



Unlocking Our Future



Annual Comprehensive
Financial Report
for the year ended
June 30, 2023



City of Maricopa, Arizona

Maricopa, Arizona

**Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2023**

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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January 31, 2024

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, 2023.

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, 2023. 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, 2023, 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, 2023, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor’s report is presented as the first component of the financial section of this report.

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

Profile of the City

The City of Maricopa is located in Pinal County, 35 minutes from Phoenix Sky Harbor Airport and 100 miles northwest of Tucson. Maricopa is one of the top growth areas in both the state and the country, increasing in population over 1,000% since incorporation. In 2003, it became Arizona's 88th incorporated municipality and currently serves approximately 45 square miles of incorporated area with a population of 69,175 as of July 1st, 2023. 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 2023 AZ State Demographer estimate of 69,175. Recent calculations performed after the census project indicate that Maricopa may be home now to upwards of 74,000 residents because of continued residential growth. People from all over the Greater Phoenix area continue to choose living in Maricopa because of its lower housing cost and great quality of life. Over half of the households in Maricopa earn between \$50,000 - \$149,999 per year, with a median household income of \$86,312 as of 2023.

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

Bashas', Fry's Marketplace, Super Walmart, and Sprouts anchor four significant existing retail centers located in Maricopa. Additional development projects are bringing new shopping and dining options to Maricopa. The Edison Pointe Shopping Center located on a 15-acre site includes a 120,000 square foot multitenant shops building. Sonoran Creek development opportunity, anchored by Sprouts Farmers Market, which opened August 25, 2021, will offer more than 85,000 square feet of retail space and 7 acres of development upon completion. Discussions are well under way for additional retail development in multiple other areas of the City, including the planned building of a Home Depot location and the planned development of the South Bridge retail opportunities with Thompson Thrift.

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

Fiscal year 2021-22 saw the opening of the City's first hospital, Exceptional Community Hospital, in December 2021. The City has also announced plans for additional hospital and medical facilities with S3, a medical campus and mixed use development project which will be built and expanded upon on properties located at Copper Sky and bring a variety of medical services, high paying jobs, and new opportunities to our community.

The current Maricopa housing market mirrors that of similar communities in the Phoenix Metro region. While new home building in Maricopa slowed after the boom of 2006-2007, trends have remained consistent with the rest of the Phoenix market. Steady growth is projected for 2023-2024 and beyond, with a much greater emphasis on multifamily opportunities becoming more readily available options in the City. In calendar year 2023, Maricopa issued 888 single family residential permits and 636 multifamily residential permits. Multiple new apartment complexes, condos, and other forms of housing are currently being planned and/or built within the City and will offer Maricopa residents an exciting variety of available and affordable living options - while still retaining the incredibly high building standards that our City has established.

Maricopa, unlike many other cities, does not have the same level of reliance on sales taxes to pay for our day-to-day operations. As a start-up City in high growth mode, we do not depend on sales tax generation from non-essential services. We do not have sports and entertainment venues; car, boat and RV sales; furniture sales; large shopping centers, malls, etc. Most of our retail venues primarily offer essential services. A strongly cultivated organizational identity and vision has allowed the City to approach the challenges of the modern marketplace, and the explosive growth in our population and the new census calculations have allowed the City to reasonably maintain our state shared revenues levels and invest into the community's growth.

Major Initiatives

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

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

Objectives:

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

Ensure a Safe and Secure Community – Maricopa will provide a safe and livable community in which citizen involvement supports and upholds the value of being safe and secure in one's own community. Delivering on its commitment to provide a safe and livable community to its residents the City replaced and upgraded park lighting in most of the City parks. New cameras have been installed at Copper Sky, a pedestrian overpass has been designed over the UPRR at Maricopa Road, and plans for the new Police Station, Dispatch Center, and City Courthouse will provide a long time future intent on delivering high level public safety services to our citizens and visitors.

Promote Economic Vitality and a Sustainable Community – Maricopa will continue to be an economically prosperous, dynamic and sustainable community offering government structure that is welcoming and supportive of business and employment growth. The City has undertaken initiatives to support local business growth as well as attract larger employers to the community. The City also has a robust and aggressive plan for additional roadway improvements and forward thinking transportation planning concepts that will rely upon strong multi-organizational partnerships, nimble and flexible long term financial planning, and excellence in technical execution.

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

Progress continues on the development of 50 acres of City-owned land as a mixed use business park. The Estrella Gin Business Park site is located just west of the intersection of Edison Road and Roosevelt Avenue. Planned to be developed through a public-private partnership, it is the City's leading project to spur local economic growth. The goal for the business park is to provide employment opportunities for local residents by allowing expanding businesses to remain in the community and facilitate the relocation of industry to Maricopa. Approximately 40 acres will be available for commercial development, anticipated to include a mix of industrial, office, and flex space.

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

Be a Premier City – Maricopa will maintain a community where its residents can gain a true hometown feel; where citizens can work and play together and share experiences unique to the City. The City is home to a 217-acre campus of Central Arizona College, which projects total enrollment of over 20,000 students at full build-out of its facilities.

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

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

Relevant Financial Policies

Maricopa will maintain carefully designed fiscal policies that maintain integrity, ensure fiscal stability, provide long-term sustainability, and guide the development and the administration of operating and capital budgets and debt administration. The Council is required to adopt a budget no later than July 1 of each year. The annual budget serves as the foundation for the City of Maricopa's financial planning and control. The budget is prepared by fund, function (e.g., public safety) and department (e.g., police). All transfers of resources between departments and funds require approval from the City Manager or his designee. However, the legal level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the individual fund level for all funds.

Operating Reserves:

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

General Fund Disaster Contingency Reserve:

After calculating the 30% General Fund operating reserve and before the assignment of General Fund balance, the City of Maricopa will assign and maintain an emergency reserve equal to \$1.0 million. These reserved dollars will be used in the event of a “declared” emergency providing financial support for recovery efforts as directed by the City Council.

Self-Insured Losses Reserve:

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

Long-Term Financial Planning

Over the years the City has operated with a fund balance well above the national average. The unrestricted fund balance is estimated at \$64.2 million at June 30, 2023 or 93% of estimated General Fund expenditures for FY2024. 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 will be passed onto residents via a reduction in the secondary tax rate.

The Comprehensive Financial Plan provides a ten-year perspective on the financial condition of the City's General Fund and any other appropriated funds deemed necessary. The financial plan has as its base fiscal year 2022 budget and provides a long-range context for staff and the City Council to make budgetary decisions for the upcoming fiscal year.

The financial forecasts are utilized to examine the revenue and expenditure structures for a period of ten years and include forecasted fund balance information.

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

Awards And Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report for the fiscal year ended June 30, 2022. In order to be awarded this certificate, the City published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

This certificate is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the programs' requirements and we are submitting it to GFOA to determine its eligibility for the fiscal year ended June 30, 2023 certificate.

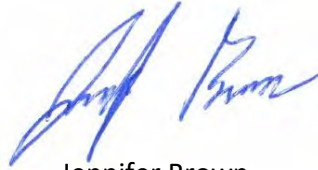
The preparation of the annual comprehensive financial report on a timely basis was made possible by the dedicated service of the entire staff of the Financial Services Division. Each member of the division has our sincere appreciation for the contributions made in the preparation of this report.

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

Respectfully submitted,



Rick Horst
City Manager



Jennifer Brown
Assistant City Manager



Matt Kozlowski
Deputy City Manager & Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

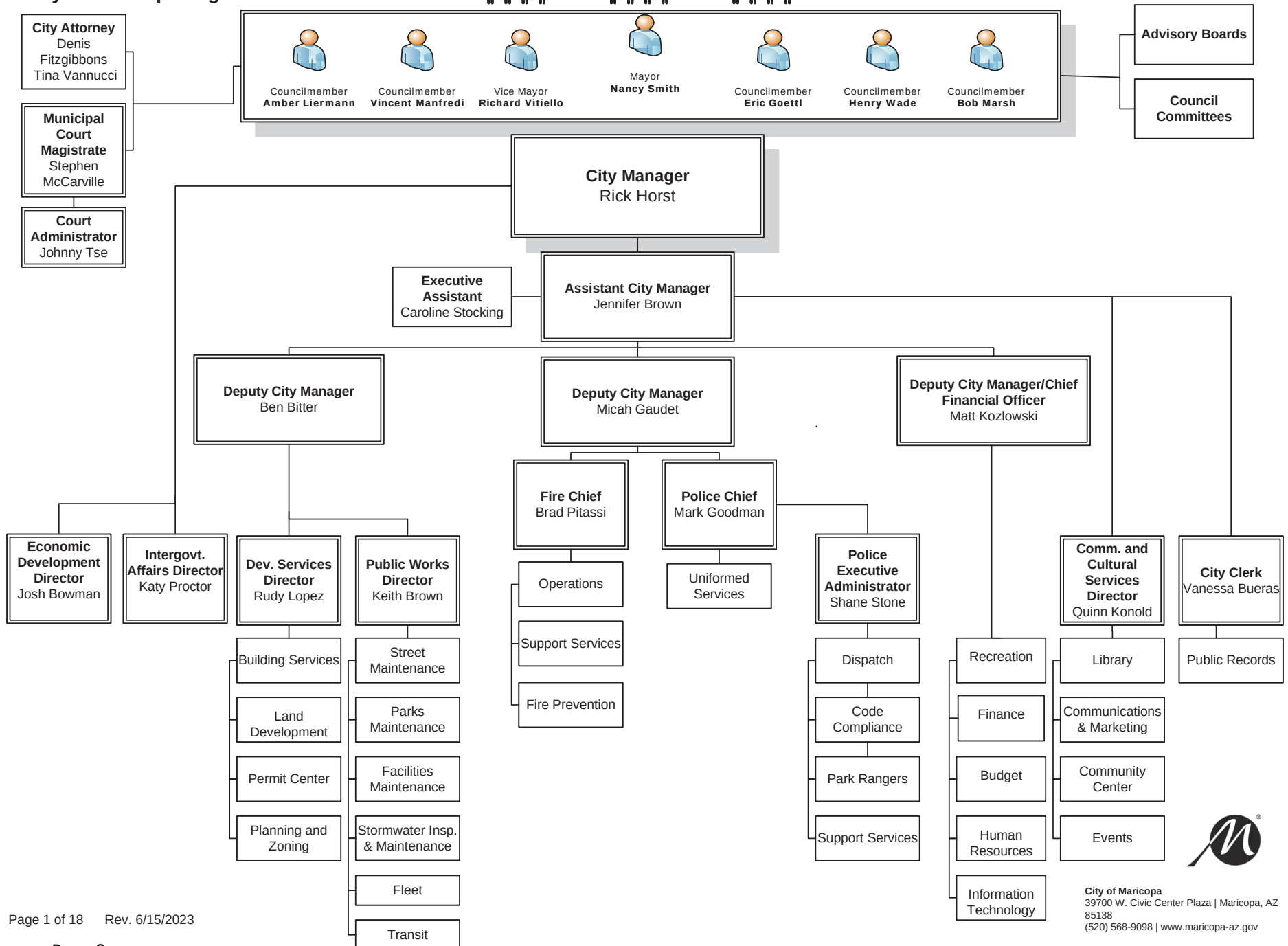
**City of Maricopa
Arizona**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Executive Director/CEO

FY 2023
City of Maricopa Organization Chart



City of Maricopa, Arizona
List of Principal Officials

ELECTED OFFICIALS

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

CITY STAFF

City Manager	Ricky A. Horst
Assistant City Manager	Jennifer Brown
Deputy City Manager & Chief Financial Officer	Matt Kozlowski
Deputy City Manager	Benjamin Bitter
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, 2023, 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, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of City of Maricopa, Arizona, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 1, the City implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended June 30, 2023, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining and Individual Fund Financial Statements and Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Financial Statements and Schedules information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2024, 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
January 31, 2024

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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, 2023

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, 2023. 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 2022-23 as follows:

- The City's total net position of governmental activities increased \$71.7 million to \$397.5 million representing a 22 percent increase over the prior year primarily due to increased state funding and developer contributions.
- General revenues from governmental activities accounted for \$93.2 million in revenue, or 63 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$54.8 million or 37 percent of total governmental activities revenues.
- The City had \$76.3 million in expenses related to governmental activities, an increase of 13 percent from the prior fiscal year primarily due to salaries and related benefits.
- Among major funds, the General Fund had \$91.2 million in current fiscal year revenues, which primarily consisted of property tax, sales tax, and intergovernmental revenues, and \$91.7 million in expenditures and other financing uses. The General Fund's fund balance decreased \$443,044 from the prior fiscal year end to \$61.4 million.
- The Grants Fund had \$953,563 in revenues. Fund expenditures totaled \$1.3 million resulting in a decrease in fund balance from \$1.2 million to \$887,292.
- The Transportation Impact Fee Fund had \$4.1 million in revenues. Fund expenditures totaled \$20.9 million resulting in a decrease in fund balance from \$29.5 million to \$13.1 million due to the use of fund balance for capital projects.
- The General Government CIP Fund had \$34.5 million in revenues and other financing sources. Fund expenditures and other financing uses totaled \$27.3 million resulting in an increase in fund balance of \$12.8 million at the end of the current fiscal year primarily due to the transfer for future capital projects.
- The Land Acquisition Enhancement Fund had \$3.4 million in revenues and other financing sources. Fund expenditures totaled \$3.3 million resulting in an increase in fund balance of \$95,109.

City of Maricopa, Arizona
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

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, 2023

Overview of Financial Statements

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

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

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budget process and pension plan. The City adopts an annual expenditure budget for all governmental funds. A schedule of revenues, expenditures and changes in fund balances – budget and actual has been provided for the General Fund and major Special Revenue Funds 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 \$397.5 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, 2023

Government-Wide Financial Analysis

The following table presents a summary of the City's net position for the fiscal years ended June 30, 2023 and June 30, 2022.

	Governmental Activities	
	2023	2022
Current and other assets	\$ 147,663,374	\$ 146,083,660
Capital assets, net	315,624,533	245,535,105
Total assets	<u>463,287,907</u>	<u>391,618,765</u>
Deferred outflows	<u>9,855,507</u>	<u>10,391,235</u>
Current liabilities	14,052,483	10,615,113
Long-term liabilities	57,216,955	54,024,266
Total liabilities	<u>71,269,438</u>	<u>64,639,379</u>
Deferred inflows	<u>4,331,054</u>	<u>11,577,190</u>
Net position:		
Net investment in capital assets	283,908,010	208,765,503
Restricted	60,195,378	72,007,452
Unrestricted	53,439,534	45,020,476
Total net position	<u>\$ 397,542,922</u>	<u>\$ 325,793,431</u>

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

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

- The City acquired \$89.5 million in capital asset additions with an increase in accumulated depreciation and amortization of \$15.0 million from current year depreciation and amortization.
- The City sold \$4.2 million of land.
- The principal retirement of \$23.3 million of bonds and \$719,538 of bond premium.
- The principal retirement of \$858,628 and \$125,524 of financed purchases payable and leases payable, respectively.
- The principal retirement of \$3.0 million in loans payable.
- The issuance of \$19.1 million of general obligation refunding bonds and \$2.6 million of bond premium.
- The issuance of \$434,424 and \$1.1 million in financed purchases payable and leases payable, respectively.
- The increase of \$7.7 million in pension liabilities and decrease of \$7.7 million in pension deferred inflows of resources.

City of Maricopa, Arizona
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

Government-Wide Financial Analysis

Changes in net position. The City's total revenues for the current fiscal year were \$148.0 million. The total cost of all programs and services was \$76.3 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2023 and June 30, 2022.

	Governmental Activities	
	2023	2022
Revenues:		
Program revenues:		
Charges for services	\$ 11,838,427	\$ 12,968,660
Operating grants and contributions	5,608,999	4,859,852
Capital grants and contributions	37,375,137	22,046,282
General revenues:		
Property taxes, levied for general purposes	14,458,890	13,044,196
Property taxes, levied for debt service	3,071,415	2,989,709
Sales taxes	35,305,893	28,988,821
Franchise taxes	1,757,220	1,607,530
Unrestricted grants, aid, and state shared revenues	31,693,145	24,328,064
Gain on sale of capital assets	3,406,314	2,375,861
Investment income (loss)	3,533,284	(1,717,258)
Total revenues	148,048,724	111,491,717
Expenses:		
General government	15,990,755	13,247,281
Public safety	27,455,835	23,608,516
Community services	8,722,954	7,964,251
Development services	2,782,348	2,106,729
Public works	20,543,714	19,399,121
Interest on long-term debt	803,627	1,367,314
Total expenses	76,299,233	67,693,212
Changes in net position	71,749,491	43,798,505
Net position, beginning	325,793,431	281,994,926
Net position, ending	\$ 397,542,922	\$325,793,431

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

- Capital grants and contributions increased \$15.3 million as a result of increased infrastructure capital contributions from developers.
- Sales taxes increased \$6.3 million as a result of increased economic activity.
- Unrestricted grants, aid, and state shared revenues increased \$7.4 million due to an increase in population and change in Census Data.

City of Maricopa, Arizona
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

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, 2023		Year Ended June 30, 2022	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
General government	\$ 15,990,755	\$ (14,468,054)	\$ 13,247,281	\$ (12,192,381)
Public safety	27,455,835	(24,354,519)	23,608,516	(19,903,827)
Community services	8,722,954	(5,048,420)	7,964,251	(3,065,885)
Development services	2,782,348	4,335,989	2,106,729	6,533,313
Public works	20,543,714	18,861,961	19,399,121	2,177,676
Interest on long-term debt	803,627	(803,627)	1,367,314	(1,367,314)
Total	\$ 76,299,233	\$ (21,476,670)	\$ 67,693,212	\$ (27,818,418)

- The cost of all governmental activities this year was \$76.3 million.
- Federal and State grants and contributions and charges for services subsidized certain programs with grants and contributions and other local revenues of \$54.8 million.
- Net cost of governmental activities of \$21.5 million was financed by general revenues, which are made up of primarily property taxes of \$17.5 million, sales taxes of \$35.3 million, and state shared revenues of \$31.7 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 \$124.0 million, a decrease of \$9.7 million due primarily to increased salaries and related benefits, as well as capital projects.

