



Maricopa Elevated

Annual Comprehensive
Financial Report
for the year ended
June 30, 2022



**CITY OF MARICOPA, ARIZONA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Issued by:
Financial Services Division

CITY OF MARICOPA, ARIZONA

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INTRODUCTORY SECTION

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December 23, 2022

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, 2022.

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, 2022. 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, 2022, 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, 2022, 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 948% 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 62,720. 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 2021 U.S. Census estimate of 62,720. Recent calculations performed after the census indicate that as of the end of fiscal year 2022, Maricopa may be home now to upwards of 74,000 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 \$86,312 as of 2022.

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, Super Walmart, and Sprouts anchor four 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. 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 upon completion in the very near future. 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 2021-22 saw the opening of the City's first hospital, Exceptional Community Hospital, 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 2021-22 and beyond, with a much greater emphasis on multifamily opportunities becoming more readily available options in the City. In fiscal year 2021-22, Maricopa issued 1,608 single family residential permits 952 multifamily residential permits in the final 6 months of the fiscal year. 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 2021-22 presented our organization with the challenge of navigating the post COVID-19 economy and employment market 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. A strongly cultivated organizational identity and vision has allowed the City to approach the challenges of the modern marketplace, and 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

Fiscal year 2021-22 found our City Council establishing a new Mission Statement and our key primary objectives. These vision statements are of value to both City employees and to Maricopa citizens as we all collaborate to bring them to life every day.

Mission Statement – Unlock the full potential of the city of Maricopa to create a thriving and durable community.

Objectives:

Maintain and Enhance Maricopa's Physical Environment – Maricopa will offer a carefully planned and well-designed community and will work to highlight and enhance its amenities as a City to promote a positive and professional image. The City will be amenity driven, with balanced development, well planned transportation and responsible execution. Maintaining a clean and pristine environment is of paramount importance to ensuring our community arrives at its most optimal future.

Ensure a Safe and Secure 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 have been installed at Copper Sky, a pedestrian overpass has been designed over the UPRR at Maricopa Road, and plans for the new Police Station, Dispatch Center, and City Courthouse will provide a long time future intent on delivering high level public safety services to our citizens and visitors.

Promote Economic Vitality and a Sustainable Community – 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 also has a robust and aggressive plan for additional roadway improvements and forward thinking transportation planning concepts that will rely upon strong multi-organizational partnerships, nimble and flexible long term financial planning, and excellence in technical execution. Fiscal year 2021-22 finds the City with existing retail development of 1,169,013 sq. ft, an increase of 11% over the prior fiscal year.

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 expanding Motorsports Club. PHX Surf will offer amazing entertainment options, as well as an attractive local destination for future commercial and mixed use development.

Be a Premier City – 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.

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.

We aspire to be a City where employees and citizens alike can work to define and understand the way they identify and connect with what it takes to be a premier city and then engage in both a personal and community focused execution of those visions.

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 \$61.8 million at June 30, 2022 or 102% of estimated General Fund expenditures for fiscal year 2023. These funds go to support and enhance public safety, transportation, and quality of life amenities.

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 fiscal year 2022 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, 2021. 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, 2022 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
Deputy City Manager & 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, 2021

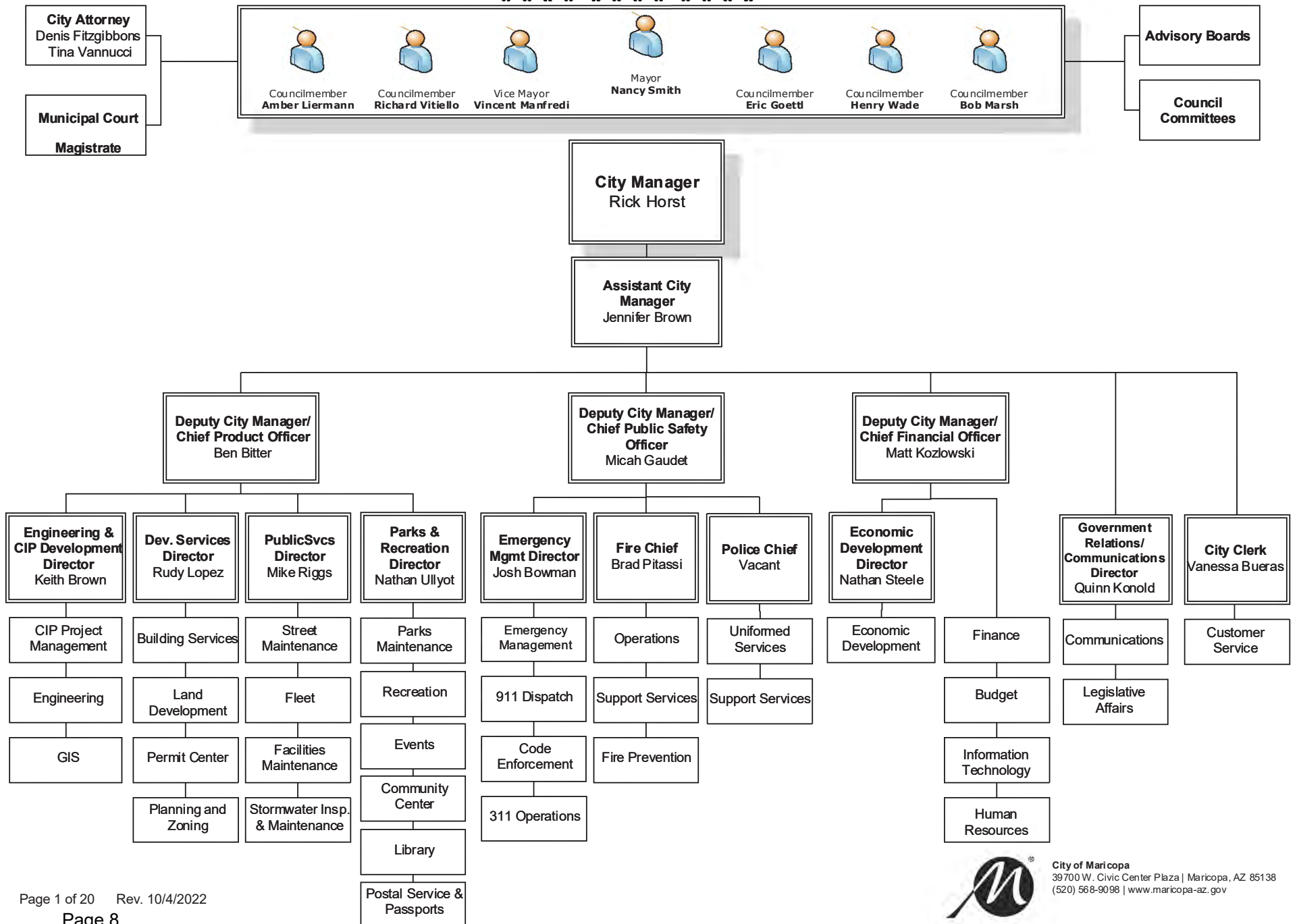
Christopher P. Morrill

Executive Director/CEO

CITIZENS OF MARICOPA



City of Maricopa Organization Chart



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

ELECTED OFFICIALS

Mayor	Nancy Smith
Vice Mayor	Vincent Manfredi
Council Member	Eric Goettl
Council Member	Amber Liermann
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
Deputy City Manager & Chief Financial Officer	Matt Kozlowski
Deputy City Manager & Chief Product Officer	Benjamin Bitter
Deputy City Manager & Chief Public Safety Officer	Micah Gaudet

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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, 2022, 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, 2022, 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.

Change in Accounting Principle

As described in Note 1, the City implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended June 30, 2022, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

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 23, 2022, 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 23, 2022

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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, 2022**

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, 2022. 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 2021-22 as follows:

- The City's total net position of governmental activities increased \$43.8 million to \$325.8 million representing in an 16 percent increase over the prior year primarily due to an increase in capital grants and contributions, sales taxes, and state shared revenues.
- General revenues from governmental activities accounted for \$71.6 million in revenue, or 64 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$39.9 million or 36 percent of total governmental activities revenues.
- The City had \$67.7 million in expenses related to governmental activities, a decrease of three percent from the prior fiscal year.
- Among major funds, the General Fund had \$75.1 million in current fiscal year revenues, which primarily consisted of property tax, sales tax, and intergovernmental revenues, and \$79.4 million in expenditures and other financing uses. The General Fund's fund balance decrease from \$66.0 million at the prior fiscal year end to \$61.8 million at the end of the current fiscal year was primarily due to increases in sales taxes and state shared revenues offset by transfers out to capital project funds.
- The Grants Fund had \$1.4 million in revenues. Fund expenditures totaled \$1.2 million resulting in an increase in fund balance from \$1.1 million to \$1.2 million.
- The Transportation Impact Fee Fund had \$4.5 million in revenues. Fund expenditures totaled \$4.8 million resulting in a decrease in fund balance from \$29.8 million to \$29.5 million due to a decrease in impact fee revenues.
- The General Government CIP Fund had \$29.6 million in revenues and other financing sources. Fund expenditures and other financing uses totaled \$20.7 million resulting in an increase in fund balance of \$8.9 million at the end of the current fiscal year primarily due to funding of projects that will occur in the future.

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

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, 2022**

OVERVIEW OF FINANCIAL STATEMENTS

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

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Grants, Transportation Impact Fee, and General Government CIP Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budget process and pension plan. The City adopts an annual expenditure budget for all governmental funds. A schedule of revenues, expenditures and changes in fund balances – budget and actual has been provided for the General Fund and major Special Revenue 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 \$325.8 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, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents a summary of the City's net position for the fiscal years ended June 30, 2022 and June 30, 2021.

	Governmental Activities	
	2022	2021
Current and other assets	\$ 146,083,660	\$ 128,152,158
Capital assets, net	245,535,105	218,106,505
Total assets	<u>391,618,765</u>	<u>346,258,663</u>
Deferred outflows	<u>10,391,235</u>	<u>11,959,934</u>
Current liabilities	10,615,113	5,148,574
Long-term liabilities	54,024,266	68,595,376
Total liabilities	<u>64,639,379</u>	<u>73,743,950</u>
Deferred inflows	<u>11,577,190</u>	<u>2,479,721</u>
Net investment in capital assets	208,765,503	176,635,947
Restricted	72,007,452	57,927,788
Unrestricted	45,020,476	47,431,191
Total net position	<u>\$ 325,793,431</u>	<u>\$ 281,994,926</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 \$41.7 million in capital asset additions with an increase in accumulated depreciation of \$12.6 million from current year depreciation.
- The City sold \$1.3 million of land.
- Current and other assets increased \$17.9 million primarily due to increases in sales taxes and state shared revenues from increased economic activity.
- The principal retirement of \$1.8 million of bonds and \$269,237 of bond premium.
- The principal retirement of \$1.7 million of financed purchases payable.
- The principal retirement of \$4.2 million in loans payable.
- The issuance of \$3.0 million of loans payables.
- The decrease of \$9.6 million in pension liabilities and increase of \$8.2 million in pension deferred inflows of resources.

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in net position. The City's total revenues for the current fiscal year were \$111.5 million. The total cost of all programs and services was \$67.7 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2022 and June 30, 2021.

	Governmental Activities	
	2022	2021
Revenues:		
Program revenues:		
Charges for services	\$ 12,968,660	\$ 11,923,032
Operating grants and contributions	4,859,852	4,893,003
Capital grants and contributions	22,046,282	12,422,823
General revenues:		
Property taxes, levied for general purposes	13,044,196	12,732,919
Property taxes, levied for debt service	2,989,709	2,881,326
Sales taxes	28,988,821	21,916,285
Franchise taxes	1,607,530	1,434,873
Unrestricted grants, aid, and state shared revenues	24,328,064	21,874,037
Gain on sale of capital assets	2,375,861	
Investment income (loss)	(1,717,258)	397,582
Total revenues	111,491,717	90,475,880
Expenses:		
General government	13,247,281	13,820,672
Public safety	23,608,516	25,522,709
Community services	7,964,251	7,348,487
Development services	2,106,729	4,070,165
Public works	19,399,121	17,604,057
Interest on long-term debt	1,367,314	1,382,277
Total expenses	67,693,212	69,748,367
Changes in net position	43,798,505	20,727,513
Net position, beginning	281,994,926	261,267,413
Net position, ending	\$325,793,431	\$ 281,994,926

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

- Capital grants and contributions increased \$9.6 million as a result of increased infrastructure capital contributions from developers.
- Sales taxes increased \$7.1 million as a result of increased economic activity.

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

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, 2022		Year Ended June 30, 2021	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
General government	\$ 13,247,281	\$ (12,192,381)	\$ 13,820,672	\$ (12,756,357)
Public safety	23,608,516	(19,903,827)	25,522,709	(21,263,974)
Community services	7,964,251	(3,065,885)	7,348,487	(2,196,722)
Development services	2,106,729	6,533,313	4,070,165	5,528,515
Public works	19,399,121	2,177,676	17,604,057	(8,438,694)
Interest on long-term debt	1,367,314	(1,367,314)	1,382,277	(1,382,277)
Total	\$ 67,693,212	\$ (27,818,418)	\$ 69,748,367	\$ (40,509,509)

- The cost of all governmental activities this year was \$67.7 million.
- Federal and State grants and contributions and charges for services subsidized certain programs with grants and contributions and other local revenues of \$39.9 million.
- Net cost of governmental activities of \$27.8 million was financed by general revenues, which are made up of primarily property taxes of \$16.0 million, sales taxes of \$29.0 million, and state shared revenues of \$24.3 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 \$133.7 million, an increase of \$11.1 million due primarily to increased sales taxes and state shared revenues.

The General Fund is the principal operating fund of the City. The decrease in fund balance of \$4.2 million to \$61.8 million as of fiscal year end was a result of increases sales taxes and state shared revenues offset by transfer out to capital project funds.

General Fund revenues increased \$9.5 million as a result of increased sales taxes and state shared revenues. General Fund expenditures and other financing uses increased \$20.6 million as a result of transfers out to capital projects funds.

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

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 \$1.5 million increase or three percent primarily due to an anticipated increase in public works 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 \$7.6 million in total expenditures 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 \$377.8 million in capital assets, including buildings, facilities, vehicles, computers, equipment, and infrastructure assets. This amount represents a net increase prior to depreciation of \$39.3 million from the prior fiscal year, primarily due to infrastructure capital contributions, purchase of multiple land parcels, various buildings and improvement projects, and purchasing new vehicles. Total depreciation expense for the current fiscal year was \$12.6 million.

The following schedule presents capital asset balances for the fiscal years ended June 30, 2022 and June 30, 2021.

