MARANA TOWN COUNCIL
STUDY SESSION
NOTICE AND AGENDA
11555 W. Civic Center Drive, Marana, Arizona 85653
Conference Center Second Floor, January 14, 2020, at or after 6:00 PM

Ed Honea, Mayor
Jon Post, Vice Mayor
David Bowen, Council Member
Patti Comerford, Council Member
Herb Kai, Council Member
John Officer, Council Member
Roxanne Ziegler, Council Member

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Marana Town Council and to the general public that the Town Council will hold a meeting open to the public on January 14, 2020, at or after 6:00 PM located in the Conference Center on the Second Floorof the Marana Municipal Complex, 11555 W. Civic Center Drive, Marana, Arizona.

ACTION MAY BE TAKEN BY THE COUNCIL ON ANY ITEM LISTED ON THIS AGENDA. Revisions to the agenda can occur up to 24 hours prior to the meeting. Revised agenda items appear in *italics*.

The Conference Center is wheelchair and handicapped accessible. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Town Clerk at (520) 382-1999. Requests should be made as early as possible to arrange the accommodation.

This Notice and Agenda posted no later than 24 hours prior to the meeting at the Marana Municipal Complex, 11555 W. Civic Center Drive, the Marana Operations Center, 5100 W. Ina Road, and at www.maranaaz.gov under Agendas and Minutes.

CALL TO ORDER AND ROLL CALL

PLEDGE OF ALLEGIANCE/INVOCATION/MOMENT OF SILENCE

APPROVAL OF AGENDA

DISCUSSION/DIRECTION/POSSIBLE ACTION

D1 Relating to Budget; presentation of independent auditor's report and final results for the 2018-2019 fiscal year (Yiannis Kalaitzidis)

D2 Relating to Budget; presentation, discussion and direction regarding the framework for development of the fiscal year 2020-2021 budget and its role in the implementation of the Strategic Plan (Jamsheed Mehta and Yiannis Kalaitzidis)

D3 Relating to Public Works; discussion, consideration, and feedback regarding key policy considerations for use of Town-owned fiber conduit and ducts by third parties (Jane Fairall)

EXECUTIVE SESSIONS

Pursuant to A.R.S. § 38-431.03, the Town Council may vote to go into executive session, which will not be open to the public, to discuss certain matters.

E1 Executive Session pursuant to A.R.S. §38-431.03 (A), Council may ask for discussion or consideration, or consultation with designated Town representatives, or consultation for legal advice with the Town Attorney, concerning any matter listed on this agenda for any of the reasons listed in A.R.S. §38-431.03 (A).

FUTURE AGENDA ITEMS

Notwithstanding the mayor's discretion regarding the items to be placed on the agenda, if three or more Council members request that an item be placed on the agenda, it must be placed on the agenda for the second regular Town Council meeting after the date of the request, pursuant to Marana Town Code Section 2-4-2(B).

ADJOURNMENT

Council-Study Session **D1**

Meeting Date: 01/14/2020

To: Mayor and Council

From: Yiannis Kalaitzidis, Finance Director

Date: January 14, 2020

Strategic Plan Focus Area:
Commerce, Community, Heritage, Recreation, Progress & Innovation

Strategic Plan Focus Area Additional Info:
Financial sustainability is an overriding principle of the Strategic Plan.

Subject: Relating to Budget; presentation of independent auditor's report and final results for the 2018-2019 fiscal year (Yiannis Kalaitzidis)

Discussion:

On October 15, 2019, staff provided Council with preliminary financial results for the Town's General Fund and certain other funds for fiscal year 2018-2019. The results presented were preliminary, unaudited, and subject to change.

Henry and Horne, LLP, the Town's independent financial statement audit firm, conducted its audit field work in October 2019 and released its opinion to the Town earlier in December 2019. The Town received a clean opinion and the financial results are now final.

The purpose of this presentation is to formally present the final results of the audit and to provide Council with a brief summary of the audit.

Copies of the Comprehensive Annual Financial Report (CAFR) and Annual Expenditure Limitation Report are attached to this item. A Single Audit Report is also attached as the Town expended more than $750,000 in federal award funding (the amount that triggers an audit of federal award funding), mainly due to $3.25 million expended during the fiscal year in grant funding from the U.S. Department of Transportation related to the Airport Apron and Taxiway B rehabilitation project.

Staff Recommendation:
Presentation only.

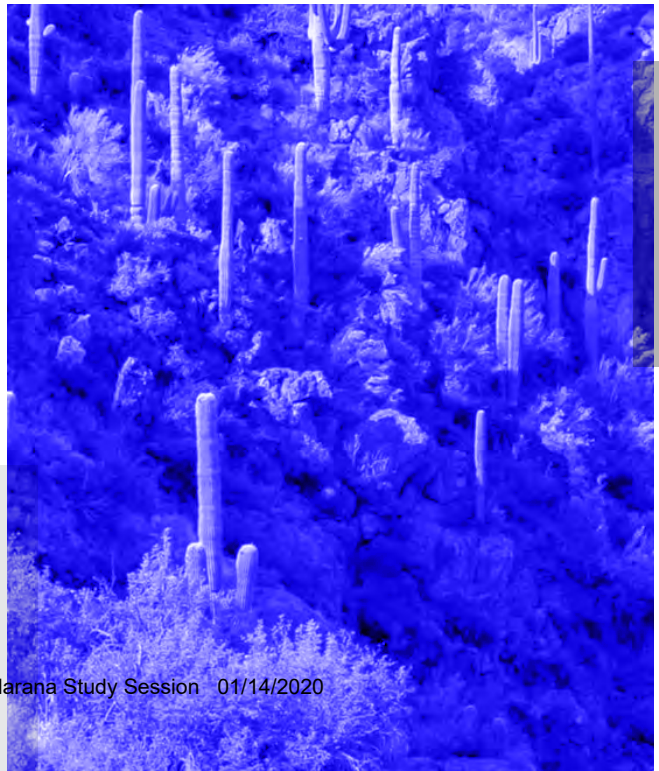
Suggested Motion:
Presentation only.

Attachments

Town of Marana - Fiscal Year 2018-2019 CAFR
Town of Marana - Fiscal Year 2018-19 Annual Expenditure Limitation Report
Town of Marana - Fiscal Year 2018-2019 Single Audit Report
Fiscal Year 2018-2019 Summary Presentation

FOR THE FISCAL YEAR
ENDED JUNE 30, 2019

COMPREHENSIVE
ANNUAL FINANCIAL REPORT



MARANA AZ
ESTABLISHED 1977

TOWN OF MARANA, ARIZONA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Issued by:
Town of Marana Finance Department

11555 W. Civic Center Dr., A3
Marana, Arizona 85653

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TOWN OF MARANA, ARIZONA

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INTRODUCTORY SECTION

December 5, 2019

The Honorable Mayor and Town Council, and Citizens of the Town of Marana, Arizona:

State statutes require that cities and towns publish a complete set of 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. Pursuant to that requirement, we hereby issue the annual financial report of the Town of Marana, Arizona (Town) for the fiscal year ended June 30, 2019.

This report consists of senior management's representations concerning the finances of the Town. Consequently, senior management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town has established a comprehensive internal control framework that is designed to protect both the Town's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town's financial statements have been audited by Henry & Horne, LLP, a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended June 30, 2019, 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 auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town's financial statements for the fiscal year ended June 30, 2019, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town was part of a broader, federally mandated Single Audit as required by the provisions of the Single Audit Act Amendments of 1996 and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited Town's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit Reporting Package.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and

should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditors.

Profile of the Town

The Town of Marana, incorporated in 1977, is located in northwestern part of the Tucson metropolitan area of Pima County and has historically been one of the fastest growing communities in Arizona. Straddling Interstate 10, Marana is only 10 miles north of downtown Tucson and 90 miles south of downtown Phoenix. Marana's original incorporation covered approximately ten square miles. Today, the Town's boundaries encompass 121 square miles and serves a population in excess of 47,000.

In its infancy, the Town was primarily a rural, agricultural community. However, through annexations and planned growth, the Town is now home to several residential, commercial and industrial developments, including Continental Ranch, Continental Reserve, Gladden Farms, Sunflower, Heritage Highlands, Dove Mountain, Saguaro Ranch, Sky Ranch, Saguaro Bloom, Continental Ranch Business Park, Arizona Pavilions, and the Marana Center.

Legislative authority for the Town of Marana is vested in a seven-member Mayor and Council. Voters of the Town directly elect the Mayor. Council-members serve four-year staggered terms.

The Council fixes the duties and compensation of Town officials and employees, and enacts ordinances and resolutions relating to Town services, taxes, appropriating and borrowing monies, licensing and regulating businesses and trades and other municipal purposes. The Town Council appoints the Town Manager who has full responsibility for executing Council polices and administering Town operations. Town employees are hired under personnel rules approved by the Council. A staff of approximately 375 full-time equivalents is responsible for the functions and operations of the Town government.

Economic Condition and Outlook

The local economy continued to improve during the current fiscal year. Revenues in the General Fund grew by approximately 7.6% overall with growth in transaction privilege taxes of $1.7 million or 6.4% overall, which demonstrates continued growth and improvement in the economy. The Town has seen improvements in economically sensitive revenues over the past several years and the revenue forecast for fiscal year 2019-20 anticipates a continuation of General Fund revenue growth. The Town was able to provide team based merit increases to employees while maintaining costs in commodities and services received in order to stay within budget. The General Fund expenditures were $10.1 million under budget. The Town's budget is structurally balanced with ongoing revenues supporting ongoing expenditures. One-time revenues like contracting transaction privilege taxes and building permits support one-time expenditures. The budget maintains the investment planning, which includes three investment priorities: current employees, resources and tools, and strategic positions.

Current Condition

As described above, key revenues including transaction privilege taxes and licenses, fees and permits revenues were higher from previous years. The Town established and maintains an investment plan as a way to guide decisions made during future year's budgetary processes. Even, as revenues grow in future years, the investment plan will serve as a guide in the allocation of resources as they become available. Both the current and future programs are measured for alignment with the Strategic Plan as well as the investment plan. Those programs that are more precisely aligned with those plans and those that are sustainable are more likely to receive funding. The financial performance of the Town as a whole is reflected in its governmental funds.

As of June 30, 2019, the Town's governmental funds reported a combined fund balance of $78.1 million, of which $31.5 million is unassigned and available for spending at the Town's discretion.

The Town, like most municipalities, is significantly dependent upon transaction privilege tax revenues which are

subject to economic fluctuations. Transaction privilege tax revenues comprised 57.8% of general fund revenues. Of those revenues, retail comprised 49.9% and restaurants and bars, construction, and utilities comprised 32.8% of total transaction privilege tax revenues. Sales taxes and revenues related to the residential and commercial construction industry continued to improve during the fiscal year. The Council approved a temporary half-cent sales tax increase, which began on July 1, 2015, for the construction of a new police facility. On October 16, 2018, Town Council repealed the half-cent sales tax effective January 1, 2019.

Future Economic Outlook

The Town's goal in managing budgets is to structurally balance on-going revenues matched with on-going expenses and one-time revenues aligned with one-time expenses. The Town has been able to make strategic reinvestments in existing programs and minor investments in new programs that provide the opportunity to further position the Town as the place to live, work and play. Marana continues to lead the region in the construction of new single-family homes, with 790 new homes permitted in fiscal year 2019. In the past year, the Town has also completed construction of major community improvements, including the Police Facility and the widening of Tangerine Road Phase I. The Town will continue to facilitate economic growth through infrastructure projects in the coming year, with road, water, and parks infrastructure projects planned throughout the community.

Accomplishments and Initiatives

During fiscal year 2019, the Town had several significant accomplishments and initiatives.

New Marana Public Safety Facility

The Town of Marana completed construction of a new addition to its Municipal Complex campus this year: the brand-new Public Safety Facility. The Town Council had voted to institute a temporary half-cent sales tax increase specifically allocated to fund the facility, and have now voted again to repeal the increase as of January 2019. The state-of-the-art facility houses a growing police force with everything they need to serve and protect the Marana community.

Tangerine Corridor Expansion

Part of the Regional Transportation Authority plan, this road expansion project spanned three jurisdictions, from Marana, to Pima County, to Oro Valley. With the Town of Marana as Project Manager, the Tangerine Road Expansion included an addition of two new lanes, a landscaped median, multi-use pedestrian and cyclist paths, drainage improvements, and wildlife corridors. With the connection to Twin Peaks Road, the expansion of Tangerine Road creates a beautified corridor from Interstate 10 to Oracle Road, representing a major economic opportunity for the three communities involved. The Town of Marana was selected as a recipient of the American Public Works Association's (APWA) 2019 Public Works Project of the Year Award for this project.

Water Treatment Systems

Town Council authorized the creation of two water treatment campuses to construct the water treatment facilities in the two impacted systems found to contain unregulated compounds. The decision was made after evaluating several solutions, including blending alternatives and other water sources. Constructing water treatment facilities in each of the impacted systems was considered to be the most effective solution to providing safe, clean drinking water now and for future development.

Expenditure Limitation

On June 30, 1980 Arizona voters approved general propositions amending the Arizona Constitution to establish expenditure and revenue limitations for local governments. The purpose of the expenditure limitation is to control expenditures and to limit future increases in spending to adjustments for inflation, deflation and population growth of the Town.

On November 8, 2016, the voters of the Town approved an alternative expenditure limitation, the effect of which is that the total budgeted expenditures of each yearly budget becomes the expenditure limitation for that year on a total budget basis. This alternative expenditure limitation is effective for four years.

Single Audit

As a recipient of Federal, State and County financial assistance, the Town is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws, regulations, contracts and grants related to those programs. Internal control is subject to periodic evaluation by management.

As part of the Town's single audit described earlier, tests are made to determine the adequacy of the internal controls, including that portion related to Federal financial assistance programs, as well as to determine that the Town has complied with applicable laws and regulations.

Certificate of Achievement

The Government Finance Officers Association of the United States (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Marana for its Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2018. This was the 11th consecutive year that the Town has achieved this prestigious award. In order to be awarded the Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a one-year period only. We believe our current report conforms to the Certificate of Achievement program requirements, and we are submitting it to GFOA for consideration.

Acknowledgements

The preparation of this report would not have been possible without the efficient, effective and dedicated services of the entire staff of the Finance Department and the assistance of personnel in the various departments. We would like to express our appreciation to all members who assisted and contributed to the preparation of this report.

We would also wish to express our sincere appreciation to the Mayor and Council for unfailing support in maintaining the highest standards of professionalism in the management of the Town of Marana's finances.

Respectfully submitted,

Jamsheed Mehta
Town Manager

Yiannis Kalaitzidis
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Marana

Arizona

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

TOWN OF MARANA, ARIZONA
PRINCIPAL OFFICIALS OF THE TOWN OF MARANA
FISCAL YEAR 2019

MAYOR AND COUNCIL

Ed Honea, Mayor

Jon Post, Vice Mayor

John Officer, Councilmember

Dave Bowen, Councilmember

Herb Kai, Councilmember

Roxanne Ziegler, Councilmember

Patti Comerford, Councilmember

MANAGEMENT STAFF

Jamsheed Mehta, Town Manager

Erik Montague, Deputy Town Manager

DEPARTMENT HEADS

Jason Angell, Development Services Director

Cherry Lawson, Town Clerk

Keith Brann, Town Engineer

Mo El-Ali, Public Works Director

Terry Rozema, Police Chief

Lisa Shafer, Community Development and Neighborhood Services Director

Jim Conroy, Parks and Recreation Director

Curt Woody, Director of Economic Development

Curry C. Hale, Human Resources Director

Frank Cassidy, Town Attorney

Yiannis Kalaitzidis, Finance Director

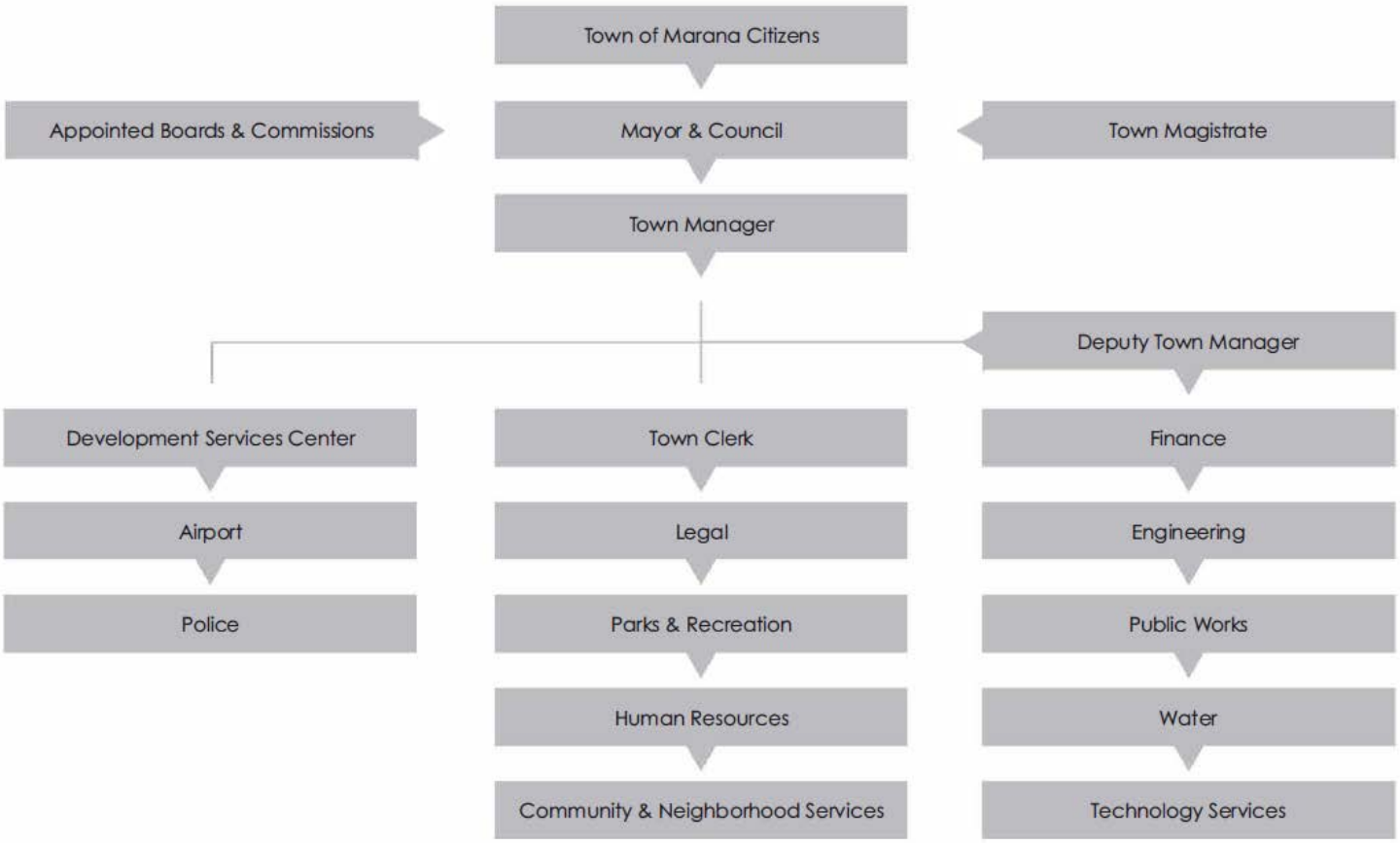
Steve Miller, Airport Director

Laine Sklar, Town Magistrate

Isaac Abbs, Technology Services Director

Scott Schladweiler, Utilities Director

TOWN OF MARANA, ARIZONA
ORGANIZATIONAL CHART
FISCAL YEAR 2019



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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Town Council
Town of Marana, Arizona
Marana, Arizona

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Marana, Arizona, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Marana, Arizona, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Highway User Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Marana, Arizona's basic financial statements. The introductory section, the combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Information (Continued)

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

Compliance Over the Use of Highway User Revenue Fund and Other Dedicated State Transportation Revenue Monies

In connection with our audit, nothing came to our attention that caused us to believe that the Town of Marana, Arizona failed to use highway user revenue fund monies received by the Town pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2, and any other dedicated state transportation revenues received by the Town of Marana solely for the authorized transportation purposes, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Town of Marana's noncompliance with the use of highway user revenue fund monies and other dedicated state transportation revenues, insofar as they relate to accounting matters.

The communication related to compliance over the use of highway user revenue fund and other dedicated state transportation revenue monies in the preceding paragraph is intended solely for the information and use of the members of the Arizona State Legislature, the Board of Supervisors, management, and other responsible parties with the Town and is not intended to be and should not be used by anyone other than these specified parties.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2019 on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Marana, Arizona's, internal control over financial reporting and compliance.

Henry + Horne, LLP

Tempe, Arizona
December 16, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(Required Supplementary Information)

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TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019

As management of the Town of Marana, Arizona, (Town) we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2019. 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 Town's total net position increased by $15.4 million or 4.3 percent from the previous fiscal year 2017-18. The increase is primarily due to an increase in capital assets and a decrease in overall liabilities. The increase in capital assets is primarily due to the Police Facility project, Airport pavement rehab project, and developer contributions of road, water, and wastewater infrastructure. The decrease in liabilities is due to a combination of reduced general accounts payable amounts at year end, a decrease in the net pension liability, and a decrease in special assessment and revenue bonds due to regular principal payments.

- General revenues from governmental activities, excluding transfers, accounted for $58.2 million in revenue, or 68.7 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for $26.5 million or 31.3 percent of total revenues from governmental activities. The Town had $16.7 million of program revenues related to business-type activities. Overall revenues have decreased by 11.2 percent, which can be attributed to a decrease in governmental capital grants and contributions. This decrease is primarily due to a decrease in reimbursements for the Tangerine Road Corridor project. The largest increases in revenue in fiscal year 2018-19 was a 50.7 percent increase in community facilities district property taxes, a 194.8 percent increase in investment income, and a 31.3 percent increase in miscellaneous revenue.

- The General Fund had $50.1 million in fiscal year 2018-19 revenues, which primarily consisted of sales taxes, intergovernmental revenue and licenses, fees and permits. The General fund had $39.7 million of expenditures, and $3.7 million in required transfers out during the year. The $7 million fund balance increase is attributed to higher than anticipated revenues in sales taxes, investment income and licenses, fees and permits as well as prudent use of Town funds for departmental expenditures.

- Highway User Revenue Fund revenues continue to grow in fiscal year 2018-19 at $3.6 million. Expenditures were 12 percent lower than the previous year due to delayed projects for the pavement preservation program. Fund balance increased by $1.2 million and ended the fiscal year at $3 million.

- Tangerine Farms Road Improvement District Debt Service Fund, which accounts for special assessments, had a $1.4 million fund balance attributable to the accumulation of prepaid assessments and resources required for debt service payment.

- The Sales Tax Capital Fund accounts for resources collected to construct the Police Facility project. The project was completed in fiscal year 2018-19. The fund has been reported as a major fund due to the importance of reporting the revenues and expenditures of this project to our citizens. At the end of the year, the fund balance was $0.

- The Transportation Fund had an increase in revenue of 12.7 percent in fiscal year 2018-19 due to increase tax revenues and investment income. There was an increase of 202.75 percent in expenditures due to pavement reconstruction projects and construction of the Ina Road Bridge.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise 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 Town's finances, in a manner similar to a private-sector business. All of the activities of the Town, except those of a fiduciary nature, are included in these statements.

The Town's activities are presented in two columns on these statements; governmental activities and business-type activities. A total column for these activities is also provided.

- The governmental activities include basic services of the Town including general government (administration), public safety (police and building safety), highways and streets, health and welfare, economic and community development, and culture and recreation. These activities are primarily supported by general taxes and revenues.

- The business-type activities include the private sector-type activities such as water utility, wastewater utility, and airport operations. These activities are supported primarily through user charges and fees.

The statement of net position presents information on all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. The focus on net position is important because increases and decreases in net position may serve as a useful indicator of how the financial position of the Town may be changing. Increases may indicate an improved financial position. However, decreases in net position may not necessarily indicate the Town's financial position is deteriorating. Instead, it may reflect a situation where the Town may have used previously accumulated funds (i.e., cash collected over time to fund capital projects). As a result, other financial and non-financial indicators must also be considered to effectively assess the Town's overall financial health.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. Since economic resources measurement focus and accrual basis of accounting are used for the government-wide financial statements, 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 long-term debt that has not matured). This statement also focuses on both the gross and net costs of various Town functions, based only on direct functional revenues and expenses. This is designed to show the extent to which the various functions are dependent on general taxes and revenues for support.

In addition to the Town itself (primary government), the government-wide financial statements also the Gladden Farms Community Facilities District, Gladden Farms Community Facilities District II, Vanderbilt Farms Community Facilities District and Saguaro Springs Community Facilities District are blended component units.

The government-wide financial statements can be found on pages 27-29 of this report.

Fund financial statements. Also presented are the financial statements for governmental funds and proprietary funds. 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 Town uses fund accounting to ensure and demonstrate

compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary 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 focus on near-term inflows and outflows 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 Town's near-term financing requirements and determining what financial resources are available in the near future to fund Town programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it may be 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 Town's near-term financing decision. To facilitate this comparison, reconciliations of the differences between the governmental fund balance sheet and statement of revenues, expenditures and changes in fund balances and government-wide statement of net position and statement of activities are provided immediately following the respective governmental fund statements.

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 Fund, Highway User Revenue, Tangerine Farms Road Improvement District Debt Service, Sales Tax Capital, and Transportation Capital Fund 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. These statements are included as supplementary information after the basic financial statements starting on page 102.

The Town adopts an annual budget and legally allocates (or appropriates) available monies for the General, Highway User Revenue, Tangerine Farms Road Improvement District Debt Service, Sales Tax Capital, Transportation Capital, and other non-major governmental funds. Budgetary comparison statements are provided for the General Fund and Highway User Revenue fund within the basic financial statements on pages 40-41. Budgetary comparison schedules have been presented for the Town's major debt and capital funds on pages 97-99, and budgetary comparison schedules have been presented for the Town's non-major funds to demonstrate compliance with the annual budget.

The basic governmental fund financial statements can be found on pages 32-41 of this report.

Proprietary funds. The Town maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its water, wastewater and airport services, which are primarily supported by user charges and fees. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses an internal service fund to account for the employee health and dental benefits. Because the services of internal service funds predominantly benefits governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

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.

Required supplementary information other than MD&A. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's progress in funding its obligation to provide pension and OPEB benefits to its employees. Governments are required to disclose certain information about employee pension funds. These disclosures are included within Note 9 Employee Retirement Systems beginning on page 64 in addition to the information on pages 84-92 reported as required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows by $377 million as of June 30, 2019. Noncurrent assets increased by $9.2 million or 2.2 percent due to the addition of capital assets such as the Police Facility, the Wastewater Reclamation Plant, and the Tangerine Sky Park. The current liabilities decreased by $4.3 million or 17.6 percent, which is attributable to a decrease in accounts payable. Long-term liabilities decreased by $6 million or 4.2 percent due to a reduction in net pension liability, special assessment bonds payable, and revenue bonds payable. The decrease in long-term liabilities was offset slightly by an increase in general obligation bonds payable due to the issuance of new bonds for certain community facility districts.

Net position. The majority of the Town's net position reflects its investment in capital assets (land, building and improvements, infrastructure, vehicles and equipment and construction in progress) net of accumulated depreciation and any related outstanding debt used to acquire or construct those assets. The Town uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related 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 Town's net position represents resources that are subject to external restrictions on how they may be used.

The Town's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

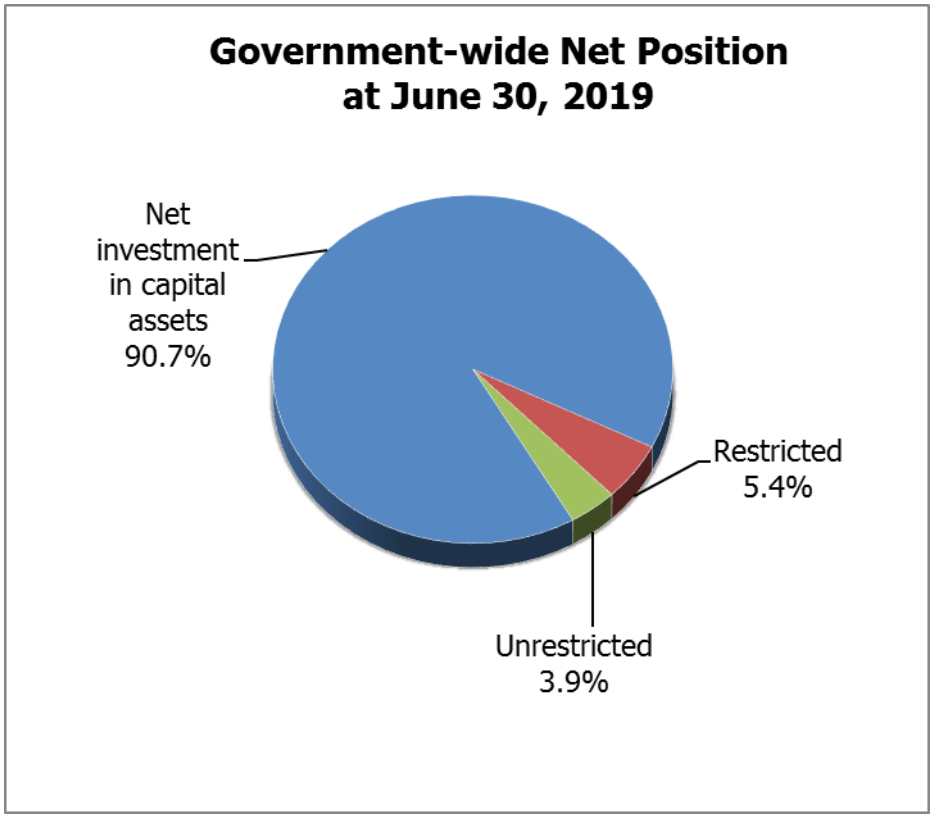
The following table presents a summary of the Town's net position for the fiscal years ended June 30, 2019 and June 30, 2018.

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	$96,247,879	$99,908,458	$ 3,832,658	$ 1,134,123	$100,080,537	$101,042,581
Capital assets, net	304,616,026	298,014,680	122,681,253	120,068,186	427,297,279	418,082,866
Total assets, net	400,863,905	397,923,138	126,513,911	121,202,309	527,377,816	519,125,447
Deferred outflows related to pensions	7,122,319	8,973,655	336,775	372,785	7,459,094	9,346,440
Deferred charge on refunding	1,603,406	1,751,302	-	-	1,603,406	1,751,302
Total deferred outflows of resources	8,725,725	10,724,957	336,775	372,785	9,062,500	11,097,742
Current and other liabilities	15,524,565	21,084,296	4,693,503	3,447,782	20,218,068	24,532,078
Long-term liabilities	110,413,950	115,703,142	25,432,980	26,161,056	135,846,930	141,864,198
Total liabilities	125,938,515	136,787,438	30,126,483	29,608,838	156,064,998	166,396,276
Deferred inflows related to pensions	3,153,390	2,138,953	247,476	108,826	3,400,866	2,247,779
Total deferred inflows of resources	3,153,390	2,138,953	247,476	108,826	3,400,866	2,247,779
Net position:						
Net investment in capital assets	243,685,340	236,207,921	98,286,785	95,777,056	341,972,125	331,984,977
Restricted	19,985,284	17,241,379	365,485	365,485	20,350,769	17,606,864
Unrestricted	16,827,101	16,272,404	(2,175,543)	(4,285,111)	14,651,558	11,987,293
Total net position	$280,497,725	$269,721,704	$96,476,727	$91,857,430	$376,974,452	$361,579,134

Net investment in capital assets, which reflects the Town's investment in capital assets net of accumulated depreciation and any related outstanding debt issued to acquire or construct those assets, was $342 million or 90.7 percent, which represents the largest portion of net position. This portion of net position increased by $10 million as of June 30, 2019. The increase is due to a net increase in capital assets and a decrease in debt related to the acquisition of capital assets due to regularly scheduled principal payments.

The second portion of net position of $20.4 million or 5.4 percent represents resources that are subject to external restrictions on how they may be utilized. The increase of $2.7 million or 15.6 percent is primarily due to the accumulation of resources in the HURF fund and certain impact fee funds.

The third portion consists of unrestricted net position of $14.7 million or 3.9 percent. The unrestricted balance has increased by $2.7 million. The increase is primarily attributable to the business-type activities. The business-type activities had an increase in unrestricted net position of $2.1 million primarily related to the receivable due to the Airport from a capital grant for the rehab of the Airport apron and taxiway.



Changes in net position. The Town's total revenues for the fiscal year ended June 30, 2019, were $101.5 million, which was an overall decrease of $12.8 million or 11.2 percent. Specifically, the decrease of $12.2 million was in governmental activities capital grants and contributions, which is due to reimbursable project costs decreasing related to the Tangerine Road Corridor project. Additionally, there was a decrease of $2.4 million in the governmental activities. This decrease was attributable to special assessment revenues for the Tangerine Farms Improvement District. While the decrease was minimal to sales tax revenues, it is important to note that the sales tax rate was reduced by .5 percent due to the completion of collecting the funds needed to construct the Police Facility. The decreases were offset by increases in all other categories. The largest increase was to investment income due to increased rates in the Town's investments as well as a focused approach to the Town's investments.

The total cost of all programs and services was $86.1 million. The decrease of $1.6 million or 1.8 percent is primarily attributable to reduced spending on the Tangerine Road Corridor project costs related to other jurisdictions and a reduction to interest paid on long-term debt. These decreases were offset by an increase to general government costs attributable to costs to the developer for the Saguaro Springs Community Facilities District. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2019 and June 30, 2018.

TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	$10,584,668	$10,389,946	$ 7,704,547	$ 7,405,399	$18,289,215	$17,795,345
Operating grants and contributions	2,259,104	4,665,038	-	-	2,259,104	4,665,038
Capital grants and contributions	13,678,662	25,856,050	8,977,317	9,890,570	22,655,979	35,746,620
General revenues:						
Sales taxes	41,680,345	41,689,482	-	-	41,680,345	41,689,482
Property taxes	833,923	553,403	-	-	833,923	553,403
Franchise taxes	513,202	507,073	-	-	513,202	507,073
State shared revenues	12,012,620	11,505,675	-	-	12,012,620	11,505,675
Investment income	1,954,182	662,797	77,140	187,213	2,031,322	850,010
Miscellaneous revenues	1,162,442	885,174	21,618	29,580	1,184,060	914,754
Total revenues	84,679,148	96,714,638	16,780,622	17,512,762	101,459,770	114,227,400
Expenses:						
General government	23,846,702	18,491,725	-	-	23,846,702	18,491,725
Public safety	16,059,514	16,114,146	-	-	16,059,514	16,114,146
Highways and streets	21,628,981	27,892,754	-	-	21,628,981	27,892,754
Health and welfare	452,623	236,628	-	-	452,623	236,628
Economic and community development	4,075,777	4,328,283	-	-	4,075,777	4,328,283
Culture and recreation	5,293,684	5,146,978	-	-	5,293,684	5,146,978
Interest on long-term debt	1,858,162	3,076,938	-	-	1,858,162	3,076,938
Water	-	-	6,178,368	5,979,081	6,178,368	5,979,081
Wastewater	-	-	5,275,474	4,598,115	5,275,474	4,598,115
Airport	-	-	1,395,167	1,816,222	1,395,167	1,816,222
Total expenses	73,215,443	75,287,452	12,849,009	12,393,418	86,064,452	87,680,870
Increase/(decrease) in net position before transfers	11,463,705	21,427,186	3,931,613	5,119,344	15,395,318	26,546,530
Transfers	(687,684)	1,875,230	687,684	(1,875,230)	-	-
Increase/(decrease) in net position	10,776,021	23,302,416	4,619,297	3,244,114	15,395,318	26,546,530
Net position, beginning of year, as restated	269,721,704	246,419,288	91,857,430	88,613,316	361,579,134	335,032,604
Net position, end of year	$280,497,725	$269,721,704	$96,476,727	$91,857,430	$376,974,452	$361,579,134

Governmental Activities. Governmental activities increased net position by $10.8 million for fiscal year ended June 30, 2019. This increase is attributable to unspent proceeds for capital projects. Also, as previously mentioned, the economic resources measurement focus is used for reporting government-wide financial information, as such, there were contributions of infrastructure assets of $3.3 million, which contributed to the increase in governmental net position.