City of Maricopa, Arizona
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

Financial Analysis of the City's Funds

The General Fund is the principal operating fund of the City. The fund balance decreased \$443,044, or less than one percent. General Fund revenues increased \$16.1 million as a result of increased sales taxes and state shared revenues. General Fund expenditures and other financing uses increased \$13.8 million as a result of transfers out to capital projects funds and increased salaries and related benefits.

Budgetary Highlights

Over the course of the year, the City revised the General Fund annual expenditure budget. The difference between the original budget and the final amended budget was a \$221,270 increase 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 \$6.4 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 \$456.8 million in capital assets, including buildings, facilities, vehicles, computers, equipment, and infrastructure assets. This amount represents a net increase prior to depreciation of \$79.0 million from the prior fiscal year, primarily due to infrastructural capital contributions, purchase of multiple land parcels, various buildings and improvement projects, and purchasing new vehicles. Total depreciation and amortization expense for the current fiscal year was \$15.0 million.

The following schedule presents capital asset balances for the fiscal years ended June 30, 2023 and June 30, 2022.

Governmental Activities	As of June 30, 2023	As of June 30, 2022
Land and land improvements	\$ 118,861,355	\$ 106,020,912
Water rights	1,190,861	1,240,753
Infrastructure	148,482,745	117,474,909
Buildings and improvements	113,013,757	110,510,583
Vehicles, machinery and equipment	27,201,192	31,178,101
Construction in progress	48,020,343	11,364,945
Less: Accumulated depreciation	(141,145,720)	(132,255,098)
Total	<u>\$ 315,624,533</u>	<u>\$ 245,535,105</u>

The estimated cost to complete current construction projects is \$72.3 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, 2023

Capital Assets and Debt Administration

Debt Administration. At year end, the City had \$32.4 million in long-term debt outstanding, \$2.6 million due within one year. Long-term debt decreased by \$1.8 million.

State statutes currently limit the amount of general obligation debt a city may issue to 20 percent of its total assessed valuation for water, sewer, lights, open space preserves, parks, playgrounds and recreational facilities. The current debt limitation for the City is \$102.9 million, of which \$24.8 million is issued and outstanding. State statutes also currently limit the amount of general obligation debt a City may issue to 6 percent of its total assessed valuation for all other purposes. The current debt limitation for the City is \$30.9 million, of which \$5.8 million is issued and outstanding. Additional information on the City's long-term debt can be found in Notes 8 through 11.

In May 2023, Moody's Investment Services upgraded the rating on the City's outstanding general obligation unlimited tax (GOULT) bonds to Aa1 from Aa2 and the City's issuer rating to Aa1 from Aa2.

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 2023-24. The most significant factors affecting the subsequent year's budget are:

- Primary property tax assessments are projected higher in fiscal year 2023-24 with an increase of \$804,355 while reducing the primary property tax rate to \$3.8788 per \$100 in assessed valuation. The moderate assessment decrease is due to the impact of new construction and increased property values.
- Local sales tax revenue is projected to decrease over the prior fiscal year and is budgeted at \$34.5 million in fiscal year 2023-24 compared to the 2022-23 actual revenues of \$35.3 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 2023-24 state shared revenues are projected to increase in the General Fund by approximately 21 percent.
- Budgeted expenditures in the General Fund increased 13 percent to \$69.1 million in fiscal year 2023-24. 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 2023-24 budget.

Contacting the City's Financial Management

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

Basic Financial Statements

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Government-Wide Financial Statements

City of Maricopa, Arizona
Statement of Net Position
June 30, 2023

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 129,498,247
Property taxes receivable	256,660
Accounts receivable	1,266,483
Intergovernmental receivables	7,384,141
Notes receivable	7,478,635
Inventories	300,042
Prepaid items	21,195
Leases receivable	1,457,971
Total current assets	<u>147,663,374</u>
Noncurrent assets:	
Right-to-use leased assets, net of accumulated amortization	900,655
Capital assets not being depreciated	168,072,559
Capital assets, net of accumulated depreciation	146,651,319
Total noncurrent assets	<u>315,624,533</u>
Total assets	<u>463,287,907</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred charge on refunding	213,759
Pension plan items	9,641,748
Total deferred outflows of resources	<u>9,855,507</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	5,961,009
Accrued wages and benefits	1,247,941
Unearned revenue	6,730,215
Customer deposits	113,318
Leases payable	131,234
Compensated absences payable	1,636,100
Financed purchases payable	494,830
Bonds payable	1,925,000
Total current liabilities	<u>18,239,647</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	53,029,791
Total noncurrent liabilities	<u>53,029,791</u>
Total liabilities	<u>71,269,438</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension plan items	2,895,392
Leases	1,435,662
Total deferred inflows of resources	<u>4,331,054</u>
<u>NET POSITION</u>	
Net investment in capital assets	283,908,010
Restricted for:	
Public safety	5,425,962
Transportation projects	27,563,698
Capital projects	18,641,140
Debt service	4,065
Federal and state projects	1,318,966
Parks and recreation projects	7,241,547
Unrestricted	53,439,534
Total net position	<u>\$ 397,542,922</u>

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

City of Maricopa, Arizona
Statement of Activities
Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 15,990,755	\$ 1,266,714	\$ 255,987	\$	\$ (14,468,054)
Public safety	27,455,835	983,801	174,934	1,942,581	(24,354,519)
Community services	8,722,954	2,580,057	38,950	1,055,527	(5,048,420)
Development services	2,782,348	6,848,850	269,487		4,335,989
Public works	20,543,714	159,005	4,869,641	34,377,029	18,861,961
Interest on long-term debt	803,627				(803,627)
Total governmental activities	<u>\$ 76,299,233</u>	<u>\$ 11,838,427</u>	<u>\$ 5,608,999</u>	<u>\$ 37,375,137</u>	<u>(21,476,670)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	14,458,890
Property taxes, levied for debt service	3,071,415
Sales taxes	35,305,893
Franchise taxes	1,757,220
Unrestricted grants, aid, and state shared revenues	31,693,145
Gain on sale of capital assets	3,406,314
Investment income (loss)	3,533,284

Total general revenues

93,226,161

Changes in net position

71,749,491

Net position, beginning of year

325,793,431

Net position, end of year

\$ 397,542,922

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

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Fund Financial Statements

City of Maricopa, Arizona
Balance Sheet - Governmental Funds
June 30, 2023

	<u>General Fund</u>	<u>Grants</u>	<u>Transportation Impact Fee</u>
<u>ASSETS</u>			
Cash and investments	\$ 57,433,481	\$ 7,599,523	\$ 16,353,121
Property taxes receivable	244,767		
Accounts receivable	1,198,003		
Intergovernmental receivables	5,941,225	466,826	
Due from other funds	7,828		
Notes receivable			
Inventories	300,042		
Prepaid items	21,195		
Leases receivable	1,457,971		
Total assets	<u>\$ 66,604,512</u>	<u>\$ 8,066,349</u>	<u>\$ 16,353,121</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 2,190,544	\$ 2,934	\$ 3,206,202
Accrued wages and benefits	1,197,026	14,234	
Unearned revenue		6,730,215	
Due to other funds			
Customer deposits	113,318		
Total liabilities	<u>3,500,888</u>	<u>6,747,383</u>	<u>3,206,202</u>
Deferred inflows of resources:			
Unavailable revenue - property taxes	189,486		
Unavailable revenue - intergovernmental	85,488	431,674	
Unavailable revenue - proceeds from sale of assets			
Leases	1,435,662		
Total deferred inflows of resources	<u>1,710,636</u>	<u>431,674</u>	<u></u>
Fund balances:			
Nonspendable	321,237		
Restricted		887,292	13,146,919
Committed			
Assigned	42,694,763		
Unassigned	18,376,988		
Total fund balances	<u>61,392,988</u>	<u>887,292</u>	<u>13,146,919</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 66,604,512</u>	<u>\$ 8,066,349</u>	<u>\$ 16,353,121</u>

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

General Government CIP	Land Acquisition Enhancement	Non-Major Governmental Funds	Total Governmental Funds
\$ 19,960,124	\$ 95,109	\$ 28,056,889	\$ 129,498,247
		11,893	256,660
65,000		3,480	1,266,483
		976,090	7,384,141
			7,828
	7,478,635		7,478,635
			300,042
			21,195
			1,457,971
<u>\$ 20,025,124</u>	<u>\$ 7,573,744</u>	<u>\$ 29,048,352</u>	<u>\$ 147,671,202</u>
\$ 103,773	\$	\$ 457,556	\$ 5,961,009
		36,681	1,247,941
			6,730,215
		7,828	7,828
			113,318
<u>103,773</u>	<u></u>	<u>502,065</u>	<u>14,060,311</u>
			189,486
			517,162
	7,478,635		7,478,635
			1,435,662
<u></u>	<u>7,478,635</u>	<u></u>	<u>9,620,945</u>
			321,237
17,183,206		28,546,287	59,763,704
2,738,145			2,738,145
	95,109		42,789,872
			18,376,988
<u>19,921,351</u>	<u>95,109</u>	<u>28,546,287</u>	<u>123,989,946</u>
<u>\$ 20,025,124</u>	<u>\$ 7,573,744</u>	<u>\$ 29,048,352</u>	<u>\$ 147,671,202</u>

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City of Maricopa, Arizona
Reconciliation of the Balance Sheet - Governmental Funds
To the Statement of Net Position
June 30, 2023

Total fund balances - governmental funds **\$ 123,989,946**

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	\$ 456,770,253	
Less accumulated depreciation/amortization	<u>(141,145,720)</u>	315,624,533

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

Property taxes	189,486	
Intergovernmental	517,162	
Proceeds from sale of assets	<u>7,478,635</u>	8,185,283

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.		213,759
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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	9,641,748	
Deferred inflows of resources related to pensions	<u>(2,895,392)</u>	6,746,356

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

Compensated absences payable	(2,113,600)	
Financed purchases payable	(784,177)	
Leases payable	(925,240)	
Net pension liability	(22,675,431)	
Bonds payable	<u>(30,718,507)</u>	<u>(57,216,955)</u>

Net position of governmental activities **\$ 397,542,922**

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

City of Maricopa, Arizona
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
Year Ended June 30, 2023

	General Fund	Grants	Transportation Impact Fee
Revenues:			
Property taxes	\$ 14,401,546	\$	\$
Sales taxes	35,305,893		
Franchise taxes	1,757,220		
Licenses, fees & permits	3,738,925		
Intergovernmental revenues	25,874,385	915,666	
Impact fees			3,477,635
Charges for services	6,245,180	35,900	
Fines, forfeitures & penalties	532,655		
Investment income (loss)	2,128,727		624,126
Miscellaneous	1,256,759	1,997	
Total revenues	<u>91,241,290</u>	<u>953,563</u>	<u>4,101,761</u>
Expenditures:			
Current -			
General government	13,048,609	398,923	
Public safety	24,450,050	342,646	
Community services	5,553,468	57,513	
Development services	2,648,023		
Public works	7,049,634	247,484	
Capital outlay	1,623,842	243,787	20,930,094
Debt service -			
Principal retirement	282,126		
Interest and fiscal charges	34,303		
Bond issuance costs			
Total expenditures	<u>54,690,055</u>	<u>1,290,353</u>	<u>20,930,094</u>
Excess (deficiency) of revenues over expenditures	<u>36,551,235</u>	<u>(336,790)</u>	<u>(16,828,333)</u>
Other financing sources (uses):			
Proceeds from sale of assets			
Issuance of refunding bonds			
Premium on bonds issued			
Transfers in			504,779
Transfers out	(38,479,467)		
Lease agreements	1,050,764		
Financed purchase agreements	434,424		
Payment to bond escrow agent			
Total other financing sources (uses)	<u>(36,994,279)</u>		<u>504,779</u>
Changes in fund balances	<u>(443,044)</u>	<u>(336,790)</u>	<u>(16,323,554)</u>
Fund balances, beginning of year	61,836,032	1,224,082	29,470,473
Fund balances, end of year	<u>\$ 61,392,988</u>	<u>\$ 887,292</u>	<u>\$ 13,146,919</u>

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

<u>General Government CIP</u>	<u>Land Acquisition Enhancement</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$	\$	\$ 3,101,647	\$ 17,503,193
			35,305,893
			1,757,220
			3,738,925
		10,831,026	37,621,077
		2,788,473	6,266,108
			6,281,080
			532,655
92,536		687,895	3,533,284
		392,489	1,651,245
<u>92,536</u>		<u>17,801,530</u>	<u>114,190,680</u>
			13,447,532
		15,224	24,807,920
		4,072	5,615,053
			2,648,023
		4,713,823	12,010,941
23,991,491	3,272,002	9,713,839	59,775,055
3,244,869		2,305,971	5,832,966
99,982		908,042	1,042,327
		261,522	261,522
<u>27,336,342</u>	<u>3,272,002</u>	<u>17,922,493</u>	<u>125,441,339</u>
<u>(27,243,806)</u>	<u>(3,272,002)</u>	<u>(120,963)</u>	<u>(11,250,659)</u>
126,438	95,109		221,547
		19,140,000	19,140,000
		2,556,522	2,556,522
34,231,026	3,272,002	471,660	38,479,467
			(38,479,467)
			1,050,764
			434,424
		(21,878,663)	(21,878,663)
<u>34,357,464</u>	<u>3,367,111</u>	<u>289,519</u>	<u>1,524,594</u>
<u>7,113,658</u>	<u>95,109</u>	<u>168,556</u>	<u>(9,726,065)</u>
12,807,693		28,377,731	133,716,011
<u>\$ 19,921,351</u>	<u>\$ 95,109</u>	<u>\$ 28,546,287</u>	<u>\$ 123,989,946</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, 2023

Changes in fund balances - total governmental funds **\$ (9,726,065)**

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/amortization expense.

Expenditures for capitalized assets	\$ 59,429,155	
Less current year depreciation/amortization	<u>(15,039,519)</u>	44,389,636

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.	25,699,792
--	------------

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.

Issuance of general obligation refunding bonds	(21,696,522)	
Financed purchase agreements	(434,424)	
Lease agreements	<u>(1,050,764)</u>	(23,181,710)

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

Property taxes	27,112	
Intergovernmental	363,441	
Proceeds from sale of assets	<u>7,478,635</u>	7,869,188

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	858,628	
Lease principal retirement	125,524	
Loan principal retirement	2,963,814	
Bond principal retirement	<u>23,320,000</u>	27,267,966

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	3,467,507	
Pension expense	<u>(4,378,770)</u>	(911,263)

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.

Amortization of deferred bond items	689,001	
Compensated absences	<u>(347,054)</u>	341,947

Changes in net position in governmental activities **\$ 71,749,491**

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

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2023

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, 2023, the City implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs). This Statement increases the usefulness of the financial statements by requiring the recognition of certain assets and liabilities for SBITAs. This Statement also requires a government to disclose essential information about the arrangement. The City's analysis of SBITAs 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, 2023 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, 2023

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 or 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.

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

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

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

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

The City reports the following major governmental funds.

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

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

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

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

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

D. Budgeting and Budgetary Control

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

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

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

E. Receivables and Payables

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

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

F. Property Taxes

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

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

The primary property tax levy is limited to a two percent annual increase over the prior year’s maximum allowable levy plus an adjustment for properties that were not taxed in the previous year.

G. Investment Income

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

H. Inventory

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

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

J. Capital Assets

Capital assets, which include land and improvements; water rights; buildings and improvements; infrastructure assets (e.g., roads, bridges, sidewalks, and similar items); vehicles; machinery and equipment; computers/software; 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. 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

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net 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.

L. Compensated Absences

Vacation leave vests with the employee as it is earned. All employees may carry forward only the amount of vacation benefits allowed per the vesting schedule in the City of Maricopa Personnel Policies and Procedures. Upon termination or retirement, an employee will be compensated for accumulated vacation leave. Payment will be based upon the individual's rate of pay at termination or retirement. Upon death, the same benefits shall be paid to the employee's beneficiary. Sick leave benefits provided for ordinary sick pay are not vested with the employee. Only benefits considered vested are recognized in the financial statements. The liability for vacation leave is reported on the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. Generally, resources from the General Fund are used to pay for compensated absences.

M. Leases

As 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.

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

N. Pensions

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

O. Long-term Obligations

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

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

P. Interfund Activity

Flows of cash from one fund to another, without a requirement for repayment, are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund financial statements are reported as other financing sources/uses in governmental funds.

Q. Net Position Flow Assumption

In the government-wide financial statements the City applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted amounts are available.

R. Estimates

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

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2023

Note 2 – Fund Balance Classifications

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

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

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

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

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

Unassigned. Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had 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, 2023

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	Grants	Transportation Impact Fee	General Government CIP	Land Acquisition Enhancement	Non-Major Governmental Funds
Fund Balances:						
Nonspendable:						
Inventory	\$ 300,042	\$	\$	\$	\$	\$
Prepaid items	21,195					
Restricted:						
Debt service						4,065
Transportation projects			13,146,919			14,416,779
Parks and recreation projects						7,241,547
Capital projects				17,183,206		1,457,934
Public safety projects						5,425,962
Federal and state projects		887,292				
Committed:						
Capital projects				2,738,145		
Assigned:						
Capital projects					95,109	
General operating reserve	18,273,630					
Insurance losses reserve	1,000,000					
Disaster contingency reserve	1,000,000					
Streets	8,968,454					
Economic development	3,363,169					
Technology enhancement	3,363,169					
Transfer to Asset Replacement	6,726,341					
Unassigned:	18,376,988					
Total fund balances	<u>\$61,392,988</u>	<u>\$ 887,292</u>	<u>\$ 13,146,919</u>	<u>\$ 19,921,351</u>	<u>\$ 95,109</u>	<u>\$ 28,546,287</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.