<u>Governmental Activities</u>	As of <u>June 30, 2022</u>	As of <u>June 30, 2021</u>
Land and land improvements	\$ 106,020,912	\$ 96,234,656
Water rights	1,240,753	1,343,781
Infrastructure	117,474,909	101,402,322
Buildings and improvements	110,510,583	106,131,973
Vehicles, machinery and equipment	31,178,101	29,694,888
Construction in progress	11,364,945	3,650,043
Less: Accumulated depreciation	<u>(132,255,098)</u>	<u>(120,351,158)</u>
Total	<u>\$ 245,535,105</u>	<u>\$ 218,106,505</u>

The estimated cost to complete current construction projects is \$67.3 million.

Additional information on the City's capital assets can be found in Note 7.

Debt Administration. At year end, the City had \$37.2 million in long-term debt outstanding, \$5.7 million due within one year. Long-term debt decreased by \$5.0 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 \$89.3 million, of which \$26.1 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 \$26.8 million, of which \$6.1 million is issued and outstanding. Additional information on the City's long-term debt can be found in Notes 8 through 11.

**CITY OF MARICOPA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

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 2022-23. The most significant factors affecting the subsequent year's budget are:

- Primary property tax assessments are projected higher in fiscal year 2022-23 with an increase of \$884,887 while reducing the primary property tax rate to \$4.1709 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 \$25.9 million in fiscal year 2022-23 compared to the 2021-22 actual revenues of \$29.0 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 2022-23 state shared revenues are projected to increase in the General Fund by approximately 31 percent.
- Budgeted expenditures in the General Fund increased eight percent to \$60.9 million in fiscal year 2022-23. The primary reasons for the increase are salary increases, new personnel requests, and higher health insurance costs. Sales taxes, state shared taxes, and property taxes are expected to be the primary funding sources. No new programs were added to the 2022-23 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, 2022**

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 135,549,163
Property taxes receivable	342,809
Accounts receivable	1,014,434
Intergovernmental receivables	7,340,618
Inventories	388,944
Prepaid items	2,830
Leases receivable	940,574
Total current assets	145,579,372
Noncurrent assets:	
Net pension assets	504,288
Capital assets not being depreciated	118,626,610
Capital assets, net of accumulated depreciation	126,908,495
Total noncurrent assets	246,039,393
Total assets	391,618,765
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred charge on refunding	244,296
Pension plan items	10,146,939
Total deferred outflows of resources	10,391,235
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	5,766,325
Accrued wages and benefits	1,403,911
Unearned revenue	3,371,709
Customer deposits	73,168
Compensated absences payable	1,369,193
Financed purchases payable	810,000
Loans payable	2,963,814
Bonds payable	1,885,000
Total current liabilities	17,643,120
Noncurrent liabilities:	
Non-current portion of long-term obligations	46,996,259
Total noncurrent liabilities	46,996,259
Total liabilities	64,639,379
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension plan items	10,645,037
Leases	932,153
Total deferred inflows of resources	11,577,190
 <u>NET POSITION</u>	
Net investment in capital assets	208,765,503
Restricted for:	
Public safety	5,126,078
Transportation projects	40,376,510
Capital projects	13,555,348
Debt service	159,125
Federal and state projects	1,321,323
Parks and recreation projects	11,469,068
Unrestricted	45,020,476
Total net position	\$ 325,793,431

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, 2022**

Functions/Programs	<u>Program Revenues</u>				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	\$ 13,247,281	\$ 1,048,651	\$ 6,249		\$ (12,192,381)
Public safety	23,608,516	718,663	712,500	2,273,526	(19,903,827)
Community services	7,964,251	2,404,235	170,022	2,324,109	(3,065,885)
Development services	2,106,729	8,640,042			6,533,313
Public works	19,399,121	157,069	3,971,081	17,448,647	2,177,676
Interest on long-term debt	1,367,314				(1,367,314)
Total governmental activities	<u>\$ 67,693,212</u>	<u>\$ 12,968,660</u>	<u>\$ 4,859,852</u>	<u>\$ 22,046,282</u>	<u>(27,818,418)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	13,044,196
Property taxes, levied for debt service	2,989,709
Sales taxes	28,988,821
Franchise taxes	1,607,530
Unrestricted grants, aid, and state shared revenues	24,328,064
Gain on sale of capital assets	2,375,861
Investment income (loss)	(1,717,258)
Total general revenues	<u>71,616,923</u>

Changes in net position

43,798,505

Net position, beginning of year

281,994,926

Net position, end of year

\$ 325,793,431

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, 2022**

	<u>General Fund</u>	<u>Grants</u>	<u>Transportation Impact Fee</u>
<u>ASSETS</u>			
Cash and investments	\$ 59,253,296	\$ 4,505,914	\$ 29,491,314
Property taxes receivable	278,916		
Accounts receivable	1,013,074		
Intergovernmental receivables	4,987,154	244,738	1,005,621
Inventories	388,944		
Prepaid items	2,830		
Leases receivable	940,574		
Total assets	<u>\$ 66,864,788</u>	<u>\$ 4,750,652</u>	<u>\$ 30,496,935</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 2,497,598	\$ 33,222	\$ 1,026,462
Accrued wages and benefits	1,337,215	24,398	
Unearned revenue		3,371,709	
Customer deposits	73,168		
Total liabilities	<u>3,907,981</u>	<u>3,429,329</u>	<u>1,026,462</u>
Deferred inflows of resources:			
Unavailable revenue - property taxes	132,142		
Unavailable revenue - intergovernmental	56,480	97,241	
Leases	932,153		
Total deferred inflows of resources	<u>1,120,775</u>	<u>97,241</u>	
Fund balances:			
Nonspendable	391,774		
Restricted		1,224,082	29,470,473
Assigned	40,859,677		
Unassigned	20,584,581		
Total fund balances	<u>61,836,032</u>	<u>1,224,082</u>	<u>29,470,473</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 66,864,788</u>	 <u>\$ 4,750,652</u>	 <u>\$ 30,496,935</u>

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

General Government CIP	Non-Major Governmental Funds	Total Governmental Funds
\$ 13,446,054	\$ 28,852,585	\$ 135,549,163
	63,893	342,809
	1,360	1,014,434
	1,103,105	7,340,618
		388,944
		2,830
		940,574
<u>\$ 13,446,054</u>	<u>\$ 30,020,943</u>	<u>\$ 145,579,372</u>
\$ 638,361	\$ 1,570,682	\$ 5,766,325
	42,298	1,403,911
		3,371,709
		73,168
<u>638,361</u>	<u>1,612,980</u>	<u>10,615,113</u>
	30,232	162,374
		153,721
		932,153
	<u>30,232</u>	<u>1,248,248</u>
12,807,693	28,377,731	391,774
		71,879,979
		40,859,677
		20,584,581
<u>12,807,693</u>	<u>28,377,731</u>	<u>133,716,011</u>
\$ 13,446,054	\$ 30,020,943	\$ 145,579,372

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**CITY OF MARICOPA, ARIZONA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

Total governmental fund balances **\$ 133,716,011**

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

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

Net pension assets	\$ 504,288	
Governmental capital assets	377,790,203	
Less accumulated depreciation	<u>(132,255,098)</u>	246,039,393

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

Property taxes	162,374	
Intergovernmental	<u>153,721</u>	316,095

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.

244,296

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	10,146,939	
Deferred inflows of resources related to pensions	<u>(10,645,037)</u>	(498,098)

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

Compensated absences payable	(1,766,546)	
Financed purchases payable	(1,208,381)	
Loans payable	(2,963,814)	
Net pension liability	(15,024,002)	
Bonds payable	<u>(33,061,523)</u>	<u>(54,024,266)</u>

Net position of governmental activities **\$ 325,793,431**

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, 2022

	<u>General Fund</u>	<u>Grants</u>	<u>Transportation Impact Fee</u>
Revenues:			
Property taxes	\$ 13,048,010	\$	\$
Sales taxes	28,988,821		
Franchise taxes	1,607,530		
Licenses, fees & permits	5,272,415		
Intergovernmental revenues	19,575,241	1,337,765	
Impact fees			4,924,359
Charges for services	6,136,046	38,581	
Fines, forfeitures & penalties	528,410		
Investment income (loss)	(983,578)		(412,897)
Miscellaneous	936,728	54	
Total revenues	<u>75,109,623</u>	<u>1,376,400</u>	<u>4,511,462</u>
Expenditures:			
Current -			
General government	12,328,819	5,904	
Public safety	22,209,632	726,187	
Community services	5,167,441	153,699	
Development services	2,065,831		
Public works	6,782,963	240,379	
Capital outlay	42,104	88,000	4,827,717
Debt service -			
Principal retirement	104,236		
Interest and fiscal charges	11,621		
Total expenditures	<u>48,712,647</u>	<u>1,214,169</u>	<u>4,827,717</u>
Excess (deficiency) of revenues over expenditures	<u>26,396,976</u>	<u>162,231</u>	<u>(316,255)</u>
Other financing sources (uses):			
Proceeds from sale of assets			
Loan proceeds			
Transfers in			
Transfers out	(30,657,966)		
Total other financing sources (uses)	<u>(30,657,966)</u>		
Changes in fund balances	<u>(4,260,990)</u>	<u>162,231</u>	<u>(316,255)</u>
Fund balances, beginning of year	66,030,867	1,061,851	29,786,728
Increase (decrease) in reserve for inventory	64,178		
Increase (decrease) in reserve for prepaid items	1,977		
Fund balances, end of year	<u>\$ 61,836,032</u>	<u>\$ 1,224,082</u>	<u>\$ 29,470,473</u>

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

<u>General Government CIP</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$	\$ 2,989,889	\$ 16,037,899
		28,988,821
		1,607,530
		5,272,415
	8,480,689	29,393,695
	4,541,738	9,466,097
		6,174,627
		528,410
	(320,783)	(1,717,258)
	149,495	1,086,277
	<u>15,841,028</u>	<u>96,838,513</u>
		12,334,723
		22,935,819
		5,321,140
		2,065,831
	2,385,960	9,409,302
15,235,154	10,292,683	30,485,658
5,329,250	2,240,985	7,674,471
151,202	1,443,191	1,606,014
<u>20,715,606</u>	<u>16,362,819</u>	<u>91,832,958</u>
<u>(20,715,606)</u>	<u>(521,791)</u>	<u>5,005,555</u>
131,799	3,756,205	3,888,004
2,963,814		2,963,814
26,513,446	4,144,520	30,657,966
		(30,657,966)
<u>29,609,059</u>	<u>7,900,725</u>	<u>6,851,818</u>
<u>8,893,453</u>	<u>7,378,934</u>	<u>11,857,373</u>
3,934,240	21,849,066	122,662,752
		64,178
(20,000)	(850,269)	(868,292)
<u>\$ 12,807,693</u>	<u>\$ 28,377,731</u>	<u>\$ 133,716,011</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, 2022

Changes in fund balances - total governmental funds **\$ 11,857,373**

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	\$ 29,445,853	
Less current year depreciation	<u>(12,634,150)</u>	16,811,703

The net effect of transactions involving capital assets, i.e., gain on sales and contributions from developers. These transactions are not reported in the governmental funds. 10,616,897

Issuance of loans payable provides current financial resources to governmental funds, but the issuance increases long-term liabilities in the Statement of Net Position. (2,963,814)

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

Property taxes	(3,994)	
Intergovernmental	<u>(20,743)</u>	(24,737)

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.

Financed purchase principal retirement	1,682,590	
Loan principal retirement	4,161,881	
Bond principal retirement	<u>1,830,000</u>	7,674,471

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	3,201,310	
Pension expense	<u>(2,760,829)</u>	440,481

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	(868,292)	
Inventory	64,178	
Amortization of deferred bond items	238,700	
Compensated absences	<u>(48,455)</u>	<u>(613,869)</u>

Changes in net position in governmental activities **\$ 43,798,505**

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

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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.

During the year ended June 30, 2022, the City implemented the provisions of GASB Statement No. 87, *Leases*. This Statement increases the usefulness of the financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. The statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Beginning balances of leases receivable and deferred inflows of resources for leases reported in the governmental funds have been restated accordingly by \$993,335.

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, 2022 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.

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The City reports the following major governmental funds.

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

Grants Fund – 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.

Transportation Impact Fee Fund – This fund is used to account for the receipt and expenditure of the City's transportation impact fee. The revenues in this fund are restricted for specific capital outlay purposes.

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

D. Budgeting and Budgetary Control

The City Council formally adopts an annual budget for all operating funds. The statutory level of control at which expenditures may not exceed budget is at the total expenditure level. However, the City's internal adopted policy is that expenditures may not exceed the budgets by departments within each fund, except for bond and grants-in-aid funds, which are exempted by statute. The City Code was amended to provide the City Manager with authority to transfer budget amounts between funds and departments, reclassify budget positions, and to amend the salary plan.

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

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 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

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 assets 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 assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. Leases

As lessor, the City recognizes lease receivables with an initial, individual value of \$50,000 or more. If there is no stated rate in the lease contract (or if the stated rate is not the rate the City charges the lessee) and the implicit rate cannot be determined, the City uses its own estimated incremental borrowing rate as the discount rate to measure lease receivables. The City's estimated incremental borrowing rate is calculated based on the applicable federal rates.

N. Pensions

For purposes of measuring the net pension liabilities (assets), 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.

O. 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, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

P. 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.

Q. 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.

R. 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, 2022**

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

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

	General Fund	Grants Fund	Transportation Impact Fee Fund	General Government CIP Fund	Non-Major Governmental Funds
Fund Balances:					
Nonspendable:					
Inventory	\$ 388,944	\$	\$	\$	\$
Prepaid items	2,830				
Restricted:					
Debt service					128,893
Transportation projects			29,470,473		10,906,037
Parks and recreation projects					11,469,068
Capital projects				12,807,693	747,655
Public safety projects					5,126,078
Federal and state projects		1,224,082			
Assigned:					
General operating reserve	16,438,544				
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:	20,584,581				
Total fund balances	\$ 61,836,032	\$ 1,224,082	\$ 29,470,473	\$ 12,807,693	\$ 28,377,731

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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 \$2.3 million and the bank balance was \$4.1 million. At year end \$2.6 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 \$108,799 was uninsured and uncollateralized. Additionally, the City had cash on hand of \$9,685 and the City had cash held by others of \$64,931.

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, 2022

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, U.S. Agencies, Corporate Securities, Asset Backed Securities, State Treasurer's Investment Pool 5, and State Treasurer's Investment Pool 7, represent 1%, 17%, 1%, 6%, 13%, 3%, 56%, and 3% of the City's total investments, respectively.

