




*Building Now,
Envisioning the Future*



**Comprehensive Annual Financial Report
for the year ended June 30, 2015**

**CITY OF MARICOPA, ARIZONA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Issued by:
Financial Services Department

CITY OF MARICOPA, ARIZONA

TABLE OF CONTENTS

INTRODUCTORY SECTION

Page

Letter of Transmittal	i
GFOA Certificate of Achievement	vi
Organization Chart	vii
List of Principal Officials	viii

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)	5
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	16
Statement of Activities	17
Fund Financial Statements:	
Balance Sheet – Governmental Funds	20
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	23
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	24
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	27
Notes to Financial Statements	29
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues Expenditures and Changes in Fund Balances – Budget and Actual:	
General Fund	58

CITY OF MARICOPA, ARIZONA

TABLE OF CONTENTS

<u>FINANCIAL SECTION</u>	<u>Page</u>
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Proportionate Share of the Net Pension Liability	59
Schedules of Changes in the Net Pension Liability and Related Ratios	60
Schedule of Contributions	62
Schedule of Funding Progress	63
Notes to Required Supplementary Information	64
 COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Governmental Funds:	
Combining Balance Sheet – All Non-Major Governmental Funds – By Fund Type	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All Non-Major Governmental Funds – By Fund Type	69
Special Revenue Funds:	
Combining Balance Sheet	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	74
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	76
Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	82
Capital Projects Funds:	
Combining Balance Sheet	84
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	86
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	88

CITY OF MARICOPA, ARIZONA

TABLE OF CONTENTS

STATISTICAL SECTION

Financial Trends:

Net Position by Component	97
Governmental and Business-type Activities Expenses, Program Revenues, and Net (Expense)/Revenue	98
General Revenues and Total Changes in Net Position	100
Fund Balances – Governmental Funds	102
Governmental Funds Revenues, Expenditures and Debt Service Ratio	104
Other Financing Sources and Uses and Net Changes in Fund Balances – Governmental Funds	106

Revenue Capacity:

Sales Tax Collected by Category	107
Sales Tax Rates	108
General Government Tax Revenues by Source	109
Principal Property Tax Payers – Pinal County	110
Property Tax Levies and Collections	111
Assessed Value and Estimated Actual Value of Taxable Property	112
Assessed Value and Estimated Actual Value of Taxable Property by Class	113
Property Tax Assessment Ratios	114

Debt Capacity:

Outstanding Debt by Type	115
Direct and Overlapping Governmental Activities Debt	116
Legal Debt Margin Information	117

CITY OF MARICOPA, ARIZONA

TABLE OF CONTENTS

<u>STATISTICAL SECTION</u>	<u>Page</u>
Demographic and Economic Information:	
County-Wide Demographic and Economic Statistics	118
Principal Employers	119
Operating Information:	
Full-Time Equivalent City Government Employees by Function/Program	120
Capital Asset Statistics by Function	122
Operating Indicators by Function	123

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INTRODUCTORY SECTION

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January 18, 2016

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, 2015.

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, 2015. 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 in Pinal County, 35 minutes from Phoenix Sky Harbor Airport and 100 miles northwest of Tucson. Maricopa is one of the top growth areas in both the state and the country, increasing in population over 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 45,800. The City of Maricopa is empowered to levy a property tax on real and personal property located within its boundaries. It is empowered by state statute to extend its corporate limits by annexation.

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

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 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. M 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, Maricopa Station includes a 7,800 square foot multi-tenant shops building and 3,300 square foot drive through restaurant. 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 2014-2015.

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 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. Maricopa issues an average of 25 new single family home permits per month. Slow, steady growth is projected for 2015-2016 and beyond. In addition, Maricopa's homes continue to sell 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 2014 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.

Maricopa's new 45,000 square foot City Hall and adjacent Police station is located on a 20-acre portion of a larger 140-acre piece of City-owned property at White & Parker Road and Bowlin Road. 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.

The 52,000 square foot Copper Sky Multigenerational/Aquatics Center and 98-acre Copper Sky Regional Park, the destination for sports, fitness, recreation and leisure activities in Maricopa, has been in operation for one year. It hosts regional athletic tournaments and special community events including the Salsa Festival, Merry Copa, Great American BBQ and Fishing Derby. With nearly 500,000 visitors in its first year, it has become the center of activity in Maricopa.

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.

Progress continues on the development of 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. 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 nearing completion, 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. In October 2015, the Arizona Department of Transportation in partnership with the City received a \$15.0 million Federal grant for construction of the overpass.

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 \$26.7 million in the General Fund represents 93 percent of total General Fund budgeted expenditures. This falls within the 30 percent policy guidelines set by the Council for budgetary and planning purposes.

In accordance with 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.

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 FY14-15 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 (93 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, 2014. 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 2014-15 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



Brenda K. Hasler, CPA
Interim Finance Director



Government Finance Officers Association

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

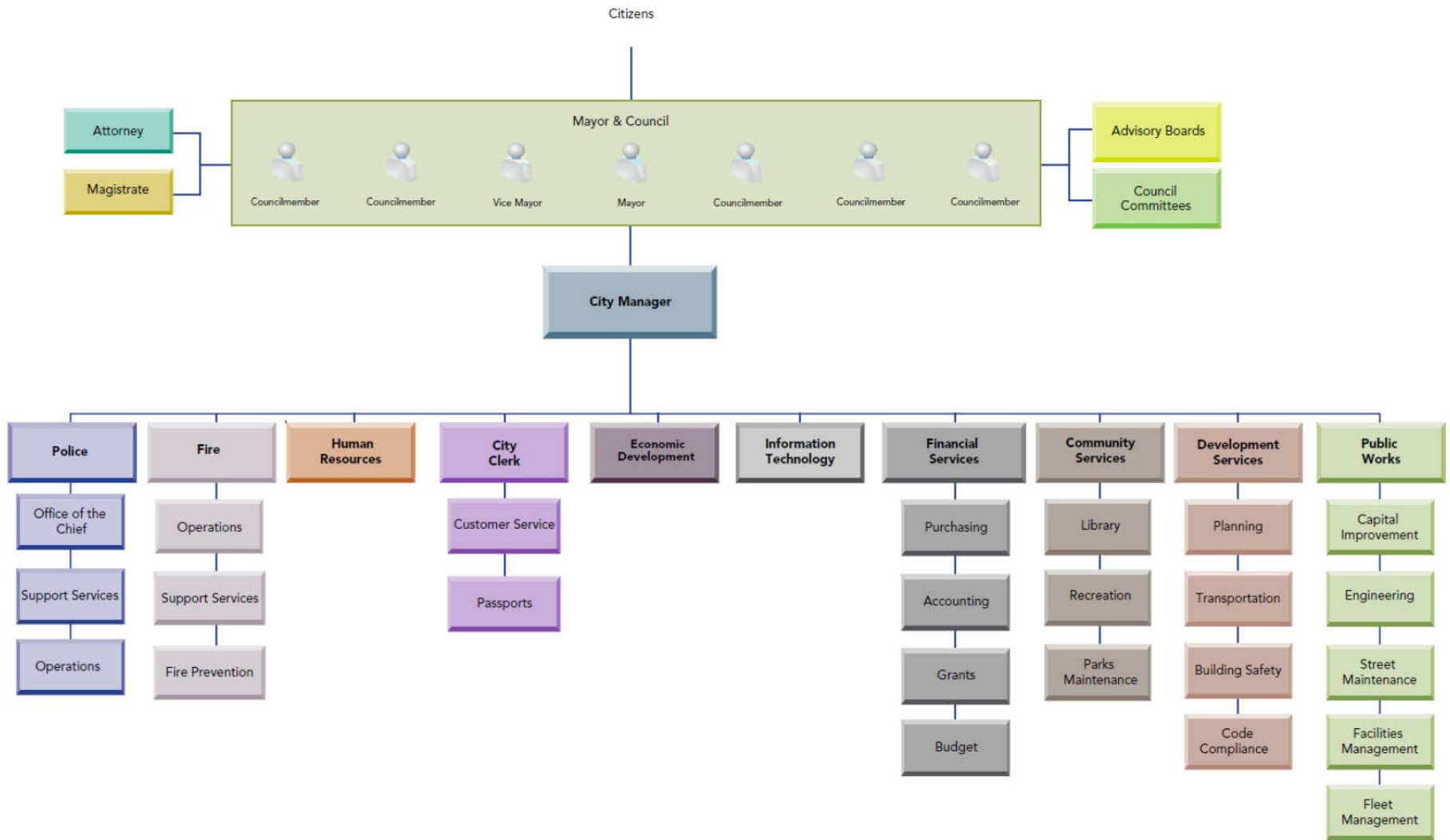
Presented to

**City of Maricopa
Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO



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

ELECTED OFFICIALS

Mayor	Christian Price
Vice-Mayor	Marvin Brown
Council Member	Peggy Chapados
Council Member	Bridger Kimball
Council Member	Vincent Manfredi
Council Member	Nancy Smith
Council Member	Henry Wade

CITY STAFF

City Manager	Gregory Rose
City Clerk	Vanessa Bueras
Community Services Director	Kristie Riester
Development Services Director	Martin Scribner
Economic Development Director	Denyse Airheart
Fire Chief	Brady Leffler
Human Resources Director	Kathleen Haggerty
Intergovernmental Affairs Director	Paul Jepson
Interim Financial Services Director	Brenda Hasler
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, 2015, 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, 2015, 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. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, for the year ended June 30, 2015, 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, budgetary comparison information, and net pension liability information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2016, 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

January 18, 2016

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, 2015**

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, 2015. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

The financial statements which follow the Management's Discussion and Analysis provide those significant key financial highlights for 2014-15 as follows:

- The City's total net position of governmental activities increased \$488,902 to \$245.6 million representing a less than one percent increase over the prior year.
- General revenues from governmental activities accounted for \$38.8 million in revenue, or 81 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$9.1 million or 19 percent of total governmental activities revenues.
- The City had \$47.4 million in expenses related to governmental activities, a decrease of less than one percent from the prior fiscal year.
- Among major funds, the General Fund had \$32.0 million in current fiscal year revenues, which primarily consisted of property tax, sales tax, and intergovernmental revenues, and \$28.8 million in expenditures. The General Fund's fund balance increase from \$24.7 million at the prior fiscal year end to \$26.7 million at the end of the current fiscal year was primarily due to increases in intergovernmental revenues, and concerted efforts to reduce the costs of operations.
- The Debt Service Fund had \$5.2 million in revenues. Expenditures totaled \$3.8 million, resulting in an increase in fund balance of \$1.5 million.
- The Transportation Impact Fee Fund, had \$802,431 in revenues. Fund expenditures totaled \$2.6 million resulting in a decrease in fund balance of \$1.8 million to \$19.6 million due to the use of accumulated fund balance to enable long-needed road improvements.
- The General Government CIP Fund had \$1.2 million in revenues and expenditures of \$2.8 million for the construction of a new police substation, and the purchase of Police vehicles.

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

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, 2015**

OVERVIEW OF FINANCIAL STATEMENTS

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, 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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$245.6 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.

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents a summary of the City's net position for the fiscal years ended June 30, 2015 and June 30, 2014.

	Governmental Activities	
	2015	2014
Current and other assets	\$ 85,917,992	\$ 82,259,425
Capital assets, net	221,819,497	224,068,171
Total assets	307,737,489	306,327,596
Deferred outflows	3,232,884	
Current liabilities	6,317,260	3,324,033
Long-term liabilities	56,356,463	48,335,582
Total liabilities	62,673,723	51,659,615
Deferred inflows	2,652,021	
Net investment in capital assets	176,253,607	176,849,760
Restricted	52,707,824	54,993,935
Unrestricted	16,683,198	22,824,286
Total net position	\$ 245,644,629	\$ 254,667,981

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 \$7.8 million in capital asset additions with an increase in accumulated depreciation of \$9.7 million.
- Current assets increased \$3.7 million primarily due to increased cash and investment balances at fiscal year end resulting from concerted efforts to reduce the costs of operations.
- Bonds payable decreased due to the principal retirement of \$1.7 during the fiscal year.
- An increase in long-term liabilities of \$9.6 million due to the recognition of pension obligations.

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in net position. The City's total revenues for the current fiscal year were \$47.9 million. The total cost of all programs and services was \$47.4 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2015 and June 30, 2014.

	Governmental Activities	
	2015	2014
Revenues:		
Program revenues:		
Charges for services	\$ 3,702,481	\$ 2,428,962
Operating grants and contributions	3,962,746	5,938,010
Capital grants and contributions	1,470,367	1,486,660
General revenues:		
Property taxes, levied for general purposes	9,328,535	9,391,368
Property taxes, levied for debt service	4,761,714	3,542,070
Sales taxes	8,791,279	8,684,810
Franchise taxes	362,791	344,151
Unrestricted grants, aid, and state shared revenues	15,108,669	13,514,587
Investment income	446,606	472,562
Total revenues	<u>47,935,188</u>	<u>45,803,180</u>
Expenses:		
General government	8,034,855	9,718,746
Public safety	19,253,044	18,672,370
Community services	8,245,420	5,687,823
Development services	2,624,718	3,091,943
Public works	7,189,840	7,547,174
Interest on long-term debt	2,098,409	3,100,559
Total expenses	<u>47,446,286</u>	<u>47,818,615</u>
Changes in net position	488,902	(2,015,435)
Net position, beginning, as restated	245,155,727	256,683,416
Net position, ending	<u>\$ 245,644,629</u>	<u>\$ 254,667,981</u>

- Total revenues increased \$2.1 million, or five percent, primarily due to increases in unrestricted state revenues and increased collections for charges for services from the Copper Sky Multigenerational Center and Regional Park.
- Total expenses decreased \$372,329, or one percent, primarily due to concerted efforts to reduce the costs of operations.
- The increase in charges for services revenues of \$1.3 million was primarily due to increased collections resulting from the first full fiscal year of operation of the Copper Sky Multigenerational Center and Regional Park.
- The decrease in operating grants and contributions of \$2.0 million was primarily due to the one time receipt of a \$2.0 million pass-through grant from the Ak-Chin Indian Community to the Maricopa Unified School District in the prior fiscal year.
- The increase in unrestricted grants, air and state shared revenues of \$1.6 million was primarily due to increases in unrestricted state revenues received for sales and vehicle license taxes.

