



OVERCOMING OBSTACLES

Comprehensive Annual Financial Report
for the year ended June 30, 2018



**CITY OF MARICOPA, ARIZONA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Issued by:
Financial Services Department

CITY OF MARICOPA, ARIZONA

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INTRODUCTORY SECTION

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January 30, 2019

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, 2018.

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, 2018. 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, 2018, 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, 2018, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor’s report is presented as the first component of the financial section of this report.

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

Profile of the City

The City of Maricopa is located in Pinal County, 35 minutes from Phoenix Sky Harbor Airport and 100 miles northwest of Tucson. Maricopa is one of the top growth areas in both the state and the country, increasing in population over 921% 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 51,977. The City of Maricopa is empowered to levy a property tax on real and personal property located within its boundaries. It is empowered by state statute to extend its corporate limits by annexation.

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

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

Economic Condition

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

Major industries/employers in the area include governmental services - the City of Maricopa and the Maricopa Unified School District - and several private entities. These include 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 Edison Pointe Shopping Center located on a 15-acre site at the northeast corner of State Route (SR) 347 and Edison Road, includes a 120,000 square foot multitenant shops building including a sit down restaurant slated to open early 2019.

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 slowed after the boom of 2006-2007, trends have remained consistent with the rest of the Phoenix market. Slow, steady growth is projected for 2018-2019 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 2% 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 4.4% in October 2018 (with a Pinal County rate of 4.7%). 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 early 2018 the Arizona Department of Transportation began construction on an overpass at State Route 347 and Union Pacific Railroad crossing. Traffic on State Route 347 averages more than 31,000 vehicles per day and future (2040) projections show over 60,000 vehicles per day. There are currently 40 to 60 trains per day. The completion of the overpass project will drastically ease traffic congestion and increase safety in the area. 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. Completion of the project is expect in late 2019.

Economic Development - The City has undertaken initiatives to support local business growth as well as attract larger employers to the community. The City has partnered with the Small Business Development Center to provide a business education series to local budding and expanding businesses. The City of Maricopa also has six distinct target sectors based on the community's assets which include: Agritech, Biotech, Healthcare, Professional Services, Retail, Small Business.

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 facilitate 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. The Copper Sky Recreation Complex is the sporting, fitness, recreation and leisure destination in Maricopa. Comprised of the Copper Sky Multigenerational Center and the Copper Sky Regional Park, this expansive recreational development offers state-of-the-art equipment, grand green spaces and fantastic programs designed to enhance Maricopa residents' quality of life.

Safe and Livable Community - Delivering on its commitment to providing a safe and livable community to its residents the City replaced and upgraded park lighting in many of the City parks. The City also completed work on various sections of roadway within City limits. Public Safety replaced eight (8) vehicles in its fleet, and purchased a fire engine which is expected to be put in service in fiscal year 2019.

Community Pride, Spirit and Relationships – Annually Maricopa is host to three major events each attended by thousands of people: Maricopa Salsa Festival, Great American 4th and Merry Copa Holiday Festival. In addition to our signature events the Community Services Department also organizes smaller events such as an annual Maricopa Mud Run, Copa Color Run, Santa Run, Family Fishing Day, and Holiday Homes on Parade just to name a few. These events draw in residents and participants from nearby cities building community pride and spirit.

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). All transfers of resources within and between departments and funds require approval from the City Manager or his designee.

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 \$33.4 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 for 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, 2017. 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, 2018 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 Unit. Each member of the unit has our sincere appreciation for the contributions made in the preparation of this report.

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

Respectfully submitted,



Rick Horst
City Manager



Jennifer Brown
Admin. Services Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Maricopa
Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

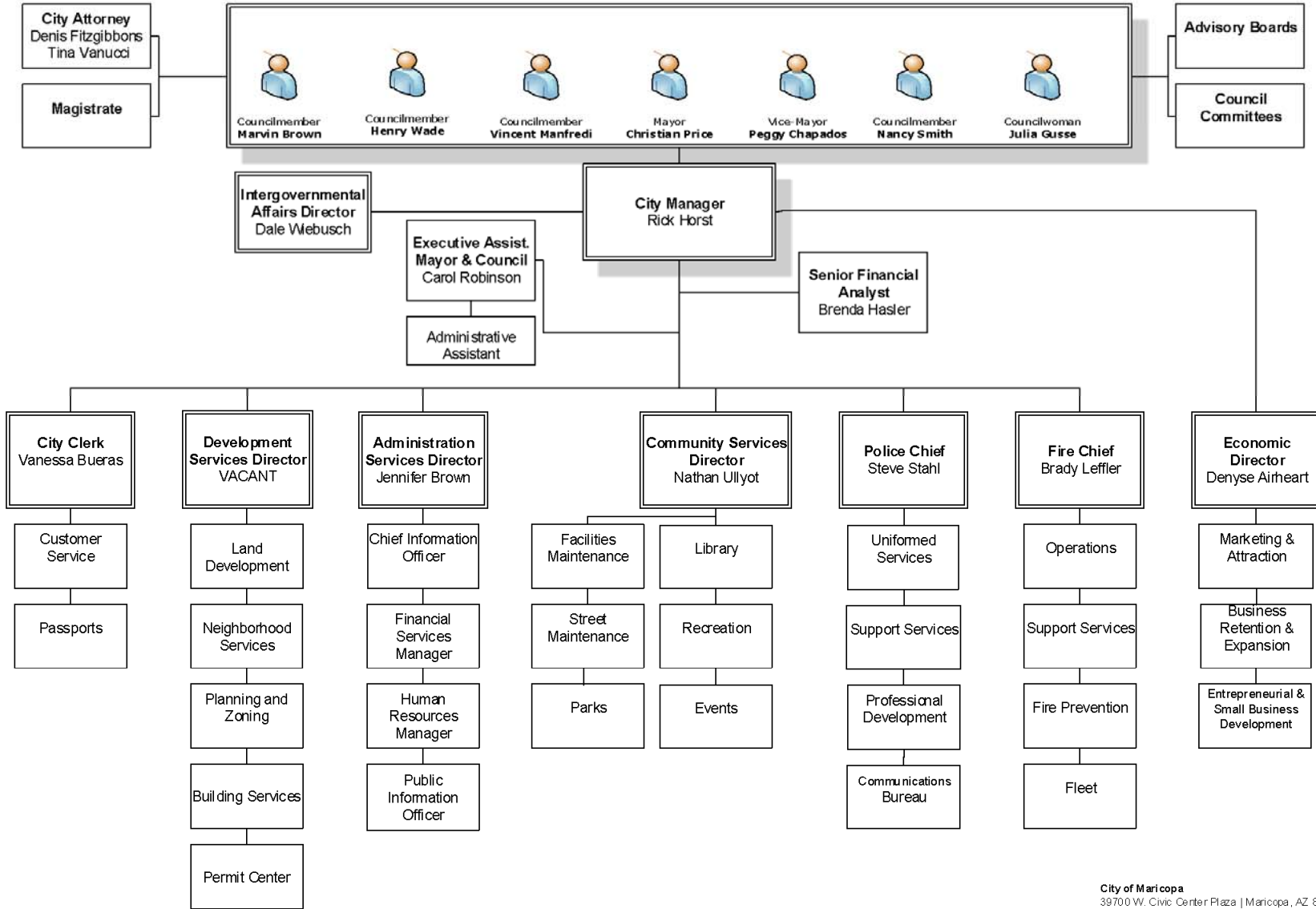
June 30, 2017

Christopher P. Morill

Executive Director/CEO

2018
City of Maricopa Organization Chart

CITIZENS OF MARICOPA



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

ELECTED OFFICIALS

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

CITY STAFF

City Manager	Rick Horst
City Clerk	Vanessa Bueras
Community Services Director	Nathan Ulliyot
Development Services Director	Vacant
Economic Development Director	Denyse Airheart
Fire Chief	Brady Leffler
Administrative Services Director	Jennifer Brown
Intergovernmental Affairs Director	Dale Wiebusch
Police Chief	Steve Stahl

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, 2018, 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, 2018, 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. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the year ended June 30, 2018, 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 January 30, 2019, 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.
Tucson, Arizona
January 30, 2019

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, 2018**

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, 2018. 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 2017-18 as follows:

- The City's total net position of governmental activities increased \$4.6 million to \$231.2 million representing a three percent increase over the prior year primarily due to an increase in sales tax revenues and a decrease in expenses for State Route 347 during the year.
- General revenues from governmental activities accounted for \$44.7 million in revenue, or 73 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$16.2 million or 27 percent of total governmental activities revenues.
- The City had \$56.2 million in expenses related to governmental activities, a decrease of 23 percent from the prior fiscal year primarily due to a decrease in expenses for State Route 347 during the year.
- Among major funds, the General Fund had \$41.2 million in current fiscal year revenues, which primarily consisted of property tax, sales tax, and intergovernmental revenues, and \$34.2 million in expenditures. The General Fund's fund balance increase from \$30.6 million at the prior fiscal year end to \$33.4 million at the end of the current fiscal year was primarily due to an increase in sales tax revenues and a decrease in expenditures for State Route 347 during the year.
- The County Road Tax Fund had \$2.0 million in revenues and expenditures of \$1.2 million. The County Road Tax Fund's fund balance increased from \$2.7 million at the prior fiscal year end, to \$3.5 million at the end of the current fiscal year.
- The Transportation Impact Fee Fund, had \$3.7 million in revenues. Fund expenditures totaled \$231,874 resulting in an increase in fund balance of \$3.5 million to \$20.8 million due to fewer construction projects in the current year.
- The General Government CIP Fund had \$674,050 in revenues and expenditures of \$2.7 million for miscellaneous infrastructure projects. The General Government CIP Fund's fund balance increased from \$5.0 million at the prior fiscal year end, to \$7.4 million at the end of the current fiscal year due to the transfer of funds from the General Fund.

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

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, County Road Tax, 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.

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$231.2 million at the current fiscal year end.

The largest portion of the City's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, infrastructure, vehicles, machinery and equipment, computer and software, 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, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents a summary of the City's net position for the fiscal years ended June 30, 2018 and June 30, 2017.

	Governmental Activities	
	2018	2017
Current and other assets	\$ 80,517,210	\$ 67,726,007
Capital assets, net	211,353,212	219,902,422
Total assets	<u>291,870,422</u>	<u>287,628,429</u>
Deferred outflows	<u>5,789,723</u>	<u>7,857,423</u>
Current liabilities	3,474,878	4,290,910
Long-term liabilities	60,214,017	61,816,409
Total liabilities	<u>63,688,895</u>	<u>66,107,319</u>
Deferred inflows	<u>2,750,288</u>	<u>2,718,964</u>
Net investment in capital assets	170,979,975	177,751,634
Restricted	43,451,668	34,342,277
Unrestricted	16,789,319	14,565,658
Total net position	<u>\$ 231,220,962</u>	<u>\$ 226,659,569</u>

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

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

- The City acquired \$3.1 million in capital asset additions with an increase in accumulated depreciation of \$11.6 million from current year depreciation.
- Current and other assets increased \$12.8 million primarily due to an increase in sales taxes and fewer expenses for State Route 347.
- The principal retirement of \$1.7 million of bonds and \$42,551 of bond premium.

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in net position. The City's total revenues for the current fiscal year were \$63.5 million. The total cost of all programs and services was \$56.2 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2018 and June 30, 2017.

	Governmental Activities	
	2018	2017
Revenues:		
Program revenues:		
Charges for services	\$ 6,073,507	\$ 4,682,001
Operating grants and contributions	4,522,065	5,324,186
Capital grants and contributions	5,560,382	3,589,969
General revenues:		
Property taxes, levied for general purposes	11,007,502	10,243,226
Property taxes, levied for debt service	3,450,990	3,905,535
Sales taxes	11,692,157	10,448,709
Franchise taxes	1,238,325	1,300,307
Unrestricted grants, aid, and state shared revenues	16,946,770	16,578,323
Investment income	349,508	438,141
Total revenues	60,841,206	56,510,397
Expenses:		
General government	9,065,308	13,781,833
Public safety	24,936,969	28,009,309
Community services	8,555,065	9,369,826
Development services	2,141,848	5,030,982
Public works	9,590,939	14,855,383
Interest on long-term debt	1,915,184	1,986,509
Total expenses	56,205,313	73,033,842
Changes in net position	4,635,893	(16,523,445)
Net position, beginning	226,659,569	243,433,014
Net effect of prior period adjustments	(74,500)	(250,000)
Net position, beginning restated	226,585,069	243,183,014
Net position, ending	\$ 231,220,962	\$ 226,659,569

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

- Sales taxes increased \$1.2 million as a result of new businesses within the City limits.
- Capital grants and contributions increased \$2.0 million primarily due to an increase in impact fee revenues for projects within the City limits.
- Total government expenses decreased \$16.8 million due primarily to prior year payments for the construction of the State Route 347 overpass.

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

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Year Ended June 30, 2018		Year Ended June 30, 2017	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
General government	\$ 9,065,308	\$ (8,033,030)	\$ 13,781,833	\$ (12,471,157)
Public safety	24,936,969	(23,186,400)	28,009,309	(26,513,354)
Community services	8,555,065	(4,527,081)	9,369,826	(5,349,832)
Development services	2,141,848	1,251,739	5,030,982	(2,842,224)
Public works	9,590,939	(3,916,935)	14,855,383	(10,725,140)
Interest on long-term debt	1,915,184	(1,637,652)	1,986,509	(1,535,979)
Total	\$ 56,205,313	\$ (40,049,359)	\$ 73,033,842	\$ (59,437,686)

- The cost of all governmental activities this year was \$56.2 million.
- Federal and State grants and contributions and charges for services subsidized certain programs with grants and contributions and other local revenues of \$16.2 million.
- Net cost of governmental activities of \$40.0 million was financed by general revenues, which are made up of primarily property taxes of \$14.5 million, sales taxes of \$11.7 million, and state shared revenues of \$16.9 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 \$76.8 million, an increase of \$12.3 million due primarily to an increase in sales tax and impact fee revenues and prior year payments 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 \$2.8 million for the fiscal year to \$33.4 million was due primarily due to an increase in sales tax revenues.

The County Road Tax Fund showed an increase in fund balance of \$776,836 primarily due to a decrease in repairs and maintenance of roads.

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The Transportation Impact Fee Fund showed an increase in fund balance of \$3.5 million due to a decrease in construction projects throughout the City.

The General Government CIP Fund balance increased by \$2.3 million to an ending fund balance of \$7.4 million due to a decrease in construction related projects and a transfer of funds from the General Fund.

BUDGETARY HIGHLIGHTS

Over the course of the year, the City revised the General Fund annual expenditure budget for changes in non-departmental expenditures. The difference between the original budget and the final amended budget was a \$503,871 decrease or one percent.

A schedule showing the original and final budget amounts compared to the City's actual financial activity for the General Fund is provided in this report as required supplementary information. The significant favorable variance of \$4.2 million in total was primarily a result of additional monitoring of expenditures and increased budgetary review.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the City had invested \$297.1 million in capital assets, including buildings, facilities, vehicles, computers, equipment, and infrastructure assets. This amount represents a net increase prior to depreciation of \$2.6 million from the prior fiscal year, primarily due to various buildings and improvement projects in addition to purchasing new vehicles. Total depreciation expense for the current fiscal year was \$11.6 million.

