income	2,066,273	1,997,070	1,162,023	867,940	861,890	922,888	1,338,028	1,602,608	1,379,324	1,634,789	Nonoperating revenues and (expenses):											Contributed capital assets	\$ 786,827	\$ 156,680	\$ 235,902	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Mediation and litigation settlement	139,074	586,184	184,152	-	-	-	-	-	-	-	Interest income	273,306	397,785	263,587	52,658	3,598	10,180	6,944	3,852	13,075	11,788	Equipment scrapped or abandoned	(1,862)	-	-	(91,045)	(12,417)	(5,207)	5,677	(116,384)	(6,710)	(157,468)	Trust and cash management fees	(23,150)	(28,401)	(27,574)	(17,434)	(8,000)	(8,000)	(8,000)	(10,000)	-	-	Interest expense	(1,789,770)	(1,788,420)	(1,788,420)	(1,787,460)	(1,781,100)	(1,767,000)	(1,749,150)	(1,538,553)	(954,518)	(906,489)	Bond issuance costs	-	-	-	-	-	-	-	(343,980)	-	-	Total nonoperating revenue and (expense)	(615,575)	(676,172)	(1,132,353)	(1,843,281)	(1,797,919)	(1,770,027)	(1,744,529)	(2,005,065)	(948,153)	(1,052,169)	Change in net position	\$ 1,450,698	\$ 1,320,898	\$ 29,670	\$ (975,341)	\$ (936,029)	\$ (847,139)	\$ (406,501)	\$ (402,457)	\$ 431,171	\$ 582,620																																																																																								
Repairs and maintenance - other	10,028	17,497	21,521	9,483	6,408	10,283	16,690	3,738	6,875	3,316	Supplies and services	291,449	315,232	338,507	315,627	346,623	330,145	357,845	355,682	353,727	346,803	Accounting	12,600	13,300	13,500	14,900	14,000	14,900	14,900	14,950	14,950	15,250	Consulting	51,436	37,672	43,924	154,309	14,903	22,893	41,698	6,105	30,736	37,800	Administrative	144,605	207,755	213,769	185,480	249,851	222,417	277,362	398,788	313,841	321,160	Insurance	88,961	85,082	84,451	79,525	71,563	74,546	75,234	84,743	84,993	81,620	Legal	72,429	93,545	97,645	96,575	63,810	162,865	66,978	90,353	98,046	81,672	Office rent	27,068	41,474	38,238	40,087	11,704	-	-	-	-	-	Depreciation and amortization <sup>1</sup>	1,295,299	1,370,898	1,535,314	1,680,733	1,697,816	1,731,906	1,811,856	1,794,023	1,766,400	1,724,608	Miscellaneous	110	189	3,235	21,000	504	383	511	2,142	10,068	6,080	Total operating expenses	3,292,330	3,712,547	4,635,076	4,998,073	5,225,466	5,206,161	5,256,114	5,393,972	5,381,233	5,126,570	Operating income	2,066,273	1,997,070	1,162,023	867,940	861,890	922,888	1,338,028	1,602,608	1,379,324	1,634,789	Nonoperating revenues and (expenses):											Contributed capital assets	\$ 786,827	\$ 156,680	\$ 235,902	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Mediation and litigation settlement	139,074	586,184	184,152	-	-	-	-	-	-	-	Interest income	273,306	397,785	263,587	52,658	3,598	10,180	6,944	3,852	13,075	11,788	Equipment scrapped or abandoned	(1,862)	-	-	(91,045)	(12,417)	(5,207)	5,677	(116,384)	(6,710)	(157,468)	Trust and cash management fees	(23,150)	(28,401)	(27,574)	(17,434)	(8,000)	(8,000)	(8,000)	(10,000)	-	-	Interest expense	(1,789,770)	(1,788,420)	(1,788,420)	(1,787,460)	(1,781,100)	(1,767,000)	(1,749,150)	(1,538,553)	(954,518)	(906,489)	Bond issuance costs	-	-	-	-	-	-	-	(343,980)	-	-	Total nonoperating revenue and (expense)	(615,575)	(676,172)	(1,132,353)	(1,843,281)	(1,797,919)	(1,770,027)	(1,744,529)	(2,005,065)	(948,153)	(1,052,169)	Change in net position	\$ 1,450,698	\$ 1,320,898	\$ 29,670	\$ (975,341)	\$ (936,029)	\$ (847,139)	\$ (406,501)	\$ (402,457)	\$ 431,171	\$ 582,620																																																																																																			
Supplies and services	291,449	315,232	338,507	315,627	346,623	330,145	357,845	355,682	353,727	346,803	Accounting	12,600	13,300	13,500	14,900	14,000	14,900	14,900	14,950	14,950	15,250	Consulting	51,436	37,672	43,924	154,309	14,903	22,893	41,698	6,105	30,736	37,800	Administrative	144,605	207,755	213,769	185,480	249,851	222,417	277,362	398,788	313,841	321,160	Insurance	88,961	85,082	84,451	79,525	71,563	74,546	75,234	84,743	84,993	81,620	Legal	72,429	93,545	97,645	96,575	63,810	162,865	66,978	90,353	98,046	81,672	Office rent	27,068	41,474	38,238	40,087	11,704	-	-	-	-	-	Depreciation and amortization <sup>1</sup>	1,295,299	1,370,898	1,535,314	1,680,733	1,697,816	1,731,906	1,811,856	1,794,023	1,766,400	1,724,608	Miscellaneous	110	189	3,235	21,000	504	383	511	2,142	10,068	6,080	Total operating expenses	3,292,330	3,712,547	4,635,076	4,998,073	5,225,466	5,206,161	5,256,114	5,393,972	5,381,233	5,126,570	Operating income	2,066,273	1,997,070	1,162,023	867,940	861,890	922,888	1,338,028	1,602,608	1,379,324	1,634,789	Nonoperating revenues and (expenses):											Contributed capital assets	\$ 786,827	\$ 156,680	\$ 235,902	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Mediation and litigation settlement	139,074	586,184	184,152	-	-	-	-	-	-	-	Interest income	273,306	397,785	263,587	52,658	3,598	10,180	6,944	3,852	13,075	11,788	Equipment scrapped or abandoned	(1,862)	-	-	(91,045)	(12,417)	(5,207)	5,677	(116,384)	(6,710)	(157,468)	Trust and cash management fees	(23,150)	(28,401)	(27,574)	(17,434)	(8,000)	(8,000)	(8,000)	(10,000)	-	-	Interest expense	(1,789,770)	(1,788,420)	(1,788,420)	(1,787,460)	(1,781,100)	(1,767,000)	(1,749,150)	(1,538,553)	(954,518)	(906,489)	Bond issuance costs	-	-	-	-	-	-	-	(343,980)	-	-	Total nonoperating revenue and (expense)	(615,575)	(676,172)	(1,132,353)	(1,843,281)	(1,797,919)	(1,770,027)	(1,744,529)	(2,005,065)	(948,153)	(1,052,169)	Change in net position	\$ 1,450,698	\$ 1,320,898	\$ 29,670	\$ (975,341)	\$ (936,029)	\$ (847,139)	\$ (406,501)	\$ (402,457)	\$ 431,171	\$ 582,620																																																																																																														