Transfers increased by $2.6 million from the prior year. Primarily the $0.7 million of transfers are contributions from governmental activities to Airport and Wastewater for operating and debt service expenses offset by contributions from Water and Wastewater to governmental activities for debt service payments.

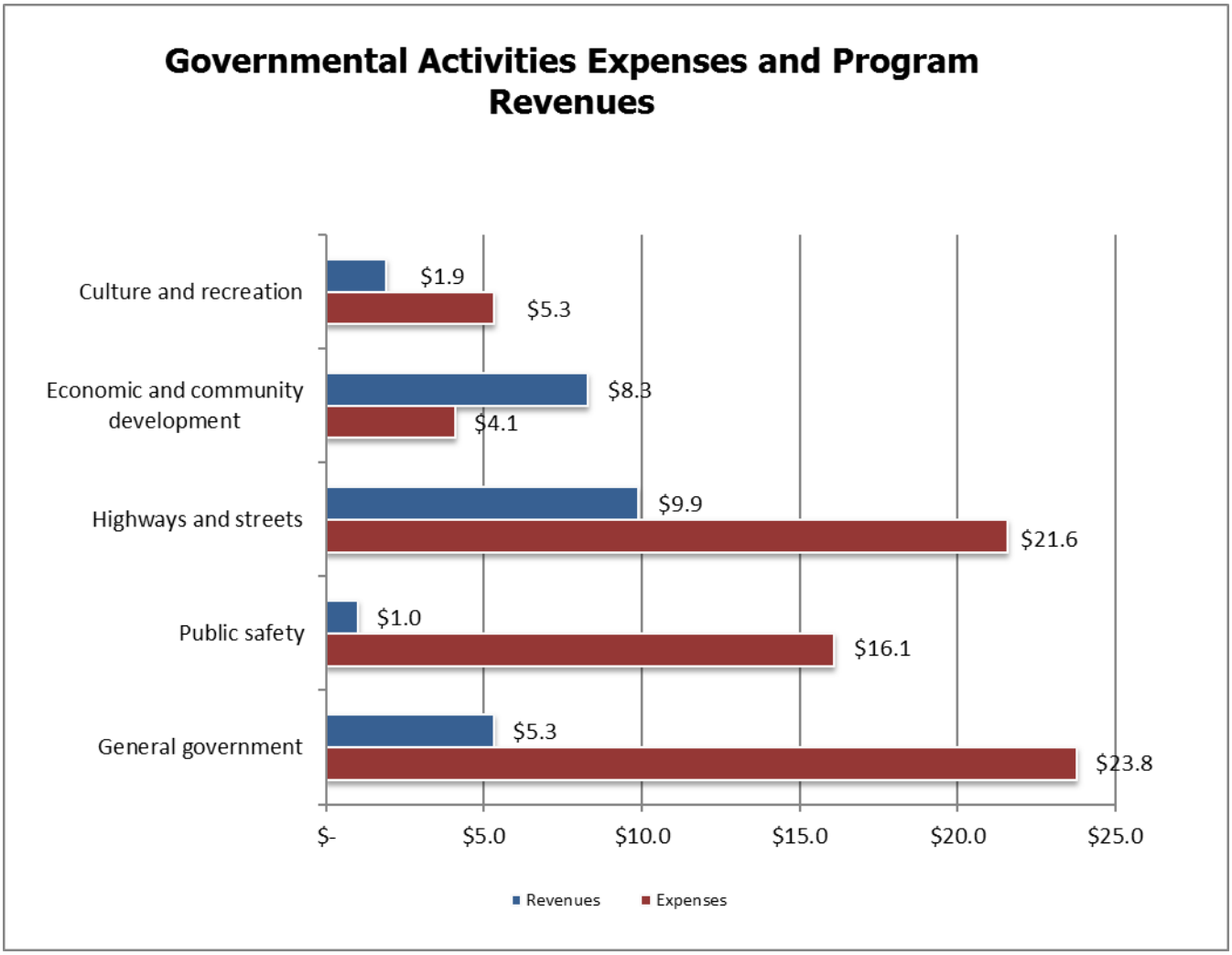
The following table presents the cost of the nine major Town functional activities. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and Town's taxpayers by each of these functions.

	Year Ended June 30, 2019		Year Ended June 30, 2018	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Governmental Activities				
General government	$ 23,846,702	$ (18,533,251)	$ 18,491,725	$ (12,954,447)
Public safety	16,059,514	(15,017,500)	16,114,146	(15,148,667)
Highways and streets	21,628,981	(11,770,786)	27,892,754	(1,349,573)
Health and welfare	452,623	(333,394)	236,628	(212,948)
Economic and community development	4,075,777	4,211,878	4,328,283	1,967,506
Culture and recreation	5,293,684	(3,391,794)	5,146,978	(3,601,351)
Interest on long-term debt	1,858,162	(1,858,162)	3,076,938	(3,076,938)
Total	$ 73,215,443	$ (46,693,009)	$ 75,287,452	$ (34,376,418)
Business-Type Activities				
Water	6,178,368	$ 3,005,960	5,979,081	$ 6,387,711
Wastewater	5,275,474	(1,220,628)	4,598,115	7,686
Airport	1,395,167	2,047,523	1,816,222	(1,492,846)
Total	$ 12,849,009	$ 2,047,523	$ 12,393,415	$ 4,902,551

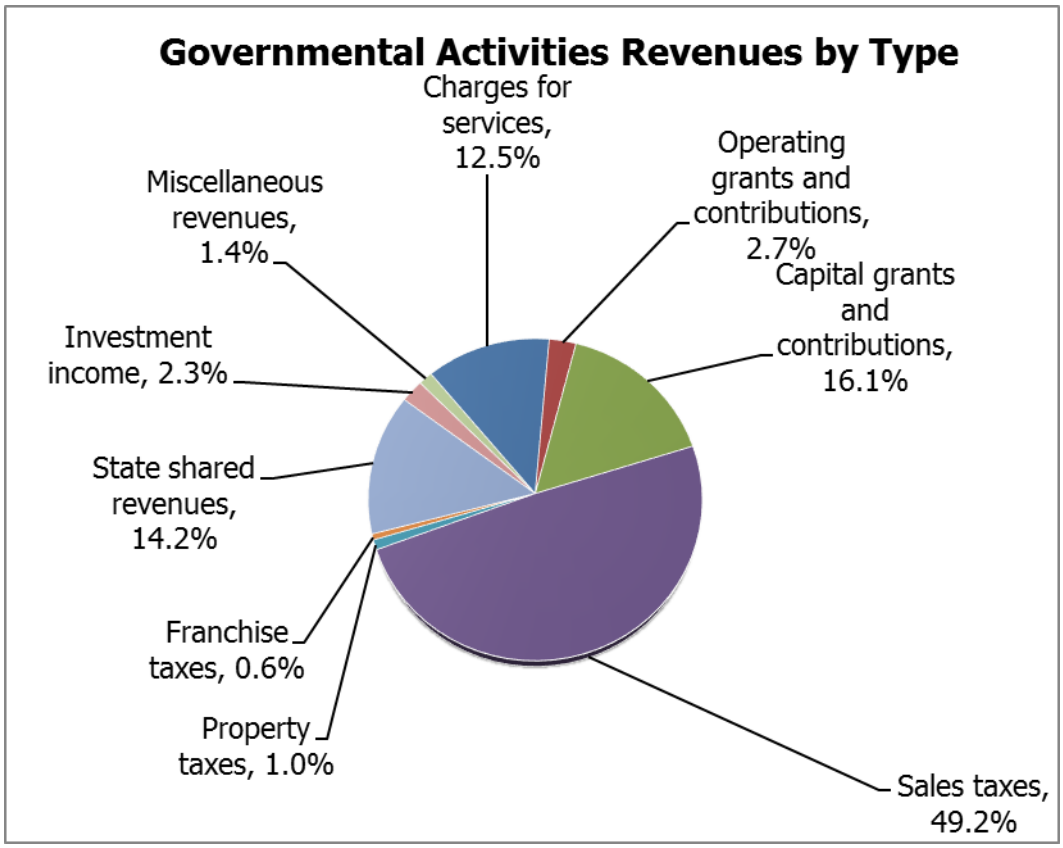
- The cost of all governmental activities this year was $73.2 million. The 2.8 percent decrease in governmental activities expenses is primarily due to a reduction in highways and streets costs associated with the Tangerine Road Corridor project, which decreased $6.7 million.
- Net cost of governmental activities of $46.7 million was largely financed by general revenues, which are made up of primarily sales taxes totaling $41.7 million and state shared revenues of $12 million.
- The Wastewater fund expenses increased $0.7 million or 14.7 percent. This is primarily due to an increase in interest expense paid for long-term debt.

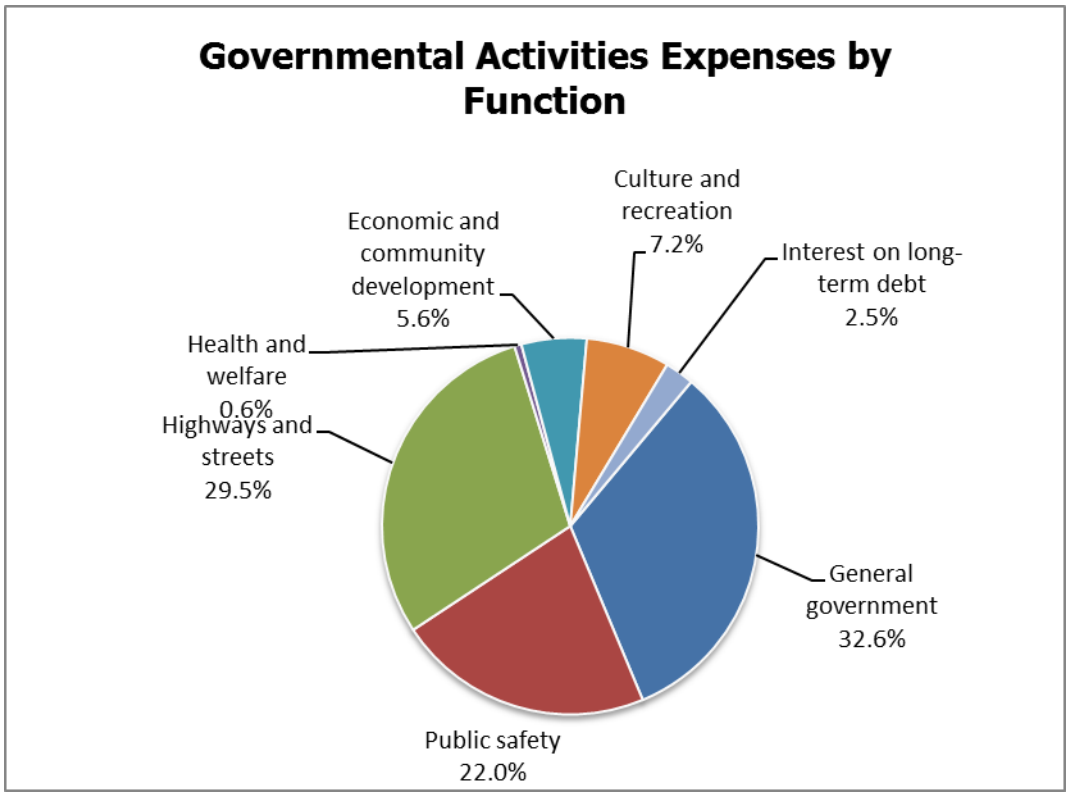
The following graph shows the functional revenues and expenses of the governmental activities in order to demonstrate the extent to which the governmental functions produce direct revenues to offset related program

costs. It should be noted that this graph is not intended to represent a full allocation to these functions. As described above, expenses not covered by direct program revenues are covered by the Town's general revenues which consist primarily of taxes and unrestricted State shared revenues. In governmental activities, the functional revenues of $26.5 million are 36.2 percent of expenses for fiscal year 2019, down from 54.3 percent a year earlier. As described earlier, this decrease is attributable to lower collections in the capital grants and contributions revenues related to a one time reimbursements of major capital projects.



As seen on the following graphs, the largest revenue source for the Town's governmental activities is sales tax revenues at 49.2 percent, followed by capital grants and contributions at 16.1 percent, State shared revenues at 14.2 percent, and charges for services at 12.5 percent. This is consistent with the allocation of revenues collected in the previous year. The Town's largest expense category is general government at 32.6 percent, followed by highways and streets at 29.5 percent and public safety at 22 percent. Last year the highways and streets category was the largest, but with the completion of the Tangerine Corridor project, the general government category has more expenses.


Governmental Activities Revenues by Type
Charges for services, 12.5%
Operating grants and contributions, 2.7%
Capital grants and contributions, 16.1%
Miscellaneous revenues, 1.4%
Investment income, 2.3%
State shared revenues, 14.2%
Franchise taxes, 0.6%
Property taxes, 1.0%
Sales taxes, 49.2%

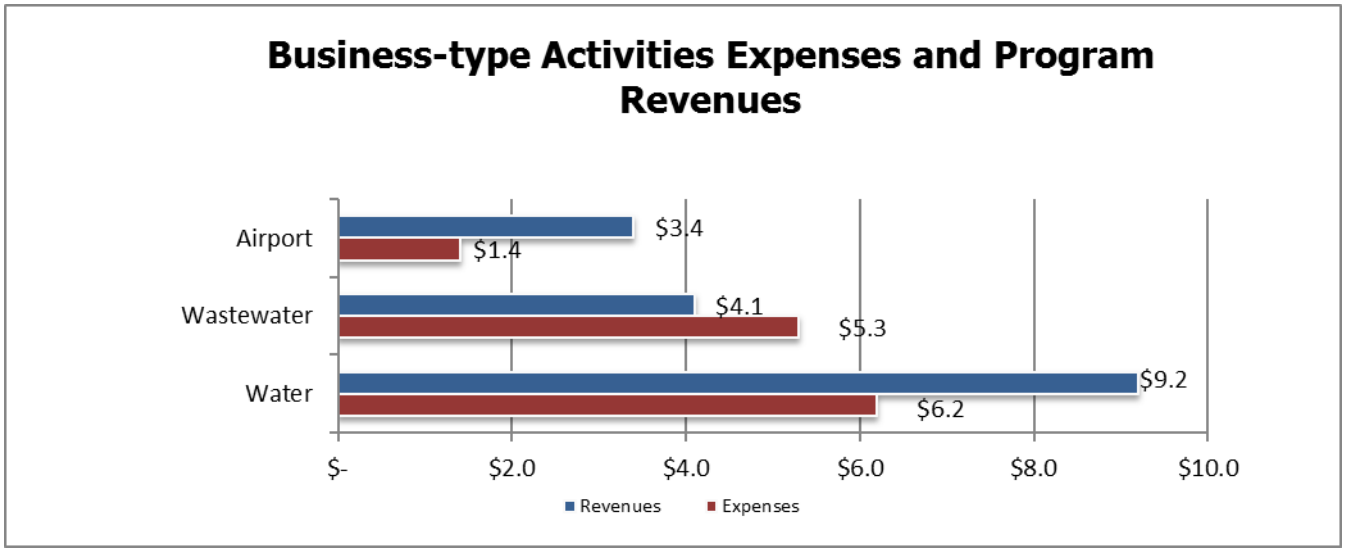

Governmental Activities Expenses by Function
Culture and recreation 7.2%
Economic and community development 5.6%
Interest on long-term debt 2.5%
Health and welfare 0.6%
Highways and streets 29.5%
General government 32.6%
Public safety 22.0%

Business-type Activities

Business-type activities' net position increased by $4.6 million for fiscal year ended June 30, 2019. This increase is largely related to capital contributions in the Airport fund of grant reimbursed infrastructure. Charges for services increased slightly due to continued growth.

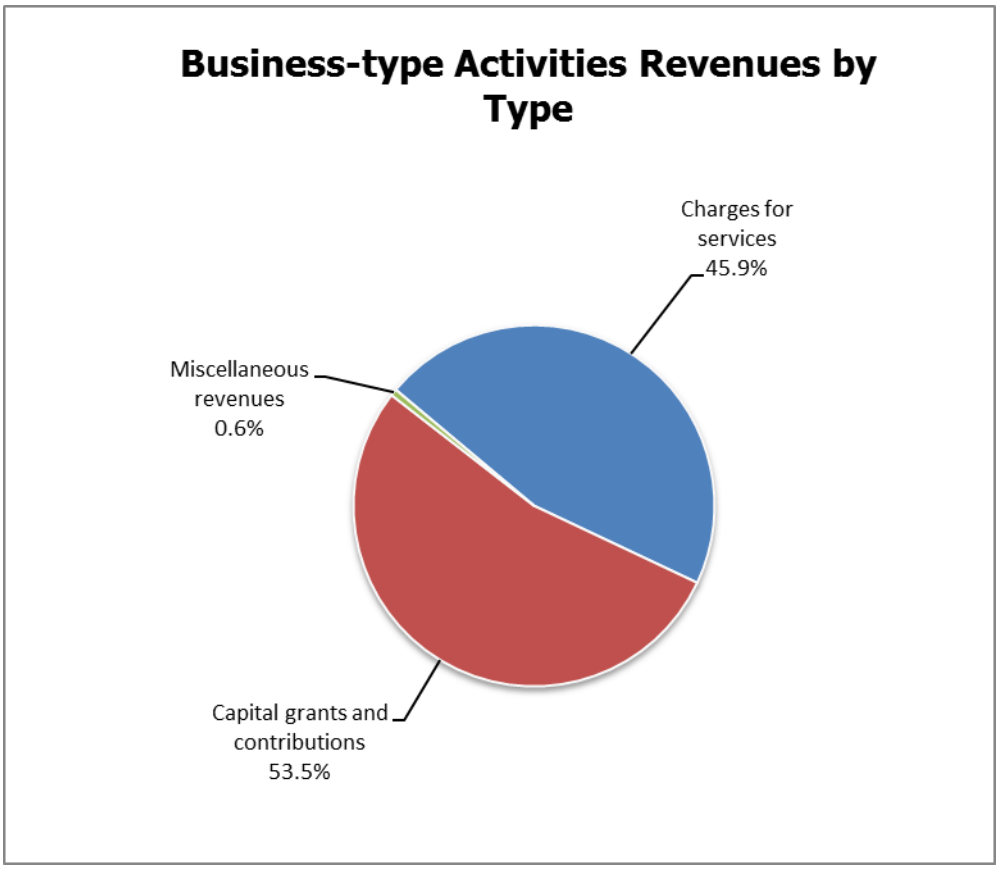
Capital grants and contributions decreased by $0.9 million or 9.2 percent. This was primarily due to a decrease in infrastructure contributed to the Town from developers for Water and Wastewater related infrastructure. This decrease was offset by the increase in capital grants provided to the Airport for the construction project to rehab aprons and taxiways.

Business-type activity expenses increased by $0.5 million or 3.7 percent primarily due to increased interest expense paid in Wastewater.



The Town's largest overall business-type activity is the Water Utility with $6.2 million in expenses and $9.2 million in program revenues during the year. The second largest activity is the Wastewater Utility with $5.3 million in expenses and $4.1 million in program revenues, followed by the Airport with $1.4 million in expenses and $3.4 million in program revenues. With the exception of capital grants and contribution revenues, the expenses and revenues were consistent with the prior year collections and spending.

As seen on the following graph, the largest revenue source for the Town's business-type activities is capital grants and contributions at 53.5 percent followed by charges for services revenues at 45.9percent.



FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

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

The financial performance of the Town as a whole is reflected in its governmental funds. As of June 30, 2019, the Town's governmental funds reported a combined fund balance of $78.1 million, of which $31.5 million is unassigned and undesignated and therefore available for spending at the Town's discretion.

The General Fund, which is the principal operating fund of the Town, had a fund balance of $36.6 million. Revenues and expenditures increased slightly from the previous year. The primary increases in revenues were related to sales taxes, intergovernmental, and investment income. The increase in expenditures relates to team based increases for employees.

The Sales Tax Capital Fund was created to collect a half-cent tax to fund the construction of the Police Facility. The Town Council agreed to sunset the tax when the collections reached $18 million. This occurred in December 2018

and the tax was repealed as of January 1, 2019. The remaining cash in the fund will be utilized in early FY 2020 to eliminate the accounts payable balance.

The Transportation Fund had a fund balance of $13.4 million which reflected a decrease of $3.6 million from a year earlier. While sales tax revenues increased slightly, expenditures increased $7.6 million or 202.7 percent due to the Ina Road pavement reconstruction, Ina Road bridge, and Coachline Blvd. pavement reconstruction projects.

Proprietary funds. The proprietary funds in the financial statements are prepared on the same measurement focus and accounting basis as the government-wide financial statements, but they provide more detail since each major enterprise fund is presented discretely. Of the total business-type activities proprietary funds net position of $96.5 million, $98.3 million comprised the funds' net investment in capital assets. $0.4 million is restricted for debt service and unrestricted net position of ($2.2) million. The factors concerning the finances of these funds, as well as the changes in net position, have been addressed previously in the discussion of the Town's business-type activities.

BUDGETARY HIGHLIGHTS

The Town's annual adopted budget established the legal level of expenditure control. Budgetary comparison statements are required for the General Fund and all major special revenue funds. These statements compare the original budget, the budget as amended throughout the year, and the actual revenues and expenditures. Budgetary schedules for other governmental funds are also presented in this report as other supplementary information.

Although agriculture remains a major force in Marana's economy, a recent influx of residential and commercial development has occurred due to the Town's location between Phoenix and Tucson along I-10 and the Union Pacific Railroad. The Town is also a business-friendly government, which does not impose a Marana property tax. General Fund revenues exceeded conservative budget projections in several key revenue sources like sales taxes, licenses, permits and fees, and investment income. Departments maintained their conservative use of available resources. The prudent use of funds as well as higher than expected revenues resulted in an increase in fund balance of $7 million. The General Fund budget and actual variances are shown on page 40.

Amendments to the adopted budget may occur throughout the year between departments within the General Fund and between funds in all other funds in a legally permissible manner (see Note 3 – Budgetary Control). Budget adjustments between departments in the General Fund did occur. However, none of the amendments were significant.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2019 the Town had invested $427.3 million in governmental and business-type capital assets (net of accumulated depreciation). Total depreciation expense for the year was $22 million, with $18.3 million attributed to governmental activities and $3.7 million to business-type activities.

The following schedule presents capital asset balances for the fiscal years ended June 30, 2019 and June 30, 2018. Additional information on the Town's capital assets can be found in Note 5.

	Governmental Activities		Business-type Activities		Total	
	As of June 30, 2019	As of June 30, 2018	As of June 30, 2019	As of June 30, 2018	As of June 30, 2019	As of June 30, 2018
Land	$ 8,277,460	$ 7,659,942	$ 4,442,146	$ 4,465,411	$ 12,719,606	$ 12,125,353
Water rights	-	-	4,392,222	4,430,930	4,392,222	4,430,930
Construction in progress	18,470,334	60,357,654	6,581,163	30,315,856	25,051,497	90,673,510
Buildings and improvements	64,740,452	45,295,675	137,184,413	107,883,970	201,924,865	153,179,645
Machinery and equipment	24,245,618	20,335,042	1,756,329	1,575,133	26,001,947	21,910,175
Infrastructure	410,207,775	368,364,932	-	-	410,207,775	368,364,932
Less: Accumulated depreciation	(221,325,613)	(203,998,565)	(31,675,020)	(28,603,114)	(253,000,633)	(232,601,679)
Total	$304,616,026	$298,014,680	$122,681,253	$120,068,186	$427,297,279	$418,082,866

Major capital asset events during the current fiscal year included the following:

- The widening of Tangerine Road Phase I was completed at a total cost of $32.3 million.
- Completion of the wastewater reclamation facility expansion for $26.7 million.
- Completion of the groundwater recharge facility of $2.9 million.
- Completion of the new Police Facility at a cost of $21.8 million.
- Completion of the Tangerine Sky Community Park for $3.9 million.
- Completion of the splash pad at Crossroads at Silverbell District Park for $874,565.
- Design and construction of Marana Road Realignment (construction in progress as of the close of the fiscal year had reached $2.5 million).
- Design and construction to rehab portions of the Airport apron and taxiway (construction in progress as of the close of the fiscal year had reached $4 million).

Debt Administration. At year-end, the Town had $106 million in long-term debt obligations outstanding with $7.4 million due within one year.

The Town had new debt adding $4.4 million. The Town also had reductions of $6.2 million during the current fiscal year due to regularly scheduled principal payments and premium amortizations. This resulted in an overall reduction to debt of $1.8 million.

The following table presents a summary of the Town's outstanding debt for the fiscal years ended June 30, 2019 and June 30, 2018. Additional information on the Town's long-term obligations can be found in Note 6.

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds	$11,385,000	$ 7,745,000	$ -	$ -	$ 11,385,000	$ 7,745,000
Revenue bonds	47,945,000	50,465,000	19,780,000	19,780,000	67,725,000	70,245,000
Revenue bonds – Direct Placements	4,706,000	5,370,000	760,000	939,000	5,466,000	6,309,000
Special assessment bonds	12,126,000	14,200,132	-	-	12,126,000	14,200,132
Loan payable	-	-	3,503,598	3,201,572	3,503,598	3,201,572
Deferred bond premium	5,507,092	5,812,929	350,870	370,558	5,857,962	6,183,487
Total	$81,669,092	$83,593,061	$24,394,468	$24,291,130	$106,063,560	$107,884,191

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Town of Marana is continuing the development of its Make Marana 2040 General Plan in the next fiscal year. With the anticipation of the population exceeding 50,000 at the 2020 census count, it is more important than ever to make sure we are planning well for the future. The Fiscal Year 2019-2020 budget exhibits the Town's balanced approach to responsible fiscal policy and positive investment in the community. The Town continues to invest in the five Focus Areas of our Strategic Plan.

The Town has historically been committed to the highest level of service for our residents and business customers, and that tradition continues in the FY 2019-20 budget. The Town will be investing in the development of a single software solution to manage our permitting and licensing services. The Town will be investing in additional positions to bring efficiencies directly to our customer base and commercial community. Also, the Town will be investing in physical infrastructure to address facilities in the neediest of areas and projects that will affect all residents.

The 2019-20 budget increased by $2.1 million or 1.5%. Several key revenues like sales taxes, State shared revenues, building permits and planning fees increased modestly during the fiscal year. There are increases to funds across the board, however, the capital projects funds had a reduction of $21.5 million or 48.12 percent due to the completion of several major capital projects. The budget is structurally balanced with ongoing revenues supporting ongoing program expenditures. The budget document is the comprehensive decision making tool resulting from the annual budget process. The budget is a long-range plan by which financial policy is implemented and controlled.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Finance Department, Town of Marana, Arizona at 11555 West Civic Center Drive, Marana, Arizona 85653, or visit www.MaranaAZ.gov.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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TOWN OF MARANA, ARIZONA
STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 65,189,616	$ 7,893,706	$ 73,083,322
Property taxes receivable	5,196	-	5,196
Accounts receivable	1,778,977	1,343,825	3,122,802
Interest receivable	146,337	-	146,337
Due from other governments	6,886,808	2,032,318	8,919,126
Internal balances	1,288,817	(1,288,817)	-
Prepaid items	331,913	69,020	400,933
Total current assets	75,627,664	10,050,052	85,677,716
Noncurrent assets:			
Assessment receivable	9,679,000	-	9,679,000
Restricted cash and investments	4,358,336	365,485	4,723,821
Internal balances	6,582,879	(6,582,879)	-
Capital assets not depreciated	26,747,794	15,415,531	42,163,325
Capital assets (net of depreciation)	277,868,232	107,265,722	385,133,954
Total noncurrent assets	325,236,241	116,463,859	441,700,100
Total assets	400,863,905	126,513,911	527,377,816
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	7,122,319	336,775	7,459,094
Deferred charge on refunding	1,603,406	-	1,603,406
Total deferred outflows of resources	8,725,725	336,775	9,062,500
LIABILITIES			
Current liabilities:			
Accounts payable	4,154,096	2,124,837	6,278,933
Accrued payroll and employee benefits	746,151	50,456	796,607
Unearned revenue	307,981	-	307,981
Deposits held for others	926,377	776,144	1,702,521
Due to other government	89,271	244,222	333,493
Claims payable	302,480	-	302,480
Accrued interest payable	1,498,805	458,464	1,957,269
Compensated absences	1,063,404	94,647	1,158,051
Loan payable	-	760,733	760,733
General obligation bonds - CFD	365,000	-	365,000
Special assessment bonds - TRFID	2,447,000	-	2,447,000
Revenue bonds	3,624,000	184,000	3,808,000
Total current liabilities	15,524,565	4,693,503	20,218,068
Noncurrent liabilities:			
Compensated absences	118,156	10,516	128,672
Net pension liablity	35,062,702	1,972,729	37,035,431
Loan payable	-	2,742,865	2,742,865
General obligation bonds - CFD	11,876,601	-	11,876,601
Special assessment bonds - TRFID	9,679,000	-	9,679,000
Revenue bonds	53,677,491	20,706,870	74,384,361
Total non-current liabilities	110,413,950	25,432,980	135,846,930
Total liabilities	125,938,515	30,126,483	156,064,998
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	3,153,390	247,476	3,400,866
Total deferred inflows of resources	3,153,390	247,476	3,400,866
NET POSITION			
Net investment in capital assets	243,685,340	98,286,785	341,972,125
Restricted for:			
Capital projects	12,584,051	-	12,584,051
Debt service	-	365,485	365,485
General government	2,955,944	-	2,955,944
Public safety	1,246,972	-	1,246,972
Highways and streets	3,016,884	-	3,016,884
Economic and community development	181,433	-	181,433
Unrestricted	16,827,101	(2,175,543)	14,651,558
Total net position	$ 280,497,725	$ 96,476,727	$ 376,974,452

TOWN OF MARANA, ARIZONA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	$ 23,846,702	$ 4,819,947	$ 463,242	$ 30,262
Public safety	16,059,514	23,220	1,018,794	-
Highways and streets	21,628,981	68,907	650,524	9,138,764
Health and welfare	452,623	95,727	23,502	-
Economic and community development	4,075,777	5,260,138	74,956	2,952,561
Culture and recreation	5,293,684	316,729	28,086	1,557,075
Interest on long-term debt	1,858,162	-	-	-
Total governmental activities	73,215,443	10,584,668	2,259,104	13,678,662
Business-type activities:				
Water	6,178,368	5,749,523	-	3,434,805
Wastewater	5,275,474	1,626,394	-	2,428,452
Airport	1,395,167	328,630	-	3,114,060
Total business-type activities	12,849,009	7,704,547	-	8,977,317
Total primary government	$ 86,064,452	$ 18,289,215	$ 2,259,104	$ 22,655,979

General revenues:
Taxes:
Sales taxes
Property taxes
Franchise taxes
State shared revenues, unrestricted
Investment income
Miscellaneous
Transfers
Total general revenues and transfers

Changes in net position

Net position, beginning of year

Net position, end of year

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

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Totals
$ (18,533,251)	$ -	$ (18,533,251)
(15,017,500)	-	(15,017,500)
(11,770,786)	-	(11,770,786)
(333,394)	-	(333,394)
4,211,878	-	4,211,878
(3,391,794)	-	(3,391,794)
(1,858,162)	-	(1,858,162)
(46,693,009)	-	(46,693,009)
-	3,005,960	3,005,960
-	(1,220,628)	(1,220,628)
-	2,047,523	2,047,523
-	3,832,855	3,832,855
(46,693,009)	3,832,855	(42,860,154)
41,680,345	-	41,680,345
833,923	-	833,923
513,202	-	513,202
12,012,620	-	12,012,620
1,954,182	77,140	2,031,322
1,162,442	21,618	1,184,060
(687,684)	687,684	-
57,469,030	786,442	58,255,472
10,776,021	4,619,297	15,395,318
269,721,704	91,857,430	361,579,134
$ 280,497,725	$ 96,476,727	$ 376,974,452

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FUND FINANCIAL STATEMENTS

TOWN OF MARANA, ARIZONA
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019

	General Fund	Highway User Revenue	Tangerine Farms Improvement District Debt Service
ASSETS			
Cash and cash equivalents	$ 28,126,689	$ 2,908,438	$ 1,142,921
Property taxes receivable	-	-	-
Accounts receivable	230,851	-	-
Special assessments receivable	-	-	11,165,585
Interest receivable	63,664	-	-
Development agreement receivable	-	-	-
Due from other governments	4,237,717	344,276	-
Due from other funds	6,446,748	-	-
Prepaid items	330,333	-	-
Restricted cash and investments	-	-	-
Total assets	$ 39,436,002	$ 3,252,714	$ 12,308,506
LIABILITIES			
Accounts payable	$ 903,748	$ 235,830	$ 295
Accrued payroll and employee benefits	728,362	-	-
Due to other funds	-	-	-
Due to other governments	89,271	-	-
Deposits held for others	861,404	-	-
Unearned revenue	297,361	-	-
Total liabilities	2,880,146	235,830	295
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	-	11,165,585
Total deferred inflows of resources	-	-	11,165,585
FUND BALANCES (DEFICITS)			
Nonspendable	4,513,212	-	-
Restricted	-	3,016,884	1,142,626
Unassigned	32,042,644	-	-
Total fund balances (deficits)	36,555,856	3,016,884	1,142,626
Total liabilities, deferred inflow of resources, and fund balances (deficits)	$ 39,436,002	$ 3,252,714	$ 12,308,506

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

Sales Tax Capital	Transportation	Non-Major Governmental Funds	Total Governmental Funds
$ 121,256	$ 7,268,246	$ 24,554,327	$ 64,121,877
-	-	5,196	5,196
-	-	3,189	234,040
-	-	-	11,165,585
-	68,269	14,404	146,337
-	-	58,352	58,352
-	1,328,194	976,621	6,886,808
-	2,400,000	-	8,846,748
-	-	1,580	331,913
-	4,358,336	-	4,358,336
$ 121,256	$ 15,423,045	$ 25,613,669	$ 96,155,192
$ 121,256	$ 2,036,583	$ 525,375	$ 3,823,087
-	-	17,789	746,151
-	-	975,052	975,052
-	-	-	89,271
-	2,573	62,400	926,377
-	-	10,620	307,981
121,256	2,039,156	1,591,236	6,867,919
-	-	58,370	11,223,955
-	-	58,370	11,223,955
-	-	1,580	4,514,792
-	13,383,889	24,524,608	42,068,007
-	-	(562,125)	31,480,519
-	13,383,889	23,964,063	78,063,318
$ 121,256	$ 15,423,045	$ 25,613,669	$ 96,155,192

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TOWN OF MARANA, ARIZONA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

