



CITY OF  
**MARICOPA**<sup>®</sup>  
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# DESTINATION MARICOPA

Comprehensive Annual Financial Report  
for the year ended June 30, 2020



**CITY OF MARICOPA, ARIZONA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Issued by:  
Financial Services Department

**CITY OF MARICOPA, ARIZONA**

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## **INTRODUCTORY SECTION**

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January 28, 2021

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 nine 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, 2020.

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, 2020. 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, 2020, 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, 2020, 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 894% 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 57,765. The City of Maricopa is empowered to levy a property tax on real and personal property located within its boundaries. It is empowered by state statute to extend its corporate limits by annexation.

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

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

## ***Economic Condition***

Since the 2010 U.S. Census, the City of Maricopa has grown from 43,490 people to a 2020 estimated population of 57,765. People from all over the Greater Phoenix area continue to choose living in Maricopa because of its lower housing cost and great quality of life. Over half of the households in Maricopa earn between \$50,000 - \$149,999 per year, with an average household income as of 2019 of \$83,726, which is significantly higher than the Phoenix-Mesa-Scottsdale, AZ Metropolitan Statistical Area.

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

Bashas', Fry's Marketplace, and Super Walmart anchor three significant existing retail centers located in Maricopa. Additional development projects are bringing new shopping and dining options to Maricopa. The most recently developed Edison Pointe Shopping Center located on a 15-acre site includes a 120,000 square foot multitenant shops building. Plans for the new Sonoran Creek development opportunity, anchored by Sprouts Farmers Market, will offer more than 85,000 square feet of retail space and 7 acres of development.

The attraction of healthcare services to the community has been a strong focus for the City of Maricopa since its inception. Banner Health Center's 40,000 square foot center provides the City with primary and specialty medical care services with plans to expand the facility and its services as local demand requires. Dignity Health has both a Family Medicine Group in Maricopa and an Urgent Care. The City is focused on bringing a community hospital to fruition in the near future.

The current Maricopa housing market mirrors that of similar communities in the Phoenix Metro region. While new home building in Maricopa slowed after the boom of 2006-2007, trends have remained consistent with the rest of the Phoenix market. Steady growth is projected for 2020-2021 and beyond. In addition, Maricopa's homes continue to sell faster than the average Valley rate and housing values are swinging upward as well. The housing vacancy rate has continued to fall and was less than 1.5% by the end of the fiscal year.

Fiscal year 2019-2020 presented a remarkably complex economic condition with the emergence of COVID-19. Maricopa, unlike many of the cities in the news, does not have the same level of reliance on sales taxes to pay, for our day-to-day operations. As a start-up City, we do not depend on sales tax generation from non-essential services. We do not have sports and entertainment venues; car, boat and RV sales; furniture sales; large shopping centers, malls, etc. Most of our retail venues primarily offer essential services. While Maricopa will feel the impact from state reductions, the anticipated fiscal impact on Maricopa will be moderate. Throughout the balance of this fiscal year and well into next fiscal year, we will adjust our revenue forecast and analyze new information as it becomes available.

### ***Major Initiatives***

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

**Quality Growth and Development** – Maricopa will offer a carefully planned and well-designed community utilizing Smart Cities initiatives. The City will be amenity driven, with balanced development, well planned transportation and will foster environmental stewardship. Fiscal year 2020 saw the beginning of construction on the City's new library, with project completion expected in spring 2021. The City has also rezoned parcels that will bring multiple multi-family housing developments that will help diversify and expand the City's economic base.

**Economic Development** – Maricopa will continue to be an economically prosperous, dynamic and sustainable community offering government structure that is welcoming and supportive of business and employment growth. 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: Agritechnology, Agribusiness, Healthcare, Professional Services, Retail, and Small Business. The City's sale of two acres at the Copper Sky Commercial Complex to La Quinta will bring the City's first hotel to reality in 2021.

In 2020 the City began a program known as the Land Acquisition Enhancement Program. This program is focused on the conversion of vacant, abandoned, and tax delinquent properties as well as problem properties as they destabilize neighborhoods, create fire and safety hazards, drive down property values, and drain local tax dollars. The Land Acquisition Enhancement Program is a direct response created to strategically acquire problem properties and convert these liabilities into assets. In short, the program will allow the City to acquire and maintain problem properties and then transfer (sale) them back to responsible ownership and productive use in accordance with local land use goals and priorities, creating a more efficient and effective system to eliminate blight and create possible in-fill development. As properties are bought and then sold, sale proceeds will be placed back into this program for future acquisitions that meet the intent of this program.

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. The Fire Administration and Public Services Fleet Maintenance facility have opened on two acres at the south end of the site.

The City is currently developing innovative concepts on multiple ambitious economic projects, including the revitalization of the Heritage District and re-imagining our Copper Sky jewel into a commercial, mixed-use development. This public-private partnership offers 18.3 acres available for commercial development adjacent to SR 347 and La Quinta – offering a wide array of creative opportunities for the City to enjoy.

**Community Resource and Quality of Life Amenities** – Maricopa will maintain a community where its residents can gain a true hometown feel; where citizens can work and play together and share experiences unique to the City. 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** – Maricopa will provide a safe and livable community in which citizen involvement supports and upholds the value of being safe and secure in one's own community. Delivering on its commitment to providing a safe and livable community to its residents the City replaced and upgraded park lighting in most of the City parks. Public Services Department has also completed work on various sections of roadway within City limits. Police Department replaced seven (7) vehicles in its fleet, and the Fire Department is poised to add one (1) new fire truck to its fleet.

**Community Pride, Spirit and Relationships** – Maricopa will work to highlight and enhance its amenities as a City to promote a positive and professional image, and foster regional relationships. Annually, Maricopa is host to four major events each attended by thousands of people: Copa Glow, Maricopa Salsa Festival, Great American 4th, and Merry Copa Holiday Festival. These events draw in residents and participants from nearby cities building community pride and spirit.

### ***Relevant Financial Policies***

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

***Operating Reserves:***

The City of Maricopa will maintain an operating reserve at a level equal to 30% of the General Fund budgeted expenditures. Any funds in excess of this maximum will be available for capital projects and/or “one time only” General Fund expenditures as approved by the City Council. As a result of City Council action, the City Manager or his/her designee is authorized and empowered to assign fund balance to a specific purpose in accordance with, and in relation to City budget and financial policies.

***General Fund Disaster Contingency Reserve:***

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

***Self-Insured Losses Reserve:***

After calculating the 30% General Fund operating reserve and before the assignment of general fund balance, the City of Maricopa will assign and maintain a self-insured losses reserve equal to \$1.0 million. These reserved dollars will be used for losses not covered under existing insurance programs.

**Long-Term Financial Planning**

Over the years the City has operated with a fund balance well above the national average. The unrestricted fund balance is estimated at \$58.9 million at June 30, 2020 or 106% of estimated General Fund expenditures for FY2021.

In FY20, the City took advantage of low interest rates and upgrades from all three bond rating agencies to close on a refunding of the voter approved general obligation bonds utilized to pay for the construction of Copper Sky. The refunding of the bonds resulted in interest savings of \$1.8 million dollars that will be passed onto residents via a reduction in the secondary tax rate.

The Comprehensive Financial Plan provides a ten-year perspective on the financial condition of the City’s General Fund and any other appropriated funds deemed necessary. The financial plan has as its base FY 2020 budget and provides 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 ten years and include forecasted fund balance information.

In the last five years the City has operated with a healthy general fund balance that has allowed the City to directly fund major capital projects without funding from external sources.

## AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended June 30, 2019. 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, 2020 certificate.

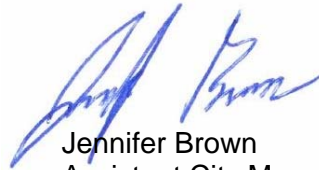
The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Financial Services Division. Each member of the division has our sincere appreciation for the contributions made in the preparation of this report.

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  
Assistant City Manager



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Maricopa  
Arizona**

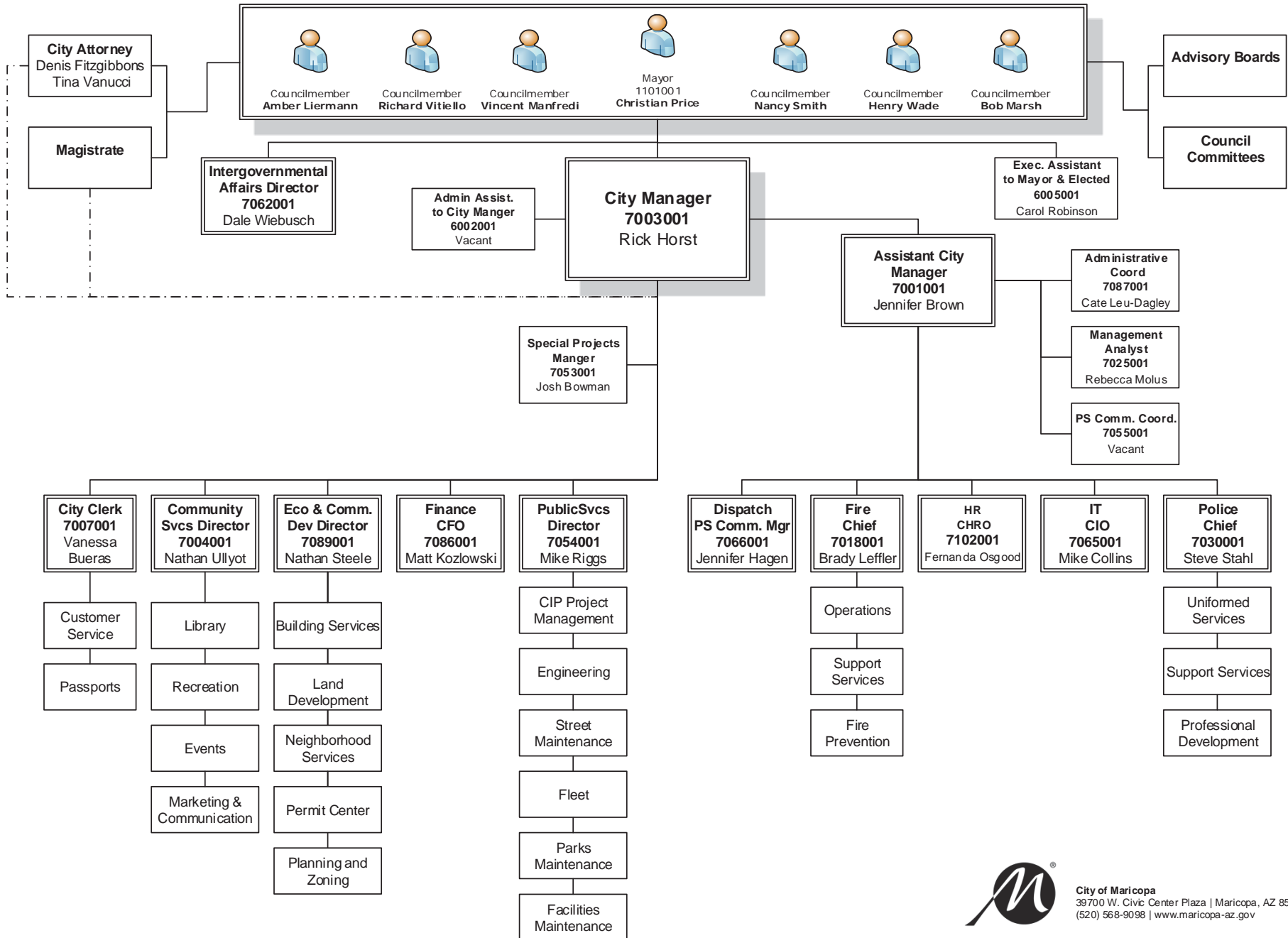
For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

FY 2020  
City of Maricopa Organization Chart





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

**ELECTED OFFICIALS**

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

**CITY STAFF**

City Manager	Rick Horst
Assistant City Manager	Jennifer Brown
City Clerk	Vanessa Bueras
Community Services Director	Nathan Ulliot
Development Services Director	Nathan Steele
Public Services Director	Mike Riggs
Fire Chief	Brady Leffler
Chief Human Resources Officer	Fernanda Osgood
Intergovernmental Affairs Director	Dale Wiebusch
Police Chief	Steve Stahl
Chief Financial Officer	Matt Kozlowski
Chief Information Officer	Michael Collins

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Maricopa, Arizona (City), as of and for the year ended June 30, 2020, 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, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

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

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2021, on our consideration of the City of Maricopa, Arizona's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Maricopa, Arizona's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Maricopa, Arizona's internal control over financial reporting and compliance.

*Heinfeld Meech & Co. PC*

Heinfeld, Meech & Co., P.C.

Tucson, Arizona

January 28, 2021

**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, 2020**

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, 2020. 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 2019-20 as follows:

- The City's total net position of governmental activities increased \$21.0 million to \$261.3 million representing a nine percent increase over the prior year primarily due to an increase in operating grants and sales taxes.
- General revenues from governmental activities accounted for \$57.2 million in revenue, or 68 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$27.3 million or 32 percent of total governmental activities revenues.
- The City had \$63.5 million in expenses related to governmental activities, an increase of seven percent from the prior fiscal year primarily due additional contributions to the PSPRS unfunded liability and public works projects.
- Among major funds, the General Fund had \$54.6 million in current fiscal year revenues, which primarily consisted of property tax, sales tax, and intergovernmental revenues, and \$37.9 million in expenditures. The General Fund's fund balance increase from \$43.6 million at the prior fiscal year end to \$58.9 million at the end of the current fiscal year was primarily due to an increase in sales taxes and decrease in expenditures for public safety from the AZ CARES grant funding allocation to assist with the financial impacts of COVID-19.
- The Grants Fund had \$7.6 million in revenues and expenditures of \$7.6 million. The Grants Fund's fund balance decreased from \$711,081 at the prior fiscal year end, to \$695,442 at the end of the current fiscal year.
- The Debt Service Fund had \$15.7 million in revenues and other financing sources. Fund expenditures and other financing uses totaled \$15.5 million resulting in an increase in fund balance from \$386,936 to \$607,886 at the end of the current fiscal year.
- The Transportation Impact Fee Fund had \$4.1 million in revenues. Fund expenditures totaled \$1.3 million resulting in an increase in fund balance from \$24.2 million to \$27.0 million due to fewer ongoing construction projects throughout the City.
- The Capital Grants Fund had \$4.4 million in revenues. Fund expenditures totaled \$4.2 million resulting in an increase in fund balance from \$272,537 to \$433,626 due to building a new Fire Administration building.

**CITY OF MARICOPA, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2020**

**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, 2020**

**OVERVIEW OF FINANCIAL STATEMENTS**

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

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Grants, Debt Service, Transportation Impact Fee, and Capital Grants 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 plan. The City adopts an annual expenditure budget for all governmental funds. A schedule of revenues, expenditures and changes in fund balances – budget and actual has been provided for the General Fund and a major Special Revenue Fund as required supplementary information. Schedules for the pension 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 \$261.3 million at the current fiscal year end.

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

**CITY OF MARICOPA, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2020**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following table presents a summary of the City's net position for the fiscal years ended June 30, 2020 and June 30, 2019.

	Governmental Activities	
	2020	2019
Current and other assets	\$ 115,035,912	\$ 95,547,258
Capital assets, net	209,485,014	203,289,325
Total assets	<u>324,520,926</u>	<u>298,836,583</u>
Deferred outflows	<u>8,743,268</u>	<u>6,571,454</u>
Current liabilities	7,171,478	3,744,837
Long-term liabilities	61,053,653	57,619,776
Total liabilities	<u>68,225,131</u>	<u>61,364,613</u>
Deferred inflows	<u>3,771,650</u>	<u>3,791,971</u>
Net investment in capital assets	169,738,519	164,748,639
Restricted	48,362,479	48,037,555
Unrestricted	43,166,415	27,465,259
Total net position	<u>\$ 261,267,413</u>	<u>\$ 240,251,453</u>

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

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

- The City acquired \$18.8 million in capital asset additions with an increase in accumulated depreciation of \$11.6 million from current year depreciation.
- Current and other assets increased \$19.5 million primarily due to AZ CARES funding and increases in sales taxes.
- The principal retirement of \$1.8 million of bonds and \$47,577 of bond premium.
- The issuance of \$12.2 million of refunding bonds and related payment of \$11.7 million of refunded bonds and bond premium.
- The issuance of \$3.6 million of capital leases and principal payment of \$114,216.

**CITY OF MARICOPA, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2020**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Changes in net position.** The City's total revenues for the current fiscal year were \$84.5 million. The total cost of all programs and services was \$63.5 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2020 and June 30, 2019.

