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**Comprehensive Annual Financial Report
for the year ended June 30, 2019**



**CITY OF MARICOPA, ARIZONA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Issued by:
Financial Services Department

CITY OF MARICOPA, ARIZONA

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INTRODUCTORY SECTION

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January 30, 2020

To the Honorable Mayor,
Members of the City Council, and
Citizens of the City of Maricopa

Arizona State law requires that every general-purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. This report is published to fulfill these requirements for the fiscal year ended June 30, 2019.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Heinfeld, Meech & Co., P.C., Certified Public Accountants, have issued an unmodified (“clean”) opinion on the City of Maricopa financial statements for year ended June 30, 2019. The independent auditor’s report is located at the front of the financial section of this report. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2019, 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 auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City’s financial statements for the fiscal year ended June 30, 2019, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor’s report is presented as the first component of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the City

The City of Maricopa is located in Pinal County, 35 minutes from Phoenix Sky Harbor Airport and 100 miles northwest of Tucson. Maricopa is one of the top growth areas in both the state and the country, increasing in population over 1009% since incorporation. In 2003, it became Arizona's 88th incorporated municipality and currently serves approximately 45 square miles of incorporated area with a population of approximately 54,523. The City of Maricopa is empowered to levy a property tax on real and personal property located within its boundaries. It is empowered by state statute to extend its corporate limits by annexation.

The City of Maricopa has operated under the council-manager form of government since incorporation. Policymaking authority is vested in a City Council consisting of the Mayor and six Council members, all elected at large on a non-partisan basis. The Council appoints the City Magistrate, City Attorney, and the City Manager, who in turn appoints the heads of the various departments. Council members serve four-year terms, with three members elected every two years. The Mayor is also elected for a four-year term.

The City of Maricopa provides a full range of services, including police and fire/medical protection; the construction and maintenance of streets and other infrastructure; and recreational and cultural activities.

Economic Condition

Since the 2010 U.S. Census, the City of Maricopa has grown from 43,490 people to a 2019 estimated population of 54,523. People from all over the Greater Phoenix area continue to choose living in Maricopa because of its lower housing cost and great quality of life. Over half of the households in Maricopa earn between \$50,000 - \$149,999 per year, with an average household income as of 2019 of \$83,726, which is significantly higher than the Phoenix-Mesa-Scottsdale, AZ Metropolitan Statistical Area.

Major industries/employers in the area include the City of Maricopa, the Maricopa Unified School District, Harrah's Ak-Chin Casino Resort and Ultra-star Multi-Entertainment Center. Due to its significant agricultural heritage, Maricopa has developed related local industries demonstrated in Shamrock Farms Dairy, Pinal Feeding Company, LP Steel Industries and T & K Red River Cattle. The community is home to two leading agricultural research facilities in the University of Arizona's Maricopa Agricultural Center and the United States Department of Agriculture's Arid-Land Agricultural Research Center. Maricopa is fast becoming a "clean and green" industry hub as home to Pinal Energy, the state's first ethanol plant, and Waste Management/Garrick's green waste to fuel project.

Bashas', Fry's Marketplace, and Super Walmart anchor three significant existing retail centers located in Maricopa. Additional development projects are bringing new shopping and dining options to Maricopa. The most recently developed Edison Pointe Shopping Center located on a 15-acre site at the northeast corner of State Route (SR) 347 and Edison Road, includes a 120,000 square foot multitenant shops building.

Higher education is a priority for Maricopa's future and Central Arizona College is delivering through its 217-acre campus, with anticipated total population of more than 20,000 at full build-out. The attraction of healthcare services to the community has been a strong focus for the City of Maricopa since its inception. Banner Health Center's 40,000 square foot center provides the City with primary and specialty medical care services with plans to expand the facility and its services as local demand requires. Dignity Health has both a Family Medicine Group in Maricopa and an Urgent Care. The City is focused on bringing a community hospital to fruition in the near future.

The current Maricopa housing market mirrors that of similar communities in the Phoenix Metro region. While new home building in Maricopa slowed after the boom of 2006-2007, trends have remained consistent with the rest of the Phoenix market. Steady growth is projected for 2019-2020 and beyond. In addition, Maricopa's homes continue to sell faster than the average Valley rate. The housing values are swinging upward as well. The housing vacancy rate has continued to fall and was less than 2% by the end of the fiscal year. As of December 15, 2019, the City has issued 953 single family home permits, just shy of last year's number of 993. Further, the Maricopa market is up year over year 7.5% in homes sold and up 9.2% in terms of value.

Major Initiatives

The Arizona Department of Transportation completed an overpass at State Route 347 and Union Pacific Railroad crossing. Traffic on State Route 347 averages more than 31,000 vehicles per day and future (2040) projections show over 60,000 vehicles per day. There are currently 40 to 60 trains per day. The completion of the overpass project has eased traffic congestion, increased safety in the area and enabled economic development.

The City officially closed on the sale of two acres at the Copper Sky Commercial Complex to La Quinta which will bring the City's first hotel to reality in 2020. Further plans are underway on the property for a senior living facility and a mixed use development of apartments and retail space.

Progress continues on the development of 50 acres of City-owned land as a mixed use business park. The Estrella Gin Business Park is being developed through a public-private partnership. The goal for the business park is to provide employment opportunities for local residents by allowing expanding businesses to remain in the community and facilitate the relocation of industry to Maricopa.

In 2018-2019, the City began the construction of the Fire Administration Building with a 2020 completion date. The growth of the City created the need for an administrative facility to provide professional working space for staff, meeting space for community members, training and conference space, and storage adequate for Fire Department's needs. With that growth, the current library is outgrowing its current location and a design for the new library began in fiscal year 2020. The cost of this project is estimated at \$ 10.8 million.

Relevant Financial Policies

Maricopa will operate under carefully designed fiscal policies that maintain integrity, ensure fiscal stability, provide long-term sustainability, and guide the development and the administration of operating and capital budgets and debt administration. The Council is required to adopt a budget no later than July 1 of each year. The annual budget serves as the foundation for the City of Maricopa's financial planning and control. The budget is prepared by fund, function (e.g., public safety) and department (e.g., police). All transfers of resources within and between departments and funds require approval from the City Manager or his designee.

Revenue Stabilization Reserves:

In fiscal year 2019-20 the City of Maricopa will maintain a revenue stabilization reserve at a level equal to 30% of the General Fund budgeted expenditures. Funds in excess of this maximum will be available for capital projects and/or "one time only" General Fund expenditures as approved by the City council. As a result of City Council action, the City Manager or his/her designee is authorized and empowered to assign fund balance to a specific purpose in accordance with, and in relation to City budget and financial policies.

General Fund Disaster Contingency Reserve:

In fiscal year 2019-20 after calculating the 30% General Fund operating reserve and before the assignment of General Fund balance, the City of Maricopa will assign and maintain an emergency reserve equal to \$1 million. These reserved funds will be used in the event of a “declared” emergency providing financial support for recovery efforts as directed by the City Council.

Long-term financial planning

To initiate the annual budget process the City prepares a Comprehensive Financial Plan that provides a Ten-year perspective on the financial condition of the City’s General Fund and any other appropriated funds deemed necessary. The financial plan has as its base FY 2019 budget and provides a long-range context for staff and the City Council to make budgetary decisions for the upcoming fiscal year.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended June 30, 2018. In order to be awarded this certificate, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

This certificate is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the programs’ requirements and we are submitting it to GFOA to determine its eligibility for the fiscal year ended June 30, 2019 certificate.

The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Financial Services Unit. Each member of the unit has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the City Council, preparation of this report would not have been possible.

Respectfully submitted,



Rick Horst
City Manager



Jennifer Brown
Admin. Services Director



Government Finance Officers Association

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

Presented to

**City of Maricopa
Arizona**

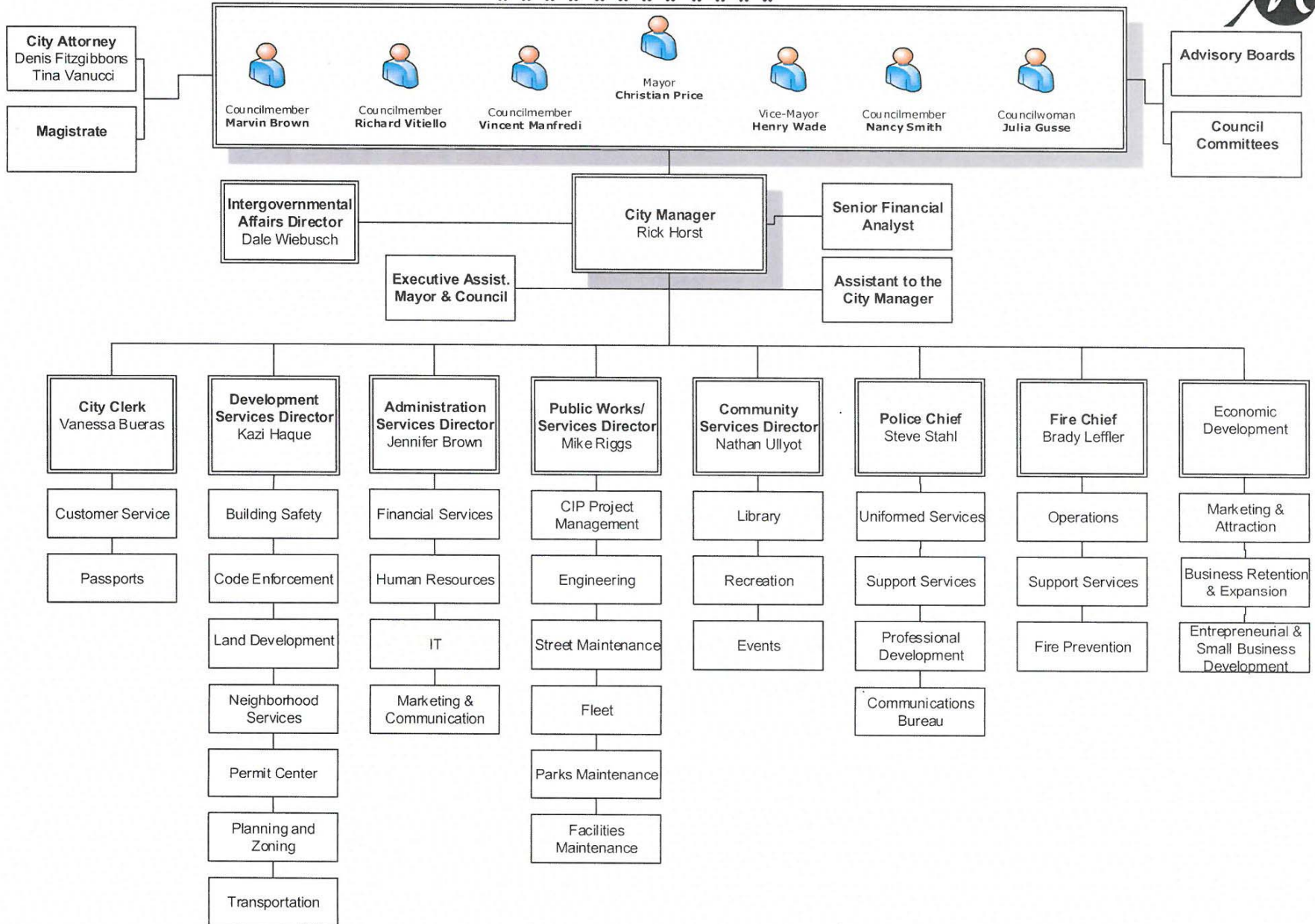
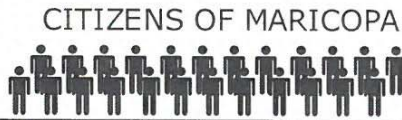
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

2019
City of Maricopa Organization Chart



**CITY OF MARICOPA, ARIZONA
LIST OF PRINCIPAL OFFICIALS**

ELECTED OFFICIALS

Mayor	Christian Price
Vice Mayor	Henry Wade, Jr.
Council Member	Marvin Brown
Council Member	Rich Vitello
Council Member	Julia Gusse
Council Member	Vincent Manfredi
Council Member	Nancy Smith

CITY STAFF

City Manager	Rick Horst
City Clerk	Vanessa Bueras
Community Services Director	Nathan Ulliyot
Development Services Director	Kazi Haque
Public Services Director	Mike Riggs
Fire Chief	Brady Leffler
Administrative Services Director	Jennifer Brown
Intergovernmental Affairs Director	Dale Wiebusch
Police Chief	Steve Stahl

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
City of Maricopa, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Maricopa, Arizona (City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditor's 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 entity'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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Maricopa, Arizona, as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, net pension liability information, and other postemployment benefit plan information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Introductory Section, Combining and Individual Fund Financial Statements and Schedules, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Fund Financial Statements and Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Financial Statements and Schedules information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2020, on our consideration of City of Maricopa, Arizona's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Maricopa, Arizona's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Maricopa, Arizona's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Tucson, Arizona
January 30, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(Required Supplementary Information)

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**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

As management of the City of Maricopa, Arizona (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2019. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

The financial statements which follow the Management's Discussion and Analysis provide those significant key financial highlights for 2018-19 as follows:

- The City's total net position of governmental activities increased \$7.7 million to \$240.3 million representing a three percent increase over the prior year primarily due to an increase in sales tax and investment income revenues.
- General revenues from governmental activities accounted for \$50.8 million in revenue, or 76 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$16.4 million or 24 percent of total governmental activities revenues.
- The City had \$59.4 million in expenses related to governmental activities, an increase of six percent from the prior fiscal year primarily due to increase in pension and OPEB expenses.
- Among major funds, the General Fund had \$48.6 million in current fiscal year revenues, which primarily consisted of property tax, sales tax, and intergovernmental revenues, and \$39.8 million in expenditures. The General Fund's fund balance increase from \$36.6 million at the prior fiscal year end to \$43.6 million at the end of the current fiscal year was primarily due to primarily due to an increase in sales tax and investment income revenues.
- The Grants Fund had \$1.8 million in revenues and expenditures of \$2.2 million. The Grants Fund's fund balance increased from \$523,313 at the prior fiscal year end, to \$711,081 at the end of the current fiscal year.
- The Transportation Impact Fee Fund, had \$4.2 million in revenues. Fund expenditures totaled \$148,569 resulting in an increase in fund balance from \$20.8 million to \$24.2 million due to fewer ongoing construction projects throughout the City.

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The accrual basis of accounting is used for the government-wide financial statements.

The statement of net position presents information on all of the City's assets liabilities, and deferred inflows/outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

In the government-wide financial statements the City's activities are presented in the following categories:

- **Governmental activities** – Most of the City's basic services are included here, such as general government, public safety, community services, development services, public works, and interest on long-term debt. Sales taxes, property taxes, state shared revenues, and charges for services finance most of these activities.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City are governmental funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements use the modified accrual basis of accounting and focus on near-term inflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

OVERVIEW OF FINANCIAL STATEMENTS

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Grants, and Transportation Impact Fee Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budget process and pension and other postemployment benefit plans. The City adopts an annual expenditure budget for all governmental funds. A schedule of revenues, expenditures and changes in fund balances – budget and actual has been provided for the General Fund and a major Special Revenue Fund as required supplementary information. Schedules for the pension and other postemployment benefit plans have been provided as required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$240.3 million at the current fiscal year end.

The largest portion of the City's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, infrastructure, vehicles, machinery and equipment, computer and software, water rights, and construction in progress), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related outstanding debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, a portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted and may be used to meet the City's ongoing obligations to its citizens and creditors.

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents a summary of the City's net position for the fiscal years ended June 30, 2019 and June 30, 2018.

	Governmental Activities	
	2019	2018
Current and other assets	\$ 95,547,258	\$ 80,517,210
Capital assets, net	203,289,325	211,353,212
Total assets	<u>298,836,583</u>	<u>291,870,422</u>
Deferred outflows	<u>6,571,454</u>	<u>5,789,723</u>
Current liabilities	3,744,837	3,474,878
Long-term liabilities	57,619,776	60,214,017
Total liabilities	<u>61,364,613</u>	<u>63,688,895</u>
Deferred inflows	<u>3,791,971</u>	<u>2,750,288</u>
Net investment in capital assets	164,748,639	170,979,975
Restricted	48,037,555	43,451,668
Unrestricted	27,465,259	16,789,319
Total net position	<u>\$ 240,251,453</u>	<u>\$ 231,220,962</u>

At the end of the current fiscal year the City reported positive balances in all three categories of net position. The same situation held true for the prior fiscal year.

The City's financial position is the product of several financial transactions including the net result of activities, the payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. The following are significant current year transactions that had an impact on the Statement of Net position.

- The City acquired \$3.7 million in capital asset additions with an increase in accumulated depreciation of \$11.6 million from current year depreciation.
- Current and other assets increased \$15.0 million primarily due to an increase in sales tax and investment income.
- The principal retirement of \$1.8 million of bonds and \$42,551 of bond premium.

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in net position. The City's total revenues for the current fiscal year were \$67.2 million. The total cost of all programs and services was \$59.4 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2019 and June 30, 2018.

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Revenues:		
Program revenues:		
Charges for services	\$ 6,656,980	\$ 6,073,507
Operating grants and contributions	4,475,831	4,522,065
Capital grants and contributions	5,241,042	5,560,382
General revenues:		
Property taxes, levied for general purposes	11,845,356	11,007,502
Property taxes, levied for debt service	2,967,306	3,450,990
Sales taxes	14,161,420	11,692,157
Franchise taxes	1,221,114	1,238,325
Unrestricted grants, aid, and state shared revenues	18,059,723	16,946,770
Investment income	2,542,613	349,508
Total revenues	<u>67,171,385</u>	<u>60,841,206</u>
Expenses:		
General government	9,258,938	9,065,308
Public safety	26,178,738	24,936,969
Community services	8,801,087	8,555,065
Development services	2,316,181	2,141,848
Public works	11,056,216	9,590,939
Interest on long-term debt	1,837,467	1,915,184
Total expenses	<u>59,448,627</u>	<u>56,205,313</u>
Changes in net position	7,722,758	4,635,893
Net position, beginning	231,220,962	226,659,569
Net effect of prior period adjustments	1,307,733	(74,500)
Net position, beginning restated	<u>232,528,695</u>	<u>226,585,069</u>
Net position, ending	<u>\$ 240,251,453</u>	<u>\$ 231,220,962</u>

The following are significant current year transactions that had an impact on the change in net position.

- Sales taxes increased \$2.5 million as a result of new businesses within the City Limits.
- Investment income increased \$2.2 million primarily due to favorable market conditions.
- Total public safety expenses increased \$1.2 million due primarily to an increase in pension and OPEB related items.
- Total public works expenses increased \$1.5 million due primarily to additional projects during the year.

The following table presents the cost of the City's major functional activities. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and City's taxpayers by each of these functions.

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Year Ended June 30, 2019		Year Ended June 30, 2018	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
General government	\$ 9,258,938	\$ (7,667,445)	\$ 9,065,308	\$ (8,033,030)
Public safety	26,178,738	(23,649,954)	24,936,969	(23,186,400)
Community services	8,801,087	(6,101,506)	8,555,065	(4,527,081)
Development services	2,316,181	1,368,257	2,141,848	1,251,739
Public works	11,056,216	(5,451,341)	9,590,939	(3,916,935)
Interest on long-term debt	1,837,467	(1,572,785)	1,915,184	(1,637,652)
Total	\$ 59,448,627	\$ (43,074,774)	\$ 56,205,313	\$ (40,049,359)

- The cost of all governmental activities this year was \$59.4 million.
- Federal and State grants and contributions and charges for services subsidized certain programs with grants and contributions and other local revenues of \$16.4 million.
- Net cost of governmental activities of \$43.1 million was financed by general revenues, which are made up of primarily property taxes of \$14.8 million, sales taxes of \$14.2 million, and state shared revenues of \$18.1 million.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

The financial performance of the City as a whole is reflected in its governmental funds. As the City completed the year, its governmental funds reported a combined fund balance of \$91.3 million, an increase of \$13.2 million due primarily to an increase in sales tax and investment income.

The General Fund is the principal operating fund of the City. The increase in fund balance of \$7.1 million for the fiscal year to \$43.6 million was due primarily due to an increase in sales tax and investment income.

