



Reimagine MARICOPA

Annual Comprehensive Financial Report for the
year ended June 30, 2021



**CITY OF MARICOPA, ARIZONA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Issued by:
Financial Services Division

CITY OF MARICOPA, ARIZONA

TABLE OF CONTENTS

<u>INTRODUCTORY SECTION</u>	<u>Page</u>
Letter of Transmittal	1
GFOA Certificate of Achievement	7
Organization Chart	8
List of Principal Officials	9
<u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITOR'S REPORT	13
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)	19
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	30
Statement of Activities	31
Fund Financial Statements:	
Balance Sheet – Governmental Funds	34
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	37
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	38
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	40
Notes to Financial Statements	41
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
General Fund	70
Pension Schedules	71
Notes to Required Supplementary Information	78

CITY OF MARICOPA, ARIZONA

TABLE OF CONTENTS

<u>FINANCIAL SECTION</u>	<u>Page</u>
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Governmental Funds:	
Combining Balance Sheet – All Non-Major Governmental Funds – By Fund Type	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All Non-Major Governmental Funds – By Fund Type	84
Special Revenue Funds:	
Combining Balance Sheet	88
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	90
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	92
Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	98
Capital Projects Funds:	
Combining Balance Sheet	100
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	102
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	104
<u>STATISTICAL SECTION</u>	
Financial Trends:	
Net Position by Component	113
Expense, Program Revenues, and Net (Expense)/Revenue	114
General Revenues and Total Changes in Net Position	116
Fund Balances – Governmental Funds	118

CITY OF MARICOPA, ARIZONA

TABLE OF CONTENTS

<u>STATISTICAL SECTION</u>	<u>Page</u>
Financial Trends:	
Governmental Funds Revenues, Expenditures and Debt Service Ratio	120
Other Financing Sources and Uses and Net Changes in Fund Balances – Governmental Funds	122
Revenue Capacity:	
Sales Tax Collected by Category	123
Sales Tax Rates	124
General Government Tax Revenues by Source	125
Direct and Overlapping Assessed Valuations and Tax Rates	126
Principal Property Taxpayers	127
Property Tax Levies and Collections	128
Net Limited Assessed Value and Full Cash Value of Taxable Property	129
Net Full Cash Assessed Value of Taxable Property by Class	130
Property Tax Assessment Ratios	131
Debt Capacity:	
Outstanding Debt by Type	132
Direct and Overlapping Governmental Activities Debt	133
Direct and Overlapping General Bonded Debt Ratios	133
Legal Debt Margin Information	134
Demographic and Economic Information:	
County-Wide Demographic and Economic Statistics	136
Principal Employers	137
Operating Information:	
Full-Time Equivalent City Government Employees by Function/Program	138
Capital Asset Statistics by Function	140
Operating Indicators by Function	141

INTRODUCTORY SECTION

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December 22, 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, 2021.

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, 2021. 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, 2021, 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, 2021, 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 899% 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 58,125. 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 U.S. Census estimate of 58,125. Recent calculations performed after the census project that as of the end of fiscal year 2021, Maricopa may be home now to upwards of 70,000 residents because of continued residential growth. 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 a median household income of \$77,859 as of 2020.

Major industries/employers in the area include the City of Maricopa, the Maricopa Unified School District, and Harrah's Ak-Chin Casino Resort. 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 Edison Pointe Shopping Center located on a 15-acre site includes a 120,000 square foot multitenant shops building. The new Sonoran Creek development opportunity, anchored by Sprouts Farmers Market, which opened August 25, 2021, will offer more than 85,000 square feet of retail space and 7 acres of development. Discussions are well under way for additional retail development in multiple other areas of the City.

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 and an Urgent Care in Maricopa.

Fiscal year 2021 saw the beginning of the City's first hospital, Exceptional Community Hospital, which is estimated to open in December 2021. The City has also announced plans for additional hospital and medical facilities with S3, a medical campus and mixed use development project which will be built and expanded upon on properties located at Copper Sky and bring a variety of medical services, high paying jobs, and new opportunities to our community.

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 fiscal year 2021, Maricopa issued 2,254 single family residential permits and also saw the city's first apartment complex achieve completion and 100% occupancy with an expansive wait list. Multiple new apartment complexes, condos, and other forms of housing are currently being planned and/or built within the City and will offer Maricopa residents an exciting variety of available and affordable living options - while still retaining the incredibly high building standards that our City has established.

Fiscal year 2020-2021 presented our organization with the challenge of navigating the COVID-19 pandemic and finding ways to strategically push forward. Maricopa, unlike many other cities, does not have the same level of reliance on sales taxes to pay for our day-to-day operations. As a start-up City in high growth mode, 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. Initially Maricopa did indicate potential concern over decreased state shared revenues related to the COVID-19 pandemic, but the explosive growth in our population and the new census calculations have allowed the City to reasonably maintain our state shared revenues levels and invest into the community's growth.

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 2021 saw the completion of construction on the City's new library, the near completion of our new Senior and Veterans Center, and the long term CIP planning of the City's new police station. 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. In addition to our new hospital that will come to fruition in fiscal year 2022 and the future medical campus at Copper Sky, the City will experience the benefit of the new La Quinta Inn & Suites Hotel.

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.

On May 18, 2021, City Council passed a lease agreement with PHX Surf – a first-class surf facility and water park that will be located on roughly 80 acres of land off of State Route 238 and Loma Road. This project will continue to establish State Route 238 in the City of Maricopa as an “adventure corridor,” existing alongside other fantastic amenities including golf and the Apex Motorsports Club. PHX Surf will offer amazing entertainment options, as well as an attractive local destination for future commercial and mixed use development.

The City continues to develop 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 and medical 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.

The City is also laying the groundwork for major parks improvements at Park at the Lakes and a safe and lighted multi-use trails master plan for the entire community to use and enjoy.

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 provide a safe and livable community to its residents the City replaced and upgraded park lighting in most of the City parks. New cameras are being installed in fiscal year 2022 at Copper Sky, lighted pathways are being planned for the Heritage District, a pedestrian overpass has been designed over the UPRR at Maricopa Road, and the Public Services Department has also completed work on various sections of roadway within City limits. The City also has a robust and aggressive plan for additional roadway improvements for fiscal year 2022.

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. However, the legal level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the individual fund level for all funds.

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 \$1.0 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 \$66.0 million at June 30, 2021 or 121% of estimated General Fund expenditures for FY2022.

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 annual comprehensive financial report for the fiscal year ended June 30, 2020. In order to be awarded this certificate, the City published an easily readable and efficiently organized annual comprehensive 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 annual comprehensive 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, 2021 certificate.

The preparation of the annual comprehensive 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



Matt Kozlowski
Director of the Office of Business Management
and Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Maricopa
Arizona**

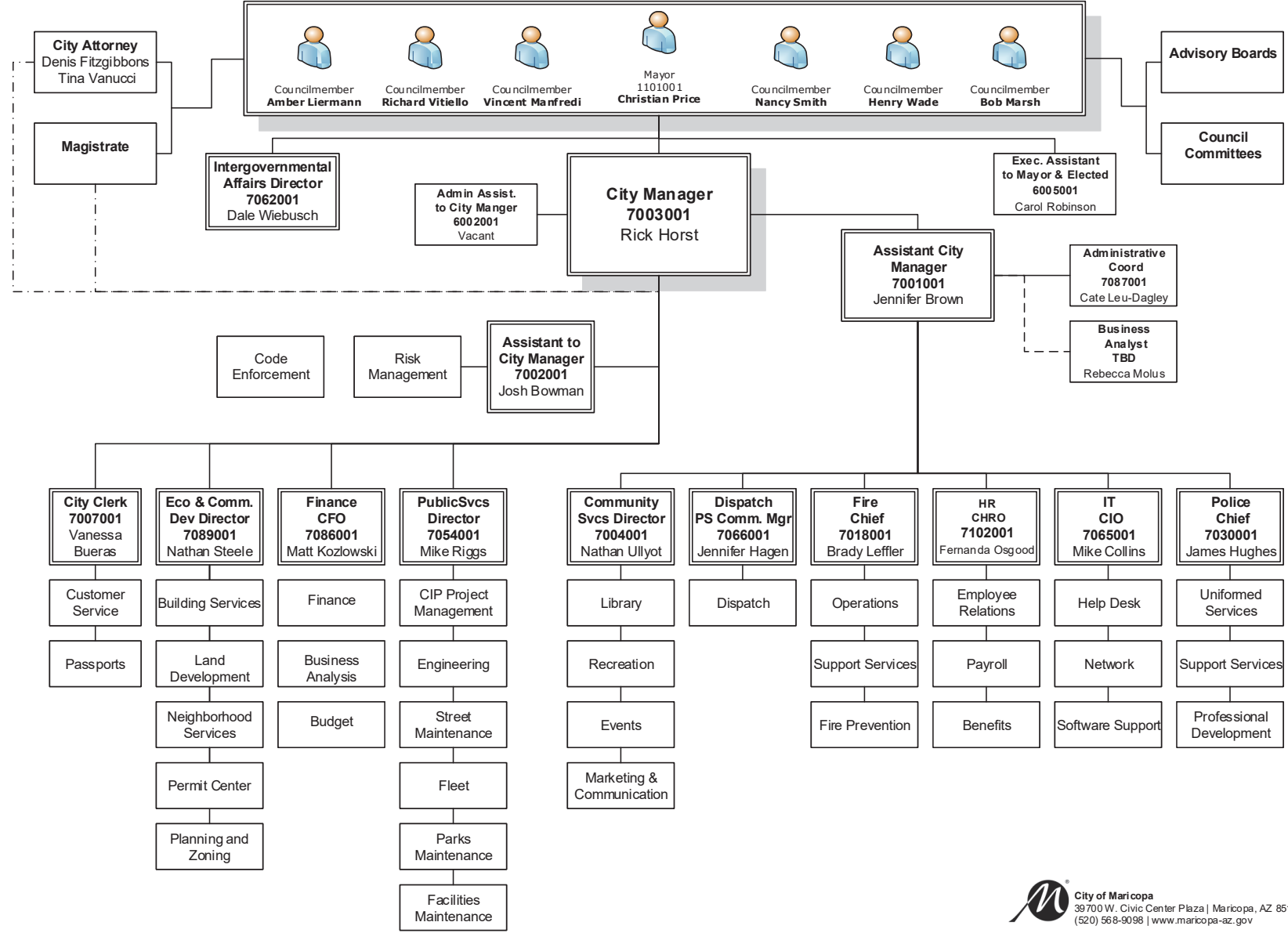
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

**FY 2021
City of Maricopa Organization Chart**



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

ELECTED OFFICIALS

Mayor	Christian Price
Vice Mayor	Nancy Smith
Council Member	Amber Liermann
Council Member	Vincent Manfredi
Council Member	Bob Marsh
Council Member	Rich Vitiello
Council Member	Henry Wade, Jr.

CITY STAFF

City Manager	Ricky A. Horst
Assistant City Manager	Jennifer Brown
Chief Financial Officer	Matt Kozlowski
City Clerk	Vanessa Bueras
Community Services Director	Nathan Ulliyot
Development Services Director	Rodolfo Lopez
Fire Chief	Brady Leffler
Intergovernmental Affairs Director	Dale Wiebusch
Police Chief	James Hughes
Public Services Director	Mike Riggs

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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 Audit of Financial Statements

Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2021, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of City of Maricopa, Arizona, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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 is the responsibility of management and, 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.

Supplementary 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 Combining and Individual Fund Financial Statements and Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on other work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2021, on our consideration of City of Maricopa, Arizona's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 City of Maricopa, Arizona's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Tucson, Arizona
December 22, 2021

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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, 2021**

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, 2021. 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 2020-21 as follows:

- The City's total net position of governmental activities increased \$20.7 million to \$282.0 million representing an 8 percent increase over the prior year primarily due to an increase in development services fees, sales taxes, and state shared revenues.
- General revenues from governmental activities accounted for \$61.2 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 \$29.2 million or 32 percent of total governmental activities revenues.
- The City had \$69.7 million in expenses related to governmental activities, an increase of 10 percent from the prior fiscal year primarily due to increases in salaries and related benefits.
- Among major funds, the General Fund had \$65.6 million in current fiscal year revenues, which primarily consisted of property tax, sales tax, and intergovernmental revenues, and \$46.8 million in expenditures. The General Fund's fund balance increase from \$58.9 million at the prior fiscal year end to \$66.0 million at the end of the current fiscal year was primarily due to an increase in development services fees, sales taxes, and state shared revenues.
- The Transportation Impact Fee Fund had \$6.0 million in revenues. Fund expenditures totaled \$3.3 million resulting in an increase in fund balance from \$27.0 million to \$29.8 million due to an increase in impact fee revenue.
- The General Government CIP Fund had \$16.1 million in revenues and other financing sources. Fund expenditures and other financing uses totaled \$16.1 million resulting in an increase in fund balance of \$32,452 at the end of the current fiscal year.
- The Land Acquisition Enhancement Fund had \$1.3 million in revenues and other financing sources. Fund expenditures totaled \$2.9 million resulting in a decrease in fund balance from \$474,637 to a deficit of \$1.1 million due to the purchase of multiple land parcels.

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

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, 2021**

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, Transportation Impact Fee, General Government CIP, and Land Acquisition Enhancement 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 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 \$282.0 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, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents a summary of the City's net position for the fiscal years ended June 30, 2021 and June 30, 2020.

	Governmental Activities	
	2021	2020
Current assets	\$ 128,152,158	\$ 115,035,912
Capital assets, net	218,106,505	209,485,014
Total assets	<u>346,258,663</u>	<u>324,520,926</u>
Deferred outflows	<u>11,959,934</u>	<u>8,743,268</u>
Current liabilities	5,148,574	7,171,478
Long-term liabilities	68,595,376	61,053,653
Total liabilities	<u>73,743,950</u>	<u>68,225,131</u>
Deferred inflows	<u>2,479,721</u>	<u>3,771,650</u>
Net investment in capital assets	176,635,947	169,738,519
Restricted	57,927,788	48,362,479
Unrestricted	47,431,191	43,166,415
Total net position	<u>\$ 281,994,926</u>	<u>\$ 261,267,413</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 \$23.4 million in capital asset additions with an increase in accumulated depreciation of \$12.4 million from current year depreciation.
- The sale of \$2.4 million in land.
- Current assets increased \$13.1 million primarily due to increases in development services fees, sales taxes, and state shared revenues.
- The principal retirement of \$1.7 million of bonds and \$269,237 of bond premium.
- The issuance of \$843,269 of capital leases and principal retirement of \$1.4 million.
- The issuance of \$4.2 million of loans payables.
- The increase of \$5.9 million in pension liabilities.

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in net position. The City's total revenues for the current fiscal year were \$90.5 million. The total cost of all programs and services was \$69.7 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2021 and June 30, 2020.

	Governmental Activities	
	2021	2020
Revenues:		
Program revenues:		
Charges for services	\$ 11,923,032	\$ 6,647,972
Operating grants and contributions	4,893,003	10,835,521
Capital grants and contributions	12,422,823	9,835,496
General revenues:		
Property taxes, levied for general purposes	12,732,919	12,910,208
Property taxes, levied for debt service	2,881,326	3,402,053
Sales taxes	21,916,285	17,745,381
Franchise taxes	1,434,873	1,281,198
Unrestricted grants, aid, and state shared revenues	21,874,037	18,964,162
Investment income	397,582	2,896,452
Total revenues	<u>90,475,880</u>	<u>84,518,443</u>
Expenses:		
General government	13,820,672	10,584,899
Public safety	25,522,709	25,905,921
Community services	7,348,487	7,039,922
Development services	4,070,165	2,960,766
Public works	17,604,057	15,608,748
Interest on long-term debt	1,382,277	1,402,227
Total expenses	<u>69,748,367</u>	<u>63,502,483</u>
Changes in net position	20,727,513	21,015,960
Net position, beginning	<u>261,267,413</u>	<u>240,251,453</u>
Net position, ending	<u>\$ 281,994,926</u>	<u>\$ 261,267,413</u>

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

- Charges for services increased \$5.3 million as a result of increased development services fees.
- Operating grants and contributions decreased \$5.9 million as a result of prior year AZ CARES funding.
- Capital grants and contributions increased \$2.6 million as a result of increased impact fee revenues.
- Sales taxes increased \$4.2 million as a result of increased economic activity.
- Total general government expenses increased \$3.2 million due primarily to increases in salaries and related benefits.