The following schedule presents capital asset balances for the fiscal years ended June 30, 2018 and June 30, 2017.

<u>Governmental Activities</u>	<u>As of June 30, 2018</u>	<u>As of June 30, 2017</u>
Land	\$ 86,736,516	\$ 86,736,516
Water rights	885,610	
Infrastructure	95,328,687	95,328,687
Buildings and improvements	87,371,245	86,901,789
Vehicles, machinery and equipment	24,313,510	23,875,834
Construction in progress	2,477,476	1,682,933
Less: Accumulated depreciation	<u>(85,759,832)</u>	<u>(74,623,337)</u>
Total	<u>\$ 211,353,212</u>	<u>\$ 219,902,422</u>

The estimated cost to complete current construction projects is \$19.6 million.

Additional information on the City's capital assets can be found in Note 5.

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Debt Administration. – At year end, the City had \$40.4 million in long-term debt outstanding, \$1.8 million due within one year.

State statutes currently limit the amount of general obligation debt a city may issue to 20 percent of its total assessed valuation for water, sewer, lights, open space preserves, parks, playgrounds and recreational facilities. The current debt limitation for the City is \$63.1 million, of which \$32.0 million is issued and outstanding. State statutes also currently limit the amount of general obligation debt a City may issue to 6 percent of its total assessed valuation for all other purposes. The current debt limitation for the City is \$18.9 million, of which \$7.7 million is issued and outstanding.

Additional information on the City's long-term debt can be found in Note 6.

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 2018-19. The most significant factors affecting the subsequent year's budget are:

- Primary property tax assessments are projected higher in fiscal year 2018-19 with an increase of \$840,974 while maintaining the primary property tax rate at \$4.7845 per \$100 in assessed valuation. The moderate assessment increase is due to the impact of new construction and the rise in property values.
- Local sales tax revenue is projected to increase over the prior fiscal year and is budgeted at \$12.3 million in fiscal year 2018-19 compared to the 2017-18 budget of \$10.5 million.
- Revenues passed through the State of Arizona to municipalities, otherwise known as state shared revenues, have been increasing significantly starting in 2011-12. The 2018-19 state shared revenues are projected to increase in the General Fund by approximately four percent.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

**CITY OF MARICOPA, ARIZONA
STATEMENT OF NET POSITION
JUNE 30, 2018**

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 77,103,448
Property taxes receivable	184,085
Accounts receivable	548,745
Intergovernmental receivables	1,779,398
Prepaid items	812,273
Total current assets	80,427,949
Noncurrent assets:	
Net other postemployment benefit assets	89,261
Land and other non-depreciable assets	90,099,602
Infrastructure, buildings, equipment and other depreciable assets	207,013,442
Accumulated depreciation	(85,759,832)
Total noncurrent assets	211,442,473
Total assets	291,870,422
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension and other postemployment benefit plan items	5,789,723
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	1,923,295
Accrued wages and benefits	1,310,895
Customer deposits	199,858
Due to other governments	40,830
Compensated absences payable	1,133,645
Bonds payable	1,790,000
Total current liabilities	6,398,523
Noncurrent liabilities:	
Compensated absences	387,351
Bonds payable	38,583,237
Net pension liability	18,214,740
Net other postemployment benefit liability	105,044
Total noncurrent liabilities	57,290,372
Total liabilities	63,688,895
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension and other postemployment benefit plan items	2,750,288
<u>NET POSITION</u>	
Net investment in capital assets	170,979,975
Restricted for:	
Public safety	510,620
Transportation projects	28,069,006
Capital projects	7,511,266
Debt service	834,960
Federal and state projects	543,405
Parks and recreation projects	5,982,411
Unrestricted	16,789,319
Total net position	\$ 231,220,962

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, 2018**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 9,065,308	\$ 1,004,410	\$ 27,868	\$	\$ (8,033,030)
Public safety	24,936,969	318,775	536,895	894,899	(23,186,400)
Community services	8,555,065	1,526,958	1,483,766	1,017,260	(4,527,081)
Development services	2,141,848	3,223,364	170,223		1,251,739
Public works	9,590,939		2,025,781	3,648,223	(3,916,935)
Interest on long-term debt	1,915,184		277,532		(1,637,652)
Total governmental activities	\$ 56,205,313	\$ 6,073,507	\$ 4,522,065	\$ 5,560,382	(40,049,359)

General revenues:

Taxes:

Property taxes, levied for general purposes	11,007,502
Property taxes, levied for debt service	3,450,990
Sales taxes	11,692,157
Franchise taxes	1,238,325
Unrestricted grants, aid, and state shared revenues	16,946,770
Investment income	349,508
Total general revenues	44,685,252

Changes in net position

4,635,893

Net position, beginning of year, as restated

226,585,069

Net position, end of year

\$ 231,220,962

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, 2018**

	General Fund	County Road Tax	Transportation Impact Fee
ASSETS			
Cash and investments	\$ 34,174,129	\$ 3,753,225	\$ 20,821,594
Property taxes receivable	140,639		
Accounts receivable	548,745		
Intergovernmental receivables	931,194	165,784	
Prepaid items	2,436		
Total assets	\$ 35,797,143	\$ 3,919,009	\$ 20,821,594
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 922,509	\$ 438,351	\$ 16,361
Accrued wages and benefits	1,132,543		
Customer deposits	199,858		
Due to other governments	40,830		
Total liabilities	2,295,740	438,351	16,361
Deferred inflows of resources:			
Unavailable revenue - property taxes	71,111		
Unavailable revenue - intergovernmental			
Unavailable revenue - other	3,263		
Total deferred inflows of resources	74,374		
Fund balances:			
Nonspendable	2,436		
Restricted		3,480,658	20,805,233
Unassigned	33,424,593		
Total fund balances	33,427,029	3,480,658	20,805,233
 Total liabilities, deferred inflows of resources and fund balances	 \$ 35,797,143	 \$ 3,919,009	 \$ 20,821,594

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

General Government CIP	Non-Major Governmental Funds	Total Governmental Funds
\$ 6,752,902	\$ 11,601,598	\$ 77,103,448
	43,446	184,085
		548,745
	682,420	1,779,398
809,837		812,273
<u>\$ 7,562,739</u>	<u>\$ 12,327,464</u>	<u>\$ 80,427,949</u>

\$ 207,831	\$ 338,243	\$ 1,923,295
	178,352	1,310,895
		199,858
		40,830
<u>207,831</u>	<u>516,595</u>	<u>3,474,878</u>

	21,645	92,756
	20,092	20,092
		3,263
	<u>41,737</u>	<u>116,111</u>

809,837		812,273
6,545,071	11,769,132	42,600,094
		33,424,593
<u>7,354,908</u>	<u>11,769,132</u>	<u>76,836,960</u>

<u>\$ 7,562,739</u>	<u>\$ 12,327,464</u>	<u>\$ 80,427,949</u>
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CITY OF MARICOPA, ARIZONA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018

Total governmental fund balances **\$ 76,836,960**

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	\$ 297,113,044	
Less accumulated depreciation	<u>(85,759,832)</u>	211,353,212

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

Property taxes	92,756	
Intergovernmental	20,092	
Other	<u>3,263</u>	116,111

Deferred items related to the net cost of issuance of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds. (698,237)

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

Deferred outflows of resources related to pensions/OPEB	5,789,723	
Deferred inflows of resources related to pensions/OPEB	<u>(2,750,288)</u>	3,039,435

The Net OPEB asset is not a current financial resource and, therefore, is not reported in the funds. 89,261

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

Compensated absences payable	(1,520,996)	
Net OPEB liability	(105,044)	
Net pension liability	(18,214,740)	
Bonds payable	<u>(39,675,000)</u>	<u>(59,515,780)</u>

Net position of governmental activities **\$ 231,220,962**

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, 2018

	<u>General Fund</u>	<u>County Road Tax</u>	<u>Transportation Impact Fee</u>
Revenues:			
Property taxes	\$ 11,017,676	\$	\$
Sales taxes	11,194,657		
Franchise taxes	1,238,325		
Licenses, fees & permits	2,535,211		
Intergovernmental revenues	13,146,834	1,966,731	
Impact fees			3,648,223
Charges for services	1,010,497		
Fines, forfeitures & penalties	583,454		
Investment income	89,411	39,133	85,292
Miscellaneous	389,497		
Total revenues	<u>41,205,562</u>	<u>2,005,864</u>	<u>3,733,515</u>
Expenditures:			
Current -			
General government	7,421,822		
Public safety	21,338,892		
Community services	2,341,072		
Development services	1,659,736	95,272	
Public works	1,422,836		
Capital outlay	17,529	1,133,756	231,874
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>34,201,887</u>	<u>1,229,028</u>	<u>231,874</u>
Excess (deficiency) of revenues over expenditures	<u>7,003,675</u>	<u>776,836</u>	<u>3,501,641</u>
Other financing sources (uses):			
Transfers in	500,000		
Transfers out	(4,722,700)		
Total other financing sources (uses)	<u>(4,222,700)</u>		
Changes in fund balances	<u>2,780,975</u>	<u>776,836</u>	<u>3,501,641</u>
Fund balances, beginning of year	30,645,758	2,703,822	17,303,592
Increase (decrease) in reserve for prepaid items	296		
Fund balances, end of year	<u>\$ 33,427,029</u>	<u>\$ 3,480,658</u>	<u>\$ 20,805,233</u>

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

<u>General Government CIP</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 497,500	\$ 3,459,389	\$ 14,477,065
		11,692,157
		1,238,325
		2,535,211
	6,340,521	21,454,086
	1,882,307	5,530,530
	1,400,298	2,410,795
		583,454
16,550	119,122	349,508
160,000	35,049	584,546
<u>674,050</u>	<u>13,236,686</u>	<u>60,855,677</u>
	30,513	7,452,335
	596,791	21,935,683
	4,271,217	6,612,289
	184,491	1,939,499
	1,659,020	3,081,856
2,662,938	628,554	4,674,651
	1,735,000	1,735,000
	1,957,735	1,957,735
<u>2,662,938</u>	<u>11,063,321</u>	<u>49,389,048</u>
(1,988,888)	2,173,365	11,466,629
3,492,700	1,400,000	5,392,700
	(670,000)	(5,392,700)
<u>3,492,700</u>	<u>730,000</u>	
<u>1,503,812</u>	<u>2,903,365</u>	<u>11,466,629</u>
5,041,259	8,865,767	64,560,198
809,837		810,133
<u>\$ 7,354,908</u>	<u>\$ 11,769,132</u>	<u>\$ 76,836,960</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, 2018**

Changes in fund balances - total governmental funds **\$ 11,466,629**

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

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

Expenditures for capitalized assets	\$ 3,124,891	
Less current year depreciation	<u>(11,646,282)</u>	(8,521,391)

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

Property taxes	(18,573)	
Intergovernmental	(17,148)	
Business licenses	(8,713)	
Other	<u>3,263</u>	(41,171)

Repayment of bond principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 1,735,000

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

Current year pension/OPEB contributions	1,692,695	
Pension/OPEB expense	<u>(3,661,400)</u>	(1,968,705)

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

Prepaid items	810,133	
Judgments	1,282,383	
Loss on disposal of assets	(27,819)	
Amortization of deferred bond items	42,551	
Compensated absences	<u>(141,717)</u>	<u>1,965,531</u>

Changes in net position in governmental activities **\$ 4,635,893**

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, 2018

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, 2018, the City implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement requires governments providing defined benefit postemployment benefits other than pensions to recognize the long-term obligation for those benefits as a liability, and to more comprehensively and comparably measure the annual costs of those benefits. This Statement also enhances accountability and transparency through revised note disclosures and new required supplementary information. The more significant of the City's accounting policies are described below.

A. Reporting Entity

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

In a prior year, the City had formed an Industrial Development Authority (IDA) to provide conduit financing to spur economic development opportunities within the greater Maricopa area. The Mayor and Council appoint all seven members of the IDA Board. As of June 30, 2018 the IDA had not incurred any financial transactions and therefore has no financial data to report.

B. Government-Wide Financial Statements

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

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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.

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

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

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

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.

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

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. The City Code was amended to provide the City Manager with authority to transfer budget amounts between funds and departments, reclassify budget positions, and to amend the salary plan.

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

E. Property Taxes

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

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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

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

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

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

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

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

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 and Other Postemployment Benefits

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

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, 2018**

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, 2018**

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

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

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

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

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

	General Fund	County Road Tax Fund	Transportation Impact Fee Fund	General Government CIP Fund	Non-Major Governmental Funds
Fund Balances:					
Nonspendable:					
Prepaid items	\$ 2,436	\$	\$	\$ 809,837	\$
Restricted:					
Debt service					813,315
Transportation projects		3,480,658	20,805,233		3,783,115
Parks and recreation projects					5,982,411
Capital projects				6,545,071	156,358
Public safety projects					510,620
Federal and state projects					523,313
Unassigned:	33,424,593				
Total fund balances	\$ 33,427,029	\$ 3,480,658	\$ 20,805,233	\$ 7,354,908	\$ 11,769,132

NOTE 3 – 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.

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 3 – CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the City's deposits may not be returned to the City. The City does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the City's deposits was \$3,132,867 and the bank balance was \$3,750,130. At year end \$3,344,754 of the City's deposits was covered by collateral held by the pledging financial institution's trust department or agent but not in the City's name. Additionally, the City had cash on hand of \$8,445 and the City had cash held by others of \$67,568.

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

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

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

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

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, 2018

NOTE 3 – 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:

<u>Investment Type</u>	<u>Category</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>		<u>Moody's/Standard & Poor's</u>	
			<u>Less than 1</u>	<u>1-5</u>		
Commercial Paper	Level 2	\$ 3,121,477	\$ 3,121,476	\$	P-1	/ A-1
Certificates of Deposit	Level 2	1,295,898	1,295,898		P-1	/ A-1+
Certificates of Deposit	Level 2	5,763,739	5,763,739		P-1	/ A-1
Certificates of Deposit	Level 2	1,564,886		1,564,886	Aa2	/ A+
Certificates of Deposit	Level 2	1,569,106		1,569,105	A1	/ A
Certificates of Deposit	Level 2	1,454,151		1,454,151	Aa3	/ AA-
Certificates of Deposit	Level 2	1,052,821		1,052,821	A1	/ A+
Certificates of Deposit	Level 2	656,646		656,646	A1	/ AA-
Certificates of Deposit	Level 2	517,797		517,797	Aa2	/ AA-
U.S. Treasuries	Level 1	8,949,273		8,949,272	Aaa	/ AA+
U.S. Agencies:						/
Federal Home Loan Banks	Level 1	992,154	992,154		Aaa	/ AA+
Federal Home Loan Mortgage Corporation	Level 1	5,521,187	3,410,607	2,110,580	Aaa	/ AA+
Federal National Mortgage Association	Level 1	5,958,826	2,731,725	3,227,101	Aaa	/ AA+
Corporate Securities	Level 1	531,445		531,445	Aaa	/ AAA
Corporate Securities	Level 1	271,136		271,136	Aaa	/ AA+
Corporate Securities	Level 1	640,803		640,803	Aa1	/ AA+
Corporate Securities	Level 1	609,299		609,299	Aa2	/ AA
Corporate Securities	Level 1	434,628		434,628	Aa2	/ AA-
Corporate Securities	Level 1	637,085		637,085	Aa3	/ AA-
Corporate Securities	Level 1	643,474	643,474		A1	/ AA
Corporate Securities	Level 1	2,458,549		2,458,549	A1	/ A+
Corporate Securities	Level 1	842,177		842,177	A1	/ A
Corporate Securities	Level 1	1,482,404		1,482,404	A2	/ A+
Corporate Securities	Level 1	1,598,089		1,598,089	A2	/ A
Corporate Securities	Level 1	1,796,815	646,334	1,150,481	A2	/ A-
Corporate Securities	Level 1	384,655		384,655	A3	/ A
Corporate Securities	Level 1	1,038,649		1,038,649	A3	/ A-
Corporate Securities	Level 1	1,173,412	655,433	517,979	A3	/ BBB+
			<u>\$ 19,260,840</u>	<u>\$33,699,738</u>		
State Treasurer's investment pool 5	Not applicable	17,479,612	33 days average maturities		N/A	/ AAA/S1+
State Treasurer's investment pool 7	Not applicable	3,454,375	33 days average maturities		N/A	/ AAA
Total		<u>\$ 73,894,568</u>				

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

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 3 – CASH AND INVESTMENTS

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

Concentration of Credit Risk. The City places no limit on the amount the City may invest in any one issuer. The investments in Commercial Paper, Certificates of Deposit, U.S. Treasuries, U.S. Agencies, Corporate Securities, State Treasurer's Investment Pool 5, and State Treasurer's Investment Pool 7, represent 4%, 19%, 12%, 17%, 20%, 24%, and 5% of the City's total investments, respectively.