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Year Ended June 30, 2015		Year Ended June 30, 2014	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
General government	\$ 8,034,855	\$ (7,835,108)	\$ 9,718,746	\$ (7,576,923)
Public safety	19,253,044	(16,967,405)	18,672,370	(16,955,842)
Community services	8,245,420	(4,973,675)	5,687,823	(3,663,113)
Development services	2,624,718	(1,998,291)	3,091,943	(2,376,361)
Public works	7,189,840	(4,746,313)	7,547,174	(4,601,004)
Interest on long-term debt	2,098,409	(1,789,900)	3,100,559	(2,791,740)
Total	\$ 47,446,286	\$ (38,310,692)	\$ 47,818,615	\$ (37,964,983)

- The cost of all governmental activities this year was \$47.4 million.
- Federal and State grants and contributions and charges for services subsidized certain programs with grants and contributions and other local revenues of \$9.1 million.
- Net cost of governmental activities of \$38.3 million was financed by general revenues, which are made up of primarily property taxes of \$14.1 million, sales taxes of \$8.8 million, and state shared revenues of \$15.1 million.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

The financial performance of the City as a whole is reflected in its governmental funds. As the City completed the year, its governmental funds reported a combined fund balance of \$79.4 million, an increase of \$1.2 million due primarily to increases in unrestricted state revenues and increased collections for charges for services from the Copper Sky Multigenerational Center and Regional Park.

The General Fund is the principal operating fund of the City. The increase in fund balance of \$2.0 million for the fiscal year to \$26.7 million was due primarily due to increases in intergovernmental revenues, and concerted efforts to reduce the costs of operations.

The General Government CIP Fund balance decreased by \$1.6 million to an ending fund balance of \$14.9 million due to the construction of a new police substation, and the purchase of police vehicles.

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The Transportation Impact Fee Fund showed a decrease in fund balance of \$1.8 million due to the use of accumulated fund balance to enable long-needed road improvements.

The Debt Service Fund reported an increase in fund balance of \$1.5 million due primarily to secondary property tax collections exceeding the levy budget.

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 revenues increased from the prior year due to the slowly increasing economic recovery and the continued growth of the City.
- Due to a reduction of the primary property tax levy by the county, and a decrease in the primary property tax rate, property tax revenues are below the budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the City had invested \$275.9 million in capital assets, including buildings, facilities, vehicles, computers, equipment, and infrastructure assets. This amount represents a net increase prior to depreciation of \$7.3 million from the prior fiscal year, primarily due to the completion of Copper Sky Multigenerational Center and Regional Park, construction of a new police substation and commencement of construction on the Fire and Fleet Maintenance building. Total depreciation expense for the current fiscal year was \$9.7 million.

The following schedule presents capital asset balances for the fiscal years ended June 30, 2015 and June 30, 2014.

<u>Governmental Activities</u>	As of <u>June 30, 2015</u>	As of <u>June 30, 2014</u>
Land and land improvements	\$ 87,428,714	\$ 87,259,807
Infrastructure	86,232,511	86,148,345
Buildings and improvements	76,194,277	75,114,253
Vehicles, machinery and equipment	18,914,453	17,522,881
Construction in progress	7,121,937	2,541,026
Less: Accumulated depreciation	<u>(54,072,395)</u>	<u>(44,518,141)</u>
Total	<u>\$ 221,819,497</u>	<u>\$ 224,068,171</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, 2015**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Debt Administration. – At year end, the City had \$45.6 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 \$41.5 million, of which \$32.8 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 \$12.4 million, of which \$8.6 million is issued and outstanding.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

City management considered many factors in the process of developing the operating budget for the fiscal year 2015-16. The most significant factors affecting the subsequent year's budget are:

- Primary property tax assessments remain relatively unchanged from prior year with an increase in the total assessment due to the impact of new construction.
- Sales tax revenues increased due to continued growth in the City as well as the continuing slow economic recovery, especially in the area of construction. State shared and intergovernmental revenues slightly increased as well.
- Operating expenditures were assumed to increase due to increased service levels based on the operating impacts of several key projects as well as increased healthcare costs and "merit-based" increases in personnel costs.

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, 2015**

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments	\$ 83,539,179
Taxes receivable	445,028
Accounts receivable	194,518
Intergovernmental receivables	1,723,621
Prepaid items	15,646
Total current assets	85,917,992
Noncurrent assets:	
Land and other non-depreciable assets	94,550,651
Infrastructure, buildings, equipment and other depreciable assets	181,341,241
Accumulated depreciation	(54,072,395)
Total noncurrent assets	221,819,497
Total assets	307,737,489
 DEFERRED OUTFLOWS OF RESOURCES	
Pension plan items	3,232,884
 LIABILITIES	
Current liabilities:	
Accounts payable	3,725,131
Accrued wages and benefits	552,767
Customer deposits	475
Due to other governments	2,038,887
Compensated absences payable	853,663
Bonds payable	1,645,000
Total current liabilities	8,815,923
Noncurrent liabilities:	
Compensated absences	315,738
Bonds payable	43,920,890
Net pension liability	9,621,172
Total noncurrent liabilities	53,857,800
Total liabilities	62,673,723
 DEFERRED INFLOWS OF RESOURCES	
Pension plan items	2,652,021
 NET POSITION	
Net investment in capital assets	176,253,607
Restricted for:	
Public safety	468,188
Highways and streets	31,865,418
Capital outlay	15,330,024
Grants	756,909
Parks and recreation	4,287,285
Unrestricted	16,683,198
Total net position	\$ 245,644,629

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, 2015**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 8,034,855	\$ 199,747	\$	\$	\$ (7,835,108)
Public safety	19,253,044	1,516,033	403,692	365,914	(16,967,405)
Community services	8,245,420	1,778,214	1,493,531		(4,973,675)
Development services	2,624,718	208,487	93,491	324,449	(1,998,291)
Public works	7,189,840		1,663,523	780,004	(4,746,313)
Interest on long-term debt	2,098,409		308,509		(1,789,900)
Total governmental activities	\$ 47,446,286	\$ 3,702,481	\$ 3,962,746	\$ 1,470,367	(38,310,692)

General revenues:

Taxes:

Property taxes, levied for general purposes	9,328,535
Property taxes, levied for debt service	4,761,714
Sales taxes	8,791,279
Franchise taxes	362,791
Unrestricted grants, aid, and state shared revenues	15,108,669
Investment income	446,606
Total general revenues	38,799,594

Changes in net position

488,902

Net position, beginning of year, as restated

245,155,727

Net position, end of year

\$ 245,644,629

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, 2015**

	General Fund	Debt Service	Transportation Impact Fee
<u>ASSETS</u>			
Cash and investments	\$ 28,649,408	\$	\$ 20,027,140
Property taxes receivable	265,887	179,141	
Accounts receivable	194,518		
Intergovernmental receivables	1,057,432	155,034	
Due from other funds	248,600		
Prepaid items	15,646		
Total assets	\$ 30,431,491	\$ 334,175	\$ 20,027,140
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 1,168,333	\$	\$ 503,752
Accrued wages and benefits	465,145		
Due to other funds		248,600	
Customer deposits	475		
Due to other governments	2,038,887		
Total liabilities	3,672,840	248,600	503,752
Deferred inflows of resources:			
Unavailable revenue - property taxes	86,506	88,495	
Unavailable revenue - intergovernmental			
Total deferred inflows of resources	86,506	88,495	
Fund balances (deficits):			
Nonspendable	15,646		
Restricted			19,523,388
Unassigned	26,656,499	(2,920)	
Total fund balances	26,672,145	(2,920)	19,523,388
 Total liabilities, deferred inflows of resources and fund balances	 \$ 30,431,491	 \$ 334,175	 \$ 20,027,140

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

General Government CIP	Non-Major Governmental Funds	Total Governmental Funds
\$ 15,666,702	\$ 19,195,929	\$ 83,539,179
		445,028
		194,518
	511,155	1,723,621
		248,600
		15,646
<u>\$ 15,666,702</u>	<u>\$ 19,707,084</u>	<u>\$ 86,166,592</u>
\$ 784,952	\$ 1,268,094	\$ 3,725,131
	87,622	552,767
		248,600
		475
		2,038,887
<u>784,952</u>	<u>1,355,716</u>	<u>6,565,860</u>
		175,001
	48,682	48,682
	<u>48,682</u>	<u>223,683</u>
14,881,750	18,302,686	15,646
		52,707,824
		26,653,579
<u>14,881,750</u>	<u>18,302,686</u>	<u>79,377,049</u>
<u>\$ 15,666,702</u>	<u>\$ 19,707,084</u>	<u>\$ 86,166,592</u>

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CITY OF MARICOPA, ARIZONA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015

Total governmental fund balances **\$ 79,377,049**

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Governmental capital assets	\$ 275,891,892	
Less accumulated depreciation	<u>(54,072,395)</u>	221,819,497

Some receivables 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

Property taxes	175,001	
intergovernmental	<u>48,682</u>	223,683

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	3,232,884	
Deferred inflows of resources related to pensions	<u>(2,652,021)</u>	580,863

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences payable	(1,169,401)	
Bonds payable	(44,740,000)	
Bond premium	(825,890)	
Net pension liability	<u>(9,621,172)</u>	<u>(56,356,463)</u>

Net position of governmental activities **\$ 245,644,629**

CITY OF MARICOPA, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	<u>General Fund</u>	<u>Debt Service</u>	<u>Transportation Impact Fee</u>
Revenues:			
Property taxes	\$ 9,810,181	\$ 4,905,235	\$
Sales taxes	7,580,110		
Franchise taxes	362,791		
Licenses, fees & permits	807,472		
Intergovernmental revenues	11,475,441	308,509	
Impact fees			780,004
Charges for services	771,863		
Fines, forfeitures & penalties	628,782		
Investment income	411,471		22,427
Miscellaneous	182,262		
Total revenues	<u>32,030,373</u>	<u>5,213,744</u>	<u>802,431</u>
Expenditures:			
Current -			
General government	6,319,869		
Public safety	17,956,106		
Community services	2,030,635		
Development services	1,296,120		
Public works	1,037,334		
Capital outlay	135,328		2,563,649
Debt service -			
Principal retirement		1,610,000	
Interest and fiscal charges		2,140,960	
Total expenditures	<u>28,775,392</u>	<u>3,750,960</u>	<u>2,563,649</u>
Excess (deficiency) of revenues over expenditures	<u>3,254,981</u>	<u>1,462,784</u>	<u>(1,761,218)</u>
Other financing sources (uses):			
Transfers in			
Transfers out	(1,250,000)		
Total other financing sources (uses):	<u>(1,250,000)</u>		
Changes in fund balances	<u>2,004,981</u>	<u>1,462,784</u>	<u>(1,761,218)</u>
Fund balances (deficits), beginning of year	24,667,164	(1,465,704)	21,284,606
Fund balances (deficits), end of year	<u>\$ 26,672,145</u>	<u>\$ (2,920)</u>	<u>\$ 19,523,388</u>

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

General Government CIP	Non-Major Governmental Funds	Total Governmental Funds
\$ 1,211,169	\$	\$ 14,715,416
		8,791,279
		362,791
		807,472
	7,368,629	19,152,579
	609,199	1,389,203
	1,312,102	2,083,965
		628,782
	12,708	446,606
<u>1,211,169</u>	<u>9,302,638</u>	<u>48,560,355</u>
	4,800	6,324,669
	526,414	18,482,520
	3,449,910	5,480,545
	447,524	1,743,644
	1,543,854	2,581,188
2,803,158	3,452,869	8,955,004
		1,610,000
		2,140,960
<u>2,803,158</u>	<u>9,425,371</u>	<u>47,318,530</u>
<u>(1,591,989)</u>	<u>(122,733)</u>	<u>1,241,825</u>
	1,250,000	1,250,000
	<u>1,250,000</u>	<u>(1,250,000)</u>
<u>(1,591,989)</u>	<u>1,127,267</u>	<u>1,241,825</u>
16,473,739	17,175,419	78,135,224
<u>\$ 14,881,750</u>	<u>\$ 18,302,686</u>	<u>\$ 79,377,049</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, 2015**

Net changes in fund balances - total governmental funds **\$ 1,241,825**

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	7,431,302	
Less current year depreciation	<u>(9,676,976)</u>	(2,245,674)

Some revenues collected 60 days after fiscal year end do not provide current financial resources, and are not reported as revenues in the funds.