Accounting	12,600	13,300	13,500	14,900	14,000	14,900	14,900	14,950	14,950	15,250	Consulting	51,436	37,672	43,924	154,309	14,903	22,893	41,698	6,105	30,736	37,800	Administrative	144,605	207,755	213,769	185,480	249,851	222,417	277,362	398,788	313,841	321,160	Insurance	88,961	85,082	84,451	79,525	71,563	74,546	75,234	84,743	84,993	81,620	Legal	72,429	93,545	97,645	96,575	63,810	162,865	66,978	90,353	98,046	81,672	Office rent	27,068	41,474	38,238	40,087	11,704	-	-	-	-	-	Depreciation and amortization <sup>1</sup>	1,295,299	1,370,898	1,535,314	1,680,733	1,697,816	1,731,906	1,811,856	1,794,023	1,766,400	1,724,608	Miscellaneous	110	189	3,235	21,000	504	383	511	2,142	10,068	6,080	Total operating expenses	3,292,330	3,712,547	4,635,076	4,998,073	5,225,466	5,206,161	5,256,114	5,393,972	5,381,233	5,126,570	Operating income	2,066,273	1,997,070	1,162,023	867,940	861,890	922,888	1,338,028	1,602,608	1,379,324	1,634,789	Nonoperating revenues and (expenses):											Contributed capital assets	\$ 786,827	\$ 156,680	\$ 235,902	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Mediation and litigation settlement	139,074	586,184	184,152	-	-	-	-	-	-	-	Interest income	273,306	397,785	263,587	52,658	3,598	10,180	6,944	3,852	13,075	11,788	Equipment scrapped or abandoned	(1,862)	-	-	(91,045)	(12,417)	(5,207)	5,677	(116,384)	(6,710)	(157,468)	Trust and cash management fees	(23,150)	(28,401)	(27,574)	(17,434)	(8,000)	(8,000)	(8,000)	(10,000)	-	-	Interest expense	(1,789,770)	(1,788,420)	(1,788,420)	(1,787,460)	(1,781,100)	(1,767,000)	(1,749,150)	(1,538,553)	(954,518)	(906,489)	Bond issuance costs	-	-	-	-	-	-	-	(343,980)	-	-	Total nonoperating revenue and (expense)	(615,575)	(676,172)	(1,132,353)	(1,843,281)	(1,797,919)	(1,770,027)	(1,744,529)	(2,005,065)	(948,153)	(1,052,169)	Change in net position	\$ 1,450,698	\$ 1,320,898	\$ 29,670	\$ (975,341)	\$ (936,029)	\$ (847,139)	\$ (406,501)	\$ (402,457)	\$ 431,171	\$ 582,620																																																																																																																									
Consulting	51,436	37,672	43,924	154,309	14,903	22,893	41,698	6,105	30,736	37,800	Administrative	144,605	207,755	213,769	185,480	249,851	222,417	277,362	398,788	313,841	321,160	Insurance	88,961	85,082	84,451	79,525	71,563	74,546	75,234	84,743	84,993	81,620	Legal	72,429	93,545	97,645	96,575	63,810	162,865	66,978	90,353	98,046	81,672	Office rent	27,068	41,474	38,238	40,087	11,704	-	-	-	-	-	Depreciation and amortization <sup>1</sup>	1,295,299	1,370,898	1,535,314	1,680,733	1,697,816	1,731,906	1,811,856	1,794,023	1,766,400	1,724,608	Miscellaneous	110	189	3,235	21,000	504	383	511	2,142	10,068	6,080	Total operating expenses	3,292,330	3,712,547	4,635,076	4,998,073	5,225,466	5,206,161	5,256,114	5,393,972	5,381,233	5,126,570	Operating income	2,066,273	1,997,070	1,162,023	867,940	861,890	922,888	1,338,028	1,602,608	1,379,324	1,634,789	Nonoperating revenues and (expenses):											Contributed capital assets	\$ 786,827	\$ 156,680	\$ 235,902	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Mediation and litigation settlement	139,074	586,184	184,152	-	-	-	-	-	-	-	Interest income	273,306	397,785	263,587	52,658	3,598	10,180	6,944	3,852	13,075	11,788	Equipment scrapped or abandoned	(1,862)	-	-	(91,045)	(12,417)	(5,207)	5,677	(116,384)	(6,710)	(157,468)	Trust and cash management fees	(23,150)	(28,401)	(27,574)	(17,434)	(8,000)	(8,000)	(8,000)	(10,000)	-	-	Interest expense	(1,789,770)	(1,788,420)	(1,788,420)	(1,787,460)	(1,781,100)	(1,767,000)	(1,749,150)	(1,538,553)	(954,518)	(906,489)	Bond issuance costs	-	-	-	-	-	-	-	(343,980)	-	-	Total nonoperating revenue and (expense)	(615,575)	(676,172)	(1,132,353)	(1,843,281)	(1,797,919)	(1,770,027)	(1,744,529)	(2,005,065)	(948,153)	(1,052,169)	Change in net position	\$ 1,450,698	\$ 1,320,898	\$ 29,670	\$ (975,341)	\$ (936,029)	\$ (847,139)	\$ (406,501)	\$ (402,457)	\$ 431,171	\$ 582,620																																																																																																																																				
Administrative	144,605	207,755	213,769	185,480	249,851	222,417	277,362	398,788	313,841	321,160	Insurance	88,961	85,082	84,451	79,525	71,563	74,546	75,234	84,743	84,993	81,620	Legal	72,429	93,545	97,645	96,575	63,810	162,865	66,978	90,353	98,046	81,672	Office rent	27,068	41,474	38,238	40,087	11,704	-	-	-	-	-	Depreciation and amortization <sup>1</sup>	1,295,299	1,370,898	1,535,314	1,680,733	1,697,816	1,731,906	1,811,856	1,794,023	1,766,400	1,724,608	Miscellaneous	110	189	3,235	21,000	504	383	511	2,142	10,068	6,080	Total operating expenses	3,292,330	3,712,547	4,635,076	4,998,073	5,225,466	5,206,161	5,256,114	5,393,972	5,381,233	5,126,570	Operating income	2,066,273	1,997,070	1,162,023	867,940	861,890	922,888	1,338,028	1,602,608	1,379,324	1,634,789	Nonoperating revenues and (expenses):											Contributed capital assets	\$ 786,827	\$ 156,680	\$ 235,902	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Mediation and litigation settlement	139,074	586,184	184,152	-	-	-	-	-	-	-	Interest income	273,306	397,785	263,587	52,658	3,598	10,180	6,944	3,852	13,075	11,788	Equipment scrapped or abandoned	(1,862)	-	-	(91,045)	(12,417)	(5,207)	5,677	(116,384)	(6,710)	(157,468)	Trust and cash management fees	(23,150)	(28,401)	(27,574)	(17,434)	(8,000)	(8,000)	(8,000)	(10,000)	-	-	Interest expense	(1,789,770)	(1,788,420)	(1,788,420)	(1,787,460)	(1,781,100)	(1,767,000)	(1,749,150)	(1,538,553)	(954,518)	(906,489)	Bond issuance costs	-	-	-	-	-	-	-	(343,980)	-	-	Total nonoperating revenue and (expense)	(615,575)	(676,172)	(1,132,353)	(1,843,281)	(1,797,919)	(1,770,027)	(1,744,529)	(2,005,065)	(948,153)	(1,052,169)	Change in net position	\$ 1,450,698	\$ 1,320,898	\$ 29,670	\$ (975,341)	\$ (936,029)	\$ (847,139)	\$ (406,501)	\$ (402,457)	\$ 431,171	\$ 582,620																																																																																																																																															
Insurance	88,961	85,082	84,451	79,525	71,563	74,546	75,234	84,743	84,993	81,620	Legal	72,429	93,545	97,645	96,575	63,810	162,865	66,978	90,353	98,046	81,672	Office rent	27,068	41,474	38,238	40,087	11,704	-	-	-	-	-	Depreciation and amortization <sup>1</sup>	1,295,299	1,370,898	1,535,314	1,680,733	1,697,816	1,731,906	1,811,856	1,794,023	1,766,400	1,724,608	Miscellaneous	110	189	3,235	21,000	504	383	511	2,142	10,068	6,080	Total operating expenses	3,292,330	3,712,547	4,635,076	4,998,073	5,225,466	5,206,161	5,256,114	5,393,972	5,381,233	5,126,570	Operating income	2,066,273	1,997,070	1,162,023	867,940	861,890	922,888	1,338,028	1,602,608	1,379,324	1,634,789	Nonoperating revenues and (expenses):											Contributed capital assets	\$ 786,827	\$ 156,680	\$ 235,902	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Mediation and litigation settlement	139,074	586,184	184,152	-	-	-	-	-	-	-	Interest income	273,306	397,785	263,587	52,658	3,598	10,180	6,944	3,852	13,075	11,788	Equipment scrapped or abandoned	(1,862)	-	-	(91,045)	(12,417)	(5,207)	5,677	(116,384)	(6,710)	(157,468)	Trust and cash management fees	(23,150)	(28,401)	(27,574)	(17,434)	(8,000)	(8,000)	(8,000)	(10,000)	-	-	Interest expense	(1,789,770)	(1,788,420)	(1,788,420)	(1,787,460)	(1,781,100)	(1,767,000)	(1,749,150)	(1,538,553)	(954,518)	(906,489)	Bond issuance costs	-	-	-	-	-	-	-	(343,980)	-	-	Total nonoperating revenue and (expense)	(615,575)	(676,172)	(1,132,353)	(1,843,281)	(1,797,919)	(1,770,027)	(1,744,529)	(2,005,065)	(948,153)	(1,052,169)	Change in net position	\$ 1,450,698	\$ 1,320,898	\$ 29,670	\$ (975,341)	\$ (936,029)	\$ (847,139)	\$ (406,501)	\$ (402,457)	\$ 431,171	\$ 582,620																																																																																																																																																										