The Grants Fund showed an increase in fund balance of \$187,768 primarily due to a transfer from the Transportation Impact Fee Fund.

The Transportation Impact Fee Fund showed an increase in fund balance of \$3.4 million due to fewer ongoing construction projects throughout the City.

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

BUDGETARY HIGHLIGHTS

Over the course of the year, the City revised the General Fund annual expenditure budget. The difference between the original budget and the final amended budget was an \$187,639 increase or less than one percent.

A schedule showing the original and final budget amounts compared to the City's actual financial activity for the General Fund is provided in this report as required supplementary information. The significant favorable variance of \$4.7 million in total was a result of additional monitoring of expenditures and increased budgetary review.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the City had invested \$300.5 million in capital assets, including buildings, facilities, vehicles, computers, equipment, and infrastructure assets. This amount represents a net increase prior to depreciation of \$3.4 million from the prior fiscal year, primarily due to various buildings and improvement projects in addition to purchasing new vehicles. Total depreciation expense for the current fiscal year was \$11.6 million.

The following schedule presents capital asset balances for the fiscal years ended June 30, 2019 and June 30, 2018.

Governmental Activities	As of June 30, 2019	As of June 30, 2018
Land	\$ 86,636,063	\$ 86,736,516
Water rights	963,255	885,610
Infrastructure	95,166,871	95,328,687
Buildings and improvements	87,654,491	87,371,245
Vehicles, machinery and equipment	26,029,989	24,313,510
Construction in progress	4,034,946	2,477,476
Less: Accumulated depreciation	(97,196,290)	(85,759,832)
Total	\$ 203,289,325	\$ 211,353,212

The estimated cost to complete current construction projects is \$21.8 million.

Additional information on the City's capital assets can be found in Note 7.

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Debt Administration. – At year end, the City had \$38.5 million in long-term debt outstanding, \$1.8 million due within one year.

State statutes currently limit the amount of general obligation debt a city may issue to 20 percent of its total assessed valuation for water, sewer, lights, open space preserves, parks, playgrounds and recreational facilities. The current debt limitation for the City is \$64.6 million, of which \$31.0 million is issued and outstanding. State statutes also currently limit the amount of general obligation debt a City may issue to 6 percent of its total assessed valuation for all other purposes. The current debt limitation for the City is \$19.4 million, of which \$6.9 million is issued and outstanding.

Additional information on the City's long-term debt can be found in Note 8.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

City management considered many factors in the process of developing the operating budget for the fiscal year 2019-20. The most significant factors affecting the subsequent year's budget are:

- Primary property tax assessments are projected higher in fiscal year 2019-20 with an increase of \$1.2 million while maintaining the primary property tax rate at \$4.7845 per \$100 in assessed valuation. The moderate assessment increase is due to the impact of new construction and the rise in property values.
- Local sales tax revenue is projected to increase slightly over the prior fiscal year and is budgeted at \$11.8 million in fiscal year 2019-20 compared to the 2018-19 budget of \$11.2 million.
- Revenues passed through the State of Arizona to municipalities, otherwise known as state shared revenues, have been increasing significantly starting in 2011-12. The 2019-20 state shared revenues are projected to increase in the General Fund by approximately nine percent.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Financial Services Department, City of Maricopa, Arizona; City Hall; 39700 W. Civic Center Plaza; Maricopa, Arizona 85138.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

**CITY OF MARICOPA, ARIZONA
STATEMENT OF NET POSITION
JUNE 30, 2019**

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 90,843,183
Property taxes receivable	209,596
Accounts receivable	626,583
Intergovernmental receivables	3,701,796
Prepaid items	79,970
Total current assets	95,461,128
Noncurrent assets:	
Net other postemployment benefit assets	86,130
Land and other non-depreciable assets	91,634,264
Infrastructure, buildings, equipment and other depreciable assets	208,851,351
Accumulated depreciation	(97,196,290)
Total noncurrent assets	203,375,455
Total assets	298,836,583
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension and other postemployment benefit plan items	6,571,454
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	2,590,312
Construction contracts payable	495,981
Accrued wages and benefits	584,566
Customer deposits	73,978
Compensated absences payable	1,111,027
Bonds payable	1,845,000
Total current liabilities	6,700,864
Noncurrent liabilities:	
Compensated absences	427,642
Bonds payable	36,695,686
Net pension liability	17,425,041
Net other postemployment benefit liability	115,380
Total noncurrent liabilities	54,663,749
Total liabilities	61,364,613
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension and other postemployment benefit plan items	3,791,971
 <u>NET POSITION</u>	
Net investment in capital assets	164,748,639
Restricted	48,037,555
Unrestricted	27,465,259
Total net position	\$ 240,251,453

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

**CITY OF MARICOPA, ARIZONA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 9,258,938	\$ 1,377,434	\$ 214,059		\$ (7,667,445)
Public safety	26,178,738	79,745	1,595,852	853,187	(23,649,954)
Community services	8,801,087	1,704,331	14,136	981,114	(6,101,506)
Development services	2,316,181	3,495,470	188,121	847	1,368,257
Public works	11,056,216		2,198,981	3,405,894	(5,451,341)
Interest on long-term debt	1,837,467		264,682		(1,572,785)
Total governmental activities	\$ 59,448,627	\$ 6,656,980	\$ 4,475,831	\$ 5,241,042	(43,074,774)

General revenues:

Taxes:

Property taxes, levied for general purposes	11,845,356
Property taxes, levied for debt service	2,967,306
Sales taxes	14,161,420
Franchise taxes	1,221,114
Unrestricted grants, aid, and state shared revenues	18,059,723
Investment income	2,542,613
Total general revenues	50,797,532

Changes in net position

7,722,758

Net position, beginning of year, as restated

232,528,695

Net position, end of year

\$ 240,251,453

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

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FUND FINANCIAL STATEMENTS

**CITY OF MARICOPA, ARIZONA
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019**

	<u>General Fund</u>	<u>Grants</u>	<u>Transportation Impact Fee</u>
<u>ASSETS</u>			
Cash and investments	\$ 42,703,225	\$ 739,035	\$ 24,256,963
Property taxes receivable	167,969		
Accounts receivable	626,583		
Intergovernmental receivables	2,447,687	552,934	
Prepaid items	1,125		
Total assets	<u>\$ 45,946,589</u>	<u>\$ 1,291,969</u>	<u>\$ 24,256,963</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 1,641,011	\$ 253,548	\$ 6,470
Construction contracts payable			36,248
Accrued wages and benefits	552,864	13,148	
Customer deposits	73,978		
Total liabilities	<u>2,267,853</u>	<u>266,696</u>	<u>42,718</u>
Deferred inflows of resources:			
Unavailable revenue - property taxes	43,155		
Unavailable revenue - intergovernmental	25,847	314,192	
Total deferred inflows of resources	<u>69,002</u>	<u>314,192</u>	
Fund balances:			
Nonspendable	1,125		
Restricted		711,081	24,214,245
Unassigned	43,608,609		
Total fund balances	<u>43,609,734</u>	<u>711,081</u>	<u>24,214,245</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 45,946,589</u>	 <u>\$ 1,291,969</u>	 <u>\$ 24,256,963</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 23,143,960	\$ 90,843,183
41,627	209,596
	626,583
701,175	3,701,796
78,845	79,970
<u>\$ 23,965,607</u>	<u>\$ 95,461,128</u>

\$ 689,283	\$ 2,590,312
459,733	495,981
18,554	584,566
	73,978
<u>1,167,570</u>	<u>3,744,837</u>

9,994	53,149
	340,039
<u>9,994</u>	<u>393,188</u>

78,845	79,970
22,709,198	47,634,524
	43,608,609
<u>22,788,043</u>	<u>91,323,103</u>

<u>\$ 23,965,607</u>	<u>\$ 95,461,128</u>
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CITY OF MARICOPA, ARIZONA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

Total governmental fund balances		\$ 91,323,103
<p>Amounts reported for <i>governmental activities</i> in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Governmental capital assets	\$ 300,485,615	
Less accumulated depreciation	<u>(97,196,290)</u>	203,289,325
<p>Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.</p>		
Property taxes	53,149	
Intergovernmental	<u>340,039</u>	393,188
<p>Deferred items related to the net cost of issuance of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds.</p>		
		(655,686)
<p>Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future periods and, therefore, are not reported in the funds.</p>		
Deferred outflows of resources related to pensions/OPEB	6,571,454	
Deferred inflows of resources related to pensions/OPEB	<u>(3,791,971)</u>	2,779,483
<p>The Net OPEB asset is not a current financial resource and, therefore, is not reported in the funds.</p>		
		86,130
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Compensated absences payable	(1,538,669)	
Net OPEB liability	(115,380)	
Net pension liability	(17,425,041)	
Bonds payable	<u>(37,885,000)</u>	<u>(56,964,090)</u>
Net position of governmental activities		<u><u>\$ 240,251,453</u></u>

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

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CITY OF MARICOPA, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	<u>General Fund</u>	<u>Grants</u>	<u>Transportation Impact Fee</u>
Revenues:			
Property taxes	\$ 11,873,312	\$	\$
Sales taxes	14,161,420		
Franchise taxes	1,221,114		
Licenses, fees & permits	2,597,945		
Intergovernmental revenues	13,633,155	1,774,759	
Impact fees			3,405,894
Charges for services	2,531,178		
Fines, forfeitures & penalties	598,784		
Investment income	1,196,192		715,591
Miscellaneous	815,937		36,096
Total revenues	<u>48,629,037</u>	<u>1,774,759</u>	<u>4,157,581</u>
Expenditures:			
Current -			
General government	7,649,857	224,575	
Public safety	22,229,213	1,683,166	
Community services	6,030,601	14,715	
Development services	1,938,889	195,011	
Public works	1,875,347		
Capital outlay	45,767	69,524	148,569
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>39,769,674</u>	<u>2,186,991</u>	<u>148,569</u>
Excess (deficiency) of revenues over expenditures	<u>8,859,363</u>	<u>(412,232)</u>	<u>4,009,012</u>
Other financing sources (uses):			
Transfers in	750,000	600,000	
Transfers out	(2,550,899)		(600,000)
Total other financing sources (uses)	<u>(1,800,899)</u>	<u>600,000</u>	<u>(600,000)</u>
Changes in fund balances	<u>7,058,464</u>	<u>187,768</u>	<u>3,409,012</u>
Fund balances, beginning of year, as restated	36,552,581	523,313	20,805,233
Increase (decrease) in reserve for prepaid items	(1,311)		
Fund balances, end of year	<u>\$ 43,609,734</u>	<u>\$ 711,081</u>	<u>\$ 24,214,245</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 2,978,957	\$ 14,852,269
	14,161,420
	1,221,114
	2,597,945
6,838,116	22,246,030
1,765,624	5,171,518
	2,531,178
	598,784
630,830	2,542,613
134,751	986,784
<u>12,348,278</u>	<u>66,909,655</u>
	7,874,432
	23,912,379
63,271	6,108,587
	2,133,900
1,613,767	3,489,114
5,546,652	5,810,512
1,790,000	1,790,000
1,880,018	1,880,018
<u>10,893,708</u>	<u>52,998,942</u>
<u>1,454,570</u>	<u>13,910,713</u>
3,360,473	4,710,473
(1,559,574)	(4,710,473)
<u>1,800,899</u>	
<u>3,255,469</u>	<u>13,910,713</u>
20,263,566	78,144,693
(730,992)	(732,303)
<u>\$ 22,788,043</u>	<u>\$ 91,323,103</u>

CITY OF MARICOPA, ARIZONA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

Changes in fund balances - total governmental funds **\$ 13,910,713**

Amounts reported for *governmental activities* in the Statement of Activities are different because:

Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense.

Expenditures for capitalized assets	\$ 3,910,407	
Less current year depreciation	<u>(11,603,426)</u>	(7,693,019)

Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	(39,607)	
Intergovernmental	319,947	
Other	<u>(3,263)</u>	277,077

Repayment of bond principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		1,790,000
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Governmental funds report pension/OPEB contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension/OPEB liability, adjusted for deferred items, is reported as pension/OPEB expense in the Statement of Activities.

Current year pension/OPEB contributions	3,046,765	
Pension/OPEB expense	<u>(2,530,485)</u>	516,280

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Prepaid items	(732,303)	
Loss on disposal of assets	(370,868)	
Amortization of deferred bond items	42,551	
Compensated absences	<u>(17,673)</u>	<u>(1,078,293)</u>

Changes in net position in governmental activities **\$ 7,722,758**

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

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Maricopa, Arizona have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the City's accounting policies are described below.

A. Reporting Entity

The City is a municipal entity governed by an elected mayor and council. The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The City is a primary government because it has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the City for financial statement presentation purposes, and the City is not included in any other governmental reporting entity. Consequently, the City's financial statements include only the funds of those organizational entities for which its elected governing board is financial accountable.

In a prior year, the City had formed an Industrial Development Authority (IDA) to provide conduit financing to spur economic development opportunities within the greater Maricopa area. The Mayor and Council appoint all seven members of the IDA Board. As of June 30, 2019 the IDA had not incurred any financial transactions and therefore has no financial data to report.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information about the City as a whole. The reported information includes all of the activities of the City. For the most part, the effect of internal activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the City. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The City does not have any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, sales and franchise taxes, unrestricted state shared revenues, investment income and other items not included among program revenues are reported instead as general revenues.

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule, the effect of internal activity has been eliminated from the government-wide financial statements; however, the effects of interfund services provided and used between functions are reported as expenses and program revenues at amounts approximating their external exchange value.

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, unrestricted state shared revenue, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. Miscellaneous revenue is not susceptible to accrual because generally it is not measurable until received in cash. Unearned revenues arise when resources are received by the City before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider.

Delinquent property taxes and other receivables that will not be collected within the available period have been reported as unavailable revenues on the governmental fund financial statements.

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

The City reports the following major governmental funds.

General Fund – This fund is used to account for all financial resources of the City, except those required to be accounted for in other funds.

Grants – This fund is used to account for the receipt and expenditure of miscellaneous federal, state, and local grants awarded to the City for various, specific purposes.

Transportation Impact Fee Fund – This fund is used to account for the receipt and expenditure of the City's transportation impact fee. The revenues in this fund are restricted for specific capital outlay purposes.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Budgeting and Budgetary Control

The City Council formally adopts an annual budget for all operating funds. The statutory level of control at which expenditures may not exceed budget is at the total expenditure level. However, the City's internal adopted policy is that expenditures may not exceed the budgets by departments within each fund, except for bond and grants-in-aid funds, which are exempted by statute. The City Code was amended to provide the City Manager with authority to transfer budget amounts between funds and departments, reclassify budget positions, and to amend the salary plan.

On June 3, 1980, the voters of Arizona approved an expenditure limitation for all governments. This limitation restricts the growth of expenditures to a percentage determined by population and inflation, with certain expenditures excluded from the limitation. Through a vote of the qualified electors, a government may permanently adjust its base limitation to increase its annual expenditure limitation. At the general election held November 2, 2004, the City of Maricopa voters approved a permanent adjustment of \$9,750,000 to the City's base limitation.

E. Property Taxes

Arizona Revised Statutes require that taxes be levied on or before the third Monday in August. Taxes are levied and collected by the Pinal County Treasurer's Office on real and personal properties. Real property taxes, payable in two installments, are due November 1 and May 1. Personal property taxes are billed throughout the year. Interest and penalties are assessed if a taxpayer fails to pay the tax within a period of time specified by law. Taxes are considered to be a lien against real property at the date of the levy.

The property tax levy, as described in the Arizona State Statutes, is divided into two levies, a primary levy and a secondary levy. Secondary taxes are levied strictly for the retirement and redemption of bonded indebtedness, while the primary levy may be used for any legal operating purpose.

The primary property tax levy is limited to a two percent annual increase over the prior year's maximum allowable levy plus an adjustment for properties that were not taxed in the previous year.

F. Investment Income

Investment income is composed of interest, dividends, and net changes in the fair value of applicable investments.

G. Capital Assets

Capital assets, which include land and improvements; water rights; buildings and improvements; infrastructure assets (e.g., roads, bridges, sidewalks, and similar items); vehicles; machinery and equipment; computers/software; and construction in progress, are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$10,000 or more and an estimated useful life of more than one year. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General government infrastructure capital assets include only those assets acquired or constructed since July 1, 2004. The City qualified as a Phase 3 implementer of GASB 34, and has elected under that standard to not report infrastructure assets in existence prior to that date. As part of the development process, the developers are required to construct much of the infrastructure in and around their developments. At completion, these infrastructure assets are donated to the City and capitalized.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Capital assets of the City are depreciated using the straight line method over the following estimated useful lives:

Improvements other than buildings	10-20 years
Buildings	17-20 years
Infrastructure	20 years
Vehicles	5-15 years
Machinery and equipment	5-20 years
Computers/Software	5 years

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

I. Compensated Absences

Vacation leave vests with the employee as it is earned. All employees may carry forward only the amount of vacation benefits allowed per the vesting schedule in the City of Maricopa Personnel Policies and Procedures. Upon termination or retirement, an employee will be compensated for accumulated vacation leave. Payment will be based upon the individual's rate of pay at termination or retirement. Upon death, the same benefits shall be paid to the employee's beneficiary. Sick leave benefits provided for ordinary sick pay are not vested with the employee. The current and long-term liabilities, including related benefits, for accumulated vacation leave are reported on the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. Generally, resources from the General Fund are used to pay for compensated absences.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

J. Pensions and Other Postemployment Benefits

For purposes of measuring the net pension and other postemployment benefit (OPEB) assets and liabilities, related deferred outflows of resources and deferred inflows of resources, and related expenses, information about the pension and OPEB plans' fiduciary net position and additions to/deductions from the plans' 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.

K. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Deferred amounts on refunding result from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. Interfund Activity

Flows of cash from one fund to another, without a requirement for repayment, are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund statements are reported as other financing sources/uses in governmental funds.

M. Net Position Flow Assumption

In the government-wide financial statements the City applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted amounts are available.

N. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are recorded as expenses when consumed in the government-wide financial statements and as expenditures when purchased in the fund financial statements.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

O. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 – FUND BALANCE CLASSIFICATIONS

Fund balances of the governmental funds are reported separately within classifications based on a hierarchy of the constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, and unrestricted, which includes committed, assigned, and unassigned fund balance classifications.

Nonspendable. The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact.

Restricted. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

Committed. The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action of the City Council. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned. Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. As a result of City Council action, the City Manager or his/her designee is authorized and empowered to assign fund balance to a specific purpose in accordance with and in relation to City budget and financial policies.

Unassigned. Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had be restricted, committed, or assigned.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 2 – FUND BALANCE CLASSIFICATIONS

The City applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The table below provides detail of the major components of the City's fund balance classifications at year end.

	<u>General Fund</u>	<u>Grants Fund</u>	<u>Transportation Impact Fee Fund</u>	<u>Non-Major Governmental Funds</u>
Fund Balances:				
Nonspendable:				
Prepaid items	\$ 1,125	\$	\$	\$ 78,845
Restricted:				
Debt service				386,936
Transportation projects			24,214,245	9,393,007
Parks and recreation projects				4,773,862
Capital projects				7,651,505
Public safety projects				503,888
Federal and state projects		711,081		
Unassigned:	<u>43,608,609</u>			
Total fund balances	<u>\$43,609,734</u>	<u>\$ 711,081</u>	<u>\$ 24,214,245</u>	<u>\$ 22,788,043</u>

NOTE 3 – RESTRICTED NET POSITION

The table below provides detail of the major components of the City's restricted net position at year end.

	<u>Governmental Activities</u>
Restricted Net Position:	
Public Safety	\$ 503,888
Transportation projects	33,607,252
Capital projects	7,730,350
Debt service	396,930
Federal and state projects	1,025,273
Parks and recreation projects	<u>4,773,862</u>
Total	<u>\$ 48,037,555</u>

NOTE 4 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

At year end, the City had expenditures in a fund that exceeded the budget, however, this does not constitute a violation of any legal provisions.