Property taxes	(625,167)	
Intergovernmental	<u>48,682</u>	(576,485)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

1,610,000

Governmental funds report pension contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension liability, adjusted for deferred pension items, is reported as pension expense in the Statement of Activities.

Current year pension contributions	1,899,188	
Pension expense	<u>(1,427,243)</u>	471,945

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	(3,000)	
Amortization of bond premium	42,551	
Compensated absences	<u>(52,260)</u>	<u>(12,709)</u>

Change in net position in governmental activities **\$ 488,902**

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CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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, 2015, the City implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. 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. This Statement also enhances accountability and transparency through revised note disclosures and new required supplementary information.

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, 2015 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, 2015, the City had no business-type activities.

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, 2015**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

F. 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.

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES)

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. Pensions

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

J. 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.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

K. 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.

L. 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.

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. Estimates

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

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

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	General Government CIP Fund	Non-Major Governmental Funds
Fund Balances:					
Nonspendable:					
Prepaid items	\$ 15,646	\$	\$	\$	\$
Restricted:					
Transportation projects			19,523,388		12,342,030
Parks and recreation projects					4,287,285
Capital projects				14,881,750	
Public safety projects					468,188
Federal and state projects					1,205,183
Unassigned:	<u>26,656,499</u>	<u>(2,920)</u>			
Total fund balances	<u>\$26,672,145</u>	<u>\$ (2,920)</u>	<u>\$ 19,523,388</u>	<u>\$ 14,881,750</u>	<u>\$ 18,302,686</u>

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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 \$2,920 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.

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

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the City's deposits may not be returned to the City. The City does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the City's deposits was \$1,775,323 and the bank balance was \$2,953,333. At year end \$2,703,333 of the City's deposits was covered by collateral held by the pledging financial institution in the City's name.

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.

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, 2015**

NOTE 4 – CASH AND INVESTMENTS

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	\$ 1,413,046	\$ 1,413,046	\$	2%
U.S. Treasuries	25,329,898	8,327,743	17,002,155	31%
U.S. Agencies:				
Federal Home Loan Banks	11,613,685	1,400,440	10,213,245	14%
Farmer Mac	1,650,474	1,650,474		2%
Fannie Mae	2,503,468	2,503,468		3%
Federal Home Loan Mortgage Corporation	4,872,758	3,274,636	1,598,122	6%
Federal National Mortgage Association	4,689,414		4,689,414	5%
Federal Farm Credit Banks	4,002,788		4,002,788	1%
Tennessee Valley Authority	588,443		588,443	5%
Freddie Mac	4,290,711		4,290,711	
State of Arizona Bonds:				2%
Arizona School Facilities Board	1,300,000		1,300,000	
Corporate Securities:				2%
JPMorgan Chase & Co.	1,751,586	1,751,586		1%
Toyota Motor Credit	750,722		750,722	1%
Chevron	749,685		749,685	
		<u>\$20,321,393</u>	<u>\$45,185,285</u>	
State Treasurer's investment pool 5	12,869,481	47 days average maturities		16%
State Treasurer's investment pool 7	<u>3,387,697</u>	84 days average maturities		4%
Total	<u>\$ 81,763,856</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. The State Treasurer's investment pool 7 had a weighted average rating of AAA at year end as it was invested in obligations of the U.S. Government or obligations guaranteed by the U.S. Government. The State Treasurer's investment pool 5 was rated AAA f/S1+ by Standard and Poor's at year end. The City's investments in corporate securities were rated A3, Aa3, and Aa1 by Moody's Investors Service and A, AA-, and AA by Standard & Poor's.

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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	\$	\$ 155,034	\$ 42,342
Due from state government	1,057,432		319,459
Due from county government			149,354
Net intergovernmental receivables	<u>\$1,057,432</u>	<u>\$ 155,034</u>	<u>\$ 511,155</u>

NOTE 6 – CAPITAL ASSETS

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

Governmental Activities	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 87,259,807	168,907	\$	\$ 87,428,714
Construction in progress	2,541,026	4,947,336	366,425	7,121,937
Total capital assets, not being depreciated	<u>89,800,833</u>	<u>5,116,243</u>	<u>366,425</u>	<u>94,550,651</u>
Capital assets, being depreciated:				
Buildings	45,657,834	515,271		46,173,105
Improvements other than buildings	29,456,419	564,753		30,021,172
Infrastructure	86,148,345	84,166		86,232,511
Vehicles	7,616,599	242,264	121,150	7,737,713
Machinery and equipment	7,409,483	877,210	4,572	8,282,121
Computers/Software	2,496,799	397,820		2,894,619
Total capital, assets being depreciated	<u>178,785,479</u>	<u>2,681,484</u>	<u>125,722</u>	<u>181,341,241</u>
Less accumulated depreciation for:				
Buildings	(3,770,792)	(2,303,498)		(6,074,290)
Improvements other than buildings	(1,402,417)	(1,497,456)		(2,899,873)
Infrastructure	(29,950,471)	(4,310,924)		(34,261,395)
Vehicles	(4,853,613)	(595,082)	(118,150)	(5,330,545)
Machinery and equipment	(2,747,921)	(734,189)	(4,572)	(3,477,538)
Computes/Software	(1,792,927)	(235,827)		(2,028,754)
Total accumulated depreciation	<u>(44,518,141)</u>	<u>(9,676,976)</u>	<u>(122,722)</u>	<u>(54,072,395)</u>
Total capital assets, being depreciated, net	<u>134,267,338</u>	<u>(6,995,492)</u>	<u>3,000</u>	<u>127,268,846</u>
Governmental activities capital assets, net	<u>\$ 224,068,171</u>	<u>\$ (1,879,249)</u>	<u>\$ 369,425</u>	<u>\$ 221,819,497</u>

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 6 – CAPITAL ASSETS

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 1,069,760
Public safety	1,263,701
Community service	2,747,063
Public works	4,596,452
Total depreciation expense – governmental activities	<u>\$ 9,676,976</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 \$7.1 million on the projects and had estimated remaining contractual commitments of \$40.1 million.

NOTE 7 – DUE TO OTHER GOVERNMENTS

The due to other governments amount reported in the General Fund consists of monies held for the Racketeer Influenced and Corrupt Organizations Act (RICO). RICO funds are mandated by Federal and State law and are not considered City funds until the applicable cases are fully adjudicated in Federal or State court and awarded to the City. A portion of the monies will be payable to other jurisdictions. Once these monies are awarded to the City, the RICO funds are limited to use for qualified expenses related to fighting and preventing crime.

NOTE 8 – 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, 2015	Due Within One Year
Governmental activities:					
GADA Bond, Series 2010 A	\$ 20,000,000	4.0 - 6.3%	7/1/16-31	\$ 13,925,000	\$ 840,000
GO Bonds Series B, 2013	31,605,000	3.0 - 4.3%	7/1/16-35	30,815,000	805,000
Total				<u>\$ 44,740,000</u>	<u>\$ 1,645,000</u>

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 – LONG-TERM LIABILITIES

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
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	1,845,000	1,758,572
2021-25	10,360,000	7,344,021
2026-30	12,615,000	4,451,600
2031-35	13,065,000	1,253,324
Total	<u>\$ 44,740,000</u>	<u>\$ 22,321,495</u>

B. CHANGES IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 46,350,000	\$	\$ 1,610,000	\$ 44,740,000	\$ 1,645,000
Premium	868,441		42,551	825,890	
Total bonds payable	47,218,441		1,652,551	45,565,890	1,645,000
Net pension liability	9,512,254	108,918		9,621,172	
Compensated absences payable	1,117,141	2,312,821	2,260,561	1,169,401	853,663
Governmental activity long-term liabilities	<u>\$ 57,847,836</u>	<u>\$ 2,421,739</u>	<u>\$ 3,913,112</u>	<u>\$ 56,356,463</u>	<u>\$ 2,498,663</u>

NOTE 9 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The transfer of \$1,250,000 from the General Fund to the Copper Sky Fund, a non-major governmental fund, was used to support the maintenance and operations of the Regional Park and Mutigenerational Center.

At year end the Debt service Fund had a negative cash balance of \$248,600 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.

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 10 – 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.

NOTE 11 – RISK MANAGEMENT

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

The City mitigates the potential financial effects of these risks through its participation in the Arizona Municipal Risk Retention Pool (AMRRP), which is a common risk management and insurance program open to all Arizona municipalities. The City pays an annual premium to AMRRP for its general liability and automobile coverage. The AMRRP membership agreement provides that AMRRP will be self-sustaining through member premiums and will reinsure through commercial insurance companies 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 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

The City reported \$1,899,188 of pension expenditures in the governmental funds related to all pension plans to which it contributes.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

A. Arizona State Retirement System

Plan Description. City employees not covered by the other pension plans described after this section participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on the ASRS website at www.azasrs.gov.

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

	Retirement Initial Membership Date:	
	Before January 1, 2012	On or After January 1, 2012
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years age 62 5 years age 50* Any years age 65	30 years age 55 25 years age 60 10 years age 62 5 years age 50* Any years age 65
Final average salary is based on	Highest 36 months of last 120 months	Highest 60 months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%
	*With actuarially reduced benefits	

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

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.60 percent (11.48 percent for retirement and 0.12 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 11.60 percent (10.89 percent for retirement, 0.59 percent for health insurance premium benefit, and 0.12 percent for long-term disability) of the members' annual covered payroll. The City's contributions to the pension plan for the year ended June 30, 2015 were \$767,972.

The City's contributions for the current and two preceding years for the Arizona State Retirement System OPEB, all of which were equal to the required contributions, were as follows:

		Health Benefit Supplement Fund		Long-Term Disability Fund
Year ending June 30:				
2015	\$	41,607	\$	8,462
2014		34,200		10,655
2013		35,260		10,026

Pension Liability. At June 30, 2015, the City reported a liability of \$9.6 million for its proportionate share of the net pension liability of the ASRS. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the City's proportion was 0.064 percent, an increase of 0.003 from its proportion as measured as of June 30, 2013.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Pension Expense and Deferred Outflows/Inflows of Resources. For the year ended June 30, 2015, the City recognized pension expense for ASRS of \$797,972 and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 485,785	\$
Net difference between projected and actual earnings on pension plan investments		1,671,467
Changes in proportion and differences between contributions and proportionate share of contributions	388,411	
Contributions subsequent to the measurement date	<u>767,972</u>	
Total	<u>\$ 1,642,168</u>	<u>\$ 1,671,467</u>

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

Year Ending June 30:		
2016	\$	(37,781)
2017		(37,781)
2018		(303,841)
2019		(417,868)

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

Actuarial valuation date	June 30, 2013
Actuarial roll forward date	June 30, 2014
Actuarial cost method	Entry age normal
Investment rate of return	8.0%
Projected salary increases	3.0-6.75%
Inflation	3.0%
Permanent base increases	Included
Mortality rates	1994 GAM Scale BB

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2012. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2013, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class of ASRS are summarized in the following table:

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

Discount Rate. The discount rate used to measure the ASRS total pension liability was 8.0 percent, which is less than the long-term expected rate of return of 8.79 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 8.0 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
City’s proportionate share of the net pension liability	\$12,081,315	\$9,558,390	\$8,189,577

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

B. Public Safety Personnel Retirement System

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

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

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

	Retirement Initial Membership Date:	
	Before January 1, 2012	On or After January 1, 2012
Years of service and age required to receive benefit	20 years any age 15 years age 62	25 years and age 52.5
Final average salary is based on	Highest 36 months of last 20 years	Highest 60 months of last 20 years
Normal retirement	50% less 2.0% for each year of credited service less than 20 years or plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	2.5% per year of credited service, not to exceed 80%
Accidental disability retirement	50% or normal retirement, whichever is greater	
Survivor benefit:		
Retired members	80% of retired member's pension benefit	
Active members	80% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job	

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

Employees Covered by Benefit Terms. At June 30, 2015, the following employees were covered by the agent pension plan's benefit terms:

	PSPRS – Police	PSPRS – Fire
Retirees and beneficiaries	3	1
Inactive, non-retired members	4	5
Active members	59	58
Total	<u>66</u>	<u>64</u>

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Contributions and Annual OPEB Cost. State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contributions rates for the year ended June 30, 2015, are indicated below. Rates are a percentage of active members' annual covered payroll.

	<u>PSPRS – Police</u>	<u>PSPRS – Fire</u>
Active members – pension	11.05%	11.05%
City:		
Pension	11.39	11.48
Health insurance	0.69	0.72

In addition, the City was required by statute to contribute at the actuarially determined rate of 19.65 percent for the PSPRS of annual covered payroll of retired members who worked in positions that would typically be filled by an employee who contributes to the PSPRS.

For the agent plans, the contributions to the pension plan and annual OPEB cost and contributions for the health insurance premium benefit for the year ended were:

	<u>PSPRS – Police</u>	<u>PSPRS – Fire</u>
Pension:		
Contributions made	\$ 508,976	\$ 622,240
Health insurance premium benefit:		
Annual OPEB cost	30,834	39,026
Contributions made	30,834	39,026

Pension Liability. At June 30, 2015, the City reported \$162,352 in net pension liability for police and \$99,570 net pension asset for fire. The net pension liabilities were measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability as of June 30, 2014, reflects changes of benefit terms and actuarial assumptions for a court ruling for funding permanent benefit increases and a decrease in the wage growth assumption.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Discount rate	7.85%
Projected salary increases	4.0 - 8.0%
Inflation	4.0%
Permanent benefit increase	Included
Mortality rates	RP-2000 mortality table, adjusted by 105% for both males and females

Actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2011.