Legal	72,429	93,545	97,645	96,575	63,810	162,865	66,978	90,353	98,046	81,672	Office rent	27,068	41,474	38,238	40,087	11,704	-	-	-	-	-	Depreciation and amortization <sup>1</sup>	1,295,299	1,370,898	1,535,314	1,680,733	1,697,816	1,731,906	1,811,856	1,794,023	1,766,400	1,724,608	Miscellaneous	110	189	3,235	21,000	504	383	511	2,142	10,068	6,080	Total operating expenses	3,292,330	3,712,547	4,635,076	4,998,073	5,225,466	5,206,161	5,256,114	5,393,972	5,381,233	5,126,570	Operating income	2,066,273	1,997,070	1,162,023	867,940	861,890	922,888	1,338,028	1,602,608	1,379,324	1,634,789	Nonoperating revenues and (expenses):											Contributed capital assets	\$ 786,827	\$ 156,680	\$ 235,902	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Mediation and litigation settlement	139,074	586,184	184,152	-	-	-	-	-	-	-	Interest income	273,306	397,785	263,587	52,658	3,598	10,180	6,944	3,852	13,075	11,788	Equipment scrapped or abandoned	(1,862)	-	-	(91,045)	(12,417)	(5,207)	5,677	(116,384)	(6,710)	(157,468)	Trust and cash management fees	(23,150)	(28,401)	(27,574)	(17,434)	(8,000)	(8,000)	(8,000)	(10,000)	-	-	Interest expense	(1,789,770)	(1,788,420)	(1,788,420)	(1,787,460)	(1,781,100)	(1,767,000)	(1,749,150)	(1,538,553)	(954,518)	(906,489)	Bond issuance costs	-	-	-	-	-	-	-	(343,980)	-	-	Total nonoperating revenue and (expense)	(615,575)	(676,172)	(1,132,353)	(1,843,281)	(1,797,919)	(1,770,027)	(1,744,529)	(2,005,065)	(948,153)	(1,052,169)	Change in net position	\$ 1,450,698	\$ 1,320,898	\$ 29,670	\$ (975,341)	\$ (936,029)	\$ (847,139)	\$ (406,501)	\$ (402,457)	\$ 431,171	\$ 582,620																																																																																																																																																																					
Office rent	27,068	41,474	38,238	40,087	11,704	-	-	-	-	-	Depreciation and amortization <sup>1</sup>	1,295,299	1,370,898	1,535,314	1,680,733	1,697,816	1,731,906	1,811,856	1,794,023	1,766,400	1,724,608	Miscellaneous	110	189	3,235	21,000	504	383	511	2,142	10,068	6,080	Total operating expenses	3,292,330	3,712,547	4,635,076	4,998,073	5,225,466	5,206,161	5,256,114	5,393,972	5,381,233	5,126,570	Operating income	2,066,273	1,997,070	1,162,023	867,940	861,890	922,888	1,338,028	1,602,608	1,379,324	1,634,789	Nonoperating revenues and (expenses):											Contributed capital assets	\$ 786,827	\$ 156,680	\$ 235,902	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Mediation and litigation settlement	139,074	586,184	184,152	-	-	-	-	-	-	-	Interest income	273,306	397,785	263,587	52,658	3,598	10,180	6,944	3,852	13,075	11,788	Equipment scrapped or abandoned	(1,862)	-	-	(91,045)	(12,417)	(5,207)	5,677	(116,384)	(6,710)	(157,468)	Trust and cash management fees	(23,150)	(28,401)	(27,574)	(17,434)	(8,000)	(8,000)	(8,000)	(10,000)	-	-	Interest expense	(1,789,770)	(1,788,420)	(1,788,420)	(1,787,460)	(1,781,100)	(1,767,000)	(1,749,150)	(1,538,553)	(954,518)	(906,489)	Bond issuance costs	-	-	-	-	-	-	-	(343,980)	-	-	Total nonoperating revenue and (expense)	(615,575)	(676,172)	(1,132,353)	(1,843,281)	(1,797,919)	(1,770,027)	(1,744,529)	(2,005,065)	(948,153)	(1,052,169)	Change in net position	\$ 1,450,698	\$ 1,320,898	\$ 29,670	\$ (975,341)	\$ (936,029)	\$ (847,139)	\$ (406,501)	\$ (402,457)	\$ 431,171	\$ 582,620																																																																																																																																																																																
Depreciation and amortization <sup>1</sup>	1,295,299	1,370,898	1,535,314	1,680,733	1,697,816	1,731,906	1,811,856	1,794,023	1,766,400	1,724,608	Miscellaneous	110	189	3,235	21,000	504	383	511	2,142	10,068	6,080	Total operating expenses	3,292,330	3,712,547	4,635,076	4,998,073	5,225,466	5,206,161	5,256,114	5,393,972	5,381,233	5,126,570	Operating income	2,066,273	1,997,070	1,162,023	867,940	861,890	922,888	1,338,028	1,602,608	1,379,324	1,634,789	Nonoperating revenues and (expenses):											Contributed capital assets	\$ 786,827	\$ 156,680	\$ 235,902	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Mediation and litigation settlement	139,074	586,184	184,152	-	-	-	-	-	-	-	Interest income	273,306	397,785	263,587	52,658	3,598	10,180	6,944	3,852	13,075	11,788	Equipment scrapped or abandoned	(1,862)	-	-	(91,045)	(12,417)	(5,207)	5,677	(116,384)	(6,710)	(157,468)	Trust and cash management fees	(23,150)	(28,401)	(27,574)	(17,434)	(8,000)	(8,000)	(8,000)	(10,000)	-	-	Interest expense	(1,789,770)	(1,788,420)	(1,788,420)	(1,787,460)	(1,781,100)	(1,767,000)	(1,749,150)	(1,538,553)	(954,518)	(906,489)	Bond issuance costs	-	-	-	-	-	-	-	(343,980)	-	-	Total nonoperating revenue and (expense)	(615,575)	(676,172)	(1,132,353)	(1,843,281)	(1,797,919)	(1,770,027)	(1,744,529)	(2,005,065)	(948,153)	(1,052,169)	Change in net position	\$ 1,450,698	\$ 1,320,898	\$ 29,670	\$ (975,341)	\$ (936,029)	\$ (847,139)	\$ (406,501)	\$ (402,457)	\$ 431,171	\$ 582,620																																																																																																																																																																																											