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 5 – CASH AND INVESTMENTS

A.R.S. authorize the City to invest public monies in obligations of the U.S. Government and its agencies, obligations of the State and certain local government subdivisions, interest-bearing savings accounts and certificates of deposit, collateralized repurchase agreements, certain obligations of U.S. corporations, and certain other securities. The statutes do not include any requirements for credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk for the City's investments. All investments are stated at fair value.

Arizona statute requires a pooled collateral program for public deposits and a Statewide Collateral Pool Administrator (Administrator) in the State Treasurer's Office. The purpose of the pooled collateral program is to ensure that governmental entities' public deposits placed in participating depositories are secured with collateral of 102 percent of the public deposits, less any applicable deposit insurance. An eligible depository may not retain or accept any public deposit unless it has deposited the required collateral with a qualified escrow agent or the Administrator. The Administrator manages the pooled collateral program, including reporting on each depository's compliance with the program.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the City's deposits may not be returned to the City. The City does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the City's deposits was \$1,240,589 and the bank balance was \$1,936,656. At year end \$1,618,188 of the City's deposits was covered by collateral held by the pledging financial institution's trust department or agent but not in the City's name. Additionally, the City had cash on hand of \$8,445 and the City had cash held by others of \$71,828.

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices in active markets for identical assets
- Level 2 inputs are significant other observable inputs
- Level 3 inputs are significant unobservable inputs

Valuation Techniques. Securities classified in Level 2 of the of the fair value hierarchy are valued using a matrix pricing techniques. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The State Treasurer's pools are external investment pools, the Local Government Investment Pool (Pool 5) and Local Government Investment Pool-Government (Pool 7), with no regulatory oversight. The pools are not required to register (and are not registered) with the Securities and Exchange Commission. The activity and performance of the pools are reviewed monthly by the State Board of Investment. The fair value of each participant's position in the State Treasurer investment pools approximates the value of the participant's shares in the pool and the participants' shares are not identified with specific investments. Participants in the pool are not required to categorize the value of shares in accordance with the fair value hierarchy.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 5 – CASH AND INVESTMENTS

Custodial Credit Risk – Investments. The City’s investment in the State Treasurer’s investment pool represents a proportionate interest in the pool’s portfolio; however, the City’s portion is not identified with specific investments and is not subject to custodial credit risk.

All investments in which the fair value hierarchy is applicable are measured at fair value on a recurring basis. At year end, the City’s investments consisted of the following:

<u>Investment Type</u>	<u>Category</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>		<u>Moody's/Standard & Poor's</u>	
			<u>Less than 1</u>	<u>1-5</u>		
Commercial Paper	Level 2	\$ 4,749,882	\$ 4,749,882	\$	P-1	/ A-1
Certificates of Deposit	Level 2	1,067,737		1,067,737	A1	/ A
Certificates of Deposit	Level 2	1,060,004	526,312	533,692	A1	/ A+
Certificates of Deposit	Level 2	529,505	529,505		A1	/ P1
Certificates of Deposit	Level 2	530,610		530,610	Aa2	/ A+
Certificates of Deposit	Level 2	1,194,573		1,194,573	Aa2	/ AA-
Certificates of Deposit	Level 2	526,825	526,825		Aa3	/ AA-
Certificates of Deposit	Level 2	943,943		943,943	Aa3e	/ AA-
Certificates of Deposit	Level 2	527,646	527,646		P1	/ A+
Certificates of Deposit	Level 2	2,907,009	2,907,009		P1	A1
U.S. Treasuries	Level 1	20,284,707	5,726,280	14,558,427	Aaa	/ AA+
U.S. Agencies:						
Federal Home Loan Banks	Level 1	1,903,870		1,903,870	Aaa	/ AA+
Federal Home Loan Mortgage Corporation	Level 1	1,416,853		1,416,853	Aaa	/ AAA
Federal National Mortgage Association	Level 1	1,372,501		1,372,501	Aaa	/ AA+
Corporate Securities	Level 1	1,226,961	1,023,535	203,426	A1	/ A
Corporate Securities	Level 1	2,001,640	323,833	1,677,807	A1	/ A+
Corporate Securities	Level 1	484,152		484,152	A1	/ AA
Corporate Securities	Level 1	300,181		300,181	A1	/ AA-
Corporate Securities	Level 1	2,998,088	1,071,806	1,926,282	A2	/ A
Corporate Securities	Level 1	1,858,485		1,858,485	A2	/ A-
Corporate Securities	Level 1	316,562	316,562		A2	/ A+
Corporate Securities	Level 1	546,594		546,594	A3	/ A
Corporate Securities	Level 1	1,589,763		1,589,763	A3	/ BBB+
Corporate Securities	Level 1	279,744		279,744	Aa1	/ AA+
Corporate Securities	Level 1	812,396	439,432	372,964	Aa2	/ AA
Corporate Securities	Level 1	924,115	444,104	480,011	Aa3	/ AA-
Corporate Securities	Level 1	277,285		277,285	Aaa	/ AA+
Corporate Securities	Level 1	110,095		110,095	Aaa	/ AAA
Asset Backed Securities	Level 2	151,699		151,699	Aaa	AAA
Asset Backed Securities	Level 2	851,314		851,314	Aaa	NR
Asset Backed Securities	Level 2	1,077,792		1,077,792	NR	AAA
			<u>\$ 19,112,731</u>	<u>\$ 35,709,800</u>		
State Treasurer's investment pool 5	Not applicable	31,123,663	37 days average maturities		N/A	/ AAA-S1+
State Treasurer's investment pool 7	Not applicable	3,532,546	44 days average maturities		N/A	/ AAA
Total		<u>\$ 89,478,740</u>				

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 5 – CASH AND INVESTMENTS

Interest Rate Risk. The City's formal investment policy limits interest rate risk by structuring the investment portfolio so that securities mature concurrent with the anticipated cash requirements for ongoing operations, thereby avoiding, as much as possible, the need to sell securities into an adverse market environment prior to maturity and utilizing external research and advice regarding the current interest rate outlook and global economic condition to optimize portfolio duration strategy.

Credit Risk. The City's formal investment policy limits credit risk by limiting investments in the portfolio to the asset classes designated as acceptable in A.R.S. §35-323, by diversifying the investment portfolio so that the impact of potential losses from any one individual issuer held in the portfolio will be limited and by utilizing external research and advice regarding the current global economic condition and its impact on the outlook for domestic corporate credit quality.

Concentration of Credit Risk. The City places no limit on the amount the City may invest in any one issuer. The investments in Commercial Paper, Certificates of Deposit, U.S. Treasuries, U.S. Agencies, Corporate Securities, Asset Backed Securities, State Treasurer's Investment Pool 5, and State Treasurer's Investment Pool 7, represent 5%, 10%, 23%, 5%, 15%, 2%, 36%, and 4% of the City's total investments, respectively.

NOTE 6 – RECEIVABLES

Receivable balances, net of allowance for uncollectibles, have been disaggregated by type and presented separately in the financial statements with the exception of intergovernmental receivables. Intergovernmental receivables, net of allowance for uncollectibles, as of year end for the City's individual major funds and non-major governmental funds in the aggregate were as follows:

	General Fund	Grants Fund	Non-Major Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Intergovernmental receivables:			
Due from federal government	\$	\$ 552,934	\$ 156,722
Due from state government	2,447,687		357,492
Due from county government			186,961
Net intergovernmental receivables	<u>\$ 2,447,687</u>	<u>\$ 552,934</u>	<u>\$ 701,175</u>

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 7 – CAPITAL ASSETS

A summary of capital asset activity for the current fiscal year follows:

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 86,736,516	\$	\$ 100,453	\$ 86,636,063
Water rights	885,610	201,000	123,355	963,255
Construction in progress	2,477,476	1,612,448	54,978	4,034,946
Total capital assets, not being depreciated	<u>90,099,602</u>	<u>1,813,448</u>	<u>278,786</u>	<u>91,634,264</u>
Capital assets, being depreciated:				
Buildings	56,264,020	283,246		56,547,266
Improvements other than buildings	31,107,225			31,107,225
Infrastructure	95,328,687		161,816	95,166,871
Vehicles	9,910,822	1,693,228	152,212	11,451,838
Machinery and equipment	10,771,893	86,763		10,858,656
Computers/Software	3,630,795	88,700		3,719,495
Total capital, assets being depreciated	<u>207,013,442</u>	<u>2,151,937</u>	<u>314,028</u>	<u>208,851,351</u>
Less accumulated depreciation for:				
Buildings	(14,204,956)	(2,850,890)		(17,055,846)
Improvements other than buildings	(7,545,341)	(1,570,188)		(9,115,529)
Infrastructure	(47,859,489)	(4,758,769)	(15,756)	(52,602,502)
Vehicles	(6,220,601)	(968,255)	(151,212)	(7,037,644)
Machinery and equipment	(7,020,166)	(1,166,859)		(8,187,025)
Computes/Software	(2,909,279)	(288,465)		(3,197,744)
Total accumulated depreciation	<u>(85,759,832)</u>	<u>(11,603,426)</u>	<u>(166,968)</u>	<u>(97,196,290)</u>
Total capital assets, being depreciated, net	<u>121,253,610</u>	<u>(9,451,489)</u>	<u>147,060</u>	<u>111,655,061</u>
Governmental activities capital assets, net	<u>\$ 211,353,212</u>	<u>\$ (7,638,041)</u>	<u>\$ 425,846</u>	<u>\$ 203,289,325</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 1,046,582
Public safety	2,442,100
Community service	2,641,411
Public works	5,473,333
Total depreciation expense – governmental activities	<u>\$11,603,426</u>

Construction Commitments – At year end, the City had contractual commitments related to infrastructure and buildings projects. At year end the City had spent \$4.0 million on the projects and had estimated remaining contractual commitments of \$21.8 million.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 8 – LONG-TERM LIABILITIES

A. GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end consisted of the following outstanding general obligation bonds. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt. In addition, a portion of the City's bonds are Qualified Build America Bonds (BABS). The City receives a direct subsidy payment from the United States of America for a portion of the interest payment due on the bonds.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2019	Due Within One Year
Governmental activities:					
GADA Bond Series A, 2010	\$ 20,000,000	5.204 - 6.335 %	7/1/20-30	\$ 12,615,000	\$ 945,000
GO Bonds Series B, 2013	31,605,000	4.0 - 4.375 %	7/1/20-35	25,270,000	900,000
Total				<u>\$ 37,885,000</u>	<u>\$1,845,000</u>

Principal and interest payments on the general obligations bonds payable at year end are summarized as follows:

Year ending June 30:	Governmental Activities	
	Principal	Interest
2020	\$ 1,845,000	\$ 1,801,161
2021	1,905,000	1,715,983
2022	2,015,000	1,622,103
2023	2,065,000	1,523,193
2024	2,145,000	1,421,561
2025-29	12,100,000	5,399,845
2030-35	14,810,000	2,180,502
2035	1,000,000	43,751
Total	<u>\$ 37,885,000</u>	<u>\$ 15,708,099</u>

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 8 – LONG-TERM LIABILITIES

B. CHANGES IN LONG-TERM LIABILITIES

Long-term obligation activity for the current fiscal year was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 39,675,000	\$	\$ 1,790,000	\$ 37,885,000	\$ 1,845,000
Premium	698,237		42,551	655,686	
Total bonds payable	<u>40,373,237</u>		<u>1,832,551</u>	<u>38,540,686</u>	<u>1,845,000</u>
Net OPEB liability	105,044	10,336		115,380	
Net pension liability	18,214,740		789,699	17,425,041	
Compensated absences payable	1,520,996	1,484,801	1,467,128	1,538,669	1,111,027
Governmental activity long-term liabilities	<u>\$ 60,214,017</u>	<u>\$ 1,495,137</u>	<u>\$ 4,089,378</u>	<u>\$ 57,619,776</u>	<u>\$ 2,956,027</u>

Revenues from the General Fund are generally used to liquidate the pension liability.

NOTE 9 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

	Transfers in			Total
	General Fund	Grants Fund	Non-Major Governmental Funds	
Transfers out				
General Fund	\$	\$	\$ 2,550,899	\$ 2,550,899
Transportation Impact Fee		600,000		600,000
Non-Major Governmental Funds	750,000		809,574	1,559,574
Total	<u>\$ 750,000</u>	<u>\$ 600,000</u>	<u>\$ 3,360,473</u>	<u>\$ 4,710,473</u>

Transfers between funds were used to (1) move funds of \$809,574 for police department substation, (2) to move unrestricted funds of \$2.6 million to pay for capital projects, (3) to move funds of \$750,000 for transportation projects, and (4) to move funds of \$600,000 for the design and development of public infrastructure.

NOTE 10 – CONTINGENT LIABILITIES

Compliance – Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures/expenses that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial

Lawsuits – The City is a party to a number of various types of lawsuits, many of which normally occur in governmental operations. The ultimate outcome of the actions is not determinable, however, City management believes that the outcome of these proceedings, either individually or in the aggregate, will not have a materially adverse effect on the accompanying financial statements.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 11 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City mitigates the potential financial effects of these risks through its participation in the Arizona Municipal Risk Retention Pool (AMRRP), which is a common risk management and insurance program open to all Arizona municipalities. The City pays an annual premium to AMRRP for its general liability and automobile coverage. The AMRRP membership agreement provides that AMRRP will be self-sustaining through member premiums and will reinsure through commercial insurance companies on a 50/50 basis up to \$1,000,000 for general liability claims and \$250,000 for property claims. The City is also a member of the Arizona Municipal Workers' Compensation Pool (AMWCP) for workers' compensation insurance. AMWCP is a public entity workers' compensation pool currently operating for member cities and town. The City pays quarterly premiums to AMWCP for its workers' compensation insurance. The agreement provides that AMWCP will be self-sustaining through member premiums and will reinsure through commercial insurance companies for claims in excess of \$750,000.

The City's employees have health and accident insurance coverage with the Arizona Metropolitan Trust Pool (AMTP) for health insurance coverage. AMTP is a public entity risk pool currently operating as a common risk management and insurance program for municipalities in the State. The City pays a monthly premium to AMTP for employees' health and accident insurance coverage.

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The City contributes to the plans described below. The plans are component units of the State of Arizona.

Aggregate Amounts. At June 30, 2019, the City reported the following aggregate amounts related to pensions and other postemployment benefits (OPEB) for all plans to which it contributes.

	Governmental Activities
Net pension and OPEB assets	\$ 86,130
Net pension and OPEB liability	17,540,421
Deferred outflows of resources	6,571,454
Deferred inflows of resources	3,791,971
Pension and OPEB expense	2,530,485

The City reported \$3.0 million of pension and OPEB contributions as expenditures in the governmental funds related to all plans to which it contributes.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

A. Arizona State Retirement System

Plan Description. City employees participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. ASRS is a component unit of the State of Arizona. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on the ASRS website at 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:

	Retirement Initial Membership Date:	
	Before July 1, 2011	On or After July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years, age 62 5 years, age 50* Any years, age 65	30 years, age 55 25 years, age 60 10 years, age 62 5 years, age 50* Any years, age 65
Final average salary is based on	Highest 36 months of last 120 months	Highest 60 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 earnings. 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.

**CITY OF MARICOPA, ARIZONA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019**

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Retired and disabled members, with at least five years of credited service, are eligible to receive health insurance premium benefits. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents. For members with five to nine years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

Active members are eligible for a long-term disability benefit in the event they become unable to perform their work. The monthly benefit is equal to two-thirds of their monthly earnings. Members receiving benefits continue to earn service credit up to their normal retirement dates. Members with long-term disability commencement dates after June 30, 1999 are limited to 30 years of service or the service on record as of the effective disability date, if their service is greater than 30 years.

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 current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.80 percent (11.64 percent for retirement and 0.16 percent for long-term disability) of the members' annual covered payroll, and the City was required by statute to contribute at the actuarially determined rate of 11.80 percent (11.18 percent for retirement, 0.46 percent for health insurance premium benefit, and 0.16 percent for long-term disability) of the active members' annual covered payroll. The City's contributions for the year ended June 30, 2019 were as follows:

	Contributions
Pension	\$ 971,871
Health Insurance Premium	39,987
Long-Term Disability	13,909

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The City was required by statute to contribute at the actuarially determined rate of 10.53 percent (10.41 for retirement, 0.06 percent for health insurance premium benefit, and 0.06 percent for long-term disability). ACR contributions are included in employer contributions presented above.

The City's pension and OPEB contributions are paid by the same funds as the employee's salary, with the largest component coming from the General Fund.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Pension and OPEB Assets/Liability. The net pension and OPEB assets/liability were measured as of June 30, 2018. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2017, to the measurement date of June 30, 2018. The total liability as of June 30, 2018 reflects changes in actuarial assumptions based on the results of an actuarial experience study for the five-year period ended June 30, 2016, including decreasing the discount rate from 8.0 percent to 7.5 percent, changing the projected salary increases from 3-6.75 percent to 2.7-7.2 percent, decreasing the inflation rate from 3 percent to 2.3 percent, and changing the mortality rates. The City’s proportion of the net asset/liability was based on the City’s actual contributions to the applicable plan relative to the total of all participating employers’ contributions to the plan for the year ended June 30, 2018.

At June 30, 2019, the City reported the following amounts for its proportionate share of the ASRS plans net assets/liability. In addition, at June 30, 2018, the City’s percentage proportion for each plan and the related change from its proportion measured as of June 30, 2017 was:

	Net (Assets) Liability	City % Proportion	Increase (Decrease)
Pension	\$ 12,098,572	0.087	0.002
Health Insurance Premium	(31,458)	0.087	0.001
Long-Term Disability	45,406	0.087	0.002

Pension/OPEB Expense and Deferred Outflows/Inflows of Resources. The City has deferred outflows and inflows of resources related to the net pension and OPEB assets/liability. Certain changes in the net pension and OPEB assets/liability are recognized as pension and OPEB expense over a period of time rather than the year of occurrence. For the year ended June 30, 2019, the City recognized pension and OPEB expense as follows:

	Expense
Pension	\$ 727,245
Health Insurance Premium	29,129
Long-Term Disability	15,556

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The City reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

Deferred Outflows of Resources

	Pension	Health Insurance Premium	Long-Term Disability
Differences between expected and actual experience	\$ 333,306	\$	\$ 1,161
Changes of assumptions or other inputs	320,150	60,666	9,835
Changes in proportion and differences between contributions and proportionate share of contributions	394,629	50	620
Contributions subsequent to the measurement date	971,871	39,987	13,909
Total	<u>\$ 2,019,956</u>	<u>\$ 100,703</u>	<u>\$ 25,525</u>

Deferred Inflows of Resources

	Pension	Health Insurance Premium	Long-Term Disability
Differences between expected and actual experience	\$ 66,697	\$ 29,034	\$
Changes of assumptions or other inputs	1,072,705		
Net difference between projected and actual earnings on pension investments	290,942	62,841	4,398
Changes in proportion and differences between contributions and proportionate share of contributions		46	3
Total	<u>\$ 1,430,344</u>	<u>\$ 91,921</u>	<u>\$ 4,401</u>

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension and OPEB assets/liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in pension and OPEB expense as follows:

Year ended June 30:	Pension	Health Insurance Premium	Long-Term Disability
2020	\$ 369,073	\$ (12,181)	\$ 220
2021	(179,518)	(12,182)	219
2022	(441,338)	(12,182)	219
2023	(130,476)	1,208	1,398
2024		4,132	1,614
Thereafter			3,545

Actuarial Assumptions. The significant actuarial assumptions used to measure the total pension and OPEB liability are as follows:

	Pension	OPEB
Actuarial valuation date	June 30, 2017	June 30, 2017
Actuarial roll forward date	June 30, 2018	June 30, 2018
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return	7.5%	7.5%
Projected salary increases	2.7-7.2%	Not applicable
Inflation	2.3%	2.3%
Permanent base increases	Included	Not applicable
Mortality rates	2017 SRA Scale U-MP	Health Ins: 2017 SRA Scale U-MP, LTD: 2012 GLDT
Healthcare cost trend rate	Not applicable	Not applicable

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2016. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2017, actuarial valuation.