The long-term expected rate of return on PSPRS pension plan investments was determined to be 7.85 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Short-term investments	2%	3.25%
Absolute return	4	6.75
Risk parity	4	6.04
Fixed income	7	4.75
Real assets	8	5.96
GTAA	10	5.73
Private equity	11	9.50
Real estate	11	6.50
Credit opportunities	13	8.00
Non-U.S. equity	14	8.63
U.S. equity	16	7.60
Total	<u>100%</u>	

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Pension Discount Rates. The discount rate of 7.85 was used to measure the total pension liability.

The projection of cash flows used to determine the PSPRS discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the pension PSPRS plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Agent Plans Net Pension Liability

	Increase/Decrease		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
PSPRS – Police			
Balances at June 30, 2014	\$ 5,956,497	\$ 5,685,744	\$ 270,753
Changes for the year:			
Service cost	673,759		673,759
Interest on the total pension liability	485,132		485,132
Changes of benefit terms	(26,537)		(26,537)
Differences between expected and actual experience in the measurement of the pension liability	195,426		195,426
Changes of assumptions or other inputs	165,211		165,211
Contributions – employer		486,264	(486,264)
Contributions – employee		376,082	(376,082)
Net investment income		812,958	(812,958)
Benefit payments, including refunds of employee contributions	(226,709)	(226,709)	
Administrative expense		(6,547)	6,547
Other changes		(67,365)	67,365
Net changes	<u>1,266,282</u>	<u>1,374,683</u>	<u>(108,401)</u>
Balances at June 30, 2015	<u>\$ 7,222,779</u>	<u>\$ 7,060,427</u>	<u>\$ 162,352</u>

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Changes in the Agent Plans Net Pension Liability

	Increase/Decrease		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
PSPRS – Fire			
Balances at June 30, 2014	\$ 8,856,489	\$ 8,074,813	\$ 781,676
Changes for the year:			
Service cost	881,621		881,621
Interest on the total pension liability	728,939		728,939
Changes of benefit terms	(30,011)		(30,011)
Differences between expected and actual experience in the measurement of the pension liability	(364,760)		(364,760)
Changes of assumptions or other inputs	148,219		148,219
Contributions – employer		611,705	(611,705)
Contributions – employee		472,460	(472,460)
Net investment income		1,170,516	(1,170,516)
Benefit payments, including refunds of employee contributions	(22,903)	(22,903)	
Administrative expense		(9,427)	9,427
Net changes	<u>1,341,105</u>	<u>2,222,351</u>	<u>(881,246)</u>
Balances at June 30, 2015	<u>\$ 10,197,594</u>	<u>\$ 10,297,164</u>	<u>\$ (99,570)</u>

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

	1%	Current Discount Rate	1%
	Decrease		Increase
PSPRS – Police:			
Rate	6.85%	7.85%	8.85%
Net pension liability (asset)	\$1,356,863	\$ 162,352	\$(807,210)
PSPRS – Fire:			
Rate	6.85%	7.85%	8.85%
Net pension liability (asset)	\$1,743,051	\$ (99,570)	\$(1,595,931)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued PSPRS financial report. The report is available on the PSPRS website at www.psprs.com.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Pension Expense. For the year ended June 30, 2015, the City recognized the following as pension expense:

	Pension Expense
PSPRS – Police	\$ 319,091
PSPRS – Fire	310,285

Pension Deferred Outflows/Inflows of Resources. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
PSPRS – Police		
Differences between expected and actual experience	\$ 175,942	\$
Changes of assumptions or other inputs	148,740	
Net difference between projected and actual earnings on pension plan investments		265,910
Contributions subsequent to the measurement date	508,976	
Total	\$ 833,658	\$ 265,910

	Deferred Outflows of Resources	Deferred Inflows of Resources
PSPRS – Fire		
Differences between expected and actual experience	\$	331,780
Changes of assumptions or other inputs	134,818	
Net difference between projected and actual earnings on pension plan investments		382,864
Contributions subsequent to the measurement date	622,240	
Total	\$ 757,058	714,644

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

Year Ending June 30:	PSPRS – Police	PSPRS – Fire
2016	\$ (30,523)	(115,295)
2017	(30,523)	(115,295)
2018	(30,523)	(115,295)
2019	(30,523)	(115,295)
2020	35,955	(19,579)
Thereafter	144,909	(99,067)

Agent Plan OPEB Trend Information. The table below presents the annual OPEB cost information for the health insurance premium benefit for the current and two preceding years:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Obligation</u>
PSPRS – Police:			
June 30, 2015	\$ 14,300	100%	\$ - 0 -
June 30, 2014	15,440	100%	- 0 -
June 30, 2013	26,353	100%	- 0 -
PSPRS – Fire:			
June 30, 2015	\$ 19,528	100%	\$ - 0 -
June 30, 2014	20,030	100%	- 0 -
June 30, 2013	35,473	100%	- 0 -

Agent Plan OPEB Actuarial Assumptions. Actuarial valuations involve estimates of the reported amounts' value and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions are subject to continual revision as actual results are compared to past expectations and new estimates are made. The required schedule of funding progress for the health insurance premium benefit presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of the plan's assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Projections of benefits are based on (1) the plan as understood by the City and plan's members and include the types of benefits in force at the valuation date, and (2) the pattern of sharing benefit costs between the City and plan's members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The actuarial methods and assumptions used to establish the fiscal year 2015 contribution requirements, are as follows:

Actuarial valuation date	June 30, 2013
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	23 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value (80%/120% market)
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases includes inflation at	4.5%-8.5% 4.5%

The funded status of the PSPRS health insurance premium benefit plan in the June 30, 2015, actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement.

Actuarial valuation date	June 30, 2015
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	21 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value (80%/120% market)
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases includes inflation at	4%-8% 4%

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Agent Plan OPEB Funded Status. The following table presents the funded status of the health insurance premium benefit plan as of the most recent valuation date, June 30, 2015.

	PSPRS – Police	PSPRS – Fire
Actuarial value of assets	\$ 218,533	\$ 271,459
Actuarial accrued liability	195,335	335,634
Unfunded actuarial accrued liability (funding excess)	(23,198)	64,175
Funded ratio	111.88%	80.88%
Annual covered payroll	388,530	4,751,157
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll	0.00%	1.35%

Beginning Net Position Restatement. The implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, represents a change in accounting principle. Net position as of July 1, 2014, has been restated as follows for this change in accounting principle:

	Statement of Activities
Net position, June 30, 2014, as previously reported	\$ 254,667,981
Net pension liability	(9,512,254)
Net position, July 1, 2014, as restated	<u>\$ 245,155,727</u>

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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, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Property taxes	\$ 10,581,107	\$ 10,581,107	\$ 9,810,181	\$ (770,926)
Sales taxes	7,088,572	7,088,572	7,580,110	491,538
Franchise taxes	298,960	298,960	362,791	63,831
Licenses and permits	909,600	909,600	807,472	(102,128)
Intergovernmental revenues	11,214,660	11,214,660	11,475,441	260,781
Charges for services	425,863	425,863	771,863	346,000
Fines and forfeitures	300,000	300,000	628,782	328,782
Investment income	210,000	210,000	411,471	201,471
Miscellaneous	51,653	51,653	182,262	130,609
Total revenues	<u>31,080,415</u>	<u>31,080,415</u>	<u>32,030,373</u>	<u>949,958</u>
Expenditures:				
Current -				
City Magistrate	297,422	297,422	232,264	65,158
Community services	1,903,713	1,910,353	2,030,635	(120,282)
Development services	1,473,448	1,518,861	1,296,120	222,741
Public works	1,239,406	1,251,501	1,037,334	214,167
Mayor and Council	494,153	494,153	478,224	15,929
City Manager	873,738	843,545	861,185	(17,640)
City Clerk	411,780	411,780	329,707	82,073
Finance and Administrative services	771,703	771,703	755,770	15,933
Information technology	913,383	913,383	830,867	82,516
City Attorney	600,000	600,000	563,255	36,745
Human Resources	422,326	422,326	407,863	14,463
Economic Development	489,506	489,506	417,293	72,213
Police	8,879,090	9,096,488	8,838,541	257,947
Non-Departmental	2,126,382	1,859,619	1,443,441	416,178
Fire	8,633,507	8,633,507	9,117,565	(484,058)
Capital outlay	64,066	79,652	135,328	(55,676)
Total expenditures	<u>29,593,623</u>	<u>29,593,799</u>	<u>28,775,392</u>	<u>818,407</u>
Excess (deficiency) of revenues over expenditures	<u>1,486,792</u>	<u>1,486,616</u>	<u>3,254,981</u>	<u>1,768,365</u>
Other financing sources (uses):				
Transfers out	(1,250,000)	(1,250,000)	(1,250,000)	
Total other financing sources (uses):	<u>(1,250,000)</u>	<u>(1,250,000)</u>	<u>(1,250,000)</u>	
Changes in fund balances	<u>236,792</u>	<u>236,616</u>	<u>2,004,981</u>	<u>1,768,365</u>
Fund balances, beginning of year			24,667,164	24,667,164
Fund balances, end of year	<u>\$ 236,792</u>	<u>\$ 236,616</u>	<u>\$ 26,672,145</u>	<u>\$ 26,435,529</u>

See accompanying notes to this schedule.

**CITY OF MARICOPA, ARIZONA
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 2015**

	<u>2015</u>
City's proportion of the net pension liability (asset)	0.064%
City's proportionate share of the net pension liability (asset)	\$ 9,558,390
City's covered-employee payroll	\$ 5,683,227
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	168.19%
Plan fiduciary net position as a percentage of the total pension liability	69.49%

CITY OF MARICOPA, ARIZONA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM - POLICE
YEAR ENDED JUNE 30, 2015

	2015
Total pension liability	
Service cost	\$ 673,759
Interest	485,132
Changes of benefit terms	(26,537)
Differences between expected and actual experience	195,426
Changes of assumptions	165,211
Benefit payments, including refunds	<u>(226,709)</u>
Net change in total pension liability	<u>1,266,282</u>
Total pension liability—beginning	<u>5,956,497</u>
Total pension liability—ending	<u><u>\$ 7,222,779</u></u>
 Plan fiduciary net position	
Contributions—employer	\$ 486,264
Contributions—employee	376,082
Net investment income	812,958
Benefit payments, including refunds	(226,709)
Administrative expense	(6,547)
Other	<u>(67,365)</u>
Net change in plan fiduciary net position	<u>1,374,683</u>
Plan fiduciary net position—beginning	<u>5,685,744</u>
Plan fiduciary net position—ending	<u><u>\$ 7,060,427</u></u>
 Net pension liability—ending	<u><u>\$ 162,352</u></u>
 Plan fiduciary net position as a percentage of the total pension liability	97.75%
 Covered-employee payroll	\$ 3,942,206
 Net pension liability as a percentage of covered-employee payroll	4.12%

CITY OF MARICOPA, ARIZONA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM - FIRE
YEAR ENDED JUNE 30, 2015

	2015
Total pension liability	
Service cost	\$ 881,621
Interest	728,939
Changes of benefit terms	(30,011)
Differences between expected and actual experience	(364,760)
Changes of assumptions	148,219
Benefit payments, including refunds	<u>(22,903)</u>
Net change in total pension liability	<u>1,341,105</u>
Total pension liability—beginning	<u>8,856,489</u>
Total pension liability—ending	<u><u>\$ 10,197,594</u></u>
Plan fiduciary net position	
Contributions—employer	\$ 611,705
Contributions—employee	472,460
Net investment income	1,170,516
Benefit payments, including refunds	(22,903)
Administrative expense	<u>(9,427)</u>
Net change in plan fiduciary net position	<u>2,222,351</u>
Plan fiduciary net position—beginning	<u>8,074,813</u>
Plan fiduciary net position—ending	<u><u>\$ 10,297,164</u></u>
Net pension liability—ending	<u><u>\$ (99,570)</u></u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	100.98%
Covered-employee payroll	\$ 4,701,264
Net pension liability (asset) as a percentage of covered-employee payroll	(2.12)%

**CITY OF MARICOPA, ARIZONA
SCHEDULE OF CONTRIBUTIONS
ALL PENSION PLANS
YEAR ENDED JUNE 30, 2015**

	<u>2015</u>
Arizona State Retirement System:	
Actuarially determined contribution	\$ 767,972
Contributions in relation to the actuarially determined contribution	<u>767,972</u>
Contribution deficiency (excess)	<u><u>\$</u></u>
City's covered-employee payroll	\$ 7,087,651
Contributions as a percentage of covered-employee payroll	10.84%
 Public Safety Personnel Retirement System - Police:	
Actuarially determined contribution	\$ 508,976
Contributions in relation to the actuarially determined contribution	<u>508,976</u>
Contribution deficiency (excess)	<u><u>\$</u></u>
City's covered-employee payroll	\$ 4,229,236
Contributions as a percentage of covered-employee payroll	12.03%
 Public Safety Personnel Retirement System - Fire:	
Actuarially determined contribution	\$ 622,240
Contributions in relation to the actuarially determined contribution	<u>622,240</u>
Contribution deficiency (excess)	<u><u>\$</u></u>
Town's covered-employee payroll	\$ 5,197,520
Contributions as a percentage of covered-employee payroll	11.97%

**CITY OF MARICOPA, ARIZONA
SCHEDULE OF FUNDING PROGRESS
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
OTHER POSTEMPLOYMENT BENEFITS
LAST THREE ACTUARIAL VALUATIONS**

<u>Actuarial Valuation Date</u>	<u>Actuarial Valuation of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a percentage of Covered Payroll</u>
Public Safety Personnel Retirement System - Police:						
2015	\$ 8,116,316	\$ 7,828,708	\$ 287,608	103.67 %	\$ 3,942,206	(7.30) %
2014	7,159,704	7,222,779	(63,075)	99.13	3,965,425	1.59
2013	6,509,050	5,956,497	552,553	109.28	3,497,406	(15.80)
Public Safety Personnel Retirement System - Fire:						
2015	\$ 11,650,979	\$11,832,852	\$ (181,873)	98.46 %	\$ 4,701,264	3.87 %
2014	10,441,953	10,197,594	244,359	102.40	4,629,680	(5.28)
2013	9,223,905	8,856,489	367,416	104.15	4,511,565	(8.14)

CITY OF MARICOPA, ARIZONA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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

NOTE 2 – PENSION PLAN SCHEDULES

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

Factors that Affect Trends. The actuarial assumptions used in the June 30, 2013, valuation for ASRS were based on the results of an actuarial experience study for the five-year period ended June 30, 2012. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2013, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

The actuarial assumptions used in the June 30, 2014, valuation for PSPRS were based on the results of an actuarial experience study for the 5-year period ended June 30, 2011. The total pension liability used to calculate the net pension liability for PSPRS was determined by an actuarial valuation as of that date. The total pension liability as of June 30, 2014, reflects changes of benefit terms and actuarial assumptions for a court ruling for funding permanent benefit increases and a decrease in the wage growth assumption from 4.5% to 4.0%.