Miscellaneous	110	189	3,235	21,000	504	383	511	2,142	10,068	6,080	Total operating expenses	3,292,330	3,712,547	4,635,076	4,998,073	5,225,466	5,206,161	5,256,114	5,393,972	5,381,233	5,126,570	Operating income	2,066,273	1,997,070	1,162,023	867,940	861,890	922,888	1,338,028	1,602,608	1,379,324	1,634,789	Nonoperating revenues and (expenses):											Contributed capital assets	\$ 786,827	\$ 156,680	\$ 235,902	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Mediation and litigation settlement	139,074	586,184	184,152	-	-	-	-	-	-	-	Interest income	273,306	397,785	263,587	52,658	3,598	10,180	6,944	3,852	13,075	11,788	Equipment scrapped or abandoned	(1,862)	-	-	(91,045)	(12,417)	(5,207)	5,677	(116,384)	(6,710)	(157,468)	Trust and cash management fees	(23,150)	(28,401)	(27,574)	(17,434)	(8,000)	(8,000)	(8,000)	(10,000)	-	-	Interest expense	(1,789,770)	(1,788,420)	(1,788,420)	(1,787,460)	(1,781,100)	(1,767,000)	(1,749,150)	(1,538,553)	(954,518)	(906,489)	Bond issuance costs	-	-	-	-	-	-	-	(343,980)	-	-	Total nonoperating revenue and (expense)	(615,575)	(676,172)	(1,132,353)	(1,843,281)	(1,797,919)	(1,770,027)	(1,744,529)	(2,005,065)	(948,153)	(1,052,169)	Change in net position	\$ 1,450,698	\$ 1,320,898	\$ 29,670	\$ (975,341)	\$ (936,029)	\$ (847,139)	\$ (406,501)	\$ (402,457)	\$ 431,171	\$ 582,620																																																																																																																																																																																																						
Total operating expenses	3,292,330	3,712,547	4,635,076	4,998,073	5,225,466	5,206,161	5,256,114	5,393,972	5,381,233	5,126,570	Operating income	2,066,273	1,997,070	1,162,023	867,940	861,890	922,888	1,338,028	1,602,608	1,379,324	1,634,789	Nonoperating revenues and (expenses):											Contributed capital assets	\$ 786,827	\$ 156,680	\$ 235,902	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Mediation and litigation settlement	139,074	586,184	184,152	-	-	-	-	-	-	-	Interest income	273,306	397,785	263,587	52,658	3,598	10,180	6,944	3,852	13,075	11,788	Equipment scrapped or abandoned	(1,862)	-	-	(91,045)	(12,417)	(5,207)	5,677	(116,384)	(6,710)	(157,468)	Trust and cash management fees	(23,150)	(28,401)	(27,574)	(17,434)	(8,000)	(8,000)	(8,000)	(10,000)	-	-	Interest expense	(1,789,770)	(1,788,420)	(1,788,420)	(1,787,460)	(1,781,100)	(1,767,000)	(1,749,150)	(1,538,553)	(954,518)	(906,489)	Bond issuance costs	-	-	-	-	-	-	-	(343,980)	-	-	Total nonoperating revenue and (expense)	(615,575)	(676,172)	(1,132,353)	(1,843,281)	(1,797,919)	(1,770,027)	(1,744,529)	(2,005,065)	(948,153)	(1,052,169)	Change in net position	\$ 1,450,698	\$ 1,320,898	\$ 29,670	\$ (975,341)	\$ (936,029)	\$ (847,139)	\$ (406,501)	\$ (402,457)	\$ 431,171	\$ 582,620																																																																																																																																																																																																																	
Operating income	2,066,273	1,997,070	1,162,023	867,940	861,890	922,888	1,338,028	1,602,608	1,379,324	1,634,789	Nonoperating revenues and (expenses):											Contributed capital assets	\$ 786,827	\$ 156,680	\$ 235,902	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Mediation and litigation settlement	139,074	586,184	184,152	-	-	-	-	-	-	-	Interest income	273,306	397,785	263,587	52,658	3,598	10,180	6,944	3,852	13,075	11,788	Equipment scrapped or abandoned	(1,862)	-	-	(91,045)	(12,417)	(5,207)	5,677	(116,384)	(6,710)	(157,468)	Trust and cash management fees	(23,150)	(28,401)	(27,574)	(17,434)	(8,000)	(8,000)	(8,000)	(10,000)	-	-	Interest expense	(1,789,770)	(1,788,420)	(1,788,420)	(1,787,460)	(1,781,100)	(1,767,000)	(1,749,150)	(1,538,553)	(954,518)	(906,489)	Bond issuance costs	-	-	-	-	-	-	-	(343,980)	-	-	Total nonoperating revenue and (expense)	(615,575)	(676,172)	(1,132,353)	(1,843,281)	(1,797,919)	(1,770,027)	(1,744,529)	(2,005,065)	(948,153)	(1,052,169)	Change in net position	\$ 1,450,698	\$ 1,320,898	\$ 29,670	\$ (975,341)	\$ (936,029)	\$ (847,139)	\$ (406,501)	\$ (402,457)	\$ 431,171	\$ 582,620																																																																																																																																																																																																																												
Nonoperating revenues and (expenses):											Contributed capital assets	\$ 786,827	\$ 156,680	\$ 235,902	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Mediation and litigation settlement	139,074	586,184	184,152	-	-	-	-	-	-	-	Interest income	273,306	397,785	263,587	52,658	3,598	10,180	6,944	3,852	13,075	11,788	Equipment scrapped or abandoned	(1,862)	-	-	(91,045)	(12,417)	(5,207)	5,677	(116,384)	(6,710)	(157,468)	Trust and cash management fees	(23,150)	(28,401)	(27,574)	(17,434)	(8,000)	(8,000)	(8,000)	(10,000)	-	-	Interest expense	(1,789,770)	(1,788,420)	(1,788,420)	(1,787,460)	(1,781,100)	(1,767,000)	(1,749,150)	(1,538,553)	(954,518)	(906,489)	Bond issuance costs	-	-	-	-	-	-	-	(343,980)	-	-	Total nonoperating revenue and (expense)	(615,575)	(676,172)	(1,132,353)	(1,843,281)	(1,797,919)	(1,770,027)	(1,744,529)	(2,005,065)	(948,153)	(1,052,169)	Change in net position	\$ 1,450,698	\$ 1,320,898	\$ 29,670	\$ (975,341)	\$ (936,029)	\$ (847,139)	\$ (406,501)	\$ (402,457)	\$ 431,171	\$ 582,620																																																																																																																																																																																																																																							
Contributed capital assets	\$ 786,827	\$ 156,680	\$ 235,902	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Mediation and litigation settlement	139,074	586,184	184,152	-	-	-	-	-	-	-	Interest income	273,306	397,785	263,587	52,658	3,598	10,180	6,944	3,852	13,075	11,788	Equipment scrapped or abandoned	(1,862)	-	-	(91,045)	(12,417)	(5,207)	5,677	(116,384)	(6,710)	(157,468)	Trust and cash management fees	(23,150)	(28,401)	(27,574)	(17,434)	(8,000)	(8,000)	(8,000)	(10,000)	-	-	Interest expense	(1,789,770)	(1,788,420)	(1,788,420)	(1,787,460)	(1,781,100)	(1,767,000)	(1,749,150)	(1,538,553)	(954,518)	(906,489)	Bond issuance costs	-	-	-	-	-	-	-	(343,980)	-	-	Total nonoperating revenue and (expense)	(615,575)	(676,172)	(1,132,353)	(1,843,281)	(1,797,919)	(1,770,027)	(1,744,529)	(2,005,065)	(948,153)	(1,052,169)	Change in net position	\$ 1,450,698	\$ 1,320,898	\$ 29,670	\$ (975,341)	\$ (936,029)	\$ (847,139)	\$ (406,501)	\$ (402,457)	\$ 431,171	\$ 582,620																																																																																																																																																																																																																																																		