NOTE 4 – 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	County Road Tax Fund	Non-Major Governmental Funds
Intergovernmental receivables:			
Due from federal government	\$	\$	\$ 323,119
Due from state government	931,194		359,301
Due from county government		165,784	
Net intergovernmental receivables	\$ 931,194	\$ 165,784	\$ 682,420

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 5 – CAPITAL ASSETS

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 86,736,516	\$	\$	\$ 86,736,516
Water rights		999,345	113,735	885,610
Construction in progress	1,682,933	949,337	154,794	2,477,476
Total capital assets, not being depreciated	<u>88,419,449</u>	<u>1,948,682</u>	<u>268,529</u>	<u>90,099,602</u>
Capital assets, being depreciated:				
Buildings	56,156,064	154,794	46,838	56,264,020
Improvements other than buildings	30,745,725	361,500		31,107,225
Infrastructure	95,328,687			95,328,687
Vehicles	9,808,485	543,511	441,174	9,910,822
Machinery and equipment	10,634,364	187,123	49,594	10,771,893
Computers/Software	3,432,985	197,810		3,630,795
Total capital, assets being depreciated	<u>206,106,310</u>	<u>1,444,738</u>	<u>537,606</u>	<u>207,013,442</u>
Less accumulated depreciation for:				
Buildings	(11,416,438)	(2,816,701)	(28,183)	(14,204,956)
Improvements other than buildings	(5,986,190)	(1,559,151)		(7,545,341)
Infrastructure	(43,101,145)	(4,758,344)		(47,859,489)
Vehicles	(5,736,906)	(922,869)	(439,174)	(6,220,601)
Machinery and equipment	(5,818,435)	(1,244,161)	(42,430)	(7,020,166)
Computes/Software	(2,564,223)	(345,056)		(2,909,279)
Total accumulated depreciation	<u>(74,623,337)</u>	<u>(11,646,282)</u>	<u>(509,787)</u>	<u>(85,759,832)</u>
Total capital assets, being depreciated, net	<u>131,482,973</u>	<u>(10,201,544)</u>	<u>27,819</u>	<u>121,253,610</u>
Governmental activities capital assets, net	<u>\$ 219,902,422</u>	<u>\$ (8,252,862)</u>	<u>\$ 296,348</u>	<u>\$ 211,353,212</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 1,096,314
Public safety	2,336,456
Community service	2,727,594
Public works	5,485,918
Total depreciation expense – governmental activities	<u>\$11,646,282</u>

Construction Commitments – At year end, the City had contractual commitments related to for infrastructure and buildings projects. At year end the City had spent \$2.5 million on the projects and had estimated remaining contractual commitments of \$19.6 million.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 6 – 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, \$14.0 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, 2018	Due Within One Year
Governmental activities:					
GADA Bond, Series 2010 A	\$ 20,000,000	4.0 - 6.335%	7/1/19-30	\$ 11,330,000	\$ 915,000
GO Bonds Series B, 2013	31,605,000	4.0 - 4.375%	7/1/19-35	28,345,000	875,000
Total				<u>\$ 39,675,000</u>	<u>\$ 1,790,000</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
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	2,065,000	1,523,193
2024-28	11,625,000	5,990,886
2029-33	14,265,000	2,828,804
2034-35	4,165,000	225,968
Total	<u>\$ 39,675,000</u>	<u>\$ 17,590,046</u>

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 6 – 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	\$ 41,410,000	\$	\$ 1,735,000	\$ 39,675,000	\$ 1,790,000
Premium	740,788		42,551	698,237	
Total bonds payable	<u>42,150,788</u>		<u>1,777,551</u>	<u>40,373,237</u>	<u>1,790,000</u>
Net OPEB liability	131,252		26,208	105,044	
Net pension liability	18,286,342		71,602	18,214,740	
Compensated absences payable	<u>1,379,279</u>	<u>1,504,614</u>	<u>1,362,897</u>	<u>1,520,996</u>	<u>1,133,645</u>
Governmental activity long-term liabilities	<u>\$ 61,947,661</u>	<u>\$ 1,504,614</u>	<u>\$ 3,237,758</u>	<u>\$ 60,214,517</u>	<u>\$ 2,923,645</u>

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

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

	Transfers in			Total
	General Fund	General Government CIP Fund	Non-Major Governmental Funds	
Transfers out				
General Fund	\$	\$ 3,322,700	\$ 1,400,000	\$4,722,700
Non-Major Governmental Funds	<u>500,000</u>	<u>170,000</u>		<u>670,000</u>
Total	<u>\$ 500,000</u>	<u>\$ 3,492,700</u>	<u>\$ 1,400,000</u>	<u>\$5,392,700</u>

Transfers between funds were used to (1) support maintenance and operations of the Regional Park and Multi-generational Center of \$1.4 million, (2) to move unrestricted funds of \$3.5 million to pay for capital projects, and (3) to move transportation project funds of \$500,000 to reimburse prior year expenditures.

NOTE8– 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, 2018**

NOTE 9 – RISK MANAGEMENT

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

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

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

NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

Aggregate Amounts. At June 30, 2018, the City reported the following aggregate amounts related to pensions and other postemployment benefits (OPEB) for all plans to which it contributes.

	Governmental Activities
Net pension and OPEB assets	\$ 89,261
Net pension and OPEB liability	18,319,784
Deferred outflows of resources	5,789,723
Deferred inflows of resources	2,750,288
Pension and OPEB expense	3,661,400

The City reported \$1.7 million of pension and OPEB contributions as expenditures in the governmental funds related to all plans to which it contributes. The City's accrued wages and benefits includes \$463,821 of outstanding pension and OPEB contribution amounts payable to PSPRS for the year ended June 30, 2018.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Beginning Net Position Restatement. The implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, represents a change in accounting principle. Net position as of July 1, 2017, has been restated as follows for this change in accounting principle:

	Statement of Activities
Net position, June 30, 2017, as previously reported	\$ 226,659,569
Net OPEB asset	25,468
Net OPEB liability	(99,968)
Net position, July 1, 2017, as restated	\$ 226,585,069

A. Arizona State Retirement System

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

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

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

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

Retired and disabled members, with at least five years of credited service, are eligible to receive health insurance premium benefits. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from \$150 per month to \$260 per month depending on the age of the member and dependents. For members with five to nine years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

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

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.50 percent (11.34 percent for retirement and 0.16 percent for long-term disability) of the members' annual covered payroll, and the City was required by statute to contribute at the actuarially determined rate of 11.50 percent (10.90 percent for retirement, 0.44 percent for health insurance premium benefit, and 0.16 percent for long-term disability) of the active members' annual covered payroll. The City's contributions for the year ended June 30, 2018 were as follows:

	<u>Contributions</u>
Pension	\$ 874,900
Health Insurance Premium	35,317
Long-Term Disability	12,843

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The City was required by statute to contribute at the actuarially determined rate of 9.49 percent (9.26 for retirement, 0.10 percent for health insurance premium benefit, and 0.13 percent for long-term disability). ACR contributions are included in employer contributions presented above.

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

Pension and OPEB Assets/Liability. The net pension and OPEB assets/liability were measured as of June 30, 2017. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2016, to the measurement date of June 30, 2017. The City's proportion of the net asset/liability was based on the City's actual contributions to the applicable plan relative to the total of all participating employers' contributions to the plan for the year ended June 30, 2017.

At June 30, 2018, the City reported the following amounts for its proportionate share of the ASRS plans net assets/liability. In addition, at June 30, 2017, the City's percentage proportion for each plan and the related change from its proportion measured as of June 30, 2016 was:

	Net (Assets) Liability	City/Town % Proportion	Increase (Decrease)
Pension	\$ 13,225,765	0.085	0.003
Health Insurance Premium	(46,661)	0.086	
Long-Term Disability	30,858	0.085	

Pension/OPEB Expense and Deferred Outflows/Inflows of Resources. The City has deferred outflows and inflows of resources related to the net pension and OPEB assets/liability. Certain changes in the net pension and OPEB assets/liability are recognized as pension and OPEB expense over a period of time rather than the year of occurrence. For the year ended June 30, 2018, the City recognized pension and OPEB expense as follows:

	Expense
Pension	\$ 1,517,099
Health Insurance Premium	27,292
Long-Term Disability	16,463

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

	Deferred Outflows of Resources		
	Pension	Health Insurance Premium	Long-Term Disability
Changes of assumptions or other inputs	\$ 574,425	\$	\$
Net difference between projected and actual earnings on pension investments	94,952		
Changes in proportion and differences between contributions and proportionate share of contributions	719,958		
Contributions subsequent to the measurement date	874,900	35,317	12,843
Total	\$ 2,264,235	\$ 35,317	\$ 12,843
	Deferred Inflows of Resources		
	Pension	Health Insurance Premium	Long-Term Disability
Differences between expected and actual experience	\$ 396,582	\$	\$
Changes of assumptions or other inputs	395,474		
Net difference between projected and actual earnings on pension investments		52,538	4,616
Changes in proportion and differences between contributions and proportionate share of contributions		58	4
Total	\$ 792,056	\$ 52,596	\$ 4,620

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension and OPEB assets/liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in pension and OPEB expense as follows:

Year Ending June 30:	Pension	Health Insurance Premium	Long-Term Disability
2019	\$ (12,545)	\$ (13,146)	\$ (1,155)
2020	727,093	(13,146)	(1,155)
2021	186,964	(13,146)	(1,155)
2022	(304,232)	(13,146)	(1,155)
2023		(10)	

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

	Pension	OPEB
Actuarial valuation date	June 30, 2016	June 30, 2016
Actuarial roll forward date	June 30, 2017	June 30, 2017
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return	8.0%	8.0%
Projected salary increases	3.0-6.75%	Not applicable
Inflation	3.0%	3.0%
Permanent base increases	Included	Not applicable
Mortality rates	1994 GAM Scale BB	1994 GAM Scale BB
Healthcare cost trend rate	Not applicable	Not applicable

The actuarial assumptions used in the June 30, 2016 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 plan investments was determined to be 8.70 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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 and OPEB liability was 8.0 percent, which is less than the long-term expected rate of return of 8.70 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 plans’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liability.

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

	Proportionate share of the net (assets) liability		
	1% Decrease	Current Discount Rate	1% Increase
Rate	7.0%	8.0%	9.0%
Pension	\$ 16,975,499	\$ 13,225,765	\$ 10,092,541
Health Insurance Premium	77,490	(46,661)	(152,167)
Long-Term Disability	36,898	30,858	25,736

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

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

B. Public Safety Personnel Retirement System

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

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

Benefits Provided. The PSPRS provides retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefits terms. Certain retirement, disability, and survivor 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:	
	Tier 1	Tier 2
Years of service and age required to receive benefit	20 years of service, any age 15 years of service, age 62	25 years or 15 years of credited service, age 52.5
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive 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%	1.5 % to 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% to 100% of retired member's pension benefit	
Active members	80% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job	

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. Benefits range from \$150 per month to \$260 per month depending on the age of the member and dependents.

Employees Covered by Benefit Terms. At June 30, 2018, the following employees were covered by the agent plan's benefit terms:

	PSPRS - Police		PSPRS - Fire	
	Pension	Health Insurance	Pension	Health Insurance
Retirees and beneficiaries	5	5	1	1
Inactive, non-retired members	12		4	
Active members	58	58	57	57
Total	75	63	62	58

Contributions. State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contributions rates for the year ended June 30, 2018, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS - Police	PSPRS - Fire
Active members – pension	7.65% to 11.65%	7.65% to 11.65%
City		
Pension	17.61%	19.04%
Health insurance	0.38%	0.40%

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

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

	Contributions	
	PSPRS - Police	PSPRS - Fire
Pension	\$ 444,076	\$ 282,564
Health insurance	19,763	23,232

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

Pension and OPEB Assets/Liability. At June 30, 2018, the City reported the following assets and liabilities.

