



Our Future Is Now:
Celebrating a Decade, Preparing for the Future
Comprehensive Annual Financial Report
for the year ended June 30, 2014

**CITY OF MARICOPA, ARIZONA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Issued by:
Financial Services Department

CITY OF MARICOPA, ARIZONA

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CITY OF MARICOPA, ARIZONA

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INTRODUCTORY SECTION

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March 5, 2015

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. This report is published to fulfill that requirement for the fiscal year ended June 30, 2014.

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.

Heinfeld, Meech & Co., P.C., Certified Public Accountants, have issued an unqualified (“clean”) opinion on the City of Maricopa financial statements for year ended June 30, 2014. The independent auditor’s report is located at the front 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 origins of the City took place at a series of watering holes eight miles north of present day Maricopa, and about a mile west of Pima Butte. Several of Arizona’s rivers, the Gila, Santa Cruz, Vekol and Santa Rosa provided this oasis in the desert with an ample supply of water for agriculture and traders. The earliest known written record of the area was a journal entry made by Father Eusebio Francisco Kino in 1694. The area became an important stage stop in the 1800’s on the Butterfield Overland Mail Line that stretched from St. Louis to San Francisco. In the 1870’s, the Southern Pacific Railroad built a line from Yuma to Tucson, and a line was built from the present City of Maricopa area north into Phoenix and completed by the Maricopa & Phoenix Railroad in 1887.

Rail transportation was halted in the mid 1930’s, and Maricopa continued as a farming and ranching hub for the area. The City of Maricopa is located 35 minutes from Phoenix Sky Harbor Airport and 100 miles northwest of Tucson in Pinal County, and is one of the top growth areas in both the state and the country, increasing in population over 750% 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 45,821. 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. Policy-making authority is vested in a City Council (Council) consisting of the mayor and six Council members, all elected 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 elected for a two-year term. The Mayor and Council members are elected at large.

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

Economic Condition

Key advantages for the City of Maricopa include the high education levels and skill sets of its workforce – 89% of adults have some post-high school education and 48% of households report an income level above \$75,000 annually (according to a 2013 City of Maricopa Labor Study).

Major industries/employers in the area include governmental services – the City of Maricopa and the Maricopa Unified School District – and several private entities. These include automotive testing facilities, such as the Volkswagen North American Proving Grounds and the Nissan Technical 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 also 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. The community also boasts gaming attractions – Harrah’s Ak-Chin Casino Resort – and golf entertainment at Southern Dunes Golf Course and The Duke at Rancho El Dorado Golf Course. 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. A 300 megawatt Maricopa Solar Park project has also been proposed and would be located on 1,730 acres of federal land near the City.

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. In June 2014, the Maricopa City Council approved a site plan for a development called Maricopa Station. Located on a 2.45-acre site at the northeast corner of SR 347 and Smith-Enke Road, the plans for Maricopa Station include a 7,800 square foot multi-tenant shops building and 3,300 square foot Freddy’s drive through restaurant. Chipotle and Starbucks are expected to open in June 2015 with Freddy’s and other tenants opening later in the year. Vacancy rates for all types of commercial space remain very low at 7.1% for retail, 6.6% for office and 0% for industrial as of the end of fourth quarter FY 2013-2014.

Higher education is a priority for Maricopa’s future and Central Arizona College is delivering through the development of a 217-acre campus with anticipated total population of more than 20,000 at full build-out. On December 16, 2011, Central Arizona College broke ground on Phase I of this new campus and the first classes were held in spring 2013. The attraction of healthcare services to the community has been a strong focus for the City of Maricopa since its inception. Banner Health Center, the City’s first major medical facility, opened on May 16, 2012. The 40,000 square foot center was made possible through a public-private partnership between the City and Banner Health. Primary and specialty medical care services are offered and Banner Health has plans to expand the facility and its services as local demand requires. In September 2012, Dignity Health Arizona announced that it had acquired land in the City for a future 32,000 square foot emergency hospital. The healthcare provider also opened an urgent care center in spring 2013.

The current Maricopa housing market mirrors that of similar periphery communities in the Phoenix Metro region. While new home building in Maricopa has slowed from the boom of 2006-2007, trends have remained consistent with the rest of the Phoenix market. During the 2012-2013 fiscal year, Maricopa saw an approximate average of 35 new single family home permits per month. This average declined to 26 new single family permits per month in 2013-2014, a decrease of 25 percent. Still a slight growth is projected for 2014-2015 and beyond. In addition, Maricopa's homes continue to sell at or faster than the average Valley rate with significant investment from Canadian visitors. The housing vacancy rate has continued to fall and was less than 5% by the end of the fiscal year.

Due to its rapid development and current dependency upon the Greater Phoenix area for employment opportunities, Maricopa's average unemployment rate for 2011 was 12.4% (with a Pinal County average of 11.2%). However, significant investments by the City in municipal projects and economic development as well as local private investments are working to lessen this dependency. Aided by modest economic recovery at the national and regional levels, the City's average annual unemployment rate through June 2013 had fallen to 8.5% (with a Pinal County average of 8.6%).

Major initiatives

Higher education will play a significant role in Maricopa's future as Central Arizona College works to develop its campus; the City is in full support of this project and highly involved in assisting with its execution.

A major project in process is the City Center development underway on a 20-acre portion of a larger 140-acre piece of City-owned property at White & Parker Road and Bowlin Road. The project includes a City Hall building of approximately 45,000 square feet as well as an adjacent Police Administration building, which opened soon after the fiscal year end in September 2013. Approximately 10 acres of the 20-acre piece is being reserved for use by private partners for the development of appropriate retail and office uses, up to 140,000 square feet of total development. The remaining 120-acres of City-owned property is envisioned to provide additional quality of life amenities and entertainment options to residents as well as site opportunities for business attraction and development to aid in overall economic growth.

As a key element in the City Council Strategic Plan, the City used existing bond proceeds to fund the development of a regional park and recreation complex that provides greater access to recreational facilities for residents and tourists. The grand opening celebration for the Copper Sky Recreation Complex was held in March 2014. Comprised of the 52,000 square foot Copper Sky Multigenerational/Aquatics Center and 98-acre Copper Sky Regional Park, it is the destination for sports, fitness, recreation and leisure activities in Maricopa. It also hosts regional athletic tournaments and special community events including the Salsa Festival, Merry Copa, Great American BBQ and Fishing Derby. With a projected 500,000 visitors in its first year, it has become the center of activity in Maricopa. To take advantage of activity at the complex, 18 acres of City-owned highway frontage has been reserved for future commercial development.

The City is also implementing initiatives to support local business growth as well as attract larger employers to the community. The City received USDA grant funds to launch its first small business incubator, which opened in February 2013. The Maricopa Center for Entrepreneurship (MCE) provides business training and business incubation services to local start-up companies with the goal of diversifying the local economy.

In 2012, the City conducted a feasibility study to determine the viability of developing approximately 50 acres of City-owned land as a mixed use business park. The Estrella Gin Business Park site is located just west of the intersection of Edison Road and Roosevelt Avenue. Planned to be developed through a public-private partnership, it is the City's leading project to spur local economic growth. The goal for the business park is to provide employment opportunities for local residents by allowing expanding businesses to remain in the community and facilitating the relocation of industry to Maricopa. In May 2014, this project took a major step forward when the Maricopa City Council approved a Master Planning and Marketing Agreement with The Boyer Company for the planning, design, marketing, disposition and future development of land within the Estrella Gin Business Park. Approximately 40 acres will be available for commercial development, anticipated to include a mix of industrial, office and flex space. Fire Station 575 has already opened on two acres at the south end of the site, a Public Works/Fire/Fleet Maintenance facility is planned, and the City has set aside land for the potential relocation of the existing Amtrak station to the site.

In June 2014, the Arizona State Transportation Board voted to adopt the 2015-2019 Five-Year Transportation Facilities Construction Program, which includes funding for an overpass project at State Route 347 and Union Pacific Railroad crossing. The board's action determines which projects are now programmed in Greater Arizona while allocating dedicated funding to the preservation of Arizona's existing highway system over the next five years. The inclusion of this project into the plan is a major step in securing local, state and federal funding and keeping this project moving forward. The City's overpass project was one of six major projects moving forward in the region.

Relevant financial policies

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). Department Directors may transfer resources within a department as they see fit with the City Manager's approval. Transfers between departments; however, require approval from the City Council.

It is the City of Maricopa's policy that half of "one-time" resource inflows from construction-related activities be reserved for capital outlay purposes. The General Fund annual budget shall also include contingency funds equal to at least ten percent of budgeted expenditures in order to accommodate unplanned and unforeseen budgetary needs throughout the fiscal year.

Long-term financial planning

Unassigned fund balance of \$24.7 million in the General Fund represents 84 percent of total General Fund budgeted expenditures. This falls within the 30 percent policy guidelines set by the Council for budgetary and planning purposes.

Per the City's budget policies, the City shall adopt a balanced budget. A balanced budget means total budgetary expenditures shall be equal to or less than total financial resources available (revenues plus available fund balance). For financial planning purposes, the City now prepares a Comprehensive Financial Plan to initiate the annual budget process. This process was initiated in the fiscal year ended June 30, 2013 as part of the FY12-13 annual budget preparation.

The Comprehensive Financial Plan provides a five-year perspective on the financial condition of the City's General Fund and any other appropriated funds deemed necessary. For the FY13-14 budget process, a Comprehensive Financial Plan was prepared for both the General Fund and the Highway User Revenue Fund (HURF) as these are the two largest operating funds in the City. This plan provided a long-range context for staff and the City Council to make budgetary decisions for the upcoming fiscal year.

The financial forecasts are utilized to examine the revenue and expenditure structures a period of five years and include forecasted fund balance information.

Unassigned fund balance in the General Fund (84 percent of General Fund budgeted expenditures) falls within the policy guidelines set by the Council for budgetary and planning purposes.

The City is committed to matching its expenditures with available revenues, and has restructured several departments to re-align service delivery to better serve the citizens at a lower cost.

AWARDS AND ACKNOWLEDGMENTS

Award. 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, 2013. 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 2013-14 certificate.

Acknowledgments. 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 department. Each member of the department 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,



Gregory E. Rose, ICMA-CM
City Manager



Brian A. Ritschel, CPA, CFE
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

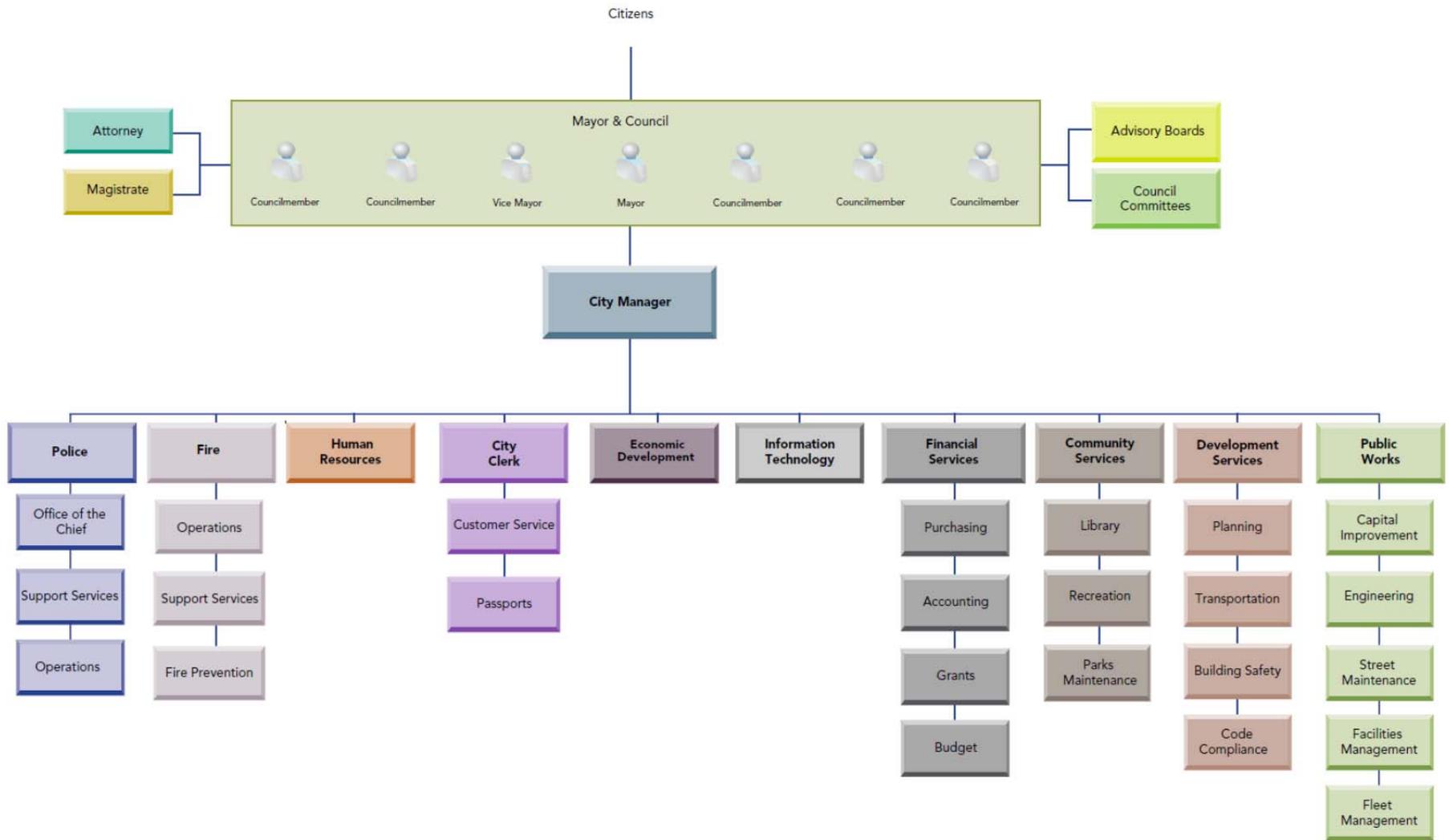
Presented to

City of Maricopa
Arizona

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO



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

ELECTED OFFICIALS

Mayor	Christian Price
Vice-Mayor	Edward Farrell
Council Member	Dan Frank
Council Member	Bridger Kimball
Council Member	Marvin Brown
Council Member	Peggy Chapados
Council Member	Julia Gusse

CITY STAFF

City Manager	Gregory Rose
City Clerk	Vanessa Bueras
Community Services Director	Kristie Riester
Development Services Director	Robert Goodhue
Economic Development Director	Micah Miranda
Financial Services Director	Brian Ritschel
Fire Chief	Brady Leffler
Interim Human Resources Director	Richard Clore
Intergovernmental Affairs Director	Paul Jepson
Police Chief	Steve Stahl
Public Works Director	William Fay

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 City of Maricopa, Arizona (City), as of and for the year ended June 30, 2014, 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, 2014, 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.