Mediation and litigation settlement	139,074	586,184	184,152	-	-	-	-	-	-	-	Interest income	273,306	397,785	263,587	52,658	3,598	10,180	6,944	3,852	13,075	11,788	Equipment scrapped or abandoned	(1,862)	-	-	(91,045)	(12,417)	(5,207)	5,677	(116,384)	(6,710)	(157,468)	Trust and cash management fees	(23,150)	(28,401)	(27,574)	(17,434)	(8,000)	(8,000)	(8,000)	(10,000)	-	-	Interest expense	(1,789,770)	(1,788,420)	(1,788,420)	(1,787,460)	(1,781,100)	(1,767,000)	(1,749,150)	(1,538,553)	(954,518)	(906,489)	Bond issuance costs	-	-	-	-	-	-	-	(343,980)	-	-	Total nonoperating revenue and (expense)	(615,575)	(676,172)	(1,132,353)	(1,843,281)	(1,797,919)	(1,770,027)	(1,744,529)	(2,005,065)	(948,153)	(1,052,169)	Change in net position	\$ 1,450,698	\$ 1,320,898	\$ 29,670	\$ (975,341)	\$ (936,029)	\$ (847,139)	\$ (406,501)	\$ (402,457)	\$ 431,171	\$ 582,620																																																																																																																																																																																																																																																													
Interest income	273,306	397,785	263,587	52,658	3,598	10,180	6,944	3,852	13,075	11,788	Equipment scrapped or abandoned	(1,862)	-	-	(91,045)	(12,417)	(5,207)	5,677	(116,384)	(6,710)	(157,468)	Trust and cash management fees	(23,150)	(28,401)	(27,574)	(17,434)	(8,000)	(8,000)	(8,000)	(10,000)	-	-	Interest expense	(1,789,770)	(1,788,420)	(1,788,420)	(1,787,460)	(1,781,100)	(1,767,000)	(1,749,150)	(1,538,553)	(954,518)	(906,489)	Bond issuance costs	-	-	-	-	-	-	-	(343,980)	-	-	Total nonoperating revenue and (expense)	(615,575)	(676,172)	(1,132,353)	(1,843,281)	(1,797,919)	(1,770,027)	(1,744,529)	(2,005,065)	(948,153)	(1,052,169)	Change in net position	\$ 1,450,698	\$ 1,320,898	\$ 29,670	\$ (975,341)	\$ (936,029)	\$ (847,139)	\$ (406,501)	\$ (402,457)	\$ 431,171	\$ 582,620																																																																																																																																																																																																																																																																								
Equipment scrapped or abandoned	(1,862)	-	-	(91,045)	(12,417)	(5,207)	5,677	(116,384)	(6,710)	(157,468)	Trust and cash management fees	(23,150)	(28,401)	(27,574)	(17,434)	(8,000)	(8,000)	(8,000)	(10,000)	-	-	Interest expense	(1,789,770)	(1,788,420)	(1,788,420)	(1,787,460)	(1,781,100)	(1,767,000)	(1,749,150)	(1,538,553)	(954,518)	(906,489)	Bond issuance costs	-	-	-	-	-	-	-	(343,980)	-	-	Total nonoperating revenue and (expense)	(615,575)	(676,172)	(1,132,353)	(1,843,281)	(1,797,919)	(1,770,027)	(1,744,529)	(2,005,065)	(948,153)	(1,052,169)	Change in net position	\$ 1,450,698	\$ 1,320,898	\$ 29,670	\$ (975,341)	\$ (936,029)	\$ (847,139)	\$ (406,501)	\$ (402,457)	\$ 431,171	\$ 582,620																																																																																																																																																																																																																																																																																			
Trust and cash management fees	(23,150)	(28,401)	(27,574)	(17,434)	(8,000)	(8,000)	(8,000)	(10,000)	-	-	Interest expense	(1,789,770)	(1,788,420)	(1,788,420)	(1,787,460)	(1,781,100)	(1,767,000)	(1,749,150)	(1,538,553)	(954,518)	(906,489)	Bond issuance costs	-	-	-	-	-	-	-	(343,980)	-	-	Total nonoperating revenue and (expense)	(615,575)	(676,172)	(1,132,353)	(1,843,281)	(1,797,919)	(1,770,027)	(1,744,529)	(2,005,065)	(948,153)	(1,052,169)	Change in net position	\$ 1,450,698	\$ 1,320,898	\$ 29,670	\$ (975,341)	\$ (936,029)	\$ (847,139)	\$ (406,501)	\$ (402,457)	\$ 431,171	\$ 582,620																																																																																																																																																																																																																																																																																														
Interest expense	(1,789,770)	(1,788,420)	(1,788,420)	(1,787,460)	(1,781,100)	(1,767,000)	(1,749,150)	(1,538,553)	(954,518)	(906,489)	Bond issuance costs	-	-	-	-	-	-	-	(343,980)	-	-	Total nonoperating revenue and (expense)	(615,575)	(676,172)	(1,132,353)	(1,843,281)	(1,797,919)	(1,770,027)	(1,744,529)	(2,005,065)	(948,153)	(1,052,169)	Change in net position	\$ 1,450,698	\$ 1,320,898	\$ 29,670	\$ (975,341)	\$ (936,029)	\$ (847,139)	\$ (406,501)	\$ (402,457)	\$ 431,171	\$ 582,620																																																																																																																																																																																																																																																																																																									
Bond issuance costs	-	-	-	-	-	-	-	(343,980)	-	-	Total nonoperating revenue and (expense)	(615,575)	(676,172)	(1,132,353)	(1,843,281)	(1,797,919)	(1,770,027)	(1,744,529)	(2,005,065)	(948,153)	(1,052,169)	Change in net position	\$ 1,450,698	\$ 1,320,898	\$ 29,670	\$ (975,341)	\$ (936,029)	\$ (847,139)	\$ (406,501)	\$ (402,457)	\$ 431,171	\$ 582,620																																																																																																																																																																																																																																																																																																																				
Total nonoperating revenue and (expense)	(615,575)	(676,172)	(1,132,353)	(1,843,281)	(1,797,919)	(1,770,027)	(1,744,529)	(2,005,065)	(948,153)	(1,052,169)	Change in net position	\$ 1,450,698	\$ 1,320,898	\$ 29,670	\$ (975,341)	\$ (936,029)	\$ (847,139)	\$ (406,501)	\$ (402,457)	\$ 431,171	\$ 582,620																																																																																																																																																																																																																																																																																																																															
Change in net position	\$ 1,450,698	\$ 1,320,898	\$ 29,670	\$ (975,341)	\$ (936,029)	\$ (847,139)	\$ (406,501)	\$ (402,457)	\$ 431,171	\$ 582,620																																																																																																																																																																																																																																																																																																																																										