	Governmental Activities	
	2020	2019
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 6,647,972	\$ 6,656,980
Operating grants and contributions	10,835,521	4,475,831
Capital grants and contributions	9,835,496	5,241,042
General revenues:		
Property taxes, levied for general purposes	12,910,208	11,845,356
Property taxes, levied for debt service	3,402,053	2,967,306
Sales taxes	17,745,381	14,161,420
Franchise taxes	1,281,198	1,221,114
Unrestricted grants, aid, and state shared revenues	18,964,162	18,059,723
Investment income	2,896,452	2,542,613
<b>Total revenues</b>	<b>84,518,443</b>	<b>67,171,385</b>
<b>Expenses:</b>		
General government	10,584,899	9,258,938
Public safety	25,905,921	26,178,738
Community services	7,039,922	8,801,087
Development services	2,960,766	2,316,181
Public works	15,608,748	11,056,216
Interest on long-term debt	1,402,227	1,837,467
<b>Total expenses</b>	<b>63,502,483</b>	<b>59,448,627</b>
<b>Changes in net position</b>	21,015,960	7,722,758
<b>Net position, beginning</b>	240,251,453	231,220,962
<b>Net effect of prior period adjustments</b>		1,307,733
<b>Net position, beginning, restated</b>	240,251,453	232,528,695
<b>Net position, ending</b>	<b>\$ 261,267,413</b>	<b>\$ 240,251,453</b>

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

- Operating grants and contributions increased \$6.4 million as a result of AZ CARES funding.
- Capital grants and contributions increased \$4.6 million as a result of State of Arizona capital grants for the Fire Administration Building project.
- Sales taxes increased \$3.6 million as a result of new businesses within City limits.
- Total public works expenses increased \$4.6 million due primarily to reallocating expenses from other departments and an increase in public works projects.

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, 2020**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

	<u>Year Ended June 30, 2020</u>		<u>Year Ended June 30, 2019</u>	
	<u>Total Expenses</u>	<u>Net (Expense)/ Revenue</u>	<u>Total Expenses</u>	<u>Net (Expense)/ Revenue</u>
General government	\$ 10,584,899	\$ (8,481,878)	\$ 9,258,938	\$ (7,667,445)
Public safety	25,905,921	(13,529,204)	26,178,738	(23,649,954)
Community services	7,039,922	(4,637,073)	8,801,087	(6,101,506)
Development services	2,960,766	1,366,693	2,316,181	1,368,257
Public works	15,608,748	(9,751,282)	11,056,216	(5,451,341)
Interest on long-term debt	1,402,227	(1,150,750)	1,837,467	(1,572,785)
<b>Total</b>	<b>\$ 63,502,483</b>	<b>\$ (36,183,494)</b>	<b>\$ 59,448,627</b>	<b>\$ (43,074,774)</b>

- The cost of all governmental activities this year was \$63.5 million.
- Federal and State grants and contributions and charges for services subsidized certain programs with grants and contributions and other local revenues of \$27.3 million.
- Net cost of governmental activities of \$36.2 million was financed by general revenues, which are made up of primarily property taxes of \$16.3 million, sales taxes of \$17.7 million, and state shared revenues of \$19.0 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 \$107.2 million, an increase of \$15.9 million due primarily to AZ CARES funding and increased sales taxes.

The General Fund is the principal operating fund of the City. The increase in fund balance of \$15.3 million to \$58.9 million as of fiscal year end was a result of an allocation of public safety expenditures to the AZ CARES grant funding and increased sales taxes.

General Fund revenues increased \$6.0 million as a result of increased sales taxes, property taxes, and intergovernmental revenues. General Fund expenditures decreased \$1.9 million as a result of an allocation of public safety expenditures to the AZ CARES grant funding.



**CITY OF MARICOPA, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2020**

**BUDGETARY HIGHLIGHTS**

Over the course of the year, the City revised the General Fund annual expenditure budget. The difference between the original budget and the final amended budget was a \$5.5 million decrease or 11 percent primarily due to AZ CARES funding.

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 \$4.9 million in total was a result of additional monitoring of expenditures and increased budgetary review.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** At year end, the City had invested \$318.2 million in capital assets, including buildings, facilities, vehicles, computers, equipment, and infrastructure assets. This amount represents a net increase prior to depreciation of \$17.7 million from the prior fiscal year, primarily due to purchase of land, various buildings and improvement projects, and 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, 2020 and June 30, 2019.

<u><b>Governmental Activities</b></u>	As of <u>June 30, 2020</u>	As of <u>June 30, 2019</u>
Land	\$ 89,579,131	\$ 86,636,063
Water rights	1,052,125	963,255
Infrastructure	96,935,884	95,166,871
Buildings and improvements	96,559,702	87,654,491
Vehicles, machinery and equipment	26,920,886	26,029,989
Construction in progress	7,184,101	4,034,946
Less: Accumulated depreciation	<u>(108,746,815)</u>	<u>(97,196,290)</u>
<b>Total</b>	<u><u>\$ 209,485,014</u></u>	<u><u>\$ 203,289,325</u></u>

The estimated cost to complete current construction projects is \$14.5 million.

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

**CITY OF MARICOPA, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2020**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Debt Administration.** At year end, the City had \$40.6 million in long-term debt outstanding, \$3.1 million due within one year. Long-term debt increased by \$2.1 million.

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 \$72.3 million, of which \$29.4 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 \$21.7 million, of which \$6.6 million is issued and outstanding.

Additional information on the City's long-term debt can be found in Notes 7 through 9.

**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 2020-21. The most significant factors affecting the subsequent year's budget are:

- **COVID-19 uncertainties and budgetary impacts** - While Maricopa will feel the impact from state reductions, the anticipated fiscal impact on Maricopa will be moderate. Unlike many Arizona cities, Maricopa does not have the same level of reliance on sales taxes for our day-to-day operations and does not depend on sales tax generation from non-essential services. The City maintained conservative budgeting with planned contingencies should revenues fall short of expectations. New position allocations, capital projects, and new vehicle and equipment purchases will be deferred until revenues stabilize in fiscal year 2020-21.
- Primary property tax assessments are projected higher in fiscal year 2020-21 with an increase of \$1.0 million while reducing the primary property tax rate to \$4.6309 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 \$15.5 million in fiscal year 2020-21 compared to the 2019-20 budget of \$11.8 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 2020-21 state shared revenues are projected to increase in the General Fund by approximately 12 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, 2020**

	Governmental Activities
<b><u>ASSETS</u></b>	
Current assets:	
Cash and investments	\$ 101,353,717
Property taxes receivable	240,275
Accounts receivable	781,998
Intergovernmental receivables	11,425,974
Prepaid items	1,233,948
Total current assets	115,035,912
Noncurrent assets:	
Land and other non-depreciable assets	97,815,357
Infrastructure, buildings, equipment and other depreciable assets	220,416,472
Accumulated depreciation	(108,746,815)
Total noncurrent assets	209,485,014
<b>Total assets</b>	<b>324,520,926</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
Deferred bond charges	305,370
Pension plan items	8,437,898
<b>Total deferred outflows of resources</b>	<b>8,743,268</b>
<b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	5,014,204
Construction contracts payable	1,118,488
Accrued wages and benefits	1,003,895
Customer deposits	34,891
Compensated absences payable	1,259,431
Capital leases payable	1,393,552
Bonds payable	1,720,000
Total current liabilities	11,544,461
Noncurrent liabilities:	
Compensated absences	438,126
Capital leases payable	2,047,702
Bonds payable	35,429,997
Net pension liability	18,764,845
Total noncurrent liabilities	56,680,670
<b>Total liabilities</b>	<b>68,225,131</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
Pension plan items	3,771,650
<b><u>NET POSITION</u></b>	
Net investment in capital assets	169,738,519
Restricted for:	
Public safety	2,792,672
Transportation projects	35,278,637
Capital projects	4,611,933
Debt service	770,472
Federal and state projects	970,483
Parks and recreation projects	3,938,282
Unrestricted	43,166,415
<b>Total net position</b>	<b>\$ 261,267,413</b>

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, 2020**

<b>Functions/Programs</b>	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental activities:</b>					
General government	\$ 10,584,899	\$ 909,326	\$ 1,193,695	\$	\$ (8,481,878)
Public safety	25,905,921	175,838	6,799,245	5,401,634	(13,529,204)
Community services	7,039,922	1,353,011		1,049,838	(4,637,073)
Development services	2,960,766	4,006,565	245,454	75,440	1,366,693
Public works	15,608,748	203,232	2,345,650	3,308,584	(9,751,282)
Interest on long-term debt	1,402,227		251,477		(1,150,750)
<b>Total governmental activities</b>	\$ 63,502,483	\$ 6,647,972	\$ 10,835,521	\$ 9,835,496	(36,183,494)

**General revenues:**

Taxes:

Property taxes, levied for general purposes	12,910,208
Property taxes, levied for debt service	3,402,053
Sales taxes	17,745,381
Franchise taxes	1,281,198
Unrestricted grants, aid, and state shared revenues	18,964,162
Investment income	2,896,452
<b>Total general revenues</b>	57,199,454

**Changes in net position**

21,015,960

**Net position, beginning of year**

240,251,453

**Net position, end of year**

\$ 261,267,413

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, 2020**

	General Fund	Grants	Debt Service
<b>ASSETS</b>			
Cash and investments	\$ 52,176,997	\$	\$ 611,489
Property taxes receivable	190,544		49,731
Accounts receivable	780,638		
Intergovernmental receivables	2,696,051	6,105,474	126,252
Due from other funds	6,157,803		
Prepaid items	757		
<b>Total assets</b>	<b>\$ 62,002,790</b>	<b>\$ 6,105,474</b>	<b>\$ 787,472</b>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 2,104,944	\$ 145,717	\$ 17,000
Construction contracts payable			
Accrued wages and benefits	778,862	194,817	
Due to other funds		4,794,457	
Customer deposits	34,891		
<b>Total liabilities</b>	<b>2,918,697</b>	<b>5,134,991</b>	<b>17,000</b>
Deferred inflows of resources:			
Unavailable revenue - property taxes	169,377		36,334
Unavailable revenue - intergovernmental	48,888	275,041	126,252
<b>Total deferred inflows of resources</b>	<b>218,265</b>	<b>275,041</b>	<b>162,586</b>
Fund balances (deficits):			
Nonspendable	757		
Restricted		695,442	607,886
Assigned	31,756,922		
Unassigned	27,108,149		
<b>Total fund balances</b>	<b>58,865,828</b>	<b>695,442</b>	<b>607,886</b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b>\$ 62,002,790</b>	 <b>\$ 6,105,474</b>	 <b>\$ 787,472</b>

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

<u>Transportation Impact Fee</u>	<u>Capital Grants</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 27,734,280	\$	\$ 20,830,951	\$ 101,353,717
			240,275
		1,360	781,998
	1,961,135	537,062	11,425,974
			6,157,803
		1,233,191	1,233,948
<u>\$ 27,734,280</u>	<u>\$ 1,961,135</u>	<u>\$ 22,602,564</u>	<u>\$ 121,193,715</u>
\$ 731,760	\$ 164,163	\$ 1,850,620	\$ 5,014,204
40,459		1,078,029	1,118,488
		30,216	1,003,895
	1,363,346		6,157,803
			34,891
<u>772,219</u>	<u>1,527,509</u>	<u>2,958,865</u>	<u>13,329,281</u>
			205,711
			450,181
			<u>655,892</u>
26,962,061	433,626	1,233,191	1,233,948
		17,992,646	46,691,661
		474,637	32,231,559
		(56,775)	27,051,374
<u>26,962,061</u>	<u>433,626</u>	<u>19,643,699</u>	<u>107,208,542</u>
<u>\$ 27,734,280</u>	<u>\$ 1,961,135</u>	<u>\$ 22,602,564</u>	<u>\$ 121,193,715</u>

**CITY OF MARICOPA, ARIZONA  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2020**

**Total governmental fund balances** **\$ 107,208,542**

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	\$ 318,231,829	
Less accumulated depreciation	<u>(108,746,815)</u>	209,485,014

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

Property taxes	205,711	
Intergovernmental	<u>450,181</u>	655,892

Deferred items related to the refunding of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds.

305,370

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

Deferred outflows of resources related to pensions	8,437,898	
Deferred inflows of resources related to pensions	<u>(3,771,650)</u>	4,666,248

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

Compensated absences payable	(1,697,557)	
Obligations under capital leases	(3,441,254)	
Net pension liability	(18,764,845)	
Bonds payable	<u>(37,149,997)</u>	<u>(61,053,653)</u>

**Net position of governmental activities** **\$ 261,267,413**

**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, 2020**

	<u>General Fund</u>	<u>Grants</u>	<u>Debt Service</u>
<b>Revenues:</b>			
Property taxes	\$ 12,783,986	\$	\$ 3,375,713
Sales taxes	17,745,381		
Franchise taxes	1,281,198		
Licenses, fees & permits	2,825,255		
Intergovernmental revenues	14,776,960	7,586,057	125,225
Impact fees			
Charges for services	2,848,854	38,650	
Fines, forfeitures & penalties	546,745		
Investment income	1,458,576		
Miscellaneous	364,948	28	
<b>Total revenues</b>	<u>54,631,903</u>	<u>7,624,735</u>	<u>3,500,938</u>
<b>Expenditures:</b>			
Current -			
General government	8,025,099	483,632	
Public safety	17,003,789	6,802,252	
Community services	4,379,399	14,272	
Development services	2,218,701	261,693	
Public works	5,462,049		
Capital outlay	704,446	78,525	
Debt service -			
Bond issuance costs			183,343
Principal retirement	114,216		1,845,000
Interest and fiscal charges	1,641		1,443,137
<b>Total expenditures</b>	<u>37,909,340</u>	<u>7,640,374</u>	<u>3,471,480</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>16,722,563</u>	<u>(15,639)</u>	<u>29,458</u>
<b>Other financing sources (uses):</b>			
Proceeds from sale of assets			
Issuance of refunding bonds			9,900,000
Premium on bonds issued			2,317,121
Transfers in	1,800,000		
Transfers out	(3,805,000)		
Capital lease agreements	538,899		
Payment to bond escrow agent			(12,025,629)
<b>Total other financing sources (uses)</b>	<u>(1,466,101)</u>		<u>191,492</u>
<b>Changes in fund balances</b>	<u>15,256,462</u>	<u>(15,639)</u>	<u>220,950</u>
<b>Fund balances, beginning of year</b>	43,609,734	711,081	386,936
Increase (decrease) in reserve for prepaid items	(368)		
<b>Fund balances, end of year</b>	<u>\$ 58,865,828</u>	<u>\$ 695,442</u>	<u>\$ 607,886</u>

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

<u>Transportation Impact Fee</u>	<u>Capital Grants</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$	\$	\$	\$ 16,159,699
			17,745,381
			1,281,198
			2,825,255
3,308,584	4,375,271	6,473,205	33,336,718
		2,073,116	5,381,700
			2,887,504
			546,745
771,100		666,776	2,896,452
1,439	21,751	60,235	448,401
<u>4,081,123</u>	<u>4,397,022</u>	<u>9,273,332</u>	<u>83,509,053</u>
			8,508,731
			23,806,041
			4,393,671
		187,227	2,667,621
		2,303,994	7,766,043
1,333,307	4,235,933	16,168,685	22,520,896
			183,343
			1,959,216
			1,444,778
<u>1,333,307</u>	<u>4,235,933</u>	<u>18,659,906</u>	<u>73,250,340</u>
<u>2,747,816</u>	<u>161,089</u>	<u>(9,386,574)</u>	<u>10,258,713</u>
			725,786
			9,900,000
			2,317,121
		4,152,019	5,952,019
		(2,147,019)	(5,952,019)
		3,016,571	3,555,470
			(12,025,629)
		<u>5,747,357</u>	<u>4,472,748</u>
<u>2,747,816</u>	<u>161,089</u>	<u>(3,639,217)</u>	<u>14,731,461</u>
24,214,245	272,537	22,128,570	91,323,103
		1,154,346	1,153,978
<u>\$ 26,962,061</u>	<u>\$ 433,626</u>	<u>\$ 19,643,699</u>	<u>\$ 107,208,542</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, 2020**

<b>Changes in fund balances - total governmental funds</b>		<b>\$ 14,731,461</b>
<p>Amounts reported for <i>governmental activities</i> in the Statement of Activities are different because:</p>		
<p>Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense.</p>		
Expenditures for capitalized assets	\$ 18,774,121	
Less current year depreciation	<u>(11,609,453)</u>	7,164,668
<p>Issuance of long-term debt provides current financial resources to governmental funds, but the issuance increases long-term liabilities in the Statement of Net Position.</p>		
Issuance of general obligation refunding bonds	(12,217,121)	
Obligations under capital leases	<u>(3,555,470)</u>	(15,772,591)
<p>Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Property taxes	152,562	
Intergovernmental	<u>110,142</u>	262,704
<p>Repayments of long-term debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.</p>		
Capital lease principal retirement	114,216	
Bond principal retirement	<u>13,515,000</u>	13,629,216
<p>Governmental funds report pension contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension liability, adjusted for deferred items, is reported as pension expense in the Statement of Activities.</p>		
Current year pension contributions	4,291,167	
Pension expense	<u>(3,714,956)</u>	576,211
<p>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.</p>		
Prepaid items	1,153,978	
Deferred bond items on issuance of refunding debt	305,370	
Loss on disposal of assets	(968,979)	
Amortization of deferred bond items	92,810	
Compensated absences	<u>(158,888)</u>	<u>424,291</u>
<b>Changes in net position in governmental activities</b>		<b><u>\$ 21,015,960</u></b>

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

**CITY OF MARICOPA, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. Reporting Entity**

The City is a municipal entity governed by an elected mayor and council. The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The City is a primary government because it has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the City for financial statement presentation purposes, and the City is not included in any other governmental reporting entity. Consequently, the City's financial statements include only the funds of those organizational entities for which its elected governing board is financially 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, 2020 the IDA had not incurred any financial transactions and therefore has no financial data to report.

