



City of Maricopa

Meeting Agenda City Council Regular Meeting

City Hall
39700 W. Civic Center
Plaza
Maricopa, AZ 85138
Ph: (520) 568-9098
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www.maricopa-az.gov

Mayor Nancy Smith
Vice-Mayor Vincent Manfredi
Councilmember Eric Goettl
Councilmember AnnaMarie Knorr
Councilmember Amber Liermann
Councilmember Bob Marsh
Councilmember Henry Wade

Tuesday, February 17, 2026

6:00 PM

Council Chambers

Procedure for Addressing the City Council

The Maricopa City Council values citizen comments and input. If you wish to speak on a matter concerning Maricopa city government that is on the agenda, please fill out a speaker card and give it to the City Clerk before the meeting starts. The Mayor will call your name when that portion of the agenda is reached.

The Call to the Public portion on the agenda provides citizens an opportunity to identify for the City Council matters of interest or concern related to city government that are not on the printed agenda. Under the provisions of the Arizona Open Meeting Law, the City Council is prohibited from responding to issues that have not been properly noticed. Therefore, the City Council may only listen to citizens who wish to address them on non-agenda items. We regret that the City Council cannot respond beyond thanking you for your comments. City staff will follow-up on your questions via telephone or email, whichever is preferred. A speaker card is not required for this portion of the meeting but it is appreciated.

Whenever any group of persons wishes to address the City Council on the same subject matter, it shall be proper for the Mayor to request that a spokesperson be chosen.

The City asks that, when your name is called, you come forward to the podium, state your name and then begin speaking. All speakers are expected to observe common standards of decorum and courtesy. Personal attacks, political speeches, or threats of political action are inappropriate in this forum and will be grounds, at the discretion of the Mayor, for ending a speaker's time at the podium.

In the event that the meeting is disrupted in any way that the City in its sole discretion deems inappropriate, the City reserves the right to immediately remove the individual(s) from the meeting. Reasons for removing an individual include but are not limited to making offensive remarks or statements, disrespectful statements or actions, and any other action deemed appropriate.

All remarks shall be addressed to the City Council as a body and not to staff or the public. No person other than a member of the City Council, the City Manager or the City Attorney and the person having the floor, shall be permitted to enter into any discussion without the permission of the Mayor. Depending on the number of items on the Council agenda and the number of speaker cards submitted, the Mayor may establish shorter time limits for speakers.

1. Call to Order

*Invocation
Pledge of Allegiance*

2. Roll Call**3. Proclamations, Acknowledgements, Awards and Presentations****3.1 [PROC 26-02](#) Sepsis Awareness Month Proclamation****4. Report from the Mayor**

The Mayor, members of Council or other designee, may present information related to the operation of the city.

5. Report from the City Manager**6. Call to the Public**

The procedures to follow if you address the Council are: Council requests that you express your ideas in three minutes or less and refrain from any personal attacks or derogatory statements about any City employee, a fellow citizen, or anyone else, whether in the audience or not. The Mayor will limit discussion whenever they deem such an action appropriate to the proper conduct of the meeting. At the conclusion of an open call to the public, individual members of the Council may respond to criticism made by those who have addressed the Council, may ask Staff to review a matter, or may ask that a matter be put on a future agenda. However, members of the Council shall not discuss or take legal action on any matters during an open call to the public unless the matters are properly noticed for discussion and legal action. Finally, a word on decorum at our meetings. Periodically, we may want to applaud a success or show our approval of a comment and occasionally, we may personally disagree with something that is said. However, when we're hearing input from our City Council and our residents, whether we support their comments or disagree with their comments, please do not applaud or negatively respond to a speaker unless invited to do so by the presiding authority. It is important that every person who addresses the City Council has a right to speak and not be intimidated.

7. Consent Agenda

All items on the Consent Agenda are considered to be routine matters and will be enacted by one motion of the Council. There will be no separate discussion of these items unless the Mayor or a Councilmember so requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

7.1 [RES 26-03](#) A Resolution of the Mayor and City Council of the City of Maricopa, Arizona, approving and adopting a Public Safety Personnel Retirement System (PSPRS) Pension Funding Policy for Fiscal Year 2026. Discussion and Action.

- 7.2 [LIQ 26-01](#) The Mayor and City Council shall discuss and take action on recommending approval to the Arizona Department of Liquor License and Control regarding an application for extension of premises/patio permit submitted by applicant Chris Spear on behalf of Roots Eatery, LLC located at 20046 N. John Wayne Parkway, Maricopa, Arizona 85139. Discussion and Action.
- 7.3 [SPEVLIQ 26-03](#) The Mayor and City Council shall discuss and take action on recommending approval to the Arizona Department of Liquor Licenses and control for an application for a special event liquor license provided by Brenda Campbell to allow Mandy's Wine Bar to serve alcohol during a special event known as Concerts at the Park on March 8, 2026. at Mike Ingram Heritage Park 44240 W Maricopa-Casa Grande Hwy. Discussion and Action.
- 7.4 [RES 26-05](#) A Resolution of the Mayor and City Council of the City of Maricopa, Arizona, Renaming the Willow Room at the Maricopa Library & Cultural Center to the Willow Arts Studio and authorizing the City Manager to continue to name other rooms within city facilities as necessary. Discussion and Action.
- 7.5 [MIN 26-14](#) Approval of Minutes from the February 3, 2026 City Council Regular meeting. Discussion and Action.
- 7.6 [MIN 26-15](#) The Mayor and City Council shall discuss and accept the meeting minutes from the January 12, 2026 Cultural Affairs and Arts Advisory Committee meeting, January 12, 2026 Senior Advisory Committee meeting and the January 26, 2026 Planning and Zoning Commission meeting. Discussion and Action.

8. Regular Agenda and/or Public Hearings

Items on the agenda are open for citizen input. Please fill out a card and present it to the City Clerk before the meeting begins. The Mayor will call upon you for your comments.

- 8.1 [PRES 26-02](#) The Mayor and City Council shall hear a presentation from Heinfeld, Meech & Co., P.C. regarding the audit of the City of Maricopa Annual Comprehensive Financial Report (ACFR) and Annual Expenditure Limitation Report for the Fiscal Year Ended June 30, 2025. Discussion Only.
- 8.2 [MISC 26-03](#) The Mayor and City Council of the City of Maricopa, Arizona, shall discuss and take action on Strategic Priorities to provide transparency to residents and direction to staff. Discussion and Action.

9. Executive Session

The Maricopa City Council may go into executive session, which is not open to the public, for purpose of obtaining legal advice from the City's attorney on any of the above agenda items pursuant to A.R.S. § 38-431.03 (A)(3).

10. Adjournment

Note: This meeting is open to the public. All interested persons are welcome to attend. Council members of the City of Maricopa City Council will attend either in person or by telephonic conference or video communication. Supporting documents and staff reports, which were furnished to the City Council with this agenda, are available for review on our website, www.maricopa-az.gov.

Physical access to the meeting room will be available 15 minutes prior to the meeting start time.

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the City Clerk's Office at 520-316-6970. Requests should be made as early as possible to allow time to arrange the accommodation.

NOTICE TO PARENTS: Parents and legal guardians have the right to consent before the City of Maricopa makes a video or voice recording of a minor child A.R.S. §1-602.A.9. Maricopa City Council meetings are recorded and may be viewed on Channel 20 and the Maricopa website. If you permit your child to participate in the Council meeting, a recording will be made. If your child is seated in the audience, your child may be recorded, but you may request that your child be seated in a designated area to avoid recording. Please submit your request to the City Clerk at (520) 316-6970.



City of Maricopa

Text File

File Number: PROC 26-02

Agenda Date: 2/17/2026

Version: 1

Status: Proclamation

In Control: City Council Regular Meeting

File Type: Proclamation

Agenda Number: 3.1

TITLE

Sepsis Awareness Month Proclamation

Mayor Nancy Smith

Whereas, the Sepsis Alliance is dedicated to bringing awareness to sepsis, the body's 's life-threatening response to infection, which can lead to tissue damage, organ failure and death; and

Whereas, according to the CDC, an estimated 1.4 million people (including children) survive sepsis every year and approximately 400,000 adults, and 7,000 children die as a result of sepsis every year in the United States-more than from some forms of cancer and opioid overdoses combined; and

Whereas, in the United States, sepsis is one of the leading expenses during hospitalization, exceeding \$62 billion each year; and

Whereas, the growing problem of antimicrobial resistance is steadily increasing the frequency of sepsis cases, and making effective sepsis treatment more difficult; and

Whereas, despite the severe danger and widespread occurrence of this illness, a survey conducted by Sepsis Alliance found that less than 15% of U.S. adults can identify the symptoms of sepsis; and

Whereas, one can remember the signs and symptoms of sepsis using "Sepsis: It's About TIME" which stands for "Temperature, Infection, Mental decline, and Extremely ill"; and

Whereas, awareness of the signs and symptoms of sepsis, along with rapid diagnosis and treatment, can save lives and improve outcomes for sepsis survivors.

NOW, THEREFORE, I, Nancy Smith, Mayor of the City of Maricopa do hereby proclaim February 17, 2026, as **Sepsis Awareness Day**.

Dated this 17, day of February 2026.

Nancy Smith, Mayor



City of Maricopa

Text File

File Number: RES 26-03

Agenda Date: 2/17/2026

Version: 1

Status: Passed

In Control: City Council Regular Meeting

File Type: Resolution

Agenda Number: 7.1

TITLE

A Resolution of the Mayor and City Council of the City of Maricopa, Arizona, approving and adopting a Public Safety Personnel Retirement System (PSPRS) Pension Funding Policy for Fiscal Year 2026. Discussion and Action.

[Enter Text Here]

[Enter Body Here]

..Fiscal Impact

[Enter Fiscal Impact Statement Here]

RESOLUTION NO. 26-03

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF MARICOPA, ARIZONA, APPROVING AND ADOPTING A PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM (PSPRS) PENSION FUNDING POLICY.

WHEREAS, new reporting requirements issued by the Governmental Accounting Standards Board (GASB) necessitate the creation and adoption by the City of Maricopa of a Public Safety Personnel Retirement System (PSPRS) Pension Funding Policy (“Policy”); and

WHEREAS, the Government Finance Officers Association (“GFOA”) recommends the adoption of such a Policy as a best practice; and

WHEREAS, the Pension Task Force of the Arizona League of Cities and Towns recommends active management of the City’s Public Safety Personnel Retirement System (PSPRS) Pension Plan by the adoption of such a Policy; and

WHEREAS, bond rating agencies encourage pension funding policies to improve the management of pension plans; and

WHEREAS, A.R.S. §38-863.01(A) requires each governing body of an employer to annually adopt a pension funding policy including the following funding objectives for employees hired before July 1, 2017:

- a. How to maintain stability of the governing body’s contributions to the system.
- b. How and when the governing body’s funding requirements of the system will be met.
- c. Defining the governing body’s funded ratio target under the system and the timeline for reaching the targeted funded ratio.

WHEREAS, A.R.S. §38-863.01 also requires each governing body of an employer to formally accept the employer’s share of the assets and liabilities under the system based on the system’s actuarial valuation report and to post the pension funding policy on the governing body’s public website; and

WHEREAS, the adoption of such a Policy will contribute to the improved financial management of the City’s pension costs; and

WHEREAS, the adoption of such a Policy will contribute to intergenerational equity through the allocation of costs across generations of taxpayers.

NOW, THEREFORE, BE IT RESOLVED THAT, the Mayor and City Council of the City of Maricopa, Arizona hereby approved and adopts a Public Safety Personnel Retirement System Pension Funding Policy in the form attached to and made a part of this

Resolution.

PASSED AND ADOPTED by the Mayor and City Council of the City of Maricopa, Arizona on this 17th day of February, 2026.

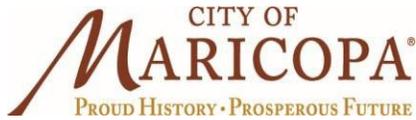
Nancy Smith
Mayor

ATTEST:

APPROVED AS TO FORM:

Vanessa Bueras, MMC
City Clerk

Denis Fitzgibbons
City Attorney



PERSONNEL POLICIES

3. EMPLOYMENT	Approval Date	Effective Date
Public Safety Personnel Retirement System Pension Funding Policy	02/17/2026	02/17/2026

Purpose:

The intent of this policy is to clearly communicate the City’s pension funding objectives and its commitment to our employees and the sound financial management of the City, and to comply with the statutory requirements of Title 38, Chapter 5, Article 4, Section 38-863.01, Arizona Revised Statutes, approved on April 3, 2018. The City Council establishes this Funding Policy to help ensure the financial sustainability of the City’s plans.

Several terms are used throughout this policy:

Unfunded Actuarial Accrued Liability (UAAL) – Is the difference between trust assets and the estimated future cost of pensions earned by employees. This UAAL results from actual results (interest earnings, member mortality, disability rates, etc.) being different from the assumptions used in previous actuarial valuations.

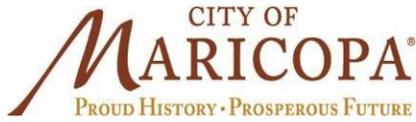
Annual Required Contribution (ARC) – Is the annual amount required to pay into the pension funds, as determined through annual actuarial valuations. It is comprised of two primary components: normal pension cost – which is the estimated cost of pension benefits earned by employees in the current year; and amortization of UAAL – which is the cost needed to cover the unfunded portion of pensions earned by employees in previous years. The UAAL is collected over a period of time referred to as the amortization period. The ARC is a percentage of the current payroll.

Funded Ratio – Is a ratio of fund assets to actuarial accrued liability. The higher the ratio the better funded the pension is with 100% being fully funded.

Intergenerational Equity – Ensures that no generation is burdened by substantially more or less pension costs than past or future generations.

In 2012, the Governmental Accounting Standards Board (GASB) approved two financial standards: GASB Statement No. 67, “Financial Reporting for Pension Plans” replaces the requirements of Statement No. 25; GASB Statement No. 68, “Accounting and Financial Reporting for Pensions” replaces the requirements of Statements No. 27 and No. 50. Prior to the changes, the Annual Required Contribution (ARC) rate was used as a basis for funding decisions.

The new GASB statements separate accounting cost (expense) from funding cost (contributions), necessitating the creation of this funding policy. The Government Finance Officers Association (GFOA) recommends the adoption of a pension funding policy and has numerous recommendations regarding the funding of pension plans. Those recommendations are incorporated into this policy.



PERSONNEL POLICIES

3. EMPLOYMENT	Approval Date	Effective Date
Public Safety Personnel Retirement System Pension Funding Policy	02/17/2026	02/17/2026

Furthermore, the League of Arizona Cities and Towns Pension Task Force recommends adoption of a policy as well.

Scope:

Public Safety Personnel Retirement System (PSPRS)

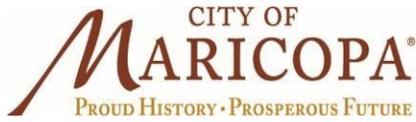
The City’s police and fire employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS).

PSPRS is administered as an agent multiple-employer pension plan. An agent multiple-employer plan has two main functions: 1) to comingle assets of all plans under its administration, thus achieving economy of scale for more cost-efficient investments, and invest those assets for the benefit of all members under its administration and 2) serve as the statewide uniform administrator for the distribution of benefits.

Under an agent multiple-employer plan each agency participating in the plan has an individual trust fund reflecting that agency’s assets and liabilities. Under this plan all contributions are deposited to and distributions are made from that fund’s assets, each fund has its own funded ratio and contribution rate, and each fund has a unique annual actuarial valuation. The City of Maricopa has two trust funds, one for police employees and one for fire employees.

Council formally accepts the assets, liabilities, and current funding ratio of the City’s PSPRS trust funds from the June 30, 2024, actuarial valuation, which are detailed below.

Trust Fund	Assets	Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio
Maricopa Police	\$24,605,021	\$27,878,773	\$3,273,752	88.3%
Maricopa Fire	\$36,637,507	\$43,297,406	\$6,659,899	84.6%
Total Police & Fire	\$61,242,528	\$71,176,179	\$9,933,651	86.0%



PERSONNEL POLICIES

3. EMPLOYMENT	Approval Date	Effective Date
Public Safety Personnel Retirement System Pension Funding Policy	02/17/2026	02/17/2026

PSPRS Funding Goal

Pensions that are substantially less than fully funded place the cost of service provided in earlier periods (amortization of UAAL) on the current and future taxpayers. Fully funded pension plans are the best way to achieve taxpayer and member intergenerational equity. Most funds in PSPRS are significantly underfunded and falling well short of the goal of intergenerational equity. Currently, while Maricopa is underfunded, the City is materially meeting the goal of intergenerational equity.

The Council’s PSPRS funding ratio goal is 100% by June 30, 2036.

Council established this goal for the following reasons:

- The PSPRS trust funds represent only the City of Maricopa’s liability;
- The fluctuating cost of an UAAL could cause strain on the City’s budget, affecting the City’s ability to provide services;
- A fully funded pension is the best way to achieve taxpayer and member intergenerational equity

Responsibilities:

Council plans to take the following actions to achieve this goal:

- Maintain ARC payment from operating revenues – Council is committed to maintaining the full ARC payment (normal cost and UAAL amortization) from operating funds. The estimated combined ARC for FY26 is \$2,100,330 and will be paid from operating funds without diminishing City services.
- Maintain adequate assets so that current plan assets plus future contributions and investment earnings are sufficient to fund all benefits expected to be paid to members and their beneficiaries.
- Maintain intergenerational equity. Pension costs are paid by the generation of taxpayers who receive the services.
- Maintain stability of the City’s contribution amounts.
- Maintain public policy goals of accountability and transparency. Each policy element is clear in intent and effect, and each should allow an assessment of whether, how and when the funding requirements of the plan will be met.

This policy shall be reviewed by the City Council annually.

**ARIZONA PUBLIC SAFETY PERSONNEL
RETIREMENT SYSTEM**

CITY OF MARICOPA POLICE DEPT. (243)

ACTUARIAL VALUATION
AS OF JUNE 30, 2024

CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING JUNE 30, 2026



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

November 2024

Board of Trustees
Arizona Public Safety Personnel Retirement System
Phoenix, AZ

Re: Actuarial Valuation Report as of June 30, 2024 for City of Maricopa Police Dept. (243)

Dear Members of the Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the Arizona Public Safety Personnel Retirement System (PSPRS). The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year.

This report was prepared at the request of the Board and is intended for use by PSPRS and those designated or approved by the Board. It documents the valuation of the consolidated plan and provides summary information for PSPRS participating employers. This report may be provided to parties other than PSPRS only in its entirety and only with the permission of the Board. Foster & Foster is not responsible for the unauthorized use of this report.

The valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to the provisions of Title 38, Chapter 5, Article 4 of the Arizona Revised Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuation, we did not perform an analysis of the potential range of such future measurements.

The computed contribution rates shown in the “Contribution Results” section should be considered minimum contribution rates that comply with the Board’s funding policy and Arizona Statutes. Users of this report should be aware that contributions made at that rate do not guarantee benefit security. Given the importance of benefit security to any retirement system, we suggest that contributions to the System in excess of those presented in this report be considered.

The funding percentages and unfunded accrued liability as measured based on the actuarial value of assets will differ from similar measures based on the market value of assets. These measures, as provided, are appropriate for determining the adequacy of future contributions, but may not be appropriate for the purpose of settling a portion or all of the Plan’s liabilities.

In conducting the valuation, we have relied on personnel, plan design, and asset information supplied by PSPRS through June 30, 2024 and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

This valuation assumes the continuing ability of the participating employers to make the contributions necessary to fund this plan. A determination regarding whether or not the participating employers are actually able to do so is outside our scope of expertise. Consequently, we did not perform such an analysis.

In performing the analysis, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models to generate the costs. All internally developed models are reviewed as part of the process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

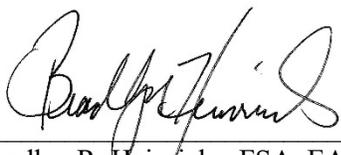
The undersigned are familiar with the immediate and long-term aspects of pension valuations and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the Arizona Public Safety Personnel Retirement System, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Arizona Public Safety Personnel Retirement System. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at 239-433-5500.

Respectfully Submitted,

Foster & Foster, Inc.

By: 
Bradley R. Heinrichs, FSA, EA, MAAA

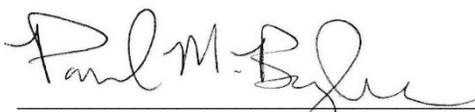
By: 
Paul M. Baugher, FSA, EA, MAAA

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I. SUMMARY OF REPORT

The regular annual actuarial valuation of the Arizona Public Safety Personnel Retirement System for the City of Maricopa Police Dept., performed as of June 30, 2024, has been completed and the results are presented in this Report. The purpose of this valuation is to:

- Compute the liabilities associated with benefits likely to be paid on behalf of current retired and active members. This information is contained in the section entitled “Liability Support.”
- Compare accumulated assets with the liabilities to assess the funded condition. This information is contained in the section entitled “Liability Support.”
- Compute the employers’ recommended contribution rates for the Fiscal Year beginning July 1, 2025. This information is contained in the section entitled “Contribution Results.”

1. Key Valuation Results

The funded status as of June 30, 2024 and the employer contribution amounts applicable to the plan/fiscal year ending June 30, 2026 are as follows:

	Tier 1 & Tier 2 Members			Tier 3 Members *		
	Pension	Health	Total	Pension	Health	Total
Employer Contribution Rate	17.38%	0.11%	17.49%	8.41%	0.11%	8.52%
Funded Status	87.5%	148.0%	88.3%	107.9%	216.2%	109.5%

2. Comparison of Key Results to Prior Year

The chart below compares the results from this valuation with the results of the prior year’s valuation (as of June 30, 2023):

Contribution Rate

Valuation Date	Tier 1 & Tier 2 Members			Tier 3 Members *		
	Pension	Health	Total	Pension	Health	Total
June 30, 2023	18.23%	0.29%	18.52%	8.63%	0.12%	8.75%
June 30, 2024	17.38%	0.11%	17.49%	8.41%	0.11%	8.52%

Funded Status

Valuation Date	Tier 1 & Tier 2 Members			Tier 3 Members		
	Pension	Health	Total	Pension	Health	Total
June 30, 2023	84.1%	129.7%	84.7%	107.3%	212.5%	108.9%
June 30, 2024	87.5%	148.0%	88.3%	107.9%	216.2%	109.5%

* The Tier 3 rates shown are the calculated rates as of the valuation date and do not reflect any Legacy costs that the employer must also contribute.

3. Reasons for Change

Changes in the results from the prior year’s valuation can be illustrated in the following tables along with high-level explanations for the entire System below:

	Contribution Rate			
	Tier 1 & Tier 2		Tier 3 Members	
	Pension	Health	Pension	Health
Contribution Rate Last Valuation	18.23%	0.29%	8.63%	0.12%
Asset Experience	0.02%	0.00%	(0.08%)	0.00%
Payroll Base	(0.73%)	0.00%	0.00%	0.00%
Liability Experience	(0.99%)	(0.10%)	(0.03%)	0.00%
Additional Contribution	0.00%	0.00%	0.00%	0.00%
Assumption/Method Change	0.09%	0.00%	0.00%	0.00%
Other	<u>0.76%</u>	<u>(0.08%)</u>	<u>(0.11%)</u>	<u>(0.01%)</u>
Contribution Rate This Valuation	17.38%	0.11%	8.41%	0.11%

	Funded Status			
	Tier 1 & Tier 2		Tier 3 Members	
	Pension	Health	Pension	Health
Funded Status Last Valuation	84.1%	129.7%	107.3%	212.5%
Asset Experience	(0.1%)	0.0%	1.1%	2.5%
Liability Experience	2.2%	19.4%	0.5%	4.6%
Additional Contribution	0.0%	0.0%	0.0%	0.0%
Assumption/Method Change	0.0%	0.0%	0.0%	0.0%
Other	<u>1.3%</u>	<u>(1.1%)</u>	<u>(1.0%)</u>	<u>(3.4%)</u>
Funded Status This Valuation	87.5%	148.0%	107.9%	216.2%

Assets Experience – Asset gains and losses (relative to the assumed earnings rate) are smoothed over seven years for Tiers 1 and 2 and over five years for Tier 3. The return on the market value of assets for the year ending June 30, 2024 was 10.2% for Tiers 1 and 2 and 11.8% for Tier 3. On a smoothed, actuarial value of assets basis, the average return was 7.1% for Tiers 1 and 2 and 8.2% for Tier 3. The return nearly met the 2023 assumed earnings rate for Tiers 1 and 2 of 7.2% and exceeded the 2023 assumed earnings rate for Tier 3 of 7.0%.

Payroll Base – Under the current amortization policy for Tiers 1 and 2, the contribution rate is developed as a level percentage of payroll. Payroll for this purpose includes members of this plan and the defined contribution plan’s members that would have been in this plan. To the extent that actual payroll is lower/greater than last year’s projected payroll, the contribution rate will increase/decrease as a result.

Liability Experience – Experience overall was unfavorable, driven by salary increases that were higher than expected.

Additional Contribution – Monies contributed in excess of the required contribution rate in order to pay down the unfunded liability.

Assumption / Method Change – The Board continued the decrease in the payroll growth assumption from 2.00% to 1.50%.

Other – This is the combination of all other factors that could impact liabilities year-over-year, with the primary sources being changes in benefits for continuing inactive. Note that Tier 3 experience will stabilize as the group matures.

4. Looking Ahead

The volatility in annual returns, which have produced both gains and losses in recent years, was dampened by the asset smoothing reflected in the actuarial value of assets. The gain realized this year will, in the absence of other losses, put downward pressure on the contribution rate next year.

If the June 30, 2024 pension valuation results were based on the market value of assets instead of the actuarial value of assets, the pension funded percentage for Tiers 1 and 2 would be 88.4% (instead of 87.5%) and the pension employer contribution requirement would be 17.02% of payroll (instead of 17.38%).

5. Conclusion

The funded status for Tiers 1 and 2 will continue to improve if assumptions are met and contributions at least equal to the rates determined for each employer are made to the fund. The recent adoption of a layered amortization approach along with a plan to systematically lower the payroll growth assumption was an excellent step to improve funding and ensure the Plan is on a viable path.

The funded status for Tier 3 will stabilize as the population continues to grow, as contributions appear sufficient to keep the liabilities fully funded.

II. CONTRIBUTION RESULTS

Contribution Requirements

Development of Employer Contributions - Tiers 1 & 2 Members				
Valuation Date	June 30, 2024		June 30, 2023	
Applicable to Fiscal Year Ending	2026		2025	
	Rate	Dollar	Rate	Dollar
Pension				
Normal Cost				
Total Normal Cost	19.78%	\$ 856,506	19.16%	\$ 934,556
Employee Cost	<u>(7.65%)</u>	<u>(331,257)</u>	<u>(7.65%)</u>	<u>(373,140)</u>
Employer (Net) Normal Cost	12.13%	525,249	11.51%	561,416
Amortization of Unfunded Liability	<u>5.25%</u>	<u>227,333</u>	<u>6.72%</u>	<u>327,777</u>
Total Employer Cost (Pension)	17.38%	752,582	18.23%	889,193
Health				
Normal Cost	0.28%	12,124	0.31%	15,121
Amortization of Unfunded Liability	<u>(0.17%)</u>	<u>(7,361)</u>	<u>(0.02%)</u>	<u>(976)</u>
Total Employer Cost (Health)	0.11%	4,763	0.29%	14,145
Total Employer Cost (Pension + Health)	17.49%	757,345	18.52%	903,338
Alternate Contribution Rate (ACR) *	8.00%		8.00%	
Underlying Payroll (as of valuation date)		4,266,168		4,782,001

* The Alternate Contribution Rate is the sum of the positive amortization rates for Tiers 1 & 2 Pension and Health (subject to an 8% minimum) and is charged when retirees return to active status.

The results above are based on the current amortization schedule approved by the Board of Trustees for your individual plan (see "Actuarial Assumptions and Methods").

Development of Employer Contributions – Tier 3 Members

Valuation Date	June 30, 2024	June 30, 2023
Applicable to Fiscal Year Ending	2026	2025

Defined Benefit (DB) Retirement Plan

	Rate	Dollar	Rate	Dollar
Pension				
Total Normal Cost	16.82%	\$ 469,304	17.25%	\$ 267,330
Amortization of Unfunded Liability	<u>0.00%</u>	<u>0</u>	<u>0.00%</u>	<u>0</u>
Total Pension Cost	16.82%	469,304	17.25%	267,330
Health				
Total Normal Cost	0.22%	6,138	0.23%	3,564
Amortization of Unfunded Liability	<u>0.00%</u>	<u>0</u>	<u>0.00%</u>	<u>0</u>
Total Health Cost	0.22%	6,138	0.23%	3,564
Total				
Total Calculated Tier 3 Required EE/ER Individual Cost	8.52%	237,721	8.75%	135,447
Funding Policy Tier 3 Required EE/ER Individual Cost ¹	8.69%	242,465	8.89%	137,772
ER Legacy Cost of Tiers 1 & 2 Amort of Unfunded Liabilities ²	5.25%	146,483	6.72%	104,142
Total Funding Policy Tier 3 Required ER Defined Benefit Cost	13.94%	388,948	15.61%	241,914
Underlying Payroll (as of valuation date)		2,748,923		1,519,350

¹ The “Funding Policy” cost was adopted in 2023 and first reflected in the June 30, 2023 valuation. This cost is a 3-year rolling average of the actual calculated costs. The total cost is split equally between employer and employee, in compliance with state statutes. Note that pension and health monies are split differently for the two parties based on IRS requirements. More information on this breakout is included in the “Historical Summary of Rates”.

² Pursuant to ARS § 38-843(B), the amortization of positive unfunded liabilities for Tiers 1 & 2 shall be applied to all Tier 3 payroll on a level percent basis. However, while it is statutorily required to present the rates in this manner, these are the minimums where alternate methods for paying down that unfunded liability is at the discretion of each employer. Further, to understand the effects of reform in relation to Tier 3, compare the total rate of Tier 3 before application of those legacy costs.

Development of Employer Contributions – Tier 3 Members		
Valuation Date	June 30, 2024	June 30, 2023
Applicable to Fiscal Year Ending	2026	2025

Defined Contribution (DC) Retirement Plan				
	Rate	Dollar	Rate	Dollar
Tier 2 & 3 DB / Non-Social Security				
Employee Cost	3.00%		3.00%	
Employer Cost ¹	3.00%		3.00%	
Tier 3 DC Only				
Employee Cost	9.00%	\$ 16,616	9.00%	\$ 0
Employee Health Subsidy Program Cost	0.20%	369	0.23%	0
Employee Disability Program Cost	<u>1.54%</u>	<u>2,843</u>	<u>1.50%</u>	<u>0</u>
Total Employee Cost	10.74%	19,828	10.73%	0
Employer Cost	9.00%	16,616	9.00%	0
Employer Health Subsidy Program Cost	0.20%	369	0.23%	0
Employer Disability Program Cost	<u>1.54%</u>	<u>2,843</u>	<u>1.50%</u>	<u>0</u>
Total Employer Cost (before Legacy)	10.74%	19,828	10.73%	0
ER Legacy Cost of Tiers 1 & 2 Amort of Unfunded Liabilities ²	5.25%	9,693	6.72%	0
Total Employer Cost	15.99%	29,521	17.45%	0
Underlying Payroll (as of valuation date)		181,892		0

¹ Employer rate is 4% for Tier 2 members for a period of time depending on the individual's membership date.

² Pursuant to ARS § 38-843(B), the amortization of positive unfunded liabilities for Tiers 1 & 2 shall be applied to all Tier 3 payroll on a level percent basis. However, while it is statutorily required to present the rates in this manner, these are the minimums where alternate methods for paying down that unfunded liability is at the discretion of each employer. Further, to understand the effects of reform in relation to Tier 3, compare the total rate of Tier 3 before application of those legacy costs.

Contribution Rate Summary

	Tier 1		Tier 2		Tier 3		
Membership Date On or After	7/1/1968		1/1/2012		7/1/2017		
Participates in Social Security	N/A		Yes	No	Yes	No	N/A
Available Retirement Plan ¹	DB Only	DB Only	Hybrid	DB Only	Hybrid	DC Only	
Employee Contribution Rate							
PSPRS DB Rate	7.65%	7.65%	7.65%	8.69%	8.69%		
PSPRS DC Rate			3.00%		3.00%	9.00%	
Employer Health Subsidy Program Cost						0.20%	
PSPDCRP Disability Program Rate						1.54%	
Total EE Contribution Rate	7.65%	7.65%	10.65%	8.69%	11.69%	10.74%	
Employer Contribution Rate							
PSPRS DB Normal Cost	12.41%	12.41%	12.41%	8.69%	8.69%		
PSPRS DB Tier 1 & 2 Legacy Cost ²	5.08%	5.08%	5.08%	5.25%	5.25%	5.25%	
PSPRS DC Rate			3.00%		3.00%	9.00%	
Employer Health Subsidy Program Cost						0.20%	
PSPDCRP Disability Program Rate						1.54%	
Total ER Contribution Rate	17.49%	17.49%	20.49%	13.94%	16.94%	15.99%	
Employer Alternate Contribution Rate ³	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	

¹ Employers that pay into Social Security on behalf of their members do not participate in the Hybrid Plan.

² Per statute (ARS § 38-843(B)), any positive unfunded liability for Tiers 1 and 2 is to be applied to all Tier 3 (DB and DC) payrolls

³ The Alternate Contribution Rate is the sum of the positive amortization rates for Tiers 1 & 2 Pension and Health (subject to an 8% minimum) and is charged when retirees return to active status.

Exhibit summarizes employee and employer contributions based on Statute and the results of June 30, 2024 actuarial valuation. Pension and health components are combined, where applicable.

Impact of Additional Contributions

Impact On	Additional Contribution (000s)										
	\$0	\$100	\$200	\$300	\$400	\$500	\$600	\$700	\$800	\$900	\$1,000
Funded Status - June 30, 2024	87.5%	87.8%	88.2%	88.6%	88.9%	89.3%	89.7%	90.0%	90.4%	90.7%	91.1%
FYE 2026 Contribution Rate	17.38%	17.24%	17.10%	16.95%	16.81%	16.67%	16.53%	16.39%	16.24%	16.10%	15.96%

Table shows the hypothetical change in the funded status and contribution rate from the June 30, 2024 actuarial valuation results for Tiers 1 & 2 if an additional contribution of the amount shown had been made to the Fund on June 30, 2024. This illustration can help estimate the impact of contributing additional monies to the fund in the future.

Historical Summary of Rates

	Valuation Date June 30	Fiscal Year Ending June 30	Pension			Health		
			Normal Cost	Unfunded Amortization	Total	Normal Cost	Unfunded Amortization	Total
TIERS 1 & 2 (Employer)	2020	2022	11.19%	2.24%	13.43%	0.40%	(0.18%)	0.22%
	2021	2023	11.11%	3.06%	14.17%	0.37%	(0.13%)	0.24%
	2022	2024	11.09%	1.82%	12.91%	0.33%	0.00%	0.33%
	2023	2025	11.51%	6.72%	18.23%	0.31%	(0.02%)	0.29%
	2024	2026	12.13%	5.25%	17.38%	0.28%	(0.17%)	0.11%
TIER 3 * (Employer)	2020	2022	9.68%	0.00%	9.68%	0.26%	0.00%	0.26%
	2021	2023	9.68%	0.00%	9.68%	0.26%	0.00%	0.26%
	2022	2024	9.30%	0.00%	9.30%	0.26%	0.00%	0.26%
	2023	2025	8.77%	0.00%	8.77%	0.12%	0.00%	0.12%
	2024	2026	8.46%	0.00%	8.46%	0.23%	0.00%	0.23%
TIER 3 * (Employee)	2020	2022	9.68%	0.00%	9.68%	0.26%	0.00%	0.26%
	2021	2023	9.68%	0.00%	9.68%	0.26%	0.00%	0.26%
	2022	2024	9.30%	0.00%	9.30%	0.26%	0.00%	0.26%
	2023	2025	8.77%	0.00%	8.77%	0.12%	0.00%	0.12%
	2024	2026	8.69%	0.00%	8.69%	0.00%	0.00%	0.00%

* Rates shown are Board approved Funding Policy rates. Starting in 2023, these rates are a 3-year rolling average of calculated EE/ER rates. Does not reflect Legacy costs that the employer must also contribute.

III. LIABILITY SUPPORT

Liabilities and Funded Ratios by Benefit - Tiers 1 & 2

	June 30, 2024	June 30, 2023
Pension		
Actuarial Present Value of Benefits (PVB)		
Retirees and Beneficiaries	\$ 8,949,610	\$ 7,259,436
DROP Members	3,358,061	2,050,729
Vested Members	849,144	714,430
Active Members	<u>20,214,076</u>	<u>22,585,603</u>
Total Actuarial Present Value of Benefits	33,370,891	32,610,198
Actuarial Accrued Liability (AAL)		
All Inactive Members	13,156,815	10,024,595
Active Members	<u>14,362,660</u>	<u>16,117,048</u>
Total Actuarial Accrued Liability	27,519,475	26,141,643
Actuarial Value of Assets (AVA)	24,073,203	21,985,806
Unfunded Actuarial Accrued Liability	3,446,272	4,155,837
PVB Funded Ratio (AVA / PVB)	72.1%	67.4%
AAL Funded Ratio (AVA / AAL)	87.5%	84.1%
Health		
Actuarial Present Value of Benefits (PVB)		
Retirees and Beneficiaries	\$ 80,455	\$ 65,074
DROP Members	49,982	29,626
Active Members	<u>312,335</u>	<u>382,570</u>
Total Present Value of Benefits	442,772	477,270
Actuarial Accrued Liability (AAL)		
All Inactive Members	130,437	94,700
Active Members	<u>228,861</u>	<u>281,588</u>
Total Actuarial Accrued Liability	359,298	376,288
Actuarial Value of Assets (AVA)	531,818	487,893
Unfunded Actuarial Accrued Liability	(172,520)	(111,605)
PVB Funded Ratio (AVA / PVB)	120.1%	102.2%
AAL Funded Ratio (AVA / AAL)	148.0%	129.7%

Health liabilities were increased by \$8,810 under the lateral transfer methodology. Pension liabilities were not impacted.

Liabilities and Funded Ratios by Benefit - Tier 3

	June 30, 2024	June 30, 2023
Pension		
Actuarial Present Value of Benefits (PVB)		
Retirees and Beneficiaries	\$ 7,268,826	\$ 2,783,769
Vested Members	9,523,410	6,565,608
Active Members	<u>710,626,649</u>	<u>558,509,014</u>
Total Actuarial Present Value of Benefits	727,418,885	567,858,391
Actuarial Accrued Liability (AAL)		
All Inactive Members	16,792,236	9,349,377
Active Members	<u>148,879,454</u>	<u>101,611,814</u>
Total Actuarial Accrued Liability	165,671,690	110,961,191
Actuarial Value of Assets (AVA)	178,758,433	119,101,476
Unfunded Actuarial Accrued Liability	(13,086,743)	(8,140,285)
PVB Funded Ratio (AVA / PVB)	24.6%	21.0%
AAL Funded Ratio (AVA / AAL)	107.9%	107.3%
Health		
Actuarial Present Value of Benefits (PVB)		
Retirees and Beneficiaries	\$ 34,351	\$ 0
Active Members	<u>9,825,773</u>	<u>7,842,159</u>
Total Present Value of Benefits	9,860,124	7,842,159
Actuarial Accrued Liability (AAL)		
All Inactive Members	34,351	0
Active Members	<u>2,398,606</u>	<u>1,651,466</u>
Total Actuarial Accrued Liability	2,432,957	1,651,466
Actuarial Value of Assets (AVA)	5,259,235	3,508,666
Unfunded Actuarial Accrued Liability	(2,826,278)	(1,857,200)
PVB Funded Ratio (AVA / PVB)	53.3%	44.7%
AAL Funded Ratio (AVA / AAL)	216.2%	212.5%

The liabilities shown on this page are the liabilities for all Tier 3 members grouped together in the Risk Sharing group. These liabilities are NOT the liabilities solely for City of Maricopa Police Dept. Tier 3 members.

Derivation of Experience (Gain)/Loss

	Tiers 1 & 2		Tier 3	
	Pension	Health	Pension	Health
(1) Unfunded Actuarial Accrued Liability as of June 30, 2023	4,155,837	(111,605)	(8,140,285)	(1,857,200)
(2) Normal Cost Developed in Last Valuation	561,416	15,121	19,953,819	277,457
(3) Actual Contributions	624,107	14,615	24,962,037	1,397,879
(4) Expected Interest On (1), (2), and (3)	317,565	(7,464)	(32,441)	(163,191)
(5) Expected Unfunded Actuarial Accrued Liability as of June 30, 2024 (1)+(2)-(3)+(4)	4,410,711	(118,563)	(13,180,944)	(3,140,813)
(6) Changes to UAAL Due to Assumptions, Methods and Benefits	0	0	0	0
(7) Change to UAAL Due to Actuarial (Gain)/Loss	<u>(964,439)</u>	<u>(53,957)</u>	<u>94,201</u>	<u>314,535</u>
(8) Unfunded Actuarial Accrued Liability as of June 30, 2024	3,446,272	(172,520)	(13,086,743)	(2,826,278)

Amortization of Unfunded Liabilities - Tiers 1 & 2

	Date Established	Outstanding Balance	Years Remaining	Amortization Rate
Pension	6/30/2019	2,263,818	12	3.55%
	6/30/2021	(413,790)	12	(0.68%)
	6/30/2022	(742,727)	13	(1.16%)
	6/30/2023	2,852,906	14	4.28%
	6/30/2024	<u>(513,935)</u>	15	<u>(0.74%)</u>
	Total	3,446,272		5.25%
Health	6/30/2019	0	10	0.00%
	6/30/2021	0	10	0.00%
	6/30/2022	0	10	0.00%
	6/30/2023	0	10	0.00%
	6/30/2024	<u>(89,046)</u>	10	<u>(0.17%)</u>
	Total	(89,046)		(0.17%)

Amortization of Unfunded Liabilities - Tier 3

	Date Established	Outstanding Balance	Years Remaining	Amortization Rate *
Pension	6/30/2018	94,700	4	0.01%
	6/30/2019	(893,556)	5	(0.07%)
	6/30/2020	625,762	6	0.04%
	6/30/2021	(2,174,987)	7	(0.13%)
	6/30/2022	(3,694,845)	8	(0.20%)
	6/30/2023	(1,375,088)	9	(0.07%)
	6/30/2024	<u>(5,668,729)</u>	10	<u>(0.26%)</u>
	Total	(13,086,743)		0.00%
Health	6/30/2018	(2,008)	4	0.00%
	6/30/2019	(81,696)	5	(0.01%)
	6/30/2020	(158,912)	6	(0.01%)
	6/30/2021	(314,248)	7	(0.02%)
	6/30/2022	(439,549)	8	(0.02%)
	6/30/2023	(697,896)	9	(0.03%)
	6/30/2024	<u>(1,131,969)</u>	10	<u>(0.05%)</u>
	Total	(2,826,278)		0.00%

* By Statute, negative total amortization rates are not subtracted in Tier 3 rate calculations.

IV. ASSET SUPPORT

Statement of Changes in Fiduciary Net Position for Year Ended June 30, 2024 Market Value Basis

	Tiers 1 & 2		Tier 3	
	Pension	Health	Pension	Health
Additions				
Contributions				
Member Contributions	\$ 109,846,477	\$ 0	\$ 52,985,716	\$ 0
Employer Contributions	1,182,413,215	0	51,738,352	0
Health Insurance Contributions	<u>0</u>	<u>4,616,669</u>	<u>0</u>	<u>2,687,373</u>
Total Contributions	1,292,259,692	4,616,669	104,724,068	2,687,373
Investment Income				
Net Increase in Fair Value	1,084,528,765	28,088,330	27,137,658	753,277
Interest and Dividends	270,700,975	7,010,914	6,773,624	188,020
Other Income	151,768,967	3,930,680	3,797,644	105,414
Less Investment Expenses	<u>(25,846,576)</u>	<u>(516,914)</u>	<u>(646,747)</u>	<u>(13,863)</u>
Net Investment Income	1,481,152,131	38,513,010	37,062,179	1,032,848
Non-investment Income	31	0	1	0
Transfers In	169,162	0	0	0
Total Additions	2,773,581,016	43,129,679	141,786,248	3,720,221
Deductions				
Distributions to Members				
Benefit Payments	1,128,489,555	0	632,764	0
Health Insurance Subsidy	0	18,596,076	0	4,920
Refund of Contributions	<u>12,787,280</u>	<u>0</u>	<u>2,469,875</u>	<u>0</u>
Total Distributions	1,141,276,835	18,596,076	3,102,639	4,920
Administrative Expenses	8,403,062	210,006	210,701	5,632
Transfers Out	392,168	0	0	0
Other	0	0	0	0
Total Deductions	1,150,072,065	18,806,082	3,313,340	10,552
Net Increase / (Decrease)	1,623,508,951	24,323,597	138,472,908	3,709,669
Net Position Held in Trust				
Prior Valuation	14,310,242,735	387,517,339	260,225,263	7,335,149
Beginning of the Year Adjustment	0	0	0	0
End of the Year	15,933,751,686	411,840,936	398,698,171	11,044,818

Development of Pension Actuarial Value of Assets - Tiers 1 & 2

A. Investment Income

A1. Actual Investment Income	\$ 1,472,749,069
A2. Expected Amount for Immediate Recognition	1,035,670,507
A3. Amount Subject to Amortization	437,078,562

B. Amortization Schedule	Year Ended June 30						
	2024	2025	2026	2027	2028	2029	2030
2024 Experience (A3 / 7)	62,439,795	62,439,795	62,439,795	62,439,795	62,439,795	62,439,795	62,439,792
2023 Experience	10,197,720	10,197,720	10,197,720	10,197,720	10,197,720	10,197,717	
2022 Experience	(204,451,249)	(204,451,249)	(204,451,249)	(204,451,249)	(204,451,249)		
2021 Experience	238,978,744	238,978,744	238,978,744	238,978,745			
2020 Experience	(68,882,158)	(68,882,158)	(68,882,160)				
2019 Experience	(22,859,275)	(22,859,275)					
2018 Experience	(6,266,351)						
Total Amortization	9,157,226	15,423,577	38,282,850	107,165,011	(131,813,734)	72,637,512	62,439,792

C. Actuarial Value of Assets	Total	Employer
C1. Actuarial Value of Assets, June 30, 2023	14,574,029,063	
C2. Non-investment Net Cash Flow	150,759,882	
C3. Preliminary Actuarial Value of Assets, June 30, 2024 (A2 + B + C1 + C2)	15,769,616,678	
C4. Market Value of Assets, June 30, 2024	15,933,751,686	24,323,764
C5. Final Actuarial Value of Assets, June 30, 2024 (C3 Within 20% Corridor of C4)	15,769,616,678	24,073,203

D. Rates of Return

D1. Market Value Rate of Return	10.2%
D2. Actuarial Value Rate of Return	7.1%

Development of Health Actuarial Value of Assets - Tiers 1 & 2

A. Investment Income

A1. Actual Investment Income	\$ 38,303,004
A2. Expected Amount for Immediate Recognition	27,406,736
A3. Amount Subject to Amortization	10,896,268

B. Amortization Schedule	Year Ended June 30						
	2024	2025	2026	2027	2028	2029	2030
2024 Experience (A3 / 7)	1,556,610	1,556,610	1,556,610	1,556,610	1,556,610	1,556,610	1,556,608
2023 Experience	193,035	193,035	193,035	193,035	193,035	193,036	
2022 Experience	(6,416,469)	(6,416,469)	(6,416,469)	(6,416,469)	(6,416,471)		
2021 Experience	9,257,478	9,257,478	9,257,478	9,257,481			
2020 Experience	(2,898,713)	(2,898,713)	(2,898,716)				
2019 Experience	(1,075,569)	(1,075,572)					
2018 Experience	(304,656)						
Total Amortization	311,716	616,369	1,691,938	4,590,657	(4,666,826)	1,749,646	1,556,608

C. Actuarial Value of Assets	Total	Employer
C1. Actuarial Value of Assets, June 30, 2023	392,563,499	
C2. Non-investment Net Cash Flow	(13,979,407)	
C3. Preliminary Actuarial Value of Assets, June 30, 2024 (A2 + B + C1 + C2)	406,302,544	
C4. Market Value of Assets, June 30, 2024	411,840,936	539,067
C5. Final Actuarial Value of Assets, June 30, 2024 (C3 Within 20% Corridor of C4)	406,302,544	531,818

D. Rates of Return

D1. Market Value Rate of Return	10.1%
D2. Actuarial Value Rate of Return	7.2%

Development of Pension Actuarial Value of Assets - Tiers 3

A. Investment Income

A1. Actual Investment Income	\$ 36,851,478
A2. Expected Amount for Immediate Recognition	21,712,363
A3. Amount Subject to Amortization	15,139,115

B. Amortization Schedule	Year Ended June 30				
	2024	2025	2026	2027	2028
2024 Experience (A3 / 5)	3,027,823	3,027,823	3,027,823	3,027,823	3,027,823
2023 Experience	885,521	885,521	885,521	885,520	
2022 Experience	(3,259,379)	(3,259,379)	(3,259,381)		
2021 Experience	3,551,936	3,551,938			
2020 Experience	(351,294)				
Total Amortization	3,854,607	4,205,903	653,963	3,913,343	3,027,823

C. Actuarial Value of Assets	Total	Employer
C1. Actuarial Value of Assets, June 30, 2023	259,708,739	
C2. Non-investment Net Cash Flow	101,621,430	
C3. Preliminary Actuarial Value of Assets, June 30, 2024 (A2 + B + C1 + C2)	386,897,139	
C4. Market Value of Assets, June 30, 2024	398,698,171	184,210,874
C5. Final Actuarial Value of Assets, June 30, 2024 (C3 Within 20% Corridor of C4)	386,897,139	178,758,433

D. Rates of Return

D1. Market Value Rate of Return	11.8%
D2. Actuarial Value Rate of Return	8.2%

Development of Health Actuarial Value of Assets - Tiers 3

A. Investment Income

A1. Actual Investment Income	\$ 1,027,216
A2. Expected Amount for Immediate Recognition	605,758
A3. Amount Subject to Amortization	421,458

B. Amortization Schedule	Year Ended June 30				
	2024	2025	2026	2027	2028
2024 Experience (A3 / 5)	84,292	84,292	84,292	84,292	84,290
2023 Experience	23,872	23,872	23,872	23,870	
2022 Experience	(101,792)	(101,792)	(101,790)		
2021 Experience	128,963	128,961			
2020 Experience	(10,557)				
Total Amortization	124,778	135,333	6,374	108,162	84,290

C. Actuarial Value of Assets	Total	Employer
C1. Actuarial Value of Assets, June 30, 2023	7,297,670	
C2. Non-investment Net Cash Flow	2,682,453	
C3. Preliminary Actuarial Value of Assets, June 30, 2024 (A2 + B + C1 + C2)	10,710,659	
C4. Market Value of Assets, June 30, 2024	11,044,818	5,423,316
C5. Final Actuarial Value of Assets, June 30, 2024 (C3 Within 20% Corridor of C4)	10,710,659	5,259,235

D. Rates of Return

D1. Market Value Rate of Return	11.8%
D2. Actuarial Value Rate of Return	8.5%

V. MEMBER STATISTICS

Valuation Data Summary

	June 30, 2024		June 30, 2023	
	Tiers 1 & 2	Tier 3	Tiers 1 & 2	Tier 3
Actives				
Number	29	27	37	15
Average Current Age	43.1	30.3	43.0	29.7
Average Age at Employment	30.3	28.4	30.5	27.5
Average Past Service	12.8	1.9	12.5	2.2
Average Annual Salary	\$115,380	\$81,038	\$105,950	\$81,377
Actives (transferred)				
Number	7	5	7	3
Average Current Age	45.2	29.6	44.2	28.1
Average Age at Employment	33.5	27.0	33.5	26.9
Average Past Service	11.7	2.6	10.7	1.2
Average Annual Salary	\$107,147	\$83,566	\$95,682	\$69,515
Retirees				
Number	6	0	4	0
Average Current Age	56.7	N/A	57.3	N/A
Average Annual Benefit	\$47,595	N/A	\$45,771	N/A
DROP Retirees				
Number	3	N/A	2	N/A
Average Current Age	56.9	N/A	58.4	N/A
Average Annual Benefit	\$62,327	N/A	\$61,068	N/A
Beneficiaries				
Number	1	0	1	0
Average Current Age	22.4	N/A	21.4	N/A
Average Annual Benefit	\$50,175	N/A	\$49,191	N/A
Disability Retirees				
Number	5	0	5	0
Average Current Age	46.0	N/A	45.0	N/A
Average Annual Benefit	\$45,845	N/A	\$44,946	N/A
Inactive / Vested				
Number	14	2	12	5
Average Current Age	46.3	42.8	45.1	43.3
Average Accumulated Contributions	\$34,525	\$3,188	\$26,051	\$9,893
Total Number	65	34	68	23
Former Members (transferred)	9	8	6	7

Active Counts and Pay Summary - Tiers 1 & 2

Age	Past Service							Total Count	Total Pay	Average Pay
	0-4	5-9	10-14	15-19	20-24	25-29	30+			
<20	0	0	0	0	0	0	0	0	0	0
20 - 24	0	0	0	0	0	0	0	0	0	0
25 - 29	0	0	0	0	0	0	0	0	0	0
30 - 34	0	7	0	0	0	0	0	7	741,550	105,936
35 - 39	0	2	3	1	0	0	0	6	664,368	110,728
40 - 44	0	3	3	1	0	0	0	7	815,105	116,444
45 - 49	0	1	1	4	0	0	0	6	641,967	106,995
50 - 54	0	0	0	7	1	0	0	8	958,483	119,810
55 - 59	0	1	0	1	0	0	0	2	274,565	137,283
60 - 64	0	0	0	0	0	0	0	0	0	0
65+	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	0	14	7	14	1	0	0	36	4,096,038	113,779

Active Counts and Pay Summary - Tier 3

Age	Past Service							Total Count	Total Pay	Average Pay
	0-4	5-9	10-14	15-19	20-24	25-29	30+			
<20	0	0	0	0	0	0	0	0	0	0
20 - 24	3	0	0	0	0	0	0	3	205,040	68,347
25 - 29	16	1	0	0	0	0	0	17	1,395,412	82,083
30 - 34	7	0	0	0	0	0	0	7	561,248	80,178
35 - 39	2	1	0	0	0	0	0	3	287,855	95,952
40 - 44	1	0	0	0	0	0	0	1	66,102	66,102
45 - 49	1	0	0	0	0	0	0	1	90,198	90,198
50 - 54	0	0	0	0	0	0	0	0	0	0
55 - 59	0	0	0	0	0	0	0	0	0	0
60 - 64	0	0	0	0	0	0	0	0	0	0
65+	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	30	2	0	0	0	0	0	32	2,605,855	81,433

In-Payment Counts and Benefit Summary – All Tiers

Age	Count	Average Annual Benefit
< 40	2	41,306
40 - 44	2	48,389
45 - 49	2	43,885
50 - 54	3	52,344
55 - 59	0	0
60 - 64	2	48,069
65 - 69	0	0
70 - 74	1	44,642
75 - 79	0	0
80 - 84	0	0
85 - 89	0	0
90 - 94	0	0
95 - 99	0	0
100+	0	0
Total	12	47,081

“In-Payment” refers to retired, beneficiary, and disabled members.