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 – CASH AND INVESTMENTS

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

<u>Investment Type</u>	<u>Category</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>		<u>Moody's/Standard & Poor's</u>	
			<u>Less than 1</u>	<u>1-5</u>		
Certificates of Deposit	Level 2	\$ 235,000	\$ 235,000	\$	N/A	/ N/A
Certificates of Deposit	Level 2	548,492	548,492		P-1	/ A-1+
Certificates of Deposit	Level 2	220,924	220,924		P-1	/ A-1
U.S. Treasuries	Level 1	22,032,131		22,032,131	Aaa	/ AA+
Supranational Agency Bonds	Level 2	2,118,396		2,118,396	Aaa	/ AAA
U.S. Agencies:						
Federal Home Loan Mortgage Corporation	Level 1	4,876,152	1,718,485	3,157,667	Aaa	/ AA+
Federal National Mortgage Association	Level 1	3,754,078	1,456,510	2,297,568	Aaa	/ AA+
Corporate Securities	Level 1	1,419,880		1,419,880	NR	/ AAA
Corporate Securities	Level 1	153,824		153,824	Aaa	/ AAA
Corporate Securities	Level 1	304,066		304,066	Aaa	/ NR
Corporate Securities	Level 1	132,157		132,157	Aa2	/ AA-
Corporate Securities	Level 1	971,539		971,539	Aa3	/ AA-
Corporate Securities	Level 1	261,905		261,905	A1	/ AA+
Corporate Securities	Level 1	800,439		800,439	A1	/ AA
Corporate Securities	Level 1	187,505		187,505	A1	/ AA-
Corporate Securities	Level 1	1,013,135	48,924	964,211	A1	/ A+
Corporate Securities	Level 1	1,684,895		1,684,895	A1	/ A
Corporate Securities	Level 1	939,750		939,750	A1	/ A-
Corporate Securities	Level 1	393,900		393,900	A1	/ BBB+
Corporate Securities	Level 1	167,967		167,967	A2	/ AA+
Corporate Securities	Level 1	346,069		346,069	A2	/ A+
Corporate Securities	Level 1	1,703,779		1,703,779	A2	/ A
Corporate Securities	Level 1	3,044,328	274,453	2,769,875	A2	/ A-
Corporate Securities	Level 1	868,786		868,786	A2	/ BBB+
Corporate Securities	Level 1	128,180		128,180	A3	/ AA-
Corporate Securities	Level 1	180,996		180,996	A3	/ A+
Corporate Securities	Level 1	1,891,455		1,891,455	A3	/ A-
Corporate Securities	Level 1	894,125		894,125	A3	/ BBB+
Asset Backed Securities	Level 1	2,027,754		2,027,754	Aaa	/ AAA
Asset Backed Securities	Level 1	636,382	25,928	610,454	Aaa	/ NR
Asset Backed Securities	Level 1	1,578,578		1,578,578	N/A	/ AAA
			<u>\$ 4,528,716</u>	<u>\$ 50,987,851</u>		
State Treasurer's investment pool 5	Not applicable	74,063,370	51 days average maturities		AAA	/ S1+
State Treasurer's investment pool 7	Not applicable	3,590,591	33 days average maturities		AAA	/ S1+
Total		<u>\$ 133,170,528</u>				

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5 – RECEIVABLES

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

	<u>General Fund</u>	<u>Grants Fund</u>	<u>Transportation Impact Fee Fund</u>	<u>Non-Major Governmental Funds</u>
Intergovernmental receivables:				
Due from federal government	\$	\$ 148,856	\$	\$ 235,390
Due from state government	4,987,154	95,882	1,005,621	536,884
Due from county government				330,831
Net intergovernmental receivables	<u>\$ 4,987,154</u>	<u>\$ 244,738</u>	<u>\$ 1,005,621</u>	<u>\$ 1,103,105</u>

NOTE 6 – LEASES RECEIVABLE

The City leases land under the provisions of contracts classified as leases. The related receivables under the lease agreements have been recorded at the present value of their future minimum lease payments as of the inception date. Lease revenue of \$61,182 and related interest of \$2,215 are recorded as miscellaneous revenue in the General Fund.

Future minimum lease payments to be received under the lease agreements at year end are summarized as follows:

Year ending June 30:		
2023	\$	55,381
2024		58,928
2025		59,989
2026		60,254
2027		60,525
2028-32		306,889
2033-37		134,857
2038-42		89,490
2043-47		98,802
2048-49		38,720
Total	\$	<u>963,835</u>

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 – CAPITAL ASSETS

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 96,234,656	\$ 11,119,836	\$ 1,333,580	\$ 106,020,912
Water rights	1,343,781		103,028	1,240,753
Construction in progress	3,650,043	11,515,011	3,800,109	11,364,945
Total capital assets, not being depreciated	<u>101,228,480</u>	<u>22,634,847</u>	<u>5,236,717</u>	<u>118,626,610</u>
Capital assets, being depreciated:				
Buildings	71,542,151	2,045,000		73,587,151
Improvements other than buildings	34,589,822	2,333,610		36,923,432
Infrastructure	101,402,322	16,072,587		117,474,909
Vehicles	13,694,353	1,687,898	859,355	14,522,896
Machinery and equipment	11,856,751	704,088	49,418	12,511,421
Computers/Software	4,143,784			4,143,784
Total capital, assets being depreciated	<u>237,229,183</u>	<u>22,843,183</u>	<u>908,773</u>	<u>259,163,593</u>
Less accumulated depreciation for:				
Buildings	(23,504,547)	(3,618,321)		(27,122,868)
Improvements other than buildings	(12,429,582)	(1,777,915)		(14,207,497)
Infrastructure	(62,477,823)	(5,223,684)		(67,701,507)
Vehicles	(8,614,378)	(1,281,591)	(683,259)	(9,212,710)
Machinery and equipment	(9,729,894)	(563,970)	(46,951)	(10,246,913)
Computes/Software	(3,594,934)	(168,669)		(3,763,603)
Total accumulated depreciation	<u>(120,351,158)</u>	<u>(12,634,150)</u>	<u>(730,210)</u>	<u>(132,255,098)</u>
Total capital assets, being depreciated, net	<u>116,878,025</u>	<u>10,209,033</u>	<u>178,563</u>	<u>126,908,495</u>
Governmental activities capital assets, net	<u>\$ 218,106,505</u>	<u>\$ 32,843,880</u>	<u>\$ 5,415,280</u>	<u>\$ 245,535,105</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 897,658
Public safety	1,522,695
Community service	2,494,930
Public works	7,718,867
Total depreciation expense – governmental activities	<u>\$ 12,634,150</u>

Construction Commitments – At year end, the City had contractual commitments related to infrastructure and buildings projects. At year end the City had spent \$11.4 million on the projects and had estimated remaining contractual commitments of \$67.3 million.

CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 – FINANCED PURCHASES PAYABLE

The City has acquired network switches and multiple fire engines under the provisions of contracts classified as financed purchases payables. In accordance with GASB Statement No. 87 *Leases*, contracts previously recorded as capital leases have been reclassified as financed purchases payable in the fiscal year. Revenues from the General Fund, Fire Impact Fee Fund, a non-major governmental fund, and the General Government CIP are used to pay the debt obligations.

Annual debt service requirements to maturity on financed purchases payable at year end are summarized as follows:

Year ending June 30:	Governmental Activities	
	Principal	Interest
2023	\$ 810,000	\$ 29,181
2024	398,381	9,599
Total	<u>\$ 1,208,381</u>	<u>\$ 38,780</u>

NOTE 9 – 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.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2022	Due Within One Year
Governmental activities:					
GO Bonds Series B, 2013	\$ 31,605,000	4.0 - 4.375 %	7/1/23-35	\$ 22,445,000	\$1,010,000
GO Refunding Series 2020	9,900,000	5.00%	7/1/23-30	8,275,000	875,000
Total				<u>\$ 30,720,000</u>	<u>\$1,885,000</u>

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
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	2,240,000	981,975
2028-32	13,155,000	3,316,050
2033-35	7,275,000	540,363
Total	<u>\$ 30,720,000</u>	<u>\$ 9,684,538</u>

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 – 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, 2022	Due Within One Year
Governmental activities: Land Loan, 2022	3.00%	08/31/22	\$ 2,963,814	\$ 2,963,814

Principal and interest payments of \$2,963,814 and \$88,914, respectively, on the governmental activities loan payable at June 30, 2022 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 11 – 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	\$ 32,550,000	\$	\$ 1,830,000	\$ 30,720,000	\$ 1,885,000
Premium	2,610,760		269,237	2,341,523	
Total bonds payable	<u>35,160,760</u>		<u>2,099,237</u>	<u>33,061,523</u>	<u>1,885,000</u>
Financed purchases payable	2,890,971		1,682,590	1,208,381	810,000
Loans payable	4,161,881	2,963,814	4,161,881	2,963,814	2,963,814
Net pension liability	24,663,673		9,639,671	15,024,002	
Compensated absences payable	1,718,091	2,864,550	2,816,095	1,766,546	1,369,193
Governmental activity long-term liabilities	<u>\$ 68,595,376</u>	<u>\$ 5,828,364</u>	<u>\$ 20,399,474</u>	<u>\$ 54,024,266</u>	<u>\$ 7,028,007</u>

NOTE 12 – INTERFUND TRANSFERS

At year end, interfund balances were as follows:

Interfund transfers – Transfers between funds were used to (1) to move unrestricted funds of \$26.5 million from the General Fund to the General Government CIP Fund to pay for capital projects, and (2) to move funds of \$4.1 million from the General Fund to the Land Acquisition Enhancement, a non-major governmental fund, to pay for acquisitions of land.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 13 – 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 14 – 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 15 – PENSIONS

Aggregate Amounts. At June 30, 2022, the City reported the following aggregate amounts related to pensions for all plans to which it contributes.

	Governmental Activities
Net pension assets	\$ 504,288
Net pension liability	15,024,002
Deferred outflows of resources	10,146,939
Deferred inflows of resources	10,645,037
Pension expense	2,760,829

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, 2022**

NOTE 15 – 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, 2022**

NOTE 15 – 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 12.41 percent (12.22 percent for retirement and 0.19 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 12.41 percent (12.01 percent for retirement, 0.21 percent for health insurance premium benefit, and 0.19 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, 2022 were \$1.4 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 10.22 percent (10.13 for retirement and 0.09 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, 2021. 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, 2020, to the measurement date of June 30, 2021. 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, 2021. The total liabilities as of June 30, 2021, reflect changes in actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2020, including decreasing the discount rate from 7.5 percent to 7.0 percent and changing the projected salary increases from 2.7-7.2 percent to 2.9-8.4 percent.

At June 30, 2022, the City reported the following amounts for its proportionate share of the pension plan net liability. In addition, at June 30, 2021, the City's percentage proportion for the plan and the related change from its proportion measured as of June 30, 2020 was:

Net Liability	City % Proportion	Increase (Decrease)
\$ 12,700,695	0.097	0.005

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, 2022 was \$1.7 million.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 15 – 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	\$ 193,610	\$
Changes of assumptions or other inputs	1,653,097	
Net difference between projected and actual earnings on pension investments		4,024,027
Changes in proportion and differences between contributions and proportionate share of contributions	799,119	
Contributions subsequent to the measurement date	1,437,023	
Total	\$ 4,082,849	\$ 4,024,027

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, 2023. 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:		
2023	\$	599,425
2024		296,176
2025		(887,092)
2026		(1,386,710)

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

Actuarial valuation date	June 30, 2020
Actuarial roll forward date	June 30, 2021
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Inflation	2.3%
Projected salary increases	2.9-8.4%
Permanent base increases	Included
Mortality rates	2017 SRA Scale U-MP

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 15 – PENSIONS

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. 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, 2020, actuarial valuation.

The long-term expected rate of return on ASRS plan investments was determined to be 7.0 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.

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 Geometric Real Rate of Return
Equity	50%	4.90%
Credit	20	5.20
Interest rate sensitive bonds	10	0.70
Real estate	20	5.70
Total	100%	

Discount Rate. The discount rate used to measure the total pension liability was 7.0 percent. The discount rate was lowered in the roll forward for the year June 30, 2021 from 7.5 percent, which was used for the actuarial assumptions at the valuation date. 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, 2022**

NOTE 15 – 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 7.0 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.0%	7.0%	8.0%
Net liability	\$ 19,977,129	\$ 12,700,695	\$ 6,634,162

Contributions payable. The City’s accrued wages and benefits included \$112,993 of outstanding pension contribution amounts payable to ASRS for the year ended June 30, 2022.

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, 2022**

NOTE 15 – 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, 2022, the following employees were covered by the agent plans' benefit terms:

	PSPRS - Police	PSPRS - Fire
Retirees and beneficiaries	7	5
Inactive, non-retired members	11	5
Active members	52	56
Total	70	66

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 15 – 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, 2022, 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	13.43%	20.55%
Health insurance	0.22%	0.35%

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to PSPRS. The City was required by statute to contribute at the 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, 2022 were:

	PSPRS - Police	PSPRS - Fire
Pension contributions	\$ 624,876	\$ 1,139,411

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, 2022, the City reported the following pension assets and liabilities.

	PSPRS - Police	PSPRS - Fire
Net Pension (Assets) Liabilities	\$ (504,288)	\$ 2,323,307

The net pension assets/liability were measured as of June 30, 2021. 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, 2022**

NOTE 15 – PENSIONS

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

Actuarial valuation date	June 30, 2021
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, 2021, 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	24%	4.08%
International public equity	16	5.20
Global private equity	20	7.67
Other assets (capital appreciation)	7	5.43
Core bonds	2	0.42
Private credit	20	5.74
Diversifying strategies	10	3.99
Cash – Mellon	1	-0.31
Total	<u>100%</u>	

Discount Rate. At June 30, 2021, the discount rate used to measure the total pension liability was 7.3 percent.