<sup>1</sup> All years presented were modified to reflect the adoption of GASB 65

<sup>2</sup> Beginning in fiscal year 2015, pension expense included in Payroll and payroll related expense reflects the adoption of GASB 68.

Source: Statements of Revenues, Expenses and Changes in Net Position

**Schedule B-1  
Superstition Mountains Community Facilities District No. 1  
Ten Largest Customers <sup>1</sup>  
Current Year and Nine Years Ago**

<u>Customer Name</u> <sup>2</sup>	<u>Year Ended June 30, 2015</u>		<u>Year Ended June 30, 2006</u>	
	<u>Sales</u>	<u>Percentage of Sales</u>	<u>Sales</u>	<u>Percentage of Sales</u>
Coopers Sewer & Drain Inc	\$ 218,348	3.46%	\$ 208,580	4.51%
Golden Vista RV	188,769	3.00%	123,727	2.67%
Apache Junction Water Company	172,935	2.75%		
Rancho Mirage MHP	134,398	2.14%	60,384	1.30%
Roadhaven Resort	125,126	1.99%	97,249	2.10%
Nortwestern Mutual	91,505	1.45%	66,192	1.43%
Leesburg Group/Rock Shadows	86,241	1.37%		
R C Roberts Sunrise RV Park	75,660	1.20%		
LA Casa Blanca East	74,926	1.19%		
Sonoma Valley LLC	72,110	1.15%	56,437	1.22%
LA Casa Blanca LLC			52,804	1.14%
Windsong Associates			52,986	1.14%
Frys Food Stores of AZ			58,519	1.26%
AJUSD High School			62,972	1.36%
Subtotal of ten largest customers	<u>1,240,018</u>	<u>19.70%</u>	<u>839,850</u>	<u>18.14%</u>
Balance from other customers	<u>5,053,014</u>	<u>80.30%</u>	<u>3,789,315</u>	<u>81.86%</u>
Total sewer, septage & recharge credit revenue	<u>\$ 6,293,032</u>	<u>100.00%</u>	<u>\$ 4,629,165</u>	<u>100.00%</u>

<sup>1</sup> Excludes revenues from application, connection and onsite fees

<sup>2</sup> A customer is listed only if in the top ten for the year presented. A customer listed in one table but not the other may, or may not have been, in business as a lower ranked customer during the comparative year.

Source: District Billing Records

**Schedule B-2**  
**Superstition Mountains Community Facilities District No. 1**  
**Permits Issued, Active Accounts and Connected Units**  
**Last Ten Fiscal Years**

Service Class	PERMITS ISSUED									
	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Single Family	179	210	80	15	125	63	151	207	58	33
Multi Family	18	6	8	7	18	0	1	4	2	0
RV & Mobile Home Parks	414	58	9	15	12	1	3	1	11	23
All Other	14	5	17	9	10	3	7	5	3	3
Total permits	625	279	114	46	165	67	162	217	74	59
% Change <sup>2</sup>	102.27%	-55.36%	-59.14%	-59.65%	258.70%	-59.39%	141.79%	33.95%	-65.90%	-20.27%

Service Class	ACTIVE ACCOUNTS									
	Fiscal Year Ended June 30,									
	2006	2007	2008	2009 <sup>3</sup>	2010	2011	2012	2013	2014	2015
Single Family	5,218	5,449	5,605	5,593	5,697	5,753	5,898	6,106	6,160	6,190
Multi Family	112	112	115	114	114	113	112	115	117	113
Undeveloped Land <sup>1</sup>	71	71	70	65	57	53	52	46	44	44
RV Parks	25	25	25	25	25	25	25	25	26	26
Mobile Home Parks	24	25	26	26	26	26	27	27	28	28
Church/Government	34	36	36	37	40	40	41	41	41	41
Light Commercial	105	108	116	115	120	119	122	125	127	130
Medium Commercial	44	47	50	53	56	55	55	55	56	56
Heavy Commercial	6	6	6	6	5	5	5	5	5	5
Industrial	0	0	0	0	0	0	0	0	0	0
Total accounts	5,639	5,879	6,049	6,034	6,140	6,189	6,337	6,545	6,604	6,633
% Change <sup>2</sup>	2.45%	4.26%	2.89%	-0.25%	1.76%	0.80%	2.39%	3.28%	0.90%	0.44%

Service Class	ACTIVE UNITS									
	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Single Family	5,220	5,452	5,609	5,595	5,700	5,757	5,903	6,113	6,166	6,196
Multi Family	1,069	1,073	1,085	1,085	1,075	1,059	1,057	1,069	1,079	1,065
Undeveloped Land <sup>1</sup>	337	337	326	310	251	246	244	238	234	234
RV Parks	4,764	4,764	4,764	4,754	4,774	4,774	4,774	4,774	4,793	4,793
Mobile Home Parks	2,235	2,299	2,308	2,317	2,332	2,333	2,331	2,332	2,366	2,387
All other	189	197	208	211	221	219	223	226	229	232
Total units	13,814	14,122	14,300	14,272	14,353	14,388	14,532	14,752	14,867	14,907
% Change <sup>2</sup>	13.73%	2.23%	1.26%	-0.20%	0.57%	0.24%	1.00%	1.51%	0.78%	0.27%

<sup>1</sup> Number of acres

<sup>2</sup> From prior year

<sup>3</sup> Decrease in select customer classes resulted from removal of properties that had petitioned into the the District at the time of formation but never completed physical connection.

Source: Permits Issued - Engineering Records; Active Accounts and Connected Units - Monthly Disclosure Reports

**Schedule B-3**  
**Superstition Mountains Community Facilities District No. 1**  
**Select Revenues by Service Class**  
**Last Ten Fiscal Years**

Service Class	SEWER SERVICE REVENUE									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Single Family	\$ 1,952,476	\$ 2,074,625	\$ 2,220,534	\$ 2,313,242	\$ 2,399,104	\$ 2,521,379	\$ 2,642,038	\$ 2,758,781	\$ 2,955,784	\$ 3,057,664
Multi Family	322,942	338,997	352,639	366,130	377,405	386,704	395,086	409,507	425,429	436,124
Undeveloped Land	29,934	30,038	30,809	29,607	25,882	25,469	25,766	26,279	26,254	26,957
RV Parks	494,772	555,560	587,430	563,613	566,921	592,440	642,475	649,378	676,105	723,756
Mobile Home Parks	477,365	586,634	632,668	686,851	677,142	698,343	747,093	701,047	689,897	746,143
Church/Government	248,851	220,646	225,735	244,957	246,273	128,212	154,087	163,300	184,856	207,672
Light Commercial	206,543	243,334	241,976	256,762	282,828	251,604	280,443	285,322	278,340	249,030
Medium Commercial	273,502	303,170	317,278	339,987	290,330	315,615	302,624	303,634	323,855	328,144
Heavy Commercial	165,491	180,657	182,346	167,378	174,066	127,189	130,947	107,524	110,159	120,120
Industrial	0	0	0	0	0	0	0	0	0	0
Total sewer service revenue	\$ 4,171,876	\$ 4,533,661	\$ 4,791,415	\$ 4,968,527	\$ 5,039,951	\$ 5,046,955	\$ 5,320,559	\$ 5,404,772	\$ 5,670,679	\$ 5,895,610

