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**Comprehensive Annual Financial Report
for the year ended June 30, 2017**



**CITY OF MARICOPA, ARIZONA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Issued by:
Financial Services Department

CITY OF MARICOPA, ARIZONA

TABLE OF CONTENTS

INTRODUCTORY SECTION

Page

Letter of Transmittal	1
GFOA Certificate of Achievement	6
Organization Chart	7
List of Principal Officials	8

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT	11
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)	15
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	26
Statement of Activities	27
Fund Financial Statements:	
Balance Sheet – Governmental Funds	30
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	32
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	34
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	36
Notes to Financial Statements	38
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues Expenditures and Changes in Fund Balances – Budget and Actual:	
General Fund	70
Highway User Revenue Fund (HURF)	71
County Road Tax Fund	72

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	73
Schedules of Changes in the Net Pension Liability and Related Ratios	74
Schedule of Contributions	76
Schedule of Funding Progress	77
Notes to Required Supplementary Information	78
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Governmental Funds:	
Combining Balance Sheet – All Non-Major Governmental Funds – By Fund Type	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All Non-Major Governmental Funds – By Fund Type	84
Special Revenue Funds:	
Combining Balance Sheet	88
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	90
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	92
Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	96
Capital Projects Funds:	
Combining Balance Sheet	98
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	100
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	102

CITY OF MARICOPA, ARIZONA

TABLE OF CONTENTS

<u>STATISTICAL SECTION</u>	<u>Page</u>
Financial Trends:	
Net Position by Component	111
Expense, Program Revenues, and Net (Expense)/Revenue	112
General Revenues and Total Changes in Net Position	114
Fund Balances – Governmental Funds	116
Governmental Funds Revenues, Expenditures and Debt Service Ratio	118
Other Financing Sources and Uses and Net Changes in Fund Balances – Governmental Funds	120
Revenue Capacity:	
Sales Tax Collected by Category	121
Sales Tax Rates	122
General Government Tax Revenues by Source	123
Principal Property Tax Payers	124
Property Tax Levies and Collections	125
Net Limited Assessed Value and Full Cash Value of Taxable Property	126
Net Full Cash Assessed Value of Taxable Property by Class	127
Property Tax Assessment Ratios	128
Debt Capacity:	
Outstanding Debt by Type	129
Direct and Overlapping Governmental Activities Debt	130
Legal Debt Margin Information	132

CITY OF MARICOPA, ARIZONA

TABLE OF CONTENTS

<u>STATISTICAL SECTION</u>	<u>Page</u>
Demographic and Economic Information:	
County-Wide Demographic and Economic Statistics	134
Principal Employers	135
Operating Information:	
Full-Time Equivalent City Government Employees by Function/Program	136
Capital Asset Statistics by Function	138
Operating Indicators by Function	139

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INTRODUCTORY SECTION

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December 27, 2017

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

Arizona State law requires that every general-purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. This report is published to fulfill these requirements for the fiscal year ended June 30, 2017.

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

Heinfeld, Meech & Co., P.C., Certified Public Accountants, have issued an unmodified (“clean”) opinion on the City of Maricopa financial statements for year ended June 30, 2017. The independent auditor’s report is located at the front of the financial section of this report. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2017, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City’s financial statements for the fiscal year ended June 30, 2017, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor’s report is presented as the first component of the financial section of this report.

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

Profile of the City

The 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 763% 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 50,174. 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 44% of households report an income level above \$75,000 annually (according to a 2016 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 Harrah's Ak-Chin Casino Resort and Ultrastar Multitainment Center. Due to its significant agricultural heritage, Maricopa has developed related local industries demonstrated in Shamrock Farms Dairy, Pinal Feeding Company, LP Steel Industries and T & K Red River Cattle. The community is home to two leading agricultural research facilities in the University of Arizona's Maricopa Agricultural Center and the United States Department of Agriculture's Arid-Land Agricultural Research Center. Maricopa 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.

Bashas', Fry's Marketplace, and Super Walmart anchor three significant existing retail centers located in Maricopa. Additional development projects are bringing new shopping and dining options to Maricopa. The most recently developed Maricopa Station Shopping Center located on a 2.45-acre site at the northeast corner of SR 347 and Smith-Enke Road, includes a 7,800 square foot multitenant shops building and 3,300 square foot drive through restaurant.

Higher education is a priority for Maricopa's future and Central Arizona College is delivering through its 217-acre campus, with anticipated total population of more than 20,000 at full build-out. The attraction of healthcare services to the community has been a strong focus for the City of Maricopa since its inception. Banner Health Center, 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.

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. Slow, steady growth is projected for 2017-2018 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.

Significant investments by the City in municipal projects and economic development, as well as local private investments have driven the City's unemployment rate down to 3.9% in October 2017 (with a Pinal County rate of 4.3%). The City's goal is to continue to make strides in economic development so as to maintain an unemployment rate below that of the County and State.

Major initiatives

The City's major initiatives are outlined based on the Council's Strategic Plan focus areas:

Quality Growth and Development - 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. In fiscal year 2016-2017 the City allocated \$15.1 million toward the project of which \$13.8 million was spent.

In fiscal year 2016-2017 the City completed the Edison Road extension project totaling \$5.5 million, along with the Hartman Road project under a City and the Arizona Department of Transportation inter-governmental agreement (IGA) to utilize federal and local funds.

Economic Development - The City has undertaken initiatives to support local business growth as well as attract larger employers to the community. USDA grant funds were used to launch the City's first small business incubator, which opened in February 2013. The Maricopa Center for Entrepreneurship (MCE) provides business training and business incubation services to local startup 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 and a Public Works/Fire/Fleet Maintenance facility have opened on two acres at the south end of the site.

Community Resource and Quality of Life Amenities - The City is home to a 217-acre campus of Central Arizona College, which projects total enrollment of over 20,000 students at full build-out of its facilities. A 40,000 square foot Banner Health Center provides primary and specialty medical services to the City's residents, with plans to expand services as the need arises.

Safe and Livable Community - Delivering on its commitment to providing a safe and livable community to its residents the City replaced seven (7) vehicles in its Police fleet, along with the purchase of new end user radios, computer equipment and special response team enhancement and identification technology to assist the department in its job of protecting and serving the community. The City also provided funding to its Fire Department for improvement to fire stations 571 and 574, along with the purchase of tower communications equipment, self-contained breathing apparatus, extraction equipment, end-user radios and replacement vehicles.

Community Pride, Spirit and Relationships - The City's parks, trails and open space master plan was completed in October 2008. With the shift in the economic climate and the new facilities currently being built, the City plans to develop a community services master plan to reflect the future needs of its residents. That document would be the road map for the development and funding of future parks, recreation and library facilities along with other initiatives that would attract and retain new residents to the City.

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 \$30.6 million in the General Fund represents 95 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 FY17-18 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 (95 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, 2016. In order to be awarded this certificate, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

This certificate is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the programs' requirements and we are submitting it to GFOA to determine its eligibility for the fiscal year ended June 30, 2017 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
Financial Services Director



Government Finance Officers Association

Certificate of
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for Excellence
in Financial
Reporting

Presented to

**City of Maricopa
Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

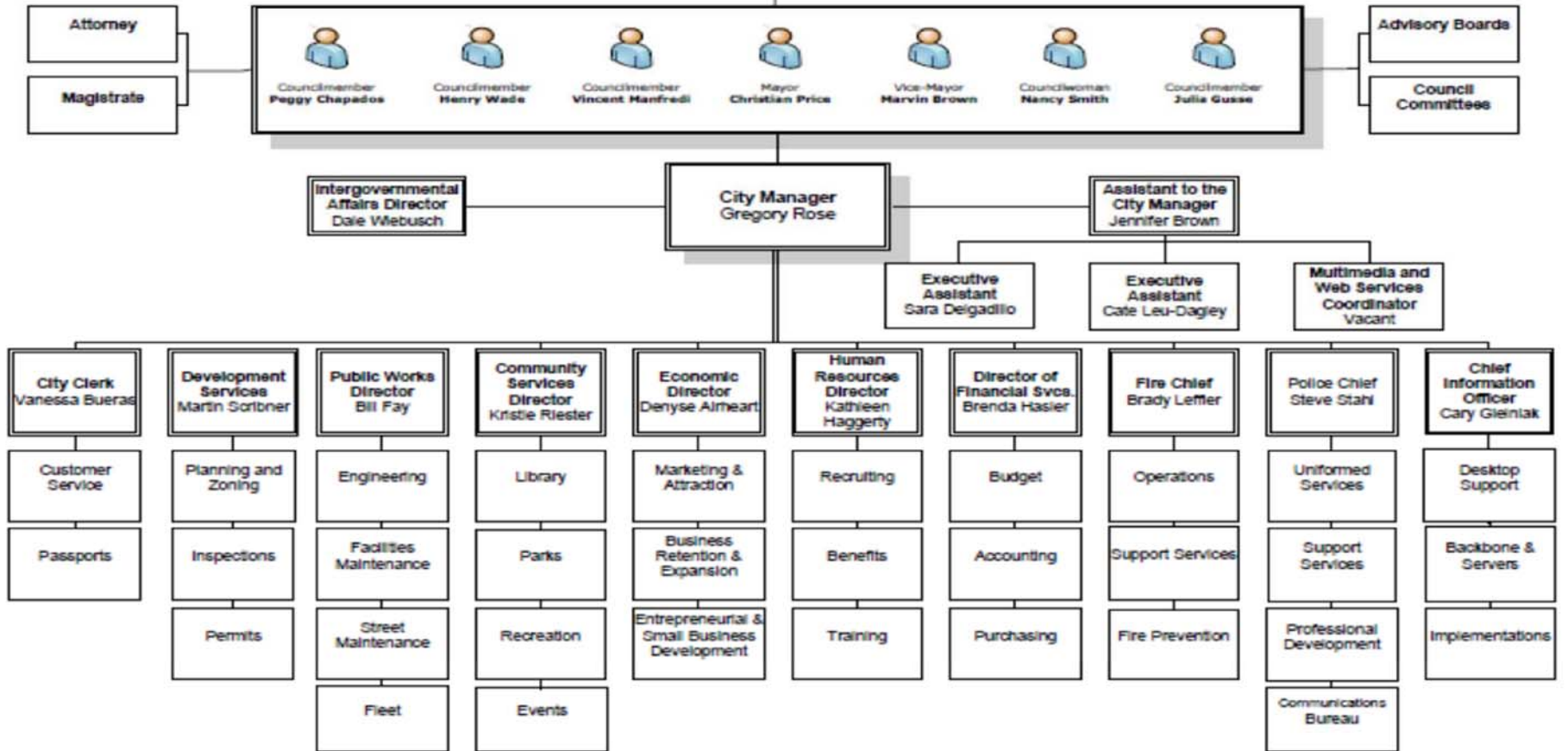
June 30, 2016

Christopher P. Morill

Executive Director/CEO

2017
City of Maricopa Organization Chart

CITIZENS OF MARICOPA



City of Maricopa
38700 W. Civic Center Plaza | Maricopa, AZ 85138
(520) 965-0000 | www.maricopa-az.gov

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

ELECTED OFFICIALS

Mayor	Christian Price
Vice Mayor	Marvin Brown
Council Member	Peggy Chapados
Council Member	Julia Gusse
Council Member	Vincent Manfredi
Council Member	Nancy Smith
Council Member	Henry Wade

CITY STAFF

City Manager	Gregory E. Rose
Assistant to the City Manager	Jennifer Brown
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	Dale Wiebusch
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 the City of Maricopa, Arizona (City), as of and for the year ended June 30, 2017, 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, 2017, 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. 77, *Tax Abatement Disclosures*, for the year ended June 30, 2017, 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, net pension liability information, and other postemployment benefits 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 December 27, 2017, 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.
Phoenix, Arizona
December 27, 2017

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, 2017**

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, 2017. 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 2016-17 as follows:

- The City's total net position of governmental activities decreased \$16.5 million to \$226.7 million representing a seven percent decrease over the prior year primarily due to contributions for the State Route 347 overpass and an increase in pension related items.
- General revenues from governmental activities accounted for \$42.9 million in revenue, or 76 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$13.6 million or 24 percent of total governmental activities revenues.
- The City had \$73.0 million in expenses related to governmental activities, an increase of 35 percent from the prior fiscal year primarily due to utilization of fund balance for the construction of the State Route 347 overpass and pension related items.
- Among major funds, the General Fund had \$37.6 million in current fiscal year revenues, which primarily consisted of property tax, sales tax, and intergovernmental revenues, and \$37.1 million in expenditures. The General Fund's fund balance increase from \$29.9 million at the prior fiscal year end to \$30.6 million at the end of the current fiscal year was primarily due to the sale of property related to the construction of the State Route 347 overpass.
- The Highway User Revenue Fund (HURF), had \$3.6 million in revenues. Fund expenditures totaled \$7.3 resulting in a decrease in fund balance of \$6.0 to \$2.3 million due to repairs and maintenance of roads.
- The County Road Tax Fund had \$1.8 million in revenues and expenditures of \$3.3 million. The County Road Tax Fund's fund balance decreased from \$4.1 million at the prior fiscal year end, to \$2.7 million at the end of the current fiscal year.
- The Public Safety Impact Fee Fund had \$399,369 in revenue and expenditures of \$38,189. The Public Safety Impact Fee Fund's fund balance decreased from \$473,472 to a deficit of \$360,553 due to the receipt of an aerial pumper fire engine paid for in the prior year.
- The Transportation Impact Fee Fund, had \$1.7 million in revenues. Fund expenditures totaled \$4.6 million resulting in a decrease in fund balance of \$20.2 million to \$17.3 million due to utilization of fund balance for miscellaneous construction projects.
- The General Government CIP Fund had \$1.0 million in revenues and expenditures of \$4.1 million for miscellaneous infrastructure projects.

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

OVERVIEW OF FINANCIAL STATEMENTS

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

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Highway User Revenue (HURF), County Road Tax, Public Safety Impact Fee, 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 and pension plan. The City adopts an annual expenditure budget for all governmental funds. A schedule of revenues, expenditures and changes in fund balances – budget and actual has been provided for the General Fund and major Special Revenue Funds as required supplementary information presented with these financial statements. Schedules for the pension plan and other postemployment benefits plan have been provided as required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$226.7 million at the current fiscal year end.

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

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents a summary of the City's net position for the fiscal years ended June 30, 2017 and June 30, 2016.

	Governmental Activities	
	2017	2016
Current and other assets	\$ 67,726,007	\$ 78,516,870
Capital assets, net	219,902,422	222,612,844
Total assets	287,628,429	301,129,714
Deferred outflows	7,857,423	4,759,448
Current liabilities	4,290,910	3,143,297
Long-term liabilities	61,816,409	57,584,101
Total liabilities	66,107,319	60,727,398
Deferred inflows	2,718,964	1,728,750
Net investment in capital assets	177,751,634	178,734,505
Restricted	34,342,277	46,127,016
Unrestricted	14,565,658	18,571,493
Total net position	\$ 226,659,569	\$ 243,433,014

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

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

- The City acquired \$9.6 million in capital asset additions with an increase in accumulated depreciation of \$11.1 million.
- Current assets decreased \$10.8 million primarily due to the contribution of funds for the construction of the State Route 347 overpass.
- Bonds payable decreased due to the principal retirement of \$1.7 million during the fiscal year.
- An increase in long-term liabilities of \$4.2 million was due to the increase in pension obligations.