Total governmental fund balances		**$ 78,063,318**
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 governmental funds:		
Governmental capital assets	$ 525,941,639	
Less accumulated depreciation	(221,325,613)	304,616,026
Long-term liabilities, such as net pension liabilities and bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Compensated absences	(1,181,560)	
Revenue bonds payable	(52,651,000)	
General obligation bonds payable	(11,385,000)	
Special assessment bonds	(12,126,000)	
Net pension liability	(35,062,702)	
Accrued interest payable	(1,498,805)	(113,905,067)
Internal Service Funds are used by management to charge the costs of health and dental services. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.		434,250
Deferred items related to the issuance of bonds and resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.		
Bond premium	(5,507,092)	
Deferred charge on refunding	1,603,406	
Deferred inflows related to pensions	(3,153,390)	
Deferred outflows related to pensions	7,122,319	65,243
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		
Intergovernmental revenue	58,370	
Special assessments revenue	11,165,585	11,223,955
Net position of governmental activities		**$ 280,497,725**

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

TOWN OF MARANA, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	General Fund	Highway User Revenue	Tangerine Farms Improvement District Debt Service
Revenues:			
Sales taxes	$ 28,972,724	$ -	$ -
Property taxes	-	-	-
Intergovernmental	12,012,620	3,618,444	-
Licenses, fees & permits	5,774,930	-	-
Fines, forfeitures & penalties	527,447	-	-
Charges for services	717,709	-	-
Lease income	147,564	-	-
Special assessments	-	-	2,868,657
Contributions	22,342	-	-
Investment income	1,226,150	29,130	-
Miscellaneous	745,967	-	-
Total revenues	50,147,453	3,647,574	2,868,657
Expenditures:			
Current -			
General government	12,440,607	-	-
Public safety	14,543,987	-	-
Highways and streets	2,560,421	2,418,171	-
Health and welfare	290,168	-	-
Economic and community development	4,381,492	-	-
Culture and recreation	4,559,653	-	-
Capital outlay	897,844	68,528	-
Debt service -			
Principal retirement	-	-	2,074,132
Interest and fiscal charges	-	-	359,317
Bond issuance costs	-	-	-
Total expenditures	39,674,172	2,486,699	2,433,449
Excess (deficiency) of revenues over expenditures	10,473,281	1,160,875	435,208
Other financing sources (uses):			
Face value of bonds issued	-	-	-
Premium on bonds issued	-	-	-
Proceeds from sale of capital assets	225,568	-	-
Transfers in	-	-	-
Transfers out	(3,730,916)	-	-
Total other financing sources (uses)	(3,505,348)	-	-
Changes in fund balances	6,967,933	1,160,875	435,208
Fund balances (deficits), beginning of year	29,587,923	1,856,009	707,418
Fund balances (deficits), end of year	$ 36,555,856	$ 3,016,884	$ 1,142,626

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

Sales Tax Capital	Transportation	Non-Major Governmental Funds	Total Governmental Funds
$ 2,944,927	$ 8,101,699	$ 1,660,995	$ 41,680,345
-	-	833,924	833,924
-	-	4,409,228	20,040,292
-	-	4,259,833	10,034,763
-	-	109,142	636,589
-	-	-	717,709
-	-	-	147,564
-	-	-	2,868,657
-	-	26,646	48,988
21,996	394,523	282,383	1,954,182
-	-	11,528	757,495
2,966,923	8,496,222	11,593,679	79,720,508
-	730,617	849,458	14,020,682
-	-	958,317	15,502,304
-	31,592	20,907	5,031,091
-	-	-	290,168
-	-	362,893	4,744,385
-	-	53,530	4,613,183
6,027,015	10,611,881	6,872,527	24,477,795
-	-	3,389,000	5,463,132
-	-	2,745,649	3,104,966
-	-	314,002	314,002
6,027,015	11,374,090	15,566,283	77,561,708
(3,060,092)	(2,877,868)	(3,972,604)	2,158,800
-	-	3,845,000	3,845,000
-	-	87,744	87,744
	-	-	225,568
-	45,514	6,036,574	6,082,088
-	(808,297)	(2,230,559)	(6,769,772)
-	(762,783)	7,738,759	3,470,628
(3,060,092)	(3,640,651)	3,766,155	5,629,428
3,060,092	17,024,540	20,197,908	72,433,890
$ -	$ 13,383,889	$ 23,964,063	$ 78,063,318

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TOWN OF MARANA, ARIZONA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

Net changes in fund balances - total governmental funds		**$ 5,629,428**
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 depreciation expense.		
Expenditures for capitalized assets	$ 21,681,322	
Less current year depreciation	(18,250,493)	3,430,829
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Debt issued	(3,845,000)	
Premium on bonds	(87,744)	
Special assessment bond retirement	2,074,132	
General obligation bond retirement	205,000	
Revenue bond principal retirement	3,184,000	1,530,388
Contributions of infrastructure assets are not recorded as revenues in the governmental funds.		3,295,904
Some revenues and expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as revenues or expenditures in governmental funds.		
Accrued interest	81,253	
Developer contributions	(370,423)	
Intergovernmental revenue	47,846	
Special assessments	(2,594,750)	
Compensated absences	(31,268)	
Proceeds from the sale of capital assets	(225,568)	
Gain on sale of assets	100,181	
Amortization of deferred charges	245,685	(2,747,044)
Town pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the Town's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.		
Town pension contributions	3,577,656	
Town proportionate share of State's appropriation to EORP	83,092	
Pension expense	(3,998,473)	(337,725)
Internal service funds are used by the Town to charge the costs of health and dental services. The net revenue (expense) is reported with governmental activities in the Statement of Activities.		(25,759)
Change in net position in governmental activities		**$ 10,776,021**

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

TOWN OF MARANA, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Sales taxes	$ 26,284,560	$ 26,284,560	$ 28,972,724	$ 2,688,164
Intergovernmental	11,748,196	11,748,196	12,012,620	264,424
Licenses, fees & permits	4,844,203	4,844,203	5,774,930	930,727
Fines, forfeitures & penalties	585,000	585,000	527,447	(57,553)
Charges for services	570,781	570,781	717,709	146,928
Lease income	125,000	125,000	147,564	22,564
Contributions	47,600	47,600	22,342	(25,258)
Investment income	185,000	185,000	1,226,150	1,041,150
Miscellaneous	415,669	415,669	745,967	330,298
Total revenues	44,806,009	44,806,009	50,147,453	5,341,444
Expenditures:				
General government:				
General government	6,983,318	6,731,095	2,122,209	4,608,886
Town council	338,036	338,036	323,695	14,341
Town clerk	583,948	583,948	423,310	160,638
Town manager	1,898,946	1,898,946	1,613,160	285,786
Human resources	913,548	913,548	839,370	74,178
Facilities	2,239,365	2,239,365	1,095,879	1,143,486
Finance	1,205,031	1,205,031	1,014,486	190,545
Legal	1,005,575	1,005,575	960,894	44,681
Technology services	3,446,181	3,446,181	3,092,003	354,178
Municipal courts	1,058,027	1,058,027	955,601	102,426
Public Safety:				
Police	13,894,716	13,894,716	13,549,721	344,995
Building safety	1,183,846	1,183,846	977,602	206,244
Code Enforcement	47,700	32,700	16,664	16,036
Highways and streets:				
Public works	3,000,024	3,000,024	2,560,421	439,603
Health and welfare:				
Animal Services	330,462	315,462	290,168	25,294
Economic and community development:				
Development services	4,284,029	4,284,029	3,475,925	808,104
Economic development and tourism	284,506	284,506	264,536	19,970
Community development	618,080	648,080	641,031	7,049
Culture and recreation:				
Parks and recreation	5,245,954	5,245,954	4,559,653	686,301
Capital outlay	1,255,049	1,507,272	897,844	609,428
Total expenditures	49,816,341	49,816,341	39,674,172	10,142,169
Excess (deficiency) of revenues over expenditures	(5,010,332)	(5,010,332)	10,473,281	15,483,613
Other financing sources (uses):				
Proceeds from the sale of capital assets	150,000	150,000	225,568	75,568
Transfers out	(3,681,371)	(3,681,371)	(3,730,916)	(49,545)
Total other financing sources (uses)	(3,531,371)	(3,531,371)	(3,505,348)	26,023
Changes in fund balances	(8,541,703)	(8,541,703)	6,967,933	15,509,636
Fund balances, beginning of year	-	-	29,587,923	29,587,923
Fund balances, end of year	$ (8,541,703)	$ (8,541,703)	$ 36,555,856	$ 45,097,559

TOWN OF MARANA, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - HIGHWAY USER REVENUE FUND
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			
	Original	Final	Actual	Variance - Positive (Negative)
Revenues:				
Intergovernmental	$ 3,268,578	$ 3,268,578	$ 3,618,444	$ 349,866
Investment income	7,500	7,500	29,130	21,630
Total revenues	3,276,078	3,276,078	3,647,574	371,496
Expenditures:				
Current -				
Highways and streets	3,521,957	3,619,222	2,418,171	1,201,051
Capital outlay	379,092	281,827	68,528	213,299
Total expenditures	3,901,049	3,901,049	2,486,699	1,414,350
Excess (deficiency) of revenues over expenditures	(624,971)	(624,971)	1,160,875	1,785,846
Fund balances, beginning of year	-	-	1,856,009	1,856,009
Fund balances, end of year	$ (624,971)	$ (624,971)	$ 3,016,884	$ 3,641,855

TOWN OF MARANA, ARIZONA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Business-type Activities				Governmental Activities
	Water	Wastewater	Airport	Total Enterprise Funds	Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	$ 4,988,169	$ 2,905,537	$ -	$ 7,893,706	$ 1,067,739
Accounts receivable	854,512	344,212	145,101	1,343,825	-
Due from governments	470,803	31,820	1,529,695	2,032,318	-
Prepaid items	66,372	-	2,648	69,020	-
Total current assets	6,379,856	3,281,569	1,677,444	11,338,869	1,067,739
Noncurrent assets:					
Restricted cash	365,485	-	-	365,485	-
Capital assets not depreciated	6,655,815	3,170,766	5,588,950	15,415,531	-
Capital assets (net of depreciation)	32,810,651	61,203,114	13,251,957	107,265,722	-
Total noncurrent assets	39,831,951	64,373,880	18,840,907	123,046,738	-
Total assets	46,211,807	67,655,449	20,518,351	134,385,607	1,067,739
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	238,739	67,574	30,462	336,775	-
Total deferred outflows of resources	238,739	67,574	30,462	336,775	-
LIABILITIES					
Current liabilities:					
Accounts payable	1,037,613	69,189	1,018,035	2,124,837	331,009
Accrued payroll and employee benefits	33,160	11,825	5,471	50,456	-
Claims payable	-	-	-	-	302,480
Compensated absences	59,803	19,191	15,653	94,647	-
Due to other funds	-	250,000	1,038,817	1,288,817	-
Deposits held for others	776,144	-	-	776,144	-
Due to other governments	244,222	-	-	244,222	-
Bonds payable - current	184,000	-	-	184,000	-
Loan payable - current	760,733	-	-	760,733	-
Interest payable	53,930	404,534	-	458,464	-
Total current liabilities	3,149,605	754,739	2,077,976	5,982,320	633,489
Noncurrent liabilities:					
Due to other funds	-	5,261,943	1,320,936	6,582,879	-
Compensated absences	6,645	2,132	1,739	10,516	-
Bonds payable	576,000	20,130,870	-	20,706,870	-
Loan payable	2,742,865	-	-	2,742,865	-
Net pension liability	1,565,088	221,898	185,743	1,972,729	-
Total non-current liabilities	4,890,598	25,616,843	1,508,418	32,015,859	-
Total liabilities	8,040,203	26,371,582	3,586,394	37,998,179	633,489
DEFERRED INFLOWS OF RESOURCES					
Resources related to pensions	192,719	30,256	24,501	247,476	-
Total deferred inflows of resources	192,719	30,256	24,501	247,476	-
NET POSITION					
Net investment in capital assets	35,202,868	44,243,010	18,840,907	98,286,785	-
Restricted for debt service	365,485	-	-	365,485	-
Unrestricted	2,649,271	(2,921,825)	(1,902,989)	(2,175,543)	434,250
Total net position	$ 38,217,624	$ 41,321,185	$ 16,937,918	$ 96,476,727	$ 434,250

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

TOWN OF MARANA, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2019

	Business-type Activities				Governmental Activities
	Water	Wastewater	Airport	Total Enterprise Funds	Internal Service Funds
Operating revenues:					
Licenses, fees & permits	$ -	$ 26,849	$ -	$ 26,849	$ -
Charges for services	5,749,523	1,599,545	328,630	7,677,698	4,401,982
Miscellaneous	-	-	21,618	21,618	-
Total operating revenues	5,749,523	1,626,394	350,248	7,726,165	4,401,982
Operating expenses:					
Personnel costs	1,745,579	537,218	257,771	2,540,568	-
Contractual services	200,965	164,607	27,478	393,050	749,261
Commodities	1,629,100	255,789	51,987	1,936,876	-
Other	1,232,255	5,980	116,199	1,354,434	3,678,480
Depreciation expense	1,186,802	1,616,592	941,732	3,745,126	-
Total operating expenses	5,994,701	2,580,186	1,395,167	9,970,054	4,427,741
Operating income (loss)	(245,178)	(953,792)	(1,044,919)	(2,243,889)	(25,759)
Nonoperating revenues (expenses):					
Investment income	57,683	19,457	-	77,140	-
Interest expense	(62,971)	(1,193,915)	-	(1,256,886)	-
Gain (loss) on disposal of capital assets	(120,696)	(1,501,373)	-	(1,622,069)	-
Total nonoperating revenues (expenses)	(125,984)	(2,675,831)	-	(2,801,815)	-
Net income (loss) before contributions and transfers	(371,162)	(3,629,623)	(1,044,919)	(5,045,704)	(25,759)
Development fees	2,609,749	1,627,255	-	4,237,004	-
Capital contributions	825,056	801,197	3,114,060	4,740,313	-
Transfers in	590,923	1,492,082	810,489	2,893,494	-
Transfers out	(1,304,668)	(901,142)	-	(2,205,810)	-
Changes in net position	2,349,898	(610,231)	2,879,630	4,619,297	(25,759)
Net position, beginning of year	35,867,726	41,931,416	14,058,288	91,857,430	460,009
Net position, end of year	$ 38,217,624	$ 41,321,185	$ 16,937,918	$ 96,476,727	$ 434,250

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

TOWN OF MARANA, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Business-type Activities				Governmental Activities
	Water	Wastewater	Airport	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities:					
Received from customers	$ 5,056,166	$ 1,434,293	$ 249,038	$ 6,739,497	$ 4,401,982
Payments to suppliers for goods and services	(2,506,786)	(1,717,617)	(197,967)	(4,422,370)	(4,107,160)
Payments to employees for services	(1,852,453)	(566,212)	(268,001)	(2,686,666)	-
Other receipts/payments	-	26,849	(493,898)	(467,049)	-
Net cash provided by (used for) operating activities	696,927	(822,687)	(710,828)	(836,588)	294,822
Cash flows from non-capital activities:					
Interfund borrowing	-	-	346,052	346,052	-
Transfers in	590,923	1,492,082	810,489	2,893,494	-
Transfers out	(1,304,668)	(901,142)	-	(2,205,810)	-
Net cash provided by (used for) non-capital activities	(713,745)	590,940	1,156,541	1,033,736	-
Cash flows from capital activities and related financing activities:					
Capital grants received	-	212,645	3,112,077	3,324,722	-
Development fees received	2,609,749	1,627,255	-	4,237,004	-
Loan proceeds	528,026	-	-	528,026	-
Principal payments	(405,000)	-	-	(405,000)	-
Interest paid on debt	(68,431)	(789,381)	-	(857,812)	-
Proceeds from sale of capital assets	-	12,039	23,265	35,304	-
Acquisition and construction of capital assets	(1,826,374)	(1,174,619)	(3,600,965)	(6,601,958)	-
Net cash provided by (used for) capital activities	837,970	(112,061)	(465,623)	260,286	-
Cash flows from investing activities:					
Interest on investments	57,683	19,457	-	77,140	-
Net cash provided by investing activities	57,683	19,457	-	77,140	-
Net increase (decrease) in cash and cash equivalents	878,835	(324,351)	(19,910)	534,574	294,822
Cash and cash equivalents, beginning of year	4,474,819	3,229,888	19,910	7,724,617	772,917
Cash and cash equivalents, end of year	$ 5,353,654	$ 2,905,537	$ -	$ 8,259,191	$ 1,067,739
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating (loss)	$ (245,178)	$ (953,792)	$ (1,044,919)	$ (2,243,889)	$ (25,759)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	1,186,802	1,616,592	941,732	3,745,126	-
Changes in assets and liabilities:					
(Increase) in accounts receivable	(239,219)	(133,432)	(76,944)	(449,595)	-
(Increase) in due from other governments	(470,803)	(31,820)	(1,525,949)	(2,028,572)	-
(Increase) in prepaid items	(29,199)	-	(2,648)	(31,847)	-
(Increase) decrease in deferred outflows of resources related to pensions	32,269	(476)	4,218	36,011	
Increase (decrease) in accounts payable	555,534	(1,271,553)	1,008,130	292,111	323,176
(Decrease) in claims payable	-	-	-	-	(2,595)
(Decrease) in accrued payroll	(5,981)	(44,991)	(24,150)	(75,122)	-
Increase (decrease) in compensated absences payable	(9,306)	(1,746)	1,459	(9,593)	-
(Decrease) in accrued liabilities	-	(19,688)	-	(19,688)	-
Increase in deposits held for others	35,487	-	-	35,487	-
Increase in due to other governments	10,377	-	-	10,377	-
(Decrease) in net pension liability	(223,837)	(6,503)	(5,704)	(236,044)	
Increase in deferred inflows of resources related to pensions	99,981	24,722	13,947	138,650	
Net cash provided (used) by operating activities	$ 696,927	$ (822,687)	$ (710,828)	$ (836,588)	$ 294,822
Noncash investing, capital and financing activities:					
Capital contributions	825,056	588,551	-	1,413,607	-
Amortization of bond premium	-	(19,688)	-	-	-
Loss on disposal of capital assets	(120,696)	(1,513,412)	-	(1,634,108)	-
Reconciliation of cash and cash equivalents to the statement of net position:					
Cash and cash equivalents	$ 4,988,169	$ 2,905,537	$ -	$ 7,893,706	$ 1,067,739
Restricted cash	365,485	-	-	365,485	-
Total cash and cash equivalents	$ 5,353,654	$ 2,905,537	$ -	$ 8,259,191	$ 1,067,739

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

For the year ended June 30, 2019, the Town implemented the provisions of GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placement.* GASB Statement No. 88 improves consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and provides financial statement users with additional essential information about debt.

A. Reporting Entity

The Town of Marana, Arizona (the Town) was incorporated on March 21, 1977, under the provisions of the Constitution of Arizona and the Arizona Revised Statutes. The Town operates under a separately elected council-mayor form of government. All funds and entities related to the Town that are controlled by the Mayor and Council are included in the annual financial report. Control is determined on the basis of budget adoption, taxing authority, and the ability to significantly influence operations and accountability for fiscal matters. The Town provides a full range of services including general government, development and planning services, legal, public safety, public works, and parks and recreation services.

In accordance with generally accepted accounting principles, these financial statements present the Town and its component units, the Gladden Farms Community Facilities District (GFCFD), Gladden Farms Community Facilities District II (GFCFD II), the Vanderbilt Farms Community Facilities District (VFCFD), the Saguaro Springs Community Facilities District (SSCFD) and the Tangerine Farms Road Improvement District (TFRID). The GFCFD, GFCFD II, VFCFD, SSCFD and TFRID are blended component units with the Town in these financial statements as all five were established by the Town in order to fund the debt incurred to finance the purchase of various public infrastructure within the districts.

The GFCFD, GFCFD II, VFCFD, SSCFD and TFRID component units each have a June 30 year-end and are included in the Gladden Farms Capital Projects and Debt Service Funds, the Vanderbilt Farms Capital Projects, the Saguaro Springs Capital Projects and Debt Service Funds, the Tangerine Farms Improvement District Debt Service Fund, and the Other Capital Projects Funds, respectively. Separate financial statements of the TFRID are not prepared on a stand-alone basis.

B. Basis of Presentation

The basic financial statements include both government-wide statements and fund-based financial statements. The government-wide statements focus on the Town as a whole, while the fund-based statements focus on major funds. Each presentation provides valuable information that can be analyzed and compared between years and between governments to enhance the usefulness of the information.

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 Town as a whole. The reported information includes all of the activities of the Town and its component units. 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 Town. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which are financed in whole or part by fees charged to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function of the Town's governmental activities or segment of its business-type activities are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Town does not currently have an indirect cost allocation system. However, the General Fund does allocate administrative charges to the Enterprise funds to support general services used by those funds (like purchasing, accounting, administration, etc.) These fees are included in the expense column on the Statement of Activities. 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. Taxes, investment income, and other items not included among program revenues are reported instead as general revenues.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Utility, Wastewater Utility, and Airport funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements to minimize the double counting of internal activities. However, charges for interfund services provided and used are not eliminated if doing so would distort the direct costs and program revenues reported by the departments concerned.

Fund Financial Statements

Fund statements provide information about the Town's funds, including blended component units. Separate statements are presented for the governmental and proprietary fund categories. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The Town reports the following major governmental funds:

General Fund – This fund is the general operating fund of the Town. It is used to account for all financial resources, except those required to be accounted for in another fund.

Highway User Revenue Fund – This fund accounts for excise fuel taxes which are distributed to cities and towns based on a formula. A constitutional restriction requires that these funds be used solely for street and highway purposes.

Tangerine Farms Improvement District Debt Service Fund – This fund accounts for the accumulation of resources and payment of principal and interest on the Tangerine Farms Road Improvement District Special Assessment Bonds.

Sales Tax Capital Fund – This fund accounts for sales tax proceeds which are used for authorized capital improvements.

Transportation Fund – This fund accounts for the financing and construction of transportation capacity improvement projects.

The Town reports the following major proprietary funds:

Water Fund – This fund is used to account for the financing and operation of the Water Utility.

Wastewater Fund – This fund is used to account for the financing and operation of the Wastewater Utility.

Airport Fund – This fund is used to account for the financing and operation of the Marana Airport.

Additionally, the Town reports the following fund types:

Internal service fund – This fund is used to account for the operating revenues and charges for health and dental benefits.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned, including unbilled water services which are accrued, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon all eligibility requirements imposed by the grantor or provider have been met.

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 thereafter to pay liabilities of the current period. For this purpose, the Town 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. Debt service resources are provided during the current year for payment of long-term debt principal and interest due early in the following year. Compensated absences are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of general long-term debt and acquisitions under capital lease agreements are reported as other financing sources.

Sales taxes, licenses and permits, charges for services, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so 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 they are not measurable until received in cash.

Property taxes are levied by community facility districts, which are component units of the Town and collected by the Pima County Treasurer and special assessment property taxes are levied and collected by the Town. All property taxes are levied no later than the third Monday in August and are payable in two installments due October 1 of the current year and March 1 of the subsequent year. Taxes become delinquent after the first business day of November and May, respectively. Interest attaches on installments after the delinquent date. Pursuant to ARS, a lien against assessed real and personal property attaches on the first day of January preceding assessment and levy; however according to case law, an enforceable legal claim to the asset does not arise.

Tangerine Farms Road Improvement District (a component unit) issued special assessment bonds for infrastructure improvements. These bonds will be paid through assessments made to the property owners within the Tangerine Farms Road Improvement District. The Town is responsible for the collection of the assessments and the disbursement of funds to retire the bonds. If a delinquency on an assessment occurs, the Town is required to cover the delinquency with other resources until foreclosure proceeds are received.

D. Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Town considers all highly liquid investments (including the funds' participation in the investment pool account, and appropriate restricted assets) to be cash equivalents. Individual fund investments with a maturity of three months or less when purchased are considered as cash equivalents.

E. Investments

Arizona Revised Statutes authorize the Town to invest public monies in the State Treasurer's Local Government Investment Pool, interest-bearing savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; bonds or other obligations of the U.S. government that are guaranteed as to principal and interest by the U.S. government; and bonds of the State of Arizona counties, cities, towns, school districts, and special districts as specified by statue.

The State Board of Investment provides oversight for the State Treasurer's pools. The fair value of a participant's position in the pool approximates the value of that participant's pool shares

Nonparticipating interest-earning investment contracts are stated at cost. Money market investments and participating interest contracts with a remaining maturity of one year or less at time of purchase are stated at amortized cost. All investments are stated at fair value.

F. Postemployment Benefits

For purposes of measuring the net pension (asset and) liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, 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 plans. 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. ASRS, EORP, CORP, and PSPRS net OPEB assets/liabilities or related deferrals have not been recorded, or further disclosed, at June 30, 2019 in accordance with GASB 75, due to the relative insignificance to the Town's financial statements.

G. Restricted Assets

The trust indentures executed for the entire bond series issued require all cash and investments for each bond series to be held on deposit by the trustee/fiscal agents. These assets are restricted for payment of interest and trustee fees associated with the bond issues, retirement of principal balances, and to finance various capital projects.

In addition, the State of Arizona required that assets obtained at the completion of criminal proceedings by the Town's police department be given to Pima County for custodial purposes. These assets are restricted for expenses that will enhance the Town's ability to conduct police investigations.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are recorded as expenses when consumed in the government-wide financial statements. Prepaid items are recorded as expenditures when purchased in the fund financial statements and are offset by a reserve of fund balance.

I. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are 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 trade and other receivables are shown net of an allowance for uncollectible amounts.

J. 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 statements are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds.

K. Capital Assets

Capital assets, including public domain infrastructure such as roads, bridges, curbs and sidewalks, lighting system, water distribution system and other assets that are immovable and of value to the Town, are defined as assets with an initial individual cost of $5,000 or more and an estimated useful life of more than one year. Such assets are recorded at actual cost or historical cost (or estimated historical cost if historical records are not available). Donated capital assets are reported at acquisition value. Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. No long-term assets or depreciation are shown in the governmental funds financial statements.

The Town has chosen not to apply the modified approach to any network, system, or subsystem of infrastructure assets.

The cost of normal maintenance and repairs that do not significantly add to the value of the asset or materially extend the life of the asset are not capitalized. Major improvements are capitalized and depreciated over the remaining useful life of the related capital assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

Depreciation is provided over the estimated useful lives of such assets using the straight-line method. These estimated useful lives are as follows:

	Years
Buildings	15-40
Building improvements	10-15
Pump stations, distribution systems, equipment and improvements	20-75
Public domain infrastructure	20-50
Machinery, equipment, and assets under capital lease	5-10

L. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable business-type activities and proprietary fund type statement of net position. Bond related charges and credits, such as premium discounts and issuance costs, are deferred and amortized over the life of the bonds using the straight-line method.

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 in the period incurred.

M. Compensated Absences

The Town's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay. Vacation leave vests with the employee as it is earned. The current and long-term liabilities for accumulated vacation, including related benefits, are reported on the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations, and retirements. Sick leave benefits provided for ordinary sick pay are not vested with the employees. Generally, resources from the General Fund are used to pay for compensated absences.

N. Transactions Between Funds

Transactions that would be treated as revenue or expenses if they involved organizations external to the governmental unit are accounted for as revenue or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenses initially made from that fund which are properly applicable to another fund are recorded as expenses in the reimbursing fund and as reductions of the expense in the fund that is reimbursed.

Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund statements are reported as other financing sources/uses in governmental funds and

after non-operating revenues/expenses in proprietary funds.

O. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions. This will affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

P. Seized Property

The Town Police have in their custody certain assets seized in criminal proceedings. Until formal procedures have been finalized, the ownership of this property is not determinable. In addition, legal requirements dictate that such assets not be reflected on the Town's financial records in an agency capacity until Town ownership has been determined. Consequently, no such assets are recorded on these financial statements.

Q. Deferred Outflows/Inflows of Resources

The statement of net position and balance sheet include separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense or expenditure in future periods. Deferred inflows of resources represent an acquisition of net position or fund balance that applies to future periods and will be recognized as revenue in future periods.

R. Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance).

In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed. Additionally, the Town funds certain programs by a combination of grants and general revenues. The Town applies grant resources to such programs before using general revenues.

NOTE 2 – FUND BALANCE CLASSIFICATIONS

In the fund financial statements, fund balance is reported in classifications that comprise a hierarchy based on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The classifications of fund balance are Nonspendable, Restricted, Committed, Assigned, and Unassigned. Nonspendable and Restricted fund balances represent the restricted classifications and Committed, Assigned, and Unassigned represent the unrestricted classifications.

Committed fund balance can be used only for specific purposes determined by formal action of Town Council. Town Council is the highest level of decision-making authority for the town. Commitments may be established, modified, or rescinded only through resolutions approved by Town Council.

Nonspendable Fund Balance consists of funds that are not in a spendable form, such as inventories and prepaids, or can be legally or contractually required to be maintained intact.

Restricted Fund Balance consists of funds that are externally imposed by creditors, grantors, contributors, law or regulations of other governments, or by law imposed through constitutional provisions or enabling legislation. Committed Fund Balance consists of funds that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision-making authority. Assigned Fund Balance consists of funds constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. This classification of fund balance must be designated by the Town's highest level of decision making authority or a Town official that has been delegated the authority to assign funds. Unassigned Fund Balance consists of the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The General Fund is the only fund that can report a positive unassigned fund balance and any other governmental fund can report a negative fund balance. When both restricted and unrestricted resources are available for specific expenditures, restricted resources are considered spent before unrestricted resources.

As of June 30, 2019, the fund balance details by classification are listed below:

	General Fund	Highway User Revenue	Tangerine Farms Improvement District Debt Service	Sales Tax Capital Fund	Transportation Fund	Non-Major Governmental Funds
Fund Balances:						
Nonspendable:						
Prepaid expenditures	$330,333	$ -	$ -	$ -	$ -	$ 1,580
Long-term due from other funds	4,182,879	-	-	-	-	-
Restricted:						
Courts	-	-	-	-	-	1,086,737
Tourism promotion	-	-	-	-	-	1,868,782
Police	-	-	-	-	-	1,198,896
Highways and streets	-	3,016,884	-	-	-	-
Housing programs	-	-	-	-	-	181,434
Capital projects	-	-	-	-	13,383,889	14,800,943
Debt service	-	-	1,142,626	-	-	5,387,816
Unassigned:	32,042,644	-	-	-	-	(562,125)
Total fund balances:	$36,555,856	$3,016,884	$ 1,142,626	$ -	$13,383,889	$ 23,964,063

NOTE 3 - BUDGETARY CONTROL

Excess Expenditures Over Budget – At June 30, 2019, the Town had expenditures in funds that exceeded the budget; however, this does not constitute a violation of any legal provisions.

The voters of the State of Arizona, on June 3, 1980, approved an expenditure limitation that is applicable

to all local governments. This limitation, based on expenditures of the 1979-80 fiscal year, restricts the growth of expenditures based on a factor of increases in population and inflation. Certain expenditures are held to be excludable. The limitation is set by the State Economic Estimates Commission prior to April 1 of each year for the following fiscal year. As allowed, the voters of the Town of Marana, on November 8, 2016, approved an alternative expenditure limitation - home rule option to be applicable to the Town. This alternative expenditure limitation is free from any ties to the state imposed limitations and is in effect for four consecutive years beginning with the fiscal year ended June 30, 2017. This limitation provides for the Town to allow the Mayor and Council to adopt an annual expenditure limitation each year with no expenditures held to be excludable. Therefore, the annual expenditure limitation equals the adopted budget.

The Town establishes its fiscal year as the twelve-month period beginning July 1. The departments submit to the Town manager a budget of estimated expenditures for the ensuing fiscal year. The Town manager and each department head meet to discuss mutually acceptable changes for the estimated expenditures for that department after which the Town manager subsequently submits a budget of estimated expenditures and revenues to the Town Council.

Upon receipt of the budget estimates, the Town Council will hold a public meeting to obtain taxpayer comments. Concurrently, a copy of the budget estimates is published in a local newspaper. The Town Council is prevented from legally enacting the budget through passage of a resolution until 15 days have passed after the date of the public meeting. Prior to July 1, the budget is legally enacted.

The Town Council formally adopts the budget and legally allocates the available monies for the General Fund, the Highway User Revenue Fund, the Community Development Block Grant Fund, the Affordable Housing Revolving Fund, the Local JCEF Fund, the Local Technology Enhancement Fund, the Fill the Gap Fund, the Bed Tax Fund, the RICO Fund, the Emergency Telecommunications Fund, the Impound Fund, the Other Grants and Contributions Fund, the Gladden Farms CFD Debt Fund, the Tangerine Farms Improvement District Debt Fund, the Transportation Fund, the One-half Cent Sales Tax Fund, the Downtown Reinvestment Fund, the Impact Fee Funds, the Other Capital Projects Funds, the Regional Transportation Authority Fund, the Gladden Farms CFD Capital Fund, the Gladden Farms II CFD Capital Fund, the Vanderbilt CFD Capital Fund, and the Saguaro Springs CFD Capital Fund. The enterprise funds, Water Utility, Wastewater Utility and Airport, are subject to flexible budgets.

The Town manager is authorized to transfer budgeted amounts within any department in the General Fund or between funds for any other fund; however, any revisions that reallocate budgeted amounts between departments within the General Fund or from the budget line items labeled "contingency" must be approved by the Town Council.

NOTE 4 - CASH AND INVESTMENTS

A.R.S and the Town's investment policy authorize investments in the State Treasurer's local government investment pools, the County Treasurer's investment pool, interest-bearing savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; and bonds or other obligations of the U.S. government that are guaranteed as to principal and interest by the U.S. government. 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 Town's investments. The State Board of Investment provides oversight for the State Treasurer's pools.

At June 30, 2019, the carrying amount of the Town's deposits was $15,497,189 and the bank balance was $17,356,980. The differences between the book and bank balances are due to timing of certain transactions like deposits in transit and outstanding checks.
Of the bank balance, the Town had invested $16,120,246, which had been swept from the Town's bank account into an overnight repurchase agreement. Of the remaining bank balance, $831,500 was covered by Federal depository insurance and $487,194 was covered by collateral held by the pledging financial institution's trust department but not in the Town's name; no portion of the balance was uninsured and uncollateralized. The Town had $4,425 in petty cash funds, change drawers and other related items at year end. Additionally, the Town had deposits of $1,681,241 held by Pima County in a fiduciary capacity.

At June 30, 2019, the Town's investments, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

		Fair value measurement using		
Investment by fair value level	Amount	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Federal Home Loan Mortgage Corp.	$ 5,684,819	$ -	$ 5,684,819	$ -
Federal National Mortgage Assn.	6,990,286	-	6,990,286	-
Federal Home Loan Bank	5,581,156	-	5,581,156	-
U.S. Treasuries	4,911,991	-	4,911,991	-
Total investments by fair value level		$ -	$ 23,168,252	$ -
External investment pools measured at fair value				
State Treasurer's investment pool 5	17,462,517			
State Treasurer's investment pool 7	1,916,086			
Total investments measured at fair value	42,546,855			
Investments measured at amortized costs				
Money market investments	18,077,431			
Repurchase agreement	16,120,246			
Total investments measured at amortized costs	34,197,677			
Total investments	$76,744,532			

Investments categorized as Level 2 are valued using market-corroborated inputs by evaluating issues with its best-known market maker. Investments in the State Treasurer's investment pools are valued at the pool's share price multiplied by the number of shares the Town held. The fair value of a participant's position in the pools approximates the value of that participant's pool shares. The State Board of Investment provides oversight for the State Treasurer's investment pools.