Change in Accounting Principle

As described in Note 1, the City implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for the year ended June 30, 2014, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 12 and budgetary comparison information on pages 48 and 49 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 and statistical sections 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 March 5, 2015, 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 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 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., P.C.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

March 5, 2015

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, 2014**

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, 2014. 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 2013-14 as follows:

- The City's total net position of governmental activities decreased \$2.0 million to \$254.7 million representing a one percent decrease over the prior year.
- General revenues from governmental activities accounted for \$36.0 million in revenue, or 78 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$9.9 million or 22 percent of total governmental activities revenues.
- The City had \$47.8 million in expenses related to governmental activities, an increase of 34 percent from the prior fiscal year. This is primarily due to an increase in the Community Services Department expenditures because of the opening of the Copper Sky Multigenerational Center and Regional Park.
- Among major funds, the General Fund had \$30.1 million in current fiscal year revenues, which primarily consisted of property tax, sales tax, and intergovernmental revenues, and \$27.1 million in expenditures. The General Fund's fund balance increased \$1.6 million from \$23.1 million at the end of the prior fiscal year to \$24.7 million at the end of the current fiscal year primarily due to an increase in sales tax and intergovernmental revenues.
- The Debt Service Fund had \$3.7 million in revenues. Expenditures totaled \$5.2 million, resulting in a decrease in fund balance of \$1.5 million.
- The Transportation Impact Fee Fund, had \$872,079 in revenues. Fund expenditures totaled \$1.3 million resulting in a decrease in fund balance of \$21.7 million to \$21.3 million.
- The Parks Bond Fund had \$25,071 in interest revenues. Fund expenditures totaled \$20.3 million.
- The General Government CIP Fund had \$1.3 million in revenues and expenditures of \$3.4 million for the construction of the City Hall Complex and \$1.2 million for other CIP Projects.

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2014**

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 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.

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2014**

OVERVIEW OF FINANCIAL STATEMENTS (Concl'd)

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 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.

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, Debt Service, Transportation Impact Fee, Parks Bond, and General Government CIP 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 as supplementary information presented with these financial statements.

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. 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 as required supplementary information presented with these financial statements.

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2014**

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 exceeded liabilities by \$254.7 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, infrastructure, vehicles, machinery and equipment, computer and software, 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.

The following table presents a summary of the City's net position for the fiscal years ended June 30, 2014 and June 30, 2013.

	Governmental Activities	
	2014	2013
Current and other assets	\$ 82,259,425	\$ 110,074,008
Capital assets, net	224,068,171	206,627,138
Total assets	<u>306,327,596</u>	<u>316,701,146</u>
Current liabilities	3,324,033	7,883,917
Long-term liabilities	48,335,582	52,133,813
Total liabilities	<u>51,659,615</u>	<u>60,017,730</u>
Net investment in capital assets	176,849,760	177,370,008
Restricted	54,993,935	55,767,940
Unrestricted	22,824,286	23,545,468
Total net position	<u>\$ 254,667,981</u>	<u>\$ 256,683,416</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 acquisition and 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 over \$26.7 million in capital asset additions with an increase in accumulated depreciation of \$8.2 million.
- Current liabilities decreased primarily due to the completion of the City Hall Complex during the fiscal year.
- Long-term liabilities decreased due to the principal retirement of \$3.0 million in bonds payable.

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2014**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

Changes in net position. The City's total revenues for the current fiscal year were \$45.8 million. The total cost of all programs and services was \$47.8 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2014 and June 30, 2013.

	Governmental Activities	
	2014	2013
Revenues:		
Program revenues:		
Charges for services	\$ 2,428,962	\$ 1,805,938
Operating grants and contributions	5,938,010	926,682
Capital grants and contributions	1,486,660	6,180,277
General revenues:		
Property taxes, levied for general purposes	9,391,368	9,409,828
Property taxes, levied for debt service	3,542,070	1,457,540
Sales taxes	8,684,810	7,942,569
Franchise taxes	344,151	309,744
Unrestricted grants, aid, and state shared revenues	13,514,587	12,912,995
Investment income	472,562	171,708
Total revenues	45,803,180	41,117,281
Expenses:		
General government	9,718,746	6,656,984
Public safety	18,672,370	17,447,674
Community services	5,687,823	2,399,939
Development services	3,091,943	8,224,264
Public works	7,547,174	
Interest on long-term debt	3,100,559	1,015,685
Total expenses	47,818,615	35,744,546
Changes in net position	(2,015,435)	5,372,735
Net position, beginning	256,683,416	251,310,681
Net position, ending	\$254,667,981	\$ 256,683,416

- Total revenues increased \$4.7 million, or 11 percent, primarily due to an increase of \$2.1 million in property tax revenues, levied for debt service.
- Total expenses increased \$12.1 million, or 34 percent, primarily due to increases in the Community Services Department from the opening of the Copper Sky Regional Park and Multigenerational Facility, the Public Works Department of repairs and maintenance projects, and interest on long-term debt.
- The increase in operating grants and contributions of \$5.1 million was primarily due to a pass-through grant from the Ak-Chin Indian Community to the Maricopa Unified School District and a contribution from the Ak-Chin Indian Community to assist the City in the operations of the Copper Sky Regional Park and Multigenerational Facility.
- The public works operations was separated out from the Development Services Department during the fiscal year to create the Public Works Department.

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2014**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Concl'd)

	<u>Year Ended June 30, 2014</u>		<u>Year Ended June 30, 2013</u>	
	<u>Total Expenses</u>	<u>Net (Expense)/ Revenue</u>	<u>Total Expenses</u>	<u>Net (Expense)/ Revenue</u>
General government	\$ 9,718,746	\$ (7,576,923)	\$ 6,656,984	\$ (5,562,201)
Public safety	18,672,370	(16,955,842)	17,447,674	(15,987,097)
Community services	5,687,823	(3,663,113)	2,399,939	(2,008,411)
Development services	3,091,943	(2,376,361)	8,224,264	(2,576,558)
Public works	7,547,174	(4,601,004)		
Interest on long-term debt	3,100,559	(2,791,740)	1,015,685	(697,382)
Total	<u>\$ 47,818,615</u>	<u>\$ (37,964,983)</u>	<u>\$ 35,744,546</u>	<u>\$ (26,831,649)</u>

- The cost of all governmental activities this year was \$47.8 million.
- Federal and State grants and contributions and charges for services subsidized certain programs with grants and contributions and other local revenues of \$10.0 million.
- Net cost of governmental activities of \$38.0 million was financed by general revenues, which are made up of primarily property taxes of \$12.9 million, sales taxes of \$8.7 million, and state shared revenues of \$13.5 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 \$78.1 million, a decrease of \$21.7 million due primarily to the utilization of fund balance in the Parks Bond Fund for the construction of the Copper Sky Regional Park and Multigenerational Facility.

The General Fund is the principal operating fund of the City. The increase in fund balance of \$1.6 million for the fiscal year to \$24.7 million was due primarily due to an increase in sales tax and intergovernmental revenues.

The General Government CIP Fund balance decreased by \$3.3 million to an ending fund balance of \$16.5 million due to the utilization of fund balance for construction projects.

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2014**

FINANCIAL ANALYSIS OF THE CITY'S FUNDS (Concl'd)

The Transportation Impact Fee Fund showed a decrease in fund balance of \$434,068 due to the utilization of fund balance for highway and street projects.

The Parks Bond Fund reported a decrease in fund balance of \$20.3 million due primarily due to the utilization of the remaining funds from the bond issuance for the Copper Sky Regional Park and Multigenerational Facility.

BUDGETARY HIGHLIGHTS

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 variances between the original and final budgets and the final budget and actual amounts for the General Fund are as follows:

- Sales tax collections increased from the prior year and are above budget.
- Property taxes received are below budget due to a reduction by the County of the primary property tax levy.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the City had invested \$268.6 million in capital assets, including buildings, facilities, vehicles, computers, equipment, and infrastructure assets. This amount represents a net increase prior to depreciation of \$24.6 million from the prior fiscal year, primarily due to the completion of the Copper Sky Regional Park and Multigenerational Facility and the City Hall Complex construction projects. Total depreciation expense for the current fiscal year was \$8.2 million.

The following schedule presents capital asset balances for the fiscal years ended June 30, 2014 and June 30, 2013.

<u>Governmental Activities</u>	<u>As of June 30, 2014</u>	<u>As of June 30, 2013</u>
Land and land improvements	\$ 87,259,807	\$ 87,113,461
Infrastructure	86,148,345	84,702,721
Buildings and improvements	75,114,253	13,276,615
Vehicles, machinery and equipment	17,522,881	14,253,977
Construction in progress	2,541,026	44,668,806
Less: Accumulated depreciation	(44,518,141)	(37,388,442)
Total	<u>\$ 224,068,171</u>	<u>\$ 206,627,138</u>

Additional information on the City's capital assets can be found in Note 6.

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2014**

CAPITAL ASSETS AND DEBT ADMINISTRATION (Concl'd)

Debt Administration. – At year end, the City had \$47.2 million in long-term debt outstanding, \$1.6 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 \$42.0 million, of which \$37.7 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 \$12.6 million, of which \$8.6 million is issued and outstanding.

Additional information on the City's long-term debt can be found in Note 7.

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 2014-15. The most significant factors affecting the subsequent year's budget are:

- The property tax levy assumed growth in the primary levy.
- Sales tax, state shared and intergovernmental revenues only slightly increased due to continued slow growth in the economy and the uncertainty in the state budget.
- Operating expenditures assumed additional service levels in anticipation of future operating impacts of several key capital projects.