VI. ACTUARIAL ASSUMPTIONS AND METHODS

Interest Rate

This is the assumed earnings rate on System assets, compounded annually, net of investment and administrative expenses.

Tiers 1 & 2:

7.20% per year.

Tier 3:

7.00% per year.

Salary Increases

See table at the end of this section. This is an annual increase for individual member's salary. These rates are based on a 2022 experience study using actual plan experience.

Inflation

2.50%.

Tier 3 Compensation Limit

\$140,952 for calendar 2024. Assumed increases of 2.00% per year thereafter.

Cost-of-Living Adjustment

1.85%.

Mortality Rates

These rates are used to project future decrements from the population due to death.

Active Lives:

PubS-2010 Employee mortality, adjusted by a factor of 1.03 for male members and 1.08 for female members, with generational improvements using 85% of the most recent projection scale (currently Scale MP-2021). 100% of active deaths are assumed to be in the line of duty.

Inactive Lives:

PubS-2010 Healthy Retiree mortality, adjusted by a factor of 1.03 for male retirees and 1.11 for female retirees, with generational improvements using 85% of the most recent projection scale (currently Scale MP-2021).

Beneficiaries:

PubS-2010 Survivor mortality, adjusted by a factor of 0.98 for male beneficiaries and adjusted by a factor of 1.06 for female beneficiaries, with generational improvements using 85% of the most recent projection scale (currently Scale MP-2021).

Disabled Lives:

PubS-2010 Disabled mortality, adjusted by a factor of 1.08 for male disabled members and 1.01 for female disabled members, with generational improvements using 85% of the most recent projection scale (currently Scale MP-2021).

The mortality assumptions sufficiently accommodate anticipated future mortality improvements.

Retirement / DROP Rates

These rates are used to project future decrements from the active population due to retirement. The rates below are based on a 2022 experience study using actual plan experience.

Tier 1 – reaching age 62 before attaining 20 years of service:

Age-related rates based on age at retirement:

Police - 40% assumed at age 62 and 63, 35% assumed at age 64, 25% assumed at ages 65 and 66, 50% assumed at ages 67 – 69, and 100% assumed at age 70.

Fire - 25% assumed at age 62 and 63, 35% assumed at age 64, 25% assumed at ages 65 and 66, 50% assumed at ages 67 – 69, and 100% assumed at age 70.

Tier 1 – reaching age 62 after attaining 20 years of service:

Service-related rates based on service at retirement. See complete tables at the end of this section.

65% are assumed to enter the DROP program while the remaining 35% are assumed to retire and commence benefits immediately. DROP periods are assumed to be 5 years in length for future DROP elections.

Tiers 2 & 3:

Age-related rates based on age at retirement. 50% assumed at age 53, 30% assumed at ages 54 – 59, 60% assumed at ages 60 – 63, and 100% assumed at age 64.

Termination Rate

These rates are used to project future decrements from the active population due to termination. Complete table of rates based on service at termination are provided at the end of this section. The rates apply to members prior to retirement eligibility and are based on a 2022 experience study using actual plan experience.

Disability Rate

These rates are used to project future decrements from the active population due to disability. Complete table of rates based on age at disability are provided at the end of this section. These rates are based on a 2022 experience study using actual plan experience. 90% of disablements are assumed to be duty-related.

Marital Status

For active members, 85% of males and 60% of females are assumed to be married. Actual marital status is used, where applicable, for inactive members.

Spouse's Age

Male spouses are assumed to be four years older than female members and female spouses are assumed to be two years younger than males members.

Benefit Commencement

Deferred members are assumed to commence benefits as follows:

- Tier 1: immediate refund of contributions
- Tiers 2 & 3 (less than 15 years service): immediate refund of contributions
- Tier 2 (15+ years service): life annuity payable at age 52.5
- Tier 3 (15+ years service): life annuity payable at age 55

Health Care Utilization

For active members, 70% of retirees are expected to utilize retiree health care. Actual utilization is used for inactive members.

Funding Method

Entry Age Normal Cost Method.

Lateral Transfers

When active members transfer between employers, the new employer's liability starts from their new date of hire with no past service liability (i.e., all liability is accrued through normal cost). Per PSPRS administrative decision, once the new employer's liability is fully funded, the liability will reflect all past service liability.

Actuarial Asset Method

Method described below. Note that during periods when investment performance exceeds (falls short) of the assumed rate, the actuarial value of assets will tend to be less (greater) than the market value of assets.

Tiers 1 & 2:

Each year the assumed investment income is recognized in full while the difference between actual and assumed investment income are smoothed over a 7-year period subject to a 20% corridor around the market value.

Tier 3:

Each year the assumed investment income is recognized in full while the difference between actual and assumed investment income are smoothed over a 5-year period subject to a 20% corridor around the market value.

Funding Policy Amortization Method

Tiers 1 & 2:

Any positive UAAL (assets less than liabilities) is amortized using a layered approach beginning with the June 30, 2020 valuation, with new amounts determined according to a Level Dollar method over a closed period of 15 years (phased into from current period of at most 30 years). Initial layer from June 30, 2019 valuation continues to be amortized according to a Level Percentage of Payroll method.

Tier 3:

Any positive UAAL (assets less than liabilities) is amortized according to a Level Dollar method over a closed period of 10 years. No amortization is made of any negative UAAL (assets greater than liabilities).

Payroll Growth

1.50% per year. This is annual increase for total employer payroll.

Changes to Actuarial Assumptions and Methods Since the Prior Valuation

The payroll growth assumption was lowered from 2.00% to 1.50%.

There were no method changes since the prior valuation.

Salary Increase Rates

Age	Maricopa Police	Pima Police	Other Police	Maricopa Fire	Pima Fire	Other Fire
20	15.00%	12.00%	14.00%	15.00%	12.00%	13.00%
21	14.00%	6.00%	12.00%	14.00%	11.00%	12.00%
22	13.00%	6.00%	10.00%	13.00%	10.00%	11.00%
23	12.00%	6.00%	9.00%	12.00%	9.50%	10.00%
24	11.00%	6.00%	8.00%	11.00%	9.00%	9.00%
25	10.00%	6.00%	7.00%	10.00%	8.50%	8.00%
26	9.00%	5.50%	6.50%	9.50%	7.50%	7.50%
27	8.00%	5.50%	6.25%	9.00%	6.50%	7.50%
28	7.50%	5.50%	6.00%	8.50%	5.75%	7.00%
29	7.00%	5.50%	5.80%	8.00%	5.75%	6.50%
30	6.50%	5.25%	5.60%	8.00%	5.50%	6.50%
31	6.00%	5.25%	5.40%	7.50%	5.50%	6.00%
32	5.50%	5.00%	5.20%	7.00%	5.00%	5.50%
33	5.10%	5.00%	5.00%	6.50%	5.00%	5.50%
34	4.90%	5.00%	4.90%	6.50%	5.00%	5.50%
35	4.70%	4.50%	4.80%	6.00%	5.00%	5.50%
36	4.50%	4.50%	4.70%	5.50%	5.00%	5.50%
37	4.30%	4.50%	4.60%	5.25%	4.50%	5.00%
38	4.10%	4.00%	4.50%	5.00%	4.50%	5.00%
39	4.00%	4.00%	4.40%	4.75%	4.50%	5.00%
40	3.90%	4.00%	4.30%	4.75%	4.50%	5.00%
41	3.80%	3.80%	4.20%	4.50%	4.50%	4.50%
42	3.70%	3.60%	4.10%	4.50%	4.00%	4.50%
43	3.60%	3.40%	4.00%	4.50%	4.00%	4.50%
44	3.50%	3.20%	3.90%	4.50%	4.00%	4.00%
45	3.50%	3.00%	3.80%	4.25%	4.00%	4.00%
46	3.50%	3.00%	3.70%	4.25%	3.75%	4.00%
47	3.50%	3.00%	3.60%	4.25%	3.75%	3.75%
48	3.50%	3.00%	3.50%	4.00%	3.75%	3.75%
49	3.50%	3.00%	3.50%	4.00%	3.50%	3.75%
50	3.25%	3.00%	3.50%	3.75%	3.50%	3.75%
51	3.25%	3.00%	3.50%	3.75%	3.50%	3.75%
52	3.25%	2.75%	3.50%	3.75%	3.50%	3.75%
53+	3.25%	2.75%	3.50%	3.75%	3.25%	3.75%

Tier 1 Retirement Rates– reaching age 62 after attaining 20 years of service

Service	Maricopa Police	Pima Police	Other Police	Maricopa Fire	Pima Fire	Other Fire
20	28%	28%	35%	14%	20%	20%
21	25%	25%	35%	17%	20%	25%
22	15%	16%	22%	7%	13%	15%
23	12%	12%	12%	7%	7%	10%
24	8%	9%	12%	7%	7%	10%
25	30%	22%	25%	17%	22%	30%
26	42%	42%	40%	30%	26%	30%
27	32%	30%	28%	23%	30%	30%
28	32%	30%	28%	30%	30%	30%
29	32%	20%	28%	30%	30%	30%
30	35%	25%	35%	30%	30%	35%
31	35%	33%	30%	40%	30%	35%
32	60%	50%	70%	55%	30%	35%
33	60%	50%	70%	55%	60%	60%
34+	100%	100%	100%	100%	100%	100%

Termination Rates

Service	Maricopa Police	Pima Police	Other Police	Maricopa Fire	Pima Fire	Other Fire
0	13.0%	14.0%	13.5%	4.5%	10.0%	10.5%
1	8.0%	9.0%	11.5%	3.5%	6.0%	8.5%
2	6.0%	7.5%	10.5%	2.5%	4.5%	8.0%
3	4.5%	7.0%	9.5%	2.0%	4.0%	8.0%
4	3.6%	6.5%	9.0%	1.5%	4.0%	7.0%
5	3.3%	5.0%	8.0%	1.5%	4.0%	5.0%
6	3.3%	5.0%	7.0%	1.5%	4.0%	5.0%
7	3.3%	4.0%	6.5%	1.5%	3.0%	4.0%
8	2.4%	4.0%	6.5%	1.5%	3.0%	4.0%
9	2.4%	4.0%	6.0%	1.5%	3.0%	3.5%
10	2.4%	4.0%	5.0%	1.0%	2.0%	3.0%
11	1.8%	3.0%	4.0%	1.0%	2.0%	2.5%
12	1.8%	3.0%	4.0%	1.0%	1.5%	2.0%
13	1.3%	2.0%	3.5%	1.0%	1.0%	1.5%
14	1.3%	2.0%	3.0%	0.5%	1.0%	1.4%
15	0.8%	1.5%	2.5%	0.5%	1.0%	1.4%
16	0.8%	1.5%	2.0%	0.5%	0.5%	1.4%
17	0.8%	1.0%	2.0%	0.5%	0.5%	1.4%
18	0.8%	1.0%	1.8%	0.5%	0.5%	1.4%
19	0.8%	1.0%	1.8%	0.5%	0.5%	0.5%
20+	0.5%	1.0%	1.8%	0.4%	0.5%	0.5%

Disability Rates

Age	Maricopa Police	Pima Police	Other Police	Maricopa Fire	Pima Fire	Other Fire
20	0.050%	0.050%	0.120%	0.020%	0.020%	0.020%
21	0.050%	0.050%	0.120%	0.020%	0.020%	0.020%
22	0.050%	0.050%	0.120%	0.020%	0.020%	0.020%
23	0.050%	0.050%	0.120%	0.020%	0.020%	0.020%
24	0.050%	0.050%	0.120%	0.020%	0.020%	0.020%
25	0.050%	0.050%	0.120%	0.020%	0.020%	0.020%
26	0.100%	0.100%	0.160%	0.035%	0.020%	0.020%
27	0.100%	0.100%	0.160%	0.035%	0.020%	0.020%
28	0.100%	0.100%	0.160%	0.035%	0.020%	0.020%
29	0.100%	0.100%	0.160%	0.035%	0.020%	0.020%
30	0.100%	0.100%	0.160%	0.035%	0.020%	0.020%
31	0.230%	0.180%	0.240%	0.090%	0.100%	0.060%
32	0.230%	0.180%	0.240%	0.090%	0.100%	0.060%
33	0.230%	0.180%	0.240%	0.090%	0.100%	0.060%
34	0.230%	0.180%	0.240%	0.090%	0.100%	0.060%
35	0.230%	0.180%	0.240%	0.090%	0.100%	0.060%
36	0.450%	0.350%	0.320%	0.150%	0.150%	0.140%
37	0.450%	0.350%	0.320%	0.150%	0.150%	0.140%
38	0.450%	0.350%	0.320%	0.150%	0.150%	0.140%
39	0.450%	0.350%	0.320%	0.150%	0.150%	0.140%
40	0.450%	0.350%	0.320%	0.150%	0.150%	0.140%
41	0.520%	0.650%	0.550%	0.170%	0.300%	0.250%
42	0.520%	0.650%	0.550%	0.170%	0.300%	0.250%
43	0.520%	0.650%	0.550%	0.170%	0.300%	0.250%
44	0.520%	0.650%	0.550%	0.170%	0.300%	0.250%
45	0.520%	0.650%	0.550%	0.170%	0.300%	0.250%
46	0.650%	0.750%	0.750%	0.300%	0.420%	0.420%
47	0.650%	0.750%	0.750%	0.300%	0.420%	0.420%
48	0.650%	0.750%	0.750%	0.300%	0.420%	0.420%
49	0.650%	0.750%	0.750%	0.300%	0.420%	0.420%
50	0.650%	0.750%	0.750%	0.300%	0.420%	0.420%
51	0.800%	0.800%	0.800%	0.700%	0.750%	0.750%
52	0.800%	0.800%	0.800%	0.700%	0.750%	0.750%
53	0.800%	0.800%	0.800%	0.700%	0.750%	0.750%
54	0.800%	0.800%	0.800%	0.700%	0.750%	0.750%
55	0.800%	0.800%	0.800%	0.700%	0.750%	0.750%
56+	1.000%	0.850%	0.900%	1.100%	0.800%	1.000%

VII. DISCUSSION OF RISK

ASOP No. 51, Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions, states that the actuary should identify risks that, in the actuary's professional judgment, may reasonably be anticipated to significantly affect the plan's future financial condition.

Throughout this report, actuarial results are determined under various assumption scenarios. These results are based on the premise that all future plan experience will align with the plan's actuarial assumptions; however, there is no guarantee that actual plan experience will align with the plan's assumptions. Whenever possible, the recommended assumptions in this report reflect conservatism to allow for some margin of unfavorable future plan experience. However, it is still possible that actual plan experience will differ from anticipated experience in an unfavorable manner that will negatively impact the plan's funded position.

Below are examples of ways in which plan experience can deviate from assumptions and the potential impact of that deviation. Typically, this results in an actuarial gain or loss representing the current-year financial impact on the plan's unfunded liability of the experience differing from assumptions; this gain or loss is amortized over a period of time determined by the plan's amortization method. When assumptions are selected that adequately reflect plan experience, gains and losses typically offset one another in the long term, resulting in a relatively low impact on the plan's contribution requirements associated with plan experience. When assumptions are too optimistic, losses can accumulate over time and the plan's amortization payment could potentially grow to an unmanageable level.

- **Investment Return:** When the rate of return on the Actuarial Value of Assets falls short of the assumption, this produces a loss representing assumed investment earnings that were not realized. Further, it is unlikely that the plan will experience a scenario that matches the assumed return in each year as capital markets can be volatile from year to year. Therefore, contribution amounts can vary in the future.
- **Salary Increases:** When a plan participant experiences a salary increase that was greater than assumed, this produces a loss representing the cost of an increase in anticipated plan benefits for the participant as compared to the previous year. The total gain or loss associated with salary increases for the plan is the sum of salary gains and losses for all active participants.
- **Payroll Growth:** The plan's payroll growth assumption, if one is used, causes a predictable annual increase in the plan's amortization payment in order to produce an amortization payment that remains constant as a percentage of payroll if all assumptions are realized. If payroll does not increase according to the plan's payroll growth assumption, the plan's amortization payment can increase significantly as a percentage of payroll even if all assumptions other than the payroll growth assumption are realized.
- **Demographic Assumptions:** Actuarial results take into account various potential events that could happen to a plan participant, such as retirement, termination, disability, and death. Each of these potential events is assigned a liability based on the likelihood of the event and the financial consequence of the event for the plan. Accordingly, actuarial liabilities reflect a blend of financial consequences associated with various possible outcomes (such as retirement at one of various possible ages). Once the outcome is known (e.g. the participant retires) the liability is adjusted to reflect the known outcome. This adjustment

produces a gain or loss depending on whether the outcome was more or less favorable than other outcomes that could have occurred.

- **Contribution risk:** This risk results from the potential that actual employer contributions may deviate from actuarially determined contributions, which are determined in accordance with the Board’s funding policy. The funding policy is intended to result in contribution requirements that if paid when due, will result in a reasonable expectation that assets will accumulate to be sufficient to pay plan benefits when due. Contribution deficits, particularly large deficits and those that occur repeatedly, increase future contribution requirements and put the plan at risk for not being able to pay plan benefits when due.

Impact of Plan Maturity on Risk

For newer pension plans, most of the participants and associated liabilities are related to active members who have not yet reached retirement age. As pension plans continue in operation and active members reach retirement ages, liabilities begin to shift from being primarily related to active members to being shared amongst active and retired members. Plan maturity is a measure of the extent to which this shift has occurred. It is important to understand that plan maturity can have an impact on risk tolerance and the overall risk characteristics of the plan. For example, plans with a large amount of retired liability do not have as long of a time horizon to recover from losses (such as losses on investments due to lower than expected investment returns) as plans where the majority of the liability is attributable to active members. For this reason, less tolerance for investment risk may be warranted for highly mature plans with a substantial inactive liability. Similarly, mature plans paying substantial retirement benefits resulting in a small positive or net negative cash flow can be more sensitive to near term investment volatility, particularly if the size of the fund is shrinking, which can result in less assets being available for investment in the market.

To assist with determining the maturity of the plan, we have provided some relevant metrics in the table following titled “Plan Maturity Measures and Other Risk Metrics.” For a better understanding of the overall Plan and the impact of these risks, please refer to the consolidated PSPRS valuation report.

Low Default-Risk Obligation Measure

ASOP No. 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions, was revised as of December 2021 to include a “low-default-risk obligation measure” (LDROM). This liability measure is consistent with the determination of the actuarial accrued liability shown on pages 8 and 9 in terms of member data, plan provisions, and assumptions/methods, including the use of the Entry Age Normal Cost Method, except that the interest rate is tied to low-default-risk fixed income securities. The S&P Municipal Bond 20 Year High Grade Rate Index (daily rate closest to, but not later than, the measurement date) was selected to represent a current market rate of low risk but longer-term investments that could be included in a low-risk asset portfolio. The interest rate used in this valuation was 4.21%, resulting in an LDROM of \$45,503,778 for Tiers 1 and 2 and \$406,148,719 for Tier 3. The LDROM should not be considered the “correct” liability measurement; it simply shows a possible outcome if the Board elected to hold a very low risk asset portfolio. The Board actually invests the pension plan’s contributions in a diversified portfolio of stocks and bonds and other investments with the objective of maximizing investment returns at a reasonable level of risk. Consequently, the difference between the plan’s Actuarial Accrued Liability disclosed earlier in this section and the LDROM can be thought of as representing the expected taxpayer savings from investing in the plan’s diversified portfolio compared to investing only in high quality bonds.

The actuarial valuation reports the funded status and develops contributions based on the expected return of the plan's investment portfolio. If instead, the plan switched to investing exclusively in high quality bonds, the LDROM illustrates that reported funded status would be lower (which also implies that the Actuarially Determined Contributions would be higher), perhaps significantly. Unnecessarily high contribution requirements in the near term may not be affordable and could imperil plan sustainability and benefit security.

Plan Maturity Measures and Other Risk Metrics - Tiers 1 & 2

	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Support Ratio					
Total Actives	36	44	48	52	54
Total Inactives	29	24	21	18	15
Actives / Inactives	124.1%	183.3%	228.6%	288.9%	360.0%
Asset Volatility Ratio					
Market Value of Assets (MVA)	24,323,764	21,587,868	20,557,457	20,872,495	15,551,488
Total Annual Payroll	4,096,038	4,589,944	4,563,076	4,541,179	4,434,966
MVA / Total Annual Payroll	593.8%	470.3%	450.5%	459.6%	350.7%
Accrued Liability (AL) Ratio					
Inactive Accrued Liability	13,156,815	10,024,595	6,636,425	5,783,359	4,246,715
Total Accrued Liability	27,519,475	26,141,643	22,385,034	20,368,207	17,888,122
Inactive AL / Total AL	47.8%	38.3%	29.6%	28.4%	23.7%
Funded Ratio					
Actuarial Value of Assets (AVA)	24,073,203	21,985,806	21,117,106	19,081,998	16,744,088
Total Accrued Liability	27,519,475	26,141,643	22,385,034	20,368,207	17,888,122
AVA / Total Accrued Liability	87.5%	84.1%	94.3%	93.7%	93.6%
Net Cash Flow Ratio					
Net Cash Flow ¹	534,718	(30,292)	533,493	909,559	2,191,350
Market Value of Assets (MVA)	24,323,764	21,587,868	20,557,457	20,872,495	15,551,488
Net Cash Flow / MVA	2.2%	(0.1%)	2.6%	4.4%	14.1%

¹ Determined as total contributions minus benefit payments. Administrative expenses are typically included but are considered part of the net interest rate assumption for this plan.

Plan Maturity Measures and Other Risk Metrics - Tier 3 ¹

	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Support Ratio					
Total Actives	3,658	3,054	2,417	2,560	1,408
Total Inactives	570	450	327	307	130
Actives / Inactives	641.8%	678.7%	739.1%	833.9%	1,083.1%
Asset Volatility Ratio					
Market Value of Assets (MVA)	184,210,874	119,338,352	74,774,123	51,992,240	22,964,925
Total Annual Payroll	295,480,312	226,680,964	165,151,543	115,883,115	84,448,996
MVA / Total Annual Payroll	62.3%	52.6%	45.3%	44.9%	27.2%
Accrued Liability (AL) Ratio					
Inactive Accrued Liability	16,792,236	9,349,377	4,598,114	2,290,610	1,173,104
Total Accrued Liability	165,671,690	110,961,191	68,939,204	42,733,537	23,239,599
Inactive AL / Total AL	10.1%	8.4%	6.7%	5.4%	5.0%
Funded Ratio					
Actuarial Value of Assets (AVA)	178,758,433	119,101,476	76,171,857	45,863,401	23,570,444
Total Accrued Liability	165,671,690	110,961,191	68,939,204	42,733,537	23,239,599
AVA / Total Accrued Liability	107.9%	107.3%	110.5%	107.3%	101.4%
Net Cash Flow Ratio					
Net Cash Flow ²	47,922,185	36,208,171	25,802,686	18,607,209	13,192,598
Market Value of Assets (MVA)	184,210,874	119,338,352	74,774,123	51,992,240	22,964,925
Net Cash Flow / MVA	26.0%	30.3%	34.5%	35.8%	57.4%

¹ Tier 3 results are shown for the Risk Sharing group, where applicable.

² Determined as total contributions minus benefit payments. Administrative expenses are typically included but are considered part of the net interest rate assumption for this plan.

VIII. SUMMARY OF CURRENT PLAN

The following is a summary of the benefit provisions provided in Title 38, Chapter 5, Article 4 of the Arizona Revised Statutes.

Membership

Full-time employees of an eligible group, prior to attaining age 65, who are engaged to work for more than six months in a calendar year. Tier 3 Defined Contribution members are able to elect participation in post-retirement health insurance subsidy.

Benefit Tiers

Benefits differ for members based on their hire date:

<u>Tier</u>	<u>Hire Date</u>
1	Hired before January 1, 2012
2	Hired on or after January 1, 2012 but before July 1, 2017
3	Hired on or after July 1, 2017

Compensation

Compensation is the amount including base salary, overtime pay, shift and military differential pay, compensatory time used in lieu of overtime pay, and holiday pay, paid to an employee on a regular payroll basis and longevity pay paid at least every six months for which contributions are made to the System. For Tier 3 members, compensation is limited by statutory cap (\$110,000 with adjustments by the Board).

Average Monthly Benefit Compensation

Tier 1:

The highest compensation paid to member during three consecutive years out of the last 20 years of Credited Service, divided by months.

Tier 2:

The highest compensation paid to member during five consecutive years out of the last 20 years of Credited Service, divided by months.

Tier 3:

The highest compensation paid to member during five consecutive years out of the last 15 years of Credited Service, divided by months.

Credited Service

Total periods of service, both before and after the member's date of participation, for which the member made contributions to the fund.

Normal Retirement Date

Tier 1:

First day of month following attainment of 1) 20 years of service or

2) 62nd birthday and completion of 15 years of service.

Tier 2:

First day of month following the attainment of age 52.5 and completion of 15 years of service.

Tier 3:

First day of month following the attainment of age 55 and completion of 15 years of service.

Benefit

Tier 1:

50% of Average Monthly Benefit Compensation, adjusted based on Credited Service as follows (maximum benefit of 80% of Average Monthly Benefit Compensation):

<u>Credited Service</u>	<u>Benefit Adjustment</u>
15 years, but less than 20	Reduced 4% per year less than 20
20 years, but less than 25	Plus 2% per year between 20 and 25
25+ years	Plus 2.5% per year above 20

Tier 2:

Benefit multiplier (below) times Average Monthly Benefit Compensation times Credited Service (maximum benefit of 80% of Average Monthly Benefit Compensation):

<u>Credited Service</u>	<u>Benefit Multiplier</u>
15 years, but less than 17	1.50%
17 years, but less than 19	1.75%
19 years, but less than 22	2.00%
22 years, but less than 25	2.25%
25+ years	2.50%

Tier 3:

Benefit multiplier (below) times Average Monthly Benefit Compensation times Credited Service (maximum benefit of 80% of Average Monthly Benefit Compensation):

<u>Credited Service</u>	<u>Benefit Multiplier</u>
15 years, but less than 17	1.50%
17 years, but less than 19	1.75%
19 years, but less than 22	2.00%
22 years, but less than 25	2.25%
25+ years	2.50%

Form of Benefit	For married retirees, an annuity payable for the life of the member with 80% continuing to the eligible spouse upon death. For unmarried retirees, the normal form is a single life annuity.
<u>Early Retirement</u>	<i>Only applicable to Tier 3 members:</i>
Date	Attainment of age 52.5 and 15 years of Credited Service.
Benefit	Actuarial equivalent of Normal Retirement benefit.
<u>Disability Benefit – Accidental (duty-related)</u>	
Eligibility	Total and permanent disability incurred in performance of duty.
Benefit Amount	A maximum of: a.) 50% of Average Monthly Benefit Compensation, and; b.) The monthly Normal Retirement pension that the member is entitled to receive if he or she retired immediately.
<u>Disability Benefit – Ordinary (not duty-related)</u>	
Eligibility	Total and permanent disability not incurred in performance of duty.
Benefit Amount	Normal Retirement pension that the member is entitled to receive, prorated based on Credited Service earned over the required Credited Service for Normal Retirement (maximum ratio of 1).
<u>Disability Benefit – Other</u>	
Temporary	Benefit equals 1/12 of 50% of compensation during year preceding date of disability. Payments terminate after 12 months.
Catastrophic	Benefit equals 90% of Average Monthly Benefit Compensation. After 60 months member receives greater of 62.5% Average Monthly Benefit Compensation and accrued normal pension.
<u>Pre-Retirement Death Benefit</u>	
Service Incurred	<i>Payable following death of active member</i> 100% of Average Monthly Benefit Compensation, reduced by child's pension.
Non-Service Incurred	80% of benefit based on calculation for accidental disability retirement.
Child's Pension	10% of pension for each child (maximum 20% paid) based on calculation for accidental disability retirement. Payable to dependent child under age 18 (23 if full-time student).

Guardian’s Pension Same as spouse’s pension. Payable (along with child’s pension) when no spouse is being paid and there is at least one child under 18 (23, if full-time student).

Accumulated Contributions Any contributions remaining upon the death of the last beneficiary shall be paid as a lump sum.

Vesting (Termination)

Vesting Service Requirement **Tier 1:**
 10 years of Credited Service.
Tiers 2 & 3:
 15 years of Credited Service.

Non-Vested Benefit **Tier 1:**
 Lump sum payment of accumulated contributions, plus additional amount based on years of Credited Service.

<u>Service</u>	<u>Additional % of Contributions</u>
Less than 5 years	0%
5 years	25%
6 years	40%
7 years	55%
8 years	70%
9 years	85%
10+ years	100%

Tiers 2 & 3:
 Lump sum payment of accumulated contributions, with interest at rate determined by the Board.

Vested Benefit **Tier 1:**
 Deferred retirement annuity based on two times member’s accumulated contributions, deferred to age 62. Member is not entitled to survivor benefits, benefit increases, or group health insurance subsidy.

Tiers 2 & 3:
 Calculated same as normal retirement pension. Payable if contributions left in fund until reach age requirement. Member is entitled to survivor benefits, benefit increases, and group health insurance subsidy.

Cost-of-Living Adjustment

Payable to retired member or survivor of retired member

Tiers 1 & 2:

Compound cost-of-living adjustment on base benefit. First payment is made on July 1, 2018, with annual adjustments effective every July 1 thereafter. Adjustment does not apply while in DROP.

Cost-of-living adjustment will be based on the average annual percentage change in the Metropolitan Phoenix-Mesa Consumer Price Index published by the United States Department of Labor, Bureau of Statistics. Maximum increase of 2%.

Tier 3:

Compound cost-of-living adjustment on base benefit beginning earlier of first calendar year after the 7th anniversary of retirement or when the retired member reaches 60 years of age.

A cost-of-living adjustment shall be paid on July 1 each year that the funded ratio for members hired on or after July 1, 2017 is 70% or more.

The cost-of-living adjustment will be based on the average annual percentage change in the Metropolitan Phoenix-Mesa Consumer Price Index published by the United States Department of Labor, Bureau of Statistics. The cost-of-living adjustment will not exceed:

- 2%, if funded ratio for members who are hired on or after July 1, 2017 is 90% or more;
- 1.5%, if funded ratio for members who are hired on or after July 1, 2017 is 80-90%;
- 1%, if funded ratio for members who are hired on or after July 1, 2017 is 70-80%.

Deferred Retirement Option Plan (DROP):

Eligibility	Tier 1 and 20 years of Credited Service.
DROP Period	Maximum 84 months.
Member Contributions	Cease upon DROP entry.
Benefit Amount	Calculated based on Credited Service and average monthly compensation as of the beginning of the DROP period, credited to DROP participation account for DROP period.

Interest on DROP Participation Account	<u>Beginning Year</u>	<u>Interest Rate</u>
	July 1, 2016	7.40%
	July 1, 2018	7.30%
	July 1, 2022	7.20%
Payment of DROP Participation Account	Payable as lump sum distribution to Public Safety Personnel Defined Contribution Retirement Plan at earlier of 1) end of DROP period, 2) at termination, or 3) five years.	
Payment Monthly Benefit	System commences payment of benefit amount at the earlier of 1) the end of the DROP period and 2) at termination.	

Post-Retirement Health Insurance Subsidy

Eligibility Retired member or survivor who elect health coverage provided by the state or participating employer.

Maximum Subsidy Amounts (monthly)		<u>Member Only</u>	<u>With Dependents</u>
	Medicare Eligible	\$100	\$170
	One w/ Medicare	N/A	\$215
	Not Medicare Eligible	\$150	\$260

Employee Contributions

Tiers 1 & 2:
 7.65% (effective July 1, 2023).

Tier 3:
 50% of total contribution, which is Normal Cost plus a level-dollar amortization of unfunded actuarial accrued liability over a closed period not to exceed 10 years.

Employer Contributions

Tiers 1 & 2:
 Normal Cost plus amortization of unfunded actuarial accrued liability over a closed period not to exceed 20 years (subject to one-time election to extend to closed period not to exceed 30 years).

Tier 3:
 50% of total contribution, which is Normal Cost plus a level-dollar amortization of unfunded actuarial accrued liability over a closed period not to exceed 10 years.

Changes to Benefit Provisions Since the Prior Valuation

None.

IX. ACTUARIAL FUNDING POLICY

A pension plan funding policy describes how pension funding will improve for underfunded plans or maintain funded benefits for funded plans over time for those benefits defined in Arizona Revised Statutes (ARS). Those benefits defined in ARS are to be equitably managed and administered by the Arizona Public Safety Personnel Retirement System (PSPRS agency).

This Actuarial Funding Policy identifies the funding objectives and elements of the actuarial funding policy set by the Board for the PSPRS agency. The Board adopted this Funding Policy to help ensure the systematic funding of future benefit payments for members of the retirement systems as established by the legislature.

This policy covers all retirements systems administered by the Board: The Public Safety Personnel Retirement System (PSPRS); the Correction Officers Retirement Plan (CORP); and the Elected Officials Retirement Plan (EORP).

To achieve the systematic funding of future benefits, metrics are identified to measure the progress, or the lack of progress, over time to identify trends. These trends inform the continuation of the current policies or identify areas of needed research for consideration.

This funding policy is reviewed annually and adopted by the Board in accordance with ARS 38-863.02. This policy was reviewed and adopted by the Board in September 2024.

PSPRS Statement of Purpose

The Purpose of the Public Safety Personnel Retirement System is to provide uniform, consistent, and equitable statewide retirement programs for those who have been entrusted to our care.

Funding Objectives

1. Maintain adequate assets so that current plan assets, plus future contributions and investment earnings, are sufficient to fund all benefits expected to be paid to members and their beneficiaries.
 - a. Corollary 1a: Current and future contributions should be calculated based upon assumptions that reflect the Board's best estimate of future experience and methods that appropriately allocate costs to address generational equity.
 - b. Corollary 1b: While the shorter-term objective is to fully fund the Actuarial Accrued Liability (AAL) that estimates benefits earned as of the valuation date, contributions should target the long-term Present Value of Benefits (PVB) to fund all benefits and help offset risks.
 - c. As closed plans mature, the target funding should be 110% of AAL or 100% of PVB, whichever is greater.
2. Maintain public policy goals of accountability and transparency through stakeholder communication and education. Each policy element is clear in intent and effect, and each should be considered in a balanced approach to determine how and when the funding requirements of the plan will be met.
 - a. Corollary 2a: Board shall provide stakeholders with separate reports and tools to help explain current results as well as to help model future funding requirements.

3. Promote intergenerational equity. Defined benefit pensions are designed with a long-term perspective and designed to minimize contribution volatility that cannot avoid some level of generational cost shift. However, the goal is that each generation of members and employers (taxpayers) should, to the extent possible, incur the cost of benefits for the employees who provide services to them, rather than shifting those costs to other generations of members and employers (taxpayers).
 - a. Corollary 3a: A systematic reduction of the Unfunded Actuarial Accrued Liability (UAAL) over a reasonable time period is paramount to achieving this objective.

Consideration can be given to reduce volatility, to the extent possible, of employer and employee contribution rates as long as the integrity of the objectives listed above is not compromised.

Elements of Actuarial Funding Policy

1. Actuarial Cost Method
 - a. The Entry Age Normal level percent of pay actuarial cost method of valuation shall be used in determining the AAL and Normal Cost. Differences in the past between assumed experience and actual experience (“actuarial gains and losses”) shall become part of the AAL. The Normal Cost shall be determined on an individual basis for each active member.
2. Asset Smoothing Method
 - a. The investment gains or losses of each valuation period, resulting from the difference between the actual investment return and assumed investment return, shall be recognized annually in level amounts over five years (Tier 3) or seven years (Tiers 1 and 2) in calculating the Actuarial Value of Assets (AVA).
 - b. The AVA so determined shall be subject to a 20% corridor relative to the Market Value of Assets (MVA).
3. Amortization Method (Unfunded Amounts)
 - a. The AVA is subtracted from the computed AAL. Any unfunded amount is amortized as a level percent of payroll over a closed period.
 - b. The unfunded liabilities, for EORP and Tiers 1 & 2 for both PSPRS and CORP, determined in the 6/30/2019 actuarial valuation will become the initial layer for each employer beginning with the 6/30/2020 actuarial valuation and amortized using the current closed year period for that employer and continue to decrease each year.
 - i. The payroll growth rate assumption used to amortize the PSPRS 6/30/2019 Unfunded Liability will be decreased by 0.5% beginning with the 6/30/2021 actuarial valuation and again each year with the intention of ultimately achieving 0.0%.
 - ii. The payroll growth rate used to amortize the Correction Officers Retirement Plan (CORP) 6/30/2019 Unfunded Liability will be 3.0% beginning with the 6/30/2020 actuarial valuation, and future years will be reduced by 0.5% until 0.0% is reached.
 - iii. The payroll growth rate used to amortize the Elected Officials Retirement Plan (EORP) 6/30/2019 Unfunded Liability will be 2.5% beginning with the 6/30/2020 actuarial valuation, and future years will be reduced by 0.5% until 0.0% is reached.
 - c. Gains and losses, for EORP and Tiers 1 & 2 for both PSPRS and CORP, for each employer beginning with the 6/30/2020 actuarial valuation will be amortized as a new layer over the same amortization period as the regular unfunded liability to a minimum of 15 years. Once the

amortization period for each employer decreases to 15 years, each subsequent year's gains and losses will be amortized as a new 15-year closed layer.

- i. The payroll growth rate used to amortize the unfunded liability for all Plans under this paragraph will be 0.0% (i.e. level-dollar amortization).
- d. Tier 3 amortization methods are established in ARS 38-843.G and ARS 38-891.K.

4. Amortization Method (Overfunded Amounts)

- a. The AVA is subtracted from the target funding level (greater of 110% of AAL or 100% of PVB). Any overfunded amount is amortized as a level dollar amount over an open 10-year period.

5. Tier 3 Rate Calculation

- a. Tier 3 is distinct from Tiers 1 & 2 in PSPRS and CORP as the contributions are a shared percentage (50/50 split for PSPRS: for CORP, employer 1/3 and member 2/3 of the normal cost plus 50 percent each, member and employer, of the UAAL amortization) for employers and members based on the actuarially calculated rate. To reduce the impact of volatility to rates, the Tier 3 rates will be smoothed over a 3-year rolling period based on the actuarially calculated rates for each year's actuarial valuation.
 - i. Beginning with the 6/30/2023 valuation, the prospective Tier 3 rates set by the Board of Trustees are planned to be a rolling average of the actuarial calculated Tier 3 rates using the 6/30/2023, 6/30/2022 and 6/30/2021 rates in the initial process.
 - ii. As assumptions may be updated year-to-year, the prior calculated rates are not updated for those changes, the prior calculated rates are used to smooth in the new rates.
- b. At the May 2023 Board Meeting, the Board changed the assumed rate of return for CORP Tier 3, which was at 7.2%, to match the 7.0% assumed rate of return for PSPRS Tier 3. The Board committed to continue to monitor market conditions and directions with the intent to ultimately adopt a single assumed rate of return for all investments for retirement systems/plans administered by PSPRS agency.

6. Assumed Rate of Return (ARR)

- a. At the May 2023 Board Meeting, the Board changed the assumed rate of return for CORP Tier 3, which was at 7.2%, to match the 7.0% assumed rate of return for PSPRS Tier 3. The Board will continue to monitor market conditions and directions with the intent to ultimately adopt a single assumed rate of return for all investments for retirement systems/plans administered by PSPRS agency.

7. EORP Floor Considerations

- a. Establish a "floor" for EORP based on the immediately previous valuation by adjusting payroll growth, amortization periods of the original layer or other possible options, to improve funding in maintaining contribution levels opposed to reducing employer contributions.

Metrics to Monitor Funding Objectives

1. Appropriateness of Assumptions – Gain/Loss Experience (Corollary 1a)
 - a. Metric: Do the cumulative gain/loss layers over the prior five years exceed 8% of plan assets?
 - b. Measurement: History of annual gain/loss (split by asset and liability experience) and five-year cumulative results will be tracked.
 - c. Action Plan: This metric assumes that a full experience study is performed at least every five years so objective of measurement is to monitor interim experience. If the metric answer is yes, a review of the sources or causes of gains and losses should be analyzed and presented to the Advisory Committee to provide a recommendation to the Board of Trustees. The analysis and presentation are intended to provide a basis for consideration if assumption changes are warranted between full experience studies.

2. Funding Targets (Corollary 1b)
 - a. Metric: Has the funded status, on both an AAL and PVB basis when compared to the MVA, increased over a five-year period?
 - b. Measurement: History of funded status measures will be tracked.
 - c. Action Plan: If the answer is no and not readily explainable (e.g., significant assumption change), a review of the reason(s) for the decrease should be researched and presented to the Advisory Committee to provide a recommendation to the Board of Trustees. The analysis and presentation are intended to provide a basis for consideration if changes to assumptions and/or methods are warranted between full experience studies.

3. Communication with Stakeholders (Corollary 2a)
 - a. Metric: Have reports and budgeting tools been provided to stakeholders in a timely fashion?
 - b. Measurement: Yes/No answer based on input from PSPRS administrator. (An annual standard survey of stakeholders – 3 to 5 questions.)
 - c. Action Plan: If the answer is no, and periodically regardless (e.g., every three years), PSPRS staff will revisit this metric to report to the Advisory Committee to provide a recommendation to the Board of Trustees if current reports / tools are sufficient and if the delivery timing is appropriate.

4. Timely Recognition of Costs (Corollary 3a)
 - a. Metric: Has the percentage of unfunded liability subject to negative amortization decreased over a five-year lookback period?
 - b. Measurement: History of unfunded liability subject to negative amortization as a percentage of total unfunded liability will be tracked.
 - c. Action Plan: If the answer is no, and not readily explainable (e.g., adopted assumption changes being phased in are anticipated to address negative amortization), a review of the reason(s) for negative amortization should be researched and presented to the Advisory Committee to provide a recommendation to the Board of Trustees. The analysis and presentation are intended to provide a basis for consideration if changes to assumptions and/or methods are warranted between full experience studies.

X. GLOSSARY

Actuarial Accrued Liability – Computed differently under different funding methods, the actuarial accrued liability generally represents the portion of the actuarial present value of benefits attributable to service credit earned (or accrued) as of the valuation date.

Actuarial Present Value of Benefits – Amount which, together with future interest, is expected to be sufficient to pay all benefits to be paid in the future, regardless of when earned, as determined by the application of a particular set of actuarial assumptions; equivalent to the actuarial accrued liability plus the present value of future normal costs attributable to the members.

Actuarial Assumptions – Assumptions as to the occurrence of future events affecting pension costs. These assumptions include rates of investment earnings, changes in salary, rates of mortality, withdrawal, disablement, and retirement as well as statistics related to marriage and family composition.

Actuarial Cost Method – A method of determining the portion of the cost of a pension plan to be allocated to each year; sometimes referred to as the "actuarial funding method." Each cost method allocates a certain portion of the actuarial present value of benefits between the actuarial accrued liability and future normal costs.

Actuarial Equivalence – Series of payments with equal actuarial present values on a given date when valued using the same set of actuarial assumptions.

Actuarial Present Value - The amount of funds required as of a specified date to provide a payment or series of payments in the future. It is determined by discounting future payments at predetermined rates of interest, and by probabilities of payments between the specified date and the expected date of payment.

Actuarial Value of Assets – The value of cash, investments, and other property belonging to the pension plan as used by the actuary for the purpose of the actuarial valuation. This may correspond to market value of assets, or some modification using an asset valuation method to reduce the volatility of asset values.

Asset Gain (Loss) – That portion of the actuarial gain attributable to investment performance above (below) the expected rate of return in the actuarial assumptions.

Amortization – Paying off an interest-discounted amount with periodic payments of interest and (generally) principal, as opposed to paying off with a lump sum payment.

Amortization Payment – That portion of the pension plan contribution designated to pay interest and reduce the outstanding principal balance of unfunded actuarial accrued liability. If the amortization payment is less than the accrued interest on the unfunded actuarial accrued liability the outstanding principal balance will increase.

Assumed Earnings Rate – The interest rate used in developing present values to reflect the time value of money.

Decrements – Events which result in the termination of membership in the system such as retirement, disability, withdrawal, or death.

Entry Age Normal (EAN) Funding Method – A standard actuarial funding method whereby each member's normal costs (service costs) are generally level as a percentage of pay from entry age until retirement. The annual cost of benefits is comprised of the normal cost plus an amortization payment to reduce the UAL.

Experience Gain (Loss) – The difference between actual unfunded actuarial accrued liabilities and anticipated unfunded actuarial accrued liabilities during the period between two valuation dates. It is a measurement of the difference between actual and expected experience, and may be related to investment earnings above (or below) those expected or changes in the liability due to fewer (or greater) than expected numbers of retirements, deaths, disabilities, or withdrawals, or variances in pay increases relative to assumed pay increases. The effect of such gains (or losses) is to decrease (or increase) future costs.

Funded Ratio – A measure of the ratio of the actuarial value of assets to liabilities of the system. Typically, the assets used in the measure are the actuarial value of assets as determined by the asset valuation method. The funded ratio depends not only on the financial strength of the plan but also on the asset valuation method used to determine the assets and on the funding method used to determine the liabilities.

Market Value of Assets (MVA) – The value of assets as they would trade on an open market.

Normal Cost – Computed differently under different funding methods, generally that portion of the actuarial present value of benefits allocated to the current plan year.

Unfunded Actuarial Accrued Liability (UAAL) – The excess of the actuarial accrued liability over the valuation assets; sometimes referred to as "unfunded past service liability". UAAL increases each time an actuarial loss occurs and when new benefits are added without being fully funded initially and decreases when actuarial gains occur.

**ARIZONA PUBLIC SAFETY PERSONNEL
RETIREMENT SYSTEM**

CITY OF MARICOPA FIRE DEPT. (228)

ACTUARIAL VALUATION
AS OF JUNE 30, 2024

CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING JUNE 30, 2026



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

November 2024

Board of Trustees
Arizona Public Safety Personnel Retirement System
Phoenix, AZ

Re: Actuarial Valuation Report as of June 30, 2024 for City of Maricopa Fire Dept. (228)

Dear Members of the Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the Arizona Public Safety Personnel Retirement System (PSPRS). The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year.