Interest Rate Risk. Statutes require that public monies invested in securities and deposits have a maximum maturity of 5 years. The maximum maturity for investments in repurchase agreements is 180 days. In order to limit interest and market rate risk, the Town's investment policy sets a maximum maturity on any investment of 3 years. The weighted average maturity (WAM) at June 30, 2019 for Town

investments was 447 days. The State Treasurer's investment policy sets a maximum WAM for pools 5 and 7 not to exceed 90 days.

Credit Risk. As of June 30, 2019, the Town's investment in the State Treasurer's investment pool 5 and pool 7 are specifically limited to those securities that carry the full faith and credit of the United States Government. The net asset value per share of both pools at June 30, 2019 was $1.00. Pool 5 has continued to maintain the highest credit rating of AAA f/S1+ by Standard & Poor's. Pool 7 invests in securities backed by the U.S. Government and has an AAA weighted average rating. The Town's investments in U.S. Agencies were rated AA+ by Standard & Poor's. The Arizona State Treasurer has a publicly available financial report that includes financial statements and required supplementary information. Copies may be obtained by contacting the Arizona State Treasurer, 1700 West Washington, Phoenix, AZ 85007 or at www.aztreasury.gov.

Custodial Credit Risk. To control custodial credit risk, State law and the Town's investment policy requires all securities and collateral to be held by an independent third party custodian in the Town's name. The custodian provides the Town with monthly safekeeping statements.

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

Concentration of Credit Risk. The Town places no limit on the amount it may invest in any one issuer. More than 5% of the Town's investments are in U.S. Agencies. These investments are 18% of the Town's total investments.

At June 30, 2019, the Town had the following investment in debt securities:

		Investment maturities	
Investment Type	Amount	Less than 1 Year	1-5 Years
Money market investments	$ 18,077,431	$ 18,077,431	$ -
Repurchase agreement	16,120,246	16,120,246	
State Treasurer's Investment Pool 5	17,462,517	17,462,517	
State Treasurer's Investment Pool 7	1,916,086	1,916,086	
Federal Home Loan Mortgage Corp.	5,684,819	913,986	4,770,833
Federal National Mortgage Assn.	6,990,286	996,310	5,993,976
Federal Home Loan Bank	5,581,156	3,497,641	2,083,515
U.S. Treasuries	4,911,991	3,646,194	1,265,797
Total investments		$ 62,630,411	$ 14,114,121

NOTE 5 - CAPITAL ASSETS

The following is a summary of the changes in capital assets for fiscal year ended June 30, 2019:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	$ 7,659,942	$ 742,518	$ (125,000)	$ 8,277,460
Construction in progress	60,357,654	18,984,230	(60,871,550)	18,470,334
Total capital assets, not being depreciated	68,017,596	19,726,748	(60,996,550)	26,747,794
Capital assets, being depreciated:				
Buildings and improvements	45,295,675	19,444,777	-	64,740,452
Machinery, equipment, and other assets	20,335,042	4,841,842	(931,266)	24,245,618
Infrastructure	368,364,932	41,842,843	-	410,207,775
Total capital assets being depreciated	433,995,649	66,129,462	(931,266)	499,193,845
Less accumulated depreciation for:				
Buildings and improvements	(18,682,174)	(1,453,390)	-	(20,135,564)
Machinery, equipment, and other assets	(16,113,823)	(933,327)	930,878	(16,116,272)
Infrastructure	(169,202,568)	(15,871,209)	-	(185,073,777)
Total accumulated depreciation	(203,998,565)	(18,257,926)	930,878	(221,325,613)
Total capital assets, being depreciated, net	229,997,084	47,871,536	(388)	277,868,232
Governmental activities capital assets, net	$298,014,680	$67,598,284	$(60,996,938)	$304,616,026

Governmental activities depreciation expense was charged to function/programs as follows:

Governmental Activities:	
General government	$ 912,933
Public safety	503,293
Highways and streets	15,020,475
Economic and community development	153,716
Health and Welfare	12,647
Culture and recreation	1,647,429
Total depreciation expense – governmental activities	$ 18,250,493

The difference of $7,433 between total increases to accumulated depreciation and total depreciation expense is due to the inclusion of transfers of capital assets from the business-type activities.

A summary of changes in capital assets for business-type activities is as follows:

Business-type Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	$ 4,465,411	$ -	$ (23,265)	$ 4,442,146
Water rights	4,430,930	81,988	(120,696)	4,392,222
Construction in progress	30,315,856	5,899,169	(29,633,862)	6,581,163
Total capital assets, not being depreciated	39,212,197	5,981,157	(29,777,823)	15,415,531
Capital assets, being depreciated:				
Buildings, improvements and infrastructure	107,883,970	31,383,804	(2,083,361)	137,184,413
Machinery, equipment, and other assets	1,575,133	284,467	(103,271)	1,756,329
Total capital assets being depreciated	109,459,103	31,668,271	(2,186,632)	138,940,742
Less accumulated depreciation for:				
Buildings, improvements and infrastructure	(27,552,127)	(3,624,486)	587,020	(30,589,593)
Machinery, equipment, and other assets	(1,050,987)	(120,640)	86,200	(1,085,427)
Total accumulated depreciation	(28,603,114)	(3,745,126)	673,220	(31,675,020)
Total capital assets, being depreciated, net	80,855,989	27,923,145	1,513,412	107,265,722
Business-type activities capital assets, net	$120,068,186	$33,904,302	$(31,291,235)	$122,681,253

Business-type depreciation expense was charged to functions/programs as follows:

Business-type Activities:	
Airport	$ 941,732
Water	1,186,802
Wastewater	1,616,592
Total depreciation expense – business-type activities	$ 3,745,126

NOTE 6 – LONG-TERM LIABILITIES

A. Notes Payable

Business-type activities loans payable consists of three loans from the Water Infrastructure Finance Authority (WIFA), the proceeds of which were used to acquire and construct various water related infrastructure. The loans are to be repaid in annual principal payments, plus semiannual interest payments, and a semiannual servicing fee.

During 2010, the Town obtained $5,250,000 in financing from WIFA for the acquisition and construction of a new water infrastructure. As of year-end, the Town had drawn on $4,690,128 of the loan and returned $559,872. The interest rate at June 30, 2019 on the outstanding balance is 1.468 percent.

During 2019, the Town obtained $15,000,000 in financing from WIFA for the design and construction of two water treatment campuses. As of year-end, the Town has drawn on $528,026 of the loan, leaving $14,471,974 available for drawdown. The interest rate at June 30, 2019 on the outstanding balance is 2.440 percent.

During 2019, the Town also obtained $1,481,990 in financing from WIFA for the design and construction of new wastewater infrastructure for the Adonis Mobile Home Park Neighborhood. Fifty percent of the principal amount is forgivable as the Town applied on behalf of Adonis, a qualified disadvantaged community. As of year-end, the Town has drawn $212,645 of the forgivable portion, leaving $1,453,006 available for drawdown.

	Outstanding June 30, 2019
$4,690,128 Water Infrastructure Finance Authority loan, due in annual installments of $201,000 to $312,000; through July 1, 2029; at a 2.968% interest rate.	$ 2,975,572
$15,000,000 Water Infrastructure Finance Authority loan, 2019 Series, due in annual installments of $590,762 to $933,973; through July 1, 2038; at a 2.440% interest rate.	528,026
$740,995 Water Infrastructure Finance Authority loan, Adonis, due in annual installments of $28,985 to $46,405; through July 1, 2038; at a 2.508% interest rate.	-
Total	$3,503,598

The following is a schedule by years of the debt service requirements for the loan as of June 30, 2019.

Fiscal Year	Principal	Interest	Total
2020	$ 760,733	$ 48,034	$ 808,767
2021	239,614	38,506	278,120
2022	246,726	34,937	281,663
2023	254,049	31,261	285,310
2024	261,589	27,476	289,065
2025 – 2029	1,429,118	75.559	1,504,677
2030 – 2034	311,769	2,288	314,057
Totals	$ 3,503,598	$ 258,061	$ 3,761,659

B. Community Facilities District (CFD) General Obligation Bonds

Gladden Farms Community Facilities District (a component unit) issued general obligation bonds for infrastructure improvements and to refund prior issuances. The refunding issuance resulted in the 2004, 2006, 2007, and 2010 general obligation bond series to be considered defeased and the liability has been removed from the statement of net position. As of June 30, 2019, $875,000 was still outstanding for the 2010 Series refunding.

Saguaro Springs Community Facilities District (a component unit) issued $3,845,000 of Series 2018 general obligation bonds for infrastructure improvements.

These bonds are payable from the property tax collected by each District. The CFD general obligation bonds outstanding as reported in governmental activities as of June 30, 2019, were as follows:

	Outstanding June 30, 2019
$7,955,000 Gladden Farms CFD General Obligation Bonds, 2016 Series, due in annual installments of $20,000 to $640,000; through July 15, 2041; at a 2.0% to 4.0% interest rate.	$ 7,540,000
$3,845,000 Saguaro Springs CFD General Obligation Bonds, 2018 Series, due in annual installments of $100,000 to $235,000; through July 15, 2043; at a 2.0% to 4.0% interest rate.	3,845,000
Total	$ 11,385,000

Annual debt service requirements to maturity on the CFD general obligation bonds at June 30, 2019, are summarized as follows:

Year ending June 30	Principal	Interest	Total
2020	$ 365,000	$ 404,463	$ 769,463
2021	515,000	395,663	910,663
2022	525,000	385,263	910,263
2023	535,000	371,988	906,988
2024	550,000	355,713	905,713
2025 – 2029	3,055,000	1,470,288	4,525,288
2030 – 2034	3,690,000	803,763	4,493,763
2035 – 2039	995,000	328,250	1,323,250
2040 – 2043	1,155,000	115,338	1,270,338
Totals	$ 11,385,000	$ 4,630,727	$ 16,015,727

C. Tangerine Farms Road Improvement District Improvement Bonds

Tangerine Farms Road Improvement District (a component unit) issued special assessment bonds for infrastructure improvements and to refund prior issuances. These bonds are paid through assessments made to the property owners within the Tangerine Farms Road Improvement District. The Town is responsible for the collection of the assessments and the disbursement of funds to retire the bonds. If a delinquency on an assessment occurs, the Town is required to cover the delinquency with other resources until foreclosure proceeds are received. The TFRID special assessment bonds outstanding as reported in governmental activities as of June 30, 2019, were as follows:

	Outstanding June 30, 2019
$14,245,132 TFRID Refunding Bonds, Series 2017, due in annual installments of $1,618,132 to $1,907,000; through January 1, 2026; at an interest rate of 1.96%.	$ 12,126,000

Annual debt service requirements to maturity on the TFRID special assessment bonds at June 30, 2019, are summarized as follows:

Year ending June 30	Principal	Interest	Total
2020	$ 2,447,000	$ 228,487	$ 2,675,487
2021	1,537,000	189,708	1,726,708
2022	1,568,000	159,583	1,727,583
2023	1,598,000	128,850	1,726,850
2024	1,628,000	97,530	1,725,530
2025-2026	3,348,000	98,745	3,446,745
Totals	$ 12,126,000	$ 902,903	$ 13,028,903

D. Revenue Bonds

The Town issued pledged excise tax-revenue and refunding obligation bonds to finance the expansion of the Marana Wastewater Reclamation Facility and construction of the groundwater Recharge Facility, for acquiring water systems, wastewater systems, infrastructure upgrades, the design and construction of the new municipal complex and to refund prior issuances.

These bonds are payable from the excise taxes collected by the Town, wastewater utility revenue, and water utility revenue. The revenue bonds outstanding as of June 30, 2019, were as follows:

	Outstanding June 30, 2019	
	Governmental	Business-type
$34,780,000 Pledged Excise Tax Revenue and Revenue Refunding Obligations, 2013 Series, due in annual installments of $315,000 to $2,570,000; through July 1, 2033; at a 2.0% to 5.0% interest rate.	$ 28,920,000	
$17,215,000 Pledged Excise Tax Revenue Bonds, 2017 Series A, due in annual installments of $1,920,000 to $2,420,000; through July 1, 2042; at a 2.0% to 5.0% interest rate.		17,215,000
$19,865,000 Pledged Excise Tax Revenue and Revenue Refunding Obligations, 2017 Series B, due in annual installments of $840,000 to $2,580,000; through July 1, 2028; at a 2.0% to 5.0% interest rate.	19,025,000	
$2,565,000 Pledged Excise Tax Revenue Bonds, 2017 Series C, due in annual installments of $30,000 to $1,980,000; through July 1, 2034; at a 2.0% to 5.0% interest rate.		2,565,000
Total	$ 47,945,000	$ 19,780,000

Annual debt service requirements to maturity on revenue bonds at June 30, 2019, are summarized as follows:

Year ending June 30	Governmental Activities Principal	Governmental Activities Interest	Business-type Activities Principal	Business-type Activities Interest
2020	$ 2,945,000	$ 2,192,013	$ -	$ 809,069
2021	3,030,000	2,091,600	-	809,069
2022	3,150,000	1,961,550	-	809,069
2023	3,800,000	1,806,800	-	809,069
2024	3,970,000	1,662,250	-	809,069
2025-2029	23,180,000	4,838,250	-	4,045,344
2030-2034	7,870,000	988,200	585,000	3,991,969
2035-2039	-	-	10,050,000	2,813,484
2040-2042	-	-	9,145,000	749,300
Totals	$ 47,945,000	$ 15,500,663	$ 19,780,000	$15,645,441

The Town issued pledged excise tax-revenue and refunding obligation bonds via direct placement to acquire additional water systems, wastewater systems, infrastructure upgrades, the design and construction of the new municipal complex and to refund prior issuances.

These bonds are payable from the excise taxes collected by the Town, wastewater utility revenue, and water utility revenue. The direct placement revenue bonds outstanding as of June 30, 2019 were as follows:

	Outstanding June 30, 2019 Governmental	Outstanding June 30, 2019 Business-type
$6,493,000 Pledged Excise Tax Revenue and Revenue Refunding Obligations, 2014 Series, due in annual installments of $353,000 to $735,000; through July 1, 2025; at a 2.55% interest rate.	$ 4,706,000	
$1,343,000 Water Utility Revenue Refunding Obligations, 2014 Series, due in annual installments of $129,000 to $197,000; through July 1, 2022; at a 2.53% interest rate.		$ 760,000
Total	$ 4,706,000	$ 760,000

Annual debt service requirements to maturity on direct placement revenue bonds at June 30, 2019, are summarized as follows:

Year ending June 30	Governmental Activities Principal	Governmental Activities Interest	Business-type Activities Principal	Business-type Activities Interest
2020	$ 679,000	$ 111,346	$ 184,000	$ 16,900
2021	696,000	93,815	186,000	12,220
2022	715,000	75,824	193,000	7,426
2023	735,000	57,337	197,000	2,492
2024	609,000	40,201	-	-
2025-2026	1,272,000	32,615	-	-
Totals	$ 4,706,000	$ 411,138	$ 760,000	$ 39,038

E. Pledged Revenues

The Town has pledged certain future revenues to repay specific bonded debt as follows. The Town has pledged future excise tax revenues to repay $80.9 million in Excise Tax Revenue Bonds issued in 2013, 2014, and 2017. The various bonds were issued for the expansion of the Marana Wastewater Reclamation Facility, construction of the groundwater Recharge Facility, construction of the municipal complex, the acquisition of certain water systems, acquisition of the Marana Wastewater Reclamation Facility, infrastructure upgrades and to refund prior debt issuances. At year end, $72.4 million in bonds remain outstanding to be repaid by future excise tax revenues and the net revenues available for service of this debt were $58.0 million. The debt principal and interest paid on this debt during fiscal year 2019 was $6.4 million (11.1% of available net pledged revenues).

In addition, the Town has pledged future water utility revenues to repay $5.2 million in Water Infrastructure Financing Authority loans and a $1.3 million Revenue Refunding Bond. The loans were issued for the acquisition of well sites and the construction of certain infrastructure. The bond was issued in 2014 to refund prior debt issuances. At year end, $4.3 million remains outstanding to be repaid by future water revenues. For the fiscal year ended June 30, 2019, the net revenues available for service of this debt were $3.01 million. The debt principal and interest paid on this debt during fiscal year 2019 was $518,161.

Under Arizona law, the Town is subject to a debt limit when issuing general obligation bonds for general municipal purposes not to exceed 6 percent of the full valuation of taxable real property. Also, under Arizona law, the Town can issue additional general obligation bonds for supplying specific services, such as water, sewer, lighting, parks and recreational facilities, and transportation, up to an amount not exceeding 20 percent of the full valuation of taxable real property. At June 30, 2019, the total legal debt limit was $150,581,351. As of June 30, 2019, the total outstanding debt applicable to the limit was zero.

F. Changes in Long-term Liabilities

The following is a summary of changes in long-term liability activity for fiscal year ended June 30, 2019.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 7,745,000	$3,845,000	$ (205,000)	$ 11,385,000	$ 365,000
Revenue bonds	50,465,000	-	(2,520,000)	47,945,000	2,945,000
Revenue bonds – Direct Placements	5,370,000	-	(664,000)	4,706,000	679,000
Compensated absences	1,150,292	1,006,471	(975,203)	1,181,560	1,063,404
Net pension liability	37,590,750	552,661	(3,080,709)	35,062,702	-
Special assessment bonds	14,200,132	-	(2,074,132)	12,126,000	2,447,000
Deferred bond premium	5,812,929	87,744	(393,581)	5,507,092	-
Total	$122,334,103	$5,491,876	$(9,912,625)	$117,913,354	$7,499,404

Business-type activities:					
Loan payable	$ 3,201,572	$ 528,026	$ (226,000)	$ 3,503,598	$ 760,733
Net pension liability	2,283,139	-	(310,410)	1,972,729	-
Revenue bonds	19,780,000	-	-	19,780,000	-
Revenue bonds – Direct Placement	939,000		(179,000)	760,000	184,000
Compensated absences	114,756	78,621	(88,214)	105,163	94,647
Deferred bond premium	370,558	-	(19,688)	350,870	-
Total	$ 26,689,025	$ 606,647	$ (823,312)	$ 26,472,360	$1,039,380

NOTE 7 – DEFERRED AMOUNTS

Governmental funds report deferred inflows of resources for revenue due and receivable but not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred amounts reported in the governmental funds were as follows:

Deferred revenue	Unavailable	Unearned
Program revenues (General Fund)	$ -	$ 297,361
Intergovernmental (Non-Major governmental funds)	58,370	10,620
Special assessments (Tangerine Farms Improvement District Debt Service Fund)	11,165,585	-
Total deferred amounts for governmental funds	$ 11,223,955	$ 307,981

NOTE 8 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due to/from other funds:
At June 30, 2019, several funds were involved in interfund borrowing arrangements with the General Fund due to insufficient resources available in the funds to cover expenditures. Through the fiscal year 2018-2019, these interfund borrowing will be eliminated as sufficient resources become available. A portion of the amount due from the Airport Fund, $1,320,936 and a portion of the amount due from the Wastewater Fund, $2,400,000 to the Transportation Fund and $2,861,943 to the General Fund, is considered long term. Listed below is a summary of the interfund borrowing transactions.

	Due From			
		Enterprise Funds		
Due To	Non-Major Governmental Funds	Wastewater Fund	Airport Fund	Total
General Fund	$ 975,052	$ 3,111,943	$ 2,359,753	$ 6,446,748
Transportation Fund	-	2,400,000	-	2,400,000
Total	$ 975,052	$ 5,511,943	$ 2,359,753	$ 8,846,748

Interfund transfers:
Interfund transfers were made by the Town during the fiscal year to ensure that sufficient resources were available to cover expenditures in the applicable funds. These were direct transfers between funds and will not be eliminated as sufficient resources become available in the receiving funds. Listed below is a summary of transfers between funds.

Transfers Out	Transfers In					
			Enterprise Funds			
	Transportation	Non-Major Governmental Funds	Water	Wastewater	Airport	Total
General Fund		$ 2,300,520	$ 590,923	$ 28,984	$ 810,489	$ 3,730,916
Transportation		808,297				808,297
Non-Major Governmental Funds	45,514	1,125,471		1,059,574		2,230,559
Water		901,144		403,524		1,304,668
Wastewater		901,142				901,142
Total	$ 45,514	$ 6,036,574	$ 590,923	$ 1,492,082	$ 810,489	$ 8,975,582

NOTE 9 - EMPLOYEE RETIREMENT SYSTEMS

All full-time and permanent part-time employees participate in one of four different retirement plans. With the exception of public safety personnel, police dispatchers and elected officials, all other employees participate in the Arizona State Retirement System (ASRS). Certified public safety personnel participate in the Public Safety Retirement Systems (PSPRS). Police dispatch and communication staff participate in the Corrections Officer Retirement Plan (CORP). The Town's Mayor and Council Members participate in the Elected Officials' Retirement Plan (EORP).

At June 30, 2019, the Town reported the following aggregate amounts related to pensions for all plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities	Business-Type Activities	Total
Net pension liabilities	$ 35,062,702	$ 1,972,729	$ 37,035,431
Deferred outflows of resources	7,122,319	336,775	7,459,094
Deferred inflows of resources	3,153,390	247,476	3,400,866
Pension expense	3,998,473	82,485	4,080,958

The Town reported $3,577,656 of pension contributions as expenditures in the governmental funds related to all pension plans to which it contributes.

A. <u>Public Safety Personnel Retirement System and Corrections Officer Retirement Plan</u>

All of the Town's full-time police officers are covered by the Arizona Public Safety Personnel Retirement System (PSPRS), which is an agent multiple-employer defined benefit plan. PSPRS was established by Title 38, Chapter 5, Article 4 of the Arizona Revised Statutes to provide pension benefits for public safety personnel who are regularly assigned hazardous duty as employees of the State of Arizona or one of its political subdivisions. The PSPRS is jointly administered by the Board of Trustees (formerly fund manager) and participating local boards. The Board of Trustees is a nine-member board appointed by the Governor and the State Legislature. The Board of Trustees is responsible for establishing contribution rates in accordance with an actuarial study.

All full-time and permanent part-time employees employed as police dispatchers or communications

operators are eligible to participate in the Corrections Officers Retirement Plan (CORP), an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium benefit (OPEB) plan. The CORP is governed by the PSPRS Board of Trustees and the local participating local boards according to the provisions of A.R.S. Title 38, Chapter 5, Article 6. PSPRS and CORP net OPEB liabilities have not been recorded, or further disclosed at June 30, 2019 in accordance with GASB Statement 75, due to the relative insignificance to the Town's financial statements.

PSPRS and CORP issue publicly available financial reports that include financial statements and required supplemental information. This report may be obtained on the PSPRS website at www.psprs.com or by writing to 3010 E Camelback Rd, Ste 200, Phoenix, AZ 85016 or by calling (602) 255-5575.

Benefits provided—The PSPRS and CORP provide retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefit terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

PSPRS	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, 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
Benefit percent		
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	

CORP	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2018
Retirement and Disability		
Years of service and age required to receive benefit	Sum of years and age equals 80 25 years, any age (dispatchers) 20 years, any age (all others) 10 years, age 62	25 years, age 52.5 10 years, age 62
Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive months of last 10 years
Benefit percent		
Normal Retirement	2.0% to 2.5% per year of credited service, not to exceed 80%	
	Before January 1, 2012	On or after January 1, 2012
Accidental Disability Retirement	50% or normal retirement if more than 20 years of credited service	50% or normal retirement if more than 25 years of credited service
Total and Permanent Disability Retirement	50% or normal retirement if more than 25 years of credited service	
Ordinary Disability Retirement	2.5% per year of credited service	
Survivor Benefit		
Retired Members	80% of retired member's pension benefit	
Active Members	40% of average monthly compensation or 100% of average monthly compensation if death was the result of injuries received on the job. If there is no surviving spouse or eligible children, the beneficiary is entitled to 2 times the member's contributions.	

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.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. Benefits range from $100 per month to $260 per month depending on the age of the member and dependents.

Employees covered by benefit terms—At June 30, 2019, the following employees were covered by the agent pension plans' benefit terms:

	PSPRS	CORP Dispatchers
Inactive employees or beneficiaries currently receiving benefits	29	-
Inactive employees entitled to but not yet receiving benefits	22	2
Active employees	74	7
Total	125	9

Contributions—State statutes establish the pension contribution requirements for active PSPRS and CORP employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS and CORP 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, 2019, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS Tier 1	PSPRS Tier 2	PSPRS Tier 3 Defined Contribution	CORP Dispatchers
Active members—Pension	7.65%	11.65%	9.94%	7.96%
Town				
Pension	34.69%	34.69%	9.68%	20.82%
Health insurance premium benefit	.37%	.37%	.26%	.14%

In addition, statute required the Town to contribute at the actuarially determined rate of 20.86 percent for the PSPRS of annual covered payroll of retired members who worked for the Town in positions that an employee who contributes to the PSPRS would typically fill.

The Town's contributions to the pension plan and contributions for the health insurance premium benefit for the year ended June 30, 2019, were:

	PSPRS	CORP Dispatchers
Pension Contributions	$ 2,003,419	$ 83,517
Health Insurance Premium Benefit	25,127	562
Total Contributions	$ 2,028,546	$ 84,079

During fiscal year 2019, the Town paid for PSPRS and CORP pension contributions as follows: 93% percent from the General Fund and 7% percent from other funds.

Pension liability—At June 30, 2019, the Town reported the following net pension liabilities:

	Net Pension Liability
PSPRS	15,547,837
CORP Dispatchers	674,156
Total	16,221,993

The net pension liabilities were measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total CORP pension liabilities as of June 30, 2018, reflect statutory changes in benefit terms for automatic cost-of-living adjustments. The basis for cost-of-living adjustment was changed from excess investment earnings to the change in consumer price index, limited to a maximum annual increase of 2 percent.

Pension actuarial assumptions – The significant actuarial assumptions used to measure the total pension liability are as follows:

PSPRS and CORP—Pension	
Actuarial valuation date	June 30, 2018
Actuarial cost method	Individual entry age normal
Investment rate of return	7.40%
Wage inflation	3.5%
Price Inflation	2.5%
Cost-of-living adjustment	Included
Mortality rates	RP-2014 tables using MP-2016 improvement scale with adjustments to match current experience
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on PSPRS and CORP pension plan investments was determined to be 7.40 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class.

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

PSPRS and CORP Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Equity	16%	7.60%
Non-U.S. Equity	14%	8.70%
Private Credit	16%	6.75%
Fixed Income	5%	1.25%
Private Equity	12%	5.83%
GTS	12%	3.96%
Real Assets	9%	4.52%
Real Estate	10%	3.75%
Risk Parity	4%	5.00%
Short Term Investments	2%	0.25%
Total	100%	

Pension discount rates—At June 30, 2018, the discount rate used to measure the PSPRS and CORP total pension liabilities was 7.4 percent, which was the same as the discount rate used as of June 30, 2017.

The projection of cash flows used to determine the PSPRS and CORP discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current 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 Liability (Asset)

PSPRS	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balances at June 30, 2018	34,643,339	19,219,905	15,423,434
Changes for the year:			
Service cost	1,100,133	-	1,100,133
Interest on the total pension liability	2,538,335	-	2,538,335
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the pension liability	(566,255)	-	(566,255)
Changes of assumptions or other inputs	-	-	-
Contributions—employer	-	1,904,911	(1,904,911)
Contributions—employee	-	488,777	(488,777)
Net investment income	-	1,355,793	(1,355,793)
Benefit payments, including refunds of employee contributions	(1,783,172)	(1,783,172)	-
Hall/Parker Settlement	-	(780,563)	780,563
Pension plan administrative expense	-	(21,335)	21,335
Other changes	-	227	(227)
Net changes	1,289,041	1,164,638	124,403
Balances at June 30, 2019	35,932,380	20,384,543	15,547,837

CORP	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balances at June 30, 2018	2,006,831	1,216,668	790,163
Changes for the year:			
Service cost	62,894	-	62,894
Interest on the total pension liability	150,833	-	150,833
Changes of benefit terms	(111,265)		(111,265)
Differences between expected and actual experience in the measurement of the pension liability	(40,404)	-	(40,404)
Changes of assumptions or other inputs	-	-	-
Benefit payments, including refunds of employee contributions	-	-	-
Contributions—employer	-	57,269	(57,269)
Contributions—employee	-	32,445	(32,445)
Net investment income	-	90,441	(90,441)
Pension plan administrative expense	-	(2,068)	2,068
Other changes	-	(22)	22
Net changes	62,058	178,065	(116,007)
Balances at June 30, 2019	2,068,889	1,394,733	674,156

Sensitivity of the Town's net pension liability to changes in the discount rate—The following table presents the Town's net pension liabilities calculated using the discount rates noted above, as well as what the Town's 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:

Pension plan fiduciary net position—Detailed information about the pension plans' fiduciary net position is available in the separately issued PSPRS and CORP financial reports.

	1% Decrease	Current Discount Rate	1% Increase
PSPRS			
Rate	6.40%	7.40%	8.40%
Net pension liability	$21,085,000	$15,547,837	$11,091,728
CORP Dispatchers			
Rate	6.40%	7.40%	8.40%
Net pension liability	$994,456	$674,156	$412,802

Pension expense/(income)—For the year ended June 30, 2019, the Town recognized the following pension expense/(income):

	Pension Expense/(Income)
PSPRS	3,223,099
CORP Dispatchers	(34,876)

Pension deferred outflows/inflows of resources—At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PSPRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 670,639	$ 488,624
Changes of assumptions or other inputs	1,537,932	-
Net difference between projected and actual earnings on pension plan investments	139,645	-
Town contributions subsequent to the measurement date	2,003,419	-
Total	$ 4,351,635	$ 488,624

CORP	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 70,813
Changes of assumptions or other inputs	5,869	3,708
Net difference between projected and actual earnings on pension plan investments	11,262	-
Town contributions subsequent to the measurement date	83,517	-
Total	$ 100,648	$ 74,521

The amounts reported as deferred outflows of resources related to pensions resulting from town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (or an increase in the net pension asset) in the year ending June 30, 2020. 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	PSPRS	CORP Dispatchers
2020	$952,082	$(5,101)
2021	585,887	(12,772)
2022	232,038	(26,985)
2023	212,864	(8,883)
2024	(22,810)	(3,649)
Thereafter	(100,469)	-

B. Arizona State Retirement System

All full-time and permanent part-time employees not in the Public Safety Retirement System, Corrections Officers Retirement System or Elected Officials Retirement System are eligible to participate in the Arizona State Retirement System (ASRS) a cost sharing multiple-employer defined benefit plan. The ASRS was established by the State of Arizona to provide pension benefits for employees of the State and employees of participating political subdivisions and school districts. The ASRS is administered in accordance with the provisions of A.R.S. Title 38, Chapter 5, Article 2 and 2.1. The ASRS provides for retirement, death, long-term disability, survivor, and health insurance premium benefits. ASRS net OPEB liabilities have not been recorded, or further disclosed at June 30, 2019 in accordance with GASB Statement 75, due to the relative insignificance to the Town's financial statements. ASRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on its website at www.azasrs.gov or by writing to ASRS, 3300 N. Central Avenue, P.O. Box 33910, Phoenix, Arizona 85067-3910 or by calling 602-240-2000 or 1-800-621-3778.

Cost-sharing plan - Arizona Revised Statutes provide statutory authority for determining the employees' and employers' contribution amounts. The ASRS funding policy provides for actuarially determined employer contributions at rates which will provide assets sufficient to pay benefits when due. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

ASRS	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 consecutive months of last 120 months	Highest 60 consecutive 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 earning. 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 retirement benefit option chosen determines the survivor benefit. 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.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from $100 per month to $260 per month depending on the age of the member and dependents. For members with 5 to 9 years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

Active members are eligible for a monthly long-term disability benefit equal to two-thirds of monthly earnings. Members receiving benefits continue to earn service credit up to their normal retirement dates. Members with long-term disability commencement dates after June 30, 1999, are limited to 30 years of service or the service on record as of the effective disability date if their service is greater than 30 years.

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 year ended June 30, 2019, statute required active ASRS members to contribute at the actuarially determined rate of 11.8 percent (11.64 percent for retirement and 0.16 percent for long-term disability) of the members' annual covered payroll, and statute required the Town to contribute at the actuarially determined rate of 11.8 percent (11.18 percent for retirement, 0.46 percent for health insurance premium benefit, and 0.16 percent for long-term disability) of the active members' annual covered payroll. In addition, the Town was required by statute to contribute at the actuarially determined rate of 10.53 percent (10.41 percent for retirement, 0.06 percent for health insurance premium benefit, and 0.06 percent for long-term disability) of annual covered payroll of retired members who worked for the Town in positions that would typically be filled by an employee who contributes to the ASRS. The Town's contributions to the pension plan for the year ended June 30, 2019, were $1,736,855. The Town's contribution which was equal to the required contribution, was as follows:

Years ended June 30,	Retirement	Health Insurance	Long-term Disability	Total
2019	$ 1,645,597	$ 67,708	$ 23,550	$ 1,736,855

During fiscal year 2019, the Town paid for ASRS pension contributions as follows: 86.27% percent from the General Fund, 13.26% from enterprise funds and 0.47% percent from other funds.

Pension liability—At June 30, 2019, the Town reported a liability of $19,833,290 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2017, to the measurement date of June 30, 2018. The total pension liability as of June 30, 2018, reflect changes in actuarial assumption based on the results of an actuarial experience study for the 5-year period ended June 30, 2016, including decreasing the discount rate from 8 percent to 7.5 percent, changing the projected salary increases from 3-6.75 percent to 2.7-7.2 percent, decreasing the inflation rate from 3 percent to 2.3 percent, and changing the mortality rates.

The Town's proportion of the net pension liability was based on the Town's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2018. The Town's proportion measured as of June 30, 2018, was 0.14221 percent, which was a decrease of 0.00065 percent from its proportion measured as of June 30, 2017.

Pension expense and deferred outflows/inflows of resources—For the year ended June 30, 2019, the Town recognized pension expense for ASRS of $643,465. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ASRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 546,391	$ 109,339
Changes of assumptions or other inputs	524,825	1,758,494
Net difference between projected and actual earnings on pension plan investments	-	476,944
Changes in proportion and differences between contributions and proportionate share of contributions	179,951	69,615
Town contributions subsequent to the measurement date	1,645,597	
Total	$ 2,896,764	$ 2,414,391

The $1,645,597 reported as deferred outflows of resources related to ASRS pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year ending June 30,	
2020	$279,233
2021	(505,078)
2022	(723,488)
2023	(213,891)

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

ASRS	
Actuarial valuation date	June 30, 2017
Actuarial roll forward date	June 30, 2018
Actuarial cost method	Entry age normal
Investment rate of return	7.5%
Projected salary increases	2.7–7.2%
Inflation	2.3%
Permanent benefit increase	Included
Mortality rates	2017 SRA Scale U-MP
Recovery rates	2012 GLDT for long-term disability
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2017, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on ASRS pension plan investments was determined to be 7.5 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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 and by adding

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:

ASRS Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Equity	50%	5.50%
Fixed income	30%	3.83%
Real estate	20%	5.85%
Total	100%	

Discount Rate—At June 30, 2018, the discount rate used to measure the ASRS total pension liability was 7.5 percent, which was a decrease of 0.5 from the discount rate used as of June 30, 2017. 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 pension 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's proportionate share of the ASRS net pension liability to changes in the discount rate—The following table presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5 percent) or 1 percentage point higher (8.5 percent) than the current rate:

ASRS	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Proportionate share of the net pension liability	$28,272,812	$19,833,290	12,782,207

Pension plan fiduciary net position—Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report.