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2023

Note 4 – Cash and Investments

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

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

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the City's deposits may not be returned to the City. The City does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the City's deposits was \$6.8 million and the bank balance was \$7.3 million. At year end \$6.9 million of the City's deposits was uninsured and uncollateralized. Additionally, the City had cash on hand of \$10,185 and the City had cash held by others of \$63,497.

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

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

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

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2023

Note 4 – Cash and Investments

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

Custodial Credit Risk – Investments. The City's investment in the State Treasurer's investment pool represents a proportionate interest in the pool's portfolio; however, the City's portion is not identified with specific investments and is not subject to custodial credit risk.

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

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

Concentration of Credit Risk. The City places no limit on the amount the City may invest in any one issuer. The investments in Certificates of Deposit, U.S. Treasuries, Supranational Agency Bonds, U.S. Agencies, Corporate Securities, Bank Note, Asset Backed Securities, State Treasurer's Investment Pool 5, and State Treasurer's Investment Pool 7, represent 1%, 18%, 1%, 1%, 15%, 1%, 9%, 51%, and 3% of the City's total investments, respectively.

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2023

Note 4 – Cash and Investments

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

Investment Type	Category	Fair Value	Investment Maturities (in years)		Moody's/Standard & Poor's	
			Less than 1	1-5		
Certificates of Deposit	Level 2	\$ 235,000	\$ 235,000		N/A	/ N/A
Certificates of Deposit	Level 2	416,335		416,335	Aa3	/ A+
Certificates of Deposit	Level 2	557,148		557,148	Aa3	/ AA-
U.S. Treasuries	Level 1	21,824,919	2,424,817	19,400,102	Aaa	/ AA+
Supranational Agency Bonds	Level 2	1,562,111	1,034,580	527,531	Aaa	/ AAA
U.S. Agencies:						
Federal Home Loan Mortgage Corporation	Level 2	1,812,345		1,812,345	Aaa	/ AA+
Corporate Securities	Level 1	129,557		129,557	Aa2	/ AA-
Corporate Securities	Level 1	156,782		156,782	Aa2	/ AA
Corporate Securities	Level 1	249,719		249,719	Aa2	/ A+
Corporate Securities	Level 1	2,590,658		2,590,658	Aa3	/ AA-
Corporate Securities	Level 1	410,452		410,452	A1	/ AA
Corporate Securities	Level 1	1,043,953		1,043,953	A1	/ A+
Corporate Securities	Level 1	2,588,671		2,588,671	A1	/ A
Corporate Securities	Level 1	2,998,295		2,998,295	A1	/ A-
Corporate Securities	Level 1	188,002		188,002	A1	/ BBB+
Corporate Securities	Level 1	249,829		249,829	A2	/ A+
Corporate Securities	Level 1	2,173,911		2,173,911	A2	/ A
Corporate Securities	Level 1	1,305,564		1,305,564	A2	/ A-
Corporate Securities	Level 1	555,194		555,194	A2	/ BBB+
Corporate Securities	Level 1	125,100		125,100	A3	/ AA-
Corporate Securities	Level 1	90,227		90,227	A3	/ A+
Corporate Securities	Level 1	2,550,794		2,550,794	A3	/ A-
Corporate Securities	Level 1	288,585	288,585		A3	/ AAA
Corporate Securities	Level 1	919,862		919,862	A3	/ BBB+
Bank Note	Level 2	238,203		238,203	A2	/ A
Asset Backed Securities	Level 1	5,172,826		5,172,826	Aaa	/ AAA
Asset Backed Securities	Level 1	1,438,236		1,438,236	Aaa	/ NR
Asset Backed Securities	Level 1	4,282,273		4,257,853	NR	/ AAA
			<u>\$ 4,007,402</u>	<u>\$ 52,147,149</u>		
State Treasurer's investment pool 5	Not applicable	62,777,480	44 days average maturities		AAAf	/ S1+
State Treasurer's investment pool 7	Not applicable	3,724,636	37 days average maturities		AAA	/ S1+
Total		<u>\$ 122,656,667</u>				

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2023

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	Grants	Non-Major Governmental Funds
Intergovernmental receivables:			
Due from federal government	\$	\$ 466,826	\$ 21,553
Due from state government	5,941,225		581,316
Due from county government			373,221
Net intergovernmental receivables	<u>\$ 5,941,225</u>	<u>\$ 466,826</u>	<u>\$ 976,090</u>

Notes receivable were from land sold by the City. The purchase price of \$3.2 million is due December 2023, and the purchase price of \$4.2 million is due November 2024. At June 30, 2023, the notes receivable balance reported in the Land Acquisition Enhancement Fund was \$7.5 million, and the corresponding revenue has been reported as deferred inflows as it is unavailable at year end.

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 \$3,615 are recorded as miscellaneous revenue in the General Fund.

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

Year ending June 30:		
	2024	\$ 74,228
	2025	75,595
	2026	76,172
	2027	76,761
	2028	77,364
	2029-33	394,574
	2034-38	188,532
	2039-43	198,439
	2044-48	219,091
	2049-52	121,216
Total		<u>\$ 1,501,972</u>

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2023

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	\$ 106,020,912	\$ 17,044,364	\$4,203,921	\$ 118,861,355
Water rights	1,240,753		49,892	1,190,861
Construction in progress	11,364,945	40,241,995	3,586,597	48,020,343
Total capital assets, not being depreciated	<u>118,626,610</u>	<u>57,286,359</u>	<u>7,840,410</u>	<u>168,072,559</u>
Capital assets, being depreciated:				
Buildings	73,587,151	450,252	18,431	74,018,972
Improvements other than buildings	36,923,432	1,020,589		37,944,021
Infrastructure	117,474,909	31,007,836		148,482,745
Vehicles	14,522,896	1,271,622	1,355,943	14,438,575
Machinery and equipment	12,511,421	971,882	1,950,955	11,532,348
Computers/Software	4,143,784		2,913,515	1,230,269
Total capital assets being depreciated	<u>259,163,593</u>	<u>34,722,181</u>	<u>6,238,844</u>	<u>287,646,930</u>
Less accumulated depreciation for:				
Buildings	(27,122,868)	(3,708,397)	(16,910)	(30,814,355)
Improvements other than buildings	(14,207,497)	(1,897,798)		(16,105,295)
Infrastructure	(67,701,507)	(7,207,767)		(74,909,274)
Vehicles	(9,212,710)	(1,325,931)	(1,312,241)	(9,226,400)
Machinery and equipment	(10,246,913)	(648,729)	(1,949,954)	(8,945,688)
Computes/Software	(3,763,603)	(100,788)	(2,869,792)	(994,599)
Total accumulated depreciation	<u>(132,255,098)</u>	<u>(14,889,410)</u>	<u>(6,148,897)</u>	<u>(140,995,611)</u>
Total capital assets, being depreciated, net	<u>126,908,495</u>	<u>19,832,771</u>	<u>89,947</u>	<u>146,651,319</u>
Intangible right-to-use assets:				
Leased buildings		1,050,764		1,050,764
Less accumulated amortization		(150,109)		(150,109)
Total intangible right-to-use assets, net		<u>900,655</u>		<u>900,655</u>
Total capital assets, being depreciated/amortized, net	<u>126,908,495</u>	<u>20,733,426</u>	<u>89,947</u>	<u>147,551,974</u>
Governmental activities capital assets, net	<u>\$ 245,535,105</u>	<u>\$ 78,019,785</u>	<u>\$ 7,930,357</u>	<u>\$ 315,624,533</u>

Depreciation and amortization expense were charged to functions/programs as follows:

Governmental activities:	
General government	\$ 1,545,903
Public safety	2,343,980
Community service	2,996,119
Public works	8,153,517
Total depreciation expense – governmental activities	<u>\$15,039,519</u>

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2023

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 \$48.0 million on the projects and had estimated remaining contractual commitments of \$72.3 million.

Note 8 – Financed Purchases Payable

The City has acquired network switches, multiple fire engines, and body cameras under the provisions of contracts classified as financed purchases payables. Revenues from the General Fund, Fire Impact Fee Fund, a non-major governmental fund, and the General Government CIP Fund are used to pay the debt obligations.

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

Year ending June 30:		Governmental Activities	
		Principal	Interest
	2024	\$ 494,830	\$ 95,999
	2025	96,449	
	2026	96,449	
	2027	96,449	
Total		<u>\$ 784,177</u>	<u>\$ 95,999</u>

Note 9 - Leases Payable

The City has rented office space under the provisions of a contract classified as a lease. The related obligation under the lease agreement has been recorded at the present value of its future minimum lease payments as of the inception date. Revenues from the General Fund are used to pay the lease obligation. Amortization of right-to-use assets recorded under the lease is included with depreciation expense.

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

Year ending June 30:		Governmental Activities	
		Principal	Interest
	2024	\$ 131,234	\$ 25,270
	2025	139,873	21,323
	2026	148,914	17,118
	2027	158,368	12,644
	2028	168,260	7,888
	2029	178,591	2,837
Total		<u>\$ 925,240</u>	<u>\$ 87,080</u>

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2023

Note 9 - Leases Payable

The right-to-use assets recorded under leases that meet the City's capitalization threshold are as follows:

	Governmental Activities
Asset:	
Building	\$ 1,050,764
Less: Accumulated amortization	150,109
Total	<u>\$ 900,655</u>

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 are used to pay bonded debt.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2023	Due Within One Year
Governmental activities:					
GO Refunding Series 2020	\$ 9,900,000	5.00%	7/1/24-30	\$ 7,400,000	\$ 915,000
GO Refunding Series 2023A	17,065,000	5.00%	7/1/26-35	17,065,000	
GO Refunding Series 2023B	2,075,000	5.09-5.45%	7/1/24-25	2,075,000	1,010,000
Total				<u>\$ 26,540,000</u>	<u>\$1,925,000</u>

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

		Governmental Activities	
Year ending June 30:		Principal	Interest
	2024	\$ 1,925,000	\$ 1,337,851
	2025	2,025,000	1,231,108
	2026	1,910,000	1,129,500
	2027	2,000,000	1,034,000
	2028	2,100,000	934,000
	2029-33	12,795,000	3,554,250
	2034-35	3,785,000	564,500
Total		<u>\$ 26,540,000</u>	<u>\$ 9,785,209</u>

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2023

Note 10 – General Obligation Bonds Payable

Refunding Bonds - During the year ended June 30, 2023, the City issued \$19.1 million in refunding bonds, with an effective interest rate of 5.00 percent, to refund \$21.4 million of outstanding general obligation bonds, with an average interest rate of 4.19 percent. The net proceeds of \$21.9 million, which includes \$2.6 million of bond premium plus an additional contribution of \$443,663, (after payment of \$261,522 in underwriting fees, insurance, and other issuance costs) were deposited in an irrevocable trust with an escrow agent, to provide for all future debt service payments of the refunded general obligation bonds. As a result, the refunded general obligation bonds are considered to be defeased, and the liability for those bonds has been removed from the government-wide financial statements. The reacquisition price exceeded the net carrying amount of the old debt by \$6,638. This refunding was undertaken to reduce total debt service payments over the next 12 years by \$2.2 million and resulted in an economic gain of \$1.4 million.

Defeased Debt - In the current year, the City defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At year end, \$21.4 million of defeased bonds are still outstanding.

Note 11 – 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	\$ 30,720,000	\$ 19,140,000	\$ 23,320,000	\$ 26,540,000	\$ 1,925,000
Premium	2,341,523	2,556,522	719,538	4,178,507	
Total bonds payable	<u>33,061,523</u>	<u>21,696,522</u>	<u>24,039,538</u>	<u>30,718,507</u>	<u>1,925,000</u>
Financed purchases payable	1,208,381	434,424	858,628	784,177	494,830
Leases payable		1,050,764	125,524	925,240	131,234
Loans payable	2,963,814		2,963,814		
Net pension liability	15,024,002	7,651,429		22,675,431	
Compensated absences payable	<u>1,766,546</u>	<u>3,783,590</u>	<u>3,436,536</u>	<u>2,113,600</u>	<u>1,636,100</u>
Governmental activity long-term liabilities	<u>\$ 54,024,266</u>	<u>\$ 34,616,729</u>	<u>\$ 31,424,040</u>	<u>\$ 57,216,955</u>	<u>\$ 4,187,164</u>

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2023

Note 12 – Interfund Transfers

At year end, interfund balances were as follows:

Interfund transfers – Transfers between funds were used to (1) to move unrestricted funds of \$35.2 million from the General Fund to the General Government CIP Fund, Transportation Impact Fee Fund, and Police Impact Fee Fund, a non-major governmental fund, to pay for capital projects, and (2) to move funds of \$3.3 million from the General Fund to the Land Acquisition Enhancement Fund to pay for acquisitions of land.

Note 13 – Contingent Liabilities

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

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

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

Note 14 – Risk Management

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

The City continues to carry commercial insurance for all other risks of loss, including 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.

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2023

Note 15 – Pensions

Aggregate Amounts. At June 30, 2023, the City reported the following aggregate amounts related to pensions for all plans to which it contributes.

	Governmental Activities
Net pension liability	\$ 22,675,431
Deferred outflows of resources	9,641,748
Deferred inflows of resources	2,895,392
Pension expense	4,378,770

The City reported \$3.5 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, 2023

Note 15 – 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 12.17 percent (12.03 percent for retirement and 0.14 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 12.17 percent (11.92 percent for retirement, 0.11 percent for health insurance premium benefit, and 0.14 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, 2023 were \$1.6 million.

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2023

Note 15 – 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 9.68 percent (9.62 for retirement and 0.06 percent for long-term disability). ACR contributions are included in employer contributions presented above.

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

Pension Liability. The net pension liability was measured as of June 30, 2022. 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, 2021, to the measurement date of June 30, 2022. 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, 2022.

At June 30, 2023, the City reported the following amounts for its proportionate share of the pension plan net liability. In addition, at June 30, 2022, the City's percentage proportion for the plan and the related change from its proportion measured as of June 30, 2021 was:

Net Liability	City % Proportion	Increase (Decrease)
\$ 16,336,911	0.100	0.003

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, 2023 was \$2.6 million.

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2023

Note 15 – Pensions

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 139,200	\$
Changes of assumptions or other inputs	810,832	
Net difference between projected and actual earnings on pension investments		430,330
Changes in proportion and differences between contributions and proportionate share of contributions	595,190	
Contributions subsequent to the measurement date	1,626,817	
Total	<u>\$ 3,172,039</u>	<u>\$ 430,330</u>

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension liability in the year ended June 30, 2024. 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:		
2024	\$	1,205,784
2025		(32,502)
2026		(747,154)
2027		688,764

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

Actuarial valuation date	June 30, 2021
Actuarial roll forward date	June 30, 2022
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, 2023

Note 15 – Pensions

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2020, actuarial valuation.

The long-term expected rate of return on ASRS plan investments was determined to be 7.0 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, excluding any expected inflation.

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

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Equity	50%	3.90%
Credit	20	5.30
Interest rate sensitive bonds	10	(0.20)
Real estate	20	6.00
Total	100%	

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, 2023

Note 15 – Pensions

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.0%	7.0%	8.0%
Net liability	\$ 24,104,626	\$ 16,336,911	\$ 9,859,850

Contributions payable. The City's accrued wages and benefits included \$134,593 of outstanding pension contribution amounts payable to ASRS for the year ended June 30, 2023.

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

B. Public Safety Personnel Retirement System

Plan Descriptions. City public safety employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS) or employees who became members on or after July 1, 2017, may participate in the Public Safety Personnel Defined Contribution Retirement Plan (PSDCRP). The PSPRS administers agent and cost-sharing multiple-employer defined benefit pension plans and agent and cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plans. A nine-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

Employees who were PSPRS members before July 1, 2017, participate in the agent plans, and employees who became PSPRS members on or after July 1, 2017, participate in either agent plans or cost-sharing plans (PSPRS Tier 3 Risk Pool). The PSPRS issues a publicly available financial report that includes their financial statements and required supplementary information. The report is available on the PSPRS website at www.psprs.com.

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

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2023

Note 15 – Pensions

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

	Initial Membership Date:	
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2017
Retirement and disability:		
Years of service and age required to receive benefit	20 years of service, at any age 15 years of service, age 62	25 years of service or 15 years of credited service, age 52.5
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years
Normal retirement	50% less 2.0% for each year of credited service less than 20 years or plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5% to 2.5% per year of credited service, not to exceed 80%
Accidental disability retirement	50% or normal retirement, whichever is greater	
Catastrophic disability retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	
Ordinary disability retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20	
Survivor benefit:		
Retired members	80% to 100% of retired member's pension benefit	
Active members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job	

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2023

Note 15 – 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, 2023, the following employees were covered by the agent plans' benefit terms:

	<u>PSPRS - Police</u>	<u>PSPRS - Fire</u>
Retirees and beneficiaries	7	5
Inactive, non-retired members	14	7
Active members	<u>48</u>	<u>54</u>
Total	<u><u>69</u></u>	<u><u>66</u></u>

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, 2023, are indicated below. Rates are a percentage of active members' annual covered payroll.