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in net position. The City's total revenues for the current fiscal year were \$56.5 million. The total cost of all programs and services was \$73.0 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2017 and June 30, 2016.

	Governmental Activities	
	2017	2016
Revenues:		
Program revenues:		
Charges for services	\$ 4,682,001	\$ 4,623,330
Operating grants and contributions	5,324,186	4,303,861
Capital grants and contributions	3,589,969	2,230,811
General revenues:		
Property taxes, levied for general purposes	10,243,226	9,563,708
Property taxes, levied for debt service	3,905,535	3,654,084
Sales taxes	10,448,709	9,496,645
Franchise taxes	1,300,307	911,356
Unrestricted grants, aid, and state shared revenues	16,578,323	16,094,498
Investment income	438,141	771,820
Total revenues	56,510,397	51,650,113
Expenses:		
General government	13,781,833	8,434,268
Public safety	28,009,309	21,662,502
Community services	9,369,826	9,411,852
Development services	5,030,982	4,173,045
Public works	14,855,383	8,384,857
Interest on long-term debt	1,986,509	2,045,204
Total expenses	73,033,842	54,111,728
Changes in net position	(16,523,445)	(2,461,615)
Net position, beginning	243,433,014	245,644,629
Net effect of prior period adjustments	(250,000)	250,000
Net position, beginning restated	243,183,014	245,894,629
Net position, ending	\$ 226,659,569	\$ 243,433,014

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

- Operating grants and contributions increased \$1.0 million as a result of an increase in road projects administered by the state and a late federal payment for the City's Build America Bonds.
- Capital grants and contributions increased \$1.4 million primarily due to an increase of development impact fees.
- General government expenses increased \$5.3 million and public works expenses increased \$6.5 million due primarily to the contributions for the State Route 347 overpass.
- The increase in public safety expenses of \$6.3 million was primarily due to pension obligations and judgments payable.

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	<u>Year Ended June 30, 2017</u>		<u>Year Ended June 30, 2016</u>	
	<u>Total</u> <u>Expenses</u>	<u>Net (Expense)/</u> <u>Revenue</u>	<u>Total</u> <u>Expenses</u>	<u>Net (Expense)/</u> <u>Revenue</u>
General government	\$ 13,781,833	\$ (12,471,157)	\$ 8,434,268	\$ (7,298,733)
Public safety	28,009,309	(26,513,354)	21,662,502	(20,317,007)
Community services	9,369,826	(5,349,832)	9,411,852	(6,183,596)
Development services	5,030,982	(2,842,224)	4,173,045	(1,818,279)
Public works	14,855,383	(10,725,140)	8,384,857	(5,441,171)
Interest on long-term debt	1,986,509	(1,535,979)	2,045,204	(1,894,940)
Total	\$ 73,033,842	\$ (59,437,686)	\$ 54,111,728	\$ (42,953,726)

- The cost of all governmental activities this year was \$73.0 million.
- Federal and State grants and contributions and charges for services subsidized certain programs with grants and contributions and other local revenues of \$13.6 million.
- Net cost of governmental activities of \$59.4 million was financed by general revenues, which are made up of primarily property taxes of \$14.1 million, sales taxes of \$10.4 million, and state shared revenues of \$16.6 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 \$64.6 million, a decrease of \$10.4 million due primarily to the contribution of funds for the construction of the State Route 347 overpass.

The General Fund is the principal operating fund of the City. The increase in fund balance of \$785,485 for the fiscal year to \$30.6 million was due primarily due to an increase of tax and state revenues offset by the contribution of funds for the State Route 347 overpass.

The Highway User Revenue Fund (HURF) showed a decrease in fund balance of \$3.7 million primarily due to the utilization of fund balance for the State Route 347 overpass project.

The County Road Tax Fund showed a decrease in fund balance of \$1.4 million primarily due to the utilization of fund balance for repairs and maintenance of roads.

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The Transportation Impact Fee Fund showed a decrease in fund balance of \$2.9 million due to various capital infrastructure projects.

The General Government CIP Fund balance decreased by \$3.1 million to an ending fund balance of \$5.0 million due to the purchase of vehicles furniture and equipment and capital expenses for items that did not meet the City's capitalization threshold.

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 favorable variance of \$5.9 million in total was primarily a result of the City budgeting for transfers to Maricopa Unified School District (MUSD), which were not necessary based on a court ruling stating a state law requiring local jurisdictions to pay a portion of the property taxes due to public school districts is unconstitutional. Further, the City budgeted for additional contingency projects that were not completed and the City had salary savings due to vacant positions.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the City had invested \$294.5 million in capital assets, including buildings, facilities, vehicles, computers, equipment, and infrastructure assets. This amount represents a net increase prior to depreciation of \$7.8 million from the prior fiscal year, primarily due to various infrastructure projects around the City in addition to purchasing new vehicles. Total depreciation expense for the current fiscal year was \$11.1 million.

The following schedule presents capital asset balances for the fiscal years ended June 30, 2017 and June 30, 2016.

<u>Governmental Activities</u>	<u>As of June 30, 2017</u>	<u>As of June 30, 2016</u>
Land	\$ 86,736,516	\$ 87,786,935
Infrastructure	95,328,687	89,250,222
Buildings and improvements	86,901,789	86,858,055
Vehicles, machinery and equipment	23,875,834	21,757,757
Construction in progress	1,682,933	1,109,235
Less: Accumulated depreciation	(74,623,337)	(64,149,360)
Total	<u>\$ 219,902,422</u>	<u>\$ 222,612,844</u>

The estimated cost to complete current construction projects is \$1.1 million.

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, 2017**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Debt Administration. – At year end, the City had \$42.2 million in long-term debt outstanding, \$1.7 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 \$61.6 million, of which \$33.5 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 \$18.5 million, of which \$7.9 million is issued and outstanding.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

City management considered many factors in the process of developing the operating budget for the fiscal year 2017-18. The most significant factors affecting the subsequent year's budget are:

- Primary property tax assessments are projected higher in fiscal year 2017-18 with an increase of \$711,210 while maintaining the primary property tax rate at \$4.7845 per \$100 in assessed valuation. The assessment increase is due to the impact of new construction and the rise in property values.
- Local sales tax revenue is projected to increase over the prior fiscal year and is budgeted at \$10.5 million in fiscal year 2017-18 compared to FY16-17 budget of \$9.0 million.
- Overall, the fiscal year 2017-18 adopted budget represents a decrease of \$6 million from the fiscal year 2016-17 adopted budget. In fiscal year 2016-17 the City made budget allocations to fund the SR347 project, and transfers to MUSD. The City satisfied 86% of its obligation to fund the SR347 project in fiscal year 2016-17. The City also eliminated transfers to MUSD based on a court ruling stating a state law requiring local jurisdictions to pay a portion of the property taxes due to public school districts is unconstitutional. Further, the City budgeted conservatively to accommodate projected reductions in state shared revenues for fiscal year 2017-18.

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, 2017**

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 64,733,078
Property taxes receivable	236,627
Accounts receivable	520,268
Interest receivable	177,126
Intergovernmental receivables	2,056,768
Prepaid items	2,140
Total current assets	67,726,007
Noncurrent assets:	
Land and other non-depreciable assets	88,419,449
Infrastructure, buildings, equipment and other depreciable assets	206,106,310
Accumulated depreciation	(74,623,337)
Total noncurrent assets	219,902,422
Total assets	287,628,429
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension plan items	7,857,423
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	2,424,906
Accrued wages and benefits	542,316
Customer deposits	475
Due to other governments	40,830
Judgments payable	1,282,383
Compensated absences payable	1,066,395
Bonds payable	1,735,000
Total current liabilities	7,092,305
Noncurrent liabilities:	
Compensated absences	312,884
Bonds payable	40,415,788
Net pension liability	18,286,342
Total noncurrent liabilities	59,015,014
Total liabilities	66,107,319
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension plan items	2,718,964
 <u>NET POSITION</u>	
Net investment in capital assets	177,751,634
Restricted for:	
Transportation projects	22,456,141
Capital projects	5,226,604
Debt service	799,173
Federal and state projects	623,102
Parks and recreation projects	5,237,257
Unrestricted	14,565,658
Total net position	\$ 226,659,569

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, 2017**

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	\$ 13,781,833	\$ 733,595	\$ 327,081	\$ 250,000	\$ (12,471,157)
Public safety	28,009,309	71,440	934,075	490,440	(26,513,354)
Community services	9,369,826	1,916,364	1,544,813	558,817	(5,349,832)
Development services	5,030,982	1,960,602	228,156		(2,842,224)
Public works	14,855,383		1,839,531	2,290,712	(10,725,140)
Interest on long-term debt	1,986,509		450,530		(1,535,979)
Total governmental activities	\$ 73,033,842	\$ 4,682,001	\$ 5,324,186	\$ 3,589,969	(59,437,686)

General revenues:

Taxes:

Property taxes, levied for general purposes	10,243,226
Property taxes, levied for debt service	3,905,535
Sales taxes	10,448,709
Franchise taxes	1,300,307
Unrestricted grants, aid, and state shared revenues	16,578,323
Investment income	438,141
Total general revenues	42,914,241

Changes in net position

(16,523,445)

Net position, beginning of year, as restated

243,183,014

Net position, end of year

\$ 226,659,569

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, 2017**

	General Fund	HURF	County Road Tax
ASSETS			
Cash and investments	\$ 29,741,987	\$ 2,134,937	\$ 3,214,455
Property taxes receivable	172,239		
Accounts receivable	520,268		
Interest receivable	177,126		
Intergovernmental receivables	1,030,741	316,591	155,551
Due from other funds	358,749		
Prepaid items	2,140		
Total assets	\$ 32,003,250	\$ 2,451,528	\$ 3,370,006
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 759,834	\$ 139,176	\$ 666,184
Accrued wages and benefits	466,355	18,170	
Due to other funds			
Customer deposits	475		
Due to other governments	40,830		
Total liabilities	1,267,494	157,346	666,184
Deferred inflows of resources:			
Unavailable revenue - property taxes	81,285		
Unavailable revenue - intergovernmental			
Unavailable revenue - business licenses	8,713		
Total deferred inflows of resources	89,998		
Fund balances (deficits):			
Nonspendable	2,140		
Restricted		2,294,182	2,703,822
Unassigned	30,643,618		
Total fund balances	30,645,758	2,294,182	2,703,822
 Total liabilities, deferred inflows of resources and fund balances	 \$ 32,003,250	 \$ 2,451,528	 \$ 3,370,006

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

Public Safety Impact Fee	Transportation Impact Fee	General Government CIP	Non-Major Governmental Funds	Total Governmental Funds
\$	\$ 17,558,022	\$ 5,393,412	\$ 6,690,265 64,388	\$ 64,733,078 236,627 520,268 177,126 2,056,768 358,749 2,140
<u>\$</u>	<u>\$ 17,558,022</u>	<u>\$ 5,393,412</u>	<u>\$ 7,308,538</u>	<u>\$ 68,084,756</u>
\$ 1,804 358,749	\$ 254,430	\$ 352,153	\$ 251,325 57,791	\$ 2,424,906 542,316 358,749 475 40,830
<u>360,553</u>	<u>254,430</u>	<u>352,153</u>	<u>309,116</u>	<u>3,367,276</u>
			30,044 37,240	111,329 37,240 8,713
			<u>67,284</u>	<u>157,282</u>
(360,553) <u>(360,553)</u>	17,303,592 <u>17,303,592</u>	5,041,259 <u>5,041,259</u>	6,932,138 <u>6,932,138</u>	2,140 34,274,993 30,283,065 <u>64,560,198</u>
<u>\$</u>	<u>\$ 17,558,022</u>	<u>\$ 5,393,412</u>	<u>\$ 7,308,538</u>	<u>\$ 68,084,756</u>

**CITY OF MARICOPA, ARIZONA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017**

Total governmental fund balances **\$ 64,560,198**

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	\$ 294,525,759	
Less accumulated depreciation	<u>(74,623,337)</u>	219,902,422

Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.

Property taxes	111,329	
Intergovernmental	37,240	
Business licenses	<u>8,713</u>	157,282

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	7,857,423	
Deferred inflows of resources related to pensions	<u>(2,718,964)</u>	5,138,459

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

Judgments payable	(1,282,383)	
Compensated absences payable	(1,379,279)	
Net pension liability	(18,286,342)	
Bonds payable	(41,410,000)	
Bonds premium payable	<u>(740,788)</u>	<u>(63,098,792)</u>

Net position of governmental activities **\$ 226,659,569**

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

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CITY OF MARICOPA, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	<u>General Fund</u>	<u>HURF</u>	<u>County Road Tax</u>
Revenues:			
Property taxes	\$ 10,256,423	\$	\$
Sales taxes	9,445,692		
Franchise taxes	1,300,307		
Licenses, fees & permits	1,590,827		
Intergovernmental revenues	13,058,909	3,516,709	1,801,531
Impact fees			
Charges for services	990,674		
Fines, forfeitures & penalties	524,546		
Investment income	259,040	37,307	22,503
Miscellaneous	194,006		
Total revenues	<u>37,620,424</u>	<u>3,554,016</u>	<u>1,824,034</u>
Expenditures:			
Current -			
General government	12,768,509		
Public safety	19,433,173		
Community services	2,138,246		
Development services	1,430,026		76,042
Public works	1,361,833	1,427,460	
Capital outlay	673	5,838,070	3,181,677
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>37,132,460</u>	<u>7,265,530</u>	<u>3,257,719</u>
Excess (deficiency) of revenues over expenditures	<u>487,964</u>	<u>(3,711,514)</u>	<u>(1,433,685)</u>
Other financing sources (uses):			
Proceeds from sale of assets	1,713,798		
Transfers in			
Transfers out	(1,400,000)		
Total other financing sources (uses):	<u>313,798</u>		
Changes in fund balances	<u>801,762</u>	<u>(3,711,514)</u>	<u>(1,433,685)</u>
Fund balances, beginning of year, as restated	29,860,273	6,005,696	4,137,507
Increase (decrease) in reserve for prepaid items	(16,277)		
Fund balances, end of year	<u>\$ 30,645,758</u>	<u>\$ 2,294,182</u>	<u>\$ 2,703,822</u>

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

<u>Public Safety Impact Fee</u>	<u>Transportation Impact Fee</u>	<u>General Government CIP</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$	\$	\$	\$	\$
		1,003,017	3,910,413	14,166,836
				10,448,709
				1,300,307
				1,590,827
			4,495,409	22,872,558
398,231	1,608,554		528,295	2,535,080
			1,386,770	2,377,444
				524,546
1,138	95,864		22,289	438,141
				194,006
<u>399,369</u>	<u>1,704,418</u>	<u>1,003,017</u>	<u>10,343,176</u>	<u>56,448,454</u>
			254,461	13,022,970
29,906			696,260	20,159,339
			3,859,859	5,998,105
			169,884	1,675,952
				2,789,293
8,283	4,631,337	4,081,816	2,269,631	20,011,487
			1,685,000	1,685,000
			2,029,060	2,029,060
<u>38,189</u>	<u>4,631,337</u>	<u>4,081,816</u>	<u>10,964,155</u>	<u>67,371,206</u>
<u>361,180</u>	<u>(2,926,919)</u>	<u>(3,078,799)</u>	<u>(620,979)</u>	<u>(10,922,752)</u>
				1,713,798
			1,400,000	1,400,000
				(1,400,000)
			<u>1,400,000</u>	<u>1,713,798</u>
<u>361,180</u>	<u>(2,926,919)</u>	<u>(3,078,799)</u>	<u>779,021</u>	<u>(9,208,954)</u>
473,472	20,230,511	8,120,058	6,153,117	74,980,634
(1,195,205)				(1,211,482)
<u>\$ (360,553)</u>	<u>\$ 17,303,592</u>	<u>\$ 5,041,259</u>	<u>\$ 6,932,138</u>	<u>\$ 64,560,198</u>

**CITY OF MARICOPA, ARIZONA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017**

Changes in fund balances - total governmental funds **\$ (9,208,954)**

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

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

Expenditures for capitalized assets	\$ 9,598,926	
Less current year depreciation	<u>(11,143,343)</u>	(1,544,417)

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

Property taxes	(18,075)	
Intergovernmental	37,240	
Business licenses	<u>(4,822)</u>	14,343

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		1,685,000
--	--	-----------

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	2,121,451	
Pension expense	<u>(5,903,618)</u>	(3,782,167)

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

Judgments payable	(1,282,383)	
Prepaid items	(1,211,482)	
Loss on disposal of assets	(1,166,005)	
Amortization of deferred bond items	42,551	
Compensated absences	<u>(69,931)</u>	<u>(3,687,250)</u>

Changes in net position in governmental activities **\$ (16,523,445)**

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

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**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

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, 2017, the City implemented the provisions of GASB Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about the agreements, the gross dollar of taxes abated, and other commitments made by the government.