C. Elected Officials' Retirement Plan

The Town's Mayor and Council Members are eligible to participate in the Elected Officials' Retirement Plan (EORP), a multiple employer cost-sharing defined benefit plan. The EORP pension plan was closed to new members as of January 1, 2014. The EORP is governed by the Public Safety Retirement System Board of Trustees according to the provisions of A.R.S. Title 38, Chapter 5, Article 3. EORP issues a publicly available financial report that includes financial statements and required supplementary information. At the time of issuance, the most recent report for EORP was unavailable. The report may be obtained on PSPRS's website at www.psprs.com or by writing to EORP, 3010 E Camelback Rd, Ste 200, Phoenix, AZ 85016 or by calling (602) 255-5575.

Benefits provided—The EORP provides retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefit terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average yearly compensation, and service credit as follows:

EORP	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012
Retirement and Disability		
Years of service and age required to receive benefit	20 years, any age 10 years, age 62 5 years, age 65 5 years, any age* any years and age if disabled	10 years, age 62 5 years, age 65 any years and age if disabled
Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive months of last 10 years
Benefit percent		
Normal Retirement	4% per year of service, not to exceed 80%	3% per year of service, not to exceed 75%
Disability Retirement	80% with 10 or more years of service 40% with 5 to 10 years of service 20% with less than 5 years of service	75% with 10 or more years of service 37.5% with 5 to 10 years of service 18.75% with less than 5 years of service
Survivor Benefit		
Retired Members	75% of retired member's benefit	50% of retired member's benefit
Active Members and Other Inactive Members	75% of disability retirement benefit	50% of disability retirement benefit

* With reduced benefits of 0.25% for each month early retirement precedes the member's normal retirement age, with a maximum reduction of 30%.

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on inflation. In addition, the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget Committee analysis of the increase's effects on the plan.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 8 or more years of service, benefits range from $100 per month to $260 per month depending on the age of the member and dependents. For members with 5 to 7 years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

Contributions—State statutes establish active member and employer contribution requirements. Statute also appropriates $5 million annually through fiscal year 2043 for the EORP from the State of Arizona to supplement the normal cost plus an amount to amortize the unfunded accrued liability. For the year ended

June 30, 2019, statute required active EORP members to contribute 7 or 13 percent of the members' annual covered payroll and the Town to contribute at the actuarially determined rate of 61.5 percent of all active EORP members' annual covered payroll. In addition, statue required the Town to contribute 30.16 percent of annual covered payroll of retired members who worked for the Town in positions that an employee who contributes to the EORP would typically fill. The Town's contributions to the pension plan for the year ended June 30, 2019, was $63,358.

During fiscal year 2019, the Town paid for EORP pension contributions 100 percent from the General Fund.

Pension liability—At June 30, 2019, Town reported a liability for its proportionate share of the EORP's net pension liability that reflected a reduction for the Town's proportionate share of the State's appropriation for EORP. The amount the Town recognized as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the EORP net pension liability	$ 980,148
State's proportionate share of the EORP net pension liability associated with the Town	167,942
Total	$ 1,148,090

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability as of June 30, 2018, reflect statutory changes in benefit terms for automatic cost-of-living adjustments. The basis for cost-of-living adjustments was changed from excess investment earnings to the change in the consumer price index, limited to a maximum annual increase of 2 percent.

The Town's proportion of the net pension liability was based on the Town's required contributions to the pension plan relative to the total of all participating employers' required contributions for the year ended June 30, 2018. The Town's proportion measured as of June 30, 2018, was .1555 percent, which was an increase of .0051 percent from its proportion measured as of June 30, 2017.

Pension expense/income and deferred outflows/inflows of resources—For the year ended June 30, 2019, the Town recognized pension expense for EORP from the prior year of $683,677 and pension income for the current year of $434,407. The prior year recognition is due to the unavailability of the EORP report at year end June 30, 2018. At June 30, 2019, the Town reported the June 30, 2018 deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

EORP	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 15,287
Changes of assumptions or other inputs	6,107	408,043
Net difference between projected and actual earnings on pension plan investments	8,505	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	32,077	-
Town contributions subsequent to the measurement date	63,358	
Total	$ 110,047	$ 423,330

The $63,358 reported as deferred outflows of resources related to EORP pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to EORP pensions will be recognized in pension expense as follows:

Year ending June 30,	
2020	$(348,306)
2021	(24,868)
2022	(3,608)
2023	141

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

EORP	
Actuarial valuation date	June 30, 2018
Actuarial cost method	Entry age normal
Investment rate of return	7.40%
Wage inflation	3.25%
Price inflation	2.5%
Cost-of-living adjustment	Included
Mortality rates	RP-2014 tables using MP-2016 improvement scale with adjustments to match current experience
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on EORP pension plan investments was determined to be 7.4 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:

EORP Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Short term investments	2%	0.25%
Risk parity	4%	5.00%
Fixed income	5%	1.25%
Real assets	9%	4.52%
GTS	12%	3.96%
Private credit	16%	6.75%
Real estate	10%	3.75%
Private equity	12%	5.83%
Non-U.S. equity	14%	8.70%
U.S. equity	16%	7.60%
Total	100%	

Discount rate—At June 30, 2018, the discount rate used to measure the EORP total pension liability was 7.4 percent, which was an increase of 3.49 from the discount rate used as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate, employer contributions will be made at the actuarially determined rates, and State contributions will be made as currently required by statute. Based on those assumptions, the pension 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's proportionate share of the EORP net pension liability to changes in the discount rate—The following table presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.4 percent, as well as what the Town's 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:

EORP	1% Decrease (6.4%)	Current Discount Rate (7.4%)	1% Increase (8.4%)
Town's proportionate share of the net pension liability	$1,125,438	$980,148	$856,647

Pension Plan Fiduciary Net Position—Detailed information about the pension plan's fiduciary net position is available in the separately issued EORP financial report.

NOTE 10 - RISK MANAGEMENT

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

The Town's insurance protection is provided by the Arizona Municipal Risk Retention Pool, of which the Town is a participating member. The limit for basic coverage is for $2,000,000 per occurrence on a claims-made purpose. Excess coverage is for an additional $12,000,000 per occurrence on a follow form, claims-made basis. The Arizona Municipal Risk Retention Pool is structured such that member premiums are

based on an actuarial review that will provide adequate reserves to allow the pool to meet its expected financial obligations. The pool has the authority to assess its member's additional premiums should reserves and annual premiums be insufficient to meet the pool's obligations.

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

NOTE 11 - COMMITMENTS AND CONTINGENCIES

The Town is subject to a number of lawsuits, investigations, and other claims (some of which involve substantial amounts) that are incidental to the ordinary course of its operations, including those related to wrongful death and personal injury matters. Although the Town Attorney does not currently possess sufficient information to reasonably estimate the amounts of the liabilities to be recorded upon the settlement of such claims and lawsuits, some claims could be significant to the Town's operations. While the ultimate resolution of such lawsuits, investigations, and claims cannot be determined at this time, in the opinion of Town management, based on the advice of the Town Attorney, the resolution of these matters will not have a material adverse effect on the Town's financial position.

Significant Contractual Commitments

At the end of fiscal year 2019, the Town was obligated to $4.2 million in significant contractual commitments for airport, transportation, park, police facility, and water facility related construction projects. Two water treatment facilities accounted for $1.4 million, Airport improvements accounted for $723,650, Lon Adams Rd reconstruction for $321,284, and Coachline Blvd reconstruction accounted for $447,310. The remaining commitments were for other transportation projects of $878,716, water projects of $75,400, wastewater projects of $39,300, police facility of $82,760, and park related projects accounted for $217,300.

NOTE 12 - LEASING ARRANGEMENTS

Land – State of Arizona

The Town has assigned and assumed a non-cancelable long-term operating lease for 2,400 acres of land with the State of Arizona with an expiration of October 2099. This lease had an initial annual rent of $432,000 that requires 10% increases in the annual rent payments for each succeeding five year period.

In conjunction with the Town assuming the long-term operating lease, a developer signed a non-cancelable agreement to reimburse the Town the annual rental payment for either a minimum of twenty years or until the first twelve consecutive months the developer generates more than $1,000,000 in resort sales tax to the Town from the development project known as "Dove Mountain". This threshold was reached on June 30, 2011, and therefore the developer ceased reimbursing the Town for the annual rent payment. These leases provide for payments of minimum annual rentals as follows, excluding real estate taxes, common area charges, management fees, and sales taxes:

Years Ending June 30,	
2020	574,992
2021	632,491
2022	632,491
2023	632,491
2024	632,491
2025 - 2029	3,415,451
2030 - 2034	3,756,996
2035 - 2039	4,132,694
2040 - 2044	4,545,965
2045 - 2049	5,000,562
2050 - 2054	5,500,617
2055 - 2059	6,050,680
2060 - 2064	6,655,750
2065 - 2069	7,321,325
2070 - 2074	8,053,457
2075 - 2079	8,858,803
2080 - 2084	9,744,683
2085 - 2089	10,719,152
2090 - 2094	11,791,067
2095 - 2099	12,970,172
Total	$ 111,622,330

Minimum annual rentals above excludes annual rental under the remaining renewal options as of June 30, 2019. Rent expense under the above leases for fiscal 2018-19 aggregated $574,992.

NOTE 13 – SUBSEQUENT EVENTS

Gladden Farms Phase II Community Facilities District – Debt Issuance

In August 2019, the District issued the Series 2019 General Obligation Bonds (Bonds) in the amount of $1,245,000, maturing in 2044, with an interest rate of 3.75% to 4.125%. The Bonds were issued to finance the costs to acquire and construct certain public infrastructure benefiting the District and to pay costs of issuance related to the Bonds.

Saguaro Springs Community Facilities District – Debt Issuance

In September 2019, the District issued the Series 2019 General Obligation Bonds (Bonds) in the amount of $1,950,000, maturing in 2044, with an interest rate of 3% to 4%. The Bonds were issued to finance the costs to acquire and construct certain public infrastructure benefiting the District and to pay costs of issuance related to the Bonds.

Town of Marana – Uncollected Fees

In September 2019, the Town determined that certain Water Resource impact fees were not collected over the last several years. While the Town is still gathering information, it is possible that the amount of uncollected fees could total as much as $1,000,000. The uncollected fees are related to properties that are physically located within the Town, but are serviced by outside utility agencies. The Town continues consultations with Town Council, executive management and the Town's legal counsel as we consider future action and work toward determining a more accurate amount of such uncollected fees.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
COST-SHARING PLANS
JUNE 30, 2019

Arizona State Retirement System	Reporting Fiscal Year (Measurement Date)					
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2010
Town's proportion of the net pension liability	0.14221%	0.14286%	0.140584%	0.136510%	0.129998%	Information not available
Town's proportionate share of the net pension liability	$ 19,833,290	$ 22,254,803	$ 22,691,024	$ 21,263,376	$ 19,235,271	10 years of information will be reported as it becomes available
Town's covered payroll	$ 14,143,225	$ 13,881,636	$ 13,150,962	$ 12,565,464	$ 11,714,615	
Town's proportionate share of the net pension liability as a percentage of its covered payroll	140.23%	160.32%	172.54%	169.22%	164.20%	
Plan fiduciary net position as a percentage of the total pension liability	73.40%	69.92%	67.06%	68.35%	69.49%	

Elected Officials Retirement Plan	Reporting Fiscal Year (Measurement Date)					
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2010
Town's proportion of the net pension liability	.155545%	.150480%	.148768%	.133401%	.1658860%	Information not available
Town's proportionate share of the net pension liability	$980,148	$1,833,747	$1,405,489	$1,042,465	$ 1,112,385	10 years of information will be reported as it becomes available
State's proportionate share of the net pension liability associated with the Town	167,942	380,586	290,197	324,997	341,068	
Total	$1,148,090	$2,214,333	$1,695,686	$1,367,462	$ 1,453,453	
Town's covered payroll	$116,021	$119,424	$119,424	$119,424	$ 119,423	
Town's proportionate share of the net pension liability as a percentage of its covered payroll	844.80%	1,535.49%	1,176.89%	872.91%	931.15%	
Plan fiduciary net position as a percentage of the total pension liability	30.36%	19.66%	23.42%	28.32%	31.91%	

See accompanying notes to pension plan schedules.

TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOWN'S
NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
AGENT PENSION PLANS
JUNE 30, 2019

PSPRS

	Reporting Fiscal Year (Measurement Date)					
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2010
Total pension liability						
Service cost	$1,100,133	$ 1,213,757	$ 994,058	$ 891,324	$ 876,619	Information not available
Interest on the total pension liability	2,538,335	2,322,987	2,005,255	1,844,654	1,551,602	
Changes of benefit terms	-	367,673	1,837,430	-	308,515	
Differences between expected and actual experience in the measurement of the pension liability	(566,255)	340,373	536,692	333,269	148,583	10 years of information will be reported as it becomes available
Changes of assumptions or other inputs	-	725,862	1,226,081	-	1,933,583	
Benefit payments, including refunds of employee contributions	(1,783,172)	(1,387,192)	(1,174,525)	(974,950)	(1,211,258)	
Net change in total pension liability	1,289,041	3,583,460	5,424,991	2,094,297	3,607,644	
Total pension liability—beginning	34,643,339	31,059,879	25,634,888	23,540,591	19,932,947	
Total pension liability—ending (a)	$35,932,380	$34,643,339	$31,059,879	$25,634,888	$ 23,540,591	
Plan fiduciary net position						
Contributions—employer	$1,904,911	$1,384,924	$1,323,677	$1,006,859	$ 797,871	
Contributions—employee	488,777	621,583	672,181	579,390	578,596	
Net investment income	1,355,793	2,081,790	95,438	533,938	1,698,902	
Benefit payments, including refunds of employee contributions	(1,783,172)	(1,387,192)	(1,174,525)	(974,950)	(1,211,258)	
Hall/Parker Settlement	(780,563)	-	-	-	-	
Pension plan administrative expense	(21,335)	(18,820)	(14,134)	(13,410)	-	
Other changes	227	2,417	223,597	46,032	(543,969)	
Net change in plan fiduciary net position	1,164,638	2,684,702	1,126,234	1,177,859	1,320,142	
Plan fiduciary net position—beginning	19,219,905	16,535,203	15,408,969	14,231,110	12,910,968	
Plan fiduciary net position—ending (b)	$20,384,543	$19,219,905	$16,535,203	$15,408,969	$ 14,231,110	
Town's net pension liability (asset)—ending (a) – (b)	$15,547,837	$15,423,434	$14,524,676	$10,225,919	$ 9,309,481	
Plan fiduciary net position as a percentage of the total pension liability	56.73%	55.48%	53.24%	60.11%	60.45%	
Covered payroll	$5,121,661	$5,318,831	$5,182,784	$4,900,569	$ 4,638.415	

See accompanying notes to pension plan schedules.

TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOWN'S
NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
AGENT PENSION PLANS
JUNE 30, 2019

PSPRS

	Reporting Fiscal Year (Measurement Date)					
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2010
Town's net pension liability (asset) as a percentage of covered payroll	303.57%	289.98%	280.25%	208.67%	200.70%	

CORP – Dispatchers

	Reporting Fiscal Year (Measurement Date)					
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2010
Total pension liability						
Service cost	$ 62,894	$ 59,139	$ 57,866	$ 64,307	$ 63,474	Information not available
Interest on the total pension liability	150,833	118,108	113,075	105,144	94,360	
Changes of benefit terms	(111,265)	312,169	15,002	-	-	
Differences between expected and actual experience in the measurement of the pension liability	(40,404)	(18,913)	(25,358)	(18,303)	(16,512)	10 years of information will be reported as it becomes available
Changes of assumptions or other inputs	-	(5,967)	(136)	-	18,699	
Benefit payments, including refunds of employee contributions	-	(5,825)	(47,673)	(46,131)	-	
Net change in total pension liability	62,058	458,711	112,776	105,017	160,021	
Total pension liability—beginning	2,006,831	1,548,120	1,435,344	1,330,327	1,170,306	
Total pension liability—ending (a)	$2,068,889	$ 2,006,831	$ 1,548,120	$ 1,435,344	$ 1,330,327	
Plan fiduciary net position						
Contributions—employer	$ 57,269	$ 51,162	$ 48,648	$ 49,045	$ 48,667	
Contributions—employee	32,445	32,199	32,623	35,981	36,306	
Net investment income	90,441	124,809	6,034	34,230	102,910	
Benefit payments, including refunds of employee contributions	-	(5,825)	(47,673)	(46,131)	-	
Pension plan administrative expense	(2,068)	(1,491)	(1,253)	(1,233)	-	
Other changes	(22)	(6)	(5)	(635)	(24,446)	
Net change in plan fiduciary net position	178,065	200,848	38,374	71,257	163,437	
Plan fiduciary net position—beginning	1,216,668	1,015,820	977,446	906,189	742,752	
Plan fiduciary net position—ending (b)	$1,394,733	$ 1,216,668	$ 1,015,820	$ 977,446	$ 906,189	
Town's net pension liability (asset)—ending (a) – (b)	$ 674,156	$ 790,163	$ 532,300	$ 457,898	$ 424,138	
Plan fiduciary net position as a	67.41%	60.63%	65.62%	68.10%	68.12%	

See accompanying notes to pension plan schedules.

TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOWN'S
NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
AGENT PENSION PLANS
JUNE 30, 2019

CORP – Dispatchers

	Reporting Fiscal Year (Measurement Date)					
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2010
percentage of the total pension liability						
Covered payroll	$ 407,607	$ 404,506	$ 397,428	$ 430,892	$ 456,107	
Town's net pension liability (asset) as a percentage of covered payroll	165.39%	195.34%	133.94%	106.27%	92.99%	

See accompanying notes to pension plan schedules.

TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN PENSION CONTRIBUTIONS
JUNE 30, 2019

Arizona State Retirement System

Reporting Fiscal Year

	2019	2018	2017	2016	2015
Statutorily required contribution	$1,645,597	$1,536,196	$1,496,440	$1,426,879	$ 1,367,122
Town's contributions in relation to the statutorily required contribution	1,645,597	1,536,196	1,496,440	1,426,879	1,367,122
Town's contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Town's covered payroll	$14,143,225	$13,881,636	$13,150,962	$12,565,464	$11,714,615
Town's contributions as a percentage of covered payroll	11.64%	11.07%	11.38%	11.36%	11.67%

	2014	2013	2012	2011	2010
Statutorily required contribution	$ 1,253,464	$1,172,006	$1,095,471	$934,621	$929,807
Town's contributions in relation to the statutorily required contribution	1,253,464	1,172,006	1,095,471	934,621	929,807
Town's contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Town's covered payroll	$11,434,201	$11,098,998	$10,373,156	$11,148,776	$12,038,936
Town's contributions as a percentage of covered payroll	10.96%	10.56%	10.56%	8.38%	7.72%

See accompanying notes to pension plan schedules.

TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN PENSION CONTRIBUTIONS
JUNE 30, 2019

Elected Officials Retirement Plan	Reporting Fiscal Year				
	2019	2018	2017	2016	2015
Statutorily required contribution	$27,266	$27,266	$28,065	$28,065	$28,065
Town's contributions in relation to the statutorily required contribution	27,266	27,266	28,065	28,065	28,065
Town's contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Town's covered payroll	$116,021	$116,021	$119,423	$119,423	$119,424
Town's contributions as a percentage of covered payroll	23.50%	23.50%	23.50%	23.50%	23.50%

	2014	2013	2012	2011	2010
Statutorily required contribution	$38,431	$43,518	$40,861	$34,226	$29,793
Town's contributions in relation to the statutorily required contribution	38,431	43,518	40,861	34,226	29,793
Town's contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Town's covered payroll	$119,423	$119,423	$123,858	$114,891	$113,497
Town's contributions as a percentage of covered payroll	32.18%	36.44%	32.99%	29.79%	26.25%

See accompanying notes to pension plan schedules.

TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN PENSION CONTRIBUTIONS
JUNE 30, 2019

PSPRS	Reporting Fiscal Year				
	2019	2018	2017	2016	2015
Actuarially determined contribution	$1,904,911	$1,384,924	$1,323,677	$1,006,859	$ 797,871
Town's contributions in relation to the actuarially determined contribution	1,904,911	1,384,924	1,323,677	1,006,859	797,871
Town's contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Town's covered payroll	$5,121,661	$5,318,831	$5,182,784	$4,900,569	$4,638,418
Town's contributions as a percentage of covered payroll	37.19%	26.04%	25.54%	20.55%	17.20%

	2014	2013	2012	2011	2010
Actuarially determined contribution	$ 831,677	$778,039	$644,505	$554,133	$457,749
Town's contributions in relation to the actuarially determined contribution	831,677	778,039	644,505	554,133	457,749
Town's contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Town's covered payroll	$4,498,048	$4,512,699	$4,254,314	$4,345,965	$4,625,605
Town's contributions as a percentage of covered payroll	18.49%	17.24%	15.15%	12.75%	9.90%

See accompanying notes to pension plan schedules.

TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN PENSION CONTRIBUTIONS
JUNE 30, 2019

CORP - Dispatchers

Reporting Fiscal Year

	2019	2018	2017	2016	2015
Actuarially determined contribution	$57,269	$51,210	$48,648	$49,045	$ 48,667
Town's contributions in relation to the actuarially determined contribution	57,269	51,210	48,648	49,045	48,667
Town's contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Town's covered payroll	$ 407,607	$ 404,506	$ 397,428	$ 430,892	$ 456,106
Town's contributions as a percentage of covered payroll	14.05%	12.66%	12.24%	11.38%	10.67%

	2014	2013	2012	2011	2010
Actuarially determined contribution	$ 32,506	$ 25,550	$ 24,843	$ 22,805	$ 28,540
Town's contributions in relation to the actuarially determined contribution	32,506	25,550	24,843	22,805	28,540
Town's contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Town's covered payroll	$ 443,980	$ 530,695	$ 536,843	$ 593,407	$ 603,377
Town's contributions as a percentage of covered payroll	7.32%	4.25%	4.63%	3.84%	4.73%

See accompanying notes to pension plan schedules.

TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO PENSION PLAN SCHEDULES
JUNE 30, 2019

Note 1 - Actuarially Determined Contribution Rates

Actuarial determined contribution rates for PSPRS and CORP are calculated as of June 30 two years prior to the end of the fiscal year in which contributions are made. The actuarial methods and assumptions used to establish the contribution requirements are as follows:

Actuarial cost method	Entry age normal
Amortization method	Level percent-of-pay closed
Remaining amortization period	20 years
Asset valuation method	7-year smoothed market value; 20% corridor
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	4.0%–8.0% including inflation for PSPRS and 4.0%–7.25% including inflation for CORP.
Wage growth	4%
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.
Mortality	RP-2000 mortality table (adjusted by 105% for both males and females)

Note 2 – Factors that affect trends

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, CORP, and EORP 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 and EORP 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 and CORP 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 and CORP required contributions beginning in fiscal year 2019 for members who retired or will retire after the law's effective date. EORP required contributions are not based on actuarial valuations, and therefore, these changes did not affect them.

The fiscal year 2019 (measurement date 2018) pension liabilities for EORP and CORP reflect the replacement of the permanent benefit increase (PBI) for retirees based on investment returns with a cost of living adjustment based on inflation. Also, the EORP liability and required pension contributions for fiscal year 2019 reflect a statutory change that requires the employer contribution rate to be actuarially determined. This change increased the discount rate used to calculate the liability thereby reducing the total pension liability.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

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OTHER MAJOR GOVERNMENTAL FUNDS
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL

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TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - TANGERINE FARMS IMPROVEMENT DISTRICT DEBT SERVICE
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			
	Original	Final	Actual	Variance - Positive (Negative)
Revenues:				
Special assessments	$ 1,992,337	$ 1,992,337	$ 2,868,657	$ 876,320
Total revenues	1,992,337	1,992,337	2,868,657	876,320
Expenditures:				
Debt service -				
Principal retirement	1,663,132	1,663,132	2,074,132	(411,000)
Interest and fiscal charges	360,705	360,705	359,317	1,388
Total expenditures	2,023,837	2,023,837	2,433,449	(409,612)
Excess (deficiency) of revenues over expenditures	(31,500)	(31,500)	435,208	466,708
Fund balances, beginning of year	-	-	707,418	707,418
Fund balances, end of year	$ (31,500)	$ (31,500)	$ 1,142,626	$ 1,174,126

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - SALES TAX CAPITAL
YEAR ENDED JUNE 30, 2019

	Sales Tax Capital			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Sales tax	$ 2,952,570	$ 2,952,570	$ 2,944,927	$ (7,643)
Investment income	-	-	21,996	21,996
Total revenues	2,952,570	2,952,570	2,966,923	14,353
Expenditures:				
Capital outlay	6,506,234	6,506,234	6,027,015	479,219
Total expenditures	6,506,234	6,506,234	6,027,015	479,219
Excess (deficiency) of revenues over expenditures	(3,553,664)	(3,553,664)	(3,060,092)	493,572
Fund balances, beginning of year	-	-	3,060,092	3,060,092
Fund balances, end of year	$ (3,553,664)	$ (3,553,664)	$ -	$ 3,553,664

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - TRANSPORTATION CAPITAL
YEAR ENDED JUNE 30, 2019

	Transportation Capital			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Sales taxes	$ 5,906,742	$ 5,906,742	$ 8,101,699	$ 2,194,957
Fines, forefeitures & penalties	-	-	-	-
Investment income	-	-	394,523	394,523
Total revenues	5,906,742	5,906,742	8,496,222	2,589,480
Expenditures:				
Current -				
General government	-	-	730,617	(730,617)
Highways and streets	17,425	17,425	31,592	(14,167)
Capital outlay	21,459,042	21,459,042	10,611,881	10,847,161
Total expenditures	21,476,467	21,476,467	11,374,090	10,102,377
Excess (deficiency) of revenues over expenditures	(15,569,725)	(15,569,725)	(2,877,868)	12,691,857
Other financing sources (uses):				
Transfers in	-	-	45,514	45,514
Transfers out	(577,580)	(577,580)	(808,297)	(230,717)
Total other financing sources (uses)	(577,580)	(577,580)	(762,783)	(185,203)
Changes in fund balances	(16,147,305)	(16,147,305)	(3,640,651)	12,506,654
Fund balances, beginning of year	-	-	17,024,540	17,024,540
Fund balances, end of year	$(16,147,305)	$(16,147,305)	$13,383,889	$29,531,194

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NON-MAJOR GOVERNMENTAL FUNDS

TOWN OF MARANA, ARIZONA
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS -
BY FUND TYPE
JUNE 30, 2019

	Special Revenue	Capital Projects	Debt Service	Total Non-Major Governmental Funds
ASSETS				
Cash and cash equivalents	$ 4,171,964	$ 15,000,692	$ 5,381,671	$ 24,554,327
Taxes receivable	-	612	4,584	5,196
Accounts receivable	3,189	-	-	3,189
Interest receivable	-	12,618	1,786	14,404
Development agreement receivable	-	58,352	-	58,352
Due from governments	449,471	527,150	-	976,621
Prepaid items	1,580	-	-	1,580
Total assets	$ 4,626,204	$ 15,599,424	$ 5,388,041	$ 25,613,669
LIABILITIES				
Accounts payable	$ 211,591	$ 313,559	$ 225	$ 525,375
Accrued payroll and employee benefits	17,789	-	-	17,789
Due to other funds	1,855	973,197	-	975,052
Deposits held for others	-	62,400	-	62,400
Unearned revenue	10,620	-	-	10,620
Total liabilities	241,855	1,349,156	225	1,591,236
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	50,707	7,663	-	58,370
Total deferred inflows of resources	50,707	7,663	-	58,370
FUND BALANCES (DEFICITS)				
Fund balances:				
Nonspendable	1,580	-	-	1,580
Restricted	4,335,849	14,800,943	5,387,816	24,524,608
Unassigned	(3,787)	(558,338)	-	(562,125)
Total fund balances	4,333,642	14,242,605	5,387,816	23,964,063
Total liabilities, deferred inflows of resources, and fund balances	$ 4,626,204	$ 15,599,424	$ 5,388,041	$ 25,613,669

TOWN OF MARANA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2019

	Special Revenue	Capital Projects	Debt Service	Total Non-Major Governmental Funds
Revenues:				
Sales tax	$ 1,429,401	$ 231,594	$ -	$ 1,660,995
Property tax	-	100,952	732,972	833,924
Intergovernmental	1,009,182	3,400,046	-	4,409,228
Licenses, fees & permits	-	4,259,833	-	4,259,833
Fines, forfeitures & penalties	109,142	-	-	109,142
Investment income	33,153	244,606	4,624	282,383
Miscellaneous	11,528	-	-	11,528
Total revenues	2,592,406	8,263,677	737,596	11,593,679
Expenditures:				
Current -				
General government	838,876	10,582	-	849,458
Public safety	958,317	-	-	958,317
Highways and streets	-	20,907	-	20,907
Economic and community development	362,893	-	-	362,893
Culture and recreation	-	53,530	-	53,530
Capital outlay	1,038,707	2,217,453	3,616,367	6,872,527
Debt service -				
Principal retirement	-	-	3,389,000	3,389,000
Interest and fiscal charges	-	-	2,745,649	2,745,649
Total expenditures	3,198,793	2,302,472	10,065,018	15,566,283
Excess (deficiency) of revenues over expenditures	(606,387)	5,961,205	(9,327,422)	(3,972,604)
Other financing sources (uses):				
Transfers in	-	58,073	5,978,501	6,036,574
Transfers out	-	(2,185,045)	(45,514)	(2,230,559)
Total other financing sources (uses)	-	(2,126,972)	9,865,731	7,738,759
Change in fund balances	(606,387)	3,834,233	538,309	3,766,155
Fund balances, beginning of year	4,940,029	10,408,372	4,849,507	20,197,908
Fund balances, end of year	$ 4,333,642	$ 14,242,605	$ 5,387,816	$ 23,964,063

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NON-MAJOR SPECIAL REVENUE FUNDS

Community Development Grant Fund (CDBG) – This fund accounts for the CDBG program which provides resources to address community development needs

Affordable Housing Fund – This revolving fund accounts for resources utilized on affordable housing projects and programs.

Bed Tax Fund – This fund accounts for the collection of the discriminatory portion of bed tax revenues which funds economic development and tourism initiatives.

Judicial Collection Enhancement Fund – This fund accounts for resources required to improve, maintain and enhance the ability to collect and manage monies assessed or received by the courts including restitution, child support, fines and civil penalties; and to improve court automation projects likely to improve case processing or the administration of justice.

Fill-the-Gap Fund – This fund accounts for local Fill-the-Gap resources which shall be used to improve, maintain and enhance the ability to collect and manage monies assessed or received by the courts, to improve court automation and to improve case processing or the administration of justice.

Local Technology Fund – This fund accounts for resources required to fund local or collaborative technology improvement projects and programs.

Other Special Revenue Fund – Includes all other grant related programs and projects.

TOWN OF MARANA, ARIZONA
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2019

	Community Development Block Grant	Affordable Housing	Bed Tax
ASSETS			
Cash and cash equivalents	$ -	$ 181,434	$ 1,861,185
Accounts receivable	-	-	-
Due from governments	3,786	-	165,984
Prepaid	-	-	425
Total assets	$ 3,786	$ 181,434	$ 2,027,594
LIABILITIES			
Accounts payable	$ 789	$ -	$ 156,538
Accrued payroll and employee benefits	1,143	-	1,849
Due to other funds	1,855	-	-
Unearned revenue	-	-	-
Total liabilities	3,787	-	158,387
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	3,786	-	-
Total deferred inflows of resources	3,786	-	-
FUND BALANCES (DEFICITS)			
Nonspendable	-	-	425
Restricted	-	181,434	1,868,782
Unassigned	(3,787)	-	-
Total fund balances	(3,787)	181,434	1,869,207
Total liabilities, deferred inflows of resources, and fund balances	$ 3,786	$ 181,434	$ 2,027,594

Judicial Collection Enhancement	Fill-the-Gap	Local Technology	Other Special Revenue Fund	Totals
$ 162,297	$ 94,104	$ 843,462	$ 1,029,482	$ 4,171,964
-	2,772	-	417	3,189
-	-	-	279,701	449,471
-	-	-	1,155	1,580
$ 162,297	$ 96,876	$ 843,462	$ 1,310,755	$ 4,626,204
$ 14,471	$ -	$ 300	$ 39,493	$ 211,591
-	-	1,127	13,670	17,789
-	-	-	-	1,855
-	-	-	10,620	10,620
14,471	-	1,427	63,783	241,855
-	-	-	46,921	50,707
-	-	-	46,921	50,707
-	-	-	1,155	1,580
147,826	96,876	842,035	1,198,896	4,335,849
-	-	-	-	(3,787)
147,826	96,876	842,035	1,200,051	4,333,642
$ 162,297	$ 96,876	$ 843,462	$ 1,310,755	$ 4,626,204

TOWN OF MARANA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Community Development Block Grant	Affordable Housing	Bed Tax	Judicial Collection Enhancement
Revenues:				
Sales taxes	$ -	$ -	$ 1,429,401	$ -
Intergovernmental	71,170	-	-	-
Fines, forfeitures & penalties	-	-	-	9,910
Investment income	-	-	-	-
Miscellaneous	-	1,954	3,212	-
Total revenues	71,170	1,954	1,432,613	9,910
Expenditures:				
Current -				
General government	-	-	695,599	14,471
Public safety	-	-	-	-
Economic and community development	74,958	-	287,935	-
Capital outlay	-	38,781	-	-
Total expenditures	74,958	38,781	983,534	14,471
Excess (deficiency) of revenues over expenditures	(3,788)	(36,827)	449,079	(4,561)
Fund balances (deficits), beginning of year	1	218,261	1,420,128	152,387
Fund balances (deficits), end of year	$ (3,787)	$ 181,434	$ 1,869,207	$ 147,826

Fill-the-Gap	Local Technology	Other Special Revenue Fund	Totals
$ -	$ -	$ -	$ 1,429,401
-	-	938,012	1,009,182
5,202	60,030	34,000	109,142
-	-	33,153	33,153
-	-	6,362	11,528
5,202	60,030	1,011,527	2,592,406
-	87,848	40,958	838,876
-	-	958,317	958,317
-	-	-	362,893
-	-	999,926	1,038,707
-	87,848	1,999,201	3,198,793
5,202	(27,818)	(987,674)	(606,387)
91,674	869,853	2,187,725	4,940,029
$ 96,876	$ 842,035	$ 1,200,051	$ 4,333,642

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
YEAR ENDED JUNE 30, 2019

	Community Development Block Grant Fund			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Intergovernmental	$ 150,000	$ 150,000	$ 71,170	$ (78,830)
Total revenues	150,000	150,000	71,170	(78,830)
Expenditures:				
Current -				
Economic and community development	150,000	150,000	74,958	75,042
Capital outlay	-	-	-	-
Total expenditures	150,000	150,000	74,958	75,042
Excess (deficiency) of revenues over expenditures	-	-	(3,788)	(3,788)
Other financing sources:				
Transfer out	-	-	-	-
Total other financing sources	-	-	-	-
Change in fund balance	-	-	(3,788)	(3,788)
Fund balance, July 1, 2018	-	-	1	1
Fund balance (deficits), June 30, 2019	$ -	$ -	$ (3,787)	$ (3,787)

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
AFFORDABLE HOUSING REVOLVING FUND
YEAR ENDED JUNE 30, 2019

	Affordable Housing Revolving Fund			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Miscellaneous	$ 10,000	$ 10,000	$ 1,954	$ (8,046)
Total revenues	10,000	10,000	1,954	(8,046)
Expenditures:				
Current -				
Economic and community development	50,000	50,000	-	50,000
Capital outlay	-	-	38,781	(38,781)
Total expenditures	50,000	50,000	38,781	11,219
Excess (deficiency) of revenues over expenditures	(40,000)	(40,000)	(36,827)	3,173
Fund balance, July 1, 2018	-	-	218,261	218,261
Fund balance (deficits), June 30, 2019	$ (40,000)	$ (40,000)	$ 181,434	$ 221,434

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
BED TAX FUND
YEAR ENDED JUNE 30, 2019

	Bed Tax Fund			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Sales taxes	$ 1,088,016	$ 1,088,016	$ 1,429,401	$ 341,385
Miscellaneous	-	-	3,212	3,212
Total revenues	1,088,016	1,088,016	1,432,613	344,597
Expenditures:				
Current -				
General government	784,139	784,139	695,599	88,540
Economic and community development	303,877	303,877	287,935	15,942
Total expenditures	1,088,016	1,088,016	983,534	104,482
Excess (deficiency) of revenues over expenditures	-	-	449,079	449,079
Fund balance, July 1, 2018	-	-	1,420,128	1,420,128
Fund balance (deficits), June 30, 2019	$ -	$ -	$ 1,869,207	$ 1,869,207

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
JUDICIAL COLLECTION ENHANCEMENT FUND
YEAR ENDED JUNE 30, 2019

	Judicial Collection Enhancement Fund			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Fines, forfeitures & penalties	$ 15,000	$ 15,000	$ 9,910	$ (5,090)
Total revenues	15,000	15,000	9,910	(5,090)
Expenditures:				
Current -				
General government	72,000	72,000	14,471	57,529
Total expenditures	72,000	72,000	14,471	57,529
Excess (deficiency) of revenues over expenditures	(57,000)	(57,000)	(4,561)	52,439
Fund balance, July 1, 2018	-	-	152,387	152,387
Fund balance (deficits), June 30, 2019	$ (57,000)	$ (57,000)	$ 147,826	$ 204,826

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
FILL-THE-GAP FUND
YEAR ENDED JUNE 30, 2019

	Fill-the-Gap			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Fines, forfeitures & penalties	$ 6,000	$ 6,000	$ 5,202	$ (798)
Total revenues	6,000	6,000	5,202	(798)
Expenditures:				
Current -				
General government	34,500	34,500	-	34,500
Total expenditures	34,500	34,500	-	34,500
Excess (deficiency) of revenues over expenditures	(28,500)	(28,500)	5,202	33,702
Fund balance, July 1, 2018	-	-	91,674	91,674
Fund balance (deficits), June 30, 2019	$ (28,500)	$ (28,500)	$ 96,876	$ 125,376

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
LOCAL TECHNOLOGY
YEAR ENDED JUNE 30, 2019

	Local Technology Fund			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Fines, forfeitures & penalties	$ 140,000	$ 140,000	$ 60,030	$ (79,970)
Total revenues	140,000	140,000	60,030	(79,970)
Expenditures:				
Current -				
General government	289,549	289,549	87,848	201,701
Total expenditures	289,549	289,549	87,848	201,701
Change in fund balance	(149,549)	(149,549)	(27,818)	121,731
Fund balance, July 1, 2018	-	-	869,853	869,853
Fund balance (deficits), June 30, 2019	$ (149,549)	$ (149,549)	$ 842,035	$ 991,584

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
OTHER SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2019

	Other Special Revenue Fund			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Intergovernmental	$ 2,896,476	$ 2,896,476	$ 938,012	$ (1,958,464)
Fines, forfeitures & penalties	40,000	40,000	34,000	(6,000)
Contributions	-	-	-	-
Investment income	1,615	1,615	33,153	31,538
Miscellaneous	10,000	10,000	6,362	(3,638)
Total revenues	2,948,091	2,948,091	1,011,527	(1,936,564)
Expenditures:				
Current -				
General government	2,500,000	2,500,000	40,958	2,459,042
Public safety	567,091	567,091	958,317	(391,226)
Capital outlay	748,073	748,073	999,926	(251,853)
Total expenditures	3,815,164	3,815,164	1,999,201	1,815,963
Excess (deficiency) of revenues over expenditures	(867,073)	(867,073)	(987,674)	(120,601)
Other financing sources:				
Transfer in	100,000	100,000	-	(100,000)
Total other financing sources	100,000	100,000	-	(100,000)
Change in fund balance	(767,073)	(767,073)	(987,674)	(220,601)
Fund balance, July 1, 2018	-	-	2,187,725	2,187,725
Fund balance (deficits), June 30, 2019	$ (767,073)	$ (767,073)	$ 1,200,051	$ 1,967,124

NON-MAJOR CAPITAL PROJECTS FUND

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.