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, 2014**

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments	\$ 79,349,288
Taxes receivable	853,926
Accounts receivable	96,909
Intergovernmental receivables	1,942,650
Prepaid items	16,652
Total current assets	82,259,425
Noncurrent assets:	
Land and other non-depreciable assets	89,800,833
Infrastructure, buildings, equipment and other depreciable assets	178,785,479
Accumulated depreciation	(44,518,141)
Total noncurrent assets	224,068,171
Total assets	306,327,596
LIABILITIES	
Current liabilities:	
Accounts payable	2,830,272
Accrued wages and benefits	493,561
Customer deposits	200
Compensated absences payable	773,412
Bonds payable	1,610,000
Total current liabilities	5,707,445
Noncurrent liabilities:	
Compensated absences	343,729
Bonds payable	45,608,441
Total noncurrent liabilities	45,952,170
Total liabilities	51,659,615
NET POSITION	
Net investment in capital assets	176,849,760
Restricted for:	
Public safety	691,549
Highways and streets	32,948,388
Capital outlay	16,821,784
Grants	844,700
Parks and recreation	3,687,514
Unrestricted	22,824,286
Total net position	\$ 254,667,981

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, 2014**

Functions/Programs	<u>Program Revenues</u>				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	\$ 9,718,746	\$ 159,841	\$ 1,981,982	\$	\$ (7,576,923)
Public safety	18,672,370	994,921	368,172	353,435	(16,955,842)
Community services	5,687,823	536,941	1,487,769		(3,663,113)
Development services	3,091,943	272,186	77,566	365,830	(2,376,361)
Public works	7,547,174	465,073	1,713,702	767,395	(4,601,004)
Interest on long-term debt	3,100,559		308,819		(2,791,740)
Total governmental activities	<u>\$ 47,818,615</u>	<u>\$ 2,428,962</u>	<u>\$ 5,938,010</u>	<u>\$ 1,486,660</u>	<u>(37,964,983)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	9,391,368
Property taxes, levied for debt service	3,542,070
Sales taxes	8,684,810
Franchise taxes	344,151
Unrestricted grants, aid, and state shared revenues	13,514,587
Investment income	472,562
Total general revenues	<u>35,949,548</u>

Changes in net position	(2,015,435)
Net position, beginning of year	<u>256,683,416</u>
Net position, end of year	<u>\$ 254,667,981</u>

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, 2014**

	General Fund	Debt Service	Transportation Impact Fee
<u>ASSETS</u>			
Cash and investments	\$ 23,735,561	\$	\$ 21,602,104
Taxes receivable	591,384	262,542	
Accounts receivable	96,909		
Intergovernmental receivables	1,162,897	154,401	
Due from other funds	1,650,631		
Prepaid items	16,652		
Total assets	\$ 27,254,034	\$ 416,943	\$ 21,602,104
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 1,596,521	\$	\$ 317,498
Accrued wages and benefits	421,997		
Due to other funds		1,650,631	
Customer deposits	200		
Total liabilities	2,018,718	1,650,631	317,498
Deferred inflows of resources:			
Unavailable revenue - property taxes	568,152	232,016	
Fund balances (deficits):			
Nonspendable	16,652		
Restricted			21,284,606
Unassigned	24,650,512	(1,465,704)	
Total fund balances	24,667,164	(1,465,704)	21,284,606
 Total liabilities, deferred inflows of resources and fund balances	 \$ 27,254,034	 \$ 416,943	 \$ 21,602,104

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

<u>Parks Bond</u>	<u>General Government CIP</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 766,705	\$ 16,574,401	\$ 16,670,517	\$ 79,349,288
			853,926
			96,909
		625,352	1,942,650
			1,650,631
			16,652
<u>\$ 766,705</u>	<u>\$ 16,574,401</u>	<u>\$ 17,295,869</u>	<u>\$ 83,910,056</u>
\$ 125,196	\$ 100,662	\$ 690,395	\$ 2,830,272
		71,564	493,561
			1,650,631
			200
<u>125,196</u>	<u>100,662</u>	<u>761,959</u>	<u>4,974,664</u>
			<u>800,168</u>
			16,652
641,509	16,473,739	16,533,910	54,933,764
			23,184,808
<u>641,509</u>	<u>16,473,739</u>	<u>16,533,910</u>	<u>78,135,224</u>
<u>\$ 766,705</u>	<u>\$ 16,574,401</u>	<u>\$ 17,295,869</u>	<u>\$ 83,910,056</u>

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CITY OF MARICOPA, ARIZONA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2014

Total governmental fund balances		\$ 78,135,224
<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	\$ 268,586,312	
Less accumulated depreciation	<u>(44,518,141)</u>	224,068,171
<p>Property taxes collected 60 days after fiscal year end will not be available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the governmental funds</p>		
		800,168
<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	(1,117,141)	
Bonds payable	(46,350,000)	
Bond premium	<u>(868,441)</u>	<u>(48,335,582)</u>
Net position of governmental activities		<u><u>\$ 254,667,981</u></u>

CITY OF MARICOPA, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014

	General Fund	Debt Service	Transportation Impact Fee
Revenues:			
Impact fees	\$	\$	\$ 767,395
Property taxes	9,408,243	3,393,057	
Sales taxes	7,410,637		
Franchise taxes	344,151		
Licenses, fees & permits	713,154		
Intergovernmental revenues	10,655,872	308,819	
Charges for services	966,590		
Fines, forfeitures & penalties	132,792		
Investment income	275,755		104,684
Miscellaneous	151,353		
Total revenues	30,058,547	3,701,876	872,079
Expenditures:			
Current -			
General government	6,089,363		
Public safety	16,560,461		
Community services	1,889,761		
Development services	1,396,352		
Public works	999,562		
Capital outlay	70,443		1,306,147
Debt service -			
Principal retirement	75,581	3,000,000	
Interest and fiscal charges	3,742	2,244,923	
Total expenditures	27,085,265	5,244,923	1,306,147
Excess (deficiency) of revenues over expenditures	2,973,282	(1,543,047)	(434,068)
Other financing sources (uses):			
Transfers in			
Transfers out	(1,370,000)		
Total other financing sources (uses):	(1,370,000)		
Changes in fund balances	1,603,282	(1,543,047)	(434,068)
Fund balances, beginning of year	23,063,882	77,343	21,718,674
Fund balances, end of year	\$ 24,667,164	\$ (1,465,704)	\$ 21,284,606

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

<u>Parks Bond</u>	<u>General Government CIP</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$	\$	\$ 668,604	\$ 1,435,999
	1,274,173		12,801,300
			8,684,810
			344,151
			713,154
		8,538,567	19,503,258
		465,073	1,431,663
			132,792
25,071		67,052	472,562
<u>25,071</u>	<u>1,274,173</u>	<u>9,739,296</u>	<u>45,671,042</u>
		1,952,107	8,041,470
		381,958	16,942,419
		2,156,417	4,046,178
		88,615	1,484,967
		1,415,348	2,414,910
20,327,013	4,615,282	2,815,359	29,134,244
			3,075,581
			2,248,665
<u>20,327,013</u>	<u>4,615,282</u>	<u>8,809,804</u>	<u>67,388,434</u>
<u>(20,301,942)</u>	<u>(3,341,109)</u>	<u>929,492</u>	<u>(21,717,392)</u>
		1,370,000	1,370,000
			(1,370,000)
		<u>1,370,000</u>	
<u>(20,301,942)</u>	<u>(3,341,109)</u>	<u>2,299,492</u>	<u>(21,717,392)</u>
20,943,451	19,814,848	14,234,418	99,852,616
<u>\$ 641,509</u>	<u>\$ 16,473,739</u>	<u>\$ 16,533,910</u>	<u>\$ 78,135,224</u>

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**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, 2014**

Net changes in fund balances - total governmental funds **\$ (21,717,392)**

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 and reported as depreciation expense.

Expenditures for capitalized assets	25,884,678	
Less current year depreciation	<u>(8,163,423)</u>	17,721,255

Property taxes collected 60 days after fiscal year end do not provide current financial resources, and are not reported as revenues in the funds.		132,138
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Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Capital lease principal retirement	75,581	
Bond principal retirement	<u>3,000,000</u>	3,075,581

Some items reported in the Statement of Activities do not provide or require current financial resources and, therefore, are not reported in the governmental funds.

Loss on disposal of capital assets	(1,089,565)	
Amortization of bond premium	(42,551)	
Compensated absences	<u>(94,901)</u>	<u>(1,227,017)</u>

Change in net position in governmental activities **\$ (2,015,435)**

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CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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.

During the year ended June 30, 2014, the City implemented the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

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. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the City, the primary government.

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 that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments; and therefore is not a component unit of any other reporting entity.

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 and provide general oversight over the IDA's activities. As of June 30, 2014 the IDA had not incurred any financial transactions and therefore has no financial data to report.

B. Government-Wide and Fund 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 sales taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. As of June 30, 2014, the City had no business-type activities.

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 taxes, unrestricted state shared revenues, investment income and other items not included among program revenues are reported instead as general revenues.

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, 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.

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.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

Debt Service Fund – This fund accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs.

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.

Parks Bond Fund – 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 Fund – This fund is used to account for construction in progress for general government projects.

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. Upon written request from the City Manager, the Council has the authority to transfer part or all of any unencumbered appropriation balance from one department or fund to another. The City Manager, upon request from Department Heads, may approve transfers of appropriations between divisions and expenditure categories within departments.

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.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 2% annual increase over the prior year's maximum allowable levy plus an adjustment for properties that were not taxed in the previous year.

F. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns 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. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

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. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Land improvements	20 years
Buildings	20-40 years
Infrastructure	12-50 years
Vehicles	5-7 years
Machinery and equipment	5-15 years
Computers/Software	3-5 years

G. 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. The City did not have any items that qualified for reporting in this category.

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

H. 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.

I. 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, as well as, the difference between the reacquisition price and the net carrying amount of the old debt, are deferred and amortized over the life of the bonds using the straight-line method over the term of the related debt. Bond issuance costs are recognized during the current period.

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.

J. 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.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concl'd)

K. 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.

L. 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.

M. 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.

N. New Accounting Pronouncement

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* will be effective for the City's June 30, 2015 fiscal year end. This Statement replaces the requirements of prior GASB standards for pensions accounting and reporting. This Statement requires governments providing defined benefit pensions to recognize the long-term obligation for pension benefits as a liability, and to more comprehensively and comparably measure the annual costs of pension benefits. Each employer participating in a multiple-employer defined benefit pension plan will be required to record a liability representing their "proportionate share" of the plan's total net pension liability. This Statement also enhances accountability and transparency through revised note disclosures and new required supplementary information.

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 legally or contractually required to be maintained intact.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 2 – FUND BALANCE CLASSIFICATIONS (Concl'd)

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. In the General Fund, assigned amounts represent intended uses established by the City Council or a management official delegated that authority by the formal City Council action.

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.

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.

	General Fund	Debt Service Fund	Transportation Impact Fee Fund	Parks Bond Fund	General Government CIP Fund	Non-Major Governmental Funds
Fund Balances:						
Nonspendable:						
Prepaid items	\$ 16,652	\$	\$	\$	\$	\$
Restricted:						
Transportation projects			21,284,606			11,663,782
Parks and recreation projects				641,509		3,046,005
Capital projects					16,533,910	
Public safety projects						691,549
Federal and State projects						1,132,574
Unassigned:	24,650,512	(1,465,704)				
Total fund balances	<u>\$ 24,667,164</u>	<u>\$(1,465,704)</u>	<u>\$ 21,284,606</u>	<u>\$ 641,509</u>	<u>\$ 16,533,910</u>	<u>\$ 16,533,910</u>

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual Deficit Fund Balance – At year end, the Debt Service Fund, a major governmental fund, reported a deficit of \$1,465,704 in fund balance.

The deficit arose because of the timing between property tax collections and debt principal and interest payments. Resources to be provided by future property tax levies are expected to eliminate the deficit.

Excess Expenditures Over Budget – At year end, the City had expenditures in funds that exceeded the budgets, however, this does not constitute a violation of any legal provisions.

NOTE 4 – 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.

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 \$3,266,226 and the bank balance was \$2,105,524.

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 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.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 4 – CASH AND INVESTMENTS (Concl'd)

At year end, the City's investments consisted of the following.

Investment Type	Fair Value	Investment Maturities (in Years)		Concentration of Credit Risk
		Less than 1	1-5	
Short Term Investments	\$ 5,167,424	\$ 5,167,424	\$	7%
U.S. Treasuries	44,944,020	12,481,157	32,462,863	60%
U.S. Agencies:				
Federal Home Loan Mortgage Corporation	4,748,286		4,748,286	6%
Federal National Mortgage Association	4,533,600		4,533,600	6%
Federal Farm Credit Banks	6,002,544		6,002,544	8%
State of Arizona Bonds:				
Arizona School Facilities Board	1,301,521		1,301,521	2%
Corporate Securities:				
General Electric Co.	1,758,680		1,758,680	2%
JPMorgan Chase & Co.	1,757,273		1,757,273	2%
		<u>\$17,648,581</u>	<u>\$52,564,767</u>	
State Treasurer's investment pool 5	2,484,505	59 days average maturities		3%
State Treasurer's investment pool 7	3,385,209	19 days average maturities		4%
Total	<u>\$ 76,083,062</u>			

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.

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.

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 5 – 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.

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Non-Major Governmental Funds</u>
Intergovernmental receivables:			
Due from Federal government	\$	\$ 154,401	\$ 81,620
Due from State government	1,162,897		263,315
Due from County government			280,417
Net intergovernmental receivables	<u>\$1,162,897</u>	<u>\$ 154,401</u>	<u>\$ 625,352</u>

NOTE 6 – CAPITAL ASSETS

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 87,113,461	\$ 146,346	\$	\$ 87,259,807
Construction in progress	44,668,806	25,580,777	67,708,557	2,541,026
Total capital assets, not being depreciated	<u>131,782,267</u>	<u>25,727,123</u>	<u>67,708,557</u>	<u>89,800,833</u>
Capital assets, being depreciated:				
Buildings	10,445,967	36,620,089	1,408,222	45,657,834
Improvements other than buildings	2,830,648	26,843,129	217,358	29,456,419
Infrastructure	84,702,721	1,445,624		86,148,345
Vehicles	6,922,851	714,029	20,281	7,616,599
Machinery and equipment	5,253,938	2,378,168	222,623	7,409,483
Computers/Software	2,077,188	674,416	254,805	2,496,799
Total capital, assets being depreciated	<u>112,233,313</u>	<u>68,675,455</u>	<u>2,123,289</u>	<u>178,785,479</u>
Less accumulated depreciation for:				
Buildings	(2,662,271)	(1,605,978)	(497,457)	(3,770,792)
Improvements other than buildings	(855,381)	(597,753)	(50,717)	(1,402,417)
Infrastructure	(25,681,704)	(4,268,767)		(29,950,471)
Vehicles	(4,303,127)	(570,767)	(20,281)	(4,853,613)
Machinery and equipment	(1,991,499)	(966,886)	(210,464)	(2,747,921)
Computes/Software	(1,894,460)	(153,272)	(254,805)	(1,792,927)
Total accumulated depreciation	<u>(37,388,442)</u>	<u>(8,163,423)</u>	<u>(1,033,724)</u>	<u>(44,518,141)</u>
Total capital assets, being depreciated, net	<u>74,844,871</u>	<u>60,512,032</u>	<u>1,089,565</u>	<u>134,267,338</u>
Governmental activities capital assets, net	<u>\$ 206,627,138</u>	<u>\$ 86,239,155</u>	<u>\$ 68,798,122</u>	<u>\$ 224,068,171</u>

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 6 – CAPITAL ASSETS (Concl'd)

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 914,873
Public safety	1,165,806
Community service	1,531,565
Public works	4,551,179
Total depreciation expense – governmental activities	<u>\$ 8,163,423</u>

Construction Commitments – At year end, the City had contractual commitments related to various capital projects for the construction of a park and certain infrastructure projects. At year end the City had spent \$2.5 million on the projects and had estimated remaining contractual commitments of \$45.5 million.