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 15 – 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, 2021	\$17,888,122	\$15,551,488	\$ 2,336,634
Changes for the year:			
Service cost	868,744		868,744
Interest on the total pension liability	1,358,240		1,358,240
Differences between expected and actual experience in the measurement of the pension liability	554,770		554,770
Contributions – employer		796,549	(796,549)
Contributions – employee		414,678	(414,678)
Net investment income		4,432,024	(4,432,024)
Benefit payments, including refunds of employee contributions	(301,669)	(301,669)	
Administrative expense		(20,575)	20,575
Net changes	<u>2,480,085</u>	<u>5,321,007</u>	<u>(2,840,922)</u>
Balances at June 30, 2022	<u>\$20,368,207</u>	<u>\$ 20,872,495</u>	<u>\$ (504,288)</u>

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 15 – PENSIONS

	Increase (Decrease)		Net Pension (Assets) Liability
	Total Pension Liability	Plan Fiduciary Net Position	
PSPRS - Fire			
Balances at June 30, 2021	\$27,320,961	\$20,837,292	\$ 6,483,669
Changes for the year:			
Service cost	1,123,435		1,123,435
Interest on the total pension liability	2,070,140		2,070,140
Differences between expected and actual experience in the measurement of the pension liability	159,000		159,000
Contributions – employer		1,098,976	(1,098,976)
Contributions – employee		441,173	(441,173)
Net investment income		6,000,667	(6,000,667)
Benefit payments, including refunds of employee contributions	(172,616)	(172,616)	
Administrative expense		(27,879)	27,879
Net changes	3,179,959	7,340,321	(4,160,362)
Balances at June 30, 2022	<u>\$30,500,920</u>	<u>\$ 28,177,613</u>	<u>\$ 2,323,307</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	\$ 3,099,713	\$ (504,288)	\$ (3,363,327)
PSPRS - Fire			
Rate	6.3%	7.3%	8.3%
Net pension (assets) liability	\$ 7,646,610	\$ 2,323,307	\$ (1,961,070)

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 15 – 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, 2022, the City recognized the following as pension expense:

	PSPRS - Police	PSPRS - Fire
Pension expense	\$ 336,025	\$ 726,335

Pension Deferred Outflows/Inflows of Resources. At June 30, 2022, 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	\$ 1,249,804	\$ 740,396
Changes of assumptions or other inputs	719,479	
Net difference between projected and actual earnings on pension plan investments		1,984,722
Contributions subsequent to the measurement date	624,876	
Total	\$ 2,594,159	\$ 2,725,118
 PSPRS - Fire		
Differences between expected and actual experience	\$ 1,448,121	\$ 1,231,936
Changes of assumptions or other inputs	882,399	
Net difference between projected and actual earnings on pension plan investments		2,663,956
Contributions subsequent to the measurement date	1,139,411	
Total	\$ 3,469,931	\$ 3,895,892

**CITY OF MARICOPA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 15 – 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized as pension expenses as follows:

Year Ending June 30:	PSPRS - Police	PSPRS - Fire
2023	\$ (209,547)	\$ (403,697)
2024	(220,635)	(418,352)
2025	(281,264)	(490,520)
2026	(437,989)	(713,747)
2027	274,665	147,431
Thereafter	118,935	313,513

Contributions payable. The City's accrued wages and benefits included \$108,171 of outstanding pension contribution amounts payable to PSPRS for the year ended June 30, 2022.

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, 2022, the City abated sales taxes totaling \$1.5 million. This amount represents a 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 developers on a quarterly basis.

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF MARICOPA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 14,757,131	\$ 14,757,131	\$ 13,048,010	\$ (1,709,121)
Sales taxes	17,674,800	17,674,800	28,988,821	11,314,021
Franchise taxes	1,828,000	1,828,000	1,607,530	(220,470)
Licenses, fees & permits	8,468,554	8,468,554	5,272,415	(3,196,139)
Intergovernmental revenues	16,433,842	16,433,842	19,575,241	3,141,399
Charges for services	1,565,500	1,565,500	6,136,046	4,570,546
Fines, forfeitures & penalties	639,400	639,400	528,410	(110,990)
Investment income (loss)	500,000	500,000	(983,578)	(1,483,578)
Miscellaneous	614,100	614,100	936,728	322,628
Total revenues	<u>62,481,327</u>	<u>62,481,327</u>	<u>75,109,623</u>	<u>12,628,296</u>
Expenditures:				
Current -				
General government	17,115,865	17,889,878	12,328,819	5,561,059
Public safety	22,101,807	22,404,692	22,209,632	195,060
Community services	5,568,149	5,494,515	5,167,441	327,074
Development services	2,507,105	1,987,928	2,065,831	(77,903)
Public works	7,502,220	8,384,939	6,782,963	1,601,976
Capital outlay		22,857	42,104	(19,247)
Debt service -				
Principal retirement		104,236	104,236	
Interest and fiscal charges		11,621	11,621	
Total expenditures	<u>54,795,146</u>	<u>56,300,666</u>	<u>48,712,647</u>	<u>7,588,019</u>
Excess (deficiency) of revenues over expenditures	<u>7,686,181</u>	<u>6,180,661</u>	<u>26,396,976</u>	<u>20,216,315</u>
Other financing sources (uses):				
Transfers out	(27,417,741)	(27,417,741)	(30,657,966)	(3,240,225)
Total other financing sources (uses)	<u>(27,417,741)</u>	<u>(27,417,741)</u>	<u>(30,657,966)</u>	<u>(3,240,225)</u>
Changes in fund balances	<u>(19,731,560)</u>	<u>(21,237,080)</u>	<u>(4,260,990)</u>	<u>16,976,090</u>
Fund balances, beginning of year			66,030,867	66,030,867
Increase (decrease) in reserve for inventory			64,178	64,178
Increase (decrease) in reserve for prepaid items			1,977	1,977
Fund balances (deficits), end of year	<u>\$ (19,731,560)</u>	<u>\$ (21,237,080)</u>	<u>\$ 61,836,032</u>	<u>\$ 83,073,112</u>

See accompanying notes to this schedule.

**CITY OF MARICOPA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GRANTS
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ 43,319,071	\$ 43,319,071	\$ 1,337,765	\$ (41,981,306)
Charges for services			38,581	38,581
Miscellaneous			54	54
Total revenues	<u>43,319,071</u>	<u>43,319,071</u>	<u>1,376,400</u>	<u>(41,942,671)</u>
Expenditures:				
Current -				
General government	40,000,000	33,870,224	5,904	33,864,320
Public safety	2,159,707	2,159,707	726,187	1,433,520
Community services	150,000	150,000	153,699	(3,699)
Public works	800,000	800,000	240,379	559,621
Capital outlay	209,364	209,364	88,000	121,364
Total expenditures	<u>43,319,071</u>	<u>37,189,295</u>	<u>1,214,169</u>	<u>35,975,126</u>
Changes in fund balances		<u>6,129,776</u>	<u>162,231</u>	<u>(5,967,545)</u>
Fund balances, beginning of year			1,061,851	1,061,851
Fund balances, end of year	<u>\$</u>	<u>\$ 6,129,776</u>	<u>\$ 1,224,082</u>	<u>\$ (4,905,694)</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 EIGHT FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
City's proportion of the net pension (assets) liability	0.10%	0.09%	0.09%	0.09%	0.09%
City's proportionate share of the net pension (assets) liability	\$ 12,700,695	\$ 15,843,370	\$ 12,465,982	\$ 12,098,572	\$ 13,225,765
City's covered payroll	\$ 10,913,751	\$ 9,893,144	\$ 8,692,943	\$ 8,026,606	\$ 8,078,590
City's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	116.37%	160.14%	143.40%	150.73%	163.71%
Plan fiduciary net position as a percentage of the total pension liability	78.58%	69.33%	73.24%	73.40%	69.92%
	<u>2017</u>	<u>2016</u>	<u>2015</u>		
Measurement date	June 30, 2016	June 30, 2015	June 30, 2014		
City's proportion of the net pension (assets) liability	0.08%	0.08%	0.06%		
City's proportionate share of the net pension (assets) liability	\$ 13,306,644	\$ 12,050,654	\$ 9,558,390		
City's covered payroll	\$ 7,945,189	\$ 7,052,084	\$ 4,439,477		
City's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	167.48%	170.88%	215.30%		
Plan fiduciary net position as a percentage of the total pension liability	67.06%	68.35%	69.49%		

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

See accompanying notes to this schedule.

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Measurement date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total pension liability				
Service cost	\$ 868,744	\$ 867,328	\$ 956,848	\$ 874,914
Interest	1,358,240	1,203,439	1,013,648	894,704
Changes of benefit terms				
Differences between expected and actual experience	554,770	317,459	794,623	(351,517)
Changes of assumptions or other inputs			451,213	
Benefit payments, including refunds of employee contributions	(301,669)	(236,486)	(442,085)	(218,220)
Net change in total pension liability	<u>2,480,085</u>	<u>2,151,740</u>	<u>2,774,247</u>	<u>1,199,881</u>
Total pension liability—beginning	17,888,122	15,736,382	12,962,135	11,762,254
Total pension liability—ending	<u>\$ 20,368,207</u>	<u>\$ 17,888,122</u>	<u>\$ 15,736,382</u>	<u>\$ 12,962,135</u>
Plan fiduciary net position				
Contributions—employer	\$ 796,549	\$ 2,015,116	\$ 791,330	\$ 348,553
Contributions—employee	414,678	412,720	424,405	424,646
Net investment income	4,432,024	174,329	661,562	736,938
Benefit payments, including refunds of employee contributions	(301,669)	(236,486)	(442,085)	(218,220)
Administrative expense	(20,575)	(14,212)	(12,483)	(11,916)
Other changes		(3,316)	36,912	54,840
Net change in plan fiduciary net position	<u>5,321,007</u>	<u>2,348,151</u>	<u>1,459,641</u>	<u>1,334,841</u>
Plan fiduciary net position—beginning	15,551,488	13,203,337	11,743,696	10,408,855
Plan fiduciary net position—ending	<u>\$ 20,872,495</u>	<u>\$ 15,551,488</u>	<u>\$ 13,203,337</u>	<u>\$ 11,743,696</u>
Net pension (assets) liability—ending	<u>\$ (504,288)</u>	<u>\$ 2,336,634</u>	<u>\$ 2,533,045</u>	<u>\$ 1,218,439</u>
Plan fiduciary net position as a percentage of the total pension liability	102.48%	86.94%	83.90%	90.60%
Covered payroll	\$ 4,661,811	\$ 4,740,946	\$ 5,244,203	\$ 5,200,744
Net pension (assets) liability as a percentage of covered payroll	(10.82)%	49.29%	48.30%	23.43%

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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
\$ 979,168	\$ 839,545	\$ 747,934	\$ 673,759
814,406	641,997	585,892	485,132
202,850	1,088,276		(26,537)
(966,033)	(141,216)	(461,592)	195,426
592,197	481,692		165,211
<u>(458,986)</u>	<u>(140,350)</u>	<u>(266,305)</u>	<u>(226,709)</u>
1,163,602	2,769,944	605,929	1,266,282
10,598,652	7,828,708	7,222,779	5,956,497
<u>\$ 11,762,254</u>	<u>\$ 10,598,652</u>	<u>\$ 7,828,708</u>	<u>\$ 7,222,779</u>
\$ 554,425	\$ 584,950	\$ 508,701	\$ 486,264
501,763	487,208	428,486	376,082
1,063,934	47,805	270,249	812,958
(458,986)	(140,350)	(266,305)	(226,709)
(9,814)	(7,279)	(6,983)	(6,547)
41,581	(187,317)	(63,640)	(67,365)
<u>1,692,903</u>	<u>785,017</u>	<u>870,508</u>	<u>1,374,683</u>
8,715,952	7,930,935	7,060,427	5,685,744
<u>\$ 10,408,855</u>	<u>\$ 8,715,952</u>	<u>\$ 7,930,935</u>	<u>\$ 7,060,427</u>
<u>\$ 1,353,399</u>	<u>\$ 1,882,700</u>	<u>\$ (102,227)</u>	<u>\$ 162,352</u>
88.49%	82.24%	101.31%	97.75%
\$ 4,604,929	\$ 5,033,244	\$ 4,468,622	\$ 3,589,297
29.39%	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 EIGHT FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Measurement date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total pension liability				
Service cost	\$ 1,123,435	\$ 1,179,061	\$ 1,232,701	\$ 1,201,311
Interest	2,070,140	1,762,272	1,647,279	1,438,790
Changes of benefit terms				
Differences between expected and actual experience	159,000	1,541,584	(1,164,332)	(336,293)
Changes of assumptions or other inputs			418,727	
Benefit payments, including refunds of employee contributions	(172,616)	(247,219)	(153,867)	(83,015)
Net change in total pension liability	<u>3,179,959</u>	<u>4,235,698</u>	<u>1,980,508</u>	<u>2,220,793</u>
Total pension liability—beginning	<u>27,320,961</u>	<u>23,085,263</u>	<u>21,104,755</u>	<u>18,883,962</u>
Total pension liability—ending	<u>\$ 30,500,920</u>	<u>\$ 27,320,961</u>	<u>\$ 23,085,263</u>	<u>\$ 21,104,755</u>
Plan fiduciary net position				
Contributions—employer	\$ 1,098,976	\$ 1,095,249	\$ 1,097,970	\$ 328,969
Contributions—employee	441,173	436,673	453,324	432,673
Net investment income	6,000,667	253,840	947,975	1,079,840
Benefit payments, including refunds of employee contributions	(172,616)	(247,219)	(153,867)	(83,015)
Administrative expense	(27,879)	(20,697)	(17,466)	(17,135)
Other changes		1	(5,216)	7,007
Net change in plan fiduciary net position	<u>7,340,321</u>	<u>1,517,847</u>	<u>2,322,720</u>	<u>1,748,339</u>
Plan fiduciary net position—beginning	<u>20,837,292</u>	<u>19,319,445</u>	<u>16,996,725</u>	<u>15,248,386</u>
Plan fiduciary net position—ending	<u>\$ 28,177,613</u>	<u>\$ 20,837,292</u>	<u>\$ 19,319,445</u>	<u>\$ 16,996,725</u>
Net pension (assets) liability—ending	<u>\$ 2,323,307</u>	<u>\$ 6,483,669</u>	<u>\$ 3,765,818</u>	<u>\$ 4,108,030</u>
Plan fiduciary net position as a percentage of the total pension liability	92.38%	76.27%	83.69%	80.54%
Covered payroll	\$ 6,211,309	\$ 5,883,577	\$ 5,973,495	\$ 5,808,114
Net pension (assets) liability as a percentage of covered payroll	37.40%	110.20%	63.04%	70.73%

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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
\$ 1,213,745	\$ 974,190	\$ 904,967	\$ 881,621
1,211,920	957,210	830,568	728,939
257,406	1,699,432		(30,011)
184,381	(382,765)	38,907	(364,760)
481,625	740,704		148,219
<u>(34,354)</u>	<u>(252,384)</u>	<u>(139,184)</u>	<u>(22,903)</u>
3,314,723	3,736,387	1,635,258	1,341,105
15,569,239	11,832,852	10,197,594	8,856,489
<u>\$ 18,883,962</u>	<u>\$ 15,569,239</u>	<u>\$ 11,832,852</u>	<u>\$ 10,197,594</u>
\$ 687,438	\$ 795,126	\$ 564,051	\$ 611,705
576,038	581,920	540,412	472,460
1,534,321	68,821	387,128	1,170,516
(34,354)	(252,384)	(139,184)	(22,903)
(13,976)	(10,304)	(9,836)	(9,427)
26,678	(95,802)	(254,871)	
<u>2,776,145</u>	<u>1,087,377</u>	<u>1,087,700</u>	<u>2,222,351</u>
12,472,241	11,384,864	10,297,164	8,074,813
<u>\$ 15,248,386</u>	<u>\$ 12,472,241</u>	<u>\$ 11,384,864</u>	<u>\$ 10,297,164</u>
<u>\$ 3,635,576</u>	<u>\$ 3,096,998</u>	<u>\$ 447,988</u>	<u>\$ (99,570)</u>
80.75%	80.11%	96.21%	100.98%
\$ 5,499,591	\$ 5,976,741	\$ 5,420,209	\$ 4,907,129
66.11%	51.82%	8.27%	(2.03)%