This report was prepared at the request of the Board and is intended for use by PSPRS and those designated or approved by the Board. It documents the valuation of the consolidated plan and provides summary information for PSPRS participating employers. This report may be provided to parties other than PSPRS only in its entirety and only with the permission of the Board. Foster & Foster is not responsible for the unauthorized use of this report.

The valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to the provisions of Title 38, Chapter 5, Article 4 of the Arizona Revised Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuation, we did not perform an analysis of the potential range of such future measurements.

The computed contribution rates shown in the “Contribution Results” section should be considered minimum contribution rates that comply with the Board’s funding policy and Arizona Statutes. Users of this report should be aware that contributions made at that rate do not guarantee benefit security. Given the importance of benefit security to any retirement system, we suggest that contributions to the System in excess of those presented in this report be considered.

The funding percentages and unfunded accrued liability as measured based on the actuarial value of assets will differ from similar measures based on the market value of assets. These measures, as provided, are appropriate for determining the adequacy of future contributions, but may not be appropriate for the purpose of settling a portion or all of the Plan’s liabilities.

In conducting the valuation, we have relied on personnel, plan design, and asset information supplied by PSPRS through June 30, 2024 and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

This valuation assumes the continuing ability of the participating employers to make the contributions necessary to fund this plan. A determination regarding whether or not the participating employers are actually able to do so is outside our scope of expertise. Consequently, we did not perform such an analysis.

In performing the analysis, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models to generate the costs. All internally developed models are reviewed as part of the process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

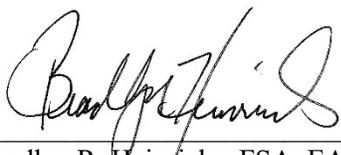
The undersigned are familiar with the immediate and long-term aspects of pension valuations and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the Arizona Public Safety Personnel Retirement System, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Arizona Public Safety Personnel Retirement System. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at 239-433-5500.

Respectfully Submitted,

Foster & Foster, Inc.

By: 
Bradley R. Heinrichs, FSA, EA, MAAA

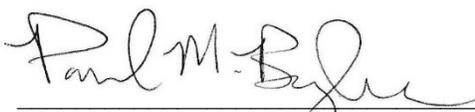
By: 
Paul M. Baugher, FSA, EA, MAAA

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I. SUMMARY OF REPORT

The regular annual actuarial valuation of the Arizona Public Safety Personnel Retirement System for the City of Maricopa Fire Dept., performed as of June 30, 2024, has been completed and the results are presented in this Report. The purpose of this valuation is to:

- Compute the liabilities associated with benefits likely to be paid on behalf of current retired and active members. This information is contained in the section entitled “Liability Support.”
- Compare accumulated assets with the liabilities to assess the funded condition. This information is contained in the section entitled “Liability Support.”
- Compute the employers’ recommended contribution rates for the Fiscal Year beginning July 1, 2025. This information is contained in the section entitled “Contribution Results.”

1. Key Valuation Results

The funded status as of June 30, 2024 and the employer contribution amounts applicable to the plan/fiscal year ending June 30, 2026 are as follows:

	Tier 1 & Tier 2 Members			Tier 3 Members *		
	Pension	Health	Total	Pension	Health	Total
Employer Contribution Rate	24.31%	0.34%	24.65%	8.41%	0.11%	8.52%
Funded Status	84.2%	114.8%	84.6%	107.9%	216.2%	109.5%

2. Comparison of Key Results to Prior Year

The chart below compares the results from this valuation with the results of the prior year’s valuation (as of June 30, 2023):

Contribution Rate

Valuation Date	Tier 1 & Tier 2 Members			Tier 3 Members *		
	Pension	Health	Total	Pension	Health	Total
June 30, 2023	22.83%	0.35%	23.18%	8.63%	0.12%	8.75%
June 30, 2024	24.31%	0.34%	24.65%	8.41%	0.11%	8.52%

Funded Status

Valuation Date	Tier 1 & Tier 2 Members			Tier 3 Members		
	Pension	Health	Total	Pension	Health	Total
June 30, 2023	84.7%	106.6%	85.1%	107.3%	212.5%	108.9%
June 30, 2024	84.2%	114.8%	84.6%	107.9%	216.2%	109.5%

* The Tier 3 rates shown are the calculated rates as of the valuation date and do not reflect any Legacy costs that the employer must also contribute.

3. Reasons for Change

Changes in the results from the prior year’s valuation can be illustrated in the following tables along with high-level explanations for the entire System below:

	Contribution Rate			
	Tier 1 & Tier 2		Tier 3 Members	
	Pension	Health	Pension	Health
Contribution Rate Last Valuation	22.83%	0.35%	8.63%	0.12%
Asset Experience	0.04%	0.00%	(0.08%)	0.00%
Payroll Base	(0.20%)	0.00%	0.00%	0.00%
Liability Experience	0.91%	(0.07%)	(0.03%)	0.00%
Additional Contribution	0.00%	0.00%	0.00%	0.00%
Assumption/Method Change	0.11%	0.00%	0.00%	0.00%
Other	<u>0.62%</u>	<u>0.06%</u>	<u>(0.11%)</u>	<u>(0.01%)</u>
Contribution Rate This Valuation	24.31%	0.34%	8.41%	0.11%

	Funded Status			
	Tier 1 & Tier 2		Tier 3 Members	
	Pension	Health	Pension	Health
Funded Status Last Valuation	84.7%	106.6%	107.3%	212.5%
Asset Experience	(0.1%)	0.0%	1.1%	2.5%
Liability Experience	(1.2%)	8.2%	0.5%	4.6%
Additional Contribution	0.0%	0.0%	0.0%	0.0%
Assumption/Method Change	0.0%	0.0%	0.0%	0.0%
Other	<u>0.8%</u>	<u>0.0%</u>	<u>(1.0%)</u>	<u>(3.4%)</u>
Funded Status This Valuation	84.2%	114.8%	107.9%	216.2%

Assets Experience – Asset gains and losses (relative to the assumed earnings rate) are smoothed over seven years for Tiers 1 and 2 and over five years for Tier 3. The return on the market value of assets for the year ending June 30, 2024 was 10.2% for Tiers 1 and 2 and 11.8% for Tier 3. On a smoothed, actuarial value of assets basis, the average return was 7.1% for Tiers 1 and 2 and 8.2% for Tier 3. The return nearly met the 2023 assumed earnings rate for Tiers 1 and 2 of 7.2% and exceeded the 2023 assumed earnings rate for Tier 3 of 7.0%.

Payroll Base – Under the current amortization policy for Tiers 1 and 2, the contribution rate is developed as a level percentage of payroll. Payroll for this purpose includes members of this plan and the defined contribution plan’s members that would have been in this plan. To the extent that actual payroll is lower/greater than last year’s projected payroll, the contribution rate will increase/decrease as a result.

Liability Experience – Experience overall was unfavorable, driven by salary increases that were higher than expected.

Additional Contribution – Monies contributed in excess of the required contribution rate in order to pay down the unfunded liability.

Assumption / Method Change – The Board continued the decrease in the payroll growth assumption from 2.00% to 1.50%.

Other – This is the combination of all other factors that could impact liabilities year-over-year, with the primary sources being changes in benefits for continuing inactive. Note that Tier 3 experience will stabilize as the group matures.

4. Looking Ahead

The volatility in annual returns, which have produced both gains and losses in recent years, was dampened by the asset smoothing reflected in the actuarial value of assets. The gain realized this year will, in the absence of other losses, put downward pressure on the contribution rate next year.

If the June 30, 2024 pension valuation results were based on the market value of assets instead of the actuarial value of assets, the pension funded percentage for Tiers 1 and 2 would be 85.1% (instead of 84.2%) and the pension employer contribution requirement would be 23.72% of payroll (instead of 24.31%).

5. Conclusion

The funded status for Tiers 1 and 2 will continue to improve if assumptions are met and contributions at least equal to the rates determined for each employer are made to the fund. The recent adoption of a layered amortization approach along with a plan to systematically lower the payroll growth assumption was an excellent step to improve funding and ensure the Plan is on a viable path.

The funded status for Tier 3 will stabilize as the population continues to grow, as contributions appear sufficient to keep the liabilities fully funded.

II. CONTRIBUTION RESULTS

Contribution Requirements

Development of Employer Contributions - Tiers 1 & 2 Members				
Valuation Date	June 30, 2024		June 30, 2023	
Applicable to Fiscal Year Ending	2026		2025	
	Rate	Dollar	Rate	Dollar
Pension				
Normal Cost				
Total Normal Cost	20.48%	\$ 1,115,795	20.60%	\$ 1,170,914
Employee Cost	<u>(7.65%)</u>	<u>(416,789)</u>	<u>(7.65%)</u>	<u>(434,830)</u>
Employer (Net) Normal Cost	12.83%	699,006	12.95%	736,084
Amortization of Unfunded Liability	<u>11.48%</u>	<u>625,455</u>	<u>9.88%</u>	<u>561,584</u>
Total Employer Cost (Pension)	24.31%	1,324,461	22.83%	1,297,668
Health				
Normal Cost	0.34%	18,524	0.35%	19,894
Amortization of Unfunded Liability	<u>0.00%</u>	<u>0</u>	<u>0.00%</u>	<u>0</u>
Total Employer Cost (Health)	0.34%	18,524	0.35%	19,894
Total Employer Cost (Pension + Health)	24.65%	1,342,985	23.18%	1,317,562
Alternate Contribution Rate (ACR) *	11.48%		9.88%	
Underlying Payroll (as of valuation date)		5,367,701		5,572,596

* The Alternate Contribution Rate is the sum of the positive amortization rates for Tiers 1 & 2 Pension and Health (subject to an 8% minimum) and is charged when retirees return to active status.

The results above are based on the current amortization schedule approved by the Board of Trustees for your individual plan (see "Actuarial Assumptions and Methods").

Development of Employer Contributions – Tier 3 Members

Valuation Date	June 30, 2024	June 30, 2023
Applicable to Fiscal Year Ending	2026	2025

Defined Benefit (DB) Retirement Plan

	Rate	Dollar	Rate	Dollar
Pension				
Total Normal Cost	16.82%	\$ 189,489	17.25%	\$ 126,186
Amortization of Unfunded Liability	<u>0.00%</u>	<u>0</u>	<u>0.00%</u>	<u>0</u>
Total Pension Cost	16.82%	189,489	17.25%	126,186
Health				
Total Normal Cost	0.22%	2,478	0.23%	1,682
Amortization of Unfunded Liability	<u>0.00%</u>	<u>0</u>	<u>0.00%</u>	<u>0</u>
Total Health Cost	0.22%	2,478	0.23%	1,682
Total				
Total Calculated Tier 3 Required EE/ER Individual Cost	8.52%	95,984	8.75%	63,934
Funding Policy Tier 3 Required EE/ER Individual Cost ¹	8.69%	97,899	8.89%	65,032
ER Legacy Cost of Tiers 1 & 2 Amort of Unfunded Liabilities ²	11.48%	129,330	9.88%	72,274
Total Funding Policy Tier 3 Required ER Defined Benefit Cost	20.17%	227,229	18.77%	137,305
Underlying Payroll (as of valuation date)		1,109,918		717,172

¹ The “Funding Policy” cost was adopted in 2023 and first reflected in the June 30, 2023 valuation. This cost is a 3-year rolling average of the actual calculated costs. The total cost is split equally between employer and employee, in compliance with state statutes. Note that pension and health monies are split differently for the two parties based on IRS requirements. More information on this breakout is included in the “Historical Summary of Rates”.

² Pursuant to ARS § 38-843(B), the amortization of positive unfunded liabilities for Tiers 1 & 2 shall be applied to all Tier 3 payroll on a level percent basis. However, while it is statutorily required to present the rates in this manner, these are the minimums where alternate methods for paying down that unfunded liability is at the discretion of each employer. Further, to understand the effects of reform in relation to Tier 3, compare the total rate of Tier 3 before application of those legacy costs.

Development of Employer Contributions – Tier 3 Members		
Valuation Date	June 30, 2024	June 30, 2023
Applicable to Fiscal Year Ending	2026	2025

Defined Contribution (DC) Retirement Plan

	Rate	Dollar	Rate	Dollar
Tier 2 & 3 DB / Non-Social Security				
Employee Cost	3.00%		3.00%	
Employer Cost ¹	3.00%		3.00%	
Tier 3 DC Only				
Employee Cost	9.00%	\$ 6,129	9.00%	\$ 0
Employee Health Subsidy Program Cost	0.20%	136	0.23%	0
Employee Disability Program Cost	<u>1.54%</u>	<u>1,049</u>	<u>1.50%</u>	<u>0</u>
Total Employee Cost	10.74%	7,314	10.73%	0
Employer Cost	9.00%	6,129	9.00%	0
Employer Health Subsidy Program Cost	0.20%	136	0.23%	0
Employer Disability Program Cost	<u>1.54%</u>	<u>1,049</u>	<u>1.50%</u>	<u>0</u>
Total Employer Cost (before Legacy)	10.74%	7,314	10.73%	0
ER Legacy Cost of Tiers 1 & 2 Amort of Unfunded Liabilities ²	11.48%	7,818	9.88%	0
Total Employer Cost	22.22%	15,132	20.61%	0
Underlying Payroll (as of valuation date)		67,095		0

¹ Employer rate is 4% for Tier 2 members for a period of time depending on the individual's membership date.

² Pursuant to ARS § 38-843(B), the amortization of positive unfunded liabilities for Tiers 1 & 2 shall be applied to all Tier 3 payroll on a level percent basis. However, while it is statutorily required to present the rates in this manner, these are the minimums where alternate methods for paying down that unfunded liability is at the discretion of each employer. Further, to understand the effects of reform in relation to Tier 3, compare the total rate of Tier 3 before application of those legacy costs.

Contribution Rate Summary

	Tier 1		Tier 2		Tier 3	
Membership Date On or After	7/1/1968		1/1/2012		7/1/2017	
Participates in Social Security	N/A		Yes	No	Yes	No
Available Retirement Plan ¹	DB Only	DB Only	Hybrid	DB Only	Hybrid	DC Only
Employee Contribution Rate						
PSPRS DB Rate	7.65%	7.65%	7.65%	8.69%	8.69%	
PSPRS DC Rate			3.00%		3.00%	9.00%
Employer Health Subsidy Program Cost						0.20%
PSPDCRP Disability Program Rate						1.54%
Total EE Contribution Rate	7.65%	7.65%	10.65%	8.69%	11.69%	10.74%
Employer Contribution Rate						
PSPRS DB Normal Cost	13.17%	13.17%	13.17%	8.69%	8.69%	
PSPRS DB Tier 1 & 2 Legacy Cost ²	11.48%	11.48%	11.48%	11.48%	11.48%	11.48%
PSPRS DC Rate			3.00%		3.00%	9.00%
Employer Health Subsidy Program Cost						0.20%
PSPDCRP Disability Program Rate						1.54%
Total ER Contribution Rate	24.65%	24.65%	27.65%	20.17%	23.17%	22.22%
Employer Alternate Contribution Rate ³	11.48%	11.48%	11.48%	11.48%	11.48%	11.48%

¹ Employers that pay into Social Security on behalf of their members do not participate in the Hybrid Plan.

² Per statute (ARS § 38-843(B)), any positive unfunded liability for Tiers 1 and 2 is to be applied to all Tier 3 (DB and DC) payrolls

³ The Alternate Contribution Rate is the sum of the positive amortization rates for Tiers 1 & 2 Pension and Health (subject to an 8% minimum) and is charged when retirees return to active status.

Exhibit summarizes employee and employer contributions based on Statute and the results of June 30, 2024 actuarial valuation. Pension and health components are combined, where applicable.

Impact of Additional Contributions

Impact On	Additional Contribution (000s)										
	\$0	\$100	\$200	\$300	\$400	\$500	\$600	\$700	\$800	\$900	\$1,000
Funded Status - June 30, 2024	84.2%	84.4%	84.6%	84.9%	85.1%	85.4%	85.6%	85.8%	86.1%	86.3%	86.5%
FYE 2026 Contribution Rate	24.31%	24.15%	24.00%	23.84%	23.69%	23.53%	23.37%	23.22%	23.06%	22.90%	22.75%

Table shows the hypothetical change in the funded status and contribution rate from the June 30, 2024 actuarial valuation results for Tiers 1 & 2 if an additional contribution of the amount shown had been made to the Fund on June 30, 2024. This illustration can help estimate the impact of contributing additional monies to the fund in the future.

Historical Summary of Rates

	Valuation Date June 30	Fiscal Year Ending June 30	Pension			Health		
			Normal Cost	Unfunded Amortization	Total	Normal Cost	Unfunded Amortization	Total
TIERS 1 & 2 (Employer)	2020	2022	13.03%	7.52%	20.55%	0.39%	(0.04%)	0.35%
	2021	2023	12.61%	7.86%	20.47%	0.37%	(0.04%)	0.33%
	2022	2024	12.88%	5.98%	18.86%	0.37%	0.00%	0.37%
	2023	2025	12.95%	9.88%	22.83%	0.35%	0.00%	0.35%
	2024	2026	12.83%	11.48%	24.31%	0.34%	0.00%	0.34%
TIER 3 * (Employer)	2020	2022	9.68%	0.00%	9.68%	0.26%	0.00%	0.26%
	2021	2023	9.68%	0.00%	9.68%	0.26%	0.00%	0.26%
	2022	2024	9.30%	0.00%	9.30%	0.26%	0.00%	0.26%
	2023	2025	8.77%	0.00%	8.77%	0.12%	0.00%	0.12%
	2024	2026	8.46%	0.00%	8.46%	0.23%	0.00%	0.23%
TIER 3 * (Employee)	2020	2022	9.68%	0.00%	9.68%	0.26%	0.00%	0.26%
	2021	2023	9.68%	0.00%	9.68%	0.26%	0.00%	0.26%
	2022	2024	9.30%	0.00%	9.30%	0.26%	0.00%	0.26%
	2023	2025	8.77%	0.00%	8.77%	0.12%	0.00%	0.12%
	2024	2026	8.69%	0.00%	8.69%	0.00%	0.00%	0.00%

* Rates shown are Board approved Funding Policy rates. Starting in 2023, these rates are a 3-year rolling average of calculated EE/ER rates. Does not reflect Legacy costs that the employer must also contribute.

III. LIABILITY SUPPORT

Liabilities and Funded Ratios by Benefit - Tiers 1 & 2

	June 30, 2024	June 30, 2023
Pension		
Actuarial Present Value of Benefits (PVB)		
Retirees and Beneficiaries	\$ 6,975,425	\$ 4,521,907
DROP Members	5,993,616	4,646,776
Vested Members	845,028	254,875
Active Members	<u>35,901,415</u>	<u>36,752,166</u>
Total Actuarial Present Value of Benefits	49,715,484	46,175,724
Actuarial Accrued Liability (AAL)		
All Inactive Members	13,814,069	9,423,558
Active Members	<u>28,862,208</u>	<u>29,076,624</u>
Total Actuarial Accrued Liability	42,676,277	38,500,182
Actuarial Value of Assets (AVA)	35,924,684	32,617,390
Unfunded Actuarial Accrued Liability	6,751,593	5,882,792
PVB Funded Ratio (AVA / PVB)	72.3%	70.6%
AAL Funded Ratio (AVA / AAL)	84.2%	84.7%
Health		
Actuarial Present Value of Benefits (PVB)		
Retirees and Beneficiaries	\$ 40,801	\$ 41,690
DROP Members	92,787	70,842
Active Members	<u>595,243</u>	<u>619,260</u>
Total Present Value of Benefits	728,831	731,792
Actuarial Accrued Liability (AAL)		
All Inactive Members	133,588	112,532
Active Members	<u>487,541</u>	<u>496,779</u>
Total Actuarial Accrued Liability	621,129	609,311
Actuarial Value of Assets (AVA)	712,823	649,367
Unfunded Actuarial Accrued Liability	(91,694)	(40,056)
PVB Funded Ratio (AVA / PVB)	97.8%	88.7%
AAL Funded Ratio (AVA / AAL)	114.8%	106.6%

Health liabilities were increased by \$4,410 under the lateral transfer methodology. Pension liabilities were not impacted.

Liabilities and Funded Ratios by Benefit - Tier 3

	June 30, 2024	June 30, 2023
Pension		
Actuarial Present Value of Benefits (PVB)		
Retirees and Beneficiaries	\$ 7,268,826	\$ 2,783,769
Vested Members	9,523,410	6,565,608
Active Members	<u>710,626,649</u>	<u>558,509,014</u>
Total Actuarial Present Value of Benefits	727,418,885	567,858,391
Actuarial Accrued Liability (AAL)		
All Inactive Members	16,792,236	9,349,377
Active Members	<u>148,879,454</u>	<u>101,611,814</u>
Total Actuarial Accrued Liability	165,671,690	110,961,191
Actuarial Value of Assets (AVA)	178,758,433	119,101,476
Unfunded Actuarial Accrued Liability	(13,086,743)	(8,140,285)
PVB Funded Ratio (AVA / PVB)	24.6%	21.0%
AAL Funded Ratio (AVA / AAL)	107.9%	107.3%
Health		
Actuarial Present Value of Benefits (PVB)		
Retirees and Beneficiaries	\$ 34,351	\$ 0
Active Members	<u>9,825,773</u>	<u>7,842,159</u>
Total Present Value of Benefits	9,860,124	7,842,159
Actuarial Accrued Liability (AAL)		
All Inactive Members	34,351	0
Active Members	<u>2,398,606</u>	<u>1,651,466</u>
Total Actuarial Accrued Liability	2,432,957	1,651,466
Actuarial Value of Assets (AVA)	5,259,235	3,508,666
Unfunded Actuarial Accrued Liability	(2,826,278)	(1,857,200)
PVB Funded Ratio (AVA / PVB)	53.3%	44.7%
AAL Funded Ratio (AVA / AAL)	216.2%	212.5%

The liabilities shown on this page are the liabilities for all Tier 3 members grouped together in the Risk Sharing group. These liabilities are NOT the liabilities solely for City of Maricopa Fire Dept. Tier 3 members.

Derivation of Experience (Gain)/Loss

	Tiers 1 & 2		Tier 3	
	Pension	Health	Pension	Health
(1) Unfunded Actuarial Accrued Liability as of June 30, 2023	5,882,792	(40,056)	(8,140,285)	(1,857,200)
(2) Normal Cost Developed in Last Valuation	736,084	19,894	19,953,819	277,457
(3) Actual Contributions	1,125,208	19,210	24,962,037	1,397,879
(4) Expected Interest On (1), (2), and (3)	436,756	(2,131)	(32,441)	(163,191)
(5) Expected Unfunded Actuarial Accrued Liability as of June 30, 2024 (1)+(2)-(3)+(4)	5,930,424	(41,503)	(13,180,944)	(3,140,813)
(6) Changes to UAAL Due to Assumptions, Methods and Benefits	0	0	0	0
(7) Change to UAAL Due to Actuarial (Gain)/Loss	<u>821,169</u>	<u>(50,191)</u>	<u>94,201</u>	<u>314,535</u>
(8) Unfunded Actuarial Accrued Liability as of June 30, 2024	6,751,593	(91,694)	(13,086,743)	(2,826,278)

Amortization of Unfunded Liabilities - Tiers 1 & 2

	Date Established	Outstanding Balance	Years Remaining	Amortization Rate
Pension	6/30/2019	2,722,328	12	4.69%
	6/30/2021	1,917,537	12	3.48%
	6/30/2022	(1,301,559)	13	(2.24%)
	6/30/2023	2,251,528	14	3.71%
	6/30/2024	<u>1,161,759</u>	15	<u>1.84%</u>
	Total		6,751,593	
Health	6/30/2019	0	12	0.00%
	6/30/2021	(25,569)	17	(0.04%)
	6/30/2022	10,800	13	0.02%
	6/30/2023	(24,041)	14	(0.04%)
	6/30/2024	<u>(52,884)</u>	15	<u>(0.08%)</u>
	Total		(91,694)	

Amortization of Unfunded Liabilities - Tier 3

	Date Established	Outstanding Balance	Years Remaining	Amortization Rate *
Pension	6/30/2018	94,700	4	0.01%
	6/30/2019	(893,556)	5	(0.07%)
	6/30/2020	625,762	6	0.04%
	6/30/2021	(2,174,987)	7	(0.13%)
	6/30/2022	(3,694,845)	8	(0.20%)
	6/30/2023	(1,375,088)	9	(0.07%)
	6/30/2024	<u>(5,668,729)</u>	10	<u>(0.26%)</u>
	Total		(13,086,743)	
Health	6/30/2018	(2,008)	4	0.00%
	6/30/2019	(81,696)	5	(0.01%)
	6/30/2020	(158,912)	6	(0.01%)
	6/30/2021	(314,248)	7	(0.02%)
	6/30/2022	(439,549)	8	(0.02%)
	6/30/2023	(697,896)	9	(0.03%)
	6/30/2024	<u>(1,131,969)</u>	10	<u>(0.05%)</u>
	Total		(2,826,278)	

* By Statute, negative total amortization rates are not subtracted in Tier 3 rate calculations.

IV. ASSET SUPPORT

Statement of Changes in Fiduciary Net Position for Year Ended June 30, 2024 Market Value Basis

	Tiers 1 & 2		Tier 3	
	Pension	Health	Pension	Health
Additions				
Contributions				
Member Contributions	\$ 109,846,477	\$ 0	\$ 52,985,716	\$ 0
Employer Contributions	1,182,413,215	0	51,738,352	0
Health Insurance Contributions	<u>0</u>	<u>4,616,669</u>	<u>0</u>	<u>2,687,373</u>
Total Contributions	1,292,259,692	4,616,669	104,724,068	2,687,373
Investment Income				
Net Increase in Fair Value	1,084,528,765	28,088,330	27,137,658	753,277
Interest and Dividends	270,700,975	7,010,914	6,773,624	188,020
Other Income	151,768,967	3,930,680	3,797,644	105,414
Less Investment Expenses	<u>(25,846,576)</u>	<u>(516,914)</u>	<u>(646,747)</u>	<u>(13,863)</u>
Net Investment Income	1,481,152,131	38,513,010	37,062,179	1,032,848
Non-investment Income	31	0	1	0
Transfers In	169,162	0	0	0
Total Additions	2,773,581,016	43,129,679	141,786,248	3,720,221
Deductions				
Distributions to Members				
Benefit Payments	1,128,489,555	0	632,764	0
Health Insurance Subsidy	0	18,596,076	0	4,920
Refund of Contributions	<u>12,787,280</u>	<u>0</u>	<u>2,469,875</u>	<u>0</u>
Total Distributions	1,141,276,835	18,596,076	3,102,639	4,920
Administrative Expenses	8,403,062	210,006	210,701	5,632
Transfers Out	392,168	0	0	0
Other	0	0	0	0
Total Deductions	1,150,072,065	18,806,082	3,313,340	10,552
Net Increase / (Decrease)	1,623,508,951	24,323,597	138,472,908	3,709,669
Net Position Held in Trust				
Prior Valuation	14,310,242,735	387,517,339	260,225,263	7,335,149
Beginning of the Year Adjustment	0	0	0	0
End of the Year	15,933,751,686	411,840,936	398,698,171	11,044,818

Development of Pension Actuarial Value of Assets - Tiers 1 & 2

A. Investment Income

A1. Actual Investment Income	\$ 1,472,749,069
A2. Expected Amount for Immediate Recognition	1,035,670,507
A3. Amount Subject to Amortization	437,078,562

B. Amortization Schedule	Year Ended June 30						
	2024	2025	2026	2027	2028	2029	2030
2024 Experience (A3 / 7)	62,439,795	62,439,795	62,439,795	62,439,795	62,439,795	62,439,795	62,439,792
2023 Experience	10,197,720	10,197,720	10,197,720	10,197,720	10,197,720	10,197,717	
2022 Experience	(204,451,249)	(204,451,249)	(204,451,249)	(204,451,249)	(204,451,249)		
2021 Experience	238,978,744	238,978,744	238,978,744	238,978,745			
2020 Experience	(68,882,158)	(68,882,158)	(68,882,160)				
2019 Experience	(22,859,275)	(22,859,275)					
2018 Experience	(6,266,351)						
Total Amortization	9,157,226	15,423,577	38,282,850	107,165,011	(131,813,734)	72,637,512	62,439,792

C. Actuarial Value of Assets	Total	Employer
C1. Actuarial Value of Assets, June 30, 2023	14,574,029,063	
C2. Non-investment Net Cash Flow	150,759,882	
C3. Preliminary Actuarial Value of Assets, June 30, 2024 (A2 + B + C1 + C2)	15,769,616,678	
C4. Market Value of Assets, June 30, 2024	15,933,751,686	36,298,599
C5. Final Actuarial Value of Assets, June 30, 2024 (C3 Within 20% Corridor of C4)	15,769,616,678	35,924,684

D. Rates of Return

D1. Market Value Rate of Return	10.2%
D2. Actuarial Value Rate of Return	7.1%

Development of Health Actuarial Value of Assets - Tiers 1 & 2

A. Investment Income

A1. Actual Investment Income	\$ 38,303,004
A2. Expected Amount for Immediate Recognition	27,406,736
A3. Amount Subject to Amortization	10,896,268

B. Amortization Schedule	Year Ended June 30						
	2024	2025	2026	2027	2028	2029	2030
2024 Experience (A3 / 7)	1,556,610	1,556,610	1,556,610	1,556,610	1,556,610	1,556,610	1,556,608
2023 Experience	193,035	193,035	193,035	193,035	193,035	193,036	
2022 Experience	(6,416,469)	(6,416,469)	(6,416,469)	(6,416,469)	(6,416,471)		
2021 Experience	9,257,478	9,257,478	9,257,478	9,257,481			
2020 Experience	(2,898,713)	(2,898,713)	(2,898,716)				
2019 Experience	(1,075,569)	(1,075,572)					
2018 Experience	(304,656)						
Total Amortization	311,716	616,369	1,691,938	4,590,657	(4,666,826)	1,749,646	1,556,608

C. Actuarial Value of Assets	Total	Employer
C1. Actuarial Value of Assets, June 30, 2023	392,563,499	
C2. Non-investment Net Cash Flow	(13,979,407)	
C3. Preliminary Actuarial Value of Assets, June 30, 2024 (A2 + B + C1 + C2)	406,302,544	
C4. Market Value of Assets, June 30, 2024	411,840,936	722,540
C5. Final Actuarial Value of Assets, June 30, 2024 (C3 Within 20% Corridor of C4)	406,302,544	712,823

D. Rates of Return

D1. Market Value Rate of Return	10.1%
D2. Actuarial Value Rate of Return	7.2%

Development of Pension Actuarial Value of Assets - Tiers 3

A. Investment Income

A1. Actual Investment Income	\$ 36,851,478
A2. Expected Amount for Immediate Recognition	21,712,363
A3. Amount Subject to Amortization	15,139,115

B. Amortization Schedule	Year Ended June 30				
	2024	2025	2026	2027	2028
2024 Experience (A3 / 5)	3,027,823	3,027,823	3,027,823	3,027,823	3,027,823
2023 Experience	885,521	885,521	885,521	885,520	
2022 Experience	(3,259,379)	(3,259,379)	(3,259,381)		
2021 Experience	3,551,936	3,551,938			
2020 Experience	(351,294)				
Total Amortization	3,854,607	4,205,903	653,963	3,913,343	3,027,823

C. Actuarial Value of Assets	Total	Employer
C1. Actuarial Value of Assets, June 30, 2023	259,708,739	
C2. Non-investment Net Cash Flow	101,621,430	
C3. Preliminary Actuarial Value of Assets, June 30, 2024 (A2 + B + C1 + C2)	386,897,139	
C4. Market Value of Assets, June 30, 2024	398,698,171	184,210,874
C5. Final Actuarial Value of Assets, June 30, 2024 (C3 Within 20% Corridor of C4)	386,897,139	178,758,433

D. Rates of Return

D1. Market Value Rate of Return	11.8%
D2. Actuarial Value Rate of Return	8.2%

Development of Health Actuarial Value of Assets - Tiers 3

A. Investment Income

A1. Actual Investment Income	\$ 1,027,216
A2. Expected Amount for Immediate Recognition	605,758
A3. Amount Subject to Amortization	421,458

B. Amortization Schedule	Year Ended June 30				
	2024	2025	2026	2027	2028
2024 Experience (A3 / 5)	84,292	84,292	84,292	84,292	84,290
2023 Experience	23,872	23,872	23,872	23,870	
2022 Experience	(101,792)	(101,792)	(101,790)		
2021 Experience	128,963	128,961			
2020 Experience	(10,557)				
Total Amortization	124,778	135,333	6,374	108,162	84,290

C. Actuarial Value of Assets	Total	Employer
C1. Actuarial Value of Assets, June 30, 2023	7,297,670	
C2. Non-investment Net Cash Flow	2,682,453	
C3. Preliminary Actuarial Value of Assets, June 30, 2024 (A2 + B + C1 + C2)	10,710,659	
C4. Market Value of Assets, June 30, 2024	11,044,818	5,423,316
C5. Final Actuarial Value of Assets, June 30, 2024 (C3 Within 20% Corridor of C4)	10,710,659	5,259,235

D. Rates of Return

D1. Market Value Rate of Return	11.8%
D2. Actuarial Value Rate of Return	8.5%

V. MEMBER STATISTICS

Valuation Data Summary

	June 30, 2024		June 30, 2023	
	Tiers 1 & 2	Tier 3	Tiers 1 & 2	Tier 3
Actives				
Number	41	14	45	8
Average Current Age	47.1	29.8	46.6	32.5
Average Age at Employment	29.7	27.3	29.6	29.0
Average Past Service	17.4	2.5	17.0	3.5
Average Annual Salary	\$116,903	\$67,667	\$111,749	\$74,608
Actives (transferred)				
Number	4	1	4	1
Average Current Age	36.7	34.4	35.7	33.4
Average Age at Employment	25.4	28.4	25.4	28.4
Average Past Service	11.3	6.1	10.3	5.1
Average Annual Salary	\$89,569	\$87,299	\$79,450	\$77,861
Retirees				
Number	5	0	4	0
Average Current Age	62.3	N/A	62.6	N/A
Average Annual Benefit	\$61,889	N/A	\$52,558	N/A
DROP Retirees				
Number	6	N/A	5	N/A
Average Current Age	58.9	N/A	59.3	N/A
Average Annual Benefit	\$59,609	N/A	\$59,165	N/A
Beneficiaries				
Number	2	0	2	0
Average Current Age	33.1	N/A	48.0	N/A
Average Annual Benefit	\$23,836	N/A	\$23,369	N/A
Disability Retirees				
Number	2	0	1	0
Average Current Age	45.5	N/A	38.8	N/A
Average Annual Benefit	\$52,984	N/A	\$41,172	N/A
Inactive / Vested				
Number	3	0	3	1
Average Current Age	50.2	N/A	49.2	35.4
Average Accumulated Contributions	\$32,786	N/A	\$40,459	\$19,649
Total Number	63	15	64	10
Former Members (transferred)	3	3	1	2

Active Counts and Pay Summary - Tiers 1 & 2

Age	Past Service							Total Count	Total Pay	Average Pay
	0-4	5-9	10-14	15-19	20-24	25-29	30+			
<20	0	0	0	0	0	0	0	0	0	0
20 - 24	0	0	0	0	0	0	0	0	0	0
25 - 29	0	0	0	0	0	0	0	0	0	0
30 - 34	0	2	0	0	0	0	0	2	172,665	86,333
35 - 39	0	1	3	1	0	0	0	5	469,708	93,942
40 - 44	0	0	4	9	0	0	0	13	1,513,350	116,412
45 - 49	0	0	0	12	1	0	0	13	1,590,953	122,381
50 - 54	0	0	1	6	2	0	0	9	1,057,393	117,488
55 - 59	0	0	0	2	0	0	0	2	243,944	121,972
60 - 64	0	0	0	1	0	0	0	1	103,296	103,296
65+	0	0	0	0	0	0	0	0	0	0
Total	0	3	8	31	3	0	0	45	5,151,309	114,474

Active Counts and Pay Summary - Tier 3

Age	Past Service							Total Count	Total Pay	Average Pay
	0-4	5-9	10-14	15-19	20-24	25-29	30+			
<20	1	0	0	0	0	0	0	1	54,867	54,867
20 - 24	5	0	0	0	0	0	0	5	278,749	55,750
25 - 29	0	0	0	0	0	0	0	0	0	0
30 - 34	4	3	0	0	0	0	0	7	525,199	75,028
35 - 39	0	1	0	0	0	0	0	1	85,808	85,808
40 - 44	0	0	0	0	0	0	0	0	0	0
45 - 49	0	1	0	0	0	0	0	1	90,010	90,010
50 - 54	0	0	0	0	0	0	0	0	0	0
55 - 59	0	0	0	0	0	0	0	0	0	0
60 - 64	0	0	0	0	0	0	0	0	0	0
65+	0	0	0	0	0	0	0	0	0	0
Total	10	5	0	0	0	0	0	15	1,034,633	68,976

In-Payment Counts and Benefit Summary – All Tiers

Age	Count	Average Annual Benefit
< 40	2	23,382
40 - 44	0	0
45 - 49	2	55,338
50 - 54	1	63,972
55 - 59	1	95,005
60 - 64	0	0
65 - 69	2	53,602
70 - 74	1	39,462
75 - 79	0	0
80 - 84	0	0
85 - 89	0	0
90 - 94	0	0
95 - 99	0	0
100+	0	0
Total	9	51,454

“In-Payment” refers to retired, beneficiary, and disabled members.

VI. ACTUARIAL ASSUMPTIONS AND METHODS

Interest Rate

This is the assumed earnings rate on System assets, compounded annually, net of investment and administrative expenses.

Tiers 1 & 2:

7.20% per year.

Tier 3:

7.00% per year.

Salary Increases

See table at the end of this section. This is an annual increase for individual member's salary. These rates are based on a 2022 experience study using actual plan experience.

Inflation

2.50%.

Tier 3 Compensation Limit

\$140,952 for calendar 2024. Assumed increases of 2.00% per year thereafter.

Cost-of-Living Adjustment

1.85%.

Mortality Rates

These rates are used to project future decrements from the population due to death.

Active Lives:

PubS-2010 Employee mortality, adjusted by a factor of 1.03 for male members and 1.08 for female members, with generational improvements using 85% of the most recent projection scale (currently Scale MP-2021). 100% of active deaths are assumed to be in the line of duty.

Inactive Lives:

PubS-2010 Healthy Retiree mortality, adjusted by a factor of 1.03 for male retirees and 1.11 for female retirees, with generational improvements using 85% of the most recent projection scale (currently Scale MP-2021).

Beneficiaries:

PubS-2010 Survivor mortality, adjusted by a factor of 0.98 for male beneficiaries and adjusted by a factor of 1.06 for female beneficiaries, with generational improvements using 85% of the most recent projection scale (currently Scale MP-2021).

Disabled Lives:

PubS-2010 Disabled mortality, adjusted by a factor of 1.08 for male disabled members and 1.01 for female disabled members, with generational improvements using 85% of the most recent projection scale (currently Scale MP-2021).

The mortality assumptions sufficiently accommodate anticipated future mortality improvements.

Retirement / DROP Rates

These rates are used to project future decrements from the active population due to retirement. The rates below are based on a 2022 experience study using actual plan experience.

Tier 1 – reaching age 62 before attaining 20 years of service:

Age-related rates based on age at retirement:

Police - 40% assumed at age 62 and 63, 35% assumed at age 64, 25% assumed at ages 65 and 66, 50% assumed at ages 67 – 69, and 100% assumed at age 70.

Fire - 25% assumed at age 62 and 63, 35% assumed at age 64, 25% assumed at ages 65 and 66, 50% assumed at ages 67 – 69, and 100% assumed at age 70.

Tier 1 – reaching age 62 after attaining 20 years of service:

Service-related rates based on service at retirement. See complete tables at the end of this section.

65% are assumed to enter the DROP program while the remaining 35% are assumed to retire and commence benefits immediately. DROP periods are assumed to be 5 years in length for future DROP elections.

Tiers 2 & 3:

Age-related rates based on age at retirement. 50% assumed at age 53, 30% assumed at ages 54 – 59, 60% assumed at ages 60 – 63, and 100% assumed at age 64.

Termination Rate

These rates are used to project future decrements from the active population due to termination. Complete table of rates based on service at termination are provided at the end of this section. The rates apply to members prior to retirement eligibility and are based on a 2022 experience study using actual plan experience.

Disability Rate

These rates are used to project future decrements from the active population due to disability. Complete table of rates based on age at disability are provided at the end of this section. These rates are based on a 2022 experience study using actual plan experience. 90% of disablements are assumed to be duty-related.

Marital Status

For active members, 85% of males and 60% of females are assumed to be married. Actual marital status is used, where applicable, for inactive members.

Spouse's Age

Male spouses are assumed to be four years older than female members and female spouses are assumed to be two years younger than males members.

Benefit Commencement

Deferred members are assumed to commence benefits as follows:

- Tier 1: immediate refund of contributions
- Tiers 2 & 3 (less than 15 years service): immediate refund of contributions
- Tier 2 (15+ years service): life annuity payable at age 52.5
- Tier 3 (15+ years service): life annuity payable at age 55

Health Care Utilization

For active members, 70% of retirees are expected to utilize retiree health care. Actual utilization is used for inactive members.

Funding Method

Entry Age Normal Cost Method.

Lateral Transfers

When active members transfer between employers, the new employer's liability starts from their new date of hire with no past service liability (i.e., all liability is accrued through normal cost). Per PSPRS administrative decision, once the new employer's liability is fully funded, the liability will reflect all past service liability.

Actuarial Asset Method

Method described below. Note that during periods when investment performance exceeds (falls short) of the assumed rate, the actuarial value of assets will tend to be less (greater) than the market value of assets.

Tiers 1 & 2:

Each year the assumed investment income is recognized in full while the difference between actual and assumed investment income are smoothed over a 7-year period subject to a 20% corridor around the market value.

Tier 3:

Each year the assumed investment income is recognized in full while the difference between actual and assumed investment income are smoothed over a 5-year period subject to a 20% corridor around the market value.

Funding Policy Amortization Method

Tiers 1 & 2:

Any positive UAAL (assets less than liabilities) is amortized using a layered approach beginning with the June 30, 2020 valuation, with new amounts determined according to a Level Dollar method over a closed period of 15 years (phased into from current period of at most 30 years). Initial layer from June 30, 2019 valuation continues to be amortized according to a Level Percentage of Payroll method.

Tier 3:

Any positive UAAL (assets less than liabilities) is amortized according to a Level Dollar method over a closed period of 10 years. No amortization is made of any negative UAAL (assets greater than liabilities).

Payroll Growth

1.50% per year. This is annual increase for total employer payroll.

Changes to Actuarial Assumptions and Methods Since the Prior Valuation

The payroll growth assumption was lowered from 2.00% to 1.50%.

There were no method changes since the prior valuation.

Salary Increase Rates

Age	Maricopa Police	Pima Police	Other Police	Maricopa Fire	Pima Fire	Other Fire
20	15.00%	12.00%	14.00%	15.00%	12.00%	13.00%
21	14.00%	6.00%	12.00%	14.00%	11.00%	12.00%
22	13.00%	6.00%	10.00%	13.00%	10.00%	11.00%
23	12.00%	6.00%	9.00%	12.00%	9.50%	10.00%
24	11.00%	6.00%	8.00%	11.00%	9.00%	9.00%
25	10.00%	6.00%	7.00%	10.00%	8.50%	8.00%
26	9.00%	5.50%	6.50%	9.50%	7.50%	7.50%
27	8.00%	5.50%	6.25%	9.00%	6.50%	7.50%
28	7.50%	5.50%	6.00%	8.50%	5.75%	7.00%
29	7.00%	5.50%	5.80%	8.00%	5.75%	6.50%
30	6.50%	5.25%	5.60%	8.00%	5.50%	6.50%
31	6.00%	5.25%	5.40%	7.50%	5.50%	6.00%
32	5.50%	5.00%	5.20%	7.00%	5.00%	5.50%
33	5.10%	5.00%	5.00%	6.50%	5.00%	5.50%
34	4.90%	5.00%	4.90%	6.50%	5.00%	5.50%
35	4.70%	4.50%	4.80%	6.00%	5.00%	5.50%
36	4.50%	4.50%	4.70%	5.50%	5.00%	5.50%
37	4.30%	4.50%	4.60%	5.25%	4.50%	5.00%
38	4.10%	4.00%	4.50%	5.00%	4.50%	5.00%
39	4.00%	4.00%	4.40%	4.75%	4.50%	5.00%
40	3.90%	4.00%	4.30%	4.75%	4.50%	5.00%
41	3.80%	3.80%	4.20%	4.50%	4.50%	4.50%
42	3.70%	3.60%	4.10%	4.50%	4.00%	4.50%
43	3.60%	3.40%	4.00%	4.50%	4.00%	4.50%
44	3.50%	3.20%	3.90%	4.50%	4.00%	4.00%
45	3.50%	3.00%	3.80%	4.25%	4.00%	4.00%
46	3.50%	3.00%	3.70%	4.25%	3.75%	4.00%
47	3.50%	3.00%	3.60%	4.25%	3.75%	3.75%
48	3.50%	3.00%	3.50%	4.00%	3.75%	3.75%
49	3.50%	3.00%	3.50%	4.00%	3.50%	3.75%
50	3.25%	3.00%	3.50%	3.75%	3.50%	3.75%
51	3.25%	3.00%	3.50%	3.75%	3.50%	3.75%
52	3.25%	2.75%	3.50%	3.75%	3.50%	3.75%
53+	3.25%	2.75%	3.50%	3.75%	3.25%	3.75%

Tier 1 Retirement Rates– reaching age 62 after attaining 20 years of service

Service	Maricopa Police	Pima Police	Other Police	Maricopa Fire	Pima Fire	Other Fire
20	28%	28%	35%	14%	20%	20%
21	25%	25%	35%	17%	20%	25%
22	15%	16%	22%	7%	13%	15%
23	12%	12%	12%	7%	7%	10%
24	8%	9%	12%	7%	7%	10%
25	30%	22%	25%	17%	22%	30%
26	42%	42%	40%	30%	26%	30%
27	32%	30%	28%	23%	30%	30%
28	32%	30%	28%	30%	30%	30%
29	32%	20%	28%	30%	30%	30%
30	35%	25%	35%	30%	30%	35%
31	35%	33%	30%	40%	30%	35%
32	60%	50%	70%	55%	30%	35%
33	60%	50%	70%	55%	60%	60%
34+	100%	100%	100%	100%	100%	100%

Termination Rates

Service	Maricopa Police	Pima Police	Other Police	Maricopa Fire	Pima Fire	Other Fire
0	13.0%	14.0%	13.5%	4.5%	10.0%	10.5%
1	8.0%	9.0%	11.5%	3.5%	6.0%	8.5%
2	6.0%	7.5%	10.5%	2.5%	4.5%	8.0%
3	4.5%	7.0%	9.5%	2.0%	4.0%	8.0%
4	3.6%	6.5%	9.0%	1.5%	4.0%	7.0%
5	3.3%	5.0%	8.0%	1.5%	4.0%	5.0%
6	3.3%	5.0%	7.0%	1.5%	4.0%	5.0%
7	3.3%	4.0%	6.5%	1.5%	3.0%	4.0%
8	2.4%	4.0%	6.5%	1.5%	3.0%	4.0%
9	2.4%	4.0%	6.0%	1.5%	3.0%	3.5%
10	2.4%	4.0%	5.0%	1.0%	2.0%	3.0%
11	1.8%	3.0%	4.0%	1.0%	2.0%	2.5%
12	1.8%	3.0%	4.0%	1.0%	1.5%	2.0%
13	1.3%	2.0%	3.5%	1.0%	1.0%	1.5%
14	1.3%	2.0%	3.0%	0.5%	1.0%	1.4%
15	0.8%	1.5%	2.5%	0.5%	1.0%	1.4%
16	0.8%	1.5%	2.0%	0.5%	0.5%	1.4%
17	0.8%	1.0%	2.0%	0.5%	0.5%	1.4%
18	0.8%	1.0%	1.8%	0.5%	0.5%	1.4%
19	0.8%	1.0%	1.8%	0.5%	0.5%	0.5%
20+	0.5%	1.0%	1.8%	0.4%	0.5%	0.5%

Disability Rates

Age	Maricopa Police	Pima Police	Other Police	Maricopa Fire	Pima Fire	Other Fire
20	0.050%	0.050%	0.120%	0.020%	0.020%	0.020%
21	0.050%	0.050%	0.120%	0.020%	0.020%	0.020%
22	0.050%	0.050%	0.120%	0.020%	0.020%	0.020%
23	0.050%	0.050%	0.120%	0.020%	0.020%	0.020%
24	0.050%	0.050%	0.120%	0.020%	0.020%	0.020%
25	0.050%	0.050%	0.120%	0.020%	0.020%	0.020%
26	0.100%	0.100%	0.160%	0.035%	0.020%	0.020%
27	0.100%	0.100%	0.160%	0.035%	0.020%	0.020%
28	0.100%	0.100%	0.160%	0.035%	0.020%	0.020%
29	0.100%	0.100%	0.160%	0.035%	0.020%	0.020%
30	0.100%	0.100%	0.160%	0.035%	0.020%	0.020%
31	0.230%	0.180%	0.240%	0.090%	0.100%	0.060%
32	0.230%	0.180%	0.240%	0.090%	0.100%	0.060%
33	0.230%	0.180%	0.240%	0.090%	0.100%	0.060%
34	0.230%	0.180%	0.240%	0.090%	0.100%	0.060%
35	0.230%	0.180%	0.240%	0.090%	0.100%	0.060%
36	0.450%	0.350%	0.320%	0.150%	0.150%	0.140%
37	0.450%	0.350%	0.320%	0.150%	0.150%	0.140%
38	0.450%	0.350%	0.320%	0.150%	0.150%	0.140%
39	0.450%	0.350%	0.320%	0.150%	0.150%	0.140%
40	0.450%	0.350%	0.320%	0.150%	0.150%	0.140%
41	0.520%	0.650%	0.550%	0.170%	0.300%	0.250%
42	0.520%	0.650%	0.550%	0.170%	0.300%	0.250%
43	0.520%	0.650%	0.550%	0.170%	0.300%	0.250%
44	0.520%	0.650%	0.550%	0.170%	0.300%	0.250%
45	0.520%	0.650%	0.550%	0.170%	0.300%	0.250%
46	0.650%	0.750%	0.750%	0.300%	0.420%	0.420%
47	0.650%	0.750%	0.750%	0.300%	0.420%	0.420%
48	0.650%	0.750%	0.750%	0.300%	0.420%	0.420%
49	0.650%	0.750%	0.750%	0.300%	0.420%	0.420%
50	0.650%	0.750%	0.750%	0.300%	0.420%	0.420%
51	0.800%	0.800%	0.800%	0.700%	0.750%	0.750%
52	0.800%	0.800%	0.800%	0.700%	0.750%	0.750%
53	0.800%	0.800%	0.800%	0.700%	0.750%	0.750%
54	0.800%	0.800%	0.800%	0.700%	0.750%	0.750%
55	0.800%	0.800%	0.800%	0.700%	0.750%	0.750%
56+	1.000%	0.850%	0.900%	1.100%	0.800%	1.000%

VII. DISCUSSION OF RISK

ASOP No. 51, Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions, states that the actuary should identify risks that, in the actuary's professional judgment, may reasonably be anticipated to significantly affect the plan's future financial condition.