NOTE 7 – LONG-TERM LIABILITIES

A. GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, \$13.9 million remains unissued. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2014	Due Within One Year
Governmental activities:					
GADA Bond, Series 2010 A	\$ 20,000,000	4.0 - 6.3%	7/1/15-31	\$ 14,745,000	\$ 820,000
GO Bonds Series B, 2013	31,605,000	3.0 - 4.3%	7/1/15-35	31,605,000	790,000
Total				<u>\$ 46,350,000</u>	<u>\$1,610,000</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
2015	\$ 1,610,000	\$ 2,114,374
2016	1,645,000	1,758,418
2017	1,685,000	1,993,781
2018	1,735,000	1,920,225
2019	1,790,000	1,841,554
2020-24	9,975,000	7,841,424
2025-29	12,100,000	5,089,174
2030-34	14,810,000	1,855,044
2035	1,000,000	21,875
Total	<u>\$ 46,350,000</u>	<u>\$ 24,435,869</u>

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 7 – LONG-TERM LIABILITIES (Concl'd)

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	\$ 49,350,000	\$	\$ 3,000,000	\$ 46,350,000	\$ 1,610,000
Bond Premium	910,992		42,551	868,441	
Total bonds payable	50,260,992		3,042,551	47,218,441	1,610,000
Obligations under leases	75,581		75,581		
Compensated absences payable	1,022,240	1,915,299	1,820,398	1,117,141	773,412
Governmental activity long-term liabilities	<u>\$ 51,358,813</u>	<u>\$ 1,915,299</u>	<u>\$ 4,938,530</u>	<u>\$ 48,335,582</u>	<u>\$ 2,383,412</u>

NOTE 8 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The transfer of \$1,370,000 from the General Fund to the Copper Sky Fund, a non-major governmental fund, was used to support the operations and maintenance of the Regional Park and Multigenerational Center.

At year end the Debt service Fund had a negative cash balance of \$1,650,631 in the City's pooled cash accounts. The negative cash was reduced by interfund borrowing with the General Fund. The terms of repayment of the interfund balance will be determined by the City Council and any amounts to be repaid within one year have not been determined as of the date of the financial statements.

NOTE 9 – CONTINGENT LIABILITIES

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, 2014

NOTE 10 – 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 for claims in excess of \$500,000 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 \$500,000.

The City continues to carry commercial insurance for all other risks of loss, including employee health, dental, and vision insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 11 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Plan Descriptions – The City contributes to the two plans described below. Benefits are established by state statute and generally provide retirement, death, long-term disability, survivor, and health insurance premium benefits.

The City contributes to the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing, multiple-employer defined health insurance premium plan; and a cost-sharing, multiple-employer defined benefit long-term disability plan that covers employees of the State of Arizona and employees of participating political subdivisions and school districts. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

The ASRS issues a comprehensive annual financial report that includes financial statements and required supplementary information. The most recent report may be obtained by writing the ASRS, 3300 North Central Avenue, P.O. Box 33910, Phoenix, Arizona 85067-3910 or by calling (602) 240-2000 or (800) 621-3778. The report is also available on the ASRS' website at www.azasrs.gov.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 11 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Cont'd)

The Public Safety Personnel Retirement System (PSPRS) administers agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium plan that covers public safety personnel who are regularly assigned hazardous duty as employees of the State of Arizona or one of its political subdivisions. The PSPRS, acting as a common investment and administrative agent, is governed by a five-member board, known as the Fund Manager, and the participating local boards, according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

The PSPRS issues a comprehensive annual financial report that includes financial statements and other required supplementary information. The most recent report can be obtained by writing the PSPRS at 3010 East Camelback road Suite 200, Phoenix, Arizona 85016, or by calling (602) 255-5575. The report is also available on the PSPRS' website at www.psprs.com.

Funding policy – Cost-sharing plan – The Arizona State Legislature establishes and may amend active plan members' and the City's contribution rates. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.54 percent (11.30 percent for retirement and 0.24 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 11.54 percent (10.70 percent for retirement, 0.60 percent for health insurance premium, and 0.24 percent for long-term disability) of the members' annual covered payroll.

The City's contributions for the current and two preceding years, all of which were equal to the required contributions, were as follows.

	Retirement Fund	Health Benefit Supplement Fund	Long-Term Disability Fund
Year ending June 30:			
2014	\$ 475,024	\$ 26,637	\$ 10,655
2013	428,184	27,153	10,026
2012	355,528	22,693	8,645

Agent plan – For the current fiscal year, active PSPRS members were required by statute to contribute 10.35 percent of the members' annual covered payroll, and the City was required to contribute at the actuarially determined rate of 12.51 percent for police and 13.20 percent of the members' annual covered payroll for fire fighters.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 11 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Cont'd)

Annual Pension Cost – The City's pension cost for the agent plan for the year ended June 30, 2014 and related information follows.

	<u>PSPRS</u>
Contribution rates:	
Police:	
City	12.51%
Plan members	10.35%
Fire:	
City	13.20%
Plan members	10.35%
Annual pension cost	\$1,132,232
Contributions made	\$1,132,232
Actuarial valuation date	June 30, 2012
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Investment rate of return	8.00%
Projected salary increases	5.0%-9.0%
Inflation rate	5.0%
Healthcare cost trend rate	N/A - flat rate subsidy
Amortization method	Level percent-of-pay closed
Remaining amortization	24 years for underfunded and 20 years for excess value
Asset valuation method	7-year smoothed market

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and the actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Consistent with this perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 11 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Cont'd)

Trend Information – Information for the agent plan as of most recent actuarial valuations follows.

Maricopa Police Plan:

Year Ended <u>June 30,</u>	Annual Pension <u>Cost (APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
<i>Pension</i>			
2014	\$449,021	100%	-0-
2013	460,766	100%	-0-
2012	421,611	100%	-0-
<i>Health Insurance</i>			
2014	\$ 15,440	100%	-0-
2013	26,353	100%	-0-
2012	24,210	100%	-0-

Maricopa Fire Plan:

Year Ended <u>June 30,</u>	Annual Pension <u>Cost (APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
<i>Pension</i>			
2014	\$647,741	100%	-0-
2013	612,461	100%	-0-
2012	459,528	100%	-0-
<i>Health Insurance</i>			
2014	\$ 20,030	100%	-0-
2013	35,473	100%	-0-
2012	39,697	100%	-0-

Funding Progress – An analysis of funding progress for each of the agent plans as of the most recent actuarial valuations follows.

Maricopa Police Plan:

Pension

Valuation Date <u>June 30,</u>	Actuarial Value of Plan Assets <u>(a)</u>	Actuarial Accrued Liability <u>(b)</u>	Funding Excess (Liability) <u>(a-b)</u>	Funded Ratio <u>(a/b)</u>	Annual Covered Payroll <u>(c)</u>	Unfunded Liability as Percentage of Covered Payroll <u>([a-b]/c)</u>
2014	\$7,159,704	\$7,222,779	\$(63,075)	99.1%	\$3,965,425	1.6%
2013	6,509,050	5,956,497	552,553	109.3%	3,497,406	(15.8)%
2012	5,536,006	5,330,686	205,320	103.9%	3,431,134	(6.0)%

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 11 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Concl'd)

Health Insurance

Valuation Date <u>June 30,</u>	Actuarial Value of Plan Assets <u>(a)</u>	Actuarial Accrued Liability <u>(b)</u>	Funding Excess (Liability) <u>(a-b)</u>	Funded Ratio <u>(a/b)</u>	Annual Covered Payroll <u>(c)</u>	Unfunded Liability as Percentage of Covered Payroll <u>([a-b]/c)</u>
2014	\$182,469	\$187,675	\$ (5,206)	97.2%	\$3,965,425	0.1%
2013	-0-	171,938	(171,938)	0.0%	3,497,406	4.9%
2012	-0-	162,957	(162,957)	0.0%	3,431,134	4.8%

**Maricopa Fire Plan:
*Pension***

Valuation Date <u>June 30,</u>	Actuarial Value of Plan Assets <u>(a)</u>	Actuarial Accrued Liability <u>(b)</u>	Funding Excess (Liability) <u>(a-b)</u>	Funded Ratio <u>(a/b)</u>	Annual Covered Payroll <u>(c)</u>	Unfunded Liability as Percentage of Covered Payroll <u>([a-b]/c)</u>
2014	\$10,441,953	\$10,197,594	\$244,359	102.4%	\$4,629,680	5.3%
2013	9,223,905	8,856,489	367,416	104.1%	4,511,565	8.1%
2012	7,762,013	8,128,878	(366,865)	95.5%	4,648,101	(7.9)%

Health Insurance

Valuation Date <u>June 30,</u>	Actuarial Value of Plan Assets <u>(a)</u>	Actuarial Accrued Liability <u>(b)</u>	Funding Excess (Liability) <u>(a-b)</u>	Funded Ratio <u>(a/b)</u>	Annual Covered Payroll <u>(c)</u>	Unfunded Liability as Percentage of Covered Payroll <u>([a-b]/c)</u>
2014	\$230,236	\$312,300	\$ (82,064)	73.7%	\$4,629,680	(1.8)%
2013	-0-	288,164	(288,164)	0.0%	4,511,565	(6.4)%
2012	-0-	240,817	(240,817)	0.0%	4,648,101	(5.2)%

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**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
(REQUIRED SUPPLEMENTARY INFORMATION)**

CITY OF MARICOPA, ARIZONA
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 10,102,118	\$ 10,102,118	\$ 9,408,243	\$ (693,875)
Sales taxes	6,453,247	6,453,247	7,410,637	957,390
Franchise taxes	296,000	296,000	344,151	48,151
Licenses and permits	704,498	704,498	713,154	8,656
Intergovernmental revenues	10,514,607	10,514,607	10,655,872	141,265
Charges for services	397,666	397,666	966,590	568,924
Fines and forfeitures	300,000	300,000	132,792	(167,208)
Investment income	210,000	210,000	275,755	65,755
Miscellaneous	66,360	66,360	151,353	84,993
Total revenues	<u>29,044,496</u>	<u>29,044,496</u>	<u>30,058,547</u>	<u>1,014,051</u>
Expenditures:				
Current -				
City Magistrate	282,973	282,973	264,347	18,626
Community services	2,031,570	2,000,239	1,889,761	110,478
Development services	1,569,140	1,664,492	1,396,352	268,140
Public works	1,162,731	1,252,731	999,562	253,169
Mayor and Council	440,222	439,682	406,328	33,354
City Manager	867,830	922,370	921,979	391
City Clerk	370,293	370,293	316,309	53,984
Finance and Administrative services	832,548	832,548	785,052	47,496
Information technology	752,539	962,239	830,965	131,274
City Attorney	600,000	600,000	739,951	(139,951)
Human Resources	334,778	390,279	390,245	34
Economic Development	450,423	450,423	425,279	25,144
Police	8,075,418	8,164,754	8,164,537	217
Non-Departmental	3,736,504	2,543,968	1,008,908	1,535,060
Fire	7,836,281	8,396,281	8,395,924	357
Capital outlay		69,979	70,443	(464)
Debt service -				
Principal retirement	75,581	75,581	75,581	
Interest and fiscal charges	3,742	3,742	3,742	
Total expenditures	<u>29,422,573</u>	<u>29,422,574</u>	<u>27,085,265</u>	<u>2,337,309</u>
Excess (deficiency) of revenues over expenditures	<u>(378,077)</u>	<u>(378,078)</u>	<u>2,973,282</u>	<u>3,351,360</u>
Other financing sources (uses):				
Transfers out	(1,370,000)	(1,370,000)	(1,370,000)	
Total other financing sources (uses):	<u>(1,370,000)</u>	<u>(1,370,000)</u>	<u>(1,370,000)</u>	
Changes in fund balances	<u>(1,748,077)</u>	<u>(1,748,078)</u>	<u>1,603,282</u>	<u>3,351,360</u>
Fund balances, beginning of year			23,063,882	23,063,882
Fund balances (deficits), end of year	<u>\$ (1,748,077)</u>	<u>\$ (1,748,078)</u>	<u>\$ 24,667,164</u>	<u>\$ 26,415,242</u>

See accompanying notes to this schedule.