	Net (Assets) Liability	
	PSPRS - Police	PSPRS - Fire
Pension	\$ 1,353,399	\$ 3,635,576
Health insurance	(42,600)	74,186

The net pension and OPEB assets/liability were measured as of June 30, 2017. The total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date. The total liability as of June 30, 2017, reflects changes of actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016, including decreasing the investment rate of return from 7.5 percent to 7.4 percent, decreasing the wage inflation from 4.0 percent to 3.5 percent, and updating mortality, withdrawal, disability, and retirement assumptions.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

	Pension	OPEB
Actuarial valuation date	June 30, 2017	June 30, 2017
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return	7.4%	7.4%
Projected salary increases	3.5%	Not applicable
Inflation	2.5%	Not applicable
Permanent benefit increase	Included	Not applicable
Mortality rates	RP-2014 tables using MP-2016 improvement scale with adjustments to match current experience	RP-2014 tables using MP-2016 improvement scale with adjustments to match current experience
Healthcare cost trend rate	Not applicable	Not applicable

Actuarial assumptions used in the June 30, 2017, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

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

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

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Changes in Net (Assets)/Liability

	Pension Increase (Decrease)			Health Insurance Increase (Decrease)		
	Total (Assets) Liability	Plan Fiduciary Net Position	Net (Assets) Liability	Total (Assets) Liability	Plan Fiduciary Net Position	Net (Assets) Liability
	PSPRS - Police					
Balances at June 30, 2017	\$10,598,652	\$ 8,715,952	\$ 1,882,700	\$ 241,132	\$ 230,060	\$ 11,072
Changes for the year:						
Service cost	979,168		979,168	16,435		16,435
Interest on the total liability	814,406		814,406	18,701		18,701
Changes of benefit terms	202,850		202,850	3,486		3,486
Differences between expected and actual experience in the measurement of the liability	(966,033)		(966,033)	(25,696)		(25,696)
Changes of assumptions or other inputs	592,197		592,197	(23,716)		(23,716)
Contributions – employer		554,425	(554,425)		15,183	(15,183)
Contributions – employee		501,763	(501,763)			
Net investment income		1,063,934	(1,063,934)		27,946	(27,946)
Benefit payments, including refunds of employee contributions	(458,986)	(458,986)				
Administrative expense		(9,814)	9,814		(247)	247
Other changes		41,581	(41,581)			
Net changes	<u>1,163,602</u>	<u>1,692,903</u>	<u>(529,301)</u>	<u>(10,790)</u>	<u>42,882</u>	<u>(53,672)</u>
Balances at June 30, 2018	<u>\$11,762,254</u>	<u>\$ 10,408,855</u>	<u>\$ 1,353,399</u>	<u>\$ 230,342</u>	<u>\$ 272,942</u>	<u>\$ (42,600)</u>

	Pension Increase (Decrease)			Health Insurance Increase (Decrease)		
	Total (Assets) Liability	Plan Fiduciary Net Position	Net (Assets) Liability	Total (Assets) Liability	Plan Fiduciary Net Position	Net (Assets) Liability
	PSPRS - Fire					
Balances at June 30, 2017	\$15,569,239	\$12,472,241	\$ 3,096,998	\$ 388,960	\$ 288,301	\$ 100,659
Changes for the year:						
Service cost	1,213,745		1,213,745	15,811		15,811
Interest on the total liability	1,211,920		1,211,920	29,714		29,714
Changes of benefit terms	257,406		257,406	327		327
Differences between expected and actual experience in the measurement of the liability	184,381		184,381	2,708		2,708
Changes of assumptions or other inputs	481,625		481,625	(20,798)		(20,798)
Contributions – employer		687,438	(687,438)		19,706	(19,706)
Contributions – employee		576,038	(576,038)			
Net investment income		1,534,321	(1,534,321)		34,838	(34,838)
Benefit payments, including refunds of employee contributions	(34,354)	(34,354)		(1,350)	(1,350)	
Administrative expense		(13,976)	13,976		(309)	309
Other changes		26,678	(26,678)			
Net changes	<u>3,314,723</u>	<u>2,776,145</u>	<u>538,578</u>	<u>26,412</u>	<u>52,885</u>	<u>(26,473)</u>
Balances at June 30, 2018	<u>\$18,883,962</u>	<u>\$ 15,248,386</u>	<u>\$ 3,635,576</u>	<u>\$ 415,372</u>	<u>\$ 341,186</u>	<u>\$ 74,186</u>

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Discount Rate. At June 30, 2017, the discount rate used to measure the total pension and OPEB liability was 7.4 percent, which was a decrease of 0.1 percent from the discount rate used as of June 30, 2016.

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

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

	1% Decrease	Current Discount Rate	1% Increase
PSPRS - Police:			
Rate	6.4%	7.4%	8.4%
Net pension (assets) liability	\$ 3,548,623	\$ 1,353,399	\$ (383,452)
Net OPEB (assets) liability	(2,851)	(42,600)	(74,999)
PSPRS - Fire			
Rate	6.4%	7.4%	8.4%
Net pension (assets) liability	\$ 7,280,640	\$ 3,635,576	\$ 737,643
Net OPEB (assets) liability	142,277	74,186	18,740

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

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Expense. For the year ended June 30, 2018, the City recognized the following as pension and OPEB expense:

	Expense	
	PSPRS - Police	PSPRS - Fire
Pension	\$ 804,536	\$ 1,262,083
Health insurance	14,186	19,741

Deferred Outflows/Inflows of Resources. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension		Health Insurance	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
PSPRS - Police:				
Differences between expected and actual experience	\$ 117,490	\$ 1,277,943	\$	\$ 23,178
Changes of assumptions or other inputs	995,157			21,392
Net difference between projected and actual earnings on plan investments	109,450			8,105
Contributions subsequent to the measurement date	444,076		19,763	
Total	\$ 1,666,173	\$ 1,277,943	\$ 19,763	\$ 52,675
PSPRS - Fire				
Differences between expected and actual experience	\$ 194,807	\$ 541,423	\$ 2,467	\$
Changes of assumptions or other inputs	1,127,505			18,944
Net difference between projected and actual earnings on plan investments	160,817			10,031
Contributions subsequent to the measurement date	282,564		23,232	
Total	\$ 1,765,693	\$ 541,423	\$ 25,699	\$ 28,975

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension and OPEB assets/liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in pension and OPEB expense as follows:

Year Ending June 30:	PSPRS - Police		PSPRS - Fire	
	Pension	Health Insurance	Pension	Health Insurance
2019	\$ 21,221	\$ (6,868)	\$ 138,728	\$ (4,121)
2020	87,697	(6,868)	234,446	(4,121)
2021	26,185	(6,868)	144,704	(4,121)
2022	(94,557)	(6,869)	(28,269)	(4,120)
2023	(17,226)	(4,842)	82,198	(1,613)
Thereafter	(79,166)	(20,360)	369,899	(8,412)

NOTE 11 – 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, 2018, the City abated sales taxes totaling \$853,488. This amount represents a 45 percent unrestricted sales tax, 50 percent retail and use tax, and 100 percent of construction sales tax abatement to developers, for developing regional lifestyle and entertainment retail shopping centers to create additional jobs, generate additional sales tax revenue, and provide diverse commercial and retail service opportunities to the City's residents. The sales taxes are collected by the City and subsequently distributed to the developer on a quarterly basis.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MARICOPA, ARIZONA
DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 11,704,000	\$ 11,704,000	\$ 11,017,676	\$ (686,324)
Sales taxes	9,265,351	10,000,000	11,194,657	1,194,657
Franchise taxes	1,250,000	1,250,000	1,238,325	(11,675)
Licenses and permits	1,661,517	1,650,199	2,535,211	885,012
Intergovernmental revenues	13,407,675	12,828,858	13,146,834	317,976
Charges for services	500,124	500,124	1,010,497	510,373
Fines and forfeitures	380,000	380,000	583,454	203,454
Investment income	210,000	210,000	89,411	(120,589)
Miscellaneous	251,657	262,975	389,497	126,522
Total revenues	<u>38,630,324</u>	<u>38,786,156</u>	<u>41,205,562</u>	<u>2,419,406</u>
Expenditures:				
Current -				
Non-Departmental	4,231,375	3,672,063	1,325,018	2,347,045
City Magistrate	522,488	522,488	472,189	50,299
Mayor and Council	578,803	578,803	528,188	50,615
City Manager	1,071,690	1,071,690	1,031,283	40,407
City Clerk	383,738	383,738	380,536	3,202
Finance and Administrative services	1,047,204	1,147,516	1,057,365	90,151
City Attorney	575,000	575,000	614,089	(39,089)
Information technology	1,030,414	1,030,414	972,039	58,375
Human Resources	496,753	496,753	486,645	10,108
Economic Development	647,844	647,844	554,470	93,374
Police	11,290,566	11,290,566	10,640,770	649,796
Fire	10,883,713	10,838,842	10,698,122	140,720
Community services	2,596,997	2,596,997	2,341,072	255,925
Development services	1,807,409	1,807,409	1,659,736	147,673
Public works	1,714,237	1,714,237	1,422,836	291,401
Capital outlay	17,529	17,529	17,529	
Total expenditures	<u>38,895,760</u>	<u>38,391,889</u>	<u>34,201,887</u>	<u>4,190,002</u>
Excess (deficiency) of revenues over expenditures	<u>(265,436)</u>	<u>394,267</u>	<u>7,003,675</u>	<u>6,609,408</u>
Other financing sources (uses):				
Transfers in		500,000	500,000	
Transfers out	(4,722,700)	(4,722,700)	(4,722,700)	
Total other financing sources (uses)	<u>(4,722,700)</u>	<u>(4,222,700)</u>	<u>(4,222,700)</u>	
Changes in fund balances	<u>(4,988,136)</u>	<u>(3,828,433)</u>	<u>2,780,975</u>	<u>6,609,408</u>
Fund balances, beginning of year	30,645,758	30,645,758	30,645,758	
Increase (decrease) in reserve for prepaid items			296	296
Fund balances, end of year	<u>\$ 25,657,622</u>	<u>\$ 26,817,325</u>	<u>\$ 33,427,029</u>	<u>\$ 6,609,704</u>

See accompanying notes to this schedule.

**CITY OF MARICOPA, ARIZONA
 DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 COUNTY ROAD TAX
 YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ 1,200,000	\$ 1,200,000	\$ 1,966,731	\$ 766,731
Investment income	16,000	16,000	39,133	23,133
Total revenues	<u>1,216,000</u>	<u>1,216,000</u>	<u>2,005,864</u>	<u>789,864</u>
Expenditures:				
Current -				
Development services	96,042	96,042	95,272	770
Capital outlay	3,554,240	2,111,643	1,133,756	977,887
Total expenditures	<u>3,650,282</u>	<u>2,207,685</u>	<u>1,229,028</u>	<u>978,657</u>
Changes in fund balances	<u>(2,434,282)</u>	<u>(991,685)</u>	<u>776,836</u>	<u>1,768,521</u>
Fund balances, beginning of year			2,703,822	2,703,822
Fund balances (deficits), end of year	<u>\$ (2,434,282)</u>	<u>\$ (991,685)</u>	<u>\$ 3,480,658</u>	<u>\$ 4,472,343</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 FOUR FISCAL YEARS**

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

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

See accompanying notes to this schedule.

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total pension liability				
Service cost	\$ 979,168	\$ 839,545	\$ 747,934	\$ 673,759
Interest	814,406	641,997	585,892	485,132
Changes of benefit terms	202,850	1,088,276		(26,537)
Differences between expected and actual experience	(966,033)	(141,216)	(461,592)	195,426
Changes of assumptions or other inputs	592,197	481,692		165,211
Benefit payments, including refunds of employee contributions	(458,986)	(140,350)	(266,305)	(226,709)
Net change in total pension liability	<u>1,163,602</u>	<u>2,769,944</u>	<u>605,929</u>	<u>1,266,282</u>
Total pension liability—beginning	<u>10,598,652</u>	<u>7,828,708</u>	<u>7,222,779</u>	<u>5,956,497</u>
Total pension liability—ending	<u>\$ 11,762,254</u>	<u>\$ 10,598,652</u>	<u>\$ 7,828,708</u>	<u>\$ 7,222,779</u>
Plan fiduciary net position				
Contributions—employer	\$ 554,425	\$ 584,950	\$ 508,701	\$ 486,264
Contributions—employee	501,763	487,208	428,486	376,082
Net investment income	1,063,934	47,805	270,249	812,958
Benefit payments, including refunds of employee contributions	(458,986)	(140,350)	(266,305)	(226,709)
Administrative expense	(9,814)	(7,279)	(6,983)	(6,547)
Other	41,581	(187,317)	(63,640)	(67,365)
Net change in plan fiduciary net position	<u>1,692,903</u>	<u>785,017</u>	<u>870,508</u>	<u>1,374,683</u>
Plan fiduciary net position—beginning	<u>8,715,952</u>	<u>7,930,935</u>	<u>7,060,427</u>	<u>5,685,744</u>
Plan fiduciary net position—ending	<u>\$ 10,408,855</u>	<u>\$ 8,715,952</u>	<u>\$ 7,930,935</u>	<u>\$ 7,060,427</u>
Net pension (assets) liability—ending	<u>\$ 1,353,399</u>	<u>\$ 1,882,700</u>	<u>\$ (102,227)</u>	<u>\$ 162,352</u>
Plan fiduciary net position as a percentage of the total pension liability	88.49%	82.24%	101.31%	97.75%
Covered payroll	\$ 4,604,929	\$ 5,033,244	\$ 4,468,622	\$ 3,589,297
Net pension (assets) liability as a percentage of covered payroll	29.39%	37.41%	-2.29%	4.52%

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

See accompanying notes to this schedule.

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total pension liability				
Service cost	\$ 1,213,745	\$ 974,190	\$ 904,967	\$ 881,621
Interest	1,211,920	957,210	830,568	728,939
Changes of benefit terms	257,406	1,699,432		(30,011)
Differences between expected and actual experience	184,381	(382,765)	38,907	(364,760)
Changes of assumptions or other inputs	481,625	740,704		148,219
Benefit payments, including refunds of employee contributions	(34,354)	(252,384)	(139,184)	(22,903)
Net change in total pension liability	<u>3,314,723</u>	<u>3,736,387</u>	<u>1,635,258</u>	<u>1,341,105</u>
Total pension liability—beginning	<u>15,569,239</u>	<u>11,832,852</u>	<u>10,197,594</u>	<u>8,856,489</u>
Total pension liability—ending	<u>\$ 18,883,962</u>	<u>\$ 15,569,239</u>	<u>\$ 11,832,852</u>	<u>\$ 10,197,594</u>
Plan fiduciary net position				
Contributions—employer	\$ 687,438	\$ 795,126	\$ 564,051	\$ 611,705
Contributions—employee	576,038	581,920	540,412	472,460
Net investment income	1,534,321	68,821	387,128	1,170,516
Benefit payments, including refunds of employee contributions	(34,354)	(252,384)	(139,184)	(22,903)
Administrative expense	(13,976)	(10,304)	(9,836)	(9,427)
Other	26,678	(95,802)	(254,871)	
Net change in plan fiduciary net position	<u>2,776,145</u>	<u>1,087,377</u>	<u>1,087,700</u>	<u>2,222,351</u>
Plan fiduciary net position—beginning	<u>12,472,241</u>	<u>11,384,864</u>	<u>10,297,164</u>	<u>8,074,813</u>
Plan fiduciary net position—ending	<u>\$ 15,248,386</u>	<u>\$ 12,472,241</u>	<u>\$ 11,384,864</u>	<u>\$ 10,297,164</u>
Net pension (assets) liability—ending	<u>\$ 3,635,576</u>	<u>\$ 3,096,998</u>	<u>\$ 447,988</u>	<u>\$ (99,570)</u>
Plan fiduciary net position as a percentage of the total pension liability	80.75%	80.11%	96.21%	100.98%
Covered payroll	\$ 5,499,591	\$ 5,976,741	\$ 5,420,209	\$ 4,907,129
Net pension (assets) liability as a percentage of covered payroll	66.11%	51.82%	8.27%	-2.03%

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

See accompanying notes to this schedule.

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Arizona State Retirement System:				
Actuarially determined contribution	\$ 874,900	\$ 870,872	\$ 862,053	\$ 767,972
Contributions in relation to the actuarially determined contribution	<u>874,900</u>	<u>870,872</u>	<u>862,053</u>	<u>767,972</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 8,026,606	\$ 8,078,590	\$ 7,945,189	\$ 7,052,084
Contributions as a percentage of covered payroll	10.90%	10.78%	10.85%	10.89%
 Public Safety Personnel Retirement System - Police:				
Actuarially determined contribution	\$ 915,851	\$ 552,131	\$ 601,976	\$ 508,976
Contributions in relation to the actuarially determined contribution	<u>444,076</u>	<u>552,131</u>	<u>601,976</u>	<u>508,976</u>
Contribution deficiency (excess)	<u>\$ 471,775</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 5,200,744	\$ 4,604,929	\$ 5,033,244	\$ 4,468,622
Contributions as a percentage of covered payroll	8.54%	11.99%	11.96%	11.39%
 Public Safety Personnel Retirement System - Fire:				
Actuarially determined contribution	\$ 1,105,865	\$ 698,448	\$ 724,381	\$ 622,240
Contributions in relation to the actuarially determined contribution	<u>282,564</u>	<u>698,448</u>	<u>724,381</u>	<u>622,240</u>
Contribution deficiency (excess)	<u>\$ 823,301</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 5,808,114	\$ 5,499,591	\$ 5,976,741	\$ 5,420,209
Contributions as a percentage of covered payroll	4.86%	12.70%	12.12%	11.48%

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

See accompanying notes to this schedule.