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Arizona State Retirement System:				
Actuarially determined contribution	\$ 1,437,023	\$ 1,271,452	\$ 1,132,765	\$ 971,871
Contributions in relation to the actuarially determined contribution	<u>1,437,023</u>	<u>1,271,452</u>	<u>1,132,765</u>	<u>971,871</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 11,965,221	\$ 10,913,751	\$ 9,893,144	\$ 8,692,943
Contributions as a percentage of covered payroll	12.01%	11.65%	11.45%	11.18%
Public Safety Personnel Retirement System - Police:				
Actuarially determined contribution	\$ 624,876	\$ 754,281	\$ 676,533	\$ 802,363
Contributions in relation to the actuarially determined contribution	<u>624,876</u>	<u>754,281</u>	<u>2,029,932</u>	<u>802,363</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$ (1,353,399)</u>	<u>\$</u>
City's covered payroll	\$ 4,652,837	\$ 4,661,811	\$ 4,740,946	\$ 5,244,203
Contributions as a percentage of covered payroll	13.43%	16.18%	14.27%	15.30%
Public Safety Personnel Retirement System - Fire:				
Actuarially determined contribution	\$ 1,139,411	\$ 1,129,216	\$ 1,128,470	\$ 1,184,544
Contributions in relation to the actuarially determined contribution	<u>1,139,411</u>	<u>1,129,216</u>	<u>1,128,470</u>	<u>1,184,544</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 5,544,579	\$ 6,211,309	\$ 5,883,577	\$ 5,973,495
Contributions as a percentage of covered payroll	20.55%	18.18%	19.18%	19.83%

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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 874,900	\$ 870,872	\$ 862,053	\$ 767,972
<u>874,900</u>	<u>870,872</u>	<u>862,053</u>	<u>767,972</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 8,026,606	\$ 8,078,590	\$ 7,945,189	\$ 7,052,084
10.90%	10.78%	10.85%	10.89%
\$ 915,851	\$ 552,131	\$ 601,976	\$ 508,976
<u>444,076</u>	<u>552,131</u>	<u>601,976</u>	<u>508,976</u>
<u>\$ 471,775</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 5,200,744	\$ 4,604,929	\$ 5,033,244	\$ 4,468,622
17.61%	11.99%	11.96%	11.39%
\$ 1,105,865	\$ 698,448	\$ 724,381	\$ 622,240
<u>282,564</u>	<u>698,448</u>	<u>724,381</u>	<u>622,240</u>
<u>\$ 823,301</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 5,808,114	\$ 5,499,591	\$ 5,976,741	\$ 5,420,209
19.04%	12.70%	12.12%	11.48%

CITY OF MARICOPA, ARIZONA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

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, 2020, valuation for ASRS were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. 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, 2020, actuarial valuation. The total liabilities as of June 30, 2021, reflect changes in actuarial assumptions based on the results of an actuarial experience, including decreasing the discount rate from 7.5 percent to 7.0 percent and changing the projected salary increases from 2.7-7.2 percent to 2.9-8.4 percent.

The actuarial assumptions used in the June 30, 2021 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, 2022

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>ASSETS</u>			
Cash and investments	\$ 11,303,445	\$ 95,232	\$ 17,453,908
Property taxes receivable		63,893	
Accounts receivable			1,360
Intergovernmental receivables	867,715		235,390
Total assets	<u>\$ 12,171,160</u>	<u>\$ 159,125</u>	<u>\$ 17,690,658</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 1,222,825	\$	\$ 347,857
Accrued wages and benefits	42,298		
Total liabilities	<u>1,265,123</u>	<u></u>	<u>347,857</u>
Deferred inflows of resources:			
Unavailable revenue - property taxes		<u>30,232</u>	
Fund balances:			
Restricted	<u>10,906,037</u>	<u>128,893</u>	<u>17,342,801</u>
Total fund balances	<u>10,906,037</u>	<u>128,893</u>	<u>17,342,801</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 12,171,160</u>	 <u>\$ 159,125</u>	 <u>\$ 17,690,658</u>

Total Non-Major
Governmental
Funds

\$ 28,852,585
63,893
1,360
1,103,105
\$ 30,020,943

\$ 1,570,682
42,298
1,612,980

30,232

28,377,731
28,377,731

\$ 30,020,943

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, 2022

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Revenues:			
Property taxes	\$	\$ 2,989,889	\$
Intergovernmental revenues	8,220,572		260,117
Impact fees			4,541,738
Investment income (loss)	(150,516)		(170,267)
Miscellaneous	149,495		
Total revenues	<u>8,219,551</u>	<u>2,989,889</u>	<u>4,631,588</u>
Expenditures:			
Current -			
Public works	2,385,960		
Capital outlay	4,829,542		5,463,141
Debt service -			
Principal retirement		1,830,000	410,985
Interest and fiscal charges		1,422,975	20,216
Total expenditures	<u>7,215,502</u>	<u>3,252,975</u>	<u>5,894,342</u>
Excess (deficiency) of revenues over expenditures	<u>1,004,049</u>	<u>(263,086)</u>	<u>(1,262,754)</u>
Other financing sources (uses):			
Proceeds from sale of assets			3,756,205
Transfers in			4,144,520
Total other financing sources (uses)			<u>7,900,725</u>
Changes in fund balances	<u>1,004,049</u>	<u>(263,086)</u>	<u>6,637,971</u>
Fund balances, beginning of year	9,901,988	391,979	11,555,099
Increase (decrease) in reserve for prepaid items			(850,269)
Fund balances, end of year	<u>\$ 10,906,037</u>	<u>\$ 128,893</u>	<u>\$ 17,342,801</u>

Total Non-Major
Governmental
Funds

\$ 2,989,889
8,480,689
4,541,738
(320,783)
149,495
15,841,028

2,385,960
10,292,683

2,240,985
1,443,191
16,362,819

(521,791)

3,756,205
4,144,520
7,900,725

7,378,934

21,849,066

(850,269)

\$ 28,377,731

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SPECIAL REVENUE FUNDS

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

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

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

County Road Tax – 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, 2022**

	HURF	Road Maintenance	County Road Tax
<u>ASSETS</u>			
Cash and investments	\$ 5,647,882	\$ 468,307	\$ 5,187,256
Intergovernmental receivables	536,884		330,831
Total assets	\$ 6,184,766	\$ 468,307	\$ 5,518,087
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 174,285	\$ 149,167	\$ 899,373
Accrued wages and benefits	42,298		
Total liabilities	216,583	149,167	899,373
Fund balances:			
Restricted	5,968,183	319,140	4,618,714
Total fund balances	5,968,183	319,140	4,618,714
 Total liabilities and fund balances	 \$ 6,184,766	 \$ 468,307	 \$ 5,518,087

Totals

\$	11,303,445
	<u>867,715</u>
\$	<u>12,171,160</u>

\$	1,222,825
	<u>42,298</u>
	<u>1,265,123</u>

	<u>10,906,037</u>
	<u>10,906,037</u>

\$	<u>12,171,160</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, 2022**

	<u>HURF</u>	<u>Road Maintenance</u>	<u>County Road Tax</u>
Revenues:			
Intergovernmental revenues	\$ 4,752,823	\$	\$ 3,467,749
Investment income (loss)	(68,312)	(5,557)	(76,647)
Miscellaneous		149,495	
Total revenues	<u>4,684,511</u>	<u>143,938</u>	<u>3,391,102</u>
Expenditures:			
Current -			
Public works	2,236,793	149,167	
Capital outlay	497,430		4,332,112
Total expenditures	<u>2,734,223</u>	<u>149,167</u>	<u>4,332,112</u>
Changes in fund balances	<u>1,950,288</u>	<u>(5,229)</u>	<u>(941,010)</u>
Fund balances, beginning of year	4,017,895	324,369	5,559,724
Fund balances, end of year	<u>\$ 5,968,183</u>	<u>\$ 319,140</u>	<u>\$ 4,618,714</u>

Totals

\$	8,220,572
	(150,516)
	<u>149,495</u>
	<u>8,219,551</u>

	2,385,960
	<u>4,829,542</u>
	<u>7,215,502</u>

	<u>1,004,049</u>
--	------------------

	9,901,988
\$	<u><u>10,906,037</u></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, 2022

	HURF		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Intergovernmental revenues	\$ 4,168,650	\$ 4,752,823	\$ 584,173
Investment income (loss)		(68,312)	(68,312)
Miscellaneous			
Total revenues	<u>4,168,650</u>	<u>4,684,511</u>	<u>515,861</u>
Expenditures:			
Current -			
Public works	2,867,174	2,236,793	630,381
Capital outlay	1,066,712	497,430	569,282
Total expenditures	<u>3,933,886</u>	<u>2,734,223</u>	<u>1,199,663</u>
Changes in fund balances	<u>234,764</u>	<u>1,950,288</u>	<u>1,715,524</u>
Fund balances, beginning of year		4,017,895	4,017,895
Fund balances (deficits), end of year	<u>\$ 234,764</u>	<u>\$ 5,968,183</u>	<u>\$ 5,733,419</u>

Road Maintenance			County Road Tax		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	(5,557)	(5,557)	2,372,220	3,467,749	1,095,529
150,000	149,495	(505)		(76,647)	(76,647)
<u>150,000</u>	<u>143,938</u>	<u>(6,062)</u>	<u>2,372,220</u>	<u>3,391,102</u>	<u>1,018,882</u>
150,000	149,167	833			
<u>150,000</u>	<u>149,167</u>	<u>833</u>	6,967,412	4,332,112	2,635,300
	(5,229)	(5,229)	<u>6,967,412</u>	<u>4,332,112</u>	<u>2,635,300</u>
	324,369	324,369	(4,595,192)	(941,010)	3,654,182
				5,559,724	5,559,724
<u>\$</u>	<u>\$ 319,140</u>	<u>\$ 319,140</u>	<u>\$ (4,595,192)</u>	<u>\$ 4,618,714</u>	<u>\$ 9,213,906</u>

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CITY OF MARICOPA, ARIZONA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Totals		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Intergovernmental revenues	\$ 6,540,870	\$ 8,220,572	\$ 1,679,702
Investment income (loss)		(150,516)	(150,516)
Miscellaneous	150,000	149,495	(505)
Total revenues	6,690,870	8,219,551	1,528,681
Expenditures:			
Current -			
Public works	3,017,174	2,385,960	631,214
Capital outlay	8,034,124	4,829,542	3,204,582
Total expenditures	11,051,298	7,215,502	3,835,796
Changes in fund balances	(4,360,428)	1,004,049	5,364,477
Fund balances, beginning of year		9,901,988	9,901,988
Fund balances (deficits), end of year	\$ (4,360,428)	\$ 10,906,037	\$ 15,266,465

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, 2022

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Property taxes	\$ 2,972,343	\$ 2,989,889	\$ 17,546
Total revenues	<u>2,972,343</u>	<u>2,989,889</u>	<u>17,546</u>
Expenditures:			
Debt service -			
Principal retirement	1,830,000	1,830,000	
Interest and fiscal charges	1,422,975	1,422,975	
Total expenditures	<u>3,252,975</u>	<u>3,252,975</u>	
Changes in fund balances	<u>(280,632)</u>	<u>(263,086)</u>	<u>17,546</u>
Fund balances, beginning of year		391,979	391,979
Fund balances (deficits), end of year	<u>\$ (280,632)</u>	<u>\$ 128,893</u>	<u>\$ 409,525</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, 2022**

	Parks Impact Fee	Library Impact Fee	Police Impact Fee
<u>ASSETS</u>			
Cash and investments	\$ 9,288,210	\$ 524,031	\$ 2,072,853
Accounts receivable	64		
Intergovernmental receivables			
Total assets	\$ 9,288,274	\$ 524,031	\$ 2,072,853
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 259,218	\$ 7,741	\$ 29,284
Total liabilities	259,218	7,741	29,284
Fund balances:			
Restricted	9,029,056	516,290	2,043,569
Total fund balances	9,029,056	516,290	2,043,569
 Total liabilities and fund balances	 \$ 9,288,274	 \$ 524,031	 \$ 2,072,853

<u>Fire Impact Fee</u>	<u>Parks Bond</u>	<u>Capital Grants</u>	<u>Totals</u>
\$ 3,132,710 1,296	\$ 1,923,722	\$ 512,382	\$ 17,453,908 1,360
<u>\$ 3,134,006</u>	<u>\$ 1,923,722</u>	<u>235,390</u> <u>\$ 747,772</u>	<u>235,390</u> <u>\$ 17,690,658</u>
\$ 51,497 <u>51,497</u>	\$	\$ 117 <u>117</u>	\$ 347,857 <u>347,857</u>
<u>3,082,509</u> <u>3,082,509</u>	<u>1,923,722</u> <u>1,923,722</u>	<u>747,655</u> <u>747,655</u>	<u>17,342,801</u> <u>17,342,801</u>
<u>\$ 3,134,006</u>	<u>\$ 1,923,722</u>	<u>\$ 747,772</u>	<u>\$ 17,690,658</u>

CITY OF MARICOPA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2022

	<u>Parks Impact Fee</u>	<u>Library Impact Fee</u>	<u>Police Impact Fee</u>
Revenues:			
Intergovernmental revenues	\$	\$	\$
Impact fees	2,137,352	186,757	779,529
Investment income (loss)	(111,076)	(5,146)	(21,844)
Total revenues	<u>2,026,276</u>	<u>181,611</u>	<u>757,685</u>
Expenditures:			
Capital outlay	299,048		
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>299,048</u>	<u> </u>	<u> </u>
Excess (deficiency) of revenues over expenditures	<u>1,727,228</u>	<u>181,611</u>	<u>757,685</u>
Other financing sources (uses):			
Proceeds from sale of assets			
Transfers in			
Total other financing sources (uses)	<u> </u>	<u> </u>	<u> </u>
Changes in fund balances	<u>1,727,228</u>	<u>181,611</u>	<u>757,685</u>
Fund balances (deficits), beginning of year	7,301,828	334,679	1,285,884
Increase (decrease) in reserve for prepaid items			
Fund balances, end of year	<u>\$ 9,029,056</u>	<u>\$ 516,290</u>	<u>\$ 2,043,569</u>