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, 2017 the IDA had not incurred any financial transactions and therefore has no financial data to report.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information about the City as a whole. The reported information includes all of the activities of the City. For the most part, the effect of internal activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the City. Governmental activities normally are supported by 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, 2017, the City had no business-type activities.

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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

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, 2017**

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.

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

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

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

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, 2017**

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. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition 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:

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

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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 are amortized over the life of the bonds using the straight-line method. Deferred amounts on refunding result from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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.

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.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

	General Fund	Highway User Revenue Fund	County Road Tax Fund	Public Safety Impact Fee Fund
Fund Balances:				
Nonspendable:				
Prepaid items	\$ 2,140	\$	\$	\$
Restricted:				
Debt service				
Transportation projects		2,294,182	2,703,822	
Parks and recreation projects				
Capital projects				
Federal and state projects				
Unassigned:	30,643,618			(360,553)
Total fund balances	<u>\$ 30,645,758</u>	<u>\$ 2,294,182</u>	<u>\$ 2,703,822</u>	<u>\$ (360,553)</u>

	Transportation Impact Fee Fund	General Government CIP Fund	Non-Major Governmental Funds
Fund Balances:			
Nonspendable:			
Prepaid items	\$	\$	\$
Restricted:			
Debt service			769,129
Transportation projects	17,303,592		154,545
Parks and recreation projects			5,237,257
Capital projects		5,041,259	185,345
Federal and state projects			585,862
Unassigned:			
Total fund balances	<u>\$ 17,303,592</u>	<u>\$ 5,041,259</u>	<u>\$ 6,932,138</u>

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual Deficit Fund Balance – At year end, the Public Safety Impact Fee Fund, a non-major governmental fund, reported a deficit of \$360,553 in fund balance.

The deficit arose because of operations during the year. Additional revenues received in fiscal year 2017-18 are expected to eliminate the deficit.

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

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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 \$1,639,346 and the bank balance was \$2,407,273. At year end \$2,040,671 of the City's deposits was covered by collateral held by the pledging financial institution in the City's name. Additionally, the City had cash on hand of \$8,445.

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

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

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

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

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, 2017

NOTE 4 – CASH AND INVESTMENTS

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

Investment Type	Category	Fair Value	Investment Maturities (in Years)		Concentration of Credit Risk
			Less than 1	1-5	
Short Term Investments	Level 2	\$ 3,918,382	\$ 3,918,382	\$	6%
Certificates of Deposit	Level 2	14,384,351	6,531,427	7,852,924	22%
U.S. Treasuries	Level 2	2,866,485	988,718	1,877,767	5%
U.S. Agencies:					
Federal Home Loan Banks	Level 2	8,967,688	3,984,421	4,983,267	14%
Federal Home Loan Mortgage Corporation	Level 2	5,482,620		5,482,620	9%
Federal National Mortgage Association	Level 2	6,119,614	251,387	5,868,227	10%
Tennessee Valley Authority	Level 2	1,073,646	1,073,646		2%
Corporate Securities:					
Toyota Motor Credit Corp	Level 2	748,046	105,062	642,984	1%
Chevron Corp	Level 2	751,068	309,919	441,149	1%
John Deere Capital Corp	Level 2	527,607		527,607	1%
American Honda Finance Corp	Level 2	596,115		596,115	1%
Wells Fargo & Co	Level 2	653,387		653,387	1%
Goldman Sachs Group Inc.	Level 2	659,716		659,716	1%
Pfizer Inc.	Level 2	647,433		647,433	1%
Apple Inc.	Level 2	643,058		643,058	1%
Microsoft Corporation	Level 2	424,905		424,905	1%
Pepsico Inc.	Level 2	227,969		227,969	0%
JP Morgan Chase & Co	Level 2	471,504		471,504	1%
American Express Credit Corp	Level 2	646,497		646,497	1%
Morgan Stanley	Level 2	328,429		328,429	1%
IBM Corp	Level 2	650,182		650,182	1%
Bank of New York Mellon Corp	Level 2	653,751		653,751	1%
Walt Disney Co	Level 2	649,261		649,261	1%
Intel Corp	Level 2	325,091		325,091	1%
Home Depot Inc.	Level 2	250,115		250,115	0%
			<u>\$ 17,162,962</u>	<u>\$ 35,503,958</u>	
State Treasurer's investment pool 5	Not Applicable	7,006,513	37 days average maturities		11%
State Treasurer's investment pool 7	Not Applicable	<u>3,411,854</u>	80 days average maturities		5%
Total		<u>\$ 63,085,287</u>			

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 4 – CASH AND INVESTMENTS

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

Credit Risk. The City's formal investment policy limits credit risk by limiting investments in the portfolio to the asset classes designated as acceptable in A.R.S. §35-323, by diversifying the investment portfolio so that the impact of potential losses from any one individual issuer held in the portfolio will be limited and by utilizing external research and advice regarding the current global economic condition and its impact on the outlook for domestic corporate credit quality. 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, A2, A1, Aa3, Aa2, Aa1 and Aaa by Moody's Investors Service and BBB+, A+, A, and AA+, AAA, A-, AA-, and AA by Standard & Poor's.

Concentration of Credit Risk. The City places no limit on the amount the City may invest in any one issuer.

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:

	General Fund	Highway User Revenue Fund	County Road Tax Fund	Non-Major Governmental Funds
Intergovernmental receivables:				
Due from federal government	\$	\$	\$	\$ 319,700
Due from state government	1,030,741	316,591		234,185
Due from county government			155,551	
Net intergovernmental receivables	<u>\$ 1,030,741</u>	<u>\$ 316,591</u>	<u>\$ 155,551</u>	<u>\$ 553,885</u>

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 6 – CAPITAL ASSETS

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 87,786,935	\$	\$ 1,050,419	\$ 86,736,516
Construction in progress	1,109,235	6,372,372	5,798,674	1,682,933
Total capital assets, not being depreciated	<u>88,896,170</u>	<u>6,372,372</u>	<u>6,849,093</u>	<u>88,419,449</u>
Capital assets, being depreciated:				
Buildings	56,112,330	221,441	177,707	56,156,064
Improvements other than buildings	30,745,725			30,745,725
Infrastructure	89,250,222	6,078,465		95,328,687
Vehicles	8,445,640	1,970,090	607,245	9,808,485
Machinery and equipment	10,169,016	465,348		10,634,364
Computers/Software	3,143,101	289,884		3,432,985
Total capital, assets being depreciated	<u>197,866,034</u>	<u>9,025,228</u>	<u>784,952</u>	<u>206,106,310</u>
Less accumulated depreciation for:				
Buildings	(8,662,749)	(2,821,810)	(68,121)	(11,416,438)
Improvements other than buildings	(4,434,077)	(1,552,113)		(5,986,190)
Infrastructure	(38,584,843)	(4,516,302)		(43,101,145)
Vehicles	(5,581,032)	(757,119)	(601,245)	(5,736,906)
Machinery and equipment	(4,625,582)	(1,192,853)		(5,818,435)
Computes/Software	(2,261,077)	(303,146)		(2,564,223)
Total accumulated depreciation	<u>(64,149,360)</u>	<u>(11,143,343)</u>	<u>(669,366)</u>	<u>(74,623,337)</u>
Total capital assets, being depreciated, net	133,716,674	(2,118,115)	115,586	131,482,973
Governmental activities capital assets, net	<u>\$ 222,612,844</u>	<u>\$ 4,254,257</u>	<u>\$ 6,964,679</u>	<u>\$ 219,902,422</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 1,063,689
Public safety	2,134,319
Community service	2,714,864
Public works	5,230,471
Total depreciation expense – governmental activities	<u>\$11,143,343</u>

Construction Commitments – At year end, the City had contractual commitments related to various capital projects for infrastructure projects. At year end the City had spent \$1.7 million on the projects and had estimated remaining contractual commitments of \$1.1 million.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 7 – LONG-TERM LIABILITIES

A. GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, \$13.9 million expired during the year. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt. In addition, a portion of the City's bonds are Qualified Build America Bonds (BABS). The City receives a direct subsidy payment from the United States of America for a portion of the interest payment due on the bonds.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2017	Due Within One Year
Governmental activities:					
GADA Bond, Series 2010 A	\$ 20,000,000	4.0 - 6.335%	7/1/18-30	\$ 12,220,000	\$ 890,000
GO Bonds Series B, 2013	31,605,000	4.0 - 4.375%	7/1/18-35	29,190,000	845,000
Total				<u>\$ 41,410,000</u>	<u>\$ 1,735,000</u>

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
2018	\$ 1,735,000	\$ 1,958,503
2019	1,790,000	1,881,947
2020	1,845,000	1,801,161
2021	1,905,000	1,715,983
2022	2,015,000	1,622,104
2023-27	11,175,000	6,553,187
2028-32	13,670,000	3,475,302
2033-36	7,275,000	540,362
Total	<u>\$ 41,410,000</u>	<u>\$ 19,548,549</u>

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 7 – LONG-TERM LIABILITIES

B. CHANGES IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 43,095,000	\$	\$ 1,685,000	\$ 41,410,000	\$ 1,735,000
Premium	783,339		42,551	740,788	
Total bonds payable	43,878,339		1,727,551	42,150,788	1,735,000
Net pension liability	12,396,414	5,889,928		18,286,342	
Compensated absences payable	1,309,348	1,341,002	1,271,071	1,379,279	1,066,395
Governmental activity long-term liabilities	<u>\$ 57,584,101</u>	<u>\$ 7,230,930</u>	<u>\$ 2,998,622</u>	<u>\$ 61,816,409</u>	<u>\$ 2,801,395</u>

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

NOTE 8 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The transfer of \$1,400,000 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 Multigenerational Center.

At year end the Public Safety Impact Fee Fund had a negative cash balance of \$358,749 in the City's pooled cash accounts. The negative cash was reduced by interfund borrowing with the General Fund. The terms of repayment of the interfund balance will be determined by the City Council and any amounts to be repaid within one year have not been determined as of the date of the financial statements.

NOTE 9 – CONTINGENT LIABILITIES

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

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 10 – PRIOR PERIOD ADJUSTMENT

The July 1, 2016, government-wide net position and the fund balance of the Transportation Impact Fee Fund do not agree to the prior year financial statements due to a correction of errors. The City determined stale accounts payable balances should not have been written-off.

	Statement of Activities	Transportation Impact Fee Fund
Net position/fund balance, June 30, 2016, as previously reported	\$ 243,433,014	\$ 20,480,511
Accounts payable error	<u>(250,000)</u>	<u>(250,000)</u>
Net position/fund balance, July 1, 2016, as restated	<u>\$ 243,183,014</u>	<u>\$ 20,230,511</u>

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.

As of January 1, 2017, the City joined the Arizona Metropolitan Trust Pool (AMTP) for health insurance coverage. AMTP is a public entity risk pool currently operating as a common risk management and insurance program for municipalities in the State. The City pays a monthly premium to AMTP for employees' health and accident insurance coverage.

The City continued to carry commercial insurance for all other risks of loss, including employee health, dental, life, short-term disability, and vision insurance through December 31, 2016 and subsequently the City utilized the Arizona Metropolitan Trust. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

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 City reported \$2,121,451 of pension expenditures in the governmental funds related to all pension plans to which it contributes.

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, 2011	On or After January 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years age 62 5 years age 50* Any years age 65	30 years age 55 25 years age 60 10 years age 62 5 years age 50* Any years age 65
Final average salary is based on	Highest 36 months of last 120 months	Highest 60 months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%
	*With actuarially reduced benefits	

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earnings. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a 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, 2017**

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 11.48 percent (11.34 percent for retirement and 0.14 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 11.48 percent (10.78 percent for retirement, 0.56 percent for health insurance premium benefit, and 0.14 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, 2017 were \$870,872.