**B. Government-Wide Financial Statements**

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

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

**CITY OF MARICOPA, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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

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

The City reports the following major governmental funds.

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

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

**Debt Service** – This fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs.

**CITY OF MARICOPA, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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.

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

**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. Receivables and Payables**

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Interfund balances between governmental funds are eliminated on the Statement of Net Position.

All receivables, including property taxes receivable, are shown net of an allowance for uncollectibles.

**F. Property Taxes**

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

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

**CITY OF MARICOPA, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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.

**G. Investment Income**

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

**H. 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

**I. 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.

**CITY OF MARICOPA, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**J. 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.

**K. Pensions**

For purposes of measuring the net pension liabilities, related deferred outflows of resources and deferred inflows of resources, and pension expenses, information about the pension 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.

**L. Long-term Obligations**

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

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

**M. 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 financial statements are reported as other financing sources/uses in governmental funds.

**CITY OF MARICOPA, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**N. 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.

**O. 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.

**P. Estimates**

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

**NOTE 2 – FUND BALANCE CLASSIFICATIONS**

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

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

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

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

**CITY OF MARICOPA, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 2 – FUND BALANCE CLASSIFICATIONS**

**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 been restricted, committed, or assigned.

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

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

	General Fund	Grants Fund	Debt Service Fund	Transportation Impact Fee Fund	Capital Grants	Non-Major Governmental Funds
Fund Balances:						
Nonspendable:						
Prepaid items	\$ 757	\$	\$	\$	\$	\$ 1,233,191
Restricted:						
Debt service			607,886			
Transportation projects				26,962,061		8,316,576
Parks and recreation projects						3,938,282
Capital projects					433,626	4,178,307
Public safety projects						1,559,481
Federal and state projects		695,442				
Assigned:						
General operating reserve	14,500,828					
Insurance losses reserve	1,000,000					
Disaster contingency reserve	1,000,000					
Streets	6,102,438					
Economic development	2,288,414					
Technology enhancement	2,288,414					
Transfer to Asset Replacement	4,576,828					
Land acquisition						474,637
Unassigned:	27,108,149					(56,775)
Total fund balances	<u>\$ 58,865,828</u>	<u>\$ 695,442</u>	<u>\$ 607,886</u>	<u>\$ 26,962,061</u>	<u>\$ 433,626</u>	<u>\$ 19,643,699</u>



**CITY OF MARICOPA, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Individual Deficit Fund Balance** – At year end, the Library Impact Fee Fund, a non-major governmental fund, reported a deficit in fund balance of \$56,775.

The deficit arose because of operations during the year. Additional revenues received in fiscal year 2020-21 are expected to eliminate the deficit.

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

**NOTE 4 – CASH AND INVESTMENTS**

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

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

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of bank failure the City's deposits may not be returned to the City. The City does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the City's deposits was \$3.3 million and the bank balance was \$3.5 million. At year end \$2.2 million 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 \$3,845 and the City had cash held by others of \$57,709.

*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

**CITY OF MARICOPA, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 4 – CASH AND INVESTMENTS**

*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.

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

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

*Concentration of Credit Risk.* The City places no limit on the amount the City may invest in any one issuer. The investments in Certificates of Deposit, U.S. Treasuries, Supranational Agency Bonds, Collateralized Mortgage Obligations, U.S. Agencies, Corporate Securities, Asset Backed Securities, State Treasurer's Investment Pool 5, and State Treasurer's Investment Pool 7, represent 5%, 19%, 1%, 2%, 11%, 15%, 6%, 38%, and 4% of the City's total investments, respectively.

**CITY OF MARICOPA, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 4 – CASH AND INVESTMENTS**

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

<u>Investment Type</u>	<u>Category</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>		<u>Moody's/Standard &amp; Poor's</u>	
			<u>Less than 1</u>	<u>1-5</u>		
Certificates of Deposit	Level 2	\$ 235,000	\$ 235,000	\$	N/A	/ N/A
Certificates of Deposit	Level 2	1,824,878	1,824,878		P-1	/ A-1
Certificates of Deposit	Level 2	562,894		562,894	A1	/ A
Certificates of Deposit	Level 2	569,365		569,365	Aa2	/ A+
Certificates of Deposit	Level 2	1,241,065	666,886	574,179	Aa2	/ AA-
Certificates of Deposit	Level 2	569,245		569,245	Aa3	/ AA-
U.S. Treasuries	Level 1	18,352,391		18,352,391	Aaa	/ AA+
Supranational Agency Bonds	Level 2	820,056		820,056	Aaa	/ AAA
Collateralized Mortgage Obligation	Level 2	1,921,204		1,921,204	Aaa	/ AA+
U.S. Agencies:						
Federal Home Loan Banks	Level 1	3,177,480		3,177,480	Aaa	/ AA+
Federal Home Loan Mortgage Corporation	Level 1	4,006,276		4,006,276	Aaa	/ AA+
Federal National Mortgage Association	Level 1	2,738,112		2,738,112	Aaa	/ AA+
Federal Farm Credit Banks Funding Corp.	Level 1	1,002,690		1,002,690	Aaa	/ AA+
Corporate Securities	Level 1	459,302		459,302	A1	/ A
Corporate Securities	Level 1	1,726,791		1,726,791	A1	/ A+
Corporate Securities	Level 1	491,628		491,628	A1	/ AA-
Corporate Securities	Level 1	290,439		290,439	A1	/ A-
Corporate Securities	Level 1	2,046,339	479,799	1,566,540	A2	/ A
Corporate Securities	Level 1	2,538,259	324,128	2,214,131	A2	/ A-
Corporate Securities	Level 1	304,414		304,414	A2	/ N/A
Corporate Securities	Level 1	1,021,962		1,021,962	A3	/ A
Corporate Securities	Level 1	200,659		200,659	A3	/ A+
Corporate Securities	Level 1	1,601,765	630,722	971,043	A3	/ A-
Corporate Securities	Level 1	1,761,057	761,092	999,965	A3	/ BBB+
Corporate Securities	Level 1	623,820		623,820	Aa1	/ AA+
Corporate Securities	Level 1	411,790		411,790	Aa1	/ AA
Corporate Securities	Level 1	623,928		623,928	Aa2	/ AA
Corporate Securities	Level 1	250,427	250,427		Aa3	/ A+
Corporate Securities	Level 1	272,993		272,993	Baa2	/ BBB-
Asset Backed Securities	Level 1	990,583		990,583	Aaa	/ AAA
Asset Backed Securities	Level 1	1,454,397		1,454,397	Aaa	/ N/A
Asset Backed Securities	Level 1	3,272,689		3,272,689	N/A	/ AAA
			<u>\$ 5,172,932</u>	<u>\$ 52,190,966</u>		
State Treasurer's investment pool 5	Not applicable	37,054,918	47 days average maturities		AAA	/ S1+
State Treasurer's investment pool 7	Not applicable	3,583,336	44 days average maturities		AAA	/ S1+
Total		<u>\$ 98,002,152</u>				

**CITY OF MARICOPA, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 5 – RECEIVABLES**

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

	General Fund	Grants Fund	Debt Service	Capital Grants	Non-Major Governmental Funds
Intergovernmental receivables:					
Due from federal government	\$ 48,458	\$5,969,991	\$ 126,252	\$	\$
Due from state government	2,647,593	135,483		1,961,135	330,709
Due from county government					206,353
Net intergovernmental receivables	<u>\$2,696,051</u>	<u>\$6,105,474</u>	<u>\$ 126,252</u>	<u>\$1,961,135</u>	<u>\$ 537,062</u>

**NOTE 6 – CAPITAL ASSETS**

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

<b>Governmental Activities</b>	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 86,636,063	\$ 3,668,854	\$ 725,786	\$ 89,579,131
Water rights	963,255	211,000	122,130	1,052,125
Construction in progress	4,034,946	11,009,080	7,859,925	7,184,101
Total capital assets, not being depreciated	<u>91,634,264</u>	<u>14,888,934</u>	<u>8,707,841</u>	<u>97,815,357</u>
Capital assets, being depreciated:				
Buildings	56,547,266	6,924,894		63,472,160
Improvements other than buildings	31,107,225	1,980,317		33,087,542
Infrastructure	95,166,871	1,769,013		96,935,884
Vehicles	11,451,838	564,470	58,928	11,957,380
Machinery and equipment	10,858,656	385,355		11,244,011
Computers/Software	3,719,495			3,719,495
Total capital, assets being depreciated	<u>208,851,351</u>	<u>11,624,049</u>	<u>58,928</u>	<u>220,416,472</u>
Less accumulated depreciation for:				
Buildings	(17,055,846)	(2,880,355)		(19,936,201)
Improvements other than buildings	(9,115,529)	(1,586,221)		(10,701,750)
Infrastructure	(52,602,502)	(4,805,435)		(57,407,937)
Vehicles	(7,037,644)	(1,096,994)	(58,928)	(8,075,710)
Machinery and equipment	(8,187,025)	(1,021,428)		(9,208,453)
Computes/Software	(3,197,744)	(219,020)		(3,416,764)
Total accumulated depreciation	<u>(97,196,290)</u>	<u>(11,609,453)</u>	<u>(58,928)</u>	<u>(108,746,815)</u>
Total capital assets, being depreciated, net	111,655,061	14,596		111,669,657
Governmental activities capital assets, net	<u>\$ 203,289,325</u>	<u>\$ 14,903,530</u>	<u>\$ 8,707,841</u>	<u>\$ 209,485,014</u>

**CITY OF MARICOPA, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 6 – CAPITAL ASSETS**

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 1,032,411
Public safety	2,349,780
Community service	2,460,306
Public works	5,766,956
Total depreciation expense – governmental activities	<u>\$11,609,453</u>

**Construction Commitments** – At year end, the City had contractual commitments related to infrastructure and buildings projects. At year end the City had spent \$7.2 million on the projects and had estimated remaining contractual commitments of \$14.5 million.

**NOTE 7 – OBLIGATIONS UNDER CAPITAL LEASES**

**Capital Leases** – The City has acquired network switches, a fire engine, and land under the provisions of long-term lease agreements classified as capital leases. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. Revenues from the General Fund, Public Safety Impact Fees Fund, a non-major governmental fund, and the General Government CIP Fund, a non-major governmental fund, are used to pay the capital lease obligations. Amortization of assets recorded under capital leases is included with depreciation expense.

The governmental activities for assets acquired through capital leases that meet the City's capitalization at year end of \$2,667,440 are for land.

The future minimum lease obligations and the net present value of these minimum lease payments at year end were as follows:

Year Ending June 30:	Governmental Activities
2021	\$ 1,505,054
2022	1,505,054
2023	547,058
2024	115,857
Total minimum lease payments	<u>3,673,023</u>
Less: amount representing interest	<u>231,769</u>
Present value of minimum lease payments	<u>\$ 3,441,254</u>
Due within one year	<u>\$ 1,393,552</u>

**CITY OF MARICOPA, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 8 – GENERAL OBLIGATION BONDS PAYABLE**

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

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2020	Due Within One Year
<b>Governmental activities:</b>					
GO Bonds Series B, 2013	\$ 31,605,000	4.0 - 4.375 %	7/1/21-35	\$ 24,370,000	\$ 925,000
GO Refunding Series 2020	9,900,000	5.00%	7/1/21-30	9,900,000	795,000
Total				<u>\$ 34,270,000</u>	<u>\$1,720,000</u>

Annual debt service requirements to maturity on the general obligations bonds at year end are summarized as follows:

Year ending June 30:	Governmental Activities	
	Principal	Interest
2021	\$ 1,720,000	\$ 1,507,975
2022	1,830,000	1,422,975
2023	1,885,000	1,341,475
2024	1,965,000	1,257,325
2025	2,055,000	1,169,575
2026-30	11,750,000	4,386,575
2031-35	13,065,000	1,529,588
Total	<u>\$ 34,270,000</u>	<u>\$ 12,615,488</u>

**Refunding Bonds** – During the year ended June 30, 2020, the City issued \$9.9 million in refunding bonds, with an effective interest rate of five percent, to refund \$11.7 million of outstanding general obligation bonds, with an average interest rate of 6.21 percent. The net proceeds of \$12.0 million, which includes \$2.3 million of bond premium, after payment of \$183,343 in underwriting fees, insurance, and other issuance costs were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent, to provide for all future debt service payments of the refunded general obligation bonds. As a result, the refunded general obligation bonds are considered to be defeased, and the liability for those bonds has been removed from the government-wide financial statements. The reacquisition price exceeded the net carrying amount of the old debt by \$305,370. This amount is reported as deferred charges and amortized over the new debt's life. This refunding was undertaken to reduce total debt service payments over the next 10 years by \$1.9 million and resulted in an economic gain of \$1.8 million.

**CITY OF MARICOPA, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9 – 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
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 37,885,000	\$ 9,900,000	\$ 13,515,000	\$ 34,270,000	\$ 1,720,000
Premium	655,686	2,317,121	92,810	2,879,997	
Total bonds payable	<u>38,540,686</u>	<u>12,217,121</u>	<u>13,607,810</u>	<u>37,149,997</u>	<u>1,720,000</u>
Obligations under capital leases		3,555,470	114,216	3,441,254	1,393,552
Net pension liability	17,425,041	1,339,804		18,764,845	
Compensated absences payable	1,538,669	1,681,024	1,522,136	1,697,557	1,259,431
Governmental activity long-term liabilities	<u>\$ 57,504,396</u>	<u>\$ 18,793,419</u>	<u>\$ 15,244,162</u>	<u>\$ 61,053,653</u>	<u>\$ 4,372,983</u>

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

**NOTE 10 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

At year end, interfund balances were as follows:

**Due to/from other funds:** At year-end, the Grants and Capital Grants Funds had negative cash balances totaling \$6,157,803 in pooled cash accounts. Negative cash on deposit was reduced by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year.

**Interfund transfers** – Transfers between funds were used to (1) move funds of \$2.5 million for a new library, (2) to move unrestricted funds of \$1.3 million to pay for capital projects, (3) to move funds of \$1.8 million for transportation projects, and (4) to move funds of \$347,019 for the use of the park bond fund.

**NOTE 11 – CONTINGENT LIABILITIES**

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

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

**Arbitrage** – Under the Tax Reform Act of 1986, interest earned on the debt proceeds in excess of interest expense or expenditure prior to the disbursement of the proceeds must be rebated to the Internal Revenue Service (IRS). Management believes there is no tax arbitrage rebate liability at year end.

**CITY OF MARICOPA, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 12 – 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'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.

The City continues to carry commercial insurance for all other risks of loss, including general liability and workers' compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTE 13 – PENSIONS**

**Aggregate Amounts.** At June 30, 2020, the City reported the following aggregate amounts related to pensions for all plans to which it contributes.

	Governmental Activities
Net pension liability	\$ 18,764,845
Deferred outflows of resources	8,437,898
Deferred inflows of resources	3,771,650
Pension expense	3,714,956

The City reported \$4.3 million of pension contributions as expenditures in the governmental funds related to all plans to which it contributes.

**A. Arizona State Retirement System**

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



**CITY OF MARICOPA, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 13 – PENSIONS**

The ASRS OPEB plans are not further disclosed because of their relative insignificance to the City's financial statements.

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

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

\*With actuarially reduced benefits

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

**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 12.11 percent (11.94 percent for retirement and 0.17 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 12.11 percent (11.45 percent for retirement, 0.49 percent for health insurance premium benefit, and 0.17 percent for long-term disability) of the active members' annual covered payroll. The City's contributions to the pension plan for the year ended June 30, 2020 were \$1.1 million.

**CITY OF MARICOPA, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 13 – PENSIONS**

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The City was required by statute to contribute at the actuarially determined rate of 10.41 percent (10.29 for retirement, 0.05 percent for health insurance premium benefit, and 0.07 percent for long-term disability). ACR contributions are included in employer contributions presented above.

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

**Pension Liability.** The net pension liability was measured as of June 30, 2019. The total liability used to calculate the net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2018, to the measurement date of June 30, 2019. The City’s proportion of the net 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, 2019.

At June 30, 2020, the City reported the following amounts for its proportionate share of the pension plan net liability. In addition, at June 30, 2019, the City’s percentage proportion for the plan and the related change from its proportion measured as of June 30, 2018 was:

Net Liability	City % Proportion	Increase (Decrease)
\$ 12,465,982	0.086	(0.001)

**Pension Expense and Deferred Outflows/Inflows of Resources.** The City has deferred outflows and inflows of resources related to the net pension liability. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. The City’s pension expense for the year ended June 30, 2020 was \$1.5 million.

**CITY OF MARICOPA, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 13 – PENSIONS**

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 225,201	\$ 2,344
Changes of assumptions or other inputs	52,694	496,420
Net difference between projected and actual earnings on pension investments		280,192
Changes in proportion and differences between contributions and proportionate share of contributions	121,389	106,090
Contributions subsequent to the measurement date	1,132,765	
Total	<u>\$ 1,532,049</u>	<u>\$ 885,046</u>

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 liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:		
2021	\$	(124,659)
2022		(382,337)
2023		(53,809)
2024		75,043

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

Actuarial valuation date	June 30, 2018
Actuarial roll forward date	June 30, 2019
Actuarial cost method	Entry age normal
Investment rate of return	7.5%
Inflation	2.3%
Projected salary increases	2.7-7.2%
Permanent base increases	Included
Mortality rates	2017 SRA Scale U-MP

**CITY OF MARICOPA, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 13 – PENSIONS**

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2016. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2017, actuarial valuation.