CITY OF MARICOPA, ARIZONA
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
ARIZONA STATE RETIREMENT SYSTEM - HEALTH INSURANCE PREMIUM
JUNE 30, 2018

2018

Measurement date	June 30, 2017
City's proportion of the net OPEB (assets) liability	0.09%
City's proportionate share of the net OPEB (assets) liability	\$ (46,661)
City's covered payroll	\$ 8,078,590
City's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	-0.58%
Plan fiduciary net position as a percentage of the total OPEB liability	103.57%

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

See accompanying notes to this schedule.

CITY OF MARICOPA, ARIZONA
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
ARIZONA STATE RETIREMENT SYSTEM - LONG-TERM DISABILITY
JUNE 30, 2018

2018

Measurement date	June 30, 2017
City's proportion of the net OPEB (assets) liability	0.09%
City's proportionate share of the net OPEB (assets) liability	\$ 30,858
City's covered payroll	\$ 8,078,590
City's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	0.38%
Plan fiduciary net position as a percentage of the total OPEB liability	84.44%

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

See accompanying notes to this schedule.

CITY OF MARICOPA, ARIZONA
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM - POLICE - HEALTH INSURANCE PREMIUM
JUNE 30, 2018

2018

Measurement date	June 30, 2017
Total OPEB liability	
Service cost	\$ 16,435
Interest	18,701
Changes of benefit terms	3,486
Differences between expected and actual experience	(25,696)
Changes of assumptions or other inputs	(23,716)
Benefit payments	<u>(10,790)</u>
Net change in total OPEB liability	<u>241,132</u>
Total OPEB liability—beginning	<u>\$ 230,342</u>
Total OPEB liability—ending	<u><u>\$ 230,342</u></u>
Plan fiduciary net position	
Contributions—employer	\$ 15,183
Contributions—employee	27,946
Net investment income	(247)
Benefit payments	<u>42,882</u>
Administrative expense	<u>230,060</u>
Other	<u>\$ 272,942</u>
Net change in plan fiduciary net position	<u>42,882</u>
Plan fiduciary net position—beginning	<u>230,060</u>
Plan fiduciary net position—ending	<u><u>\$ 272,942</u></u>
Net OPEB (assets) liability—ending	<u><u>\$ (42,600)</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	118.49%
Covered payroll	\$ 4,604,929
Net OPEB (assets) liability as a percentage of covered payroll	-0.93%

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

See accompanying notes to this schedule.

CITY OF MARICOPA, ARIZONA
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM - FIRE - HEALTH INSURANCE PREMIUM
JUNE 30, 2018

2018

Measurement date	June 30, 2017
Total OPEB liability	
Service cost	\$ 15,811
Interest	29,714
Changes of benefit terms	327
Differences between expected and actual experience	2,708
Changes of assumptions or other inputs	(20,798)
Benefit payments	<u>(1,350)</u>
Net change in total OPEB liability	26,412
Total OPEB liability—beginning	<u>388,960</u>
Total OPEB liability—ending	<u><u>\$ 415,372</u></u>
Plan fiduciary net position	
Contributions—employer	\$ 19,706
Contributions—employee	
Net investment income	34,838
Benefit payments	(1,350)
Administrative expense	(309)
Other	
Net change in plan fiduciary net position	<u>52,885</u>
Plan fiduciary net position—beginning	<u>288,301</u>
Plan fiduciary net position—ending	<u><u>\$ 341,186</u></u>
Net OPEB (assets) liability—ending	<u><u>\$ 74,186</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	82.14%
Covered payroll	\$ 5,499,591
Net OPEB (assets) liability as a percentage of covered payroll	1.35%

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

See accompanying notes to this schedule.

**CITY OF MARICOPA, ARIZONA
SCHEDULE OF OPEB CONTRIBUTIONS
ALL OPEB PLANS
JUNE 30, 2018**

2018

Arizona State Retirement System - Health Insurance Premium:

Actuarially determined contribution	\$ 35,317
Contributions in relation to the actuarially determined contribution	<u>35,317</u>
Contribution deficiency (excess)	<u>\$</u>
City's covered payroll	\$ 8,026,606
Contributions as a percentage of covered payroll	0.44%

Arizona State Retirement System - Long-Term Disability:

Actuarially determined contribution	\$ 12,843
Contributions in relation to the actuarially determined contribution	<u>12,843</u>
Contribution deficiency (excess)	<u>\$</u>
City's covered payroll	\$ 8,026,606
Contributions as a percentage of covered payroll	0.16%

Public Safety Personnel Retirement System - Police - Health Insurance Premium:

Actuarially determined contribution	\$ 19,763
Contributions in relation to the actuarially determined contribution	<u>19,763</u>
Contribution deficiency (excess)	<u>\$</u>
City's covered payroll	\$ 5,206,744
Contributions as a percentage of covered payroll	0.38%

Public Safety Personnel Retirement System - Fire - Health Insurance Premium:

Actuarially determined contribution	\$ 23,232
Contributions in relation to the actuarially determined contribution	<u>23,232</u>
Contribution deficiency (excess)	<u>\$</u>
City's covered payroll	\$ 5,808,114
Contributions as a percentage of covered payroll	0.40%

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

See accompanying notes to this schedule.

CITY OF MARICOPA, ARIZONA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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

NOTE 2 – PENSION AND OPEB PLAN SCHEDULES

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

Factors that Affect Trends. The actuarial assumptions used in the June 30, 2016, 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, 2017, valuation for PSPRS were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016. The total liability used to calculate the net asset or liability for PSPRS was determined by an actuarial valuation as of that date. The total liability as of June 30, 2017, reflects changes of the investment rate of return from 7.5 percent to 7.4 percent and changes of wage inflation from 4.0 percent to 3.5 percent, as well as updates to the mortality, withdrawal, disability, and retirement assumptions.

The total pension liabilities for PSPRS also reflect changes of benefit terms for legislation that changed benefit eligibility and multipliers for employers who became members on or after January 1, 2012 and before July 1, 2017, and a court decision that decreased the contribution rates for employers who became members before July 20, 2011. The court decision will also affect the PSPRS net pension liabilities measured as of June 30, 2018, because of refunds for excess contributions. PSPRS allowed the City to reduce its employer contributions for the refund amounts; as a result, the City's pension contributions were less than the actuarially determined contributions for the current fiscal year. The change in the City's PSPRS net pension liabilities as a result of the refunds is not known.

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

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GOVERNMENTAL FUNDS

CITY OF MARICOPA, ARIZONA
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2018

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>ASSETS</u>			
Cash and investments	\$ 6,140,512	\$ 652,749	\$ 4,808,337
Property taxes receivable		43,446	
Intergovernmental receivables	515,497	138,765	28,158
Total assets	<u>\$ 6,656,009</u>	<u>\$ 834,960</u>	<u>\$ 4,836,495</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 333,318	\$	\$ 4,925
Accrued wages and benefits	178,352		
Total liabilities	<u>511,670</u>		<u>4,925</u>
Deferred inflows of resources:			
Unavailable revenue - property taxes		21,645	
Unavailable revenue - intergovernmental	20,092		
Total deferred inflows of resources	<u>20,092</u>	<u>21,645</u>	
Fund balances:			
Restricted	6,124,247	813,315	4,831,570
Total fund balances	<u>6,124,247</u>	<u>813,315</u>	<u>4,831,570</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,656,009</u>	<u>\$ 834,960</u>	<u>\$ 4,836,495</u>

Total Non-Major
Governmental
Funds

\$ 11,601,598
43,446
682,420
\$ 12,327,464

\$ 338,243
178,352
516,595

21,645
20,092
41,737

11,769,132
11,769,132

\$ 12,327,464

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, 2018

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Revenues:			
Property taxes	\$	\$ 3,459,389	\$
Intergovernmental revenues	6,027,150	277,532	35,839
Impact fees			1,882,307
Charges for services	1,400,298		
Investment income	61,148		57,974
Miscellaneous	35,049		
Total revenues	<u>7,523,645</u>	<u>3,736,921</u>	<u>1,976,120</u>
Expenditures:			
Current -			
General government	30,513		
Public safety	596,791		
Community services	4,172,337		98,880
Development services	184,491		
Public works	1,659,020		
Capital outlay	396,730		231,824
Debt service -			
Principal retirement		1,735,000	
Interest and fiscal charges		1,957,735	
Total expenditures	<u>7,039,882</u>	<u>3,692,735</u>	<u>330,704</u>
Excess (deficiency) of revenues over expenditures	<u>483,763</u>	<u>44,186</u>	<u>1,645,416</u>
Other financing sources (uses):			
Transfers in	1,400,000		
Transfers out	(670,000)		
Total other financing sources (uses)	<u>730,000</u>		
Changes in fund balances	<u>1,213,763</u>	<u>44,186</u>	<u>1,645,416</u>
Fund balances, beginning of year	4,910,484	769,129	3,186,154
Fund balances, end of year	<u>\$ 6,124,247</u>	<u>\$ 813,315</u>	<u>\$ 4,831,570</u>

Total Non-Major
Governmental
Funds

\$ 3,459,389
6,340,521
1,882,307
1,400,298
119,122
35,049
13,236,686

30,513
596,791
4,271,217
184,491
1,659,020
628,554

1,735,000
1,957,735
11,063,321

2,173,365

1,400,000
(670,000)
730,000

2,903,365

8,865,767

\$ 11,769,132

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SPECIAL REVENUE FUNDS

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

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

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

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

Copper Sky – This fund is used to account for charges for services to be used solely for the operations of the Copper Sky Multigenerational Center and Regional Park and the receipt of resources from the Ak-Chin.

**CITY OF MARICOPA, ARIZONA
 COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2018**

	HURF	Road Maintenance	Grants
ASSETS			
Cash and investments	\$ 3,665,273	\$ 14,071	\$ 409,844
Intergovernmental receivables	331,324		184,173
Total assets	\$ 3,996,597	\$ 14,071	\$ 594,017
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 185,110	\$	\$ 27,991
Accrued wages and benefits	42,443		22,621
Total liabilities	227,553		50,612
Deferred inflows of resources:			
Unavailable revenue - intergovernmental			20,092
Fund balances:			
Restricted	3,769,044	14,071	523,313
Total fund balances	3,769,044	14,071	523,313
 Total liabilities, deferred inflows of resources and fund balances	 \$ 3,996,597	 \$ 14,071	 \$ 594,017

<u>Copper Sky</u>	<u>Totals</u>
\$ 2,051,324	\$ 6,140,512
	515,497
<u>\$ 2,051,324</u>	<u>\$ 6,656,009</u>

\$ 120,217	\$ 333,318
<u>113,288</u>	<u>178,352</u>
<u>233,505</u>	<u>511,670</u>

	<u>20,092</u>
--	---------------

<u>1,817,819</u>	<u>6,124,247</u>
<u>1,817,819</u>	<u>6,124,247</u>

<u>\$ 2,051,324</u>	<u>\$ 6,656,009</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, 2018**

	HURF	Road Maintenance	Grants
Revenues:			
Intergovernmental revenues	\$ 3,764,097	\$	\$ 783,053
Charges for services			
Investment income	61,140		8
Miscellaneous	35,049		
Total revenues	3,860,286		783,061
Expenditures:			
Current -			
General government			30,513
Public safety			596,791
Community services			3,963
Development services			184,491
Public works	1,659,020		
Capital outlay	226,404	140,474	29,852
Total expenditures	1,885,424	140,474	845,610
Excess (deficiency) of revenues over expenditures	1,974,862	(140,474)	(62,549)
Other financing sources (uses):			
Transfers in			
Transfers out	(500,000)		
Total other financing sources (uses)	(500,000)		
Changes in fund balances	1,474,862	(140,474)	(62,549)
Fund balances, beginning of year	2,294,182	154,545	585,862
Fund balances, end of year	\$ 3,769,044	\$ 14,071	\$ 523,313

<u>Copper Sky</u>	<u>Totals</u>
\$ 1,480,000	\$ 6,027,150
1,400,298	1,400,298
	61,148
	35,049
<u>2,880,298</u>	<u>7,523,645</u>
	30,513
	596,791
4,168,374	4,172,337
	184,491
	1,659,020
	396,730
<u>4,168,374</u>	<u>7,039,882</u>
<u>(1,288,076)</u>	<u>483,763</u>
1,400,000	1,400,000
<u>(170,000)</u>	<u>(670,000)</u>
<u>1,230,000</u>	<u>730,000</u>
<u>(58,076)</u>	<u>1,213,763</u>
1,875,895	4,910,484
<u>\$ 1,817,819</u>	<u>\$ 6,124,247</u>

CITY OF MARICOPA, ARIZONA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2018

	HURF		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Intergovernmental revenues	\$ 3,639,673	\$ 3,764,097	\$ 124,424
Charges for services			
Investment income	7,500	61,140	53,640
Miscellaneous		35,049	35,049
Total revenues	<u>3,647,173</u>	<u>3,860,286</u>	<u>213,113</u>
Expenditures:			
Current -			
General government			
Public safety			
Community services			
Development services			
Public works	4,209,262	1,659,020	2,550,242
Capital outlay		226,404	(226,404)
Total expenditures	<u>4,209,262</u>	<u>1,885,424</u>	<u>2,323,838</u>
Excess (deficiency) of revenues over expenditures	<u>(562,089)</u>	<u>1,974,862</u>	<u>2,536,951</u>
Other financing sources (uses):			
Transfers in			
Transfers out	(500,000)	(500,000)	
Total other financing sources (uses)	<u>(500,000)</u>	<u>(500,000)</u>	
Changes in fund balances	<u>(1,062,089)</u>	<u>1,474,862</u>	<u>2,536,951</u>
Fund balances, beginning of year		2,294,182	2,294,182
Fund balances (deficits), end of year	<u>\$ (1,062,089)</u>	<u>\$ 3,769,044</u>	<u>\$ 4,831,133</u>

Road Maintenance			Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 6,000	\$	\$ (6,000)	\$ 13,538,497	\$ 783,053	\$ (12,755,444)
<u>6,000</u>	<u></u>	<u>(6,000)</u>	<u>13,538,497</u>	<u>783,061</u>	<u>(12,755,436)</u>
			4,655,000	30,513	4,624,487
			7,058,743	596,791	6,461,952
			671,177	3,963	667,214
			638,890	184,491	454,399
			514,687		514,687
147,460	140,474	6,986		29,852	(29,852)
<u>147,460</u>	<u>140,474</u>	<u>6,986</u>	<u>13,538,497</u>	<u>845,610</u>	<u>12,692,887</u>
(141,460)	(140,474)	986		(62,549)	(62,549)
(141,460)	(140,474)	986		(62,549)	(62,549)
	154,545	154,545		585,862	585,862
<u>\$ (141,460)</u>	<u>\$ 14,071</u>	<u>\$ 155,531</u>	<u>\$</u>	<u>\$ 523,313</u>	<u>\$ 523,313</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, 2018