Throughout this report, actuarial results are determined under various assumption scenarios. These results are based on the premise that all future plan experience will align with the plan's actuarial assumptions; however, there is no guarantee that actual plan experience will align with the plan's assumptions. Whenever possible, the recommended assumptions in this report reflect conservatism to allow for some margin of unfavorable future plan experience. However, it is still possible that actual plan experience will differ from anticipated experience in an unfavorable manner that will negatively impact the plan's funded position.

Below are examples of ways in which plan experience can deviate from assumptions and the potential impact of that deviation. Typically, this results in an actuarial gain or loss representing the current-year financial impact on the plan's unfunded liability of the experience differing from assumptions; this gain or loss is amortized over a period of time determined by the plan's amortization method. When assumptions are selected that adequately reflect plan experience, gains and losses typically offset one another in the long term, resulting in a relatively low impact on the plan's contribution requirements associated with plan experience. When assumptions are too optimistic, losses can accumulate over time and the plan's amortization payment could potentially grow to an unmanageable level.

- **Investment Return**: When the rate of return on the Actuarial Value of Assets falls short of the assumption, this produces a loss representing assumed investment earnings that were not realized. Further, it is unlikely that the plan will experience a scenario that matches the assumed return in each year as capital markets can be volatile from year to year. Therefore, contribution amounts can vary in the future.
- **Salary Increases**: When a plan participant experiences a salary increase that was greater than assumed, this produces a loss representing the cost of an increase in anticipated plan benefits for the participant as compared to the previous year. The total gain or loss associated with salary increases for the plan is the sum of salary gains and losses for all active participants.
- **Payroll Growth**: The plan's payroll growth assumption, if one is used, causes a predictable annual increase in the plan's amortization payment in order to produce an amortization payment that remains constant as a percentage of payroll if all assumptions are realized. If payroll does not increase according to the plan's payroll growth assumption, the plan's amortization payment can increase significantly as a percentage of payroll even if all assumptions other than the payroll growth assumption are realized.
- **Demographic Assumptions**: Actuarial results take into account various potential events that could happen to a plan participant, such as retirement, termination, disability, and death. Each of these potential events is assigned a liability based on the likelihood of the event and the financial consequence of the event for the plan. Accordingly, actuarial liabilities reflect a blend of financial consequences associated with various possible outcomes (such as retirement at one of various possible ages). Once the outcome is known (e.g. the participant retires) the liability is adjusted to reflect the known outcome. This adjustment

produces a gain or loss depending on whether the outcome was more or less favorable than other outcomes that could have occurred.

- **Contribution risk:** This risk results from the potential that actual employer contributions may deviate from actuarially determined contributions, which are determined in accordance with the Board’s funding policy. The funding policy is intended to result in contribution requirements that if paid when due, will result in a reasonable expectation that assets will accumulate to be sufficient to pay plan benefits when due. Contribution deficits, particularly large deficits and those that occur repeatedly, increase future contribution requirements and put the plan at risk for not being able to pay plan benefits when due.

Impact of Plan Maturity on Risk

For newer pension plans, most of the participants and associated liabilities are related to active members who have not yet reached retirement age. As pension plans continue in operation and active members reach retirement ages, liabilities begin to shift from being primarily related to active members to being shared amongst active and retired members. Plan maturity is a measure of the extent to which this shift has occurred. It is important to understand that plan maturity can have an impact on risk tolerance and the overall risk characteristics of the plan. For example, plans with a large amount of retired liability do not have as long of a time horizon to recover from losses (such as losses on investments due to lower than expected investment returns) as plans where the majority of the liability is attributable to active members. For this reason, less tolerance for investment risk may be warranted for highly mature plans with a substantial inactive liability. Similarly, mature plans paying substantial retirement benefits resulting in a small positive or net negative cash flow can be more sensitive to near term investment volatility, particularly if the size of the fund is shrinking, which can result in less assets being available for investment in the market.

To assist with determining the maturity of the plan, we have provided some relevant metrics in the table following titled “Plan Maturity Measures and Other Risk Metrics.” For a better understanding of the overall Plan and the impact of these risks, please refer to the consolidated PSPRS valuation report.

Low Default-Risk Obligation Measure

ASOP No. 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions, was revised as of December 2021 to include a “low-default-risk obligation measure” (LDROM). This liability measure is consistent with the determination of the actuarial accrued liability shown on pages 8 and 9 in terms of member data, plan provisions, and assumptions/methods, including the use of the Entry Age Normal Cost Method, except that the interest rate is tied to low-default-risk fixed income securities. The S&P Municipal Bond 20 Year High Grade Rate Index (daily rate closest to, but not later than, the measurement date) was selected to represent a current market rate of low risk but longer-term investments that could be included in a low-risk asset portfolio. The interest rate used in this valuation was 4.21%, resulting in an LDROM of \$68,794,431 for Tiers 1 and 2 and \$406,148,719 for Tier 3. The LDROM should not be considered the “correct” liability measurement; it simply shows a possible outcome if the Board elected to hold a very low risk asset portfolio. The Board actually invests the pension plan’s contributions in a diversified portfolio of stocks and bonds and other investments with the objective of maximizing investment returns at a reasonable level of risk. Consequently, the difference between the plan’s Actuarial Accrued Liability disclosed earlier in this section and the LDROM can be thought of as representing the expected taxpayer savings from investing in the plan’s diversified portfolio compared to investing only in high quality bonds.

The actuarial valuation reports the funded status and develops contributions based on the expected return of the plan's investment portfolio. If instead, the plan switched to investing exclusively in high quality bonds, the LDROM illustrates that reported funded status would be lower (which also implies that the Actuarially Determined Contributions would be higher), perhaps significantly. Unnecessarily high contribution requirements in the near term may not be affordable and could imperil plan sustainability and benefit security.

Plan Maturity Measures and Other Risk Metrics - Tiers 1 & 2

	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Support Ratio					
Total Actives	45	49	54	56	56
Total Inactives	18	15	12	10	10
Actives / Inactives	250.0%	326.7%	450.0%	560.0%	560.0%
Asset Volatility Ratio					
Market Value of Assets (MVA)	36,298,599	32,027,023	28,467,416	28,177,613	20,837,292
Total Annual Payroll	5,151,309	5,346,520	5,314,242	5,504,498	5,215,508
MVA / Total Annual Payroll	704.6%	599.0%	535.7%	511.9%	399.5%
Accrued Liability (AL) Ratio					
Inactive Accrued Liability	13,814,069	9,423,558	5,974,268	3,595,574	3,536,346
Total Accrued Liability	42,676,277	38,500,182	32,978,359	30,500,920	27,320,961
Inactive AL / Total AL	32.4%	24.5%	18.1%	11.8%	12.9%
Funded Ratio					
Actuarial Value of Assets (AVA)	35,924,684	32,617,390	29,242,404	25,760,464	22,435,246
Total Accrued Liability	42,676,277	38,500,182	32,978,359	30,500,920	27,320,961
AVA / Total Accrued Liability	84.2%	84.7%	88.7%	84.5%	82.1%
Net Cash Flow Ratio					
Net Cash Flow ¹	965,305	1,409,144	1,457,124	1,367,533	1,284,703
Market Value of Assets (MVA)	36,298,599	32,027,023	28,467,416	28,177,613	20,837,292
Net Cash Flow / MVA	2.7%	4.4%	5.1%	4.9%	6.2%

¹ Determined as total contributions minus benefit payments. Administrative expenses are typically included but are considered part of the net interest rate assumption for this plan.

Plan Maturity Measures and Other Risk Metrics - Tier 3 ¹

	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Support Ratio					
Total Actives	3,658	3,054	2,417	2,560	1,408
Total Inactives	570	450	327	307	130
Actives / Inactives	641.8%	678.7%	739.1%	833.9%	1,083.1%
Asset Volatility Ratio					
Market Value of Assets (MVA)	184,210,874	119,338,352	74,774,123	51,992,240	22,964,925
Total Annual Payroll	295,480,312	226,680,964	165,151,543	115,883,115	84,448,996
MVA / Total Annual Payroll	62.3%	52.6%	45.3%	44.9%	27.2%
Accrued Liability (AL) Ratio					
Inactive Accrued Liability	16,792,236	9,349,377	4,598,114	2,290,610	1,173,104
Total Accrued Liability	165,671,690	110,961,191	68,939,204	42,733,537	23,239,599
Inactive AL / Total AL	10.1%	8.4%	6.7%	5.4%	5.0%
Funded Ratio					
Actuarial Value of Assets (AVA)	178,758,433	119,101,476	76,171,857	45,863,401	23,570,444
Total Accrued Liability	165,671,690	110,961,191	68,939,204	42,733,537	23,239,599
AVA / Total Accrued Liability	107.9%	107.3%	110.5%	107.3%	101.4%
Net Cash Flow Ratio					
Net Cash Flow ²	47,922,185	36,208,171	25,802,686	18,607,209	13,192,598
Market Value of Assets (MVA)	184,210,874	119,338,352	74,774,123	51,992,240	22,964,925
Net Cash Flow / MVA	26.0%	30.3%	34.5%	35.8%	57.4%

¹ Tier 3 results are shown for the Risk Sharing group, where applicable.

² Determined as total contributions minus benefit payments. Administrative expenses are typically included but are considered part of the net interest rate assumption for this plan.

VIII. SUMMARY OF CURRENT PLAN

The following is a summary of the benefit provisions provided in Title 38, Chapter 5, Article 4 of the Arizona Revised Statutes.

Membership

Full-time employees of an eligible group, prior to attaining age 65, who are engaged to work for more than six months in a calendar year. Tier 3 Defined Contribution members are able to elect participation in post-retirement health insurance subsidy.

Benefit Tiers

Benefits differ for members based on their hire date:

<u>Tier</u>	<u>Hire Date</u>
1	Hired before January 1, 2012
2	Hired on or after January 1, 2012 but before July 1, 2017
3	Hired on or after July 1, 2017

Compensation

Compensation is the amount including base salary, overtime pay, shift and military differential pay, compensatory time used in lieu of overtime pay, and holiday pay, paid to an employee on a regular payroll basis and longevity pay paid at least every six months for which contributions are made to the System. For Tier 3 members, compensation is limited by statutory cap (\$110,000 with adjustments by the Board).

Average Monthly Benefit Compensation

Tier 1:

The highest compensation paid to member during three consecutive years out of the last 20 years of Credited Service, divided by months.

Tier 2:

The highest compensation paid to member during five consecutive years out of the last 20 years of Credited Service, divided by months.

Tier 3:

The highest compensation paid to member during five consecutive years out of the last 15 years of Credited Service, divided by months.

Credited Service

Total periods of service, both before and after the member's date of participation, for which the member made contributions to the fund.

Normal Retirement Date

Tier 1:

First day of month following attainment of 1) 20 years of service or

2) 62nd birthday and completion of 15 years of service.

Tier 2:

First day of month following the attainment of age 52.5 and completion of 15 years of service.

Tier 3:

First day of month following the attainment of age 55 and completion of 15 years of service.

Benefit

Tier 1:

50% of Average Monthly Benefit Compensation, adjusted based on Credited Service as follows (maximum benefit of 80% of Average Monthly Benefit Compensation):

<u>Credited Service</u>	<u>Benefit Adjustment</u>
15 years, but less than 20	Reduced 4% per year less than 20
20 years, but less than 25	Plus 2% per year between 20 and 25
25+ years	Plus 2.5% per year above 20

Tier 2:

Benefit multiplier (below) times Average Monthly Benefit Compensation times Credited Service (maximum benefit of 80% of Average Monthly Benefit Compensation):

<u>Credited Service</u>	<u>Benefit Multiplier</u>
15 years, but less than 17	1.50%
17 years, but less than 19	1.75%
19 years, but less than 22	2.00%
22 years, but less than 25	2.25%
25+ years	2.50%

Tier 3:

Benefit multiplier (below) times Average Monthly Benefit Compensation times Credited Service (maximum benefit of 80% of Average Monthly Benefit Compensation):

<u>Credited Service</u>	<u>Benefit Multiplier</u>
15 years, but less than 17	1.50%
17 years, but less than 19	1.75%
19 years, but less than 22	2.00%
22 years, but less than 25	2.25%
25+ years	2.50%

Form of Benefit	For married retirees, an annuity payable for the life of the member with 80% continuing to the eligible spouse upon death. For unmarried retirees, the normal form is a single life annuity.
<u>Early Retirement</u>	<i>Only applicable to Tier 3 members:</i>
Date	Attainment of age 52.5 and 15 years of Credited Service.
Benefit	Actuarial equivalent of Normal Retirement benefit.
<u>Disability Benefit – Accidental (duty-related)</u>	
Eligibility	Total and permanent disability incurred in performance of duty.
Benefit Amount	A maximum of: a.) 50% of Average Monthly Benefit Compensation, and; b.) The monthly Normal Retirement pension that the member is entitled to receive if he or she retired immediately.
<u>Disability Benefit – Ordinary (not duty-related)</u>	
Eligibility	Total and permanent disability not incurred in performance of duty.
Benefit Amount	Normal Retirement pension that the member is entitled to receive, prorated based on Credited Service earned over the required Credited Service for Normal Retirement (maximum ratio of 1).
<u>Disability Benefit – Other</u>	
Temporary	Benefit equals 1/12 of 50% of compensation during year preceding date of disability. Payments terminate after 12 months.
Catastrophic	Benefit equals 90% of Average Monthly Benefit Compensation. After 60 months member receives greater of 62.5% Average Monthly Benefit Compensation and accrued normal pension.
<u>Pre-Retirement Death Benefit</u>	
Service Incurred	<i>Payable following death of active member</i> 100% of Average Monthly Benefit Compensation, reduced by child's pension.
Non-Service Incurred	80% of benefit based on calculation for accidental disability retirement.
Child's Pension	10% of pension for each child (maximum 20% paid) based on calculation for accidental disability retirement. Payable to dependent child under age 18 (23 if full-time student).

Guardian’s Pension Same as spouse’s pension. Payable (along with child’s pension) when no spouse is being paid and there is at least one child under 18 (23, if full-time student).

Accumulated Contributions Any contributions remaining upon the death of the last beneficiary shall be paid as a lump sum.

Vesting (Termination)

Vesting Service Requirement **Tier 1:**
 10 years of Credited Service.
Tiers 2 & 3:
 15 years of Credited Service.

Non-Vested Benefit **Tier 1:**
 Lump sum payment of accumulated contributions, plus additional amount based on years of Credited Service.

<u>Service</u>	<u>Additional % of Contributions</u>
Less than 5 years	0%
5 years	25%
6 years	40%
7 years	55%
8 years	70%
9 years	85%
10+ years	100%

Tiers 2 & 3:
 Lump sum payment of accumulated contributions, with interest at rate determined by the Board.

Vested Benefit **Tier 1:**
 Deferred retirement annuity based on two times member’s accumulated contributions, deferred to age 62. Member is not entitled to survivor benefits, benefit increases, or group health insurance subsidy.

Tiers 2 & 3:
 Calculated same as normal retirement pension. Payable if contributions left in fund until reach age requirement. Member is entitled to survivor benefits, benefit increases, and group health insurance subsidy.

Cost-of-Living Adjustment

Payable to retired member or survivor of retired member

Tiers 1 & 2:

Compound cost-of-living adjustment on base benefit. First payment is made on July 1, 2018, with annual adjustments effective every July 1 thereafter. Adjustment does not apply while in DROP.

Cost-of-living adjustment will be based on the average annual percentage change in the Metropolitan Phoenix-Mesa Consumer Price Index published by the United States Department of Labor, Bureau of Statistics. Maximum increase of 2%.

Tier 3:

Compound cost-of-living adjustment on base benefit beginning earlier of first calendar year after the 7th anniversary of retirement or when the retired member reaches 60 years of age.

A cost-of-living adjustment shall be paid on July 1 each year that the funded ratio for members hired on or after July 1, 2017 is 70% or more.

The cost-of-living adjustment will be based on the average annual percentage change in the Metropolitan Phoenix-Mesa Consumer Price Index published by the United States Department of Labor, Bureau of Statistics. The cost-of-living adjustment will not exceed:

- 2%, if funded ratio for members who are hired on or after July 1, 2017 is 90% or more;
- 1.5%, if funded ratio for members who are hired on or after July 1, 2017 is 80-90%;
- 1%, if funded ratio for members who are hired on or after July 1, 2017 is 70-80%.

Deferred Retirement Option Plan (DROP):

Eligibility	Tier 1 and 20 years of Credited Service.
DROP Period	Maximum 84 months.
Member Contributions	Cease upon DROP entry.
Benefit Amount	Calculated based on Credited Service and average monthly compensation as of the beginning of the DROP period, credited to DROP participation account for DROP period.

Interest on DROP Participation Account	<u>Beginning Year</u>	<u>Interest Rate</u>
	July 1, 2016	7.40%
	July 1, 2018	7.30%
	July 1, 2022	7.20%
Payment of DROP Participation Account	Payable as lump sum distribution to Public Safety Personnel Defined Contribution Retirement Plan at earlier of 1) end of DROP period, 2) at termination, or 3) five years.	
Payment Monthly Benefit	System commences payment of benefit amount at the earlier of 1) the end of the DROP period and 2) at termination.	

Post-Retirement Health Insurance Subsidy

Eligibility Retired member or survivor who elect health coverage provided by the state or participating employer.

Maximum Subsidy Amounts (monthly)		<u>Member Only</u>	<u>With Dependents</u>
	Medicare Eligible	\$100	\$170
	One w/ Medicare	N/A	\$215
	Not Medicare Eligible	\$150	\$260

Employee Contributions

Tiers 1 & 2:
 7.65% (effective July 1, 2023).

Tier 3:
 50% of total contribution, which is Normal Cost plus a level-dollar amortization of unfunded actuarial accrued liability over a closed period not to exceed 10 years.

Employer Contributions

Tiers 1 & 2:
 Normal Cost plus amortization of unfunded actuarial accrued liability over a closed period not to exceed 20 years (subject to one-time election to extend to closed period not to exceed 30 years).

Tier 3:
 50% of total contribution, which is Normal Cost plus a level-dollar amortization of unfunded actuarial accrued liability over a closed period not to exceed 10 years.

Changes to Benefit Provisions Since the Prior Valuation

None.

IX. ACTUARIAL FUNDING POLICY

A pension plan funding policy describes how pension funding will improve for underfunded plans or maintain funded benefits for funded plans over time for those benefits defined in Arizona Revised Statutes (ARS). Those benefits defined in ARS are to be equitably managed and administered by the Arizona Public Safety Personnel Retirement System (PSPRS agency).

This Actuarial Funding Policy identifies the funding objectives and elements of the actuarial funding policy set by the Board for the PSPRS agency. The Board adopted this Funding Policy to help ensure the systematic funding of future benefit payments for members of the retirement systems as established by the legislature.

This policy covers all retirements systems administered by the Board: The Public Safety Personnel Retirement System (PSPRS); the Correction Officers Retirement Plan (CORP); and the Elected Officials Retirement Plan (EORP).

To achieve the systematic funding of future benefits, metrics are identified to measure the progress, or the lack of progress, over time to identify trends. These trends inform the continuation of the current policies or identify areas of needed research for consideration.

This funding policy is reviewed annually and adopted by the Board in accordance with ARS 38-863.02. This policy was reviewed and adopted by the Board in September 2024.

PSPRS Statement of Purpose

The Purpose of the Public Safety Personnel Retirement System is to provide uniform, consistent, and equitable statewide retirement programs for those who have been entrusted to our care.

Funding Objectives

1. Maintain adequate assets so that current plan assets, plus future contributions and investment earnings, are sufficient to fund all benefits expected to be paid to members and their beneficiaries.
 - a. Corollary 1a: Current and future contributions should be calculated based upon assumptions that reflect the Board's best estimate of future experience and methods that appropriately allocate costs to address generational equity.
 - b. Corollary 1b: While the shorter-term objective is to fully fund the Actuarial Accrued Liability (AAL) that estimates benefits earned as of the valuation date, contributions should target the long-term Present Value of Benefits (PVB) to fund all benefits and help offset risks.
 - c. As closed plans mature, the target funding should be 110% of AAL or 100% of PVB, whichever is greater.
2. Maintain public policy goals of accountability and transparency through stakeholder communication and education. Each policy element is clear in intent and effect, and each should be considered in a balanced approach to determine how and when the funding requirements of the plan will be met.
 - a. Corollary 2a: Board shall provide stakeholders with separate reports and tools to help explain current results as well as to help model future funding requirements.

3. Promote intergenerational equity. Defined benefit pensions are designed with a long-term perspective and designed to minimize contribution volatility that cannot avoid some level of generational cost shift. However, the goal is that each generation of members and employers (taxpayers) should, to the extent possible, incur the cost of benefits for the employees who provide services to them, rather than shifting those costs to other generations of members and employers (taxpayers).
 - a. Corollary 3a: A systematic reduction of the Unfunded Actuarial Accrued Liability (UAAL) over a reasonable time period is paramount to achieving this objective.

Consideration can be given to reduce volatility, to the extent possible, of employer and employee contribution rates as long as the integrity of the objectives listed above is not compromised.

Elements of Actuarial Funding Policy

1. Actuarial Cost Method
 - a. The Entry Age Normal level percent of pay actuarial cost method of valuation shall be used in determining the AAL and Normal Cost. Differences in the past between assumed experience and actual experience (“actuarial gains and losses”) shall become part of the AAL. The Normal Cost shall be determined on an individual basis for each active member.
2. Asset Smoothing Method
 - a. The investment gains or losses of each valuation period, resulting from the difference between the actual investment return and assumed investment return, shall be recognized annually in level amounts over five years (Tier 3) or seven years (Tiers 1 and 2) in calculating the Actuarial Value of Assets (AVA).
 - b. The AVA so determined shall be subject to a 20% corridor relative to the Market Value of Assets (MVA).
3. Amortization Method (Unfunded Amounts)
 - a. The AVA is subtracted from the computed AAL. Any unfunded amount is amortized as a level percent of payroll over a closed period.
 - b. The unfunded liabilities, for EORP and Tiers 1 & 2 for both PSPRS and CORP, determined in the 6/30/2019 actuarial valuation will become the initial layer for each employer beginning with the 6/30/2020 actuarial valuation and amortized using the current closed year period for that employer and continue to decrease each year.
 - i. The payroll growth rate assumption used to amortize the PSPRS 6/30/2019 Unfunded Liability will be decreased by 0.5% beginning with the 6/30/2021 actuarial valuation and again each year with the intention of ultimately achieving 0.0%.
 - ii. The payroll growth rate used to amortize the Correction Officers Retirement Plan (CORP) 6/30/2019 Unfunded Liability will be 3.0% beginning with the 6/30/2020 actuarial valuation, and future years will be reduced by 0.5% until 0.0% is reached.
 - iii. The payroll growth rate used to amortize the Elected Officials Retirement Plan (EORP) 6/30/2019 Unfunded Liability will be 2.5% beginning with the 6/30/2020 actuarial valuation, and future years will be reduced by 0.5% until 0.0% is reached.
 - c. Gains and losses, for EORP and Tiers 1 & 2 for both PSPRS and CORP, for each employer beginning with the 6/30/2020 actuarial valuation will be amortized as a new layer over the same amortization period as the regular unfunded liability to a minimum of 15 years. Once the

amortization period for each employer decreases to 15 years, each subsequent year's gains and losses will be amortized as a new 15-year closed layer.

- i. The payroll growth rate used to amortize the unfunded liability for all Plans under this paragraph will be 0.0% (i.e. level-dollar amortization).
- d. Tier 3 amortization methods are established in ARS 38-843.G and ARS 38-891.K.

4. Amortization Method (Overfunded Amounts)

- a. The AVA is subtracted from the target funding level (greater of 110% of AAL or 100% of PVB). Any overfunded amount is amortized as a level dollar amount over an open 10-year period.

5. Tier 3 Rate Calculation

- a. Tier 3 is distinct from Tiers 1 & 2 in PSPRS and CORP as the contributions are a shared percentage (50/50 split for PSPRS: for CORP, employer 1/3 and member 2/3 of the normal cost plus 50 percent each, member and employer, of the UAAL amortization) for employers and members based on the actuarially calculated rate. To reduce the impact of volatility to rates, the Tier 3 rates will be smoothed over a 3-year rolling period based on the actuarially calculated rates for each year's actuarial valuation.
 - i. Beginning with the 6/30/2023 valuation, the prospective Tier 3 rates set by the Board of Trustees are planned to be a rolling average of the actuarial calculated Tier 3 rates using the 6/30/2023, 6/30/2022 and 6/30/2021 rates in the initial process.
 - ii. As assumptions may be updated year-to-year, the prior calculated rates are not updated for those changes, the prior calculated rates are used to smooth in the new rates.
- b. At the May 2023 Board Meeting, the Board changed the assumed rate of return for CORP Tier 3, which was at 7.2%, to match the 7.0% assumed rate of return for PSPRS Tier 3. The Board committed to continue to monitor market conditions and directions with the intent to ultimately adopt a single assumed rate of return for all investments for retirement systems/plans administered by PSPRS agency.

6. Assumed Rate of Return (ARR)

- a. At the May 2023 Board Meeting, the Board changed the assumed rate of return for CORP Tier 3, which was at 7.2%, to match the 7.0% assumed rate of return for PSPRS Tier 3. The Board will continue to monitor market conditions and directions with the intent to ultimately adopt a single assumed rate of return for all investments for retirement systems/plans administered by PSPRS agency.

7. EORP Floor Considerations

- a. Establish a "floor" for EORP based on the immediately previous valuation by adjusting payroll growth, amortization periods of the original layer or other possible options, to improve funding in maintaining contribution levels opposed to reducing employer contributions.

Metrics to Monitor Funding Objectives

1. Appropriateness of Assumptions – Gain/Loss Experience (Corollary 1a)
 - a. Metric: Do the cumulative gain/loss layers over the prior five years exceed 8% of plan assets?
 - b. Measurement: History of annual gain/loss (split by asset and liability experience) and five-year cumulative results will be tracked.
 - c. Action Plan: This metric assumes that a full experience study is performed at least every five years so objective of measurement is to monitor interim experience. If the metric answer is yes, a review of the sources or causes of gains and losses should be analyzed and presented to the Advisory Committee to provide a recommendation to the Board of Trustees. The analysis and presentation are intended to provide a basis for consideration if assumption changes are warranted between full experience studies.

2. Funding Targets (Corollary 1b)
 - a. Metric: Has the funded status, on both an AAL and PVB basis when compared to the MVA, increased over a five-year period?
 - b. Measurement: History of funded status measures will be tracked.
 - c. Action Plan: If the answer is no and not readily explainable (e.g., significant assumption change), a review of the reason(s) for the decrease should be researched and presented to the Advisory Committee to provide a recommendation to the Board of Trustees. The analysis and presentation are intended to provide a basis for consideration if changes to assumptions and/or methods are warranted between full experience studies.

3. Communication with Stakeholders (Corollary 2a)
 - a. Metric: Have reports and budgeting tools been provided to stakeholders in a timely fashion?
 - b. Measurement: Yes/No answer based on input from PSPRS administrator. (An annual standard survey of stakeholders – 3 to 5 questions.)
 - c. Action Plan: If the answer is no, and periodically regardless (e.g., every three years), PSPRS staff will revisit this metric to report to the Advisory Committee to provide a recommendation to the Board of Trustees if current reports / tools are sufficient and if the delivery timing is appropriate.

4. Timely Recognition of Costs (Corollary 3a)
 - a. Metric: Has the percentage of unfunded liability subject to negative amortization decreased over a five-year lookback period?
 - b. Measurement: History of unfunded liability subject to negative amortization as a percentage of total unfunded liability will be tracked.
 - c. Action Plan: If the answer is no, and not readily explainable (e.g., adopted assumption changes being phased in are anticipated to address negative amortization), a review of the reason(s) for negative amortization should be researched and presented to the Advisory Committee to provide a recommendation to the Board of Trustees. The analysis and presentation are intended to provide a basis for consideration if changes to assumptions and/or methods are warranted between full experience studies.

X. GLOSSARY

Actuarial Accrued Liability – Computed differently under different funding methods, the actuarial accrued liability generally represents the portion of the actuarial present value of benefits attributable to service credit earned (or accrued) as of the valuation date.

Actuarial Present Value of Benefits – Amount which, together with future interest, is expected to be sufficient to pay all benefits to be paid in the future, regardless of when earned, as determined by the application of a particular set of actuarial assumptions; equivalent to the actuarial accrued liability plus the present value of future normal costs attributable to the members.

Actuarial Assumptions – Assumptions as to the occurrence of future events affecting pension costs. These assumptions include rates of investment earnings, changes in salary, rates of mortality, withdrawal, disablement, and retirement as well as statistics related to marriage and family composition.

Actuarial Cost Method – A method of determining the portion of the cost of a pension plan to be allocated to each year; sometimes referred to as the "actuarial funding method." Each cost method allocates a certain portion of the actuarial present value of benefits between the actuarial accrued liability and future normal costs.

Actuarial Equivalence – Series of payments with equal actuarial present values on a given date when valued using the same set of actuarial assumptions.

Actuarial Present Value - The amount of funds required as of a specified date to provide a payment or series of payments in the future. It is determined by discounting future payments at predetermined rates of interest, and by probabilities of payments between the specified date and the expected date of payment.

Actuarial Value of Assets – The value of cash, investments, and other property belonging to the pension plan as used by the actuary for the purpose of the actuarial valuation. This may correspond to market value of assets, or some modification using an asset valuation method to reduce the volatility of asset values.

Asset Gain (Loss) – That portion of the actuarial gain attributable to investment performance above (below) the expected rate of return in the actuarial assumptions.

Amortization – Paying off an interest-discounted amount with periodic payments of interest and (generally) principal, as opposed to paying off with a lump sum payment.

Amortization Payment – That portion of the pension plan contribution designated to pay interest and reduce the outstanding principal balance of unfunded actuarial accrued liability. If the amortization payment is less than the accrued interest on the unfunded actuarial accrued liability the outstanding principal balance will increase.

Assumed Earnings Rate – The interest rate used in developing present values to reflect the time value of money.

Decrements – Events which result in the termination of membership in the system such as retirement, disability, withdrawal, or death.

Entry Age Normal (EAN) Funding Method – A standard actuarial funding method whereby each member's normal costs (service costs) are generally level as a percentage of pay from entry age until retirement. The annual cost of benefits is comprised of the normal cost plus an amortization payment to reduce the UAL.

Experience Gain (Loss) – The difference between actual unfunded actuarial accrued liabilities and anticipated unfunded actuarial accrued liabilities during the period between two valuation dates. It is a measurement of the difference between actual and expected experience, and may be related to investment earnings above (or below) those expected or changes in the liability due to fewer (or greater) than expected numbers of retirements, deaths, disabilities, or withdrawals, or variances in pay increases relative to assumed pay increases. The effect of such gains (or losses) is to decrease (or increase) future costs.

Funded Ratio – A measure of the ratio of the actuarial value of assets to liabilities of the system. Typically, the assets used in the measure are the actuarial value of assets as determined by the asset valuation method. The funded ratio depends not only on the financial strength of the plan but also on the asset valuation method used to determine the assets and on the funding method used to determine the liabilities.

Market Value of Assets (MVA) – The value of assets as they would trade on an open market.

Normal Cost – Computed differently under different funding methods, generally that portion of the actuarial present value of benefits allocated to the current plan year.

Unfunded Actuarial Accrued Liability (UAAL) – The excess of the actuarial accrued liability over the valuation assets; sometimes referred to as "unfunded past service liability". UAAL increases each time an actuarial loss occurs and when new benefits are added without being fully funded initially and decreases when actuarial gains occur.



City of Maricopa

Text File

File Number: LIQ 26-01

Agenda Date: 2/17/2026

Version: 1

Status: Passed

In Control: City Council Regular Meeting

File Type: Liquor License

Agenda Number: 7.2

TITLE

The Mayor and City Council shall discuss and take action on recommending approval to the Arizona Department of Liquor License and Control regarding an application for extension of premises/patio permit submitted by applicant Chris Spear on behalf of Roots Eatery, LLC located at 20046 N. John Wayne Parkway, Maricopa, Arizona 85139. Discussion and Action.

..AGENDA ITEM DESCRIPTION

Roots Eatery is requesting approval of a permanent extension of premise permit to their existing liquor license. A revised floor plan clearly depicting the requested change to the premise is attached as part of the application.

..STAFF RECOMMENDATION

Staff recommends the approval of the permanent extension of premise as requested by the applicant.



Arizona Department of Liquor Licenses and Control
<https://www.azliquor.gov>
 (602) 542-5141

DLLC USE ONLY

Job #:
Date Accepted:
LC:
License #:

**PERMANENT EXTENSION OF
 PREMISES/PATIO PERMIT**
NON-REFUNDABLE \$50.00 FEE WILL APPLY

OBTAIN APPROVAL FROM LOCAL GOVERNING BOARD BEFORE SUBMITTING TO THE DEPARTMENT OF LIQUOR
****Notice: Allow 30-45 days to process permanent change of premises****

License#: 012110011709

Specific purpose for change: We are expanding into nextdoor knocking down the wall and going through a complete remodel 1344 sqft to 2711 sqft

1. Agent Name: Christopher Spear
Last First Middle

2. Business Name: Roots Eatery

3. Business Location Address: 20046 N. John Wayne Pkwy Maricopa AZ 85139 #104
Street City State Zip Code

4. Mailing address: 44542 W. Garden Ln Maricopa AZ 85139
Street City State Zip Code

5. Email Address: Chris.Rootseatery@gmail.com

6. Business Phone Number: 520 340 3460 Contact Phone Number: 631 445 8809

7. Is extension of premises/patio complete? N/A Yes No

If no, what is your estimated completion date? 4/4/26

8. Do you understand Arizona Liquor Laws and Regulations? Yes No

9. Does this extension bring your premises within 300 feet of a school? Yes No

10. Have you received approved Liquor Law Training? Yes No

11. What security precautions will be taken to prevent liquor violations in the extended area?

- We card every individual ordering a drink!
- We will have trained Bartenders to look for signs of intoxication!
- we will train our staff to call an Uber if necessary!
- Our Hostess Stand is next to the door so we can assure no one is leaving with their drink.
- All Servers & Bartenders will NOT be hired for those position if their not 18 yrs or older!
- there will be 6 cameras on property in side that records & stores all

5/5/2025 Data

IMPORTANT

MUST ATTACH A DIAGRAM, clearly depicting your licensed premises along with the new extended area, *If the extended area is not outlined and marked "extension" we cannot accept the application.*

BARRIER

Barrier Exemption: an exception to the requirement of barriers surrounding a patio/outdoor serving area may be requested. Barrier exemptions are granted based on public safety, pedestrian traffic, and other factors unique to a licensed premises. List specific reasons for exemption:

Our patio is currently enclosed and covered under our current license

Approval Disapproval by DLLC: _____

SIGNATURE

Declaration:

I, (Print Name) *Chris Spear*, declare under penalty of perjury that I am authorized to submit this application. I have read the contents of this application, and to the best of my knowledge believe all statements made on this application to be true, correct and complete.


Signature

GOVERNING BOARD

After completion, and **BEFORE** submitting to the Department of Liquor, please take this application to your local Board of Supervisors, City Council or Designate for their recommendation. This recommendation is not binding on the Department of Liquor.

Approval Disapproval

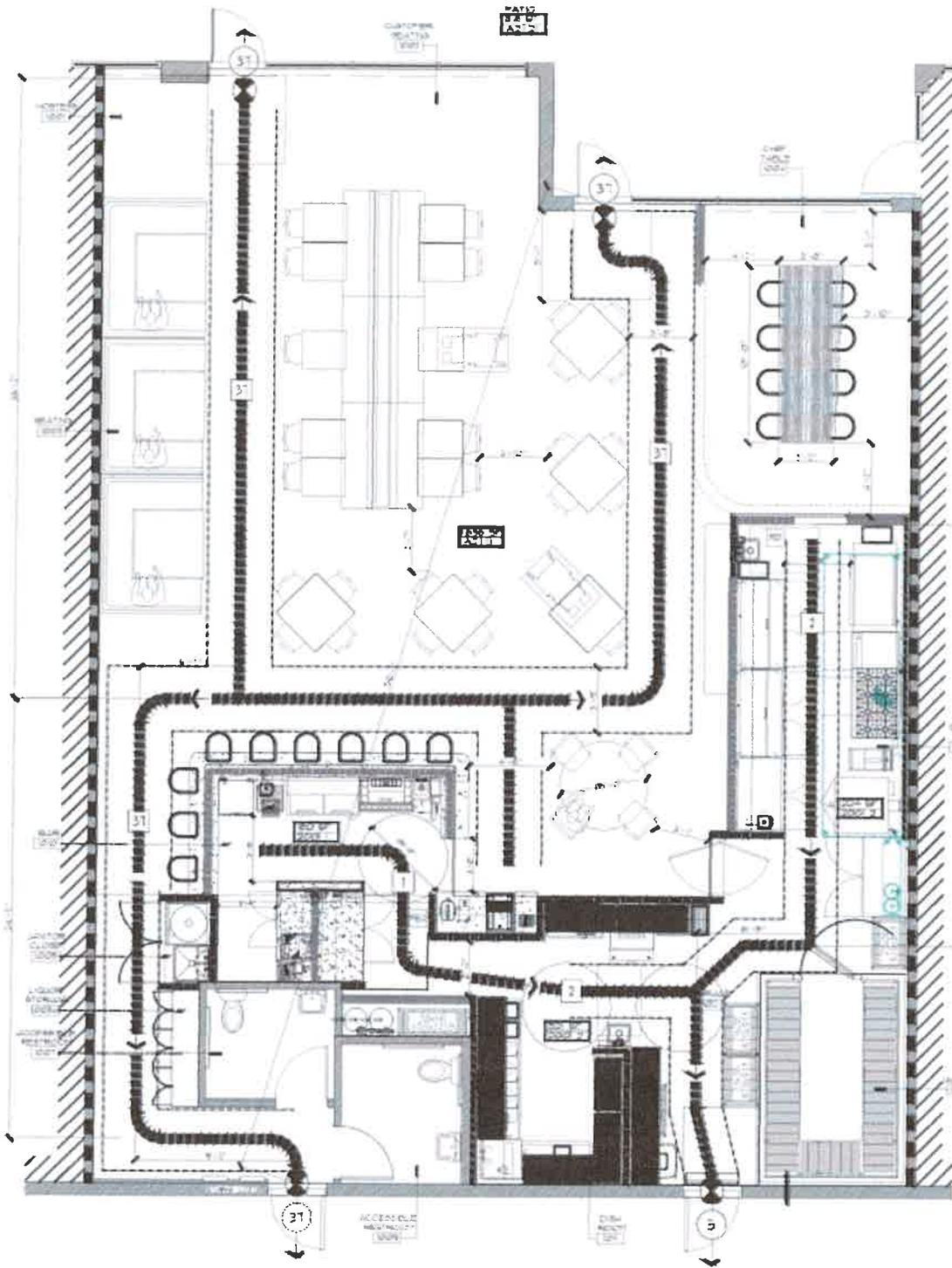
Authorized Signature Title Agency Date

DLLC USE ONLY

Investigation Recommendation: Approval Disapproval by: _____ Date: ___/___/___

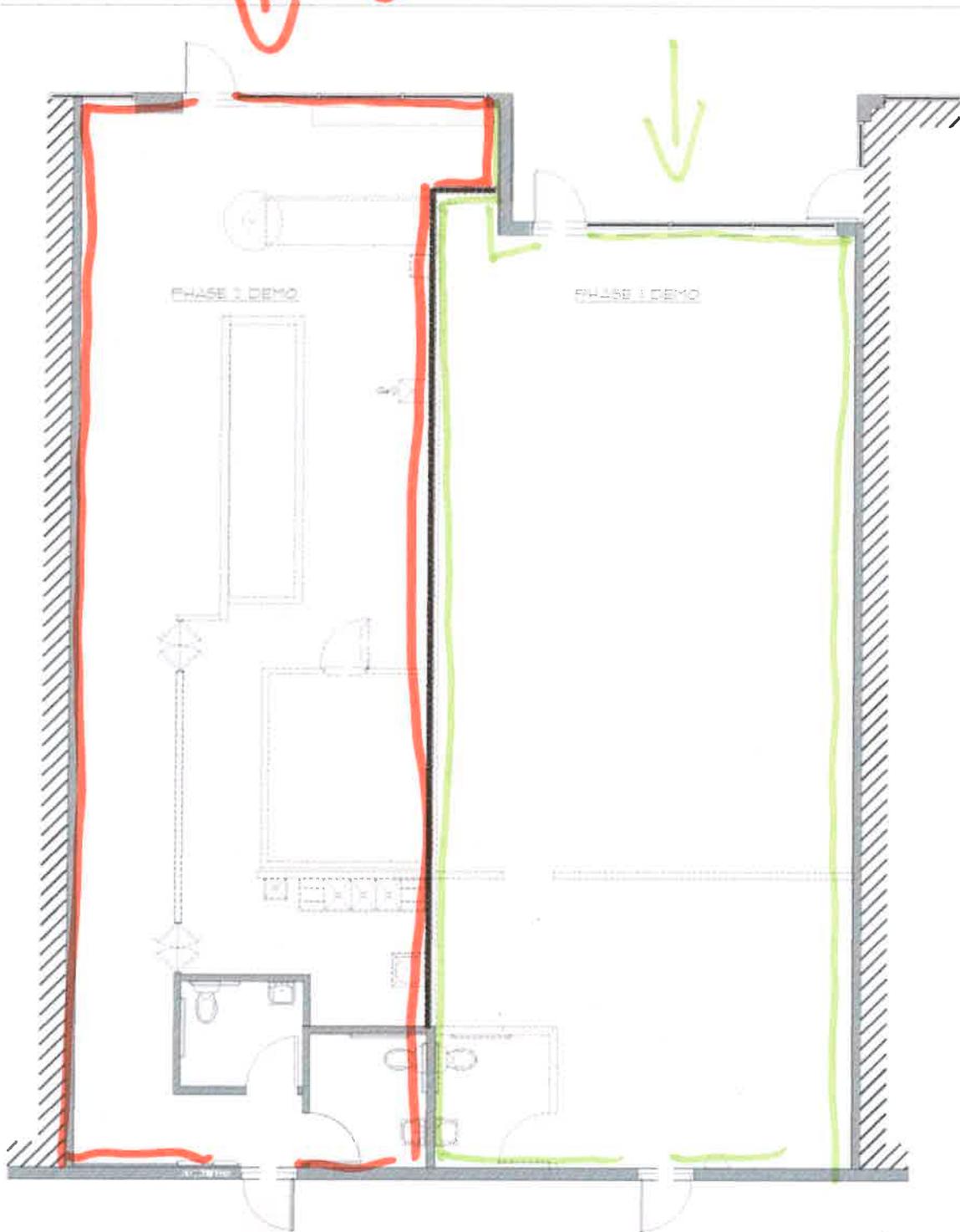
Director Signature required for Disapprovals: _____ Date: ___/___/___

Full Plan of
What it is Becoming



Current Ratio

extention



■ = Current
■ = extention



City of Maricopa

Text File

File Number: SPEVLIQ 26-03

Agenda Date: 2/17/2026

Version: 1

Status: Passed

In Control: City Council Regular Meeting

File Type: Special Event Liquor License

Agenda Number: 7.3

TITLE

The Mayor and City Council shall discuss and take action on recommending approval to the Arizona Department of Liquor Licenses and Control for an application for a special event liquor license provided by Brenda Campbell to allow Mandy's Wine Bar to serve alcohol during a special event known as Concerts at the Park on March 8, 2026. at Mike Ingram Heritage Park 44240 W Maricopa-Casa Grande Hwy. Discussion and Action.

..AGENDA ITEM DESCRIPTION

The State of Arizona department of liquor Licenses and Control requires that an application for a special event license be approved by local government before submission to their office.

In preparation for Concerts at the Park that is planned for March 8, 2026 at Mike Ingram Heritage Park, Brenda Campbell has applied for the City Council's consideration in recommending approval for the special event liquor license.

This is a returning community event in celebration of the grand opening of Mike Ingram Heritage Park. An event of this kind is important to building a thriving connection within the community, and being able to incorporate alcoholic beverages provides a unique element of the event when incorporated with live entertainment. We will not be charging for parking at this event.

..PRESENTER

This item will be presented by Quinn Konold, Communications and Cultural Services Director.

..STAFF RECOMMENDATION

Staff recommends the Mayor and City Council consider the approval to the Arizona Department of Liquor License and Control for a special event liquor license for Concerts in the Park on March 8, 2026.

..STAFF RECOMMENDATION



Arizona Department of Liquor Licenses and Control
https://www.azliquor.gov
(602) 542-5141

DLLC USE ONLY

Job #:
Date Accepted:
LC:
License #:

SPECIAL EVENT LICENSE
APPLICATION FEE \$25.00 PER DAY

MUST be submitted to the Department of Liquor **10 days prior** to the event.

SECTION 1

Name of Non-Profit Organization, Candidate or Political Party: City of Maricopa

If the event will be held on an unlicensed premises, it **MUST** be approved and signed by the Local Governing Body Before submitting to the Arizona Department of Liquor.

LOCAL GOVERNING BODY

Date Received: _____
I, _____ <input type="checkbox"/> APPROVAL <input type="checkbox"/> DISAPPROVAL
Government Official Title
On behalf of _____
City, Town, County Signature Date

SECTION 2

Will the event be at a location with a current liquor license and within the approved and licensed area?

Yes No

If yes, **MUST** attach a letter of explanation/permission from the licensed location and choose **ONE** option below.

Name of Licensed Location Mandy's Wine Bar Liquor License Number 012110028567

- Suspend license for the duration of the Special Event; Licensee selling all alcohol without retailer involvement.
- Dispense and serve all spirituous liquors under retailer's license – Business operates normally, minimum of 25% of gross revenue from alcohol sales will be donated to licensee.
- Dispense and serve all spirituous liquors under special event - The special event licensee is in charge of selling alcohol that was purchased or donated by the special event licensee. The retailers existing alcohol inventory must be kept separate from any alcohol used during the special event.
- Split premises between special event and licensed location - Both the special event licensee and the licensed location will conduct sales of alcohol. (These sales must be done in separate areas. If alcohol is donated or purchased by the special event licensee, it must be in a separate area from the alcohol that is dispensed by the licensed location.)
- Off Sale only - Wine/Distilled Spirits Pull, Live or Silent Auctions** – Retailer will be permitted to conduct all normal sales and service of alcohol.

SECTION 3

Applicant MUST be a member of a qualifying nonprofit organization, political party, or Government entity and authorized by an Officer, Director, or Chairperson of the Organization.

- 1. Applicant: Campbell Brenda
Last First Middle
- 2. Applicant's mailing address: 39700 W Civic Center Plaza, Maricopa, AZ 85138
Street City State Zip
- 3. Applicants home/cell phone: 520.705.5090 Non-profit organization phone: 520.316.6963
- 4. Applicant's email address: brenda.campbell@maricopa-az.gov
- 5. Has the applicant been convicted of a felony, or had a liquor license revoked within the last five (5) years?
 Yes (if yes, attach letter of explanation) No
- 6. Name of non-profit organization: City of Maricopa
- 7. Non-Profit/IRS Tax Exempt Number: 43-2035823 Arizona Corporation Commission File #: _____
Required Required
- 8. If Out Of State, specify State (Attach letter of good standing): _____
- 9. Special Event Name: Concerts at the Park
- 10. Event Location Name: Mike Ingram Heritage Park
- 11. Event Address: 44240 W Maricopa-Casa Grande Hwy

SECTION 4

Must list type of security and control measures will you take to prevent violations of liquor laws at this event.

4 Number of Police 12 Number of Security Personnel Fencing Barriers

Must explain security measures: This event site will be enclosed with barricades and a fence line. No alcohol will be allowed beyond any exit
Emergency exits will be clearly marked with signage and personnel. Wristbands will be applied to customers after checking identification. Enforced by public safety and TIPS certified workers.

- 1. How is this special event going to conduct all dispensing, serving, and selling of spirituous liquors?
 Check **one** of the following boxes. (R-19-318)
 On-site consumption Off-site (auction/wine/distilled spirits pull) Both
- 2. How many special event days have already been issued to this organization during the current year? 0

Licensed location diagram. The licensed premises for your special event is the area in which you are authorized to sell, dispense, or serve alcoholic beverages under the provisions of your license.

Must attach a diagram of your special event showing the area where alcohol will be sold, served, and consumed. Must include dimensions of event area, fencing, barricades, or other control measures, and positions of security personnel.



NO ALCOHOLIC BEVERAGES SHALL LEAVE A SPECIAL EVENT UNLESS THEY ARE IN SEALED CONTAINERS FOR AN AUCTION OR WINE/DISTILLED SPIRITS PULL, OR THE SPECIAL EVENT LICENSE IS STACKED WITH A WINE /CRAFT DISTILLERY FESTIVAL LICENSE.

SECTION 5

Dates and Hours of Event - Days must be consecutive and may not exceed 10 days per year.

DAYS	DATE	DAY OF WEEK	EVENT START TIME AM/PM	EVENT END TIME AM/PM
DAY 1	3/8/2026	Sunday	11:00am	8:00pm
DAY 2	_____	_____	_____	_____
DAY 3	_____	_____	_____	_____
DAY 4	_____	_____	_____	_____
DAY 5	_____	_____	_____	_____
DAY 6	_____	_____	_____	_____
DAY 7	_____	_____	_____	_____
DAY 8	_____	_____	_____	_____
DAY 9	_____	_____	_____	_____
DAY 10	_____	_____	_____	_____

SECTION 6

3. Is the Organization using the services of a DLLC approved Special Event Contractor from the list on our website?

Yes No If yes, please provide the Name of the Special Event Contractor: _____

Special Event Contractor Signature: _____

4. Is the organization using the services of a series 6, 7, 11, or 12 licensee to manage the sale or service of alcohol?
(Licensees who hold a series 6, 7, 11, or 12 license are automatically qualified to be a special event contractor)

Yes No if yes, Name of Licensee: Amanda Atler Liquor License #: 012110028567

1. List the name of the Organization/individual that will receive revenues:

MUST EQUAL 100 PERCENT, APPLYING NON-PROFIT MUST RECEIVE A MINIMUM OF 25% OF THE PROCEEDS.