<u>Fire Impact Fee</u>	<u>Parks Bond</u>	<u>Capital Grants</u>	<u>Land Acquisition Enhancement</u>	<u>Totals</u>
\$	\$	\$ 260,117	\$	\$ 260,117
1,438,100				4,541,738
(32,201)				(170,267)
<u>1,405,899</u>		<u>260,117</u>		<u>4,631,588</u>
24,475		260,642	4,878,976	5,463,141
410,985				410,985
20,216				20,216
<u>455,676</u>		<u>260,642</u>	<u>4,878,976</u>	<u>5,894,342</u>
<u>950,223</u>		<u>(525)</u>	<u>(4,878,976)</u>	<u>(1,262,754)</u>
	1,923,722		1,832,483	3,756,205
			4,144,520	4,144,520
	<u>1,923,722</u>		<u>5,977,003</u>	<u>7,900,725</u>
<u>950,223</u>	<u>1,923,722</u>	<u>(525)</u>	<u>1,098,027</u>	<u>6,637,971</u>
2,975,555		748,180	(1,091,027)	11,555,099
(843,269)			(7,000)	(850,269)
<u>\$ 3,082,509</u>	<u>\$ 1,923,722</u>	<u>\$ 747,655</u>	<u>\$</u>	<u>\$ 17,342,801</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, 2022

	Parks Impact Fee		
	Budget	Actual	Variance - Positive - (Negative)
Revenues:			
Intergovernmental revenues	\$	\$	\$
Impact fees	2,171,700	2,137,352	(34,348)
Investment income (loss)		(111,076)	(111,076)
Total revenues	2,171,700	2,026,276	(145,424)
Expenditures:			
Capital outlay	5,207,824	299,048	4,908,776
Debt service - Principal retirement Interest and fiscal charges			
Total expenditures	5,207,824	299,048	4,908,776
Excess (deficiency) of revenues over expenditures	(3,036,124)	1,727,228	4,763,352
Other financing sources (uses):			
Proceeds from sale of assets			
Transfers in			
Total other financing sources (uses)			
Changes in fund balances	(3,036,124)	1,727,228	4,763,352
Fund balances (deficits), beginning of year		7,301,828	7,301,828
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	\$ (3,036,124)	\$ 9,029,056	\$ 12,065,180

Library Impact Fee			Police Impact Fee		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 206,900	\$ 186,757	\$ (20,143)	\$ 788,200	\$ 779,529	\$ (8,671)
	(5,146)	(5,146)		(21,844)	(21,844)
<u>206,900</u>	<u>181,611</u>	<u>(25,289)</u>	<u>788,200</u>	<u>757,685</u>	<u>(30,515)</u>
500		500	11,350		11,350
<u>500</u>		<u>500</u>	<u>11,350</u>		<u>11,350</u>
<u>206,400</u>	<u>181,611</u>	<u>(24,789)</u>	<u>776,850</u>	<u>757,685</u>	<u>(19,165)</u>
<u>206,400</u>	<u>181,611</u>	<u>(24,789)</u>	<u>776,850</u>	<u>757,685</u>	<u>(19,165)</u>
	334,679	334,679		1,285,884	1,285,884
<u>\$ 206,400</u>	<u>\$ 516,290</u>	<u>\$ 309,890</u>	<u>\$ 776,850</u>	<u>\$ 2,043,569</u>	<u>\$ 1,266,719</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, 2022**

	Fire Impact Fee		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Intergovernmental revenues	\$	\$	\$
Impact fees	1,361,200	1,438,100	76,900
Investment income (loss)		(32,201)	(32,201)
Total revenues	<u>1,361,200</u>	<u>1,405,899</u>	<u>44,699</u>
Expenditures:			
Capital outlay	232,592	24,475	208,117
Debt service -			
Principal retirement	410,985	410,985	
Interest and fiscal charges	20,216	20,216	
Total expenditures	<u>663,793</u>	<u>455,676</u>	<u>208,117</u>
Excess (deficiency) of revenues over expenditures	<u>697,407</u>	<u>950,223</u>	<u>252,816</u>
Other financing sources (uses):			
Proceeds from sale of assets			
Transfers in			
Total other financing sources (uses)			
Changes in fund balances	<u>697,407</u>	<u>950,223</u>	<u>252,816</u>
Fund balances (deficits), beginning of year		2,975,555	2,975,555
Increase (decrease) in reserve for prepaid items		(843,269)	(843,269)
Fund balances (deficits), end of year	<u>\$ 697,407</u>	<u>\$ 3,082,509</u>	<u>\$ 2,385,102</u>

Transportation Impact Fee			Parks Bond		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 4,854,800	\$ 4,924,359	\$ 69,559	\$	\$	\$
	(412,897)	(412,897)			
<u>4,854,800</u>	<u>4,511,462</u>	<u>(343,338)</u>			
19,829,793	4,827,717	15,002,076			
<u>19,829,793</u>	<u>4,827,717</u>	<u>15,002,076</u>			
(14,974,993)	(316,255)	14,658,738			
				1,923,722	1,923,722
				<u>1,923,722</u>	<u>1,923,722</u>
(14,974,993)	(316,255)	14,658,738		1,923,722	1,923,722
	29,786,728	29,786,728			
<u>\$ (14,974,993)</u>	<u>\$ 29,470,473</u>	<u>\$ 44,445,466</u>	<u>\$</u>	<u>\$ 1,923,722</u>	<u>\$ 1,923,722</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, 2022

	General Government CIP		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Intergovernmental revenues	\$	\$	\$
Impact fees			
Investment income (loss)			
Total revenues			
Expenditures:			
Capital outlay	29,618,683	12,271,340	17,347,343
Debt service -			
Principal retirement	5,329,250	5,329,250	
Interest and fiscal charges	151,202	151,202	
Total expenditures	<u>35,099,135</u>	<u>17,751,792</u>	<u>17,347,343</u>
Excess (deficiency) of revenues over expenditures	<u>(35,099,135)</u>	<u>(17,751,792)</u>	<u>17,347,343</u>
Other financing sources (uses):			
Proceeds from sale of assets	25,900	131,799	105,899
Transfers in	26,513,446	26,513,446	
Total other financing sources (uses)	<u>26,539,346</u>	<u>26,645,245</u>	<u>105,899</u>
Changes in fund balances	<u>(8,559,789)</u>	<u>8,893,453</u>	<u>17,453,242</u>
Fund balances (deficits), beginning of year		3,934,240	3,934,240
Increase (decrease) in reserve for prepaid items		(20,000)	(20,000)
Fund balances (deficits), end of year	<u>\$ (8,559,789)</u>	<u>\$ 12,807,693</u>	<u>\$ 21,367,482</u>

Capital Grants			Land Acquisition Enhancement		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 11,701,811	\$ 260,117	\$ (11,441,694)	\$	\$	\$
<u>11,701,811</u>	<u>260,117</u>	<u>(11,441,694)</u>			
7,576,676	260,642	7,316,034	4,878,976	4,878,976	
<u>7,576,676</u>	<u>260,642</u>	<u>7,316,034</u>	<u>4,878,976</u>	<u>4,878,976</u>	
4,125,135	(525)	(4,125,660)	(4,878,976)	(4,878,976)	
				1,832,483	1,832,483
			904,295	4,144,520	3,240,225
			<u>904,295</u>	<u>5,977,003</u>	<u>5,072,708</u>
<u>4,125,135</u>	<u>(525)</u>	<u>(4,125,660)</u>	<u>(3,974,681)</u>	<u>1,098,027</u>	<u>5,072,708</u>
	748,180	748,180		(1,091,027)	(1,091,027)
				(7,000)	(7,000)
<u>\$ 4,125,135</u>	<u>\$ 747,655</u>	<u>\$ (3,377,480)</u>	<u>\$ (3,974,681)</u>	<u>\$</u>	<u>\$ 3,974,681</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, 2022

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Intergovernmental revenues	\$ 11,701,811	\$ 260,117	\$ (11,441,694)
Impact fees	9,382,800	9,466,097	83,297
Investment income (loss)		(583,164)	(583,164)
Total revenues	<u>21,084,611</u>	<u>9,143,050</u>	<u>(11,941,561)</u>
Expenditures:			
Capital outlay	67,356,394	22,562,198	44,794,196
Debt service -			
Principal retirement	5,740,235	5,740,235	
Interest and fiscal charges	171,418	171,418	
Total expenditures	<u>73,268,047</u>	<u>28,473,851</u>	<u>44,794,196</u>
Excess (deficiency) of revenues over expenditures	<u>(52,183,436)</u>	<u>(19,330,801)</u>	<u>32,852,635</u>
Other financing sources (uses):			
Proceeds from sale of assets	25,900	3,888,004	3,862,104
Transfers in	27,417,741	30,657,966	3,240,225
Total other financing sources (uses)	<u>27,443,641</u>	<u>34,545,970</u>	<u>7,102,329</u>
Changes in fund balances	<u>(24,739,795)</u>	<u>15,215,169</u>	<u>39,954,964</u>
Fund balances (deficits), beginning of year		45,276,067	45,276,067
Increase (decrease) in reserve for prepaid items		(870,269)	(870,269)
Fund balances (deficits), end of year	<u>\$ (24,739,795)</u>	<u>\$ 59,620,967</u>	<u>\$ 84,360,762</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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net Position:					
Net investment in capital assets	\$ 208,765,503	\$ 176,635,947	\$ 169,738,519	\$ 164,748,639	\$ 170,979,975
Restricted	72,007,452	57,927,788	48,362,479	48,037,555	43,451,668
Unrestricted	45,020,476	47,431,191	43,166,415	27,465,259	16,789,319
Total net position	\$ 325,793,431	\$ 281,994,926	\$ 261,267,413	\$ 240,251,453	\$ 231,220,962
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Net Position:					
Net investment in capital assets	\$ 177,751,634	\$ 178,734,505	\$ 176,253,607	\$ 176,849,760	\$ 177,370,008
Restricted	34,342,277	46,127,016	52,707,824	54,993,935	55,767,940
Unrestricted	14,565,658	18,571,493	16,683,198	22,824,286	23,545,468
Total net position	\$ 226,659,569	\$ 243,433,014	\$ 245,644,629	\$ 254,667,981	\$ 256,683,416

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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Expenses					
Governmental activities					
General government	\$ 13,247,281	\$ 13,820,672	\$ 10,584,899	\$ 9,258,938	\$ 9,065,308
Public safety	23,608,516	25,522,709	25,905,921	26,178,738	24,936,969
Community services	7,964,251	7,348,487	7,039,922	8,801,087	8,555,065
Development services	2,106,729	4,070,165	2,960,766	2,316,181	2,141,848
Public works	19,399,121	17,604,057	15,608,748	11,056,216	9,590,939
Interest on long-term debt	1,367,314	1,382,277	1,402,227	1,837,467	1,915,184
Total governmental activities expenses	<u>67,693,212</u>	<u>69,748,367</u>	<u>63,502,483</u>	<u>59,448,627</u>	<u>56,205,313</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	1,048,651	1,043,617	909,326	1,377,434	1,004,410
Public safety	718,663	277,247	175,838	79,745	318,775
Community services	2,404,235	1,454,320	1,353,011	1,704,331	1,526,958
Development services	8,640,042	8,938,048	4,006,565	3,495,470	3,223,364
Public works	157,069	209,800	203,232		
Operating grants and contributions	4,859,852	4,893,003	10,835,521	4,475,831	4,522,065
Capital grants and contributions	22,046,282	12,422,823	9,835,496	5,241,042	5,560,382
Total program revenues	<u>39,874,794</u>	<u>29,238,858</u>	<u>27,318,989</u>	<u>16,373,853</u>	<u>16,155,954</u>
Net (Expense)/Revenue	<u><u>\$ (27,818,418)</u></u>	<u><u>\$ (40,509,509)</u></u>	<u><u>\$ (36,183,494)</u></u>	<u><u>\$ (43,074,774)</u></u>	<u><u>\$ (40,049,359)</u></u>

(Continued)

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Expenses					
Governmental activities					
General government	\$ 13,781,833	\$ 8,434,268	\$ 8,034,855	\$ 9,718,746	\$ 6,656,984
Public safety	28,009,309	21,662,502	19,253,044	18,672,370	17,447,674
Community services	9,369,826	9,411,852	8,245,420	5,687,823	2,399,939
Development services	5,030,982	4,173,045	2,624,718	3,091,943	8,224,264
Public works	14,855,383	8,384,857	7,189,840	7,547,174	
Interest on long-term debt	1,986,509	2,045,204	2,098,409	3,100,559	1,015,685
Total governmental activities expenses	<u>73,033,842</u>	<u>54,111,728</u>	<u>47,446,286</u>	<u>47,818,615</u>	<u>35,744,546</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	733,595	725,908	199,747	159,841	468,718
Public safety	71,440	286,800	1,516,033	994,921	892,908
Community services	1,916,364	1,352,037	1,778,214	536,941	282,565
Development services	1,960,602	2,258,585	208,487	272,186	161,747
Public works				465,073	
Operating grants and contributions	5,324,186	4,303,861	3,962,746	5,938,010	926,682
Capital grants and contributions	3,589,969	2,230,811	1,470,367	1,486,660	6,180,277
Total program revenues	<u>13,596,156</u>	<u>11,158,002</u>	<u>9,135,594</u>	<u>9,853,632</u>	<u>8,912,897</u>
Net (Expense)/Revenue	<u>\$ (59,437,686)</u>	<u>\$ (42,953,726)</u>	<u>\$ (38,310,692)</u>	<u>\$ (37,964,983)</u>	<u>\$ (26,831,649)</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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net (Expense)/Revenue	\$ (27,818,418)	\$ (40,509,509)	\$ (36,183,494)	\$ (43,074,774)	\$ (40,049,359)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	13,044,196	12,732,919	12,910,208	11,845,356	11,007,502
Property taxes, levied for debt service	2,989,709	2,881,326	3,402,053	2,967,306	3,450,990
Sales taxes	28,988,821	21,916,285	17,745,381	14,161,420	11,692,157
Franchise taxes	1,607,530	1,434,873	1,281,198	1,221,114	1,238,325
Investment income (loss)	(1,717,258)	397,582	2,896,452	2,542,613	349,508
Gain on sale of capital assets	2,375,861				
Unrestricted grants, aid, and state shared revenues	24,328,064	21,874,037	18,964,162	18,059,723	16,946,770
Total general revenues	<u>71,616,923</u>	<u>61,237,022</u>	<u>57,199,454</u>	<u>50,797,532</u>	<u>44,685,252</u>
Changes in Net Position	<u>\$ 43,798,505</u>	<u>\$ 20,727,513</u>	<u>\$ 21,015,960</u>	<u>\$ 7,722,758</u>	<u>\$ 4,635,893</u>