	Copper Sky		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Intergovernmental revenues	\$ 1,480,000	\$ 1,480,000	\$
Charges for services	1,592,471	1,400,298	(192,173)
Investment income			
Miscellaneous			
Total revenues	3,072,471	2,880,298	(192,173)
Expenditures:			
Current -			
General government			
Public safety			
Community services	4,915,191	4,168,374	746,817
Development services			
Public works			
Capital outlay			
Total expenditures	4,915,191	4,168,374	746,817
Excess (deficiency) of revenues over expenditures	(1,842,720)	(1,288,076)	554,644
Other financing sources (uses):			
Transfers in	1,400,000	1,400,000	
Transfers out	(170,000)	(170,000)	
Total other financing sources (uses)	1,230,000	1,230,000	
Changes in fund balances	(612,720)	(58,076)	554,644
Fund balances, beginning of year		1,875,895	1,875,895
Fund balances (deficits), end of year	\$ (612,720)	\$ 1,817,819	\$ 2,430,539

Totals

Budget	Actual	Variance - Positive (Negative)
\$ 18,658,170	\$ 6,027,150	\$ (12,631,020)
1,592,471	1,400,298	(192,173)
13,500	61,148	47,648
	35,049	35,049
<u>20,264,141</u>	<u>7,523,645</u>	<u>(12,740,496)</u>
4,655,000	30,513	4,624,487
7,058,743	596,791	6,461,952
5,586,368	4,172,337	1,414,031
638,890	184,491	454,399
4,723,949	1,659,020	3,064,929
147,460	396,730	(249,270)
<u>22,810,410</u>	<u>7,039,882</u>	<u>15,770,528</u>
<u>(2,546,269)</u>	<u>483,763</u>	<u>3,030,032</u>
1,400,000	1,400,000	
<u>(670,000)</u>	<u>(670,000)</u>	
<u>730,000</u>	<u>730,000</u>	
<u>(1,816,269)</u>	<u>1,213,763</u>	<u>3,030,032</u>
	4,910,484	4,910,484
<u>\$ (1,816,269)</u>	<u>\$ 6,124,247</u>	<u>\$ 7,940,516</u>

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DEBT SERVICE FUND

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

CITY OF MARICOPA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2018

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Property taxes	\$ 3,426,003	\$ 3,459,389	\$ 33,386
Intergovernmental revenues	267,500	277,532	10,032
Total revenues	<u>3,693,503</u>	<u>3,736,921</u>	<u>43,418</u>
Expenditures:			
Debt service -			
Principal retirement	1,735,000	1,735,000	
Interest and fiscal charges	1,958,503	1,957,735	768
Total expenditures	<u>3,693,503</u>	<u>3,692,735</u>	<u>768</u>
Changes in fund balances		<u>44,186</u>	<u>44,186</u>
Fund balances, beginning of year		769,129	769,129
Fund balances, end of year	<u>\$</u>	<u>\$ 813,315</u>	<u>\$ 813,315</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, 2018**

	<u>Parks Impact Fee</u>	<u>Library Impact Fee</u>	<u>Public Safety Impact Fee</u>
<u>ASSETS</u>			
Cash and investments	\$ 3,047,978	\$ 780,222	\$ 510,620
Intergovernmental receivables			
Total assets	<u>\$ 3,047,978</u>	<u>\$ 780,222</u>	<u>\$ 510,620</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ _____	\$ _____	\$ _____
Total liabilities	_____	_____	_____
Fund balances:			
Restricted	3,047,978	780,222	510,620
Total fund balances	<u>3,047,978</u>	<u>780,222</u>	<u>510,620</u>
Total liabilities and fund balances	<u>\$ 3,047,978</u>	<u>\$ 780,222</u>	<u>\$ 510,620</u>

<u>Parks Bond</u>	<u>Capital Grants</u>	<u>Totals</u>
\$ 336,392	\$ 133,125	\$ 4,808,337
	28,158	28,158
<u>\$ 336,392</u>	<u>\$ 161,283</u>	<u>\$ 4,836,495</u>
<u>\$</u>	<u>\$ 4,925</u>	<u>\$ 4,925</u>
	4,925	4,925
336,392	156,358	4,831,570
<u>336,392</u>	<u>156,358</u>	<u>4,831,570</u>
<u>\$ 336,392</u>	<u>\$ 161,283</u>	<u>\$ 4,836,495</u>

**CITY OF MARICOPA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2018**

	Parks Impact Fee	Library Impact Fee	Public Safety Impact Fee
Revenues:			
Intergovernmental revenues	\$	\$	\$
Impact fees	1,017,243	17	865,047
Investment income	21,130	4,430	30,504
Total revenues	1,038,373	4,447	895,551
Expenditures:			
Current -			
Community services	98,880		
Capital outlay	142,620		24,378
Total expenditures	241,500		24,378
Changes in fund balances	796,873	4,447	871,173
Fund balances (deficits), beginning of year	2,251,105	775,775	(360,553)
Fund balances, end of year	\$ 3,047,978	\$ 780,222	\$ 510,620

<u>Parks Bond</u>	<u>Capital Grants</u>	<u>Totals</u>
\$	\$ 35,839	\$ 35,839
		1,882,307
1,910		57,974
<u>1,910</u>	<u>35,839</u>	<u>1,976,120</u>
		98,880
	64,826	231,824
	<u>64,826</u>	<u>330,704</u>
1,910	(28,987)	1,645,416
334,482	185,345	3,186,154
<u>\$ 336,392</u>	<u>\$ 156,358</u>	<u>\$ 4,831,570</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, 2018**

	Parks Impact Fee		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Sales taxes	\$	\$	\$
Intergovernmental revenues			
Impact fees	474,652	1,017,243	542,591
Investment income	1,900	21,130	19,230
Miscellaneous			
Total revenues	<u>476,552</u>	<u>1,038,373</u>	<u>561,821</u>
Expenditures:			
Current -			
Community services		98,880	(98,880)
Capital outlay	254,620	142,620	112,000
Total expenditures	<u>254,620</u>	<u>241,500</u>	<u>13,120</u>
Excess (deficiency) of revenues over expenditures	<u>221,932</u>	<u>796,873</u>	<u>574,941</u>
Other financing sources (uses):			
Transfers in			
Total other financing sources (uses)			
Changes in fund balances	<u>221,932</u>	<u>796,873</u>	<u>574,941</u>
Fund balances (deficits), beginning of year		2,251,105	2,251,105
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	<u>\$ 221,932</u>	<u>\$ 3,047,978</u>	<u>\$ 2,826,046</u>

Library Impact Fee			Public Safety Impact Fee		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
634	17	(617)	357,704	865,047	507,343
95	4,430	4,335	1,045	30,504	29,459
<u>729</u>	<u>4,447</u>	<u>3,718</u>	<u>358,749</u>	<u>895,551</u>	<u>536,802</u>
13,000		13,000	40,000	24,378	15,622
<u>13,000</u>		<u>13,000</u>	<u>40,000</u>	<u>24,378</u>	<u>15,622</u>
(12,271)	4,447	16,718	318,749	871,173	552,424
(12,271)	4,447	16,718	318,749	871,173	552,424
	775,775	775,775		(360,553)	(360,553)
<u>\$ (12,271)</u>	<u>\$ 780,222</u>	<u>\$ 792,493</u>	<u>\$ 318,749</u>	<u>\$ 510,620</u>	<u>\$ 191,871</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, 2018

	Transportation Impact Fee		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Sales taxes	\$	\$	\$
Intergovernmental revenues			
Impact fees	1,433,186	3,648,223	2,215,037
Investment income	9,500	85,292	75,792
Miscellaneous			
Total revenues	1,442,686	3,733,515	2,290,829
Expenditures:			
Current -			
Community services			
Capital outlay	8,388,853	231,874	8,156,979
Total expenditures	8,388,853	231,874	8,156,979
Excess (deficiency) of revenues over expenditures	(6,946,167)	3,501,641	10,447,808
Other financing sources (uses):			
Transfers in			
Total other financing sources (uses)	_____	_____	_____
Changes in fund balances	(6,946,167)	3,501,641	10,447,808
Fund balances (deficits), beginning of year		17,303,592	17,303,592
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	\$ (6,946,167)	\$ 20,805,233	\$ 27,751,400

Parks Bond			General Government CIP		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$ 497,500	\$ 497,500	\$
	1,910	1,910		16,550	16,550
	1,910	1,910	497,500	160,000	160,000
				674,050	176,550
			6,944,890	2,662,938	4,281,952
			6,944,890	2,662,938	4,281,952
	1,910	1,910	(6,447,390)	(1,988,888)	4,458,502
			3,492,700	3,492,700	
			3,492,700	3,492,700	
	1,910	1,910	(2,954,690)	1,503,812	4,458,502
	334,482	334,482		5,041,259	5,041,259
				809,837	809,837
\$	\$ 336,392	\$ 336,392	\$ (2,954,690)	\$ 7,354,908	\$ 10,309,598

(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, 2018**

	Capital Grants		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Sales taxes	\$	\$	\$
Intergovernmental revenues	3,644,607	35,839	(3,608,768)
Impact fees			
Investment income			
Miscellaneous			
Total revenues	<u>3,644,607</u>	<u>35,839</u>	<u>(3,608,768)</u>
Expenditures:			
Current -			
Community services			
Capital outlay	3,644,607	64,826	3,579,781
Total expenditures	<u>3,644,607</u>	<u>64,826</u>	<u>3,579,781</u>
Excess (deficiency) of revenues over expenditures		(28,987)	(28,987)
Other financing sources (uses):			
Transfers in			
Total other financing sources (uses)			
Changes in fund balances		(28,987)	(28,987)
Fund balances (deficits), beginning of year		185,345	185,345
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	<u>\$</u>	<u>\$ 156,358</u>	<u>\$ 156,358</u>

Totals

Budget	Actual	Variance - Positive (Negative)
\$ 497,500	\$ 497,500	\$
3,644,607	35,839	(3,608,768)
2,266,176	5,530,530	3,264,354
12,540	159,816	147,276
	160,000	160,000
<u>6,420,823</u>	<u>6,383,685</u>	<u>(37,138)</u>
	98,880	(98,880)
19,285,970	3,126,636	16,159,334
<u>19,285,970</u>	<u>3,225,516</u>	<u>16,060,454</u>
(12,865,147)	3,158,169	16,023,316
3,492,700	3,492,700	
<u>3,492,700</u>	<u>3,492,700</u>	
(9,372,447)	6,650,869	16,023,316
	25,531,005	25,531,005
	809,837	809,837
<u>\$ (9,372,447)</u>	<u>\$ 32,991,711</u>	<u>\$ 42,364,158</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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net Position:					
Net investment in capital assets	\$ 170,979,975	\$ 177,751,634	\$ 178,734,505	\$ 176,253,607	\$ 176,849,760
Restricted	43,451,668	34,342,277	46,127,016	52,707,824	54,993,935
Unrestricted	16,789,319	14,565,658	18,571,493	16,683,198	22,824,286
Total net position	\$ 231,220,962	\$ 226,659,569	\$ 243,433,014	\$ 245,644,629	\$ 254,667,981
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net Position:					
Net investment in capital assets	\$ 177,370,008	\$ 160,277,610	\$ 159,446,413	\$ 152,574,381	\$ 133,067,896
Restricted	55,767,940	69,233,094	44,235,838	48,605,910	34,740,312
Unrestricted	23,545,468	21,799,977	48,978,257	53,602,407	70,331,229
Total net position	\$ 256,683,416	\$ 251,310,681	\$ 252,660,508	\$ 254,782,698	\$ 238,139,437

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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Expenses					
Governmental activities					
General government	\$ 9,065,308	\$ 13,781,833	\$ 8,434,268	\$ 8,034,855	\$ 9,718,746
Public safety	24,936,969	28,009,309	21,662,502	19,253,044	18,672,370
Community services	8,555,065	9,369,826	9,411,852	8,245,420	5,687,823
Development services	2,141,848	5,030,982	4,173,045	2,624,718	3,091,943
Public works	9,590,939	14,855,383	8,384,857	7,189,840	7,547,174
Interest on long-term debt	1,915,184	1,986,509	2,045,204	2,098,409	3,100,559
Total governmental activities expenses	<u>56,205,313</u>	<u>73,033,842</u>	<u>54,111,728</u>	<u>47,446,286</u>	<u>47,818,615</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	1,004,410	733,595	725,908	199,747	159,841
Public safety	318,775	71,440	286,800	1,516,033	994,921
Community services	1,526,958	1,916,364	1,352,037	1,778,214	536,941
Development services	3,223,364	1,960,602	2,258,585	208,487	272,186
Public works					465,073
Operating grants and contributions	4,522,065	5,324,186	4,303,861	3,962,746	5,938,010
Capital grants and contributions	5,560,382	3,589,969	2,230,811	1,470,367	1,486,660
Total program revenues	<u>16,155,954</u>	<u>13,596,156</u>	<u>11,158,002</u>	<u>9,135,594</u>	<u>9,853,632</u>
Net (Expense)/Revenue	<u><u>\$ (40,049,359)</u></u>	<u><u>\$ (59,437,686)</u></u>	<u><u>\$ (42,953,726)</u></u>	<u><u>\$ (38,310,692)</u></u>	<u><u>\$ (37,964,983)</u></u>

(Continued)

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Expenses					
Governmental activities					
General government	\$ 6,656,984	\$ 8,832,289	\$ 8,747,059	\$ 9,303,721	\$ 9,502,082
Public safety	17,447,674	16,103,119	16,001,267	14,898,669	15,608,622
Community services	2,399,939	2,257,063	2,986,635	1,531,241	2,506,551
Development services	8,224,264	10,002,055	10,673,852	7,761,376	7,610,979
Interest on long-term debt	1,015,685	1,063,544	1,542,441	57,445	64,346
Total governmental activities expenses	<u>35,744,546</u>	<u>38,258,070</u>	<u>39,951,254</u>	<u>33,552,452</u>	<u>35,292,580</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	468,718	956,062	1,056,489	534,071	1,632,470
Public safety	892,908	590,689	211,428	922,084	426,086
Community services	282,565	285,986	258,028	289,004	277,060
Development services	161,747	95,951	122,451	244,107	77,547
Operating grants and contributions	926,682	1,732,451	3,436,610	866,471	3,967,175
Capital grants and contributions	6,180,277	2,917,234	6,815,917	7,558,625	8,238,154
Total program revenues	<u>8,912,897</u>	<u>6,578,373</u>	<u>11,900,923</u>	<u>10,414,362</u>	<u>14,618,492</u>
Net (Expense)/Revenue	<u>\$ (26,831,649)</u>	<u>\$ (31,679,697)</u>	<u>\$ (28,050,331)</u>	<u>\$ (23,138,090)</u>	<u>\$ (20,674,088)</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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net (Expense)/Revenue	\$ (40,049,359)	\$ (59,437,686)	\$ (42,953,726)	\$ (38,310,692)	\$ (37,964,983)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	11,007,502	10,243,226	9,563,708	9,328,535	9,391,368
Property taxes, levied for debt service	3,450,990	3,905,535	3,654,084	4,761,714	3,542,070
Sales taxes	11,692,157	10,448,709	9,496,645	8,791,279	8,684,810
Franchise taxes	1,238,325	1,300,307	911,356	362,791	344,151
Investment income	349,508	438,141	771,820	446,606	472,562
Unrestricted grants, aid, and state shared revenues	16,946,770	16,578,323	16,094,498	15,108,669	13,514,587
Total general revenues	44,685,252	42,914,241	40,492,111	38,799,594	35,949,548
Changes in Net Position	\$ 4,635,893	\$ (16,523,445)	\$ (2,461,615)	\$ 488,902	\$ (2,015,435)