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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.

	Year Ended June 30, 2021		Year Ended June 30, 2020	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
General government	\$ 13,820,672	\$ (12,756,357)	\$ 10,584,899	\$ (8,481,878)
Public safety	25,522,709	(21,263,974)	25,905,921	(13,529,204)
Community services	7,348,487	(2,196,722)	7,039,922	(4,637,073)
Development services	4,070,165	5,528,515	2,960,766	1,366,693
Public works	17,604,057	(8,438,694)	15,608,748	(9,751,282)
Interest on long-term debt	1,382,277	(1,382,277)	1,402,227	(1,150,750)
Total	\$ 69,748,367	\$ (40,509,509)	\$ 63,502,483	\$ (36,183,494)

- The cost of all governmental activities this year was \$69.7 million.
- Federal and State grants and contributions and charges for services subsidized certain programs with grants and contributions and other local revenues of \$29.2 million.
- Net cost of governmental activities of \$40.5 million was financed by general revenues, which are made up of primarily property taxes of \$12.7 million, sales taxes of \$21.9 million, and state shared revenues of \$21.9 million.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

The financial performance of the City as a whole is reflected in its governmental funds. As the City completed the year, its governmental funds reported a combined fund balance of \$122.7 million, an increase of \$15.5 million due primarily to an increase in development services fees, sales taxes and state shared revenues.

The General Fund is the principal operating fund of the City. The increase in fund balance of \$7.2 million to \$66.0 million as of fiscal year end was a result of increased development services fees, sales taxes, and state shared revenues.

General Fund revenues increased \$11.0 million as a result of increased development services fees, sales taxes, and state shared revenues. General Fund expenditures increased \$8.9 million as a result of prior year AZ CARES grant funding allocated to the Grants Fund.

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

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 \$5.4 million increase or 10 percent primarily due to an anticipated increase in economic development expenditures.

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 \$14.3 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 \$338.5 million in capital assets, including buildings, facilities, vehicles, computers, equipment, and infrastructure assets. This amount represents a net increase prior to depreciation of \$20.2 million from the prior fiscal year, primarily due to purchase of multiple land parcels, various buildings and improvement projects, and purchasing new vehicles. Total depreciation expense for the current fiscal year was \$12.4 million.

The following schedule presents capital asset balances for the fiscal years ended June 30, 2021 and June 30, 2020.

Governmental Activities	As of June 30, 2021	As of June 30, 2020
Land and land improvements	\$ 96,234,656	\$ 89,579,131
Water rights	1,343,781	1,052,125
Infrastructure	101,402,322	96,935,884
Buildings and improvements	106,131,973	96,559,702
Vehicles, machinery and equipment	29,694,888	26,920,886
Construction in progress	3,650,043	7,184,101
Less: Accumulated depreciation	(120,351,158)	(108,746,815)
Total	\$ 218,106,505	\$ 209,485,014

The estimated cost to complete current construction projects is \$27.2 million.

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

Debt Administration. At year end, the City had \$42.2 million in long-term debt outstanding, \$7.7 million due within one year. Long-term debt increased by \$1.6 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 \$80.6 million, of which \$27.8 million is issued and outstanding. State statutes also currently limit the amount of general obligation debt a City may issue to 6 percent of its total assessed valuation for all other purposes. The current debt limitation for the City is \$24.2 million, of which \$6.4 million is issued and outstanding. Additional information on the City's long-term debt can be found in Notes 7 through 10.

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2021**

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 2021-22. The most significant factors affecting the subsequent year's budget are:

- Primary property tax assessments are projected higher in fiscal year 2021-22 with an increase of \$337,977 while reducing the primary property tax rate to \$4.3709 per \$100 in assessed valuation. The moderate assessment increase is due to the impact of new construction and the rise of property values.
- Local sales tax revenue is projected to decrease over the prior fiscal year and is budgeted at \$17.7 million in fiscal year 2021-22 compared to the 2020-21 actual revenues of \$21.9 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 2021-22 state shared revenues are projected to decrease in the General Fund by approximately two percent.
- Budgeted expenditures in the General Fund decreased 10 percent to \$54.8 million in fiscal year 2021-22. Decreases due to the use of COVID grant funds are the primary reason for the decrease. Sales taxes, state shared taxes, and property taxes are expected to be the primary funding sources. No new programs were added to the 2021-22 budget.

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 Division, 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, 2021**

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 121,653,331
Property taxes receivable	182,470
Accounts receivable	803,003
Intergovernmental receivables	4,317,466
Inventories	324,766
Prepaid items	871,122
Total current assets	128,152,158
Noncurrent assets:	
Land and other non-depreciable assets	101,228,480
Infrastructure, buildings, equipment and other depreciable assets	237,229,183
Accumulated depreciation	(120,351,158)
Total noncurrent assets	218,106,505
Total assets	346,258,663
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred charge on refunding	274,833
Pension plan items	11,685,101
Total deferred outflows of resources	11,959,934
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	2,978,476
Construction contracts payable	699,104
Accrued wages and benefits	1,403,114
Customer deposits	67,880
Compensated absences payable	1,234,738
Capital leases payable	1,682,590
Loans payable	4,161,881
Bonds payable	1,830,000
Total current liabilities	14,057,783
Noncurrent liabilities:	
Non-current portion of long-term obligations	59,686,167
Total noncurrent liabilities	59,686,167
Total liabilities	73,743,950
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension plan items	2,479,721
 <u>NET POSITION</u>	
Net investment in capital assets	176,635,947
Restricted for:	
Public safety	4,261,439
Transportation projects	39,688,716
Capital projects	4,682,420
Debt service	422,391
Federal and state projects	1,236,315
Parks and recreation projects	7,636,507
Unrestricted	47,431,191
Total net position	\$ 281,994,926

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, 2021**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 13,820,672	\$ 1,043,617	\$ 20,698	\$	\$ (12,756,357)
Public safety	25,522,709	277,247	1,095,980	2,885,508	(21,263,974)
Community services	7,348,487	1,454,320	66,947	3,630,498	(2,196,722)
Development services	4,070,165	8,938,048	660,632		5,528,515
Public works	17,604,057	209,800	3,048,746	5,906,817	(8,438,694)
Interest on long-term debt	1,382,277				(1,382,277)
Total governmental activities	<u>\$ 69,748,367</u>	<u>\$ 11,923,032</u>	<u>\$ 4,893,003</u>	<u>\$ 12,422,823</u>	<u>(40,509,509)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	12,732,919
Property taxes, levied for debt service	2,881,326
Sales taxes	21,916,285
Franchise taxes	1,434,873
Unrestricted grants, aid, and state shared revenues	21,874,037
Investment income	397,582
Total general revenues	<u>61,237,022</u>

Changes in net position

20,727,513

Net position, beginning of year

261,267,413

Net position, end of year

\$ 281,994,926

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, 2021**

	<u>General Fund</u>	<u>Transportation Impact Fee</u>	<u>General Government CIP</u>
ASSETS			
Cash and investments	\$ 63,983,791	\$ 30,430,738	\$ 4,448,567
Property taxes receivable	149,055		
Accounts receivable	796,323		5,320
Intergovernmental receivables	3,364,980		
Due from other funds	1,098,027		
Inventories	324,766		
Prepaid items	853		20,000
Total assets	<u>\$ 69,717,795</u>	<u>\$ 30,430,738</u>	<u>\$ 4,473,887</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 2,151,219	\$ 270,588	\$ 225,614
Construction contracts payable		373,422	314,033
Accrued wages and benefits	1,331,873		
Due to other funds			
Customer deposits	67,880		
Total liabilities	<u>3,550,972</u>	<u>644,010</u>	<u>539,647</u>
Deferred inflows of resources:			
Unavailable revenue - property taxes	135,956		
Unavailable revenue - intergovernmental			
Total deferred inflows of resources	<u>135,956</u>		
Fund balances (deficits):			
Nonspendable	325,619		20,000
Restricted		29,786,728	3,914,240
Assigned	41,117,341		
Unassigned	24,587,907		
Total fund balances	<u>66,030,867</u>	<u>29,786,728</u>	<u>3,934,240</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 69,717,795</u>	<u>\$ 30,430,738</u>	<u>\$ 4,473,887</u>

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

Land Acquisition Enhancement	Non-Major Governmental Funds	Total Governmental Funds
\$	\$ 22,790,235	\$ 121,653,331
	33,415	182,470
	1,360	803,003
	952,486	4,317,466
		1,098,027
	843,269	324,766
7,000		871,122
<u>\$ 7,000</u>	<u>\$ 24,620,765</u>	<u>\$ 129,250,185</u>

\$	\$ 331,055	\$ 2,978,476
	11,649	699,104
	71,241	1,403,114
1,098,027		1,098,027
		67,880
<u>1,098,027</u>	<u>413,945</u>	<u>6,246,601</u>

	30,412	166,368
	174,464	174,464
	<u>204,876</u>	<u>340,832</u>

7,000	843,269	1,195,888
	23,158,675	56,859,643
		41,117,341
(1,098,027)		23,489,880
<u>(1,091,027)</u>	<u>24,001,944</u>	<u>122,662,752</u>

<u>\$ 7,000</u>	<u>\$ 24,620,765</u>	<u>\$ 129,250,185</u>
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**CITY OF MARICOPA, ARIZONA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021**

Total governmental fund balances **\$ 122,662,752**

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	\$ 338,457,663	
Less accumulated depreciation	<u>(120,351,158)</u>	218,106,505

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

Property taxes	166,368	
Intergovernmental	<u>174,464</u>	340,832

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. 274,833

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	11,685,101	
Deferred inflows of resources related to pensions	<u>(2,479,721)</u>	9,205,380

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

Compensated absences payable	(1,718,091)	
Obligations under capital leases	(2,890,971)	
Loans payable	(4,161,881)	
Net pension liability	(24,663,673)	
Bonds payable	<u>(35,160,760)</u>	<u>(68,595,376)</u>

Net position of governmental activities **\$ 281,994,926**

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

CITY OF MARICOPA, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	<u>General Fund</u>	<u>Transportation Impact Fee</u>	<u>General Government CIP</u>
Revenues:			
Property taxes	\$ 12,766,340	\$	\$
Sales taxes	21,916,285		
Franchise taxes	1,434,873		
Licenses, fees & permits	6,122,729		
Intergovernmental revenues	17,405,233		
Impact fees		5,861,231	
Charges for services	4,390,623		
Fines, forfeitures & penalties	507,042		
Investment income	229,472	101,667	8,364
Miscellaneous	849,010		
Total revenues	<u>65,621,607</u>	<u>5,962,898</u>	<u>8,364</u>
Expenditures:			
Current -			
General government	10,938,183		
Public safety	21,796,271		
Community services	4,548,497		
Development services	2,943,880		
Public works	6,366,400		
Capital outlay	114,506	3,275,349	15,151,331
Debt service -			
Principal retirement	100,627		891,690
Interest and fiscal charges	15,230		66,305
Total expenditures	<u>46,823,594</u>	<u>3,275,349</u>	<u>16,109,326</u>
Excess (deficiency) of revenues over expenditures	<u>18,798,013</u>	<u>2,687,549</u>	<u>(16,100,962)</u>
Other financing sources (uses):			
Proceeds from sale of assets			217,486
Loan proceeds			4,161,881
Transfers in	369	137,118	11,734,047
Transfers out	(11,958,205)		
Capital lease agreements			
Total other financing sources (uses)	<u>(11,957,836)</u>	<u>137,118</u>	<u>16,113,414</u>
Changes in fund balances	<u>6,840,177</u>	<u>2,824,667</u>	<u>12,452</u>
Fund balances, beginning of year, as restated	58,865,828	26,962,061	3,901,788
Increase (decrease) in reserve for inventory	324,766		
Increase (decrease) in reserve for prepaid items	96		20,000
Fund balances, end of year	<u>\$ 66,030,867</u>	<u>\$ 29,786,728</u>	<u>\$ 3,934,240</u>

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

Land Acquisition Enhancement	Non-Major Governmental Funds	Total Governmental Funds
\$	\$ 2,887,248	\$ 15,653,588
		21,916,285
		1,434,873
		6,122,729
	9,909,085	27,314,318
	6,104,651	11,965,882
	53,628	4,444,251
		507,042
	58,079	397,582
	185,380	1,034,390
	<u>19,198,071</u>	<u>90,790,940</u>
	30,753	10,968,936
	1,024,398	22,820,669
	57,635	4,606,132
	619,879	3,563,759
	2,428,682	8,795,082
2,906,332	4,918,349	26,365,867
	2,121,235	3,113,552
	1,539,442	1,620,977
<u>2,906,332</u>	<u>12,740,373</u>	<u>81,854,974</u>
(2,906,332)	6,457,698	8,935,966
1,333,668		1,551,154
		4,161,881
	87,040	11,958,574
	(369)	(11,958,574)
	843,269	843,269
<u>1,333,668</u>	<u>929,940</u>	<u>6,556,304</u>
(1,572,664)	7,387,638	15,492,270
474,637	17,004,228	107,208,542
		324,766
7,000	(389,922)	(362,826)
<u>\$ (1,091,027)</u>	<u>\$ 24,001,944</u>	<u>\$ 122,662,752</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, 2021

Changes in fund balances - total governmental funds **\$ 15,492,270**

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

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

Expenditures for capitalized assets	\$ 23,380,738	
Less current year depreciation	<u>(12,361,278)</u>	11,019,460

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.

Loans payable	(4,161,881)	
Obligations under capital leases	<u>(843,269)</u>	(5,005,150)

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

Property taxes	(39,343)	
Intergovernmental	<u>(275,717)</u>	(315,060)

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.

Capital lease principal retirement	1,393,552	
Bond principal retirement	<u>1,720,000</u>	3,113,552

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.

Current year pension contributions	3,154,949	
Pension expense	<u>(4,514,645)</u>	(1,359,696)

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

Prepaid items	(362,826)	
Inventory	324,766	
Loss on the sale of capital assets	(846,815)	
Proceeds from the sale of capital assets	(1,551,154)	
Amortization of deferred bond items	238,700	
Compensated absences	<u>(20,534)</u>	<u>(2,217,863)</u>

Changes in net position in governmental activities **\$ 20,727,513**

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

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Maricopa, Arizona (City) 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, 2021 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 nonfiduciary 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 or fiduciary 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, 2021

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 for which 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.

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.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Government CIP Fund – This fund is used to account for construction in progress for general government projects.

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

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, 2021**

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. Inventory

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories consist of expendable supplies held for consumption. Inventories are recorded as expenses when consumed on the government-wide financial statements and as expenditures when purchased on the fund financial statements.

I. 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.

J. Capital Assets

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

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

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

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

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

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

K. 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.

L. 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. Only benefits considered vested are recognized in the financial statements. The liability for vacation leave is 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.