**CITY OF MARICOPA, ARIZONA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2014**

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.

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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, 2014

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
ASSETS			
Cash and investments	\$ 13,754,810	\$ 2,915,707	\$ 16,670,517
Intergovernmental receivables	625,352		625,352
Total assets	<u>\$ 14,380,162</u>	<u>\$ 2,915,707</u>	<u>\$ 17,295,869</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 630,435	\$ 59,960	\$ 690,395
Accrued wages and benefits	71,564		71,564
Total liabilities	<u>701,999</u>	<u>59,960</u>	<u>761,959</u>
Fund balances:			
Restricted	13,678,163	2,855,747	16,533,910
Total fund balances	<u>13,678,163</u>	<u>2,855,747</u>	<u>16,533,910</u>
 Total liabilities and fund balances	 <u>\$ 14,380,162</u>	 <u>\$ 2,915,707</u>	 <u>\$ 17,295,869</u>

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, 2014

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Impact fees	\$	\$ 668,604	\$ 668,604
Intergovernmental revenues	8,488,567	50,000	8,538,567
Charges for services	465,073		465,073
Investment income	55,112	11,940	67,052
Total revenues	<u>9,008,752</u>	<u>730,544</u>	<u>9,739,296</u>
Expenditures:			
Current -			
General government	1,952,107		1,952,107
Public safety	325,507	56,451	381,958
Community services	2,156,417		2,156,417
Development services	88,615		88,615
Public works	1,415,348		1,415,348
Capital outlay	2,654,637	160,722	2,815,359
Total expenditures	<u>8,592,631</u>	<u>217,173</u>	<u>8,809,804</u>
Excess (deficiency) of revenues over expenditures	<u>416,121</u>	<u>513,371</u>	<u>929,492</u>
Other financing sources (uses):			
Transfers in	1,370,000		1,370,000
Total other financing sources (uses):	<u>1,370,000</u>		<u>1,370,000</u>
Changes in fund balances	<u>1,786,121</u>	<u>513,371</u>	<u>2,299,492</u>
Fund balances, beginning of year	11,892,042	2,342,376	14,234,418
Fund balances, end of year	<u>\$ 13,678,163</u>	<u>\$ 2,855,747</u>	<u>\$ 16,533,910</u>

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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.

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.

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 and the receipt of resources from the Ak-Chin.

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

**CITY OF MARICOPA, ARIZONA
 COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2014**

	<u>HURF</u>	<u>Road Maintenance</u>	<u>Grants</u>
ASSETS			
Cash and investments	\$ 6,134,883	\$ 1,572,579	\$ 787,639
Intergovernmental receivables	263,315		81,620
Total assets	<u>\$ 6,398,198</u>	<u>\$ 1,572,579</u>	<u>\$ 869,259</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 289,536	\$ 6,077	\$ 19,906
Accrued wages and benefits	16,560		4,653
Total liabilities	<u>306,096</u>	<u>6,077</u>	<u>24,559</u>
Fund balances:			
Restricted	<u>6,092,102</u>	<u>1,566,502</u>	<u>844,700</u>
Total fund balances	<u>6,092,102</u>	<u>1,566,502</u>	<u>844,700</u>
 Total liabilities and fund balances	 <u>\$ 6,398,198</u>	 <u>\$ 1,572,579</u>	 <u>\$ 869,259</u>

<u>Copper Sky</u>	<u>County Road Tax</u>	<u>Totals</u>
\$ 1,532,388	\$ 3,727,321	\$ 13,754,810
	280,417	625,352
<u>\$ 1,532,388</u>	<u>\$ 4,007,738</u>	<u>\$ 14,380,162</u>
\$ 312,356	\$ 2,560	\$ 630,435
50,351		71,564
<u>362,707</u>	<u>2,560</u>	<u>701,999</u>
1,169,681	4,005,178	13,678,163
<u>1,169,681</u>	<u>4,005,178</u>	<u>13,678,163</u>
<u>\$ 1,532,388</u>	<u>\$ 4,007,738</u>	<u>\$ 14,380,162</u>

CITY OF MARICOPA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2014

	HURF	Road Maintenance	Grants
Revenues:			
Intergovernmental revenues	\$ 2,808,715	\$	\$ 2,564,564
Charges for services			
Investment income	28,055	8,108	
Total revenues	2,836,770	8,108	2,564,564
Expenditures:			
Current -			
General government			1,952,107
Public safety			325,507
Community services			11,025
Development services			88,615
Public works	1,336,934		78,414
Capital outlay	691,451	421,593	50,661
Total expenditures	2,028,385	421,593	2,506,329
Excess (deficiency) of revenues over expenditures	808,385	(413,485)	58,235
Other financing sources (uses):			
Transfers in			
Total other financing sources (uses):			
Changes in fund balances	808,385	(413,485)	58,235
Fund balances, beginning of year	5,283,717	1,979,987	786,465
Fund balances, end of year	\$ 6,092,102	\$ 1,566,502	\$ 844,700

<u>Copper Sky</u>	<u>County Road Tax</u>	<u>Totals</u>
\$ 1,480,000	\$ 1,635,288	\$ 8,488,567
465,073		465,073
	18,949	55,112
<u>1,945,073</u>	<u>1,654,237</u>	<u>9,008,752</u>
		1,952,107
		325,507
2,145,392		2,156,417
		88,615
		1,415,348
	1,490,932	2,654,637
<u>2,145,392</u>	<u>1,490,932</u>	<u>8,592,631</u>
<u>(200,319)</u>	<u>163,305</u>	<u>416,121</u>
<u>1,370,000</u>		<u>1,370,000</u>
<u>1,370,000</u>		<u>1,370,000</u>
<u>1,169,681</u>	<u>163,305</u>	<u>1,786,121</u>
	3,841,873	11,892,042
<u>\$ 1,169,681</u>	<u>\$ 4,005,178</u>	<u>\$ 13,678,163</u>

CITY OF MARICOPA, ARIZONA
DETAILED COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET
AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2014

	HURF		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Intergovernmental revenues	\$ 2,826,580	\$ 2,808,715	\$ (17,865)
Charges for services			
Investment income	20,900	28,055	7,155
Total revenues	<u>2,847,480</u>	<u>2,836,770</u>	<u>(10,710)</u>
Expenditures:			
Current -			
Community services			
Development services			
Public works	3,272,936	1,336,934	1,936,002
City Manager			
City Clerk			
Finance and Administrative services			
Economic Development			
Police			
Fire			
Capital outlay	1,540,835	691,451	849,384
Total expenditures	<u>4,813,771</u>	<u>2,028,385</u>	<u>2,785,386</u>
Excess (deficiency) of revenues over expenditures	<u>(1,966,291)</u>	<u>808,385</u>	<u>2,774,676</u>
Other financing sources (uses):			
Transfers in			
Total other financing sources (uses):			
Changes in fund balances	<u>(1,966,291)</u>	<u>808,385</u>	<u>2,774,676</u>
Fund balances, beginning of year		5,283,717	5,283,717
Fund balances (deficits), end of year	<u>\$ (1,966,291)</u>	<u>\$ 6,092,102</u>	<u>\$ 8,058,393</u>

Road Maintenance			Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$ 13,073,381	\$ 2,564,564	\$ (10,508,817)
6,000	8,108	2,108			
<u>6,000</u>	<u>8,108</u>	<u>2,108</u>	<u>13,073,381</u>	<u>2,564,564</u>	<u>(10,508,817)</u>
			197,770	11,025	186,745
			653,411	88,615	564,796
			1,114,000	78,414	1,035,586
			3,725,000	1,950,000	1,775,000
				2,000	(2,000)
				107	(107)
			1,200,000		1,200,000
			2,252,540	228,380	2,024,160
			3,202,739	97,127	3,105,612
1,000,000	421,593	578,407	727,921	50,661	677,260
<u>1,000,000</u>	<u>421,593</u>	<u>578,407</u>	<u>13,073,381</u>	<u>2,506,329</u>	<u>10,567,052</u>
(994,000)	(413,485)	580,515		58,235	58,235
(994,000)	(413,485)	580,515		58,235	58,235
	1,979,987	1,979,987		786,465	786,465
<u>\$ (994,000)</u>	<u>\$ 1,566,502</u>	<u>\$ 2,560,502</u>	<u>\$</u>	<u>\$ 844,700</u>	<u>\$ 844,700</u>

CITY OF MARICOPA, ARIZONA
DETAILED COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET
AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2014

	Copper Sky		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Intergovernmental revenues	\$	\$ 1,480,000	\$ 1,480,000
Charges for services	545,361	465,073	(80,288)
Investment income			
Total revenues	<u>545,361</u>	<u>1,945,073</u>	<u>1,399,712</u>
Expenditures:			
Current -			
Community services	1,913,248	2,145,392	(232,144)
Development services			
Public works			
City Manager			
City Clerk			
Finance and Administrative services			
Economic Development			
Police			
Fire			
Capital outlay			
Total expenditures	<u>1,913,248</u>	<u>2,145,392</u>	<u>(232,144)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,367,887)</u>	<u>(200,319)</u>	<u>1,167,568</u>
Other financing sources (uses):			
Transfers in	1,370,000	1,370,000	
Total other financing sources (uses):	<u>1,370,000</u>	<u>1,370,000</u>	
Changes in fund balances	<u>2,113</u>	<u>1,169,681</u>	<u>1,167,568</u>
Fund balances, beginning of year			
Fund balances (deficits), end of year	<u>\$ 2,113</u>	<u>\$ 1,169,681</u>	<u>\$ 1,167,568</u>

County Road Tax			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 1,500,000	\$ 1,635,288	\$ 135,288	\$ 17,399,961	\$ 8,488,567	\$ (8,911,394)
14,500	18,949	4,449	545,361	465,073	(80,288)
<u>1,514,500</u>	<u>1,654,237</u>	<u>139,737</u>	<u>17,986,722</u>	<u>9,008,752</u>	<u>(8,977,970)</u>
			2,111,018	2,156,417	(45,399)
			653,411	88,615	564,796
			4,386,936	1,415,348	2,971,588
			3,725,000	1,950,000	1,775,000
				2,000	(2,000)
				107	(107)
			1,200,000		1,200,000
			2,252,540	228,380	2,024,160
			3,202,739	97,127	3,105,612
<u>3,278,156</u>	<u>1,490,932</u>	<u>1,787,224</u>	<u>6,546,912</u>	<u>2,654,637</u>	<u>3,892,275</u>
<u>3,278,156</u>	<u>1,490,932</u>	<u>1,787,224</u>	<u>24,078,556</u>	<u>8,592,631</u>	<u>15,485,925</u>
<u>(1,763,656)</u>	<u>163,305</u>	<u>1,926,961</u>	<u>(6,091,834)</u>	<u>416,121</u>	<u>6,507,955</u>
			1,370,000	1,370,000	
			<u>1,370,000</u>	<u>1,370,000</u>	
<u>(1,763,656)</u>	<u>163,305</u>	<u>1,926,961</u>	<u>(4,721,834)</u>	<u>1,786,121</u>	<u>6,507,955</u>
	3,841,873	3,841,873		11,892,042	11,892,042
<u>\$ (1,763,656)</u>	<u>\$ 4,005,178</u>	<u>\$ 5,768,834</u>	<u>\$ (4,721,834)</u>	<u>\$ 13,678,163</u>	<u>\$ 18,399,997</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
DEBT SERVICE
YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original & Final	Actual	
Revenues:			
Property taxes	\$ 3,513,539	\$ 3,393,057	\$ (120,482)
Intergovernmental revenues	332,778	308,819	(23,959)
Total revenues	<u>3,846,317</u>	<u>3,701,876</u>	<u>(144,441)</u>
Expenditures:			
Debt service -			
Principal retirement	1,900,000	3,000,000	(1,100,000)
Interest and fiscal charges	2,687,366	2,244,923	442,443
Total expenditures	<u>4,587,366</u>	<u>5,244,923</u>	<u>(657,557)</u>
Changes in fund balances	<u>(741,049)</u>	<u>(1,543,047)</u>	<u>(801,998)</u>
Fund balances, beginning of year		77,343	77,343
Fund balances (deficits), end of year	<u>\$ (741,049)</u>	<u>\$ (1,465,704)</u>	<u>\$ (724,655)</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, 2014**

	Parks Impact Fee	Library Impact Fee	Public Safety Impact Fee
ASSETS			
Cash and investments	\$ 1,091,555	\$ 784,769	\$ 745,743
Total assets	\$ 1,091,555	\$ 784,769	\$ 745,743
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$	\$	\$ 54,194
Total liabilities	\$	\$	\$ 54,194
Fund balances:			
Restricted	1,091,555	784,769	691,549
Total fund balances	1,091,555	784,769	691,549
 Total liabilities and fund balances	\$ 1,091,555	\$ 784,769	\$ 745,743