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:				
2017	\$	45,240	\$	11,310
2016		39,726		9,534
2015		41,607		8,462

Pension Liability. At June 30, 2017, the City reported a liability of \$13.3 million for its proportionate share of the net pension liability of the ASRS. The net pension liability was measured as of June 30, 2016. 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, 2015, to the measurement date of June 30, 2016. 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, 2016, the City's proportion was 0.082 percent, which was an increase of 0.005 from its proportion measured as of June 30, 2015.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Pension Expense and Deferred Outflows/Inflows of Resources. The City has deferred outflows and inflows of resources related to the net pension liability of retirement benefits. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. For the year ended June 30, 2017. For the year ended June 30, 2017, the City recognized pension expense for ASRS of \$1,783,199 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	\$ 80,864	\$ 915,400
Changes in assumptions or other inputs		704,028
Net difference between projected and actual earnings on pension plan investments	1,441,997	
Changes in proportion and differences between contributions and proportionate share of contributions	1,420,952	
Contributions subsequent to the measurement date	870,872	
Total	<u>\$ 3,814,685</u>	<u>\$ 1,619,428</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, 2018. 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:		Amount
2018	\$	348,795
2019		(68,526)
2020		639,785
2021		404,332

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

Actuarial valuation date	June 30, 2015
Actuarial roll forward date	June 30, 2016
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, 2017**

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The actuarial assumptions used in the June 30, 2015 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 8.75 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	58%	6.73%
Fixed income	25	3.70
Real estate	10	4.25
Multi-asset	5	3.41
Commodities	2	3.84
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 8.75 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, 2017**

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	\$16,966,982	\$13,306,644	\$10,371,854

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 nine-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

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

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

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% to 100% 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. In addition, the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget Committee analysis of the increase's effects on the plan. 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, 2017, the following employees were covered by the agent pension plan's benefit terms:

	PSPRS – Police	PSPRS – Fire
Retirees and beneficiaries	4	1
Inactive, non-retired members	12	4
Active members	60	57
Total	76	62

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

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, 2017, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS – Police	PSPRS – Fire
Active members – pension	11.65%	11.65%
City:		
Pension	11.99	12.70
Health insurance	0.34	0.38

In addition, the City was required by statute to contribute at the actuarially determined rate of 8.0 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:

	PSPRS – Police	PSPRS – Fire
Pension:		
Contributions made	\$ 552,131	\$ 698,448
Health insurance premium benefit:		
Annual OPEB cost	15,657	20,898
Contributions made	15,657	20,898

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Pension Liability. At June 30, 2017, the City reported \$1,882,700 in net pension liability for police and \$3,096,998 net pension liability for fire. The net pension liabilities were measured as of June 30, 2016, 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, 2016, reflects changes of benefit terms and actuarial assumptions.

- In May 2016 voters approved Proposition 124 that authorized certain statutory adjustments to PSPRS' automatic cost-of-living adjustments. The statutory adjustments change the basis for future cost-of-living adjustments from excess investment earnings to the change in the consumer price index, limited to a maximum annual increase of two percent. The change in the City's net pension liability as a result of the statutory adjustments is not known.
- Laws 2016, Chapter 2, changed the benefit formula and contribution requirements for members hired on or after July 1, 2017.
- The investment rate of return actuarial assumption was decreased from 7.85 percent to 7.50 percent.

The net pension liabilities measured as of June 30, 2017, will reflect changes of actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016. The change in the City's net pension liabilities as a result of these changes is not known.

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

Actuarial valuation date	June 30, 2016
Actuarial cost method	Entry age normal
Investment rate of return	7.50%
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, 2016, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2011.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The long-term expected rate of return on PSPRS pension plan investments was determined to be 7.50 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 arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Short-term investments	2%	0.75%
Absolute return	5	4.11
Risk parity	4	5.13
Fixed income	7	2.92
Real assets	8	4.77
GTAA	10	4.38
Private equity	11	9.50
Real estate	10	4.48
Credit opportunities	13	7.08
Non-U.S. equity	14	8.25
U.S. equity	16	6.23
Total	<u>100%</u>	

Pension Discount Rates. The discount rate of 7.50 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.

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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 (Asset)
PSPRS – Police			
Balances at June 30, 2016	\$ 7,828,708	\$ 7,930,935	\$ (102,227)
Changes for the year:			
Service cost	839,545		839,545
Interest on the total pension liability	641,997		641,997
Changes of benefit terms	1,088,276		1,088,276
Differences between expected and actual experience in the measurement of the pension liability	(141,216)		(141,216)
Changes of assumptions or other inputs	481,692		481,692
Contributions – employer		584,950	(584,950)
Contributions – employee		487,208	(487,208)
Net investment income		47,805	(47,805)
Benefit payments, including refunds of employee contributions	(140,350)	(140,350)	
Administrative expense		(7,279)	7,279
Other changes		(187,317)	187,317
Net changes	<u>2,769,944</u>	<u>785,017</u>	<u>1,984,927</u>
Balances at June 30, 2017	<u>\$ 10,598,652</u>	<u>\$ 8,715,952</u>	<u>\$ 1,882,700</u>

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, 2016	\$ 11,832,852	\$ 11,384,864	\$ 447,988
Changes for the year:			
Service cost	974,190		974,190
Interest on the total pension liability	957,210		957,210
Changes of benefit terms	1,699,432		1,699,432
Differences between expected and actual experience in the measurement of the pension liability	(382,765)		(382,765)
Changes of assumptions or other inputs	740,704		740,704
Contributions – employer		795,126	(795,126)
Contributions – employee		581,920	(581,920)
Net investment income		68,821	(68,821)
Benefit payments, including refunds of employee contributions	(252,384)	(252,384)	
Administrative expense		(10,304)	10,304
Other charges		(95,802)	95,802
Net changes	<u>3,736,387</u>	<u>1,087,377</u>	<u>2,649,010</u>
Balances at June 30, 2017	<u>\$ 15,569,239</u>	<u>\$ 12,472,241</u>	<u>\$ 3,096,998</u>

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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% Decrease	Current Discount Rate	1% Increase
PSPRS – Police:			
Rate	6.50%	7.50%	8.50%
Net pension liability (asset)	\$3,770,696	\$1,882,700	\$366,321
 PSPRS – Fire:			
Rate	6.50%	7.50%	8.50%
Net pension liability (asset)	\$6,008,419	\$3,096,998	\$752,166

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.

Pension Expense. For the year ended June 30, 2017, the City recognized the following as pension expense:

	Pension Expense
PSPRS – Police	\$ 1,784,095
PSPRS – Fire	2,336,324

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Pension Deferred Outflows/Inflows of Resources. At June 30, 2017, 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	\$ 136,974	\$ 488,042
Changes of assumptions or other inputs	542,382	
Net difference between projected and actual earnings on pension plan investments	534,546	
Contributions subsequent to the measurement date	552,131	
Total	<u>\$ 1,766,033</u>	<u>\$ 488,042</u>

	Deferred Outflows of Resources	Deferred Inflows of Resources
PSPRS – Fire		
Differences between expected and actual experience	\$ 31,631	\$ 611,494
Changes of assumptions or other inputs	776,944	
Net difference between projected and actual earnings on pension plan investments	769,682	
Contributions subsequent to the measurement date	698,448	
Total	<u>\$ 2,276,705</u>	<u>\$ 611,494</u>

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, 2018. 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
2018	\$ 141,377	\$ 185,741
2019	141,379	185,741
2020	207,855	281,459
2021	146,343	191,717
2022	25,602	18,744
Thereafter	63,304	103,361

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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, 2017	\$ 14,300	100%	\$ - 0 -
June 30, 2016	15,440	100%	- 0 -
June 30, 2015	26,353	100%	- 0 -
PSPRS – Fire:			
June 30, 2017	\$ 19,528	100%	\$ - 0 -
June 30, 2016	20,030	100%	- 0 -
June 30, 2015	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, 2017**

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 inforce 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 2017 contribution requirements, are as follows:

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	4%-8%
includes inflation at	4%

The funded status of the PSPRS health insurance premium benefit plan in the June 30, 2016, actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement.

Actuarial valuation date	June 30, 2016
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	20 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	7.50%
Projected salary increases	4%-8%
includes inflation at	4%

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

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, 2016.

	PSPRS – Police	PSPRS – Fire
Actuarial value of assets	\$ 249,490	\$ 312,649
Actuarial accrued liability	241,132	388,960
Unfunded actuarial accrued liability (funding excess)	(8,358)	76,311
Funded ratio	103.47%	80.38%
Annual covered payroll	4,352,230	5,006,117
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll	0.00%	1.52%

NOTE 13 – TAX ABATEMENTS

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

For the fiscal year ended June 30, 2017, the City abated sales taxes totaling \$786,982. This amount represents a 50 percent retail and use tax and 100 percent of construction sales tax abatement to a developer, for developing a regional lifestyle and entertainment retail shopping center to create additional jobs, generate additional sales tax revenue, and provide diverse commercial and retail service opportunities to the City’s residents. The sales taxes are collected by the City and subsequently distributed to the developer on a quarterly basis.

NOTE 14 – JUDGMENTS PAYABLE

During the fiscal year, the Supreme Court ruled on the Parker v. Public Safety Personnel Retirement System Plan lawsuit. The courts found that a 2011 law’s increases in employee contribution rates for active PSPRS plan members hired prior to the law’s effective date were unconstitutional. As a result, these members are entitled to refunds of their excess employee contributions, plus interest. Employers must provide these refunds because Internal Revenue Service regulations prevent PSPRS from issuing them from the plan’s trusts. As such, the City of Maricopa refunded the excess contributions subsequent to year end. The excess contributions and interest totaling \$1,282,383 is reflected on the Statement of Net Position as Judgments Payable and Statement of Activities within the respective function.

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REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF MARICOPA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 10,992,790	\$ 10,992,790	\$ 10,256,423	\$ (736,367)
Sales taxes	8,991,000	8,991,000	9,445,692	454,692
Franchise taxes	1,250,000	1,250,000	1,300,307	50,307
Licenses, fees & permits	788,500	788,500	1,590,827	802,327
Intergovernmental revenues	13,648,675	13,648,675	13,058,909	(589,766)
Charges for services	817,734	817,734	990,674	172,940
Fines, forfeitures & penalties	350,000	350,000	524,546	174,546
Investment income	210,000	210,000	259,040	49,040
Miscellaneous	83,493	83,493	194,006	110,513
Total revenues	<u>37,132,192</u>	<u>37,132,192</u>	<u>37,620,424</u>	<u>488,232</u>
Expenditures:				
Current -				
General government	16,620,007	16,864,555	12,768,509	4,096,046
Public safety	20,855,739	20,678,335	19,433,173	1,245,162
Community services	2,410,864	2,402,730	2,138,246	264,484
Development services	1,576,345	1,522,323	1,430,026	92,297
Public works	1,540,362	1,535,374	1,361,833	173,541
Capital outlay			673	(673)
Total expenditures	<u>43,003,317</u>	<u>43,003,317</u>	<u>37,132,460</u>	<u>5,870,857</u>
Excess (deficiency) of revenues over expenditures	<u>(5,871,125)</u>	<u>(5,871,125)</u>	<u>487,964</u>	<u>6,359,089</u>
Other financing sources (uses):				
Proceeds from sale of assets			1,713,798	1,713,798
Transfers out	(1,400,000)	(1,400,000)	(1,400,000)	
Total other financing sources (uses):	<u>(1,400,000)</u>	<u>(1,400,000)</u>	<u>313,798</u>	<u>1,713,798</u>
Changes in fund balances	<u>(7,271,125)</u>	<u>(7,271,125)</u>	<u>801,762</u>	<u>8,072,887</u>
Fund balances, beginning of year			29,860,273	29,860,273
Increase (decrease) in reserve for prepaid items			(16,277)	(16,277)
Fund balances (deficits), end of year	<u>\$ (7,271,125)</u>	<u>\$ (7,271,125)</u>	<u>\$ 30,645,758</u>	<u>\$ 37,916,883</u>

See accompanying notes to this schedule.

**CITY OF MARICOPA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HURF
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original & Final	Actual	
Revenues:			
Intergovernmental revenues	\$ 3,382,511	\$ 3,516,709	\$ 134,198
Investment income	7,500	37,307	29,807
Total revenues	<u>3,390,011</u>	<u>3,554,016</u>	<u>164,005</u>
Expenditures:			
Current -			
Public works	1,677,435	1,427,460	249,975
Capital outlay	11,332,621	5,838,070	5,494,551
Total expenditures	<u>13,010,056</u>	<u>7,265,530</u>	<u>5,744,526</u>
Changes in fund balances	<u>(9,620,045)</u>	<u>(3,711,514)</u>	<u>5,908,531</u>
Fund balances, beginning of year		6,005,696	6,005,696
Fund balances (deficits), end of year	<u>\$ (9,620,045)</u>	<u>\$ 2,294,182</u>	<u>\$ 11,914,227</u>

See accompanying notes to this schedule.

**CITY OF MARICOPA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
COUNTY ROAD TAX
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ 1,184,000	\$ 1,184,000	\$ 1,801,531	\$ 617,531
Investment income	16,000	16,000	22,503	6,503
Total revenues	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,824,034</u>	<u>624,034</u>
Expenditures:				
Current -				
Development services	123,004	123,004	76,042	46,962
Capital outlay	4,217,026	4,811,642	3,181,677	1,629,965
Total expenditures	<u>4,340,030</u>	<u>4,934,646</u>	<u>3,257,719</u>	<u>1,676,927</u>
Changes in fund balances	<u>(3,140,030)</u>	<u>(3,734,646)</u>	<u>(1,433,685)</u>	<u>2,300,961</u>
Fund balances, beginning of year			4,137,507	4,137,507
Fund balances (deficits), end of year	<u>\$ (3,140,030)</u>	<u>\$ (3,734,646)</u>	<u>\$ 2,703,822</u>	<u>\$ 6,438,468</u>

See accompanying notes to this schedule.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date	June 30, 2016	June 30, 2015	June 30, 2014
City's proportion of the net pension liability (asset)	0.082%	0.077%	0.061%
City's proportionate share of the net pension liability (asset)	\$ 13,306,644	\$ 12,050,654	\$ 9,558,390
City's covered payroll	\$ 7,945,189	\$ 7,052,084	\$ 4,439,477
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	167.48%	170.88%	215.30%
Plan fiduciary net position as a percentage of the total pension liability	67.06%	68.35%	69.49%

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

See accompanying notes to this schedule.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date	June 30, 2016	June 30, 2015	June 30, 2014
Total pension liability			
Service cost	\$ 839,545	\$ 747,934	\$ 673,759
Interest	641,997	585,892	485,132
Changes of benefit terms	1,088,276		(26,537)
Differences between expected and actual experien	(141,216)	(461,592)	195,426
Changes of assumptions	481,692		165,211
Benefit payments, including refunds of employee contributions	(140,350)	(266,305)	(226,709)
Net change in total pension liability	<u>2,769,944</u>	<u>605,929</u>	<u>1,266,282</u>
Total pension liability—beginning	<u>7,828,708</u>	<u>7,222,779</u>	<u>5,956,497</u>
Total pension liability—ending	<u><u>\$ 10,598,652</u></u>	<u><u>\$ 7,828,708</u></u>	<u><u>\$ 7,222,779</u></u>
Plan fiduciary net position			
Contributions—employer	\$ 584,950	\$ 508,701	\$ 486,264
Contributions—employee	487,208	428,486	376,082
Net investment income	47,805	270,249	812,958
Benefit payments, including refunds of employee contributions	(140,350)	(266,305)	(226,709)
Administrative expense	(7,279)	(6,983)	(6,547)
Other	(187,317)	(63,640)	(67,365)
Net change in plan fiduciary net position	<u>785,017</u>	<u>870,508</u>	<u>1,374,683</u>
Plan fiduciary net position—beginning	<u>7,930,935</u>	<u>7,060,427</u>	<u>5,685,744</u>
Plan fiduciary net position—ending	<u><u>\$ 8,715,952</u></u>	<u><u>\$ 7,930,935</u></u>	<u><u>\$ 7,060,427</u></u>
Net pension liability—ending	<u><u>\$ 1,882,700</u></u>	<u><u>\$ (102,227)</u></u>	<u><u>\$ 162,352</u></u>
Plan fiduciary net position as a percentage of the total pension liability	82.24%	101.31%	97.75%
Covered payroll	\$ 5,033,244	\$ 4,468,622	\$ 3,589,297
Net pension liability as a percentage of covered payroll	37.41%	-2.29%	4.52%