M. 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.

N. 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.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

O. 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.

P. 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.

Q. 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, 2021**

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	Transportation Impact Fee Fund	General Government CIP Fund	Land Acquisition Enhancement Fund	Non-Major Governmental Funds
Fund Balances:					
Nonspendable:					
Inventory	\$ 324,766		\$	\$	\$
Prepaid items	853		20,000	7,000	843,269
Restricted:					
Debt service					391,979
Transportation projects		29,786,728			9,901,988
Parks and recreation projects					7,636,507
Capital projects			3,914,240		748,180
Public safety projects					3,418,170
Federal and state projects					1,061,851
Assigned:					
General operating reserve	16,696,208				
Insurance losses reserve	1,000,000				
Disaster contingency reserve	1,000,000				
Streets	8,968,454				
Economic development	3,363,169				
Technology enhancement	3,363,169				
Transfer to Asset Replacement	6,726,341				
Unassigned:	24,587,907			(1,098,027)	
Total fund balances	\$ 66,030,867	\$ 29,786,728	\$ 3,934,240	\$ (1,091,027)	\$ 24,001,944

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual Deficit Fund Balance – At year end, the Land Acquisition Enhancement Fund reported a deficit in fund balance of \$1.1 million.

The deficit arose because of operations during the year. Additional transfers received in fiscal year 2021-22 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 federal depository 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 \$8.1 million and the bank balance was \$8.8 million. At year end \$8.1 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, and \$212,979 was uninsured and uncollateralized. Additionally, the City had cash on hand of \$8,878 and the City had cash held by others of \$144,884.

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, 2021

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 3%, 19%, 2%, 1%, 12%, 10%, 4%, 46%, and 3% of the City's total investments, respectively.

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 – CASH AND INVESTMENTS

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

Investment Type	Category	Fair Value	Investment Maturities (in years)		Moody's/Standard & Poor's	
			Less than 1	1-5		Poor's
Certificates of Deposit	Level 2	\$ 235,000	\$ 235,000	\$	N/A	/ N/A
Certificates of Deposit	Level 2	681,031	681,031		P-1	/ A-1
Certificates of Deposit	Level 2	426,995		426,995	A1	/ A
Certificates of Deposit	Level 2	560,338		560,338	Aa2	/ A+
Certificates of Deposit	Level 2	563,944		563,944	Aa2	/ AA-
Certificates of Deposit	Level 2	226,128		226,128	Aa3	/ A+
Certificates of Deposit	Level 2	560,274		560,274	Aa3	/ AA-
U.S. Treasuries	Level 1	21,077,959	2,157,237	18,920,722	N/A	/ N/A
Supranational Agency Bonds	Level 2	2,345,254		2,345,254	Aaa	/ AAA
Collateralized Mortgage Obligation	Level 2	1,333,528	401,963	931,565	Aaa	/ AA+
U.S. Agencies:						
Federal Home Loan Banks	Level 1	1,318,699		1,318,699	Aaa	/ AA+
Federal Home Loan Mortgage Corporation	Level 1	7,249,292		7,249,292	Aaa	/ AA+
Federal National Mortgage Association	Level 1	3,984,140		3,984,140	Aaa	/ AA+
Federal Farm Credit Banks Funding Corp.	Level 1	1,002,230	1,002,230		Aaa	/ AA+
Corporate Securities	Level 1	322,836		322,836	A1	/ A
Corporate Securities	Level 1	692,344		692,344	A1	/ A+
Corporate Securities	Level 1	804,394		804,394	A1	/ AA
Corporate Securities	Level 1	201,032		201,032	A1	/ A-
Corporate Securities	Level 1	290,293		290,293	A1	/ BBB+
Corporate Securities	Level 1	352,691		352,691	A2	/ A+
Corporate Securities	Level 1	1,795,070		1,795,070	A2	/ A
Corporate Securities	Level 1	2,351,111		2,351,111	A2	/ A-
Corporate Securities	Level 1	892,996		892,996	A2	/ BBB+
Corporate Securities	Level 1	189,783		189,783	A3	/ A+
Corporate Securities	Level 1	140,007		140,007	A3	/ AA-
Corporate Securities	Level 1	441,717		441,717	A3	/ A-
Corporate Securities	Level 1	678,915		678,915	A3	/ BBB+
Corporate Securities	Level 1	334,226		334,226	Aa1	/ AA+
Corporate Securities	Level 1	224,964		224,964	Aa2	/ A+
Corporate Securities	Level 1	243,857		243,857	Aa2	/ AA
Corporate Securities	Level 1	641,241		641,241	Aa2	/ AA-
Corporate Securities	Level 1	274,805		274,805	Aa3	/ A
Corporate Securities	Level 1	298,785		298,785	Aa3	/ A+
Asset Backed Securities	Level 1	785,829		785,829	Aaa	/ AAA
Asset Backed Securities	Level 1	1,151,630		1,151,630	Aaa	/ N/A
Asset Backed Securities	Level 1	2,645,576	76,612	2,568,964	N/A	/ AAA
			<u>\$ 4,554,073</u>	<u>\$ 52,764,841</u>		
State Treasurer's investment pool 5	Not applicable	52,540,299	66 days average maturities		AAA	/ S1+
State Treasurer's investment pool 7	Not applicable	3,584,955	62 days average maturities		AAA	/ S1+
Total		<u>\$ 113,444,168</u>				

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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	Non-Major Governmental Funds
Intergovernmental receivables:		
Due from federal government	\$	\$ 274,787
Due from state government	3,364,980	419,634
Due from county government		258,065
Net intergovernmental receivables	<u>\$3,364,980</u>	<u>\$ 952,486</u>

NOTE 6 – CAPITAL ASSETS

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

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 89,579,131	\$ 9,053,494	\$ 2,397,969	\$ 96,234,656
Water rights	1,052,125	417,183	125,527	1,343,781
Construction in progress	7,184,101	10,429,784	13,963,842	3,650,043
Total capital assets, not being depreciated	97,815,357	19,900,461	16,487,338	101,228,480
Capital assets, being depreciated:				
Buildings	63,472,160	8,069,991		71,542,151
Improvements other than buildings	33,087,542	1,502,280		34,589,822
Infrastructure	96,935,884	4,466,438		101,402,322
Vehicles	11,957,380	2,399,516	662,543	13,694,353
Machinery and equipment	11,244,011	687,061	74,321	11,856,751
Computers/Software	3,719,495	444,360	20,071	4,143,784
Total capital, assets being depreciated	220,416,472	17,569,646	756,935	237,229,183
Less accumulated depreciation for:				
Buildings	(19,936,201)	(3,568,346)		(23,504,547)
Improvements other than buildings	(10,701,750)	(1,727,832)		(12,429,582)
Infrastructure	(57,407,937)	(5,069,886)		(62,477,823)
Vehicles	(8,075,710)	(1,201,211)	(662,543)	(8,614,378)
Machinery and equipment	(9,208,453)	(595,762)	(74,321)	(9,729,894)
Computes/Software	(3,416,764)	(198,241)	(20,071)	(3,594,934)
Total accumulated depreciation	(108,746,815)	(12,361,278)	(756,935)	(120,351,158)
Total capital assets, being depreciated, net	111,669,657	5,208,368		116,878,025
Governmental activities capital assets, net	<u>\$ 209,485,014</u>	<u>\$ 25,108,829</u>	<u>\$ 16,487,338</u>	<u>\$ 218,106,505</u>

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 – CAPITAL ASSETS

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 938,584
Public safety	1,795,680
Community service	2,502,738
Public works	7,124,276
Total depreciation expense – governmental activities	<u>\$12,361,278</u>

Construction Commitments – At year end, the City had contractual commitments related to infrastructure and buildings projects. At year end the City had spent \$3.7 million on the projects and had estimated remaining contractual commitments of \$27.2 million.

NOTE 7 – OBLIGATIONS UNDER CAPITAL LEASES

Capital Leases – The City has acquired network switches, multiple fire engines, 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, Fire Impact Fees Fund, a non-major governmental fund, and the General Government CIP 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 threshold are as follows:

	<u>Governmental Activities</u>
Asset:	
Land	\$ 2,667,440
Vehicles, furniture and equipment	1,491,136
Less: Accumulated depreciation	<u>(82,841)</u>
Total	<u>\$ 4,075,735</u>

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 – OBLIGATIONS UNDER CAPITAL LEASES

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
2022	\$ 1,797,177
2023	839,181
2024	407,979
Total minimum lease payments	3,044,337
Less: amount representing interest	153,366
Present value of minimum lease payments	\$ 2,890,971
Due within one year	\$ 1,682,590

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, 2021	Due Within One Year
Governmental activities:					
GO Bonds Series B, 2013	\$ 31,605,000	4.0 - 4.375 %	7/1/22-35	\$ 23,445,000	\$1,000,000
GO Refunding Series 2020	9,900,000	5.00%	7/1/22-30	9,105,000	830,000
Total				\$ 32,550,000	\$1,830,000

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
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	2,145,000	1,077,775
2027-31	12,430,000	3,861,325
2032-35	10,240,000	977,063
Total	\$ 32,550,000	\$ 11,107,513

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 – LOANS PAYABLE

The City has a loan for the purchase of land. The loan payable at current fiscal year end is presented below.

Purpose	Interest Rate (including Fees)	Remaining Maturities	Outstanding Principal June 30, 2021	Due Within One Year
Governmental activities: Land Loan, 2021	3.00%	7/1/21	\$ 4,161,881	\$ 4,161,881

Principal and interest payments of \$4,161,881 and \$68,072, respectively, on the governmental activities loan payable at June 30, 2021 will be paid in the next year. Revenues and other financing sources from the General Government CIP Fund will be used to pay the loan principal and interest.

NOTE 10 – CHANGES IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 34,270,000	\$	\$ 1,720,000	\$ 32,550,000	\$ 1,830,000
Premium	2,879,997		269,237	2,610,760	
Total bonds payable	<u>37,149,997</u>		<u>1,989,237</u>	<u>35,160,760</u>	<u>1,830,000</u>
Obligations under capital leases	3,441,254	843,269	1,393,552	2,890,971	1,682,590
Loans payable		4,161,881		4,161,881	4,161,881
Net pension liability	18,764,845	5,898,828		24,663,673	
Compensated absences payable	1,697,557	1,554,091	1,533,557	1,718,091	1,234,738
Governmental activity long-term liabilities	<u>\$ 61,053,653</u>	<u>\$ 12,458,069</u>	<u>\$ 4,916,346</u>	<u>\$ 68,595,376</u>	<u>\$ 8,909,209</u>

NOTE 11 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds: At year-end, the Land Acquisition Enhancement Fund had negative cash balances totaling \$1.1 million 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) to move unrestricted funds of \$11.7 million from the General Fund to the General Government CIP Fund to pay for capital projects, (2) to move funds of \$224,158 from the General Fund to the Transportation Impact Fee and non-major governmental funds for allocation of investment settlement, and (3) to move funds of \$369 for the use of the Park Bond Fund to the General Fund.

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 12 – 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.

NOTE 13 – 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 continues to carry commercial insurance for all other risks of loss, including general liability, employee health, and workers' compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 14 – PENSIONS

Aggregate Amounts. At June 30, 2021, the City reported the following aggregate amounts related to pensions for all plans to which it contributes.

	Governmental Activities
Net pension liability	\$ 24,663,673
Deferred outflows of resources	11,685,101
Deferred inflows of resources	2,479,721
Pension expense	4,514,645

The City reported \$3.2 million of pension contributions as expenditures in the governmental funds related to all plans to which it contributes.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 14 – PENSIONS

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.

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.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 14 – PENSIONS

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 12.22 percent (12.04 percent for retirement and 0.18 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 12.22 percent (11.65 percent for retirement, 0.39 percent for health insurance premium benefit, and 0.18 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, 2021 were \$1.3 million.

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 10.21 percent (10.14 for retirement 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, 2020. 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, 2020. 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, 2020.

At June 30, 2021, the City reported the following amounts for its proportionate share of the pension plan net liability. In addition, at June 30, 2020, the City's percentage proportion for the plan and the related change from its proportion measured as of June 30, 2019 was:

Net Liability	City % Proportion	Increase (Decrease)
\$ 15,843,370	0.091	0.006

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, 2021 was \$1.8 million.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 14 – 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	\$ 143,331	\$
Net difference between projected and actual earnings on pension investments	1,528,112	
Changes in proportion and differences between contributions and proportionate share of contributions	570,301	50,253
Contributions subsequent to the measurement date	1,271,452	
Total	<u>\$ 3,513,196</u>	<u>\$ 50,253</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, 2022. 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:		
2022	\$	427,399
2023		738,721
2024		552,734
2025		472,637

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

Actuarial valuation date	June 30, 2019
Actuarial roll forward date	June 30, 2020
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
JUNE 30, 2021**

NOTE 14 – PENSIONS

The actuarial assumptions used in the June 30, 2019 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 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
Equity	50%	6.39%
Credit	20	5.44
Interest rate sensitive bonds	10	0.22
Real estate	20	5.85
Total	<u>100%</u>	

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, 2021**

NOTE 14 – 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	\$ 21,665,593	\$ 15,843,370	\$ 10,976,290

Contributions payable. The City’s accrued wages and benefits included \$102,072 of outstanding pension contribution amounts payable to ASRS for the year ended June 30, 2021.

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

B. Public Safety Personnel Retirement System

Plan Descriptions. City public safety employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS) 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.

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, 2021**

NOTE 14 – 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
Retirement and disability:		
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, 2021, the following employees were covered by the agent plans' benefit terms:

	PSPRS - Police	PSPRS - Fire
Retirees and beneficiaries	6	5
Inactive, non-retired members	9	5
Active members	54	56
Total	69	66

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 14 – 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, 2021, 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	16.18%	18.18%
Health insurance	0.27%	0.36%

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 actuarial 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, 2021 were:

	PSPRS - Police	PSPRS - Fire
Pension contributions	\$ 754,281	\$ 1,129,216

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 Assets/Liabilities. At June 30, 2021, the City reported the following assets and liabilities.

	PSPRS - Police	PSPRS - Fire
Net Pension (Assets) Liabilities	\$ 2,336,634	\$ 6,483,669

The net pension liabilities were measured as of June 30, 2020. The total pension liability used to calculate the net pension asset or liability was determined by an actuarial valuation as of that date.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 14 – PENSIONS

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

Actuarial valuation date	June 30, 2020
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, 2020, 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 7.3 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
U.S. public equity	23%	4.93%
International public equity	15	6.09
Global private equity	18	8.42
Other assets (capital appreciation)	7	5.61
Core bonds	2	0.22
Private credit	22	5.31
Diversifying strategies	12	3.22
Cash – Mellon	1	-0.60
Total	<u>100%</u>	

Discount Rate. At June 30, 2020, the discount rate used to measure the total pension liability was 7.3 percent.

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 14 – 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 to determine the total pension liability.

Changes in Net (Assets)/Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Assets) Liability
PSPRS - Police			
Balances at June 30, 2020	\$15,736,382	\$ 13,203,337	\$ 2,533,045
Changes for the year:			
Service cost	867,328		867,328
Interest on the total pension liability	1,203,439		1,203,439
Differences between expected and actual experience in the measurement of the pension liability	317,459		317,459
Contributions – employer		2,015,116	(2,015,116)
Contributions – employee		412,720	(412,720)
Net investment income		174,329	(174,329)
Benefit payments, including refunds of employee contributions	(236,486)	(236,486)	
Administrative expense		(14,212)	14,212
Other changes		(3,316)	3,316
Net changes	2,151,740	2,348,151	(196,411)
Balances at June 30, 2021	\$ 17,888,122	\$ 15,551,488	\$ 2,336,634

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 14 – PENSIONS

	Increase (Decrease)		Net Pension (Assets) Liability
	Total Pension Liability	Plan Fiduciary Net Position	
PSPRS - Fire			
Balances at June 30, 2020	\$23,085,263	\$ 19,319,445	\$ 3,765,818
Changes for the year:			
Service cost	1,179,061		1,179,061
Interest on the total pension liability	1,762,272		1,762,272
Differences between expected and actual experience in the measurement of the pension liability	1,541,584		1,541,584
Contributions – employer		1,095,249	(1,095,249)
Contributions – employee		436,673	(436,673)
Net investment income		253,840	(253,840)
Benefit payments, including refunds of employee contributions	(247,219)	(247,219)	
Administrative expense		(20,697)	20,697
Other changes		1	(1)
Net changes	4,235,698	1,517,847	2,717,851
Balances at June 30, 2021	<u>\$ 27,320,961</u>	<u>\$ 20,837,292</u>	<u>\$ 6,483,669</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
PSPRS - Police:			
Rate	6.3%	7.3%	8.3%
Net pension (assets) liability	\$ 5,564,465	\$ 2,336,634	\$ (222,117)
PSPRS - Fire			
Rate	6.3%	7.3%	8.3%
Net pension (assets) liability	\$ 11,357,813	\$ 6,483,669	\$ 2,577,024

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 14 – 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.