**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, 2015

	Special Revenue	Capital Projects	Total Non-Major Governmental Fund
ASSETS			
Cash and investments	\$ 15,700,864	\$ 3,495,065	\$ 19,195,929
Intergovernmental receivables	511,155		511,155
Total assets	\$ 16,212,019	\$ 3,495,065	\$ 19,707,084
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 1,205,124	\$ 62,970	\$ 1,268,094
Accrued wages and benefits	87,622		87,622
Total liabilities	1,292,746	62,970	1,355,716
Deferred inflows of resources:			
Unavailable revenue - intergovernmental	48,682		48,682
Fund balances:			
Restricted	14,870,591	3,432,095	18,302,686
Total fund balances	14,870,591	3,432,095	18,302,686
 Total liabilities, deferred inflows of resources and fund balances	 \$ 16,212,019	 \$ 3,495,065	 \$ 19,707,084

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, 2015

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Impact fees	\$	\$ 609,199	\$ 609,199
Intergovernmental revenues	7,113,276	255,353	7,368,629
Charges for services	1,312,102		1,312,102
Investment income	8,095	4,613	12,708
Total revenues	<u>8,433,473</u>	<u>869,165</u>	<u>9,302,638</u>
Expenditures:			
Current -			
General government	4,800		4,800
Public safety	474,296	52,118	526,414
Community services	3,449,910		3,449,910
Development services	447,524		447,524
Public works	1,543,854		1,543,854
Capital outlay	2,570,661	882,208	3,452,869
Total expenditures	<u>8,491,045</u>	<u>934,326</u>	<u>9,425,371</u>
Excess (deficiency) of revenues over expenditures	<u>(57,572)</u>	<u>(65,161)</u>	<u>(122,733)</u>
Other financing sources (uses):			
Transfers in	1,250,000		1,250,000
Total other financing sources (uses):	<u>1,250,000</u>		<u>1,250,000</u>
Changes in fund balances	<u>1,192,428</u>	<u>(65,161)</u>	<u>1,127,267</u>
Fund balances, beginning of year	13,678,163	3,497,256	17,175,419
Fund balances, end of year	<u>\$ 14,870,591</u>	<u>\$ 3,432,095</u>	<u>\$ 18,302,686</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, 2015

	HURF	Road Maintenance	Grants
ASSETS			
Cash and investments	\$ 6,970,247	\$ 1,503,938	\$ 761,479
Intergovernmental receivables	287,545		74,255
Total assets	\$ 7,257,792	\$ 1,503,938	\$ 835,734
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 397,598	\$ 176,479	\$ 22,774
Accrued wages and benefits	22,041		7,369
Total liabilities	419,639	176,479	30,143
Deferred inflows of resources:			
Unavailable revenue - intergovernmental			48,682
Fund balances:			
Restricted	6,838,153	1,327,459	756,909
Total fund balances	6,838,153	1,327,459	756,909
 Total liabilities, deferred inflows of resources and fund balances	 \$ 7,257,792	 \$ 1,503,938	 \$ 835,734

<u>Copper Sky</u>	<u>County Road Tax</u>	<u>Totals</u>
\$ 1,971,656	\$ 4,493,544	\$ 15,700,864
	149,355	511,155
<u>\$ 1,971,656</u>	<u>\$ 4,642,899</u>	<u>\$ 16,212,019</u>
\$ 141,792	\$ 466,481	\$ 1,205,124
58,212		87,622
<u>200,004</u>	<u>466,481</u>	<u>1,292,746</u>
		<u>48,682</u>
<u>1,771,652</u>	<u>4,176,418</u>	<u>14,870,591</u>
<u>1,771,652</u>	<u>4,176,418</u>	<u>14,870,591</u>
<u>\$ 1,971,656</u>	<u>\$ 4,642,899</u>	<u>\$ 16,212,019</u>

**CITY OF MARICOPA, ARIZONA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2015**

	HURF	Road Maintenance	Grants
Revenues:			
Intergovernmental revenues	\$ 3,377,875	\$	\$ 591,878
Charges for services			
Investment income	1,665	2,832	
Total revenues	3,379,540	2,832	591,878
Expenditures:			
Current -			
General government			4,800
Public safety			474,296
Community services			9,779
Development services			109,630
Public works	1,543,854		
Capital outlay	1,089,635	241,875	81,164
Total expenditures	2,633,489	241,875	679,669
Excess (deficiency) of revenues over expenditures	746,051	(239,043)	(87,791)
Other financing sources (uses):			
Transfers in			
Total other financing sources (uses):			
Changes in fund balances	746,051	(239,043)	(87,791)
Fund balances, beginning of year	6,092,102	1,566,502	844,700
Fund balances, end of year	\$ 6,838,153	\$ 1,327,459	\$ 756,909

<u>Copper Sky</u>	<u>County Road Tax</u>	<u>Totals</u>
\$ 1,480,000	\$ 1,663,523	\$ 7,113,276
1,312,102		1,312,102
	3,598	8,095
<u>2,792,102</u>	<u>1,667,121</u>	<u>8,433,473</u>
		4,800
		474,296
3,440,131		3,449,910
	337,894	447,524
		1,543,854
	1,157,987	2,570,661
<u>3,440,131</u>	<u>1,495,881</u>	<u>8,491,045</u>
<u>(648,029)</u>	<u>171,240</u>	<u>(57,572)</u>
		1,250,000
<u>1,250,000</u>		<u>1,250,000</u>
		1,250,000
601,971	171,240	1,192,428
1,169,681	4,005,178	13,678,163
<u>\$ 1,771,652</u>	<u>\$ 4,176,418</u>	<u>\$ 14,870,591</u>

CITY OF MARICOPA, ARIZONA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	HURF		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Intergovernmental revenues	\$ 2,826,580	\$ 3,377,875	\$ 551,295
Charges for services			
Investment income	7,500	1,665	(5,835)
Miscellaneous			
Total revenues	<u>2,834,080</u>	<u>3,379,540</u>	<u>545,460</u>
Expenditures:			
Current -			
General government			
Public safety			
Community services			
Development services			
Public works	1,663,941	1,543,854	120,087
Capital outlay	5,227,936	1,089,635	4,138,301
Total expenditures	<u>6,891,877</u>	<u>2,633,489</u>	<u>4,258,388</u>
Excess (deficiency) of revenues over expenditures	<u>(4,057,797)</u>	<u>746,051</u>	<u>4,803,848</u>
Other financing sources (uses):			
Transfers in			
Total other financing sources (uses):			
Changes in fund balances	<u>(4,057,797)</u>	<u>746,051</u>	<u>4,803,848</u>
Fund balances, beginning of year		6,092,102	6,092,102
Fund balances (deficits), end of year	<u>\$ (4,057,797)</u>	<u>\$ 6,838,153</u>	<u>\$ 10,895,950</u>

Road Maintenance			Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 6,000	\$ 2,832	\$ (3,168)	\$ 19,401,145	\$ 591,878	\$ (18,809,267)
<u>6,000</u>	<u>2,832</u>	<u>(3,168)</u>	<u>19,401,145</u>	<u>591,878</u>	<u>(18,809,267)</u>
			13,580,000	4,800	13,575,200
			2,509,841	474,296	2,035,545
			212,770	9,779	202,991
			649,918	109,630	540,288
			1,014,000		1,014,000
300,000	241,875	58,125	1,544,965	81,164	1,463,801
<u>300,000</u>	<u>241,875</u>	<u>58,125</u>	<u>19,511,494</u>	<u>679,669</u>	<u>18,831,825</u>
(294,000)	(239,043)	54,957	(110,349)	(87,791)	22,558
(294,000)	(239,043)	54,957	(110,349)	(87,791)	22,558
	1,566,502	1,566,502		844,700	844,700
<u>\$ (294,000)</u>	<u>\$ 1,327,459</u>	<u>\$ 1,621,459</u>	<u>\$ (110,349)</u>	<u>\$ 756,909</u>	<u>\$ 867,258</u>

CITY OF MARICOPA, ARIZONA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Copper Sky		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Intergovernmental revenues	\$ 1,480,000	\$ 1,480,000	\$
Charges for services	1,721,460	1,312,102	(409,358)
Investment income			
Miscellaneous			
Total revenues	<u>3,201,460</u>	<u>2,792,102</u>	<u>(409,358)</u>
Expenditures:			
Current -			
General government			
Public safety			
Community services	4,440,865	3,440,131	1,000,734
Development services			
Public works			
Capital outlay			
Total expenditures	<u>4,440,865</u>	<u>3,440,131</u>	<u>1,000,734</u>
Excess (deficiency) of revenues over expenditures	<u>(1,239,405)</u>	<u>(648,029)</u>	<u>591,376</u>
Other financing sources (uses):			
Transfers in	1,250,000	1,250,000	
Total other financing sources (uses):	<u>1,250,000</u>	<u>1,250,000</u>	
Changes in fund balances	<u>10,595</u>	<u>601,971</u>	<u>591,376</u>
Fund balances, beginning of year		1,169,681	1,169,681
Fund balances (deficits), end of year	<u>\$ 10,595</u>	<u>\$ 1,771,652</u>	<u>\$ 1,761,057</u>

County Road Tax			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 1,500,000	\$ 1,663,523	\$ 163,523	\$ 25,207,725	\$ 7,113,276	\$ (18,094,449)
	3,598	3,598	1,721,460	1,312,102	(409,358)
5,000		(5,000)	13,500	8,095	(5,405)
<u>1,505,000</u>	<u>1,667,121</u>	<u>162,121</u>	<u>26,947,685</u>	<u>8,433,473</u>	<u>(18,514,212)</u>
			13,580,000	4,800	13,575,200
			2,509,841	474,296	2,035,545
			4,653,635	3,449,910	1,203,725
338,000	337,894	106	987,918	447,524	540,394
			2,677,941	1,543,854	1,134,087
<u>1,215,631</u>	<u>1,157,987</u>	<u>57,644</u>	<u>8,288,532</u>	<u>2,570,661</u>	<u>5,717,871</u>
<u>1,553,631</u>	<u>1,495,881</u>	<u>57,750</u>	<u>32,697,867</u>	<u>8,491,045</u>	<u>24,206,822</u>
<u>(48,631)</u>	<u>171,240</u>	<u>219,871</u>	<u>(5,750,182)</u>	<u>(57,572)</u>	<u>5,692,610</u>
			1,250,000	1,250,000	
			<u>1,250,000</u>	<u>1,250,000</u>	
<u>(48,631)</u>	<u>171,240</u>	<u>219,871</u>	<u>(4,500,182)</u>	<u>1,192,428</u>	<u>5,692,610</u>
	4,005,178	4,005,178		13,678,163	13,678,163
<u>\$ (48,631)</u>	<u>\$ 4,176,418</u>	<u>\$ 4,225,049</u>	<u>\$ (4,500,182)</u>	<u>\$ 14,870,591</u>	<u>\$ 19,370,773</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, 2015**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original & Final	Actual	
Revenues:			
Property taxes	\$ 3,513,539	\$ 4,905,235	\$ 1,391,696
Intergovernmental revenues	332,778	308,509	(24,269)
Total revenues	<u>3,846,317</u>	<u>5,213,744</u>	<u>1,367,427</u>
Expenditures:			
Debt service -			
Principal retirement	1,610,000	1,610,000	
Interest and fiscal charges	2,140,972	2,140,960	12
Total expenditures	<u>3,750,972</u>	<u>3,750,960</u>	<u>12</u>
Changes in fund balances	<u>95,345</u>	<u>1,462,784</u>	<u>1,367,439</u>
Fund balances (deficits), beginning of year		(1,465,704)	(1,465,704)
Fund balances (deficits), end of year	<u>\$ 95,345</u>	<u>\$ (2,920)</u>	<u>\$ (98,265)</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, 2015**