	<u>PSPRS - Police</u>	<u>PSPRS - Fire</u>
Active members – pension	7.65% to 11.65%	7.65% to 11.65%
City		
Pension	14.17%	20.47%
Health insurance	0.24%	0.33%

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, 2023

Note 15 – Pensions

The contributions to the pension plans for the year ended June 30, 2023 were:

	<u>PSPRS - Police</u>	<u>PSPRS - Fire</u>
Pension contributions	\$ 685,226	\$ 1,155,464

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, 2023, the City reported the following pension assets and liabilities.

	<u>PSPRS - Police</u>	<u>PSPRS - Fire</u>
Net Pension (Assets) Liabilities	\$ 1,827,577	\$ 4,510,943

The net pension assets/liability were measured as of June 30, 2022. The total pension liability used to calculate the net pension asset or liability was determined by an actuarial valuation as of that date. The total pension liabilities as of June 30, 2022 reflect changes in actuarial assumptions based on the results of an actuarial experience study for the five-year period ended June 30, 2021, including decreasing the discount rate from 7.3 percent to 7.2 percent, changing the wage inflation rate from 3.5 percent to a range of 2.75-15.0 percent, and increasing the cost-of-living adjustment rate from 1.75 percent to 1.85 percent.

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

Actuarial valuation date	June 30, 2022
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

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2023

Note 15 – Pensions

Actuarial assumptions used in the June 30, 2022, 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.

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 Real Rate of Return
U.S. public equity	24%	3.49%
International public equity	16	4.47
Global private equity	20	7.18
Other assets (capital appreciation)	7	4.83
Core bonds	2	0.45
Private credit	20	5.10
Diversifying strategies	10	2.68
Cash – Mellon	1	(0.35)
Total	<u>100%</u>	

Discount Rate. At June 30, 2022, the discount rate used to measure the total pension liability was 7.2 percent, which was a decrease of 0.1 from the discount rate used as of June 30, 2021.

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2023

Note 15 – Pensions

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

Changes in the Net Pension (Assets)/Liability

	Increase (Decrease)	
	Total Pension Liability	Net Pension (Assets) Liability
PSPRS - Police		
Balances at June 30, 2022	\$ 20,368,207	\$ (504,288)
Changes for the year:		
Service cost	911,833	911,833
Interest on the total pension liability	1,533,788	1,533,788
Differences between expected and actual experience in the measurement of the pension liability	(94,048)	(94,048)
Changes of assumptions or other inputs	203,751	203,751
Contributions – employer		641,183
Contributions – employee		430,806
Net investment income		(833,506)
Benefit payments, including refunds of employee contributions	(538,497)	(538,497)
Administrative expense		(15,024)
Net changes	2,016,827	2,331,865
Balances at June 30, 2023	\$ 22,385,034	\$ 1,827,577

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2023

Note 15 – Pensions

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Assets) Liability
PSPRS - Fire			
Balances at June 30, 2022	\$ 30,500,920	\$ 28,177,613	\$ 2,323,307
Changes for the year:			
Service cost	1,195,272		1,195,272
Interest on the total pension liability	2,307,396		2,307,396
Differences between expected and actual experience in the measurement of the pension liability	(1,014,135)		(1,014,135)
Changes of assumptions or other inputs	164,974		164,974
Contributions – employer		1,199,805	(1,199,805)
Contributions – employee		433,387	(433,387)
Net investment income		(1,146,655)	1,146,655
Benefit payments, including refunds of employee contributions	(176,068)	(176,068)	
Administrative expense		(20,666)	20,666
Net changes	2,477,439	289,803	2,187,636
Balances at June 30, 2023	<u>\$ 32,978,359</u>	<u>\$ 28,467,416</u>	<u>\$ 4,510,943</u>

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

	1% Decrease	Current Discount Rate	1% Increase
PSPRS - Police:			
Rate	6.2%	7.2%	8.2%
Net pension (assets) liability	\$ 5,709,110	\$ 1,827,577	\$ (1,262,603)
PSPRS - Fire			
Rate	6.2%	7.2%	8.2%
Net pension (assets) liability	\$ 10,098,952	\$ 4,510,943	\$ (126)

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2023

Note 15 – Pensions

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

Pension Expense. For the year ended June 30, 2023, the City recognized the following as pension expense:

	PSPRS - Police	PSPRS - Fire
Pension expense	\$ 752,266	\$ 1,046,358

Pension Deferred Outflows/Inflows of Resources. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
PSPRS - Police:		
Differences between expected and actual experience	\$ 1,012,057	\$ 598,740
Changes of assumptions or other inputs	698,297	
Net difference between projected and actual earnings on pension plan investments	337,026	
Contributions subsequent to the measurement date	685,226	
Total	<u>\$ 2,732,606</u>	<u>\$ 598,740</u>
PSPRS - Fire		
Differences between expected and actual experience	\$ 1,235,754	\$ 1,866,322
Changes of assumptions or other inputs	846,218	
Net difference between projected and actual earnings on pension plan investments	499,667	
Contributions subsequent to the measurement date	1,155,464	
Total	<u>\$ 3,737,103</u>	<u>\$ 1,866,322</u>

City of Maricopa, Arizona
Notes To Financial Statements
June 30, 2023

Note 15 – Pensions

The amounts reported as deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an increase in the net pension assets or a reduction of the net pension liability in the year ended June 30, 2024. 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
2024	\$ 270,261	\$ 111,550
2025	209,632	39,382
2026	52,907	(183,845)
2027	765,561	677,333
2028	134,607	1,043
Thereafter	15,672	69,854

Contributions payable. The City's accrued wages and benefits included \$103,026 of outstanding pension contribution amounts payable to PSPRS for the year ended June 30, 2023.

Note 16 – Tax Abatements

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

For the fiscal year ended June 30, 2023, the City abated sales taxes totaling \$1.6 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 17 – Subsequent Event

In November 2023, the City issued revenue bonds in the amount of \$39.0 million to finance projects in the City's Capital Improvement Plan. The bonds have maturing dates from July 15, 2024 to July 15, 2043, with interest rates ranging from 5.00% to 5.25%. Principal and interest payments will be funded from excise taxes and state shared revenues.

Required Supplementary Information

City of Maricopa, Arizona
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
General Fund
Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property taxes	\$ 15,387,886	\$ 15,387,886	\$ 14,401,546	\$ (986,340)
Sales taxes	25,936,500	25,936,500	35,305,893	9,369,393
Franchise taxes	750,900	750,900	1,757,220	1,006,320
Licenses, fees & permits	7,499,374	7,499,374	3,738,925	(3,760,449)
Intergovernmental revenues	24,399,529	24,399,529	25,874,385	1,474,856
Charges for services	2,393,246	2,393,246	6,245,180	3,851,934
Fines, forfeitures & penalties	502,500	502,500	532,655	30,155
Investment income (loss)			2,128,727	2,128,727
Miscellaneous	877,562	877,562	1,256,759	379,197
Total revenues	<u>77,747,497</u>	<u>77,747,497</u>	<u>91,241,290</u>	<u>13,493,793</u>
Expenditures:				
Current -				
General government	18,712,185	16,425,711	13,048,609	3,377,102
Public safety	25,057,578	25,354,972	24,450,050	904,922
Community services	6,845,216	6,690,173	5,553,468	1,136,705
Development services	2,472,680	2,922,116	2,648,023	274,093
Public works	6,053,495	8,596,004	7,049,634	1,546,370
Capital outlay	1,770,945	827,964	1,623,842	(795,878)
Debt service -				
Principal retirement		282,126	282,126	
Interest and fiscal charges		34,303	34,303	
Total expenditures	<u>60,912,099</u>	<u>61,133,369</u>	<u>54,690,055</u>	<u>6,443,314</u>
Excess (deficiency) of revenues over expenditures	<u>16,835,398</u>	<u>16,614,128</u>	<u>36,551,235</u>	<u>19,937,107</u>
Other financing sources (uses):				
Transfers out	(24,207,465)	(24,207,465)	(38,479,467)	(14,272,002)
Lease agreements			1,050,764	1,050,764
Financed purchase agreements			434,424	434,424
Total other financing sources (uses)	<u>(24,207,465)</u>	<u>(24,207,465)</u>	<u>(36,994,279)</u>	<u>(12,786,814)</u>
Changes in fund balances	<u>(7,372,067)</u>	<u>(7,593,337)</u>	<u>(443,044)</u>	<u>7,150,293</u>
Fund balances, beginning of year			61,836,032	61,836,032
Fund balances (deficits), end of year	<u>\$ (7,372,067)</u>	<u>\$ (7,593,337)</u>	<u>\$ 61,392,988</u>	<u>\$ 68,986,325</u>

See accompanying notes to this schedule.

City of Maricopa, Arizona
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Grants
Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental revenues	\$ 52,242,294	\$ 52,242,294	\$ 915,666	\$ (51,326,628)
Charges for services			35,900	35,900
Miscellaneous			1,997	1,997
Total revenues	<u>52,242,294</u>	<u>52,242,294</u>	<u>953,563</u>	<u>(51,288,731)</u>
Expenditures:				
Current -				
General government	50,050,000	50,000,000	398,923	49,601,077
Public safety	1,122,180	109,074	342,646	(233,572)
Community services	150,000	50,000	57,513	(7,513)
Public works	1,220,114	920,114	247,484	672,630
Capital outlay		1,163,106	243,787	919,319
Total expenditures	<u>52,542,294</u>	<u>52,242,294</u>	<u>1,290,353</u>	<u>50,951,941</u>
Changes in fund balances	<u>(300,000)</u>		<u>(336,790)</u>	<u>(336,790)</u>
Fund balances, beginning of year			1,224,082	1,224,082
Fund balances (deficits), end of year	<u>\$ (300,000)</u>	<u>\$</u>	<u>\$ 887,292</u>	<u>\$ 887,292</u>

See accompanying notes to this schedule.

City of Maricopa, Arizona
Schedule of the Proportionate Share of the Net Pension Liability
Arizona State Retirement System
Last Nine Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
City's proportion of the net pension (assets) liability	0.10%	0.10%	0.09%	0.09%	0.09%
City's proportionate share of the net pension (assets) liability	\$ 16,336,911	\$ 12,700,695	\$ 15,843,370	\$ 12,465,982	\$ 12,098,572
City's covered payroll	\$ 11,965,221	\$ 10,913,751	\$ 9,893,144	\$ 8,692,943	\$ 8,026,606
City's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	136.54%	116.37%	160.14%	143.40%	150.73%
Plan fiduciary net position as a percentage of the total pension liability	74.26%	78.58%	69.33%	73.24%	73.40%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	
Measurement date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	
City's proportion of the net pension (assets) liability	0.09%	0.08%	0.08%	0.06%	
City's proportionate share of the net pension (assets) liability	\$ 13,225,765	\$ 13,306,644	\$ 12,050,654	\$ 9,558,390	
City's covered payroll	\$ 8,078,590	\$ 7,945,189	\$ 7,052,084	\$ 4,439,477	
City's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	163.71%	167.48%	170.88%	215.30%	
Plan fiduciary net position as a percentage of the total pension liability	69.92%	67.06%	68.35%	69.49%	

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

See accompanying notes to this schedule.

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City of Maricopa, Arizona
Schedule of Changes in the Net Pension Liability and Related Ratios
Public Safety Personnel Retirement System - Police
Last Nine Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Total pension liability				
Service cost	\$ 911,833	\$ 868,744	\$ 867,328	\$ 956,848
Interest	1,533,788	1,358,240	1,203,439	1,013,648
Changes of benefit terms				
Differences between expected and actual experience	(94,048)	554,770	317,459	794,623
Changes of assumptions or other inputs	203,751			451,213
Benefit payments, including refunds of employee contributions	(538,497)	(301,669)	(236,486)	(442,085)
Net change in total pension liability	2,016,827	2,480,085	2,151,740	2,774,247
Total pension liability—beginning	20,368,207	17,888,122	15,736,382	12,962,135
Total pension liability—ending	<u>\$ 22,385,034</u>	<u>\$ 20,368,207</u>	<u>\$ 17,888,122</u>	<u>\$ 15,736,382</u>
Plan fiduciary net position				
Contributions—employer	\$ 641,183	\$ 796,549	\$ 2,015,116	\$ 791,330
Contributions—employee	430,806	414,678	412,720	424,405
Net investment income	(833,506)	4,432,024	174,329	661,562
Benefit payments, including refunds of employee contributions	(538,497)	(301,669)	(236,486)	(442,085)
Administrative expense	(15,024)	(20,575)	(14,212)	(12,483)
Other changes	(315,038)	5,321,007	2,348,151	1,459,641
Net change in plan fiduciary net position	(315,038)	5,321,007	2,348,151	1,459,641
Plan fiduciary net position—beginning	20,872,495	15,551,488	13,203,337	11,743,696
Plan fiduciary net position—ending	<u>\$ 20,557,457</u>	<u>\$ 20,872,495</u>	<u>\$ 15,551,488</u>	<u>\$ 13,203,337</u>
Net pension (assets) liability—ending	<u>\$ 1,827,577</u>	<u>\$ (504,288)</u>	<u>\$ 2,336,634</u>	<u>\$ 2,533,045</u>
Plan fiduciary net position as a percentage of the total pension liability	91.84%	102.48%	86.94%	83.90%
Covered payroll	\$ 4,652,537	\$ 4,661,811	\$ 4,740,946	\$ 5,244,203
Net pension (assets) liability as a percentage of covered payroll	39.28%	(10.82)%	49.29%	48.30%

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

See accompanying notes to this schedule.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
\$ 874,914	\$ 979,168	\$ 839,545	\$ 747,934	\$ 673,759
894,704	814,406	641,997	585,892	485,132
	202,850	1,088,276		(26,537)
(351,517)	(966,033)	(141,216)	(461,592)	195,426
	592,197	481,692		165,211
(218,220)	(458,986)	(140,350)	(266,305)	(226,709)
1,199,881	1,163,602	2,769,944	605,929	1,266,282
11,762,254	10,598,652	7,828,708	7,222,779	5,956,497
<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>
\$ 348,553	\$ 554,425	\$ 584,950	\$ 508,701	\$ 486,264
424,646	501,763	487,208	428,486	376,082
736,938	1,063,934	47,805	270,249	812,958
(218,220)	(458,986)	(140,350)	(266,305)	(226,709)
(11,916)	(9,814)	(7,279)	(6,983)	(6,547)
54,840	41,581	(187,317)	(63,640)	(67,365)
1,334,841	1,692,903	785,017	870,508	1,374,683
10,408,855	8,715,952	7,930,935	7,060,427	5,685,744
<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>\$ 1,218,439</u>	<u>\$ 1,353,399</u>	<u>\$ 1,882,700</u>	<u>\$ (102,227)</u>	<u>\$ 162,352</u>
90.60%	88.49%	82.24%	101.31%	97.75%
\$ 5,200,744	\$ 4,604,929	\$ 5,033,244	\$ 4,468,622	\$ 3,589,297
23.43%	29.39%	37.41%	(2.29)%	4.52%

City of Maricopa, Arizona
Schedule of Changes in the Net Pension Liability and Related Ratios
Public Safety Personnel Retirement System - Fire
Last Nine Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Total pension liability				
Service cost	\$ 1,195,272	\$ 1,123,435	\$ 1,179,061	\$ 1,232,701
Interest	2,307,396	2,070,140	1,762,272	1,647,279
Changes of benefit terms				
Differences between expected and actual experience	(1,014,135)	159,000	1,541,584	(1,164,332)
Changes of assumptions or other inputs	164,974			418,727
Benefit payments, including refunds of employee contributions	(176,068)	(172,616)	(247,219)	(153,867)
Net change in total pension liability	2,477,439	3,179,959	4,235,698	1,980,508
Total pension liability—beginning	30,500,920	27,320,961	23,085,263	21,104,755
Total pension liability—ending	<u>\$ 32,978,359</u>	<u>\$ 30,500,920</u>	<u>\$ 27,320,961</u>	<u>\$ 23,085,263</u>
Plan fiduciary net position				
Contributions—employer	\$ 1,199,805	\$ 1,098,976	\$ 1,095,249	\$ 1,097,970
Contributions—employee	433,387	441,173	436,673	453,324
Net investment income	(1,146,655)	6,000,667	253,840	947,975
Benefit payments, including refunds of employee contributions	(176,068)	(172,616)	(247,219)	(153,867)
Administrative expense	(20,666)	(27,879)	(20,697)	(17,466)
Other changes			1	(5,216)
Net change in plan fiduciary net position	289,803	7,340,321	1,517,847	2,322,720
Plan fiduciary net position—beginning	28,177,613	20,837,292	19,319,445	16,996,725
Plan fiduciary net position—ending	<u>\$ 28,467,416</u>	<u>\$ 28,177,613</u>	<u>\$ 20,837,292</u>	<u>\$ 19,319,445</u>
Net pension (assets) liability—ending	<u>\$ 4,510,943</u>	<u>\$ 2,323,307</u>	<u>\$ 6,483,669</u>	<u>\$ 3,765,818</u>
Plan fiduciary net position as a percentage of the total pension liability	86.32%	92.38%	76.27%	83.69%
Covered payroll	\$ 5,544,579	\$ 6,211,309	\$ 5,883,577	\$ 5,973,495
Net pension (assets) liability as a percentage of covered payroll	81.36%	37.40%	110.20%	63.04%