Pension Expense. For the year ended June 30, 2021, the City recognized the following as pension expense:

	PSPRS - Police	PSPRS - Fire
Pension expense	\$ 1,054,559	\$ 1,627,186

Pension Deferred Outflows/Inflows of Resources. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
PSPRS - Police:		
Differences between expected and actual experience	\$ 932,780	\$ 962,662
Changes of assumptions or other inputs	915,303	
Net difference between projected and actual earnings on pension plan investments	781,410	
Contributions subsequent to the measurement date	754,281	
Total	\$ 3,383,774	\$ 962,662
 PSPRS - Fire		
Differences between expected and actual experience	\$ 1,501,488	\$ 1,466,806
Changes of assumptions or other inputs	1,059,988	
Net difference between projected and actual earnings on pension plan investments	1,097,439	
Contributions subsequent to the measurement date	1,129,216	
Total	\$ 4,788,131	\$ 1,466,806

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 14 – 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 an increase in the net pension assets or a reduction of the net pension liability in the year ended June 30, 2022. 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:	<u>PSPRS - Police</u>	<u>PSPRS - Fire</u>
2022	\$ 286,732	\$ 352,090
2023	364,063	462,557
2024	352,975	447,902
2025	292,346	375,734
2026	135,621	152,507
Thereafter	235,094	401,319

Contributions payable. The City's accrued wages and benefits included \$114,886 of outstanding pension contribution amounts payable to PSPRS for the year ended June 30, 2021.

NOTE 15 – PRIOR PERIOD RECLASSIFICATION

The July 1, 2020, fund balance of the General Government CIP and Non-Major Governmental Funds do not agree to the prior year financial statements due to the reclassification of prior year retainage payable.

	<u>General Government CIP Fund</u>	<u>Non-Major Governmental Funds</u>
Fund balance, June 30, 2020, as previously reported	\$ 4,178,307	\$ 16,727,709
Retainage Payable Reclassification	<u>(276,519)</u>	<u>276,519</u>
Fund balance, July 1, 2020, as restated	<u>\$ 3,901,788</u>	<u>\$ 17,004,228</u>

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 16 – 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, 2021, the City abated sales taxes totaling \$1.1 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.

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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 14,419,154	\$ 14,419,154	\$ 12,766,340	\$ (1,652,814)
Sales taxes	15,472,900	15,472,900	21,916,285	6,443,385
Franchise taxes	1,043,800	1,043,800	1,434,873	391,073
Licenses, fees & permits	4,279,500	4,279,500	6,122,729	1,843,229
Intergovernmental revenues	16,176,672	16,176,672	17,405,233	1,228,561
Charges for services	1,970,100	2,857,100	4,390,623	1,533,523
Fines, forfeitures & penalties	673,952	673,952	507,042	(166,910)
Investment income	1,300,400	1,300,400	229,472	(1,070,928)
Miscellaneous	402,146	402,146	849,010	446,864
Total revenues	<u>55,738,624</u>	<u>56,625,624</u>	<u>65,621,607</u>	<u>8,995,983</u>
Expenditures:				
Current -				
General government	17,183,621	22,462,736	10,938,183	11,524,553
Public safety	23,711,448	23,127,846	21,796,271	1,331,575
Community services	5,042,799	5,168,436	4,548,497	619,939
Development services	2,679,519	3,041,092	2,943,880	97,212
Public works	7,024,638	7,096,487	6,366,400	730,087
Capital outlay	12,000	68,042	114,506	(46,464)
Debt service -				
Principal retirement		100,627	100,627	
Interest and fiscal charges		15,230	15,230	
Total expenditures	<u>55,654,025</u>	<u>61,080,496</u>	<u>46,823,594</u>	<u>14,256,902</u>
Excess (deficiency) of revenues over expenditures	<u>84,599</u>	<u>(4,454,872)</u>	<u>18,798,013</u>	<u>23,252,885</u>
Other financing sources (uses):				
Proceeds from sale of assets	1,925	1,925		(1,925)
Transfers in	500,000	500,000	369	(499,631)
Transfers out	(11,734,048)	(11,734,048)	(11,958,205)	(224,157)
Total other financing sources (uses)	<u>(11,232,123)</u>	<u>(11,232,123)</u>	<u>(11,957,836)</u>	<u>(725,713)</u>
Changes in fund balances	<u>(11,147,524)</u>	<u>(15,686,995)</u>	<u>6,840,177</u>	<u>22,527,172</u>
Fund balances, beginning of year			58,865,828	58,865,828
Increase (decrease) in reserve for inventory			324,766	324,766
Increase (decrease) in reserve for prepaid items			96	96
Fund balances (deficits), end of year	<u>\$ (11,147,524)</u>	<u>\$ (15,686,995)</u>	<u>\$ 66,030,867</u>	<u>\$ 81,717,862</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 SEVEN FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Measurement date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
City's proportion of the net pension (assets) liability	0.09%	0.09%	0.09%	0.09%	0.08%
City's proportionate share of the net pension (assets) liability	\$ 15,843,370	\$ 12,465,982	\$ 12,098,572	\$ 13,225,765	\$ 13,306,644
City's covered payroll	\$ 9,893,144	\$ 8,692,943	\$ 8,026,606	\$ 8,078,590	\$ 7,945,189
City's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	160.14%	143.40%	150.73%	163.71%	167.48%
Plan fiduciary net position as a percentage of the total pension liability	69.33%	73.24%	73.40%	69.92%	67.06%
	<u>2016</u>	<u>2015</u>			
Measurement date	June 30, 2015	June 30, 2014			
City's proportion of the net pension (assets) liability	0.08%	0.06%			
City's proportionate share of the net pension (assets) liability	\$ 12,050,654	\$ 9,558,390			
City's covered payroll	\$ 7,052,084	\$ 4,439,477			
City's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	170.88%	215.30%			
Plan fiduciary net position as a percentage of the total pension liability	68.35%	69.49%			

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

See accompanying notes to this schedule.

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total pension liability				
Service cost	\$ 867,328	\$ 956,848	\$ 874,914	\$ 979,168
Interest	1,203,439	1,013,648	894,704	814,406
Changes of benefit terms				202,850
Differences between expected and actual experience	317,459	794,623	(351,517)	(966,033)
Changes of assumptions or other inputs		451,213		592,197
Benefit payments, including refunds of employee contributions	(236,486)	(442,085)	(218,220)	(458,986)
Net change in total pension liability	<u>2,151,740</u>	<u>2,774,247</u>	<u>1,199,881</u>	<u>1,163,602</u>
Total pension liability—beginning	<u>15,736,382</u>	<u>12,962,135</u>	<u>11,762,254</u>	<u>10,598,652</u>
Total pension liability—ending	<u>\$ 17,888,122</u>	<u>\$ 15,736,382</u>	<u>\$ 12,962,135</u>	<u>\$ 11,762,254</u>
Plan fiduciary net position				
Contributions—employer	\$ 2,015,116	\$ 791,330	\$ 348,553	\$ 554,425
Contributions—employee	412,720	424,405	424,646	501,763
Net investment income	174,329	661,562	736,938	1,063,934
Benefit payments, including refunds of employee contributions	(236,486)	(442,085)	(218,220)	(458,986)
Administrative expense	(14,212)	(12,483)	(11,916)	(9,814)
Other changes	(3,316)	36,912	54,840	41,581
Net change in plan fiduciary net position	<u>2,348,151</u>	<u>1,459,641</u>	<u>1,334,841</u>	<u>1,692,903</u>
Plan fiduciary net position—beginning	<u>13,203,337</u>	<u>11,743,696</u>	<u>10,408,855</u>	<u>8,715,952</u>
Plan fiduciary net position—ending	<u>\$ 15,551,488</u>	<u>\$ 13,203,337</u>	<u>\$ 11,743,696</u>	<u>\$ 10,408,855</u>
Net pension (assets) liability—ending	<u>\$ 2,336,634</u>	<u>\$ 2,533,045</u>	<u>\$ 1,218,439</u>	<u>\$ 1,353,399</u>
Plan fiduciary net position as a percentage of the total pension liability	86.94%	83.90%	90.60%	88.49%
Covered payroll	\$ 4,740,946	\$ 5,244,203	\$ 5,200,744	\$ 4,604,929
Net pension (assets) liability as a percentage of covered payroll	49.29%	48.30%	23.43%	29.39%

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>2017</u>	<u>2016</u>	<u>2015</u>
June 30, 2016	June 30, 2015	June 30, 2014
\$ 839,545	\$ 747,934	\$ 673,759
641,997	585,892	485,132
1,088,276		(26,537)
(141,216)	(461,592)	195,426
481,692		165,211
(140,350)	(266,305)	(226,709)
<u>2,769,944</u>	<u>605,929</u>	<u>1,266,282</u>
<u>7,828,708</u>	<u>7,222,779</u>	<u>5,956,497</u>
<u>\$ 10,598,652</u>	<u>\$ 7,828,708</u>	<u>\$ 7,222,779</u>
\$ 584,950	\$ 508,701	\$ 486,264
487,208	428,486	376,082
47,805	270,249	812,958
(140,350)	(266,305)	(226,709)
(7,279)	(6,983)	(6,547)
(187,317)	(63,640)	(67,365)
<u>785,017</u>	<u>870,508</u>	<u>1,374,683</u>
<u>7,930,935</u>	<u>7,060,427</u>	<u>5,685,744</u>
<u>\$ 8,715,952</u>	<u>\$ 7,930,935</u>	<u>\$ 7,060,427</u>
<u>\$ 1,882,700</u>	<u>\$ (102,227)</u>	<u>\$ 162,352</u>
82.24%	101.31%	97.75%
\$ 5,033,244	\$ 4,468,622	\$ 3,589,297
37.41%	(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 SEVEN FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total pension liability				
Service cost	\$ 1,179,061	\$ 1,232,701	\$ 1,201,311	\$ 1,213,745
Interest	1,762,272	1,647,279	1,438,790	1,211,920
Changes of benefit terms				257,406
Differences between expected and actual experience	1,541,584	(1,164,332)	(336,293)	184,381
Changes of assumptions or other inputs		418,727		481,625
Benefit payments, including refunds of employee contributions	(247,219)	(153,867)	(83,015)	(34,354)
Net change in total pension liability	<u>4,235,698</u>	<u>1,980,508</u>	<u>2,220,793</u>	<u>3,314,723</u>
Total pension liability—beginning	<u>23,085,263</u>	<u>21,104,755</u>	<u>18,883,962</u>	<u>15,569,239</u>
Total pension liability—ending	<u><u>\$ 27,320,961</u></u>	<u><u>\$ 23,085,263</u></u>	<u><u>\$ 21,104,755</u></u>	<u><u>\$ 18,883,962</u></u>
Plan fiduciary net position				
Contributions—employer	\$ 1,095,249	\$ 1,097,970	\$ 328,969	\$ 687,438
Contributions—employee	436,673	453,324	432,673	576,038
Net investment income	253,840	947,975	1,079,840	1,534,321
Benefit payments, including refunds of employee contributions	(247,219)	(153,867)	(83,015)	(34,354)
Administrative expense	(20,697)	(17,466)	(17,135)	(13,976)
Other changes	1	(5,216)	7,007	26,678
Net change in plan fiduciary net position	<u>1,517,847</u>	<u>2,322,720</u>	<u>1,748,339</u>	<u>2,776,145</u>
Plan fiduciary net position—beginning	<u>19,319,445</u>	<u>16,996,725</u>	<u>15,248,386</u>	<u>12,472,241</u>
Plan fiduciary net position—ending	<u><u>\$ 20,837,292</u></u>	<u><u>\$ 19,319,445</u></u>	<u><u>\$ 16,996,725</u></u>	<u><u>\$ 15,248,386</u></u>
Net pension (assets) liability—ending	<u><u>\$ 6,483,669</u></u>	<u><u>\$ 3,765,818</u></u>	<u><u>\$ 4,108,030</u></u>	<u><u>\$ 3,635,576</u></u>
Plan fiduciary net position as a percentage of the total pension liability	76.27%	83.69%	80.54%	80.75%
Covered payroll	\$ 5,883,577	\$ 5,973,495	\$ 5,808,114	\$ 5,499,591
Net pension (assets) liability as a percentage of covered payroll	110.20%	63.04%	70.73%	66.11%

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>2017</u>	<u>2016</u>	<u>2015</u>
June 30, 2016	June 30, 2015	June 30, 2014
\$ 974,190	\$ 904,967	\$ 881,621
957,210	830,568	728,939
1,699,432		(30,011)
(382,765)	38,907	(364,760)
740,704		148,219
<u>(252,384)</u>	<u>(139,184)</u>	<u>(22,903)</u>
3,736,387	1,635,258	1,341,105
11,832,852	10,197,594	8,856,489
<u>\$ 15,569,239</u>	<u>\$ 11,832,852</u>	<u>\$ 10,197,594</u>
\$ 795,126	\$ 564,051	\$ 611,705
581,920	540,412	472,460
68,821	387,128	1,170,516
(252,384)	(139,184)	(22,903)
(10,304)	(9,836)	(9,427)
<u>(95,802)</u>	<u>(254,871)</u>	
1,087,377	1,087,700	2,222,351
11,384,864	10,297,164	8,074,813
<u>\$ 12,472,241</u>	<u>\$ 11,384,864</u>	<u>\$ 10,297,164</u>
<u>\$ 3,096,998</u>	<u>\$ 447,988</u>	<u>\$ (99,570)</u>
80.11%	96.21%	100.98%
\$ 5,976,741	\$ 5,420,209	\$ 4,907,129
51.82%	8.27%	(2.03)%

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Arizona State Retirement System:				
Actuarially determined contribution	\$ 1,271,452	\$ 1,132,765	\$ 971,871	\$ 874,900
Contributions in relation to the actuarially determined contribution	<u>1,271,452</u>	<u>1,132,765</u>	<u>971,871</u>	<u>874,900</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 10,913,751	\$ 9,893,144	\$ 8,692,943	\$ 8,026,606
Contributions as a percentage of covered payroll	11.65%	11.45%	11.18%	10.90%
 Public Safety Personnel Retirement System - Police:				
Actuarially determined contribution	\$ 754,281	\$ 676,533	\$ 802,363	\$ 915,851
Contributions in relation to the actuarially determined contribution	<u>754,281</u>	<u>2,029,932</u>	<u>802,363</u>	<u>444,076</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$ (1,353,399)</u>	<u>\$</u>	<u>\$ 471,775</u>
City's covered payroll	\$ 4,661,811	\$ 4,740,946	\$ 5,244,203	\$ 5,200,744
Contributions as a percentage of covered payroll	16.18%	14.27%	15.30%	17.61%
 Public Safety Personnel Retirement System - Fire:				
Actuarially determined contribution	\$ 1,129,216	\$ 1,128,470	\$ 1,184,544	\$ 1,105,865
Contributions in relation to the actuarially determined contribution	<u>1,129,216</u>	<u>1,128,470</u>	<u>1,184,544</u>	<u>282,564</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 823,301</u>
City's covered payroll	\$ 6,211,309	\$ 5,883,577	\$ 5,973,495	\$ 5,808,114
Contributions as a percentage of covered payroll	18.18%	19.18%	19.83%	19.04%

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>2017</u>	<u>2016</u>	<u>2015</u>
\$ 870,872	\$ 862,053	\$ 767,972
<u>870,872</u>	<u>862,053</u>	<u>767,972</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 8,078,590	\$ 7,945,189	\$ 7,052,084
10.78%	10.85%	10.89%
\$ 552,131	\$ 601,976	\$ 508,976
<u>552,131</u>	<u>601,976</u>	<u>508,976</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 4,604,929	\$ 5,033,244	\$ 4,468,622
11.99%	11.96%	11.39%
\$ 698,448	\$ 724,381	\$ 622,240
<u>698,448</u>	<u>724,381</u>	<u>622,240</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 5,499,591	\$ 5,976,741	\$ 5,420,209
12.70%	12.12%	11.48%

CITY OF MARICOPA, ARIZONA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021

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, 2019, 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, 2020 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.