2. Name: City of Maricopa Percentage: 25%

Address: 39700 W Civic Center Plaza, Maricopa, AZ 85138

Name: Mandy's Wine Bar Percentage: 75%

Address: 41600 Smith Enke Road STE 120 A2, Maricopa, AZ 85138

Please read A.R.S. § 4-203.02 and R19-1-205 Special event license rules and Requirements.

Declaration:

I, (Print Name) Brenda Campbell, declare under penalty of perjury that I am authorized to submit this application. I have read the contents and to the best of my knowledge believe all statements made on this application to be true, correct, and complete.

Signature: Brenda Campbell





City of Maricopa

Text File

File Number: RES 26-05

Agenda Date: 2/17/2026

Version: 1

Status: Consent Agenda

In Control: City Council Regular Meeting

File Type: Resolution

Agenda Number: 7.4

TITLE

A Resolution of the Mayor and City Council of the City of Maricopa, Arizona, Renaming the Willow Room at the Maricopa Library & Cultural Center to the Willow Arts Studio and authorizing the City Manager to continue to name other rooms within city facilities as necessary. Discussion and Action.

[Enter Text Here]

[Enter Body Here]

..Fiscal Impact

[Enter Fiscal Impact Statement Here]

RESOLUTION 26-05

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF MARICOPA, ARIZONA, RENAMING THE WILLOW ROOM AT THE MARICOPA LIBRARY AND CULTURAL CENTER TO THE WILLOW ARTS STUDIO AND AUTHORIZING THE CITY MANAGER TO CONTINUE TO NAME OTHER ROOMS WITHIN CITY FACILITIES AS NECESSARY.

WHEREAS, pursuant to Section 2.05.070 of the Maricopa City Code, the Mayor and City Council have the responsibility and authority to name city facilities; and

WHEREAS, traditionally the Mayor and City Council have named city buildings and the City Manager has named rooms within city buildings as necessary; and

WHEREAS, in 2025 the Mayor and City council approved a Rental Fee Policy which defined facility to include rooms within buildings; and

WHEREAS, the City recently received a request to rename the Willow Room to the Willow Arts Studio; and

WHEREAS, due to the definition of facility in the Rental Fee Policy and the request to rename the Willow Room, this item is being brought to City Council to approve the request to rename the Willow Room as the Maricopa Library and Cultural Center to the Willow Arts Studio and to authorize the City Manager to continue to name rooms within city facilities as necessary.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and City Council of the City of Maricopa, Arizona, that the Willow Room at the Maricopa Library and Cultural Center is renamed to the Willow Arts Studio and the City Manager is hereby authorized to continue to name other rooms within city facilities as necessary.

PASSED AND ADOPTED by the Mayor and City Council of the City of Maricopa, Arizona on this 17th day of February, 2026.

APPROVED:

Nancy Smith
Mayor

ATTEST:

Vanessa Bueras, MMC
City Clerk

APPROVED AS TO FORM:

Denis Fitzgibbons
City Attorney



City of Maricopa

Text File

File Number: MIN 26-14

Agenda Date: 2/17/2026

Version: 1

Status: Passed

In Control: City Council Regular Meeting

File Type: Minutes

Agenda Number: 7.5

TITLE

Approval of Minutes from the February 3, 2026 City Council Regular meeting. Discussion and Action.



City of Maricopa

Meeting Minutes City Council Regular Meeting

City Hall
39700 W. Civic Center
Plaza
Maricopa, AZ 85138
Ph: (520) 568-9098
Fx: (520) 568-9120
www.maricopa-az.gov

Mayor Nancy Smith
Vice-Mayor Vincent Manfredi
Councilmember Eric Goettl
Councilmember AnnaMarie Knorr
Councilmember Amber Liermann
Councilmember Bob Marsh
Councilmember Henry Wade

Tuesday, February 3, 2026

6:00 PM

Council Chambers

1. Call to Order

The meeting was called to order at 6:03 p.m. An invocation was led by Pastor Grady Root from Maricopa Springs Family Church, which was followed by The Pledge of Allegiance led by Councilmember Wade.

2. Roll Call

Present: 7 - Mayor Nancy Smith, Councilmember Eric Goettl, Councilmember AnnaMarie Knorr, Councilmember Amber Liermann, Councilmember Bob Marsh, Councilmember Henry Wade and Vice Mayor Vincent Manfredi

3. Proclamations, Acknowledgements, Awards and Presentations

There were no proclamations, acknowledgements, awards or presentations.

4. Report from the Mayor

Councilmember Marsh reported participating in the Maricopa Futures planning meeting, led by Mayor Smith on January 22nd. On January 27th, he reported attending the Pinal Partnership Government Relations Committee meeting, where they tracked over 1,600 legislative bills. On January 28th, he reported attending the Maricopa Flood Control District board meeting, which is working to transition its operations to the city. Additionally, on January 29th, Councilmember Marsh shared that he attended the Maricopa Unified School District dinner at Desert Sunrise High School, which included a panel discussion featuring representatives Teresa Martinez and Chris Lopez. Lastly, on February 2nd, he reported participating in a Maricopa Historical Society event, where guest speaker Roger Naylor, a renowned author, spoke about his experiences driving Route 66 from New Mexico to California.

Councilmember Goettl highlighted attending the Maricopa Unified School District legislative briefing, noting that it was beneficial to hear updates about state legislative impacts on school districts and to meet with representatives from the neighboring Ak-Chin Community. On January 31st, he also reported attending the police department's House of Worship Security Training, which was attended by over 200 individuals representing many faith-based groups and the Maricopa Unified School District. Councilmember Goettl added that the training conducted by Chief Goodman, Officer Horst, Sergeant Koozer, and Officer Nylander, was well-received with attendees

expressing interest in a follow-up event.

Councilmember Wade discussed his attendance at the House of Worship security training, praising the presenters for their expertise in ensuring places of worship are prepared for emergencies. He also reported participating in the Youth Council meeting and noted the dynamic and active involvement of young participants in community discussions, while also standing in for Councilmember Goettl in the Parks and Rec Committee meeting. Additionally, he recognized Chance Love for his dedicated service on the senior committee and announced that Chance would soon transition to a new position in Gilbert.

Councilmember Knorr reported participating in the Maricopa Women in Government Day at the Capitol with over 30 women from the city, led by Representative Teresa Martinez. She mentioned that the day included a tour of the Capitol and a mock bill voting exercise on the House floor, along with insightful presentations from the Arizona Department of Water Resources on issues concerning water and the Arizona Department of Transportation about transport projects. Councilmember Knorr also reported attending the First Responder Heroes flag football game at Pacana Park. Additionally, she spoke about two upcoming events: the Veterans Painting Fundraiser on February 10th at Luxe Lounge and the senior prom, Love Never Gets Old, hosted by Maricopa High School DECA on February 13th. Lastly, she reported a detailed meeting with the city manager and the mayor regarding the challenges faced by a potential business coming to Maricopa. She added that they discussed the obstacles confronting this local business while emphasizing the city's commitment to creating a supportive and welcoming business environment essential for the business's success in the Maricopa community.

Councilmember Liermann reported that the city just gave out their next cycle of arts grants, which went to Broadway Theater, the Historical Society, and Learned with Aloha. She also reported that Maricopa Friends of the Arts gave out \$6,000 in scholarships to various artists. Councilmember Liermann shared that Chilaquiles will be holding an art and sip event on February 12th and 21st. She added that Chilaquiles would be holding a jazz fusion on February 18th. Additionally, Councilmember Liermann shared that Maricopa High School will host an Arts Festival on February 28th and a Murder Mystery Dinner on February 12th. Lastly, she mentioned the Desert Music Arts Festival is scheduled for March 6th and 7th, showcasing the community's vibrant cultural calendar.

Vice Mayor Manfredi reported on his participation in the Transportation Policy Committee with the Maricopa Association of Governments, emphasizing its importance for the funding decisions related to State Route 347. He also shared his involvement in meetings with the Maricopa Partnerships Program Association (MPPA) to delve into economic development matters. Next, Vice Mayor Manfredi shared his re-election to the Rural Transportation Advisory Council. Additionally, he highlighted a meeting with Doug Coleman, who is anticipated to be appointed to the Arizona Department of Transportation Governing Board representing Pinal County. Furthermore, he announced that the Attorney General's office would host a presentation focused on scam prevention for seniors, scheduled for February 27th at the Council Chambers, aiming to bolster community awareness and protection against fraudulent activities.

Mayor Smith shared the significant discussions from the January 22nd Maricopa Futures meeting, which addressed key issues such as the city's financial outlook, exploring commuting corridor alternatives, planning for new community facilities, ensuring public safety, and the development of the industrial park. She also reported

on the productive conversations with the Greater Phoenix Economic Council aimed at attracting more businesses to the city, which included a tour of the city with its new chief executive. Additionally, Mayor Smith met with Gila River's Governor Lewis to discuss public safety initiatives and the development of the Green Road Loop. She mentioned a positive meeting with Zeke and his wife Jody, owners of Zesty Zeke's Pizza, expressing gratitude for the chance to discuss next steps and emphasizing that they concluded the meeting feeling optimistic about future momentum. Mayor Smith congratulated City Manager Bitter on being elected as the president of the Arizona City and County Management Association (ACMA). Next, she shared about the upcoming ribbon cutting for the Mike Ingram Heritage Park scheduled for February 24th, the possibility of hosting a concert on March 7, and she also urged citizens to provide feedback on the city's general plan. Furthermore, she reminded everyone of the State of the City address taking place on February 11th.

5. Report from the City Manager

City Manager Bitter provided several detailed updates during the meeting. He highlighted the innovative community policing efforts demonstrated by the Police Department through the successful implementation of the House of Worship Security Training, which aimed to enhance safety in religious facilities across the city. Mr. Bitter shared that over the past five years, the city has made significant infrastructural advances by adding 99 new lane miles of roads to accommodate growth and improve transportation. He announced that President Trump had recently signed an appropriations bill that included \$867,000 in congressionally designated spending, earmarked specifically for procuring the city's ambulances, underscoring a strong focus on emergency response enhancements. Mr. Bitter reminded everyone about the importance of subscribing to the city's e-newsletter, which is distributed every Friday and contains timely information, community news, and crucial updates concerning city operations and events.

6. Call to the Public

Former Mayor Kelly Anderson shared that Doug Coleman as a good representative for transportation matters. He praised the street maintenance crew for their prompt pothole repairs on Ferrell, Hartman, and Murphy Roads. Lastly, Mr. Anderson expressed concern about unkempt properties around the city that could become fire hazards with the approaching hot weather and questioned the landscaped median in front of Desert Sunrise High School that might restrict visibility for buses and student drivers.

Joseph Caruso spoke as a representative of United Way of Pinal County, highlighting their Reading by Third Grade initiative in partnership with Dolly Parton's Imagination Library. He noted that only 29% of Maricopa third graders are proficient in reading according to 2025 test scores, a drop from 33% the previous year. Mr. Caruso added that the program mails books to children under 5 to promote literacy before kindergarten. Lastly, he encouraged parents to sign up for the free program at unitedwayofpc.org and mentioned an upcoming golf tournament on April 24 to support the initiative.

7. Consent Agenda

A motion was made by Councilmember AnnaMarie Knorr, seconded by Councilmember Henry Wade, to Adopt the Consent Agenda .The motion carried unanimously.

Aye: 7 - Councilmember AnnaMarie Knorr, Councilmember Eric Goettl, Councilmember Bob Marsh, Councilmember Amber Liermann, Vice Mayor Vincent Manfredi, Mayor Nancy Smith and Councilmember Henry Wade

- 7.1 [SPEVLIQ 26-01](#) The Mayor and City Council shall discuss and take action on recommending approval to the Arizona Department of Liquor Licenses and Control for an application for a special event liquor license provided by Brenda Campbell to allow Roots Eatery to serve alcohol during a special event known as Copa Cultural on February 21, 2026 at Copper Sky, 44345 W. Martin Luther King Jr Boulevard, Maricopa AZ 85138. Discussion and Action.

This Special Event Liquor License was Approved.

- 7.2 [SPEVLIQ 26-02](#) The Mayor and City Council shall discuss and take action on recommending approval to the Arizona Department of Liquor Licenses and Control for a Special Event Liquor License application submitted by Kelly Anderson for approval of an event known as Copa Paws & Claws to be held on April 4, 2026 at Pacana Park located at 19000 N. Porter Road, Maricopa, Arizona 85139. Discussion and Action.

This Special Event Liquor License was Approved.

- 7.3 [MIN 26-09](#) Approval of Minutes from the January 20, 2026 City Council Regular meeting. Discussion and Action.

These Minutes were Approved.

8. Regular Agenda and/or Public Hearings

- 8.1 [APP 26-04](#) The Mayor and City Council shall discuss and take action on making an appointment to fill the vacancy on the Cultural Affairs and Arts Advisory Committee. Discussion and Action.

Councilmember Knorr acknowledged Cynthia Portrey for her dedicated service of nearly a decade on the Cultural Affairs and Arts Committee. She shared that Ms. Portrey was actively involved and present at each meeting, while bringing her passion for the arts to the community.

Councilmember Knorr introduced Thomas Schilling as her nominee. She shared that Mr. Schilling comes with an impressive background as an acclaimed writer, with 14 publications in both the United States and Great Britain. She added that his literary talents and active involvement in the arts community are expected to bring a fresh perspective to the committee.

A motion was made by Councilmember Knorr, seconded by Councilmember Liermann, that this Appointment be Appointed. The motion carried by the following vote:

Aye: 7 - Vice Mayor Vincent Manfredi, Councilmember Amber Liermann, Councilmember AnnaMarie Knorr, Councilmember Eric Goettl, Councilmember Bob Marsh, Mayor Nancy Smith and Councilmember Henry Wade

- 8.2 [RES 26-01](#) PUBLIC HEARING: A Resolution of the Mayor and City Council of the City of Maricopa, Arizona, vacating and abandoning, without compensation, a portion of North Maricopa Road, generally located between W. Honeycutt Avenue and N. John Wayne Parkway, within the City of Maricopa. Discussion and Action.

Derek Scheerer, Planner II, from the Planning Division presented a right-of-way abandonment application for a 0.182-acre area located south of West Honeycutt Avenue and west of North John Wayne Parkway. He elaborated that this initiative is part of a larger project aimed at realigning North Maricopa Road to create a proper intersection, eliminating the existing offset configuration. Mr. Scheerer added that this realignment is designed to improve traffic flow and enhance safety at the intersection. Lastly, he added that the area being abandoned will be transferred to the adjacent property, which is also owned by the city, thereby increasing the property's potential for future development and marketability.

Staff recommended approval as the city and public utilities have determined this portion of the utility easement is no longer necessary and have no plans to improve or use it. No members of the public spoke during the public hearing, which the mayor opened at 6:50 p.m. and closed immediately after.

A motion was made by Councilmember Wade, seconded by Councilmember Marsh, that this Resolution be Approved. The motion carried by a unanimous vote.

Aye: 7 - Councilmember Eric Goettl, Councilmember Bob Marsh, Councilmember AnnaMarie Knorr, Councilmember Amber Liermann, Mayor Nancy Smith, Vice Mayor Vincent Manfredi and Councilmember Henry Wade

8.3 [RES 26-02](#)

PUBLIC HEARING: A Resolution of the Mayor and City Council of the City of Maricopa, Arizona, vacating and abandoning, without compensation, a portion of a Public Utilities Easement on the real property known as Assessor Parcel Number 510-27-0380 generally located south of N. Maricopa Rd. and west of N. John Wayne Parkway, within the City of Maricopa. Discussion and Action.

Derek Scheerer presented a request for the abandonment of a Public Utility Easement specifically for the First Baptist Church, which spans approximately 0.477 acres. He shared that this area is a remnant piece of land created during the construction of the State Route 347 overpass. Mr. Sheerer clarified that the church is fully aware of the proposed abandonment and is supportive of it, as it aligns with their planned expansion efforts. Lastly, he added that the church intends to use the additional land to either enlarge their classroom facilities or construct a new auditorium.

Staff recommended approval as the easement is no longer necessary. No members of the public spoke during the public hearing, which the mayor opened at 6:54 p.m. and closed immediately after.

A motion was made by Councilmember Knorr, seconded by Councilmember Goettl, that this Resolution be Approved. The motion carried by the following vote:

Aye: 7 - Councilmember Henry Wade, Councilmember Eric Goettl, Councilmember Amber Liermann, Councilmember AnnaMarie Knorr, Councilmember Bob Marsh, Mayor Nancy Smith and Vice Mayor Vincent Manfredi

9. Executive Session

No executive session was held.

10. Adjournment

This meeting was adjourned at 6:55 p.m.

Certification of Minutes

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the regular meeting of the City Council of Maricopa, Arizona, held on the 3rd day of February, 2026. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 17th day of February 2026.

Vanessa Bueras
City Clerk



City of Maricopa

Text File

File Number: MIN 26-15

Agenda Date: 2/17/2026

Version: 1

Status: Passed

In Control: City Council Regular Meeting

File Type: Minutes

Agenda Number: 7.6

TITLE

The Mayor and City Council shall discuss and accept the meeting minutes from the January 12, 2026 Cultural Affairs and Arts Advisory Committee meeting, January 12, 2026 Senior Advisory Committee meeting and the January 26, 2026 Planning and Zoning Commission meeting. Discussion and Action.



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Meeting Minutes - Final Cultural Affairs and Arts Advisory Committee

Committee Chair, Laura Olivieri
Committee Member Marcus Ellsworth
Committee Member Mecca Hunter
Committee Member Danielle Lemorin
Committee Member May McCarthey

Monday, January 12, 2026

6:00 PM

City Hall Cotton Conference Room

1. **Call To Order**

Meeting was called to order at 6:03PM.

2. **Roll Call**

Present; 4 - Committee Member Danielle Lemorin, Committee Member May McCarthey, Committee Member Mecca Hunter, and Committee Member Laura Olivieri

Absent; 1 - Committee Member Marcus Ellsworth

3. **Minutes**

3.1 **MIN 26-04**

The Committee will approve the minutes from the November 17, 2025 meeting. Discussion and Action.

A motion was made by Committee Member Olivieri, seconded by Committee Member Hunter, that the minutes from the November 17, 2025 meeting be approved. The motion carried by a unanimous vote.

4. **Call to the Public**

No public comment.

5. **Agenda Items**

5.1 **CAAC 26-02**

The Committee will hear reports from the chair and committee members. Discussion Only.

Maricopa Music Circle performed for a packed house! 95 attendees enjoyed their holiday concert. The 14th annual Creative Minds began in January. Their events are held every other Saturday.

Discussed

5.2 **CAAC 26-03**

The Committee will hear reports from Council Liaison and staff. Discussion Only.

Travis discussed the committee survey that will be distributed in January.

In February the committee will hear a discussion on the data. If need be, action plans will be set for March.

AnnaMarie began her report with a note of gratitude to former committee member Cynthia Portrey. Cynthia served the committee for nine years.

AnnaMarie shared the date and location of the Futures Planning meeting- January 22, 2026. She also shared that the city will begin to recognize committee meeting minutes during regular city council meetings.

Discussed

- 5.3 [CAAC 26-04](#) The Committee will review and discuss input for Futures Planning Session. Discussion and Recommendation.

The committee provided feedback for the survey that will be distributed to the community at large.

Discussed

- 5.4 [CAAC 26-05](#) The Committee will discuss committee participation in the Copa Cultural Night Market. Discussion and Action.

Copa Cultural Night Market will be held on Saturday, February 21, 2026 from 4-8pm. The committee will share the public arts display schedule and a survey. The city will provide tables, chairs, canopy, lighting and printing this year. This will greatly lighten the load for the volunteer committee members in attendance.

A motion was made by Committee Member Olivieri, seconded by Committee Member McCarthy, for the committee to participate in the Copa Cultural Night Market. The motion carried by a unanimous vote.

- 5.5 [CAAC 26-06](#) The Committee will discuss the Visual Arts and Cultural Arts subcommittees participation. Discussion and Action.

Tabled

- 5.6 [CAAC 26-07](#) The Committee will jury art submissions from Pets, an Extension of Family Art Gallery. Discussion and Action.

The committee received twenty-six submissions. They selected twenty two for the display. During the jurying, M. Hunter shared what she looks for in each piece; color, dimension, depth, theme, shade, contour, balance, highlight, weight, hues, saturation, texture.

A motion was made by Committee Member Olivieri, seconded by Committee Member Lemorin, to approve the chosen art pieces for the upcoming Art Gallery. The motion carried by a unanimous vote.

- 5.7 [CAAC 26-08](#) The Committee will discuss future agenda items and next meeting date. Discussion and Recommendation.

Next meeting to be held on Monday, February 9, 2026.

Discussed

6. Adjournment

Meeting adjourned at 8:02PM.

Adjourn



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Meeting Minutes - Draft Senior Advisory Committee

*Committee Chair Carol Machovec
Committee Secretary Patricia Hesse
Committee Member David Anderson
Committee Member Toni Johnson
Committee Member Thomas Rein
Committee Member Sharon Walker*

Monday, January 12, 2026

4:00 PM

City Hall Cotton Conference Room

1. **Call To Order**

Meeting was called to order at 4:00PM.

2. **Roll Call**

Present; 6 - Chair Carol Machovec, Secretary Patricia Hesse, Committee Member Thomas Rein, Committee Member David Anderson, Committee Member Toni Johnson, and Committee Member Sharon Walker

3. **Minutes**

3.1 **MIN 26-03**

The Committee will approve the minutes from the December 15, 2025 meeting. Discussion and Action.

A motion was made by Committee Member Rein, seconded by Committee Member Walker, that the minutes from the December 15, 2025 meeting be approved. The motion carried by a unanimous vote.

4. **Call to the Public**

Brenda introduced Madison, the new Cultural Service Specialist. She will assist SAC with Senior Expo on Friday night set up.

5. **Agenda Items**

5.1 **SAC 26-01**

The Committee will hear a report from staff liaison, Travis Orian. Discussion Only.

Committee heard report from staff liaison, Travis Orian, on the Active Adult Services survey to be further reviewed at the February meeting. Quinn said to have people be specific in suggestions. Discussion only.

Discussed

5.2 **SAC 26-02**

The Committee will hear reports from chair and committee members. Discussion Only.

Committee heard from Tom about the upcoming Lunch and Learn for this week. Discussion only.

Discussed

- 5.3 SAC 26-03 The Committee will hear a report from the Council Liaison. Discussion Only.
- Committee heard report from Councilman Bob Marsh on a long term project for a new Senior Center and the importance on making our needs known. Discussion only.*
- Discussed**
- 5.4 SAC 26-04 The Committee will discuss the senior viewpoint of the upcoming General Plan. Discussion Only.
- Bob Marsh stated the importance of the input on the General Plan. Discussion only.*
- Discussed**
- 5.5 SAC 26-05 The Committee will hear from Chance Love and the events team regarding the upcoming 2026 Senior Info/Expo and roles of the sub committees. Discussion and Action.
- Committee heard from the events team and Chance on the Senior Expo. Discussion only.*
- Discussed**
- 5.6 SAC 26-06 The Committee will discuss the upcoming 2026 Lunch and Learn presentations. Discussion and Action.
- Committee hears from Chance on future topic for the Lunch and Learn. Discussion only.*
- Discussed**
- 5.7 SAC 26-07 The Committee will appoint a Committee Chair, Vice Chair and Committee Secretary. Discussion and Action.
- Committee appointed Carol Machovec as Chair, Tom Rein as Vice Chair, Patty Hesse as Committee Secretary. Motion made by Sharon to accept and was second by Tom 5-0*
- A motion was made by Committee Member Walker, seconded by Committee Member Rein, to appoint Carol Machovec as Committee Chair, Tom Rein as Vice Chair and Patty Hesse as Committee Secretary. The motion carried by a unanimous vote.**
- 5.8 SAC 26-08 The Committee will discuss future agenda items and next meeting date. Discussion and Recommendation.
- Next meeting scheduled for February 9, 2026.
Committee discussed future agenda items for February 26, 2026, at 4 pm.
*Active Adult Services *wrap up Senior Expo *to participate in Shred A Thon*
- Discussed**
6. **Adjournment**
- Motion by Tom and second by David to adjourn at 5:29 5-0
Meeting adjourned at 5:29PM.*

Adjourn



City of Maricopa

Meeting Minutes - Draft Planning & Zoning Commission

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Chair James Singleton
Commissioner Robert Klob
Commissioner Robert Brems
Commissioner William Robertson
Commissioner Maurice Thomas Jr.
Commissioner Chad Whittle
Commissioner Ted Yocum

Monday, January 26, 2026

6:00 PM

Council Chambers

1. **Call To Order**

Chair Singleton called the meeting to order at 6:00 PM. The invocation was given by Commissioner Yocum, and the Pledge of Allegiance was led by Commissioner Klob.

2. **Roll Call**

Present 6 - Commissioner Robert Brems, Commissioner Robert Klob, Commissioner Maurice Thomas Jr., Commissioner Ted Yocum, Chair James Singleton, and Commissioner Chad Whittle

Absent 1 - Commissioner William Robertson

3. **Call to the Public**

No members of the public approached the podium during the call to the public. No speaker cards were provided by the public.

4. **Minutes**

4.1 **MIN 26-08** The Commission shall approve the Minutes from the December 8, 2025 meeting.

The Commission reviewed the minutes from the December 8, 2025 meeting. No questions or comments were raised.

Motion to approve the minutes was made by Commissioner Thomas and seconded by Commissioner Klob. The motion passed unanimously.

5. **Agenda and Public Hearings**

No members of the public approached the podium for public hearings.

5.1 **TXT 26-01** PUBLIC HEARING: TXT25-01, A request by the City of Maricopa, proposing text revisions to Chapter 18 - Maricopa Zoning Ordinance, of the Maricopa City Code. Discussion and Action.

Rick Williams, Planning and Zoning Manager, presented a text amendment to Chapter 18 - Maricopa Zoning Ordinance of the Maricopa City Code. He explained that this was a housekeeping issue to address additional provisions related to House Bill 2447 that

were not included in the previous amendment approved in November.

Mr. Williams explained that the bill, which passed on March 31, 2025, amended Section 9500.49 of the Arizona Revised Statutes relating to administrative review and approval. He added that the bill mandated that cities authorize administrative personnel to review and approve site plans, development plans, land divisions, and various plats without a public hearing. Mr. Williams iterated that while the city had already implemented much of this in December, they had overlooked sections regarding the zoning administrator's authority to send both minor and major development review permits to the Planning and Zoning Commission.

Mr. Williams clarified that major development review permits would still require on-site posting and notification to property owners within 600 feet. He also noted that instead of the Planning and Zoning Commission reviewing applications that staff cannot approve, these would now go to the hearing administrator or hearing officer.

Mr. Williams explained that the proposed text amendments conform with several goals in the general plan, including consistent enforcement of development codes, promoting housing diversity, and streamlining permitting processes. He reported that the amendment had been properly noticed since January 5, 2026, with no public comments received to date.

Commissioner Klob asked whether the appeals section of the code would be updated, as it still showed the Planning and Zoning Commission's involvement. Mr. Williams explained that the changes approved in December hadn't yet been reflected on the city website, but the current amendment was consistent with those previous changes.

Commissioner Klob also asked what responsibilities would remain for the Commission following these changes. Mr. Williams responded that they would still review zonings, plan amendments, text amendments, and conditional use permits. He added that the Commission would have a major role in the upcoming code update process.

Commissioner Thomas asked if developers had complained about the time it takes to get through Maricopa's review process. Mr. Williams emphatically stated that Maricopa was known for its efficient processing of applications, unlike some other municipalities in the valley that take much longer. He noted that developers celebrate Maricopa's commitment to getting them through the process quickly and efficiently.

Commissioner Klob, confirmed that Maricopa processes applications much more efficiently than some other valley cities, where cases can take up to 2.5 years.

Chair Singleton opened the public hearing. With no members of the public wishing to speak, the public hearing was closed.

Motion to approve the minutes was made by Commissioner Thomas and seconded by Commissioner Yocum. The motion passed unanimously

5.2 [PZ 26-01](#)

ELECTION OF OFFICERS: Discussion and possible action to elect a Chairman and Vice-Chairman for the Planning Commission for 2026. DISCUSSION AND ACTION.

Mr. Williams explained that the Commission's code requires election of a chair and vice chair every two years. He noted that the current chair has been in place for one year, and there was a vacancy in the vice chair position. The Commission could either keep the current chair and elect a vice chair or make changes to both positions.

Motion was made by Commissioner Klob to nominate Chair Singleton to

continue as Chair of the Commission. Motion was seconded by Commissioner Yocum. The motion passed unanimously.

Motion was made by Commissioner Yocum to nominate Commissioner Klob as Vice-Chair of the Commission. Motion was seconded by Commissioner Thomas. The motion passed unanimously.

6. Reports from Commission and/or Staff

7. Executive Session

- 7.1 **ES 26-02** ES26-02 Roles and Responsibilities of the Planning and Zoning Commission: Pursuant to A.R.S §38-431.03 A(3); The Planning and Zoning Commission may hold an executive session for discussion and consultation with the City Attorney and Designated Representatives of the City to provide legal advice concerning the role and legal authority of the Planning and Zoning Commission as set forth in State statute and City Code. Discussion Only.

The Commission entered Executive Session at 6:21 p.m. to receive legal advice concerning the roles and responsibilities of the Planning and Zoning Commission.

A motion was made by Commissioner Yocum to open Executive Session; second was made by Commissioner Klob. Motion passed unanimously.

The Commission entered Executive Session. The executive session was adjourned at 8:15 p.m.

A motion was made by Commissioner Brems to adjourn Executive Session; second was made by Commissioner Thomas. Motion passed unanimously.

8. Adjournment

The meeting was adjourned at 8:17 p.m.

A motion was made by Commissioner Yocum, seconded by Commissioner Brems, to adjourn. The motion carried unanimously.



City of Maricopa

Text File

File Number: PRES 26-02

Agenda Date: 2/17/2026

Version: 1

Status: Regular Agenda

In Control: City Council Regular Meeting

File Type: Presentation

Agenda Number: 8.1

TITLE

The Mayor and City Council shall hear a presentation from Heinfeld, Meech & Co., P.C. regarding the audit of the City of Maricopa Annual Comprehensive Financial Report (ACFR) and Annual Expenditure Limitation Report for the Fiscal Year Ended June 30, 2025. Discussion Only.

..AGENDA ITEM DESCRIPTION

Arizona Revised Statute 9-481.H requires that "within ninety days after completing an audit pursuant to this section, the governing body of the city or town shall require the certified public accountant who performed the audit to present the audit results and any findings to the governing body in a regular meeting without the use of a consent agenda, and the governing body shall demonstrate compliance with section 41-1494"

The City has contracted with Heinfeld, Meech & Co., P.C. for approximately 19 years to perform the audit of the City's Annual Comprehensive Financial Report.

A representative from Heinfeld, Meech & Co., P.C. will make a presentation to Council regarding the audit of the City of Maricopa Annual Comprehensive Financial Report (ACFR) for the Fiscal Year Ended June 30, 2025.

Additional reports completed in relation to the ACFR are the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, the Expenditure Limitation Report, and the Independent Accountant's Report for the Examination of Compliance of Highway User Revenue Fund monies.

..PRESENTER

This item will be introduced by Chris Evripidou, Finance Manager.

..STAFF RECOMMENDATION

Staff recommends the Mayor and City Council hear a presentation from Heinfeld, Meech & Co., P.C. regarding the audit of the City of Maricopa Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025, the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, and the Annual Expenditure Limitation Report.



City of Maricopa

FINDING OUR WAY



Annual Comprehensive
Financial Report
for the year ended
June 30, 2025



City of Maricopa, Arizona

Maricopa, Arizona

**Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2025**

Issued by:
Financial Services Division

City of Maricopa, Arizona

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City of Maricopa, Arizona

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Introductory Section

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December 22, 2025

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, 2025.

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, 2025. 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, 2025, 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, 2025, 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, ranking as the 5th fastest-growing large city in the United States. In 2003, it became Arizona's 88th incorporated municipality with a population of 1,040 and currently serves approximately 45 square miles of incorporated area with a population of 76,654 as of July 1, 2024 – an increase of 75,000 residents in only 21 years. 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 2024 United States Census Bureau estimate of 76,654. Recent calculations performed since the latest Census estimates project that Maricopa may now be home to over 80,000 residents. People from all over the country continue to flock to Maricopa because of its lower housing cost and great quality of life, with a median household income of \$93,609 (as of 2025).

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, many agriculturally related businesses have grown in the Maricopa area, such as Shamrock Farms Dairy, Pinal Feeding Company, 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 an industry hub as home to Pinal Energy, the state's first ethanol plant, and Waste Management/Garrick's green waste to fuel project. Plans are currently underway for the development of the Maricopa Commerce and Industrial Park, the first of its kind for the city, which could ultimately be the home of tens of thousands of new jobs.

Bashas', Fry's Marketplace, Walmart, Lowe's, and Sprouts anchor five significant existing and expanding retail centers located in Maricopa. Additional development projects continue to bring new shopping and dining options to Maricopa Southbridge, located on approximately 45 acres at John Wayne Parkway and Honeycutt Avenue, including 54,000 square feet of multi-tenant shops that are now under construction. Discussions are well under way for additional retail development in multiple other areas of the City, with the recent opening of Home Depot in late 2024 at Stonegate and the planned San Trava Commercial Center along White & Parker Road (anchored by a major grocery tenant) drawing significant interest in new retail developments within and around those commercial centers.

The City of Maricopa has tax abatement agreements with the Stonegate, Southbridge, and Rialto developments. These agreements have allowed for infrastructure development by providing a reimbursement of certain portions of construction sales taxes to the developers, once they met specific dates for completion of construction requirements. This incentive has spurred much quicker economic development, construction, and development of these areas and provides the residents of Maricopa with more reliable and robust infrastructure as well as additional retail opportunities and amenities, all with faster and more immediate benefits to the community's economic outlook than may have been available with traditional development processes. Additionally, by collecting these sales tax revenues earlier, those dollars can be re-invested quicker by the City into providing core services necessary to serve the developments and the greater community.

The attraction of healthcare services to the community has been a strong focus for the City of Maricopa since its inception. Banner Health's 40,000 square foot medical 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, with land holdings that could bring additional full-service offerings to the community. The City's first hospital, Exceptional Health Community Hospital, opened its doors in December 2021. Additional healthcare opportunities are currently being designed on the southeast corner of John Wayne Parkway and Bowlin Rd., adjacent to the Copper Sky Regional Park.

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, with recent emphasis on broadening housing types to include additional multifamily and rental opportunities. In calendar year 2024, Maricopa issued 986 single family residential permits and 1,200 multifamily residential permits. Multiple new apartment complexes, condos, and other forms of housing are currently being planned and/or built in Maricopa and will offer residents an exciting variety of available and affordable living options - while still retaining the high building standards that our city has established.

Major Initiatives

The City Council recently established a new Mission Statement and key primary objectives. These vision statements are valuable to both City employees and to Maricopa citizens, as we work together to achieve these aspirational hopes.

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 driven by a commitment to delivering a high quality of life, 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 is currently being constructed over the UPRR at Maricopa Road with completion expected in late 2026, and the City has completed the building of a brand new, state of the art police station and dispatch center that will provide a durable and expanded home for key public safety operations to grow into for years to come. The construction of our new City courthouse within our City hall complex has been a strong stabilizing factor in ensuring the safety and security of our residents is well planned and well executed.

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.

In 2020, the City began a program known as the Land Acquisition Enhancement Program. This program is focused on the conversion of vacant, abandoned, underutilized, tax delinquent properties, and/or other 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 properties and convert these liabilities into assets. In short, the program will allow the City to acquire and maintain problem properties and then transfer (sell) 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.

Since the start of fiscal year 2024, the City has acquired hundreds of acres of land within the planned ‘Industrial Triangle’ (or ‘Business Park’) development area just south of the Maricopa Casa Grande Highway and adjacent to White & Parker Road. Numerous industrial partners have indicated interest in purchasing these lands with initial estimates from these parties indicating their intentions of creating thousands of local jobs and investing billions of dollars in the City. A master plan for this industrial development was completed, and work has commenced on an infrastructure plan, including removal of the area from the floodplain. 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 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.

In May 2025, the City Council unanimously voted to introduce a half-cent sales tax and created a “Commuting Corridors Fund.” This half-cent initiative increases local sales tax collections with the goal of funding major transportation corridor projects that are vital improvements to the regional transportation needs of our businesses and our residents. Council chose to exempt the retail sales of food for home consumption (i.e. groceries) from this half-cent initiative, affirming their desire to keep the living costs of Maricopa residents as affordable as possible while also ensuring a focus on what our residents consider their highest priority, which is transportation improvements. These additional funds will allow critical transportation projects to be funded and completed in faster and more fiscally responsible timelines. The first of these projects includes leveraging these new Commuting Corridors Funds to executing a \$30 million payment to the Arizona Department of Transportation to help fully fund the improvement and widening of State Route 347 from I-10 to the northern City limits.

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 still has plenty of room to expand its current operations.

The Copper Sky Recreation Complex is the sporting, fitness, recreation and leisure destination in Maricopa. Comprised of the Copper Sky Multigenerational Center and the Copper Sky Regional Park, this expansive recreational development offers state-of-the-art equipment, grand green spaces and fantastic programs designed to enhance Maricopa residents' quality of life. The completion of The Fieldhouse at Copper Sky is anticipated for late Summer of 2026, and brings 44,000 square feet of interior court and rental space that significantly increases the opportunity of Maricopa residents to recreate. The Fieldhouse can flex the space for usage of 4 full-sized basketball courts, 6 volleyball courts, 12 pickleball courts, and adds options to host local, regional and national athletic tournaments for both “court” sports as well as martial arts, wrestling, and more.

We aspire to be a city where employees and citizens alike can work to create a premier city, and then strengthen and further their combined vision to ensure this premier city is further enhanced.

Relevant Financial Policies

Maricopa will maintain carefully designed financial 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 also assign and maintain an emergency reserve equal to \$1.0 million. These reserve 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 reserve 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 \$51.7 million at June 30, 2025 or 63% of estimated General Fund expenditures for FY2026. These funds go to support and enhance public safety, transportation, and quality of life amenities.

In FY23, 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 bond payment savings of \$2.2 million dollars that residents and business owners will receive via a reduction in the secondary property tax rate.

An updated review of the City’s financial status performed by Fitch Ratings in 2024 affirmed the City’s AAA bond rating, upgraded the City’s issuer default rating to AA+, and gave Maricopa its highest possible ranking for financial resilience – a testament to the dedication of strong financial management practices over a sustained period by the City.

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 uses fiscal year 2024 budget as its base, 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 – and in FY24 the City obtained its first Revenue Bond to fast track \$41 million of key capital projects to see their completion arrive multiple years ahead of their initial targeted dates, furthering our commitment to the completion of vital infrastructure improvements for our residents, without raising taxes.

We are committed to creating a strong City – A city that strives for greatness and continuous improvement, but also a city that can afford what it is becoming. This delicate balance requires our collective leadership and commitment. Thanks for your support in these efforts.

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, 2024. 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.

The City must apply for this certificate each year. 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 certificate for the fiscal year that ended on June 30, 2025.

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 and careful oversight of our financial resources throughout the past year.

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

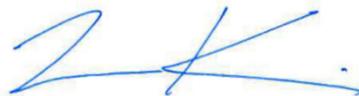
Respectfully submitted,



Benjamin Bitter
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**

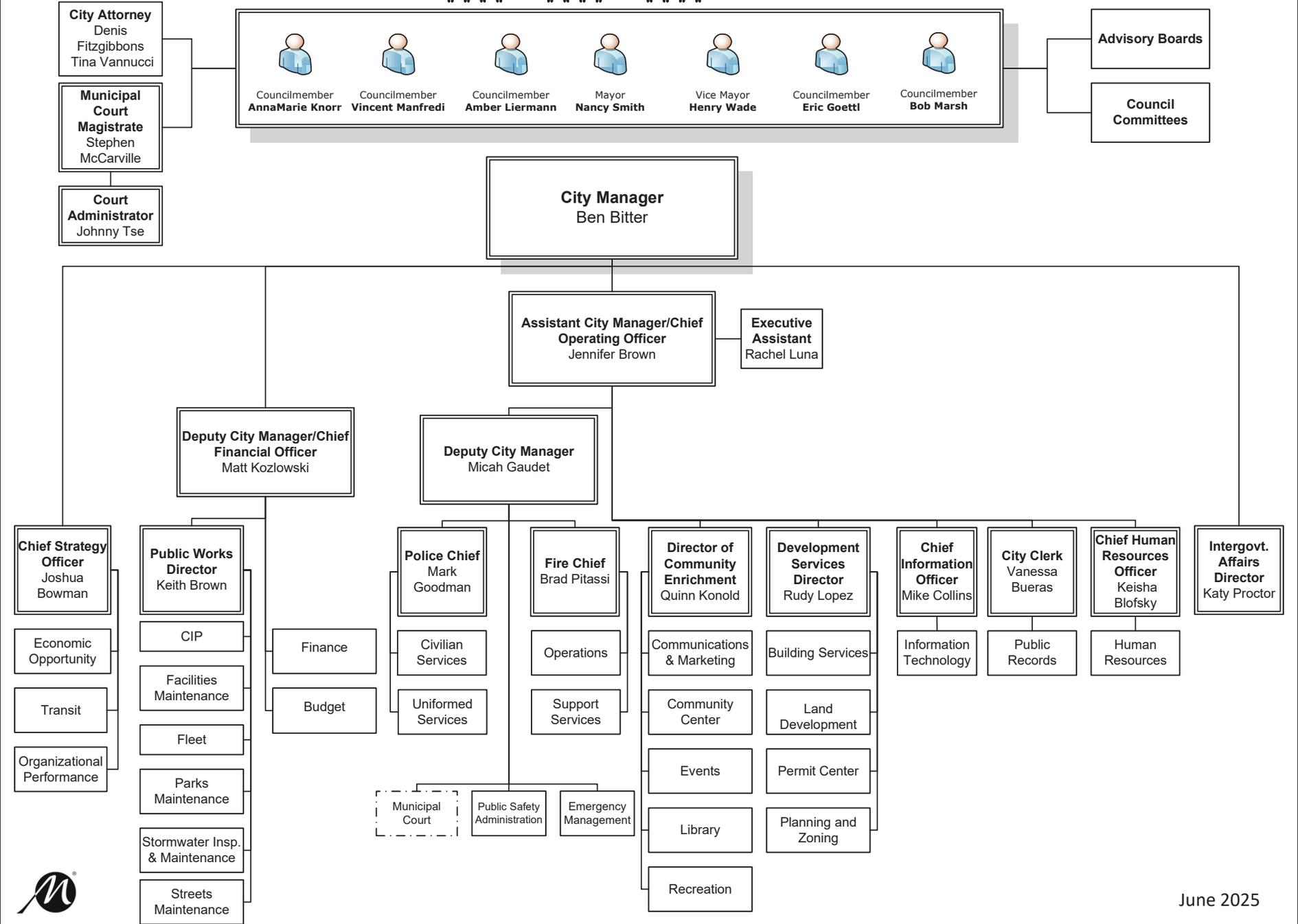
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

City of Maricopa Organization Chart



**City of Maricopa, Arizona
List of Principal Officials**

ELECTED OFFICIALS

Mayor	Nancy Smith
Vice Mayor	Henry Wade, Jr.
Council Member	Eric Goettl
Council Member	AnnaMarie Knorr
Council Member	Amber Liermann
Council Member	Vincent Manfredi
Council Member	Bob Marsh

CITY STAFF

City Manager	Ben Bitter
Assistant City Manager	Jennifer Brown
Deputy City Manager & Chief Financial Officer	Matt Kozlowski
Deputy City Manager	Micah Gaudet

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, 2025, 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, 2025, 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 to the financial statements, the City implemented the provisions of GASB Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. 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 22, 2025, on our consideration of City of Maricopa, Arizona's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Maricopa, Arizona's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Maricopa, Arizona's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Tucson, Arizona
December 22, 2025

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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, 2025

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, 2025. 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 2024-25 as follows:

- The City's total net position of governmental activities increased \$63.6 million to \$541.2 million representing a 13 percent increase over the prior year primarily due to consistent spending year over year.
- General revenues from governmental activities accounted for \$103.5 million in revenue, or 65 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$55.5 million or 35 percent of total governmental activities revenues.
- The City had \$95.4 million in expenses related to governmental activities, a decrease of four percent from the prior fiscal year primarily due to one-time expenditures in the prior year related to public works using the City's coronavirus relief funding.
- Among major funds, the General Fund had \$102.1 million in current fiscal year revenues, which primarily consisted of property tax, sales tax, and intergovernmental revenues, and \$91.6 million in expenditures and other financing uses. The General Fund's fund balance increased \$11.2 million from the prior fiscal year end to \$47.4 million due to a decrease in transfers to capital funds for various capital projects and land acquisitions.
- The General Government CIP Fund had \$9.1 million in revenues and other financing sources. Fund expenditures totaled \$11.4 million resulting in a decrease in fund balance of \$2.2 million at the end of the current fiscal year primarily due to the use of funds for current year projects.
- The Pledged Revenue Bond fund had a decrease of fund balance of \$11.9 million due to the spending of bond proceeds issued in a prior year.
- The Land Acquisition Enhancement Fund had \$30.9 million in revenues and other financing sources. Fund expenditures totaled \$36.0 million resulting in a decrease in fund balance of \$5.0 million primarily due to the use of funds for current year land purchases.

City of Maricopa, Arizona
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

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, 2025

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, General Government CIP, Pledged Revenue Bond, and Land Acquisition Enhancement Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

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

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

Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$541.2 million at the current fiscal year end.

The largest portion of the City's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, infrastructure, vehicles, machinery and equipment, computer and software, 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, 2025

Government-Wide Financial Analysis

The following table presents a summary of the City's net position for the fiscal years ended June 30, 2025 and June 30, 2024.

	Governmental Activities	
	2025	2024
Current and other assets	\$ 173,081,056	\$ 180,425,407
Capital assets, net	475,792,447	404,341,317
Total assets	648,873,503	584,766,724
Deferred outflows	11,804,550	11,497,966
Current liabilities	7,229,191	12,359,846
Long-term liabilities	106,965,118	102,498,431
Total liabilities	114,194,309	114,858,277
Deferred inflows	5,305,223	3,797,976
Net position:		
Net investment in capital assets	418,064,023	360,151,415
Restricted	88,692,564	80,847,033
Unrestricted	34,421,934	36,609,989
Total net position	\$ 541,178,521	\$ 477,608,437

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 \$94.2 million in capital asset additions with an increase in accumulated depreciation and amortization of \$20.1 million from current year depreciation and amortization.
- The principal retirement of \$2.9 million of bonds and \$562,866 of bond premium.
- The addition of \$6.0 in loans payable and principal retirement of \$574,980.

City of Maricopa, Arizona
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

Government-Wide Financial Analysis

Changes in net position. The City's total revenues for the current fiscal year were \$159.0 million. The total cost of all programs and services was \$95.4 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2025 and June 30, 2024.

	Governmental Activities	
	2025	2024
Revenues:		
Program revenues:		
Charges for services	\$ 12,470,352	\$ 16,651,274
Operating grants and contributions	5,935,527	12,227,530
Capital grants and contributions	37,066,264	46,285,703
General revenues:		
Property taxes	19,577,449	18,267,853
Sales taxes	36,268,544	35,295,659
Franchise taxes	1,789,350	1,806,235
Unrestricted grants, aid, and state shared revenues	37,834,014	38,269,107
Gain on sale of capital assets	117,124	3,518,424
Investment income (loss)	7,952,560	7,532,405
Total revenues	159,011,184	179,854,190
Expenses:		
General government	19,803,588	17,836,662
Public safety	33,335,021	31,378,811
Community services	6,054,051	6,956,090
Development services	4,773,028	2,890,145
Public works	28,809,722	38,449,593
Interest on long-term debt	2,665,690	2,277,374
Total expenses	95,441,100	99,788,675
Changes in net position	63,570,084	80,065,515
Net position, beginning	477,608,437	397,542,922
Net position, ending	\$ 541,178,521	\$ 477,608,437

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

- Operating and capital grants and contributions decreased \$15.5 million primarily due to the spending of one-time revenues from the Coronavirus State and Local Fiscal Recovery Funds and a \$10.3 million grant from the Arizona Department of Transportation.
- Charges for services decreased \$4.2 million as a result of a slow down in construction growth resulting in fewer permits being issued.
- Public works expenses decreased \$9.6 million primarily for the completion of various projects in the prior year.

City of Maricopa, Arizona
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

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, 2025		Year Ended June 30, 2024	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
General government	\$ 19,803,588	\$ (18,087,717)	\$ 17,836,662	\$ (16,142,963)
Public safety	33,335,021	(30,352,883)	31,378,811	(27,512,835)
Community services	6,054,051	(2,700,473)	6,956,090	(2,233,910)
Development services	4,773,028	6,625,559	2,890,145	14,264,948
Public works	28,809,722	7,212,247	38,449,593	9,277,966
Interest on long-term debt	2,665,690	(2,665,690)	2,277,374	(2,277,374)
Total	<u>\$ 95,441,100</u>	<u>\$ (39,968,957)</u>	<u>\$ 99,788,675</u>	<u>\$ (24,624,168)</u>

- The cost of all governmental activities this year was \$95.4 million.
- Federal and State grants and contributions and charges for services subsidized certain programs with grants and contributions and other local revenues of \$55.5 million.
- Net cost of governmental activities of \$40.0 million was financed by general revenues, which are made up of primarily property taxes of \$19.6 million, sales taxes of \$36.3 million, and state shared revenues of \$37.8 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 \$156.4 million, an increase of \$740,421.

City of Maricopa, Arizona
Management’s Discussion and Analysis (MD&A)
Year Ended June 30, 2025

Financial Analysis of the City’s Funds

The General Fund is the principal operating fund of the City. The fund balance increased \$11.2 million, or 31 percent due to a decrease in transfers of funds for capital projects. General Fund revenues decreased \$3.0 million as a result of a decrease in charges for services. General Fund expenditures and other financing uses decreased \$38.8 million as a result of a change in the capital project needs of the City.

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 \$255,820 a decrease or less than one percent.

A schedule showing the original and final budget amounts compared to the City’s actual financial activity for the General Fund is provided in this report as required supplementary information. The significant favorable variance of \$13.9 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 \$653.0 million in capital assets, including buildings, facilities, vehicles, computers, equipment, and infrastructure assets. This amount represents a net increase prior to depreciation of \$91.6 million from the prior fiscal year, primarily due to acquisition of land and the completion of various other capital projects. Total depreciation and amortization expense for the current fiscal year was \$20.5 million.

The following schedule presents capital asset balances for the fiscal years ended June 30, 2025 and June 30, 2024.