(Continued)

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

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

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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
General Fund:					
Nonspendable	\$ 391,774	\$ 325,619	\$ 757	\$ 1,125	\$ 2,436
Assigned	40,859,677	41,117,341	31,756,922		
Unassigned	20,584,581	24,587,907	27,108,149	43,608,609	33,424,593
Total General Fund	<u>\$ 61,836,032</u>	<u>\$ 66,030,867</u>	<u>\$ 58,865,828</u>	<u>\$ 43,609,734</u>	<u>\$ 33,427,029</u>
All Other Governmental Funds:					
Nonspendable	\$	\$ 870,269	\$ 1,233,191	\$ 79,970	\$ 809,837
Restricted	71,879,979	56,859,643	46,691,661	47,634,524	42,600,094
Assigned			474,637		
Unassigned		(1,098,027)	(56,775)		
Total all other governmental funds	<u>\$ 71,879,979</u>	<u>\$ 56,631,885</u>	<u>\$ 48,342,714</u>	<u>\$ 47,714,494</u>	<u>\$ 43,409,931</u>

(Continued)

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

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

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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Revenues:					
Property taxes	\$ 16,037,899	\$ 15,653,588	\$ 16,159,699	\$ 14,852,269	\$ 14,477,065
Sales taxes	28,988,821	21,916,285	17,745,381	14,161,420	11,692,157
Franchise taxes	1,607,530	1,434,873	1,281,198	1,221,114	1,238,325
Licenses, fees & permits	5,272,415	6,122,729	2,825,255	2,597,945	2,535,211
Intergovernmental revenues	29,393,695	27,314,318	33,336,718	22,246,030	21,454,086
Impact fees	9,466,097	11,965,882	5,381,700	5,171,518	5,530,530
Charges for services	6,174,627	4,444,251	2,887,504	2,531,178	2,410,795
Fines, forfeitures, & penalties	528,410	507,042	546,745	598,784	583,454
Investment income (loss)	(1,717,258)	397,582	2,896,452	2,542,613	349,508
Miscellaneous	1,086,277	1,034,390	448,401	986,784	584,546
Total revenues	<u><u>\$ 96,838,513</u></u>	<u><u>\$ 90,790,940</u></u>	<u><u>\$ 83,509,053</u></u>	<u><u>\$ 66,909,655</u></u>	<u><u>\$ 60,855,677</u></u>
Expenditures:					
Current -					
General government	\$ 12,334,723	\$ 10,968,936	\$ 8,508,731	\$ 7,874,432	\$ 7,452,335
Public safety	22,935,819	22,820,669	23,806,041	23,912,379	21,935,683
Community services	5,321,140	4,606,132	4,393,671	6,108,587	6,612,289
Development services	2,065,831	3,563,759	2,667,621	2,133,900	1,939,499
Public works	9,409,302	8,795,082	7,766,043	3,489,114	3,081,856
Capital outlay	30,485,658	26,365,867	22,520,896	5,810,512	4,674,651
Debt service -					
Principal retirement	7,674,471	3,113,552	1,959,216	1,790,000	1,735,000
Interest and fiscal charges	1,606,014	1,620,977	1,444,778	1,880,018	1,957,735
Bond issuance costs			183,343		
Total expenditures	<u><u>\$ 91,832,958</u></u>	<u><u>\$ 81,854,974</u></u>	<u><u>\$ 73,250,340</u></u>	<u><u>\$ 52,998,942</u></u>	<u><u>\$ 49,389,048</u></u>
Excess (deficiency) of revenues over expenditures	<u><u>\$ 5,005,555</u></u>	<u><u>\$ 8,935,966</u></u>	<u><u>\$ 10,258,713</u></u>	<u><u>\$ 13,910,713</u></u>	<u><u>\$ 11,466,629</u></u>
Expenditures for capitalized assets	\$ 29,445,853	\$ 23,380,738	\$ 18,774,121	\$ 3,910,407	\$ 3,124,891
Debt service as a percentage of noncapital expenditures	15%	8%	6%	7%	8%

(Continued)

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Revenues:					
Property taxes	\$ 14,166,836	\$ 13,263,389	\$ 14,715,416	\$ 12,801,299	\$ 10,539,547
Sales taxes	10,448,709	9,496,645	8,791,279	8,684,810	7,942,569
Franchise taxes	1,300,307	911,356	362,791	344,151	309,744
Licenses, fees & permits	1,590,827	1,123,534	807,472	713,154	771,911
Intergovernmental revenues	22,872,558	20,823,538	19,152,579	19,503,258	15,362,298
Impact fees	2,535,080	1,772,314	1,389,203	1,435,999	1,785,770
Charges for services	2,377,444	2,161,808	2,083,965	1,431,663	580,461
Fines, forfeitures, & penalties	524,546	563,453	628,782	132,792	271,537
Investment income (loss)	438,141	771,820	446,606	472,562	171,708
Miscellaneous	194,006	761,000	182,262	151,353	1,533,934
Total revenues	<u>\$ 56,448,454</u>	<u>\$ 51,648,857</u>	<u>\$ 48,560,354</u>	<u>\$ 45,671,042</u>	<u>\$ 39,269,479</u>
Expenditures:					
Current -					
General government	\$ 13,022,970	\$ 6,855,078	\$ 6,324,669	\$ 8,041,470	\$ 5,990,510
Public safety	20,159,339	19,533,793	18,482,520	16,942,419	15,772,942
Community services	5,998,105	6,417,639	5,480,545	4,046,178	1,950,582
Development services	1,675,952	1,682,110	1,743,644	1,484,967	3,739,271
Public works	2,789,293	2,681,965	2,581,188	2,414,910	
Capital outlay	20,011,487	16,339,908	8,955,004	29,134,244	44,105,545
Debt service -					
Principal retirement	1,685,000	1,645,000	1,610,000	3,075,581	847,017
Interest and fiscal charges	2,029,060	2,087,755	2,140,960	2,248,665	1,005,352
Bond issuance costs					633,340
Total expenditures	<u>\$ 67,371,206</u>	<u>\$ 57,243,248</u>	<u>\$ 47,318,530</u>	<u>\$ 67,388,434</u>	<u>\$ 74,044,559</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (10,922,752)</u>	<u>\$ (5,594,391)</u>	<u>\$ 1,241,824</u>	<u>\$ (21,717,392)</u>	<u>\$ (34,775,080)</u>
Expenditures for capitalized assets	\$ 9,598,926	\$ 11,390,120	\$ 7,431,302	\$ 25,884,678	\$ 43,020,602
Debt service as a percentage of noncapital expenditures	6%	8%	9%	13%	8%

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

Notes: The City's public works operations were reclassified from the development services functional category during fiscal year 2014.

(Concluded)

CITY OF MARICOPA, ARIZONA
OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Excess (deficiency) of revenues over expenditures	\$ 5,005,555	\$ 8,935,966	\$ 10,258,713	\$ 13,910,713	\$ 11,466,629
Other financing sources (uses):					
Refunding bonds issued			9,900,000		
Premium on sale of bonds			2,317,121		
Proceeds from sale of assets	3,888,004	1,551,154	725,786		
Capital lease agreements		843,269	3,555,470		
Loan proceeds	2,963,814	4,161,881			
Transfers in	30,657,966	11,958,574	5,952,019	4,710,473	5,392,700
Transfers out	(30,657,966)	(11,958,574)	(5,952,019)	(4,710,473)	(5,392,700)
Payment to refunded bond escrow agent			(12,025,629)		
Total other financing sources (uses)	<u>6,851,818</u>	<u>6,556,304</u>	<u>4,472,748</u>		
Changes in fund balances	<u>\$ 11,857,373</u>	<u>\$ 15,492,270</u>	<u>\$ 14,731,461</u>	<u>\$ 13,910,713</u>	<u>\$ 11,466,629</u>
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Excess (deficiency) of revenues over expenditures	\$ (10,922,752)	\$ (5,594,391)	\$ 1,241,824	\$ (21,717,392)	\$ (34,775,080)
Other financing sources (uses):					
General obligation bonds issued					31,605,000
Premium on sale of bonds					825,551
Proceeds from sale of assets	1,713,798				
Transfers in	1,400,000	1,250,000	1,250,000	1,370,000	175,000
Transfers out	(1,400,000)	(1,250,000)	(1,250,000)	(1,370,000)	(175,000)
Total other financing sources (uses)	<u>1,713,798</u>	<u></u>	<u></u>	<u></u>	<u>32,430,551</u>
Changes in fund balances	<u>\$ (9,208,954)</u>	<u>\$ (5,594,391)</u>	<u>\$ 1,241,824</u>	<u>\$ (21,717,392)</u>	<u>\$ (2,344,529)</u>

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

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

	Fiscal Year Ended June 30									
	<u>2022</u>	<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>
Mining	\$ 626	\$ 1,671	\$ 1,987	\$	\$	\$ 1,407	\$ 3,682	\$ 4,063	\$ 3,593	\$ 4,252
Communication & Utilities	571,620	514,112	2,191,885	1,552,946	1,548,521	891,299	806,381	782,086	687,634	636,967
Transportation	27,186	52,581	2,133	2,004	90	12,842	1,237	9,144	7,072	8,462
Construction	9,736,967	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
Manufacturing	515,220	365,136	279,002	118	252,000	227,132	295,396	249,704	418,849	289,320
Wholesale	285,278	280,085	202,223	410,130	462,111	418,910	333,196	140,074	109,573	114,764
Retail	10,984,586	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
Financial and Insurance	45,320	41,244	33,861		49,000	55,016	37,546	38,910	36,622	30,233
Real Estate Rental	4,620,746	1,751,167	1,795,820	1,006,962	876,937	1,109,644	906,153	822,946	643,650	502,888
Restaurant & Bar	1,408,563	1,221,634	898,860	1,058,619	938,719	685,621	569,308	556,636	482,155	429,359
Accommodation	121,576	1,053	1,436	97,608	4,697	1,091	191	19	6	9
Public Administration	19,743	16,299	11,954	3,941	6,078	1,160	848	669	481	845
Services	622,298	569,616	343,197	25,203	38,909	224,269	251,715	227,859	216,020	272,749
Arts & Entertainment	11,011	19,037	22,688	97,380	19,190	11,581	4,355	1,273	3,813	21,019
Other	895,426	795,600	11,578	15,813	34,925	102,707	72,463	66,420	46,494	50,400
Total	<u>\$ 29,866,166</u>	<u>\$ 22,367,077</u>	<u>\$ 18,952,214</u>	<u>\$ 15,246,692</u>	<u>\$ 11,893,356</u>	<u>\$ 11,238,916</u>	<u>\$ 10,143,513</u>	<u>\$ 9,483,013</u>	<u>\$ 9,342,848</u>	<u>\$ 8,521,771</u>
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
2022	2.00%	3.50%	5.60%	1.60%
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%

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>
2022	\$28,988,821	32.27 %	\$16,037,899	2.46 %	\$1,607,530	12.03 %	\$ 46,634,250	19.56 %
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

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	2021-22		2020-21		2019-20		2018-19		2017-18	
	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	\$ 74,200,233,397	None	\$ 69,914,521,042	None	\$ 66,154,632,834	None	\$ 62,328,439,592	None	\$ 62,328,357,186	None
Pinal County	2,868,880,625	3.6900	2,689,422,170	3.7500	2,521,252,051	3.6633	2,355,433,455	3.7006	2,239,027,256	3.7405
Pinal County Jr. College	2,868,880,625	1.9720	2,689,422,170	2.3029	2,521,252,051	2.2132	2,355,433,455	2.3623	2,239,027,256	2.5429
Pinal County Fire District Assistance Tax	2,868,880,625	0.0571	2,689,422,170	0.0591	2,521,252,051	0.0615	2,355,433,455	0.0643	2,239,027,256	0.0644
Pinal County Library District	2,868,880,625	0.0965	2,689,422,170	0.0965	2,521,252,051	0.0965	2,355,433,455	0.0965	2,239,027,256	0.0965
Pinal County State School Tax Equalization Rate	2,868,880,625	0.4263	2,689,422,170	0.4426	2,521,252,051	0.4566	2,355,433,455	0.4741	2,239,027,256	0.4875
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	2,868,880,625	0.1400	2,689,422,170	0.1400	2,521,252,051	0.1400	2,355,433,455	0.14	2,239,027,256	0.14
Pinal County Flood Control District	2,511,425,618	0.1693	2,338,458,494	0.1693	2,168,798,678	0.1693	2,031,005,617	0.1693	1,919,757,710	0.1693
Central Arizona Valley Institute of Technology	1,801,731,378	0.0500	1,689,488,103	0.0500	1,587,955,998	0.0500	1,481,338,671	0.05	1,404,793,546	0.05
Electric District No. 3	385,782,354	0.3111	358,342,316	2.1302	331,237,021	2.1560	301,839,991	2.1891	282,954,534	2.2294
Maricopa Unified School District	365,869,459	8.3863	338,294,403	7.7995	311,644,745	6.8032	288,444,529	7.2004	271,878,438	7.1992
Maricopa Volunteer Fire District	341,005,814	0.0000	313,841,803	0.0953	289,874,636	0.0931	265,116,858	0.1211	247,029,112	0.1219
City of Maricopa	337,622,239	5.2513	311,368,285	5.5657	286,969,599	5.9717	262,200,309	5.9065	244,623,792	6.185
Maricopa Flood Control District	277,007,959	0.1964	253,456,756	0.1964	232,605,809	0.1964	212,683,734	0.1964	198,077,160	0.1964
Stanfield Flood Control District	7,535,785	2.5213	7,642,832	3.1009	7,100,767	3.1123	4,817,066	3.114	4,601,794	3.39
Maricopa-Stanfield Irrigation District	49,384	26.0000	83,107	26.0000	83,128	26.0000	83,214	26	82,584	26
Maricopa Consolidated Domestic Water Improvement District	5,060,755	3.6385	4,583,215	3.6685	4,406,899	3.6685	3,904,827	3.6685	N/A	N/A
Maricopa Domestic Water Improvement District	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3474887	3.3685
Seven Ranches Domestic Water Improvement District	1,787,760	5.9466	1,783,245	5.9466	1,410,404	5.9466	1,314,888	5.9466	1,292,327	5.9466
Papago Butte Domestic Water Improvement District	1,738,209	7.9731	1,653,137	7.9731	1,493,357	7.9731	1,400,749	7.9731	1,322,659	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>2022</u>		<u>2013</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	\$ 6,360,018	1.88 %	\$	%
Santa Cruz Water Company, LLC	5,154,188	1.53		
Volkswagen of America dba Vorelco Inc	2,767,062	0.82	2,545,984	1.17
Wal-Mart Stores Inc #3751	2,330,607	0.69		
SM Fiesta LLC	1,520,906	0.45		
Smiths Food & Drug Centers Inc	1,391,695	0.41	1,303,800	0.60
Agree LTD Pship	1,319,945	0.39		
Meritage Homes of Arizona Inc.	1,168,298	0.35	1,938,043	0.89
Pinal Energy LLC	1,132,496	0.34	7,345,446	3.37
Opendoor Property Trust 1	1,093,436	0.32		
Global Water: Santa Cruz Water Co.			3,961,000	1.82
Global Water: Palo Verde Utilities			2,868,199	1.32
Wal-Mart Stores Inc #2778			2,546,233	1.17
Maricopa Fiesta Investors LLC			1,738,000	0.80
Metro Red-1 LLC			982,899	0.45
Maricopa Groves Self Storage LLC			919,680	0.42
Total	<u>\$ 24,238,651</u>	<u>7.18 %</u>	<u>\$ 26,149,284</u>	<u>12.01 %</u>
City's Total Assessed Valuation	<u>\$ 337,622,239</u>		<u>\$ 217,906,897</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
2022	\$ 15,687,619	\$15,519,860	98.93 %	N/A	\$ 15,519,860	98.93 %
2021	15,471,976	15,312,632	98.97	156,981	15,469,613	99.98
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	259,385	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