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, 2021

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
ASSETS			
Cash and investments	\$ 10,573,285	\$ 388,976	\$ 11,827,974
Property taxes receivable		33,415	
Accounts receivable			1,360
Intergovernmental receivables	952,486		
Prepaid items			843,269
Total assets	<u>\$ 11,525,771</u>	<u>\$ 422,391</u>	<u>\$ 12,672,603</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 311,992	\$	\$ 19,063
Construction contracts payable	4,235		7,414
Accrued wages and benefits	71,241		
Total liabilities	<u>387,468</u>	<u></u>	<u>26,477</u>
Deferred inflows of resources:			
Unavailable revenue - property taxes		30,412	
Unavailable revenue - intergovernmental	174,464		
Total deferred inflows of resources	<u>174,464</u>	<u>30,412</u>	<u></u>
Fund balances:			
Nonspendable			843,269
Restricted	10,963,839	391,979	11,802,857
Total fund balances	<u>10,963,839</u>	<u>391,979</u>	<u>12,646,126</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,525,771</u>	<u>\$ 422,391</u>	<u>\$ 12,672,603</u>

Total Non-Major
Governmental
Funds

\$ 22,790,235
33,415
1,360
952,486
843,269
\$ 24,620,765

\$ 331,055
11,649
71,241
413,945

30,412
174,464
204,876

843,269
23,158,675
24,001,944

\$ 24,620,765

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, 2021

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Revenues:			
Property taxes	\$	\$ 2,887,248	\$
Intergovernmental revenues	9,415,458	126,252	367,375
Impact fees			6,104,651
Charges for services	53,628		
Investment income	32,520		25,559
Miscellaneous	185,312	68	
Total revenues	<u>9,686,918</u>	<u>3,013,568</u>	<u>6,497,585</u>
Expenditures:			
Current -			
General government	30,753		
Public safety	1,024,398		
Community services	57,635		
Development services	619,879		
Public works	2,428,682		
Capital outlay	3,629,242		1,289,107
Debt service -			
Principal retirement		1,720,000	401,235
Interest and fiscal charges		1,509,475	29,967
Total expenditures	<u>7,790,589</u>	<u>3,229,475</u>	<u>1,720,309</u>
Excess (deficiency) of revenues over expenditures	<u>1,896,329</u>	<u>(215,907)</u>	<u>4,777,276</u>
Other financing sources (uses):			
Transfers in	55,492		31,548
Transfers out			(369)
Capital lease agreements			843,269
Total other financing sources (uses)	<u>55,492</u>		<u>874,448</u>
Changes in fund balances	<u>1,951,821</u>	<u>(215,907)</u>	<u>5,651,724</u>
Fund balances, beginning of year, as restated	9,012,018	607,886	7,384,324
Increase (decrease) in reserve for prepaid items			(389,922)
Fund balances, end of year	<u>\$ 10,963,839</u>	<u>\$ 391,979</u>	<u>\$ 12,646,126</u>

Total Non-Major
Governmental
Funds

\$ 2,887,248
9,909,085
6,104,651
53,628
58,079
185,380
19,198,071

30,753
1,024,398
57,635
619,879
2,428,682
4,918,349

2,121,235
1,539,442
12,740,373

6,457,698

87,040
(369)
843,269
929,940

7,387,638

17,004,228

(389,922)

\$ 24,001,944

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SPECIAL REVENUE FUNDS

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

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

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

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

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

**CITY OF MARICOPA, ARIZONA
 COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2021**

	HURF	Road Maintenance	Grants
<u>ASSETS</u>			
Cash and investments	\$ 3,901,612	\$ 324,369	\$ 1,037,605
Intergovernmental receivables	400,054		294,367
Total assets	\$ 4,301,666	\$ 324,369	\$ 1,331,972
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 240,546	\$	\$ 67,641
Construction contracts payable			
Accrued wages and benefits	43,225		28,016
Total liabilities	283,771		95,657
Deferred inflows of resources:			
Unavailable revenue - intergovernmental			174,464
Fund balances:			
Restricted	4,017,895	324,369	1,061,851
Total fund balances	4,017,895	324,369	1,061,851
 Total liabilities, deferred inflows of resources and fund balances	 \$ 4,301,666	 \$ 324,369	 \$ 1,331,972

<u>County Road Tax</u>	<u>Totals</u>
\$ 5,309,699	\$ 10,573,285
258,065	952,486
<u>\$ 5,567,764</u>	<u>\$ 11,525,771</u>

\$ 3,805	\$ 311,992
4,235	4,235
<u>8,040</u>	<u>71,241</u>
	<u>387,468</u>

174,464

<u>5,559,724</u>	<u>10,963,839</u>
<u>5,559,724</u>	<u>10,963,839</u>

<u>\$ 5,567,764</u>	<u>\$ 11,525,771</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, 2021**

	HURF	Road Maintenance	Grants
Revenues:			
Intergovernmental revenues	\$ 4,468,804	\$	\$ 2,077,644
Charges for services			53,628
Investment income	14,438	637	
Miscellaneous		179,736	5,576
Total revenues	4,483,242	180,373	2,136,848
Expenditures:			
Current -			
General government			30,753
Public safety			1,024,398
Community services			57,635
Development services	51,792		568,087
Public works	2,428,682		
Capital outlay	1,398,683		89,566
Total expenditures	3,879,157		1,770,439
Excess (deficiency) of revenues over expenditures	604,085	180,373	366,409
Other financing sources (uses):			
Transfers in	11,372	19,360	
Total other financing sources (uses)	11,372	19,360	
Changes in fund balances	615,457	199,733	366,409
Fund balances, beginning of year	3,402,438	124,636	695,442
Fund balances, end of year	\$ 4,017,895	\$ 324,369	\$ 1,061,851

<u>County Road Tax</u>	<u>Totals</u>
\$ 2,869,010	\$ 9,415,458
17,445	53,628
	32,520
	185,312
<u>2,886,455</u>	<u>9,686,918</u>
	30,753
	1,024,398
	57,635
	619,879
	2,428,682
<u>2,140,993</u>	<u>3,629,242</u>
<u>2,140,993</u>	<u>7,790,589</u>
<u>745,462</u>	<u>1,896,329</u>
<u>24,760</u>	<u>55,492</u>
<u>24,760</u>	<u>55,492</u>
<u>770,222</u>	<u>1,951,821</u>
4,789,502	9,012,018
<u>\$ 5,559,724</u>	<u>\$ 10,963,839</u>

CITY OF MARICOPA, ARIZONA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	HURF		
	Budget	Actual	Variance - Positive - (Negative)
Revenues:			
Intergovernmental revenues	\$ 4,170,354	\$ 4,468,804	\$ 298,450
Charges for services			
Investment income		14,438	14,438
Miscellaneous			
Total revenues	<u>4,170,354</u>	<u>4,483,242</u>	<u>312,888</u>
Expenditures:			
Current -			
General government			
Public safety			
Community services			
Development services	38,865	51,792	(12,927)
Public works	2,958,377	2,428,682	529,695
Capital outlay	2,093,923	1,398,683	695,240
Total expenditures	<u>5,091,165</u>	<u>3,879,157</u>	<u>1,212,008</u>
Excess (deficiency) of revenues over expenditures	<u>(920,811)</u>	<u>604,085</u>	<u>1,524,896</u>
Other financing sources (uses):			
Transfers in		11,372	11,372
Transfers out	(500,000)		500,000
Total other financing sources (uses)	<u>(500,000)</u>	<u>11,372</u>	<u>511,372</u>
Changes in fund balances	<u>(1,420,811)</u>	<u>615,457</u>	<u>2,036,268</u>
Fund balances, beginning of year		3,402,438	3,402,438
Fund balances (deficits), end of year	<u>\$ (1,420,811)</u>	<u>\$ 4,017,895</u>	<u>\$ 5,438,706</u>

Road Maintenance			Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$ 7,500,000	\$ 2,077,644	\$ (5,422,356)
	637	637		53,628	53,628
	179,736	179,736		5,576	5,576
	180,373	180,373	7,500,000	2,136,848	(5,363,152)
			3,214,168	30,753	3,183,415
			2,068,441	1,024,398	1,044,043
			500,000	57,635	442,365
			1,000,003	568,087	431,916
			60,489	89,566	(29,077)
			6,843,101	1,770,439	5,072,662
	180,373	180,373	656,899	366,409	(290,490)
	19,360	19,360			
	19,360	19,360			
	199,733	199,733	656,899	366,409	(290,490)
	124,636	124,636		695,442	695,442
\$	\$ 324,369	\$ 324,369	\$ 656,899	\$ 1,061,851	\$ 404,952

(Continued)

CITY OF MARICOPA, ARIZONA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2021

	County Road Tax		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Intergovernmental revenues	\$ 2,362,120	\$ 2,869,010	\$ 506,890
Charges for services			
Investment income		17,445	17,445
Miscellaneous			
Total revenues	2,362,120	2,886,455	524,335
Expenditures:			
Current -			
General government			
Public safety			
Community services			
Development services			
Public works			
Capital outlay	2,272,120	2,140,993	131,127
Total expenditures	2,272,120	2,140,993	131,127
Excess (deficiency) of revenues over expenditures	90,000	745,462	655,462
Other financing sources (uses):			
Transfers in		24,760	24,760
Transfers out			
Total other financing sources (uses)		24,760	24,760
Changes in fund balances	90,000	770,222	680,222
Fund balances, beginning of year		4,789,502	4,789,502
Fund balances (deficits), end of year	\$ 90,000	\$ 5,559,724	\$ 5,469,724

Totals

Budget	Actual	Variance - Positive (Negative)
\$ 14,032,474	\$ 9,415,458	\$ (4,617,016)
	53,628	53,628
	32,520	32,520
	185,312	185,312
<u>14,032,474</u>	<u>9,686,918</u>	<u>(4,345,556)</u>
3,214,168	30,753	3,183,415
2,068,441	1,024,398	1,044,043
500,000	57,635	442,365
1,038,868	619,879	418,989
2,958,377	2,428,682	529,695
4,426,532	3,629,242	797,290
<u>14,206,386</u>	<u>7,790,589</u>	<u>6,415,797</u>
<u>(173,912)</u>	<u>1,896,329</u>	<u>2,070,241</u>
	55,492	55,492
<u>(500,000)</u>	<u>55,492</u>	<u>500,000</u>
<u>(500,000)</u>	<u>55,492</u>	<u>555,492</u>
<u>(673,912)</u>	<u>1,951,821</u>	<u>2,625,733</u>
	9,012,018	9,012,018
<u>\$ (673,912)</u>	<u>\$ 10,963,839</u>	<u>\$ 11,637,751</u>

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DEBT SERVICE FUND

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

CITY OF MARICOPA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2021

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Property taxes	\$ 2,910,721	\$ 2,887,248	\$ (23,473)
Intergovernmental revenues		126,252	126,252
Miscellaneous		68	68
Total revenues	<u>2,910,721</u>	<u>3,013,568</u>	<u>102,847</u>
Expenditures:			
Debt service -			
Principal retirement	13,480,330	1,720,000	11,760,330
Interest and fiscal charges	1,957,804	1,509,475	448,329
Total expenditures	<u>15,438,134</u>	<u>3,229,475</u>	<u>12,208,659</u>
Changes in fund balances	<u>(12,527,413)</u>	<u>(215,907)</u>	<u>12,311,506</u>
Fund balances, beginning of year		607,886	607,886
Fund balances (deficits), end of year	<u>\$ (12,527,413)</u>	<u>\$ 391,979</u>	<u>\$ 12,919,392</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.

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

Fire Impact Fee – This fund is used to account for fire 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, 2021**

	Parks Impact Fee	Library Impact Fee	Police Impact Fee
<u>ASSETS</u>			
Cash and investments	\$ 7,310,275	\$ 335,591	\$ 1,289,308
Accounts receivable	64		
Prepaid items			
Total assets	\$ 7,310,339	\$ 335,591	\$ 1,289,308
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 8,511	\$ 912	\$ 3,424
Construction contracts payable			
Total liabilities	8,511	912	3,424
Fund balances:			
Nonspendable			
Restricted	7,301,828	334,679	1,285,884
Total fund balances	7,301,828	334,679	1,285,884
 Total liabilities and fund balances	 \$ 7,310,339	 \$ 335,591	 \$ 1,289,308

<u>Fire Impact Fee</u>	<u>Capital Grants</u>	<u>Totals</u>
\$ 2,131,405	\$ 761,395	\$ 11,827,974
1,296		1,360
843,269		843,269
<u>\$ 2,975,970</u>	<u>\$ 761,395</u>	<u>\$ 12,672,603</u>
\$ 415	\$ 5,801	\$ 19,063
	7,414	7,414
<u>415</u>	<u>13,215</u>	<u>26,477</u>
843,269		843,269
2,132,286	748,180	11,802,857
<u>2,975,555</u>	<u>748,180</u>	<u>12,646,126</u>
<u>\$ 2,975,970</u>	<u>\$ 761,395</u>	<u>\$ 12,672,603</u>

CITY OF MARICOPA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2021

	Parks Impact Fee	Library Impact Fee	Police Impact Fee
Revenues:			
Intergovernmental revenues	\$	\$	\$
Impact fees	3,386,429	244,069	958,134
Investment income	16,856	1,194	2,177
Total revenues	3,403,285	245,263	960,311
Expenditures:			
Capital outlay	42,253	153,233	
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	42,253	153,233	
Excess (deficiency) of revenues over expenditures	3,361,032	92,030	960,311
Other financing sources (uses):			
Transfers in	2,882	22,905	5,761
Transfers out			
Capital lease agreements			
Total other financing sources (uses)	2,882	22,905	5,761
Changes in fund balances	3,363,914	114,935	966,072
Fund balances, beginning of year, as restated	3,937,914	219,744	319,812
Increase (decrease) in reserve for prepaid items			
Fund balances, end of year	\$ 7,301,828	\$ 334,679	\$ 1,285,884

<u>Fire Impact Fee</u>	<u>Parks Bond</u>	<u>Capital Grants</u>	<u>Totals</u>
\$	\$	\$ 367,375	\$ 367,375
1,516,019			6,104,651
5,331	1		25,559
<u>1,521,350</u>	<u>1</u>	<u>367,375</u>	<u>6,497,585</u>
1,040,800		52,821	1,289,107
401,235			401,235
29,967			29,967
<u>1,472,002</u>	<u></u>	<u>52,821</u>	<u>1,720,309</u>
49,348	1	314,554	4,777,276
			31,548
	(369)		(369)
843,269			843,269
<u>843,269</u>	<u>(369)</u>	<u></u>	<u>874,448</u>
892,617	(368)	314,554	5,651,724
2,472,860	368	433,626	7,384,324
(389,922)			(389,922)
<u>\$ 2,975,555</u>	<u>\$</u>	<u>\$ 748,180</u>	<u>\$ 12,646,126</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, 2021