The long-term expected rate of return on ASRS plan investments was determined to be 7.5 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, excluding any expected inflation.

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

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Equity	50%	6.09%
Credit	20	5.36
Interest rate sensitive bonds	10	1.62
Real estate	20	5.85
Total	100%	

**Discount Rate.** The discount rate used to measure the total pension liability was 7.5 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 plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF MARICOPA, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 13 – PENSIONS**

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

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.5%	7.5%	8.5%
Net liability	\$ 17,741,980	\$ 12,465,982	\$ 8,056,605

**Contributions payable.** The City’s accrued wages and benefits included \$91,657 of outstanding pension contribution amounts payable to ASRS for the year ended June 30, 2020.

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

**B. Public Safety Personnel Retirement System**

**Plan Descriptions.** City public safety employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS) or employees who became members on or after July 1, 2017, may participate in the Public Safety Personnel Defined Contribution Retirement Plan (PSDCRP). The PSPRS administers agent and cost-sharing multiple-employer defined benefit pension plans and agent and cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plans. 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.

Employees who were PSPRS members before July 1, 2017, participate in the agent plans, and employees who became PSPRS members on or after July 1, 2017, participate in either agent plans or cost-sharing plans (PSPRS Tier 3 Risk Pool). 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](http://www.psprs.com).

The PSPRS Tier 3 Risk Pool plans and the PSPRS OPEB plans are not further disclosed because of their relative insignificance to the City’s financial statements.

**CITY OF MARICOPA, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 13 – PENSIONS**

**Benefits Provided.** The PSPRS provides retirement, disability, and survivor benefits. State statute establishes benefits terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average monthly compensation, and service credit as follows.

	Initial Membership Date:	
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2017
Years of service and age required to receive benefit	20 years of service, at any age 15 years of service, age 62	25 years of service 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	
Catastrophic disability retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	
Ordinary disability retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20	
Survivor benefit: Retired members	80% to 100% of retired member's pension benefit	
Active members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job	

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

**Employees Covered by Benefit Terms.** At June 30, 2020, the following employees were covered by the agent plans' benefit terms:

	PSPRS - Police	PSPRS - Fire
Retirees and beneficiaries	6	3
Inactive, non-retired members	9	6
Active members	55	57
Total	70	66

**CITY OF MARICOPA, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 13 – PENSIONS**

**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, 2020, 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	14.27%	19.18%
Health insurance	0.23%	0.35%

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 below.

The contributions to the pension plans for the year ended June 30, 2020 were:

	PSPRS - Police	PSPRS - Fire
Pension contributions	\$ 2,029,932	\$ 1,128,470

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

**Pension Liability.** At June 30, 2020, the City reported the following assets and liabilities.

	PSPRS - Police	PSPRS - Fire
Net Pension (Assets) Liabilities	\$ 2,533,045	\$ 3,765,818

The net pension liabilities were measured as of June 30, 2019. The total pension liability used to calculate the net pension asset or liability was determined by an actuarial valuation as of that date. The total liabilities as of June 30, 2019, reflect changes of actuarial assumptions to decrease the investment rate of return from 7.4 percent to 7.3 percent and update the mortality rates.

**CITY OF MARICOPA, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 13 – PENSIONS**

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

Actuarial valuation date	June 30, 2019
Actuarial cost method	Entry age normal
Investment rate of return	7.3%
Wage inflation	3.5%
Price inflation	2.5%
Cost-of-living adjustment	1.75%
Mortality rates	PubS-2010 tables

Actuarial assumptions used in the June 30, 2019, 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 pension 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 pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Short-term investments	2%	0.25%
Risk parity	4	4.01
Fixed income	5	3.00
Real assets	9	6.75
GTS	12	4.01
Private credit	16	5.36
Real estate	10	4.50
Private equity	12	8.40
Non-U.S. equity	14	5.00
U.S. equity	16	4.75
Total	<u>100%</u>	

**Discount Rate.** At June 30, 2019, the discount rate used to measure the total pension liability was 7.3 percent, which was a decrease of 0.1 from discount rate used as of June 30, 2018.



**CITY OF MARICOPA, ARIZONA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 13 – PENSIONS**

The projection of cash flows used to determine the discount rates assumed that pension 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 pension plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments for these plans to determine the total pension liability.

**Changes in Net (Assets)/Liability**

	Increase (Decrease)		Net Pension (Assets) Liability
	Total Pension Liability	Plan Fiduciary Net Position	
<b>PSPRS - Police</b>			
Balances at June 30, 2019	\$12,962,135	\$ 11,743,696	\$ 1,218,439
Changes for the year:			
Service cost	956,848		956,848
Interest on the total pension liability	1,013,648		1,013,648
Differences between expected and actual experience in the measurement of the pension liability	794,623		794,623
Changes of assumptions or other inputs	451,213		451,213
Contributions – employer		791,330	(791,330)
Contributions – employee		424,405	(424,405)
Net investment income		661,562	(661,562)
Benefit payments, including refunds of employee contributions	(442,085)	(442,085)	
Administrative expense		(12,483)	12,483
Other changes		36,912	(36,912)
Net changes	<u>2,774,247</u>	<u>1,459,641</u>	<u>1,314,606</u>
Balances at June 30, 2020	<u>\$ 15,736,382</u>	<u>\$ 13,203,337</u>	<u>\$ 2,533,045</u>

**CITY OF MARICOPA, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 13 – PENSIONS**

	Increase (Decrease)		Net Pension (Assets) Liability
	Total Pension Liability	Plan Fiduciary Net Position	
<b>PSPRS - Fire</b>			
Balances at June 30, 2019	\$21,104,755	\$ 16,996,725	\$ 4,108,030
Changes for the year:			
Service cost	1,232,701		1,232,701
Interest on the total pension liability	1,647,279		1,647,279
Differences between expected and actual experience in the measurement of the pension liability	(1,164,332)		(1,164,332)
Changes of assumptions or other inputs	418,727		418,727
Contributions – employer		1,097,970	(1,097,970)
Contributions – employee		453,324	(453,324)
Net investment income		947,975	(947,975)
Benefit payments, including refunds of employee contributions	(153,867)	(153,867)	
Administrative expense		(17,466)	17,466
Other changes		(5,216)	5,216
Net changes	<u>1,980,508</u>	<u>2,322,720</u>	<u>(342,212)</u>
Balances at June 30, 2020	<u>\$23,085,263</u>	<u>\$ 19,319,445</u>	<u>\$ 3,765,818</u>

**Sensitivity of the Net Pension (Assets) Liability to Changes in the Discount Rate.** The following presents the City’s net pension (assets) liability calculated using the discount rate noted above, as well as what the City’s net pension (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
<b>PSPRS - Police:</b>			
Rate	6.3%	7.3%	8.3%
Net pension (assets) liability	\$ 5,416,648	\$ 2,533,045	\$ 251,817
<b>PSPRS - Fire</b>			
Rate	6.3%	7.3%	8.3%
Net pension (assets) liability	\$ 7,969,951	\$ 3,765,818	\$ 405,542

**CITY OF MARICOPA, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 13 – PENSIONS**

**Pension Plan Fiduciary Net Position.** Detailed information about the pension 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](http://www.psprs.com).

**Pension Expense.** For the year ended June 30, 2020, the City recognized the following as pension expense:

	PSPRS - Police	PSPRS - Fire
Pension expense	\$ 904,308	\$ 1,351,906

**Pension Deferred Outflows/Inflows of Resources.** At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>PSPRS - Police:</b>		
Differences between expected and actual experience	\$ 773,818	\$ 1,184,928
Changes of assumptions or other inputs	1,111,127	
Net difference between projected and actual earnings on pension plan investments	187,852	
Contributions subsequent to the measurement date	2,029,932	
Total	\$ 4,102,729	\$ 1,184,928
 <b>PSPRS - Fire</b>		
Differences between expected and actual experience	\$ 152,397	\$ 1,701,676
Changes of assumptions or other inputs	1,237,577	
Net difference between projected and actual earnings on pension plan investments	284,676	
Contributions subsequent to the measurement date	1,128,470	
Total	\$ 2,803,120	\$ 1,701,676

**CITY OF MARICOPA, ARIZONA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 13 – PENSIONS**

The amounts reported as deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized as pension expenses as follows:

Year Ending June 30:	PSPRS - Police	PSPRS - Fire
2021	\$ 193,996	\$ 113,253
2022	73,254	(59,720)
2023	150,575	50,747
2024	139,497	36,092
2025	78,868	(36,076)
Thereafter	251,669	(131,322)

**Contributions payable.** The City's accrued wages and benefits included \$168,347 of outstanding pension contribution amounts payable to PSPRS for the year ended June 30, 2020.

**NOTE 14 – TAX ABATEMENTS**

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

For the fiscal year ended June 30, 2020, the City abated sales taxes totaling \$1.2 million. 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.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF MARICOPA, ARIZONA  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 13,730,060	\$ 13,730,060	\$ 12,783,986	\$ (946,074)
Sales taxes	11,793,000	11,793,000	17,745,381	5,952,381
Franchise taxes	1,149,600	1,149,600	1,281,198	131,598
Licenses, fees & permits	3,259,280	3,259,280	2,825,255	(434,025)
Intergovernmental revenues	14,464,054	14,464,054	14,776,960	312,906
Charges for services	2,615,357	2,615,357	2,848,854	233,497
Fines, forfeitures & penalties	621,900	621,900	546,745	(75,155)
Investment income	333,400	333,400	1,458,576	1,125,176
Miscellaneous	403,709	403,709	364,948	(38,761)
<b>Total revenues</b>	<u>48,370,360</u>	<u>48,370,360</u>	<u>54,631,903</u>	<u>6,261,543</u>
<b>Expenditures:</b>				
Current -				
General government	12,732,884	12,293,336	8,025,099	4,268,237
Public safety	23,535,851	16,378,190	17,003,789	(625,599)
Community services	4,563,017	4,603,355	4,379,399	223,956
Development services	2,992,867	2,827,083	2,218,701	608,382
Public works	4,511,476	6,063,205	5,462,049	601,156
Capital outlay		527,056	704,446	(177,390)
Debt service -				
Principal retirement		114,216	114,216	
Interest and fiscal charges		1,641	1,641	
<b>Total expenditures</b>	<u>48,336,095</u>	<u>42,808,082</u>	<u>37,909,340</u>	<u>4,898,742</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>34,265</u>	<u>5,562,278</u>	<u>16,722,563</u>	<u>11,160,285</u>
<b>Other financing sources (uses):</b>				
Transfers in	2,800,000	2,452,981	1,800,000	(652,981)
Transfers out	(4,550,029)	(4,550,029)	(3,805,000)	745,029
Capital lease agreements			538,899	538,899
<b>Total other financing sources (uses)</b>	<u>(1,750,029)</u>	<u>(2,097,048)</u>	<u>(1,466,101)</u>	<u>630,947</u>
<b>Changes in fund balances</b>	<u>(1,715,764)</u>	<u>3,465,230</u>	<u>15,256,462</u>	<u>11,791,232</u>
<b>Fund balances, beginning of year</b>			43,609,734	43,609,734
Increase (decrease) in reserve for prepaid items			(368)	(368)
<b>Fund balances (deficits), end of year</b>	<u>\$ (1,715,764)</u>	<u>\$ 3,465,230</u>	<u>\$ 58,865,828</u>	<u>\$ 55,400,598</u>

See accompanying notes to this schedule.

**CITY OF MARICOPA, ARIZONA  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
GRANTS  
YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental revenues	\$ 7,800,000	\$ 7,800,000	\$ 7,586,057	\$ (213,943)
Charges for services			38,650	38,650
Miscellaneous			28	28
<b>Total revenues</b>	<u>7,800,000</u>	<u>7,800,000</u>	<u>7,624,735</u>	<u>(175,265)</u>
<b>Expenditures:</b>				
Current -				
General government	2,100,000	2,100,000	483,632	1,616,368
Public safety	4,890,673	10,578,224	6,802,252	3,775,972
Community services	300,000	283,101	14,272	268,829
Development services	206,735	206,735	261,693	(54,958)
Capital outlay	302,592	358,407	78,525	279,882
<b>Total expenditures</b>	<u>7,800,000</u>	<u>13,526,467</u>	<u>7,640,374</u>	<u>5,886,093</u>
<b>Changes in fund balances</b>		<u>(5,726,467)</u>	<u>(15,639)</u>	<u>5,710,828</u>
<b>Fund balances, beginning of year</b>			711,081	711,081
<b>Fund balances (deficits), end of year</b>	<u>\$</u>	<u>\$ (5,726,467)</u>	<u>\$ 695,442</u>	<u>\$ 6,421,909</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 SIX FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Measurement date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
City's proportion of the net pension (assets) liability	0.09%	0.09%	0.09%	0.08%	0.08%
City's proportionate share of the net pension (assets) liability	\$ 12,465,982	\$ 12,098,572	\$ 13,225,765	\$ 13,306,644	\$ 12,050,654
City's covered payroll	\$ 8,692,943	\$ 8,026,606	\$ 8,078,590	\$ 7,945,189	\$ 7,052,084
City's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	143.40%	150.73%	163.71%	167.48%	170.88%
Plan fiduciary net position as a percentage of the total pension liability	73.24%	73.40%	69.92%	67.06%	68.35%

**2015**

Measurement date	June 30, 2014
City's proportion of the net pension (assets) liability	0.06%
City's proportionate share of the net pension (assets) liability	\$ 9,558,390
City's covered payroll	\$ 4,439,477
City's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	215.30%
Plan fiduciary net position as a percentage of the total pension liability	69.49%

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

See accompanying notes to this schedule.

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Measurement date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
<b>Total pension liability</b>				
Service cost	\$ 956,848	\$ 874,914	\$ 979,168	\$ 839,545
Interest	1,013,648	894,704	814,406	641,997
Changes of benefit terms			202,850	1,088,276
Differences between expected and actual experience	794,623	(351,517)	(966,033)	(141,216)
Changes of assumptions or other inputs	451,213		592,197	481,692
Benefit payments, including refunds of employee contributions	<u>(442,085)</u>	<u>(218,220)</u>	<u>(458,986)</u>	<u>(140,350)</u>
<b>Net change in total pension liability</b>	<u>2,774,247</u>	<u>1,199,881</u>	<u>1,163,602</u>	<u>2,769,944</u>
<b>Total pension liability—beginning</b>	<u>12,962,135</u>	<u>11,762,254</u>	<u>10,598,652</u>	<u>7,828,708</u>
<b>Total pension liability—ending</b>	<u>\$ 15,736,382</u>	<u>\$ 12,962,135</u>	<u>\$ 11,762,254</u>	<u>\$ 10,598,652</u>
<b>Plan fiduciary net position</b>				
Contributions—employer	\$ 791,330	\$ 348,553	\$ 554,425	\$ 584,950
Contributions—employee	424,405	424,646	501,763	487,208
Net investment income	661,562	736,938	1,063,934	47,805
Benefit payments, including refunds of employee contributions	(442,085)	(218,220)	(458,986)	(140,350)
Administrative expense	(12,483)	(11,916)	(9,814)	(7,279)
Other	<u>36,912</u>	<u>54,840</u>	<u>41,581</u>	<u>(187,317)</u>
<b>Net change in plan fiduciary net position</b>	<u>1,459,641</u>	<u>1,334,841</u>	<u>1,692,903</u>	<u>785,017</u>
<b>Plan fiduciary net position—beginning</b>	<u>11,743,696</u>	<u>10,408,855</u>	<u>8,715,952</u>	<u>7,930,935</u>
<b>Plan fiduciary net position—ending</b>	<u>\$ 13,203,337</u>	<u>\$ 11,743,696</u>	<u>\$ 10,408,855</u>	<u>\$ 8,715,952</u>
<b>Net pension (assets) liability—ending</b>	<u>\$ 2,533,045</u>	<u>\$ 1,218,439</u>	<u>\$ 1,353,399</u>	<u>\$ 1,882,700</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	83.90%	90.60%	88.49%	82.24%
<b>Covered payroll</b>	\$ 5,244,203	\$ 5,200,744	\$ 4,604,929	\$ 5,033,244
<b>Net pension (assets) liability as a percentage of covered payroll</b>	48.30%	23.43%	29.39%	37.41%

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

**See accompanying notes to this schedule.**

<u>2016</u>	<u>2015</u>
June 30, 2015	June 30, 2014
\$ 747,934	\$ 673,759
585,892	485,132
	(26,537)
(461,592)	195,426
	165,211
<u>(266,305)</u>	<u>(226,709)</u>
605,929	1,266,282
7,222,779	5,956,497
<u>\$ 7,828,708</u>	<u>\$ 7,222,779</u>
\$ 508,701	\$ 486,264
428,486	376,082
270,249	812,958
(266,305)	(226,709)
(6,983)	(6,547)
<u>(63,640)</u>	<u>(67,365)</u>
870,508	1,374,683
7,060,427	5,685,744
<u>\$ 7,930,935</u>	<u>\$ 7,060,427</u>
<u>\$ (102,227)</u>	<u>\$ 162,352</u>
101.31%	97.75%
\$ 4,468,622	\$ 3,589,297
(2.29)%	4.52%