(Continued)

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net (Expense)/Revenue	\$ (26,831,649)	\$ (31,679,697)	\$ (28,050,331)	\$ (23,138,090)	\$ (20,674,088)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	9,409,828	10,932,354	9,797,104	9,191,887	8,073,578
Property taxes, levied for debt service	1,457,540		1,415,568		
Sales taxes	7,942,569	7,601,624	7,454,918	6,649,744	10,230,103
Franchise taxes	309,744	285,739	315,240	494,091	536,966
Investment income	171,708	112,707	667,555	265,485	(378,160)
Unrestricted grants, aid, and state shared revenues	12,912,995	11,397,446	6,277,756	7,110,730	4,583,320
Miscellaneous					37,503
Total general revenues	<u>32,204,384</u>	<u>30,329,870</u>	<u>25,928,141</u>	<u>23,711,937</u>	<u>23,083,310</u>
Changes in Net Position	<u>\$ 5,372,735</u>	<u>\$ (1,349,827)</u>	<u>\$ (2,122,190)</u>	<u>\$ 573,847</u>	<u>\$ 2,409,222</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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund:					
Nonspendable	\$ 2,436	\$ 2,140	\$ 18,417	\$ 15,646	\$ 16,652
Unassigned	33,424,593	30,643,618	29,841,856	26,656,499	24,650,512
Total General Fund	\$ 33,427,029	\$ 30,645,758	\$ 29,860,273	\$ 26,672,145	\$ 24,667,164
All Other Governmental Funds:					
Nonspendable	\$ 809,837	\$	\$ 1,195,205	\$	\$
Restricted	42,600,094	34,274,993	44,896,889	52,707,824	54,933,764
Unassigned		(360,553)	(721,733)	(2,920)	(1,465,704)
Total all other governmental funds	\$ 43,409,931	\$ 33,914,440	\$ 45,370,361	\$ 52,704,904	\$ 53,468,060

(Continued)

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General Fund:					
Nonspendable	\$ 16,733	\$ 5,084	\$ 2,550	\$	\$
Unassigned	23,047,149	21,324,981	55,361,631		
Unreserved				64,206,671	68,275,877
Total General Fund	<u>\$ 23,063,882</u>	<u>\$ 21,330,065</u>	<u>\$ 55,364,181</u>	<u>\$ 64,206,671</u>	<u>\$ 68,275,877</u>
All Other Governmental Funds:					
Restricted	\$ 76,788,734	\$ 80,901,742	\$ 49,970,470	\$	\$
Unassigned		(34,662)	(334,556)		
Reserved				35,547,328	34,740,312
Unreserved, reported in:					
Special revenue funds				2,320,530	2,419,821
Capital projects funds				13,058,582	
Total all other governmental funds	<u>\$ 76,788,734</u>	<u>\$ 80,867,080</u>	<u>\$ 49,635,914</u>	<u>\$ 50,926,440</u>	<u>\$ 37,160,133</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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Revenues:					
Property taxes	\$ 14,477,065	\$ 14,166,836	\$ 13,263,389	\$ 14,715,416	\$ 12,801,299
Sales taxes	11,692,157	10,448,709	9,496,645	8,791,279	8,684,810
Franchise taxes	1,238,325	1,300,307	911,356	362,791	344,151
Licenses, fees & permits	2,535,211	1,590,827	1,123,534	807,472	713,154
Intergovernmental revenues	21,454,086	22,872,558	20,823,538	19,152,579	19,503,258
Impact fees	5,530,530	2,535,080	1,772,314	1,389,203	1,435,999
Charges for services	2,410,795	2,377,444	2,161,808	2,083,965	1,431,663
Fines, forfeitures, & penalties	583,454	524,546	563,453	628,782	132,792
Investment income (loss)	349,508	438,141	771,820	446,606	472,562
Miscellaneous	584,546	194,006	761,000	182,262	151,353
Total revenues	<u>\$ 60,855,677</u>	<u>\$ 56,448,454</u>	<u>\$ 51,648,857</u>	<u>\$ 48,560,355</u>	<u>\$ 45,671,042</u>
Expenditures:					
Current -					
General government	\$ 7,452,335	\$ 13,022,970	\$ 6,855,078	\$ 6,324,669	\$ 8,041,470
Public safety	21,935,683	20,159,339	19,533,793	18,482,520	16,942,419
Community services	6,612,289	5,998,105	6,417,639	5,480,545	4,046,178
Development services	1,939,499	1,675,952	1,682,110	1,743,644	1,484,967
Public works	3,081,856	2,789,293	2,681,965	2,581,188	2,414,910
Capital outlay	4,674,651	20,011,487	16,339,908	8,955,004	29,134,244
Debt service -					
Principal retirement	1,735,000	1,685,000	1,645,000	1,610,000	3,075,581
Interest and fiscal charges	1,957,735	2,029,060	2,087,755	2,140,960	2,248,665
Total expenditures	<u>\$ 49,389,048</u>	<u>\$ 67,371,206</u>	<u>\$ 57,243,248</u>	<u>\$ 47,318,530</u>	<u>\$ 67,388,434</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 11,466,629</u>	<u>\$ (10,922,752)</u>	<u>\$ (5,594,391)</u>	<u>\$ 1,241,825</u>	<u>\$ (21,717,392)</u>
Expenditures for capitalized assets	\$ 3,124,891	\$ 9,598,926	\$ 11,390,120	\$ 7,431,302	\$ 25,884,678
Debt service as a percentage of noncapital expenditures	8%	6%	8%	9%	13%

(Continued)

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Revenues:					
Property taxes	\$ 10,539,547	\$ 10,826,301	\$ 11,299,263	\$ 9,201,246	\$ 7,936,092
Sales taxes	7,942,569	7,601,624	7,454,918	6,649,744	10,230,103
Franchise taxes	309,744	285,739	315,240	494,091	536,966
Licenses, fees & permits	771,911	480,342	320,909	748,539	866,940
Intergovernmental revenues	15,362,298	14,610,218	10,403,335	8,619,173	10,991,426
Impact fees	1,785,770				
Charges for services	580,461	521,229	544,625	675,406	1,023,168
Fines, forfeitures, & penalties	271,537	431,180	470,509	506,664	518,712
Investment income (loss)	171,708	112,707	667,555	265,485	(378,160)
Miscellaneous	1,533,934	1,686,749	312,853	1,664,621	4,410,405
Total revenues	<u>\$ 39,269,479</u>	<u>\$ 36,556,089</u>	<u>\$ 31,789,207</u>	<u>\$ 28,824,969</u>	<u>\$ 36,135,652</u>
Expenditures:					
Current -					
General government	\$ 5,990,510	\$ 8,502,107	\$ 8,031,875	\$ 7,595,728	\$ 8,589,886
Public safety	15,772,942	14,832,455	13,999,701	13,588,093	14,008,800
Culture and recreation	1,950,582	1,929,898	2,509,541	1,081,819	1,360,816
Development services	3,739,271	6,098,044	6,049,216	3,517,309	2,970,533
Capital outlay	44,105,545	6,138,326	8,966,722	11,168,632	14,752,588
Debt service -					
Principal retirement	847,017	1,016,198	1,271,520	139,918	133,017
Interest and fiscal charges	1,005,352	1,053,211	1,532,108	57,445	64,346
Bond issuance costs	633,340			307,182	
Total expenditures	<u>\$ 74,044,559</u>	<u>\$ 39,570,239</u>	<u>\$ 42,360,683</u>	<u>\$ 37,456,126</u>	<u>\$ 41,879,986</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (34,775,080)</u>	<u>\$ (3,014,150)</u>	<u>\$ (10,571,476)</u>	<u>\$ (8,631,157)</u>	<u>\$ (5,744,334)</u>
Expenditures for capitalized assets	\$ 43,020,602	\$ 7,031,001	\$ 7,209,712	\$ 9,375,099	\$ 12,177,408
Debt service as a percentage of noncapital expenditures	8%	6%	8%	2%	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.

(Concluded)

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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Excess (deficiency) of revenues over expenditures	\$ 11,466,629	\$ (10,922,752)	\$ (5,594,391)	\$ 1,241,825	\$ (21,717,392)
Other financing sources (uses):					
Proceeds from sale of assets		1,713,798			
Transfers in	5,392,700	1,400,000	1,250,000	1,250,000	1,370,000
Transfers out	(5,392,700)	(1,400,000)	(1,250,000)	(1,250,000)	(1,370,000)
Total other financing sources (uses)	1,713,798	1,713,798			
Changes in fund balances	\$ 11,466,629	\$ (9,208,954)	\$ (5,594,391)	\$ 1,241,825	\$ (21,717,392)
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Excess (deficiency) of revenues over expenditures	\$ (34,775,080)	\$ (3,014,150)	\$ (10,571,476)	\$ (8,631,157)	\$ (5,744,334)
Other financing sources (uses):					
General obligation bonds issued	31,605,000			20,000,000	
Premium on sale of bonds	825,551			100,519	
Proceeds from sale of assets		211,200	438,460		
Transfers in	175,000	37,135,270			
Transfers out	(175,000)	(37,135,270)			
Total other financing sources (uses)	32,430,551	211,200	438,460		
Changes in fund balances	\$ (2,344,529)	\$ (2,802,950)	\$ (10,133,016)	\$ 11,469,362	\$ (5,744,334)

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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Mining	\$	\$ 1,407	\$ 3,682	\$ 4,063	\$ 3,593	\$ 4,252	\$ 1,619	\$ 1,947	\$ 3,893	\$ 3,070
Communication & Utilities	1,548,521	891,299	806,381	782,086	687,634	636,967	575,882	575,198	540,097	414,839
Transportation	90	12,842	1,237	9,144	7,072	8,462	6,326	5,925	9,395	5,272
Construction	2,799,001	2,031,485	1,836,350	1,218,034	2,548,343	2,325,823	1,535,980	1,802,458	1,357,920	5,492,829
Manufacturing	252,000	227,132	295,396	249,704	418,849	289,320	274,016	257,176	234,542	308,076
Wholesale	462,111	418,910	333,196	140,074	109,573	114,764	93,496	189,691	326,914	108,875
Retail	4,863,178	5,464,752	5,024,692	5,365,175	4,138,543	3,834,681	3,774,442	3,446,044	3,145,911	2,806,983
Financial and Insurance	49,000	55,016	37,546	38,910	36,622	30,233	28,471	32,286	30,353	18,001
Real Estate Rental	876,937	1,109,644	906,153	822,946	643,650	502,888	538,287	496,443	470,484	524,427
Restaurant & Bar	938,719	685,621	569,308	556,636	482,155	429,359	380,961	357,595	381,273	369,659
Accommodation	4,697	1,091	191	19	6	9	6	806	8,423	14,008
Public Administration	6,078	1,160	848	669	481	845	1,165	(2,813)	3,240	266
Services	38,909	224,269	251,715	227,859	216,020	272,749	177,935	150,913	95,398	108,262
Arts & Entertainment	19,190	11,581	4,355	1,273	3,813	21,019	47,440	22,341	510	40,640
Other	34,925	102,707	72,463	66,420	46,494	50,400	57,419	151,517	225,795	319,141
Total	<u>\$ 11,893,356</u>	<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>
City's direct sales tax rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
City's construction sales tax rate	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%

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

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

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

Fiscal Year	City's Direct Rate	City's Construction Sales Tax Rate	Arizona Rate	County Rate
2018	2.00%	3.50%	5.60%	1.60%
2017	2.00%	3.50%	5.60%	1.10%
2016	2.00%	3.50%	5.60%	1.10%
2015	2.00%	3.50%	5.60%	1.10%
2014	2.00%	3.50%	5.60%	1.10%
2013	2.00%	3.50%	5.60%	1.10%
2012	2.00%	3.50%	6.60%	1.10%
2011	2.00%	3.50%	6.60%	1.10%
2010	2.00%	3.50%	6.60%	1.10%
2009	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>
2018	\$ 11,692,157	11.90 %	\$ 14,477,065	2.19 %	\$ 1,238,325	(4.77) %	\$ 27,407,547	5.76 %
2017	10,448,709	10.03	14,166,836	7.18	1,300,307	42.68	25,915,852	9.69
2016	9,496,645	8.02	13,217,792	(10.18)	911,356	151.21	23,625,793	(1.02)
2015	8,791,279	1.23	14,715,416	14.95	362,791	5.42	23,869,486	9.34
2014	8,684,810	9.35	12,801,300	21.46	344,151	11.11	21,830,261	16.17
2013	7,942,569	4.49	10,539,547	(2.45)	309,744	8.40	18,791,860	0.54
2012	7,601,624	1.97	10,804,339	(4.38)	285,739	(9.41)	18,691,702	(1.98)
2011	7,454,918	12.11	11,299,263	22.80	315,420	(36.16)	19,069,601	16.67
2010	6,649,744	(35.00)	9,201,246	15.94	494,091	(7.98)	16,345,081	(12.61)
2009	10,230,103	(43.61)	7,936,092	43.06	536,966	(29.20)	18,703,161	(23.50)

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>2018</u>		<u>2009</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	\$ 5,393,283	2.20 %	\$ 2,311,540	0.96 %
Santa Cruz Water Company LLC	4,387,832	1.79	3,626,040	1.50
Wal-Mart Stores Inc	2,535,366	1.04		
Volkswagen of America DBA Vorelco Inc	1,974,940	0.81	2,302,677	0.95
SM Fiesta LLC	1,556,263	0.64	1,997,205	0.83
Pinal Energy LLC	1,294,752	0.53	2,945,168	1.22
Smiths Food & Drug Centers Inc	1,177,664	0.48	1,169,898	0.48
Maricopa Groves Self Storage LLC	854,264	0.35	697,840	0.29
Orbitel Communications	821,428	0.34	588,055	0.24
Eagle Shadow LLC	798,754	0.33		
Meritage Homes of Arizona Inc	794,505	0.32	451,361	0.19
Fulton Homes Corporation	696,386	0.28	775,858	0.32
CC Fund II Maricopa LLC	670,684	0.27	989,665	0.41
TAH 2015-1 Borrower LLC	617,778	0.25	813,774	0.34
JNAN LLC	615,417	0.25	729,920	0.30
DR Horton Inc-Dietz-Crane	568,681	0.23	545,532	0.23
Arizona Public Service Co	566,991	0.23	416,190	0.17
Total	<u>\$ 25,324,988</u>	<u>10.35 %</u>	<u>\$ 20,360,723</u>	<u>8.42 %</u>
City's Total Assessed Valuation	<u>\$ 244,623,792</u>		<u>\$ 241,850,537</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
2018	\$ 14,118,138	\$ 13,945,182	98.77 %	N/A	\$ 13,945,182	98.77 %
2017	14,154,974	13,928,821	98.40	222,820	14,151,641	99.98
2016	13,416,645	13,169,295	98.16	242,593	13,411,888	99.96
2015	14,559,339	14,299,954	98.22	252,811	14,552,766	99.95
2014	12,422,911	12,196,814	98.18	220,268	12,417,082	99.95
2013	10,962,174	10,255,746	93.56	699,879	10,955,625	99.94
2012	10,790,693	10,390,225	96.29	387,206	10,777,431	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