	Parks Impact Fee		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Intergovernmental revenues	\$	\$	\$
Impact fees	798,400	3,386,429	2,588,029
Investment income		16,856	16,856
Total revenues	798,400	3,403,285	2,604,885
Expenditures:			
Capital outlay	1,330,000	42,253	1,287,747
Debt service - Principal retirement Interest and fiscal charges			
Total expenditures	1,330,000	42,253	1,287,747
Excess (deficiency) of revenues over expenditures	(531,600)	3,361,032	3,892,632
Other financing sources (uses):			
Proceeds from sale of assets			
Transfers in		2,882	2,882
Transfers out			
Total other financing sources (uses)		2,882	2,882
Changes in fund balances	(531,600)	3,363,914	3,895,514
Fund balances, beginning of year, as restated		3,937,914	3,937,914
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	\$ (531,600)	\$ 7,301,828	\$ 7,833,428

Library Impact Fee			Police Impact Fee		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 506,534	\$ 244,069	\$ (262,465)	\$ 248,300	\$ 958,134	\$ 709,834
	1,194	1,194		2,177	2,177
<u>506,534</u>	<u>245,263</u>	<u>(261,271)</u>	<u>248,300</u>	<u>960,311</u>	<u>712,011</u>
153,783	153,233	550			
<u>153,783</u>	<u>153,233</u>	<u>550</u>			
<u>352,751</u>	<u>92,030</u>	<u>(260,721)</u>	<u>248,300</u>	<u>960,311</u>	<u>712,011</u>
	22,905	22,905		5,761	5,761
	<u>22,905</u>	<u>22,905</u>		<u>5,761</u>	<u>5,761</u>
<u>352,751</u>	<u>114,935</u>	<u>(237,816)</u>	<u>248,300</u>	<u>966,072</u>	<u>717,772</u>
	219,744	219,744		319,812	319,812
<u>\$ 352,751</u>	<u>\$ 334,679</u>	<u>\$ (18,072)</u>	<u>\$ 248,300</u>	<u>\$ 1,285,884</u>	<u>\$ 1,037,584</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, 2021

	Fire Impact Fee		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Intergovernmental revenues	\$	\$	\$
Impact fees	629,700	1,516,019	886,319
Investment income		5,331	5,331
Total revenues	<u>629,700</u>	<u>1,521,350</u>	<u>891,650</u>
Expenditures:			
Capital outlay	200,000	197,531	2,469
Debt service -			
Principal retirement	401,235	401,235	
Interest and fiscal charges	29,967	29,967	
Total expenditures	<u>631,202</u>	<u>628,733</u>	<u>2,469</u>
Excess (deficiency) of revenues over expenditures	<u>(1,502)</u>	<u>892,617</u>	<u>894,119</u>
Other financing sources (uses):			
Proceeds from sale of assets			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(1,502)</u>	<u>892,617</u>	<u>894,119</u>
Fund balances, beginning of year, as restated		2,472,860	2,472,860
Increase (decrease) in reserve for prepaid items		(389,922)	(389,922)
Fund balances (deficits), end of year	<u>\$ (1,502)</u>	<u>\$ 2,975,555</u>	<u>\$ 2,977,057</u>

Transportation Impact Fee			Parks Bond		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 3,648,100	\$ 5,861,231	\$ 2,213,131	\$	\$	\$
	101,667	101,667		1	1
<u>3,648,100</u>	<u>5,962,898</u>	<u>2,314,798</u>		<u>1</u>	<u>1</u>
8,161,611	3,275,349	4,886,262			
<u>8,161,611</u>	<u>3,275,349</u>	<u>4,886,262</u>			
<u>(4,513,511)</u>	<u>2,687,549</u>	<u>7,201,060</u>		<u>1</u>	<u>1</u>
	137,118	137,118		(369)	(369)
	<u>137,118</u>	<u>137,118</u>		<u>(369)</u>	<u>(369)</u>
<u>(4,513,511)</u>	<u>2,824,667</u>	<u>7,338,178</u>		<u>(368)</u>	<u>(368)</u>
	26,962,061	26,962,061		368	368
<u>\$ (4,513,511)</u>	<u>\$ 29,786,728</u>	<u>\$ 34,300,239</u>	<u>\$</u>	<u>\$</u>	<u>\$</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, 2021

	General Government CIP		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Intergovernmental revenues	\$	\$	\$
Impact fees			
Investment income		8,364	8,364
Total revenues		<u>8,364</u>	<u>8,364</u>
Expenditures:			
Capital outlay	15,272,756	10,989,450	4,283,306
Debt service -			
Principal retirement	891,690	891,690	
Interest and fiscal charges	66,305	66,305	
Total expenditures	<u>16,230,751</u>	<u>11,947,445</u>	<u>4,283,306</u>
Excess (deficiency) of revenues over expenditures	<u>(16,230,751)</u>	<u>(11,939,081)</u>	<u>4,291,670</u>
Other financing sources (uses):			
Proceeds from sale of assets		217,486	217,486
Transfers in	11,734,048	11,734,047	(1)
Transfers out			
Total other financing sources (uses)	<u>11,734,048</u>	<u>11,951,533</u>	<u>217,485</u>
Changes in fund balances	<u>(4,496,703)</u>	<u>12,452</u>	<u>4,509,155</u>
Fund balances, beginning of year, as restated		3,901,788	3,901,788
Increase (decrease) in reserve for prepaid items		20,000	20,000
Fund balances (deficits), end of year	<u>\$ (4,496,703)</u>	<u>\$ 3,934,240</u>	<u>\$ 8,430,943</u>

Capital Grants			Land Acquisition Enhancement		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 7,236,093	\$ 367,375	\$ (6,868,718)	\$	\$	\$
<u>7,236,093</u>	<u>367,375</u>	<u>(6,868,718)</u>			
4,687,339	52,821	4,634,518	2,906,332	2,906,332	
<u>4,687,339</u>	<u>52,821</u>	<u>4,634,518</u>	<u>2,906,332</u>	<u>2,906,332</u>	
<u>2,548,754</u>	<u>314,554</u>	<u>(2,234,200)</u>	<u>(2,906,332)</u>	<u>(2,906,332)</u>	
			410,335	1,333,668	923,333
			<u>410,335</u>	<u>1,333,668</u>	<u>923,333</u>
<u>2,548,754</u>	<u>314,554</u>	<u>(2,234,200)</u>	<u>(2,495,997)</u>	<u>(1,572,664)</u>	<u>923,333</u>
	433,626	433,626		474,637	474,637
				7,000	7,000
<u>\$ 2,548,754</u>	<u>\$ 748,180</u>	<u>\$ (1,800,574)</u>	<u>\$ (2,495,997)</u>	<u>\$ (1,091,027)</u>	<u>\$ 1,404,970</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, 2021

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Intergovernmental revenues	\$ 7,236,093	\$ 367,375	\$ (6,868,718)
Impact fees	5,831,034	11,965,882	6,134,848
Investment income		135,590	135,590
Total revenues	<u>13,067,127</u>	<u>12,468,847</u>	<u>(598,280)</u>
Expenditures:			
Capital outlay	32,711,821	17,616,969	15,094,852
Debt service -			
Principal retirement	1,292,925	1,292,925	
Interest and fiscal charges	96,272	96,272	
Total expenditures	<u>34,101,018</u>	<u>19,006,166</u>	<u>15,094,852</u>
Excess (deficiency) of revenues over expenditures	<u>(21,033,891)</u>	<u>(6,537,319)</u>	<u>14,496,572</u>
Other financing sources (uses):			
Proceeds from sale of assets	410,335	1,551,154	1,140,819
Transfers in	11,734,048	11,902,713	168,665
Transfers out		(369)	(369)
Total other financing sources (uses)	<u>12,144,383</u>	<u>13,453,498</u>	<u>1,309,115</u>
Changes in fund balances	<u>(8,889,508)</u>	<u>6,916,179</u>	<u>15,805,687</u>
Fund balances, beginning of year, as restated		38,722,810	38,722,810
Increase (decrease) in reserve for prepaid items		(362,922)	(362,922)
Fund balances (deficits), end of year	<u>\$ (8,889,508)</u>	<u>\$ 45,276,067</u>	<u>\$ 54,165,575</u>

STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Net Position:					
Net investment in capital assets	\$ 176,635,947	\$ 169,738,519	\$ 164,748,639	\$ 170,979,975	\$ 177,751,634
Restricted	57,927,788	48,362,479	48,037,555	43,451,668	34,342,277
Unrestricted	47,431,191	43,166,415	27,465,259	16,789,319	14,565,658
Total net position	<u>\$ 281,994,926</u>	<u>\$ 261,267,413</u>	<u>\$ 240,251,453</u>	<u>\$ 231,220,962</u>	<u>\$ 226,659,569</u>
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net Position:					
Net investment in capital assets	\$ 178,734,505	\$ 176,253,607	\$ 176,849,760	\$ 177,370,008	\$ 160,277,610
Restricted	46,127,016	52,707,824	54,993,935	55,767,940	69,233,094
Unrestricted	18,571,493	16,683,198	22,824,286	23,545,468	21,799,977
Total net position	<u>\$ 243,433,014</u>	<u>\$ 245,644,629</u>	<u>\$ 254,667,981</u>	<u>\$ 256,683,416</u>	<u>\$ 251,310,681</u>

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

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

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Expenses					
Governmental activities					
General government	\$ 13,820,672	\$ 10,584,899	\$ 9,258,938	\$ 9,065,308	\$ 13,781,833
Public safety	25,522,709	25,905,921	26,178,738	24,936,969	28,009,309
Community services	7,348,487	7,039,922	8,801,087	8,555,065	9,369,826
Development services	4,070,165	2,960,766	2,316,181	2,141,848	5,030,982
Public works	17,604,057	15,608,748	11,056,216	9,590,939	14,855,383
Interest on long-term debt	1,382,277	1,402,227	1,837,467	1,915,184	1,986,509
Total governmental activities expenses	<u>69,748,367</u>	<u>63,502,483</u>	<u>59,448,627</u>	<u>56,205,313</u>	<u>73,033,842</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	1,043,617	909,326	1,377,434	1,004,410	733,595
Public safety	277,247	175,838	79,745	318,775	71,440
Community services	1,454,320	1,353,011	1,704,331	1,526,958	1,916,364
Development services	8,938,048	4,006,565	3,495,470	3,223,364	1,960,602
Public works	209,800	203,232			
Operating grants and contributions	4,893,003	10,835,521	4,475,831	4,522,065	5,324,186
Capital grants and contributions	12,422,823	9,835,496	5,241,042	5,560,382	3,589,969
Total program revenues	<u>29,238,858</u>	<u>27,318,989</u>	<u>16,373,853</u>	<u>16,155,954</u>	<u>13,596,156</u>
Net (Expense)/Revenue	<u>\$ (40,509,509)</u>	<u>\$ (36,183,494)</u>	<u>\$ (43,074,774)</u>	<u>\$ (40,049,359)</u>	<u>\$ (59,437,686)</u>

(Continued)

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Expenses					
Governmental activities					
General government	\$ 8,434,268	\$ 8,034,855	\$ 9,718,746	\$ 6,656,984	\$ 8,832,289
Public safety	21,662,502	19,253,044	18,672,370	17,447,674	16,103,119
Community services	9,411,852	8,245,420	5,687,823	2,399,939	2,257,063
Development services	4,173,045	2,624,718	3,091,943	8,224,264	10,002,055
Public works	8,384,857	7,189,840	7,547,174		
Interest on long-term debt	2,045,204	2,098,409	3,100,559	1,015,685	1,063,544
Total governmental activities expenses	<u>54,111,728</u>	<u>47,446,286</u>	<u>47,818,615</u>	<u>35,744,546</u>	<u>38,258,070</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	725,908	199,747	159,841	468,718	956,062
Public safety	286,800	1,516,033	994,921	892,908	590,689
Community services	1,352,037	1,778,214	536,941	282,565	285,986
Development services	2,258,585	208,487	272,186	161,747	95,951
Public works			465,073		
Operating grants and contributions	4,303,861	3,962,746	5,938,010	926,682	1,732,451
Capital grants and contributions	2,230,811	1,470,367	1,486,660	6,180,277	2,917,234
Total program revenues	<u>11,158,002</u>	<u>9,135,594</u>	<u>9,853,632</u>	<u>8,912,897</u>	<u>6,578,373</u>
Net (Expense)/Revenue	<u>\$ (42,953,726)</u>	<u>\$ (38,310,692)</u>	<u>\$ (37,964,983)</u>	<u>\$ (26,831,649)</u>	<u>\$ (31,679,697)</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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Net (Expense)/Revenue	\$ (40,509,509)	\$ (36,183,494)	\$ (43,074,774)	\$ (40,049,359)	\$ (59,437,686)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	12,732,919	12,910,208	11,845,356	11,007,502	10,243,226
Property taxes, levied for debt service	2,881,326	3,402,053	2,967,306	3,450,990	3,905,535
Sales taxes	21,916,285	17,745,381	14,161,420	11,692,157	10,448,709
Franchise taxes	1,434,873	1,281,198	1,221,114	1,238,325	1,300,307
Investment income	397,582	2,896,452	2,542,613	349,508	438,141
Unrestricted grants, aid, and state shared revenues	21,874,037	18,964,162	18,059,723	16,946,770	16,578,323
Total general revenues	<u>61,237,022</u>	<u>57,199,454</u>	<u>50,797,532</u>	<u>44,685,252</u>	<u>42,914,241</u>
Changes in Net Position	<u>\$ 20,727,513</u>	<u>\$ 21,015,960</u>	<u>\$ 7,722,758</u>	<u>\$ 4,635,893</u>	<u>\$ (16,523,445)</u>

(Continued)

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net (Expense)/Revenue	\$ (42,953,726)	\$ (38,310,692)	\$ (37,964,983)	\$ (26,831,649)	\$ (31,679,697)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	9,563,708	9,328,535	9,391,368	9,409,828	10,932,354
Property taxes, levied for debt service	3,654,084	4,761,714	3,542,070	1,457,540	
Sales taxes	9,496,645	8,791,279	8,684,810	7,942,569	7,601,624
Franchise taxes	911,356	362,791	344,151	309,744	285,739
Investment income	771,820	446,606	472,562	171,708	112,707
Unrestricted grants, aid, and state shared revenues	16,094,498	15,108,669	13,514,587	12,912,995	11,397,446
Total general revenues	<u>40,492,111</u>	<u>38,799,594</u>	<u>35,949,548</u>	<u>32,204,384</u>	<u>30,329,870</u>
Changes in Net Position	<u>\$ (2,461,615)</u>	<u>\$ 488,902</u>	<u>\$ (2,015,435)</u>	<u>\$ 5,372,735</u>	<u>\$ (1,349,827)</u>

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
General Fund:					
Nonspendable	\$ 325,619	\$ 757	\$ 1,125	\$ 2,436	\$ 2,140
Assigned	41,117,341	31,756,922			
Unassigned	24,587,907	27,108,149	43,608,609	33,424,593	30,643,618
Total General Fund	<u>\$ 66,030,867</u>	<u>\$ 58,865,828</u>	<u>\$ 43,609,734</u>	<u>\$ 33,427,029</u>	<u>\$ 30,645,758</u>
All Other Governmental Funds:					
Nonspendable	\$ 870,269	\$ 1,233,191	\$ 79,970	\$ 809,837	\$
Restricted	56,859,643	46,691,661	47,634,524	42,600,094	34,274,993
Assigned		474,637			
Unassigned	(1,098,027)	(56,775)			(360,553)
Total all other governmental funds	<u>\$ 56,631,885</u>	<u>\$ 48,342,714</u>	<u>\$ 47,714,494</u>	<u>\$ 43,409,931</u>	<u>\$ 33,914,440</u>

(Continued)

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund:					
Nonspendable	\$ 18,417	\$ 15,646	\$ 16,652	\$ 16,733	\$ 5,084
Unassigned	29,841,856	26,656,499	24,650,512	23,047,149	21,324,981
Total General Fund	<u>\$ 29,860,273</u>	<u>\$ 26,672,145</u>	<u>\$ 24,667,164</u>	<u>\$ 23,063,882</u>	<u>\$ 21,330,065</u>
All Other Governmental Funds:					
Nonspendable	\$ 1,195,205	\$	\$	\$	\$
Restricted	44,896,889	52,707,824	54,933,764	76,788,734	80,901,742
Unassigned	(721,733)	(2,920)	(1,465,704)		(34,662)
Total all other governmental funds	<u>\$ 45,370,361</u>	<u>\$ 52,704,904</u>	<u>\$ 53,468,060</u>	<u>\$ 76,788,734</u>	<u>\$ 80,867,080</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)