<u>Capital Grants</u>	<u>Totals</u>
\$ 293,640	\$ 2,915,707
<u>\$ 293,640</u>	<u>\$ 2,915,707</u>
\$ 5,766	\$ 59,960
<u>5,766</u>	<u>59,960</u>
287,874	2,855,747
<u>287,874</u>	<u>2,855,747</u>
<u>\$ 293,640</u>	<u>\$ 2,915,707</u>

CITY OF MARICOPA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2014

	Parks Impact Fee	Library Impact Fee	Public Safety Impact Fee
Revenues:			
Impact fees	\$ 361,189	\$ 4,641	\$ 302,774
Intergovernmental revenues			
Investment income	4,771	3,779	3,390
Total revenues	365,960	8,420	306,164
Expenditures:			
Current -			
Public safety			56,451
Capital outlay	11,404	2,938	134,922
Total expenditures	11,404	2,938	191,373
Changes in fund balances	354,556	5,482	114,791
Fund balances, beginning of year	736,999	779,287	576,758
Fund balances, end of year	\$ 1,091,555	\$ 784,769	\$ 691,549

<u>Capital Grants</u>	<u>Totals</u>
\$	\$
50,000	668,604
	50,000
	11,940
<u>50,000</u>	<u>730,544</u>
	56,451
11,458	<u>160,722</u>
<u>11,458</u>	<u>217,173</u>
	513,371
<u>38,542</u>	<u>513,371</u>
249,332	2,342,376
<u>\$ 287,874</u>	<u>\$ 2,855,747</u>

CITY OF MARICOPA, ARIZONA
DETAILED COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET
AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2014

	Parks Impact Fee		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Impact fees	\$ 357,210	\$ 361,189	\$ 3,979
Sales taxes			
Intergovernmental revenues			
Investment income	2,800	4,771	1,971
Total revenues	<u>360,010</u>	<u>365,960</u>	<u>5,950</u>
Expenditures:			
Current -			
Fire			
Capital outlay	17,400	11,404	5,996
Total expenditures	<u>17,400</u>	<u>11,404</u>	<u>5,996</u>
Changes in fund balances	<u>342,610</u>	<u>354,556</u>	<u>11,946</u>
Fund balances, beginning of year		736,999	736,999
Fund balances, end of year	<u>\$ 342,610</u>	<u>\$ 1,091,555</u>	<u>\$ 748,945</u>

Library Impact Fee			Public Safety Impact Fee		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 4,590	\$ 4,641	\$ 51	\$ 244,080	\$ 302,774	\$ 58,694
3,800	3,779	(21)	1,100	3,390	2,290
<u>8,390</u>	<u>8,420</u>	<u>30</u>	<u>245,180</u>	<u>306,164</u>	<u>60,984</u>
4,590	2,938	1,652	56,600	56,451	149
<u>4,590</u>	<u>2,938</u>	<u>1,652</u>	<u>143,680</u>	<u>134,922</u>	<u>8,758</u>
3,800	5,482	1,682	44,900	114,791	69,891
	779,287	779,287		576,758	576,758
<u>\$ 3,800</u>	<u>\$ 784,769</u>	<u>\$ 780,969</u>	<u>\$ 44,900</u>	<u>\$ 691,549</u>	<u>\$ 646,649</u>

CITY OF MARICOPA, ARIZONA
DETAILED COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET
AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2014

	Transportation Impact Fee		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Impact fees	\$ 699,030	\$ 767,395	\$ 68,365
Sales taxes			
Intergovernmental revenues			
Investment income	65,500	104,684	39,184
Total revenues	764,530	872,079	107,549
Expenditures:			
Current -			
Fire			
Capital outlay	12,130,384	1,306,147	10,824,237
Total expenditures	12,130,384	1,306,147	10,824,237
Changes in fund balances	(11,365,854)	(434,068)	10,931,786
Fund balances, beginning of year		21,718,674	21,718,674
Fund balances (deficits), end of year	\$ (11,365,854)	\$ 21,284,606	\$ 32,650,460

Parks Bond			General Government CIP		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
			767,955	1,274,173	506,218
			6,559,766		(6,559,766)
	25,071	25,071	4,900		(4,900)
	<u>25,071</u>	<u>25,071</u>	<u>7,332,621</u>	<u>1,274,173</u>	<u>(6,058,448)</u>
25,740,000	20,327,013	5,412,987	24,002,120	4,615,282	19,386,838
<u>25,740,000</u>	<u>20,327,013</u>	<u>5,412,987</u>	<u>24,002,120</u>	<u>4,615,282</u>	<u>19,386,838</u>
(25,740,000)	(20,301,942)	5,438,058	(16,669,499)	(3,341,109)	13,328,390
	20,943,451	20,943,451		19,814,848	19,814,848
<u>\$ (25,740,000)</u>	<u>\$ 641,509</u>	<u>\$ 26,381,509</u>	<u>\$ (16,669,499)</u>	<u>\$ 16,473,739</u>	<u>\$ 33,143,238</u>

CITY OF MARICOPA, ARIZONA
DETAILED COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET
AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2014

	Capital Grants		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Impact fees	\$	\$	\$
Sales taxes			
Intergovernmental revenues	64,909,593	50,000	(64,859,593)
Investment income			
Total revenues	<u>64,909,593</u>	<u>50,000</u>	<u>(64,859,593)</u>
Expenditures:			
Current -			
Fire			
Capital outlay	64,889,593	11,458	64,878,135
Total expenditures	<u>64,889,593</u>	<u>11,458</u>	<u>64,878,135</u>
Changes in fund balances	<u>20,000</u>	<u>38,542</u>	<u>18,542</u>
Fund balances, beginning of year		249,332	249,332
Fund balances (deficits), end of year	<u>\$ 20,000</u>	<u>\$ 287,874</u>	<u>\$ 267,874</u>

Totals

Budget	Actual	Variance - Positive (Negative)
\$ 1,304,910	\$ 1,435,999	\$ 131,089
767,955	1,274,173	506,218
71,469,359	50,000	(71,419,359)
78,100	141,695	63,595
<u>73,620,324</u>	<u>2,901,867</u>	<u>(70,718,457)</u>
56,600	56,451	149
126,927,767	26,409,164	100,518,603
<u>126,984,367</u>	<u>26,465,615</u>	<u>100,518,752</u>
<u>(53,364,043)</u>	<u>(23,563,748)</u>	<u>29,800,295</u>
	64,819,349	64,819,349
<u>\$ (53,364,043)</u>	<u>\$ 41,255,601</u>	<u>\$ 94,619,644</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.

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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>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	\$ 254,667,981	\$ 256,683,416	\$ 251,310,681	\$ 252,660,508	\$ 254,782,698
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Net Position:					
Net investment in capital assets	\$ 133,067,896	\$ 124,909,707	\$ 87,820,431	\$ 62,802,743	\$ 14,309,850
Restricted	34,740,312	35,329,613	28,090,363	12,328,627	2,749,549
Unrestricted	70,331,229	75,491,411	67,926,655	45,835,279	14,134,563
Total net position	\$ 238,139,437	\$ 235,730,731	\$ 183,837,449	\$ 120,966,649	\$ 31,193,962

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>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><u>\$ (37,964,983)</u></u>	<u><u>\$ (26,831,649)</u></u>	<u><u>\$ (31,679,697)</u></u>	<u><u>\$ (28,050,331)</u></u>	<u><u>\$ (23,138,090)</u></u>

(Continued)

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Expenses					
Governmental activities					
General government	\$ 9,502,082	\$ 8,361,595	\$ 5,645,737	\$ 5,022,348	\$ 2,808,741
Public safety	15,608,622	15,675,619	2,583,068	1,624,485	810,924
Community services	2,506,551	2,027,478	1,082,524	368,726	129,531
Development services	7,610,979	7,360,789	4,112,488	2,118,096	844,630
Interest on long-term debt	64,346	64,397			
Total governmental activities expenses	<u>35,292,580</u>	<u>33,489,878</u>	<u>13,423,817</u>	<u>9,133,655</u>	<u>4,593,826</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 1,632,470	\$ 3,550,264	\$ 5,809,118	\$ 10,916,030	\$ 7,476,840
Public safety	426,086	53,814			
Community services	277,060	232,334	130,990	77,517	14,931
Development services	77,547				1,030,436
Operating grants and contributions	3,967,175	2,978,293	2,313,870	1,873,086	1,030,950
Capital grants and contributions	8,238,154	38,175,235	35,344,625	57,471,658	15,827,680
Total program revenues	<u>14,618,492</u>	<u>44,989,940</u>	<u>43,598,603</u>	<u>70,338,291</u>	<u>25,380,837</u>
Net (Expense)/Revenue	<u>\$ (20,674,088)</u>	<u>\$ 11,500,062</u>	<u>\$ 30,174,786</u>	<u>\$ 61,204,636</u>	<u>\$ 20,787,011</u>

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

Note: 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.

Note: 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>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 state aid	13,514,587	12,912,995	11,397,446	6,277,756	7,110,730
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>

(Continued)

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Net (Expense)/Revenue	\$ (20,674,088)	\$ 11,500,062	\$ 30,174,786	\$ 61,204,636	\$ 20,787,011
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	8,073,578	5,504,915	2,431,339		
Property taxes, levied for debt service					
Sales taxes	10,230,103	18,141,568	22,032,882	25,432,643	7,439,799
Franchise taxes	536,966	758,442	660,317	303,480	97,362
Investment income	(378,160)	4,378,266	3,853,077	1,315,924	127,403
Unrestricted state aid	4,583,320	5,392,623	3,718,174	1,515,829	1,912,697
Miscellaneous	37,503	30,441	225	175	34,059
Total general revenues	<u>23,083,310</u>	<u>34,206,255</u>	<u>32,696,014</u>	<u>28,568,051</u>	<u>9,611,320</u>
Extraordinary Item		6,186,965			
Changes in Net Position	<u>\$ 2,409,222</u>	<u>\$ 51,893,282</u>	<u>\$ 62,870,800</u>	<u>\$ 89,772,687</u>	<u>\$ 30,398,331</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>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:					
Nonspendable					
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>

(Continued)

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Fund:					
Reserved	\$	\$	\$ 412,091	\$ 246,296	\$
Unreserved	68,275,877	72,950,101	65,105,942	43,914,118	14,148,712
Total General Fund	<u>\$ 68,275,877</u>	<u>\$ 72,950,101</u>	<u>\$ 65,518,033</u>	<u>\$ 44,160,414</u>	<u>\$ 14,148,712</u>
All Other Governmental Funds:					
Reserved	34,740,312	35,329,613	28,105,124	\$ 12,328,627	
Unreserved, reported in:					
Special revenue funds	2,419,821	2,900,630	2,301,282	1,724,152	1,461,310
Capital projects funds					1,288,239
Total all other governmental funds	<u>\$ 37,160,133</u>	<u>\$ 38,230,243</u>	<u>\$ 30,406,406</u>	<u>\$ 14,052,779</u>	<u>\$ 2,749,549</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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Revenues:					
Impact fees	\$ 1,435,999	\$ 1,785,770	\$	\$	\$
Property taxes	12,801,300	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
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>\$ 45,671,042</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>
Extraordinary Item					
Excess (deficiency) of revenues over expenditures	<u>\$ (21,717,392)</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%

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Revenues:					
Impact fees	\$	\$	\$	\$	\$
Property taxes	7,936,092	5,547,387	2,196,247		
Sales taxes	10,230,103	18,141,568	22,032,882	25,432,643	7,537,161
Franchise taxes	536,966	758,442	660,317	303,480	
Licenses, fees & permits	866,940	2,494,759	4,578,929	8,916,082	6,580,727
Intergovernmental revenues	10,991,426	9,114,700	8,329,956	2,744,065	2,033,941
Charges for services	1,023,168	905,055	1,162,087	1,968,618	4,048,832
Fines, forfeitures, & penalties	518,712	436,598	199,036	95,795	44,749
Investment income (loss)	(378,160)	4,378,266	3,853,077	1,315,924	173,247
Miscellaneous	4,410,405	8,605,812	11,890,546	10,680,272	34,059
Total revenues	<u>\$ 36,135,652</u>	<u>\$ 50,382,587</u>	<u>\$ 54,903,077</u>	<u>\$ 51,456,879</u>	<u>\$ 20,452,716</u>
Expenditures:					
Current -					
General government	\$ 8,589,886	\$ 7,726,546	\$ 5,278,035	\$ 4,809,752	\$ 2,766,528
Public safety	14,008,800	13,114,436	2,372,859	1,624,485	810,924
Culture and recreation	1,360,816	1,586,766	733,355	254,544	126,349
Development services	2,970,533	2,673,029	2,055,791	935,435	524,271
Capital outlay	14,752,588	11,145,898	6,751,791	2,517,741	111,089
Debt service -					
Principal retirement	133,017	132,966			
Interest and fiscal charges	64,346	64,397			
Total expenditures	<u>\$ 41,879,986</u>	<u>\$ 36,444,038</u>	<u>\$ 17,191,831</u>	<u>\$ 10,141,957</u>	<u>\$ 4,339,161</u>
Extraordinary Item		1,317,356			
Excess (deficiency) of revenues over expenditures	<u>\$ (5,744,334)</u>	<u>\$ 15,255,905</u>	<u>\$ 37,711,246</u>	<u>\$ 41,314,922</u>	<u>\$ 16,113,555</u>
Expenditures for capitalized assets	\$ 12,177,408	\$ 7,678,877	\$ 5,984,896		
Debt service as a percentage of noncapital expenditures		1%	1%	0%	0%

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

Note: 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.