The long-term expected rate of return on ASRS plan investments was determined to be 7.5 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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, excluding any expected inflation.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

On June 29, 2018, the ASRS Board approved updated strategic asset allocation targets, to be effective July 2018. The target allocation and best estimates of geometric real rates of return for each major asset class for all ASRS plans are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	50%	5.50%
Fixed income	30	3.83
Real estate	20	5.85
Total	<u>100%</u>	

Discount Rate. The discount rate used to measure the ASRS total pension and OPEB liability was 7.5 percent, which was a decrease of 0.5 from the discount rate used as of June 30, 2017. 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 plans’ 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 investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liability.

Sensitivity of the Proportionate Share of the Net Pension and OPEB Assets/Liability to Changes in the Discount Rate. The following presents the City’s proportionate share of the net pension and OPEB assets/liability calculated using the discount rate of 7.5 percent, as well as what the proportionate share of the net pension and OPEB assets/liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>Proportionate share of the net (assets) liability</u>		
	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Rate	6.5%	7.5%	8.5%
Pension	\$ 17,246,793	\$ 12,098,572	\$ 7,797,317
Health Insurance Premium	111,461	(31,458)	(153,196)
Long-Term Disability	51,457	45,406	39,534

Pension and OPEB Plan Fiduciary Net Position. Detailed information about the pension and OPEB plan’s fiduciary net position is available in the separately issued ASRS financial report. The report is available on the ASRS website at www.azasrs.gov.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

B. Public Safety Personnel Retirement System

Plan Descriptions. City public safety employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS) or employees who became members on or after July 1, 2017, may participate in the Public Safety Personnel Defined Contribution Retirement Plan (PSDCRP). The PSPRS administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium benefit (OPEB) plan. A nine-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

The PSPRS issues a publicly available financial report that includes their financial statements and required supplementary information. The report is available on the PSPRS website at www.psprs.com.

Benefits Provided. The PSPRS provides retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefits terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average monthly compensation, and service credit based on the initial membership date. Ranges of benefits are based on the initial membership date as follows. See the publicly available PSPRS financial report for additional benefits information.

	Ranges of benefits based on initial membership date:
Years of service and age required to receive benefit	15 to 25 years of service, age 52.5 to 62
Final average salary is based on	Highest 36 to 60 consecutive months, of last 15 to 20 years
Normal retirement	% of per year credit services varies, not to exceed 80%
Accidental disability retirement	50% or normal retirement, whichever is greater
Survivor benefit:	
Retired members	80% to 100% of retired member's pension benefit
Active members	80% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on inflation. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. Benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents.

Employees Covered by Benefit Terms. At June 30, 2019, the following employees were covered by the agent plan's benefit terms:

	PSPRS - Police		PSPRS - Fire	
	Pension	Health Insurance	Pension	Health Insurance
Retirees and beneficiaries	5	5	3	3
Inactive, non-retired members	15		4	
Active members	57	57	59	59
Total	77	62	66	62

Contributions. State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium benefits. 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. Contributions rates for the year ended June 30, 2019, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS - Police	PSPRS - Fire
Active members – pension	7.65% to 11.65%	7.65% to 11.65%
City		
Pension	15.30%	19.83%
Health insurance	0.24%	0.36%

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to PSPRS. The City was required by statute to contribute at the determined rate of 8.0 percent (Police and Fire) for the PSPRS. ACR contributions are included in employer contributions presented above.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The contributions to the pension and OPEB plans for the year ended were:

	Contributions	
	PSPRS - Police	PSPRS - Fire
Pension	\$ 802,363	\$ 1,184,544
Health insurance	12,586	21,505

The City's pension and OPEB contributions are paid by the same funds as the employee's salary, with the largest component coming from the General Fund.

Pension and OPEB Assets/Liability. At June 30, 2019, the City reported the following assets and liabilities.

	Net (Assets) Liability	
	PSPRS - Police	PSPRS - Fire
Pension	\$ 1,218,439	\$ 4,108,030
Health insurance	(54,672)	69,974

The net pension and OPEB assets/liability were measured as of June 30, 2017. The total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Actuarial Assumptions. The significant actuarial assumptions used to measure the total pension/OPEB liability are as follows:

	Pension	OPEB
Actuarial valuation date	June 30, 2018	June 30, 2018
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return	7.4%	7.4%
Projected salary increases	3.5%	Not applicable
Inflation	2.5%	Not applicable
Permanent benefit increase	Included	Not applicable
Mortality rates	RP-2014 tables using MP-2016 improvement scale with adjustments to match current experience	RP-2014 tables using MP-2016 improvement scale with adjustments to match current experience
Healthcare cost trend rate	Not applicable	Not applicable

Actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on PSPRS plan investments was determined to be 7.40 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Short-term investments	2%	0.25%
Risk parity	4	5.00
Fixed income	5	1.25
Real assets	9	4.52
GTS	12	3.96
Private credit	16	6.75
Real estate	10	3.75
Private equity	12	5.83
Non-U.S. equity	14	8.70
U.S. equity	16	7.60
Total	<u>100%</u>	

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Changes in Net (Assets)/Liability

	Pension Increase (Decrease)			Health Insurance Increase (Decrease)		
	Total (Assets) Liability	Plan Fiduciary Net Position	Net (Assets) Liability	Total (Assets) Liability	Plan Fiduciary Net Position	Net (Assets) Liability
PSPRS - Police						
Balances at June 30, 2018	\$11,762,254	\$10,408,855	\$ 1,353,399	\$ 230,342	\$ 272,942	\$ (42,600)
Changes for the year:						
Service cost	874,914		874,914	14,379		14,379
Interest on the total liability	894,704		894,704	17,577		17,577
Differences between expected and actual experience in the measurement of the liability	(351,517)		(351,517)	(10,345)		(10,345)
Contributions – employer		348,553	(348,553)		14,578	(14,578)
Contributions – employee		424,646	(424,646)			
Net investment income		736,938	(736,938)		19,401	(19,401)
Benefit payments, including refunds of employee contributions	(218,220)	(218,220)				
Administrative expense		(11,916)	11,916		(296)	296
Other changes		54,840	(54,840)			
Net changes	<u>1,199,881</u>	<u>1,334,841</u>	<u>(134,960)</u>	<u>21,611</u>	<u>33,683</u>	<u>(12,072)</u>
Balances at June 30, 2019	<u>\$12,962,135</u>	<u>\$ 11,743,696</u>	<u>\$ 1,218,439</u>	<u>\$ 251,953</u>	<u>\$ 306,625</u>	<u>\$ (54,672)</u>

	Pension Increase (Decrease)			Health Insurance Increase (Decrease)		
	Total (Assets) Liability	Plan Fiduciary Net Position	Net (Assets) Liability	Total (Assets) Liability	Plan Fiduciary Net Position	Net (Assets) Liability
PSPRS - Fire						
Balances at June 30, 2018	\$18,883,962	\$15,248,386	\$ 3,635,576	\$ 415,372	\$ 341,186	\$ 74,186
Changes for the year:						
Service cost	1,201,311		1,201,311	15,303		15,303
Interest on the total liability	1,438,790		1,438,790	31,259		31,259
Differences between expected and actual experience in the measurement of the liability	(336,293)		(336,293)	(9,639)		(9,639)
Contributions – employer		328,969	(328,969)		17,370	(17,370)
Contributions – employee		432,673	(432,673)			
Net investment income		1,079,840	(1,079,840)		24,133	(24,133)
Benefit payments, including refunds of employee contributions	(83,015)	(83,015)		(1,200)	(1,200)	
Administrative expense		(17,135)	17,135		(368)	368
Other changes		7,007	(7,007)			
Net changes	<u>2,220,793</u>	<u>1,748,339</u>	<u>472,454</u>	<u>35,723</u>	<u>39,935</u>	<u>(4,212)</u>
Balances at June 30, 2019	<u>\$21,104,755</u>	<u>\$ 16,996,725</u>	<u>\$ 4,108,030</u>	<u>\$ 451,095</u>	<u>\$ 381,121</u>	<u>\$ 69,974</u>

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Discount Rate. At June 30, 2018, the discount rate used to measure the total pension and OPEB liability was 7.4 percent, which was the same as the discount rate used as of June 30, 2016.

The projection of cash flows used to determine the PSPRS discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the plans' 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 plan investments was applied to all periods of projected benefit payments for these plans to determine the total pension and OPEB liability.

Sensitivity of the Net Pension and OPEB Assets (Liability) to Changes in the Discount Rate. The following presents the City's net pension and OPEB assets (liability) calculated using the discount rates noted above, as well as what the net assets (liability) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
PSPRS - Police:			
Rate	6.4%	7.4%	8.4%
Net pension (assets) liability	\$ 3,570,957	\$ 1,218,439	\$ (644,964)
Net OPEB (assets) liability	(12,491)	(54,672)	(89,052)
PSPRS - Fire			
Rate	6.4%	7.4%	8.4%
Net pension (assets) liability	\$ 8,052,084	\$ 4,108,030	\$ 964,842
Net OPEB (assets) liability	141,749	69,974	11,359

Plan Fiduciary Net Position. Detailed information about the plans' fiduciary net position is available in the separately issued PSPRS financial report. The report is available on the PSPRS website at www.psprs.com.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Expense. For the year ended June 30, 2019, the City recognized the following as pension and OPEB expense:

	Expense	
	PSPRS - Police	PSPRS - Fire
Pension	\$ 591,368	\$ 1,135,990
Health insurance	8,968	22,229

Deferred Outflows/Inflows of Resources. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension		Health Insurance	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
PSPRS - Police:				
Differences between expected and actual experience	\$ 98,006	\$ 1,407,194	\$	\$ 29,865
Changes of assumptions or other inputs	855,735			19,068
Net difference between projected and actual earnings on plan investments	115,355			5,019
Contributions subsequent to the measurement date	802,363		12,586	
Total	\$ 1,871,459	\$ 1,407,194	\$ 12,586	\$ 53,952
PSPRS - Fire				
Differences between expected and actual experience	\$ 173,602	\$ 772,216	\$ 2,226	\$ 8,689
Changes of assumptions or other inputs	996,441			17,090
Net difference between projected and actual earnings on plan investments	162,907			6,164
Contributions subsequent to the measurement date	1,184,544		21,505	
Total	\$ 2,517,494	\$ 772,216	\$ 23,731	\$ 31,943

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension and OPEB assets/liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in pension and OPEB expense as follows:

Year Ending June 30:	PSPRS - Police		PSPRS - Fire	
	Pension	Health Insurance	Pension	Health Insurance
2020	\$ 52,651	\$ (7,743)	\$ 213,672	\$ (4,731)
2021	(8,861)	(7,743)	123,930	(4,731)
2022	(129,603)	(7,744)	(49,043)	(4,730)
2023	(52,272)	(5,717)	61,424	(2,224)
2024	(63,360)	(5,982)	46,769	(2,563)
Thereafter	(136,653)	(19,023)	163,982	(10,738)

NOTE 13 – TAX ABATEMENTS

The City enters into sales tax abatement agreements with local businesses under A.R.S. §9-500.11. Under the statute, a city or town may enter into a retail development tax incentive agreement for the purpose of economic development activities. To be eligible, the tax incentive agreement must be expected to raise more revenue than the amount of the incentive within the duration of the agreement, and in the absence of a tax incentive, the retail business facility would not locate in the city or town in the same time, place or manner.

For the fiscal year ended June 30, 2019, the City abated sales taxes totaling \$1,085,227. This amount represents a 45 percent unrestricted sales tax, 50 percent retail and use tax, and 100 percent of construction sales tax abatement to developers, for developing regional lifestyle and entertainment retail shopping centers to create additional jobs, generate additional sales tax revenue, and provide diverse commercial and retail service opportunities to the City's residents. The sales taxes are collected by the City and subsequently distributed to the developer on a quarterly basis.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 14 – PRIOR PERIOD ADJUSTMENT AND RECLASSIFICATION

The July 1, 2018, government-wide net position and the fund balance of the General and Non-Major Governmental Funds do not agree to the prior year financial statements due to the reclassification of one fund and adjustment of sales tax revenues.

	<u>Statement of Activities</u>	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>
Net position/fund balance, June 30, 2018, as previously reported	\$ 231,220,962	\$ 33,427,029	\$ 22,081,385
CopperSky		<u>1,817,819</u>	<u>(1,817,819)</u>
Fund balance, July 1, 2018, as reclassified		35,244,848	\$ 20,263,566
Sales tax adjustment	<u>1,307,733</u>	<u>1,307,733</u>	
Net position/fund balance, July 1, 2018, as restated	<u>\$ 232,528,695</u>	<u>\$ 36,552,581</u>	

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF MARICOPA, ARIZONA
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 12,544,974	\$ 12,544,974	\$ 11,873,312	\$ (671,662)
Sales taxes	11,191,782	11,191,782	14,161,420	2,969,638
Franchise taxes	1,113,100	1,113,100	1,221,114	108,014
Licenses and permits	1,987,372	1,987,372	2,597,945	610,573
Intergovernmental revenues	13,347,450	13,347,450	13,633,155	285,705
Charges for services	971,865	971,865	1,420,746	448,881
Fines and forfeitures	476,700	476,700	598,784	122,084
Investment income	216,300	216,300	1,196,192	979,892
Miscellaneous	183,560	183,560	815,937	632,377
Total revenues	<u>42,033,103</u>	<u>42,033,103</u>	<u>47,518,605</u>	<u>5,485,502</u>
Expenditures:				
Current -				
Non-Departmental	3,565,831	3,285,831	1,444,611	1,841,220
Mayor and Council	583,879	583,879	488,523	95,356
City Manager	1,129,760	1,046,034	1,013,284	32,750
City Clerk	474,809	474,809	444,091	30,718
Information Technology	1,413,029	1,312,355	1,299,774	12,581
Finance and Administrative services	1,193,219	1,369,257	1,239,377	129,880
City Attorney	625,000	663,092	663,092	
Human Resources	531,060	481,060	365,325	115,735
Economic Development	881,341	843,250	691,780	151,470
Police	12,045,296	12,061,296	11,138,935	922,361
Fire	11,182,090	11,202,090	11,090,278	111,812
Community services	4,464,055	4,380,340	3,775,447	604,893
Development services	1,949,109	2,099,109	1,938,889	160,220
Public works	1,966,857	2,355,572	1,875,347	480,225
Capital outlay		35,000	13,163	21,837
Total expenditures	<u>42,005,335</u>	<u>42,192,974</u>	<u>37,481,916</u>	<u>4,711,058</u>
Excess (deficiency) of revenues over expenditures	<u>27,768</u>	<u>(159,871)</u>	<u>10,036,689</u>	<u>10,196,560</u>
Other financing sources (uses):				
Transfers in	750,000	750,000	750,000	
Transfers out	(3,960,473)	(2,550,899)	(2,550,899)	
Total other financing sources (uses)	<u>(3,210,473)</u>	<u>(1,800,899)</u>	<u>(1,800,899)</u>	
Changes in fund balances	<u>(3,182,705)</u>	<u>(1,960,770)</u>	<u>8,235,790</u>	<u>10,196,560</u>
Fund balances, beginning of year, as restated			34,734,762	34,734,762
Increase (decrease) in reserve for prepaid items			(1,311)	(1,311)
Fund balances (deficits), end of year	<u>\$ (3,182,705)</u>	<u>\$ (1,960,770)</u>	<u>\$ 42,969,241</u>	<u>\$ 44,930,011</u>

See accompanying notes to this schedule.

**CITY OF MARICOPA, ARIZONA
 DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 GRANTS
 YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ 15,039,436	\$ 15,039,436	\$ 1,774,759	\$ (13,264,677)
Total revenues	<u>15,039,436</u>	<u>15,039,436</u>	<u>1,774,759</u>	<u>(13,264,677)</u>
Expenditures:				
Current -				
Non-Departmental	73,167	73,167	6,178	66,989
City Manager	2,288,514	2,288,514	57,302	2,231,212
City Clerk	5,000	5,000		5,000
Economic Development	2,866,348	2,866,348	161,095	2,705,253
Police	3,604,525	3,529,214	875,818	2,653,396
Fire	4,212,981	4,212,981	807,348	3,405,633
Community services	346,770	346,770	14,715	332,055
Development services	839,539	839,539	195,011	644,528
Public works	500,000	500,000		500,000
Capital outlay	302,592	377,903	69,524	308,379
Total expenditures	<u>15,039,436</u>	<u>15,039,436</u>	<u>2,186,991</u>	<u>12,852,445</u>
Excess (deficiency) of revenues over expenditures			<u>(412,232)</u>	<u>(412,232)</u>
Other financing sources (uses):				
Transfers in		600,000	600,000	
Total other financing sources (uses)		<u>600,000</u>	<u>600,000</u>	
Changes in fund balances		<u>600,000</u>	<u>187,768</u>	<u>(412,232)</u>
Fund balances, beginning of year, as restated			523,313	523,313
Fund balances, end of year	<u>\$</u>	<u>\$ 600,000</u>	<u>\$ 711,081</u>	<u>\$ 111,081</u>

See accompanying notes to this schedule.

CITY OF MARICOPA, ARIZONA
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
LAST FIVE FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
City's proportion of the net pension (assets) liability	0.09%	0.09%	0.08%	0.08%	0.06%
City's proportionate share of the net pension (assets) liability	\$ 12,098,572	\$ 13,225,765	\$ 13,306,644	\$ 12,050,654	\$ 9,558,390
City's covered payroll	\$ 8,026,606	\$ 8,078,590	\$ 7,945,189	\$ 7,052,084	\$ 4,439,477
City's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	150.73%	163.71%	167.48%	170.88%	215.30%
Plan fiduciary net position as a percentage of the total pension liability	73.40%	69.92%	67.06%	68.35%	69.49%

NOTE: The pension and OPEB schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

See accompanying notes to this schedule.

CITY OF MARICOPA, ARIZONA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM - POLICE
LAST FIVE FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Measurement date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Total pension liability				
Service cost	\$ 874,914	\$ 979,168	\$ 839,545	\$ 747,934
Interest	894,704	814,406	641,997	585,892
Changes of benefit terms		202,850	1,088,276	
Differences between expected and actual experience	(351,517)	(966,033)	(141,216)	(461,592)
Changes of assumptions or other inputs		592,197	481,692	
Benefit payments, including refunds of employee contributions	(218,220)	(458,986)	(140,350)	(266,305)
Net change in total pension liability	<u>1,199,881</u>	<u>1,163,602</u>	<u>2,769,944</u>	<u>605,929</u>
Total pension liability—beginning	<u>11,762,254</u>	<u>10,598,652</u>	<u>7,828,708</u>	<u>7,222,779</u>
Total pension liability—ending	<u>\$ 12,962,135</u>	<u>\$ 11,762,254</u>	<u>\$ 10,598,652</u>	<u>\$ 7,828,708</u>
Plan fiduciary net position				
Contributions—employer	\$ 348,553	\$ 554,425	\$ 584,950	\$ 508,701
Contributions—employee	424,646	501,763	487,208	428,486
Net investment income	736,938	1,063,934	47,805	270,249
Benefit payments, including refunds of employee contributions	(218,220)	(458,986)	(140,350)	(266,305)
Administrative expense	(11,916)	(9,814)	(7,279)	(6,983)
Other	54,840	41,581	(187,317)	(63,640)
Net change in plan fiduciary net position	<u>1,334,841</u>	<u>1,692,903</u>	<u>785,017</u>	<u>870,508</u>
Plan fiduciary net position—beginning	<u>10,408,855</u>	<u>8,715,952</u>	<u>7,930,935</u>	<u>7,060,427</u>
Plan fiduciary net position—ending	<u>\$ 11,743,696</u>	<u>\$ 10,408,855</u>	<u>\$ 8,715,952</u>	<u>\$ 7,930,935</u>
Net pension (assets) liability—ending	<u>\$ 1,218,439</u>	<u>\$ 1,353,399</u>	<u>\$ 1,882,700</u>	<u>\$ (102,227)</u>
Plan fiduciary net position as a percentage of the total pension	90.60%	88.49%	82.24%	101.31%
Covered payroll	\$ 5,200,744	\$ 4,604,929	\$ 5,033,244	\$ 4,468,622
Net pension (assets) liability as a percentage of covered payroll	23.43%	29.39%	37.41%	(2.29)%

NOTE: The pension and OPEB schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

See accompanying notes to this schedule.