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	
2018	L	\$ 232,901,620	\$ 2,297,326,157	\$ 11,722,172	\$ 68,148,403	\$ 244,623,792	\$ 2,365,474,560	4.7845	10.34
	FC	303,795,843	2,990,546,257	11,722,311	68,149,168	315,518,154	3,058,695,425	1.4005	10.32
2017	L	219,051,286	2,153,370,572	10,800,644	63,229,051	229,851,930	2,216,599,623	4.7845	10.37
	FC	297,310,225	2,922,164,006	10,800,739	63,229,564	308,110,964	2,985,393,570	1.6973	10.32
2016	L	208,852,365	2,013,631,300	11,075,593	62,880,618	219,927,958	2,076,511,918	4.9842	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

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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commerical, Industrial, Utilities and Mining	\$ 32,758,823	\$ 31,799,389	\$ 31,697,664	\$ 30,378,316	\$ 36,327,177
Agricultural and Vacant	23,302,844	22,478,502	22,572,471	20,017,664	20,869,614
Residential (Owner Occupied)	163,479,410	163,242,041	150,631,971	111,122,863	106,613,297
Residential (Rental)	94,403,890	89,160,259	90,968,576	47,611,420	35,465,042
Railroad, Private Cars and Airlines	610,671	474,730	452,015	459,982	357,809
Historical Property	960,516	954,015	297,533	286,425	
Certain Government Property Improvements	<u>2,000</u>	<u>2,028</u>	<u>2,171</u>		
Total	<u>\$ 315,518,154</u>	<u>\$ 308,110,964</u>	<u>\$ 296,622,401</u>	<u>\$ 209,876,670</u>	<u>\$ 199,632,939</u>
Gross Full Cash Value	\$ 3,058,695,425	\$ 2,985,393,570	\$ 2,832,372,199	\$ 1,955,481,136	\$ 1,811,911,419
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10.32%	10.32%	10.47%	10.73%	11.02%
Estimated Net Full Cash Value	3,058,695,425	2,833,253,754	2,695,846,008	1,850,013,972	1,712,470,381
Total Direct Rate	6.19	6.48	7.34	6.85	5.57

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Commerical, Industrial, Utilities and Mining	\$ 38,276,239	\$ 33,707,267	\$ 30,561,149	\$ 27,564,929	\$ 19,096,632
Agricultural and Vacant	21,101,890	22,678,364	26,257,892	53,766,153	51,996,895
Residential (Owner Occupied)	126,378,346	140,018,199	174,466,540	254,280,286	239,519,743
Residential (Rental)	21,909,363	13,401,078	16,078,841	19,764,574	16,647,581
Railroad, Private Cars and Airlines	187,724	159,615			252,481
Historical Property		10,275,135	12,422,213	717,465	195,661
Certain Government Property Improvements					
Total	<u>\$ 207,853,562</u>	<u>\$ 220,239,658</u>	<u>\$ 259,786,635</u>	<u>\$ 356,093,407</u>	<u>\$ 327,708,993</u>
Gross Full Cash Value	\$ 1,869,964,570	\$ 1,958,703,545	\$ 2,311,499,618	\$ 3,242,443,844	\$ 2,996,553,713
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11.12%	11.24%	11.24%	10.98%	10.94%
Estimated Net Full Cash Value	1,783,692,036	1,875,480,053	2,260,115,493	3,188,801,109	2,960,916,160
Total Direct Rate	5.46	5.46	4.57	2.89	3.23

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

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

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commercial, Industrial, Utilities and Mining	10 %	10 %	14 %	14 %	18 %
Agricultural and Vacant	7	7	10	10	14
Residential (Owner Occupied)	53	54	53	53	58
Residential (Rental)	30	29	23	23	10
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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Commerical, Industrial, Utilities and Mining	18 %	15 %	12 %	8 %	6 %
Agricultural and Vacant	10	10	10	15	16
Residential (Owner Occupied)	61	64	67	71	73
Residential (Rental)	11	6	6	6	5
Historical Property		5	5	4	
Total	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>104 %</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
2018	\$ 40,373,237	\$ 834,960	\$ 39,538,277	1.29 %	\$ 824	\$	\$ 39,538,277	1.29 %	\$ 824	3.14 %
2017	42,150,788	769,129	41,381,659	1.39	867		41,381,659	1.39	867	3.54
2016	43,878,339	157,168	43,721,171	1.54	904		43,721,171	1.54	904	3.88
2015	45,565,890		45,565,890	2.33	976		45,565,890	2.33	976	4.44
2014	47,218,441		47,218,441	2.61	1,011		47,218,441	2.61	1,011	5.62
2013	51,035,992		51,035,992	2.73	1,135	75,581	51,111,573	2.73	1,137	5.15
2012	19,360,467		19,360,467	0.99	422	147,598	19,508,065	1.00	425	2.06
2011	20,095,493		20,095,493	0.87	452	413,796	20,509,289	0.89	461	2.20
2010	20,100,519		20,100,519	0.62	462	955,316	21,055,835	0.65	484	2.43
2009						1,095,234	1,095,234	0.04	28	0.13

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

**CITY OF MARICOPA, ARIZONA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2018**

<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	\$ 155,410,000	10.3 %	\$ 16,007,230
Community College District	114,019,602	10.3	11,744,019
Maricopa Unified School District	33,835,000	100.0	33,835,000
Subtotal, Overlapping Debt			<u>61,586,249</u>
Direct:			
The City of Maricopa	40,373,237	100.0	<u>40,373,237</u>
Total Direct and Overlapping Debt			<u><u>\$ 101,959,486</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, 2017 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 2018:

20% Limitation		6% Limitation	
Net full cash assessed valuation	\$ 315,518,154	Net full cash assessed valuation	\$ 315,518,154
Debt limit	63,103,631	Debt limit	18,931,089
Debt applicable to limit	31,959,491	Debt applicable to limit	7,715,509
Legal 20% debt margin	\$ 31,144,140	Legal 6% debt margin	\$ 11,215,580

	Fiscal Year Ended June 30					
	2018	2017	2016	2015	2014	2013
20% Limitation:						
Debt limit	\$ 63,103,631	\$ 61,622,193	\$ 59,324,480	\$ 41,975,334	\$ 39,926,588	\$ 41,570,712
Total net debt applicable to limit	31,959,491	33,464,482	34,926,278	36,949,078	37,745,000	41,520,000
Legal 20% debt margin	\$ 31,144,140	\$ 28,157,711	\$ 24,398,202	\$ 5,026,256	\$ 2,181,588	\$ 50,712
Total net debt applicable to the 20% limit as a percentage of 20% debt limit	51%	54%	59%	88%	95%	100%
6% Limitation:						
Total Debt limit	\$ 18,931,089	\$ 18,486,658	\$ 17,797,344	\$ 12,592,600	\$ 11,977,976	\$ 12,471,214
Total net debt applicable to limit	7,715,509	7,945,518	7,790,922	7,790,922	8,605,000	8,605,000
Legal 6% debt margin	\$ 11,215,580	\$ 10,541,140	\$ 10,006,422	\$ 4,801,678	\$ 3,372,976	\$ 3,866,214
Total net debt applicable to the 6% limit as a percentage of 6% debt limit	41%	43%	44%	62%	72%	69%

(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>
2017	430,237	\$ 12,609,714	\$ 29,309	5.0 %	48,007
2016	418,540	11,689,781	27,930	5.5	47,746
2015	406,584	11,255,255	27,682	6.4	48,374
2014	402,000	10,255,422	25,511	6.0	46,708
2013	401,918	8,404,105	20,910	6.0	46,708
2012	389,350	9,932,708	25,511	8.0	44,946
2011	389,192	9,452,306	24,287	8.9	45,882
2010	384,231	9,331,818	24,287	10.3	44,450
2009	375,770	8,665,256	23,060	12.0	43,482
2008	356,303	8,631,440	24,225	11.4	39,429

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 2008 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2016 the source of the information is the Arizona Office of Employment and Population Statistics. For 2017 the source of the information is the U.S. Bureau of Labor Statistics and the U.S. Census Bureau.

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

Employer	2018			2009		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Harrah's Ak-Chin Casino Resort*	800	1	12.52 %	600	1	11.09 %
City of Maricopa	330	2	5.16	210	5	3.88
Walmart	250	3	3.91	220	4	4.07
Volkswagen Proving Grounds	200	4	3.13	150	7	2.77
Pinal County Community College District	198	5	3.10			
Maricopa Unified School District	160	6	2.50	475	2	8.78
Gila River Indian Community	120	7	1.88			
Fry's Food Stores	112	8	1.75	280	3	5.18
Mobile-Mini, Inc	100	9	1.56			
Ak-Chin Indian Community	100	10	1.56			
Ak-Chin Farms				200	6	3.70
Bashas'				146	8	2.70
Pinal Feeding Co. Inc.				100	9	1.85
Duke At Rancho El Dorado				75	10	1.39
Total	<u>2,370</u>		<u>37.07 %</u>	<u>2,456</u>		<u>45.41 %</u>
Total employment	<u>6,392</u>			<u>5,410</u>		

Source: The source of the 2018 information is the City of Maricopa's Planning and Zoning Department. The 2009 information is not available, therefore the information from the InfoUSA.com database in 2010 is presented.

**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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Government					
Court	1.0	1.0	1.0	1.0	3.0
Mayor and Council	8.0	8.0	8.0	8.0	8.0
City Manager	4.0	4.0	4.0	4.0	6.0
Information Technology	5.0	4.0	4.0	4.0	4.0
Marketing & Communication	0.0	1.0	1.0	1.0	0.0
City Clerk	5.0	4.0	4.0	4.0	5.0
Finance	10.0	8.0	9.0	9.0	9.0
Support Services Administration	0.0	0.0	0.0	0.0	0.0
Human Resources	3.5	3.5	4.5	4.5	3.0
Planning	3.0	3.0	3.0	3.0	3.0
Development Services	1.50	2.00	1.90	1.50	3.75
Building Safety	10.5	7.5	7.0	7.0	6.0
Code Enforcement	1.0	1.0	1.0	1.0	1.0
Facilities Management	2.0	2.0	2.0	2.0	2.0
Fleet Management	1.5	1.5	1.0	1.0	1.0
Public Works Administration	8.0	5.0	2.0	0.0	0.0
Police	78.8	87.5	89.5	86.9	64.0
Fire	66.4	63.0	64.0	64.0	63.0
Engineering	2.0	3.0	2.0	2.0	2.0
Transportation	1.2	1.0	0.6	0.6	1.0
Community Services Administration	4.0	4.0	3.0	3.0	2.0
Recreation/Copper Sky Recreation Center	72.0	62.5	66.5	66.5	3.0
Park Maintenance	19.0	18.0	3.0	3.0	1.0
Libraries	10.0	10.0	8.5	8.5	8.0
Economic Development	3.0	3.0	3.0	3.0	3.0
HURF/Public Works	12.50	11.00	25.10	14.50	10.3
Total	<u>332.9</u>	<u>318.5</u>	<u>318.6</u>	<u>303.0</u>	<u>212.0</u>

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General Government					
Court	3.0	5.0	4.5	4.5	4.5
Mayor and Council	8.0	8.0	7.0	7.0	7.0
City Manager	4.0	4.0	5.5	7.5	5.5
Information Technology	4.0	4.0	4.0	4.0	6.0
Marketing & Communication	0.0	0.0	0.0	0.0	1.0
City Clerk	5.0	5.0	5.0	5.0	6.0
Finance	10.0	10.0	10.5	10.5	9.5
Support Services Administration	0.0	0.0	0.0	2.0	0.0
Human Resources	3.0	3.0	3.0	1.0	3.0
Planning	2.0	2.0	3.0	3.0	5.0
Development Services	3.8	2.8	3.0	4.0	0.0
Building Safety	6.0	7.0	7.0	7.0	14.0
Code Enforcement	2.0	0.0	1.0	1.0	1.0
Facilities Management	2.0	2.0	2.5	2.0	2.0
Fleet Management	1.0	1.0	1.0	1.0	0.0
Public Works Administration	0.0	0.0	0.0	2.0	0.0
Police	66.0	68.0	62.0	63.0	67.5
Fire	63.0	63.0	63.0	66.0	66.5
Engineering	1.5	1.5	3.0	3.0	4.0
Transportation	1.5	1.5	4.0	2.0	2.0
Community Services Administration	2.0	2.0	2.0	2.0	0.0
Recreation	3.0	3.0	3.0	4.0	7.0
Park Maintenance	1.0	2.0	3.0	2.0	0.0
Libraries	8.0	7.0	7.0	7.0	4.0
Economic Development	5.0	5.0	3.0	1.0	1.0
HURF/Public Works	9.3	9.2	8.0	8.0	8.0
Total	<u><u>214.0</u></u>	<u><u>216.0</u></u>	<u><u>215.0</u></u>	<u><u>219.5</u></u>	<u><u>224.5</u></u>

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

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

	Fiscal Year Ended June 30									
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>Function/Program</u>										
General Government										
Number of general government buildings	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police										
Number of police stations	2	2	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	4	3	2	2	1	1
Number of acres of parks	127	127	127	127	127	29	28	28	28	18
Public Works										
Number of public works buildings	1	1	1	1	1	1	1	1	1	1
Miles of streets	541	541	532	532	532	532	*	*	*	*
Number of street lights	16	16	15	15	15	12	10	8	4	3

Source: Various city departments
*Information is unavailable

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

Function/Program	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Public Safety										
Police										
Number of police personnel and officers:	89	90	90	75	72	66	66	63	66	69
Number of arrests	2,033	2,116	2,149	2,209	2,171	2,235	1,650	1,408	1,594	1,778
Number of traffic violations	1,821	4,038	3,671	3,649	2,801	3,504	3,055	4,468	3,581	4,266
Number of parking violations	2	9	416	179	244	28	21	16	6	2
Fire										
Number of fire personnel and firefighters	69	64	61	61	63	63	63	63	66	67
Number of emergency calls	4,099	5,002	4,472	3,773	3,368	3,302	3,074	3,056	3,034	2,900
Number of fire calls	494	497	458	450	410	435	375	438	378	389
Number of inspections	350	420	215	170	120	279	570	666	595	628
Development Services										
Number of building-single family residential permits issued	1,059	600	527	299	321	419	225	111	382	402
Number of building-non-residential permits issued	83	2	25	40	22	44	35	72	44	92
Number of demolition permits issued	21		2	4	3	3	9	13	4	5
Number of pool permits issued	181	141	146	172	184	148	164	128	139	120
Number of solar permits issued	63	176	118	724	195	44	24	15	33	0
Number of sign permits issued	40	11	26	50	52	71	46	33	21	40
Community Services										
Recreation										
Number of facility and park reservations processed	5,090	5,422	6,172	6,000	584	600	634	395	0	0
Number of programs	556	593	584	650	562	357	357	330	335	335
Library										
Number of materials in inventory	51,000	47,558	47,214	44,000	42,148	32,060	27,515	23,071	20,062	18,239

Source: Various city departments.

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Henry M. Wade
Vice Mayor

Marvin L. Brown
Councilmember

Julia R. Gusse
Councilmember

Vincent Manfredi
Councilmember

Nancy Smith
Councilmember

Rich Vitello
Councilmember

Ricky A. Horst
City Manager

Jennifer Brown
Director of Administrative Services

39700 West Civic Center Plaza
Maricopa, AZ 85138