Note: 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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Excess (deficiency) of revenues over expenditures	\$ (21,717,392)	\$ (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><u>\$ (21,717,392)</u></u>	<u><u>\$ (2,344,529)</u></u>	<u><u>\$ (2,802,950)</u></u>	<u><u>\$ (10,133,016)</u></u>	<u><u>\$ 11,469,362</u></u>
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Excess (deficiency) of revenues over expenditures	\$ (5,744,334)	\$ 15,255,905	\$ 37,711,246	\$ 41,314,922	\$ 16,113,555
Other financing sources (uses):					
Total other financing sources (uses)					
Changes in fund balances	<u><u>\$ (5,744,334)</u></u>	<u><u>\$ 15,255,905</u></u>	<u><u>\$ 37,711,246</u></u>	<u><u>\$ 41,314,922</u></u>	<u><u>\$ 16,113,555</u></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									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Mining	\$ 3,593	\$ 4,252	\$ 1,619	\$ 1,947	\$ 3,893	\$ 3,070	\$ (844)	\$ 85	\$ 5,150	\$
Communication & Utilities	687,634	636,967	575,882	575,198	540,097	414,839	457,988	492,936	344,710	126,893
Transportation	7,072	8,462	6,326	5,925	9,395	5,272	2,762	3,700	2,493	32,254
Construction	2,548,343	2,325,823	1,535,980	1,802,458	1,357,920	5,492,829	13,622,584	18,096,007	19,476,707	4,728,883
Manufacturing	418,849	289,320	274,016	257,176	234,542	308,076	107,944	61,759	56,553	105,747
Wholesale	109,573	114,764	93,496	189,691	326,914	108,875	75,310	95,063	51,008	17,242
Retail	4,138,543	3,834,681	3,774,442	3,446,044	3,145,911	2,806,983	2,481,306	2,401,870	1,773,151	893,947
Financial and Insurance	36,622	30,233	28,471	32,286	30,353	18,001	14,281	18,601	4,901	2,050
Real Estate Rental	643,650	502,888	538,287	496,443	470,484	524,427	969,820	1,371,736	371,742	214,252
Restaurant & Bar	482,155	429,359	380,961	357,595	381,273	369,659	395,455	360,007	161,712	21,071
Accommodation	6	9	6	806	8,423	14,008	10,973	19	175	94
Public Administration	481	845	1,165	(2,813)	3,240	266	39	1,188	2,652	1,068
Services	216,020	272,749	177,935	150,913	95,398	108,262	122,634	149,934	89,186	36,098
Arts & Entertainment	3,813	21,019	47,440	22,341	510	40,640	50,210	53,190	55,552	42,402
Other	46,494	50,400	57,419	151,517	225,795	319,141	373,526	836,182	716,390	318,423
Total	\$ 9,342,848	\$ 8,521,771	\$ 7,493,445	\$ 7,487,527	\$ 6,834,148	\$ 10,534,347	\$ 18,683,988	\$ 23,942,279	\$ 23,112,080	\$ 6,540,423
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.

Note: The increased rate on construction became effective March 2005.

**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
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%
2009	2.00%	3.50%	5.60%	1.10%
2008	2.00%	3.50%	5.60%	1.10%
2007	2.00%	3.50%	5.60%	1.10%
2006	2.00%	3.50%	5.60%	1.10%
2005	2.00%	3.50%	5.60%	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>
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)
2009	10,230,103	(43.61)	7,936,092	43.06	536,966	(29.20)	18,703,161	(23.50)
2008	18,141,568	(17.66)	5,547,387	152.58	758,442	14.86	24,447,397	(1.78)
2007	22,032,881	(13.37)	2,196,247	N/A	660,317	117.58	24,889,445	(3.29)
2006	25,432,643	241.85		N/A	303,480	211.70	25,736,123	241.46
2005	7,439,799	765.30		N/A	97,362	N/A	7,537,161	776.62

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

Note: Prior to fiscal year ended June 30, 2007, the City did not collect property taxes; therefore, this information is not displayed for those years.

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

<u>Taxpayer</u>	<u>2014</u>		<u>2006</u>	
	<u>Primary Assessed Valuation</u>	<u>Percentage of City's Net Assessed Valuation</u>	<u>Primary Assessed Valuation</u>	<u>Percentage of City's Net Assessed Valuation</u>
Pinal Energy LLC	\$ 7,021,511	3.35 %		%
Global Water: Santa Cruz Water Co.	3,779,094	1.80		
Global Water: Palo Verde Utilities	2,750,465	1.31		
Wal-Mart Stores Inc #2778	2,437,404	1.16		
Volkswagen of America dba Vorelco Inc.	2,437,404	1.16	1,603,214	0.73
Meritage Homes of Arizona Inc.	1,856,005	0.88		
Maricopa Fiesta Investors LLC etal	1,654,751	0.79		
Smith's Food & Drug Center Inc	1,252,244	0.60	1,630,606	0.74
Metro Red-1 LLC	939,183	0.45		
Maricopa Groves Self Storage LLC	872,099	0.42	417,092	0.19
Barclay Holding XIX LLC	805,014	0.38	726,796	0.33
Shea Maricopa LLC	782,653	0.37		
Hiro Investment LLC etal			426,854	0.19
El Paso Natural Gas Co.			352,141	0.16
Murphy Land Investors LLC			351,061	0.16
CMG 900 LLC			303,674	0.14
Sunset Tartesso LLC			303,196	0.14
Wells Fargo Bank NA TR			303,408	0.14
Total	<u>\$ 26,587,827</u>	<u>12.67 %</u>	<u>\$ 6,418,042</u>	<u>2.92 %</u>
City's Total Assessed Valuation	<u>\$ 209,876,670</u>		<u>\$ 220,223,742</u>	

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

Note: Information prior to fiscal year 2006 was not available.

**CITY OF MARICOPA, ARIZONA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST EIGHT 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
2014	\$ 12,939,126	\$12,196,814	94.26 %	N/A	\$12,196,814	94.26 %
2013	11,470,371	10,255,746	89.41	660,029	10,915,775	95.16
2012	11,475,826	10,390,225	90.54	386,348	10,776,573	93.91
2011	11,250,307	10,933,142	97.18	266,434	11,199,576	99.55
2010	9,242,329	8,868,977	95.96	329,572	9,198,549	99.53
2009	8,044,384	7,636,762	94.93	407,622	8,044,384	100.00
2008	5,740,847	5,435,154	94.68	305,693	5,740,847	100.00
2007	2,260,942	2,176,589	96.27	84,353	2,260,942	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.

3) Fiscal year ended June 30, 2007 was the first year of collections, therefore only seven years are presented.

**CITY OF MARICOPA, ARIZONA
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

Fiscal Year		Real Property		Personal Property		Total			Ratio of Total Assessed Value to Estimated
		Net Assesed Value	Estimated Actual Value	Net Assesed Value	Estimated Actual Value	Net Assesed Value	Estimated Actual Value	Direct Tax Rate	
2014	P	\$ 195,380,117	\$ 1,866,757,679	\$ 11,893,420	\$ 65,872,041	\$ 207,273,537	\$ 1,932,629,720	5.0898	10.72 %
	S	197,983,250	1,889,429,095	11,893,420	66,052,041	209,876,670	1,955,481,136	1.7600	10.73
2013	P	181,595,557	1,706,748,961	16,880,341	91,357,273	198,475,898	1,798,106,234	4.8753	11.04
	S	182,752,598	1,720,554,146	16,880,341	91,357,273	199,632,939	1,811,911,419	0.6917	11.02
2012	P	188,261,169	1,756,968,685	17,526,048	90,689,220	205,787,217	1,847,657,905	4.8105	11.14
	S	190,327,514	1,779,275,350	17,526,048	90,689,220	207,853,562	1,869,964,570	0.6528	11.12
2011	P	195,083,227	1,851,949,877	13,587,423	69,823,606	208,670,650	1,921,773,483	4.8105	10.76
	S	206,652,235	1,888,879,939	13,587,423	69,823,606	220,239,658	1,958,703,545	0.6528	11.08
2010	P	234,678,353	2,219,435,798	10,450,029	51,670,515	245,128,382	2,271,106,313	4.0168	10.79
	S	249,336,606	2,259,829,103	10,450,029	51,670,515	259,786,635	2,311,499,618	0.5514	11.24
2009	P	307,662,417	2,902,754,652	8,583,362	40,203,060	316,245,779	2,942,957,712	2.8894	10.10
	S	347,510,045	3,202,240,784	8,583,362	40,203,060	356,093,407	3,242,443,844		10.98
2008	P	235,967,801	2,222,115,079	5,882,736	26,220,739	241,850,537	2,248,335,818	3.2326	10.76
	S	321,826,257	2,970,332,974	5,882,736	26,220,739	327,708,993	2,996,553,713		10.94
2007	P	163,323,630	1,532,695,889	1,233,063	5,260,965	164,556,693	1,537,956,854	3.7565	10.70
	S	218,990,679	2,023,828,541	1,233,063	5,260,965	220,223,742	2,029,089,506		10.85
2006	P	74,875,827	668,990,368	897,957	3,665,112	75,773,784	672,655,480	3.2000	11.26
	S	82,904,354	724,926,425	897,957	3,665,112	83,802,311	728,591,537		11.50
2005	P	38,256,351	335,697,021	517,014	2,068,028	38,773,365	337,765,049		11.48
	S	45,793,677	386,990,073	517,014	2,068,028	\$46,310,691	389,058,101		11.90

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.

P-primary
 S-secondary

**CITY OF MARICOPA, ARIZONA
SECONDARY ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commerical, Industrial, Utilities and Mining	\$ 30,378,316	\$ 36,327,177	\$ 38,276,239	\$ 33,707,267	\$ 30,561,149
Agricultural and Vacant	20,017,664	20,869,614	21,101,890	22,678,364	26,257,892
Residential (Owner Occupied)	111,122,863	106,613,297	126,378,346	140,018,199	174,466,540
Residential (Rental)	47,611,420	35,465,042	21,909,363	13,401,078	16,078,841
Railroad, Private Cars and Airlines	459,982	357,809	187,724	159,615	
Historical Property	286,425			10,275,135	12,422,213
Certain Government Property Improvements					
Total	\$ <u>209,876,670</u>	\$ <u>199,632,939</u>	\$ <u>207,853,562</u>	\$ <u>220,239,658</u>	\$ <u>259,786,635</u>

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Commerical, Industrial, Utilities and Mining	\$ 27,564,929	\$ 19,096,632	\$ 10,698,427	\$ 7,591,708	3,850,186
Agricultural and Vacant	53,766,153	51,996,895	34,292,752	19,978,140	15,657,501
Residential (Owner Occupied)	254,280,286	239,519,743	165,604,204	51,814,541	25,769,370
Residential (Rental)	19,764,574	16,647,581	9,628,359	4,417,922	1,033,634
Railroad, Private Cars and Airlines		252,481			
Historical Property	717,465	195,661			
Certain Government Property Improvements					
Total	\$ <u>356,093,407</u>	\$ <u>327,708,993</u>	\$ <u>220,223,742</u>	\$ <u>83,802,311</u>	<u>46,310,691</u>

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

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commerical, Industrial, Utilities and Mining	14 %	18 %	18 %	15 %	12 %
Agricultural and Vacant	10	14	10	10	10
Residential (Owner Occupied)	53	58	61	64	67
Residential (Rental)	23	10	11	6	6
Historical Property				5	5
Total	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Commerical, Industrial, Utilities and Mining	8 %	6 %	5 %	9 %	8 %
Agricultural and Vacant	15	16	16	24	34
Residential (Owner Occupied)	71	73	75	62	56
Residential (Rental)	6	5	4	5	2
Total	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</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 District'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	Per Capita	Capital Leases	Total	Percentage of Estimated Actual Value	Per Capita	Percentage of Personal Income	
2014	\$ 47,218,441		\$ 47,218,441	2.61 %	\$ 1,051	\$ -	\$ 47,218,441	2.41 %	\$ 1,051	4.75 %	
2013	51,035,992		51,035,992	2.73	1,112	75,581	51,111,573	2.82	1,114	5.49	
2012	19,360,467		19,360,467	0.99	436	147,598	19,508,065	1.04	439	2.10	
2011	20,095,493		20,095,493	0.87	462	413,796	20,509,289	1.05	472	2.31	
2010	20,100,519		20,100,519	0.62	510	955,316	21,055,835	0.91	534	2.55	
2009						1,095,234	1,095,234	0.03	31	0.14	
2008						1,228,251	1,228,251	0.04	38	0.17	
2007											
2006											
2005											

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

**CITY OF MARICOPA, ARIZONA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2014**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to City</u>	<u>Estimated Amount Applicable to City</u>
Pinal County	\$ 142,580,000	9.62 %	\$ 13,716,196
Community College District	95,525,000	9.37	8,950,693
Maricopa Unified School District	41,685,000	100.00	41,685,000
Subtotal, Overlapping Debt			<u>64,351,889</u>
Direct:			
The City of Maricopa	47,218,441	100.00	47,218,441
Total Direct and Overlapping Debt			<u><u>\$ 111,570,330</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, 2013 is presented for the overlapping governments as this is the most recent available information.