	<u>Parks Impact Fee</u>	<u>Library Impact Fee</u>	<u>Public Safety Impact Fee</u>
<u>ASSETS</u>			
Cash and investments	\$ 1,418,928	\$ 767,725	\$ 514,937
Total assets	<u>\$ 1,418,928</u>	<u>\$ 767,725</u>	<u>\$ 514,937</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 3,761	\$ 51	\$ 46,749
Total liabilities	<u>3,761</u>	<u>51</u>	<u>46,749</u>
Fund balances:			
Restricted	1,415,167	767,674	468,188
Total fund balances	<u>1,415,167</u>	<u>767,674</u>	<u>468,188</u>
Total liabilities and fund balances	<u>\$ 1,418,928</u>	<u>\$ 767,725</u>	<u>\$ 514,937</u>

<u>Parks Bond</u>	<u>Capital Grants</u>	<u>Totals</u>
\$ 338,706	\$ 454,769	\$ 3,495,065
<u>\$ 338,706</u>	<u>\$ 454,769</u>	<u>\$ 3,495,065</u>
\$ 5,914	\$ 6,495	\$ 62,970
<u>5,914</u>	<u>6,495</u>	<u>62,970</u>
332,792	448,274	3,432,095
<u>332,792</u>	<u>448,274</u>	<u>3,432,095</u>
\$ 338,706	\$ 454,769	\$ 3,495,065
<u>\$ 338,706</u>	<u>\$ 454,769</u>	<u>\$ 3,495,065</u>

CITY OF MARICOPA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2015

	<u>Parks Impact Fee</u>	<u>Library Impact Fee</u>	<u>Public Safety Impact Fee</u>
Revenues:			
Impact fees	\$ 323,191	\$ 1,258	\$ 284,750
Intergovernmental revenues			
Investment income	421	3,350	842
Total revenues	<u>323,612</u>	<u>4,608</u>	<u>285,592</u>
Expenditures:			
Current -			
Public safety			52,118
Capital outlay		21,703	456,835
Total expenditures		<u>21,703</u>	<u>508,953</u>
Changes in fund balances	<u>323,612</u>	<u>(17,095)</u>	<u>(223,361)</u>
Fund balances, beginning of year	1,091,555	784,769	691,549
Fund balances, end of year	<u>\$ 1,415,167</u>	<u>\$ 767,674</u>	<u>\$ 468,188</u>

<u>Parks Bond</u>	<u>Capital Grants</u>	<u>Totals</u>
\$	\$	\$
	255,353	609,199
		255,353
		4,613
	<u>255,353</u>	<u>869,165</u>
		52,118
<u>308,717</u>	<u>94,953</u>	<u>882,208</u>
<u>308,717</u>	<u>94,953</u>	<u>934,326</u>
<u>(308,717)</u>	<u>160,400</u>	<u>(65,161)</u>
641,509	287,874	3,497,256
<u>\$ 332,792</u>	<u>\$ 448,274</u>	<u>\$ 3,432,095</u>

**CITY OF MARICOPA, ARIZONA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 ALL CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 2015**

	Parks Impact Fee		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Sales taxes	\$	\$	\$
Intergovernmental revenues			
Impact fees	357,210	323,191	(34,019)
Investment income		421	421
Miscellaneous	2,800		(2,800)
Total revenues	<u>360,010</u>	<u>323,612</u>	<u>(36,398)</u>
Expenditures:			
Current -			
Public safety			
Capital outlay			
Total expenditures			
Changes in fund balances	<u>360,010</u>	<u>323,612</u>	<u>(36,398)</u>
Fund balances, beginning of year		1,091,555	1,091,555
Fund balances (deficits), end of year	<u>\$ 360,010</u>	<u>\$ 1,415,167</u>	<u>\$ 1,055,157</u>

Library Impact Fee			Public Safety Impact Fee		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
4,590	1,258	(3,332)	244,080	284,750	40,670
	3,350	3,350		842	842
100		(100)	1,100		(1,100)
<u>4,690</u>	<u>4,608</u>	<u>(82)</u>	<u>245,180</u>	<u>285,592</u>	<u>40,412</u>
			56,600	52,118	4,482
39,590	21,703	17,887	462,100	456,835	5,265
<u>39,590</u>	<u>21,703</u>	<u>17,887</u>	<u>518,700</u>	<u>508,953</u>	<u>9,747</u>
(34,900)	(17,095)	17,805	(273,520)	(223,361)	50,159
	784,769	784,769		691,549	691,549
<u>\$ (34,900)</u>	<u>\$ 767,674</u>	<u>\$ 802,574</u>	<u>\$ (273,520)</u>	<u>\$ 468,188</u>	<u>\$ 741,708</u>

CITY OF MARICOPA, ARIZONA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2015

	Transportation Impact Fee		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Sales taxes	\$	\$	\$
Intergovernmental revenues			
Impact fees	699,030	780,004	80,974
Investment income		22,427	22,427
Miscellaneous	65,500		(65,500)
Total revenues	764,530	802,431	37,901
Expenditures:			
Current -			
Public safety			
Capital outlay	10,621,595	2,563,649	8,057,946
Total expenditures	10,621,595	2,563,649	8,057,946
Changes in fund balances	(9,857,065)	(1,761,218)	8,095,847
Fund balances, beginning of year		21,284,606	21,284,606
Fund balances (deficits), end of year	\$ (9,857,065)	\$ 19,523,388	\$ 29,380,453

Parks Bond			General Government CIP		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$ 772,855	\$ 1,211,169	\$ 438,314
			<u>772,855</u>	<u>1,211,169</u>	<u>438,314</u>
400,000	308,717	91,283	12,958,735	2,803,158	10,155,577
<u>400,000</u>	<u>308,717</u>	<u>91,283</u>	<u>12,958,735</u>	<u>2,803,158</u>	<u>10,155,577</u>
(400,000)	(308,717)	91,283	(12,185,880)	(1,591,989)	10,593,891
	641,509	641,509		16,473,739	16,473,739
<u>\$ (400,000)</u>	<u>\$ 332,792</u>	<u>\$ 732,792</u>	<u>\$ (12,185,880)</u>	<u>\$ 14,881,750</u>	<u>\$ 27,067,630</u>

CITY OF MARICOPA, ARIZONA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2015

	Capital Grants		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Sales taxes	\$	\$	\$
Intergovernmental revenues	55,522,226	255,353	(55,266,873)
Impact fees			
Investment income			
Miscellaneous			
Total revenues	<u>55,522,226</u>	<u>255,353</u>	<u>(55,266,873)</u>
Expenditures:			
Current -			
Public safety			
Capital outlay	55,515,226	94,953	55,420,273
Total expenditures	<u>55,515,226</u>	<u>94,953</u>	<u>55,420,273</u>
Changes in fund balances	<u>7,000</u>	<u>160,400</u>	<u>153,400</u>
Fund balances, beginning of year		287,874	287,874
Fund balances (deficits), end of year	<u>\$ 7,000</u>	<u>\$ 448,274</u>	<u>\$ 441,274</u>

Totals

Budget	Actual	Variance - Positive (Negative)
\$ 772,855	\$ 1,211,169	\$ 438,314
55,522,226	255,353	(55,266,873)
1,304,910	1,389,203	84,293
69,500	27,040	27,040
<u>57,669,491</u>	<u>2,882,765</u>	<u>(54,786,726)</u>
56,600	52,118	4,482
<u>79,997,246</u>	<u>6,249,015</u>	<u>73,748,231</u>
<u>80,053,846</u>	<u>6,301,133</u>	<u>73,752,713</u>
<u>(22,384,355)</u>	<u>(3,418,368)</u>	<u>18,965,987</u>
	41,255,601	41,255,601
<u>\$ (22,384,355)</u>	<u>\$ 37,837,233</u>	<u>\$ 60,221,588</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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net Position:					
Net investment in capital assets	\$ 176,253,607	\$ 176,849,760	\$ 177,370,008	\$ 160,277,610	\$ 159,446,413
Restricted	52,707,824	54,993,935	55,767,940	69,233,094	44,235,838
Unrestricted	16,683,198	22,824,286	23,545,468	21,799,977	48,978,257
Total net position	<u><u>\$ 245,644,629</u></u>	<u><u>\$ 254,667,981</u></u>	<u><u>\$ 256,683,416</u></u>	<u><u>\$ 251,310,681</u></u>	<u><u>\$ 252,660,508</u></u>
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Net Position:					
Net investment in capital assets	\$ 152,574,381	\$ 133,067,896	\$ 124,909,707	\$ 87,820,431	\$ 62,802,743
Restricted	48,605,910	34,740,312	35,329,613	28,090,363	12,328,627
Unrestricted	53,602,407	70,331,229	75,491,411	67,926,655	45,835,279
Total net position	<u><u>\$ 254,782,698</u></u>	<u><u>\$ 238,139,437</u></u>	<u><u>\$ 235,730,731</u></u>	<u><u>\$ 183,837,449</u></u>	<u><u>\$ 120,966,649</u></u>

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

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

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenses					
Governmental activities					
General government	\$ 8,034,855	\$ 9,718,746	\$ 6,656,984	\$ 8,832,289	\$ 8,747,059
Public safety	19,253,044	18,672,370	17,447,674	16,103,119	16,001,267
Community services	8,245,420	5,687,823	2,399,939	2,257,063	2,986,635
Development services	2,624,718	3,091,943	8,224,264	10,002,055	10,673,852
Public works	7,189,840	7,547,174			
Interest on long-term debt	2,098,409	3,100,559	1,015,685	1,063,544	1,542,441
Total governmental activities expenses	<u>47,446,286</u>	<u>47,818,615</u>	<u>35,744,546</u>	<u>38,258,070</u>	<u>39,951,254</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 199,747	\$ 159,841	\$ 468,718	\$ 956,062	\$ 1,056,489
Public safety	1,516,033	994,921	892,908	590,689	211,428
Community services	1,778,214	536,941	282,565	285,986	258,028
Development services	208,487	272,186	161,747	95,951	122,451
Public works		465,073			
Operating grants and contributions	3,962,746	5,938,010	926,682	1,732,451	3,436,610
Capital grants and contributions	1,470,367	1,486,660	6,180,277	2,917,234	6,815,917
Total program revenues	<u>9,135,594</u>	<u>9,853,632</u>	<u>8,912,897</u>	<u>6,578,373</u>	<u>11,900,923</u>
Net (Expense)/Revenue	<u>\$ (38,310,692)</u>	<u>\$ (37,964,983)</u>	<u>\$ (26,831,649)</u>	<u>\$ (31,679,697)</u>	<u>\$ (28,050,331)</u>

(Continued)

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Expenses					
Governmental activities					
General government	\$ 9,303,721	\$ 9,502,082	\$ 8,361,595	\$ 5,645,737	\$ 5,022,348
Public safety	14,898,669	15,608,622	15,675,619	2,583,068	1,624,485
Community services	1,531,241	2,506,551	2,027,478	1,082,524	368,726
Development services	7,761,376	7,610,979	7,360,789	4,112,488	2,118,096
Interest on long-term debt	57,445	64,346	64,397		
Total governmental activities expenses	<u>33,552,452</u>	<u>35,292,580</u>	<u>33,489,878</u>	<u>13,423,817</u>	<u>9,133,655</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 534,071	\$ 1,632,470	\$ 3,550,264	\$ 5,809,118	\$ 10,916,030
Public safety	922,084	426,086	53,814		
Community services	289,004	277,060	232,334	130,990	77,517
Development services	244,107	77,547			
Operating grants and contributions	866,471	3,967,175	2,978,293	2,313,870	1,873,086
Capital grants and contributions	7,558,625	8,238,154	38,175,235	35,344,625	57,471,658
Total program revenues	<u>10,414,362</u>	<u>14,618,492</u>	<u>44,989,940</u>	<u>43,598,603</u>	<u>70,338,291</u>
Net (Expense)/Revenue	<u>\$ (23,138,090)</u>	<u>\$ (20,674,088)</u>	<u>\$ 11,500,062</u>	<u>\$ 30,174,786</u>	<u>\$ 61,204,636</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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net (Expense)/Revenue	\$ (38,310,692)	\$ (37,964,983)	\$ (26,831,649)	\$ (31,679,697)	\$ (28,050,331)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	9,328,535	9,391,368	9,409,828	10,932,354	\$ 9,797,104
Property taxes, levied for debt service	4,761,714	3,542,070	1,457,540		1,415,568
Sales taxes	8,791,279	8,684,810	7,942,569	7,601,624	7,454,918
Franchise taxes	362,791	344,151	309,744	285,739	315,240
Investment income	446,606	472,562	171,708	112,707	667,555
Unrestricted state aid	15,108,669	13,514,587	12,912,995	11,397,446	6,277,756
Total general revenues	<u>38,799,594</u>	<u>35,949,548</u>	<u>32,204,384</u>	<u>30,329,870</u>	<u>25,928,141</u>
Changes in Net Position	<u>\$ 488,902</u>	<u>\$ (2,015,435)</u>	<u>\$ 5,372,735</u>	<u>\$ (1,349,827)</u>	<u>\$ (2,122,190)</u>