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

See accompanying notes to this schedule.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date	June 30, 2016	June 30, 2015	June 30, 2014
Total pension liability			
Service cost	\$ 974,190	\$ 904,967	\$ 881,621
Interest	957,210	830,568	728,939
Changes of benefit terms	1,699,432		(30,011)
Differences between expected and actual experien	(382,765)	38,907	(364,760)
Changes of assumptions	740,704		148,219
Benefit payments, including refunds of employee contributions	(252,384)	(139,184)	(22,903)
Net change in total pension liability	<u>3,736,387</u>	<u>1,635,258</u>	<u>1,341,105</u>
Total pension liability—beginning	<u>11,832,852</u>	<u>10,197,594</u>	<u>8,856,489</u>
Total pension liability—ending	<u><u>\$ 15,569,239</u></u>	<u><u>\$ 11,832,852</u></u>	<u><u>\$ 10,197,594</u></u>
Plan fiduciary net position			
Contributions—employer	\$ 795,126	\$ 564,051	\$ 611,705
Contributions—employee	581,920	540,412	472,460
Net investment income	68,821	387,128	1,170,516
Benefit payments, including refunds of employee contributions	(252,384)	(139,184)	(22,903)
Administrative expense	(10,304)	(9,836)	(9,427)
Other	(95,802)	(254,871)	
Net change in plan fiduciary net position	<u>1,087,377</u>	<u>1,087,700</u>	<u>2,222,351</u>
Plan fiduciary net position—beginning	<u>11,384,864</u>	<u>10,297,164</u>	<u>8,074,813</u>
Plan fiduciary net position—ending	<u><u>\$ 12,472,241</u></u>	<u><u>\$ 11,384,864</u></u>	<u><u>\$ 10,297,164</u></u>
Net pension liability—ending	<u><u>\$ 3,096,998</u></u>	<u><u>\$ 447,988</u></u>	<u><u>\$ (99,570)</u></u>
Plan fiduciary net position as a percentage of the total pension liability	80.11%	96.21%	100.98%
Covered payroll	\$ 5,976,741	\$ 5,420,209	\$ 4,907,129
Net pension liability as a percentage of covered payroll	51.82%	8.27%	-2.03%

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

See accompanying notes to this schedule.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Arizona State Retirement System:			
Actuarially determined contribution	\$ 870,872	\$ 862,053	\$ 767,972
Contributions in relation to the actuarially determined contribution	<u>870,872</u>	<u>862,053</u>	<u>767,972</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 8,078,590	\$ 7,945,189	\$ 7,052,084
Contributions as a percentage of covered payroll	10.78%	10.85%	10.89%
Public Safety Personnel Retirement System - Police:			
Actuarially determined contribution	\$ 552,131	\$ 601,976	\$ 508,976
Contributions in relation to the actuarially determined contribution	<u>552,131</u>	<u>601,976</u>	<u>508,976</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 4,604,929	\$ 5,033,244	\$ 4,468,622
Contributions as a percentage of covered payroll	11.99%	11.96%	11.39%
Public Safety Personnel Retirement System - Fire:			
Actuarially determined contribution	\$ 698,448	\$ 724,381	\$ 622,240
Contributions in relation to the actuarially determined contribution	<u>698,448</u>	<u>724,381</u>	<u>622,240</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 5,499,591	\$ 5,976,741	\$ 5,420,209
Contributions as a percentage of covered payroll	12.70%	12.12%	11.48%

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

See accompanying notes to this schedule.

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

Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a percentage of Covered Payroll
Public Safety Personnel Retirement System - Police:						
2016	\$ 9,453,656	\$10,598,652	\$ (1,144,996)	89.20 %	\$ 4,352,230	26.31 %
2015	8,116,316	7,828,708	287,608	103.67	3,888,530	(7.40)
2014	7,159,704	7,222,779	(63,075)	99.13	3,965,425	1.59
Public Safety Personnel Retirement System - Fire:						
2016	\$13,527,871	\$15,569,239	\$ (2,041,368)	86.89 %	\$ 5,006,117	40.78 %
2015	11,650,979	11,832,852	(181,873)	98.46	4,751,157	3.83
2014	10,441,953	10,197,594	244,359	102.40	4,629,680	(5.28)

See accompanying notes to this schedule.

CITY OF MARICOPA, ARIZONA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017

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, 2015, 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, 2016, 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, 2016, 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, 2017

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>ASSETS</u>			
Cash and investments	\$ 2,552,885	\$ 590,314	\$ 3,547,066
Property taxes receivable		64,388	
Intergovernmental receivables	409,414	144,471	
Total assets	\$ 2,962,299	\$ 799,173	\$ 3,547,066
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 250,966	\$	\$ 359
Accrued wages and benefits	57,791		
Total liabilities	308,757		359
Deferred inflows of resources:			
Unavailable revenue - property taxes		30,044	
Unavailable revenue - intergovernmental	37,240		
Total deferred inflows of resources	37,240	30,044	
Fund balances:			
Restricted	2,616,302	769,129	3,546,707
Total fund balances	2,616,302	769,129	3,546,707
 Total liabilities, deferred inflows of resources and fund balances	\$ 2,962,299	\$ 799,173	\$ 3,547,066

Total Non-Major
Governmental
Fund

\$	6,690,265
	64,388
	553,885
\$	<u>7,308,538</u>

\$	251,325
	57,791
	<u>309,116</u>

	30,044
	37,240
	<u>67,284</u>

	6,932,138
	<u>6,932,138</u>

\$	<u>7,308,538</u>
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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, 2017

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Revenues:			
Property taxes	\$	\$ 3,910,413	\$
Intergovernmental revenues	4,042,175	450,530	2,704
Impact fees			528,295
Charges for services	1,386,770		
Investment income	5,038		17,251
Total revenues	<u>5,433,983</u>	<u>4,360,943</u>	<u>548,250</u>
Expenditures:			
Current -			
General government	254,461		
Public safety	696,260		
Community services	3,859,859		
Development services	169,884		
Capital outlay	2,205,694		63,937
Debt service -			
Principal retirement		1,685,000	
Interest and fiscal charges		2,029,060	
Total expenditures	<u>7,186,158</u>	<u>3,714,060</u>	<u>63,937</u>
Excess (deficiency) of revenues over expenditures	<u>(1,752,175)</u>	<u>646,883</u>	<u>484,313</u>
Other financing sources (uses):			
Transfers in	1,400,000		
Total other financing sources (uses):	<u>1,400,000</u>		
Changes in fund balances	<u>(352,175)</u>	<u>646,883</u>	<u>484,313</u>
Fund balances, beginning of year	2,968,477	122,246	3,062,394
Fund balances, end of year	<u>\$ 2,616,302</u>	<u>\$ 769,129</u>	<u>\$ 3,546,707</u>

Total Non-Major
Governmental
Funds

\$ 3,910,413
4,495,409
528,295
1,386,770
22,289
10,343,176

254,461
696,260
3,859,859
169,884
2,269,631

1,685,000
2,029,060
10,964,155

(620,979)

1,400,000
1,400,000

779,021

6,153,117

\$ 6,932,138

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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.

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.

**CITY OF MARICOPA, ARIZONA
 COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2017**

	Road Maintenance	Grants	Copper Sky
ASSETS			
Cash and investments	\$ 246,008	\$ 245,217	\$ 2,061,660
Intergovernmental receivables		409,414	
Total assets	\$ 246,008	\$ 654,631	\$ 2,061,660
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 91,463	\$ 22,244	\$ 137,259
Accrued wages and benefits		9,285	48,506
Total liabilities	91,463	31,529	185,765
Deferred inflows of resources:			
Unavailable revenue - intergovernmental		37,240	
Fund balances:			
Restricted	154,545	585,862	1,875,895
Total fund balances	154,545	585,862	1,875,895
Total liabilities, deferred inflows of resources and fund balances	\$ 246,008	\$ 654,631	\$ 2,061,660

Totals

\$	2,552,885
	409,414
\$	<u>2,962,299</u>

\$	250,966
	57,791
	<u>308,757</u>

37,240

<u>2,616,302</u>
<u>2,616,302</u>

\$	<u>2,962,299</u>
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**CITY OF MARICOPA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017**

	<u>Road Maintenance</u>	<u>Grants</u>	<u>Copper Sky</u>
Revenues:			
Intergovernmental revenues	\$	\$ 2,562,175	\$ 1,480,000
Charges for services			1,386,770
Investment income	5,033	5	
Total revenues	<u>5,033</u>	<u>2,562,180</u>	<u>2,866,770</u>
Expenditures:			
Current -			
General government		254,461	
Public safety		696,260	
Community services		50,012	3,809,847
Development services		169,884	
Capital outlay	1,081,948	1,054,889	68,857
Total expenditures	<u>1,081,948</u>	<u>2,225,506</u>	<u>3,878,704</u>
Excess (deficiency) of revenues over expenditures	<u>(1,076,915)</u>	<u>336,674</u>	<u>(1,011,934)</u>
Other financing sources (uses):			
Transfers in			1,400,000
Total other financing sources (uses):			<u>1,400,000</u>
Changes in fund balances	<u>(1,076,915)</u>	<u>336,674</u>	<u>388,066</u>
Fund balances, beginning of year	1,231,460	249,188	1,487,829
Fund balances, end of year	<u>\$ 154,545</u>	<u>\$ 585,862</u>	<u>\$ 1,875,895</u>

Totals

\$	4,042,175
	1,386,770
	5,038
	<u>5,433,983</u>

254,461
696,260
3,859,859
169,884
<u>2,205,694</u>
<u>7,186,158</u>

(1,752,175)

<u>1,400,000</u>
<u>1,400,000</u>

(352,175)

2,968,477

\$	<u><u>2,616,302</u></u>
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CITY OF MARICOPA, ARIZONA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET
AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Road Maintenance		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Intergovernmental revenues	\$	\$	\$
Charges for services			
Investment income	6,000	5,033	(967)
Total revenues	6,000	5,033	(967)
Expenditures:			
Current -			
General government			
Public safety			
Community services			
Development services			
Capital outlay	1,090,000	1,081,948	8,052
Total expenditures	1,090,000	1,081,948	8,052
Excess (deficiency) of revenues over expenditures	(1,084,000)	(1,076,915)	7,085
Other financing sources (uses):			
Transfers in			
Total other financing sources (uses):			
Changes in fund balances	(1,084,000)	(1,076,915)	7,085
Fund balances, beginning of year		1,231,460	1,231,460
Fund balances (deficits), end of year	\$ (1,084,000)	\$ 154,545	\$ 1,238,545

Grants			Copper Sky		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 13,779,768	\$ 2,562,175	\$ (11,217,593)	\$ 1,481,000	\$ 1,480,000	\$ (1,000)
	5	5	1,549,471	1,386,770	(162,701)
<u>13,779,768</u>	<u>2,562,180</u>	<u>(11,217,588)</u>	<u>3,030,471</u>	<u>2,866,770</u>	<u>(163,701)</u>
3,828,652	254,461	3,574,191			
5,774,873	696,260	5,078,613			
576,770	50,012	526,758	4,380,471	3,809,847	570,624
1,001,000	169,884	831,116			
2,598,473	1,054,889	1,543,584	105,000	68,857	36,143
<u>13,779,768</u>	<u>2,225,506</u>	<u>11,554,262</u>	<u>4,485,471</u>	<u>3,878,704</u>	<u>606,767</u>
	336,674	336,674	(1,455,000)	(1,011,934)	443,066
			1,420,000	1,400,000	(20,000)
			<u>1,420,000</u>	<u>1,400,000</u>	<u>(20,000)</u>
	336,674	336,674	(35,000)	388,066	423,066
	249,188	249,188		1,487,829	1,487,829
<u>\$</u>	<u>\$ 585,862</u>	<u>\$ 585,862</u>	<u>\$ (35,000)</u>	<u>\$ 1,875,895</u>	<u>\$ 1,910,895</u>

(Continued)

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, 2017

	Totals		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Intergovernmental revenues	\$ 15,260,768	\$ 4,042,175	\$ (11,218,593)
Charges for services	1,549,471	1,386,770	(162,701)
Investment income	6,000	5,038	(962)
Total revenues	<u>16,816,239</u>	<u>5,433,983</u>	<u>(11,382,256)</u>
Expenditures:			
Current -			
General government	3,828,652	254,461	3,574,191
Public safety	5,774,873	696,260	5,078,613
Community services	4,957,241	3,859,859	1,097,382
Development services	1,001,000	169,884	831,116
Capital outlay	3,793,473	2,205,694	1,587,779
Total expenditures	<u>19,355,239</u>	<u>7,186,158</u>	<u>12,169,081</u>
Excess (deficiency) of revenues over expenditures	<u>(2,539,000)</u>	<u>(1,752,175)</u>	<u>786,825</u>
Other financing sources (uses):			
Transfers in	1,420,000	1,400,000	(20,000)
Total other financing sources (uses):	<u>1,420,000</u>	<u>1,400,000</u>	<u>(20,000)</u>
Changes in fund balances	<u>(1,119,000)</u>	<u>(352,175)</u>	<u>766,825</u>
Fund balances, beginning of year		2,968,477	2,968,477
Fund balances (deficits), end of year	<u>\$ (1,119,000)</u>	<u>\$ 2,616,302</u>	<u>\$ 3,735,302</u>

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
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET
 AND ACTUAL
 NON-MAJOR DEBT SERVICE FUNDS
 YEAR ENDED JUNE 30, 2017**

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Property taxes	\$ 3,732,776	\$ 3,910,413	\$ 177,637
Intergovernmental revenues		450,530	450,530
Miscellaneous	294,209		(294,209)
Total revenues	<u>4,026,985</u>	<u>4,360,943</u>	<u>333,958</u>
Expenditures:			
Debt service -			
Principal retirement	1,685,000	1,685,000	
Interest and fiscal charges	1,993,781	2,029,060	(35,279)
Total expenditures	<u>3,678,781</u>	<u>3,714,060</u>	<u>(35,279)</u>
Changes in fund balances	<u>348,204</u>	<u>646,883</u>	<u>298,679</u>
Fund balances, beginning of year		122,246	122,246
Fund balances, end of year	<u>\$ 348,204</u>	<u>\$ 769,129</u>	<u>\$ 420,925</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, 2017**

	Parks Impact Fee	Library Impact Fee	Parks Bond
<u>ASSETS</u>			
Cash and investments	\$ 2,251,105	\$ 775,775	\$ 334,482
Total assets	\$ 2,251,105	\$ 775,775	\$ 334,482
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Total liabilities	\$	\$	\$
Fund balances:			
Restricted	2,251,105	775,775	334,482
Total fund balances	2,251,105	775,775	334,482
 Total liabilities and fund balances	\$ 2,251,105	\$ 775,775	\$ 334,482