2015

June 30, 2014

\$	673,759
	485,132
	(26,537)
	195,426
	165,211
	<u>(226,709)</u>
	1,266,282
	<u>5,956,497</u>
\$	<u><u>7,222,779</u></u>

\$	486,264
	376,082
	812,958
	(226,709)
	(6,547)
	<u>(67,365)</u>
	1,374,683
	<u>5,685,744</u>
\$	<u><u>7,060,427</u></u>

\$	<u><u>162,352</u></u>
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97.75%

\$	3,589,297
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4.52%

CITY OF MARICOPA, ARIZONA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM - FIRE
LAST FIVE FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Measurement date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Total pension liability				
Service cost	\$ 1,201,311	\$ 1,213,745	\$ 974,190	\$ 904,967
Interest	1,438,790	1,211,920	957,210	830,568
Changes of benefit terms		257,406	1,699,432	
Differences between expected and actual experience	(336,293)	184,381	(382,765)	38,907
Changes of assumptions or other inputs		481,625	740,704	
Benefit payments, including refunds of employee contributions	(83,015)	(34,354)	(252,384)	(139,184)
Net change in total pension liability	<u>2,220,793</u>	<u>3,314,723</u>	<u>3,736,387</u>	<u>1,635,258</u>
Total pension liability—beginning	<u>18,883,962</u>	<u>15,569,239</u>	<u>11,832,852</u>	<u>10,197,594</u>
Total pension liability—ending	<u>\$ 21,104,755</u>	<u>\$ 18,883,962</u>	<u>\$ 15,569,239</u>	<u>\$ 11,832,852</u>
Plan fiduciary net position				
Contributions—employer	\$ 328,969	\$ 687,438	\$ 795,126	\$ 564,051
Contributions—employee	432,673	576,038	581,920	540,412
Net investment income	1,079,840	1,534,321	68,821	387,128
Benefit payments, including refunds of employee contributions	(83,015)	(34,354)	(252,384)	(139,184)
Administrative expense	(17,135)	(13,976)	(10,304)	(9,836)
Other	7,007	26,678	(95,802)	(254,871)
Net change in plan fiduciary net position	<u>1,748,339</u>	<u>2,776,145</u>	<u>1,087,377</u>	<u>1,087,700</u>
Plan fiduciary net position—beginning	<u>15,248,386</u>	<u>12,472,241</u>	<u>11,384,864</u>	<u>10,297,164</u>
Plan fiduciary net position—ending	<u>\$ 16,996,725</u>	<u>\$ 15,248,386</u>	<u>\$ 12,472,241</u>	<u>\$ 11,384,864</u>
Net pension (assets) liability—ending	<u>\$ 4,108,030</u>	<u>\$ 3,635,576</u>	<u>\$ 3,096,998</u>	<u>\$ 447,988</u>
Plan fiduciary net position as a percentage of the total pension liability	80.54%	80.75%	80.11%	96.21%
Covered payroll	\$ 5,808,114	\$ 5,499,591	\$ 5,976,741	\$ 5,420,209
Net pension (assets) liability as a percentage of covered payroll	70.73%	66.11%	51.82%	8.27%

NOTE: The pension and OPEB schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

See accompanying notes to this schedule.

2015

June 30, 2014

\$ 881,621
728,939
(30,011)

(364,760)
148,219

(22,903)
1,341,105
8,856,489
\$ 10,197,594

\$ 611,705
472,460
1,170,516

(22,903)
(9,427)

2,222,351
8,074,813
\$ 10,297,164

\$ (99,570)

100.98%

\$ 4,907,129

(2.03)%

**CITY OF MARICOPA, ARIZONA
SCHEDULE OF PENSION CONTRIBUTIONS
ALL PENSION PLANS
LAST FIVE FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Arizona State Retirement System:				
Actuarially determined contribution	\$ 971,871	\$ 874,900	\$ 870,872	\$ 862,053
Contributions in relation to the actuarially determined contribution	<u>971,871</u>	<u>874,900</u>	<u>870,872</u>	<u>862,053</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 8,692,943	\$ 8,026,606	\$ 8,078,590	\$ 7,945,189
Contributions as a percentage of covered payroll	11.18%	10.90%	10.78%	10.85%
Public Safety Personnel Retirement System - Police:				
Actuarially determined contribution	\$ 802,363	\$ 915,851	\$ 552,131	\$ 601,976
Contributions in relation to the actuarially determined contribution	<u>802,363</u>	<u>444,076</u>	<u>552,131</u>	<u>601,976</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$ 471,775</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 5,244,203	\$ 5,200,744	\$ 4,604,929	\$ 5,033,244
Contributions as a percentage of covered payroll	15.30%	17.61%	11.99%	11.96%
Public Safety Personnel Retirement System - Fire:				
Actuarially determined contribution	\$ 1,184,544	\$ 1,105,865	\$ 698,448	\$ 724,381
Contributions in relation to the actuarially determined contribution	<u>1,184,544</u>	<u>282,564</u>	<u>698,448</u>	<u>724,381</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$ 823,301</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 5,973,495	\$ 5,808,114	\$ 5,499,591	\$ 5,976,741
Contributions as a percentage of covered payroll	19.83%	19.04%	12.70%	12.12%

NOTE: The pension and OPEB schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

See accompanying notes to this schedule.

2015

\$ 767,972

767,972

\$

\$ 7,052,084

10.89%

\$ 508,976

508,976

\$

\$ 4,468,622

11.39%

\$ 622,240

622,240

\$

\$ 5,420,209

11.48%

**CITY OF MARICOPA, ARIZONA
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
ARIZONA STATE RETIREMENT SYSTEM - HEALTH INSURANCE PREMIUM
LAST TWO FISCAL YEARS**

	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2018	June 30, 2017
City's proportion of the net OPEB (assets) liability	0.09%	0.09%
City's proportionate share of the net OPEB (assets) liability	\$ (31,458)	\$ (46,661)
City's covered payroll	\$ 8,026,606	\$ 8,078,590
City's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	(0.39)%	(0.58)%
Plan fiduciary net position as a percentage of the total OPEB liability	102.20%	103.57%

NOTE: The pension and OPEB schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

See accompanying notes to this schedule.

CITY OF MARICOPA, ARIZONA
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
ARIZONA STATE RETIREMENT SYSTEM - LONG-TERM DISABILITY
LAST TWO FISCAL YEARS

	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2018	June 30, 2017
City's proportion of the net OPEB (assets) liability	0.09%	0.09%
City's proportionate share of the net OPEB (assets) liability	\$ 45,406	\$ 30,858
City's covered payroll	\$ 8,026,606	\$ 8,078,590
City's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	0.57%	0.38%
Plan fiduciary net position as a percentage of the total OPEB liability	77.83%	84.44%

NOTE: The pension and OPEB schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

See accompanying notes to this schedule.

CITY OF MARICOPA, ARIZONA
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM - POLICE - HEALTH INSURANCE PREMIUM
LAST TWO FISCAL YEARS

	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2018	June 30, 2017
Total OPEB liability		
Service cost	\$ 14,379	\$ 16,435
Interest	17,577	18,701
Changes of benefit terms		3,486
Differences between expected and actual experience	(10,345)	(25,696)
Changes of assumptions or other inputs		(23,716)
Benefit payments		
Net change in total OPEB liability	<u>21,611</u>	<u>(10,790)</u>
Total OPEB liability—beginning	<u>230,342</u>	<u>241,132</u>
Total OPEB liability—ending	<u>\$ 251,953</u>	<u>\$ 230,342</u>
Plan fiduciary net position		
Contributions—employer	\$ 14,578	\$ 15,183
Contributions—employee		
Net investment income	19,401	27,946
Benefit payments		
Administrative expense	(296)	(247)
Other		
Net change in plan fiduciary net position	<u>33,683</u>	<u>42,882</u>
Plan fiduciary net position—beginning	<u>272,942</u>	<u>230,060</u>
Plan fiduciary net position—ending	<u>\$ 306,625</u>	<u>\$ 272,942</u>
Net OPEB (assets) liability—ending	<u>\$ (54,672)</u>	<u>\$ (42,600)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	121.70%	118.49%
Covered payroll	\$ 5,200,744	\$ 4,604,929
Net OPEB (assets) liability as a percentage of covered payroll	(1.05)%	(0.93)%

NOTE: The pension and OPEB schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

See accompanying notes to this schedule.

CITY OF MARICOPA, ARIZONA
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM - FIRE - HEALTH INSURANCE PREMIUM
LAST TWO FISCAL YEARS

	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2018	June 30, 2017
Total OPEB liability		
Service cost	\$ 15,303	\$ 15,811
Interest	31,259	29,714
Changes of benefit terms		327
Differences between expected and actual experience	(9,639)	2,708
Changes of assumptions or other inputs		(20,798)
Benefit payments	<u>(1,200)</u>	<u>(1,350)</u>
Net change in total OPEB liability	35,723	26,412
Total OPEB liability—beginning	<u>415,372</u>	<u>388,960</u>
Total OPEB liability—ending	<u>\$ 451,095</u>	<u>\$ 415,372</u>
Plan fiduciary net position		
Contributions—employer	\$ 17,370	\$ 19,706
Contributions—employee		
Net investment income	24,133	34,838
Benefit payments	(1,200)	(1,350)
Administrative expense	(368)	(309)
Other		
Net change in plan fiduciary net position	<u>39,935</u>	<u>52,885</u>
Plan fiduciary net position—beginning	<u>341,186</u>	<u>288,301</u>
Plan fiduciary net position—ending	<u>\$ 381,121</u>	<u>\$ 341,186</u>
Net OPEB (assets) liability—ending	<u>\$ 69,974</u>	<u>\$ 74,186</u>
Plan fiduciary net position as a percentage of the total OPEB liability	84.49%	82.14%
Covered payroll	\$ 5,808,114	\$ 5,499,591
Net OPEB (assets) liability as a percentage of covered payroll	1.20%	1.35%

NOTE: The pension and OPEB schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

See accompanying notes to this schedule.

**CITY OF MARICOPA, ARIZONA
SCHEDULE OF OPEB CONTRIBUTIONS
ALL OPEB PLANS
LAST TWO FISCAL YEARS**

	<u>2019</u>	<u>2018</u>
Arizona State Retirement System - Health Insurance Premium:		
Actuarially determined contribution	\$ 39,987	\$ 35,317
Contributions in relation to the actuarially determined contribution	<u>39,987</u>	<u>35,317</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 8,692,943	\$ 8,026,606
Contributions as a percentage of covered payroll	0.46%	0.44%

Arizona State Retirement System - Long-Term Disability:		
Actuarially determined contribution	\$ 13,909	\$ 12,843
Contributions in relation to the actuarially determined contribution	<u>13,909</u>	<u>12,843</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 8,692,943	\$ 8,026,606
Contributions in relation to the of covered payroll	0.16%	0.16%

Public Safety Personnel Retirement System - Police - Health Insurance Premium:		
Actuarially determined contribution	\$ 12,586	\$ 19,763
Contributions in relation to the actuarially determined contribution	<u>12,586</u>	<u>19,763</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 5,244,203	\$ 5,200,744
Contributions as a percentage of covered payroll	0.24%	0.38%

Public Safety Personnel Retirement System - Fire - Health Insurance Premium:		
Actuarially determined contribution	\$ 21,505	\$ 23,232
Contributions in relation to the actuarially determined contribution	<u>21,505</u>	<u>23,232</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 5,973,495	\$ 5,808,114
Contributions as a percentage of covered payroll	0.36%	0.40%

NOTE: The pension and OPEB schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

See accompanying notes to this schedule.

CITY OF MARICOPA, ARIZONA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

The adopted budget of the City is prepared on a basis of accounting consistent with accounting principles generally accepted in the United States of America.

NOTE 2 – PENSION AND OPEB PLAN SCHEDULES

Actuarial Assumptions for Valuations Performed. The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated, which is the most recent actuarial valuation. The actuarial assumptions used are disclosed in the notes to the financial statements.

Factors that Affect Trends. The actuarial assumptions used in the June 30, 2017, valuation for ASRS were based on the results of an actuarial experience study for the five-year period ended June 30, 2016. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2017, actuarial valuation.

The actuarial assumptions used in the June 30, 2018, valuation for PSPRS were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016. Several actuarial assumptions were adjusted as a result of the study, including decreasing wage inflation from 4.0% to 3.5%.

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional. As a result, the PSPRS changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. These changes increased the PSPRS-required contributions beginning in fiscal year 2019 for members who retired or will retire after the law's effective date.

In addition, the City refunded excess employee contributions to PSPRS members. PSPRS allowed the City to reduce its actual employer contributions for the refund amounts. As a result, the City's pension contributions were less than the actuarially or statutorily determined contributions for 2018.

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**COMBINING AND INDIVIDUAL
FUND FINANCIAL STATEMENTS
AND SCHEDULES**

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GOVERNMENTAL FUNDS

CITY OF MARICOPA, ARIZONA
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2019

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>ASSETS</u>			
Cash and investments	\$ 9,364,605	\$ 222,962	\$ 13,556,393
Property taxes receivable		41,627	
Intergovernmental receivables	544,453	132,341	24,381
Prepaid items			78,845
Total assets	<u>\$ 9,909,058</u>	<u>\$ 396,930</u>	<u>\$ 13,659,619</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 489,568	\$	\$ 199,715
Construction contracts payable	7,929		451,804
Accrued wages and benefits	18,554		
Total liabilities	<u>516,051</u>		<u>651,519</u>
Deferred inflows of resources:			
Unavailable revenue - property taxes		<u>9,994</u>	
Fund balances:			
Nonspendable			78,845
Restricted	9,393,007	386,936	12,929,255
Total fund balances	<u>9,393,007</u>	<u>386,936</u>	<u>13,008,100</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 9,909,058</u>	 <u>\$ 396,930</u>	 <u>\$ 13,659,619</u>

Total Non-Major
Governmental
Funds

\$ 23,143,960
41,627
701,175
78,845
\$ 23,965,607

\$ 689,283
459,733
18,554
1,167,570

9,994

78,845
22,709,198
22,788,043

\$ 23,965,607

CITY OF MARICOPA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2019

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Revenues:			
Property taxes	\$	\$ 2,978,957	\$
Intergovernmental revenues	6,049,411	264,682	524,023
Impact fees			1,765,624
Investment income	274,267		356,563
Miscellaneous	54,448		80,303
Total revenues	<u>6,378,126</u>	<u>3,243,639</u>	<u>2,726,513</u>
Expenditures:			
Current -			
Community services			63,271
Public works	1,613,767		
Capital outlay	1,885,125		3,661,527
Debt service -			
Principal retirement		1,790,000	
Interest and fiscal charges		1,880,018	
Total expenditures	<u>3,498,892</u>	<u>3,670,018</u>	<u>3,724,798</u>
Excess (deficiency) of revenues over expenditures	<u>2,879,234</u>	<u>(426,379)</u>	<u>(998,285)</u>
Other financing sources (uses):			
Transfers in			3,360,473
Transfers out	(750,000)		(809,574)
Total other financing sources (uses)	<u>(750,000)</u>		<u>2,550,899</u>
Changes in fund balances	<u>2,129,234</u>	<u>(426,379)</u>	<u>1,552,614</u>
Fund balances, beginning of year, as restated	7,263,773	813,315	12,186,478
Increase (decrease) in reserve for prepaid items			(730,992)
Fund balances, end of year	<u>\$ 9,393,007</u>	<u>\$ 386,936</u>	<u>\$ 13,008,100</u>

Total Non-Major
Governmental
Funds

\$ 2,978,957
6,838,116
1,765,624
630,830
134,751
12,348,278

63,271
1,613,767
5,546,652

1,790,000
1,880,018
10,893,708

1,454,570

3,360,473
(1,559,574)
1,800,899

3,255,469

20,263,566

(730,992)

\$ 22,788,043

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SPECIAL REVENUE FUNDS

The Special Revenue Funds account for the proceeds of specific revenue sources, other than major capital projects, that are legally restricted to expenditures for specified purposes.

Highway User Revenue (HURF) – This fund is used to account for the City's share of motor fuel tax revenues.

Road Maintenance – This fund is used to account for roadway maintenance funded from developer contributions.

Copper Sky – This fund is used to account for charges for services to be used solely for the operations of the Copper Sky Multigenerational Center and Regional Park.

County Road Tax Fund – This fund is used to account roadway improvements funded through the Pinal County Transportation Excise Tax.

**CITY OF MARICOPA, ARIZONA
 COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2019**

	<u>HURF</u>	<u>Road Maintenance</u>	<u>County Road Tax</u>
<u>ASSETS</u>			
Cash and investments	\$ 4,999,202	\$ 62,898	\$ 4,302,505
Intergovernmental receivables	357,492		186,961
Total assets	<u>\$ 5,356,694</u>	<u>\$ 62,898</u>	<u>\$ 4,489,466</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 83,408	\$	\$ 406,160
Construction contracts payable	7,929		
Accrued wages and benefits	18,554		
Total liabilities	<u>109,891</u>		<u>406,160</u>
Fund balances:			
Restricted	5,246,803	62,898	4,083,306
Total fund balances	<u>5,246,803</u>	<u>62,898</u>	<u>4,083,306</u>
 Total liabilities and fund balances	 <u>\$ 5,356,694</u>	 <u>\$ 62,898</u>	 <u>\$ 4,489,466</u>

Totals

\$	9,364,605
	544,453
\$	<u>9,909,058</u>

\$	489,568
	7,929
	18,554
	<u>516,051</u>

	9,393,007
	<u>9,393,007</u>
\$	<u>9,909,058</u>

**CITY OF MARICOPA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019**

	HURF	Road Maintenance	County Road Tax
Revenues:			
Intergovernmental revenues	\$ 3,902,545	\$	\$ 2,146,866
Investment income	151,337	859	122,071
Miscellaneous	2,973	49,142	2,333
Total revenues	4,056,855	50,001	2,271,270
Expenditures:			
Current -			
Public works	1,612,593	1,174	
Capital outlay	216,503		1,668,622
Total expenditures	1,829,096	1,174	1,668,622
Excess (deficiency) of revenues over expenditures	2,227,759	48,827	602,648
Other financing sources (uses):			
Transfers out	(750,000)		
Total other financing sources (uses)	(750,000)		
Changes in fund balances	1,477,759	48,827	602,648
Fund balances, beginning of year	3,769,044	14,071	3,480,658
Fund balances, end of year	\$ 5,246,803	\$ 62,898	\$ 4,083,306

Totals

\$ 6,049,411
274,267
54,448
6,378,126

1,613,767
1,885,125
3,498,892

2,879,234

(750,000)
(750,000)

2,129,234

7,263,773

\$ 9,393,007

CITY OF MARICOPA, ARIZONA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	HURF		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Intergovernmental revenues	\$ 3,442,764	\$ 3,902,545	\$ 459,781
Charges for services			
Investment income	7,500	151,337	143,837
Miscellaneous		2,973	2,973
Total revenues	<u>3,450,264</u>	<u>4,056,855</u>	<u>606,591</u>
Expenditures:			
Current -			
Community services			
Public works	2,088,042	1,612,593	475,449
Capital outlay	2,994,458	216,503	2,777,955
Total expenditures	<u>5,082,500</u>	<u>1,829,096</u>	<u>3,253,404</u>
Excess (deficiency) of revenues over expenditures	<u>(1,632,236)</u>	<u>2,227,759</u>	<u>3,859,995</u>
Other financing sources (uses):			
Transfers out	(750,000)	(750,000)	
Total other financing sources (uses)	<u>(750,000)</u>	<u>(750,000)</u>	
Changes in fund balances	<u>(2,382,236)</u>	<u>1,477,759</u>	<u>3,859,995</u>
Fund balances, beginning of year		3,769,044	3,769,044
Fund balances (deficits), end of year	<u>\$ (2,382,236)</u>	<u>\$ 5,246,803</u>	<u>\$ 7,629,039</u>

Road Maintenance			Copper Sky		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
6,000	859	(5,141)	1,426,600	1,110,432	(316,168)
	49,142	49,142	1,000		(1,000)
<u>6,000</u>	<u>50,001</u>	<u>44,001</u>	<u>1,427,600</u>	<u>1,110,432</u>	<u>(317,168)</u>
47,186	1,174	46,012	2,461,371	2,255,154	206,217
			33,151	32,604	547
<u>47,186</u>	<u>1,174</u>	<u>46,012</u>	<u>2,494,522</u>	<u>2,287,758</u>	<u>206,764</u>
(41,186)	48,827	90,013	(1,066,922)	(1,177,326)	(110,404)
<u>(41,186)</u>	<u>48,827</u>	<u>90,013</u>	<u>(1,066,922)</u>	<u>(1,177,326)</u>	<u>(110,404)</u>
	14,071	14,071		1,817,819	1,817,819
<u>\$ (41,186)</u>	<u>\$ 62,898</u>	<u>\$ 104,084</u>	<u>\$ (1,066,922)</u>	<u>\$ 640,493</u>	<u>\$ 1,707,415</u>

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CITY OF MARICOPA, ARIZONA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	County Road Tax		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Intergovernmental revenues	\$ 1,562,600	\$ 2,146,866	\$ 584,266
Charges for services			
Investment income	16,000	122,071	106,071
Miscellaneous		2,333	2,333
Total revenues	1,578,600	2,271,270	692,670
Expenditures:			
Current -			
Community services			
Public works			
Capital outlay	3,242,422	1,668,622	1,573,800
Total expenditures	3,242,422	1,668,622	1,573,800
Excess (deficiency) of revenues over expenditures	(1,663,822)	602,648	2,266,470
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(1,663,822)	602,648	2,266,470
Fund balances, beginning of year		3,480,658	3,480,658
Fund balances (deficits), end of year	\$ (1,663,822)	\$ 4,083,306	\$ 5,747,128

Totals

Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$ 5,005,364	\$ 6,049,411	\$ 1,044,047
1,426,600	1,110,432	(316,168)
29,500	274,267	244,767
1,000	54,448	53,448
<u>6,462,464</u>	<u>7,488,558</u>	<u>1,026,094</u>
2,461,371	2,255,154	206,217
2,135,228	1,613,767	521,461
6,270,031	1,917,729	4,352,302
<u>10,866,630</u>	<u>5,786,650</u>	<u>5,079,980</u>
<u>(4,404,166)</u>	<u>1,701,908</u>	<u>6,106,074</u>
<u>(750,000)</u>	<u>(750,000)</u>	
<u>(750,000)</u>	<u>(750,000)</u>	
<u>(5,154,166)</u>	<u>951,908</u>	<u>6,106,074</u>
	9,081,592	9,081,592
<u>\$ (5,154,166)</u>	<u>\$ 10,033,500</u>	<u>\$ 15,187,666</u>

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DEBT SERVICE FUND

Debt Service - to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs.