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

Legal Debt Margin Calculations for Fiscal Year 2014:

20% Limitation		6% Limitation	
Secondary assessed valuation	\$ 209,876,670	Secondary assessed valuation	\$ 209,876,670
Debt limit	41,975,334	Debt limit	12,592,600
Debt applicable to limit	37,745,000	Debt applicable to limit	8,605,000
Legal 20% debt margin	\$ 4,230,334	Legal 6% debt margin	\$ 3,987,600

	Fiscal Year Ended June 30				
	2014	2013	2012	2011	2010
20% Limitation:					
Debt limit	\$ 41,975,334	\$ 39,926,588	\$ 41,570,712	\$ 51,957,327	\$ 71,218,681
Total net debt applicable to limit	37,745,000	41,520,000	19,270,000	20,000,000	20,000,000
Legal 20% debt margin	\$ 4,230,334	\$ (1,593,412)	\$ 22,300,712	\$ 31,957,327	\$ 51,218,681
Total net debt applicable to the 20% limit as a percentage of 20% debt limit	90%	104%	46%	38%	28%
6% Limitation:					
Total Debt limit	\$ 12,592,600	\$ 11,977,976	\$ 12,471,214	\$ 15,587,198	\$ 21,365,604
Total net debt applicable to limit	8,605,000	8,605,000			
Legal 6% debt margin	\$ 3,987,600	\$ 3,372,976	\$ 12,471,214	\$ 15,587,198	\$ 21,365,604
Total net debt applicable to the 6% limit as a percentage of 6% debt limit	68%	72%	0%	0%	0%

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

Notes: Prior to fiscal year ended June 30, 2010, the City had no debt; therefore, this information is not displayed for those years.

**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>
2013	389,350	\$ 9,932,684	\$ 25,511	8.0 %	44,946
2012	389,192	9,301,723	24,287	8.9	45,882
2011	384,231	9,301,723	24,287	10.3	44,450
2010	375,770	8,860,496	23,060	12.0	43,482
2009	356,303	8,259,897	24,225	11.4	39,429
2008	309,653	7,892,358	23,985	7.1	35,000
2007	276,266	7,164,122	23,673	4.6	32,157
2006	254,703	6,432,713	23,785	5.0	30,559
2005	226,995	5,585,848	23,524	5.6	15,934
2004	204,266	4,682,265	21,213	6.0	4,998

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 2002 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For the year 2011 the source of the information is the Arizona Office of Employment and Population Statistics.

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

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

Employer	Industry	2014			2005		
		Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Harrah's Ak-Chin Casino Resort*	Casinos	760	1	13.82 %	100	3	20.00 %
Maricopa Unified School District	Schools	650	2	11.82			-
Walmart	Department Stores	300	3	5.45			-
City of Maricopa	Government Offices	283	4	5.15			-
Fry's Food Store	Grocers-Retail	200	5	3.64	150	2	30.00
Volkswagen Proving Grounds	Automotive Testing	200	6	3.64			-
Ak-Chin Farms*	Farming	89	7	1.62			-
Basha's	Grocers-Retail	85	8	1.55			-
Legacy Traditional School	Schools	76	9	1.38	200	1	40.00
Pinal Feeding Co. Inc	Livestock Feeding	75	10	1.36			-
Sequoia Pathway Academy	Schools	71	11	1.29	20	4	4.00
USDA Arid-Land Research Center*	Agricultural Research	69	12	1.25	10	5	2.00
Total		<u>2,858</u>		<u>51.97 %</u>	<u>480</u>		<u>96.00 %</u>
Total employment		<u>5,500</u>			<u>500</u>		

Source: The source of the 2014 information is the City of Maricopa's Economic Development Department. The source of the 2005 information is based on staff estimates with regards to population, demand at time, and existence of entities. Data regarding total employment figures are considered to be estimates at this time. Areas marked with an asterik (*) are outside of the City limits but within the City's planning area.

**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>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	3.75	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 Safety 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	10.25	9.3	9.2	8.0	8.0
Total	212.0	214.0	216.0	215.0	219.5

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Government					
Court	4.5	2.5	2.5	1.5	0.0
Mayor and Council	7.0	7.0	7.0	7.0	7.0
City Manager	5.5	3.5	6.0	4.0	1.0
Information Technology	6.0	6.0	0.0	0.0	0.0
Marketing & Communication	1.0	0.0	0.0	0.0	0.0
City Clerk	6.0	6.0	2.0	1.0	1.0
Finance	9.5	10.0	9.0	3.0	1.0
Support Services Administration	0.0	0.0	0.0	0.0	0.0
Human Resources	3.0	3.0	2.0	0.0	0.0
Planning	5.0	5.0	7.0	5.0	0.0
Development Services	0.0	0.0	13.0	4.0	1.0
Building Safety	14.0	14.0	0.0	0.0	0.0
Code Enforcement	1.0	0.0	0.0	0.0	0.0
Facilities Management	2.0	1.0	0.0	0.0	0.0
Fleet Management	0.0	0.0	0.0	0.0	0.0
Public Safety Administration	0.0	0.0	0.0	0.0	0.0
Police	67.5	62.5	9.0	0.0	0.0
Fire	66.5	64.5	0.0	0.0	10.0
Engineering	4.0	4.0	3.0	2.0	0.0
Transportation	2.0	3.0	0.0	0.0	0.0
Community Services Administration	0.0	0.0	0.0	0.0	0.0
Recreation	7.0	7.0	5.0	4.0	0.0
Park Maintenance	0.0	0.0	0.0	0.0	0.0
Libraries	4.0	4.0	2.5	2.5	0.0
Economic Development	1.0	0.0	0.0	0.0	1.0
HURF/Public Works	8.0	11.0	4.0	3.0	1.0
Total	<u>224.5</u>	<u>214.0</u>	<u>72.0</u>	<u>37.0</u>	<u>23.0</u>

Source: The source of this information is the Annual Budget Books-06, 07, 08, 09, 10 and the City's Human Resources Office.

(Continued)

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

	Fiscal Year Ended June 30									
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Function/Program										
General Government										
Number of general government buildings	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police										
Number of police stations	1	1	1	1	1	1	1	*	*	*
Fire										
Number of fire stations	4	4	4	4	4	4	4	*	*	*
Community Services										
Number of parks and recreation facilities	4	3	2	2	1	1	1	1	0	0
Number of acres of parks	127	29	28	28	28	18	18	18	0	0
Public Works										
Number of public works buildings	1	1	1	1	1	1	1	1	0	0
Miles of streets	532	532	**	**	**	**	**	**	**	**
Number of street lights	15	12	10	8	4	3	0	0	0	0

Source: Various city departments

*The Fire and Police Departments were established in fiscal year 2008.

**Information is unavailable

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

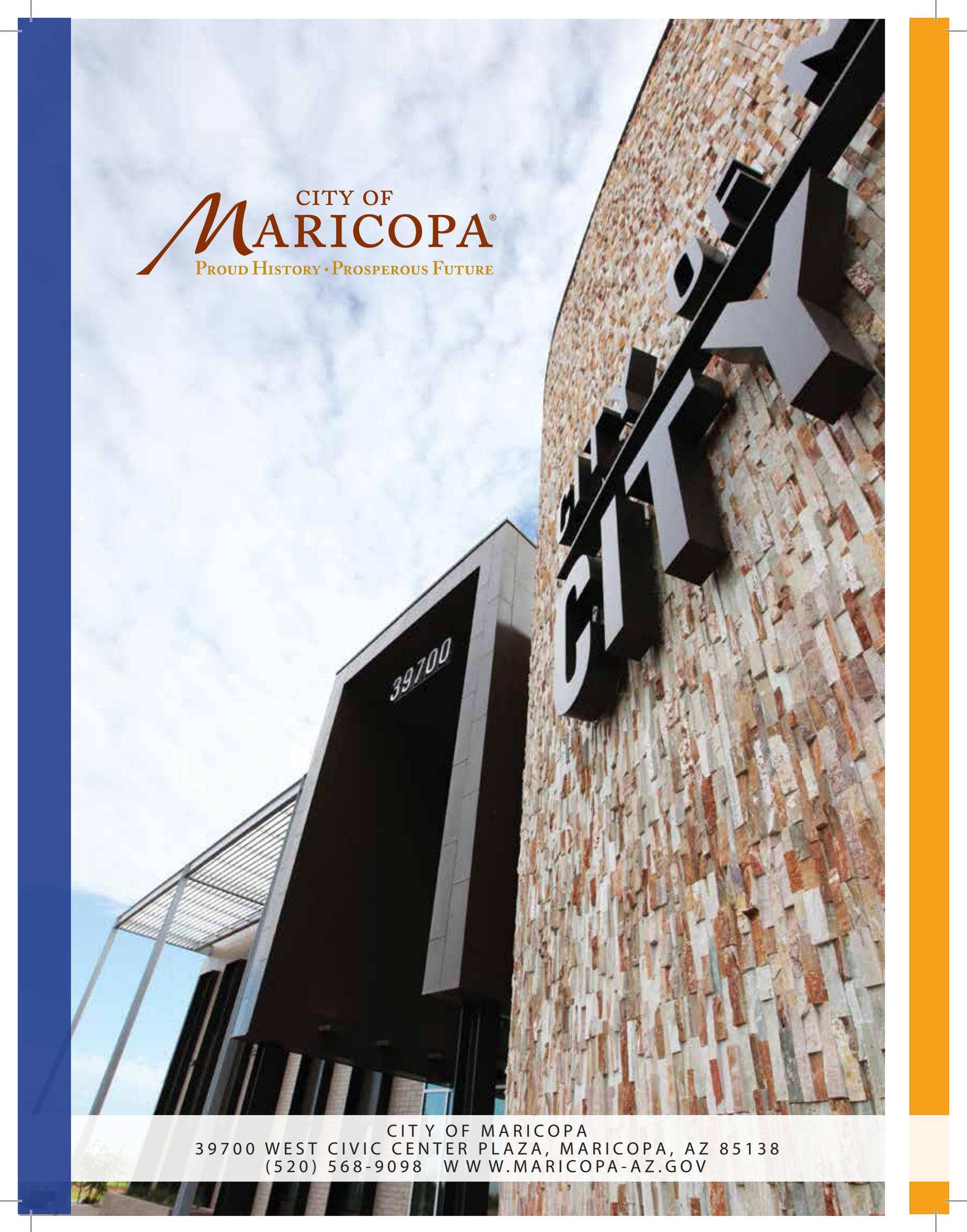
<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Public Safety										
Police										
Number of police personnel and officers:	72	66	66	63	66	69	63	*	*	*
Number of arrests	2,171	2,235	1,650	1,408	1,594	1,778	1,045	*	*	*
Number of traffic violations	2,801	3,504	3,055	4,468	3,581	4,266	**	*	*	*
Number of parking violations	244	28	21	16	6	2	**	*	*	*
Fire										
Number of fire personnel and firefighters	63	63	63	63	66	67	65	*	*	*
Number of emergency calls	3,368	3,302	3,074	3,056	3,034	2,900	1,999	*	*	*
Number of fire calls	410	435	375	438	378	389	284	*	*	*
Number of inspections	120	279	570	666	595	628	**	*	*	*
Development Services										
Number of building-single family residential permits issued	321	419	225	111	382	402	1,596	2,675	5,051	4,774
Number of building-non-residential permits issued	22	44	35	72	44	92	146	267	67	0
Number of demolition permits issued	3	3	9	13	4	5	4	4	4	10
Number of pool permits issued	184	148	164	128	139	120	365	662	991	649
Number of solar permits issued	195	44	24	15	33	0	0	0	0	0
Number of sign permits issued	52	71	46	33	21	40	67	85	45	58
Community Services										
Recreation										
Number of facility and park reservations processed	584	600	634	395	0	0	0	0	0	0
Number of programs	562	357	357	330	335	335	**	**	**	**
Library										
Number of materials in inventory	42,148	32,060	27,515	23,071	20,062	18,239	**	**	**	**

Source: Various city departments.

*The Fire and Police Departments were established in fiscal year 2008.

**Information is unavailable

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The image features a low-angle shot of a modern building facade. The building has a curved wall with a textured, stone-like finish. Large, dark, three-dimensional letters spelling 'CIVIC' are mounted on the wall. To the left, a dark rectangular panel displays the address '39700'. The sky is blue with light clouds. The logo for the City of Maricopa is overlaid in the upper left, and contact information is at the bottom.

CITY OF
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PROUD HISTORY • PROSPEROUS FUTURE

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39700 WEST CIVIC CENTER PLAZA, MARICOPA, AZ 85138
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