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

See accompanying notes to this schedule.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
\$ 1,201,311	\$ 1,213,745	\$ 974,190	\$ 904,967	\$ 881,621
1,438,790	1,211,920	957,210	830,568	728,939
	257,406	1,699,432		(30,011)
(336,293)	184,381	(382,765)	38,907	(364,760)
	481,625	740,704		148,219
(83,015)	(34,354)	(252,384)	(139,184)	(22,903)
2,220,793	3,314,723	3,736,387	1,635,258	1,341,105
18,883,962	15,569,239	11,832,852	10,197,594	8,856,489
<u>\$ 21,104,755</u>	<u>\$ 18,883,962</u>	<u>\$ 15,569,239</u>	<u>\$ 11,832,852</u>	<u>\$ 10,197,594</u>
\$ 328,969	\$ 687,438	\$ 795,126	\$ 564,051	\$ 611,705
432,673	576,038	581,920	540,412	472,460
1,079,840	1,534,321	68,821	387,128	1,170,516
(83,015)	(34,354)	(252,384)	(139,184)	(22,903)
(17,135)	(13,976)	(10,304)	(9,836)	(9,427)
7,007	26,678	(95,802)	(254,871)	
1,748,339	2,776,145	1,087,377	1,087,700	2,222,351
15,248,386	12,472,241	11,384,864	10,297,164	8,074,813
<u>\$ 16,996,725</u>	<u>\$ 15,248,386</u>	<u>\$ 12,472,241</u>	<u>\$ 11,384,864</u>	<u>\$ 10,297,164</u>
<u>\$ 4,108,030</u>	<u>\$ 3,635,576</u>	<u>\$ 3,096,998</u>	<u>\$ 447,988</u>	<u>\$ (99,570)</u>
80.54%	80.75%	80.11%	96.21%	100.98%
\$ 5,808,114	\$ 5,499,591	\$ 5,976,741	\$ 5,420,209	\$ 4,907,129
70.73%	66.11%	51.82%	8.27%	(2.03)%

City of Maricopa, Arizona
Schedule of Pension Contributions
All Pension Plans
Last Nine Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Arizona State Retirement System:				
Actuarially determined contribution	\$ 1,626,817	\$ 1,437,023	\$ 1,271,452	\$ 1,132,765
Contributions in relation to the actuarially determined contribution	<u>1,626,817</u>	<u>1,437,023</u>	<u>1,271,452</u>	<u>1,132,765</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 13,647,794	\$ 11,965,221	\$ 10,913,751	\$ 9,893,144
Contributions as a percentage of covered payroll	11.92%	12.01%	11.65%	11.45%
Public Safety Personnel Retirement System - Police:				
Actuarially determined contribution	\$ 685,226	\$ 624,876	\$ 754,281	\$ 676,533
Contributions in relation to the actuarially determined contribution	<u>685,226</u>	<u>624,876</u>	<u>754,281</u>	<u>2,029,932</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (1,353,399)</u>
City's covered payroll	\$ 4,835,752	\$ 4,652,837	\$ 4,661,811	\$ 4,740,946
Contributions as a percentage of covered payroll	14.17%	13.43%	16.18%	14.27%
Public Safety Personnel Retirement System - Fire:				
Actuarially determined contribution	\$ 1,155,464	\$ 1,139,411	\$ 1,129,216	\$ 1,128,470
Contributions in relation to the actuarially determined contribution	<u>1,155,464</u>	<u>1,139,411</u>	<u>1,129,216</u>	<u>1,128,470</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's covered payroll	\$ 5,644,670	\$ 5,544,579	\$ 6,211,309	\$ 5,883,577
Contributions as a percentage of covered payroll	20.47%	20.55%	18.18%	19.18%

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

See accompanying notes to this schedule.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 971,871	\$ 874,900	\$ 870,872	\$ 862,053	\$ 767,972
<u>971,871</u>	<u>874,900</u>	<u>870,872</u>	<u>862,053</u>	<u>767,972</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 8,692,943	\$ 8,026,606	\$ 8,078,590	\$ 7,945,189	\$ 7,052,084
11.18%	10.90%	10.78%	10.85%	10.89%
\$ 802,363	\$ 915,851	\$ 552,131	\$ 601,976	\$ 508,976
<u>802,363</u>	<u>444,076</u>	<u>552,131</u>	<u>601,976</u>	<u>508,976</u>
<u>\$</u>	<u>\$ 471,775</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 5,244,203	\$ 5,200,744	\$ 4,604,929	\$ 5,033,244	\$ 4,468,622
15.30%	17.61%	11.99%	11.96%	11.39%
\$ 1,184,544	\$ 1,105,865	\$ 698,448	\$ 724,381	\$ 622,240
<u>1,184,544</u>	<u>282,564</u>	<u>698,448</u>	<u>724,381</u>	<u>622,240</u>
<u>\$</u>	<u>\$ 823,301</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 5,973,495	\$ 5,808,114	\$ 5,499,591	\$ 5,976,741	\$ 5,420,209
19.83%	19.04%	12.70%	12.12%	11.48%

City of Maricopa, Arizona
Notes to Required Supplementary Information
June 30, 2023

Note 1 – Budgetary Basis of Accounting

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

Note 2 – Pension Plan Schedules

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

Factors that Affect Trends. The actuarial assumptions used in the June 30, 2021, 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, 2022 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. The total liabilities as of June 30, 2022, reflect changes in actuarial assumptions based on the results of an actuarial experience study, including decreasing the discount rate from 7.3 percent to 7.2 percent, changing the wage inflation rate from 3.5 percent to a range of 2.75-15.0 percent, and increasing the cost-of-living adjustment rate from 1.75 percent to 1.85 percent.

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

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

**Combining and Individual
Fund Financial Statements and Schedules**

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Governmental Funds

City of Maricopa, Arizona
Combining Balance Sheet - All Non-Major Governmental Funds - By Fund Type
June 30, 2023

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>ASSETS</u>			
Cash and investments	\$ 13,605,382	\$	\$ 14,451,507
Property taxes receivable		11,893	
Accounts receivable			3,480
Intergovernmental receivables	954,537		21,553
Total assets	<u>\$ 14,559,919</u>	<u>\$ 11,893</u>	<u>\$ 14,476,540</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 106,459	\$	\$ 351,097
Accrued wages and benefits	36,681		
Due to other funds		7,828	
Total liabilities	<u>143,140</u>	<u>7,828</u>	<u>351,097</u>
Fund balances:			
Restricted	14,416,779	4,065	14,125,443
Total fund balances	<u>14,416,779</u>	<u>4,065</u>	<u>14,125,443</u>
Total liabilities and fund balances	<u>\$ 14,559,919</u>	<u>\$ 11,893</u>	<u>\$ 14,476,540</u>

Total Non-
Major
Governmental
Funds

\$ 28,056,889
11,893
3,480
976,090

\$ 29,048,352

\$ 457,556
36,681
7,828

502,065

28,546,287

28,546,287

\$ 29,048,352

City of Maricopa, Arizona
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
All Non-Major Governmental Funds - By Fund Type
Year Ended June 30, 2023

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Revenues:			
Property taxes	\$	\$ 3,101,647	\$
Intergovernmental revenues	10,009,336		821,690
Impact fees			2,788,473
Investment income (loss)	316,133		371,762
Miscellaneous	392,489		
Total revenues	<u>10,717,958</u>	<u>3,101,647</u>	<u>3,981,925</u>
Expenditures:			
Current -			
Public safety			15,224
Community services			4,072
Public works	4,713,823		
Capital outlay	2,493,393		7,220,446
Debt service -			
Principal retirement		1,885,000	420,971
Interest and fiscal charges		897,812	10,230
Bond issuance costs		261,522	
Total expenditures	<u>7,207,216</u>	<u>3,044,334</u>	<u>7,670,943</u>
Excess (deficiency) of revenues over expenditures	<u>3,510,742</u>	<u>57,313</u>	<u>(3,689,018)</u>
Other financing sources (uses):			
Issuance of refunding bonds		19,140,000	
Premium on bonds issued		2,556,522	
Transfers in			471,660
Payment to bond escrow agent		(21,878,663)	
Total other financing sources (uses)		<u>(182,141)</u>	<u>471,660</u>
Changes in fund balances	<u>3,510,742</u>	<u>(124,828)</u>	<u>(3,217,358)</u>
Fund balances, beginning of year	10,906,037	128,893	17,342,801
Fund balances, end of year	<u>\$ 14,416,779</u>	<u>\$ 4,065</u>	<u>\$ 14,125,443</u>

Total Non-
Major
Governmental
Funds

\$ 3,101,647
10,831,026
2,788,473
687,895
392,489

17,801,530

15,224
4,072
4,713,823
9,713,839

2,305,971
908,042
261,522

17,922,493

(120,963)

19,140,000
2,556,522
471,660
(21,878,663)

289,519

168,556

28,377,731

\$ 28,546,287

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Special Revenue Funds

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

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

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

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

City of Maricopa, Arizona
Combining Balance Sheet - Non-Major Special Revenue Funds
June 30, 2023

	<u>HURF</u>	<u>Road Maintenance</u>	<u>County Road Tax</u>
<u>ASSETS</u>			
Cash and investments	\$ 7,510,965	\$ 150,453	\$ 5,943,964
Intergovernmental receivables	581,316		373,221
Total assets	<u>\$ 8,092,281</u>	<u>\$ 150,453</u>	<u>\$ 6,317,185</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 100,317	\$	\$ 6,142
Accrued wages and benefits	36,681		
Total liabilities	<u>136,998</u>	<u></u>	<u>6,142</u>
Fund balances:			
Restricted	7,955,283	150,453	6,311,043
Total fund balances	<u>7,955,283</u>	<u>150,453</u>	<u>6,311,043</u>
Total liabilities and fund balances	<u>\$ 8,092,281</u>	<u>\$ 150,453</u>	<u>\$ 6,317,185</u>

Totals	
\$	13,605,382
	954,537
\$	<u>14,559,919</u>

\$	106,459
	36,681
	<u>143,140</u>

	<u>14,416,779</u>
	14,416,779
\$	<u>14,559,919</u>

City of Maricopa, Arizona
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Non-Major Special Revenue Funds
Year Ended June 30, 2023

	HURF	Road Maintenance	County Road Tax
Revenues:			
Intergovernmental revenues	\$ 5,818,760	\$	\$ 4,190,576
Investment income (loss)	156,919	4,627	154,587
Miscellaneous		123,002	269,487
Total revenues	<u>5,975,679</u>	<u>127,629</u>	<u>4,614,650</u>
Expenditures:			
Current -			
Public works	2,633,771	296,316	1,783,736
Capital outlay	1,354,808		1,138,585
Total expenditures	<u>3,988,579</u>	<u>296,316</u>	<u>2,922,321</u>
Changes in fund balances	<u>1,987,100</u>	<u>(168,687)</u>	<u>1,692,329</u>
Fund balances, beginning of year	5,968,183	319,140	4,618,714
Fund balances, end of year	<u>\$ 7,955,283</u>	<u>\$ 150,453</u>	<u>\$ 6,311,043</u>

Totals	
\$	10,009,336
	316,133
	<u>392,489</u>
	<u>10,717,958</u>

	4,713,823
	<u>2,493,393</u>
	<u>7,207,216</u>
	<u>3,510,742</u>
	10,906,037
\$	<u><u>14,416,779</u></u>

City of Maricopa, Arizona
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget And Actual
Non-Major Special Revenue Funds
Year Ended June 30, 2023

	HURF		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Intergovernmental revenues	\$ 5,765,161	\$ 5,818,760	\$ 53,599
Investment income (loss)		156,919	156,919
Miscellaneous			
Total revenues	<u>5,765,161</u>	<u>5,975,679</u>	<u>210,518</u>
Expenditures:			
Current -			
Public works	6,624,308	2,633,771	3,990,537
Capital outlay		1,354,808	(1,354,808)
Total expenditures	<u>6,624,308</u>	<u>3,988,579</u>	<u>2,635,729</u>
Changes in fund balances	<u>(859,147)</u>	<u>1,987,100</u>	<u>2,846,247</u>
Fund balances, beginning of year		5,968,183	5,968,183
Fund balances (deficits), end of year	<u>\$ (859,147)</u>	<u>\$ 7,955,283</u>	<u>\$ 8,814,430</u>

Road Maintenance			County Road Tax		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$ 3,018,240	\$ 4,190,576	\$ 1,172,336
	4,627	4,627		154,587	154,587
80,000	123,002	43,002		269,487	269,487
<u>80,000</u>	<u>127,629</u>	<u>47,629</u>	<u>3,018,240</u>	<u>4,614,650</u>	<u>1,596,410</u>
300,000	296,316	3,684	6,784,610	1,783,736	5,000,874
				1,138,585	(1,138,585)
<u>300,000</u>	<u>296,316</u>	<u>3,684</u>	<u>6,784,610</u>	<u>2,922,321</u>	<u>3,862,289</u>
<u>(220,000)</u>	<u>(168,687)</u>	<u>51,313</u>	<u>(3,766,370)</u>	<u>1,692,329</u>	<u>5,458,699</u>
	319,140	319,140		4,618,714	4,618,714
<u>\$ (220,000)</u>	<u>\$ 150,453</u>	<u>\$ 370,453</u>	<u>\$ (3,766,370)</u>	<u>\$ 6,311,043</u>	<u>\$ 10,077,413</u>

(Continued)

City of Maricopa, Arizona
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget And Actual
Non-Major Special Revenue Funds
Year Ended June 30, 2023

	Totals		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Intergovernmental revenues	\$ 8,783,401	\$ 10,009,336	\$ 1,225,935
Investment income (loss)		316,133	316,133
Miscellaneous	80,000	392,489	312,489
Total revenues	<u>8,863,401</u>	<u>10,717,958</u>	<u>1,854,557</u>
Expenditures:			
Current -			
Public works	13,708,918	4,713,823	8,995,095
Capital outlay		2,493,393	(2,493,393)
Total expenditures	<u>13,708,918</u>	<u>7,207,216</u>	<u>6,501,702</u>
Changes in fund balances	<u>(4,845,517)</u>	<u>3,510,742</u>	<u>8,356,259</u>
Fund balances, beginning of year		10,906,037	10,906,037
Fund balances (deficits), end of year	<u>\$ (4,845,517)</u>	<u>\$ 14,416,779</u>	<u>\$ 19,262,296</u>

Debt Service Fund

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

City of Maricopa, Arizona
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget And Actual
All Debt Service FUND
Year Ended June 30, 2023

	Debt Service		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Property taxes	\$ 3,226,475	\$ 3,101,647	\$ (124,828)
Total revenues	<u>3,226,475</u>	<u>3,101,647</u>	<u>(124,828)</u>
Expenditures:			
Debt service -			
Principal retirement	1,885,000	1,885,000	
Interest and fiscal charges	897,812	897,812	
Bond issuance costs	443,663	261,522	182,141
Total expenditures	<u>3,226,475</u>	<u>3,044,334</u>	<u>182,141</u>
Excess (deficiency) of revenues over expenditures		<u>57,313</u>	<u>57,313</u>
Other financing sources (uses):			
Issuance of refunding bonds		19,140,000	19,140,000
Premium on bonds issued		2,556,522	2,556,522
Payment to bond escrow agent		(21,878,663)	(21,878,663)
Total other financing sources (uses)		<u>(182,141)</u>	<u>(182,141)</u>
Changes in fund balances		<u>(124,828)</u>	<u>(124,828)</u>
Fund balances, beginning of year		128,893	128,893
Fund balances, end of year	<u>\$</u>	<u>\$ 4,065</u>	<u>\$ 4,065</u>

Capital Projects Funds

Capital Projects Funds are created to account for the purchase or construction of major capital facilities which are not financed by the general, enterprise, or special revenue funds.

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

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

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

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

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

Parks Bond – This fund is used to account for the acquisition of land and equipment, development, construction and improvement of community parks and projects.