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Measurement date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
<b>Total pension liability</b>				
Service cost	\$ 1,232,701	\$ 1,201,311	\$ 1,213,745	\$ 974,190
Interest	1,647,279	1,438,790	1,211,920	957,210
Changes of benefit terms			257,406	1,699,432
Differences between expected and actual experience	(1,164,332)	(336,293)	184,381	(382,765)
Changes of assumptions or other inputs	418,727		481,625	740,704
Benefit payments, including refunds of employee contributions	<u>(153,867)</u>	<u>(83,015)</u>	<u>(34,354)</u>	<u>(252,384)</u>
<b>Net change in total pension liability</b>	1,980,508	2,220,793	3,314,723	3,736,387
<b>Total pension liability—beginning</b>	<u>21,104,755</u>	<u>18,883,962</u>	<u>15,569,239</u>	<u>11,832,852</u>
<b>Total pension liability—ending</b>	<u>\$ 23,085,263</u>	<u>\$ 21,104,755</u>	<u>\$ 18,883,962</u>	<u>\$ 15,569,239</u>
<b>Plan fiduciary net position</b>				
Contributions—employer	\$ 1,097,970	\$ 328,969	\$ 687,438	\$ 795,126
Contributions—employee	453,324	432,673	576,038	581,920
Net investment income	947,975	1,079,840	1,534,321	68,821
Benefit payments, including refunds of employee contributions	(153,867)	(83,015)	(34,354)	(252,384)
Administrative expense	(17,466)	(17,135)	(13,976)	(10,304)
Other	<u>(5,216)</u>	<u>7,007</u>	<u>26,678</u>	<u>(95,802)</u>
<b>Net change in plan fiduciary net position</b>	2,322,720	1,748,339	2,776,145	1,087,377
<b>Plan fiduciary net position—beginning</b>	<u>16,996,725</u>	<u>15,248,386</u>	<u>12,472,241</u>	<u>11,384,864</u>
<b>Plan fiduciary net position—ending</b>	<u>\$ 19,319,445</u>	<u>\$ 16,996,725</u>	<u>\$ 15,248,386</u>	<u>\$ 12,472,241</u>
<b>Net pension (assets) liability—ending</b>	<u>\$ 3,765,818</u>	<u>\$ 4,108,030</u>	<u>\$ 3,635,576</u>	<u>\$ 3,096,998</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	83.69%	80.54%	80.75%	80.11%
<b>Covered payroll</b>	\$ 5,973,495	\$ 5,808,114	\$ 5,499,591	\$ 5,976,741
<b>Net pension (assets) liability as a percentage of covered payroll</b>	63.04%	70.73%	66.11%	51.82%

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

**See accompanying notes to this schedule.**

**2016****2015**

June 30, 2015

June 30, 2014

\$	904,967	\$	881,621
	830,568		728,939
			(30,011)
	38,907		(364,760)
			148,219
	<u>(139,184)</u>		<u>(22,903)</u>
	1,635,258		1,341,105
	10,197,594		8,856,489
\$	<u>11,832,852</u>	\$	<u>10,197,594</u>

\$	564,051	\$	611,705
	540,412		472,460
	387,128		1,170,516
	(139,184)		(22,903)
	(9,836)		(9,427)
	<u>(254,871)</u>		
	1,087,700		2,222,351
	10,297,164		8,074,813
\$	<u>11,384,864</u>	\$	<u>10,297,164</u>

\$	<u>447,988</u>	\$	<u>(99,570)</u>
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96.21%                      100.98%

\$	5,420,209	\$	4,907,129
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8.27%                      (2.03)%

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Arizona State Retirement System:</b>				
Actuarially determined contribution	\$ 1,132,765	\$ 971,871	\$ 874,900	\$ 870,872
Contributions in relation to the actuarially determined contribution	<u>1,132,765</u>	<u>971,871</u>	<u>874,900</u>	<u>870,872</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 9,893,144	\$ 8,692,943	\$ 8,026,606	\$ 8,078,590
Contributions as a percentage of covered payroll	11.45%	11.18%	10.90%	10.78%
<b>Public Safety Personnel Retirement System - Police:</b>				
Actuarially determined contribution	\$ 676,533	\$ 802,363	\$ 915,851	\$ 552,131
Contributions in relation to the actuarially determined contribution	<u>2,029,932</u>	<u>802,363</u>	<u>444,076</u>	<u>552,131</u>
Contribution deficiency (excess)	<u>\$ (1,353,399)</u>	<u>\$</u>	<u>\$ 471,775</u>	<u>\$</u>
City's covered payroll	\$ 4,740,946	\$ 5,244,203	\$ 5,200,744	\$ 4,604,929
Contributions as a percentage of covered payroll	14.27%	15.30%	17.61%	11.99%
<b>Public Safety Personnel Retirement System - Fire:</b>				
Actuarially determined contribution	\$ 1,128,470	\$ 1,184,544	\$ 1,105,865	\$ 698,448
Contributions in relation to the actuarially determined contribution	<u>1,128,470</u>	<u>1,184,544</u>	<u>282,564</u>	<u>698,448</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$ 823,301</u>	<u>\$</u>
City's covered payroll	\$ 5,883,577	\$ 5,973,495	\$ 5,808,114	\$ 5,499,591
Contributions as a percentage of covered payroll	19.18%	19.83%	19.04%	12.70%

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

**See accompanying notes to this schedule.**

<u>2016</u>	<u>2015</u>
\$ 862,053	\$ 767,972
862,053	767,972
\$	\$
\$ 7,945,189	\$ 7,052,084
10.85%	10.89%
\$ 601,976	\$ 508,976
601,976	508,976
\$	\$
\$ 5,033,244	\$ 4,468,622
11.96%	11.39%
\$ 724,381	\$ 622,240
724,381	622,240
\$	\$
\$ 5,976,741	\$ 5,420,209
12.12%	11.48%



**CITY OF MARICOPA, ARIZONA**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2020**

**NOTE 1 – BUDGETARY BASIS OF ACCOUNTING**

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

**NOTE 2 – PENSION PLAN SCHEDULES**

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

**Factors that Affect Trends.** The actuarial assumptions used in the June 30, 2018, valuation for ASRS were based on the results of an actuarial experience study for the five-year period ended June 30, 2016. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2017, actuarial valuation.

The actuarial assumptions used in the June 30, 2019 valuation for PSPRS were based on the results of an actuarial experience study for the five-year period ended June 30, 2016. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The PSPRS Board adopted the experience study recommended changes which were applied to the June 30, 2017 actuarial valuation. The total liabilities as of June 30, 2019 reflect changes of actuarial assumptions to decrease the investment rate of return from 7.4 percent to 7.3 percent and update the mortality rates.

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, the PSPRS changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. PSPRS also reduced those members' employee contribution rates. These changes are reflected in the plans' pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS-required pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes increased the PSPRS-required contributions beginning in fiscal year 2019 for members who retired or will retire after the law's effective date.

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

**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, 2020**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 9,813,918	\$ 11,017,033	\$ 20,830,951
Accounts receivable		1,360	1,360
Intergovernmental receivables	537,062		537,062
Prepaid items		1,233,191	1,233,191
<b>Total assets</b>	<b>\$ 10,350,980</b>	<b>\$ 12,251,584</b>	<b>\$ 22,602,564</b>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 1,662,030	\$ 188,590	\$ 1,850,620
Construction contracts payable	342,158	735,871	1,078,029
Accrued wages and benefits	30,216		30,216
<b>Total liabilities</b>	<b>2,034,404</b>	<b>924,461</b>	<b>2,958,865</b>
Fund balances (deficits):			
Nonspendable		1,233,191	1,233,191
Restricted	8,316,576	9,676,070	17,992,646
Assigned		474,637	474,637
Unassigned		(56,775)	(56,775)
<b>Total fund balances</b>	<b>8,316,576</b>	<b>11,327,123</b>	<b>19,643,699</b>
 <b>Total liabilities and fund balances</b>	 <b>\$ 10,350,980</b>	 <b>\$ 12,251,584</b>	 <b>\$ 22,602,564</b>

**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, 2020**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<b>Revenues:</b>			
Intergovernmental revenues	\$ 6,473,205	\$	\$ 6,473,205
Impact fees		2,073,116	2,073,116
Investment income	326,093	340,683	666,776
Miscellaneous	59,905	330	60,235
<b>Total revenues</b>	<u>6,859,203</u>	<u>2,414,129</u>	<u>9,273,332</u>
<b>Expenditures:</b>			
Current -			
Development services	187,227		187,227
Public works	2,303,994		2,303,994
Capital outlay	3,991,432	12,177,253	16,168,685
<b>Total expenditures</b>	<u>6,482,653</u>	<u>12,177,253</u>	<u>18,659,906</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>376,550</u>	<u>(9,763,124)</u>	<u>(9,386,574)</u>
<b>Other financing sources (uses):</b>			
Proceeds from sale of assets		725,786	725,786
Transfers in	347,019	3,805,000	4,152,019
Transfers out	(1,800,000)	(347,019)	(2,147,019)
Capital lease agreements		3,016,571	3,016,571
<b>Total other financing sources (uses)</b>	<u>(1,452,981)</u>	<u>7,200,338</u>	<u>5,747,357</u>
<b>Changes in fund balances</b>	<u>(1,076,431)</u>	<u>(2,562,786)</u>	<u>(3,639,217)</u>
<b>Fund balances, beginning of year</b>	9,393,007	12,735,563	22,128,570
Increase (decrease) in reserve for prepaid items		1,154,346	1,154,346
<b>Fund balances, end of year</b>	<u>\$ 8,316,576</u>	<u>\$ 11,327,123</u>	<u>\$ 19,643,699</u>

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## **SPECIAL REVENUE FUNDS**

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

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

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

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



**CITY OF MARICOPA, ARIZONA  
 COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2020**

	<u>HURF</u>	<u>Road Maintenance</u>	<u>County Road Tax</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 4,142,539	\$ 124,636	\$ 5,546,743
Intergovernmental receivables	330,709		206,353
<b>Total assets</b>	<u>\$ 4,473,248</u>	<u>\$ 124,636</u>	<u>\$ 5,753,096</u>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 698,436	\$	\$ 963,594
Construction contracts payable	342,158		
Accrued wages and benefits	30,216		
<b>Total liabilities</b>	<u>1,070,810</u>		<u>963,594</u>
Fund balances:			
Restricted	<u>3,402,438</u>	<u>124,636</u>	<u>4,789,502</u>
<b>Total fund balances</b>	<u>3,402,438</u>	<u>124,636</u>	<u>4,789,502</u>
 <b>Total liabilities and fund balances</b>	 <u>\$ 4,473,248</u>	 <u>\$ 124,636</u>	 <u>\$ 5,753,096</u>

Totals

\$	9,813,918
	537,062
\$	<u>10,350,980</u>

\$	1,662,030
	342,158
	30,216
	<u>2,034,404</u>

	8,316,576
	<u>8,316,576</u>

\$	<u>10,350,980</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, 2020**

	HURF	Road Maintenance	County Road Tax
<b>Revenues:</b>			
Intergovernmental revenues	\$ 4,187,202	\$	\$ 2,286,003
Investment income	172,749	2,483	150,861
Miscellaneous	119	59,528	258
<b>Total revenues</b>	4,360,070	62,011	2,437,122
<b>Expenditures:</b>			
Current -			
Development services	187,227		
Public works	2,303,721	273	
Capital outlay	1,913,487		2,077,945
<b>Total expenditures</b>	4,404,435	273	2,077,945
<b>Excess (deficiency) of revenues over expenditures</b>	(44,365)	61,738	359,177
<b>Other financing sources (uses):</b>			
Transfers in			347,019
Transfers out	(1,800,000)		
<b>Total other financing sources (uses)</b>	(1,800,000)		347,019
<b>Changes in fund balances</b>	(1,844,365)	61,738	706,196
<b>Fund balances, beginning of year</b>	5,246,803	62,898	4,083,306
<b>Fund balances, end of year</b>	\$ 3,402,438	\$ 124,636	\$ 4,789,502

Totals

\$	6,473,205
	326,093
	59,905
	<u>6,859,203</u>

	187,227
	2,303,994
	3,991,432
	<u>6,482,653</u>

376,550

	347,019
	(1,800,000)
	<u>(1,452,981)</u>

(1,076,431)

9,393,007

\$	<u>8,316,576</u>
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**CITY OF MARICOPA, ARIZONA**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2020**

	HURF		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Intergovernmental revenues	\$ 5,782,822	\$ 4,187,202	\$ (1,595,620)
Investment income		172,749	172,749
Miscellaneous		119	119
<b>Total revenues</b>	<u>5,782,822</u>	<u>4,360,070</u>	<u>(1,422,752)</u>
<b>Expenditures:</b>			
Current -			
General government	44,167		44,167
Development services	566,652	187,227	379,425
Public works	2,673,891	2,303,721	370,170
Capital outlay	4,562,976	1,913,487	2,649,489
<b>Total expenditures</b>	<u>7,847,686</u>	<u>4,404,435</u>	<u>3,443,251</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(2,064,864)</u>	<u>(44,365)</u>	<u>2,020,499</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out	(1,800,000)	(1,800,000)	
<b>Total other financing sources (uses)</b>	<u>(1,800,000)</u>	<u>(1,800,000)</u>	
<b>Changes in fund balances</b>	<u>(3,864,864)</u>	<u>(1,844,365)</u>	<u>2,020,499</u>
<b>Fund balances, beginning of year</b>		5,246,803	5,246,803
<b>Fund balances (deficits), end of year</b>	<u>\$ (3,864,864)</u>	<u>\$ 3,402,438</u>	<u>\$ 7,267,302</u>

Road Maintenance			County Road Tax		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 6,000	\$ 2,483	\$ (3,517)	\$ 1,042,800	\$ 2,286,003	\$ 1,243,203
	59,528	59,528		150,861	150,861
<u>6,000</u>	<u>62,011</u>	<u>56,011</u>	<u>1,042,800</u>	<u>2,437,122</u>	<u>1,394,322</u>
	273	(273)			
	<u>273</u>	<u>(273)</u>	<u>3,049,697</u>	<u>2,077,945</u>	<u>971,752</u>
			<u>3,049,697</u>	<u>2,077,945</u>	<u>971,752</u>
<u>6,000</u>	<u>61,738</u>	<u>55,738</u>	<u>(2,006,897)</u>	<u>359,177</u>	<u>2,366,074</u>
			<u>347,019</u>	<u>347,019</u>	
			<u>347,019</u>	<u>347,019</u>	
<u>6,000</u>	<u>61,738</u>	<u>55,738</u>	<u>(1,659,878)</u>	<u>706,196</u>	<u>2,366,074</u>
	62,898	62,898		4,083,306	4,083,306
<u>\$ 6,000</u>	<u>\$ 124,636</u>	<u>\$ 118,636</u>	<u>\$ (1,659,878)</u>	<u>\$ 4,789,502</u>	<u>\$ 6,449,380</u>

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**CITY OF MARICOPA, ARIZONA**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2020**

	Totals		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Intergovernmental revenues	\$ 6,825,622	\$ 6,473,205	\$ (352,417)
Investment income	6,000	326,093	320,093
Miscellaneous		59,905	59,905
<b>Total revenues</b>	<u>6,831,622</u>	<u>6,859,203</u>	<u>27,581</u>
<b>Expenditures:</b>			
Current -			
General government	44,167		44,167
Development services	566,652	187,227	379,425
Public works	2,673,891	2,303,994	369,897
Capital outlay	7,612,673	3,991,432	3,621,241
<b>Total expenditures</b>	<u>10,897,383</u>	<u>6,482,653</u>	<u>4,414,730</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(4,065,761)</u>	<u>376,550</u>	<u>4,442,311</u>
<b>Other financing sources (uses):</b>			
Transfers in	347,019	347,019	
Transfers out	(1,800,000)	(1,800,000)	
<b>Total other financing sources (uses)</b>	<u>(1,452,981)</u>	<u>(1,452,981)</u>	
<b>Changes in fund balances</b>	<u>(5,518,742)</u>	<u>(1,076,431)</u>	<u>4,442,311</u>
<b>Fund balances, beginning of year</b>		9,393,007	9,393,007
<b>Fund balances (deficits), end of year</b>	<u>\$ (5,518,742)</u>	<u>\$ 8,316,576</u>	<u>\$ 13,835,318</u>

## DEBT SERVICE FUND

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



**CITY OF MARICOPA, ARIZONA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**DEBT SERVICE**  
**YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original & Final	Actual	
<b>Revenues:</b>			
Property taxes	\$ 3,406,624	\$ 3,375,713	\$ (30,911)
Intergovernmental revenues	239,537	125,225	(114,312)
<b>Total revenues</b>	<u>3,646,161</u>	<u>3,500,938</u>	<u>(145,223)</u>
<b>Expenditures:</b>			
Debt service -			
Bond issuance costs		183,343	(183,343)
Principal retirement	1,845,000	1,845,000	
Interest and fiscal charges	1,801,161	1,443,137	358,024
<b>Total expenditures</b>	<u>3,646,161</u>	<u>3,471,480</u>	<u>174,681</u>
<b>Excess (deficiency) of revenues over expenditures</b>		<u>29,458</u>	<u>29,458</u>
<b>Other financing sources (uses):</b>			
Issuance of refunding bonds		9,900,000	9,900,000
Premium on bonds issued		2,317,121	2,317,121
Transfers in	360,000		(360,000)
Payment to bond escrow agent		(12,025,629)	(12,025,629)
<b>Total other financing sources (uses)</b>	<u>360,000</u>	<u>191,492</u>	<u>(168,508)</u>
<b>Changes in fund balances</b>	<u>360,000</u>	<u>220,950</u>	<u>(139,050)</u>
<b>Fund balances, beginning of year</b>		386,936	386,936
<b>Fund balances, end of year</b>	<u>\$ 360,000</u>	<u>\$ 607,886</u>	<u>\$ 247,886</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.