<u>Governmental Activities</u>	As of <u>June 30, 2025</u>	As of <u>June 30, 2024</u>
Land	\$ 185,153,553	\$ 150,627,243
Water rights	1,190,861	1,190,861
Infrastructure	255,753,648	218,400,645
Buildings and improvements	158,346,685	128,784,335
Vehicles, machinery and equipment	33,125,786	29,030,889
Construction in progress	18,794,450	33,368,811
Right-to-use SBITA	622,392	
Less: Accumulated depreciation/amortization	<u>(177,194,928)</u>	<u>(157,061,467)</u>
Total	<u>\$ 475,792,447</u>	<u>\$ 404,341,317</u>

The estimated cost to complete current construction projects is \$64.2 million. Additional information on the City’s capital assets can be found in Note 7.

City of Maricopa, Arizona
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

Capital Assets and Debt Administration

Debt Administration. At year end, the City had \$74.0 million in long-term debt outstanding, \$9.0 million due within one year. Long-term debt increased by \$1.5 million, primarily due to the issuance of \$6.0 million in loans.

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 \$199.3 million, of which \$20.6 million is issued and outstanding. State statutes also currently limit the amount of general obligation debt a City may issue to six percent of its total assessed valuation for all other purposes. The current debt limitation for the City is \$59.8 million, of which \$5.2 million is issued and outstanding. Additional information on the City's long-term debt can be found in Notes 8 through 13.

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 2025-26. The most significant factors affecting the subsequent year's budget are:

- Primary property tax assessments are projected higher in fiscal year 2025-26 with an increase of \$744,077 while reducing the primary property tax rate to \$3.4773 per \$100 in assessed valuation. The moderate assessment increase is due to the impact of new construction and increased property values.
- Local sales tax revenue is projected to increase over the prior fiscal year and is budgeted at \$43.7 million in fiscal year 2025-26 compared to the 2024-25 actual revenues of \$36.3 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 2025-26 state shared revenues are projected to decrease in the General Fund by approximately one percent. This is due primarily to a six percent decrease in projected State Income Tax (URS) revenues as a result of the State's adoption of a flat 2.5 percent income tax in 2023.
- Budgeted expenditures in the General Fund increased 10.1 percent to \$81.9 million in fiscal year 2025-26. 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 2025-26 budget.

**City of Maricopa, Arizona
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025**

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.

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Basic Financial Statements

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Government-Wide Financial Statements

City of Maricopa, Arizona
Statement of Net Position
June 30, 2025

	Governmental Activities
Assets	
Current assets:	
Cash and investments	\$ 154,065,234
Property taxes receivable	451,692
Accounts receivable	1,401,139
Intergovernmental receivables	5,542,267
Notes receivable	8,895,379
Inventories	409,172
Prepaid items	1,001,075
Leases receivable	1,315,098
Total current assets	173,081,056
Noncurrent assets:	
Capital assets not being depreciated	205,138,864
Capital assets, net accumulated depreciation	270,653,583
Total noncurrent assets	475,792,447
Total assets	648,873,503
 Deferred outflows of resources	
Deferred charge on refunding	152,685
Pension plan items	11,651,865
Total deferred outflows of resources	11,804,550
 Liabilities	
Current liabilities:	
Accounts payable	3,965,440
Accrued wages and benefits	2,132,565
Unearned revenues	7,621
Customer deposits	151,646
Accrued interest payable	971,919
Loan payable	5,525,510
SBITA payable	200,330
Compensated absences payable	4,452,185
Financed purchases payable	96,449
Bonds payable	3,140,000
Total current liabilities	20,643,665
Noncurrent liabilities:	
Non-current portion of long-term obligations	93,550,644
Total noncurrent liabilities	93,550,644
Total liabilities	114,194,309
 Deferred inflows of resources	
Pension plan items	4,030,869
Leases	1,274,354
Total deferred inflows of resources	5,305,223
 Net position	
Net investment in capital assets	418,064,023
Restricted for:	
Public safety	8,287,542
Transportation projects	35,041,705
Capital projects	35,189,601
Debt service	87,854
Federal and state projects	1,458,829
Parks and recreation projects	8,627,033
Unrestricted	34,421,934
Total net position	\$ 541,178,521

City of Maricopa, Arizona
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General government	\$ 19,803,588	\$ 1,526,608	\$ 34,570	\$ 154,693	\$ (18,087,717)
Public safety	33,335,021	594,910	575,416	1,811,812	(30,352,883)
Community services	6,054,051	2,326,887		1,026,691	(2,700,473)
Development services	4,773,028	7,436,418		3,962,169	6,625,559
Public works	28,809,722	585,529	5,325,541	30,110,899	7,212,247
Interest on long-term debt	2,665,690				(2,665,690)
Total governmental activities	<u>\$ 95,441,100</u>	<u>\$ 12,470,352</u>	<u>\$ 5,935,527</u>	<u>\$ 37,066,264</u>	<u>(39,968,957)</u>
General revenues					
Taxes:					
					19,577,449
					36,268,544
					1,789,350
					37,834,014
					117,124
					7,952,560
					<u>103,539,041</u>
					63,570,084
					<u>477,608,437</u>
					<u>\$ 541,178,521</u>

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Fund Financial Statements

City of Maricopa, Arizona
Balance Sheet
Governmental Funds
June 30, 2025

	<u>General</u>	<u>General Government CIP</u>	<u>Pledged Revenue Bond</u>	<u>Land Acquisition Enhancement</u>
Assets				
Cash and investments	\$ 45,251,966	\$ 26,001,265	\$ 17,162,296	\$ 2,105,603
Property taxes receivable	377,483			
Accounts receivable	1,280,333	4,399		
Intergovernmental receivables	4,267,455			
Notes receivable	544,130			8,351,249
Inventories	409,172			
Prepaid items	1,120	999,955		
Leases receivable	1,315,098			
Total assets	<u>\$ 53,446,757</u>	<u>\$ 27,005,619</u>	<u>\$ 17,162,296</u>	<u>\$ 10,456,852</u>
Liabilities				
Accounts payable	\$ 2,098,468	\$ 301,465	\$ 1,235,711	\$
Accrued wages and benefits	2,020,001			
Unearned revenues				
Customer deposits	151,646			
Total liabilities	<u>4,270,115</u>	<u>301,465</u>	<u>1,235,711</u>	
Deferred inflows of resources				
Unavailable revenues - property taxes	295,792			
Unavailable revenues - intergovernmental				
Unavailable revenues - proceeds from sale of assets				8,351,249
Unavailable revenues - other	212,701			
Leases	1,274,354			
Total deferred inflows of resources	<u>1,782,847</u>			<u>8,351,249</u>
Fund balances				
Nonspendable	410,292	999,955		
Restricted		23,133,058	15,926,585	
Committed		2,571,141		
Assigned	35,527,595			2,105,603
Unassigned	11,455,908			
Total fund balances	<u>47,393,795</u>	<u>26,704,154</u>	<u>15,926,585</u>	<u>2,105,603</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 53,446,757</u>	<u>\$ 27,005,619</u>	<u>\$ 17,162,296</u>	<u>\$ 10,456,852</u>

Non-Major Governmental Funds	Total Governmental Funds
\$ 63,544,104	\$ 154,065,234
74,209	451,692
116,407	1,401,139
1,274,812	5,542,267
	8,895,379
	409,172
	1,001,075
	1,315,098
<u>\$ 65,009,532</u>	<u>\$ 173,081,056</u>
\$ 329,796	\$ 3,965,440
112,564	2,132,565
7,621	7,621
	151,646
<u>449,981</u>	<u>6,257,272</u>
58,207	353,999
244,771	244,771
	8,351,249
	212,701
	1,274,354
<u>302,978</u>	<u>10,437,074</u>
64,256,573	1,410,247
	103,316,216
	2,571,141
	37,633,198
	11,455,908
<u>64,256,573</u>	<u>156,386,710</u>
<u>\$ 65,009,532</u>	<u>\$ 173,081,056</u>

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City of Maricopa, Arizona
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2025

Total fund balances - governmental funds **\$ 156,386,710**

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

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

Governmental capital assets	\$ 652,987,375	
Less accumulated depreciation	<u>(177,194,928)</u>	
		475,792,447

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

Property taxes	353,999	
Intergovernmental	244,771	
Proceeds from sale of assets	8,351,249	
Other	<u>212,701</u>	
		9,162,720

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.

152,685

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

Deferred outflows of resources related to pensions	11,651,865	
Deferred inflows of resources related to pensions	<u>(4,030,869)</u>	
		7,620,996

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

Compensated absences payable	(5,010,208)	
Financed purchases payable	(192,898)	
Loan payable	(7,091,898)	
SBITA payable	(407,711)	
Accrued interest payable on long-term debt	(971,919)	
Bonds payable	(66,308,085)	
Net pension liability	<u>(27,954,318)</u>	
		<u>(107,937,037)</u>

Net position of governmental activities **\$ 541,178,521**

City of Maricopa, Arizona
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	<u>General</u>	<u>General Government CIP</u>	<u>Pledged Revenue Bond</u>	<u>Land Acquisition Enhancement</u>
Revenues				
Property taxes	\$ 16,296,312	\$	\$	\$
Sales taxes	36,268,544			
Franchise taxes	1,789,350			
Licenses, fees & permits	3,541,799			
Intergovernmental revenues	31,746,959			
Impact fees				
Charges for services	6,998,109			
Fines, forfeitures & penalties	517,502			
Investment income (loss)	4,010,702	682,014	1,219,918	
Miscellaneous	912,253	186,089		
Total revenues	<u>102,081,530</u>	<u>868,103</u>	<u>1,219,918</u>	<u></u>
Expenditures				
Current:				
General government	18,423,101			
Public safety	27,670,952	43,247		
Community services	2,452,735	259,495		
Development services	3,312,669	440,715		37,399
Public works	8,500,752	39,788		
Capital outlay	127,065	10,585,516	12,280,484	35,325,731
Debt service:				
Principal retirement	311,130			574,980
Interest and fiscal charges				22,471
Total expenditures	<u>60,798,404</u>	<u>11,368,761</u>	<u>12,280,484</u>	<u>35,960,581</u>
Excess (deficiency) of revenues over expenditures	<u>41,283,126</u>	<u>(10,500,658)</u>	<u>(11,060,566)</u>	<u>(35,960,581)</u>
Other financing sources (uses)				
Transfers in		6,767,679		21,658,662
Transfers out	(30,754,703)		(858,522)	
Loan proceeds		1,500,000		4,493,038
SBITA agreements	622,392			
Proceeds from sale of capital assets	71,689			4,786,881
Total other financing sources (uses)	<u>(30,060,622)</u>	<u>8,267,679</u>	<u>(858,522)</u>	<u>30,938,581</u>
Changes in fund balances	<u>11,222,504</u>	<u>(2,232,979)</u>	<u>(11,919,088)</u>	<u>(5,022,000)</u>
Fund balances, beginning of year	<u>36,171,291</u>	<u>28,937,133</u>	<u>27,845,673</u>	<u>7,127,603</u>
Fund balances, end of year	<u>\$ 47,393,795</u>	<u>\$ 26,704,154</u>	<u>\$ 15,926,585</u>	<u>\$ 2,105,603</u>

Non-Major Governmental Funds	Total Governmental Funds
\$ 3,207,600	\$ 19,503,912
	36,268,544
	1,789,350
	3,541,799
12,241,605	43,988,564
6,955,365	6,955,365
5,850	7,003,959
	517,502
2,039,926	7,952,560
278,479	1,376,821
<u>24,728,825</u>	<u>128,898,376</u>
26,168	18,449,269
558,806	28,273,005
99,850	2,812,080
588,802	4,379,585
5,931,088	14,471,628
5,616,509	63,935,305
2,880,000	3,766,110
<u>3,522,502</u>	<u>3,544,973</u>
<u>19,223,725</u>	<u>139,631,955</u>
<u>5,505,100</u>	<u>(10,733,579)</u>
3,186,884	31,613,225
	(31,613,225)
	5,993,038
	622,392
	4,858,570
<u>3,186,884</u>	<u>11,474,000</u>
<u>8,691,984</u>	<u>740,421</u>
<u>55,564,589</u>	<u>155,646,289</u>
<u>\$ 64,256,573</u>	<u>\$ 156,386,710</u>

City of Maricopa, Arizona
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025

Changes in fund balances - total governmental funds **\$ 740,421**

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	\$ 64,464,241	
Less current year depreciation	<u>(20,514,589)</u>	
		43,949,652

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.		28,295,484
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Issuance of long-term debt provides current financial resources to governmental funds, but the issuance increases long-term liabilities in the Statement of Net Position.

Loan proceeds	(5,993,038)	
SBITA agreements	<u>(622,392)</u>	
		(6,615,430)

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

Property taxes	73,537	
Intergovernmental	166,980	
Proceeds from sale of assets	(3,504,624)	
Other	<u>43,690</u>	
		(3,220,417)

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	96,449	
Loan principal retirement	574,980	
SBITA principal retirement	214,681	
Bond principal retirement	<u>2,880,000</u>	
		3,766,110

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	3,662,159	
Pension expense	<u>(5,069,873)</u>	
		(1,407,714)

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.

Accrued interest payable	346,954	
Deferred bond items on issuance of refunding debt	(30,537)	
Amortization of deferred bond items	562,866	
Compensated absences	<u>(2,817,305)</u>	
		<u>(1,938,022)</u>

Changes in net position in governmental activities **\$ 63,570,084**

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2025

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, 2025, the City implemented the provisions of GASB Statement No. 101, *Compensated Absences*. This Statement updates the recognition and measurement guidance for compensated absences. Liabilities are recognized for leave that has not been used, as well as leave that has been used but not yet paid in cash or settled through noncash means. The City's analysis of compensated absences in effect at the beginning of the year resulted in no changes to beginning balances reported in the financial statements due to the implementation of this standard.

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, 2025 the IDA had not incurred any financial transactions and therefore has no financial data to report.

B. Government-Wide Financial Statements

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

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City does not allocate indirect expenses to programs of functions. 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. Capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt and acquisitions under lease contracts and subscription-based information technology arrangements are reported as other financing sources.

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies

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

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

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

The City reports the following major governmental funds.

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

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

Pledged Revenue Bond – This fund is used to account for the proceeds and related expenditures of the bonds.

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

D. Budgeting and Budgetary Control

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

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies

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

E. 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.

F. 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.

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies

G. 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.

H. Investment Income

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

I. Inventory

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories consist of expendable supplies held for consumption. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

J. 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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies

K. 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; construction in progress; and intangible right-to-use assets 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 estimated useful life of the asset. Intangible right-to-use assets are amortized over the shorter of the lease/subscription term or the underlying asset's useful life. Amortization of right-to-use assets is included with depreciation expense. The estimated useful lives and amortization periods are as follows:

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
Right-to-use SBITA	3 years

L. 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, 2025

Note 1 – Summary of Significant Accounting Policies

M. 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 more likely than not to be used or paid 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.

N. Leases

As lessee, the City recognizes lease liabilities with an initial, individual value of \$15,000 or more. The City uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The City's estimated incremental borrowing rate is calculated based on the applicable federal rate.

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.

O. Subscription Based Information Technology Agreement

As the user of subscription-based technology, the City recognizes SBITA liabilities with an initial, individual value of \$500,000 or more. The City uses its estimated incremental borrowing rate to measure SBITA liabilities unless it can readily determine the interest rate implicit in the SBITA. The City's estimated incremental borrowing rate is calculated based on the applicable federal rate.

P. 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.

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies

Q. 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.

R. 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.

S. 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.

T. 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.

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2025

Note 2 – 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 through an approved resolution. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

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

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

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2025

Note 2 – Fund Balance Classifications

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

	General	General Government CIP	Pledged Revenue Bond	Land Acquisition Enhancement	Non-Major Governmental Funds
Fund Balances:					
Nonspendable:					
Inventory	\$ 409,172		\$	\$	\$
Prepaid items	1,120	999,955			
Restricted:					
Debt service					29,647
Transportation projects					35,041,705
Parks and recreation projects					8,627,033
Capital projects		23,133,058	15,926,585		11,003,342
Public safety projects					8,287,542
Federal and state projects					1,267,304
Committed:					
Capital projects		2,571,141			
Assigned:					
Capital projects				2,105,603	
General operating reserve	22,305,090				
Insurance losses reserve	1,000,000				
Disaster contingency reserve	1,000,000				
Streets	4,489,002				
Economic development	1,683,376				
Technology enhancement	1,683,376				
Transfer to Asset Replacement	3,366,751				
Unassigned:	11,455,908				
Total fund balances	<u>\$47,393,795</u>	<u>\$ 26,704,154</u>	<u>\$ 15,926,585</u>	<u>\$ 2,105,603</u>	<u>\$ 64,256,573</u>

Note 3 – Stewardship, Compliance and Accountability

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

Note 4 – Cash and Investments

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the City’s deposits may not be returned to the City. The City does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the City’s deposits was \$7.2 million and the bank balance was \$7.4 million. At year end, \$361,638 of the City’s deposits were covered by FDIC or collateral held by the pledging financial institution's trust department or agent, but not in the City's name, and \$7.0 million of the City’s deposits were uninsured and uncollateralized. Additionally, the City had cash on hand of \$4,885 and the City had cash held by others of \$86,379.

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2025

Note 4 – Cash and Investments

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

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

Valuation Techniques. Securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. 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, U.S. Agencies, Corporate Securities, Bank Note, Asset Backed Securities, Commercial Paper, Money Market, State Treasurer's Investment Pool 5, and State Treasurer's Investment Pool 7, represent 1%, 23%, 4%, 12%, 1%, 6%, 1%, 6%, 43% and 3% of the City's total investments, respectively.

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2025

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	\$ 556,392	\$	\$ 556,392	Aa2	/ A+
Certificates of Deposit	Level 2	858,777		858,777	A1	/ A+
Certificates of Deposit	Level 2	625,616	625,616		P-1	/ A-1
U.S. Treasuries	Level 1	33,867,262	7,379,824	26,487,438	Aaa	/ AA+
U.S. Agencies:						
Federal Home Loan Mortgage Corporation	Level 2	5,576,622	143,643	5,432,979	Aaa	/ AA+
Corporate Securities	Level 1	1,086,857		1,086,857	Aa2	/ AA-
Corporate Securities	Level 1	1,037,793		1,037,793	Aa2	/ A+
Corporate Securities	Level 1	542,758		542,758	Aa3	/ AA-
Corporate Securities	Level 1	1,537,856		1,537,856	Aa3	/ A+
Corporate Securities	Level 1	1,183,363		1,183,363	Aa3	/ A
Corporate Securities	Level 1	307,035		307,035	Aaa	/ AAA
Corporate Securities	Level 1	151,962		151,962	A1	/ AA-
Corporate Securities	Level 1	1,377,350		1,377,350	A1	/ A+
Corporate Securities	Level 1	1,635,984		1,635,984	A1	/ A
Corporate Securities	Level 1	1,319,861	198,566	1,121,295	A1	/ A-
Corporate Securities	Level 1	177,448		177,448	A1	/ BB+
Corporate Securities	Level 1	151,683		151,683	A2	/ A+
Corporate Securities	Level 1	917,386		917,386	A2	/ A
Corporate Securities	Level 1	3,040,491	972,697	2,067,794	A2	/ A-
Corporate Securities	Level 1	475,187		475,187	A2	/ BB+
Corporate Securities	Level 1	178,980		178,980	A2	/ NR
Corporate Securities	Level 1	250,355		250,355	A3	/ A
Corporate Securities	Level 1	1,403,160		1,403,160	A3	/ A-
Corporate Securities	Level 1	214,901		214,901	Baa1	/ A-
Bank Note	Level 2	306,231		306,231	Aa3	/ A+
Asset Backed Securities	Level 1	2,884,973		2,884,973	Aaa	/ AAA
Asset Backed Securities	Level 1	3,550,244	12,750	3,537,494	Aaa	/ NR
Asset Backed Securities	Level 1	3,607,008		3,607,008	NR	/ AAA
Commercial Paper	Level 1	1,275,456	1,275,456		P-1	/ A-1
Money Market	Level 1	8,999,978	8,999,978		Aaa-mf	/ AAAM
			<u>\$ 19,608,530</u>	<u>\$ 59,490,439</u>		
State Treasurer's investment pool 5	Not applicable	63,591,596	33 days average maturities		AAAf	/ S1+
State Treasurer's investment pool 7	Not applicable	4,113,075	26 days average maturities		AAA	/ S1+
Total		<u>\$ 146,803,640</u>				

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2025

Note 5 – Receivables

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

	General	Non-Major Governmental Funds
Intergovernmental receivables:		
Due from federal government	\$	\$ 253,516
Due from state government	4,267,455	610,373
Due from county government		410,923
Net intergovernmental receivables	\$ 4,267,455	\$ 1,274,812

Notes receivable include land sold by the City. At June 30, 2025, the notes receivable balance reported in the Land Acquisition Enhancement Fund was \$8.4million, and the corresponding revenue has been reported as deferred inflows as it is unavailable at year end. Of the balance of \$8.4 million, \$2.9 million is due greater than one year.

Notes receivable also include a loan with the City Manager to purchase a house in the City limits. The loan is for 30 years with payments due monthly and has an interest rate of 3.38%. The title is in the City Manager’s name, however, should the City Manager depart from the City, the City has a beneficiary title to the property. At June 30, 2025, the notes receivable balance reported in the General Fund was \$544,130, with \$532,886 due greater than one year.

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 \$80,654 and related interest of \$3,386 are recorded as miscellaneous revenue in the General Fund. At June 30, 2025, the lease receivable balance reported in the General Fund was \$1.3 million, with \$1.2 million due greater than one year.

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2025

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	\$ 150,627,243	\$ 35,763,132	\$ 1,236,822	\$ 185,153,553
Water rights	1,190,861			1,190,861
Construction in progress	33,368,811	20,969,098	35,543,459	18,794,450
Total capital assets, not being depreciated	<u>185,186,915</u>	<u>56,732,230</u>	<u>36,780,281</u>	<u>205,138,864</u>
Capital assets, being depreciated:				
Buildings	79,244,288	30,604,728	232,508	109,616,508
Improvements other than buildings	48,489,283	240,894		48,730,177
Infrastructure	218,400,645	37,353,003		255,753,648
Vehicles	15,423,211	1,483,555	60,104	16,846,662
Machinery and equipment	12,045,052	1,344,295		13,389,347
Computers/Software	1,562,626	1,338,080	10,929	2,889,777
Right-to-use leased buildings and improvements	1,050,764		1,050,764	
Right-to-use SBITA asset		622,392		622,392
Total capital assets being depreciated	<u>376,215,869</u>	<u>72,986,947</u>	<u>1,354,305</u>	<u>447,848,511</u>
Less accumulated depreciation for:				
Buildings	(34,668,389)	(4,301,135)	(47,943)	(38,921,581)
Improvements other than buildings	(18,083,958)	(2,453,939)		(20,537,897)
Infrastructure	(83,161,326)	(11,112,389)		(94,273,715)
Vehicles	(10,333,830)	(1,483,611)	(22,038)	(11,795,403)
Machinery and equipment	(9,523,314)	(723,110)		(10,246,424)
Computes/Software	(990,432)	(232,941)	(10,929)	(1,212,444)
Right-to-use leased buildings and improvements	(300,218)		(300,218)	
Right-to-use SBITA asset		(207,464)		(207,464)
Total accumulated depreciation	<u>(157,061,467)</u>	<u>(20,514,589)</u>	<u>(381,128)</u>	<u>(177,194,928)</u>
Total capital assets, being depreciated, net	<u>219,154,402</u>	<u>52,472,358</u>	<u>973,177</u>	<u>270,653,583</u>
Governmental activities capital assets, net	<u>\$ 404,341,317</u>	<u>\$109,204,588</u>	<u>\$ 37,753,458</u>	<u>\$ 475,792,447</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 857,657
Public safety	2,610,431
Community services	3,071,308
Development services	102,328
Public works	<u>13,872,865</u>
Total depreciation expense – governmental activities	<u>\$20,514,589</u>

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2025

Note 7 – Capital Assets

Construction Commitments – At year end, the City had contractual commitments related to infrastructure and buildings projects. At year end the City had spent \$18.8 million on the projects and had estimated remaining contractual commitments of \$64.2 million. These projects are being funded with bond proceeds as well as county road tax and capital grants.

Note 8 – Financed Purchases Payable

The City has acquired body cameras under the provisions of a contract classified as financed purchases payable. Revenues from the General Fund are used to pay the debt obligation.

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

		Governmental Activities	
Year ending June 30:		Principal	
	2026	\$	96,449
	2027		96,449
Total		\$	192,898

Note 9 – Subscription-Based Information Technology Arrangements (SBITAs)

The City has entered into subscription-based information technology arrangements (SBITAs) for a cloud-based productivity platform. The related obligation under the SBITAs has been recorded at the present value of its future minimum payments as of the inception date. Revenues from the General Fund are used to pay the debt obligation. Amortization of right-to-use assets recorded under SBITAs is included with depreciation expense.

The net present value and future minimum SBITA payments at year end were as follows:

		Governmental Activities	
Year ending June 30:		Principal	Interest
	2026	\$ 200,330	\$ 14,351
	2027	207,381	7,300
Total		\$ 407,711	\$ 21,651

The total value of assets recorded under SBITAs that meet the City’s capitalization threshold is \$622,392, less accumulated amortization of \$207,464.

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2025

Note 10 – 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, a non-major governmental fund, are used to pay bonded debt.

<u>Purpose</u>	<u>Original Amount Issued</u>	<u>Interest Rates</u>	<u>Remaining Maturities</u>	<u>Outstanding Principal June 30, 2025</u>	<u>Due Within One Year</u>
Governmental activities:					
GO Refunding Series 2020	\$ 9,900,000	5.00%	7/1/26-30	\$ 5,525,000	\$ 1,000,000
GO Refunding Series 2023A	17,065,000	5.00%	7/1/26-35	17,065,000	910,000
Total				<u>\$ 22,590,000</u>	<u>\$ 1,910,000</u>

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

Year ending June 30:	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 1,910,000	\$ 1,129,500
2027	2,000,000	1,034,000
2028	2,100,000	934,000
2029	2,215,000	829,000
2030	2,340,000	718,250
2031-35	12,025,000	1,637,500
Total	<u>\$ 22,590,000</u>	<u>\$ 6,282,250</u>

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2025

Note 11 – Excise Tax Revenue Bonds Payable

Excise tax revenue bonds are issued to provide funds to fund the costs of streets, landscaping, public parks, recreational facilities, municipal buildings and related capital improvements. The City has collateralized the bonds by the pledge of all unrestricted excise taxes (transaction privilege tax, franchise fees, parks and recreation fees, state-shared sales and income taxes and fees for licenses and permits) including all fines and forfeitures, which the City presently or in the future imposes or receives from other entities and which are not earmarked by the contributor for a contrary or inconsistent purpose. The total principal and interest to be paid on the bonds is \$59.8 million. The last principal and interest payments are due July 15, 2043. Principal and interest paid for the current year and total pledged revenues were \$3.1 million and \$75.2 million, respectively.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2025	Due Within One Year
Governmental activities:					
Pledged Revenue Obligations, Series 2023	\$ 39,040,000	5.00-5.25%	7/15/25-43	\$ 38,185,000	\$1,230,000

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
2026	\$ 1,230,000	\$ 1,913,088
2027	1,295,000	1,849,963
2028	1,360,000	1,783,588
2029	1,430,000	1,713,838
2030	1,505,000	1,640,463
2031-35	8,760,000	6,962,690
2036-40	11,255,000	4,470,959
2041-44	11,350,000	1,230,602
Total	<u>\$ 38,185,000</u>	<u>\$ 21,565,191</u>

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2025

Note 12 – Loan Payable

The City has a loan for the purchase of land and a building. Revenues and other financing sources from the General Government CIP Fund and Land Acquisition Enhancement Fund will be used to pay the loan principal and interest.

Purpose	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2025	Due Within One Year
Governmental activities:				
Land Loan, 2024	3.50%	7/31/25-26	\$ 1,098,860	\$ 558,991
Promissory Note, Building	5.50%	7/31/25-27	1,500,000	473,481
Promissory Note, Land	4.00%	11/30/25	4,493,038	4,493,038
			<u>\$ 7,091,898</u>	<u>\$ 5,525,510</u>

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
2026	\$ 5,525,510	\$ 300,682
2027	1,039,392	75,354
2028	526,996	28,985
Total	<u>\$ 7,091,898</u>	<u>\$ 405,021</u>

Note 13 – Changes in Long-Term Liabilities

Long-term liability 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	\$ 24,615,000	\$	\$ 2,025,000	\$ 22,590,000	\$ 1,910,000
Excise tax revenue bonds	39,040,000		855,000	38,185,000	1,230,000
Premium	6,095,951		562,866	5,533,085	
Total bonds payable	<u>69,750,951</u>		<u>3,442,866</u>	<u>66,308,085</u>	<u>3,140,000</u>
Financed purchases payable	289,347		96,449	192,898	96,449
Leases payable	794,006		794,006		
Loan payable	1,673,840	5,993,038	574,980	7,091,898	5,525,510
SBITA payable		622,392	214,681	407,711	200,330
Net pension liability	27,797,384	156,934		27,954,318	
Compensated absences payable	<u>2,192,903</u>	<u>2,817,305</u>		<u>5,010,208</u>	<u>4,452,185</u>
Governmental activity long-term liabilities	<u>\$ 102,498,431</u>	<u>\$ 9,589,669</u>	<u>\$ 5,122,982</u>	<u>\$ 106,965,118</u>	<u>\$ 13,414,474</u>

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2025

Note 14 – Interfund Transfers

At year end, interfund transfers were as follows:

	Transfers in			Total
	General Government CIP	Land Acquisition Enhancement	Non-Major Governmental Funds	
Transfers out				
General Fund	\$ 6,767,679	\$ 21,658,662	\$ 2,328,362	\$ 30,754,703
Pledged Revenue Bond			858,522	858,522
Total	<u>\$ 6,767,679</u>	<u>\$ 21,658,662</u>	<u>\$ 3,186,884</u>	<u>\$ 31,613,225</u>

Interfund transfers – Transfers between funds were used to (1) to move unrestricted funds of to pay for capital projects, (2) to move funds for debt payments and (3) to move funds to pay for acquisitions of land.

Note 15 – Contingent Liabilities

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

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

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

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2025

Note 16 – 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 risks of loss, including property and general liability, employee health and accident, and workers’ compensation insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 17 – Pensions

Aggregate Amounts. At June 30, 2025, the City reported the following aggregate amounts related to pensions for all plans to which it contributes.

	Governmental Activities
Net pension liability	\$ 27,954,318
Deferred outflows of resources	11,651,865
Deferred inflows of resources	4,030,872
Pension expense	5,069,873

The City reported \$3.7 million of pension contributions as expenditures in the governmental funds related to all plans to which it contributes.

A. Arizona State Retirement System

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

The ASRS 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, 2025

Note 17 – Pensions

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

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

*With actuarially reduced benefits

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

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.27 percent (12.12 percent for retirement and 0.15 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 12.27 percent (12.05 percent for retirement, 0.07 percent for health insurance premium benefit, and 0.15 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, 2025 were \$2.1 million.

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2025

Note 17 – Pensions

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The City was required by statute to contribute at the actuarially determined rate of 10.19 percent (10.14 for retirement and 0.05 percent for long-term disability). ACR contributions are included in employer contributions presented above.

The City’s pension plan 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, 2024. 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, 2023, to the measurement date of June 30, 2024. 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, 2024.

At June 30, 2024, the City reported the following amounts for its proportionate share of the pension plan net liability. In addition, at June 30, 2024, the City’s percentage proportion for the plan and the related change from its proportion measured as of June 30, 2023 was:

Net Liability	City % Proportion	Increase (Decrease)
\$ 18,380,929	0.115	0.011

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, 2025 was \$2.6 million.

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2025

Note 17 – 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	\$ 1,026,006	\$
Net difference between projected and actual earnings on pension investments		1,173,823
Changes in proportion and differences between contributions and proportionate share of contributions	1,363,979	
Contributions subsequent to the measurement date	2,051,844	
Total	\$ 4,441,829	\$ 1,173,823

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, 2026. 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:	
2026	\$ 259,289
2027	1,469,416
2028	(297,133)
2029	(215,410)

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

Actuarial valuation date	June 30, 2023
Actuarial roll forward date	June 30, 2024
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, 2025

Note 17 – Pensions

The actuarial assumptions used in the June 30, 2023, 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
Public equity	44%	4.48%
Credit	23%	4.40
Interest rate sensitive	6%	(.45)
Private equity	10%	6.11
Real estate	17%	6.05
Total	<u>100%</u>	

Discount Rate. The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2025

Note 17 – 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	\$ 28,144,961	\$ 18,380,929	\$ 10,243,461

Contributions payable. The City’s accrued wages and benefits included \$160,227 of outstanding pension contribution amounts payable to ASRS for the year ended June 30, 2025.

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 (PSPDCRP). 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 the 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, 2025

Note 17 – 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	

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2025

Note 17 – Pensions

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, 2025, the following employees were covered by the agent plans' benefit terms:

	PSPRS - Police	PSPRS - Fire
Retirees and beneficiaries	12	9
Inactive, non-retired members	17	9
Active members	36	45
Total	65	63

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, 2025, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS - Police	PSPRS - Fire
Active members – pension	7.65%	7.65%
City		
Pension	18.23%	22.83%
Health insurance	0.29%	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.

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2025

Note 17 – Pensions

The City’s contributions to the pension plans for the year ended June 30, 2025 were:

	PSPRS - Police	PSPRS - Fire
Pension contributions	\$ 736,688	\$ 873,627

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, 2025, the City reported the following pension assets and liabilities.

	PSPRS - Police	PSPRS - Fire
Net Pension (Assets) Liabilities	\$ 3,195,711	\$ 6,377,678

The net pension assets/liabilities were measured as of June 30, 2024. The total pension liability used to calculate the net pension asset or liability was determined by an actuarial valuation as of that date.

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

Actuarial valuation date	June 30, 2024
Actuarial cost method	Entry age normal
Investment rate of return	7.2%
Wage inflation	2.75-15.0%
Price inflation	2.5%
Cost-of-living adjustment	1.85%
Mortality rates	PubS-2010 tables

Actuarial assumptions used in the June 30, 2024, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2021. 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, 2022, actuarial valuation.

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2025

Note 17 – Pensions

The long-term expected rate of return on PSPRS pension plan investments was determined to be 7.2 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 Geometric Real Rate of Return
U.S. public equity	24%	3.62%
International public equity	16	4.47
Global private equity	27	7.05
Core bonds	6	2.44
Private credit	20	6.24
Diversifying strategies	5	3.15
Cash – Mellon	2	0.89
Total	<u>100%</u>	

Discount Rate. At June 30, 2024, the discount rate used to measure the total pension liability was 7.2 percent.

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 pension 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.

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2025

Note 17 – Pensions

Changes in the Net Pension (Assets)/Liabilities

	Increase (Decrease)		Net Pension (Assets) Liability
	Total Pension Liability	Plan Fiduciary Net Position	
PSPRS - Police			
Balances at June 30, 2024	\$ 26,141,643	\$ 21,587,868	\$ 4,553,775
Changes for the year:			
Service cost	934,556		934,556
Interest on the total pension liability	1,933,343		1,933,343
Differences between expected and actual experience in the measurement of the pension liability	(1,041,652)		(1,041,652)
Contributions – employer		624,107	(624,107)
Contributions – employee		359,025	(359,025)
Net investment income		2,219,544	(2,219,544)
Benefit payments, including refunds of employee contributions	(448,415)	(448,415)	
Administrative expense		(18,412)	18,412
Other changes		47	(47)
Net changes	<u>1,377,832</u>	<u>2,735,896</u>	<u>(1,358,064)</u>
Balances at June 30, 2025	<u>\$ 27,519,475</u>	<u>\$ 24,323,764</u>	<u>\$ 3,195,711</u>

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2025

Note 17 – Pensions

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Assets) Liability
PSPRS - Fire			
Balances at June 30, 2024	\$ 38,500,182	\$ 32,027,023	\$ 6,473,159
Changes for the year:			
Service cost	1,170,914		1,170,914
Interest on the total pension liability	2,836,314		2,836,314
Differences between expected and actual experience in the measurement of the pension liability	724,552		724,552
Contributions – employer		1,125,208	(1,125,208)
Contributions – employee		395,782	(395,782)
Net investment income		3,322,321	(3,322,321)
Benefit payments, including refunds of employee contributions	(555,685)	(555,685)	
Administrative expense		(16,050)	16,050
Net changes	4,176,095	4,271,576	(95,481)
Balances at June 30, 2025	<u>\$ 42,676,277</u>	<u>\$ 36,298,599</u>	<u>\$ 6,377,678</u>

Sensitivity of the Net Pension (Assets) Liabilities to Changes in the Discount Rate. The following presents the City’s net pension (assets) liabilities calculated using the discount rate noted above, as well as what the City’s net pension (assets) liabilities 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	6.2%	7.2%	8.2%
Net pension (assets) liability	\$ 4,073,197	\$ 3,195,711	\$ (470,320)
PSPRS - Fire			
Rate	6.2%	7.2%	8.2%
Net pension (assets) liability	\$ 13,211,411	\$ 6,377,678	\$ 851,782

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2025

Note 17 – 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, 2025, the City recognized the following as pension expense:

	PSPRS - Police	PSPRS - Fire
Pension expense	\$ 1,201,833	\$ 1,285,861

Pension Deferred Outflows/Inflows of Resources. At June 30, 2025, 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	\$ 2,022,849	\$ 1,031,029
Changes of assumptions or other inputs	278,685	
Net difference between projected and actual earnings on pension plan investments		265,985
Contributions subsequent to the measurement date	736,688	
Total	\$ 3,038,222	\$ 1,297,014
PSPRS - Fire		
Differences between expected and actual experience	\$ 2,854,283	\$ 1,106,830
Changes of assumptions or other inputs	443,904	
Net difference between projected and actual earnings on pension plan investments		453,205
Contributions subsequent to the measurement date	873,627	
Total	\$ 4,171,814	\$ 1,560,035

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2025

Note 17 – 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 liabilities in the year ended June 30, 2026. 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
2026	\$ 101,397	\$ 72,429
2027	814,054	933,607
2028	183,097	257,317
2029	79,584	354,040
2030	(173,609)	120,759

Contributions payable. The City’s accrued wages and benefits included \$130,989 of outstanding pension contribution amounts payable to PSPRS for the year ended June 30, 2025.

Note 18 – 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, 2025, the City abated sales taxes totaling \$2.4 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.

Note 19 – Subsequent Event

The City is in the process of selling approximately 563.94 acres of land to a developer for \$58.0 million.

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Required Supplementary Information

City of Maricopa, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General
For the Year Ended June 30, 2025

	Budget		Non-GAAP Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 17,020,783	\$ 17,020,783	\$ 16,296,312	\$ (724,471)
Sales taxes	36,100,000	36,100,000	36,268,544	168,544
Franchise taxes	1,750,000	1,750,000	1,789,350	39,350
Licenses, fees & permits	3,653,050	3,653,050	3,541,799	(111,251)
Intergovernmental revenues	29,488,029	29,488,029	31,746,959	2,258,930
Charges for services	8,696,700	8,696,700	6,998,109	(1,698,591)
Fines, forfeitures & penalties	461,700	461,700	517,502	55,802
Investment income (loss)	1,000,000	1,000,000	4,010,702	3,010,702
Miscellaneous	322,800	322,800	912,253	589,453
Total revenues	98,493,062	98,493,062	102,081,530	3,588,468
Expenditures				
Current:				
General government	26,035,847	26,279,019	17,800,709	8,478,310
Public safety	31,478,308	30,318,215	27,670,952	2,647,263
Community services	3,165,091	3,164,657	2,452,735	711,922
Development services	3,587,298	3,957,955	3,312,669	645,286
Public works	10,083,756	9,949,364	8,500,752	1,448,612
Capital outlay		114,140	127,065	(12,925)
Debt service:				
Principal retirement		311,130	311,130	
Total expenditures	74,350,300	74,094,480	60,176,012	13,918,468
Excess (deficiency) of revenues over expenditures	24,142,762	24,398,582	41,905,518	17,506,936
Other financing sources (uses)				
Transfers out	(23,313,471)	(23,313,471)	(30,754,703)	(7,441,232)
Proceeds from sale of capital assets			71,689	71,689
Total other financing sources (uses)	(23,313,471)	(23,313,471)	(30,683,014)	(7,369,543)
Changes in fund balances	829,291	1,085,111	11,222,504	10,137,393
Fund balances, beginning of year			36,171,291	36,171,291
Fund balances, end of year	\$ 829,291	\$ 1,085,111	\$ 47,393,795	\$ 46,308,684

City of Maricopa, Arizona
Schedule of the Proportionate Share of the Net Pension Liability
Arizona State Retirement System
Last Ten Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Measurement date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
City's proportion of the net pension (assets) liability	0.11%	0.10%	0.10%	0.10%	0.09%
City's proportionate share of the net pension (assets) liability	\$ 18,380,929	\$ 16,770,450	\$ 16,336,911	\$ 12,700,695	\$ 15,843,370
City's covered payroll	\$ 15,617,980	\$ 13,647,794	\$ 11,965,221	\$ 10,913,751	\$ 9,893,144
City's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	117.69%	122.88%	136.54%	116.37%	160.14%
Plan fiduciary net position as a percentage of the total pension liability	76.93%	75.47%	74.26%	78.58%	69.33%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Measurement date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
City's proportion of the net pension (assets) liability	0.09%	0.09%	0.09%	0.08%	0.08%
City's proportionate share of the net pension (assets) liability	\$ 12,465,982	\$ 12,098,572	\$ 13,225,765	\$ 13,306,644	\$ 12,050,654
City's covered payroll	\$ 8,692,943	\$ 8,026,606	\$ 8,078,590	\$ 7,945,189	\$ 7,052,084
City's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	143.40%	150.73%	163.71%	167.48%	170.88%
Plan fiduciary net position as a percentage of the total pension liability	73.24%	73.40%	69.92%	67.06%	68.35%

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 Ten Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Measurement date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Total pension liability				
Service cost	\$ 934,556	\$ 913,252	\$ 911,833	\$ 868,744
Interest	1,933,343	1,641,504	1,533,788	1,358,240
Changes of benefit terms				
Differences between expected and actual experience	(1,041,652)	2,201,080	(94,048)	554,770
Changes of assumptions or other inputs			203,751	
Benefit payments, including refunds of employee contributions	(448,415)	(999,227)	(538,497)	(301,669)
Net change in total pension liability	<u>1,377,832</u>	<u>3,756,609</u>	<u>2,016,827</u>	<u>2,480,085</u>
Total pension liability—beginning	<u>26,141,643</u>	<u>22,385,034</u>	<u>20,368,207</u>	<u>17,888,122</u>
Total pension liability—ending	<u><u>\$ 27,519,475</u></u>	<u><u>\$ 26,141,643</u></u>	<u><u>\$ 22,385,034</u></u>	<u><u>\$ 20,368,207</u></u>
Plan fiduciary net position				
Contributions—employer	\$ 624,107	\$ 712,708	\$ 641,183	\$ 796,549
Contributions—employee	359,025	365,155	430,806	414,678
Net investment income	2,219,544	1,559,565	(833,506)	4,432,024
Benefit payments, including refunds of employee contributions	(448,415)	(999,227)	(538,497)	(301,669)
Administrative expense	(18,412)	(14,283)	(15,024)	(20,575)
Other changes	47	(593,507)		
Net change in plan fiduciary net position	<u>2,735,896</u>	<u>1,030,411</u>	<u>(315,038)</u>	<u>5,321,007</u>
Plan fiduciary net position—beginning	<u>21,587,868</u>	<u>20,557,457</u>	<u>20,872,495</u>	<u>15,551,488</u>
Plan fiduciary net position—ending	<u><u>\$ 24,323,764</u></u>	<u><u>\$ 21,587,868</u></u>	<u><u>\$ 20,557,457</u></u>	<u><u>\$ 20,872,495</u></u>
Net pension (assets) liability—ending	<u><u>\$ 3,195,711</u></u>	<u><u>\$ 4,553,775</u></u>	<u><u>\$ 1,827,577</u></u>	<u><u>\$ (504,288)</u></u>
Plan fiduciary net position as a percentage of the total pension	88.39%	82.58%	91.84%	102.48%
Covered payroll	\$ 4,752,084	\$ 4,835,752	\$ 4,652,537	\$ 4,661,811
Net pension (assets) liability as a percentage of covered payroll	67.25%	94.17%	39.28%	(10.82)%

See accompanying notes to this schedule.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
\$ 867,328	\$ 956,848	\$ 874,914	\$ 979,168	\$ 839,545	\$ 747,934
1,203,439	1,013,648	894,704	814,406	641,997	585,892
			202,850	1,088,276	
317,459	794,623	(351,517)	(966,033)	(141,216)	(461,592)
	451,213		592,197	481,692	
(236,486)	(442,085)	(218,220)	(458,986)	(140,350)	(266,305)
<u>2,151,740</u>	<u>2,774,247</u>	<u>1,199,881</u>	<u>1,163,602</u>	<u>2,769,944</u>	<u>605,929</u>
<u>15,736,382</u>	<u>12,962,135</u>	<u>11,762,254</u>	<u>10,598,652</u>	<u>7,828,708</u>	<u>7,222,779</u>
<u>\$ 17,888,122</u>	<u>\$ 15,736,382</u>	<u>\$ 12,962,135</u>	<u>\$ 11,762,254</u>	<u>\$ 10,598,652</u>	<u>\$ 7,828,708</u>
\$ 2,015,116	\$ 791,330	\$ 348,553	\$ 554,425	\$ 584,950	\$ 508,701
412,720	424,405	424,646	501,763	487,208	428,486
174,329	661,562	736,938	1,063,934	47,805	270,249
(236,486)	(442,085)	(218,220)	(458,986)	(140,350)	(266,305)
(14,212)	(12,483)	(11,916)	(9,814)	(7,279)	(6,983)
(3,316)	36,912	54,840	41,581	(187,317)	(63,640)
<u>2,348,151</u>	<u>1,459,641</u>	<u>1,334,841</u>	<u>1,692,903</u>	<u>785,017</u>	<u>870,508</u>
<u>13,203,337</u>	<u>11,743,696</u>	<u>10,408,855</u>	<u>8,715,952</u>	<u>7,930,935</u>	<u>7,060,427</u>
<u>\$ 15,551,488</u>	<u>\$ 13,203,337</u>	<u>\$ 11,743,696</u>	<u>\$ 10,408,855</u>	<u>\$ 8,715,952</u>	<u>\$ 7,930,935</u>
<u>\$ 2,336,634</u>	<u>\$ 2,533,045</u>	<u>\$ 1,218,439</u>	<u>\$ 1,353,399</u>	<u>\$ 1,882,700</u>	<u>\$ (102,227)</u>
86.94%	83.90%	90.60%	88.49%	82.24%	101.31%
\$ 4,740,946	\$ 5,244,203	\$ 5,200,744	\$ 4,604,929	\$ 5,033,244	\$ 4,468,622
49.29%	48.30%	23.43%	29.39%	37.41%	(2.29)%

City of Maricopa, Arizona
Schedule of Changes in the Net Pension Liability and Related Ratios
Public Safety Personnel Retirement System - Fire
Last Ten Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Measurement date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Total pension liability				
Service cost	\$ 1,170,914	\$ 1,166,774	\$ 1,195,272	\$ 1,123,435
Interest	2,836,314	2,449,324	2,307,396	2,070,140
Changes of benefit terms				
Differences between expected and actual experience	724,552	2,159,201	(1,014,135)	159,000
Changes of assumptions or other inputs			164,974	
Benefit payments, including refunds of employee contributions	(555,685)	(253,476)	(176,068)	(172,616)
Net change in total pension liability	<u>4,176,095</u>	<u>5,521,823</u>	<u>2,477,439</u>	<u>3,179,959</u>
Total pension liability—beginning	<u>38,500,182</u>	<u>32,978,359</u>	<u>30,500,920</u>	<u>27,320,961</u>
Total pension liability—ending	<u><u>\$ 42,676,277</u></u>	<u><u>\$ 38,500,182</u></u>	<u><u>\$ 32,978,359</u></u>	<u><u>\$ 30,500,920</u></u>
Plan fiduciary net position				
Contributions—employer	\$ 1,125,208	\$ 1,239,206	\$ 1,199,805	\$ 1,098,976
Contributions—employee	395,782	439,827	433,387	441,173
Net investment income	3,322,321	2,240,062	(1,146,655)	6,000,667
Benefit payments, including refunds of employee contributions	(555,685)	(253,476)	(176,068)	(172,616)
Administrative expense	(16,050)	(13,138)	(20,666)	(27,879)
Other changes		(92,874)		
Net change in plan fiduciary net position	<u>4,271,576</u>	<u>3,559,607</u>	<u>289,803</u>	<u>7,340,321</u>
Plan fiduciary net position—beginning	<u>32,027,023</u>	<u>28,467,416</u>	<u>28,177,613</u>	<u>20,837,292</u>
Plan fiduciary net position—ending	<u><u>\$ 36,298,599</u></u>	<u><u>\$ 32,027,023</u></u>	<u><u>\$ 28,467,416</u></u>	<u><u>\$ 28,177,613</u></u>
Net pension (assets) liability—ending	<u><u>\$ 6,377,678</u></u>	<u><u>\$ 6,473,159</u></u>	<u><u>\$ 4,510,943</u></u>	<u><u>\$ 2,323,307</u></u>
Plan fiduciary net position as a percentage of the total pension	85.06%	83.19%	86.32%	92.38%
Covered payroll	\$ 4,390,456	\$ 5,644,670	\$ 5,544,579	\$ 6,211,309
Net pension (assets) liability as a percentage of covered payroll	145.26%	114.68%	81.36%	37.40%

See accompanying notes to this schedule.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
\$ 1,179,061	\$ 1,232,701	\$ 1,201,311	\$ 1,213,745	\$ 974,190	\$ 904,967
1,762,272	1,647,279	1,438,790	1,211,920	957,210	830,568
			257,406	1,699,432	
1,541,584	(1,164,332)	(336,293)	184,381	(382,765)	38,907
	418,727		481,625	740,704	
(247,219)	(153,867)	(83,015)	(34,354)	(252,384)	(139,184)
4,235,698	1,980,508	2,220,793	3,314,723	3,736,387	1,635,258
23,085,263	21,104,755	18,883,962	15,569,239	11,832,852	10,197,594
<u>\$ 27,320,961</u>	<u>\$ 23,085,263</u>	<u>\$ 21,104,755</u>	<u>\$ 18,883,962</u>	<u>\$ 15,569,239</u>	<u>\$ 11,832,852</u>
\$ 1,095,249	\$ 1,097,970	\$ 328,969	\$ 687,438	\$ 795,126	\$ 564,051
436,673	453,324	432,673	576,038	581,920	540,412
253,840	947,975	1,079,840	1,534,321	68,821	387,128
(247,219)	(153,867)	(83,015)	(34,354)	(252,384)	(139,184)
(20,697)	(17,466)	(17,135)	(13,976)	(10,304)	(9,836)
1	(5,216)	7,007	26,678	(95,802)	(254,871)
1,517,847	2,322,720	1,748,339	2,776,145	1,087,377	1,087,700
19,319,445	16,996,725	15,248,386	12,472,241	11,384,864	10,297,164
<u>\$ 20,837,292</u>	<u>\$ 19,319,445</u>	<u>\$ 16,996,725</u>	<u>\$ 15,248,386</u>	<u>\$ 12,472,241</u>	<u>\$ 11,384,864</u>
<u>\$ 6,483,669</u>	<u>\$ 3,765,818</u>	<u>\$ 4,108,030</u>	<u>\$ 3,635,576</u>	<u>\$ 3,096,998</u>	<u>\$ 447,988</u>
76.27%	83.69%	80.54%	80.75%	80.11%	96.21%
\$ 5,883,577	\$ 5,973,495	\$ 5,808,114	\$ 5,499,591	\$ 5,976,741	\$ 5,420,209
110.20%	63.04%	70.73%	66.11%	51.82%	8.27%

City of Maricopa, Arizona
Schedule of Pension Contributions
All Pension Plans
Last Ten Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Arizona State Retirement System:				
Actuarially determined contribution	\$ 2,051,844	\$ 1,878,843	\$ 1,626,817	\$ 1,437,023
Contributions in relation to the actuarially determined contribution	<u>2,051,844</u>	<u>1,878,843</u>	<u>1,626,817</u>	<u>1,437,023</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 17,027,751	\$ 15,617,980	\$ 13,647,794	\$ 11,965,221
Contributions as a percentage of covered payroll	12.05%	12.03%	11.92%	12.01%
Public Safety Personnel Retirement System - Police:				
Actuarially determined contribution	\$ 736,688	\$ 613,494	\$ 685,226	\$ 624,876
Contributions in relation to the actuarially determined contribution	<u>736,688</u>	<u>613,494</u>	<u>685,226</u>	<u>624,876</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 4,041,075	\$ 4,752,084	\$ 4,835,752	\$ 4,652,837
Contributions as a percentage of covered payroll	18.23%	12.91%	14.17%	13.43%
Public Safety Personnel Retirement System - Fire:				
Actuarially determined contribution	\$ 873,627	\$ 828,040	\$ 1,155,464	\$ 1,139,411
Contributions in relation to the actuarially determined contribution	<u>873,627</u>	<u>828,040</u>	<u>1,155,464</u>	<u>1,139,411</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 3,826,662	\$ 4,390,456	\$ 5,644,670	\$ 5,544,579
Contributions as a percentage of covered payroll	22.83%	18.86%	20.47%	20.55%

See accompanying notes to this schedule.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 1,271,452	\$ 1,132,765	\$ 971,871	\$ 874,900	\$ 870,872	\$ 862,053
<u>1,271,452</u>	<u>1,132,765</u>	<u>971,871</u>	<u>874,900</u>	<u>870,872</u>	<u>862,053</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 10,913,751	\$ 9,893,144	\$ 8,692,943	\$ 8,026,606	\$ 8,078,590	\$ 7,945,189
11.65%	11.45%	11.18%	10.90%	10.78%	10.85%
\$ 754,281	\$ 676,533	\$ 802,363	\$ 915,851	\$ 552,131	\$ 601,976
<u>754,281</u>	<u>2,029,932</u>	<u>802,363</u>	<u>444,076</u>	<u>552,131</u>	<u>601,976</u>
<u>\$</u>	<u>\$ (1,353,399)</u>	<u>\$</u>	<u>\$ 471,775</u>	<u>\$</u>	<u>\$</u>
\$ 4,661,811	\$ 4,740,946	\$ 5,244,203	\$ 5,200,744	\$ 4,604,929	\$ 5,033,244
16.18%	14.27%	15.30%	17.61%	11.99%	11.96%
\$ 1,129,216	\$ 1,128,470	\$ 1,184,544	\$ 1,105,865	\$ 698,448	\$ 724,381
<u>1,129,216</u>	<u>1,128,470</u>	<u>1,184,544</u>	<u>282,564</u>	<u>698,448</u>	<u>724,381</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 823,301</u>	<u>\$</u>	<u>\$</u>
\$ 6,211,309	\$ 5,883,577	\$ 5,973,495	\$ 5,808,114	\$ 5,499,591	\$ 5,976,741
18.18%	19.18%	19.83%	19.04%	12.70%	12.12%

City of Maricopa, Arizona
Notes to Required Supplementary Information
June 30, 2025

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, except for the following item:

- Present value of net minimum SBITAs payments in not budgeted at the inception of the agreement

The following schedule reconciles expenditures at the end of year.