	Fiscal Year Ended June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Revenues:					
Property taxes	\$ 15,653,588	\$ 16,159,699	\$ 14,852,269	\$ 14,477,065	\$ 14,166,836
Sales taxes	21,916,285	17,745,381	14,161,420	11,692,157	10,448,709
Franchise taxes	1,434,873	1,281,198	1,221,114	1,238,325	1,300,307
Licenses, fees & permits	6,122,729	2,825,255	2,597,945	2,535,211	1,590,827
Intergovernmental revenues	27,314,318	33,336,718	22,246,030	21,454,086	22,872,558
Impact fees	11,965,882	5,381,700	5,171,518	5,530,530	2,535,080
Charges for services	4,444,251	2,887,504	2,531,178	2,410,795	2,377,444
Fines, forfeitures, & penalties	507,042	546,745	598,784	583,454	524,546
Investment income (loss)	397,582	2,896,452	2,542,613	349,508	438,141
Miscellaneous	1,034,390	448,401	986,784	584,546	194,006
Total revenues	<u>\$ 90,790,940</u>	<u>\$ 83,509,053</u>	<u>\$ 66,909,655</u>	<u>\$ 60,855,677</u>	<u>\$ 56,448,454</u>
Expenditures:					
Current -					
General government	\$ 10,968,936	\$ 8,508,731	\$ 7,874,432	\$ 7,452,335	\$ 13,022,970
Public safety	22,820,669	23,806,041	23,912,379	21,935,683	20,159,339
Community services	4,606,132	4,393,671	6,108,587	6,612,289	5,998,105
Development services	3,563,759	2,667,621	2,133,900	1,939,499	1,675,952
Public works	8,795,082	7,766,043	3,489,114	3,081,856	2,789,293
Capital outlay	26,365,867	22,520,896	5,810,512	4,674,651	20,011,487
Debt service -					
Principal retirement	3,113,552	1,959,216	1,790,000	1,735,000	1,685,000
Interest and fiscal charges	1,620,977	1,444,778	1,880,018	1,957,735	2,029,060
Bond issuance costs		183,343			
Total expenditures	<u>\$ 81,854,974</u>	<u>\$ 73,250,340</u>	<u>\$ 52,998,942</u>	<u>\$ 49,389,048</u>	<u>\$ 67,371,206</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 8,935,966</u>	<u>\$ 10,258,713</u>	<u>\$ 13,910,713</u>	<u>\$ 11,466,629</u>	<u>\$ (10,922,752)</u>
Expenditures for capitalized assets	\$ 23,380,738	\$ 18,774,121	\$ 3,910,407	\$ 3,124,891	\$ 9,598,926
Debt service as a percentage of noncapital expenditures	8%	6%	7%	8%	6%

(Continued)

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Revenues:					
Property taxes	\$ 13,263,389	\$ 14,715,416	\$ 12,801,299	\$ 10,539,547	\$ 10,826,301
Sales taxes	9,496,645	8,791,279	8,684,810	7,942,569	7,601,624
Franchise taxes	911,356	362,791	344,151	309,744	285,739
Licenses, fees & permits	1,123,534	807,472	713,154	771,911	480,342
Intergovernmental revenues	20,823,538	19,152,579	19,503,258	15,362,298	14,610,218
Impact fees	1,772,314	1,389,203	1,435,999	1,785,770	
Charges for services	2,161,808	2,083,965	1,431,663	580,461	521,229
Fines, forfeitures, & penalties	563,453	628,782	132,792	271,537	431,180
Investment income (loss)	771,820	446,606	472,562	171,708	112,707
Miscellaneous	761,000	182,262	151,353	1,533,934	1,686,749
Total revenues	<u>\$ 51,648,857</u>	<u>\$ 48,560,354</u>	<u>\$ 45,671,042</u>	<u>\$ 39,269,479</u>	<u>\$ 36,556,089</u>
Expenditures:					
Current -					
General government	\$ 6,855,078	\$ 6,324,669	\$ 8,041,470	\$ 5,990,510	\$ 8,502,107
Public safety	19,533,793	18,482,520	16,942,419	15,772,942	14,832,455
Community services	6,417,639	5,480,545	4,046,178	1,950,582	1,929,898
Development services	1,682,110	1,743,644	1,484,967	3,739,271	6,098,044
Public works	2,681,965	2,581,188	2,414,910		
Capital outlay	16,339,908	8,955,004	29,134,244	44,105,545	6,138,326
Debt service -					
Principal retirement	1,645,000	1,610,000	3,075,581	847,017	1,016,198
Interest and fiscal charges	2,087,755	2,140,960	2,248,665	1,005,352	1,053,211
Bond issuance costs				633,340	
Total expenditures	<u>\$ 57,243,248</u>	<u>\$ 47,318,530</u>	<u>\$ 67,388,434</u>	<u>\$ 74,044,559</u>	<u>\$ 39,570,239</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (5,594,391)</u>	<u>\$ 1,241,824</u>	<u>\$ (21,717,392)</u>	<u>\$ (34,775,080)</u>	<u>\$ (3,014,150)</u>
Expenditures for capitalized assets	\$ 11,390,120	\$ 7,431,302	\$ 25,884,678	\$ 43,020,602	\$ 7,031,001
Debt service as a percentage of noncapital expenditures	8%	9%	13%	8%	6%

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.

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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Excess (deficiency) of revenues over expenditures	\$ 8,935,966	\$ 10,258,713	\$ 13,910,713	\$ 11,466,629	\$ (10,922,752)
Other financing sources (uses):					
Refunding bonds issued		9,900,000			
Premium on sale of bonds		2,317,121			
Proceeds from sale of assets	1,551,154	725,786			1,713,798
Capital lease agreements	843,269	3,555,470			
Loan proceeds	4,161,881				
Transfers in	11,958,574	5,952,019	4,710,473	5,392,700	1,400,000
Transfers out	(11,958,574)	(5,952,019)	(4,710,473)	(5,392,700)	(1,400,000)
Payment to refunded bond escrow agent		(12,025,629)			
Total other financing sources (uses)	<u>6,556,304</u>	<u>4,472,748</u>			<u>1,713,798</u>
Changes in fund balances	<u>\$ 15,492,270</u>	<u>\$ 14,731,461</u>	<u>\$ 13,910,713</u>	<u>\$ 11,466,629</u>	<u>\$ (9,208,954)</u>
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Excess (deficiency) of revenues over expenditures	\$ (5,594,391)	\$ 1,241,824	\$ (21,717,392)	\$ (34,775,080)	\$ (3,014,150)
Other financing sources (uses):					
General obligation bonds issued				31,605,000	
Premium on sale of bonds				825,551	
Proceeds from sale of assets					211,200
Transfers in	1,250,000	1,250,000	1,370,000	175,000	37,135,270
Transfers out	(1,250,000)	(1,250,000)	(1,370,000)	(175,000)	(37,135,270)
Total other financing sources (uses)				<u>32,430,551</u>	<u>211,200</u>
Changes in fund balances	<u>\$ (5,594,391)</u>	<u>\$ 1,241,824</u>	<u>\$ (21,717,392)</u>	<u>\$ (2,344,529)</u>	<u>\$ (2,802,950)</u>

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

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

	Fiscal Year Ended June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Mining	\$ 1,671	\$ 1,987	\$	\$	\$ 1,407	\$ 3,682	\$ 4,063	\$ 3,593	\$ 4,252	\$ 1,619
Communication & Utilities	514,112	2,191,885	1,552,946	1,548,521	891,299	806,381	782,086	687,634	636,967	575,882
Transportation	52,581	2,133	2,004	90	12,842	1,237	9,144	7,072	8,462	6,326
Construction	6,890,380	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
Manufacturing	365,136	279,002	118	252,000	227,132	295,396	249,704	418,849	289,320	274,016
Wholesale	280,085	202,223	410,130	462,111	418,910	333,196	140,074	109,573	114,764	93,496
Retail	9,847,462	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
Financial and Insurance	41,244	33,861		49,000	55,016	37,546	38,910	36,622	30,233	28,471
Real Estate Rental	1,751,167	1,795,820	1,006,962	876,937	1,109,644	906,153	822,946	643,650	502,888	538,287
Restaurant & Bar	1,221,634	898,860	1,058,619	938,719	685,621	569,308	556,636	482,155	429,359	380,961
Accommodation	1,053	1,436	97,608	4,697	1,091	191	19	6	9	6
Public Administration	16,299	11,954	3,941	6,078	1,160	848	669	481	845	1,165
Services	569,616	343,197	25,203	38,909	224,269	251,715	227,859	216,020	272,749	177,935
Arts & Entertainment	19,037	22,688	97,380	19,190	11,581	4,355	1,273	3,813	21,019	47,440
Other	795,600	11,578	15,813	34,925	102,707	72,463	66,420	46,494	50,400	57,419
Total	\$ 22,367,077	\$ 18,952,214	\$ 15,246,692	\$ 11,893,356	\$ 11,238,916	\$ 10,143,513	\$ 9,483,013	\$ 9,342,848	\$ 8,521,771	\$ 7,493,445
City's direct sales tax rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
City's construction sales tax rate	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%

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

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

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

Fiscal Year	City's Direct Rate	City's Construction Sales Tax Rate	Arizona Rate	County Rate
2021	2.00%	3.50%	5.60%	1.60%
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%

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>
2021	\$21,916,285	23.50 %	\$15,653,588	(3.13) %	\$1,434,873	11.99 %	\$ 39,004,746	10.85 %
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)

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

**CITY OF MARICOPA, ARIZONA
DIRECT AND OVERLAPPING ASSESSED VALUATIONS AND TAX RATES
LAST FIVE FISCAL YEARS**

Overlapping Jurisdiction	2020-21		2019-20		2018-19		2017-18		2016-17	
	Net Assessed Limit Property Value	Total Tax Rate	Net Assessed Limit Property Value	Total Tax Rate	Net Assessed Limit Property Value	Total Tax Rate	Net Assessed Limit Property Value	Total Tax Rate	Net Assessed Limit Property Value	Total Tax Rate
State of Arizona	\$69,914,521,042	None	\$66,154,632,834	None	\$62,328,439,592	None	\$62,328,357,186	None	\$59,404,007,785	None
Pinal County	2,689,422,170	3.7500	2,521,252,051	3.6633	2,355,433,455	3.7006	2,239,027,256	3.7405	2,119,750,925	3.6705
Pinal County Jr. College	2,689,422,170	2.3029	2,521,252,051	2.2132	2,355,433,455	2.3623	2,239,027,256	2.5429	2,119,750,925	2.6269
Pinal County Fire District Assistance Tax	2,689,422,170	0.0591	2,521,252,051	0.0615	2,355,433,455	0.0643	2,239,027,256	0.0644	2,119,750,925	0.0657
Pinal County Library District	2,689,422,170	0.0965	2,521,252,051	0.0965	2,355,433,455	0.0965	2,239,027,256	0.0965	2,119,750,925	0.0965
Pinal County State School Tax Equalization Rate	2,689,422,170	0.4426	2,521,252,051	0.4566	2,355,433,455	0.4741	2,239,027,256	0.4875	2,119,750,925	0.501
Pinal AMA Groundwater Replenishment District	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Central Arizona Water Conservation District	2,689,422,170	0.1400	2,521,252,051	0.1400	2,355,433,455	0.14	2,239,027,256	0.14	2,119,750,925	1.04
Pinal County Flood Control District	2,338,458,494	0.1693	2,168,798,678	0.1693	2,031,005,617	0.1693	1,919,757,710	0.1693	1,827,329,016	0.1693
Central Arizona Valley Institute of Technology	1,689,488,103	0.0500	1,587,955,998	0.0500	1,481,338,671	0.05	1,404,793,546	0.05	1,334,278,430	0.05
Electric District No. 3	358,342,316	2.1302	331,237,021	2.1560	301,839,991	2.1891	282,954,534	2.2294	266,547,020	2.2488
Maricopa Unified School District	338,294,403	7.7995	311,644,745	6.8032	288,444,529	7.2004	271,878,438	7.1992	256,331,133	5.8972
Maricopa Volunteer Fire District	313,841,803	0.0953	289,874,636	0.0931	265,116,858	0.1211	247,029,112	0.1219	232,133,845	0.1297
City of Maricopa	311,368,285	5.5657	286,969,599	5.9717	262,200,309	5.9065	244,623,792	6.185	229,851,930	6.4818
Maricopa Flood Control District	253,456,756	0.1964	232,605,809	0.1964	212,683,734	0.1964	198,077,160	0.1964	186,321,576	0.1964
Stanfield Flood Control District	7,642,832	3.1009	7,100,767	3.1123	4,817,066	3.114	4,601,794	3.39	4,514,755	3.6768
Maricopa-Stanfield Irrigation District	83,107	26.0000	83,128	26.0000	83,214	26	82,584	26	83,199	26
Maricopa Consolidated Domestic Water Improvement District	4,583,215	3.3685	4,406,899	3.3685	3,904,827	3.3685	N/A	N/A	N/A	N/A
Maricopa Domestic Water Improvement District	N/A	N/A	N/A	N/A	N/A	N/A	3474887	3.3685	3519588	3.3025
Seven Ranches Domestic Water Improvement District	1,783,245	5.9466	1,410,404	5.9466	1,314,888	5.9466	1,292,327	5.9466	1,236,237	5.9466
Papago Butte Domestic Water Improvement District	1,653,137	7.9731	1,493,357	7.9731	1,400,749	7.9731	1,322,659	7.8168	1,245,765	7.8168

Source: State and County Abstract of the Assessment Roll, Arizona Department of Revenue, the County Budget Office

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

<u>Taxpayer</u>	<u>2021</u>		<u>2012</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	\$ 6,238,977	2.00 %	\$	%
Santa Cruz Water Company, LLC	5,033,527	1.62		
Volkswagen of America dba Vorelco Inc	2,858,293	0.92	2,536,399	1.15
Wal-Mart Stores Inc #3751	2,391,130	0.77		
SM Fiesta LLC	1,564,859	0.50		
Smiths Food & Drug Centers Inc	1,363,293	0.44	1,303,800	0.59
Agree LTD Pship	1,293,007	0.42		
Pinal Energy LLC	1,175,348	0.38	7,345,446	3.34
Maricopa Groves Self Storage LLC	988,918	0.32		
Meritage Homes of Arizona Inc.	971,787	0.31	2,138,886	0.97
Global Water: Santa Cruz Water Co.			4,022,396	1.83
Global Water: Palo Verde Utilities			2,906,599	1.32
Wal-Mart Stores Inc #2778			2,546,233	1.16
Maricopa Fiesta Investors LLC			1,738,000	0.79
Barclay Holding XIX LLC			996,911	0.45
Red Bidders LLC			982,051	0.45
Total	<u>\$ 23,879,139</u>	<u>7.68 %</u>	<u>\$ 26,516,721</u>	<u>12.05 %</u>
City's Total Assessed Valuation	<u>\$ 311,368,285</u>		<u>\$ 220,239,658</u>	

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

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

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2021	\$ 15,471,976	\$15,312,632	98.97 %	N/A	\$ 15,312,632	98.97 %
2020	15,949,545	15,733,335	98.64	216,188	15,949,523	100.00
2019	14,416,239	14,216,971	98.62	199,196	14,416,167	100.00
2018	14,118,138	13,945,182	98.77	172,951	14,118,133	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	247,350	13,416,645	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	400,468	10,790,693	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	
2021	L	\$ 298,955,088	\$ 2,944,765,372	\$ 12,413,197	\$ 72,645,967	\$ 311,368,285	\$ 3,017,411,339	4.6309	10.32
	FC	390,510,506	3,826,441,219	12,427,194	72,654,447	402,937,700	3,899,095,666	0.9348	10.33
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