**Land Acquisition Enhancement** – This fund is used to account for the purchase of vacant land to enhance the value of these properties.

**CITY OF MARICOPA, ARIZONA  
 COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS  
 JUNE 30, 2020**

	Parks Impact Fee	Library Impact Fee	Public Safety Impact Fee
<b><u>ASSETS</u></b>			
Cash and investments	\$ 3,937,850	\$ 668,486	\$ 1,561,609
Accounts receivable	64		1,296
Prepaid items			1,233,191
<b>Total assets</b>	<b>\$ 3,937,914</b>	<b>\$ 668,486</b>	<b>\$ 2,796,096</b>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$ 912	\$ 3,424
Construction contracts payable		724,349	
<b>Total liabilities</b>		725,261	3,424
Fund balances (deficits):			
Nonspendable			1,233,191
Restricted	3,937,914		1,559,481
Assigned			
Unassigned		(56,775)	
<b>Total fund balances</b>	3,937,914	(56,775)	2,792,672
 <b>Total liabilities and fund balances</b>	 <b>\$ 3,937,914</b>	 <b>\$ 668,486</b>	 <b>\$ 2,796,096</b>

<u>Parks Bond</u>	<u>General Government CIP</u>	<u>Land Acquisition Enhancement</u>	<u>Totals</u>
\$ 368	\$ 4,374,083	\$ 474,637	\$ 11,017,033
			1,360
			1,233,191
<u>\$ 368</u>	<u>\$ 4,374,083</u>	<u>\$ 474,637</u>	<u>\$ 12,251,584</u>
\$	\$ 184,254	\$	\$ 188,590
	11,522		735,871
	<u>195,776</u>		<u>924,461</u>
368	4,178,307		1,233,191
		474,637	9,676,070
			474,637
			(56,775)
<u>368</u>	<u>4,178,307</u>	<u>474,637</u>	<u>11,327,123</u>
<u>\$ 368</u>	<u>\$ 4,374,083</u>	<u>\$ 474,637</u>	<u>\$ 12,251,584</u>

**CITY OF MARICOPA, ARIZONA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2020**

	Parks Impact Fee	Library Impact Fee	Public Safety Impact Fee
<b>Revenues:</b>			
Impact fees	\$ 1,018,554	\$ 31,284	\$ 1,023,278
Investment income	119,918	9,975	33,764
Miscellaneous	30	240	60
<b>Total revenues</b>	<u>1,138,502</u>	<u>41,499</u>	<u>1,057,102</u>
<b>Expenditures:</b>			
Capital outlay	954,883	3,270,822	1,234,700
<b>Total expenditures</b>	<u>954,883</u>	<u>3,270,822</u>	<u>1,234,700</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>183,619</u>	<u>(3,229,323)</u>	<u>(177,598)</u>
<b>Other financing sources (uses):</b>			
Proceeds from sale of assets			
Transfers in		2,500,000	
Transfers out			
Capital lease agreements			1,233,191
<b>Total other financing sources (uses)</b>		<u>2,500,000</u>	<u>1,233,191</u>
<b>Changes in fund balances</b>	<u>183,619</u>	<u>(729,323)</u>	<u>1,055,593</u>
<b>Fund balances, beginning of year</b>	3,754,295	672,548	503,888
Increase (decrease) in reserve for prepaid items			1,233,191
<b>Fund balances (deficits), end of year</b>	<u>\$ 3,937,914</u>	<u>\$ (56,775)</u>	<u>\$ 2,792,672</u>

<u>Parks Bond</u>	<u>General Government CIP</u>	<u>Land Acquisition Enhancement</u>	<u>Totals</u>
\$ 368	\$ 176,658	\$	\$ 2,073,116
			340,683
			330
<u>368</u>	<u>176,658</u>		<u>2,414,129</u>
	6,465,699	251,149	12,177,253
	<u>6,465,699</u>	<u>251,149</u>	<u>12,177,253</u>
<u>368</u>	<u>(6,289,041)</u>	<u>(251,149)</u>	<u>(9,763,124)</u>
		725,786	725,786
	1,305,000		3,805,000
(347,019)			(347,019)
	<u>1,783,380</u>		<u>3,016,571</u>
<u>(347,019)</u>	<u>3,088,380</u>	<u>725,786</u>	<u>7,200,338</u>
<u>(346,651)</u>	<u>(3,200,661)</u>	<u>474,637</u>	<u>(2,562,786)</u>
347,019	7,457,813		12,735,563
	(78,845)		1,154,346
<u>\$ 368</u>	<u>\$ 4,178,307</u>	<u>\$ 474,637</u>	<u>\$ 11,327,123</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, 2020**

	Parks Impact Fee		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Intergovernmental revenues	\$	\$	\$
Impact fees	798,400	1,018,554	220,154
Investment income	1,900	119,918	118,018
Miscellaneous		30	30
<b>Total revenues</b>	<u>800,300</u>	<u>1,138,502</u>	<u>338,202</u>
<b>Expenditures:</b>			
Capital outlay	1,294,004	954,883	339,121
<b>Total expenditures</b>	<u>1,294,004</u>	<u>954,883</u>	<u>339,121</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(493,704)</u>	<u>183,619</u>	<u>677,323</u>
<b>Other financing sources (uses):</b>			
Proceeds from sale of assets			
Transfers in			
Transfers out			
Capital lease agreements			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	<u>(493,704)</u>	<u>183,619</u>	<u>677,323</u>
<b>Fund balances, beginning of year</b>		3,754,295	3,754,295
Increase (decrease) in reserve for prepaid items			
<b>Fund balances (deficits), end of year</b>	<u>\$ (493,704)</u>	<u>\$ 3,937,914</u>	<u>\$ 4,431,618</u>

Library Impact Fee			Public Safety Impact Fee		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 637	\$ 31,284	\$ 30,647	\$ 677,300	\$ 1,023,278	\$ 345,978
3	9,975	9,972	15,200	33,764	18,564
	240	240		60	60
<u>640</u>	<u>41,499</u>	<u>40,859</u>	<u>692,500</u>	<u>1,057,102</u>	<u>364,602</u>
3,280,221	3,270,822	9,399	431,202	1,234,700	(803,498)
<u>3,280,221</u>	<u>3,270,822</u>	<u>9,399</u>	<u>431,202</u>	<u>1,234,700</u>	<u>(803,498)</u>
(3,279,581)	(3,229,323)	50,258	261,298	(177,598)	(438,896)
2,500,000	2,500,000				
<u>2,500,000</u>	<u>2,500,000</u>			1,233,191	1,233,191
				<u>1,233,191</u>	<u>1,233,191</u>
<u>(779,581)</u>	<u>(729,323)</u>	<u>50,258</u>	<u>261,298</u>	<u>1,055,593</u>	<u>794,295</u>
	672,548	672,548		503,888	503,888
				1,233,191	1,233,191
<u>\$ (779,581)</u>	<u>\$ (56,775)</u>	<u>\$ 722,806</u>	<u>\$ 261,298</u>	<u>\$ 2,792,672</u>	<u>\$ 2,531,374</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, 2020**

	Transportation Impact Fee		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Intergovernmental revenues	\$	\$	\$
Impact fees	2,898,100	3,308,584	410,484
Investment income	10,000	771,100	761,100
Miscellaneous		1,439	1,439
<b>Total revenues</b>	2,908,100	4,081,123	1,173,023
<b>Expenditures:</b>			
Capital outlay	4,574,349	1,333,307	3,241,042
<b>Total expenditures</b>	4,574,349	1,333,307	3,241,042
<b>Excess (deficiency) of revenues over expenditures</b>	(1,666,249)	2,747,816	4,414,065
<b>Other financing sources (uses):</b>			
Proceeds from sale of assets			
Transfers in			
Transfers out			
Capital lease agreements			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	(1,666,249)	2,747,816	4,414,065
<b>Fund balances, beginning of year</b>		24,214,245	24,214,245
Increase (decrease) in reserve for prepaid items			
<b>Fund balances (deficits), end of year</b>	\$ (1,666,249)	\$ 26,962,061	\$ 28,628,310

Parks Bond			General Government CIP		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	368	368		176,658	176,658
	<u>368</u>	<u>368</u>		<u>176,658</u>	<u>176,658</u>
			10,324,949	6,465,699	3,859,250
			<u>10,324,949</u>	<u>6,465,699</u>	<u>3,859,250</u>
	368	368	(10,324,949)	(6,289,041)	4,035,908
			1,305,000	1,305,000	
(347,019)	(347,019)			1,783,380	1,783,380
<u>(347,019)</u>	<u>(347,019)</u>		<u>1,305,000</u>	<u>3,088,380</u>	<u>1,783,380</u>
(347,019)	(346,651)	368	(9,019,949)	(3,200,661)	5,819,288
	347,019	347,019		7,457,813	7,457,813
				(78,845)	(78,845)
<u>\$ (347,019)</u>	<u>\$ 368</u>	<u>\$ 347,387</u>	<u>\$ (9,019,949)</u>	<u>\$ 4,178,307</u>	<u>\$ 13,198,256</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, 2020**

	Capital Grants		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Intergovernmental revenues	\$ 15,070,799	\$ 4,375,271	\$ (10,695,528)
Impact fees			
Investment income			
Miscellaneous		21,751	21,751
<b>Total revenues</b>	15,070,799	4,397,022	(10,673,777)
<b>Expenditures:</b>			
Capital outlay	14,711,499	4,235,933	10,475,566
<b>Total expenditures</b>	14,711,499	4,235,933	10,475,566
<b>Excess (deficiency) of revenues over expenditures</b>	359,300	161,089	(198,211)
<b>Other financing sources (uses):</b>			
Proceeds from sale of assets			
Transfers in			
Transfers out			
Capital lease agreements			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	359,300	161,089	(198,211)
<b>Fund balances, beginning of year</b>		272,537	272,537
Increase (decrease) in reserve for prepaid items			
<b>Fund balances (deficits), end of year</b>	\$ 359,300	\$ 433,626	\$ 74,326

Land Acquisition Enhancement			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$ 15,070,799	\$ 4,375,271	\$ (10,695,528)
			4,374,437	5,381,700	1,007,263
			27,103	1,111,783	1,084,680
				23,520	23,520
			<u>19,472,339</u>	<u>10,892,274</u>	<u>(8,580,065)</u>
	251,149	(251,149)	34,616,224	17,746,493	16,869,731
	<u>251,149</u>	<u>(251,149)</u>	<u>34,616,224</u>	<u>17,746,493</u>	<u>16,869,731</u>
	(251,149)	(251,149)	(15,143,885)	(6,854,219)	8,289,666
	725,786	725,786		725,786	725,786
			3,805,000	3,805,000	
			(347,019)	(347,019)	
				3,016,571	3,016,571
	<u>725,786</u>	<u>725,786</u>	<u>3,457,981</u>	<u>7,200,338</u>	<u>3,742,357</u>
	474,637	474,637	(11,685,904)	346,119	12,032,023
				37,222,345	37,222,345
				1,154,346	1,154,346
<u>\$</u>	<u>\$ 474,637</u>	<u>\$ 474,637</u>	<u>\$ (11,685,904)</u>	<u>\$ 38,722,810</u>	<u>\$ 50,408,714</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)**

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>
<b>Net Position:</b>					
Net investment in capital assets	\$ 169,738,519	\$ 164,748,639	\$ 170,979,975	\$ 177,751,634	\$ 178,734,505
Restricted	48,362,479	48,037,555	43,451,668	34,342,277	46,127,016
Unrestricted	43,166,415	27,465,259	16,789,319	14,565,658	18,571,493
Total net position	<u><u>\$ 261,267,413</u></u>	<u><u>\$ 240,251,453</u></u>	<u><u>\$ 231,220,962</u></u>	<u><u>\$ 226,659,569</u></u>	<u><u>\$ 243,433,014</u></u>
	<u><b>2015</b></u>	<u><b>2014</b></u>	<u><b>2013</b></u>	<u><b>2012</b></u>	<u><b>2011</b></u>
<b>Net Position:</b>					
Net investment in capital assets	\$ 176,253,607	\$ 176,849,760	\$ 177,370,008	\$ 160,277,610	\$ 159,446,413
Restricted	52,707,824	54,993,935	55,767,940	69,233,094	44,235,838
Unrestricted	16,683,198	22,824,286	23,545,468	21,799,977	48,978,257
Total net position	<u><u>\$ 245,644,629</u></u>	<u><u>\$ 254,667,981</u></u>	<u><u>\$ 256,683,416</u></u>	<u><u>\$ 251,310,681</u></u>	<u><u>\$ 252,660,508</u></u>

**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)**

	<b>Fiscal Year Ended June 30</b>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Expenses</b>					
Governmental activities					
General government	\$ 10,584,899	\$ 9,258,938	\$ 9,065,308	\$ 13,781,833	\$ 8,434,268
Public safety	25,905,921	26,178,738	24,936,969	28,009,309	21,662,502
Community services	7,039,922	8,801,087	8,555,065	9,369,826	9,411,852
Development services	2,960,766	2,316,181	2,141,848	5,030,982	4,173,045
Public works	15,608,748	11,056,216	9,590,939	14,855,383	8,384,857
Interest on long-term debt	1,402,227	1,837,467	1,915,184	1,986,509	2,045,204
Total governmental activities expenses	<u>63,502,483</u>	<u>59,448,627</u>	<u>56,205,313</u>	<u>73,033,842</u>	<u>54,111,728</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	909,326	1,377,434	1,004,410	733,595	725,908
Public safety	175,838	79,745	318,775	71,440	286,800
Community services	1,353,011	1,704,331	1,526,958	1,916,364	1,352,037
Development services	4,006,565	3,495,470	3,223,364	1,960,602	2,258,585
Public works	203,232				
Operating grants and contributions	10,835,521	4,475,831	4,522,065	5,324,186	4,303,861
Capital grants and contributions	9,835,496	5,241,042	5,560,382	3,589,969	2,230,811
Total program revenues	<u>27,318,989</u>	<u>16,373,853</u>	<u>16,155,954</u>	<u>13,596,156</u>	<u>11,158,002</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (36,183,494)</u>	<u>\$ (43,074,774)</u>	<u>\$ (40,049,359)</u>	<u>\$ (59,437,686)</u>	<u>\$ (42,953,726)</u>

(Continued)

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

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

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

**Notes:** 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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Net (Expense)/Revenue</b>	\$ (36,183,494)	\$ (43,074,774)	\$ (40,049,359)	\$ (59,437,686)	\$ (42,953,726)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	12,910,208	11,845,356	11,007,502	10,243,226	9,563,708
Property taxes, levied for debt service	3,402,053	2,967,306	3,450,990	3,905,535	3,654,084
Sales taxes	17,745,381	14,161,420	11,692,157	10,448,709	9,496,645
Franchise taxes	1,281,198	1,221,114	1,238,325	1,300,307	911,356
Investment income	2,896,452	2,542,613	349,508	438,141	771,820
Unrestricted grants, aid, and state shared revenues	18,964,162	18,059,723	16,946,770	16,578,323	16,094,498
<b>Total general revenues</b>	<u>57,199,454</u>	<u>50,797,532</u>	<u>44,685,252</u>	<u>42,914,241</u>	<u>40,492,111</u>
<b>Changes in Net Position</b>	<u>\$ 21,015,960</u>	<u>\$ 7,722,758</u>	<u>\$ 4,635,893</u>	<u>\$ (16,523,445)</u>	<u>\$ (2,461,615)</u>

(Continued)

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Net (Expense)/Revenue</b>	\$ (38,310,692)	\$ (37,964,983)	\$ (26,831,649)	\$ (31,679,697)	\$ (28,050,331)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	9,328,535	9,391,368	9,409,828	10,932,354	9,797,104
Property taxes, levied for debt service	4,761,714	3,542,070	1,457,540		1,415,568
Sales taxes	8,791,279	8,684,810	7,942,569	7,601,624	7,454,918
Franchise taxes	362,791	344,151	309,744	285,739	315,240
Investment income	446,606	472,562	171,708	112,707	667,555
Unrestricted grants, aid, and state shared revenues	15,108,669	13,514,587	12,912,995	11,397,446	6,277,756
<b>Total general revenues</b>	<u>38,799,594</u>	<u>35,949,548</u>	<u>32,204,384</u>	<u>30,329,870</u>	<u>25,928,141</u>
<b>Changes in Net Position</b>	<u>\$ 488,902</u>	<u>\$ (2,015,435)</u>	<u>\$ 5,372,735</u>	<u>\$ (1,349,827)</u>	<u>\$ (2,122,190)</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)**