CITY OF MARICOPA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2019

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Property taxes	\$ 2,941,920	\$ 2,978,957	\$ 37,037
Intergovernmental revenues		264,682	264,682
Miscellaneous	253,960		(253,960)
Total revenues	<u>3,195,880</u>	<u>3,243,639</u>	<u>47,759</u>
Expenditures:			
Debt service -			
Principal retirement	1,790,000	1,790,000	
Interest and fiscal charges	1,881,947	1,880,018	1,929
Total expenditures	<u>3,671,947</u>	<u>3,670,018</u>	<u>1,929</u>
Changes in fund balances	<u>(476,067)</u>	<u>(426,379)</u>	<u>49,688</u>
Fund balances, beginning of year		813,315	813,315
Fund balances (deficits), end of year	<u>\$ (476,067)</u>	<u>\$ 386,936</u>	<u>\$ 863,003</u>

CAPITAL PROJECTS FUNDS

Capital Projects Funds are created to account for the purchase or construction of major capital facilities which are not financed by the general, enterprise, or special revenue funds.

Parks Impact Fee – This fund is used to account for parks development projects funded by development impact fees imposed on new development.

Library Impact Fee – This fund is used to account for library development projects funded by development impact fees imposed on new development.

Public Safety Impact Fee – This fund is used to account for police development projects funded by development impact fees imposed on new development.

Transportation Impact Fee – This fund is used to account for the receipt and expenditure of the City's transportation impact fee. The revenues in this fund are restricted for specific capital outlay purposes.

Parks Bond – This fund is used to account for the acquisition of land and equipment, development, construction and improvement of community parks and projects.

General Government CIP – This fund is used to account for construction in progress for general government projects.

Capital Grants – This fund is used to account for the receipt and expenditure of miscellaneous federal, state, and local grants awarded to the City for capital purposes.

**CITY OF MARICOPA, ARIZONA
 COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2019**

	<u>Parks Impact Fee</u>	<u>Library Impact Fee</u>	<u>Public Safety Impact Fee</u>
<u>ASSETS</u>			
Cash and investments	\$ 3,898,516	\$ 672,548	\$ 505,115
Intergovernmental receivables			
Prepaid items			
Total assets	<u>\$ 3,898,516</u>	<u>\$ 672,548</u>	<u>\$ 505,115</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 1,684	\$	\$ 1,227
Construction contracts payable	142,537		
Total liabilities	<u>144,221</u>		<u>1,227</u>
Fund balances:			
Nonspendable			
Restricted	3,754,295	672,548	503,888
Total fund balances	<u>3,754,295</u>	<u>672,548</u>	<u>503,888</u>
 Total liabilities and fund balances	 <u>\$ 3,898,516</u>	 <u>\$ 672,548</u>	 <u>\$ 505,115</u>

<u>Parks Bond</u>	<u>General Government CIP</u>	<u>Capital Grants</u>	<u>Totals</u>
\$ 347,019	\$ 7,669,885	\$ 463,310	\$ 13,556,393
		24,381	24,381
	78,845		78,845
<u>\$ 347,019</u>	<u>\$ 7,748,730</u>	<u>\$ 487,691</u>	<u>\$ 13,659,619</u>
\$	\$ 146,135	\$ 50,669	\$ 199,715
	144,782	164,485	451,804
	<u>290,917</u>	<u>215,154</u>	<u>651,519</u>
	78,845		78,845
347,019	7,378,968	272,537	12,929,255
<u>347,019</u>	<u>7,457,813</u>	<u>272,537</u>	<u>13,008,100</u>
<u>\$ 347,019</u>	<u>\$ 7,748,730</u>	<u>\$ 487,691</u>	<u>\$ 13,659,619</u>

CITY OF MARICOPA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2019

	<u>Parks Impact Fee</u>	<u>Library Impact Fee</u>	<u>Public Safety Impact Fee</u>
Revenues:			
Intergovernmental revenues	\$	\$	\$
Impact fees	981,114		784,510
Investment income	111,909	24,702	29,696
Miscellaneous	273	2,172	546
Total revenues	<u>1,093,296</u>	<u>26,874</u>	<u>814,752</u>
Expenditures:			
Current -			
Community services	16,248		
Capital outlay	370,731	134,548	11,910
Total expenditures	<u>386,979</u>	<u>134,548</u>	<u>11,910</u>
Excess (deficiency) of revenues over expenditures	<u>706,317</u>	<u>(107,674)</u>	<u>802,842</u>
Other financing sources (uses):			
Transfers in			
Transfers out			(809,574)
Total other financing sources (uses)			<u>(809,574)</u>
Changes in fund balances	<u>706,317</u>	<u>(107,674)</u>	<u>(6,732)</u>
Fund balances, beginning of year	3,047,978	780,222	510,620
Increase (decrease) in reserve for prepaid items			
Fund balances, end of year	<u>\$ 3,754,295</u>	<u>\$ 672,548</u>	<u>\$ 503,888</u>

<u>Parks Bond</u>	<u>General Government CIP</u>	<u>Capital Grants</u>	<u>Totals</u>
\$	\$	\$ 524,023	\$ 524,023
10,627	179,629		1,765,624
	77,312		356,563
<u>10,627</u>	<u>256,941</u>	<u>524,023</u>	<u>2,726,513</u>
	47,023		63,271
	2,736,494	407,844	3,661,527
	<u>2,783,517</u>	<u>407,844</u>	<u>3,724,798</u>
<u>10,627</u>	<u>(2,526,576)</u>	<u>116,179</u>	<u>(998,285)</u>
	3,360,473		3,360,473
	<u>3,360,473</u>		<u>(809,574)</u>
<u>10,627</u>	<u>833,897</u>	<u>116,179</u>	<u>1,552,614</u>
336,392	7,354,908	156,358	12,186,478
	(730,992)		(730,992)
<u>\$ 347,019</u>	<u>\$ 7,457,813</u>	<u>\$ 272,537</u>	<u>\$ 13,008,100</u>

CITY OF MARICOPA, ARIZONA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2019

	Parks Impact Fee		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Sales taxes	\$	\$	\$
Intergovernmental revenues			
Impact fees	642,100	981,114	339,014
Investment income	1,900	111,909	110,009
Miscellaneous		273	273
Total revenues	644,000	1,093,296	449,296
Expenditures:			
Current -			
General government			
Community services	20,239	16,248	3,991
Development services			
Capital outlay	425,000	370,731	54,269
Total expenditures	445,239	386,979	58,260
Excess (deficiency) of revenues over expenditures	198,761	706,317	507,556
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)	-	-	-
Changes in fund balances	198,761	706,317	507,556
Fund balances, beginning of year		3,047,978	3,047,978
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	\$ 198,761	\$ 3,754,295	\$ 3,555,534

Library Impact Fee			Public Safety Impact Fee		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
			751,800	784,510	32,710
3	24,702	24,699	15,200	29,696	14,496
14	2,172	2,158		546	546
17	26,874	26,857	767,000	814,752	47,752
	134,548	(134,548)	74,835	11,910	62,925
	134,548	(134,548)	74,835	11,910	62,925
17	(107,674)	(107,691)	692,165	802,842	110,677
			(809,574)	(809,574)	
			(809,574)	(809,574)	
17	(107,674)	(107,691)	(117,409)	(6,732)	110,677
	780,222	780,222		510,620	510,620
\$ 17	\$ 672,548	\$ 672,531	\$ (117,409)	\$ 503,888	\$ 621,297

(Continued)

CITY OF MARICOPA, ARIZONA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2019

	Transportation Impact Fee		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Sales taxes	\$	\$	\$
Intergovernmental revenues			
Impact fees	3,900,500	3,405,894	(494,606)
Investment income	10,000	715,591	705,591
Miscellaneous		36,096	36,096
Total revenues	3,910,500	4,157,581	247,081
Expenditures:			
Current -			
General government			
Community services			
Development services			
Capital outlay	17,028,717	148,569	16,880,148
Total expenditures	17,028,717	148,569	16,880,148
Excess (deficiency) of revenues over expenditures	(13,118,217)	4,009,012	17,127,229
Other financing sources (uses):			
Transfers in			
Transfers out	(600,000)	(600,000)	
Total other financing sources (uses)	(600,000)	(600,000)	
Changes in fund balances	(13,718,217)	3,409,012	17,127,229
Fund balances, beginning of year		20,805,233	20,805,233
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	\$ (13,718,217)	\$ 24,214,245	\$ 37,932,462

Parks Bond			General Government CIP		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$ 1,103,300	\$	\$ (1,103,300)
	10,627	10,627		179,629	179,629
				77,312	77,312
	<u>10,627</u>	<u>10,627</u>	<u>1,103,300</u>	<u>256,941</u>	<u>(846,359)</u>
			95,018	47,023	47,995
			10,773,820	2,736,494	8,037,326
			<u>10,868,838</u>	<u>2,783,517</u>	<u>8,085,321</u>
	10,627	10,627	(9,765,538)	(2,526,576)	7,238,962
			3,360,473	3,360,473	
			<u>3,360,473</u>	<u>3,360,473</u>	
	10,627	10,627	(6,405,065)	833,897	7,238,962
	336,392	336,392		7,354,908	7,354,908
				(730,992)	(730,992)
<u>\$</u>	<u>\$ 347,019</u>	<u>\$ 347,019</u>	<u>\$ (6,405,065)</u>	<u>\$ 7,457,813</u>	<u>\$ 13,862,878</u>

(Continued)

CITY OF MARICOPA, ARIZONA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2019

	Capital Grants		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Sales taxes	\$	\$	\$
Intergovernmental revenues	6,052,394	524,023	(5,528,371)
Impact fees			
Investment income			
Miscellaneous			
Total revenues	6,052,394	524,023	(5,528,371)
Expenditures:			
Current -			
General government	58,165		58,165
Community services			
Development services	178,937		178,937
Capital outlay	6,164,153	407,844	5,756,309
Total expenditures	6,401,255	407,844	5,993,411
Excess (deficiency) of revenues over expenditures	(348,861)	116,179	465,040
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(348,861)	116,179	465,040
Fund balances, beginning of year		156,358	156,358
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	\$ (348,861)	\$ 272,537	\$ 621,398

Totals

Budget	Actual	Variance - Positive (Negative)
\$ 1,103,300	\$	\$ (1,103,300)
6,052,394	524,023	(5,528,371)
5,294,400	5,171,518	(122,882)
27,103	1,072,154	1,045,051
14	116,399	116,385
<u>12,477,211</u>	<u>6,884,094</u>	<u>(5,593,117)</u>
58,165		58,165
115,257	63,271	51,986
178,937		178,937
<u>34,466,525</u>	<u>3,810,096</u>	<u>30,656,429</u>
<u>34,818,884</u>	<u>3,873,367</u>	<u>30,945,517</u>
<u>(22,341,673)</u>	<u>3,010,727</u>	<u>25,352,400</u>
3,360,473	3,360,473	
<u>(1,409,574)</u>	<u>(1,409,574)</u>	
<u>1,950,899</u>	<u>1,950,899</u>	
<u>(20,390,774)</u>	<u>4,961,626</u>	<u>25,352,400</u>
	32,991,711	32,991,711
	(730,992)	(730,992)
<u>\$ (20,390,774)</u>	<u>\$ 37,222,345</u>	<u>\$ 57,613,119</u>

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STATISTICAL SECTION

The statistical section presents financial statement trends as well as detailed financial and operational information not available elsewhere in the report. The statistical section is intended to enhance the reader's understanding of the information presented in the financial statements, notes to the financial statements, and other supplementary information presented in this report. The statistical section is comprised of the five categories of statistical information presented below.

Financial Trends

These schedules contain information on financial trends to help the reader understand how the City's financial position and financial activities have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the City's ability to generate property revenue.

Debt Capacity

These schedules present information to help the reader evaluate the City's current levels of outstanding debt as well as assess the City's ability to make debt payments and/or issue additional debt in the future.

Demographic and Economic Information

These schedules present various demographic and economic indicators to help the reader understand the environment in which the City's financial activities take place and to help make comparisons with other municipalities.

Operating Information

These schedules contain information about the City's operations and various resources to help the reader draw conclusions as to how the City's financial information relates to the services provided by the City.

Note: For locally assessed property (i.e., excluding mines, utilities, etc.) Proposition 117, approved by voters in 2012, amended the Arizona Constitution to require that all property taxes after fiscal year 2014-15 be based upon property values limited to five percent in annual growth. The aggregate assessed value of all taxable properties within a taxing jurisdiction (i.e., after applying assessment ratios based on the use of a property), including property values with a growth limit, is currently referred to as net limited assessed value and formerly as primary assessed value. In accordance with Proposition 117, this value is used for all taxing purposes beginning fiscal year 2015-16. Aggregate assessed value without a growth limit is currently referred to as net full cash assessed value and formerly as secondary assessed value. This remains the value utilized for determining debt capacity limits.

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**CITY OF MARICOPA, ARIZONA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)**

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net Position:					
Net investment in capital assets	\$ 164,748,639	\$ 170,979,975	\$ 177,751,634	\$ 178,734,505	\$ 176,253,607
Restricted	48,037,555	43,451,668	34,342,277	46,127,016	52,707,824
Unrestricted	27,465,259	16,789,319	14,565,658	18,571,493	16,683,198
Total net position	<u><u>\$ 240,251,453</u></u>	<u><u>\$ 231,220,962</u></u>	<u><u>\$ 226,659,569</u></u>	<u><u>\$ 243,433,014</u></u>	<u><u>\$ 245,644,629</u></u>
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Net Position:					
Net investment in capital assets	\$ 176,849,760	\$ 177,370,008	\$ 160,277,610	\$ 159,446,413	\$ 152,574,381
Restricted	54,993,935	55,767,940	69,233,094	44,235,838	48,605,910
Unrestricted	22,824,286	23,545,468	21,799,977	48,978,257	53,602,407
Total net position	<u><u>\$ 254,667,981</u></u>	<u><u>\$ 256,683,416</u></u>	<u><u>\$ 251,310,681</u></u>	<u><u>\$ 252,660,508</u></u>	<u><u>\$ 254,782,698</u></u>

Source: The source of this information is the City's financial records.

CITY OF MARICOPA, ARIZONA
EXPENSE, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenses					
Governmental activities					
General government	\$ 9,258,938	\$ 9,065,308	\$ 13,781,833	\$ 8,434,268	\$ 8,034,855
Public safety	26,178,738	24,936,969	28,009,309	21,662,502	19,253,044
Community services	8,801,087	8,555,065	9,369,826	9,411,852	8,245,420
Development services	2,316,181	2,141,848	5,030,982	4,173,045	2,624,718
Public works	11,056,216	9,590,939	14,855,383	8,384,857	7,189,840
Interest on long-term debt	1,837,467	1,915,184	1,986,509	2,045,204	2,098,409
Total governmental activities expenses	<u>59,448,627</u>	<u>56,205,313</u>	<u>73,033,842</u>	<u>54,111,728</u>	<u>47,446,286</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	1,377,434	1,004,410	733,595	725,908	199,747
Public safety	79,745	318,775	71,440	286,800	1,516,033
Community services	1,704,331	1,526,958	1,916,364	1,352,037	1,778,214
Development services	3,495,470	3,223,364	1,960,602	2,258,585	208,487
Operating grants and contributions	4,475,831	4,522,065	5,324,186	4,303,861	3,962,746
Capital grants and contributions	5,241,042	5,560,382	3,589,969	2,230,811	1,470,367
Total program revenues	<u>16,373,853</u>	<u>16,155,954</u>	<u>13,596,156</u>	<u>11,158,002</u>	<u>9,135,594</u>
Net (Expense)/Revenue	<u>\$ (43,074,774)</u>	<u>\$ (40,049,359)</u>	<u>\$ (59,437,686)</u>	<u>\$ (42,953,726)</u>	<u>\$ (38,310,692)</u>

(Continued)

CITY OF MARICOPA, ARIZONA
EXPENSE, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Expenses					
Governmental activities					
General government	\$ 9,718,746	\$ 6,656,984	\$ 8,832,289	\$ 8,747,059	\$ 9,303,721
Public safety	18,672,370	17,447,674	16,103,119	16,001,267	14,898,669
Community services	5,687,823	2,399,939	2,257,063	2,986,635	1,531,241
Development services	3,091,943	8,224,264	10,002,055	10,673,852	7,761,376
Public works	7,547,174				
Interest on long-term debt	3,100,559	1,015,685	1,063,544	1,542,441	57,445
Total governmental activities expenses	<u>47,818,615</u>	<u>35,744,546</u>	<u>38,258,070</u>	<u>39,951,254</u>	<u>33,552,452</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	159,841	468,718	956,062	1,056,489	534,071
Public safety	994,921	892,908	590,689	211,428	922,084
Community services	536,941	282,565	285,986	258,028	289,004
Development services	272,186	161,747	95,951	122,451	244,107
Public works	465,073				
Operating grants and contributions	5,938,010	926,682	1,732,451	3,436,610	866,471
Capital grants and contributions	1,486,660	6,180,277	2,917,234	6,815,917	7,558,625
Total program revenues	<u>9,853,632</u>	<u>8,912,897</u>	<u>6,578,373</u>	<u>11,900,923</u>	<u>10,414,362</u>
Net (Expense)/Revenue	<u>\$ (37,964,983)</u>	<u>\$ (26,831,649)</u>	<u>\$ (31,679,697)</u>	<u>\$ (28,050,331)</u>	<u>\$ (23,138,090)</u>

Source: The source of this information is the City's financial records.

- Notes:**
1. The City implemented a new ERP financial system in fiscal year 2011. As a result of that implementation, functional categories for expenses were modified to more closely match actual operational functions.
 2. The City's public works operations were reclassified from the development services functional category during fiscal year 2014.