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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Commercial, Industrial, Utilities and Mining	\$ 42,155,336	\$ 39,239,303	\$ 33,838,504	\$ 32,758,823	\$ 31,799,389
Agricultural and Vacant	24,819,877	24,707,561	22,082,952	23,302,844	22,478,502
Residential (Owner Occupied)	234,848,851	200,156,761	172,226,655	163,479,410	163,242,041
Residential (Rental)	99,353,495	95,630,799	92,932,371	94,403,890	89,160,259
Railroad, Private Cars and Airlines	566,991	608,029	644,369	610,671	474,730
Historical Property	1,183,173	1,205,282	1,132,618	960,516	954,015
Certain Government Property Improvements	<u>9,977</u>	<u>9,888</u>	<u>8,583</u>	<u>2,000</u>	<u>2,028</u>
Total	\$ <u>402,937,700</u>	\$ <u>361,557,623</u>	\$ <u>322,866,052</u>	\$ <u>315,518,154</u>	\$ <u>308,110,964</u>
Gross Full Cash Value	\$ 3,899,095,666	\$ 3,501,390,197	\$ 3,134,643,521	\$ 3,058,695,425	\$ 2,985,393,570
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10.33%	10.33%	10.30%	10.32%	10.32%
Estimated Net Full Cash Value	3,700,771,933	3,323,295,368	3,134,643,521	3,058,695,425	2,833,253,754
Total Direct Rate	5.57	5.97	5.91	6.19	6.48

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Commercial, Industrial, Utilities and Mining	\$ 31,697,664	\$ 30,378,316	\$ 36,327,177	\$ 38,276,239	\$ 33,707,267
Agricultural and Vacant	22,572,471	20,017,664	20,869,614	21,101,890	22,678,364
Residential (Owner Occupied)	150,631,971	111,122,863	106,613,297	126,378,346	140,018,199
Residential (Rental)	90,968,576	47,611,420	35,465,042	21,909,363	13,401,078
Railroad, Private Cars and Airlines	452,015	459,982	357,809	187,724	159,615
Historical Property	297,533	286,425			10,275,135
Certain Government Property Improvements	<u>2,171</u>				
Total	\$ <u>296,622,401</u>	\$ <u>209,876,670</u>	\$ <u>199,632,939</u>	\$ <u>207,853,562</u>	\$ <u>220,239,658</u>
Gross Full Cash Value	\$ 2,832,372,199	\$ 1,955,481,136	\$ 1,811,911,419	\$ 1,869,964,570	\$ 1,958,703,545
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10.47%	10.73%	11.02%	11.12%	11.24%
Estimated Net Full Cash Value	2,695,846,008	1,850,013,972	1,712,470,381	1,783,692,036	1,875,480,053
Total Direct Rate	7.34	6.85	5.57	5.46	5.46

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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Commercial, Industrial, Utilities and Mining	11 %	11 %	10 %	10 %	10 %
Agricultural and Vacant	6	7	7	7	7
Residential (Owner Occupied)	58	56	54	53	54
Residential (Rental)	25	26	29	30	29
Total	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Commercial, Industrial, Utilities and Mining	14 %	14 %	18 %	18 %	15 %
Agricultural and Vacant	10	10	14	10	10
Residential (Owner Occupied)	53	53	58	61	64
Residential (Rental)	23	23	10	11	6
Historical Property					5
Total	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

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	Loans Payable	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income
2021	\$ 35,160,760	\$ 422,391	\$ 34,738,369	0.89 %	598	\$ 2,890,971	\$ 4,161,881	\$ 42,213,612	1.08 %	\$ 726	2.44 %
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

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

**CITY OF MARICOPA, ARIZONA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2021**

<u>Governmental Unit</u>	<u>Debt Outstanding ⁽²⁾</u>	<u>Estimated Percentage Applicable to City ⁽¹⁾</u>	<u>Estimated Amount Applicable to City</u>
Overlapping:			
Pinal County Community College District	Note 3	10.3 %	\$
Maricopa Unified School District	25,880,000	100.0	<u>25,880,000</u>
Subtotal, Overlapping Debt			<u>25,880,000</u>
Direct:			
The City of Maricopa	35,160,760	100.0	<u>35,160,760</u>
Total Direct and Overlapping Debt			<u>\$ 61,040,760</u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		11.16 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 1,043	
As a Percentage of Net Limited Assessed Valuation		19.47 %
As a Percentage of Gross Full Cash Value		1.55 %

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, 2020 is presented for the overlapping governments as this is the most recent available information.
 - 3) The audited financial statements are unavailable.

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

Legal Debt Margin Calculations for Fiscal Year 2021:

<u>20% Limitation</u>		<u>6% Limitation</u>	
Net full cash assessed valuation	\$ 402,937,700	Net full cash assessed valuation	\$ 402,937,700
Debt limit (20% of assessed value)	80,587,540	Debt limit (6% of assessed value)	24,176,262
Debt applicable to limit	<u>27,796,135</u>	Debt applicable to limit	<u>6,381,729</u>
Legal debt margin	<u><u>\$ 52,791,405</u></u>	Legal debt margin	<u><u>\$ 17,794,533</u></u>

	<u>Fiscal Year Ended June 30</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
20% Limitation:					
Debt limit	\$ 80,587,540	\$ 72,311,525	\$ 64,573,208	\$ 63,103,631	\$ 61,622,193
Total net debt applicable to limit	<u>27,796,135</u>	<u>29,406,486</u>	<u>31,006,506</u>	<u>31,959,491</u>	<u>33,464,482</u>
Legal 20% debt margin	<u><u>\$ 52,791,405</u></u>	<u><u>\$ 42,905,039</u></u>	<u><u>\$ 33,566,702</u></u>	<u><u>\$ 31,144,140</u></u>	<u><u>\$ 28,157,711</u></u>
Total net debt applicable to the 20% limit as a percentage of 20% debt limit	34%	41%	48%	51%	54%
6% Limitation:					
Total Debt limit	\$ 24,176,262	\$ 21,693,457	\$ 19,371,963	\$ 18,931,089	\$ 18,486,658
Total net debt applicable to limit	<u>6,381,729</u>	<u>6,633,514</u>	<u>6,878,494</u>	<u>7,715,509</u>	<u>7,945,518</u>
Legal 6% debt margin	<u><u>\$ 17,794,533</u></u>	<u><u>\$ 15,059,943</u></u>	<u><u>\$ 12,493,469</u></u>	<u><u>\$ 11,215,580</u></u>	<u><u>\$ 10,541,140</u></u>
Total net debt applicable to the 6% limit as a percentage of 6% debt limit	26%	31%	36%	41%	43%

(Continued)

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
20% Limitation:					
Debt limit	\$ 59,324,480	\$ 41,975,334	\$ 39,926,588	\$ 41,570,712	\$ 44,047,932
Total net debt applicable to limit	<u>34,926,278</u>	<u>36,949,078</u>	<u>37,745,000</u>	<u>41,520,000</u>	<u>19,270,000</u>
Legal 20% debt margin	<u>\$ 24,398,202</u>	<u>\$ 5,026,256</u>	<u>\$ 2,181,588</u>	<u>\$ 50,712</u>	<u>\$ 24,777,932</u>
Total net debt applicable to the 20% limit as a percentage of 20% debt limit	59%	88%	95%	100%	44%
6% Limitation:					
Debt limit	\$ 17,797,344	\$ 12,592,600	\$ 11,977,976	\$ 12,471,214	\$ 13,214,379
Total net debt applicable to limit	<u>7,790,922</u>	<u>7,790,922</u>	<u>8,605,000</u>	<u>8,605,000</u>	<u></u>
Legal 6% debt margin	<u>\$ 10,006,422</u>	<u>\$ 4,801,678</u>	<u>\$ 3,372,976</u>	<u>\$ 3,866,214</u>	<u>\$ 13,214,379</u>
Total net debt applicable to the 6% limit as a percentage of 6% debt limit	44%	62%	72%	69%	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>
2020	467,932	\$ 17,285,148	\$ 35,949	7.2 %	58,125
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

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 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	2021			2012		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Maricopa Unified School District	670	1	13.33 %	598	1	10.87 %
City of Maricopa	440	2	8.75	212	3	3.85
Walmart	250	3	4.97	235	2	4.27
Pinal County	200	4	3.98			
Volkswagen Proving Grounds	150	5	2.98	150	5	2.73
Fry's Food Stores	110	6	2.19	200	4	3.64
Sequoia Pathway Academy	100	7	1.99			
McDonald's	80	8	1.59	87	7	1.58
Legacy Traditional School	80	9	1.59	78	9	1.42
Native Grill and Wings	80	10	1.59			
Pinal Feeding Co. Inc.				120	6	2.18
Bashas'				79	8	1.44
Southern Arizona Dunes Golf Club				60	10	1.09
Total	<u>2,160</u>		<u>42.96 %</u>	<u>1,819</u>		<u>33.07 %</u>
Total employment	<u>5,028</u>			<u>5,500</u>		

Source: The source of the 2021 information is the Maricopa Association of Governments (MAG).
The source of the 2012 information is the 2012 City of Maricopa CAFR.

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

	Full-time Equivalent Employees as of June 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
General Government					
Court	0.5	0.5	1.0	1.0	1.0
Mayor and Council	5.5	4.4	8.0	8.0	8.0
City Manager	6.0	3.2	4.0	4.0	4.0
Information Technology	6.0	5.0	5.0	5.0	4.0
Marketing & Communication		3.0	1.0		1.0
City Clerk	4.8	4.8	5.0	5.0	4.0
Finance	8.0	9.0	9.0	10.0	8.0
Support Services Administration	3.0	4.0	3.0		
Human Resources	10.0	10.0	4.0	3.5	3.5
Planning	4.0	3.0	3.0	3.0	3.0
Development Services	4.0	3.8	2.0	1.5	2.0
Building Safety	6.0	6.0	6.0	10.5	7.5
Code Enforcement	4.0	2.0	2.0	1.0	1.0
Land Development	2.8	6.0			
Permit Center	3.0	5.0			
Facilities Management	6.0	4.0	3.0	2.0	2.0
Fleet Management	7.0	2.5	3.0	1.5	1.5
Public Works Administration	4.9	9.0	9.0	8.0	5.0
Police	105.0	92.0	85.0	78.8	87.5
Fire	72.0	73.0	69.0	66.4	63.0
Engineering			2.0	2.0	3.0
Transportation		1.0	1.0	1.2	1.0
Community Services Administration	13.0	6.8	4.0	4.0	4.0
Recreation/Copper Sky Recreation Center	27.0	48.3	72.0	72.0	62.5
Park Maintenance	16.8	20.0	20.0	19.0	18.0
Libraries	10.5	10.3	10.0	10.0	10.0
Economic Development		4.0	4.0	3.0	3.0
HURF/Public Works	13.7	11.5	10.0	12.5	11.0
	<u>343.5</u>	<u>352.1</u>	<u>345.0</u>	<u>332.9</u>	<u>318.5</u>
Total	343.5	352.1	345.0	332.9	318.5

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Government					
Court	1.0	1.0	3.0	3.0	5.0
Mayor and Council	8.0	8.0	8.0	8.0	8.0
City Manager	4.0	4.0	6.0	4.0	4.0
Information Technology	4.0	4.0	4.0	4.0	4.0
Marketing & Communication	1.0	1.0			
City Clerk	4.0	4.0	5.0	5.0	5.0
Finance	9.0	9.0	9.0	10.0	10.0
Human Resources	4.5	4.5	3.0	3.0	3.0
Planning	3.0	3.0	3.0	2.0	2.0
Development Services	1.9	1.5	3.8	3.8	2.8
Building Safety	7.0	7.0	6.0	6.0	7.0
Code Enforcement	1.0	1.0	1.0	2.0	
Facilities Management	2.0	2.0	2.0	2.0	2.0
Fleet Management	1.0	1.0	1.0	1.0	1.0
Public Works Administration	2.0				
Police	89.5	86.9	64.0	66.0	68.0
Fire	64.0	64.0	63.0	63.0	63.0
Engineering	2.0	2.0	2.0	1.5	1.5
Transportation	0.6	0.6	1.0	1.5	1.5
Community Services Administration	3.0	3.0	2.0	2.0	2.0
Recreation	66.5	66.5	3.0	3.0	3.0
Park Maintenance	3.0	3.0	1.0	1.0	2.0
Libraries	8.5	8.5	8.0	8.0	7.0
Economic Development	3.0	3.0	3.0	5.0	5.0
HURF/Public Works	25.1	14.5	10.3	9.3	9.2
	<u>318.6</u>	<u>303.0</u>	<u>212.0</u>	<u>214.0</u>	<u>216.0</u>
Total	<u>318.6</u>	<u>303.0</u>	<u>212.0</u>	<u>214.0</u>	<u>216.0</u>

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

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

	Fiscal Year Ended June 30									
	<u>2021</u>	<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>Function/Program</u>										
General Government										
Number of general government buildings	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police										
Number of police stations	2	2	2	2	2	1	1	1	1	1
Fire										
Number of fire stations	4	4	4	4	4	4	4	4	4	4
Community Services										
Number of parks and recreation facilities	5	4	4	4	4	4	4	4	3	2
Number of acres of parks	115	127	127	127	127	127	127	127	29	28
Public Works										
Number of public works buildings	2	2	1	1	1	1	1	1	1	1
Miles of streets	550	541	541	541	541	532	532	532	532	*
Number of street lights	19	18	17	16	16	15	15	15	12	10

Source: Various city departments
*Information is unavailable

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

Function/Program	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Public Safety										
Police										
Number of police personnel and officers:	105	97	96	89	90	90	75	72	66	66
Number of arrests	1,568	1,702	1,815	2,033	2,116	2,149	2,209	2,171	2,235	1,650
Number of traffic violations	3,279	2,942	3,229	1,821	4,038	3,671	3,649	2,801	3,504	3,055
Number of parking violations	55	7	4	2	9	416	179	244	28	21
Fire										
Number of fire personnel and firefighters	72	71	73	69	64	61	61	63	63	63
Number of emergency calls	5,021	4,425	4,071	4,099	5,002	4,472	3,773	3,368	3,302	3,074
Number of fire calls	796	783	811	494	497	458	450	410	435	375
Number of inspections	382	454	417	350	420	215	170	120	279	570
Development Services										
Number of building-single family residential permits issued	2,257	912	1,005	1,059	600	527	299	321	419	225
Number of building-non-residential permits issued	15	17	356	83	2	25	40	22	44	35
Number of demolition permits issued	7	11	22	21		2	4	3	3	9
Number of pool permits issued	346	203	223	181	141	146	172	184	148	164
Number of solar permits issued	423	306	295	63	176	118	724	195	44	24
Number of sign permits issued	71	35	43	40	11	26	50	52	71	46
Community Services										
Recreation										
Number of facility and park reservations processed	7,256	3,869	5,306	5,090	5,422	6,172	6,000	584	600	634
Number of programs	146	1,005	806	556	593	584	650	562	357	357
Library										
Number of materials in inventory	56,098	58,747	52,177	51,000	47,558	47,214	44,000	42,148	32,060	27,515

Source: Various city departments.

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CITY OF
MARICOPA[®]
PROUD HISTORY • PROSPEROUS FUTURE

Christian Price
Mayor

Nancy Smith
Vice Mayor

Henry Wade
Councilmember

Vincent Manfredi
Councilmember

Rich Vitiello
Councilmember

Amber Liermann
Councilmember

Bob Marsh
Councilmember

Ricky A. Horst
City Manager

Jennifer Brown
Assistant City Manager

Matt Kozlowski
Chief Financial Officer

Brenda K. Hasler, CPA
Finance Manager

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