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>
General Fund:					
Nonspendable	\$ 757	\$ 1,125	\$ 2,436	\$ 2,140	\$ 18,417
Assigned	31,756,922				
Unassigned	27,108,149	43,608,609	33,424,593	30,643,618	29,841,856
Total General Fund	<u>\$ 58,865,828</u>	<u>\$ 43,609,734</u>	<u>\$ 33,427,029</u>	<u>\$ 30,645,758</u>	<u>\$ 29,860,273</u>
All Other Governmental Funds:					
Nonspendable	\$ 1,233,191	\$ 79,970	\$ 809,837		\$ 1,195,205
Restricted	46,691,661	47,634,524	42,600,094	34,274,993	44,896,889
Assigned	474,637				
Unassigned	(56,775)			(360,553)	(721,733)
Total all other governmental funds	<u>\$ 48,342,714</u>	<u>\$ 47,714,494</u>	<u>\$ 43,409,931</u>	<u>\$ 33,914,440</u>	<u>\$ 44,175,156</u>

**(Continued)**

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

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

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

**(Concluded)**

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

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>
<b>Revenues:</b>					
Property taxes	\$ 16,159,699	\$ 14,852,269	\$ 14,477,065	\$ 14,166,836	\$ 13,263,389
Sales taxes	17,745,381	14,161,420	11,692,157	10,448,709	9,496,645
Franchise taxes	1,281,198	1,221,114	1,238,325	1,300,307	911,356
Licenses, fees & permits	2,825,255	2,597,945	2,535,211	1,590,827	1,123,534
Intergovernmental revenues	33,336,718	22,246,030	21,454,086	22,872,558	20,823,538
Impact fees	5,381,700	5,171,518	5,530,530	2,535,080	1,772,314
Charges for services	2,887,504	2,531,178	2,410,795	2,377,444	2,161,808
Fines, forfeitures, & penalties	546,745	598,784	583,454	524,546	563,453
Investment income (loss)	2,896,452	2,542,613	349,508	438,141	771,820
Miscellaneous	448,401	986,784	584,546	194,006	761,000
<b>Total revenues</b>	<u><u>\$ 83,509,053</u></u>	<u><u>\$ 66,909,655</u></u>	<u><u>\$ 60,855,677</u></u>	<u><u>\$ 56,448,454</u></u>	<u><u>\$ 51,648,857</u></u>
<b>Expenditures:</b>					
Current -					
General government	\$ 8,508,731	\$ 7,874,432	\$ 7,452,335	\$ 13,022,970	\$ 6,855,078
Public safety	23,806,041	23,912,379	21,935,683	20,159,339	19,533,793
Community services	4,393,671	6,108,587	6,612,289	5,998,105	6,417,639
Development services	2,667,621	2,133,900	1,939,499	1,675,952	1,682,110
Public works	7,766,043	3,489,114	3,081,856	2,789,293	2,681,965
Capital outlay	22,520,896	5,810,512	4,674,651	20,011,487	16,339,908
Debt service -					
Principal retirement	1,959,216	1,790,000	1,735,000	1,685,000	1,645,000
Interest and fiscal charges	1,444,778	1,880,018	1,957,735	2,029,060	2,087,755
Bond issuance costs	183,343				
<b>Total expenditures</b>	<u><u>\$ 73,250,340</u></u>	<u><u>\$ 52,998,942</u></u>	<u><u>\$ 49,389,048</u></u>	<u><u>\$ 67,371,206</u></u>	<u><u>\$ 57,243,248</u></u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u><u>\$ 10,258,713</u></u>	<u><u>\$ 13,910,713</u></u>	<u><u>\$ 11,466,629</u></u>	<u><u>\$ (10,922,752)</u></u>	<u><u>\$ (5,594,391)</u></u>
Expenditures for capitalized assets	\$ 18,774,121	\$ 3,910,407	\$ 3,124,891	\$ 9,598,926	\$ 11,390,120
Debt service as a percentage of noncapital expenditures	6%	7%	8%	6%	8%

(Continued)

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Revenues:</b>					
Property taxes	\$ 14,715,416	\$ 12,801,299	\$ 10,539,547	\$ 10,826,301	\$ 11,299,263
Sales taxes	8,791,279	8,684,810	7,942,569	7,601,624	7,454,918
Franchise taxes	362,791	344,151	309,744	285,739	315,240
Licenses, fees & permits	807,472	713,154	771,911	480,342	320,909
Intergovernmental revenues	19,152,579	19,503,258	15,362,298	14,610,218	10,403,335
Impact fees	1,389,203	1,435,999	1,785,770		
Charges for services	2,083,965	1,431,663	580,461	521,229	544,625
Fines, forfeitures, & penalties	628,782	132,792	271,537	431,180	470,509
Investment income (loss)	446,606	472,562	171,708	112,707	667,555
Miscellaneous	182,262	151,353	1,533,934	1,686,749	312,853
<b>Total revenues</b>	<u>\$ 48,560,354</u>	<u>\$ 45,671,042</u>	<u>\$ 39,269,479</u>	<u>\$ 36,556,089</u>	<u>\$ 31,789,207</u>
<b>Expenditures:</b>					
Current -					
General government	\$ 6,324,669	\$ 8,041,470	\$ 5,990,510	\$ 8,502,107	\$ 8,031,875
Public safety	18,482,520	16,942,419	15,772,942	14,832,455	13,999,701
Community services	5,480,545	4,046,178	1,950,582	1,929,898	2,509,541
Development services	1,743,644	1,484,967	3,739,271	6,098,044	6,049,216
Public works	2,581,188	2,414,910			
Capital outlay	8,955,004	29,134,244	44,105,545	6,138,326	8,966,722
Debt service -					
Principal retirement	1,610,000	3,075,581	847,017	1,016,198	1,271,520
Interest and fiscal charges	2,140,960	2,248,665	1,005,352	1,053,211	1,532,108
Bond issuance costs			633,340		
<b>Total expenditures</b>	<u>\$ 47,318,530</u>	<u>\$ 67,388,434</u>	<u>\$ 74,044,559</u>	<u>\$ 39,570,239</u>	<u>\$ 42,360,683</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>\$ 1,241,824</u>	<u>\$ (21,717,392)</u>	<u>\$ (34,775,080)</u>	<u>\$ (3,014,150)</u>	<u>\$ (10,571,476)</u>
Expenditures for capitalized assets	\$ 7,431,302	\$ 25,884,678	\$ 43,020,602	\$ 7,031,001	\$ 7,209,712
Debt service as a percentage of noncapital expenditures	9%	13%	8%	6%	8%

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

**Notes:** 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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ 10,258,713	\$ 13,910,713	\$ 11,466,629	\$ (10,922,752)	\$ (5,594,391)
<b>Other financing sources (uses):</b>					
Refunding bonds issued	9,900,000				
Premium on sale of bonds	2,317,121				
Proceeds from sale of assets	725,786			1,713,798	
Capital lease agreements	3,555,470				
Transfers in	5,952,019	4,710,473	5,392,700	1,400,000	1,250,000
Transfers out	(5,952,019)	(4,710,473)	(5,392,700)	(1,400,000)	(1,250,000)
Payment to refunded bond escrow agent	(12,025,629)				
<b>Total other financing sources (uses)</b>	<u>4,472,748</u>			<u>1,713,798</u>	
<b>Changes in fund balances</b>	<u>\$ 14,731,461</u>	<u>\$ 13,910,713</u>	<u>\$ 11,466,629</u>	<u>\$ (9,208,954)</u>	<u>\$ (5,594,391)</u>
	<u><b>2015</b></u>	<u><b>2014</b></u>	<u><b>2013</b></u>	<u><b>2012</b></u>	<u><b>2011</b></u>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ 1,241,824	\$ (21,717,392)	\$ (34,775,080)	\$ (3,014,150)	\$ (10,571,476)
<b>Other financing sources (uses):</b>					
General obligation bonds issued			31,605,000		
Premium on sale of bonds			825,551		
Proceeds from sale of assets				211,200	438,460
Transfers in	1,250,000	1,370,000	175,000	37,135,270	
Transfers out	(1,250,000)	(1,370,000)	(175,000)	(37,135,270)	
<b>Total other financing sources (uses)</b>			<u>32,430,551</u>	<u>211,200</u>	<u>438,460</u>
<b>Changes in fund balances</b>	<u>\$ 1,241,824</u>	<u>\$ (21,717,392)</u>	<u>\$ (2,344,529)</u>	<u>\$ (2,802,950)</u>	<u>\$ (10,133,016)</u>

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

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

	<b>Fiscal Year Ended June 30</b>									
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Mining	\$ 1,987	\$	\$	\$ 1,407	\$ 3,682	\$ 4,063	\$ 3,593	\$ 4,252	\$ 1,619	\$ 1,947
Communication & Utilities	2,191,885	1,552,946	1,548,521	891,299	806,381	782,086	687,634	636,967	575,882	575,198
Transportation	2,133	2,004	90	12,842	1,237	9,144	7,072	8,462	6,326	5,925
Construction	6,026,592	5,151,332	2,799,001	2,031,485	1,836,350	1,218,034	2,548,343	2,325,823	1,535,980	1,802,458
Manufacturing	279,002	118	252,000	227,132	295,396	249,704	418,849	289,320	274,016	257,176
Wholesale	202,223	410,130	462,111	418,910	333,196	140,074	109,573	114,764	93,496	189,691
Retail	7,128,998	5,824,637	4,863,178	5,464,752	5,024,692	5,365,175	4,138,543	3,834,681	3,774,442	3,446,044
Financial and Insurance	33,861		49,000	55,016	37,546	38,910	36,622	30,233	28,471	32,286
Real Estate Rental	1,795,820	1,006,962	876,937	1,109,644	906,153	822,946	643,650	502,888	538,287	496,443
Restaurant & Bar	898,860	1,058,619	938,719	685,621	569,308	556,636	482,155	429,359	380,961	357,595
Accommodation	1,436	97,608	4,697	1,091	191	19	6	9	6	806
Public Administration	11,954	3,941	6,078	1,160	848	669	481	845	1,165	(2,813)
Services	343,197	25,203	38,909	224,269	251,715	227,859	216,020	272,749	177,935	150,913
Arts & Entertainment	22,688	97,380	19,190	11,581	4,355	1,273	3,813	21,019	47,440	22,341
Other	11,578	15,813	34,925	102,707	72,463	66,420	46,494	50,400	57,419	151,517
<b>Total</b>	<b>\$ 18,952,214</b>	<b>\$ 15,246,692</b>	<b>\$ 11,893,356</b>	<b>\$ 11,238,916</b>	<b>\$ 10,143,513</b>	<b>\$ 9,483,013</b>	<b>\$ 9,342,848</b>	<b>\$ 8,521,771</b>	<b>\$ 7,493,445</b>	<b>\$ 7,487,527</b>
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**

<b>Fiscal Year</b>	<b>City's Direct Rate</b>	<b>City's Construction Sales Tax Rate</b>	<b>Arizona Rate</b>	<b>County Rate</b>
2020	2.00%	3.50%	5.60%	1.60%
2019	2.00%	3.50%	5.60%	1.60%
2018	2.00%	3.50%	5.60%	1.60%
2017	2.00%	3.50%	5.60%	1.10%
2016	2.00%	3.50%	5.60%	1.10%
2015	2.00%	3.50%	5.60%	1.10%
2014	2.00%	3.50%	5.60%	1.10%
2013	2.00%	3.50%	5.60%	1.10%
2012	2.00%	3.50%	6.60%	1.10%
2011	2.00%	3.50%	6.60%	1.10%

**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>
2020	\$17,745,381	25.31 %	\$16,159,699	8.80 %	\$1,281,198	4.92 %	\$ 35,186,278	16.38 %
2019	14,161,420	21.12	14,852,269	2.59	1,221,114	(1.39)	30,234,803	10.32
2018	11,692,157	11.90	14,477,065	2.19	1,238,325	(4.77)	27,407,547	5.76
2017	10,448,709	10.03	14,166,836	7.18	1,300,307	42.68	25,915,852	9.69
2016	9,496,645	8.02	13,217,792	(10.18)	911,356	151.21	23,625,793	(1.02)
2015	8,791,279	1.23	14,715,416	14.95	362,791	5.42	23,869,486	9.34
2014	8,684,810	9.35	12,801,300	21.46	344,151	11.11	21,830,261	16.17
2013	7,942,569	4.49	10,539,547	(2.45)	309,744	8.40	18,791,860	0.54
2012	7,601,624	1.97	10,804,339	(4.38)	285,739	(9.41)	18,691,702	(1.98)
2011	7,454,918	12.11	11,299,263	22.80	315,420	(36.16)	19,069,601	16.67

**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>2020</u>		<u>2011</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	\$ 5,919,832	2.06 %	\$ 2,739,199	1.05 %
Santa Cruz Water Company, LLC	4,888,083	1.70	3,863,000	1.49
Volkswagen of America dba Vorelco Inc	2,722,213	0.95	2,257,671	0.87
Wal-Mart Stores Inc #3751	2,376,622	0.83	2,388,473	0.92
SM Fiesta LLC	1,559,273	0.54	1,738,000	0.67
Smiths Food & Drug Centers Inc	1,298,374	0.45	1,286,887	0.50
Agree LTD Pship	1,231,435	0.43		
DR Horton Inc-Dietz Crane	1,056,184	0.37		
Maricopa Groves Self Storage LLC	941,826	0.33		
Eagle Shadow LLC	864,631	0.30		
Pinal Energy LLC			2,172,947	0.84
Meritage Homes of Arizona Inc.			2,230,074	0.86
Shea Maricopa LLC			1,162,833	0.45
Barclay Holding XIX LLC			983,488	0.38
Total	<u>\$ 22,858,473</u>	<u>7.96 %</u>	<u>\$ 20,822,572</u>	<u>8.03 %</u>
City's Total Assessed Valuation	<u>\$ 286,969,599</u>		<u>\$ 259,786,635</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**

<b>Fiscal Year Ended June 30</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Fiscal Years</b>	<b>Collected to the End of the Current Fiscal Year</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2020	\$ 15,949,545	\$15,733,335	98.64 %	N/A	\$ 15,733,335	98.64 %
2019	14,416,239	14,216,971	98.62	199,240	14,416,211	100.00
2018	14,118,138	13,945,182	98.77	172,879	14,118,061	100.00
2017	14,154,974	13,928,821	98.40	226,148	14,154,969	100.00
2016	13,416,645	13,169,295	98.16	247,345	13,416,640	100.00
2015	14,559,339	14,299,954	98.22	259,384	14,559,339	100.00
2014	12,422,911	12,196,814	98.18	226,097	12,422,911	100.00
2013	10,962,174	10,255,746	93.56	706,428	10,962,174	100.00
2012	10,790,693	10,390,225	96.29	395,463	10,785,688	99.95
2011	11,250,307	10,933,142	97.18	317,165	11,250,307	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	
2020	L	\$ 273,063,016	\$ 2,699,497,222	\$ 13,906,583	\$ 80,536,869	\$ 286,969,599	\$ 2,780,034,091	4.7845	10.32
	FC	347,649,900	3,420,846,970	13,907,723	80,543,227	361,557,623	3,501,390,197	1.1871	10.33
2019	L	249,577,072	2,467,326,746	12,623,237	73,150,838	262,200,309	2,540,477,584	4.7845	10.32
	FC	310,242,714	3,061,492,176	12,623,328	73,151,345	322,866,042	3,134,643,521	1.1220	10.30
2018	L	232,901,620	2,297,326,157	11,722,172	68,148,403	244,623,792	2,365,474,560	4.7845	10.34
	FC	303,795,843	2,990,546,257	11,722,311	68,149,168	315,518,154	3,058,695,425	1.4005	10.32
2017	L	219,051,286	2,153,370,572	10,800,644	63,229,051	229,851,930	2,216,599,623	4.7845	10.37
	FC	297,310,225	2,922,164,006	10,800,739	63,229,564	308,110,964	2,985,393,570	1.6973	10.32
2016	L	208,852,365	2,013,631,300	11,075,593	62,880,618	219,927,958	2,076,511,918	4.9842	10.59
	FC	285,546,808	2,769,491,581	11,075,593	62,880,618	296,622,401	2,832,372,199	2.3561	10.47
2015	L	195,380,117	1,866,757,679	11,893,420	65,872,041	207,273,537	1,932,629,720	5.0898	10.72
	FC	197,983,250	1,896,855,819	11,893,420	58,625,317	209,876,670	1,955,481,136	1.7600	10.73
2014	L	181,595,557	1,706,748,961	16,880,341	91,357,273	198,475,898	1,798,106,234	4.8753	11.04
	FC	182,752,598	1,720,554,146	16,880,341	91,357,273	199,632,939	1,811,911,419	0.6917	11.02
2013	L	188,261,169	1,756,968,685	17,526,048	90,689,220	205,787,217	1,847,657,905	4.8105	11.14
	FC	190,327,514	1,779,275,350	17,526,048	90,689,220	207,853,562	1,869,964,570	0.6528	11.12
2012	L	195,083,227	1,851,949,877	13,587,423	69,823,606	208,670,650	1,921,773,483	4.8105	10.86
	FC	206,652,235	1,888,879,939	13,587,423	69,823,606	220,239,658	1,958,703,545	0.6528	11.24
2011	L	234,678,353	2,219,435,798	10,450,029	51,670,515	245,128,382	2,271,106,313	4.0168	10.79
	FC	249,336,606	2,259,829,103	10,450,029	51,670,515	259,786,635	2,311,499,618	0.5514	11.24