<u>Capital Grants</u>	<u>Totals</u>
\$ 185,704	\$ 3,547,066
<u>\$ 185,704</u>	<u>\$ 3,547,066</u>

<u>\$ 359</u>	<u>\$ 359</u>
359	359

<u>185,345</u>	<u>3,546,707</u>
185,345	3,546,707

<u>\$ 185,704</u>	<u>\$ 3,547,066</u>
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CITY OF MARICOPA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2017

	Parks Impact Fee	Library Impact Fee	Parks Bond
Revenues:			
Intergovernmental revenues	\$	\$	\$
Impact fees	527,683	612	
Investment income	10,627	4,976	1,648
Total revenues	538,310	5,588	1,648
Expenditures:			
Current -			
Capital outlay	60,000		
Total expenditures	60,000		
Changes in fund balances	478,310	5,588	1,648
Fund balances, beginning of year	1,772,795	770,187	332,834
Fund balances, end of year	\$ 2,251,105	\$ 775,775	\$ 334,482

<u>Capital Grants</u>	<u>Totals</u>
\$ 2,704	\$ 2,704
	528,295
	17,251
<u>2,704</u>	<u>548,250</u>
<u>3,937</u>	<u>63,937</u>
<u>3,937</u>	<u>63,937</u>
<u>(1,233)</u>	<u>484,313</u>
186,578	3,062,394
<u>\$ 185,345</u>	<u>\$ 3,546,707</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, 2017

	Parks Impact Fee		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Sales taxes	\$	\$	\$
Intergovernmental revenues			
Impact fees	355,210	527,683	172,473
Investment income	2,000	10,627	8,627
Total revenues	357,210	538,310	181,100
Expenditures:			
Current -			
Public safety			
Community services	100,000		100,000
Capital outlay	215,349	60,000	155,349
Total expenditures	315,349	60,000	255,349
Changes in fund balances	41,861	478,310	436,449
Fund balances, beginning of year, as restated		1,772,795	1,772,795
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	\$ 41,861	\$ 2,251,105	\$ 2,209,244

Library Impact Fee			Public Safety Impact Fee		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
4,490	612	(3,878)	254,620	398,231	143,611
100	4,976	4,876	1,100	1,138	38
<u>4,590</u>	<u>5,588</u>	<u>998</u>	<u>255,720</u>	<u>399,369</u>	<u>143,649</u>
			35,000	29,906	5,094
13,000		13,000	13,878	8,283	5,595
<u>13,000</u>		<u>13,000</u>	<u>48,878</u>	<u>38,189</u>	<u>10,689</u>
(8,410)	5,588	13,998	206,842	361,180	154,338
	770,187	770,187		473,472	473,472
				(1,195,205)	(1,195,205)
<u>\$ (8,410)</u>	<u>\$ 775,775</u>	<u>\$ 784,185</u>	<u>\$ 206,842</u>	<u>\$ (360,553)</u>	<u>\$ (567,395)</u>

(Continued)

CITY OF MARICOPA, ARIZONA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET
AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2017

	Transportation Impact Fee		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Sales taxes	\$	\$	\$
Intergovernmental revenues			
Impact fees	689,030	1,608,554	919,524
Investment income	10,000	95,864	85,864
Total revenues	699,030	1,704,418	1,005,388
Expenditures:			
Current -			
Public safety			
Community services			
Capital outlay	13,376,160	4,631,337	8,744,823
Total expenditures	13,376,160	4,631,337	8,744,823
Changes in fund balances	(12,677,130)	(2,926,919)	9,750,211
Fund balances, beginning of year, as restated		20,230,511	20,230,511
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	\$ (12,677,130)	\$ 17,303,592	\$ 29,980,722

Parks Bond			General Government CIP		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$ 497,500	\$ 1,003,017	\$ 505,517
	1,648	1,648			
	1,648	1,648	497,500	1,003,017	505,517
			15,373,392	4,081,816	11,291,576
			15,373,392	4,081,816	11,291,576
	1,648	1,648	(14,875,892)	(3,078,799)	11,797,093
	332,834	332,834		8,120,058	8,120,058
\$	\$ 334,482	\$ 334,482	\$ (14,875,892)	\$ 5,041,259	\$ 19,917,151

(Continued)

CITY OF MARICOPA, ARIZONA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET
AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2017

	Capital Grants		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Sales taxes	\$	\$	\$
Intergovernmental revenues	28,252,579	2,704	(28,249,875)
Impact fees			
Investment income			
Total revenues	<u>28,252,579</u>	<u>2,704</u>	<u>(28,249,875)</u>
Expenditures:			
Current -			
Public safety			
Community services			
Capital outlay	27,699,688	3,937	27,695,751
Total expenditures	<u>27,699,688</u>	<u>3,937</u>	<u>27,695,751</u>
Changes in fund balances	<u>552,891</u>	<u>(1,233)</u>	<u>(554,124)</u>
Fund balances, beginning of year, as restated		186,578	186,578
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	<u>\$ 552,891</u>	<u>\$ 185,345</u>	<u>\$ (367,546)</u>

Totals

Budget	Actual	Variance - Positive (Negative)
\$ 497,500	\$ 1,003,017	\$ 505,517
28,252,579	2,704	(28,249,875)
1,303,350	2,535,080	1,231,730
13,200	114,253	101,053
<u>30,066,629</u>	<u>3,655,054</u>	<u>(26,411,575)</u>
35,000	29,906	5,094
100,000		100,000
<u>56,691,467</u>	<u>8,785,373</u>	<u>47,906,094</u>
<u>56,826,467</u>	<u>8,815,279</u>	<u>48,011,188</u>
<u>(26,759,838)</u>	<u>(5,160,225)</u>	<u>21,599,613</u>
	31,886,435	31,886,435
	(1,195,205)	(1,195,205)
<u>\$ (26,759,838)</u>	<u>\$ 25,531,005</u>	<u>\$ 52,290,843</u>

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STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Net Position:					
Net investment in capital assets	\$ 177,751,634	\$ 178,734,505	\$ 176,253,607	\$ 176,849,760	\$ 177,370,008
Restricted	34,342,277	46,127,016	52,707,824	54,993,935	55,767,940
Unrestricted	14,565,658	18,571,493	16,683,198	22,824,286	23,545,468
Total net position	<u><u>\$ 226,659,569</u></u>	<u><u>\$ 243,433,014</u></u>	<u><u>\$ 245,644,629</u></u>	<u><u>\$ 254,667,981</u></u>	<u><u>\$ 256,683,416</u></u>
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net Position:					
Net investment in capital assets	\$ 160,277,610	\$ 159,446,413	\$ 152,574,381	\$ 133,067,896	\$ 124,909,707
Restricted	69,233,094	44,235,838	48,605,910	34,740,312	35,329,613
Unrestricted	21,799,977	48,978,257	53,602,407	70,331,229	75,491,411
Total net position	<u><u>\$ 251,310,681</u></u>	<u><u>\$ 252,660,508</u></u>	<u><u>\$ 254,782,698</u></u>	<u><u>\$ 238,139,437</u></u>	<u><u>\$ 235,730,731</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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Expenses					
Governmental activities					
General government	\$ 13,781,833	\$ 8,434,268	\$ 8,034,855	\$ 9,718,746	\$ 6,656,984
Public safety	28,009,309	21,662,502	19,253,044	18,672,370	17,447,674
Community services	9,369,826	9,411,852	8,245,420	5,687,823	2,399,939
Development services	5,030,982	4,173,045	2,624,718	3,091,943	8,224,264
Public works	14,855,383	8,384,857	7,189,840	7,547,174	
Interest on long-term debt	1,986,509	2,045,204	2,098,409	3,100,559	1,015,685
Total governmental activities expenses	73,033,842	54,111,728	47,446,286	47,818,615	35,744,546
Program Revenues					
Governmental activities:					
Charges for services:					
General government	733,595	725,908	199,747	159,841	468,718
Public safety	71,440	286,800	1,516,033	994,921	892,908
Community services	1,916,364	1,352,037	1,778,214	536,941	282,565
Development services	1,960,602	2,258,585	208,487	272,186	161,747
Public works				465,073	
Operating grants and contributions	5,324,186	4,303,861	3,962,746	5,938,010	926,682
Capital grants and contributions	3,589,969	2,230,811	1,470,367	1,486,660	6,180,277
Total program revenues	13,596,156	11,158,002	9,135,594	9,853,632	8,912,897
 Net (Expense)/Revenue	\$ (59,437,686)	\$ (42,953,726)	\$ (38,310,692)	\$ (37,964,983)	\$ (26,831,649)

(Continued)

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenses					
Governmental activities					
General government	\$ 8,832,289	\$ 8,747,059	\$ 9,303,721	\$ 9,502,082	\$ 8,361,595
Public safety	16,103,119	16,001,267	14,898,669	15,608,622	15,675,619
Community services	2,257,063	2,986,635	1,531,241	2,506,551	2,027,478
Development services	10,002,055	10,673,852	7,761,376	7,610,979	7,360,789
Interest on long-term debt	1,063,544	1,542,441	57,445	64,346	64,397
Total governmental activities expenses	<u>38,258,070</u>	<u>39,951,254</u>	<u>33,552,452</u>	<u>35,292,580</u>	<u>33,489,878</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	956,062	1,056,489	534,071	1,632,470	3,550,264
Public safety	590,689	211,428	922,084	426,086	53,814
Community services	285,986	258,028	289,004	277,060	232,334
Development services	95,951	122,451	244,107	77,547	
Operating grants and contributions	1,732,451	3,436,610	866,471	3,967,175	2,978,293
Capital grants and contributions	2,917,234	6,815,917	7,558,625	8,238,154	38,175,235
Total program revenues	<u>6,578,373</u>	<u>11,900,923</u>	<u>10,414,362</u>	<u>14,618,492</u>	<u>44,989,940</u>
Net (Expense)/Revenue	<u>\$ (31,679,697)</u>	<u>\$ (28,050,331)</u>	<u>\$ (23,138,090)</u>	<u>\$ (20,674,088)</u>	<u>\$ 11,500,062</u>

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

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Net (Expense)/Revenue	\$ (59,437,686)	\$ (42,953,726)	\$ (38,310,692)	\$ (37,964,983)	\$ (26,831,649)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	10,243,226	9,563,708	9,328,535	9,391,368	9,409,828
Property taxes, levied for debt service	3,905,535	3,654,084	4,761,714	3,542,070	1,457,540
Sales taxes	10,448,709	9,496,645	8,791,279	8,684,810	7,942,569
Franchise taxes	1,300,307	911,356	362,791	344,151	309,744
Investment income	438,141	771,820	446,606	472,562	171,708
Unrestricted grants, aid, and state shared revenues	16,578,323	16,094,498	15,108,669	13,514,587	12,912,995
Total general revenues	<u>42,914,241</u>	<u>40,492,111</u>	<u>38,799,594</u>	<u>35,949,548</u>	<u>32,204,384</u>
Changes in Net Position	<u>\$ (16,523,445)</u>	<u>\$ (2,461,615)</u>	<u>\$ 488,902</u>	<u>\$ (2,015,435)</u>	<u>\$ 5,372,735</u>

(Continued)

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net (Expense)/Revenue	\$ (31,679,697)	\$ (28,050,331)	\$ (23,138,090)	\$ (20,674,088)	\$ 11,500,062
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	10,932,354	9,797,104	9,191,887	8,073,578	5,504,915
Property taxes, levied for debt service		1,415,568			
Sales taxes	7,601,624	7,454,918	6,649,744	10,230,103	18,141,568
Franchise taxes	285,739	315,240	494,091	536,966	758,442
Investment income	112,707	667,555	265,485	(378,160)	4,378,266
Unrestricted grants, aid, and state shared revenues	11,397,446	6,277,756	7,110,730	4,583,320	5,392,623
Miscellaneous				37,503	30,441
Total general revenues	<u>30,329,870</u>	<u>25,928,141</u>	<u>23,711,937</u>	<u>23,083,310</u>	<u>34,206,255</u>
Extraordinary Item					6,186,965
Changes in Net Position	<u>\$ (1,349,827)</u>	<u>\$ (2,122,190)</u>	<u>\$ 573,847</u>	<u>\$ 2,409,222</u>	<u>\$ 51,893,282</u>

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund:					
Nondisposable	\$ 2,140	\$ 18,417	\$ 15,646	\$ 16,652	\$ 16,733
Unassigned	30,643,618	29,841,856	26,656,499	24,650,512	23,047,149
Total General Fund	<u>\$ 30,645,758</u>	<u>\$ 29,860,273</u>	<u>\$ 26,672,145</u>	<u>\$ 24,667,164</u>	<u>\$ 23,063,882</u>
All Other Governmental Funds:					
Nondisposable	\$	\$ 1,195,205	\$	\$	\$
Restricted	34,274,993	44,896,889	52,707,824	54,933,764	76,788,734
Unassigned	(360,553)	(721,733)	(2,920)	(1,465,704)	
Total all other governmental funds	<u>\$ 33,914,440</u>	<u>\$ 45,370,361</u>	<u>\$ 52,704,904</u>	<u>\$ 53,468,060</u>	<u>\$ 76,788,734</u>

(Continued)

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Fund:					
Nonspendable	\$ 5,084	\$ 2,550	\$	\$	\$
Unassigned	21,324,981	55,361,631			
Unreserved			64,206,671	68,275,877	72,950,101
Total General Fund	<u>\$ 21,330,065</u>	<u>\$ 55,364,181</u>	<u>\$ 64,206,671</u>	<u>\$ 68,275,877</u>	<u>\$ 72,950,101</u>
All Other Governmental Funds:					
Restricted	\$ 80,901,742	\$ 49,970,470	\$	\$	\$
Unassigned	(34,662)	(334,556)			
Reserved			35,547,328	34,740,312	35,329,613
Unreserved, reported in:					
Special revenue funds			2,320,530	2,419,821	2,900,630
Capital projects funds			13,058,582		
Total all other governmental funds	<u>\$ 80,867,080</u>	<u>\$ 49,635,914</u>	<u>\$ 50,926,440</u>	<u>\$ 37,160,133</u>	<u>\$ 38,230,243</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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Revenues:					
Property taxes	\$ 14,166,836	\$ 13,263,389	\$ 14,715,416	\$ 12,801,299	\$ 10,539,547
Sales taxes	10,448,709	9,496,645	8,791,279	8,684,810	7,942,569
Franchise taxes	1,300,307	911,356	362,791	344,151	309,744
Licenses, fees & permits	1,590,827	1,123,534	807,472	713,154	771,911
Intergovernmental revenues	22,872,558	20,823,538	19,152,579	19,503,258	15,362,298
Impact fees	2,535,080	1,772,314	1,389,203	1,435,999	1,785,770
Charges for services	2,377,444	2,161,808	2,083,965	1,431,663	580,461
Fines, forfeitures, & penalties	524,546	563,453	628,782	132,792	271,537
Investment income (loss)	438,141	771,820	446,606	472,562	171,708
Miscellaneous	194,006	761,000	182,262	151,353	1,533,934
Total revenues	<u>\$ 56,448,454</u>	<u>\$ 51,648,857</u>	<u>\$ 48,560,355</u>	<u>\$ 45,671,042</u>	<u>\$ 39,269,479</u>
Expenditures:					
Current -					
General government	\$ 13,022,970	\$ 6,855,078	\$ 6,324,669	\$ 8,041,470	\$ 5,990,510
Public safety	20,159,339	19,533,793	18,482,520	16,942,419	15,772,942
Community services	5,998,105	6,417,639	5,480,545	4,046,178	1,950,582
Development services	1,675,952	1,682,110	1,743,644	1,484,967	3,739,271
Public works	2,789,293	2,681,965	2,581,188	2,414,910	
Capital outlay	20,011,487	16,339,908	8,955,004	29,134,244	44,105,545
Debt service -					
Principal retirement	1,685,000	1,645,000	1,610,000	3,075,581	847,017
Interest and fiscal charges	2,029,060	2,087,755	2,140,960	2,248,665	1,005,352
Bond issuance costs					633,340
Total expenditures	<u>\$ 67,371,206</u>	<u>\$ 57,243,248</u>	<u>\$ 47,318,530</u>	<u>\$ 67,388,434</u>	<u>\$ 74,044,559</u>
Extraordinary Item					
Excess (deficiency) of revenues over expenditures	<u>\$ (10,922,752)</u>	<u>\$ (5,594,391)</u>	<u>\$ 1,241,825</u>	<u>\$ (21,717,392)</u>	<u>\$ (34,775,080)</u>
Expenditures for capitalized assets	\$ 9,598,926	\$ 11,390,120	\$ 7,431,302	\$ 25,884,678	\$ 43,020,602
Debt service as a percentage of noncapital expenditures	6%	8%	9%	13%	8%