Northwest (Benefit Area) Transportation Impact Fees – This fund accounts for the financing and construction of transportation projects that are defined within the northwest benefit area.

Northeast (Benefit Area) Transportation Impact Fees – This fund accounts for the financing and construction of transportation projects that are defined within the northeast benefit area.

South (Benefit Area) Transportation Impact Fees – This fund accounts for the financing and construction of transportation projects that are defined within the south benefit area.

Park Impact Fees Fund – This fund accounts for park impact fees collected by the Town and utilized for authorized capital improvements.

PAG/RTA Capital Fund – This fund accounts for proceeds from Pima Association of Governments and Regional Transportation Authority which are used for road improvement projects.

Downtown Reinvestment Fund – This fund accounts for sales tax proceeds which are used for authorized capital improvements in the Downtown area.

Other Capital Projects Fund – Includes all other capital related funding and projects.

Gladden Farms Capital Fund – This fund accounts for the proceeds from the sale of general obligation bonds which are used for authorized capital improvements.

Vanderbilt Farms Capital Fund – This fund accounts for the proceeds from property tax revenues to be used for authorized capital improvements.

Saguaro Springs Capital Fund – This fund accounts for the financing and construction of authorized capital improvements.

TOWN OF MARANA, ARIZONA
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2019

	Northwest Transportation Impact Fees	Northeast Transportation Impact Fees	South Transportation Impact Fees	Park Impact Fees
ASSETS				
Cash and cash equivalents	$ 291,461	$ -	$ 5,657,836	$ 2,137,783
Taxes receivable	-	-	-	-
Interest receivable	-	-	9,814	-
Development agreement receivable	-	-	-	-
Due from governments	-	-	-	7,592
Total assets	$ 291,461	$ -	$ 5,667,650	$ 2,145,375
LIABILITIES				
Accounts payable	$ 26,138	$ -	$ 430	$ 119,651
Due to other funds	-	513,787	-	-
Deposits held for others	-	-	-	-
Total liabilities	26,138	513,787	430	119,651
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	7,663
Total deferred inflows of resources	-	-	-	7,663
FUND BALANCES (DEFICITS)				
Restricted	265,323	-	5,667,220	2,018,061
Unassigned	-	(513,787)	-	-
Total fund balances (deficits)	265,323	(513,787)	5,667,220	2,018,061
Total liabilities, deferred inflows of resources, and fund balances	$ 291,461	$ -	$ 5,667,650	$ 2,145,375

PAG/RTA Capital	Downtown Reinvestment	Other Capital Projects	Gladden Farms Capital	Vanderbilt Farms Capital	Saguaro Springs Capital	Totals
$ -	$ 1,025,176	$ 5,062,618	$ 670,568	$ 29,772	$ 125,478	$ 15,000,692
-	-	-	431	-	181	612
-	-	2,804	-	-	-	12,618
-	-	58,352	-	-	-	58,352
490,728	28,830	-	-	-	-	527,150
$ 490,728	$ 1,054,006	$ 5,123,774	$ 670,999	$ 29,772	$ 125,659	$ 15,599,424
$ 75,869	$ -	$ 90,827	$ 308	$ 99	$ 237	$ 313,559
459,410	-	-	-	-	-	973,197
-	-	62,400	-	-	-	62,400
535,279	-	153,227	308	99	237	1,349,156
-	-	-	-	-	-	$ 7,663
-	-	-	-	-	-	7,663
-	1,054,006	4,970,547	670,691	29,673	125,422	14,800,943
(44,551)	-	-	-	-	-	(558,338)
(44,551)	1,054,006	4,970,547	670,691	29,673	125,422	14,242,605
$ 490,728	$ 1,054,006	$ 5,123,774	$ 670,999	$ 29,772	$ 125,659	$ 15,599,424

TOWN OF MARANA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECT FUNDS
YEAR ENDED JUNE 30, 2019

	Northwest Transportation Impact Fees	Northeast Transportation Impact Fees	South Transportation Impact Fees	Park Impact Fees
Revenues:				
Sales tax	$ -	$ -	$ -	$ -
Property tax	-	-	-	-
Intergovernmental	-	-	-	1,178
Licenses, fees & permits	124,450	418,885	1,930,920	1,555,897
Contributions	-	-	-	-
Investment income	6,452	15,836	100,612	42,595
Total revenues	130,902	434,721	2,031,532	1,599,670
Expenditures:				
Current -				
General government	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	43,774
Capital outlay	2,713	180	5,189	709,127
Total expenditures	2,713	180	5,189	752,901
Excess (deficiency) of revenues over expenditures	128,189	434,541	2,026,343	846,769
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	(552,270)	(569,327)	(3,431)
Total other financing sources (uses)	-	(552,270)	(569,327)	(3,431)
Change in fund balances	128,189	(117,729)	1,457,016	843,338
Fund balances (deficits), beginning of year	137,134	(396,058)	4,210,204	1,174,723
Fund balances (deficits), end of year	$ 265,323	$ (513,787)	$ 5,667,220	$ 2,018,061

PAG/RTA Capital	Downtown Reinvestment	Other Capital Projects	Gladden Farms Capital	Vanderbilt Farms Capital	Saguaro Springs Capital	Totals
$ -	$ 231,594	$ -	$ -	$ -	$ -	$ 231,594
-	-	-	67,419	2,894	30,639	100,952
3,296,301	-	102,567	-	-	-	3,400,046
-	-	229,681	-	-	-	4,259,833
-	-	23,261	-	-	3,385	26,646
-	-	79,111	-	-	-	244,606
3,296,301	231,594	434,620	67,419	2,894	34,024	8,263,677
-	-	-	3,982	1,504	5,096	10,582
-	-	20,907	-	-	-	20,907
-	-	9,756	-	-	-	53,530
1,331,984	10,740	157,520	-	-	-	2,217,453
1,331,984	10,740	188,183	3,982	1,504	5,096	2,302,472
1,964,317	220,854	246,437	63,437	1,390	28,928	5,961,205
-	19,591	38,482	-	-	-	58,073
-	-	(1,031,117)	-	(28,900)	-	(2,185,045)
-	19,591	(992,635)	-	(28,900)	-	(2,126,972)
1,964,317	240,445	(746,198)	63,437	(27,510)	28,928	3,834,233
(2,008,868)	813,561	5,716,745	607,254	57,183	96,494	10,408,372
$ (44,551)	$ 1,054,006	$ 4,970,547	$ 670,691	$ 29,673	$ 125,422	$ 14,242,605

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
NORTHWEST TRANSPORTATION IMPACT FEES
YEAR ENDED JUNE 30, 2019

	Northwest Transportation Impact Fees			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Licenses, fees & permits	$ 38,500	$ 38,500	$ 124,450	$ 85,950
Investment income	-	-	6,452	6,452
Total revenues	38,500	38,500	130,902	92,402
Expenditures:				
Current -				
Highways and streets	-	24,361	-	24,361
Capital outlay	33,917	9,556	2,713	6,843
Total expenditures	33,917	33,917	2,713	31,204
Excess (deficiency) of revenues over expenditures	4,583	4,583	128,189	123,606
Other financing sources (uses):				
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Change in fund balances	4,583	4,583	128,189	123,606
Fund balances (deficits), July 1, 2018	-	-	137,134	137,134
Fund balances (deficits), June 30, 2019	$ 4,583	$ 4,583	$ 265,323	$ 260,740

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
NORTHEAST TRANSPORTATION IMPACT FEES
YEAR ENDED JUNE 30, 2019

	Northeast Transportation Impact Fees			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Licenses, fees & permits	$ 297,820	$ 297,820	$ 418,885	$ 121,065
Investment income	-	-	15,836	15,836
Total revenues	297,820	297,820	434,721	136,901
Expenditures:				
Current -				
Highways and streets	-	-	-	-
Capital outlay	-	-	180	(180)
Total expenditures	-	-	180	(180)
Excess (deficiency) of revenues over expenditures	297,820	297,820	434,541	136,721
Other financing sources (uses):				
Transfers out	(404,483)	(404,483)	(552,270)	(147,787)
Total other financing sources (uses)	(404,483)	(404,483)	(552,270)	(147,787)
Change in fund balances	(106,663)	(106,663)	(117,729)	(11,066)
Fund balances (deficits), July 1, 2018	-	-	(396,058)	(396,058)
Fund balances (deficits), June 30, 2019	$ (106,663)	$ (106,663)	$ (513,787)	$ (407,124)

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
SOUTH TRANSPORTATION IMPACT FEES
YEAR ENDED JUNE 30, 2019

	South Transportation Impact Fees			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Licenses, fees & permits	$ 599,445	$ 599,445	$ 1,930,920	$ 1,331,475
Investment income	-	-	100,612	100,612
Total revenues	599,445	599,445	2,031,532	1,432,087
Expenditures:				
Current -				
Highways and streets	-	-	-	-
Capital outlay	-	-	5,189	(5,189)
Total expenditures	-	-	5,189	(5,189)
Excess (deficiency) of revenues over expenditures	599,445	599,445	2,026,343	1,426,898
Other financing sources (uses):				
Transfers out	(416,847)	(416,847)	(569,327)	(152,480)
Total other financing sources (uses)	(416,847)	(416,847)	(569,327)	(152,480)
Change in fund balances	182,598	182,598	1,457,016	1,274,418
Fund balances (deficits), July 1, 2018	-	-	4,210,204	4,210,204
Fund balances (deficits), June 30, 2019	$ 182,598	$ 182,598	$ 5,667,220	$ 5,484,622

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
PARK IMPACT FEES
YEAR ENDED JUNE 30, 2019

	Park Impact Fees			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Intergovernmental	$ -	$ -	$ 1,178	$ 1,178
Licenses, fees & permits	610,328	610,328	1,555,897	945,569
Investment income	-	-	42,595	42,595
Total revenues	610,328	610,328	1,599,670	989,342
Expenditures:				
Current -				
Culture and recreation	-	1,700,431	43,774	1,656,657
Capital outlay	3,022,840	1,322,409	709,127	613,282
Total expenditures	3,022,840	3,022,840	752,901	2,269,939
Excess (deficiency) of revenues over expenditures	(2,412,512)	(2,412,512)	846,769	3,259,281
Other financing sources:				
Transfers out	-	-	(3,431)	(3,431)
Total other financing sources	-	-	(3,431)	(3,431)
Change in fund balances	(2,412,512)	(2,412,512)	843,338	3,255,850
Fund balances (deficits), July 1, 2018	-	-	1,174,723	1,174,723
Fund balances (deficits), June 30, 2019	$ (2,412,512)	$ (2,412,512)	$ 2,018,061	$ 4,434,004

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - PAG CAPITAL
YEAR ENDED JUNE 30, 2019

	PAG Capital			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Licenses, fees & permits	$ 5,069,038	$ 5,069,038	$ 3,296,301	$ (1,772,737)
Contributions	-	-	-	-
Total revenues	5,069,038	5,069,038	3,296,301	(1,772,737)
Expenditures:				
Current -				
Highways and streets				
Capital outlay	5,069,037	5,069,037	1,331,984	3,737,053
Total expenditures	5,069,037	5,069,037	1,331,984	3,737,053
Excess (deficiency) of revenues over expenditures	1	1	1,964,317	1,964,316
Other financing sources (uses):				
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Change in fund balances	1	1	1,964,317	1,964,316
Fund balances (deficits), July 1, 2018	-	-	(2,008,868)	(2,008,868)
Fund balances (deficits), June 30, 2019	$ 1	$ 1	$ (44,551)	$ (44,552)

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
DOWNTOWN REINVESTMENT
YEAR ENDED JUNE 30, 2019

	Downtown Reinvestment			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Sales tax	$ 223,600	$ 223,600	231,594	$ 7,994
Total revenues	223,600	223,600	231,594	7,994
Expenditures:				
Current -				
Economic and community development	470,480	470,480	-	470,480
Capital outlay	360,015	360,015	10,740	349,275
Total expenditures	830,495	830,495	10,740	819,755
Excess (deficiency) of revenues over expenditures	(606,895)	(606,895)	220,854	827,749
Other financing sources (uses):				
Transfers in	-	-	19,591	(19,591)
Total other financing sources (uses)	-	-	19,591	19,591
Change in fund balances	(606,895)	(606,895)	240,445	847,340
Fund balances (deficits), July 1, 2018	-	-	813,561	(813,561)
Fund balances (deficits), June 30, 2019	$ (606,895)	$ (606,895)	$ 1,054,006	$ 33,779

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - OTHER CAPITAL PROJECTS
YEAR ENDED JUNE 30, 2019

	Other Captial Projects			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Intergovernmental	$ 2,450,812	$ 2,450,812	$ 102,567	$ (2,348,245)
Licenses, fees & permits	-	-	229,681	229,681
Contributions	400,000	400,000	23,261	(376,739)
Investment income	-	-	79,111	79,111
Total revenues	2,850,812	2,850,812	434,620	(2,416,192)
Expenditures:				
Highways and streets	25,000	25,000	20,907	4,093
Culture and recreation	-	-	9,756	(9,756)
Capital outlay	2,189,827	2,189,827	157,520	2,032,307
Total expenditures	2,214,827	2,214,827	188,183	2,026,644
Excess (deficiency) of revenues over expenditures	635,985	635,985	246,437	(389,548)
Other financing sources (uses):				
Transfers in	642,183	642,183	38,482	(603,701)
Transfers out	-	-	(1,031,117)	(1,031,117)
Total other financing sources (uses)	642,183	642,183	(992,635)	(1,634,818)
Changes in fund balances	1,278,168	1,278,168	(746,198)	(2,024,366)
Fund balances (deficits), July 1, 2018	-	-	5,716,745	5,716,745
Fund balances (deficits), June 30, 2019	$ 1,278,168	$ 1,278,168	$ 4,970,547	$ 3,692,379

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
GLADDEN FARMS COMMUNITY FACILITIES DISTRICT CAPITAL
YEAR ENDED JUNE 30, 2019

	Gladden Farms Community Facilities District Capital			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Property tax	$ 67,453	$ 67,453	$ 67,419	$ (34)
Total revenues	67,453	67,453	67,419	(34)
Expenditures:				
Current -				
General government	528,713	528,713	3,982	524,731
Capital outlay	-	-	-	-
Total expenditures	528,713	528,713	3,982	524,731
Excess (deficiency) of revenues over expenditures	(461,260)	(461,260)	63,437	524,697
Other financing sources (uses):				
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Change in fund balances	(461,260)	(461,260)	63,437	524,697
Fund balances (deficits), July 1, 2018	-	-	607,254	607,254
Fund balances (deficits), June 30, 2019	$ (461,260)	$ (461,260)	$ 670,691	$ 1,131,951

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
VANDERBILT FARMS COMMUNITY FACILITIES DISTRICT CAPITAL
YEAR ENDED JUNE 30, 2019

	Vanderbilt Farms Capital			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Property tax	$ 2,884	$ 2,884	$ 2,894	$ 10
Contributions	27,500	27,500	-	(27,500)
Total revenues	30,384	30,384	2,894	(27,490)
Expenditures:				
Current -				
General government	30,384	30,384	1,504	28,880
Total expenditures	30,384	30,384	1,504	28,880
Excess (deficiency) of revenues over expenditures	-	-	1,390	1,390
Other financing sources (uses):				
Transfers out	-	-	(28,900)	28,900
Total other financing sources (uses)	-	-	(28,900)	28,900
Change in fund balances	-	-	(27,510)	(27,510)
Fund balances (deficits), July 1, 2018	-	-	57,183	57,183
Fund balances (deficits), June 30, 2019	$ -	$ -	$ 29,673	$ 29,673

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT CAPITAL
YEAR ENDED JUNE 30, 2019

	Saguaro Springs Capital			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Property tax	$ 285,167	$ 285,167	$ 30,639	$ (254,528)
Contributions	106,833	106,833	3,385	(103,448)
Total revenues	392,000	392,000	34,024	(357,976)
Expenditures:				
Current -				
General government	442,000	442,000	5,096	436,904
Capital outlay	4,000,000	4,000,000	-	4,000,000
Debt service -				
Bond issuance costs	450,000	450,000	-	450,000
Total expenditures	4,892,000	4,892,000	5,096	4,886,904
Excess (deficiency) of revenues over expenditures	(4,500,000)	(4,500,000)	28,928	4,528,928
Other financing sources (uses):				
Bond proceeds	4,500,000	4,500,000	-	(4,500,000)
Total other financing sources (uses)	4,500,000	4,500,000	-	(4,500,000)
Change in fund balances	-	-	28,928	28,928
Fund balances (deficits), July 1, 2018	-	-	96,494	96,494
Fund balances (deficits), June 30, 2019	$ -	$ -	$ 125,422	$ 125,422

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NON-MAJOR DEBT SERVICE FUNDS

Debt Service Funds are created to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

2013 Bond Debt Service Fund – This fund accounts for the accumulation of resources and payment of principal and interest on the series 2013 revenue bonds. The Town has pledged Town sales tax revenue and state shared revenues to make the required payments for this series.

2014 Bond Debt Service Fund – This fund accounts for the accumulation of resources and payment of principal and interest on the series 2014 revenue bonds. The Town has pledged Town sales tax revenue and state shared revenues to make the required payments for this series.

2017 Bond Debt Service Fund – This fund accounts for the accumulation of resources and payment of principal and interest on the series 2017 revenue bonds. The Town has pledged Town sales tax revenue and state shared revenues to make the required payments for this series.

Gladden Farms Debt Service Fund – This fund accounts for the accumulation of resources and payment of principal and interest on the Gladden Farms general obligation bonds.

Saguaro Springs Debt Service Fund – This fund accounts for the accumulation of resources and payment of principal and interest on the Saguaro Springs general obligation bonds.

TOWN OF MARANA, ARIZONA
COMBINING BALANCE SHEET - NON-MAJOR DEBT SERVICE FUNDS
JUNE 30, 2019

	2013 Bond Debt Service	2014 Bond Debt Service	2017 Bond Debt Service
ASSETS			
Cash and cash equivalents	$ 2,403,463	$ 739,006	$ 1,659,450
Property taxes receivable	-	-	-
Interest receviable	1,786	-	-
Total assets	$ 2,405,249	$ 739,006	$ 1,659,450
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ -	$ -	$ -
Total liabilities	-	-	-
Fund balances:			
Reserved for:			
Restricted	2,405,249	739,006	1,659,450
Total fund balances	2,405,249	739,006	1,659,450
Total liabilities and fund balances	$ 2,405,249	$ 739,006	$ 1,659,450

Other Debt Service	Gladden Farms Debt Service	Saguaro Springs Debt Service	Totals
$ -	$ 398,229	$ 181,523	$ 5,381,671
-	3,076	1,508	4,584
-	-	-	1,786
$ -	$ 401,305	$ 183,031	$ 5,388,041
$ -	$ -	$ 225	$ 225
-	-	225	225
-	401,305	182,806	5,387,816
-	401,305	182,806	5,387,816
$ -	$ 401,305	$ 183,031	$ 5,388,041

TOWN OF MARANA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2019

	2013 Bond Debt Service	2014 Bond Debt Service	2017 Bond Debt Service
Revenues:			
Property Taxes	$ -	$ -	$ -
Investment income	2,390	202	-
Total revenues	2,390	202	-
Expenditures:			
Capital Outlay	-	-	-
Debt service -			
Principal retirement	1,680,000	664,000	840,000
Interest and fiscal charges	1,352,525	130,469	921,300
Bond Issuance Costs	-	-	-
Total expenditures	3,032,525	794,469	1,761,300
Excess (deficiency) of revenues over expenditures	(3,030,135)	(794,267)	(1,761,300)
Other financing sources (uses):			
Face value of bonds issued	-	-	-
Premium on bonds issued	-	-	-
Transfers in	3,062,840	800,761	2,114,900
Transfers out	-	-	-
Total other financing sources (uses)	3,062,840	800,761	2,114,900
Change in fund balances	32,705	6,494	353,600
Fund balances, beginning of year	2,372,544	732,512	1,305,850
Fund balances, end of year	$ 2,405,249	$ 739,006	$ 1,659,450

Other Debt Service	Gladden Farms Debt Service	Saguaro Springs Debt Service	Totals
$ -	$ 479,398	$ 253,574	$ 732,972
-	2,032	-	4,624
-	481,430	253,574	737,596
-	-	3,616,367	3,616,367
-	205,000	-	3,389,000
-	268,212	73,143	2,745,649
-	-	314,002	314,002
-	473,212	4,003,512	10,065,018
-	8,218	(3,749,938)	(9,327,422)
-	-	3,845,000	3,845,000
-	-	87,744	87,744
-	-	-	5,978,501
(45,514)	-	-	(45,514)
(45,514)	-	3,932,744	9,865,731
(45,514)	8,218	182,806	538,309
45,514	393,087	-	4,849,507
$ -	$ 401,305	$ 182,806	$ 5,387,816

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR DEBT SERVICE FUNDS
2013 BOND DEBT SERVICE
YEAR ENDED JUNE 30, 2019

	2013 Bond Debt Service			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Property Taxes	$ -	$ -	$ -	$ -
Contributions	-	-	-	-
Investment income	-	-	2,390	2,390
Total revenues	-	-	2,390	2,390
Expenditures:				
Debt service -				
Principal retirement	1,680,000	1,680,000	1,680,000	-
Interest and fiscal charges	1,352,525	1,352,525	1,352,525	-
Total expenditures	3,032,525	3,032,525	3,032,525	-
Excess (deficiency) of revenues over expenditures	(3,032,525)	(3,032,525)	(3,030,135)	2,390
Other financing sources (uses):				
Transfers in	3,032,525	3,032,525	3,062,840	(30,315)
Total other financing sources (uses)	3,032,525	3,032,525	3,062,840	(30,315)
Change in fund balances	-	-	32,705	32,705
Fund balances (deficits), July 1, 2018	-	-	2,372,544	2,372,544
Fund balances (deficits), June 30, 2019	$ -	$ -	$ 2,405,249	$ 2,405,249

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR DEBT SERVICE FUNDS
2014 BOND DEBT SERVICE
YEAR ENDED JUNE 30, 2019

	2014 Bond Debt Service			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Property Taxes	$ -	$ -	$ -	$ -
Contributions	-	-	-	-
Investment income	-	-	202	202
Total revenues	-	-	202	202
Expenditures:				
Debt service -				
Principal retirement	664,000	664,000	664,000	-
Interest and fiscal charges	130,469	130,469	130,469	-
Total expenditures	794,469	794,469	794,469	-
Excess (deficiency) of revenues over expenditures	(794,469)	(794,469)	(794,267)	202
Other financing sources (uses):				
Transfers in	794,469	794,469	800,761	(6,292)
Total other financing sources (uses)	794,469	794,469	800,761	(6,292)
Change in fund balances	-	-	6,494	6,494
Fund balances (deficits), July 1, 2018	-	-	732,512	732,512
Fund balances (deficits), June 30, 2019	$ -	$ -	$ 739,006	$ 739,006

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR DEBT SERVICE FUNDS
2017 BOND DEBT SERVICE
YEAR ENDED JUNE 30, 2019

	2017 Bond Debt Service			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Property Taxes	$ -	$ -	$ -	$ -
Contributions	-	-	-	-
Investment income	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Debt service -				
Principal retirement	840,000	840,000	840,000	-
Interest and fiscal charges	926,300	926,300	921,300	5,000
Total expenditures	1,766,300	1,766,300	1,761,300	5,000
Excess (deficiency) of revenues over expenditures	(1,766,300)	(1,766,300)	(1,761,300)	5,000
Other financing sources (uses):				
Transfers in	1,469,793	1,469,793	2,114,900	(645,107)
Total other financing sources (uses)	1,469,793	1,469,793	2,114,900	(645,107)
Change in fund balances	(296,507)	(296,507)	353,600	650,107
Fund balances (deficits), July 1, 2018	-	-	1,305,850	1,305,850
Fund balances (deficits), June 30, 2019	$ (296,507)	$ (296,507)	$ 1,659,450	$ 1,955,957

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR DEBT SERVICE FUNDS
GLADDEN FARMS DEBT SERVICE
YEAR ENDED JUNE 30, 2019

	Gladden Farms Debt Service			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Property Taxes	$ 477,013	$ 477,013	$ 479,398	$ 2,385
Contributions	-	-	-	-
Investment income	-	-	2,032	2,032
Total revenues	477,013	477,013	481,430	4,417
Expenditures:				
Debt service -				
Principal retirement	205,000	205,000	205,000	-
Interest and fiscal charges	272,013	272,013	268,212	3,801
Total expenditures	477,013	477,013	473,212	3,801
Excess (deficiency) of revenues over expenditures	-	-	8,218	8,218
Other financing sources (uses):				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Change in fund balances	-	-	8,218	8,218
Fund balances (deficits), July 1, 2018	-	-	393,087	393,087
Fund balances (deficits), June 30, 2019	$ -	$ -	$ 401,305	$ 401,305

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR DEBT SERVICE FUNDS
SAGUARO SPRINGS DEBT SERVICE
YEAR ENDED JUNE 30, 2019

	Saguaro Springs Debt Service			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Property Taxes	$ -	$ -	$ 253,574	$ 253,574
Contributions	-	-	-	-
Investment income	-	-	-	-
Total revenues	-	-	253,574	253,574
Expenditures:				
Capital Outlay	-	-	3,616,367	(3,616,367)
Debt service -				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	73,143	(73,143)
Bond Issuance Costs	-	-	314,002	(314,002)
Total expenditures	-	-	4,003,512	(4,003,512)
Excess (deficiency) of revenues over expenditures	-	-	(3,749,938)	(3,749,938)
Face value of bonds issued	-	-	-	-
Face value of bonds issued	-	-	3,845,000	(3,845,000)
Premium on bonds issued	-	-	87,744	(87,744)
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	3,932,744	(3,932,744)
Change in fund balances	-	-	182,806	182,806
Fund balances (deficits), July 1, 2018	-	-	-	-
Fund balances (deficits), June 30, 2019	$ -	$ -	$ 182,806	$ 182,806

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STATISTICAL INFORMATION

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Statistical Section

Financial presentations included in the Statistical Section provide data and information on the financial, physical, a and economic characteristics of the Town of Marana. The following schedules cover multiple fiscal years and provide users with a broader and more complete understanding of the Town and its financial affairs and economic condition. They also present detailed information as a context for understanding this year's financial statements, note disclosures, and required supplementary information.