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

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

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

City of Maricopa, Arizona
Combining Balance Sheet - Non-Major Capital Projects Funds
June 30, 2023

	Parks Impact Fee	Library Impact Fee	Police Impact Fee
<u>ASSETS</u>			
Cash and investments	\$ 4,972,880	\$ 653,843	\$ 1,489,391
Accounts receivable	64		
Intergovernmental receivables			
Total assets	<u>\$ 4,972,944</u>	<u>\$ 653,843</u>	<u>\$ 1,489,391</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 307,293	\$ 1,669	\$ 6,312
Total liabilities	<u>307,293</u>	<u>1,669</u>	<u>6,312</u>
Fund balances:			
Restricted	4,665,651	652,174	1,483,079
Total fund balances	<u>4,665,651</u>	<u>652,174</u>	<u>1,483,079</u>
Total liabilities and fund balances	<u>\$ 4,972,944</u>	<u>\$ 653,843</u>	<u>\$ 1,489,391</u>

<u>Fire Impact Fee</u>	<u>Parks Bond</u>	<u>Capital Grants</u>	<u>Totals</u>
\$ 3,946,881	\$ 1,923,722	\$ 1,464,790	\$ 14,451,507
3,416			3,480
		21,553	21,553
<u>\$ 3,950,297</u>	<u>\$ 1,923,722</u>	<u>\$ 1,486,343</u>	<u>\$ 14,476,540</u>
\$ 7,414	\$	\$ 28,409	\$ 351,097
<u>7,414</u>		<u>28,409</u>	<u>351,097</u>
<u>3,942,883</u>	<u>1,923,722</u>	<u>1,457,934</u>	<u>14,125,443</u>
<u>3,942,883</u>	<u>1,923,722</u>	<u>1,457,934</u>	<u>14,125,443</u>
<u>\$ 3,950,297</u>	<u>\$ 1,923,722</u>	<u>\$ 1,486,343</u>	<u>\$ 14,476,540</u>

City of Maricopa, Arizona
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Non-Major Capital Projects Funds
Year Ended June 30, 2023

	Parks Impact Fee	Library Impact Fee	Police Impact Fee
Revenues:			
Intergovernmental revenues	\$	\$	\$
Impact fees	933,757	121,770	529,891
Investment income (loss)	208,058	14,505	54,332
Total revenues	<u>1,141,815</u>	<u>136,275</u>	<u>584,223</u>
Expenditures:			
Current -			
Public safety			8,877
Community services	3,681	391	
Capital outlay	5,501,539		1,607,496
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>5,505,220</u>	<u>391</u>	<u>1,616,373</u>
Excess (deficiency) of revenues over expenditures	<u>(4,363,405)</u>	<u>135,884</u>	<u>(1,032,150)</u>
Other financing sources (uses):			
Transfers in			471,660
Total other financing sources (uses)			<u>471,660</u>
Changes in fund balances	<u>(4,363,405)</u>	<u>135,884</u>	<u>(560,490)</u>
Fund balances, beginning of year	9,029,056	516,290	2,043,569
Fund balances, end of year	<u>\$ 4,665,651</u>	<u>\$ 652,174</u>	<u>\$ 1,483,079</u>

<u>Fire Impact Fee</u>	<u>Parks Bond</u>	<u>Capital Grants</u>	<u>Totals</u>
\$	\$	\$ 821,690	\$ 821,690
1,203,055			2,788,473
94,867			371,762
<u>1,297,922</u>		<u>821,690</u>	<u>3,981,925</u>
6,347			15,224
			4,072
		111,411	7,220,446
420,971			420,971
10,230			10,230
<u>437,548</u>		<u>111,411</u>	<u>7,670,943</u>
860,374		710,279	(3,689,018)
			471,660
			<u>471,660</u>
860,374		710,279	(3,217,358)
3,082,509	1,923,722	747,655	17,342,801
<u>\$ 3,942,883</u>	<u>\$ 1,923,722</u>	<u>\$ 1,457,934</u>	<u>\$ 14,125,443</u>

City of Maricopa, Arizona
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget And Actual
All Capital Projects Funds
Year Ended June 30, 2023

	Parks Impact Fee		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Intergovernmental revenues	\$	\$	\$
Impact fees	1,653,241	933,757	(719,484)
Investment income (loss)		208,058	208,058
Total revenues	<u>1,653,241</u>	<u>1,141,815</u>	<u>(511,426)</u>
Expenditures:			
Current -			
Public safety			
Community services		3,681	(3,681)
Capital outlay	7,004,874	5,501,539	1,503,335
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>7,004,874</u>	<u>5,505,220</u>	<u>1,499,654</u>
Excess (deficiency) of revenues over expenditures	<u>(5,351,633)</u>	<u>(4,363,405)</u>	<u>988,228</u>
Other financing sources (uses):			
Proceeds from sale of assets			
Transfers in			
Total other financing sources (uses)			
Changes in fund balances	<u>(5,351,633)</u>	<u>(4,363,405)</u>	<u>988,228</u>
Fund balances, beginning of year		9,029,056	9,029,056
Fund balances (deficits), end of year	<u>\$ (5,351,633)</u>	<u>\$ 4,665,651</u>	<u>\$ 10,017,284</u>

Library Impact Fee			Police Impact Fee		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 134,342	\$ 121,770	\$ (12,572)	\$ 467,688	\$ 529,891	\$ 62,203
	14,505	14,505		54,332	54,332
<u>134,342</u>	<u>136,275</u>	<u>1,933</u>	<u>467,688</u>	<u>584,223</u>	<u>116,535</u>
500	391	109		8,877	(8,877)
			2,876,393	1,607,496	1,268,897
<u>500</u>	<u>391</u>	<u>109</u>	<u>2,876,393</u>	<u>1,616,373</u>	<u>1,260,020</u>
<u>133,842</u>	<u>135,884</u>	<u>2,042</u>	<u>(2,408,705)</u>	<u>(1,032,150)</u>	<u>1,376,555</u>
			471,660	471,660	
			<u>471,660</u>	<u>471,660</u>	
<u>133,842</u>	<u>135,884</u>	<u>2,042</u>	<u>(1,937,045)</u>	<u>(560,490)</u>	<u>1,376,555</u>
	516,290	516,290		2,043,569	2,043,569
<u>\$ 133,842</u>	<u>\$ 652,174</u>	<u>\$ 518,332</u>	<u>\$ (1,937,045)</u>	<u>\$ 1,483,079</u>	<u>\$ 3,420,124</u>

(Continued)

City of Maricopa, Arizona
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget And Actual
All Capital Projects Funds
Year Ended June 30, 2023

	Fire Impact Fee		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Intergovernmental revenues	\$	\$	\$
Impact fees	979,886	1,203,055	223,169
Investment income (loss)		94,867	94,867
Total revenues	<u>979,886</u>	<u>1,297,922</u>	<u>318,036</u>
Expenditures:			
Current -			
Public safety	292,592	6,347	286,245
Community services			
Capital outlay			
Debt service -			
Principal retirement	420,971	420,971	
Interest and fiscal charges	10,230	10,230	
Total expenditures	<u>723,793</u>	<u>437,548</u>	<u>286,245</u>
Excess (deficiency) of revenues over expenditures	<u>256,093</u>	<u>860,374</u>	<u>604,281</u>
Other financing sources (uses):			
Proceeds from sale of assets			
Transfers in			
Total other financing sources (uses)			
Changes in fund balances	<u>256,093</u>	<u>860,374</u>	<u>604,281</u>
Fund balances, beginning of year		3,082,509	3,082,509
Fund balances (deficits), end of year	<u>\$ 256,093</u>	<u>\$ 3,942,883</u>	<u>\$ 3,686,790</u>

Transportation Impact Fee			Parks Bond		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 2,938,642	\$ 3,477,635	\$ 538,993	\$	\$	\$
	624,126	624,126			
<u>2,938,642</u>	<u>4,101,761</u>	<u>1,163,119</u>			
33,892,800	20,930,094	12,962,706			
<u>33,892,800</u>	<u>20,930,094</u>	<u>12,962,706</u>			
<u>(30,954,158)</u>	<u>(16,828,333)</u>	<u>14,125,825</u>			
504,779	504,779				
<u>504,779</u>	<u>504,779</u>				
<u>(30,449,379)</u>	<u>(16,323,554)</u>	<u>14,125,825</u>			
	29,470,473	29,470,473		1,923,722	1,923,722
<u>\$ (30,449,379)</u>	<u>\$ 13,146,919</u>	<u>\$ 43,596,298</u>	<u>\$</u>	<u>\$ 1,923,722</u>	<u>\$ 1,923,722</u>

(Continued)

City of Maricopa, Arizona
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget And Actual
All Capital Projects Funds
Year Ended June 30, 2023

	General Government CIP		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Intergovernmental revenues	\$	\$	\$
Impact fees			
Investment income (loss)	70,000	92,536	22,536
Total revenues	<u>70,000</u>	<u>92,536</u>	<u>22,536</u>
Expenditures:			
Current -			
Public safety			
Community services			
Capital outlay	30,878,708	23,991,491	6,887,217
Debt service -			
Principal retirement	3,244,869	3,244,869	
Interest and fiscal charges	99,982	99,982	
Total expenditures	<u>34,223,559</u>	<u>27,336,342</u>	<u>6,887,217</u>
Excess (deficiency) of revenues over expenditures	<u>(34,153,559)</u>	<u>(27,243,806)</u>	<u>6,909,753</u>
Other financing sources (uses):			
Proceeds from sale of assets		126,438	126,438
Transfers in	22,231,026	34,231,026	12,000,000
Total other financing sources (uses)	<u>22,231,026</u>	<u>34,357,464</u>	<u>12,126,438</u>
Changes in fund balances	<u>(11,922,533)</u>	<u>7,113,658</u>	<u>19,036,191</u>
Fund balances, beginning of year		12,807,693	12,807,693
Fund balances (deficits), end of year	<u>\$ (11,922,533)</u>	<u>\$ 19,921,351</u>	<u>\$ 31,843,884</u>

Capital Grants			Land Acquisition Enhancement		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 41,237,707	\$ 821,690	\$ (40,416,017)	\$	\$	\$
<u>41,237,707</u>	<u>821,690</u>	<u>(40,416,017)</u>			
41,237,707	111,411	41,126,296	1,000,000	3,272,002	(2,272,002)
<u>41,237,707</u>	<u>111,411</u>	<u>41,126,296</u>	<u>1,000,000</u>	<u>3,272,002</u>	<u>(2,272,002)</u>
	<u>710,279</u>	<u>710,279</u>	<u>(1,000,000)</u>	<u>(3,272,002)</u>	<u>(2,272,002)</u>
				95,109	95,109
			<u>1,000,000</u>	<u>3,272,002</u>	<u>2,272,002</u>
			<u>1,000,000</u>	<u>3,367,111</u>	<u>2,367,111</u>
	<u>710,279</u>	<u>710,279</u>		<u>95,109</u>	<u>95,109</u>
	<u>747,655</u>	<u>747,655</u>			
<u>\$</u>	<u>\$ 1,457,934</u>	<u>\$ 1,457,934</u>	<u>\$</u>	<u>\$ 95,109</u>	<u>\$ 95,109</u>

(Continued)

City of Maricopa, Arizona
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget And Actual
All Capital Projects Funds
Year Ended June 30, 2023

	Totals		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Intergovernmental revenues	\$ 41,237,707	\$ 821,690	\$ (40,416,017)
Impact fees	6,173,799	6,266,108	92,309
Investment income (loss)	70,000	1,088,424	1,018,424
Total revenues	<u>47,481,506</u>	<u>8,176,222</u>	<u>(39,305,284)</u>
Expenditures:			
Current -			
Public safety	292,592	15,224	277,368
Community services	500	4,072	(3,572)
Capital outlay	116,890,482	55,414,033	61,476,449
Debt service -			
Principal retirement	3,665,840	3,665,840	
Interest and fiscal charges	110,212	110,212	
Total expenditures	<u>120,959,626</u>	<u>59,209,381</u>	<u>61,750,245</u>
Excess (deficiency) of revenues over expenditures	<u>(73,478,120)</u>	<u>(51,033,159)</u>	<u>22,444,961</u>
Other financing sources (uses):			
Proceeds from sale of assets		221,547	221,547
Transfers in	24,207,465	38,479,467	14,272,002
Total other financing sources (uses)	<u>24,207,465</u>	<u>38,701,014</u>	<u>14,493,549</u>
Changes in fund balances	<u>(49,270,655)</u>	<u>(12,332,145)</u>	<u>36,938,510</u>
Fund balances, beginning of year		59,620,967	59,620,967
Fund balances (deficits), end of year	<u>\$ (49,270,655)</u>	<u>\$ 47,288,822</u>	<u>\$ 96,559,477</u>

Statistical Section

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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City of Maricopa, Arizona
Net Position By Component
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net Position:					
Net investment in capital assets	\$ 283,908,010	\$ 208,765,503	\$ 176,635,947	\$ 169,738,519	\$ 164,748,639
Restricted	60,195,378	72,007,452	57,927,788	48,362,479	48,037,555
Unrestricted	53,439,534	45,020,476	47,431,191	43,166,415	27,465,259
Total net position	<u>\$ 397,542,922</u>	<u>\$ 325,793,431</u>	<u>\$ 281,994,926</u>	<u>\$ 261,267,413</u>	<u>\$ 240,251,453</u>
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net Position:					
Net investment in capital assets	\$ 170,979,975	\$ 177,751,634	\$ 178,734,505	\$ 176,253,607	\$ 176,849,760
Restricted	43,451,668	34,342,277	46,127,016	52,707,824	54,993,935
Unrestricted	16,789,319	14,565,658	18,571,493	16,683,198	22,824,286
Total net position	<u>\$ 231,220,962</u>	<u>\$ 226,659,569</u>	<u>\$ 243,433,014</u>	<u>\$ 245,644,629</u>	<u>\$ 254,667,981</u>

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

City of Maricopa, Arizona
Expense, Program Revenues, and Net (Expense)/Revenue
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Expenses					
Governmental activities					
General government	\$ 15,990,755	\$ 13,247,281	\$ 13,820,672	\$ 10,584,899	\$ 9,258,938
Public safety	27,455,835	23,608,516	25,522,709	25,905,921	26,178,738
Community services	8,722,954	7,964,251	7,348,487	7,039,922	8,801,087
Development services	2,782,348	2,106,729	4,070,165	2,960,766	2,316,181
Public works	20,543,714	19,399,121	17,604,057	15,608,748	11,056,216
Interest on long-term debt	803,627	1,367,314	1,382,277	1,402,227	1,837,467
Total governmental activities expenses	<u>76,299,233</u>	<u>67,693,212</u>	<u>69,748,367</u>	<u>63,502,483</u>	<u>59,448,627</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	1,266,714	1,048,651	1,043,617	909,326	1,377,434
Public safety	983,801	718,663	277,247	175,838	79,745
Community services	2,580,057	2,404,235	1,454,320	1,353,011	1,704,331
Development services	6,848,850	8,640,042	8,938,048	4,006,565	3,495,470
Public works	159,005	157,069	209,800	203,232	
Operating grants and contributions	5,608,999	4,859,852	4,893,003	10,835,521	4,475,831
Capital grants and contributions	37,375,137	22,046,282	12,422,823	9,835,496	5,241,042
Total program revenues	<u>54,822,563</u>	<u>39,874,794</u>	<u>29,238,858</u>	<u>27,318,989</u>	<u>16,373,853</u>
Net (Expense)/Revenue	<u><u>\$ (21,476,670)</u></u>	<u><u>\$ (27,818,418)</u></u>	<u><u>\$ (40,509,509)</u></u>	<u><u>\$ (36,183,494)</u></u>	<u><u>\$ (43,074,774)</u></u>

(Continued)

City of Maricopa, Arizona
Expense, Program Revenues, and Net (Expense)/Revenue
Last Ten Fiscal Years
(Accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Expenses					
Governmental activities					
General government	\$ 9,065,308	\$ 13,781,833	\$ 8,434,268	\$ 8,034,855	\$ 9,718,746
Public safety	24,936,969	28,009,309	21,662,502	19,253,044	18,672,370
Community services	8,555,065	9,369,826	9,411,852	8,245,420	5,687,823
Development services	2,141,848	5,030,982	4,173,045	2,624,718	3,091,943
Public works	9,590,939	14,855,383	8,384,857	7,189,840	7,547,174
Interest on long-term debt	1,915,184	1,986,509	2,045,204	2,098,409	3,100,559
Total governmental activities expenses	<u>56,205,313</u>	<u>73,033,842</u>	<u>54,111,728</u>	<u>47,446,286</u>	<u>47,818,615</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	1,004,410	733,595	725,908	199,747	159,841
Public safety	318,775	71,440	286,800	1,516,033	994,921
Community services	1,526,958	1,916,364	1,352,037	1,778,214	536,941
Development services	3,223,364	1,960,602	2,258,585	208,487	272,186
Public works					465,073
Operating grants and contributions	4,522,065	5,324,186	4,303,861	3,962,746	5,938,010
Capital grants and contributions	5,560,382	3,589,969	2,230,811	1,470,367	1,486,660
Total program revenues	<u>16,155,954</u>	<u>13,596,156</u>	<u>11,158,002</u>	<u>9,135,594</u>	<u>9,853,632</u>
Net (Expense)/Revenue	<u>\$ (40,049,359)</u>	<u>\$ (59,437,686)</u>	<u>\$ (42,953,726)</u>	<u>\$ (38,310,692)</u>	<u>\$ (37,964,983)</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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net (Expense)/Revenue	\$ (21,476,670)	\$ (27,818,418)	\$ (40,509,509)	\$ (36,183,494)	\$ (43,074,774)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	14,458,890	13,044,196	12,732,919	12,910,208	11,845,356
Property taxes, levied for debt service	3,071,415	2,989,709	2,881,326	3,402,053	2,967,306
Sales taxes	35,305,893	28,988,821	21,916,285	17,745,381	14,161,420
Franchise taxes	1,757,220	1,607,530	1,434,873	1,281,198	1,221,114
Investment income (loss)	3,533,284	(1,717,258)	397,582	2,896,452	2,542,613
Gain on sale of capital assets	3,406,314	2,375,861			
Unrestricted grants, aid, and state shared revenues	31,693,145	24,328,064	21,874,037	18,964,162	18,059,723
Total general revenues	<u>93,226,161</u>	<u>71,616,923</u>	<u>61,237,022</u>	<u>57,199,454</u>	<u>50,797,532</u>
Changes in Net Position	<u>\$ 71,749,491</u>	<u>\$ 43,798,505</u>	<u>\$ 20,727,513</u>	<u>\$ 21,015,960</u>	<u>\$ 7,722,758</u>

(Continued)

City of Maricopa, Arizona
General Revenues and Total Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net (Expense)/Revenue	\$ (40,049,359)	\$ (59,437,686)	\$ (42,953,726)	\$ (38,310,692)	\$ (37,964,983)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	11,007,502	10,243,226	9,563,708	9,328,535	9,391,368
Property taxes, levied for debt service	3,450,990	3,905,535	3,654,084	4,761,714	3,542,070
Sales taxes	11,692,157	10,448,709	9,496,645	8,791,279	8,684,810
Franchise taxes	1,238,325	1,300,307	911,356	362,791	344,151
Investment income	349,508	438,141	771,820	446,606	472,562
Unrestricted grants, aid, and state shared revenues	16,946,770	16,578,323	16,094,498	15,108,669	13,514,587
Total general revenues	<u>44,685,252</u>	<u>42,914,241</u>	<u>40,492,111</u>	<u>38,799,594</u>	<u>35,949,548</u>
Changes in Net Position	<u>\$ 4,635,893</u>	<u>\$ (16,523,445)</u>	<u>\$ (2,461,615)</u>	<u>\$ 488,902</u>	<u>\$ (2,015,435)</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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
General Fund:					
Nondisposable	\$ 321,237	\$ 391,774	\$ 325,619	\$ 757	\$ 1,125
Assigned	42,694,763	40,859,677	41,117,341	31,756,922	
Unassigned	18,376,988	20,584,581	24,587,907	27,108,149	43,608,609
Total General Fund	<u>\$ 61,392,988</u>	<u>\$ 61,836,032</u>	<u>\$ 66,030,867</u>	<u>\$ 58,865,828</u>	<u>\$ 43,609,734</u>
All Other Governmental Funds:					
Nondisposable	\$	\$	\$ 870,269	\$ 1,233,191	\$ 79,970
Restricted	59,763,704	71,879,979	56,859,643	46,691,661	47,634,524
Committed	2,738,145				
Assigned	95,109			474,637	
Unassigned			(1,098,027)	(56,775)	
Total all other governmental funds	<u>\$ 62,596,958</u>	<u>\$ 71,879,979</u>	<u>\$ 56,631,885</u>	<u>\$ 48,342,714</u>	<u>\$ 47,714,494</u>