(Continued)

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Net (Expense)/Revenue	\$ (23,138,090)	\$ (20,674,088)	\$ 11,500,062	\$ 30,174,786	\$ 61,204,636
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	9,191,887	8,073,578	5,504,915	2,431,339	
Property taxes, levied for debt service					
Sales taxes	6,649,744	10,230,103	18,141,568	22,032,882	25,432,643
Franchise taxes	494,091	536,966	758,442	660,317	303,480
Investment income	265,485	(378,160)	4,378,266	3,853,077	1,315,924
Unrestricted state aid	7,110,730	4,583,320	5,392,623	3,718,174	1,515,829
Miscellaneous		37,503	30,441	225	175
Total general revenues	<u>23,711,937</u>	<u>23,083,310</u>	<u>34,206,255</u>	<u>32,696,014</u>	<u>28,568,051</u>
Extraordinary Item			6,186,965		
Changes in Net Position	<u>\$ 573,847</u>	<u>\$ 2,409,222</u>	<u>\$ 51,893,282</u>	<u>\$ 62,870,800</u>	<u>\$ 89,772,687</u>

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

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

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund:					
Nondisposable	\$ 15,646	\$ 16,652	\$ 16,733	\$ 5,084	\$ 2,550
Unassigned	26,656,499	24,650,512	23,047,149	21,324,981	55,361,631
Total General Fund	<u>\$ 26,672,145</u>	<u>\$ 24,667,164</u>	<u>\$ 23,063,882</u>	<u>\$ 21,330,065</u>	<u>\$ 55,364,181</u>
All Other Governmental Funds:					
Nondisposable					
Restricted	52,707,824	54,933,764	76,788,734	80,901,742	49,970,470
Unassigned	(2,920)	(1,465,704)		(34,662)	(334,556)
Total all other governmental funds	<u>\$ 52,704,904</u>	<u>\$ 53,468,060</u>	<u>\$ 76,788,734</u>	<u>\$ 80,867,080</u>	<u>\$ 49,635,914</u>

(Continued)

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund:					
Reserved	\$	\$	\$	\$ 412,091	\$ 246,296
Unreserved	64,206,671	68,275,877	72,950,101	65,105,942	43,914,118
Total General Fund	<u>\$ 64,206,671</u>	<u>\$ 68,275,877</u>	<u>\$ 72,950,101</u>	<u>\$ 65,518,033</u>	<u>\$ 44,160,414</u>
All Other Governmental Funds:					
Reserved	35,547,328	34,740,312	35,329,613	28,105,124	\$ 12,328,627
Unreserved, reported in:					
Special revenue funds	2,320,530	2,419,821	2,900,630	2,301,282	1,724,152
Capital projects funds	13,058,582				
Total all other governmental funds	<u>\$ 50,926,440</u>	<u>\$ 37,160,133</u>	<u>\$ 38,230,243</u>	<u>\$ 30,406,406</u>	<u>\$ 14,052,779</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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Revenues:					
Property taxes	\$ 14,715,416	\$ 12,801,300	\$ 10,539,547	\$ 10,826,301	\$ 11,299,263
Sales taxes	8,791,279	8,684,810	7,942,569	7,601,624	7,454,918
Franchise taxes	362,791	344,151	309,744	285,739	315,240
Licenses, fees & permits	807,472	713,154	771,911	480,342	320,909
Intergovernmental revenues	19,152,579	19,503,258	15,362,298	14,610,218	10,403,335
Impact fees	1,389,203	1,435,999	1,785,770		
Charges for services	2,083,965	1,431,663	580,461	521,229	544,625
Fines, forfeitures, & penalties	628,782	132,792	271,537	431,180	470,509
Investment income (loss)	446,606	472,562	171,708	112,707	667,555
Miscellaneous	182,262	151,353	1,533,934	1,686,749	312,853
Total revenues	<u>\$ 48,560,355</u>	<u>\$ 45,671,042</u>	<u>\$ 39,269,479</u>	<u>\$ 36,556,089</u>	<u>\$ 31,789,207</u>
Expenditures:					
Current -					
General government	\$ 6,324,669	\$ 8,041,470	\$ 5,990,510	\$ 8,502,107	\$ 8,031,875
Public safety	18,482,520	16,942,419	15,772,942	14,832,455	13,999,701
Community services	5,480,545	4,046,178	1,950,582	1,929,898	2,509,541
Development services	1,743,644	1,484,967	3,739,271	6,098,044	6,049,216
Public works	2,581,188	2,414,910			
Capital outlay	8,955,004	29,134,244	44,105,545	6,138,326	8,966,722
Debt service -					
Principal retirement	1,610,000	3,075,581	847,017	1,016,198	1,271,520
Interest and fiscal charges	2,140,960	2,248,665	1,005,352	1,053,211	1,532,108
Bond issuance costs			633,340		
Total expenditures	<u>\$ 47,318,530</u>	<u>\$ 67,388,434</u>	<u>\$ 74,044,559</u>	<u>\$ 39,570,239</u>	<u>\$ 42,360,683</u>
Extraordinary Item					
Excess (deficiency) of revenues over expenditures	<u>\$ 1,241,825</u>	<u>\$ (21,717,392)</u>	<u>\$ (34,775,080)</u>	<u>\$ (3,014,150)</u>	<u>\$ (10,571,476)</u>
Expenditures for capitalized assets	\$ 7,431,302	\$ 25,884,678	\$ 43,020,602	\$ 7,031,001	\$ 7,209,712
Debt service as a percentage of noncapital expenditures	9%	13%	8%	6%	8%

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Revenues:					
Property taxes	\$ 9,201,246	\$ 7,936,092	\$ 5,547,387	\$ 2,196,247	\$
Sales taxes	6,649,744	10,230,103	18,141,568	22,032,882	25,432,643
Franchise taxes	494,091	536,966	758,442	660,317	303,480
Licenses, fees & permits	748,539	866,940	2,494,759	4,578,929	8,916,082
Intergovernmental revenues	8,619,173	10,991,426	9,114,700	8,329,956	2,744,065
Impact fees					
Charges for services	675,406	1,023,168	905,055	1,162,087	1,968,618
Fines, forfeitures, & penalties	506,664	518,712	436,598	199,036	95,795
Investment income (loss)	265,485	(378,160)	4,378,266	3,853,077	1,315,924
Miscellaneous	1,664,621	4,410,405	8,605,812	11,890,546	10,680,272
Total revenues	<u>\$ 28,824,969</u>	<u>\$ 36,135,652</u>	<u>\$ 50,382,587</u>	<u>\$ 54,903,077</u>	<u>\$ 51,456,879</u>
Expenditures:					
Current -					
General government	\$ 7,595,728	\$ 8,589,886	\$ 7,726,546	\$ 5,278,035	\$ 4,809,752
Public safety	13,588,093	14,008,800	13,114,436	2,372,859	1,624,485
Culture and recreation	1,081,819	1,360,816	1,586,766	733,355	254,544
Development services	3,517,309	2,970,533	2,673,029	2,055,791	935,435
Capital outlay	11,168,632	14,752,588	11,145,898	6,751,791	2,517,741
Debt service -					
Principal retirement	139,918	133,017	132,966		
Interest and fiscal charges	57,445	64,346	64,397		
Bond issuance costs	307,182				
Total expenditures	<u>\$ 37,456,126</u>	<u>\$ 41,879,986</u>	<u>\$ 36,444,038</u>	<u>\$ 17,191,831</u>	<u>\$ 10,141,957</u>
Extraordinary Item			1,317,356		
Excess (deficiency) of revenues over expenditures	<u>\$ (8,631,157)</u>	<u>\$ (5,744,334)</u>	<u>\$ 15,255,905</u>	<u>\$ 37,711,246</u>	<u>\$ 41,314,922</u>
Expenditures for capitalized assets	\$ 9,375,099	\$ 12,177,408	\$ 7,678,877	\$ 5,984,896	
Debt service as a percentage of noncapital expenditures	2%	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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Excess (deficiency) of revenues over expenditures	\$ 1,241,825	\$ (21,717,392)	\$ (34,775,080)	\$ (3,014,150)	\$ (10,571,476)
Other financing sources (uses):					
General obligation bonds issued			31,605,000		
Premium on sale of bonds			825,551		
Proceeds from sale of assets				211,200	438,460
Transfers in	1,250,000	1,370,000	175,000	37,135,270	
Transfers out	<u>(1,250,000)</u>	<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>
Changes in fund balances	<u>\$ 1,241,825</u>	<u>\$ (21,717,392)</u>	<u>\$ (2,344,529)</u>	<u>\$ (2,802,950)</u>	<u>\$ (10,133,016)</u>
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Excess (deficiency) of revenues over expenditures	\$ (8,631,157)	\$ (5,744,334)	\$ 15,255,905	\$ 37,711,246	\$ 41,314,922
Other financing sources (uses):					
General obligation bonds issued	20,000,000				
Premium on sale of bonds	<u>100,519</u>				
Total other financing sources (uses)	<u>20,100,519</u>				
Changes in fund balances	<u>\$ 11,469,362</u>	<u>\$ (5,744,334)</u>	<u>\$ 15,255,905</u>	<u>\$ 37,711,246</u>	<u>\$ 41,314,922</u>

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

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

	Fiscal Year Ended June 30									
	<u>2015</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>
Mining	\$ 4,063	\$ 3,593	\$ 4,252	\$ 1,619	\$ 1,947	\$ 3,893	\$ 3,070	\$ (844)	\$ 85	\$ 5,150
Communication & Utilities	782,086	687,634	636,967	575,882	575,198	540,097	414,839	457,988	492,936	344,710
Transportation	9,144	7,072	8,462	6,326	5,925	9,395	5,272	2,762	3,700	2,493
Construction	1,218,034	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
Manufacturing	249,704	418,849	289,320	274,016	257,176	234,542	308,076	107,944	61,759	56,553
Wholesale	140,074	109,573	114,764	93,496	189,691	326,914	108,875	75,310	95,063	51,008
Retail	5,365,175	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
Financial and Insurance	38,910	36,622	30,233	28,471	32,286	30,353	18,001	14,281	18,601	4,901
Real Estate Rental	822,946	643,650	502,888	538,287	496,443	470,484	524,427	969,820	1,371,736	371,742
Restaurant & Bar	556,636	482,155	429,359	380,961	357,595	381,273	369,659	395,455	360,007	161,712
Accommodation	19	6	9	6	806	8,423	14,008	10,973	19	175
Public Administration	669	481	845	1,165	(2,813)	3,240	266	39	1,188	2,652
Services	227,859	216,020	272,749	177,935	150,913	95,398	108,262	122,634	149,934	89,186
Arts & Entertainment	1,273	3,813	21,019	47,440	22,341	510	40,640	50,210	53,190	55,552
Other	66,420	46,494	50,400	57,419	151,517	225,795	319,141	373,526	836,182	716,390
Total	<u>\$ 9,483,013</u>	<u>\$ 9,342,848</u>	<u>\$ 8,521,771</u>	<u>\$ 7,493,445</u>	<u>\$ 7,487,527</u>	<u>\$ 6,834,148</u>	<u>\$ 10,534,347</u>	<u>\$ 18,683,988</u>	<u>\$ 23,942,279</u>	<u>\$ 23,112,080</u>
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.

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

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

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

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>
2015	\$8,791,279	1.23 %	\$14,715,416	14.95 %	\$362,791	5.42 %	23,869,486	9.34 %
2014	8,684,810	9.35	12,801,300	21.46	344,151	11.11	21,830,261	16.17
2013	7,942,569	4.49	10,539,547	(2.45)	309,744	8.40	18,791,860	0.54
2012	7,601,624	1.97	10,804,339	(4.38)	285,739	(9.41)	18,691,702	(1.98)
2011	7,454,918	12.11	11,299,263	22.80	315,420	(36.16)	19,069,601	16.67
2010	6,649,744	(35.00)	9,201,246	15.94	494,091	(7.98)	16,345,081	(12.61)
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

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 NINE YEARS PRIOR**

<u>Taxpayer</u>	<u>2015</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	\$ 3,884,964	1.77 %	\$	%
Global Water: Santa Cruz Water Co.	3,775,305	1.72		
Wal-Mart Stores Inc	2,935,663	1.33		
Volkswagen of America dba Vorelco Inc.	2,450,103	1.11	1,603,214	2.12
Maricopa Fiesta Investors LLC et al	1,535,904	0.70		
Smith's Food & Drug Center Inc	1,142,068	0.52	1,630,606	2.15
Maricopa Development LLC	814,320	0.37		
Maricopa Groves Self Storage LLC	778,942	0.35	417,092	0.55
Orbitel Communications	751,496	0.34		
SLV Homestead	685,408	0.31		
CMG 900 LLC	636,800	0.29	303,674	0.40
US Bank National Association	611,549	0.28	726,796	0.96
JWP Properties LLP	596,247	0.27		
Dignity Health	493,796	0.22		
Sunset Tartesso LLC	472,000	0.21	303,196	0.40
Transition Investments LLC	471,438	0.21		
Palo Brea LLC	462,450	0.21		
WQC Investors LLC	420,800	0.19		
Wells Fargo Bank NA TR	227,006	0.10	303,408	0.40
Hiro Investment LLC et al	203,869	0.09	426,854	0.56
El Paso Natural Gas Co.			352,141	0.46
Murphy Land Investors LLC			351,061	0.46
Total	<u>\$ 23,350,128</u>	<u>10.62 %</u>	<u>\$ 6,418,042</u>	<u>8.46 %</u>
City's Total Assessed Valuation	<u>\$ 219,927,958</u>		<u>\$ 75,773,784</u>	