**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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	\$ 39,239,303	\$ 33,838,504	\$ 32,758,823	\$ 31,799,389	\$ 31,697,664
Agricultural and Vacant	24,707,561	22,082,952	23,302,844	22,478,502	22,572,471
Residential (Owner Occupied)	200,156,761	172,226,655	163,479,410	163,242,041	150,631,971
Residential (Rental)	95,630,799	92,932,371	94,403,890	89,160,259	90,968,576
Railroad, Private Cars and Airlines	608,029	644,369	610,671	474,730	452,015
Historical Property	1,205,282	1,132,618	960,516	954,015	297,533
Certain Government Property Improvements	9,888	8,583	2,000	2,028	2,171
<b>Total</b>	<b>\$ 361,557,623</b>	<b>\$ 322,866,052</b>	<b>\$ 315,518,154</b>	<b>\$ 308,110,964</b>	<b>\$ 296,622,401</b>
Gross Full Cash Value	\$ 3,501,390,197	\$ 3,134,643,521	\$ 3,058,695,425	\$ 2,985,393,570	\$ 2,832,372,199
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10.33%	10.30%	10.32%	10.32%	10.47%
Estimated Net Full Cash Value	3,323,295,368	3,134,643,521	3,058,695,425	2,833,253,754	2,695,846,008
Total Direct Rate	5.97	5.91	6.19	6.48	7.34

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	\$ 30,378,316	\$ 36,327,177	\$ 38,276,239	\$ 33,707,267	\$ 30,561,149
Agricultural and Vacant	20,017,664	20,869,614	21,101,890	22,678,364	26,257,892
Residential (Owner Occupied)	111,122,863	106,613,297	126,378,346	140,018,199	174,466,540
Residential (Rental)	47,611,420	35,465,042	21,909,363	13,401,078	16,078,841
Railroad, Private Cars and Airlines	459,982	357,809	187,724	159,615	
Historical Property	286,425			10,275,135	12,422,213
Certain Government Property Improvements					
<b>Total</b>	<b>\$ 209,876,670</b>	<b>\$ 199,632,939</b>	<b>\$ 207,853,562</b>	<b>\$ 220,239,658</b>	<b>\$ 259,786,635</b>
Gross Full Cash Value	\$ 1,955,481,136	\$ 1,811,911,419	\$ 1,869,964,570	\$ 1,958,703,545	\$ 2,311,499,618
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10.73%	11.02%	11.12%	11.24%	11.24%
Estimated Net Full Cash Value	1,850,013,972	1,712,470,381	1,783,692,036	1,875,480,053	2,260,115,493
Total Direct Rate	6.85	5.57	5.46	5.46	4.57

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

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



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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	11 %	10 %	10 %	10 %	14 %
Agricultural and Vacant	7	7	7	7	10
Residential (Owner Occupied)	56	54	53	54	53
Residential (Rental)	26	29	30	29	23
Total	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	14 %	18 %	18 %	15 %	12 %
Agricultural and Vacant	10	14	10	10	10
Residential (Owner Occupied)	53	58	61	64	67
Residential (Rental)	23	10	11	6	6
Historical Property				5	5
Total	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

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

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

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

Fiscal Year Ended June 30	General Obligation Bonds					Total Outstanding Debt					
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Capital Leases	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income	
2020	\$ 37,149,997	\$ 770,472	\$ 36,379,525	1.04 %	664	\$ 3,441,254	\$ 40,591,251	1.16 %	\$ 741	2.73 %	
2019	38,540,686	396,930	38,143,756	1.22	732		38,540,686	1.23	740	2.81	
2018	40,373,237	834,960	39,538,277	1.29	824		40,373,237	1.32	841	3.20	
2017	42,150,788	769,129	41,381,659	1.39	867		42,150,788	1.41	883	3.61	
2016	43,878,339	157,168	43,721,171	1.54	904		43,878,339	1.55	907	3.90	
2015	45,565,890		45,565,890	2.33	976		45,565,890	2.33	976	4.44	
2014	47,218,441		47,218,441	2.61	1,011		47,218,441	2.61	1,011	5.62	
2013	51,035,992		51,035,992	2.73	1,135	75,581	51,111,573	2.73	1,137	5.15	
2012	19,360,467		19,360,467	0.99	422	147,598	19,508,065	1.00	425	2.06	
2011	20,095,493		20,095,493	0.87	452	413,796	20,509,289	0.89	461	2.20	

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

**CITY OF MARICOPA, ARIZONA  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
JUNE 30, 2020**

<u>Governmental Unit</u>	<u>Debt Outstanding <sup>(2)</sup></u>	<u>Estimated Percentage Applicable to City <sup>(1)</sup></u>	<u>Estimated Amount Applicable to City</u>
Overlapping:			
Pinal County Community College District	73,535,000	10.3 %	7,574,105
Maricopa Unified School District	28,965,000	100.0	<u>28,965,000</u>
Subtotal, Overlapping Debt			<u>36,539,105</u>
Direct:			
The City of Maricopa	37,149,997	100.0	<u>37,149,997</u>
Total Direct and Overlapping Debt			<u><u>\$ 73,689,102</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, 2019 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 2020:**

<b>20% Limitation</b>		<b>6% Limitation</b>	
Net full cash assessed valuation	\$ 361,557,623	Net full cash assessed valuation	\$ 361,557,623
Debt limit (20% of assessed value)	72,311,525	Debt limit (6% of assessed value)	21,693,457
Debt applicable to limit	29,406,486	Debt applicable to limit	6,633,514
Legal debt margin	\$ 42,905,039	Legal debt margin	\$ 15,059,943

	<b>Fiscal Year Ended June 30</b>				
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>20% Limitation:</b>					
Debt limit	\$ 72,311,525	\$ 64,573,208	\$ 63,103,631	\$ 61,622,193	\$ 59,324,480
Total net debt applicable to limit	29,406,486	31,006,506	31,959,491	33,464,482	34,926,278
Legal 20% debt margin	\$ 42,905,039	\$ 33,566,702	\$ 31,144,140	\$ 28,157,711	\$ 24,398,202
Total net debt applicable to the 20% limit as a percentage of 20% debt limit	41%	48%	51%	54%	59%
<b>6% Limitation:</b>					
Total Debt limit	\$ 21,693,457	\$ 19,371,963	\$ 18,931,089	\$ 18,486,658	\$ 17,797,344
Total net debt applicable to limit	6,633,514	6,878,494	7,715,509	7,945,518	7,790,922
Legal 6% debt margin	\$ 15,059,943	\$ 12,493,469	\$ 11,215,580	\$ 10,541,140	\$ 10,006,422
Total net debt applicable to the 6% limit as a percentage of 6% debt limit	31%	36%	41%	43%	44%

**(Continued)**

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>20% Limitation:</b>					
Debt limit	\$ 41,975,334	\$ 39,926,588	\$ 41,570,712	\$ 44,047,932	\$ 51,957,327
Total net debt applicable to limit	<u>36,949,078</u>	<u>37,745,000</u>	<u>41,520,000</u>	<u>19,270,000</u>	<u>20,000,000</u>
Legal 20% debt margin	<u>\$ 5,026,256</u>	<u>\$ 2,181,588</u>	<u>\$ 50,712</u>	<u>\$ 24,777,932</u>	<u>\$ 31,957,327</u>
Total net debt applicable to the 20% limit as a percentage of 20% debt limit	88%	95%	100%	44%	38%
<b>6% Limitation:</b>					
Debt limit	\$ 12,592,600	\$ 11,977,976	\$ 12,471,214	\$ 13,214,379	\$ 15,587,198
Total net debt applicable to limit	<u>7,790,922</u>	<u>8,605,000</u>	<u>8,605,000</u>	<u>                    </u>	<u>                    </u>
Legal 6% debt margin	<u>\$ 4,801,678</u>	<u>\$ 3,372,976</u>	<u>\$ 3,866,214</u>	<u>\$ 13,214,379</u>	<u>\$ 15,587,198</u>
Total net debt applicable to the 6% limit as a percentage of 6% debt limit	62%	72%	69%	0%	0%

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

**(Concluded)**

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

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated City Population</u>
2019	455,210	\$ 14,893,430	\$ 32,182	4.4 %	54,791
2018	440,591	13,701,923	30,644	5.0	52,117
2017	430,237	12,609,714	29,309	5.0	48,007
2016	418,540	11,689,781	27,930	5.5	47,746
2015	406,584	11,255,255	27,682	6.4	48,374
2014	402,000	10,255,422	25,511	6.0	46,708
2013	401,918	8,404,105	20,910	6.0	46,708
2012	389,350	9,932,708	25,511	8.0	44,946
2011	389,192	9,452,306	24,287	8.9	45,882
2010	384,231	9,331,818	24,287	10.3	44,450

**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 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2019 the source of the information is the Arizona Office of Employment and Population Statistics and Bureau of Labor Statistics.

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

Employer	2020			2011		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Maricopa Unified School District	670	1	13.99 %	650	1	16.25 %
City of Maricopa	400	2	8.35	215	3	5.38
Walmart	250	3	5.22	239	2	5.98
Pinal County	200	4	4.18			
Volkswagen Proving Grounds	150	5	3.13	150	5	3.75
Fry's Food Stores	110	6	2.30	200	4	5.00
Sequoia Pathway Academy	100	7	2.09			
McDonald's	90	8	1.88	87	6	2.18
Legacy Traditional School	80	9	1.67	80	8	2.00
Native Grill and Wings	80	10	1.67			
Bashas'				82	7	2.05
Pinal Feeding Co. Inc.				63	9	1.58
Southern Arizona Dunes Golf Club				60	10	1.50
Total	<u>2,130</u>		<u>44.48 %</u>	<u>1,826</u>		<u>45.67 %</u>
Total employment	<u>4,790</u>			<u>4,000</u>		

**Source:** The source of the 2020 information is the Maricopa Association of Governments (MAG) 2020.  
The source of the 2011 information is the 2011 City of Maricopa CAFR.



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

	<b>Full-time Equivalent Employees as of June 30</b>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>General Government</b>					
Court	0.5	1.0	1.0	1.0	1.0
Mayor and Council	4.4	8.0	8.0	8.0	8.0
City Manager	3.2	4.0	4.0	4.0	4.0
Information Technology	5.0	5.0	5.0	4.0	4.0
Marketing & Communication	3.0	1.0		1.0	1.0
City Clerk	4.8	5.0	5.0	4.0	4.0
Finance	9.0	9.0	10.0	8.0	9.0
Support Services Administration	4.0	3.0			
Human Resources	10.0	4.0	3.5	3.5	4.5
Planning	3.0	3.0	3.0	3.0	3.0
Development Services	3.8	2.0	1.5	2.0	1.9
Building Safety	6.0	6.0	10.5	7.5	7.0
Code Enforcement	2.0	2.0	1.0	1.0	1.0
Land Development	6.0				
Permit Center	5.0				
Facilities Management	4.0	3.0	2.0	2.0	2.0
Fleet Management	2.5	3.0	1.5	1.5	1.0
Public Works Administration	9.0	9.0	8.0	5.0	2.0
Police	92.0	85.0	78.8	87.5	89.5
Fire	73.0	69.0	66.4	63.0	64.0
Engineering		2.0	2.0	3.0	2.0
Transportation	1.0	1.0	1.2	1.0	0.6
Community Services Administration	6.8	4.0	4.0	4.0	3.0
Recreation/Copper Sky Recreation Center	48.3	72.0	72.0	62.5	66.5
Park Maintenance	20.0	20.0	19.0	18.0	3.0
Libraries	10.3	10.0	10.0	10.0	8.5
Economic Development	4.0	4.0	3.0	3.0	3.0
HURF/Public Works	11.5	10.0	12.5	11.0	25.1
<b>Total</b>	<b><u>352.1</u></b>	<b><u>345.0</u></b>	<b><u>332.9</u></b>	<b><u>318.5</u></b>	<b><u>318.6</u></b>

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>General Government</b>					
Court	1.0	3.0	3.0	5.0	4.5
Mayor and Council	8.0	8.0	8.0	8.0	7.0
City Manager	4.0	6.0	4.0	4.0	5.5
Information Technology	4.0	4.0	4.0	4.0	4.0
Marketing & Communication	1.0				
City Clerk	4.0	5.0	5.0	5.0	5.0
Finance	9.0	9.0	10.0	10.0	10.5
Support Services Administration					
Human Resources	4.5	3.0	3.0	3.0	3.0
Planning	3.0	3.0	2.0	2.0	3.0
Development Services	1.5	3.8	3.8	2.8	3.0
Building Safety	7.0	6.0	6.0	7.0	7.0
Code Enforcement	1.0	1.0	2.0		1.0
Facilities Management	2.0	2.0	2.0	2.0	2.5
Fleet Management	1.0	1.0	1.0	1.0	1.0
Public Works Administration					
Police	86.9	64.0	66.0	68.0	62.0
Fire	64.0	63.0	63.0	63.0	63.0
Engineering	2.0	2.0	1.5	1.5	3.0
Transportation	0.6	1.0	1.5	1.5	4.0
Community Services Administration	3.0	2.0	2.0	2.0	2.0
Recreation	66.5	3.0	3.0	3.0	3.0
Park Maintenance	3.0	1.0	1.0	2.0	3.0
Libraries	8.5	8.0	8.0	7.0	7.0
Economic Development	3.0	3.0	5.0	5.0	3.0
HURF/Public Works	14.5	10.3	9.3	9.2	8.0
	<u>303.0</u>	<u>212.0</u>	<u>214.0</u>	<u>216.0</u>	<u>215.0</u>
<b>Total</b>	<b><u>303.0</u></b>	<b><u>212.0</u></b>	<b><u>214.0</u></b>	<b><u>216.0</u></b>	<b><u>215.0</u></b>

**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**

	<b>Fiscal Year Ended June 30</b>									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b><u>Function/Program</u></b>										
<b>General Government</b>										
Number of general government buildings	1	1	1	1	1	1	1	1	1	1
<b>Public Safety</b>										
<b>Police</b>										
Number of police stations	2	2	2	2	1	1	1	1	1	1
<b>Fire</b>										
Number of fire stations	4	4	4	4	4	4	4	4	4	4
<b>Community Services</b>										
Number of parks and recreation facilities	4	4	4	4	4	4	4	3	2	2
Number of acres of parks	127	127	127	127	127	127	127	29	28	28
<b>Public Works</b>										
Number of public works buildings	2	1	1	1	1	1	1	1	1	1
Miles of streets	541	541	541	541	532	532	532	532	*	*
Number of street lights	18	17	16	16	15	15	15	12	10	8

**Source:** Various city departments  
\*Information is unavailable

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

<b>Function/Program</b>	<b>Fiscal Year</b>									
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>Public Safety</b>										
<b>Police</b>										
Number of police personnel and officers:	97	96	89	90	90	75	72	66	66	63
Number of arrests	1,702	1,815	2,033	2,116	2,149	2,209	2,171	2,235	1,650	1,408
Number of traffic violations	2,942	3,229	1,821	4,038	3,671	3,649	2,801	3,504	3,055	4,468
Number of parking violations	7	4	2	9	416	179	244	28	21	16
<b>Fire</b>										
Number of fire personnel and firefighters	71	73	69	64	61	61	63	63	63	63
Number of emergency calls	4,425	4,071	4,099	5,002	4,472	3,773	3,368	3,302	3,074	3,056
Number of fire calls	783	811	494	497	458	450	410	435	375	438
Number of inspections	454	417	350	420	215	170	120	279	570	666
<b>Development Services</b>										
Number of building-single family residential permits issued	912	1,005	1,059	600	527	299	321	419	225	111
Number of building-non-residential permits issued	17	356	83	2	25	40	22	44	35	72
Number of demolition permits issued	11	22	21		2	4	3	3	9	13
Number of pool permits issued	203	223	181	141	146	172	184	148	164	128
Number of solar permits issued	306	295	63	176	118	724	195	44	24	15
Number of sign permits issued	35	43	40	11	26	50	52	71	46	33
<b>Community Services</b>										
<b>Recreation</b>										
Number of facility and park reservations processed	3,869	5,306	5,090	5,422	6,172	6,000	584	600	634	395
Number of programs	1,005	806	556	593	584	650	562	357	357	330
<b>Library</b>										
Number of materials in inventory	58,747	52,177	51,000	47,558	47,214	44,000	42,148	32,060	27,515	23,071

**Source:** Various city departments.

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CITY OF  
**MARICOPA**<sup>®</sup>  
PROUD HISTORY • PROSPEROUS FUTURE

Christian Price  
Mayor

Nancy Smith  
Vice Mayor

Marvin L. Brown  
Councilmember

Julia R. Gusse  
Councilmember

Vincent Manfredi  
Councilmember

Rich Vitiello  
Councilmember

Henry M. Wade  
Councilmember

Ricky A. Horst  
City Manager

Jennifer Brown  
Assistant City Manager

Brenda K. Hasler, CPA  
Financial Services Manager

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