(Continued)

City of Maricopa, Arizona
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund:					
Nondisposable	\$ 2,436	\$ 2,140	\$ 18,417	\$ 15,646	\$ 16,652
Unassigned	33,424,593	30,643,618	29,841,856	26,656,499	24,650,512
Total General Fund	<u>\$ 33,427,029</u>	<u>\$ 30,645,758</u>	<u>\$ 29,860,273</u>	<u>\$ 26,672,145</u>	<u>\$ 24,667,164</u>
All Other Governmental Funds:					
Nondisposable	\$ 809,837	\$	\$ 1,195,205	\$	\$
Restricted	42,600,094	34,274,993	44,896,889	52,707,824	54,933,764
Unassigned		(360,553)	(721,733)	(2,920)	(1,465,704)
Total all other governmental funds	<u>\$ 43,409,931</u>	<u>\$ 33,914,440</u>	<u>\$ 45,370,361</u>	<u>\$ 52,704,904</u>	<u>\$ 53,468,060</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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Revenues:					
Property taxes	\$ 17,503,193	\$ 16,037,899	\$ 15,653,588	\$ 16,159,699	\$ 14,852,269
Sales taxes	35,305,893	28,988,821	21,916,285	17,745,381	14,161,420
Franchise taxes	1,757,220	1,607,530	1,434,873	1,281,198	1,221,114
Licenses, fees & permits	3,738,925	5,272,415	6,122,729	2,825,255	2,597,945
Intergovernmental revenues	37,621,077	29,393,695	27,314,318	33,336,718	22,246,030
Impact fees	6,266,108	9,466,097	11,965,882	5,381,700	5,171,518
Charges for services	6,281,080	6,174,627	4,444,251	2,887,504	2,531,178
Fines, forfeitures, & penalties	532,655	528,410	507,042	546,745	598,784
Investment income (loss)	3,533,284	(1,717,258)	397,582	2,896,452	2,542,613
Miscellaneous	1,651,245	1,086,277	1,034,390	448,401	986,784
Total revenues	\$ 114,190,680	\$ 96,838,513	\$ 90,790,940	\$ 83,509,053	\$ 66,909,655
Expenditures:					
Current -					
General government	\$ 13,447,532	\$ 12,334,723	\$ 10,968,936	\$ 8,508,731	\$ 7,874,432
Public safety	24,807,920	22,935,819	22,820,669	23,806,041	23,912,379
Community services	5,615,053	5,321,140	4,606,132	4,393,671	6,108,587
Development services	2,648,023	2,065,831	3,563,759	2,667,621	2,133,900
Public works	12,010,941	9,409,302	8,795,082	7,766,043	3,489,114
Capital outlay	59,775,055	30,485,658	26,365,867	22,520,896	5,810,512
Debt service -					
Principal retirement	5,832,966	7,674,471	3,113,552	1,959,216	1,790,000
Interest and fiscal charges	1,042,327	1,606,014	1,620,977	1,444,778	1,880,018
Bond issuance costs	261,522			183,343	
Total expenditures	\$ 125,441,339	\$ 91,832,958	\$ 81,854,974	\$ 73,250,340	\$ 52,998,942
Excess (deficiency) of revenues over expenditures	\$ (11,250,659)	\$ 5,005,555	\$ 8,935,966	\$ 10,258,713	\$ 13,910,713
Expenditures for capitalized assets	\$ 59,429,155	\$ 29,445,853	\$ 23,380,738	\$ 18,774,121	\$ 3,910,407
Debt service as a percentage of noncapital expenditures	10%	15%	8%	6%	7%

City of Maricopa, Arizona
Governmental Funds Revenues, Expenditures, and Debt Service Ratio
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Revenues:					
Property taxes	\$ 14,477,065	\$ 14,166,836	\$ 13,263,389	\$ 14,715,416	\$ 12,801,299
Sales taxes	11,692,157	10,448,709	9,496,645	8,791,279	8,684,810
Franchise taxes	1,238,325	1,300,307	911,356	362,791	344,151
Licenses, fees & permits	2,535,211	1,590,827	1,123,534	807,472	713,154
Intergovernmental revenues	21,454,086	22,872,558	20,823,538	19,152,579	19,503,258
Impact fees	5,530,530	2,535,080	1,772,314	1,389,203	1,435,999
Charges for services	2,410,795	2,377,444	2,161,808	2,083,965	1,431,663
Fines, forfeitures, & penalties	583,454	524,546	563,453	628,782	132,792
Investment income (loss)	349,508	438,141	771,820	446,606	472,562
Miscellaneous	584,546	194,006	761,000	182,262	151,353
Total revenues	<u>\$ 60,855,677</u>	<u>\$ 56,448,454</u>	<u>\$ 51,648,856</u>	<u>\$ 48,560,355</u>	<u>\$ 45,671,042</u>
Expenditures:					
Current -					
General government	\$ 7,452,335	\$ 13,022,970	\$ 6,855,078	\$ 6,324,669	\$ 8,041,470
Public safety	21,935,683	20,159,339	19,533,793	18,482,520	16,942,419
Community services	6,612,289	5,998,105	6,417,639	5,480,545	4,046,178
Development services	1,939,499	1,675,952	1,682,110	1,743,644	1,484,967
Public works	3,081,856	2,789,293	2,681,965	2,581,188	2,414,910
Capital outlay	4,674,651	20,011,487	16,339,908	8,955,004	29,134,244
Debt service -					
Principal retirement	1,735,000	1,685,000	1,645,000	1,610,000	3,075,581
Interest and fiscal charges	1,957,735	2,029,060	2,087,755	2,140,960	2,248,665
Bond issuance costs					
Total expenditures	<u>\$ 49,389,048</u>	<u>\$ 67,371,206</u>	<u>\$ 57,243,248</u>	<u>\$ 47,318,530</u>	<u>\$ 67,388,434</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 11,466,629</u>	<u>\$ (10,922,752)</u>	<u>\$ (5,594,392)</u>	<u>\$ 1,241,825</u>	<u>\$ (21,717,392)</u>
Expenditures for capitalized assets	\$ 3,124,891	\$ 9,598,926	\$ 11,390,120	\$ 7,431,302	\$ 25,884,678
Debt service as a percentage of noncapital expenditures	8%	6%	8%	9%	13%

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

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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Excess (deficiency) of revenues over expenditures	\$ (11,250,659)	\$ 5,005,555	\$ 8,935,966	\$ 10,258,713	\$ 13,910,713
Other financing sources (uses):					
Issuance of refunding bonds	19,140,000			9,900,000	
Premium on bonds issued	2,556,522			2,317,121	
Proceeds from sale of assets	221,547	3,888,004	1,551,154	725,786	
Lease agreements	1,050,764		843,269	3,555,470	
Financed purchase agreements	434,424				
Loan proceeds		2,963,814	4,161,881		
Transfers in	38,479,467	30,657,966	11,958,574	5,952,019	4,710,473
Transfers out	(38,479,467)	(30,657,966)	(11,958,574)	(5,952,019)	(4,710,473)
Payment to bond escrow agent	(21,878,663)			(12,025,629)	
Total other financing sources (uses)	<u>1,524,594</u>	<u>6,851,818</u>	<u>6,556,304</u>	<u>4,472,748</u>	
Changes in fund balances	<u>\$ (9,726,065)</u>	<u>\$ 11,857,373</u>	<u>\$ 15,492,270</u>	<u>\$ 14,731,461</u>	<u>\$ 13,910,713</u>
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Excess (deficiency) of revenues over expenditures	\$ 11,466,629	\$ (10,922,752)	\$ (5,594,392)	\$ 1,241,825	\$ (21,717,392)
Other financing sources (uses):					
Proceeds from sale of assets		1,713,798			
Transfers in	5,392,700	1,400,000	1,250,000	1,250,000	1,370,000
Transfers out	(5,392,700)	(1,400,000)	(1,250,000)	(1,250,000)	(1,370,000)
Total other financing sources (uses)					
Changes in fund balances	<u>\$ 11,466,629</u>	<u>\$ (9,208,954)</u>	<u>\$ (5,594,392)</u>	<u>\$ 1,241,825</u>	<u>\$ (21,717,392)</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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Mining	\$ 421	\$ 626	\$ 1,671	\$ 1,987	\$	\$	\$ 1,407	\$ 3,682	\$ 4,063	\$ 3,593
Communication & Utilities	653,321	571,620	514,112	2,191,885	1,552,946	1,548,521	891,299	806,381	782,086	687,634
Transportation	30,043	27,186	52,581	2,133	2,004	90	12,842	1,237	9,144	7,072
Construction	11,103,333	9,736,967	6,890,380	6,026,592	5,151,332	2,799,001	2,031,485	1,836,350	1,218,034	2,548,343
Manufacturing	627,581	515,220	365,136	279,002	118	252,000	227,132	295,396	249,704	418,849
Wholesale	337,771	285,278	280,085	202,223	410,130	462,111	418,910	333,196	140,074	109,573
Retail	12,259,683	10,984,586	9,847,462	7,128,998	5,824,637	4,863,178	5,464,752	5,024,692	5,365,175	4,138,543
Financial and Insurance	60,536	45,320	41,244	33,861		49,000	55,016	37,546	38,910	36,622
Real Estate Rental	7,475,029	4,620,746	1,751,167	1,795,820	1,006,962	876,937	1,109,644	906,153	822,946	643,650
Restaurant & Bar	1,499,396	1,408,563	1,221,634	898,860	1,058,619	938,719	685,621	569,308	556,636	482,155
Accommodation	408,458	121,576	1,053	1,436	97,608	4,697	1,091	191	19	6
Public Administration	15,283	19,743	16,299	11,954	3,941	6,078	1,160	848	669	481
Services	835,936	622,298	569,616	343,197	25,203	38,909	224,269	251,715	227,859	216,020
Arts & Entertainment	170,596	11,011	19,037	22,688	97,380	19,190	11,581	4,355	1,273	3,813
Other	1,433,692	895,426	795,600	11,578	15,813	34,925	102,707	72,463	66,420	46,494
Total	<u>\$ 36,911,079</u>	<u>\$ 29,866,166</u>	<u>\$ 22,367,077</u>	<u>\$ 18,952,214</u>	<u>\$ 15,246,692</u>	<u>\$ 11,893,356</u>	<u>\$ 11,238,916</u>	<u>\$ 10,143,513</u>	<u>\$ 9,483,013</u>	<u>\$ 9,342,848</u>
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
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%
2015	2.00%	3.50%	5.60%	1.10%
2014	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

Fiscal Year	Sales Taxes	Percentage Change	Property Taxes	Percentage Change	Franchise Taxes	Percentage Change	Total	Percentage Change
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	7.18	1,300,307	42.68	25,915,852	9.69
2016	9,496,645	8.02	13,217,792	(10.18)	911,356	151.21	23,625,793	(1.02)
2015	8,791,279	1.23	14,715,416	14.95	362,791	5.42	23,869,486	9.34
2014	8,684,810	9.35	12,801,300	21.46	344,151	11.11	21,830,261	16.17

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	2022-23		2021-22		2020-21		2019-20		2018-19	
	Net Assessed Limit Property Value	Total Tax Rate	Net Assessed Limit Property Value	Total Tax Rate	Net Assessed Limit Property Value	Total Tax Rate	Net Assessed Limit Property Value	Total Tax Rate	Net Assessed Limit Property Value	Total Tax Rate
State of Arizona	\$ 78,405,598,978	None	\$ 74,200,233,397	None	\$ 69,914,521,042	None	\$ 66,154,632,834	None	\$ 62,328,439,592	None
Pinal County	3,118,901,158	3.5600	2,868,880,625	3.6900	2,689,422,170	3.7500	2,521,252,051	3.6633	2,355,433,455	3.7006
Pinal County Jr. College	3,118,901,158	1.8705	2,868,880,625	1.9720	2,689,422,170	2.3029	2,521,252,051	2.2132	2,355,433,455	2.3623
Pinal County Fire District Assistance Tax	3,118,901,158	0.0554	2,868,880,625	0.0571	2,689,422,170	0.0591	2,521,252,051	0.0615	2,355,433,455	0.0643
Pinal County Library District	3,118,901,158	0.0965	2,868,880,625	0.0965	2,689,422,170	0.0965	2,521,252,051	0.0965	2,355,433,455	0.0965
Pinal County State School Tax Equalization Rate	3,118,901,158	N/A	2,868,880,625	0.4263	2,689,422,170	0.4426	2,521,252,051	0.4566	2,355,433,455	0.4741
Pinal AMA Groundwater Replenishment District	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Central Arizona Water Conservation District	3,118,901,158	0.1400	2,868,880,625	0.1400	2,689,422,170	0.1400	2,521,252,051	0.1400	2,355,433,455	0.1400
Pinal County Flood Control District	2,739,944,400	0.1693	2,511,425,618	0.1693	2,338,458,494	0.1693	2,168,798,678	0.1693	2,031,005,617	0.1693
Central Arizona Valley Institute of Technology	1,965,096,076	0.0500	1,801,731,378	0.0500	1,689,488,103	0.0500	1,587,955,998	0.0500	1,481,338,671	0.0500
Electric District No. 3	423,968,655	0.2830	385,782,354	0.3111	358,342,316	2.1302	331,237,021	2.1560	301,839,991	2.1891
Maricopa Unified School District	397,208,268	7.8825	365,869,459	8.3863	338,294,403	7.7995	311,644,745	6.8032	288,444,529	7.2004
Maricopa Volunteer Fire District	N/A	N/A	341,005,814	0.0000	313,841,803	0.0953	289,874,636	0.0931	265,116,858	0.1211
City of Maricopa	368,268,497	5.0108	337,622,239	5.2513	311,368,285	5.5657	286,969,599	5.9717	262,200,309	5.9065
Maricopa Flood Control District	301,905,868	0.1964	277,007,959	0.1964	253,456,756	0.1964	232,605,809	0.1964	212,683,734	0.1964
Stanfield Flood Control District	7,648,331	3.0071	7,535,785	2.5213	7,642,832	3.1009	7,100,767	3.1123	4,817,066	3.1140
Maricopa-Stanfield Irrigation District	N/A	N/A	49,384	26.0000	83,107	26.0000	83,128	26.0000	83,214	26.0000
Maricopa Consolidated Domestic Water Improvement District	N/A	N/A	5,060,755	3.6385	4,583,215	3.3685	4,406,899	3.3685	3,904,827	3.3685
Maricopa Domestic Water Improvement District	6,731,499	3.3685	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Seven Ranches Domestic Water Improvement District	1,861,515	1.9876	1,787,760	5.9466	1,783,245	5.9466	1,410,404	5.9466	1,314,888	5.9466
Papago Butte Domestic Water Improvement District	1,827,870	7.9731	1,738,209	7.9731	1,653,137	7.9731	1,493,357	7.9731	1,400,749	7.7931

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

City of Maricopa, Arizona
Principal Property Taxpayers
Current Fiscal Year and Nine Fiscal Years Prior

Taxpayer	2023		2014	
	Net Limited Assessed Valuation	Percentage of City's Net Limited Assessed Valuation	Net Full Cash Assessed Valuation	Percentage of City's Net Full Cash Assessed Valuation
Palo Verde Utility Company	\$ 6,360,018	1.73 %	\$	%
Santa Cruz Water Company, LLC	5,154,188	1.40		
Volkswagen of America dba Vorelco Inc	2,767,062	0.75	2,437,404	1.16
Wal-Mart Stores Inc #3751	2,330,607	0.63		
SM Fiesta LLC	1,520,906	0.41		
Smiths Food & Drug Centers Inc	1,391,695	0.38	1,252,244	0.60
Agree LTD Pship	1,319,945	0.36		
Meritage Homes of Arizona Inc.	1,168,298	0.32	1,856,005	0.88
Pinal Energy LLC	1,132,496	0.31	7,021,511	3.35
Opendoor Property Trust 1	1,093,436	0.30		
Global Water: Santa Cruz Water Co.			3,779,094	1.80
Global Water: Palo Verde Utilities			2,750,465	1.31
Wal-Mart Stores Inc #2778			2,437,404	1.16
Maricopa Fiesta Investors LLC			1,654,751	0.79
Metro Red-1 LLC			939,183	0.45
Maricopa Groves Self Storage LLC			872,099	0.42
Total	<u>\$ 24,238,651</u>	<u>6.59 %</u>	<u>\$ 25,000,160</u>	<u>11.92 %</u>
City's Total Assessed Valuation	<u>\$ 368,268,497</u>		<u>\$ 209,876,670</u>	

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

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

City of Maricopa, Arizona
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2023	\$ 17,170,415	\$17,016,756	99.11 %	N/A	\$ 17,016,756	99.11 %
2022	15,687,619	15,519,860	98.93	163,179	15,683,039	99.97
2021	15,471,976	15,312,632	98.97	156,981	15,469,613	99.98
2020	15,949,545	15,733,335	98.64	216,188	15,949,523	100.00
2019	14,416,239	14,216,971	98.62	199,196	14,416,167	100.00
2018	14,118,138	13,945,182	98.77	172,951	14,118,133	100.00
2017	14,154,974	13,928,821	98.40	226,148	14,154,969	100.00
2016	13,416,645	13,169,295	98.16	247,350	13,416,645	100.00
2015	14,559,339	14,299,954	98.22	259,385	14,559,339	100.00
2014	12,422,911	12,196,814	98.18	226,097	12,422,911	100.00