(Concluded)

**CITY OF MARICOPA, ARIZONA
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)**

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net (Expense)/Revenue	\$ (43,074,774)	\$ (40,049,359)	\$ (59,437,686)	\$ (42,953,726)	\$ (38,310,692)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	11,845,356	11,007,502	10,243,226	9,563,708	9,328,535
Property taxes, levied for debt service	2,967,306	3,450,990	3,905,535	3,654,084	4,761,714
Sales taxes	14,161,420	11,692,157	10,448,709	9,496,645	8,791,279
Franchise taxes	1,221,114	1,238,325	1,300,307	911,356	362,791
Investment income	2,542,613	349,508	438,141	771,820	446,606
Unrestricted grants, aid, and state shared revenues	18,059,723	16,946,770	16,578,323	16,094,498	15,108,669
Total general revenues	<u>50,797,532</u>	<u>44,685,252</u>	<u>42,914,241</u>	<u>40,492,111</u>	<u>38,799,594</u>
Changes in Net Position	<u>\$ 7,722,758</u>	<u>\$ 4,635,893</u>	<u>\$ (16,523,445)</u>	<u>\$ (2,461,615)</u>	<u>\$ 488,902</u>

(Continued)

**CITY OF MARICOPA, ARIZONA
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Net (Expense)/Revenue	\$ (37,964,983)	\$ (26,831,649)	\$ (31,679,697)	\$ (28,050,331)	\$ (23,138,090)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	9,391,368	9,409,828	10,932,354	9,797,104	9,191,887
Property taxes, levied for debt service	3,542,070	1,457,540		1,415,568	
Sales taxes	8,684,810	7,942,569	7,601,624	7,454,918	6,649,744
Franchise taxes	344,151	309,744	285,739	315,240	494,091
Investment income	472,562	171,708	112,707	667,555	265,485
Unrestricted grants, aid, and state shared revenues	<u>13,514,587</u>	<u>12,912,995</u>	<u>11,397,446</u>	<u>6,277,756</u>	<u>7,110,730</u>
Total general revenues	<u>35,949,548</u>	<u>32,204,384</u>	<u>30,329,870</u>	<u>25,928,141</u>	<u>23,711,937</u>
Changes in Net Position	<u>\$ (2,015,435)</u>	<u>\$ 5,372,735</u>	<u>\$ (1,349,827)</u>	<u>\$ (2,122,190)</u>	<u>\$ 573,847</u>

Source: The source of this information is the City's financial records.

(Concluded)

CITY OF MARICOPA, ARIZONA
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund:					
Nonspendable	\$ 1,125	\$ 2,436	\$ 2,140	\$ 18,417	\$ 15,646
Unassigned	43,608,609	33,424,593	30,643,618	29,841,856	26,656,499
Total General Fund	<u>\$ 43,609,734</u>	<u>\$ 33,427,029</u>	<u>\$ 30,645,758</u>	<u>\$ 29,860,273</u>	<u>\$ 26,672,145</u>
All Other Governmental Funds:					
Nonspendable	\$ 79,970	\$ 809,837	\$	\$ 1,195,205	\$
Restricted	47,634,524	42,600,094	34,274,993	44,896,889	52,707,824
Unassigned			(360,553)	(721,733)	(2,920)
Total all other governmental funds	<u>\$ 47,714,494</u>	<u>\$ 43,409,931</u>	<u>\$ 33,914,440</u>	<u>\$ 45,370,361</u>	<u>\$ 52,704,904</u>

(Continued)

CITY OF MARICOPA, ARIZONA
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Fund:					
Nonspendable	\$ 16,652	\$ 16,733	\$ 5,084	\$ 2,550	\$
Unassigned	24,650,512	23,047,149	21,324,981	55,361,631	
Unreserved					64,206,671
Total General Fund	<u>\$ 24,667,164</u>	<u>\$ 23,063,882</u>	<u>\$ 21,330,065</u>	<u>\$ 55,364,181</u>	<u>\$ 64,206,671</u>
All Other Governmental Funds:					
Restricted	\$ 54,933,764	\$ 76,788,734	\$ 80,901,742	\$ 49,970,470	\$
Unassigned	(1,465,704)		(34,662)	(334,556)	
Reserved					35,547,328
Unreserved, reported in:					
Special revenue funds					2,320,530
Capital projects funds					13,058,582
Total all other governmental funds	<u>\$ 53,468,060</u>	<u>\$ 76,788,734</u>	<u>\$ 80,867,080</u>	<u>\$ 49,635,914</u>	<u>\$ 50,926,440</u>

Source: The source of this information is the City's financial records.

Note: The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 54 were adopted in fiscal year 2011. The standard replaces the previous reserved and unreserved fund balance categories with the following five fund balance classifications: nonspendable, restricted, committed, assigned, and unassigned fund balance.

(Concluded)

CITY OF MARICOPA, ARIZONA
GOVERNMENTAL FUNDS REVENUES, EXPENDITURES, AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Revenues:					
Property taxes	\$ 14,852,269	\$ 14,477,065	\$ 14,166,836	\$ 13,263,389	\$ 14,715,416
Sales taxes	14,161,420	11,692,157	10,448,709	9,496,645	8,791,279
Franchise taxes	1,221,114	1,238,325	1,300,307	911,356	362,791
Licenses, fees & permits	2,597,945	2,535,211	1,590,827	1,123,534	807,472
Intergovernmental revenues	22,246,030	21,454,086	22,872,558	20,823,538	19,152,579
Impact fees	5,171,518	5,530,530	2,535,080	1,772,314	1,389,203
Charges for services	2,531,178	2,410,795	2,377,444	2,161,808	2,083,965
Fines, forfeitures, & penalties	598,784	583,454	524,546	563,453	628,782
Investment income (loss)	2,542,613	349,508	438,141	771,820	446,606
Miscellaneous	986,784	584,546	194,006	761,000	182,262
Total revenues	<u>\$ 66,909,655</u>	<u>\$ 60,855,677</u>	<u>\$ 56,448,454</u>	<u>\$ 51,648,857</u>	<u>\$ 48,560,355</u>
Expenditures:					
Current -					
General government	7,874,432	\$ 7,452,335	\$ 13,022,970	\$ 6,855,078	\$ 6,324,669
Public safety	23,912,379	21,935,683	20,159,339	19,533,793	18,482,520
Community services	6,108,587	6,612,289	5,998,105	6,417,639	5,480,545
Development services	2,133,900	1,939,499	1,675,952	1,682,110	1,743,644
Public works	3,489,114	3,081,856	2,789,293	2,681,965	2,581,188
Capital outlay	5,810,512	4,674,651	20,011,487	16,339,908	8,955,004
Debt service -					
Principal retirement	1,790,000	1,735,000	1,685,000	1,645,000	1,610,000
Interest and fiscal charges	1,880,018	1,957,735	2,029,060	2,087,755	2,140,960
Total expenditures	<u>\$ 52,998,942</u>	<u>\$ 49,389,048</u>	<u>\$ 67,371,206</u>	<u>\$ 57,243,248</u>	<u>\$ 47,318,530</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 13,910,713</u>	<u>\$ 11,466,629</u>	<u>\$ (10,922,752)</u>	<u>\$ (5,594,391)</u>	<u>\$ 1,241,825</u>
Expenditures for capitalized assets	\$ 3,910,407	\$ 3,124,891	\$ 9,598,926	\$ 11,390,120	\$ 7,431,302
Debt service as a percentage of noncapital expenditures	7%	8%	6%	8%	9%

(Continued)

CITY OF MARICOPA, ARIZONA
GOVERNMENTAL FUNDS REVENUES, EXPENDITURES, AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Revenues:					
Property taxes	\$ 12,801,299	\$ 10,539,547	\$ 10,826,301	\$ 11,299,263	\$ 9,201,246
Sales taxes	8,684,810	7,942,569	7,601,624	7,454,918	6,649,744
Franchise taxes	344,151	309,744	285,739	315,240	494,091
Licenses, fees & permits	713,154	771,911	480,342	320,909	748,539
Intergovernmental revenues	19,503,258	15,362,298	14,610,218	10,403,335	8,619,173
Impact fees	1,435,999	1,785,770			
Charges for services	1,431,663	580,461	521,229	544,625	675,406
Fines, forfeitures, & penalties	132,792	271,537	431,180	470,509	506,664
Investment income (loss)	472,562	171,708	112,707	667,555	265,485
Miscellaneous	151,353	1,533,934	1,686,749	312,853	1,664,621
Total revenues	<u>\$ 45,671,041</u>	<u>\$ 39,269,479</u>	<u>\$ 36,556,089</u>	<u>\$ 31,789,207</u>	<u>\$ 28,824,969</u>
Expenditures:					
Current -					
General government	\$ 8,041,470	\$ 5,990,510	\$ 8,502,107	\$ 8,031,875	\$ 7,595,728
Public safety	16,942,419	15,772,942	14,832,455	13,999,701	13,588,093
Community services	4,046,178	1,950,582	1,929,898	2,509,541	1,081,819
Development services	1,484,967	3,739,271	6,098,044	6,049,216	3,517,309
Public works	2,414,910				
Capital outlay	29,134,244	44,105,545	6,138,326	8,966,722	11,168,632
Debt service -					
Principal retirement	3,075,581	847,017	1,016,198	1,271,520	139,918
Interest and fiscal charges	2,248,665	1,005,352	1,053,211	1,532,108	57,445
Bond issuance costs		633,340			307,182
Total expenditures	<u>\$ 67,388,434</u>	<u>\$ 74,044,559</u>	<u>\$ 39,570,239</u>	<u>\$ 42,360,683</u>	<u>\$ 37,456,126</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (21,717,393)</u>	<u>\$ (34,775,080)</u>	<u>\$ (3,014,150)</u>	<u>\$ (10,571,476)</u>	<u>\$ (8,631,157)</u>
Expenditures for capitalized assets	\$ 25,884,678	\$ 43,020,602	\$ 7,031,001	\$ 7,209,712	\$ 9,375,099
Debt service as a percentage of noncapital expenditures	13%	8%	6%	8%	2%

Source: The source of this information is the City's financial records.

- Notes:**
1. The City's implemented a new ERP financial system in fiscal year 2011. As a result of that implementation, functional categories for expenses were modified to more closely match actual operational functions.
 2. The City's public works operations were reclassified from the development services functional category during fiscal year 2014.

CITY OF MARICOPA, ARIZONA
OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Excess (deficiency) of revenues over expenditures	\$ 13,910,713	\$ 11,466,629	\$ (10,922,752)	\$ (5,594,391)	\$ 1,241,825
Other financing sources (uses):					
Proceeds from sale of assets			1,713,798		
Transfers in	4,710,473	5,392,700	1,400,000	1,250,000	1,250,000
Transfers out	<u>(4,710,473)</u>	<u>(5,392,700)</u>	<u>(1,400,000)</u>	<u>(1,250,000)</u>	<u>(1,250,000)</u>
Total other financing sources (uses)			<u>1,713,798</u>		
Changes in fund balances	<u>\$ 13,910,713</u>	<u>\$ 11,466,629</u>	<u>\$ (9,208,954)</u>	<u>\$ (5,594,391)</u>	<u>\$ 1,241,825</u>
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Excess (deficiency) of revenues over expenditures	\$ (21,717,393)	\$ (34,775,080)	\$ (3,014,150)	\$ (10,571,476)	\$ (8,631,157)
Other financing sources (uses):					
General obligation bonds issued		31,605,000			20,000,000
Premium on sale of bonds		825,551			100,519
Proceeds from sale of assets			211,200	438,460	
Transfers in	1,370,000	175,000	37,135,270		
Transfers out	<u>(1,370,000)</u>	<u>(175,000)</u>	<u>(37,135,270)</u>		
Total other financing sources (uses)		<u>32,430,551</u>	<u>211,200</u>	<u>438,460</u>	<u>20,100,519</u>
Changes in fund balances	<u>\$ (21,717,393)</u>	<u>\$ (2,344,529)</u>	<u>\$ (2,802,950)</u>	<u>\$ (10,133,016)</u>	<u>\$ 11,469,362</u>

Source: The source of this information is the City's financial records.

**CITY OF MARICOPA, ARIZONA
SALES TAX COLLECTED BY CATEGORY
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Mining	\$	\$	\$ 1,407	\$ 3,682	\$ 4,063	\$ 3,593	\$ 4,252	\$ 1,619	\$ 1,947	\$ 3,893
Communication & Utilities	1,552,946	1,548,521	891,299	806,381	782,086	687,634	636,967	575,882	575,198	540,097
Transportation	2,004	90	12,842	1,237	9,144	7,072	8,462	6,326	5,925	9,395
Construction	5,151,332	2,799,001	2,031,485	1,836,350	1,218,034	2,548,343	2,325,823	1,535,980	1,802,458	1,357,920
Manufacturing	118	252,000	227,132	295,396	249,704	418,849	289,320	274,016	257,176	234,542
Wholesale	410,130	462,111	418,910	333,196	140,074	109,573	114,764	93,496	189,691	326,914
Retail	5,824,637	4,863,178	5,464,752	5,024,692	5,365,175	4,138,543	3,834,681	3,774,442	3,446,044	3,145,911
Financial and Insurance		49,000	55,016	37,546	38,910	36,622	30,233	28,471	32,286	30,353
Real Estate Rental	1,006,962	876,937	1,109,644	906,153	822,946	643,650	502,888	538,287	496,443	470,484
Restaurant & Bar	1,058,619	938,719	685,621	569,308	556,636	482,155	429,359	380,961	357,595	381,273
Accommodation	97,608	4,697	1,091	191	19	6	9	6	806	8,423
Public Administration	3,941	6,078	1,160	848	669	481	845	1,165	(2,813)	3,240
Services	25,203	38,909	224,269	251,715	227,859	216,020	272,749	177,935	150,913	95,398
Arts & Entertainment	97,380	19,190	11,581	4,355	1,273	3,813	21,019	47,440	22,341	510
Other	15,813	34,925	102,707	72,463	66,420	46,494	50,400	57,419	151,517	225,795
Total	\$ 15,246,693	\$ 11,893,356	\$ 11,238,916	\$ 10,143,513	\$ 9,483,013	\$ 9,342,848	\$ 8,521,771	\$ 7,493,445	\$ 7,487,527	\$ 6,834,148
City's direct sales tax rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
City's construction sales tax rate	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%

Source: Arizona Department of Revenue and the City's financial records.

Notes: Total sales taxes reported above do not include sales tax rebates provided by the City during the fiscal year.

**CITY OF MARICOPA, ARIZONA
SALES TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year	City's Direct Rate	City's Construction Sales Tax Rate	Arizona Rate	County Rate
2019	2.00%	3.50%	5.60%	1.60%
2018	2.00%	3.50%	5.60%	1.60%
2017	2.00%	3.50%	5.60%	1.10%
2016	2.00%	3.50%	5.60%	1.10%
2015	2.00%	3.50%	5.60%	1.10%
2014	2.00%	3.50%	5.60%	1.10%
2013	2.00%	3.50%	5.60%	1.10%
2012	2.00%	3.50%	6.60%	1.10%
2011	2.00%	3.50%	6.60%	1.10%
2010	2.00%	3.50%	6.60%	1.10%

Source: The source of this information is the City's records.

**CITY OF MARICOPA, ARIZONA
GENERAL GOVERNMENT TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Sales Taxes</u>	<u>Percentage Change</u>	<u>Property Taxes</u>	<u>Percentage Change</u>	<u>Franchise Taxes</u>	<u>Percentage Change</u>	<u>Total</u>	<u>Percentage Change</u>
2019	\$14,161,420	21.12 %	\$14,852,269	2.59 %	\$1,221,114	(1.39) %	\$ 30,234,803	10.32 %
2018	11,692,157	11.90	14,477,065	2.19	1,238,325	(4.77)	27,407,547	5.76
2017	10,448,709	10.03	14,166,836	7.18	1,300,307	42.68	25,915,852	9.69
2016	9,496,645	8.02	13,217,792	(10.18)	911,356	151.21	23,625,793	(1.02)
2015	8,791,279	1.23	14,715,416	14.95	362,791	5.42	23,869,486	9.34
2014	8,684,810	9.35	12,801,300	21.46	344,151	11.11	21,830,261	16.17
2013	7,942,569	4.49	10,539,547	(2.45)	309,744	8.40	18,791,860	0.54
2012	7,601,624	1.97	10,804,339	(4.38)	285,739	(9.41)	18,691,702	(1.98)
2011	7,454,918	12.11	11,299,263	22.80	315,420	(36.16)	19,069,601	16.67
2010	6,649,744	(35.00)	9,201,246	15.94	494,091	(7.98)	16,345,081	(12.61)

Source: The source of this information is the City's financial records.

**CITY OF MARICOPA, ARIZONA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND NINE YEARS PRIOR**

<u>Taxpayer</u>	<u>2019</u>		<u>2010</u>	
	<u>Net Limited Assessed Valuation</u>	<u>Percentage of City's Net Limited Assessed Valuation</u>	<u>Net Full Cash Assessed Valuation</u>	<u>Percentage of City's Net Full Cash Assessed Valuation</u>
Palo Verde Utility Company	\$ 5,746,073	2.19 %	\$ 2,514,120	0.79 %
Santa Cruz Water Company, LLC	4,575,899	1.75	3,833,129	1.21
Wal-Mart Stores Inc #3751	2,358,753	0.90	2,752,001	0.87
Volkswagen of America dba Vorelco Inc	1,985,676	0.76	2,339,935	0.74
SM Fiesta LLC	1,545,842	0.59	2,097,065	0.66
Smiths Food & Drug Centers Inc	1,236,547	0.47	1,228,392	0.39
Pinal Energy LLC	1,205,282	0.46	2,554,524	0.81
Agree LTD Pship	1,172,796	0.45		
Maricopa Groves Self Storage LLC	896,977	0.34	666,120	0.21
Eagle Shadow LLC	838,686	0.32		
CC Fund II Maricopa LLC			1,039,148	0.33
JNAN LLC			641,704	0.20
Total	<u>\$ 21,562,531</u>	<u>8.23 %</u>	<u>\$ 19,666,138</u>	<u>6.21 %</u>
City's Total Assessed Valuation	<u>\$ 262,200,309</u>		<u>\$ 316,245,779</u>	

Source: The source of this information is the Pinal County Treasurer's tax records.

Note: On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value.

**CITY OF MARICOPA, ARIZONA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2019	\$ 14,416,239	\$14,216,971	98.62 %	N/A	\$ 14,216,971	98.62 %
2018	14,118,138	13,945,182	98.77	169,091	14,114,273	99.97
2017	14,154,974	13,928,821	98.40	223,261	14,152,082	99.98
2016	13,416,645	13,169,295	98.16	242,884	13,412,179	99.97
2015	14,559,339	14,299,954	98.22	255,399	14,555,354	99.97
2014	12,422,911	12,196,814	98.18	223,223	12,420,037	99.98
2013	10,962,174	10,255,746	93.56	700,745	10,956,491	99.95
2012	10,790,693	10,390,225	96.29	388,174	10,778,399	99.89
2011	11,250,307	10,933,142	97.18	317,165	11,250,307	100.00
2010	9,242,329	8,868,977	95.96	373,352	9,242,329	100.00

Source: The source of this information is the Pinal County Treasurer Monthly Statements and the City's records.

Notes: 1. Amounts collected are on a cash basis.

2. Unsecured personal property taxes are not included in this schedule because the dates of the monthly rolls vary each year. On the average, 90% of unsecured property taxes are collected within 90 days after the due date.