Service Class	CONNECTION FEE REVENUE									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Single Family	\$ 277,307	\$ 361,200	\$ 166,514	\$ 25,650	\$ 193,183	\$ 116,750	\$ 305,065	\$ 556,518	\$ 153,640	\$ 92,475
Multi Family	36,129	6,300	17,303	9,400	0	0	10,360	32,040	22,000	0
RV and Mobile Home Parks	149,040	20,240	10,205	11,465	10,100	1,580	8,440	1,680	79,120	31,950
All Other	54,180	31,715	90,239	52,339	36,887	16,402	65,059	9,855	14,443	9,275
Total connection fee revenue	\$ 516,656	\$ 419,455	\$ 284,261	\$ 98,854	\$ 240,170	\$ 134,732	\$ 388,924	\$ 600,093	\$ 269,203	\$ 133,700

Source: Monthly Disclosure Reports

**Schedule B-4  
 Superstition Mountains Community Facilities District No. 1  
 Monthly Service Minimums, Usage Charges and Connection Fees by Service Class  
 Last Ten Fiscal Years**

Service Class	MONTHLY MINIMUMS									
	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Single Family	\$ 31.55	\$ 32.40	\$ 33.50	\$ 34.60	\$ 35.80	\$ 37.00	\$ 38.15	\$ 39.35	\$ 40.55	\$ 41.55
Multi Family <sup>1</sup>	25.70	26.40	27.30	28.20	29.20	30.20	31.15	32.15	33.10	33.95
Undeveloped Land <sup>2</sup>	7.25	7.45	7.70	7.95	8.25	8.55	8.80	9.10	9.35	9.60
RV Parks <sup>1</sup>	7.40	7.60	7.85	8.10	8.40	8.70	8.95	9.25	9.55	9.80
Mobile Home Parks <sup>1</sup>	16.25	16.70	17.25	17.80	18.40	19.00	19.60	20.20	20.80	21.30
Church/Government	31.55	32.40	33.50	34.60	35.80	37.00	38.15	39.35	40.55	41.55
Light Commercial	37.45	38.50	39.80	41.10	42.55	44.00	45.40	46.85	48.25	49.45
Medium Commercial	42.10	43.25	44.70	46.15	47.75	49.35	50.90	52.50	54.10	55.45
Heavy Commercial	46.80	48.10	49.75	51.35	53.15	54.95	56.70	58.50	60.25	61.75
Industrial	112.30	115.40	119.20	123.05	127.35	131.60	135.75	140.05	144.25	147.85

Service Class	USAGE CHARGES, per gallon <sup>3</sup>									
	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
RV Parks	\$ 0.213	\$ 0.219	\$ 0.226	\$ 0.234	\$ 0.242	\$ 0.250	\$ 0.258	\$ 0.266	\$ 0.274	\$ 0.281
Mobile Home Parks	0.213	0.219	0.226	0.234	0.242	0.250	0.258	0.266	0.274	0.281
Church/Government	0.213	0.219	0.226	0.234	0.242	0.250	0.258	0.266	0.274	0.281
Light Commercial	0.213	0.219	0.226	0.234	0.242	0.250	0.258	0.266	0.274	0.281
Medium Commercial	0.240	0.246	0.254	0.263	0.271	0.280	0.289	0.298	0.307	0.315
Heavy Commercial	0.266	0.274	0.283	0.292	0.302	0.312	0.322	0.332	0.342	0.351
Industrial	0.639	0.657	0.678	0.700	0.724	0.748	0.771	0.796	0.820	0.840

Service Class	MINIMUM CONNECTION FEES									
	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Single Family	\$ 2,500	\$ 2,575	\$ 2,750	\$ 2,850	\$ 2,950	\$ 3,050	\$ 3,145	\$ 3,245	\$ 3,340	\$ 3,425
Multi Family <sup>1</sup>	2,040	2,100	2,250	2,350	2,430	2,510	2,590	2,670	2,750	2,820
RV Parks <sup>1</sup>	585	605	650	675	700	725	750	775	800	820
Mobile Home Parks <sup>1</sup>	1,290	1,330	1,425	1,480	1,530	1,580	1,630	1,680	1,730	1,775
Church/Government	2,500	2,575	2,750	2,850	2,950	3,050	3,145	3,245	3,340	3,425
Light Commercial	2,500	2,575	2,750	2,850	2,950	3,050	3,145	3,245	3,340	3,425
Medium Commercial	2,500	2,575	2,750	2,850	2,950	3,050	3,145	3,245	3,340	3,425
Heavy Commercial	2,500	2,575	2,750	2,850	2,950	3,050	3,145	3,245	3,340	3,425
Industrial	2,500	2,575	2,750	2,850	2,950	3,050	3,145	3,245	3,340	3,425

<sup>1</sup> Per unit

<sup>2</sup> Per acre

<sup>3</sup> When connected to the sewer, the customer classes listed are charged a monthly fee that is the greater of the Monthly Minimum or the charge calculated using the prior 12 months water usage times a water use multiplier times the applicable rate.

Source: Approved Tariff Sheets

Schedule C-1  
 Superstition Mountains Community Facilities District No. 1  
 Outstanding Debt Balances  
 Last Ten Fiscal Years

Fiscal Year Ended June 30	Series 2000 Sewer Revenue Bond <sup>1</sup>				Series 2013 Sewer Revenue Bond <sup>1</sup>			Per Active Unit <sup>3</sup>
	Beginning Balance	Accreted Interest	Principal Reductions <sup>2</sup>	Ending Balance	Beginning Balance <sup>4</sup>	Principal Reductions <sup>2</sup>	Ending Balance	
2006	29,857,000	-	(35,000)	29,822,000				2,159
2007	29,822,000	-	(15,000)	29,807,000				2,111
2008	29,807,000	-	-	29,807,000				2,084
2009	29,807,000	-	(32,000)	29,775,000				2,086
2010	29,775,000	-	(145,000)	29,630,000				2,064
2011	29,630,000	-	(250,000)	29,380,000				2,042
2012	29,380,000	-	(310,000)	29,070,000				2,000
2013	29,070,000	-	(29,070,000)	-	26,182,000	(537,000)	25,645,000	1,738
2014	-	-	-	-	25,645,000	(1,444,000)	24,201,000	1,628
2015	-	-	-	-	24,201,000	(1,209,000)	22,992,000	1,542

<sup>1</sup> See Note 5 to the Financial Statements for a complete description of the District's outstanding debt.

<sup>2</sup> Shows principal payments by fiscal year as made. Schedule C-2 shows principal payments as funded.

<sup>3</sup> Active unit information is substituted for per capita; per capita information is not available because the District's service area does not coincide with the City of Apache Junction.

<sup>4</sup> The Series 2000 Sewer Revenue Bonds were refunded on March 27, 2013 with the Series 2013 Sewer Revenue Bonds.

Source: Series 2000 and Series 2013 Sewer Revenue Bond Amortization Schedules

**Schedule C-2  
Superstition Mountains Community Facilities District No. 1  
Debt Service Requirements  
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Gross Revenues	Deductible Operating Expenses <sup>2</sup>	Net Revenues Available for Debt Service <sup>3</sup>	Debt Service Requirements <sup>1</sup>			Required Coverage Ratio <sup>3</sup>
				Principal	Interest	Total	
2006	6,557,810	2,022,043	4,535,767	30,000	1,789,770	1,819,770	1.10
2007	6,850,266	2,370,050	4,480,216	-	1,788,420	1,788,420	1.10
2008	6,480,740	3,128,296	3,352,444	-	1,788,420	1,788,420	1.10
2009	5,918,671	3,425,819	2,492,852	67,000	1,787,460	1,854,460	1.10
2010	6,090,954	3,548,067	2,542,887	220,000	1,781,100	2,001,100	1.10
2011	6,139,229	3,487,462	2,651,767	285,000	1,767,000	2,052,000	1.10
2012	6,601,086	3,446,581	3,154,505	335,000	1,749,150	2,084,150	1.10
2013	7,000,432	4,130,313	2,870,119	1,034,000	1,538,553	2,572,553	1.20 <sup>4</sup>
2014	6,773,632	3,621,543	3,152,089	1,286,000	954,518	2,240,518	1.41
2015	6,773,147	3,559,430	3,213,717	1,202,000	906,489	2,108,489	1.52

<sup>1</sup> Includes debt service payments due on July 1 of subsequent fiscal year since payment will be paid from funds on hand as of June 30.