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Revenues:					
Property taxes	\$ 10,826,301	\$ 11,299,263	\$ 9,201,246	\$ 7,936,092	\$ 5,547,387
Sales taxes	7,601,624	7,454,918	6,649,744	10,230,103	18,141,568
Franchise taxes	285,739	315,240	494,091	536,966	758,442
Licenses, fees & permits	480,342	320,909	748,539	866,940	2,494,759
Intergovernmental revenues	14,610,218	10,403,335	8,619,173	10,991,426	9,114,700
Impact fees					
Charges for services	521,229	544,625	675,406	1,023,168	905,055
Fines, forfeitures, & penalties	431,180	470,509	506,664	518,712	436,598
Investment income (loss)	112,707	667,555	265,485	(378,160)	4,378,266
Miscellaneous	1,686,749	312,853	1,664,621	4,410,405	8,605,812
Total revenues	<u>\$ 36,556,089</u>	<u>\$ 31,789,207</u>	<u>\$ 28,824,969</u>	<u>\$ 36,135,652</u>	<u>\$ 50,382,587</u>
Expenditures:					
Current -					
General government	\$ 8,502,107	\$ 8,031,875	\$ 7,595,728	\$ 8,589,886	\$ 7,726,546
Public safety	14,832,455	13,999,701	13,588,093	14,008,800	13,114,436
Culture and recreation	1,929,898	2,509,541	1,081,819	1,360,816	1,586,766
Development services	6,098,044	6,049,216	3,517,309	2,970,533	2,673,029
Capital outlay	6,138,326	8,966,722	11,168,632	14,752,588	11,145,898
Debt service -					
Principal retirement	1,016,198	1,271,520	139,918	133,017	132,966
Interest and fiscal charges	1,053,211	1,532,108	57,445	64,346	64,397
Bond issuance costs			307,182		
Total expenditures	<u>\$ 39,570,239</u>	<u>\$ 42,360,683</u>	<u>\$ 37,456,126</u>	<u>\$ 41,879,986</u>	<u>\$ 36,444,038</u>
Extraordinary Item					1,317,356
Excess (deficiency) of revenues over expenditures	<u>\$ (3,014,150)</u>	<u>\$ (10,571,476)</u>	<u>\$ (8,631,157)</u>	<u>\$ (5,744,334)</u>	<u>\$ 15,255,905</u>
Expenditures for capitalized assets	\$ 7,031,001	\$ 7,209,712	\$ 9,375,099	\$ 12,177,408	\$ 7,678,877
Debt service as a percentage of noncapital expenditures	6%	8%	2%	1%	1%

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

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

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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Excess (deficiency) of revenues over expenditures	\$ (10,922,752)	\$ (5,594,391)	\$ 1,241,825	\$ (21,717,392)	\$ (34,775,080)
Other financing sources (uses):					
General obligation bonds issued					31,605,000
Premium on sale of bonds					825,551
Proceeds from sale of assets	1,713,798				
Transfers in	1,400,000	1,250,000	1,250,000	1,370,000	175,000
Transfers out	(1,400,000)	(1,250,000)	(1,250,000)	(1,370,000)	(175,000)
Total other financing sources (uses)	<u>1,713,798</u>	<u></u>	<u></u>	<u></u>	<u>32,430,551</u>
Changes in fund balances	<u>\$ (9,208,954)</u>	<u>\$ (5,594,391)</u>	<u>\$ 1,241,825</u>	<u>\$ (21,717,392)</u>	<u>\$ (2,344,529)</u>
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Excess (deficiency) of revenues over expenditures	\$ (3,014,150)	\$ (10,571,476)	\$ (8,631,157)	\$ (5,744,334)	\$ 15,255,905
Other financing sources (uses):					
General obligation bonds issued			20,000,000		
Premium on sale of bonds			100,519		
Proceeds from sale of assets	211,200	438,460			
Transfers in	37,135,270				
Transfers out	(37,135,270)				
Total other financing sources (uses)	<u>211,200</u>	<u></u>	<u></u>	<u></u>	<u></u>
Changes in fund balances	<u>\$ (2,802,950)</u>	<u>\$ (10,133,016)</u>	<u>\$ 11,469,362</u>	<u>\$ (5,744,334)</u>	<u>\$ 15,255,905</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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Mining	\$ 1,407	\$ 3,682	\$ 4,063	\$ 3,593	\$ 4,252	\$ 1,619	\$ 1,947	\$ 3,893	\$ 3,070	\$ (844)
Communication & Utilities	891,299	806,381	782,086	687,634	636,967	575,882	575,198	540,097	414,839	457,988
Transportation	12,842	1,237	9,144	7,072	8,462	6,326	5,925	9,395	5,272	2,762
Construction	2,031,485	1,836,350	1,218,034	2,548,343	2,325,823	1,535,980	1,802,458	1,357,920	5,492,829	13,622,584
Manufacturing	227,132	295,396	249,704	418,849	289,320	274,016	257,176	234,542	308,076	107,944
Wholesale	418,910	333,196	140,074	109,573	114,764	93,496	189,691	326,914	108,875	75,310
Retail	5,464,752	5,024,692	5,365,175	4,138,543	3,834,681	3,774,442	3,446,044	3,145,911	2,806,983	2,481,306
Financial and Insurance	55,016	37,546	38,910	36,622	30,233	28,471	32,286	30,353	18,001	14,281
Real Estate Rental	1,109,644	906,153	822,946	643,650	502,888	538,287	496,443	470,484	524,427	969,820
Restaurant & Bar	685,621	569,308	556,636	482,155	429,359	380,961	357,595	381,273	369,659	395,455
Accommodation	1,091	191	19	6	9	6	806	8,423	14,008	10,973
Public Administration	1,160	848	669	481	845	1,165	(2,813)	3,240	266	39
Services	224,269	251,715	227,859	216,020	272,749	177,935	150,913	95,398	108,262	122,634
Arts & Entertainment	11,581	4,355	1,273	3,813	21,019	47,440	22,341	510	40,640	50,210
Other	102,707	72,463	66,420	46,494	50,400	57,419	151,517	225,795	319,141	373,526
Total	<u>\$ 11,238,916</u>	<u>\$ 10,143,513</u>	<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>\$ 10,534,348</u>	<u>\$ 18,683,988</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.

Notes: 1. The increased rate on construction became effective March 2005.

2. 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
2017	2.00%	3.50%	5.60%	1.10%
2016	2.00%	3.50%	5.60%	1.10%
2015	2.00%	3.50%	5.60%	1.10%
2014	2.00%	3.50%	5.60%	1.10%
2013	2.00%	3.50%	5.60%	1.10%
2012	2.00%	3.50%	6.60%	1.10%
2011	2.00%	3.50%	6.60%	1.10%
2010	2.00%	3.50%	6.60%	1.10%
2009	2.00%	3.50%	5.60%	1.10%
2008	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>
2017	\$10,448,709	10.03 %	\$14,166,836	7.18 %	\$1,300,307	42.68 %	\$ 25,915,852	9.69 %
2016	9,496,645	8.02	13,217,792	(10.18)	911,356	151.21	23,625,793	(1.02)
2015	8,791,279	1.23	14,715,416	14.95	362,791	5.42	23,869,486	9.34
2014	8,684,810	9.35	12,801,300	21.46	344,151	11.11	21,830,261	16.17
2013	7,942,569	4.49	10,539,547	(2.45)	309,744	8.40	18,791,860	0.54
2012	7,601,624	1.97	10,804,339	(4.38)	285,739	(9.41)	18,691,702	(1.98)
2011	7,454,918	12.11	11,299,263	22.80	315,420	(36.16)	19,069,601	16.67
2010	6,649,744	(35.00)	9,201,246	15.94	494,091	(7.98)	16,345,081	(12.61)
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)

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

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

<u>Taxpayer</u>	<u>2017</u>		<u>2008</u>	
	<u>Net Limited Assessed Valuation</u>	<u>Percentage of City's Net Limited Assessed Valuation</u>	<u>Net Full Cash Assessed Valuation</u>	<u>Percentage of City's Net Full Cash Assessed Valuation</u>
Palo Verde Utility Company	\$ 5,092,703	2.22 %	\$ 1,759,501	1.06 %
Santa Cruz Water Company LLC	4,120,695	1.79	2,791,757	1.70
Wal-Mart Stores INC	2,624,502	1.14		
Volkswagen of America dba Vorelco Inc	1,957,095	0.85	2,060,982	1.25
SM Fiesta LLC	1,566,000	0.68	1,898,170	1.15
TAH 2015-1 Borrower LLC	1,284,595	0.56	1,387,850	0.84
Smith's Food & Drug Centers Inc	1,177,664	0.51	1,111,886	0.68
Pinal Energy LLC	1,175,187	0.51		
Meritage Homes of Arizona Inc	1,022,835	0.44		
Orbitel Communications	844,594	0.37		
Capdevi060 LLC	826,932	0.36		
Maricopa Groves Self Storage LLC	813,585	0.35	856,851	0.52
Eagle Shadow LLC	760,727	0.33	231,040	0.14
DR Horton Inc-Dietz-Crane	741,805	0.32	262,825	0.16
Fulton Homes Corporation	692,664	0.30	792,195	0.48
US Bank Natl Assoc	638,747	0.28	940,591	0.57
JNAN LLC	585,381	0.25	656,840	0.40
Union Pacific Railroad Co	536,365	0.23	238,162	0.14
Metro Red-1 LLC	535,319	0.23	584,255	0.36
JWP Properties LLC	519,972	0.23	682,329	0.41
Maricopa Development LLC	501,125	0.22	305,884	0.19
Transition Investments LLC	490,612	0.21	403,424	0.25
Desert Cedars Equities LLC	450,427	0.20		
Arizona Grain Inc	440,067	0.19	799,149	0.49
Arizona Public Service Co	406,177	0.18	245,714	0.15
Total	<u>\$ 29,805,775</u>	<u>12.95 %</u>	<u>\$ 18,009,405</u>	<u>10.94 %</u>
City's Total Assessed Valuation	<u>\$ 229,851,930</u>		<u>\$ 164,556,693</u>	

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

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

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2017	\$ 14,154,974	\$13,928,821	98.40 %	N/A	\$ 13,928,821	98.40 %
2016	13,416,645	13,169,295	98.16	240,347	13,409,642	99.95
2015	14,559,339	14,299,954	98.22	249,806	14,549,760	99.93
2014	12,422,911	12,196,814	98.18	211,647	12,408,461	99.88
2013	10,962,174	10,255,746	93.56	695,972	10,951,718	99.90
2012	10,790,693	10,390,225	96.29	387,132	10,777,357	99.88
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

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

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

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

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

Fiscal Year		Real Property		Personal Property		Total			Ratio of Total Net Assessed Value to Gross Full Cash Value
		Net Assessed Value	Gross Value	Net Assessed Value	Gross Value	Net Assessed Value	Gross Value	Direct Tax Rate	
2017	L	\$ 219,051,286	\$ 2,153,370,572	\$ 10,800,644	\$ 63,229,051	\$ 229,851,930	\$ 2,216,599,623	4.7845	10.37
	FC	297,310,225	2,922,164,006	10,800,739	63,229,564	308,110,964	2,985,393,570	1.6973	10.32
2016	L	208,852,365	2,013,631,300	11,075,593	62,880,618	219,927,958	2,076,511,918	4.9842	7.76
	FC	285,546,808	2,769,491,581	11,075,593	62,880,618	296,622,401	2,832,372,199	2.3561	10.47
2015	L	195,380,117	1,866,757,679	11,893,420	65,872,041	207,273,537	1,932,629,720	5.0898	10.60
	FC	197,983,250	1,896,855,819	11,893,420	58,625,317	209,876,670	1,955,481,136	1.7600	10.73
2014	L	181,595,557	1,706,748,961	16,880,341	91,357,273	198,475,898	1,798,106,234	4.8753	10.95
	FC	182,752,598	1,720,554,146	16,880,341	91,357,273	199,632,939	1,811,911,419	0.6917	11.02
2013	L	188,261,169	1,756,968,685	17,526,048	90,689,220	205,787,217	1,847,657,905	4.8105	11.00
	FC	190,327,514	1,779,275,350	17,526,048	90,689,220	207,853,562	1,869,964,570	0.6528	11.12
2012	L	195,083,227	1,851,949,877	13,587,423	69,823,606	208,670,650	1,921,773,483	4.8105	10.65
	FC	206,652,235	1,888,879,939	13,587,423	69,823,606	220,239,658	1,958,703,545	0.6528	11.24
2011	L	234,678,353	2,219,435,798	10,450,029	51,670,515	245,128,382	2,271,106,313	4.0168	10.60
	FC	249,336,606	2,259,829,103	10,450,029	51,670,515	259,786,635	2,311,499,618	0.5514	11.24
2010	L	307,662,417	2,902,754,652	8,583,362	40,203,060	316,245,779	2,942,957,712	2.8894	9.75
	FC	347,510,045	3,202,240,784	8,583,362	40,203,060	356,093,407	3,242,443,844		10.98
2009	L	235,967,801	2,222,115,079	5,882,736	26,220,739	241,850,537	2,248,335,818	3.2326	8.07
	FC	321,826,257	2,970,332,974	5,882,736	26,220,739	327,708,993	2,996,553,713		10.94
2008	L	163,323,630	1,532,695,889	1,233,063	5,260,965	164,556,693	1,537,956,854	3.7565	8.11
	FC	218,990,679	2,023,828,541	1,233,063	5,260,965	220,223,742	2,029,089,506		10.85