	Expenditures
Statement of Revenues, Expenditures and	
Changes in Fund Balances – Governmental Funds	\$ 60,798,404
SBITAs payable payments	(622,392)
Schedule of Revenues, Expenditures and Changes	
in Fund Balances – Budget and Actual – General Fund	\$ 60,176,012

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, 2023, 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 actuarial assumptions used in the June 30, 2023 valuation for PSPRS were based on the results of an actuarial experience study for the five-year period ended June 30, 2021. 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, 2022 actuarial valuation.

City of Maricopa, Arizona
Notes to Required Supplementary Information
June 30, 2025

Note 2 – Pension Plan Schedules

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.

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**Combining and Individual
Fund Financial Statements and Schedules**

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Governmental Funds

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Non-Major Governmental Funds

Special Revenue Funds

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

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

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

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

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.

Capital Projects Funds

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 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.

Parks Bond – This fund is used to account for the acquisition of land and equipment, development, construction and improvement of community parks and projects.

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

City of Maricopa, Arizona
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2025

	Special Revenue Funds				Debt Service Fund
	HURF	Road	Grants	County Road	Debt Service
		Maintenance		Tax	
Assets					
Cash and investments	\$ 12,190,286	\$ 486,830	\$ 1,202,016	\$ 8,432,471	\$ 13,645
Property taxes receivable					74,209
Accounts receivable	1,879	77	98,386	1,307	
Intergovernmental receivables	610,373		200,270	410,923	
Total assets	<u>\$ 12,802,538</u>	<u>\$ 486,907</u>	<u>\$ 1,500,672</u>	<u>\$ 8,844,701</u>	<u>\$ 87,854</u>
Liabilities					
Accounts payable	\$ 255,811	\$	\$ 1,284	\$ 55,291	\$
Accrued wages and benefits	79,626		32,938		
Unearned revenues			7,621		
Total liabilities	<u>335,437</u>		<u>41,843</u>	<u>55,291</u>	
Deferred inflows of resources					
Unavailable revenues - property taxes					58,207
Unavailable revenues - intergovernmental			191,525		
Total deferred inflows of resources			<u>191,525</u>		<u>58,207</u>
Fund balances					
Restricted	12,467,101	486,907	1,267,304	8,789,410	29,647
Total fund balances	<u>12,467,101</u>	<u>486,907</u>	<u>1,267,304</u>	<u>8,789,410</u>	<u>29,647</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,802,538</u>	<u>\$ 486,907</u>	<u>\$ 1,500,672</u>	<u>\$ 8,844,701</u>	<u>\$ 87,854</u>

Capital Projects Funds

<u>Transportation Impact Fee</u>	<u>Parks Impact Fee</u>	<u>Library Impact Fee</u>	<u>Police Impact Fee</u>	<u>Fire Impact Fee</u>	<u>Parks Bond</u>	<u>Capital Grants</u>	<u>Total Non- Major Governmental</u>
\$ 13,296,213	\$ 5,698,874	\$ 1,114,698	\$ 501,096	\$ 7,775,246	\$ 1,829,387	\$ 11,003,342	\$ 63,544,104
2,074	897	170	76	11,541			74,209
						53,246	116,407
							1,274,812
<u>\$ 13,298,287</u>	<u>\$ 5,699,771</u>	<u>\$ 1,114,868</u>	<u>\$ 501,172</u>	<u>\$ 7,786,787</u>	<u>\$ 1,829,387</u>	<u>\$ 11,056,588</u>	<u>\$ 65,009,532</u>
\$	\$ 16,993	\$	\$ 417	\$	\$	\$	\$ 329,796
							112,564
							7,621
	16,993		417				449,981
							58,207
						53,246	244,771
						53,246	302,978
<u>13,298,287</u>	<u>5,682,778</u>	<u>1,114,868</u>	<u>500,755</u>	<u>7,786,787</u>	<u>1,829,387</u>	<u>11,003,342</u>	<u>64,256,573</u>
<u>13,298,287</u>	<u>5,682,778</u>	<u>1,114,868</u>	<u>500,755</u>	<u>7,786,787</u>	<u>1,829,387</u>	<u>11,003,342</u>	<u>64,256,573</u>
<u>\$ 13,298,287</u>	<u>\$ 5,699,771</u>	<u>\$ 1,114,868</u>	<u>\$ 501,172</u>	<u>\$ 7,786,787</u>	<u>\$ 1,829,387</u>	<u>\$ 11,056,588</u>	<u>\$ 65,009,532</u>

City of Maricopa, Arizona
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds				Debt Service Fund
	HURF	Road	Grants	County Road	Debt Service
		Maintenance		Tax	
Revenues					
Property taxes	\$	\$	\$	\$	\$ 3,207,600
Intergovernmental revenues	6,087,055		717,167	5,091,207	
Impact fees					
Charges for services			5,850		
Investment income (loss)	605,747	18,350		454,091	
Miscellaneous		201,620	31,859		
Total revenues	6,692,802	219,970	754,876	5,545,298	3,207,600
Expenditures					
Current:					
General government			26,168		
Public safety			558,806		
Community services					
Development services	588,802				
Public works	3,705,972		211,533	2,013,583	
Capital outlay	303,711		10,634	3,945,281	
Debt service:					
Principal retirement					2,880,000
Interest and fiscal charges					3,522,502
Total expenditures	4,598,485		807,141	5,958,864	6,402,502
Excess (deficiency) of revenues over expenditures	2,094,317	219,970	(52,265)	(413,566)	(3,194,902)
Other financing sources (uses)					
Transfers in					3,186,884
Total other financing sources (uses)					3,186,884
Changes in fund balances	2,094,317	219,970	(52,265)	(413,566)	(8,018)
Fund balances, beginning of year	10,372,784	266,937	1,319,569	9,202,976	37,665
Fund balances, end of year	\$ 12,467,101	\$ 486,907	\$ 1,267,304	\$ 8,789,410	\$ 29,647

Capital Projects Funds

Transportation Impact Fee	Parks Impact Fee	Library Impact Fee	Police Impact Fee	Fire Impact Fee	Parks Bond	Capital Grants	Total Non- Major Governmental
\$	\$	\$	\$	\$	\$	\$	\$ 3,207,600
						346,176	12,241,605
3,962,169	1,027,477	153,907	502,387	1,309,425			6,955,365
							5,850
295,115	266,717	50,153	6,725	343,028			2,039,926
						45,000	278,479
<u>4,257,284</u>	<u>1,294,194</u>	<u>204,060</u>	<u>509,112</u>	<u>1,652,453</u>		<u>391,176</u>	<u>24,728,825</u>
							26,168
							558,806
	99,850						99,850
							588,802
							5,931,088
19,812	212,335		394,255			730,481	5,616,509
							2,880,000
							3,522,502
<u>19,812</u>	<u>312,185</u>		<u>394,255</u>			<u>730,481</u>	<u>19,223,725</u>
<u>4,237,472</u>	<u>982,009</u>	<u>204,060</u>	<u>114,857</u>	<u>1,652,453</u>		<u>(339,305)</u>	<u>5,505,100</u>
							3,186,884
							3,186,884
<u>4,237,472</u>	<u>982,009</u>	<u>204,060</u>	<u>114,857</u>	<u>1,652,453</u>		<u>(339,305)</u>	<u>8,691,984</u>
<u>9,060,815</u>	<u>4,700,769</u>	<u>910,808</u>	<u>385,898</u>	<u>6,134,334</u>	<u>1,829,387</u>	<u>11,342,647</u>	<u>55,564,589</u>
<u>\$ 13,298,287</u>	<u>\$ 5,682,778</u>	<u>\$ 1,114,868</u>	<u>\$ 500,755</u>	<u>\$ 7,786,787</u>	<u>\$ 1,829,387</u>	<u>\$ 11,003,342</u>	<u>\$ 64,256,573</u>

City of Maricopa, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
HURF
For the Year Ended June 30, 2025

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenues	\$ 6,331,771	\$ 6,331,771	\$ 6,087,055	\$ (244,716)
Investment income (loss)			605,747	605,747
Total revenues	<u>6,331,771</u>	<u>6,331,771</u>	<u>6,692,802</u>	<u>361,031</u>
Expenditures				
Current:				
Development services		759,385	588,802	170,583
Public works	4,966,495	4,214,136	3,705,972	508,164
Capital outlay	1,373,660	1,366,635	303,711	1,062,924
Total expenditures	<u>6,340,155</u>	<u>6,340,156</u>	<u>4,598,485</u>	<u>1,741,671</u>
Changes in fund balances	<u>(8,384)</u>	<u>(8,385)</u>	<u>2,094,317</u>	<u>2,102,702</u>
Fund balances, beginning of year			<u>10,372,784</u>	<u>10,372,784</u>
Fund balances, end of year	<u>\$ (8,384)</u>	<u>\$ (8,385)</u>	<u>\$ 12,467,101</u>	<u>\$ 12,475,486</u>

City of Maricopa, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Road Maintenance
For the Year Ended June 30, 2025

	<u>Budget</u>		Variance with Final Budget
	<u>Original and Final</u>	<u>Actual</u>	
Revenues			
Investment income (loss)	\$	\$ 18,350	\$ 18,350
Miscellaneous	60,000	201,620	141,620
Total revenues	<u>60,000</u>	<u>219,970</u>	<u>159,970</u>
Changes in fund balances	<u>60,000</u>	<u>219,970</u>	<u>159,970</u>
Fund balances, beginning of year	<u></u>	<u>266,937</u>	<u>266,937</u>
Fund balances, end of year	<u>\$ 60,000</u>	<u>\$ 486,907</u>	<u>\$ 426,907</u>

City of Maricopa, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Grants
For the Year Ended June 30, 2025

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenues	\$ 51,543,333	\$ 51,543,333	\$ 717,167	\$ (50,826,166)
Charges for services			5,850	5,850
Miscellaneous			31,859	31,859
Total revenues	<u>51,543,333</u>	<u>51,543,333</u>	<u>754,876</u>	<u>(50,788,457)</u>
Expenditures				
Current:				
General government	50,050,000	33,939,180	26,168	33,913,012
Public safety	646,268	646,270	558,806	87,464
Public works	825,670	825,670	211,533	614,137
Capital outlay	21,395	21,395	10,634	10,761
Total expenditures	<u>51,543,333</u>	<u>35,432,515</u>	<u>807,141</u>	<u>34,625,374</u>
Changes in fund balances		<u>16,110,818</u>	<u>(52,265)</u>	<u>(16,163,083)</u>
Fund balances, beginning of year			<u>1,319,569</u>	<u>1,319,569</u>
Fund balances, end of year	<u>\$</u>	<u>\$ 16,110,818</u>	<u>\$ 1,267,304</u>	<u>\$ (14,843,514)</u>

City of Maricopa, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
County Road Tax
For the Year Ended June 30, 2025

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenues	\$ 4,319,304	\$ 4,319,304	\$ 5,091,207	\$ 771,903
Investment income (loss)			454,091	454,091
Total revenues	<u>4,319,304</u>	<u>4,319,304</u>	<u>5,545,298</u>	<u>1,225,994</u>
Expenditures				
Current:				
Public works	2,339,764	2,272,514	2,013,583	258,931
Capital outlay	4,998,092	5,740,829	3,945,281	1,795,548
Total expenditures	<u>7,337,856</u>	<u>8,013,343</u>	<u>5,958,864</u>	<u>2,054,479</u>
Changes in fund balances	<u>(3,018,552)</u>	<u>(3,694,039)</u>	<u>(413,566)</u>	<u>3,280,473</u>
Fund balances, beginning of year			<u>9,202,976</u>	<u>9,202,976</u>
Fund balances, end of year	<u>\$ (3,018,552)</u>	<u>\$ (3,694,039)</u>	<u>\$ 8,789,410</u>	<u>\$ 12,483,449</u>

City of Maricopa, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service
For the Year Ended June 30, 2025

	<u>Budget</u>		Variance with Final Budget
	<u>Original and Final</u>	<u>Actual</u>	
Revenues			
Property taxes	\$ 3,228,690	\$ 3,207,600	\$ (21,090)
Total revenues	<u>3,228,690</u>	<u>3,207,600</u>	<u>(21,090)</u>
Expenditures			
Debt service:			
Principal retirement	2,880,000	2,880,000	
Interest and fiscal charges	3,522,502	3,522,502	
Total expenditures	<u>6,402,502</u>	<u>6,402,502</u>	
Excess (deficiency) of revenues over expenditures	<u>(3,173,812)</u>	<u>(3,194,902)</u>	<u>(21,090)</u>
Other financing sources (uses)			
Transfers in	3,145,792	3,186,884	41,092
Total other financing sources (uses)	<u>3,145,792</u>	<u>3,186,884</u>	<u>41,092</u>
Changes in fund balances	<u>(28,020)</u>	<u>(8,018)</u>	<u>20,002</u>
Fund balances, beginning of year		<u>37,665</u>	<u>37,665</u>
Fund balances, end of year	<u>\$ (28,020)</u>	<u>\$ 29,647</u>	<u>\$ 57,667</u>

City of Maricopa, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Transportation Impact Fee
For the Year Ended June 30, 2025

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Impact fees	\$ 4,200,143	\$ 4,200,143	\$ 3,962,169	\$ (237,974)
Investment income (loss)			295,115	295,115
Total revenues	<u>4,200,143</u>	<u>4,200,143</u>	<u>4,257,284</u>	<u>57,141</u>
Expenditures				
Capital outlay	1,918,255	2,036,418	19,812	2,016,606
Total expenditures	<u>1,918,255</u>	<u>2,036,418</u>	<u>19,812</u>	<u>2,016,606</u>
Changes in fund balances	<u>2,281,888</u>	<u>2,163,725</u>	<u>4,237,472</u>	<u>2,073,747</u>
Fund balances, beginning of year			<u>9,060,815</u>	<u>9,060,815</u>
Fund balances, end of year	<u>\$ 2,281,888</u>	<u>\$ 2,163,725</u>	<u>\$ 13,298,287</u>	<u>\$ 11,134,562</u>

City of Maricopa, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Parks Impact Fee
For the Year Ended June 30, 2025

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Impact fees	\$ 943,110	\$ 943,110	\$ 1,027,477	\$ 84,367
Investment income (loss)			266,717	266,717
Total revenues	<u>943,110</u>	<u>943,110</u>	<u>1,294,194</u>	<u>351,084</u>
Expenditures				
Current:				
Community services			99,850	(99,850)
Capital outlay	2,612,733	2,679,452	212,335	2,467,117
Total expenditures	<u>2,612,733</u>	<u>2,679,452</u>	<u>312,185</u>	<u>2,367,267</u>
Changes in fund balances	<u>(1,669,623)</u>	<u>(1,736,342)</u>	<u>982,009</u>	<u>2,718,351</u>
Fund balances, beginning of year			<u>4,700,769</u>	<u>4,700,769</u>
Fund balances, end of year	<u>\$ (1,669,623)</u>	<u>\$ (1,736,342)</u>	<u>\$ 5,682,778</u>	<u>\$ 7,419,120</u>

City of Maricopa, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Library Impact Fee
For the Year Ended June 30, 2025

	<u>Budget</u>		Variance with Final Budget
	<u>Original and Final</u>	<u>Actual</u>	
Revenues			
Impact fees	\$ 209,100	\$ 153,907	\$ (55,193)
Investment income (loss)		50,153	50,153
Total revenues	<u>209,100</u>	<u>204,060</u>	<u>(5,040)</u>
Changes in fund balances	<u>209,100</u>	<u>204,060</u>	<u>(5,040)</u>
Fund balances, beginning of year		<u>910,808</u>	<u>910,808</u>
Fund balances, end of year	<u>\$ 209,100</u>	<u>\$ 1,114,868</u>	<u>\$ 905,768</u>

City of Maricopa, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Police Impact Fee
For the Year Ended June 30, 2025

	<u>Budget</u>		Variance with Final Budget
	<u>Original and Final</u>	<u>Actual</u>	
Revenues			
Impact fees	\$ 548,470	\$ 502,387	\$ (46,083)
Investment income (loss)		6,725	6,725
Total revenues	<u>548,470</u>	<u>509,112</u>	<u>(39,358)</u>
Expenditures			
Capital outlay	3,721,776	394,255	3,327,521
Total expenditures	<u>3,721,776</u>	<u>394,255</u>	<u>3,327,521</u>
Changes in fund balances	<u>(3,173,306)</u>	<u>114,857</u>	<u>3,288,163</u>
Fund balances, beginning of year	<u> </u>	<u>385,898</u>	<u>385,898</u>
Fund balances, end of year	<u>\$ (3,173,306)</u>	<u>\$ 500,755</u>	<u>\$ 3,674,061</u>

City of Maricopa, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Fire Impact Fee
For the Year Ended June 30, 2025

	<u>Budget</u>		Variance with Final Budget
	<u>Original and Final</u>	<u>Actual</u>	
Revenues			
Impact fees	\$ 748,980	\$ 1,309,425	\$ 560,445
Investment income (loss)		343,028	343,028
Total revenues	<u>748,980</u>	<u>1,652,453</u>	<u>903,473</u>
Expenditures			
Current:			
Public safety	260,000		260,000
Capital outlay	500,000		500,000
Total expenditures	<u>760,000</u>		<u>760,000</u>
Changes in fund balances	<u>(11,020)</u>	<u>1,652,453</u>	<u>1,663,473</u>
Fund balances, beginning of year		<u>6,134,334</u>	<u>6,134,334</u>
Fund balances, end of year	<u>\$ (11,020)</u>	<u>\$ 7,786,787</u>	<u>\$ 7,797,807</u>

City of Maricopa, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Parks Bond
For the Year Ended June 30, 2025

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
Current:				
Community services	\$ _____	\$ _____	\$ _____	\$ _____
Total expenditures	_____	_____	_____	_____
Changes in fund balances	_____	_____	_____	_____
Fund balances, beginning of year	_____	_____	1,829,387	1,829,387
Fund balances, end of year	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 1,829,387</u>	<u>\$ 1,829,387</u>

City of Maricopa, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Government CIP
For the Year Ended June 30, 2025

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income (loss)	\$	\$	\$ 682,014	\$ 682,014
Miscellaneous			186,089	186,089
Total revenues			<u>868,103</u>	<u>868,103</u>
Expenditures				
Current:				
General government	200,000	200,000		200,000
Public safety		45,000	43,247	1,753
Community services	100,000	264,552	259,495	5,057
Development services	1,641,690	1,599,723	440,715	1,159,008
Public works	92,965	65,440	39,788	25,652
Capital outlay	46,250,497	45,006,618	10,585,516	34,421,102
Total expenditures	<u>48,285,152</u>	<u>47,181,333</u>	<u>11,368,761</u>	<u>35,812,572</u>
Excess (deficiency) of revenues over expenditures	<u>(48,285,152)</u>	<u>(47,181,333)</u>	<u>(10,500,658)</u>	<u>36,680,675</u>
Other financing sources (uses)				
Transfers in	6,767,679	6,767,679	6,767,679	
Loan proceeds			1,500,000	1,500,000
Proceeds from sale of capital assets	60,000	60,000		(60,000)
Total other financing sources (uses)	<u>6,827,679</u>	<u>6,827,679</u>	<u>8,267,679</u>	<u>1,440,000</u>
Changes in fund balances	<u>(41,457,473)</u>	<u>(40,353,654)</u>	<u>(2,232,979)</u>	<u>38,120,675</u>
Fund balances, beginning of year			<u>28,937,133</u>	<u>28,937,133</u>
Fund balances, end of year	<u>\$ (41,457,473)</u>	<u>\$ (40,353,654)</u>	<u>\$ 26,704,154</u>	<u>\$ 67,057,808</u>

City of Maricopa, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Grants
For the Year Ended June 30, 2025

	<u>Budget</u>		Variance with Final Budget
	<u>Original and Final</u>	<u>Actual</u>	
Revenues			
Intergovernmental revenues	\$ 44,950,957	\$ 346,176	\$ (44,604,781)
Miscellaneous		45,000	45,000
Total revenues	<u>44,950,957</u>	<u>391,176</u>	<u>(44,559,781)</u>
Expenditures			
Current:			
Development services	200,000		200,000
Public works	176,000		176,000
Capital outlay	44,574,957	730,481	43,844,476
Total expenditures	<u>44,950,957</u>	<u>730,481</u>	<u>44,220,476</u>
Changes in fund balances		<u>(339,305)</u>	<u>(339,305)</u>
Fund balances, beginning of year		<u>11,342,647</u>	<u>11,342,647</u>
Fund balances, end of year	<u>\$</u>	<u>\$ 11,003,342</u>	<u>\$ 11,003,342</u>

City of Maricopa, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Pledged Revenue Bond
For the Year Ended June 30, 2025

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income (loss)	\$	\$	\$ 1,219,918	\$ 1,219,918
Total revenues			<u>1,219,918</u>	<u>1,219,918</u>
Expenditures				
Current:				
Community services		780,429		780,429
Capital outlay	27,522,754	26,742,325	12,280,484	14,461,841
Total expenditures	<u>27,522,754</u>	<u>27,522,754</u>	<u>12,280,484</u>	<u>15,242,270</u>
Excess (deficiency) of revenues over expenditures	<u>(27,522,754)</u>	<u>(27,522,754)</u>	<u>(11,060,566)</u>	<u>16,462,188</u>
Other financing sources (uses)				
Transfers out			(858,522)	(858,522)
Total other financing sources (uses)			<u>(858,522)</u>	<u>(858,522)</u>
Changes in fund balances	<u>(27,522,754)</u>	<u>(27,522,754)</u>	<u>(11,919,088)</u>	<u>15,603,666</u>
Fund balances, beginning of year			<u>27,845,673</u>	<u>27,845,673</u>
Fund balances, end of year	<u>\$ (27,522,754)</u>	<u>\$ (27,522,754)</u>	<u>\$ 15,926,585</u>	<u>\$ 43,449,339</u>

City of Maricopa, Arizona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Land Acquisition Enhancement
For the Year Ended June 30, 2025

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
Current:				
Development services	\$	\$	\$ 37,399	\$ (37,399)
Capital outlay	13,400,000	30,010,079	35,325,731	(5,315,652)
Debt service:				
Principal retirement			574,980	(574,980)
Interest and fiscal charges			22,471	(22,471)
Total expenditures	<u>13,400,000</u>	<u>30,010,079</u>	<u>35,960,581</u>	<u>(5,950,502)</u>
Excess (deficiency) of revenues over expenditures	<u>(13,400,000)</u>	<u>(30,010,079)</u>	<u>(35,960,581)</u>	<u>(5,950,502)</u>
Other financing sources (uses)				
Transfers in	13,400,000	13,400,000	21,658,662	8,258,662
Loan proceeds			4,493,038	4,493,038
Proceeds from sale of capital assets			4,786,881	4,786,881
Total other financing sources (uses)	<u>13,400,000</u>	<u>13,400,000</u>	<u>30,938,581</u>	<u>17,538,581</u>
Changes in fund balances		<u>(16,610,079)</u>	<u>(5,022,000)</u>	<u>11,588,079</u>
Fund balances, beginning of year			<u>7,127,603</u>	<u>7,127,603</u>
Fund balances, end of year	<u>\$</u>	<u>\$ (16,610,079)</u>	<u>\$ 2,105,603</u>	<u>\$ 18,715,682</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.

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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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net Position:					
Net investment in capital assets	\$ 418,064,023	\$ 360,151,415	\$ 283,908,010	\$ 208,765,503	\$ 176,635,947
Restricted	88,692,564	80,847,033	60,195,378	72,007,452	57,927,788
Unrestricted	34,421,934	36,609,989	53,439,534	45,020,476	47,431,191
Total net position	\$ 541,178,521	\$ 477,608,437	\$ 397,542,922	\$ 325,793,431	\$ 281,994,926
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net Position:					
Net investment in capital assets	\$ 169,738,519	\$ 164,748,639	\$ 170,979,975	\$ 177,751,634	\$ 178,734,505
Restricted	48,362,479	48,037,555	43,451,668	34,342,277	46,127,016
Unrestricted	43,166,415	27,465,259	16,789,319	14,565,658	18,571,493
Total net position	\$ 261,267,413	\$ 240,251,453	\$ 231,220,962	\$ 226,659,569	\$ 243,433,014

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

City of Maricopa, Arizona
Expenses, Program Revenues, and Net (Expense)/Revenue
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Expenses					
Governmental activities					
General government	\$ 19,803,588	\$ 17,836,662	\$ 15,990,755	\$ 13,247,281	\$ 13,820,672
Public safety	33,335,021	31,378,811	27,455,835	23,608,516	25,522,709
Community services	6,054,051	6,956,090	8,722,954	7,964,251	7,348,487
Development services	4,773,028	2,890,145	2,782,348	2,106,729	4,070,165
Public works	28,809,722	38,449,593	20,543,714	19,399,121	17,604,057
Interest on long-term debt	2,665,690	2,277,374	803,627	1,367,314	1,382,277
Total expenses	<u>95,441,100</u>	<u>99,788,675</u>	<u>76,299,233</u>	<u>67,693,212</u>	<u>69,748,367</u>
Program Revenues					
Governmental activities					
Charges for services:					
General government	1,526,608	1,650,273	1,266,714	1,048,651	1,043,617
Public safety	594,910	824,172	983,801	718,663	277,247
Community services	2,326,887	2,326,995	2,580,057	2,404,235	1,454,320
Development services	7,436,418	11,575,414	6,848,850	8,640,042	8,938,048
Public works	585,529	274,420	159,005	157,069	209,800
Operating grants and contributions	5,935,527	12,227,530	5,608,999	4,859,852	4,893,003
Capital grants and contributions	37,066,264	46,285,703	37,375,137	22,046,282	12,422,823
Total program revenues	<u>55,472,143</u>	<u>75,164,507</u>	<u>54,822,563</u>	<u>39,874,794</u>	<u>29,238,858</u>
Net (Expense)/Revenue	<u>\$ (39,968,957)</u>	<u>\$ (24,624,168)</u>	<u>\$ (21,476,670)</u>	<u>\$ (27,818,418)</u>	<u>\$ (40,509,509)</u>

(Continued)

City of Maricopa, Arizona
Expenses, Program Revenues, and Net (Expense)/Revenue
Last Ten Fiscal Years
(Accrual basis of accounting)

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

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

(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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net (Expense)/Revenue	\$ (39,968,957)	\$ (24,624,168)	\$ (21,476,670)	\$ (27,818,418)	\$ (40,509,509)
General Revenues:					
Taxes:					
Property taxes	19,577,449	18,267,853	17,530,305	16,033,905	15,614,245
Sales taxes	36,268,544	35,295,659	35,305,893	28,988,821	21,916,285
Franchise taxes	1,789,350	1,806,235	1,757,220	1,607,530	1,434,873
Investment income (loss)	7,952,560	7,532,405	3,533,284	(1,717,258)	397,582
Gain on sale of capital assets	117,124	3,518,424	3,406,314	2,375,861	
Unrestricted grants, aid, and state shared revenues	37,834,014	38,269,107	31,693,145	24,328,064	21,874,037
Total general revenues	<u>103,539,041</u>	<u>104,689,683</u>	<u>93,226,161</u>	<u>71,616,923</u>	<u>61,237,022</u>
Changes in Net Position	<u>\$ 63,570,084</u>	<u>\$ 80,065,515</u>	<u>\$ 71,749,491</u>	<u>\$ 43,798,505</u>	<u>\$ 20,727,513</u>

(Continued)

City of Maricopa, Arizona
General Revenues and Total Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net (Expense)/Revenue	\$ (36,183,494)	\$ (43,074,774)	\$ (40,049,359)	\$ (59,437,686)	\$ (42,953,726)
General Revenues:					
Taxes:					
Property taxes	16,312,261	14,812,662	14,458,492	14,148,761	13,217,792
Sales taxes	17,745,381	14,161,420	11,692,157	10,448,709	9,496,645
Franchise taxes	1,281,198	1,221,114	1,238,325	1,300,307	911,356
Investment income (loss)	2,896,452	2,542,613	349,508	438,141	771,820
Unrestricted grants, aid, and state shared revenues	<u>18,964,162</u>	<u>18,059,723</u>	<u>16,946,770</u>	<u>16,578,323</u>	<u>16,094,498</u>
Total general revenues	<u>57,199,454</u>	<u>50,797,532</u>	<u>44,685,252</u>	<u>42,914,241</u>	<u>40,492,111</u>
Changes in Net Position	<u>\$ 21,015,960</u>	<u>\$ 7,722,758</u>	<u>\$ 4,635,893</u>	<u>\$ (16,523,445)</u>	<u>\$ (2,461,615)</u>

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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
General Fund:					
Nondisposable	\$ 410,292	\$ 394,619	\$ 321,237	\$ 391,774	\$ 325,619
Assigned	35,527,595	22,726,649	42,694,763	40,859,677	41,117,341
Unassigned	11,455,908	13,050,023	18,376,988	20,584,581	24,587,907
Total General Fund	<u>\$ 47,393,795</u>	<u>\$ 36,171,291</u>	<u>\$ 61,392,988</u>	<u>\$ 61,836,032</u>	<u>\$ 66,030,867</u>
All Other Governmental Funds:					
Nondisposable	\$ 999,955	\$ 999,955	\$	\$	\$ 870,269
Restricted	103,316,216	107,519,913	59,763,704	71,879,979	56,859,643
Committed	2,571,141	3,827,527	2,738,145		
Assigned	2,105,603	7,127,603	95,109		
Unassigned					(1,098,027)
Total all other governmental funds	<u>\$ 108,992,915</u>	<u>\$ 119,474,998</u>	<u>\$ 62,596,958</u>	<u>\$ 71,879,979</u>	<u>\$ 56,631,885</u>

(Continued)

City of Maricopa, Arizona
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Fund:					
Nonspendable	\$ 757	\$ 1,125	\$ 2,436	\$ 2,140	\$ 18,417
Assigned	31,756,922				
Unassigned	27,108,149	43,608,609	33,424,593	30,643,618	29,841,856
Total General Fund	<u>\$ 58,865,828</u>	<u>\$ 43,609,734</u>	<u>\$ 33,427,029</u>	<u>\$ 30,645,758</u>	<u>\$ 29,860,273</u>
All Other Governmental Funds:					
Nonspendable	\$ 1,233,191	\$ 79,970	\$ 809,837	\$	\$ 1,195,205
Restricted	46,691,661	47,634,524	42,600,094	34,274,993	44,896,889
Assigned	474,637				
Unassigned	(56,775)			(360,553)	(721,733)
Total all other governmental funds	<u>\$ 48,342,714</u>	<u>\$ 47,714,494</u>	<u>\$ 43,409,931</u>	<u>\$ 33,914,440</u>	<u>\$ 45,370,361</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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Revenues					
Property taxes	\$ 19,503,912	\$ 18,176,877	\$ 17,503,193	\$ 16,037,899	\$ 15,653,588
Sales taxes	36,268,544	35,295,659	35,305,893	28,988,821	21,916,285
Franchise taxes	1,789,350	1,806,235	1,757,220	1,607,530	1,434,873
Licenses, fees & permits	3,541,799	5,233,007	3,738,925	5,272,415	6,122,729
Intergovernmental revenues	43,988,564	62,306,533	37,621,077	29,393,695	27,314,318
Impact fees	6,955,365	10,312,914	6,266,108	9,466,097	11,965,882
Charges for services	7,003,959	9,312,069	6,281,080	6,174,627	4,444,251
Fines, forfeitures, & penalties	517,502	491,631	532,655	528,410	507,042
Investment income (loss)	7,952,560	7,532,405	3,533,284	(1,717,258)	397,582
Miscellaneous	1,376,821	1,862,959	1,651,245	1,086,277	1,034,390
Total revenues	<u>\$ 128,898,376</u>	<u>\$ 152,330,289</u>	<u>\$ 114,190,680</u>	<u>\$ 96,838,513</u>	<u>\$ 90,790,940</u>
Expenditures:					
Current -					
General government	\$ 18,449,269	\$ 16,476,280	\$ 13,447,532	\$ 12,334,723	\$ 10,968,936
Public safety	28,273,005	26,515,742	24,807,920	22,935,819	22,820,669
Community services	2,812,080	3,878,554	5,615,053	5,321,140	4,606,132
Development services	4,379,585	2,660,219	2,648,023	2,065,831	3,563,759
Public works	14,471,628	27,337,450	12,010,941	9,409,302	8,795,082
Capital outlay	63,935,305	88,691,402	59,775,055	30,485,658	26,365,867
Debt service -					
Principal retirement	3,766,110	2,551,064	5,832,966	7,674,471	3,113,552
Interest and fiscal charges	3,544,973	1,372,720	1,042,327	1,606,014	1,620,977
Bond issuance costs		388,106	261,522		
Total expenditures	<u>\$ 139,631,955</u>	<u>\$ 169,871,537</u>	<u>\$ 125,441,339</u>	<u>\$ 91,832,958</u>	<u>\$ 81,854,974</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (10,733,579)</u>	<u>\$ (17,541,248)</u>	<u>\$ (11,250,659)</u>	<u>\$ 5,005,555</u>	<u>\$ 8,935,966</u>
Expenditures for capitalized assets	\$ 64,464,241	\$ 87,958,517	\$ 59,429,155	\$ 29,445,853	\$ 23,380,738
Debt service as a percentage of noncapital expenditures	10%	5%	10%	15%	8%

(Continued)

City of Maricopa, Arizona
Governmental Funds Revenues, Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(Modified accrual basis of accounting)

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

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

(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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Excess (deficiency) of revenues over expenditures	\$ (10,733,579)	\$ (17,541,248)	\$ (11,250,659)	\$ 5,005,555	\$ 8,935,966
Other financing sources (uses):					
Issuance of refunding bonds			19,140,000		
Issuance of pledged revenue bonds		39,040,000			
Premium on sale of bonds		2,362,200	2,556,522		
Proceeds from sale of capital assets	4,858,570	6,121,551	221,547	3,888,004	1,551,154
Lease agreements			1,050,764		843,269
Financed purchase agreements			434,424		
Loan proceeds	5,993,038	1,673,840		2,963,814	4,161,881
SBITA Agreements	622,392				
Transfers in	31,613,225	74,193,996	38,479,467	30,657,966	11,958,574
Transfers out	(31,613,225)	(74,193,996)	(38,479,467)	(30,657,966)	(11,958,574)
Payment to refunded bond escrow agent			(21,878,663)		
Total other financing sources (uses)	<u>11,474,000</u>	<u>49,197,591</u>	<u>1,524,594</u>	<u>6,851,818</u>	<u>6,556,304</u>
Changes in fund balances	<u>\$ 740,421</u>	<u>\$ 31,656,343</u>	<u>\$ (9,726,065)</u>	<u>\$ 11,857,373</u>	<u>\$ 15,492,270</u>
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Excess (deficiency) of revenues over expenditures	\$ 10,258,713	\$ 13,910,713	\$ 11,466,629	\$ (10,922,752)	\$ (5,594,391)
Other financing sources (uses):					
Issuance of refunding bonds	9,900,000				
Premium on sale of bonds	2,317,121				
Proceeds from sale of capital assets	725,786			1,713,798	
Lease agreements	3,555,470				
Transfers in	5,952,019	4,710,473	5,392,700	1,400,000	1,250,000
Transfers out	(5,952,019)	(4,710,473)	(5,392,700)	(1,400,000)	(1,250,000)
Payment to refunded bond escrow agent	(12,025,629)				
Total other financing sources (uses)	<u>4,472,748</u>			<u>1,713,798</u>	
Changes in fund balances	<u>\$ 14,731,461</u>	<u>\$ 13,910,713</u>	<u>\$ 11,466,629</u>	<u>\$ (9,208,954)</u>	<u>\$ (5,594,391)</u>

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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Mining	\$ 33,177	\$ 8,772	\$ 421	\$ 626	\$ 1,671	\$ 1,987	\$	\$	\$ 1,407	\$ 3,682
Communication & Utilities	683,625	699,783	653,321	571,620	514,112	2,191,885	1,552,946	1,548,521	891,299	806,381
Transportation	20,889	20,866	30,043	27,186	52,581	2,133	2,004	90	12,842	1,237
Construction	12,973,996	11,376,022	11,103,333	9,736,967	6,890,380	6,026,592	5,151,332	2,799,001	2,031,485	1,836,350
Manufacturing	643,464	601,963	627,581	515,220	365,136	279,002	118	252,000	227,132	295,396
Wholesale	516,355	425,937	337,771	285,278	280,085	202,223	410,130	462,111	418,910	333,196
Retail	14,289,023	12,988,263	12,259,683	10,984,586	9,847,462	7,128,998	5,824,637	4,863,178	5,464,752	5,024,692
Financial and Insurance	85,547	65,901	60,536	45,320	41,244	33,861		49,000	55,016	37,546
Real Estate Rental	4,632,827	5,398,329	7,475,029	4,620,746	1,751,167	1,795,820	1,006,962	876,937	1,109,644	906,153
Restaurant & Bar	300,300	678,078	1,499,396	1,408,563	1,221,634	898,860	1,058,619	938,719	685,621	569,308
Accommodation	1,784,914	1,406,787	408,458	121,576	1,053	1,436	97,608	4,697	1,091	191
Public Administration	31,398	9,752	15,283	19,743	16,299	11,954	3,941	6,078	1,160	848
Services	724,099	494,163	835,936	622,298	569,616	343,197	25,203	38,909	224,269	251,715
Arts & Entertainment	190,230	91,667	170,596	11,011	19,037	22,688	97,380	19,190	11,581	4,355
Other	1,727,776	2,778,122	1,433,692	895,426	795,600	11,578	15,813	34,925	102,707	72,463
Total	\$ 38,637,619	\$ 37,044,405	\$ 36,911,079	\$ 29,866,166	\$ 22,367,077	\$ 18,952,214	\$ 15,246,692	\$ 11,893,356	\$ 11,238,916	\$ 10,143,513
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
2025	2.00	3.50	5.60	1.10
2024	2.00	3.50	5.60	1.10
2023	2.00	3.50	5.60	1.10
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

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>
2025	\$ 36,268,544	2.76 %	\$ 19,503,912	7.30 %	\$ 1,789,350	(0.93) %	\$ 57,561,806	4.13 %
2024	35,295,659	(0.03)	18,176,877	3.85	1,806,235	2.79	55,278,771	1.31
2023	35,305,893	21.79	17,503,193	9.14	1,757,220	9.31	54,566,306	17.01
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	6.81	1,300,307	42.68	25,915,852	9.48
2016	9,496,645	8.02	13,263,389	(9.87)	911,356	151.21	23,671,390	(0.83)

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	2024-25		2023-24		2022-23		2021-22		2020-21	
	Net Assessed		Net Assessed		Net Assessed		Net Assessed		Net Assessed	
	Limited Property Value	Total Tax Rate								
State of Arizona	\$ 88,425,611,337	None	\$ 83,026,530,244	None	\$ 78,405,598,978	None	\$ 74,200,233,397	None	\$ 69,914,521,042	None
Pinal County	3,772,917,917	3.5600	3,390,905,958	3.5600	3,118,901,158	3.5600	2,868,880,625	3.6900	2,689,422,170	3.7500
Pinal County Jr. College	3,772,917,917	1.8705	3,390,905,958	1.8705	3,118,901,158	1.8705	2,868,880,625	1.9720	2,689,422,170	2.3029
Pinal County Fire District Assistance Tax	3,772,917,917	0.0554	3,390,905,958	0.0554	3,118,901,158	0.0554	2,868,880,625	0.0571	2,689,422,170	0.0591
Pinal County Library District	3,772,917,917	0.0965	3,390,905,958	0.0965	3,118,901,158	0.0965	2,868,880,625	0.0965	2,689,422,170	0.0965
Pinal County State School Tax Equalization Rate	N/A	N/A	N/A	N/A	N/A	N/A	2,868,880,625	0.4263	2,689,422,170	0.4426
Pinal AMA Groundwater Replenishment District	N/A	N/A								
Central Arizona Water Conservation District	3,772,917,917	0.1400	3,390,905,958	0.1400	3,118,901,158	0.1400	2,868,880,625	0.1400	2,689,422,170	0.1400
Pinal County Flood Control District	3,308,328,003	0.1693	2,955,491,132	0.1693	2,739,944,400	0.1693	2,511,425,618	0.1693	2,338,458,494	0.1693
Central Arizona Valley Institute of Technology	2,441,515,401	0.0500	2,161,742,977	0.0500	1,965,096,076	0.0500	1,801,731,378	0.0500	1,689,488,103	0.0500
Electric District No. 3	523,062,029	0.2294	471,487,959	0.2545	423,968,655	0.2830	385,782,354	0.3111	358,342,316	2.1302
Maricopa Unified School District	497,722,793	7.4313	446,936,771	7.8825	397,208,268	7.8825	365,869,459	8.3863	338,294,403	7.7995
Maricopa Volunteer Fire District	N/A	N/A	N/A	N/A	N/A	N/A	341,005,814	0.0000	313,841,803	0.0953
City of Maricopa	467,257,336	4.3337	471,561,889	4.6586	368,268,497	5.0108	337,622,239	5.2513	311,368,285	5.5657
Maricopa Flood Control District	380,752,454	0.1964	341,225,109	0.1964	301,905,868	0.1964	277,007,959	0.1964	253,456,756	0.1964
Stanfield Flood Control District	7,930,925	2.2066	7,641,531	2.2901	7,648,331	3.0071	7,535,785	2.5213	7,642,832	3.1009
Maricopa-Stanfield Irrigation District	N/A	N/A	N/A	N/A	N/A	N/A	49,384	26.0000	83,107	26.0000
Maricopa Consolidated Domestic Water Improvement District	N/A	N/A	N/A	N/A	N/A	N/A	5,060,755	3.6385	4,583,215	3.3685
Maricopa Domestic Water Improvement District	8,714,043	3.3685	7,891,533	4.6471	6,731,499	3.3685	N/A	N/A	N/A	N/A
Seven Ranches Domestic Water Improvement District	2,084,826	0.0000	1,839,342	0.0000	1,861,515	1.9876	1,787,760	5.9466	1,783,245	5.9466
Papago Butte Domestic Water Improvement District	2,021,962	7.9731	1,901,848	7.9731	1,827,870	7.9731	1,738,209	7.9731	1,653,137	7.9731

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 Fiscal Year Nine Years Prior**

<u>Taxpayer</u>	<u>2025</u>		<u>2016</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	\$ 7,641,619	1.64 %	\$ 4,865,040	2.21 %
Santa Cruz Water Company, LLC	6,138,060	1.31	3,976,200	1.81
D R Horton Inc	3,308,201	0.71		
Volkswagon of America DBA Vorelco Inc	2,886,992	0.62	1,864,811	0.85
Wal-Mart Stores Inc	2,031,304	0.43	2,612,169	1.19
SM Fiesta LLC	1,609,727	0.34	1,566,000	0.71
Bungalows on Bowlin LLC	1,474,566	0.32		
Smiths Food & Drug Centers Inc	1,472,970	0.32	1,136,057	0.52
Tacoma Financial Center Partners LLC	1,425,613	0.31		
Agree LTD Pship	1,397,029	0.30		
Pinal Energy LLC			1,011,331	0.46
TAH 2015-1 Borrower LLC			1,223,418	0.56
Meritage Homes of Arizona Inc			846,974	0.39
Orbital Communications			836,027	0.38
 Total	 <u>\$ 29,386,081</u>	 <u>6.30 %</u>	 <u>\$ 19,938,027</u>	 <u>9.07 %</u>
City's Total Assessed Valuation	<u>\$ 467,257,336</u>		<u>\$ 219,927,958</u>	

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

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
2025	\$ 19,216,005	\$ 18,996,363	98.86 %	\$	\$ 18,996,363	98.86 %
2024	17,839,922	17,653,090	98.95	186,809	17,839,899	100.00
2023	17,170,415	17,016,756	99.11	151,452	17,168,208	99.99
2022	15,687,619	15,519,860	98.93	165,555	15,685,415	99.99
2021	15,471,976	15,312,632	98.97	159,319	15,471,951	100.00
2020	15,949,545	15,733,335	98.64	216,196	15,949,531	100.00
2019	14,416,239	14,216,971	98.62	199,268	14,416,239	100.00
2018	14,118,138	13,945,182	98.77	172,956	14,118,138	100.00
2017	14,154,974	13,928,821	98.40	226,153	14,154,974	100.00
2016	13,416,645	13,169,295	98.16	247,350	13,416,645	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	
2025	L	\$ 448,489,206	\$ 4,432,830,619	\$ 18,768,130	\$ 130,953,760	\$ 467,257,336	\$ 4,563,784,379	3.6427	10.24
	FC	977,675,544	9,671,295,476	18,877,720	131,969,244	996,553,264	9,803,264,720	0.6910	10.17
2024	L	402,145,270	3,957,003,906	15,416,619	107,374,720	417,561,889	4,064,378,626	3.8788	10.27
	FC	717,616,239	7,058,204,219	15,427,651	107,408,849	733,043,890	7,165,613,068	0.7798	10.23
2023	L	354,960,785	3,514,448,450	13,307,712	80,833,592	368,268,497	3,595,282,042	4.1709	10.24
	FC	501,254,613	4,950,220,329	13,344,929	81,010,045	514,599,542	5,031,230,374	0.8399	10.23
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	434,529,609	4,253,396,012	12,107,994	72,087,295	446,637,603	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	310,242,724	3,061,492,176	12,623,328	73,151,345	322,866,052	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

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

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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Commercial, Industrial, Utilities and Mining	\$ 60,155,614	\$ 52,579,409	\$ 46,223,951	\$ 44,117,320	\$ 42,155,336
Agricultural and Vacant	44,865,650	41,051,727	26,540,897	27,604,099	24,819,877
Residential (Owner Occupied)	667,273,116	469,960,360	321,098,813	272,544,232	234,848,851
Residential (Rental)	222,612,074	167,423,765	118,229,836	101,009,126	99,353,495
Railroad, Private Cars and Airlines	753,306	882,928	1,363,862	721,418	566,991
Historical Property	881,888	1,133,529	1,132,196	631,542	1,183,173
Certain Government Property Improvements	11,616	12,172	9,987	9,866	9,977
Net Assessed Value	<u>\$ 996,553,264</u>	<u>\$ 733,043,890</u>	<u>\$ 514,599,542</u>	<u>\$ 446,637,603</u>	<u>\$ 402,937,700</u>
Gross Full Cash Value	\$ 9,803,264,720	\$ 7,165,613,068	\$ 5,031,230,374	\$ 4,325,483,307	\$ 3,899,095,666
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10.17%	10.23%	10.23%	10.33%	10.33%
Estimated Net Full Cash Value	9,496,819,599	6,914,631,628	4,803,986,488	4,131,147,248	3,723,129,370
Total Direct Rate	4.33	4.66	5.01	5.25	5.57

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	\$ 39,239,303	\$ 33,838,504	\$ 32,758,823	\$ 31,799,389	\$ 31,697,664
Agricultural and Vacant	24,707,561	22,082,952	23,302,844	22,478,502	22,572,471
Residential (Owner Occupied)	200,156,761	172,226,655	163,479,410	163,242,041	150,631,971
Residential (Rental)	95,630,799	92,932,371	94,403,890	89,160,259	90,968,576
Railroad, Private Cars and Airlines	608,029	644,369	610,671	474,730	452,015
Historical Property	1,205,282	1,132,618	960,516	954,015	297,533
Certain Government Property Improvements	9,888	8,583	2,000	2,028	2,171
Net Assessed Value	<u>\$ 361,557,623</u>	<u>\$ 322,866,052</u>	<u>\$ 315,518,154</u>	<u>\$ 308,110,964</u>	<u>\$ 296,622,401</u>
Gross Full Cash Value	\$ 3,501,390,197	\$ 3,134,643,521	\$ 3,058,695,425	\$ 2,985,393,570	\$ 2,832,372,199
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10.33%	10.30%	10.32%	10.32%	10.47%
Estimated Net Full Cash Value	3,323,295,368	2,972,524,183	2,897,722,560	2,833,253,754	2,695,846,008
Total Direct Rate	5.97	5.91	6.19	6.48	7.34

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

**City of Maricopa, Arizona
Property Tax Assessment Ratios
Last Ten Fiscal Years**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Commercial, Industrial, Utilities and Mining	6 %	7 %	9 %	10 %	11 %
Agricultural and Vacant	5	6	5	6	6
Residential (Owner Occupied)	67	64	63	61	58
Residential (Rental)	22	23	23	23	25
Total	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

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

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

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

**City of Maricopa, Arizona
Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year Ended June 30	General Obligation Bonds						Total Outstanding Debt							
	General Obligation Bonds	Pledged Revenue Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Financed Purchases	Leases	Loans Payable	SBITAs	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income
2025	\$ 25,878,995	\$ 40,429,090	\$ 87,854	\$ 66,220,231	0.68 %	\$ 903	\$ 192,898	\$	\$ 7,091,898	\$ 407,711	\$ 73,592,881	0.75 %	\$ 1,004	3.05 %
2024	28,348,751	41,402,200	87,712	69,663,239	0.97	1,007	289,347	794,006	1,673,840		72,508,144	1.01	1,048	3.00
2023	30,718,507		4,065	30,714,442	0.61	463	784,177	925,240			32,427,924	0.64	489	1.52
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

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 2016-2021 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, 2025

<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	\$ -	11.8 %	\$ -
Maricopa Unified School District	13,110,000	92.6	<u>12,134,616</u>
Subtotal, Overlapping Debt			<u>12,134,616</u>
Direct:			
The City of Maricopa			<u>73,592,881</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 85,727,497</u>

Direct and Overlapping General Bonded Debt Ratios

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		14.17 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 1,069	
As a Percentage of Net Limited Assessed Valuation		16.77 %
As a Percentage of Gross Full Cash Value		0.80 %

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 a portion of the City's net limited assessed valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.
2) Outstanding debt as of June 30, 2024 is presented for the overlapping governments as this is the most recent available information.