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

**CITY OF MARICOPA, ARIZONA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST NINE 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
2015	\$ 14,559,339	\$14,299,954	98.22 %	N/A	\$ 14,299,954	98.22 %
2014	12,422,911	12,196,814	98.18	209,678	12,406,492	99.87
2013	10,962,174	10,255,746	93.56	687,719	10,943,465	99.83
2012	10,790,693	10,390,225	96.29	382,908	10,773,133	99.84
2011	11,250,307	10,933,142	97.18	317,165	11,250,307	100.00
2010	9,242,329	8,868,977	95.96	373,352	9,242,329	100.00
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 nine 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 Actual Value
		Net Assesed Value	Estimated Actual Value	Net Assesed Value	Estimated Actual Value	Net Assesed Value	Estimated Actual Value	Direct Tax Rate	
2015	P	\$ 208,852,365	2,013,631,300	\$ 11,075,593	62,880,618	\$ 219,927,958	\$ 2,076,511,918	4.9842	10.72 %
	S	285,546,808	2,769,491,581	11,075,593	62,880,618	296,622,401	2,832,372,199	2.3561	10.73
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	1,896,855,819	11,893,420	58,625,317	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

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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commerical, Industrial, Utilities and Mining	\$ 31,697,664	\$ 30,378,316	\$ 36,327,177	\$ 38,276,239	\$ 33,707,267
Agricultural and Vacant	22,572,471	20,017,664	20,869,614	21,101,890	22,678,364
Residential (Owner Occupied)	150,631,971	111,122,863	106,613,297	126,378,346	140,018,199
Residential (Rental)	90,968,576	47,611,420	35,465,042	21,909,363	13,401,078
Railroad, Private Cars and Airlines	452,015	459,982	357,809	187,724	159,615
Historical Property	297,533	286,425			10,275,135
Certain Government Property Improvements	2,171				
Total	\$ <u>296,622,401</u>	\$ <u>209,876,670</u>	\$ <u>199,632,939</u>	\$ <u>207,853,562</u>	\$ <u>220,239,658</u>

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Commerical, Industrial, Utilities and Mining	\$ 30,561,149	\$ 27,564,929	\$ 19,096,632	\$ 10,698,427	7,591,708
Agricultural and Vacant	26,257,892	53,766,153	51,996,895	34,292,752	19,978,140
Residential (Owner Occupied)	174,466,540	254,280,286	239,519,743	165,604,204	51,814,541
Residential (Rental)	16,078,841	19,764,574	16,647,581	9,628,359	4,417,922
Railroad, Private Cars and Airlines			252,481		
Historical Property	12,422,213	717,465	195,661		
Certain Government Property Improvements					
Total	\$ <u>259,786,635</u>	\$ <u>356,093,407</u>	\$ <u>327,708,993</u>	\$ <u>220,223,742</u>	<u>83,802,311</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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	14 %	14 %	18 %	18 %	15 %
Agricultural and Vacant	10	10	14	10	10
Residential (Owner Occupied)	53	53	58	61	64
Residential (Rental)	23	23	10	11	6
Historical Property					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>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Commerical, Industrial, Utilities and Mining	12 %	8 %	6 %	5 %	9 %
Agricultural and Vacant	10	15	16	16	24
Residential (Owner Occupied)	67	71	73	75	62
Residential (Rental)	6	6	5	4	5
Historical Property	5				
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	
2015	\$ 45,565,890		\$ 45,565,890	2.36 %	\$ 976	\$	\$ 45,565,890	2.19 %	\$ 976	4.44 %	
2014	47,218,441		47,218,441	2.41	1,051		47,218,441	1.67	1,051	4.75	
2013	51,035,992		51,035,992	2.82	1,112	75,581	51,111,573	2.61	1,114	5.41	
2012	19,360,467		19,360,467	1.04	436	147,598	19,508,065	1.08	439	2.09	
2011	20,095,493		20,095,493	1.03	462	413,796	20,509,289	1.10	472	2.37	
2010	20,100,519		20,100,519	0.87	510	955,316	21,055,835	1.07	534	2.44	
2009						1,095,234	1,095,234	0.05	31	0.15	
2008						1,228,251	1,228,251	0.04	38	0.19	
2007											
2006											

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

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

**CITY OF MARICOPA, ARIZONA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2015**

<u>Governmental Unit</u>	<u>Debt Outstanding ⁽²⁾</u>	<u>Estimated Percentage Applicable to City ⁽¹⁾</u>	<u>Estimated Amount Applicable to City</u>
Pinal County	\$ 134,146,443	10.3 %	\$ 13,817,084
Community College District	100,118,551	10.3	10,312,211
Maricopa Unified School District	39,795,000	100.0	39,795,000
Subtotal, Overlapping Debt			<u>63,924,295</u>
Direct:			
The City of Maricopa	45,565,890	100.0	45,565,890
Total Direct and Overlapping Debt			<u>\$ 109,490,185</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, 2014 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 2015:

20% Limitation		6% Limitation	
Secondary assessed valuation	\$ 296,622,401	Secondary assessed valuation	\$ 296,622,401
Debt limit	59,324,480	Debt limit	17,797,344
Debt applicable to limit	36,949,078	Debt applicable to limit	7,790,922
Legal 20% debt margin	\$ 22,375,402	Legal 6% debt margin	\$ 10,006,422

	Fiscal Year Ended June 30					
	2015	2014	2013	2012	2011	2010
20% Limitation:						
Debt limit	\$ 59,324,480	\$ 41,975,334	\$ 39,926,588	\$ 41,570,712	\$ 51,957,327	\$ 71,218,681
Total net debt applicable to limit	36,949,078	37,745,000	41,520,000	19,270,000	20,000,000	20,000,000
Legal 20% debt margin	\$ 22,375,402	\$ 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	62%	90%	104%	46%	38%	28%
6% Limitation:						
Total Debt limit	\$ 17,797,344	\$ 12,592,600	\$ 11,977,976	\$ 12,471,214	\$ 15,587,198	\$ 21,365,604
Total net debt applicable to limit	7,790,922	8,605,000	8,605,000			
Legal 6% debt margin	\$ 10,006,422	\$ 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	44%	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>
2015	402,000	\$ 10,255,422	\$ 25,511	6.0 %	46,708
2014	401,918	8,404,105	20,910	6.0	46,708
2013	389,350	9,932,708	25,511	8.0	44,946
2012	389,192	9,452,306	24,287	8.9	45,882
2011	384,231	9,331,818	24,287	10.3	44,450
2010	375,770	8,665,256	23,060	12.0	43,482
2009	356,303	8,631,440	24,225	11.4	39,429
2008	309,653	7,427,027	23,985	7.1	35,000
2007	276,266	6,540,045	23,673	4.6	32,157
2006	254,703	6,058,111	23,785	5.0	30,559

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 NINE YEARS PRIOR**

Employer	Industry	2015			2006		
		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	5	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 2015 information is the City of Maricopa's Economic Development Department. The source of the 2006 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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Government					
Court	1.0	3.0	3.0	5.0	4.5
Mayor and Council	8.0	8.0	8.0	8.0	7.0
City Manager	4.0	6.0	4.0	4.0	5.5
Information Technology	4.0	4.0	4.0	4.0	4.0
Marketing & Communication	1.0	0.0	0.0	0.0	0.0
City Clerk	4.0	5.0	5.0	5.0	5.0
Finance	9.0	9.0	10.0	10.0	10.5
Support Services Administration	0.0	0.0	0.0	0.0	0.0
Human Resources	4.5	3.0	3.0	3.0	3.0
Planning	3.0	3.0	2.0	2.0	3.0
Development Services	1.50	3.75	3.75	2.8	3.0
Building Safety	7.0	6.0	6.0	7.0	7.0
Code Enforcement	1.0	1.0	2.0	0.0	1.0
Facilities Management	2.0	2.0	2.0	2.0	2.5
Fleet Management	1.0	1.0	1.0	1.0	1.0
Public Safety Administration	0.0	0.0	0.0	0.0	0.0
Police	86.9	64.0	66.0	68.0	62.0
Fire	64.0	63.0	63.0	63.0	63.0
Engineering	2.0	2.0	1.5	1.5	3.0
Transportation	0.6	1.0	1.5	1.5	4.0
Community Services Administration	3.0	2.0	2.0	2.0	2.0
Recreation/Copper Sky Recreation Center	66.5	3.0	3.0	3.0	3.0
Park Maintenance	3.0	1.0	1.0	2.0	3.0
Libraries	8.5	8.0	8.0	7.0	7.0
Economic Development	3.0	3.0	5.0	5.0	3.0
HURF/Public Works	14.50	10.25	9.3	9.2	8.0
Total	<u>303.0</u>	<u>212.0</u>	<u>214.0</u>	<u>216.0</u>	<u>215.0</u>

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Government					
Court	4.5	4.5	2.5	2.5	1.5
Mayor and Council	7.0	7.0	7.0	7.0	7.0
City Manager	7.5	5.5	3.5	6.0	4.0
Information Technology	4.0	6.0	6.0	0.0	0.0
Marketing & Communication	0.0	1.0	0.0	0.0	0.0
City Clerk	5.0	6.0	6.0	2.0	1.0
Finance	10.5	9.5	10.0	9.0	3.0
Support Services Administration	2.0	0.0	0.0	0.0	0.0
Human Resources	1.0	3.0	3.0	2.0	0.0
Planning	3.0	5.0	5.0	7.0	5.0
Development Services	4.0	0.0	0.0	13.0	4.0
Building Safety	7.0	14.0	14.0	0.0	0.0
Code Enforcement	1.0	1.0	0.0	0.0	0.0
Facilities Management	2.0	2.0	1.0	0.0	0.0
Fleet Management	1.0	0.0	0.0	0.0	0.0
Public Safety Administration	2.0	0.0	0.0	0.0	0.0
Police	63.0	67.5	62.5	9.0	0.0
Fire	66.0	66.5	64.5	0.0	0.0
Engineering	3.0	4.0	4.0	3.0	2.0
Transportation	2.0	2.0	3.0	0.0	0.0
Community Services Administration	2.0	0.0	0.0	0.0	0.0
Recreation	4.0	7.0	7.0	5.0	4.0
Park Maintenance	2.0	0.0	0.0	0.0	0.0
Libraries	7.0	4.0	4.0	2.5	2.5
Economic Development	1.0	1.0	0.0	0.0	0.0
HURF/Public Works	8.0	8.0	11.0	4.0	3.0
Total	<u><u>219.5</u></u>	<u><u>224.5</u></u>	<u><u>214.0</u></u>	<u><u>72.0</u></u>	<u><u>37.0</u></u>

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

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

	Fiscal Year Ended June 30									
	<u>2015</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>Function/Program</u>										
General Government										
Number of general government buildings	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police										
Number of police stations	1	1	1	1	1	1	1	1	*	*
Fire										
Number of fire stations	4	4	4	4	4	4	4	4	*	*
Community Services										
Number of parks and recreation facilities	4	4	3	2	2	1	1	1	1	0
Number of acres of parks	127	127	29	28	28	28	18	18	18	0
Public Works										
Number of public works buildings	1	1	1	1	1	1	1	1	1	0
Miles of streets	532	532	532	**	**	**	**	**	**	**
Number of street lights	15	15	12	10	8	4	3	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**

Function/Program	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Public Safety										
Police										
Number of police personnel and officers:	75	72	66	66	63	66	69	63	*	*
Number of arrests	2,209	2,171	2,235	1,650	1,408	1,594	1,778	1,045	*	*
Number of traffic violations	3,649	2,801	3,504	3,055	4,468	3,581	4,266	**	*	*
Number of parking violations	179	244	28	21	16	6	2	**	*	*
Fire										
Number of fire personnel and firefighters	61	63	63	63	63	66	67	65	*	*
Number of emergency calls	3,773	3,368	3,302	3,074	3,056	3,034	2,900	1,999	*	*
Number of fire calls	450	410	435	375	438	378	389	284	*	*
Number of inspections	170	120	279	570	666	595	628	**	*	*
Development Services										
Number of building-single family residential permits issued	299	321	419	225	111	382	402	1,596	2,675	5,051
Number of building-non-residential permits issued	40	22	44	35	72	44	92	146	267	67
Number of demolition permits issued	4	3	3	9	13	4	5	4	4	4
Number of pool permits issued	172	184	148	164	128	139	120	365	662	991
Number of solar permits issued	724	195	44	24	15	33	0	0	0	0
Number of sign permits issued	50	52	71	46	33	21	40	67	85	45
Community Services										
Recreation										
Number of facility and park reservations processed	6,000	584	600	634	395	0	0	0	0	0
Number of programs	650	562	357	357	330	335	335	**	**	**
Library										
Number of materials in inventory	44,000	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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CITY OF
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Marvin L. Brown
Vice Mayor

Peggy Chapados
Councilmember

Bridger Kimball
Councilmember

Vincent Manfredi
Councilmember

Nancy Smith
Councilmember

Henry M. Wade, Jr.
Councilmember

Gregory E. Rose, ICMA-CM
City Manager

Brenda K. Hasler, CPA
Interim Financial Services Director

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