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

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

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commerical, Industrial, Utilities and Mining	\$ 31,799,389	\$ 31,697,664	\$ 30,378,316	\$ 36,327,177	\$ 38,276,239
Agricultural and Vacant	22,478,502	22,572,471	20,017,664	20,869,614	21,101,890
Residential (Owner Occupied)	163,242,041	150,631,971	111,122,863	106,613,297	126,378,346
Residential (Rental)	89,160,259	90,968,576	47,611,420	35,465,042	21,909,363
Railroad, Private Cars and Airlines	474,730	452,015	459,982	357,809	187,724
Historical Property	954,015	297,533	286,425		
Certain Government Property Improvements	<u>2,028</u>	<u>2,171</u>			
Total	<u>\$ 308,110,964</u>	<u>\$ 296,622,401</u>	<u>\$ 209,876,670</u>	<u>\$ 199,632,939</u>	<u>\$ 207,853,562</u>
Gross Full Cash Value	\$ 2,985,393,570	\$ 2,832,372,199	\$ 1,955,481,136	\$ 1,811,911,419	\$ 1,869,964,570
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10.32%	10.47%	10.73%	11.02%	11.12%
Estimated Net Full Cash Value	2,833,253,754	2,695,846,008	1,850,013,972	1,712,470,381	1,783,692,036
Total Direct Rate	6.48	7.34	6.85	5.57	5.46

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Commerical, Industrial, Utilities and Mining	\$ 33,707,267	\$ 30,561,149	\$ 27,564,929	\$ 19,096,632	\$ 10,698,427
Agricultural and Vacant	22,678,364	26,257,892	53,766,153	51,996,895	34,292,752
Residential (Owner Occupied)	140,018,199	174,466,540	254,280,286	239,519,743	165,604,204
Residential (Rental)	13,401,078	16,078,841	19,764,574	16,647,581	9,628,359
Railroad, Private Cars and Airlines	159,615			252,481	
Historical Property	10,275,135	12,422,213	717,465	195,661	
Certain Government Property Improvements					
Total	<u>\$ 220,239,658</u>	<u>\$ 259,786,635</u>	<u>\$ 356,093,407</u>	<u>\$ 327,708,993</u>	<u>\$ 220,223,742</u>
Gross Full Cash Value	\$ 1,958,703,545	\$ 2,311,499,618	\$ 3,242,443,844	\$ 2,996,553,713	\$ 2,029,089,506
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11.24%	11.24%	10.98%	10.94%	10.85%
Estimated Net Full Cash Value	1,875,480,053	2,260,115,493	3,188,801,109	2,960,916,160	2,003,038,649
Total Direct Rate	5.46	4.57	2.89	3.23	3.76

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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commercial, Industrial, Utilities and Mining	10 %	14 %	14 %	18 %	18 %
Agricultural and Vacant	7	10	10	14	10
Residential (Owner Occupied)	54	53	53	58	61
Residential (Rental)	29	23	23	10	11
Historical Property					
Total	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Commerical, Industrial, Utilities and Mining	15 %	12 %	8 %	6 %	5 %
Agricultural and Vacant	10	10	15	16	16
Residential (Owner Occupied)	64	67	71	73	75
Residential (Rental)	6	6	6	5	4
Historical Property	5	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 (Full Cash Value)	Per Capita	Capital Leases	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income
2017	\$ 42,150,788	\$ 769,129	\$ 41,381,659	1.39 %	\$ 867	\$	\$ 41,381,659	1.87 %	\$ 867	3.54 %
2016	43,878,339	157,168	43,721,171	1.54	904		43,721,171	2.11	904	3.88
2015	45,565,890		45,565,890	2.33	976		45,565,890	2.33	976	5.42
2014	47,218,441		47,218,441	2.61	1,051		47,218,441	2.61	1,051	4.75
2013	51,035,992		51,035,992	2.73	1,112	75,581	51,111,573	2.73	1,114	5.41
2012	19,360,467		19,360,467	0.99	436	147,598	19,508,065	1.00	439	2.09
2011	20,095,493		20,095,493	0.87	462	413,796	20,509,289	0.89	472	2.37
2010	20,100,519		20,100,519	0.62	510	955,316	21,055,835	0.65	534	2.44
2009						1,095,234	1,095,234	0.04	31	0.15
2008						1,228,251	1,228,251	0.06		

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

**CITY OF MARICOPA, ARIZONA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2017**

<u>Governmental Unit</u>	<u>Debt Outstanding ⁽²⁾</u>	<u>Estimated Percentage Applicable to City ⁽¹⁾</u>	<u>Estimated Amount Applicable to City</u>
Overlapping:			
Pinal County	\$ 162,960,000	10.3 %	\$ 16,784,880
Community College District	91,828,081	10.3	9,458,292
Maricopa Unified School District	36,100,000	100.0	36,100,000
Subtotal, Overlapping Debt			<u>62,343,172</u>
Direct:			
The City of Maricopa	42,150,788	100.0	<u>42,150,788</u>
Total Direct and Overlapping Debt			<u><u>\$ 104,493,960</u></u>

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

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

2) Outstanding debt as of June 30, 2016 is presented for the overlapping governments as this is the most recent available information.

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

Legal Debt Margin Calculations for Fiscal Year 2017:

20% Limitation		6% Limitation	
Secondary assessed valuation	\$ 308,110,964	Secondary assessed valuation	\$ 308,110,964
Debt limit	61,622,193	Debt limit	18,486,658
Debt applicable to limit	33,464,482	Debt applicable to limit	7,945,518
Legal 20% debt margin	\$ 28,157,711	Legal 6% debt margin	\$ 10,541,140

	Fiscal Year Ended June 30					
	2017	2016	2015	2014	2013	2012
20% Limitation:						
Debt limit	\$ 61,622,193	\$ 59,324,480	\$ 41,975,334	\$ 39,926,588	\$ 41,570,712	\$ 44,047,932
Total net debt applicable to limit	33,464,482	34,926,278	36,949,078	37,745,000	41,520,000	19,270,000
Legal 20% debt margin	\$ 28,157,711	\$ 24,398,202	\$ 5,026,256	\$ 2,181,588	\$ 50,712	\$ 24,777,932
Total net debt applicable to the 20% limit as a percentage of 20% debt limit	54%	59%	88%	95%	100%	44%
6% Limitation:						
Total Debt limit	\$ 18,486,658	\$ 17,797,344	\$ 12,592,600	\$ 11,977,976	\$ 12,471,214	\$ 13,214,379
Total net debt applicable to limit	7,945,518	7,790,922	7,790,922	8,605,000	8,605,000	
Legal 6% debt margin	\$ 10,541,140	\$ 10,006,422	\$ 4,801,678	\$ 3,372,976	\$ 3,866,214	\$ 13,214,379
Total net debt applicable to the 6% limit as a percentage of 6% debt limit	43%	44%	62%	72%	69%	0%

(Continued)

**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>
2016	418,540	\$ 11,689,781	\$ 27,930	5.5 %	47,746
2015	406,584	11,255,255	27,682	6.4	48,374
2014	402,000	10,255,422	25,511	6.0	46,708
2013	401,918	8,404,105	20,910	6.0	46,708
2012	389,350	9,932,708	25,511	8.0	44,946
2011	389,192	9,452,306	24,287	8.9	45,882
2010	384,231	9,331,818	24,287	10.3	44,450
2009	375,770	8,665,256	23,060	12.0	43,482
2008	356,303	8,631,440	24,225	11.4	39,429
2007	309,653	7,427,027	23,985	7.1	35,000

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 2006 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2015 the source of the information is the Arizona Office of Employment and Population Statistics.

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

Employer	Industry	2017			2008		
		Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Harrah's Ak-Chin Casino Resort*	Casinos	770	1	12.83 %	300	1	15.00 %
Maricopa Unified School District	Schools	650	2	10.83	300	1	15.00
City of Maricopa	Government Offices	340	3	5.67	200	2	10.00
Ultrastar Multitainment Center	Entertainment	260	4	4.33			
Walmart	Department Stores	250	5	4.17			
Volkswagen Proving Grounds	Automotive Testing	200	6	3.33			
Fry's Food Stores	Grocers-Retail	200	7	3.33	150	3	7.50
Pinal County Community College District	Schools	186	8	3.10			
USDA Arid-Land Research Center*	Agricultural Research	90	9	1.50	50	4	2.50
Basha's	Grocers-Retail	85	10	1.43			
Legacy Traditional School	Schools	80	11	1.33			
Native New Yorker	Restaurant-Retail	75	12	1.25			
Total		<u>3,186</u>		<u>53.10 %</u>	<u>1,000</u>		<u>50.00 %</u>
Total employment		<u>6,000</u>			<u>2,000</u>		

Source: The source of the 2016 information is the City of Maricopa's Economic Development Department. The source of the 2007 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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Government					
Court	1.0	1.0	1.0	3.0	3.0
Mayor and Council	8.0	8.0	8.0	8.0	8.0
City Manager	4.0	4.0	4.0	6.0	4.0
Information Technology	4.0	4.0	4.0	4.0	4.0
Marketing & Communication	1.0	1.0	1.0	0.0	0.0
City Clerk	4.0	4.0	4.0	5.0	5.0
Finance	8.0	9.0	9.0	9.0	10.0
Support Services Administration		0.0	0.0	0.0	0.0
Human Resources	3.5	4.5	4.5	3.0	3.0
Planning	3.0	3.0	3.0	3.0	2.0
Development Services	2.0	1.90	1.50	3.75	3.75
Building Safety	7.5	7.0	7.0	6.0	6.0
Code Enforcement	1.0	1.0	1.0	1.0	2.0
Facilities Management	2.0	2.0	2.0	2.0	2.0
Fleet Management	1.5	1.0	1.0	1.0	1.0
Public Works Administration	5.0	2.0	0.0	0.0	0.0
Police	87.5	89.5	86.9	64.0	66.0
Fire	63.0	64.0	64.0	63.0	63.0
Engineering	3.0	2.0	2.0	2.0	1.5
Transportation	1.0	0.6	0.6	1.0	1.5
Community Services Administration	4.0	3.0	3.0	2.0	2.0
Recreation/Copper Sky Recreation Center	62.5	66.5	66.5	3.0	3.0
Park Maintenance	18.0	3.0	3.0	1.0	1.0
Libraries	10.0	8.5	8.5	8.0	8.0
Economic Development	3.0	3.0	3.0	3.0	5.0
HURF/Public Works	11.0	25.10	14.50	10.25	9.3
Total	<u>318.5</u>	<u>318.6</u>	<u>303.0</u>	<u>212.0</u>	<u>214.0</u>

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Government					
Court	5.0	4.5	4.5	4.5	2.5
Mayor and Council	8.0	7.0	7.0	7.0	7.0
City Manager	4.0	5.5	7.5	5.5	3.5
Information Technology	4.0	4.0	4.0	6.0	6.0
Marketing & Communication	0.0	0.0	0.0	1.0	0.0
City Clerk	5.0	5.0	5.0	6.0	6.0
Finance	10.0	10.5	10.5	9.5	10.0
Support Services Administration	0.0	0.0	2.0	0.0	0.0
Human Resources	3.0	3.0	1.0	3.0	3.0
Planning	2.0	3.0	3.0	5.0	5.0
Development Services	2.8	3.0	4.0	0.0	0.0
Building Safety	7.0	7.0	7.0	14.0	14.0
Code Enforcement	0.0	1.0	1.0	1.0	0.0
Facilities Management	2.0	2.5	2.0	2.0	1.0
Fleet Management	1.0	1.0	1.0	0.0	0.0
Public Works Administration	0.0	0.0	2.0	0.0	0.0
Police	68.0	62.0	63.0	67.5	62.5
Fire	63.0	63.0	66.0	66.5	64.5
Engineering	1.5	3.0	3.0	4.0	4.0
Transportation	1.5	4.0	2.0	2.0	3.0
Community Services Administration	2.0	2.0	2.0	0.0	0.0
Recreation	3.0	3.0	4.0	7.0	7.0
Park Maintenance	2.0	3.0	2.0	0.0	0.0
Libraries	7.0	7.0	7.0	4.0	4.0
Economic Development	5.0	3.0	1.0	1.0	0.0
HURF/Public Works	9.2	8.0	8.0	8.0	11.0
Total	<u><u>216.0</u></u>	<u><u>215.0</u></u>	<u><u>219.5</u></u>	<u><u>224.5</u></u>	<u><u>214.0</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>2017</u>	<u>2016</u>	<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>Function/Program</u>										
General Government										
Number of general government buildings	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police										
Number of police stations	2	1	1	1	1	1	1	1	1	1
Fire										
Number of fire stations	4	4	4	4	4	4	4	4	4	4
Community Services										
Number of parks and recreation facilities	4	4	4	4	3	2	2	1	1	1
Number of acres of parks	127	127	127	127	29	28	28	28	18	18
Public Works										
Number of public works buildings	1	1	1	1	1	1	1	1	1	1
Miles of streets	541	532	532	532	532	*	*	*	*	*
Number of street lights	16	15	15	15	12	10	8	4	3	0

Source: Various city departments
*Information is unavailable

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

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Public Safety										
Police										
Number of police personnel and officers:	90	90	75	72	66	66	63	66	69	63
Number of arrests	2,116	2,149	2,209	2,171	2,235	1,650	1,408	1,594	1,778	1,045
Number of traffic violations	4,038	3,671	3,649	2,801	3,504	3,055	4,468	3,581	4,266	*
Number of parking violations	9	416	179	244	28	21	16	6	2	*
Fire										
Number of fire personnel and firefighters	64	61	61	63	63	63	63	66	67	65
Number of emergency calls	5,002	4,472	3,773	3,368	3,302	3,074	3,056	3,034	2,900	1,999
Number of fire calls	497	458	450	410	435	375	438	378	389	284
Number of inspections	420	215	170	120	279	570	666	595	628	*
Development Services										
Number of building-single family residential permits issued	600	527	299	321	419	225	111	382	402	1,596
Number of building-non-residential permits issued	2	25	40	22	44	35	72	44	92	146
Number of demolition permits issued		2	4	3	3	9	13	4	5	4
Number of pool permits issued	141	146	172	184	148	164	128	139	120	365
Number of solar permits issued	176	118	724	195	44	24	15	33	0	0
Number of sign permits issued	11	26	50	52	71	46	33	21	40	67
Community Services										
Recreation										
Number of facility and park reservations processed	5,422	6,172	6,000	584	600	634	395	0	0	0
Number of programs	593	584	650	562	357	357	330	335	335	*
Library										
Number of materials in inventory	47,558	47,214	44,000	42,148	32,060	27,515	23,071	20,062	18,239	*

Source: Various city departments.
*Information is unavailable

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CITY OF
MARICOPA[®]
PROUD HISTORY • PROSPEROUS FUTURE

Christian Price
Mayor

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 Hasler, CPA
Financial Services Director

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Maricopa, AZ 85138