<sup>2</sup> Operating expenses before depreciation, amortization and interest.

<sup>3</sup> As defined in the Trust Indenture for years prior to 2013; as defined in the Bond Resolution for 2013 and years thereafter.

<sup>4</sup> Deductible Operating Expenses for 2013 include Bond Issuance Costs of \$343,980 expensed with the early adoption of GASB 65. The Coverage Ratio prior to the recognition of the expense related to the Bond Issuance Costs is 1.20.

Source: Statements of Revenues, Expenses and Changes in Fund Net Assets; Series 2000 Sewer Revenue Bond Amortization Schedule

**Schedule D-1  
 Superstition Mountains Community Facilities District No. 1  
 Demographic Statistics - City of Apache Junction  
 Last Ten Fiscal Years**

	<b>Population Year Round</b>	<b>Per Capita Personal Income</b>	<b>Per Capita Personal Income National Average<sup>1</sup></b>	<b>Unemployment Rates</b>
2006	35,685	24,122	37,725	3.7%
2007	37,538	25,895	39,506	3.1%
2008	37,917	21,330	40,947	3.6%
2009	37,864	20,271	38,637	6.9%
2010	35,828	20,271	39,791	8.9%
2011	36,539	20,271	41,560	8.2%
2012	36,928	21,308	42,693	11.7%
2013	37,246	21,315	39,415	9.6%
2014	37,639	20,297	40,977	8.2%
2015	unavailable	unavailable	41,386	unavailable

**Source:** City of Apache Junction, Office of Economic Development except as noted

<sup>1</sup> Per the US Department of Commerce, Bureau of Economic Analysis.

**Schedule D-2  
 Superstition Mountains Community Facilities District No. 1  
 Principal Employers in the City of Apache Junction  
 Current Year and Nine Years Ago**

	<u>Year ended June 30, 2015</u>		<u>Year ended June 30, 2006</u>	
	<u>Full Time Equivalent Employees</u>	<u>Percentage of Total City Employment <sup>4</sup></u>	<u>Full Time Equivalent Employees</u>	<u>Percentage of Total City Employment</u>
<b><u>Employer</u></b>				
Apache Junction Unified School District #43	553	4.48%	800	4.72%
City of Apache Junction	251	2.03%	283	1.67%
Wal-Mart Supercenter Store # 1831	220	1.78%	420	2.48%
Robert Horne Ford/Hyundai <sup>3</sup>	172	1.39%		
Western Industrial Resources	144	1.17%		
Mountain Health and Wellness <sup>1</sup>	125	1.01%	180	1.06%
Banner Goldfield <sup>2</sup>	116	0.94%	110	0.65%
Fry's Food and Drug	110	0.89%	105	0.62%
Apache Junction Fire District	102	0.83%	75	0.44%
United States Postal Service	100	0.81%	110	0.65%
Safeway Stores			85	0.50%
Central Arizona College - Superstition Mtn. Campus		0.00%	75	0.44%
Total	<u>1,893</u>	<u>15.33%</u>	<u>2,243</u>	<u>13.23%</u>

**Source:** City of Apache Junction, Office of Economic Development

<sup>1</sup> Formerly Superstition Mountain Mental Health Center

<sup>2</sup> Formerly Apache Junction Medical Center

<sup>3</sup> Formerly Earnhardt Ford

<sup>4</sup> Based on prior year total workplace population

**Schedule E-1  
Superstition Mountains Community Facilities District No. 1  
Full Time Equivalent Employees by Function  
Last Ten Fiscal Years**

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Administrative Division</b>										
District Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.04
District Administration	1.00	1.37	3.02	3.00	3.00	3.00	2.00	1.42	0.75	0.96
Finance	1.80	1.80	2.58	3.46	3.60	3.60	3.60	3.54	3.80	3.61
Business Services	-	-	-	-	-	-	-	2.42	4.00	3.13
Customer Service	3.29	2.81	3.42	3.58	4.00	3.54	4.00	3.43	3.21	3.96
<b>Total Administrative Division</b>	<b>7.09</b>	<b>6.98</b>	<b>10.02</b>	<b>11.04</b>	<b>11.60</b>	<b>11.14</b>	<b>10.60</b>	<b>11.81</b>	<b>12.76</b>	<b>12.70</b>
<b>Operations Division</b>										
Manager of Operations	-	-	-	-	-	-	0.35	1.00	1.00	0.08
Operations Administration	-	0.42	2.10	4.00	4.00	4.00	4.16	3.77	4.12	4.00
Treatment Plant	4.68	5.31	7.65	6.24	7.00	7.04	7.94	6.42	5.00	5.15
Collection System	6.13	5.98	5.92	6.69	5.87	6.00	4.65	3.42	5.04	4.00
<b>Total Operations Division</b>	<b>10.81</b>	<b>11.71</b>	<b>15.67</b>	<b>16.93</b>	<b>16.87</b>	<b>17.04</b>	<b>17.10</b>	<b>14.61</b>	<b>15.16</b>	<b>13.23</b>
<b>Total</b>	<b>17.90</b>	<b>18.69</b>	<b>25.69</b>	<b>27.97</b>	<b>28.47</b>	<b>28.18</b>	<b>27.70</b>	<b>26.42</b>	<b>27.92</b>	<b>25.93</b>

Source: Payroll Reasonableness Review

**Schedule E-2  
Superstition Mountains Community Facilities District No. 1  
Operating and Capital Indicators  
Last Ten Fiscal Years**

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Collection System</b>										
Miles of Collection Mains <12" dia.	88.1	92.0	93.0	93.0	93.2	93.9	94.5	95.5	95.5	95.7
Miles of Collection Mains >12" dia.	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0
Customer Connections	5,570	5,811	5,983	5,971	6,086	6,140	6,290	6,506	6,566	6,595
<b>Pumping</b>										
Pump Stations	1	1	1	1	1	1	1	1	1	1
Miles of Pressure Forcemain	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
<b>Treatment</b>										
Water Reclamation Facilities	1	1	1	1	1	1	1	1	1	1
Permitted Capacity, MGD <sup>1</sup>	2.14	2.14	2.14	2.14	2.14	2.14	2.14	2.14	2.14	2.14
Annual Average Daily Flow, MGD <sup>1</sup>	1.31	1.36	1.40	1.43	1.41	1.38	1.38	1.43	1.37	1.37
% of Total Permitted Capacity	61.2%	63.6%	65.4%	66.8%	65.9%	64.5%	64.5%	66.8%	64.0%	64.0%
Population Served (75 gpd/pop. eq.) <sup>2</sup>	17,467	18,133	18,667	19,067	18,800	18,400	18,400	19,067	18,267	18,267
<b>Effluent Disposal</b>										
Effluent Recharge Basin Surface Acres	1.6	4.4	4.4	4.4	4.4	4.4	5.0	5.0	5.0	5.0
Effluent Recharge Vadose Zone Wells	6	20	20	20	20	20	32	32	32	32

<sup>1</sup> Million Gallons per Day

<sup>2</sup> Wastewater Engineering, Treatment and Reuse, Fourth Edition, by Metcalf & Eddy, Inc.

Source: District Operational Records