	Schedule	Page
Financial Trends		
These schedules contain trend information to help users understand and assess how the Town's financial position has changed over time.		
Net Position by Component - Last Ten Fiscal Years	1	146
Changes in Net Position - Last Ten Fiscal Years	2	148
Fund Balances of Governmental Funds - Last Ten Fiscal Years	3	152
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Revenue Capacity		
These schedules contain information to help users understand and assess the Town's local revenue source, the property tax.		
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TOWN OF MARANA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(Amounts expressed in thousands)

	2010	2011	2012	2013
Governmental activities				
Net investment in capital assets	$ 193,721	$ 196,326	$ 194,287	$ 184,949
Restricted	25,459	28,136	29,004	62,437
Unrestricted	39,929	38,889	39,911	1,384
Total governmental activities net position	259,109	263,351	263,202	248,770
Business-type activities				
Net investment in capital assets	44,310	42,148	112,528	111,045
Restricted	-	73	146	219
Unrestricted	(5,813)	(2,683)	(17,519)	(2,677)
Total business-type activities net position	38,497	39,538	95,155	108,587
Primary government				
Net investment in capital assets	238,031	238,474	306,815	295,994
Restricted	25,459	28,209	29,150	62,656
Unrestricted	34,116	36,206	22,392	(1,293)
Total primary government net position	$ 297,606	$ 302,889	$ 358,357	$ 357,357

Source: Statement of Net Position

2014	2015 (as restated)	2016	2017	2018 (as restated)	2019
$ 189,171	$ 190,297	$ 193,845	$ 210,137	$ 236,208	$ 243,685
58,820	36,418	43,127	31,163	17,242	19,985
(283)	(4,283)	(6,492)	5,119	16,272	16,827
247,708	222,432	230,480	246,419	269,722	280,497
109,111	109,649	112,357	101,524	95,777	98,287
293	365	365	365	365	366
(208)	984	1,313	16,319	(4,285)	(2,176)
109,196	110,998	114,035	118,208	91,857	96,477
298,282	299,946	306,202	311,661	331,985	341,972
59,113	36,783	43,492	31,528	17,607	20,351
(491)	(3,299)	(5,179)	21,439	11,987	14,651
$ 356,904	$ 333,430	$ 344,515	$ 364,628	$ 361,579	$ 376,974

TOWN OF MARANA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(Amounts expressed in thousands)

	2010	2011	2012	2013
Expenses				
Governmental activities:				
General government	$ 14,638	$ 10,643	$ 10,833	$ 9,532
Public safety	10,675	9,044	10,206	11,777
Highways and streets	14,986	15,425	17,233	18,327
Health & Welfare	102	86	23	23
Culture & recreation	3,943	3,335	2,173	3,831
Economic & community development	4,835	4,596	4,258	4,123
Interest on long-term debt	865	5,173	4,721	4,312
Total governmental activities expenses	50,044	48,302	49,447	51,925
Business-type activities:				
Airport	3,803	3,392	1,112	1,179
Wastewater	N/A	N/A	3,831	2,599
Water	1,136	1,273	3,074	3,779
Total business-type activities expenses	4,939	4,665	8,017	7,557
Total primary government expenses	$ 54,983	$ 52,967	$ 57,464	$ 59,482
Program Revenues				
Governmental activities:				
Charges for services:				
General government	$ 939	$ 830	$ 881	$ 975
Culture and recreation	211	140	134	216
Economic & community development	1,974	2,256	2,513	3,906
Operating grants and contributions	4,221	3,555	3,202	3,747
Capital grants and contributions	11,618	14,963	9,017	12,373
Total government activities program revenues	18,963	21,744	15,747	21,217
Business-type activities:				
Charges for services:				
Airport	235	238	233	239
Wastewater	N/A	N/A	241	730
Water	3,035	3,103	3,281	3,455
Capital grants and contributions	3,489	2,669	60,207	1,958
Total business-type activity program revenues	6,759	6,010	63,962	6,382
Total primary government program revenues	25,722	27,754	79,709	27,599
Net (expense)/revenue				
Governmental activities	(31,081)	(26,558)	(33,700)	(33,699)
Business-type activities	1,820	1,345	55,945	55,944
Total primary government net expense	$ (29,261)	$ (25,213)	$ 22,245	$ 22,245

2014	2015	2016	2017	2018	2019
$ 10,662	$ 14,707	$ 17,531	$ 19,393	$ 18,492	$ 23,846
12,134	14,324	14,423	16,736	16,114	16,059
19,053	18,522	22,659	40,172	27,893	21,629
23	-	-	278	236	453
3,131	4,433	3,422	6,006	5,147	5,294
4,691	4,796	4,779	4,902	4,328	4,076
4,543	4,106	3,962	2,335	3,077	1,858
54,237	60,888	66,776	89,822	75,287	73,215
1,197	1,289	1,829	1,772	1,816	1,395
2,756	3,431	3,662	3,983	4,598	5,276
5,244	4,150	4,405	5,368	5,979	6,178
9,197	8,870	9,896	11,123	12,393	12,849
$ 63,434	$ 69,758	$ 76,672	$ 100,945	$ 87,680	$ 86,064
$ 941	$ 4,490	$ 4,787	$ 4,909	$ 5,073	$ 5,007
200	305	265	287	324	317
3,386	4,585	4,027	4,355	4,993	5,260
4,442	4,360	4,507	4,619	4,665	2,259
10,268	11,281	17,157	44,371	25,856	13,679
19,237	25,021	30,743	58,541	40,911	26,522
248	239	247	251	294	329
834	933	1,016	1,065	1,502	1,626
3,766	4,146	4,243	5,064	5,609	5,750
2,534	4,015	5,214	5,941	9,890	8,977
7,382	9,333	10,720	12,321	17,295	16,682
26,619	34,354	41,463	70,862	58,206	43,204
(35,000)	(35,867)	(36,033)	(31,281)	(34,376)	(46,693)
(1,815)	463	824	1,198	4,902	3,833
$ (36,815)	$ (35,404)	$ (35,209)	$ (30,083)	$ (29,474)	$ (42,860)

TOWN OF MARANA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(Amounts expressed in thousands)

	2010	2011	2012	2013
General Revenues and Other Changes in Net Position				
Governmental activities:				
General revenues				
City sales taxes	$ 21,662	$ 22,948	$ 24,539	$ 24,768
Property taxes	623	584	506	447
Franchise fees	313	322	333	349
State shared revenues	6,462	5,719	6,943	7,714
Investment income (loss)	135	105	97	152
Miscellaneous	774	814	803	737
Gain on sale of assets	-	-	-	36
Transfers	291	309	329	(15,912)
Total governmental activities	30,260	30,801	33,550	18,291
Business-type activities:				
General revenues				
Investment income	1	1	1	2
Miscellaneous	38	4	1	19
Transfers	(291)	(309)	(329)	15,911
Special item	-	-	-	(1,326)
Total business-type activities	(252)	(304)	(327)	14,606
Total primary government	30,008	30,497	33,223	32,897
Change in Net Position				
Governmental activities	(821)	4,243	(150)	(15,408)
Business-type activities	1,568	1,041	55,618	70,550
Total primary government	$ 747	$ 5,284	$ 55,468	$ 55,142

Source: Statement of Activities

2014	2015	2016	2017	2018	2019
$ 26,226	$ 28,059	$ 35,442	$ 37,500	$ 41,689	$ 41,680
421	442	482	509	553	834
377	401	447	488	507	513
8,273	8,820	9,039	10,619	11,506	12,013
171	149	173	238	663	1,954
854	813	676	744	885	1,163
-	116	-	-	-	-
(2,384)	(404)	(2,177)	(2,878)	1,875	(688)
33,938	38,396	44,082	47,220	57,678	57,469
1	9	16	43	187	77
39	19	19	54	30	21
2,384	404	2,177	2,878	(1,875)	688
-	-	-	-	-	-
2,424	432	2,212	2,975	(1,658)	786
36,362	38,828	46,294	50,195	56,020	58,255
(1,062)	2,529	8,049	15,939	23,302	10,776
609	895	3,036	4,173	3,244	4,619
$ (453)	$ 3,424	$ 11,085	$ 20,112	$ 26,546	$ 15,395

TOWN OF MARANA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)
(Amounts expressed in thousands)

	2010	2011*	2012	2013	2014
General Fund					
Reserved	$ 313	$ -	$ -	$ -	$ -
Unreserved	14,779	-	-	-	-
Nonspendable	-	229	293	2,803	2,540
Unassigned	-	16,149	18,004	18,115	21,123
Total general fund	15,092	16,378	18,297	20,918	23,663
All other governmental funds					
Reserved	$ 7,099	$ -	$ -	$ -	$ -
Unreserved, reported in:					
Major governmental funds	6,341	-	-	-	-
Special revenue funds	4,844	-	-	-	-
Capital revenue funds	7,174	-	-	-	-
Debt service funds	-	-	-	-	-
Nonspendable	-	-	-	-	33
Restricted	-	28,137	29,821	47,616	40,774
Unassigned	-	-	(816)	(444)	(472)
Total all other governmental funds	$ 25,458	$ 28,137	$ 29,005	$ 47,172	$ 40,335
Total fund balance of governmental funds	$ 40,550	$ 44,515	$ 47,302	$ 68,090	$ 63,998

	2015	2016	2017	2018	2019
General Fund					
Reserved	$ -	$ -	$ -	$ -	$ -
Unreserved	-	-	-	-	-
Nonspendable	2,282	2,418	2,367	4,853	4,513
Unassigned	22,309	20,425	22,640	24,735	32,043
Total general fund	24,591	22,843	25,007	29,588	36,556
All other governmental funds					
Reserved	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in:				-	-
Major governmental funds	-	-	-	-	-
Special revenue funds	-	-	-	-	-
Capital revenue funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Nonspendable	-	3	1	261	1
Restricted	40,771	48,486	49,960	44,989	42,068
Unassigned	(863)	(525)	(1,908)	(2,405)	(562)
Total all other governmental funds	$ 39,908	$ 47,964	$ 48,053	$ 42,845	$ 41,507
Total fund balance of governmental funds	$ 64,499	$ 70,807	$ 73,060	$ 72,433	$ 78,063

*GASB Statement No. 54 implemented in fiscal year 2011, changed the way fund balances are classified.

Source: Governmental Fund Statements

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TOWN OF MARANA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)
(Amounts expressed in thousands)

	Fiscal Year			
	2010	2011	2012	2013
Revenues				
Sales taxes	$ 21,662	$ 22,948	$ 24,539	$ 24,768
Property taxes	622	584	506	497
Intergovernmental revenues	16,331	17,707	14,960	18,000
Licenses, fees and permits	3,681	4,361	4,906	8,586
Fines, forfeitures and penalties	879	730	752	871
Charges for services	621	430	456	379
Lease Income	555	647	92	105
Special assessments	2,352	2,239	2,302	2,337
Contributions	381	3,690	537	589
System development fees	-	-	-	-
Investment earnings	135	105	97	152
Miscellaneous	820	614	636	804
Total revenues	48,039	54,055	49,783	57,088
Expenditures				
General government	9,080	9,661	8,481	7,860
Public safety	10,164	9,334	10,590	12,067
Highways and streets	2,854	3,043	3,657	4,026
Health and welfare	75	59	-	-
Economic and community development	4,654	4,520	4,259	4,479
Culture and recreation	3,309	2,552	2,604	2,859
Town attorney	-	-	-	-
Magistrate Court	-	-	-	-
Community development	-	-	-	-
Capital outlay	29,420	13,800	7,040	3,700
Debt service				
Principal	3,191	3,490	6,059	4,177
Interest	4,931	4,832	4,635	4,408
Other charges		109	-	521
Total expenditures	67,678	51,400	47,325	44,097
Excess of revenues over (under) expenditures	(19,639)	2,655	2,458	12,991

2014	2015	2016	2017	2018	2019
$ 26,226	$ 28,058	$ 35,442	$ 37,500	$ 41,689	$ 41,680
424	447	489	521	572	834
12,732	14,927	20,537	43,261	30,919	20,040
6,549	7,048	6,243	7,078	8,617	10,034
831	889	750	728	750	637
509	692	500	563	684	718
99	96	90	113	136	148
2,176	2,050	2,129	2,340	989	2,869
1,098	583	1,216	214	87	49
-	-	-	-	-	-
171	149	173	238	663	1,954
927	853	376	460	512	757
51,742	55,792	67,945	93,016	85,618	79,720
8,953	9,652	12,017	13,347	12,949	14,021
11,952	13,886	14,068	14,477	14,774	15,502
4,214	5,441	5,796	6,037	4,893	5,031
-	-	-	365	229	290
4,508	4,351	4,146	4,642	4,452	4,744
3,195	3,598	3,710	4,266	4,903	4,613
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,453	9,885	11,840	34,275	40,960	24,478
10,338	3,412	3,992	5,083	2,260	5,463
4,522	4,491	4,212	3,882	2,745	3,105
97	-	-	1,023	-	314
52,232	54,716	59,781	87,397	88,165	77,561
(490)	1,076	8,164	5,619	(2,547)	2,159

TOWN OF MARANA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)
(Amounts expressed in thousands)

	Fiscal Year			
	2010	2011	2012	2013
Other financing sources (uses)				
Transfers in	8,492	5,297	5,998	19,700
Transfers out	(8,201)	(4,988)	(5,669)	(35,611)
Proceeds from sale of capital assets	-	-	-	57
Capitalized interest	-	-	-	-
Bonds issued	-	1,000	-	34,780
Note Proceeds	-	-	-	-
Premium on bonds issued	-	-	-	3,031
Discount on bonds issued	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	(14,160)
Residual equity transfer out	-	-	-	-
Total other financing sources (uses)	291	1,309	329	7,797
Net change in fund balance	$ 2,946	$ 3,767	$ 13,320	$ 7,307
Debt service as a percentage of noncapital expenditures	27.0%	27.5%	26.5%	21.5%

Source: Governmental Fund Statements

2014	2015	2016	2017	2018	2019
14,155	6,380	6,498	7,680	12,607	6,082
(16,540)	(6,955)	(8,675)	(10,558)	(10,732)	(6,770)
-	-	321	45	46	226
-	-	-	178		-
6,493	-	-	42,065	-	3,845
-	-	-	-	-	-
-	-	-	4,089	-	88
-	-	-		-	
(14,160)	-	-	(46,865)	-	
-	-	-	-	-	
(10,052)	(575)	(1,856)	(3,366)	1,921	3,471
$ (8,976)	$ (575)	$ 6,308	$ 2,253	$ (626)	$ 5,630
31.3%	18.1%	16.5%	12.6%	9.4%	15.3%

TOWN OF MARANA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(Amounts expressed in thousands)

Fiscal Year	Sales Tax	Highway User Revenue taxes	Total
2019	$ 41,681	$ 3,608	$ 45,289
2018	41,672	3,316	45,005
2017	37,418	3,099	40,599
2016	35,374	2,623	38,065
2015	27,974	2,484	30,458
2014	25,958	2,286	28,244
2013	24,618	2,257	26,875
2012	24,300	2,061	26,361
2011	22,800	1,869	24,669
2010	21,578	1,806	23,384

Source: Statement of Revenues

TOWN OF MARANA
ASSESSED VALUE AND ESTIMATED ACTUAL OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Amounts expressed in thousands)

Fiscal Year Ended June 30	Tax Year	Residential Property	Commercial Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2020	2019	$ 397,817	$ 138,847	$ 42,749	579,413	8.7000	5,319,890	10.9%
2019	2018	360,385	133,139	41,518	535,042	5.8400	4,898,582	10.9%
2018	2017	332,423	126,920	45,746	505,089	3.7000	4,641,025	10.9%
2017	2016	308,417	118,250	46,818	473,485	3.7000	4,357,867	10.9%
2016	2015	282,354	116,764	45,889	445,007	3.7000	4,036,488	11.0%
2015	2014	258,425	123,295	43,910	425,630	3.7000	3,787,907	11.2%
2014	2013	237,918	116,915	40,974	395,807	3.7000	3,499,549	11.3%
2013	2012	302,937	91,843	34,642	429,422	3.7000	3,676,365	11.7%
2012	2011	321,846	93,746	30,432	446,024	3.7000	3,784,297	11.8%
2011	2010	341,429	123,400	19,489	484,318	3.7000	4,014,232	12.1%

Source: Pima County Assessor's Office *Abstract of the Assessment Roll*

TOWN OF MARANA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year	Tax Year	Pima County (General Fund)	Road Tax	County Library District	Debt Service	Flood Control District	State Education Equalization Assistance Tax
2019/20	2019	3.9996	-	0.5353	0.6900	0.3335	0.4566
2018/19	2018	4.0696	-	0.5153	0.6900	0.3335	0.4741
2017/18	2017	4.2096	0.2500	0.5053	0.7000	0.3135	0.4875
2016/17	2016	4.2896	-	0.5153	0.7000	0.3335	0.5010
2015/16	2015	4.3877	-	0.5153	0.7000	0.3135	0.5054
2014/15	2014	4.2779	-	0.4353	0.7000	0.3035	0.5089
2013/14	2013	3.6665	-	0.3753	0.7800	0.2635	0.5123
2012/13	2012	3.4178	-	0.3460	0.7800	0.2635	0.4717
2011/12	2011	3.4178	-	0.3460	0.7800	0.2635	0.4259
2010/11	2010	3.3133	-	0.3100	0.7500	0.2635	0.3564

Fiscal Year	Tax Year	Central Arizona Water Conservation District	Marana School District	**Total Overlapping Rates**	Town of Marana	Gladden Farms Community Facilities District	Gladden Farms II Community Facilities District
2019/20	2019	0.1400	5.8650	23.2976	-	2.8000	2.8000
2018/19	2018	0.1400	6.0840	23.6850	-	2.4400	0.3000
2017/18	2017	0.1400	6.2334	24.1015	-	2.8000	0.3000
2016/17	2016	0.1400	6.3871	24.1757	-	2.8000	0.3000
2015/16	2015	0.1400	6.3370	23.8575	-	2.8000	0.3000
2014/15	2014	0.1400	6.2288	23.5167	-	2.8000	0.3000
2013/14	2013	0.1400	6.0085	22.8209	-	2.8000	0.3000
2012/13	2012	0.1000	5.5863	20.9958	-	2.8000	0.3000
2011/12	2011	0.1000	5.2047	20.3689	-	2.8000	0.3000
2010/11	2010	0.1000	4.6995	19.4258	-	2.8000	0.3000

Notes:
1) The Flowing Wells School District (a school district of approximately 13 miles) intersects approximately one mile of the Town's boundaries. Marana School District covers the remaining approximate 69 miles of the Town's boundaries.
2) The Town intersects several fire districts. Prior to fiscal year 1999, the Town contracted for fire service for the Town until fire districts could be established.
3) The Pima County Flood Control District tax levy applies only to real property.
4) Primary and secondary tax rates are assessed per $100 of the net assessed value and are set by the County Board of Supervisors or governing board of taxing jurisdiction.

Source: Pima County

Flowing Wells School District	Community College District	Northwest Fire District	Fire District Assistance
6.8539	1.3758	3.0049	0.0430
6.8860	1.3983	3.0501	0.0441
6.7539	1.389	3.0734	0.0459
6.8971	1.3733	2.9920	0.0468
6.6292	1.3689	2.9138	0.0467
6.6135	1.3344	2.9272	0.0472
6.7146	1.2933	3.0213	0.0456
5.9778	1.1741	2.8339	0.0447
5.9689	1.1094	2.7109	0.0418
6.0407	1.0848	2.4646	0.0430

Vanderbilt Farms Community Facilities District	Saguaro Springs Community Facilities District	**Total Direct Rates**	**Total Direct & Overlapping Rates**
0.3000	2.8000	8.7000	31.9976
0.3000	2.8000	5.8400	29.5250
0.3000	0.3000	3.7000	27.8015
0.3000	0.3000	3.7000	27.8757
0.3000	0.3000	3.7000	27.5575
0.3000	0.3000	3.7000	27.2167
0.3000	0.3000	3.7000	26.5209
0.3000	0.3000	3.7000	24.6958
0.3000	0.3000	3.7000	24.0689
0.3000	0.3000	3.7000	23.1258

TOWN OF MARANA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(Amounts expressed in thousands)

	2019			2010		
Taxpayer	Full Cash Value	Rank	Percentage of Total Taxable Assessed Value	Full Cash Value	Rank	Percentage of Total Taxable Assessed Value
UNISOURCE ENERGY CORPORATION	12,160	1	26.6%	-	-	-
HSL COTTONWOOD RC HOTEL LLC	6,386	2	14.0%	-	-	-
TUCSON PREMIUM OUTLETS LLC	6,110	3	13.4%	-	-	-
FRYS FOOD STORE OF ARIZONA	3,890	4	8.5%	-	-	-
TRICO ELECTRIC COOP INC	3,156	5	6.9%	-	-	-
AZPAV WEST LLC	3,015	6	6.6%	-	-	-
WALMART STORES INCORPORATED	2,887	7	6.3%	-	-	-
FARM CREDIT LEASING	2,841	8	6.2%	-	-	-
KREBS FLSMIDTH INC	2,683	9	5.9%	-	-	-
UNION PACIFIC RAILROAD	2,509	10	5.5%	-	-	-
FIDELITY NATIONAL TITLE TR 30212				1,588	1	51.3%
SMITH FOOD & DRUG CENTERS				324	2	10.5%
FIDELITY NATIONAL TITLE TR 60338				210	3	6.8%
WEINGARTEN NEWQUIST LLC				202	4	6.5%
MIRAMONTE GLADDEN FARMS LLC				190	5	6.1%
FREEDBER BARRY & FREEDBRG BELLA				180	6	5.8%
FIDELITY NATIONAL TITLE TR 06271				133	7	4.3%
GLADDEN 25 LLC				123	8	4.0%
BANK OF AMERICA				83	9	2.7%
TITLE SECURITY AGENCY TR 891				61	10	2.0%
Totals	$ 45,637			$ 3,094		

Notes:
1) The Town of Marana does not impose a property tax.

Source: Pima County Assessor's Office - IS Dept
(Information System's Coordinator)

TOWN OF MARANA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Amounts expressed in thousands)

		Collected within the Fiscal Year of the Levy		Total Collections to Date	
Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Amount	Percentage of Levy	Amount	Percentage of Levy
2019	$ 834	830	99.52%	831	99.64%
2018	571	568	99.47%	572	99.65%
2017	521	515	98.85%	521	99.81%
2016	488	474	99.18%	488	99.80%
2015	448	448	99.09%	448	99.55%
2014	422	415	99.04%	422	99.28%
2013	470	462	98.65%	488	98.65%
2012	514	492	99.39%	468	99.80%
2011	602	562	97.57%	502	97.57%
2010	623	623	100.00%	577	100.00%

Notes:
1) The Town does not impose a property tax; levies and collections presented above reflect assessments directly related to the Gladden Farms Community Facilities District I and II, Vanderbilt, and Saguaro Springs.

Source: Pima County Treasurer's Office

TOWN OF MARANA
TANGERINE ROAD FARMS ROAD IMPROVEMENT DISTRICT
ALL ACTIVE ASSESSMENTS AS OF 6/30/2019

District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2019 Full Cash Value (3)	Non-Residential Square Footage (4)	Expected Future Use
242-C1	215-01-003P	Tangerine/I-10, LLC	$681,092.81	$603,726.15	$12,587.00	1,015,384	Commercial
242-A	215-01-003R	Tangerine/I-10, LLC	546,102.01	484,069.22	8,440.00	814,136	Commercial
242-B3-1	215-01-003S	INTERNATIONAL CENTER TUCSON LLC & SECUNDUS TUCSON LLC	52,594.14	46,619.87	3,667,800.00	78,565	Commercial
242-B1/2	215-01-003T	Tangerine/I-10, LLC	159,827.16	141,672.08	2,954.00	238,273	Commercial
242-B4/5	215-01-003U	Tangerine/I-10, LLC	371,957.14	329,705.80	6,874.00	554,519	Commercial
242-B1/2/4/5	215-01-003V	Tangerine/I-10, LLC	744,205.60	659,669.83	13,759.00	1,109,473	Commercial
242-B3-2	215-01-003W	INTERNATIONAL CENTER TUCSON LLC & SECUNDUS TUCSON LLC	49,379.55	43,770.43	296,239.00	73,738	Commercial
242-D1	216-12-0250	Tangerine/I-10, LLC	49,671.79	44,029.47	29,546.00	73,864	Commercial
242-D2	216-12-0260	Tangerine/I-10, LLC	$258,002.71	$228,695.68	$153,923.00	384,808	Commercial
242-D3	216-12-0270	Tangerine/I-10, LLC	365,236.64	323,748.70	217,717.00	544,292	Commercial
242-D4	216-12-0300	Tangerine/I-10, LLC	17,531.38	15,539.96	10,409.00	26,023	Commercial
242-C2	216-12-0330	Tangerine/I-10, LLC	118,628.37	105,153.14	10,000.00	176,854	Commercial
237	217-53-040A	TOWN OF MARANA	71,959.10	63,785.13	302,000.00	1,019,740	Park
238/239-1	217-53-8080	WALGREEN CO. / Real Estate Property Tax	28,235.83	25,028.47	405,470.00	79,504	Commercial
238/239-2	217-53-8090	GLADDEN 25 LLC / The Aspen Group	20,407.15	18,089.06	100,585.00	57,477	Residential and Commercial
238/239-3	217-53-8100	GLADDEN 25 LLC / The Aspen Group	21,784.14	19,309.64	107,366.00	61,352	Residential and Commercial
238/239-4	217-53-8110	GLADDEN 25 LLC / The Aspen Group	20,979.61	18,596.50	103,336.00	59,049	Residential and Commercial
238/239-5	217-53-8120	GLADDEN 25 LLC / The Aspen Group	18,999.25	16,841.09	93,630.00	53,503	Residential and Commercial
238/239-6	217-53-8130	GLADDEN 25 LLC / The Aspen Group	20,144.14	17,855.93	99,255.00	56,717	Residential and Commercial
238/239-7	217-53-8140	GLADDEN 25 LLC / The Aspen Group	15,456.22	13,700.52	76,167.00	43,524	Residential and Commercial
238/239-8	217-53-8150	GLADDEN 25 LLC / The Aspen Group	35,461.12	31,433.02	174,757.00	99,861	Residential and Commercial
238/239-9	217-53-8160	GLADDEN 25 LLC / The Aspen Group	32,830.94	29,101.61	161,761.00	92,435	Residential and Commercial
238/239-10	217-53-8170	GLADDEN 25 LLC / The Aspen Group	30,974.33	27,455.90	152,591.00	87,195	Residential and Commercial
230-1	217-54-0110	Gladden Phase II, LLC / Attn: Jennifer Barlow	306,591.11	271,764.83	13,295.00	1,072,447	Residential and Commercial
230-2	217-54-0120	Gladden Phase II, LLC / Attn: Jennifer Barlow	389,043.77	344,851.53	17,744.00	1,431,382	Residential and Commercial
230-3	217-54-0130	Gladden Phase II, LLC / Attn: Jennifer Barlow	330,322.98	292,800.95	15,066.00	1,215,324	Residential and Commercial
230-4	217-54-0140	Northwest Medical Center / Attn: Chief Financial	684,379.91	606,639.86	31,212.00	2,517,768	Hospital
230-5	217-54-0150	Gladden Phase II, LLC / Attn: Jennifer Barlow	459,886.66	407,647.24	137,732.00	1,930,109	Residential and Commercial
230-6	217-54-0160	Gladden Phase II, LLC / Attn: Jennifer Barlow	375,574.12	332,911.92	11,961.00	964,854	Residential and Commercial

TOWN OF MARANA
TANGERINE ROAD FARMS ROAD IMPROVEMENT DISTRICT
ALL ACTIVE ASSESSMENTS AS OF 6/30/2019

District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2019 Full Cash Value (3)	Non-Residential Square Footage (4)	Expected Future Use
230-7	217-54-0180	Gladden Phase II, LLC / Attn: Jennifer Barlow	429,227.55	380,470.75	14,742.00	1,189,188	Residential and Commercial
230-8	217-54-0190	Gladden Phase II, LLC / Attn: Jennifer Barlow	358,566.94	317,836.62	16,351.00	1,318,997	Residential and Commercial
230-10	217-54-0210	Gladden Phase II, LLC / Attn: Jennifer Barlow	413,898.00	366,882.52	13,970.00	1,126,897	Residential and Commercial
230-11	217-54-0220	Gladden Phase II, LLC / Attn: Jennifer Barlow	708,991.95	628,456.17	21,902.00	1,766,794	Residential and Commercial
230-12	217-54-0230	Gladden Phase II, LLC / Attn: Jennifer Barlow	395,882.07	350,913.05	18,052.00	1,456,211	Residential and Commercial
230-16	217-54-0270	Gladden Phase II, LLC / Attn: Jennifer Barlow	536,534.45	475,588.45	17,809.00	1,436,609	Residential and Commercial
442	217-54-3440	Gladden Phase II, LLC / Attn: Jennifer Barlow	342,327.13	303,441.52	578,000.00	1,252,529	Residential and Commercial
443	217-54-028B	Northwest Fire District / Attn: Phyllis Shumacher	32,681.52	28,969.16	721,410.00	119,680	Residential and Commercial
319	217-54-0290	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
320	217-54-0300	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
321	217-54-0310	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
322	217-54-0320	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
323	217-54-0330	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
324	217-54-0340	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
325	217-54-0350	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
326	217-54-0360	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
327	217-54-0370	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
328	217-54-0380	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
329	217-54-0390	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
330	217-54-0400	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
331	217-54-0410	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
332	217-54-0420	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
333	217-54-0430	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
334	217-54-0440	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
335	217-54-0450	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
336	217-54-0460	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
337	217-54-0470	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
338	217-54-0480	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential

TOWN OF MARANA
TANGERINE ROAD FARMS ROAD IMPROVEMENT DISTRICT
ALL ACTIVE ASSESSMENTS AS OF 6/30/2019

District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2019 Full Cash Value (3)	Non-Residential Square Footage (4)	Expected Future Use
339	217-54-0490	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
340	217-54-0500	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
341	217-54-0510	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
342	217-54-0520	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
345	217-54-0550	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.07	3,341.82	9,001.00	-	Residential
346	217-54-0560	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.07	3,341.82	9,001.00	-	Residential
347	217-54-0570	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.07	3,341.82	9,001.00	-	Residential
349	217-54-0590	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.07	3,341.82	9,001.00	-	Residential
350	217-54-0600	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.07	3,341.82	9,001.00	-	Residential
351	217-54-0610	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.07	3,341.82	9,001.00	-	Residential
352	217-54-0620	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.07	3,341.82	9,001.00	-	Residential
357	217-54-0670	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.07	3,341.82	9,001.00	-	Residential
358	217-54-0680	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.07	3,341.82	9,001.00	-	Residential
360	217-54-0700	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
362	217-54-0720	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
363	217-54-0730	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
364	217-54-0740	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
365	217-54-0750	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
366	217-54-0760	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
367	217-54-0770	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
368	217-54-0780	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
369	217-54-0790	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
370	217-54-0800	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
371	217-54-0810	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
372	217-54-0820	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
373	217-54-0830	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
374	217-54-0840	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential

TOWN OF MARANA
TANGERINE ROAD FARMS ROAD IMPROVEMENT DISTRICT
ALL ACTIVE ASSESSMENTS AS OF 6/30/2019

District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2019 Full Cash Value (3)	Non-Residential Square Footage (4)	Expected Future Use
375	217-54-0850	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
376	217-54-0860	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
377	217-54-0870	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
378	217-54-0880	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
379	217-54-0890	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
380	217-54-0900	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
381	217-54-0910	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
382	217-54-0920	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
383	217-54-0930	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
384	217-54-0940	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
385	217-54-0950	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
386	217-54-0960	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
387	217-54-0970	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
388	217-54-0980	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
389	217-54-0990	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.07	3,341.82	9,001.00	-	Residential
390	217-54-1000	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.07	3,341.82	9,001.00	-	Residential
391	217-54-1010	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.07	3,341.82	9,001.00	-	Residential
393	217-54-1030	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.07	3,341.82	9,001.00	-	Residential
394	217-54-1040	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.07	3,341.82	9,001.00	-	Residential
395	217-54-1050	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.07	3,341.82	9,001.00	-	Residential
396	217-54-1060	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
397	217-54-1070	Lennar Homes / Attn: Kristin Jenkins	3,770.08	3,341.83	9,001.00	-	Residential
398	217-54-1080	Lennar Homes / Attn: Kristin Jenkins	3,770.08	3,341.83	9,001.00	-	Residential
399	217-54-1090	Lennar Homes / Attn: Kristin Jenkins	3,770.08	3,341.83	9,001.00	-	Residential
400	217-54-1100	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
401	217-54-1110	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
402	217-54-1120	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential

TOWN OF MARANA
TANGERINE ROAD FARMS ROAD IMPROVEMENT DISTRICT
ALL ACTIVE ASSESSMENTS AS OF 6/30/2019

District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2019 Full Cash Value (3)	Non-Residential Square Footage (4)	Expected Future Use
403	217-54-1130	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
404	217-54-1140	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
405	217-54-1150	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
406	217-54-1160	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
407	217-54-1170	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
408	217-54-1180	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
409	217-54-1190	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
410	217-54-1200	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
411	217-54-1210	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
412	217-54-1220	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
413	217-54-1230	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
414	217-54-1240	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
415	217-54-1250	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
416	217-54-1260	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
417	217-54-1270	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
420	217-54-1300	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
422	217-54-1320	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
423	217-54-1330	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
425	217-54-1350	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
426	217-54-1360	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
427	217-54-2190	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential

TOWN OF MARANA
TANGERINE ROAD FARMS ROAD IMPROVEMENT DISTRICT
ALL ACTIVE ASSESSMENTS AS OF 6/30/2019

District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2019 Full Cash Value (3)	Non-Residential Square Footage (4)	Expected Future Use
428	217-54-2200	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
429	217-54-2210	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
430	217-54-2220	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
431	217-54-2230	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
432	217-54-2240	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
433	217-54-2250	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
434	217-54-2260	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
435	217-54-2270	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
436	217-54-2280	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
437	217-54-2290	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
438	217-54-2300	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
439	217-54-2310	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
440	217-54-2320	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
441	217-54-2330	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
230-9	217-54-0200	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	318,088.28	281,956.01	16,492.00	1,330,522	Residential and Commercial
231	217-55-012A	WESTCOR MARANA LLC / Barbara Hailtern	1,586,588.33	1,406,364.66	32,195.00	2,597,047	Commercial
162	217-56-3070	KB Home Tucson Inc. / Attn: John W. Ward	3,832.39	3,397.06	185,158.00	-	Residential
163	217-56-3080	KB Home Tucson Inc. / Attn: John W. Ward	3,832.39	3,397.06	208,371.00	-	Residential
164	217-56-3090	KB Home Tucson Inc. / Attn: John W. Ward	3,832.39	3,397.06	175,625.00	-	Residential
165	217-56-3100	KB Home Tucson Inc. / Attn: John W. Ward	3,832.39	3,397.06	40,000.00	-	Residential
166	217-56-3110	KB Home Tucson Inc. / Attn: John W. Ward	3,832.39	3,397.06	40,000.00	-	Residential
167	217-56-3120	KB Home Tucson Inc. / Attn: John W. Ward	3,832.39	3,397.06	40,000.00	-	Residential
236-7	217-56-7390	KB Home Tucson Inc. / Attn: John W. Ward	2,817.93	2,497.84	18,628.00	-	Residential
236-12	217-56-7440	KB Home Tucson Inc. / Attn: John W. Ward	2,817.93	2,497.84	18,628.00	-	Residential

TOWN OF MARANA
TANGERINE ROAD FARMS ROAD IMPROVEMENT DISTRICT
ALL ACTIVE ASSESSMENTS AS OF 6/30/2019

District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2019 Full Cash Value (3)	Non-Residential Square Footage (4)	Expected Future Use
236-15	217-56-7470	KB Home Tucson Inc. / Attn: John W. Ward	2,817.93	2,497.84	18,628.00	-	Residential
236-18	217-56-7500	KB Home Tucson Inc. / Attn: John W. Ward	2,817.93	2,497.84	18,628.00	-	Residential
236-19	217-56-7510	KB Home Tucson Inc. / Attn: John W. Ward	2,817.93	2,497.84	18,628.00	-	Residential
236-22	217-56-7540	KB Home Tucson Inc. / Attn: John W. Ward	2,817.93	2,497.84	18,628.00	-	Residential
236-23	217-56-7550	KB Home Tucson Inc. / Attn: John W. Ward	2,817.93	2,497.84	18,628.00	-	Residential
236-24	217-56-7560	KB Home Tucson Inc. / Attn: John W. Ward	2,817.93	2,497.84	18,628.00	-	Residential
236-25	217-56-7570	KB Home Tucson Inc. / Attn: John W. Ward	2,817.93	2,497.84	18,628.00	-	Residential
236-26	217-56-7580	KB Home Tucson Inc. / Attn: John W. Ward	2,817.93	2,497.84	18,628.00	-	Residential
236-29	217-56-7610	KB Home Tucson Inc. / Attn: John W. Ward	2,817.93	2,497.84	18,628.00	-	Residential
236-30	217-56-7620	KB Home Tucson Inc. / Attn: John W. Ward	2,817.93	2,497.84	18,628.00	-	Residential
236-31	217-56-7630	KB Home Tucson Inc. / Attn: John W. Ward	2,817.93	2,497.84	18,628.00	-	Residential
236-34	217-56-7660	KB Home Tucson Inc. / Attn: John W. Ward	2,817.93	2,497.84	18,628.00	-	Residential
236-35	217-56-7670	KB Home Tucson Inc. / Attn: John W. Ward	2,817.93	2,497.84	18,628.00	-	Residential
236-48	217-56-7800	KB Home Tucson Inc. / Attn: John W. Ward	2,817.93	2,497.84	18,628.00	-	Residential
236-54	217-56-7860	KB Home Tucson Inc. / Attn: John W. Ward	2,817.93	2,497.84	18,628.00	-	Residential
236-56	217-56-7880	KB Home Tucson Inc. / Attn: John W. Ward	2,817.93	2,497.84	18,628.00	-	Residential
236-57	217-56-7890	KB Home Tucson Inc. / Attn: John W. Ward	2,817.93	2,497.84	18,628.00	-	Residential
236-8	217-56-7400	KB Home Tucson Inc. / Attn: John W. Ward	2,817.93	2,497.84	18,628.00	-	Residential
236-17	217-56-7490	KB Home Tucson Inc. / Attn: John W. Ward	2,817.93	2,497.84	18,628.00	-	Residential
236-65	217-56-7970	KB Home Tucson Inc. / Attn: John W. Ward	2,817.94	2,497.84	18,628.00	-	Residential
236-20	217-56-7520	KB Home Tucson Inc. / Attn: John W. Ward	2,817.93	2,497.84	18,628.00	-	Residential
236-33	217-56-7650	KB Home Tucson Inc. / Attn: John W. Ward	2,817.93	2,497.84	18,628.00	-	Residential
236-51	217-56-7830	KB Home Tucson Inc. / Attn: John W. Ward	2,817.93	2,497.84	18,628.00	-	Residential
218	217-57-3660	NP Investments LLC / Dave Newquist	18,332.46	16,250.04	265,674.00	52,093	Gladden Farms Commercial Center - Bank
219	217-57-3670	Weingarten Realty / Attn: Deborah Brennand, Property Manager	12,423.76	11,012.52	67,076.00	35,303	Gladden Farms Commercial Center - Fast Food Restaurant
220	217-57-3680	Weingarten Realty / Attn: Deborah Brennand, Property Manager	14,501.49	12,854.24	78,293.00	41,207	Gladden Farms Commercial Center - Fast Food Restaurant