**City of Maricopa, Arizona
Legal Debt Margin Information
Last Ten Fiscal Years**

Legal Debt Margin Calculations for Fiscal Year 2025:

	20% Limitation		6% Limitation	
Net full cash assessed valuation	\$ 996,553,264		\$ 996,553,264	
Debt limit (20% of assessed value)	199,310,653		59,793,196	
Debt applicable to limit	20,645,603		5,227,200	
Legal debt margin	\$ 178,665,050		\$ 54,565,996	

	Fiscal Year Ended June 30				
	2025	2024	2023	2022	2021
20% Limitation:					
Debt Limit	\$ 199,310,653	\$ 146,608,778	\$ 102,919,909	\$ 89,327,521	\$ 80,587,540
Total net debt applicable to limit	20,645,603	22,554,689	24,370,580	26,089,941	27,796,135
Legal debt margin	\$ 178,665,050	\$ 124,054,089	\$ 78,549,329	\$ 63,237,580	\$ 52,791,405
Total net debt applicable to the 20% limit as a percentage of 20% debt limit	10%	15%	24%	29%	34%
6% Limitation:					
Debt Limit	\$ 59,793,196	\$ 43,982,633	\$ 30,875,973	\$ 26,798,256	\$ 24,176,262
Total net debt applicable to limit	5,227,200	5,514,750	5,787,450	6,109,529	6,381,729
Legal debt margin	\$ 54,565,996	\$ 38,467,883	\$ 25,088,523	\$ 20,688,727	\$ 17,794,533
Total net debt applicable to the 6% limit as a percentage of 6% debt limit	9%	13%	19%	23%	26%

(Continued)

**City of Maricopa, Arizona
Legal Debt Margin Information
Last Ten Fiscal Years**

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

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

(Concluded)

**City of Maricopa, Arizona
Pledged Revenue Coverage
Last Ten Fiscal Years**

<u>Year</u>	<u>Operating Revenue</u>	<u>Pledged Revenue</u>	<u>Principal</u>	<u>Interest</u>	<u>Coverage</u>
2025	\$ 102,081,530	\$ 75,188,757	855,000	2,290,792	24%
2024	150,109,069	79,806,654	-	-	-

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

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>
2024	484,239	\$ 24,129,321	\$ 49,829	4.1 %	73,300
2023	484,239	24,129,321	49,859	3.3	69,175
2022	453,924	21,327,852	45,950	3.9	66,290
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

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.

**City of Maricopa, Arizona
Principal Employers
Current Fiscal Year and Fiscal Year Nine Years Prior**

<u>Employer</u>	<u>2025</u>		<u>2016</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Maricopa Unified School District	720	11.36 %	650	11.02 %
City of Maricopa	540	8.52	345	5.85
Walmart	250	3.94	250	4.24
Pinal County	200	3.15		
Volkswagen Proving Grounds	150	2.37	200	3.39
Fry's Food Store	100	1.58	200	3.39
United States Postal Service	90	1.42		
Legacy Traditional School	80	1.26		
Native Grill and Wings	80	1.26		
Basha's			85	1.44
McDonalds	60	0.95		
Harrah's Ak Chin Casino Resort			760	12.88
Ultrastar Multitainment Center			250	4.24
Ak-Chin Farms			100	1.69
USDA Arid-Land Research Center			90	1.53
Total	<u>2,270</u>	<u>35.81 %</u>	<u>2,930</u>	<u>49.67 %</u>
Total employment	<u>6,340</u>		<u>5,900</u>	

Source: The source of the 2025 information is the Maricopa Association of Governments (MAG).
The source of the 2016 information is the 2016 City of Maricopa CAFR.

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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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
General Government					
Court	10.6	9.6	3.5	0.5	0.5
Mayor and Council	1.6	2.0	1.7	7.0	5.5
City Manager	7.0	7.0	7.4	6.0	6.0
Information Technology	13.5	12.5	9.2	9.0	6.0
Marketing & Communication	4.0	4.0	3.7	3.0	
Dispatch	16.0	16.0	10.5	10.5	
Emergency Management			2.0	3.0	
City Clerk	5.0	5.5	3.7	3.0	4.8
Finance	12.0	14.0	12.7	12.0	8.0
Support Services Administration					3.0
Human Resources	12.5	11.0	7.9	6.0	10.0
Organizational Health Management			1.1	2.0	
Planning	4.5	4.0	3.7	4.0	4.0
Development Services	13.0	4.5	3.5	3.0	4.0
Building Safety	10.0	11.0	7.3	7.0	6.0
Code Enforcement			3.0	4.0	4.0
Land Development		5.0	1.4		2.8
Permit Center			3.8	4.0	3.0
Facilities Management	10.0	9.0	7.1	7.0	6.0
Fleet Management	6.0	6.0	5.4	5.0	7.0
Public Works Administration	10.0	7.0	8.5	4.0	4.9
Public Safety Administration	8.0	7.0	0.8		
Police	110.0	106.0	83.8	91.0	105.0
Fire	77.0	74.0	71.5	70.0	72.0
Engineering	7.0	3.0	3.9	8.5	
Transportation	4.0	4.0	2.7	4.0	
Community Services Administration	10.3	10.3	19.1		13.0
Recreation/Copper Sky Recreation Center	44.0	44.9	36.6	51.0	27.0
Park Maintenance	19.7	18.7	16.8	23.0	16.8
Libraries	16.3	16.3	14.6	8.0	10.5
Economic Development	5.5	7.5	3.1	2.0	
HURF/Public Works	21.0	24.0	13.1	16.0	13.7
Total	458.5	443.8	373.1	373.5	343.5

(Continued)

City of Maricopa, Arizona
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

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

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

(Concluded)

**City of Maricopa, Arizona
Capital Asset Statistics by Function
Last Ten Fiscal Years**

<u>Function/Program</u>	<u>Fiscal Year Ended June 30</u>									
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Government										
Number of general government buildings	3	3	1	1	1	1	1	1	1	1
Public Safety										
Police										
Number of police stations	2	2	2	2	2	2	2	2	2	1
Fire										
Number of fire stations	4	4	4	4	4	4	4	4	4	4
Community Services										
Number of parks and recreation facilities	5	5	6	6	5	4	4	4	4	4
Number of acres of parks	134	134	115	115	115	127	127	127	127	127
Public Works										
Number of public works buildings	2	2	3	2	2	2	1	1	1	1
Miles of streets	631	587	587	550	550	541	541	541	541	532
Number of street lights	178	116	29	19	19	18	17	16	16	15

Source: Various city departments

City of Maricopa, Arizona
Operating Indicators by Function
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Public Safety										
Police										
Number of police personnel and officers:	139	123	84	83	105	97	96	89	90	90
Number of arrests	2,087	2,189	2,307	1,750	1,568	1,702	1,815	2,033	2,116	2,149
Number of traffic violations	7,742	8,694	4,180	1,766	3,279	2,942	3,229	1,821	4,038	3,671
Number of parking violations	141	213	92	398	55	7	4	2	9	416
Fire										
Number of fire personnel and firefighters	80	74	71	70	72	71	73	69	64	61
Number of emergency calls	5,569	5,116	5,874	4,710	5,021	4,425	4,071	4,099	5,002	4,472
Number of fire calls	122	103	109	1,297	796	783	811	494	497	458
Number of inspections	280	369	172	490	382	454	417	350	420	215
Development Services										
Number of building-single family residential permits issued	787	1,044	631	1,608	2,257	912	1,005	1,059	600	527
Number of building-non-residential permits issued	66	242	148	123	15	17	356	83	2	25
Number of demolition permits issued	5	5	2	4	7	11	22	21		2
Number of pool permits issued	137	255	250	332	346	203	223	181	141	146
Number of solar permits issued	184	363	373	406	423	306	295	63	176	118
Number of sign permits issued	93	57	57	53	71	35	43	40	11	26
Community Services										
Recreation										
Number of facility and park reservations processed	10,656	8,407	10,217	9,343	7,256	3,869	5,306	5,090	5,422	6,172
Number of programs	284	414	608	755	146	1,005	806	556	593	584
Library										
Number of materials in inventory	60,200	56,908	60,000	59,859	56,098	58,747	52,177	51,000	47,558	47,214

Source: Various city departments.

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CITY OF
MARICOPA[®]
PROUD HISTORY • PROSPEROUS FUTURE

Nancy Smith
Mayor

Henry Wade
Vice Mayor

Eric Goettl
Councilmember

AnnaMarie Knorr
Councilmember

Amber Liermann
Councilmember

Vincent Manfredi
Councilmember

Bob Marsh
Councilmember

Benjamin Bitter
City Manager

Jennifer Brown
Assistant City Manager

Matt Kozlowski
Deputy City Manager

Micah Gaudet
Deputy City Manager

Lisell A. Blancarte
Budget Manager

Chris Eripidou
Finance Manager

**39700 West Civic Center Plaza
Maricopa, AZ 85138**



**Independent Auditor’s Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with
Government Auditing Standards**

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

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Maricopa, Arizona, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise City of Maricopa, Arizona’s basic financial statements, and have issued our report thereon dated December 22, 2025. Our report included an emphasis of matter paragraph as to comparability because of the implementation of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Maricopa, Arizona’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Maricopa, Arizona’s internal control. Accordingly, we do not express an opinion on the effectiveness of City of Maricopa, Arizona’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Maricopa, Arizona’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Tucson, Arizona
December 22, 2025

Independent Accountant's Report

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

We have examined the City of Maricopa, Arizona's (City) compliance as to whether highway user revenue fund monies received by the City pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2, and any other dedicated state transportation revenues received by the City, were used solely for authorized transportation purposes during the fiscal year ended June 30, 2025. Management is responsible for the City's compliance with those specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City of Maricopa, Arizona complied, in all material respects, with the aforementioned requirements for the fiscal year ended June 30, 2025.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Tucson, Arizona
December 22, 2025



City of Maricopa, Arizona
Annual Expenditure Limitation Report
Year Ended June 30, 2025

**City of Maricopa, Arizona
Annual Expenditure Limitation Report
Year Ended June 30, 2025**

<u>Contents</u>	<u>Page</u>
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Annual Expenditure Limitation Report - Reconciliation	4
Notes to Annual Expenditure Limitation Report	5

Independent Accountant's Report

The Auditor General of the State of Arizona
The Honorable Mayor and City Council
of the City of Maricopa, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of the City of Maricopa, Arizona for the year ended June 30, 2025, and the related notes to the report. The City's management is responsible for presenting this report in accordance with the Uniform Expenditure Reporting System as described in Note 1. Our responsibility is to express an opinion on this report based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether this report is presented in accordance with the Uniform Expenditure Reporting System, in all material respects. An examination involves performing procedures to obtain evidence about the amounts and disclosures in the report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the report, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the Annual Expenditure Limitation Report referred to above is presented, in all material respects, in accordance with the Uniform Expenditure Reporting System as described in Note 1.

Heinfeld Meech & Co. PC

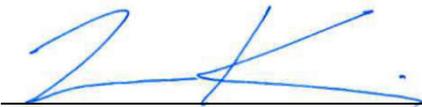
Heinfeld, Meech & Co., P.C.
Tucson, Arizona
January 26, 2026

City of Maricopa, Arizona
Annual Expenditure Limitation Report – Part I
Year Ended June 30, 2025

1. Economic Estimates Commission expenditure limitation	<u>\$ 709,577,394</u>
2. Amount subject to the expenditure limitation (total amount from Part II, Line C)	<u>139,009,563</u>
3. Amount under the expenditure limitation	<u><u>\$ 570,567,831</u></u>

I hereby certify, to the best of my knowledge and belief, that the information contained in this report is accurate and in accordance with the requirements of the Uniform Expenditure Reporting System.

Signature of Chief Fiscal Officer



Name and Title: Matt Kozlowski, Deputy City Manager & Chief Financial Officer

Telephone Number: 520-316-6993

Date: January 26, 2026

City of Maricopa, Arizona
Annual Expenditure Limitation Report – Reconciliation
Year Ended June 30, 2025

Description	Governmental Funds
A. Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements	\$ 139,631,955
B. Subtractions:	
1. Present value of net minimum subscription-based information technology arrangement (SBITA) contract payments recorded as expenditures at the agreements inception.	622,392
2. Total subtractions	622,392
C. Additions:	
D. Amounts reported on Part II, Line A	<u>\$ 139,009,563</u>

See accompanying notes to report.

City of Maricopa, Arizona
Notes To Annual Expenditure Limitation Report
Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies

The Annual Expenditure Limitation Report (AELR) is presented as prescribed by the *Uniform Expenditure Reporting System (UERS)*, as required by Arizona Revised Statutes §41-1279.07. The AELR excludes expenditures, expenses, or deductions of certain revenues specified in the Arizona Constitution, Article IX, §20, from the total expenditures, expenses, or deductions reported in the fund financial statements.

In accordance with the UERS, a note to the AELR is presented below for any exclusion claimed on Part II and each subtraction or addition in the Reconciliation that cannot be traced directly to an amount reported in the fund financial statements. All references to financial statement amounts in the following notes refer to the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental Funds.

Note 2 – Carryforward Summary

Revenues that are constitutionally excludable that were not spent in the year of receipt may be accumulated and excluded in future years when spent. A summary of the revenue sources and the changes in those balances is shown in the table below:

Dividends, interest, and gains on the sale or redemption of investment securities	Governmental Funds
Prior year carryforward balance	\$ 29,061,401
Excludable revenues received in the current year	6,870,854
Ending carryforward balance	<u>\$ 35,932,255</u>
<u>Reconciliation of investment income</u>	Governmental Funds
Financial statements:	
Investment income as reported in the financial statements	\$ 7,952,560
Adjustments (unrealized gain)	<u>(1,081,706)</u>
Total excludable investment income	<u>\$ 6,870,854</u>

The City has elected not to include certain other excludable carryover revenues at this time.

Note 3 – Other Subtractions, Additions, and Exclusions

There were no additions to the Reconciliation. There were no subtractions to the Reconciliation, except for the present value of net minimum subscription-based information technology arrangement (SBITA) contract payments recorded as expenditures at the agreements inception. There were no exclusions claimed and included in Part II.



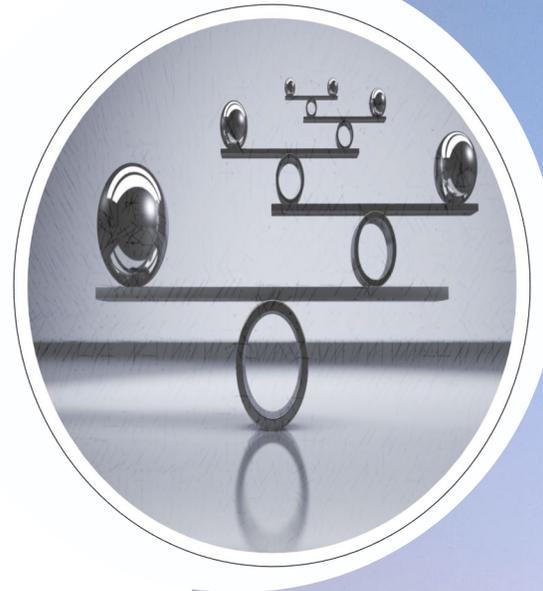
City of Maricopa

Audit Update

Year Ended June 30, 2025

Presented by:

Christopher W. Heinfeld, CPA
Engagement Partner
February 17, 2025



Our Team



Christopher W. Heinfeld, CPA
Engagement Partner

Personal Facts:

- I am getting married in 2 months
- I enjoy wearing crazy socks

Work Facts:

- Supervised over 265 financial and compliance audits
- Member of the Arizona State Board of Accountancy Accounting and Auditing Advisory Committee
- Member of the UofA School of Accountancy Advisory Board



Kristen M. Conway, CPA
Engagement Manager

Personal Facts:

- Crazy for jigsaw puzzles
- Dog lover

Work Facts:

- Worked on over 310 financial and compliance audits
- Instructor for workshops and conferences
- Performed reviews for ASBOI Certificate of Excellence and Meritorious Budget Awards Programs

Standards to Guide the Audit



AICPA Statements
on Auditing
Standards (SAS)

- ❖ General Audit Standards
- ❖ Working paper documentation
- ❖ Risk assessments



Governmental
Accounting Standards
Board (GASB)

- ❖ Financial Reporting



Government
Auditing
Standards (GAS)

- ❖ Auditing Standards particular to governmental entities
- ❖ Independence standards and requirements

FY25 Annual Audit – Items to Consider



Audit Timeline

- May 2025 – EL issued/signed
- Aug/Nov 2025 – Fieldwork
- December 4, 2025 – Draft Sent
- December 2025 – Comments Received and Draft Updated
- Dec. 22, 2025 – Report Issued



Estimates

- Assumptions used in the actuarial valuations of the pension plans



New Standards

- GASB Statement No. 101, *Compensated Absences*
- GASB Statement No. 102, *Certain Risk Disclosures*
- No significant effect on the financial statements and note disclosures

FY25 Annual Audit – Items to Consider



Non-audit Services

- Assist with preparation of the financial statements and notes to the financial statements
 - Includes preparing adjusting journal entries necessary to convert the accounting records to the basis of accounting required by GAAP
- Assist with preparation of the ELR



Audit Adjustments

- Know or likely misstatements identified that are not trivial
- None noted



Communication

- No disagreements with management
- Required representation provided

Independent Auditor's Report



Tucson • Scottsdale • Flagstaff
HeinfeldMeech.com

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, 2025, 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, 2025, 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 to the financial statements, the City implemented the provisions of GASB Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. 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.

Audit related reports issued

1

Issued 01.28.26

Audit communication to those
charged with governance

2

Issued Auditor Opinion
12.22.26

Annual Comprehensive
Financial Report

3

Issued 12.22.26

*Government Auditing
Standards Letter
and
HURF Letter*

4

Issued 01.28.26

Annual Expenditure
Limitation Report

Summary

Annual Comprehensive Financial Report

- Page 1 – Introductory Section:
 - Transmittal Letter, GFOA Certificate of Achievement, Organization Chart, List of Principal Officials
- Page 13 – Independent Auditor’s Report (unmodified)
- Page 17 – Management’s Discussion and Analysis
- Page 29 – Basic Financial Statements
- Page 43 – Notes to the Financial Statements
- Page 77 – Required Supplementary Information
- Page 89 – Supplementary Information
- Page 113 – Statistical Section

GAS Letter

- No significant deficiencies or material weaknesses noted in internal controls over financial statements



Resources - GFOA's Elected Official's Guides

<https://www.gfoa.org/eog>



Internal Control
By Stephen J. Gauthier



Government Finance
By Girard Miller



Audit Committees
By Stephen J. Gauthier



Understanding the Fiscal
Health of Your Community
By Brock, Cohen and Thomas

Resources for Elected Officials

Best Practice Pamphlets

E-books

Articles

On demand podcasts

Informative Resources



Government
Finance Officers
Association

[https://www.gfoa.org/materials/topic/
accounting-and-financial-reporting](https://www.gfoa.org/materials/topic/accounting-and-financial-reporting)



AICPA

[AICPA Government Financial
Literacy](#)



- INDIVIDUAL PROFILES
- INDUSTRY INVOLVEMENT
- COMMUNITY INVOLVEMENT
- PEER REVIEW LETTER
- AUDIT REPORT CARD
- CONSULTING REPORT CARD



Heinfeld, Meech & Co., P.C. is a Certified Public Accounting firm that specializes in governmental and nonprofit accounting, auditing and consulting.

Founded in 1986, we have offices in Tucson, Scottsdale and Flagstaff, Arizona. Our success has been based on our focus on providing superior service and becoming a trusted advisor to our chosen niche. This is made possible with a team who is knowledgeable, enthusiastic and dedicated to client service. The national and local awards received for our excellent firm culture demonstrate our commitment to building the best team of professionals possible.

We strive to be an effective resource to our clients on a year-round basis. This dedication includes regularly publishing articles on topics related to governmental and nonprofit accounting. We also regularly offer trainings and conferences on current and upcoming issues faced by these industries.

Recognized as experts in the field, we are frequently asked by many national and local industry organizations to share our expertise at their sponsored conferences and workshops. These include recent events sponsored by the American Institute of Certified Public Accountants (AICPA), Association of School Business Officials (ASBO), Arizona Society of CPAs, Government Finance Officers Association (GFOA), Association of Government Accountants (AGA), Native American Grant School Association (NAGSA), and many state societies.



Questions?



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Engagement Partner

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 christopher.heinfeld@hm.cpa

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Kristen M. Conway, CPA
Engagement Manager

 602-277-9449 ex. 329

 kristen.conway@hm.cpa



City of Maricopa

Text File

File Number: MISC 26-03

Agenda Date: 2/17/2026

Version: 1

Status: Passed

In Control: City Council Regular Meeting

File Type: Miscellaneous Item

Agenda Number: 8.2

TITLE

The Mayor and City Council of the City of Maricopa, Arizona, shall discuss and take action on Strategic Priorities to provide transparency to residents and direction to staff. Discussion and Action.

..AGENDA ITEM DESCRIPTION

The Strategic Priorities were first introduced at the Future's Planning meeting on February 9, 2023. The Strategic Priorities are meant to guide staff work and budgetary decisions as well as provide transparency to residents. At the Future's Planning meeting on January 22, 2026, City Council gave direction to update the Strategic Priorities. Staff is presenting the updates, as a result of the January 22, 2026 direction, for adoption by the Mayor and City Council. The updated Strategic Priorities are as follows (the numbering sequence does not signify one priority over another but is simply used for tracking purposes):

Focus 1 - Transportation

Maricopa is a city of connection, both within the community and the region. Transportation systems fuel economic and recreational opportunities for residents while bringing visitors to those same opportunities in Maricopa.

Action 1.1 - To connect Maricopa to the surrounding region with safe and swift transportation that spurs economic growth, we will leverage local funds and seek financial support from our county, state, and federal partners to improve State Route 347 and other regional connections. Take time to celebrate achievements.

Action 1.2 - Prioritize needs for utilization of the Commuting Corridors ½ cent sales tax to improve regional connections and traffic flow.

Action 1.3 - Utilize the Traffic Strike Force Team to identify high-priority problem areas, develop effective solutions, and implement timely improvements that enhance traffic flow throughout the city.

Focus 2 - Job Creation & Business Development

Maricopa's well-educated workforce and environment for economic growth make our community attractive to employers and gives them a platform to grow from. Bringing quality jobs to the city will improve economic opportunities for residents and lift up the entire community.

Action 2.1 - To attract high-paying jobs and encourage economic growth within the City of Maricopa, we will pursue the development of a Maricopa Business Park that will serve as a home to top employers.

Action 2.2 - To continuously develop an educated workforce and keep Maricopa at the forefront of economic innovation, we will cultivate strategic partnerships with local schools, higher education institutions and small businesses to foster collaboration, support startups and drive technological advancements.

Focus 3 - Intentional Growth

As one of the fastest-growing cities in the nation, Maricopa is committed to thoughtful,

responsible planning that ensures today's decisions build a strong and successful tomorrow.

Action 3.1 - Stimulate a balanced and sustainable local economy through a foundation of diverse housing options to create a sense of place, encourage walkability, and increase access to jobs, shopping, and other amenities.

Action 3.2 - Continue to support local control in zoning decisions to ensure residents have a voice in how our community grows.

Action 3.3 - Collaborate with County and regional partners to ensure development within the City's planning area aligns with the General Plan.

Action 3.4 - Ensure Maricopa's ongoing safety by advancing regional floodplain solutions, supported by an internally developed Hazard Mitigation Plan to identify other risks and guide resilience measures.

Focus 4 - Quality of Life

Maricopa is defined by the quality of life that the community enjoys. In our city people enjoy the outdoors, and they are enriched by the cultures around them.

Action 4.1 - To give Maricopa residents the greatest outdoor recreation experience and draw in visitors regionally, we will create an iconic park at City Center which capitalizes on public-private partnerships to deliver even more amenities.

Action 4.2 - Seek to add additional recreational opportunities at Copper Sky through partnerships and innovative solutions.

Action 4.3 - To enhance walkability and bikeability throughout our community, we will develop a trail system and interconnected bike routes that seamlessly link the city by actively pursuing diverse funding sources, including support from new developments.

Action 4.4 - To enhance Maricopa's cultural vitality, we will champion initiatives that celebrate the arts by investing in public art projects and experiences.

Action 4.5 - To ensure all residents are able to enjoy our high quality of life we will explore what groups may be underserved in our community and seek partnerships to enhance opportunities.

Focus 5 - Becoming a Destination City

Since incorporation in 2003, the emergence of Maricopa has created a city built for the 21st Century. Just as Maricopa is the contemporary ideal of a place to live, it will be the ideal of a place to be, drawing in visitors from afar as a destination city.

Action 5.1 - To attract visitors from across the region and the nation, we will employ a sports and event tourism strategy that encompasses broad appeal. We will utilize bed tax funds to minimize the impact on local taxpayers while inviting visitors who can boost local businesses and enhance Maricopa's regional profile. By attracting tourists who spend their dollars in our community, we aim to create an influx of revenue that supports both local commerce and the growth of our city.

Focus 6 - Public Safety

Maricopa is consistently rated as one of the safest cities in the state of Arizona. Our public safety teams are proactive in mitigating risk while ensuring quality, appropriate and timely resources are able to respond when needed.

Action 6.1 - To keep crime rates low as the City grows, we will implement data-driven methods to deploy an appropriate response to calls for service that enable the Police Department to unlock its full potential in serving the community.

Action 6.2 - The Police Department will prioritize community policing through ongoing engagement with residents, businesses, and civic organizations. By building trust we will sustain an effective presence across diverse neighborhoods.

Action 6.3 - To design and construct our fifth fire station, Fire Station 573, to support the Fire Department's ability to meet the city's immediate and future growth. This will ensure optimal emergency response capabilities and alignment with the City's mission to provide a

safe, durable, and resilient community.

Action 6.4 - Establish a Hazardous Materials Special Operations program to enhance response capabilities for hazardous materials incidents, ensuring community safety and environmental protection.

Action 6.5 - The Fire Department will prepare for the approval and launch of an in-house ambulance service by recruiting, training, and equipping personnel to strengthen emergency medical response capabilities, enhancing the high-quality pre-hospital patient care in the community.

..PRESENTER

This item will be presented by Jennifer Brown, Assistant City Manager.

..STAFF RECOMMENDATION

Staff recommends approval of the Strategic Priorities.

Strategic *Priorities*

ADDRESS

39700 West Civic Center Plaza
Maricopa, AZ 85138

PHONE

(520) 568-9098

01

Focus 1 Transportation

Maricopa is a city of connection, both within the community and the region. Transportation systems fuel economic and recreational opportunities for residents while bringing visitors to those same opportunities in Maricopa.

Action 1.1

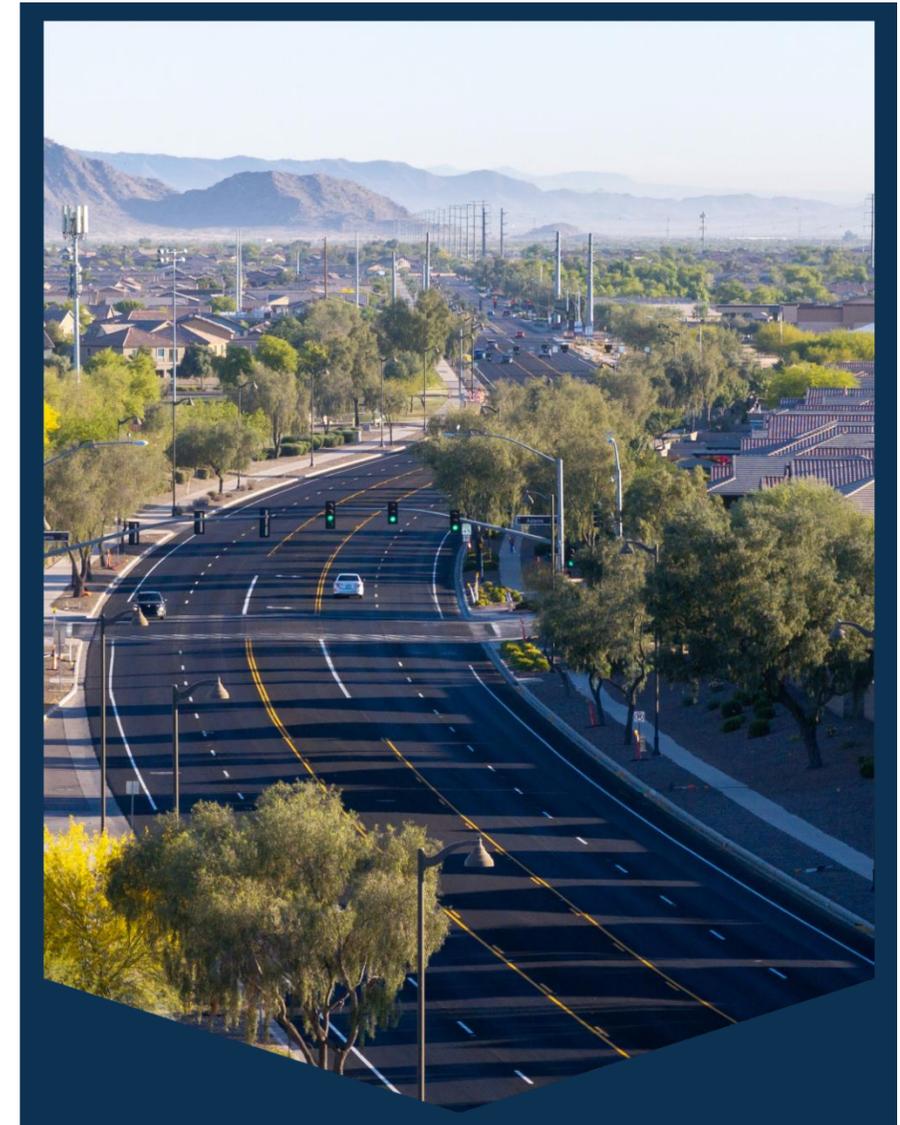
To connect Maricopa to the surrounding region with safe and swift transportation that spurs economic growth, we will leverage local funds and seek financial support from our county, state, and federal partners to improve State Route 347 and other regional connections. Take time to celebrate achievements.

Action 1.2

Prioritize needs for utilization of the Commuting Corridors ½ cent sales tax to improve regional connections and traffic flow.

Action 1.3

Utilize the Traffic Strike Force Team to identify high-priority problem areas, develop effective solutions, and implement timely improvements that enhance traffic flow throughout the city.



02

Focus 2 Job Creation & Business Development

Maricopa's well-educated workforce and environment for economic growth make our community attractive to employers and gives them a platform to grow from. Bringing quality jobs to the city will improve economic opportunities for residents and lift up the entire community.

Action 2.1

To attract high-paying jobs and encourage economic growth within the City of Maricopa, we will pursue the development of a Maricopa Business Park that will serve as a home to top employers.

Action 2.2

To continuously develop an educated workforce and keep Maricopa at the forefront of economic innovation, we will cultivate strategic partnerships with local schools, higher education institutions and small businesses to foster collaboration, support startups and drive technological advancements.



03

Focus 3 Intentional Growth



As one of the fastest-growing cities in the nation, Maricopa is committed to thoughtful, responsible planning that ensures today's decisions build a strong and successful tomorrow.

Action 3.2

Continue to support local control in zoning decisions to ensure residents have a voice in how our community grows.

Action 3.3

Collaborate with County and regional partners to ensure development within the City's planning area aligns with the General Plan.

Action 3.1

Stimulate a balanced and sustainable local economy through a foundation of diverse housing options to create a sense of place, encourage walkability, and increase access to jobs, shopping, and other amenities.

Action 3.4

Ensure Maricopa's ongoing safety by advancing regional floodplain solutions, supported by an internally developed Hazard Mitigation Plan to identify other risks and guide resilience measures.

Focus 4 Quality of Life

04

Maricopa is defined by the quality of life that the community enjoys. In our city people enjoy the outdoors, and they are enriched by the cultures around them.

Action 4.1

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Action 4.2

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Action 4.3

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Action 4.4

To enhance Maricopa's cultural vitality, we will champion initiatives that celebrate the arts by investing in public art projects and experiences.

Action 4.5

To ensure all residents are able to enjoy our high quality of life we will explore what groups may be underserved in our community and seek partnerships to enhance opportunities.



Focus 5 Becoming a Destination City

05

Since incorporation in 2003, the emergence of Maricopa has created a city built for the 21st Century. Just as Maricopa is the contemporary ideal of a place to live, it will be the ideal of a place to be, drawing in visitors from afar as a destination city.

Action 5.1

To attract visitors from across the region and the nation, we will employ a sports and event tourism strategy that encompasses broad appeal. We will utilize bed tax funds to minimize the impact on local taxpayers while inviting visitors who can boost local businesses and enhance Maricopa's regional profile. By attracting tourists who spend their dollars in our community, we aim to create an influx of revenue that supports both local commerce and the growth of our city.



06

Focus 6 Public Safety

Maricopa is consistently rated as one of the safest cities in the state of Arizona. Our public safety teams are proactive in mitigating risk while ensuring quality, appropriate and timely resources are able to respond when needed.

Action 6.1

To keep crime rates low as the City grows, we will implement data-driven methods to deploy an appropriate response to calls for service that enable the Police Department to unlock its full potential in serving the community.

Action 6.2

The Police Department will prioritize community policing through ongoing engagement with residents, businesses, and civic organizations. By building trust we will sustain an effective presence across diverse neighborhoods.

Action 6.3

To design and construct our fifth fire station, Fire Station 573, to support the Fire Department's ability to meet the city's immediate and future growth. This will ensure optimal emergency response capabilities and alignment with the City's mission to provide a safe, durable, and resilient community.

Action 6.4

Establish a Hazardous Materials Special Operations program to enhance response capabilities for hazardous materials incidents, ensuring community safety and environmental protection.

Action 6.5

The Fire Department will prepare for the approval and launch of an in-house ambulance service by recruiting, training, and equipping personnel to strengthen emergency medical response capabilities, enhancing the high-quality pre-hospital patient care in the community.



Strategic *Priorities*

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Action 1.1

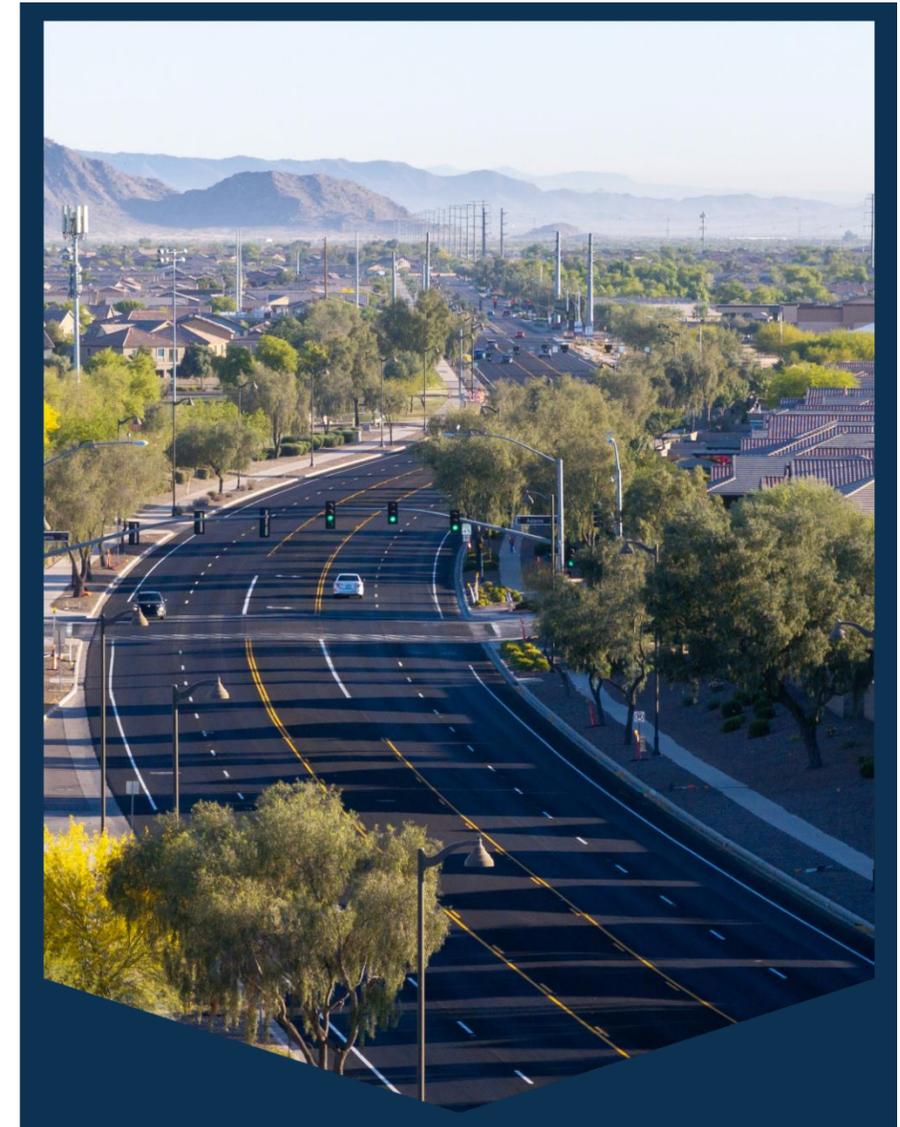
To connect Maricopa to the surrounding region with safe and swift transportation that spurs economic growth, we will **leverage local funds and** seek financial support from our county, state, and federal partners to improve State Route 347 and other regional connections. **Take time to celebrate achievements.**

Action 1.2

~~Consider a 1/2-cent local sales tax proposal for long-term infrastructure needs.~~ Prioritize needs for utilization of the Commuting Corridors ½ cent sales tax to improve regional connections and traffic flow.

Action 1.3

~~To expedite the funding of improvements to local transportation infrastructure in a fiscally conservative manner without raising property taxes, we will seek all means possible to improve roadways sooner.~~ Utilize the Traffic Strike Force Team to identify high-priority problem areas, develop effective solutions, and implement timely improvements that enhance traffic flow throughout the city.



02

Focus 2 Job Creation & Business Development

Maricopa's well-educated workforce and environment for economic growth make our community attractive to employers and gives them a platform to grow from. Bringing quality jobs to the city will improve economic opportunities for residents and lift up the entire community.

Action 2.1

To attract high-paying jobs and encourage economic growth within the City of Maricopa, we will pursue the development of a Maricopa Business Park that will serve as a home to top employers.

Action 2.2

To continuously develop an educated workforce and keep Maricopa at the forefront of economic innovation, we will cultivate strategic partnerships with local schools, higher education institutions and small businesses to foster collaboration, support startups and drive technological advancements.



03

Focus 3 ~~Housing~~ Intentional Growth



~~Home is the foundation of life's experiences. Homes collectively, in neighborhoods, create the foundation of community. As a community that values vibrance and connectedness Maricopa focuses development on neighborhoods abuzz with energy that include a wide array of housing options. As one of the fastest-growing cities in the nation, Maricopa is committed to thoughtful, responsible planning that ensures today's decisions build a strong and successful tomorrow.~~

Action 3.2

~~To~~ Continue to support local control in zoning decisions to ensure residents have a voice in how our community ~~meets our housing needs~~ grows.

Action 3.3

~~To build and maintain a vibrance of life and connectedness in Maricopa we will include multiple village center cores anchored with commercial and employment centers served by restaurants, retail shopping, and cultural enrichments in the general plan update.~~ Collaborate with County and regional partners to ensure development within the City's planning area aligns with the General Plan.

Action 3.1

Stimulate a balanced and sustainable local economy through a foundation of diverse housing options to create a sense of place, encourage walkability, and increase access to jobs, shopping, and other amenities.

Action 3.4

Ensure Maricopa's ongoing safety by advancing regional floodplain solutions, supported by an internally developed Hazard Mitigation Plan to identify other risks and guide resilience measures.

Focus 4 Quality of Life

04

Maricopa is defined by the quality of life that the community enjoys. In our city people enjoy the outdoors, and they are enriched by the cultures around them.

Action 4.1

To give Maricopa residents the greatest outdoor recreation experience and draw in visitors regionally, we will create an iconic park at City Center which capitalizes on public-private partnerships to deliver even more amenities.

Action 4.2

~~To combine the recreational opportunities available currently at Copper Sky with other common leisure activities of Maricopans, we will enhance Copper Sky by exploring a local culinary experience and adding other outdoor activities.~~ Seek to add additional recreational opportunities at Copper Sky through partnerships and innovative solutions.

Action 4.3

To enhance walkability and bikeability throughout our community, we will develop a trail system and interconnected bike routes that seamlessly link the city by actively pursuing diverse funding sources, including support from new developments.

Action 4.4

To enhance Maricopa's cultural vitality, we will champion initiatives that celebrate the arts by investing in public art projects and experiences.

Action 4.5

To ensure all residents are able to enjoy our high quality of life we will explore what groups may be underserved in our community and seek partnerships to enhance opportunities.



Focus 5 Becoming a Destination City

05

Since incorporation in 2003, the emergence of Maricopa has created a city built for the 21st Century. Just as Maricopa is the contemporary ideal of a place to live, it will be the ideal of a place to be, drawing in visitors from afar as a destination city.

Action 5.1

To attract visitors from across the region and the nation, we will employ a sports and event tourism strategy that encompasses broad appeal. We will utilize bed tax funds to minimize the impact on local taxpayers while inviting visitors who can boost local businesses and enhance Maricopa's regional profile. By attracting tourists who spend their dollars in our community, we aim to create an influx of revenue that supports both local commerce and the growth of our city.



06

Focus 6 Public Safety

Maricopa is consistently rated as one of the safest cities in the state of Arizona. Our public safety teams are proactive in mitigating risk while ensuring quality, appropriate and timely resources are able to respond when needed.

Action 6.1

To keep crime rates low as the City grows, we will implement data-driven methods to deploy an appropriate response to calls for service that enable the Police Department to unlock its full potential in serving the community.

Action 6.2

The Police Department will prioritize community policing through ongoing engagement with residents, businesses, and civic organizations. By building trust we will sustain an effective presence across diverse neighborhoods.

Action 6.3

To design and construct our fifth fire station, Fire Station 573, to support the Fire Department's ability to meet the city's immediate and future growth. This will ensure optimal emergency response capabilities and alignment with the City's mission to provide a safe, durable, and resilient community.

Action 6.4

Establish a Hazardous Materials Special Operations program to enhance response capabilities for hazardous materials incidents, ensuring community safety and environmental protection.

Action 6.5

The Fire Department will prepare for the approval and launch of an in-house ambulance service by recruiting, training, and equipping personnel to strengthen emergency medical response capabilities, enhancing the high-quality pre-hospital patient care in the community.



Strategic *Priorities*

ADDRESS

39700 West Civic Center Plaza
Maricopa, AZ 85138

PHONE

(520) 568-9098

01

Focus 1 Transportation

Maricopa is a city of connection, both within the community and the region. Transportation systems fuel economic and recreational opportunities for residents while bringing visitors to those same opportunities in Maricopa.

Action 1.1

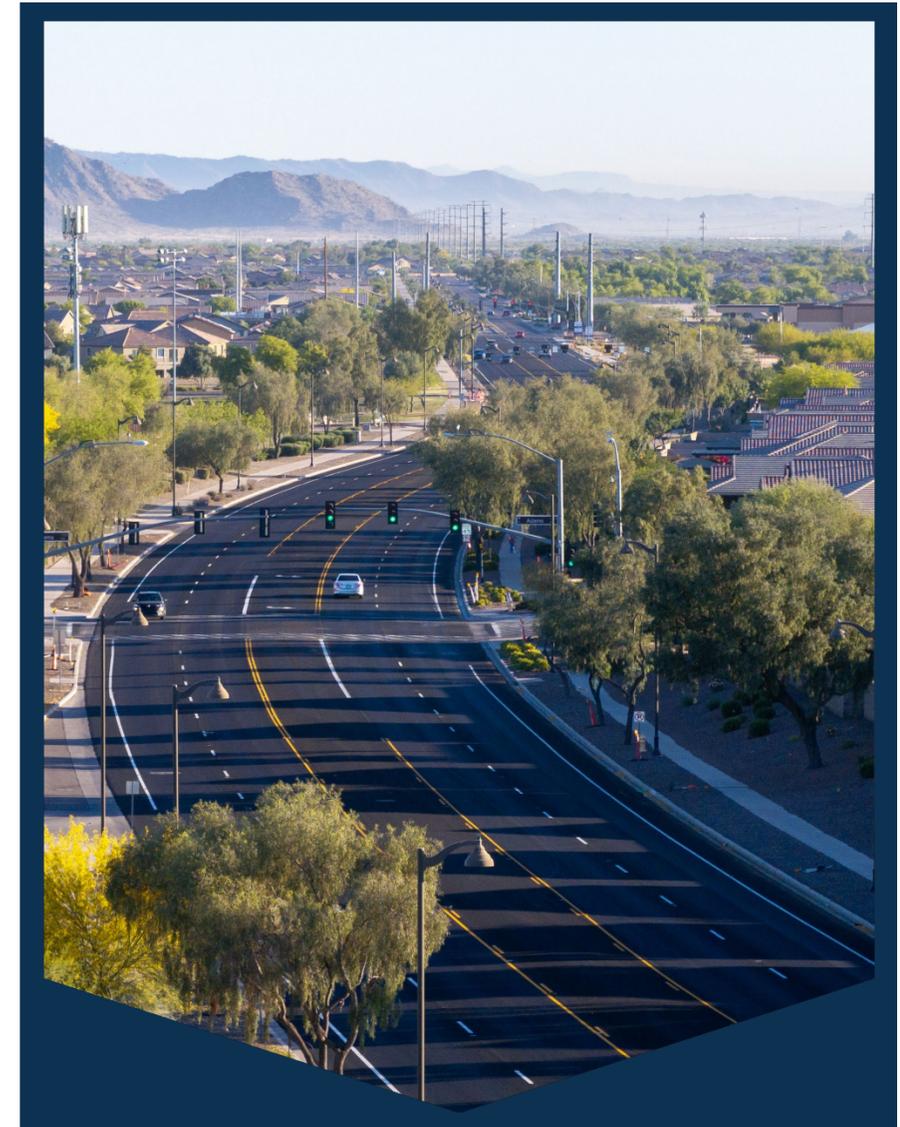
To connect Maricopa to the surrounding region with safe and swift transportation that spurs economic growth, we will **leverage local funds and** seek financial support from our county, state, and federal partners to improve State Route 347 and other regional connections. **Take time to celebrate achievements.**

Action 1.2

~~Consider a 1/2-cent local sales tax proposal for long-term infrastructure needs.~~ Prioritize needs for utilization of the Commuting Corridors ½ cent sales tax to improve regional connections and traffic flow.

Action 1.3

~~To expedite the funding of improvements to local transportation infrastructure in a fiscally conservative manner without raising property taxes, we will seek all means possible to improve roadways sooner.~~ Utilize the Traffic Strike Force Team to identify high-priority problem areas, develop effective solutions, and implement timely improvements that enhance traffic flow throughout the city.



02

Focus 2 Job Creation & Business Development

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