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	
2022	L	\$ 325,545,959	\$ 3,199,453,622	\$ 12,076,280	\$ 71,984,692	\$ 337,622,239	\$ 3,271,438,314	4.3709	10.32
	FC	434,529,610	4,253,396,012	12,107,994	72,087,295	446,637,604	4,325,483,307	0.8804	10.33
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

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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Commercial, Industrial, Utilities and Mining	\$ 44,117,320	\$ 42,155,336	\$ 39,239,303	\$ 33,838,504	\$ 32,758,823
Agricultural and Vacant	27,604,099	24,819,877	24,707,561	22,082,952	23,302,844
Residential (Owner Occupied)	272,544,232	234,848,851	200,156,761	172,226,655	163,479,410
Residential (Rental)	101,009,126	99,353,495	95,630,799	92,932,371	94,403,890
Railroad, Private Cars and Airlines	721,418	566,991	608,029	644,369	610,671
Historical Property	631,542	1,183,173	1,205,282	1,132,618	960,516
Certain Government Property Improvements	<u>9,866</u>	<u>9,977</u>	<u>9,888</u>	<u>8,583</u>	<u>2,000</u>
Total	\$ <u>446,637,603</u>	\$ <u>402,937,700</u>	\$ <u>361,557,623</u>	\$ <u>322,866,052</u>	\$ <u>315,518,154</u>
Gross Full Cash Value	\$ 4,325,483,307	\$ 3,899,095,666	\$ 3,501,390,197	\$ 3,134,643,521	\$ 3,058,695,425
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10.33%	10.33%	10.33%	10.30%	10.32%
Estimated Net Full Cash Value	4,131,147,248	3,700,771,933	3,323,295,368	3,134,643,521	3,058,695,425
Total Direct Rate	5.25	5.57	5.97	5.91	6.19

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

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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Commercial, Industrial, Utilities and Mining	10 %	11 %	11 %	10 %	10 %
Agricultural and Vacant	6	6	7	7	7
Residential (Owner Occupied)	61	58	56	54	53
Residential (Rental)	<u>23</u>	<u>25</u>	<u>26</u>	<u>29</u>	<u>30</u>
Total	<u><u>100 %</u></u>	<u><u>100 %</u></u>	<u><u>100 %</u></u>	<u><u>100 %</u></u>	<u><u>100 %</u></u>

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commercial, Industrial, Utilities and Mining	10 %	14 %	14 %	18 %	18 %
Agricultural and Vacant	7	10	10	14	10
Residential (Owner Occupied)	54	53	53	58	61
Residential (Rental)	<u>29</u>	<u>23</u>	<u>23</u>	<u>10</u>	<u>11</u>
Total	<u><u>100 %</u></u>	<u><u>100 %</u></u>	<u><u>100 %</u></u>	<u><u>100 %</u></u>	<u><u>100 %</u></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	Financed Purchases and Leases	Loans Payable	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income
2022	\$ 33,061,523	\$ 159,125	\$ 32,902,398	0.76 %	525	\$ 1,208,381	\$ 2,963,814	\$ 37,233,718	0.86 %	\$ 594	1.89 %
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

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

Note: The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 87 were adopted in fiscal year 2022. The standard replaces the previous capital and operating lease designations with financed purchases or leases depending on the substance of the transactions. The fiscal year 2013-2021 information within this column relates to the transactions previously designated as capital leases.

**CITY OF MARICOPA, ARIZONA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2022**

<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	22,990,000	100.0	<u>22,990,000</u>
Subtotal, Overlapping Debt			<u>22,990,000</u>
Direct:			
The City of Maricopa	37,233,718	100.0	<u>37,233,718</u>
Total Direct and Overlapping Debt			<u>\$ 60,223,718</u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		9.75 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$	891
As a Percentage of Net Limited Assessed Valuation		16.55 %
As a Percentage of Gross Full Cash Value		1.29 %

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, 2021 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 2022:

<u>20% Limitation</u>		<u>6% Limitation</u>	
Net full cash assessed valuation	\$ 446,637,604	Net full cash assessed valuation	\$ 446,637,604
Debt limit (20% of assessed value)	89,327,521	Debt limit (6% of assessed value)	26,798,256
Debt applicable to limit	26,089,941	Debt applicable to limit	6,109,529
Legal debt margin	<u>\$ 63,237,580</u>	Legal debt margin	<u>\$ 20,688,727</u>

	<u>Fiscal Year Ended June 30</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
20% Limitation:					
Debt limit	\$ 89,327,521	\$ 80,587,540	\$ 72,311,525	\$ 64,573,208	\$ 63,103,631
Total net debt applicable to limit	<u>26,089,941</u>	<u>27,796,135</u>	<u>29,406,486</u>	<u>31,006,506</u>	<u>31,959,491</u>
Legal 20% debt margin	<u>\$ 63,237,580</u>	<u>\$ 52,791,405</u>	<u>\$ 42,905,039</u>	<u>\$ 33,566,702</u>	<u>\$ 31,144,140</u>
Total net debt applicable to the 20% limit as a percentage of 20% debt limit	29%	34%	41%	48%	51%
6% Limitation:					
Total Debt limit	\$ 26,798,256	\$ 24,176,262	\$ 21,693,457	\$ 19,371,963	\$ 18,931,089
Total net debt applicable to limit	<u>6,109,529</u>	<u>6,381,729</u>	<u>6,633,514</u>	<u>6,878,494</u>	<u>7,715,509</u>
Legal 6% debt margin	<u>\$ 20,688,727</u>	<u>\$ 17,794,533</u>	<u>\$ 15,059,943</u>	<u>\$ 12,493,469</u>	<u>\$ 11,215,580</u>
Total net debt applicable to the 6% limit as a percentage of 6% debt limit	23%	26%	31%	36%	41%

(Continued)

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

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

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>
2021	439,128	\$ 19,687,597	\$ 43,793	4.7 %	62,720
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

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	2022			2013		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Maricopa Unified School District	670	1	13.48 %	649	1	11.80 %
City of Maricopa	440	2	8.85	200	3	3.64
Walmart	250	3	5.03	215	2	3.91
Pinal County	200	4	4.02			
Volkswagen Proving Grounds	150	5	3.02	150	5	2.73
Fry's Food Stores	110	6	2.21	194	4	3.53
Sequoia Pathway Academy	100	7	2.01			
McDonald's	90	8	1.81	89	7	1.62
Legacy Traditional School	80	9	1.61	75	9	1.36
Native Grill and Wings	80	10	1.61			
Pinal Feeding Co. Inc.				95	6	1.73
Bashas'				78	8	1.42
Southern Arizona Dunes Golf Club				62	10	1.13
Total	<u>2,170</u>		<u>43.65 %</u>	<u>1,807</u>		<u>32.87 %</u>
Total employment	<u>4,970</u>			<u>5,500</u>		

Source: The source of the 2022 information is the Maricopa Association of Governments (MAG).
The source of the 2013 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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
General Government					
Court	0.5	0.5	0.5	1.0	1.0
Mayor and Council	7.0	5.5	4.4	8.0	8.0
City Manager	6.0	6.0	3.2	4.0	4.0
Information Technology	9.0	6.0	5.0	5.0	5.0
Marketing & Communication	3.0		3.0	1.0	
Dispatch	10.5				
Emergency Management	3.0				
City Clerk	3.0	4.8	4.8	5.0	5.0
Finance	12.0	8.0	9.0	9.0	10.0
Support Services Administration		3.0	4.0	3.0	
Human Resources	6.0	10.0	10.0	4.0	3.5
Organizational Health Management	2.0				
Planning	4.0	4.0	3.0	3.0	3.0
Development Services	3.0	4.0	3.8	2.0	1.5
Building Safety	7.0	6.0	6.0	6.0	10.5
Code Enforcement	4.0	4.0	2.0	2.0	1.0
Land Development		2.8	6.0		
Permit Center	4.0	3.0	5.0		
Facilities Management	7.0	6.0	4.0	3.0	2.0
Fleet Management	5.0	7.0	2.5	3.0	1.5
Public Works Administration	4.0	4.9	9.0	9.0	8.0
Police	91.0	105.0	92.0	85.0	78.8
Fire	70.0	72.0	73.0	69.0	66.4
Engineering	8.5			2.0	2.0
Transportation	4.0		1.0	1.0	1.2
Community Services Administration		13.0	6.8	4.0	4.0
Recreation/Copper Sky Recreation Center	51.0	27.0	48.3	72.0	72.0
Park Maintenance	23.0	16.8	20.0	20.0	19.0
Libraries	8.0	10.5	10.3	10.0	10.0
Economic Development	2.0		4.0	4.0	3.0
HURF/Public Works	16.0	13.7	11.5	10.0	12.5
Total	<u>373.5</u>	<u>343.5</u>	<u>352.1</u>	<u>345.0</u>	<u>332.9</u>

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Government					
Court	1.0	1.0	1.0	3.0	3.0
Mayor and Council	8.0	8.0	8.0	8.0	8.0
City Manager	4.0	4.0	4.0	6.0	4.0
Information Technology	4.0	4.0	4.0	4.0	4.0
Marketing & Communication	1.0	1.0	1.0		
City Clerk	4.0	4.0	4.0	5.0	5.0
Finance	8.0	9.0	9.0	9.0	10.0
Human Resources	3.5	4.5	4.5	3.0	3.0
Planning	3.0	3.0	3.0	3.0	2.0
Development Services	2.0	1.9	1.5	3.8	3.8
Building Safety	7.5	7.0	7.0	6.0	6.0
Code Enforcement	1.0	1.0	1.0	1.0	2.0
Facilities Management	2.0	2.0	2.0	2.0	2.0
Fleet Management	1.5	1.0	1.0	1.0	1.0
Public Works Administration	5.0	2.0			
Police	87.5	89.5	86.9	64.0	66.0
Fire	63.0	64.0	64.0	63.0	63.0
Engineering	3.0	2.0	2.0	2.0	1.5
Transportation	1.0	0.6	0.6	1.0	1.5
Community Services Administration	4.0	3.0	3.0	2.0	2.0
Recreation	62.5	66.5	66.5	3.0	3.0
Park Maintenance	18.0	3.0	3.0	1.0	1.0
Libraries	10.0	8.5	8.5	8.0	8.0
Economic Development	3.0	3.0	3.0	3.0	5.0
HURF/Public Works	11.0	25.1	14.5	10.3	9.3
Total	<u><u>318.5</u></u>	<u><u>318.6</u></u>	<u><u>303.0</u></u>	<u><u>212.0</u></u>	<u><u>214.0</u></u>

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

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

	Fiscal Year Ended June 30									
	<u>2022</u>	<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>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	2	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	6	5	4	4	4	4	4	4	4	3
Number of acres of parks	115	115	127	127	127	127	127	127	127	29
Public Works										
Number of public works buildings	2	2	2	1	1	1	1	1	1	1
Miles of streets	550	550	541	541	541	541	532	532	532	532
Number of street lights	19	19	18	17	16	16	15	15	15	12

Source: Various city departments

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

Function/Program	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Public Safety										
Police										
Number of police personnel and officers:	83	105	97	96	89	90	90	75	72	66
Number of arrests	1,750	1,568	1,702	1,815	2,033	2,116	2,149	2,209	2,171	2,235
Number of traffic violations	1,766	3,279	2,942	3,229	1,821	4,038	3,671	3,649	2,801	3,504
Number of parking violations	398	55	7	4	2	9	416	179	244	28
Fire										
Number of fire personnel and firefighters	70	72	71	73	69	64	61	61	63	63
Number of emergency calls	4,710	5,021	4,425	4,071	4,099	5,002	4,472	3,773	3,368	3,302
Number of fire calls	1,297	796	783	811	494	497	458	450	410	435
Number of inspections	490	382	454	417	350	420	215	170	120	279
Development Services										
Number of building-single family residential permits issued	1,608	2,257	912	1,005	1,059	600	527	299	321	419
Number of building-non-residential permits issued	123	15	17	356	83	2	25	40	22	44
Number of demolition permits issued	4	7	11	22	21		2	4	3	3
Number of pool permits issued	332	346	203	223	181	141	146	172	184	148
Number of solar permits issued	406	423	306	295	63	176	118	724	195	44
Number of sign permits issued	53	71	35	43	40	11	26	50	52	71
Community Services										
Recreation										
Number of facility and park reservations processed	9,343	7,256	3,869	5,306	5,090	5,422	6,172	6,000	584	600
Number of programs	755	146	1,005	806	556	593	584	650	562	357
Library										
Number of materials in inventory	59,859	56,098	58,747	52,177	51,000	47,558	47,214	44,000	42,148	32,060

Source: Various city departments.



CITY OF
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Nancy Smith
Mayor

Rich Vitiello
Vice Mayor

Eric Goettl
Councilmember

Amber Liermann
Councilmember

Vincent Manfredi
Councilmember

Bob Marsh
Councilmember

Henry Wade
Councilmember

Ricky A. Horst
City Manager

Jennifer Brown
Assistant City Manager

Benjamin Bitter
Deputy City Manager &
Chief Product Officer

Micah Gaudet
Deputy City Manager &
Chief Public Safety Officer

Matt Kozlowski
Deputy City Manager &
Chief Financial Officer

Lisell A. Blancarte
Budget Manager

Brenda K. Hasler
Finance Manager

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