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	
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	501,254,614	4,950,220,329	13,344,929	81,010,045	514,599,543	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	434,529,610	4,253,396,012	12,107,994	72,087,295	446,637,604	4,325,483,307	0.8804	10.33
2021	L	298,955,088	2,944,765,372	12,413,197	72,645,967	311,368,285	3,017,411,339	4.6309	10.32
	FC	390,510,506	3,826,441,219	12,427,194	72,654,447	402,937,700	3,899,095,666	0.9348	10.33
2020	L	273,063,016	2,699,497,222	13,906,583	80,536,869	286,969,599	2,780,034,091	4.7845	10.32
	FC	347,649,900	3,420,846,970	13,907,723	80,543,227	361,557,623	3,501,390,197	1.1871	10.33
2019	L	249,577,072	2,467,326,746	12,623,237	73,150,838	262,200,309	2,540,477,584	4.7845	10.32
	FC	310,242,714	3,061,492,176	12,623,328	73,151,345	322,866,042	3,134,643,521	1.1220	10.30
2018	L	232,901,620	2,297,326,157	11,722,172	68,148,403	244,623,792	2,365,474,560	4.7845	10.34
	FC	303,795,843	2,990,546,257	11,722,311	68,149,168	315,518,154	3,058,695,425	1.4005	10.32
2017	L	219,051,286	2,153,370,572	10,800,644	63,229,051	229,851,930	2,216,599,623	4.7845	10.37
	FC	297,310,225	2,922,164,006	10,800,739	63,229,564	308,110,964	2,985,393,570	1.6973	10.32
2016	L	208,852,365	2,013,631,300	11,075,593	62,880,618	219,927,958	2,076,511,918	4.9842	10.59
	FC	285,546,808	2,769,491,581	11,075,593	62,880,618	296,622,401	2,832,372,199	2.3561	10.47
2015	L	195,380,117	1,866,757,679	11,893,420	65,872,041	207,273,537	1,932,629,720	5.0898	10.72
	FC	197,983,250	1,896,855,819	11,893,420	58,625,317	209,876,670	1,955,481,136	1.7600	10.73
2014	L	181,595,557	1,706,748,961	16,880,341	91,357,273	198,475,898	1,798,106,234	4.8753	11.04
	FC	182,752,598	1,720,554,146	16,880,341	91,357,273	199,632,939	1,811,911,419	0.6917	11.02

Source: The source of this information is the City's records and the State and County Abstract of the Assessment Roll, Arizona Department of Revenue for the City of Maricopa.

L-Limited

FC-Full Cash

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

City of Maricopa, Arizona
Net Full Cash Assessed Value of Taxable Property by Class
Last Ten Fiscal Years

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Commercial, Industrial, Utilities and Mining	\$ 46,223,951	\$ 44,117,320	\$ 42,155,336	\$ 39,239,303	\$ 33,838,504
Agricultural and Vacant	26,540,897	27,604,099	24,819,877	24,707,561	22,082,952
Residential (Owner Occupied)	321,098,813	272,544,232	234,848,851	200,156,761	172,226,655
Residential (Rental)	118,229,836	101,009,126	99,353,495	95,630,799	92,932,371
Railroad, Private Cars and Airlines	1,363,862	721,418	566,991	608,029	644,369
Historical Property	1,132,196	631,542	1,183,173	1,205,282	1,132,618
Certain Government Property Improvements	9,987	9,866	9,977	9,888	8,583
Total	<u>\$ 514,599,542</u>	<u>\$ 446,637,603</u>	<u>\$ 402,937,700</u>	<u>\$ 361,557,623</u>	<u>\$ 322,866,052</u>
Gross Full Cash Value	\$ 5,031,230,374	\$ 4,325,483,307	\$ 3,899,095,666	\$ 3,501,390,197	\$ 3,134,643,521
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10.23%	10.33%	10.33%	10.33%	10.30%
Estimated Net Full Cash Value	4,803,986,488	3,124,458,570	3,700,771,933	3,323,295,368	3,134,643,521
Total Direct Rate	5.01	5.25	5.57	5.97	5.91

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

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

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

City of Maricopa, Arizona
Property Tax Assessment Ratios
Last Ten Fiscal Years

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Commercial, Industrial, Utilities and Mining	9 %	10 %	11 %	11 %	10 %
Agricultural and Vacant	5	6	6	7	7
Residential (Owner Occupied)	63	61	58	56	54
Residential (Rental)	<u>23</u>	<u>23</u>	<u>25</u>	<u>26</u>	<u>29</u>
Total	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commercial, Industrial, Utilities and Mining	10 %	10 %	14 %	14 %	18 %
Agricultural and Vacant	7	7	10	10	14
Residential (Owner Occupied)	53	54	53	53	58
Residential (Rental)	<u>30</u>	<u>29</u>	<u>23</u>	<u>23</u>	<u>10</u>
Total	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

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

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

**City of Maricopa, Arizona
Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year Ended June 30	General Obligation Bonds						Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Financed Purchases and Leases	Loans Payable	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income
2023	\$ 30,718,507	\$ 4,065	\$ 30,714,442	0.61 %	463	\$ 1,709,417		\$ 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
2015	45,565,890		45,565,890	2.33	976			45,565,890	2.33	976	4.44
2014	47,218,441		47,218,441	2.61	1,011			47,218,441	2.61	1,011	5.62

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 2014-2021 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, 2023

<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	\$ 58,205,000	11.8 %	\$ 6,856,549
Maricopa Unified School District	23,773,524	92.6	22,004,774
Subtotal, Overlapping Debt			<u>28,861,323</u>
Direct:			
The City of Maricopa	32,427,924	100.0	<u>32,427,924</u>
Total Direct and Overlapping Debt			<u><u>\$ 61,289,247</u></u>

Direct and Overlapping General Bonded Debt Ratios

Net Direct General Obligation Bonded Debt	
As a Percentage of Net Limited Assessed Valuation	8.34 %
Net Direct and Overlapping General Bonded Debt	
Per Capita	\$ 899
As a Percentage of Net Limited Assessed Valuation	16.18 %
As a Percentage of Gross Full Cash Value	1.18 %

Source: The source of this information is the City's records and the State and County Abstract of the Assessment Roll, Arizona Department of Revenue and the applicable governmental unit.

Notes: 1) Estimated percentage of debt outstanding applicable to the City is calculated based on the City's secondary assessed valuation as a percentage of the secondary assessed valuation of the overlapping jurisdiction.

2) Outstanding debt as of June 30, 2022 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 2023:

20% Limitation		6% Limitation	
Net full cash assessed valuation	\$ 514,599,543	Net full cash assessed valuation	\$ 514,599,543
Debt limit (20% of assessed value)	102,919,909	Debt limit (6% of assessed value)	30,875,973
Debt applicable to limit	24,370,580	Debt applicable to limit	5,787,450
Legal debt margin	<u>\$ 78,549,329</u>	Legal debt margin	<u>\$ 25,088,523</u>

	Fiscal Year Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
20% Limitation:					
Debt limit	\$ 102,919,909	\$ 89,327,521	\$ 80,587,540	\$ 72,311,525	\$ 64,573,208
Total net debt applicable to limit	<u>24,370,580</u>	<u>26,089,941</u>	<u>27,796,135</u>	<u>29,406,486</u>	<u>31,006,506</u>
Legal 20% debt margin	<u>\$ 78,549,329</u>	<u>\$ 63,237,580</u>	<u>\$ 52,791,405</u>	<u>\$ 42,905,039</u>	<u>\$ 33,566,702</u>
Total net debt applicable to the 20% limit as a percentage of 20% debt limit	24%	29%	34%	41%	48%
6% Limitation:					
Total Debt limit	\$ 30,875,973	\$ 26,798,256	\$ 24,176,262	\$ 21,693,457	\$ 19,371,963
Total net debt applicable to limit	<u>5,787,450</u>	<u>6,109,529</u>	<u>6,381,729</u>	<u>6,633,514</u>	<u>6,878,494</u>
Legal 6% debt margin	<u>\$ 25,088,523</u>	<u>\$ 20,688,727</u>	<u>\$ 17,794,533</u>	<u>\$ 15,059,943</u>	<u>\$ 12,493,469</u>
Total net debt applicable to the 6% limit as a percentage of 6% debt limit	19%	23%	26%	31%	36%

(Continued)

City of Maricopa, Arizona
Legal Debt Margin Information
Last Ten Fiscal Years

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

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

(Concluded)

City of Maricopa, Arizona
County-Wide Demographic and Economic Statistics
Last Ten Calendar Years

Year	Population	Personal Income (thousands)	Per Capita Income	Unemployment Rate	Estimated City Population
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
2014	402,000	10,255,422	25,511	6.0	46,708
2013	401,918	8,404,105	20,910	6.0	46,708

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis.
The source of the "Population" and "Unemployment Rate" information is the Arizona Office of Employment and Population Statistics and Bureau of Labor Statistics.

City of Maricopa, Arizona
Principal Employers
Current Fiscal Year and Nine Years Prior

Employer	2023				2014		
	Employees	Rank	Percentage of Total Employment		Employees	Rank	Percentage of Total Employment
Maricopa Unified School District	670	1	11.24 %		650	2	11.82 %
City of Maricopa	500	2	8.39		283	4	5.15
Walmart	250	3	4.19		300	3	5.45
Pinal County	200	4	3.36				
Volkswagen Proving Grounds	150	5	2.52		200	5	3.64
Fry's Food Stores	110	6	1.85		200	6	3.64
Sequoia Pathway Academy	100	7	1.68				
McDonald's	90	8	1.51				
Legacy Traditional School	80	9	1.34		76	9	1.38
Native Grill and Wings	80	10	1.34				
Harrah's Ak-Chin Casino Resort					760	1	13.82
Ak-Chin Farms					89	7	1.62
Basha's					85	8	1.55
Pinal Feeding Co. Inc.					75	10	1.36
Total	<u>2,230</u>		<u>37.42 %</u>		<u>2,718</u>		<u>49.43 %</u>
Total employment	<u>5,960</u>				<u>5,500</u>		

Source: The source of the 2023 information is the Maricopa Association of Governments (MAG).
The source of the 2014 information is the 2014 City of Maricopa CAFR.

City of Maricopa, Arizona
Full-Time Equivalent City Government Employees By Function/Program
Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
General Government					
Court	3.5	0.5	0.5	0.5	1.0
Mayor and Council	1.7	7.0	5.5	4.4	8.0
City Manager	7.4	6.0	6.0	3.2	4.0
Information Technology	9.2	9.0	6.0	5.0	5.0
Marketing & Communication	3.7	3.0		3.0	1.0
Dispatch	10.5	10.5			
Emergency Management	2.0	3.0			
City Clerk	3.7	3.0	4.8	4.8	5.0
Finance	12.7	12.0	8.0	9.0	9.0
Support Services Administration	-		3.0	4.0	3.0
Human Resources	7.9	6.0	10.0	10.0	4.0
Organizational Health Management	1.1	2.0			
Planning	3.7	4.0	4.0	3.0	3.0
Development Services	3.5	3.0	4.0	3.8	2.0
Building Safety	7.3	7.0	6.0	6.0	6.0
Code Enforcement	3.0	4.0	4.0	2.0	2.0
Land Development	1.4		2.8	6.0	
Permit Center	3.8	4.0	3.0	5.0	
Facilities Management	7.1	7.0	6.0	4.0	3.0
Fleet Management	5.4	5.0	7.0	2.5	3.0
Public Works Administration	8.5	4.0	4.9	9.0	9.0
Public Safety Administration	0.8				
Police	83.8	91.0	105.0	92.0	85.0
Fire	71.5	70.0	72.0	73.0	69.0
Engineering	3.9	8.5			2.0
Transportation	2.7	4.0		1.0	1.0
Community Services Administration	19.1		13.0	6.8	4.0
Recreation/Copper Sky Recreation Center	36.6	51.0	27.0	48.3	72.0
Park Maintenance	16.8	23.0	16.8	20.0	20.0
Libraries	14.6	8.0	10.5	10.3	10.0
Economic Development	3.1	2.0		4.0	4.0
HURF/Public Works	13.1	16.0	13.7	11.5	10.0
Total	<u>373.1</u>	<u>373.5</u>	<u>343.5</u>	<u>352.1</u>	<u>345.0</u>

City of Maricopa, Arizona
Full-Time Equivalent City Government Employees By Function/Program
Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Government					
Court	1.0	1.0	1.0	1.0	3.0
Mayor and Council	8.0	8.0	8.0	8.0	8.0
City Manager	4.0	4.0	4.0	4.0	6.0
Information Technology	5.0	4.0	4.0	4.0	4.0
Marketing & Communication		1.0	1.0	1.0	
Dispatch					
Emergency Management					
City Clerk	5.0	4.0	4.0	4.0	5.0
Finance	10.0	8.0	9.0	9.0	9.0
Support Services Administration					
Human Resources	3.5	3.5	4.5	4.5	3.0
Organizational Health Management					
Planning	3.0	3.0	3.0	3.0	3.0
Development Services	1.5	2.0	1.9	1.5	3.8
Building Safety	10.5	7.5	7.0	7.0	6.0
Code Enforcement	1.0	1.0	1.0	1.0	1.0
Land Development					
Permit Center					
Facilities Management	2.0	2.0	2.0	2.0	2.0
Fleet Management	1.5	1.5	1.0	1.0	1.0
Public Works Administration	8.0	5.0	2.0		
Public Safety Administration					
Police	78.8	87.5	89.5	86.9	64.0
Fire	66.4	63.0	64.0	64.0	63.0
Engineering	2.0	3.0	2.0	2.0	2.0
Transportation	1.2	1.0	0.6	0.6	1.0
Community Services Administration	4.0	4.0	3.0	3.0	2.0
Recreation	72.0	62.5	66.5	66.5	3.0
Park Maintenance	19.0	18.0	3.0	3.0	1.0
Libraries	10.0	10.0	8.5	8.5	8.0
Economic Development	3.0	3.0	3.0	3.0	3.0
HURF/Public Works	12.5	11.0	25.1	14.5	10.3
Total	<u>332.9</u>	<u>318.5</u>	<u>318.6</u>	<u>303.0</u>	<u>212.0</u>

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

City of Maricopa, Arizona
Capital Asset Statistics by Function
Last Ten Fiscal Years

	Fiscal Year Ended June 30									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Function/Program</u>										
General Government										
Number of general government buildings	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police										
Number of police stations	2	2	2	2	2	2	2	1	1	1
Fire										
Number of fire stations	4	4	4	4	4	4	4	4	4	4
Community Services										
Number of parks and recreation facilities	6	6	5	4	4	4	4	4	4	4
Number of acres of parks	115	115	115	127	127	127	127	127	127	127
Public Works										
Number of public works buildings	3	2	2	2	1	1	1	1	1	1
Miles of streets	587	550	550	541	541	541	541	532	532	532
Number of street lights	29	19	19	18	17	16	16	15	15	15

Source: Various city departments

City of Maricopa, Arizona
Operating Indicators by Function
Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</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>	<u>2015</u>	<u>2014</u>
Public Safety										
Police										
Number of police personnel and officers:	84	83	105	97	96	89	90	90	75	72
Number of arrests	2,307	1,750	1,568	1,702	1,815	2,033	2,116	2,149	2,209	2,171
Number of traffic violations	4,180	1,766	3,279	2,942	3,229	1,821	4,038	3,671	3,649	2,801
Number of parking violations	92	398	55	7	4	2	9	416	179	244
Fire										
Number of fire personnel and firefighters	71	70	72	71	73	69	64	61	61	63
Number of emergency calls	5,874	4,710	5,021	4,425	4,071	4,099	5,002	4,472	3,773	3,368
Number of fire calls	109	1,297	796	783	811	494	497	458	450	410
Number of inspections	172	490	382	454	417	350	420	215	170	120
Development Services										
Number of building-single family residential permits issued	631	1,608	2,257	912	1,005	1,059	600	527	299	321
Number of building-non-residential permits issued	148	123	15	17	356	83	2	25	40	22
Number of demolition permits issued	2	4	7	11	22	21		2	4	3
Number of pool permits issued	250	332	346	203	223	181	141	146	172	184
Number of solar permits issued	373	406	423	306	295	63	176	118	724	195
Number of sign permits issued	57	53	71	35	43	40	11	26	50	52
Community Services										
Recreation										
Number of facility and park reservations processed	10,217	9,343	7,256	3,869	5,306	5,090	5,422	6,172	6,000	584
Number of programs	608	755	146	1,005	806	556	593	584	650	562
Library										
Number of materials in inventory	60,000	59,859	56,098	58,747	52,177	51,000	47,558	47,214	44,000	42,148

Source: Various city departments.



CITY OF MARICOPA®

PROUD HISTORY • PROSPEROUS FUTURE

Nancy Smith
Mayor

Rich Vitiello
Vice Mayor

Eric Goettl
Councilmember

Amber Liermann
Councilmember

Vincent Manfredi
Councilmember

Bob Marsh
Councilmember

Henry Wade
Councilmember

Ricky A. Horst
City Manager

Jennifer Brown
Assistant City Manager
& Chief Operating Officer

Matt Kozlowski
Deputy City Manager &
Chief Financial Officer

Benjamin Bitter
Deputy City Manager &
Chief Product Officer

Micah Gaudet
Deputy City Manager

Lisell A. Blancarte
Budget Manager

Chris Evripidou
Finance Manager

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