**CITY OF MARICOPA, ARIZONA
NET LIMITED ASSESSED VALUE AND FULL CASH VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year		Real Property		Personal Property		Total			Ratio of Total Net Assessed Value to Gross Full Cash Value
		Net Assessed Value	Gross Value	Net Assessed Value	Gross Value	Net Assessed Value	Gross Value	Direct Tax Rate	
2019	L	\$ 249,577,072	\$ 2,467,326,746	\$ 12,623,237	\$ 73,150,838	\$ 262,200,309	\$ 2,540,477,584	4.7845	10.32
	FC	310,242,714	3,061,492,176	12,623,328	73,151,345	322,866,042	3,134,643,521	1.1220	10.30
2018	L	232,901,620	\$ 2,297,326,157	11,722,172	\$ 68,148,403	244,623,792	2,365,474,560	4.7845	10.34
	FC	303,795,843	2,990,546,257	11,722,311	68,149,168	315,518,154	3,058,695,425	1.4005	10.32
2017	L	219,051,286	2,153,370,572	10,800,644	63,229,051	229,851,930	2,216,599,623	4.7845	10.37
	FC	297,310,225	2,922,164,006	10,800,739	63,229,564	308,110,964	2,985,393,570	1.6973	10.32
2016	L	208,852,365	2,013,631,300	11,075,593	62,880,618	219,927,958	2,076,511,918	4.9842	10.59
	FC	285,546,808	2,769,491,581	11,075,593	62,880,618	296,622,401	2,832,372,199	2.3561	10.47
2015	L	195,380,117	1,866,757,679	11,893,420	65,872,041	207,273,537	1,932,629,720	5.0898	10.72
	FC	197,983,250	1,896,855,819	11,893,420	58,625,317	209,876,670	1,955,481,136	1.7600	10.73
2014	L	181,595,557	1,706,748,961	16,880,341	91,357,273	198,475,898	1,798,106,234	4.8753	11.04
	FC	182,752,598	1,720,554,146	16,880,341	91,357,273	199,632,939	1,811,911,419	0.6917	11.02
2013	L	188,261,169	1,756,968,685	17,526,048	90,689,220	205,787,217	1,847,657,905	4.8105	11.14
	FC	190,327,514	1,779,275,350	17,526,048	90,689,220	207,853,562	1,869,964,570	0.6528	11.12
2012	L	195,083,227	1,851,949,877	13,587,423	69,823,606	208,670,650	1,921,773,483	4.8105	10.86
	FC	206,652,235	1,888,879,939	13,587,423	69,823,606	220,239,658	1,958,703,545	0.6528	11.24
2011	L	234,678,353	2,219,435,798	10,450,029	51,670,515	245,128,382	2,271,106,313	4.0168	10.79
	FC	249,336,606	2,259,829,103	10,450,029	51,670,515	259,786,635	2,311,499,618	0.5514	11.24
2010	L	307,662,417	2,902,754,652	8,583,362	40,203,060	316,245,779	2,942,957,712	2.8894	10.75
	FC	347,510,045	3,202,240,784	8,583,362	40,203,060	356,093,407	3,242,443,844		10.98

Source: The source of this information is the City's records and the State and County Abstract of the Assessment Roll, Arizona Department of Revenue for the City of Maricopa.

L-Limited
FC-Full Cash

Note: On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against net limited assessed value. Primary taxes are used for general City operations. Secondary taxes are used to service City bonded debt requirements.

CITY OF MARICOPA, ARIZONA
NET FULL CASH ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commercial, Industrial, Utilities and Mining	\$ 33,838,504	\$ 32,758,823	\$ 31,799,389	\$ 31,697,664	\$ 30,378,316
Agricultural and Vacant	22,082,952	23,302,844	22,478,502	22,572,471	20,017,664
Residential (Owner Occupied)	172,226,655	163,479,410	163,242,041	150,631,971	111,122,863
Residential (Rental)	92,932,371	94,403,890	89,160,259	90,968,576	47,611,420
Railroad, Private Cars and Airlines	644,369	610,671	474,730	452,015	459,982
Historical Property	1,132,618	960,516	954,015	297,533	286,425
Certain Government Property Improvements	8,583	2,000	2,028	2,171	
Total	\$ 322,866,052	\$ 315,518,154	\$ 308,110,964	\$ 296,622,401	\$ 209,876,670
Gross Full Cash Value	\$ 3,134,643,521	\$ 3,058,695,425	\$ 2,985,393,570	\$ 2,832,372,199	\$ 1,955,481,136
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10.30%	10.32%	10.32%	10.47%	10.73%
Estimated Net Full Cash Value	3,134,643,521	3,058,695,425	2,833,253,754	2,695,846,008	1,850,013,972
Total Direct Rate	5.91	6.19	6.48	7.34	6.85

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commercial, Industrial, Utilities and Mining	\$ 36,327,177	\$ 38,276,239	\$ 33,707,267	\$ 30,561,149	\$ 27,564,929
Agricultural and Vacant	20,869,614	21,101,890	22,678,364	26,257,892	53,766,153
Residential (Owner Occupied)	106,613,297	126,378,346	140,018,199	174,466,540	254,280,286
Residential (Rental)	35,465,042	21,909,363	13,401,078	16,078,841	19,764,574
Railroad, Private Cars and Airlines	357,809	187,724	159,615		
Historical Property			10,275,135	12,422,213	717,465
Certain Government Property Improvements					
Total	\$ 199,632,939	\$ 207,853,562	\$ 220,239,658	\$ 259,786,635	\$ 356,093,407
Gross Full Cash Value	\$ 1,811,911,419	\$ 1,869,964,570	\$ 1,958,703,545	\$ 2,311,499,618	\$ 3,242,443,844
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11.02%	11.12%	11.24%	11.24%	10.98%
Estimated Net Full Cash Value	1,712,470,381	1,783,692,036	1,875,480,053	2,260,115,493	3,188,801,109
Total Direct Rate	5.57	5.46	5.46	4.57	2.89

Source: The source of this information is the State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

Note: On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against net limited assessed value. Primary taxes are used for general City operations. Secondary taxes are used to service City bonded debt requirements.

**CITY OF MARICOPA, ARIZONA
PROPERTY TAX ASSESSMENT RATIOS
LAST TEN FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commercial, Industrial, Utilities and Mining	10 %	10 %	10 %	14 %	14 %
Agricultural and Vacant	7	7	7	10	10
Residential (Owner Occupied)	54	53	54	53	53
Residential (Rental)	29	30	29	23	23
Total	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	15 %	12 %	8 %
Agricultural and Vacant	14	10	10	10	15
Residential (Owner Occupied)	58	61	64	67	71
Residential (Rental)	10	11	6	6	6
Historical Property			5	5	4
Total	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>104 %</u>

Source: The source of this information is the State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

Note: Additional classes of property exist, but do not amount to a significant portion of the City's total valuation, therefore they are not included on this schedule.

**CITY OF MARICOPA, ARIZONA
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	General Obligation Bonds					Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Capital Leases	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income
2019	\$ 38,540,686	\$ 396,930	\$ 38,143,756	1.22 %	732 \$	\$	\$ 38,540,686	1.23 %	\$ 740	2.81 %
2018	40,373,237	834,960	39,538,277	1.29	824		40,373,237	1.32	841	3.20
2017	42,150,788	769,129	41,381,659	1.39	867		42,150,788	1.41	883	3.61
2016	43,878,339	157,168	43,721,171	1.54	904		43,878,339	1.55	907	3.90
2015	45,565,890		45,565,890	2.33	976		45,565,890	2.33	976	4.44
2014	47,218,441		47,218,441	2.61	1,011		47,218,441	2.61	1,011	5.62
2013	51,035,992		51,035,992	2.73	1,135	75,581	51,111,573	2.73	1,137	5.15
2012	19,360,467		19,360,467	0.99	422	147,598	19,508,065	1.00	425	2.06
2011	20,095,493		20,095,493	0.87	452	413,796	20,509,289	0.89	461	2.20
2010	20,100,519		20,100,519	0.62	462	955,316	21,055,835	0.65	484	2.43

Source: The source of this information is the City's financial records.

Note: N/A indicates that the information is not available.

**CITY OF MARICOPA, ARIZONA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2019**

<u>Governmental Unit</u>	<u>Debt Outstanding ⁽²⁾</u>	<u>Estimated Percentage Applicable to City ⁽¹⁾</u>	<u>Estimated Amount Applicable to City</u>
Overlapping:			
Pinal County Community College District	76,730,000	10.3 %	7,903,190
Maricopa Unified School District	31,485,000	100.0	<u>31,485,000</u>
Subtotal, Overlapping Debt			<u>39,388,190</u>
Direct:			
The City of Maricopa	38,540,686	100.0	<u>38,540,686</u>
Total Direct and Overlapping Debt			<u><u>\$ 77,928,876</u></u>

Source: The source of this information is the City's records and the State and County Abstract of the Assessment Roll, Arizona Department of Revenue and the applicable governmental unit.

Notes: 1) Estimated percentage of debt outstanding applicable to the City is calculated based on the City's secondary assessed valuation as a percentage of the secondary assessed valuation of the overlapping jurisdiction.

2) Outstanding debt as of June 30, 2018 is presented for the overlapping governments as this is the most recent available information.

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**CITY OF MARICOPA, ARIZONA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Legal Debt Margin Calculations for Fiscal Year 2019:

20% Limitation		6% Limitation	
Net full cash assessed valuation	\$ 322,866,042	Net full cash assessed valuation	\$ 322,866,042
Debt limit	64,573,208	Debt limit	19,371,963
Debt applicable to limit	31,006,506	Debt applicable to limit	6,878,494
Legal 20% debt margin	\$ 33,566,702	Legal 6% debt margin	\$ 12,493,469

	Fiscal Year Ended June 30					
	2019	2018	2017	2016	2015	2014
20% Limitation:						
Debt limit	\$ 64,573,208	\$ 63,103,631	\$ 61,622,193	\$ 59,324,480	\$ 41,975,334	\$ 39,926,588
Total net debt applicable to limit	31,006,506	31,959,491	33,464,482	34,926,278	36,949,078	37,745,000
Legal 20% debt margin	\$ 33,566,702	\$ 31,144,140	\$ 28,157,711	\$ 24,398,202	\$ 5,026,256	\$ 2,181,588
Total net debt applicable to the 20% limit as a percentage of 20% debt limit	48%	51%	54%	59%	88%	95%
6% Limitation:						
Total Debt limit	\$ 19,371,963	\$ 18,931,089	\$ 18,486,658	\$ 17,797,344	\$ 12,592,600	\$ 11,977,976
Total net debt applicable to limit	6,878,494	7,715,509	7,945,518	7,790,922	7,790,922	8,605,000
Legal 6% debt margin	\$ 12,493,469	\$ 10,541,140	\$ 10,006,422	\$ 4,801,678	\$ 3,372,976	\$ 3,866,214
Total net debt applicable to the 6% limit as a percentage of 6% debt limit	36%	41%	43%	44%	62%	72%

(Continued)

**CITY OF MARICOPA, ARIZONA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
20% Limitation:				
Debt limit	\$ 41,570,712	\$ 44,047,932	\$ 51,957,327	\$ 71,218,681
Total net debt applicable to limit	<u>41,520,000</u>	<u>19,270,000</u>	<u>20,000,000</u>	<u>20,000,000</u>
Legal 20% debt margin	<u>\$ 50,712</u>	<u>\$ 24,777,932</u>	<u>\$ 31,957,327</u>	<u>\$ 51,218,681</u>
Total net debt applicable to the 20% limit as a percentage of 20% debt limit	100%	44%	38%	28%
6% Limitation:				
Debt limit	\$ 12,471,214	\$ 13,214,379	\$ 15,587,198	\$ 21,365,604
Total net debt applicable to limit	<u>8,605,000</u>	<u></u>	<u></u>	<u></u>
Legal 6% debt margin	<u>\$ 3,866,214</u>	<u>\$ 13,214,379</u>	<u>\$ 15,587,198</u>	<u>\$ 21,365,604</u>
Total net debt applicable to the 6% limit as a percentage of 6% debt limit	69%	0%	0%	0%

Source: The source of this information is the City's financial records.

(Concluded)

**CITY OF MARICOPA, ARIZONA
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated City Population</u>
2018	440,591	\$ 13,701,923	\$ 30,644	5.0 %	52,117
2017	430,237	12,609,714	29,309	5.0	48,007
2016	418,540	11,689,781	27,930	5.5	47,746
2015	406,584	11,255,255	27,682	6.4	48,374
2014	402,000	10,255,422	25,511	6.0	46,708
2013	401,918	8,404,105	20,910	6.0	46,708
2012	389,350	9,932,708	25,511	8.0	44,946
2011	389,192	9,452,306	24,287	8.9	45,882
2010	384,231	9,331,818	24,287	10.3	44,450
2009	375,770	8,665,256	23,060	12.0	43,482

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis.

The source of the "Population" and "Unemployment Rate" information from 2009 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2018 the source of the information is the Arizona Office of Employment and Population Statistics.

**CITY OF MARICOPA, ARIZONA
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND NINE YEARS PRIOR**

Employer	2019			2010		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Maricopa Unified School District	670	1	13.67 %	475	2	8.78 %
City of Maricopa	369	2	7.53	210	5	3.88
Walmart	250	3	5.10	220	4	4.07
Pinal County	200	4	4.08			
Volkswagen Proving Grounds	150	5	3.06	150	7	2.77
McDonald's	120	6	2.45			
Fry's Food Stores	110	7	2.24	280	3	5.18
Sequoia Pathway Academy	100	8	2.04			
Legacy Traditional School	80	9	1.63			
Native Grill and Wings	80	10	1.63			
Bashas'				146	8	2.70
Harrah's Ak-Chin Casino Resort				600	1	11.09
Ak-Chin Farms				200	6	3.70
Pinal Feeding Co. Inc.				100	9	1.85
Duke At Rancho El Dorado				75	10	1.39
Total	<u>2,129</u>		<u>43.43 %</u>	<u>2,456</u>		<u>45.41 %</u>
Total employment	<u>4,901</u>			<u>5,410</u>		

Source: The source of the 2019 information is the Maricopa Association of Governments (MAG) 2019.
The source of the 2010 information is the 2010 City of Maricopa CAFR.

**CITY OF MARICOPA, ARIZONA
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS**

	Full-time Equivalent Employees as of June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Government					
Court	1.0	1.0	1.0	1.0	1.0
Mayor and Council	8.0	8.0	8.0	8.0	8.0
City Manager	4.0	4.0	4.0	4.0	4.0
Information Technology	5.0	5.0	4.0	4.0	4.0
Marketing & Communication	1.0	0.0	1.0	1.0	1.0
City Clerk	5.0	5.0	4.0	4.0	4.0
Finance	9.0	10.0	8.0	9.0	9.0
Support Services Administration	3.0	0.0	0.0	0.0	0.0
Human Resources	4.0	3.5	3.5	4.5	4.5
Planning	3.0	3.0	3.0	3.0	3.0
Development Services	2.0	1.50	2.00	1.90	1.50
Building Safety	6.0	10.5	7.5	7.0	7.0
Code Enforcement	2.0	1.0	1.0	1.0	1.0
Facilities Management	3.0	2.0	2.0	2.0	2.0
Fleet Management	3.0	1.5	1.5	1.0	1.0
Public Works Administration	9.0	8.0	5.0	2.0	0.0
Police	85.0	78.8	87.5	89.5	86.9
Fire	69.0	66.4	63.0	64.0	64.0
Engineering	2.0	2.0	3.0	2.0	2.0
Transportation	1.0	1.2	1.0	0.6	0.6
Community Services Administration	4.0	4.0	4.0	3.0	3.0
Recreation/Copper Sky Recreation Center	72.0	72.0	62.5	66.5	66.5
Park Maintenance	20.0	19.0	18.0	3.0	3.0
Libraries	10.0	10.0	10.0	8.5	8.5
Economic Development	4.0	3.0	3.0	3.0	3.0
HURF/Public Works	10.0	12.50	11.00	25.10	14.50
Total	<u>345.0</u>	<u>332.9</u>	<u>318.5</u>	<u>318.6</u>	<u>303.0</u>

**CITY OF MARICOPA, ARIZONA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Government					
Court	3.0	3.0	5.0	4.5	4.5
Mayor and Council	8.0	8.0	8.0	7.0	7.0
City Manager	6.0	4.0	4.0	5.5	7.5
Information Technology	4.0	4.0	4.0	4.0	4.0
Marketing & Communication	0.0	0.0	0.0	0.0	0.0
City Clerk	5.0	5.0	5.0	5.0	5.0
Finance	9.0	10.0	10.0	10.5	10.5
Support Services Administration	0.0	0.0	0.0	0.0	2.0
Human Resources	3.0	3.0	3.0	3.0	1.0
Planning	3.0	2.0	2.0	3.0	3.0
Development Services	3.75	3.8	2.8	3.0	4.0
Building Safety	6.0	6.0	7.0	7.0	7.0
Code Enforcement	1.0	2.0	0.0	1.0	1.0
Facilities Management	2.0	2.0	2.0	2.5	2.0
Fleet Management	1.0	1.0	1.0	1.0	1.0
Public Works Administration	0.0	0.0	0.0	0.0	2.0
Police	64.0	66.0	68.0	62.0	63.0
Fire	63.0	63.0	63.0	63.0	66.0
Engineering	2.0	1.5	1.5	3.0	3.0
Transportation	1.0	1.5	1.5	4.0	2.0
Community Services Administration	2.0	2.0	2.0	2.0	2.0
Recreation	3.0	3.0	3.0	3.0	4.0
Park Maintenance	1.0	1.0	2.0	3.0	2.0
Libraries	8.0	8.0	7.0	7.0	7.0
Economic Development	3.0	5.0	5.0	3.0	1.0
HURF/Public Works	10.3	9.3	9.2	8.0	8.0
Total	<u><u>212.0</u></u>	<u><u>214.0</u></u>	<u><u>216.0</u></u>	<u><u>215.0</u></u>	<u><u>219.5</u></u>

Source: The source of this information is the City's Human Resources Office.

**CITY OF MARICOPA, ARIZONA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>Function/Program</u>										
General Government										
Number of general government buildings	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police										
Number of police stations	2	2	2	1	1	1	1	1	1	1
Fire										
Number of fire stations	4	4	4	4	4	4	4	4	4	4
Community Services										
Number of parks and recreation facilities	4	4	4	4	4	4	3	2	2	1
Number of acres of parks	127	127	127	127	127	127	29	28	28	28
Public Works										
Number of public works buildings	1	1	1	1	1	1	1	1	1	1
Miles of streets	541	541	541	532	532	532	532	*	*	*
Number of street lights	17	16	16	15	15	15	12	10	8	4

Source: Various city departments
*Information is unavailable

**CITY OF MARICOPA, ARIZONA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Public Safety										
Police										
Number of police personnel and officers:	96	89	90	90	75	72	66	66	63	66
Number of arrests	1,815	2,033	2,116	2,149	2,209	2,171	2,235	1,650	1,408	1,594
Number of traffic violations	3,229	1,821	4,038	3,671	3,649	2,801	3,504	3,055	4,468	3,581
Number of parking violations	4	2	9	416	179	244	28	21	16	6
Fire										
Number of fire personnel and firefighters	73	69	64	61	61	63	63	63	63	66
Number of emergency calls	4,071	4,099	5,002	4,472	3,773	3,368	3,302	3,074	3,056	3,034
Number of fire calls	811	494	497	458	450	410	435	375	438	378
Number of inspections	417	350	420	215	170	120	279	570	666	595
Development Services										
Number of building-single family residential permits issued	1,005	1,059	600	527	299	321	419	225	111	382
Number of building-non-residential permits issued	356	83	2	25	40	22	44	35	72	44
Number of demolition permits issued	22	21		2	4	3	3	9	13	4
Number of pool permits issued	223	181	141	146	172	184	148	164	128	139
Number of solar permits issued	295	63	176	118	724	195	44	24	15	33
Number of sign permits issued	43	40	11	26	50	52	71	46	33	21
Community Services										
Recreation										
Number of facility and park reservations processed	5,306	5,090	5,422	6,172	6,000	584	600	634	395	0
Number of programs	806	556	593	584	650	562	357	357	330	335
Library										
Number of materials in inventory	52,177	51,000	47,558	47,214	44,000	42,148	32,060	27,515	23,071	20,062

Source: Various city departments.

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CITY OF
MARICOPA[®]
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Henry M. Wade, Jr.
Vice Mayor

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Councilmember

Julia R. Gusse
Councilmember

Vincent Manfredi
Councilmember

Nancy Smith
Councilmember

Rich Vitiello
Councilmember

Ricky A. Horst
City Manager

Jennifer Brown
Director of Administrative Services

Angele A. Ozoemelum
Financial Services Manager

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