TOWN OF MARANA
TANGERINE ROAD FARMS ROAD IMPROVEMENT DISTRICT
ALL ACTIVE ASSESSMENTS AS OF 6/30/2019

District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2019 Full Cash Value (3)	Non-Residential Square Footage (4)	Expected Future Use
221	217-57-3690	Weingarten Realty / Attn: Deborah Brennand, Property Manager	11,477.10	10,173.39	61,965.00	32,613	Gladden Farms Commercial Center
222	217-57-3700	Weingarten Realty / Attn: Deborah Brennand, Property Manager	27,082.56	24,006.20	146,218.00	76,957	Gladden Farms Commercial Center
224	217-57-3720	Weingarten Realty / Attn: Deborah Brennand, Property Manager	41,637.17	36,907.52	189,304.00	118,315	Gladden Farms Commercial Center - Grocery
225	217-57-3730	Weingarten Realty / Attn: Deborah Brennand, Property Manager	9,539.79	8,456.15	43,373.00	27,108	Gladden Farms Commercial Center
226	217-57-3740	Weingarten Realty / Attn: Deborah Brennand, Property Manager	18,357.45	16,272.19	99,112.00	52,164	Gladden Farms Commercial Center
227	217-57-3750	Weingarten Realty / Attn: Deborah Brennand, Property Manager	12,894.96	11,430.20	69,620.00	36,642	Gladden Farms Commercial Center
236-53	217-56-7850	KB Home Tucson Inc. / Attn: John W. Ward	2,817.93	2,497.84	18,628.00	-	Residential
236-55	217-56-7870	KB Home Tucson Inc. / Attn: John W. Ward	2,817.93	2,497.84	18,628.00	-	Residential
236-60	217-56-7920	KB Home Tucson Inc. / Attn: John W. Ward	2,817.94	2,497.84	18,628.00	-	Residential
235-68	217-56-6500	KB Home Tucson Inc. / Attn: John W. Ward	4,325.13	3,833.83	19,255.00	-	Residential
236-5	217-56-7370	KB Home Tucson Inc. / Attn: John W. Ward	2,817.93	2,497.84	18,628.00	-	Residential
236-41	217-56-7730	KB Home Tucson Inc. / Attn: John W. Ward	2,817.93	2,497.84	18,628.00	-	Residential
236-9	217-56-7410	KB Home Tucson Inc. / Attn: John W. Ward	2,817.93	2,497.84	18,628.00	-	Residential
236-11	217-56-7430	KB Home Tucson Inc. / Attn: John W. Ward	2,817.93	2,497.84	18,628.00	-	Residential
236-13	217-56-7450	KB Home Tucson Inc. / Attn: John W. Ward	2,817.93	2,497.84	18,628.00	-	Residential
236-14	217-56-7460	KB Home Tucson Inc. / Attn: John W. Ward	2,817.93	2,497.84	18,628.00	-	Residential
236-16	217-56-7480	KB Home Tucson Inc. / Attn: John W. Ward	2,817.93	2,497.84	18,628.00	-	Residential
236-21	217-56-7530	KB Home Tucson Inc. / Attn: John W. Ward	2,817.93	2,497.84	18,628.00	-	Residential
236-32	217-56-7640	KB Home Tucson Inc. / Attn: John W. Ward	2,817.93	2,497.84	18,628.00	-	Residential
236-52	217-56-7840	KB Home Tucson Inc. / Attn: John W. Ward	2,817.93	2,497.84	18,628.00	-	Residential
343	217-54-0530	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
344	217-54-0540	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
359	217-54-0690	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
361	217-54-0710	Lennar Homes / Attn: Kristin Jenkins	3,770.07	3,341.82	9,001.00	-	Residential
228/229-49	217-57-4240	Lennar Homes / Attn: Kristin Jenkins	3,832.39	3,397.06	18,012.00	-	Residential

TOWN OF MARANA
TANGERINE ROAD FARMS ROAD IMPROVEMENT DISTRICT
ALL ACTIVE ASSESSMENTS AS OF 6/30/2019

District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2019 Full Cash Value (3)	Non-Residential Square Footage (4)	Expected Future Use
228/229-51	217-57-4260	Lennar Homes / Attn: Kristin Jenkins	3,832.39	3,397.06	18,012.00	-	Residential
228/229-58	217-57-4330	Lennar Homes / Attn: Kristin Jenkins	3,832.39	3,397.06	18,012.00	-	Residential
348	217-54-0580	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.07	3,341.82	9,001.00	-	Residential
355	217-54-0650	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.07	3,341.82	9,001.00	-	Residential
356	217-54-0660	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.07	3,341.82	9,001.00	-	Residential
392	217-54-1020	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.07	3,341.82	9,001.00	-	Residential
419	217-54-1290	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
421	217-54-1310	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
424	217-54-1340	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
418	217-54-1280	Richmond American Homes / M.D.C. Holdings Inc. Attn: Zoey Manguso	3,770.08	3,341.83	9,001.00	-	Residential
230-14	217-54-0250 (5)	Gladden Phase II, LLC / Attn: Jennifer Barlow	163,672.40	145,080.53	See Footnote (5)	See Footnote (5)	Residential and Commercial
230-15	217-54-0260 (5)	Gladden Phase II, LLC / Attn: Jennifer Barlow	268,326.10	237,846.41	See Footnote (5)	See Footnote (5)	Residential and Commercial
Residential Totals:		169 Active Assessments	$602,076.93	$533,685.97	$2,559,430.00	-	
Non-Residential Totals:		50 Active Assessments	$11,998,291.14	$10,635,381.83	$8,905,734.00	29,999,045	
Totals:		219 Active Assessments	$12,600,368.07	$11,169,067.80	$11,465,164.00	29,999,045 (4)	

(1) Includes capitalized interest on the Bonds as sold.
(2) Amount remaining after billing for the 6/1/2019 assessment installment.
(3) As current Full Cash Value data is not available from Pima County for certain parcels that have changed during Fiscal Year 2018/19, prior year Full Ca
(4) The Pima County Assessor does not provide the square footage for most residential properties.
(5) During Fiscal Year 2018/19, parcels 217-54-0250 and 217-54-0260 each subdivided into two properties and subesquently, one of the newly created p
As such, Original and Remaining Assessment Amounts on each of these parcels reflect the amount outstanding on the newly created parcel that wa
Full Cash Value and Non-Residential Square Footage information is unavailable from Pima County associated with the newly created parcels that are

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TOWN OF MARANA
SALES TAX BY INDUSTRY
LAST TEN FISCAL YEARS

Industry Group	FY 2010	%	FY 2011	%	FY 2012	%
Construction	$ 4,448,469	20.54%	$ 4,870,797	21.23%	$ 5,782,644	23.57%
Manufacturing	138,817	0.64%	123,524	0.54%	128,089	0.52%
Transportation, Communications, & Utilities	2,768,198	12.78%	2,927,271	12.76%	2,985,979	12.17%
Wholesale Trade	184,203	0.85%	194,392	0.85%	233,850	0.95%
Retail Trade	8,673,055	40.04%	8,667,896	37.77%	8,804,206	35.88%
Restaurant & Bars	1,555,032	7.18%	1,658,180	7.23%	1,789,232	7.29%
Fire, Insurance & Real Estate	1,050,046	4.85%	1,253,481	5.46%	1,350,977	5.51%
Hotels & Other Lodging	1,378,271	6.36%	1,914,004	8.34%	1,991,767	8.12%
Services	1,057,433	4.88%	982,631	4.28%	1,026,443	4.18%
All Others	408,581	1.89%	355,642	1.55%	445,774	1.81%
	$ 21,662,105	100.00%	$ 22,947,818	100.00%	$ 24,538,961	100.00%

Industry Group	2015	%	2016*	%	2017	%
Construction	$ 6,838,195	24.37%	$ 6,883,116	19.42%	$ 7,557,292	20.15%
Manufacturing	100,329	0.36%	-	0.00%	-	0.00%
Transportation, Communications, & Utilities	3,318,976	11.83%	3,919,633	11.06%	3,809,315	10.16%
Wholesale Trade	305,012	1.09%	-	0.00%	-	0.00%
Retail Trade	10,133,523	36.12%	16,305,878	46.01%	17,120,561	45.65%
Restaurant & Bars	2,038,788	7.27%	3,076,737	8.68%	3,295,734	8.79%
Fire, Insurance & Real Estate	1,240,196	4.42%	1,339,496	3.78%	1,540,358	4.11%
Hotels & Other Lodging	2,481,304	8.84%	2,292,705	6.47%	2,558,312	6.82%
Services	1,046,669	3.73%	-	0.00%	-	0.00%
All Others	555,522	1.98%	1,624,023	4.58%	1,618,648	4.32%
	$ 28,058,514	100.00%	$ 35,441,588	100.00%	$ 37,500,220	100.00%

Note:
*In fiscal year 2016, the Arizona Department of Revenue began using a new form and payment journal, which affected the classification of certain tax revenues within the industry groups

Source: Town of Marana Finance Department, Arizona Department of Revenue

FY 2013	%	FY 2014	%
$ 5,260,345	21.33%	$ 6,411,509	24.45%
127,214	0.52%	97,014	0.37%
3,038,071	12.32%	3,182,854	12.14%
296,077	1.20%	213,657	0.81%
9,380,544	38.03%	9,593,163	36.58%
1,819,588	7.38%	1,865,602	7.11%
1,234,426	5.00%	1,256,418	4.79%
2,140,493	8.68%	2,064,986	7.87%
1,003,377	4.07%	1,031,325	3.93%
363,807	1.47%	509,351	1.94%
$ 24,663,942	100.00%	$ 26,225,881	100.00%

2018	%	2019	%
$ 9,825,265	23.57%	$ 10,817,479	25.95%
-	0.00%	-	0.00%
4,234,220	10.16%	3,987,389	9.57%
-	0.00%	-	0.00%
17,757,284	42.59%	16,403,992	39.36%
3,616,110	8.67%	3,514,494	8.43%
1,661,010	3.98%	1,648,738	3.96%
2,827,338	6.78%	2,913,545	6.99%
-	0.00%	-	0.00%
1,768,256	4.24%	2,394,706	5.75%
$ 41,689,483	100.00%	$ 41,680,343	100.00%

TOWN OF MARANA
EXCISE TAX COLLECTIONS
LAST TEN FISCAL YEARS

Industry Classification	2009/10	2010/11	2011/12	2012/13
Town Sales Tax	$ 21,662,077	$ 22,947,818	$ 24,538,961	$ 24,768,104
State-shared Sales Taxes	1,961,225	2,099,083	2,731,863	2,861,622
State-shared Income Taxes	3,450,478	2,601,218	2,950,734	3,571,191
Licenses and permits	2,150,360	2,502,494	2,720,872	4,323,155
Fines and forfeitures and penalties	641,484	537,680	558,393	661,341
TOTAL	$ 29,865,624	$ 30,688,293	$ 33,500,823	$ 36,185,413

Industry Classification	2014/2015	2015/2016	2016/2017	2017/2018
Town Sales Tax	$ 28,058,823	$ 35,441,585	$ 37,500,219	$ 41,689,483
State-shared Sales Taxes	3,195,042	3,344,679	3,798,503	4,186,856
State-shared Income Taxes	4,232,245	4,209,300	5,054,592	5,384,669
Licenses and permits	4,813,378	4,468,910	4,848,237	5,573,620
Fines and forfeitures and penalties	664,955	579,369	574,884	612,638
TOTAL	$ 40,964,443	$ 48,043,843	$ 51,776,435	$ 57,447,266

Source: Statement of Revenues

2013/14
$ 26,225,881
3,043,102
3,896,487
3,932,108
635,869
$ 37,733,447

2018/2019	Budgeted 2019/2020
$ 41,680,343	$ 37,207,684
4,524,009	4,707,099
5,424,305	5,928,567
5,774,930	4,914,012
527,447	402,000
$ 57,931,034	$ 53,159,362

TOWN OF MARANA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Amounts expressed in thousands, except per capita amount)

	Governmental Activities				Business-Type Activities				
Fiscal Year	Revenue Bonds(1)	General Obligation Bonds(2)	Special Assessment Bonds(3)	Capital Leases	Revenue Bonds	Loans Payable	Total Primary Government	Percentage of Personal Income (4)	Per Capita
2019	$ 57,301	$ 12,242	$ 12,126	$ -	$ 20,891	$ 3,504	106,064	271.5%	2,256
2018	60,842	8,551	14,200	-	21,090	3,202	107,885	260.3%	2,271
2017	63,254	8,794	14,245	-	21,248	3,421	110,962	267.0%	2,400
2016	66,715	7,835	15,927	-	1,214	3,634	95,325	244.0%	2,307
2015	69,299	8,085	17,246	-	1,343	3,841	99,814	263.2%	2,406
2014	71,659	8,325	18,488	-	1,343	4,042	103,857	282.1%	2,628
2013	81,720	8,550	19,926	-	-	4,265	114,461	320.2%	3,022
2012	60,699	8,765	21,288	-	-	4,480	95,232	252.0%	2,645
2011	65,384	8,965	22,492	-	-	4,586	101,427	279.1%	2,931
2010	67,344	8,155	23,828	33	-	1,562	100,922	288.8%	2,944

Notes:
(1) Presented net of original issuance discounts and premiums

(2) Bonds issued for Gladden Farms Facilities District and Saguaro Springs Community Facilities District , component units of the Town.

(3) Bonds issued for Tangerine Farms Road Improvement District FY 2008, a component unit of the Town.

(4) Individual statistics not available for Marana, included in figures for Pima County and Tucson Metropolitan area.

Source: US Census Bureau, Bureau of Economic Analysis

TOWN OF MARANA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Amounts expressed in thousands, except per capita amount)

Fiscal Year	General Obligation Bonds (1)	Less: Amounts Available in Debt Service Fund (2)	Net Bonded Debt	Percentage of Estimated Actual Taxable Value of property (3)	Net Bonded Debt Per Capita
2019	$ 12,242	$ 584	$ 11,658	0.22%	24.8%
2018	8,551	393	8,158	0.17%	18.2%
2017	8,794	387	8,407	0.18%	19.3%
2016	7,835	392	7,443	0.17%	18.0%
2015	8,085	254	7,831	0.19%	19.4%
2014	8,325	247	8,078	0.21%	21.1%
2013	8,550	244	8,306	0.23%	22.6%
2012	8,765	240	8,525	0.23%	23.8%
2011	8,765	389	8,376	0.21%	25.2%
2010	8,965	473	8,492	0.26%	28.3%

Notes:
(1) Represents face value of general obligation debt outstanding plus deferred bond premiums

(2) Fund balance of GO Bond Debt Service Fund per the fund financial statements

(3) The Town of Marana does not impose a property tax; any property taxes presented in this report are directly related to the Gladden Farms Community Facilities District (formed in fiscal year 2005) or the Saguaro Springs Community Facilities District (formed in fiscal year 2007).

Source: General Obligation Bonds

TOWN OF MARANA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2019
(Amounts expressed in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable *	Estimated Share of Overlapping Debt
State of Arizona	None	N/A	None
Pima County	$ 236,572	6.30%	$ 14,904
Pima County Community College District	None	N/A	-
Pima County Flood Control District	None	N/A	-
Northwest Fire District	32,669	46.80%	15,289
Flowing Wells Unified School District No. 8	24,690	100.00%	24,690
Marana Unified School District No. 6	147,440	63.07%	92,990
Total overlapping debt			147,874
Gladden Farms Community Facilities District	7,540	100.00%	7,540
Saguaro Springs Community Facilities District	3,845	100.00%	3,845
Tangerine Farms Road Improvement District	12,126	100.00%	12,126
Town of Marana	52,651	100.00%	52,651
Total direct debt			$ 76,162
Total direct and overlapping debt			$ 224,036

Notes:

* The estimated percentage of debt applicable to the Town is calculated based on the Town's secondary assessed valuation as a percentatge of the secondary assessed valuation of the overlapping jurisdiction.

Sources: The various entities

TOWN OF MARANA
LEGAL DEBT MARGIN INFORMATION
AS OF JUNE 30, 2019

Legal Debt Margin Calculation for Fiscal Year 2019

Limited Assessed Value	$ 579,159,041
Debt Limit:	-
6% of assessed value	34,749,542
20% of assessed value	115,831,808
Total debt limit:	150,581,351
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for the repayment of general obligation debt	-
Total net debt applicable to limit	-
Legal Debt Margin	$ 150,581,351

	Fiscal Year				
	2010	2011	2012	2013	2014
Debt limit equal to 6% of assessed	$ 60,524,235	$ 27,274,051	$ 25,992,985	$ 24,745,839	$ 28,630,929
Debt limit equal to 20% of assessed	201,747,448	90,913,503	86,643,283	82,486,130	95,436,430
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	$ 262,271,683	$ 118,187,553	$ 112,636,268	$ 107,231,969	$ 124,067,359
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

	Fiscal Year				
	2015	2016	2017	2018	2019
Debt limit equal to 6% of assessed	$ 29,446,070	$ 31,218,157	$ 32,138,944	$ 34,553,958	$ 34,749,542
Debt limit equal to 20% of assessed	98,153,568	104,060,525	107,129,981	115,179,860	115,831,808.20
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	$ 127,599,639	$ 135,278,682	$ 139,268,925	$ 149,733,818	$ 150,581,351
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

Notes:
* The Gladden Farms Community Facilities District and Saguaro Springs Community Facilities District, legally separate entities, are special taxing districts whose debt was approved by voters of the District. The District's general obligation debt does not count towards the Town's legal debt limit.

Sources: Financial Statements; Pima County

TOWN OF MARANA
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS
(Amounts expressed in thousands)

Gladden Farms Community Facilities District General Obligation Bonds*

Fiscal Year	Property Tax Collections	Debt Service		Coverage
		Principal	Interest	
2019	$ 479	$ 205	$ 340	87.9%
2018	492	210	271	102.3%
2017	452	265	295	80.7%
2016	427	250	445	61.4%
2015	393	240	458	56.3%
2014	373	225	470	53.7%
2013	397	215	481	57.0%
2012	449	200	490	65.1%
2011	515	190	477	77.2%
2010	551	180	455	86.8%

Saguaro Springs Community Facilities District General Obligation Bonds **

Fiscal Year	Property Tax Collections	Debt Service		Coverage
		Principal	Interest	
2019	$ 254	$ -	$ 73	347.9%
2018	N/A	-	-	N/A
2017	N/A	-	-	N/A
2016	N/A	-	-	N/A
2015	N/A	-	-	N/A
2014	N/A	-	-	N/A
2013	N/A	-	-	N/A
2012	N/A	-	-	N/A
2011	N/A	-	-	N/A
2010	N/A	-	-	N/A

TOWN OF MARANA
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS
(Amounts expressed in thousands)

	Tangerine Road Farms Improvement District Special Assessment Bonds ***			
Fiscal Year	Special Assessment Collections	Debt Service		Coverage
		Principal	Interest	
2019	$ 2,869	$ 2,074	$ 357	118.0%
2018	989	45	254	330.8%
2017	2,351	1,328	732	114.1%
2016	2,141	1,319	792	101.4%
2015	2,065	1,242	849	98.8%
2014	2,210	1,438	913	94.0%
2013	2,337	1,362	976	100.0%
2012	2,302	1,204	1,035	102.8%
2011	2,239	1,336	1,096	92.1%
2010	2,352	995	1,142	110.1%

Notes:
* Bonds issued for Gladden Farms Facilities District, a component unit of the Town.

** Bonds issued for Sagauro Springs Community Faciltites District, a component unit of the Town. Principal Debt Payoff begins FY 2020.

***Special assessment amounts issued for Tangerine Road Farms Improvement District, a governmental fund of the Town. Principal debt payoff begins fiscal year 2009. Collection fees related to special assessment to begin fiscal year 2009.

Source: Finanacial statements and Notes to the Financial Statements

TOWN OF MARANA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population	Personal Income*	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2019	47,007	N/A	$ 33,488	37.6	12,782	2.8%
2018	44,792	N/A	33,111	37.9	12,470	2.8%
2017	43,474	N/A	32,646	48.1	12,050	4.3%
2016	41,315	N/A	37,107	29.7	12,350	4.7%
2015	40,324	N/A	34,026	39.6	12,326	5.9%
2014	38,290	N/A	33,196	39.4	12,476	6.9%
2013	36,756	N/A	29,626	37.7	12,361	6.1%
2012	35,858	N/A	31,085	37.6	12,576	9.7%
2011	35,124	N/A	N/A	37.4	12,314	7.9%
2010	34,961	35,172,000	N/A	37.4	12,426	8.7%

Notes:
* Information published for census year only.

N/A indicates that the information is not available.

Sources: U.S. Census Bureau, Population Division; Arizona Department of Commerce; Pima Association of Governments; Arizona's Economy; Marana Unified School District.

TOWN OF MARANA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2019		2010	
Employer	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Marana Unified School District	1,600	7.2%	1,800	24.5%
Ascent Aviation	525	2.4%	-	-
Marana Health Center	515	2.3%	195	2.7%
Wal-Mart	440	2.0%	450	-
Town of Marana	364	1.6%	300	4.1%
FLSmith Krebs	301	1.4%	230	-
The Ritz-Carlton Dove Mountain	300	1.4%	-	0.0%
Northwest Fire District	252	1.1%	-	0.0%
Coca-Cola	180	0.8%	185	-
Cal Portland	160	0.7%	-	-
Army Reserve/National Guard			1,800	24.46%
Evergreen Air Center			335	24.46%
Sargeant Controls & Aerospace			255	3.5%
Fry's Food & Drug			240	3.3%
Arizona Portland Cement			190	2.6%

Source: ArizonaCommerce.com, Marana Chamber of Commerce

TOWN OF MARANA
PRINCIPAL RETAIL AND CONTRACTING SALES TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

	Fiscal Year 2019			Fiscal Year 2010		
	Sales Tax Payments	Rank	Percentage of Total Sales Tax Payments	Sales Tax Payments	Rank	Percentage of Total Sales Tax Payments
RETAIL						
Taxpayer A	$ 2,059,433	1	4.9%	$ 1,654,032	1	7.7%
Taxpayer B	1,374,401	2	3.3%	1,103,917	2	5.2%
Taxpayer C	1,021,957	3	2.5%	619,942	3	2.9%
Taxpayer D	778,236	4	1.9%	477,058	5	2.2%
Taxpayer E	588,500	5	1.4%	392,110	7	1.8%
Taxpayer F	516,426	6	1.2%	525,308	4	2.5%
Taxpayer G	495,475	7	1.2%	434,332	6	2.0%
Taxpayer H	327,585	8	0.8%			0.0%
Taxpayer I	299,367	9	0.7%	189,480	10	0.9%
Taxpayer J	242,578	10	0.6%	229,252	8	1.1%
Taxpayer K				227,201	9	1.1%
	$ 7,703,958		18.5%	$ 5,852,630		27.4%
CONTRACTING						
Taxpayer A	$ 2,238,545	1	5.4%	$ -		0.0%
Taxpayer B	1,274,513	2	3.1%	154,177	7	0.7%
Taxpayer C	927,704	3	2.2%	188,147	6	0.9%
Taxpayer D	590,078	4	1.4%			0.0%
Taxpayer E	531,682	5	1.3%			0.0%
Taxpayer F	435,274	6	1.0%			0.0%
Taxpayer G	397,356	7	1.0%	436,712	3	2.0%
Taxpayer H	384,337	8	0.9%	243,810	5	1.1%
Taxpayer I	319,857	9	0.8%			0.0%
Taxpayer J	319,801	10	0.8%			0.0%
Taxpayer K				791,164	1	3.7%
Taxpayer L				570,852	2	2.7%
Taxpayer M				286,318	4	1.3%
Taxpayer N				125,003	8	0.6%
Taxpayer O				89,053	9	0.4%
Taxpayer P				79,662	10	0.4%
	$ 7,419,147		17.8%	$ 2,964,898		13.9%

Source: Town of Marana Finance Department, Arizona Department of Revenue

TOWN OF MARANA
FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function										
General Government	62.8	72.5	62.5	62.5	62.5	67.5	70.9	72.9	73.3	73.3
Public Safety										
Police										
Officers	78.0	80.0	79.0	80.0	80.0	81.0	83.0	85.0	87.0	103.0
Civilians	28.0	28.8	28.5	26.0	26.0	28.0	28.0	28.0	28.0	28.0
Building Safety	5.0	6.0	6.0	9.0	9.0	13.0	13.0	12.0	12.0	-
Highways and streets	31.0	32.0	32.0	36.0	36.0	35.0	35.0	34.0	36.0	39.0
Engineering	-	-	-	-	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-	-	-	-	-
Culture and recreation	43.8	41.5	41.7	33.3	33.3	36.5	38.5	41.8	41.0	40.0
Community Development	3.0	4.0	3.0	-	-	-	-	-	-	-
Economic & Community Development	54.6	52.4	53.4	48.5	48.5	40.4	39.4	43.0	46.5	45.5
Water Utilities	15.4	18.1	20.1	19.1	19.1	22.0	23.0	23.0	24.0	25.2
Wastewater Utilities	N/A	N/A	-	4.0	4.0	4.0	4.0	4.0	5.0	7.0
Municipal Airport	-	-	-	1.0	1.0	1.0	3.0	3.0	3.0	3.0
Total	321.6	335.3	326.1	319.3	319.3	328.3	337.8	346.7	355.8	364.0

Source: Town of Marana; Annual Budget; Authorized position schedule.

TOWN OF MARANA
SINGLE FAMILY RESIDENTIAL PERMITS
LAST TEN FISCAL YEARS

Month	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
January	38	17	22	60	39	42	39	54	82	39
February	25	28	31	52	61	51	58	73	65	41
March	46	38	46	125	42	57	59	76	58	60
April	48	14	41	64	47	55	54	52	60	87
May	20	35	53	46	55	87	37	85	78	69
June	23	22	49	61	59	67	50	63	80	97
July	44	32	70	74	41	59	36	73	79	82
August	28	31	46	60	50	35	47	75	67	60
September	18	22	29	44	29	52	37	40	57	64
October	22	30	56	46	71	62	57	62	61	
November	12	22	35	27	88	22	51	75	74	
December	19	46	48	43	30	33	58	45	59	
Calendar Total	343	337	526	702	612	622	583	773	820	599
Fiscal Total	342	297	425	692	597	668	560	689	793	790

Source: Town of Marana Finance Department, Town of Marana Building Services

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TOWN OF MARANA
CAPITAL ASSET STATISTICS BY FUNCTION
AS OF JUNE 30, 2019

Function	Fiscal Year 2010	2011	2012	2013	2014	2015	2016
Public Safety							
Police:							
Stations	1	1	1	1	1	1	1
Substations	1	1	1	1	1	1	1
Police Vehicles	113	113	113	99	118	129	128
Highways and Streets							
Street (miles)	300	300	300	494	494	511	518
Culture and Recreation							
Parks	7	7	7	8	8	8	9
Parks Acreage	84	84	84	139	139	139	157
Trails in Miles - Hiking	28	28	28	37	37	37	38
Trails in Miles - Paved	16	16	16	16	16	18	19
Splash Pads	-	-	-	-	-	-	-
Swimming Pools	1	1	1	1	1	1	1
Tennis Courts	5	5	5	6	6	6	6
Senior/Community Center	1	1	1	1	1	1	1
Water Systems							
Miles of Water Mains	70	70	70	128	132	135	138
Number of Meters	4,755	5,556	5,734	6,002	6,272	6,429	6,745
Wastewater*							
Number of Manholes	N/A	N/A	841	863	863	891	909
Sewer Mains (miles)	N/A	N/A	46.4	47.5	47.5	48.33	49.2
Avg Daily Sewage Treated (MGD)	N/A	N/A	0.192	0.198	0.287	0.348	0.360

Notes:
*Due to the wastewater plant transfer from Pima County on January 3, 2012 infromation is reflected from that point forward. Prior years are not available however will be accumulated and reported each year until the ten years of data is presented.

Source: This information is provided from the Town's facility records.

2017	2018	2019
1	1	1
1	1	1
129	129	131
520	524	540
9	9	10
157	158	182
39	39	41
21	21	21
1	1	2
1	1	1
6	6	6
1	1	1
146	149	157
7,205	7,850	8,533
978	1066	1235
53.6	58.5	62.9
0.425	0.480	0.520

MARANA AZ
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Financial Reports

MARANA AZ
ESTABLISHED 1977

ANNUAL EXPENDITURE LIMITATION REPORT

Year Ended June 30, 2019

Henry+Horne

TOWN OF MARANA, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT
FOR THE YEAR ENDED JUNE 30, 2019

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INDEPENDENT ACCOUNTANTS' REPORT

The Auditor General of the State of Arizona and
The Honorable Mayor and Town Council
of the Town of Marana, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of Town of Marana, Arizona for the year ended June 30, 2019. The Town's management is responsible for presenting this report in accordance with the uniform expenditure reporting system as described in Note 1. Our responsibility is to express an opinion on this report based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether this report is presented in accordance with the uniform expenditure reporting system in all material respects. An examination involves performing procedures to obtain evidence about the amounts and disclosures in the report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the report, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Annual Expenditure Limitation Report of Town of Marana, Arizona, referred to above is presented in accordance with the uniform expenditure reporting system as described in Note 1 in all material respects.

Henry + Horne, LLP

Tempe, Arizona
December 16, 2019

TOWN OF MARANA, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT-PART I
YEAR ENDED JUNE 30, 2019

1. Economic Estimates Commission expenditure limitation	$ 19,386,056	
2. Voter-approved alternative expenditure limitation (Approved November 8, 2016) See Note 1	141,670,280	
3. Enter applicable amount from Line 1 or Line 2		$ 141,670,280
4. Amount subject to the expenditure limitation (total amount from Part II, Line C)	92,133,495	
5. Board-authorized expenditures necessitated by a disaster the Governor declared	-	
6. Board-authorized expenditures necessitated by a disaster the Governor did not declare	-	
7. Prior-year, voter-approved expenditures to exceed the expenditure limitation for the reporting fiscal year	-	
8. Subtotal		92,133,495
9. Board-authorized excess expenditures for the previous fiscal year necessitated by a disaster the Governor did not declare and the voters did not approve	-	
10. Total adjusted amount subject to the expenditure limitation		92,133,495
11. Amount under (in excess of) the expenditure limitation		-
		$ 49,536,785

I hereby certify, to the best of my knowledge and belief, that the information contained in this report is accurate and in accordance with the requirements of the uniform expenditure reporting system.

Signature of Chief Fiscal Officer: _____

Name and Title: Yiannis Kalaitzidis, Finance Director

Telephone Number: 520-382-3493 Date: _____

TOWN OF MARANA, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT-PART II
YEAR ENDED JUNE 30, 2019

Description		Governmental Funds	Enterprise Funds	Internal Service Funds	Total
A.	Amounts reported on the Reconciliation, Line D	$ 77,454,258	$ 14,624,522	$ 4,427,741	$ 96,506,521
B.	Less exclusions claimed:				
1.	Debt proceeds	3,845,000	528,026	-	4,373,026
2.	Debt service requirements				
3.	Dividends, interest, and gains on the sale or redemption of investment securities	-	-	-	-
4.	Trustee or custodian	-	-	-	-
5.	Grants and aid from the federal government				
6.	Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes	-	-	-	-
7.	Amounts received from the State of Arizona	-	-	-	-
8.	Quasi-external interfund transactions				
9.	Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements				
10.	Highway user revenues in excess of those received in fiscal year 1979-80	-	-	-	-
11.	Contracts with other political subdivisions	-	-	-	-
12.	Refunds, reimbursements, and other recoveries				
13.	Voter-approved exclusions not identified above	-	-	-	-
14.	Prior years carryforward				
15.	Qualifying capital improvement expenditures repaid in accordance with A.R.S. §41-1279.07	-	-	-	-
16.	Total exclusions claimed	3,845,000	528,026	-	4,373,026
C.	Amounts subject to the expenditure limitation	$ 73,609,258	$ 14,096,496	$ 4,427,741	$ 92,133,495

TOWN OF MARANA, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT-RECONCILIATION
YEAR ENDED JUNE 30, 2019

Description	Governmental Funds	Enterprise Funds	Internal Service Funds	Total
A. Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements	$ 77,561,708	$ 12,849,009	$ 4,427,741	$ 94,838,458
B. Deductions:				
1. Items not requiring use of working capital:				
Depreciation	-	3,745,126	-	3,745,126
Loss on disposal of capital assets	-	1,622,069	-	1,622,069
Bad debt expense	-	-	-	-
Other postemployment benefits (OPEB) expense	-	-	-	-
Claims incurred but not reported (IBNR)	-	-	-	-
Landfill closure and postclosure care costs	-	-	-	-
Pension Expense	-	82,485	-	82,485
2. Expenditures of separate legal entities established under Arizona Revised Statutes	-	-	-	-
3. Required fees paid to the Arizona Department of Revenue	107,450	-	-	107,450
4. Present value of net minimum capital lease and installment purchase contract payments recorded	-	-	-	-
as expenditures at inception of the agreements	-	-	-	-
5. Involuntary court judgments	-	-	-	-
6. Total subtractions	107,450	5,449,680	-	5,557,130
C. Additions:				
1. Principal payments on long-term debt	-	405,000	-	405,000
2. Acquisition of capital assets	-	6,601,958	-	6,601,958
3. Claims previously recognized as IBNR	-	-	-	-
4. Landfill closure and postclosure care costs paid in the current year but reported as expenses in previous years	-	-	-	-
5. Pension Contributions	-	218,235	-	218,235
6. Total additions	-	7,225,193	-	7,225,193
D. Amounts reported on Part II, Line A	$ 77,454,258	$ 14,624,522	$ 4,427,741	$ 96,506,521

TOWN OF MARANA, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT
Year Ended June 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Annual Expenditure Limitation Report (AELR) is presented as prescribed by the Uniform Expenditure Reporting System (UERS), as required by Arizona Revised Statutes §41-1279.07, and in accordance with the voter-approved alternative expenditure limitation adopted November 8, 2016, as authorized by the Arizona Constitution, Article IX, §20 (9).

In accordance with the UERS requirements, a note to the AELR is presented below for any exclusion claimed on part II and each subtraction or addition in the Reconciliation that cannot be traced directly to an amount reported in the fund financial statements. All references to financial statement amounts in the following notes refer to the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental Funds, Statement of Revenues, Expenses, and Changes in Net Position for the Proprietary Funds, Statement of Cash Flows for the Proprietary Funds, and the Employee Retirement Systems disclosure.

NOTE 2 RECONCILIATION DEDUCTIONS AND ADDITIONS

The subtraction of $82,485 for pension expense consists of the change in the net pension liability recognized in the current year in the Enterprise Funds. The addition of $218,235 for pension contributions paid in the current year consists of the required pension contributions made to the Arizona State Retirement System from the Enterprise Funds.

The addition of $405,000 for principal payments on long-term debt in the Enterprise Funds consists of $226,000 paid on loans payable and $179,000 paid on bonds payable, during the current fiscal year. The addition for the acquisition of capital assets consists of $6,601,958 paid for various capital assets in the Enterprise Funds.

The subtraction of $107,450 for fees required by law to be paid to Arizona state agencies consists of payments to the Arizona Department of Revenue as required by Laws 2015, Chapter 323, HB2617, which were recorded as general government expenditures.

Financial Reports

SINGLE AUDIT REPORTING PACKAGE

Year Ended June 30, 2019

TOWN OF MARANA, ARIZONA
SINGLE AUDIT REPORTING PACKAGE
YEAR ENDED June 30, 2019

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Mayor and Town Council
Town of Marana, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Marana, Arizona, (Town), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Town of Marana's basic financial statements, and have issued our report thereon dated December 16, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Town of Marana, Arizona's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town of Marana, Arizona's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Marana, Arizona's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Marana, Arizona's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Henry + Horne, LLP

Tempe, Arizona
December 16, 2019

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor and Town Council
Town of Marana, Arizona

Report on Compliance for Each Major Federal Program

We have audited Town of Marana, Arizona's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of Marana, Arizona's major federal programs for the year ended June 30, 2019. The Town of Marana, Arizona's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the Town of Marana, Arizona's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Marana, Arizona's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town of Marana, Arizona's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town of Marana, Arizona, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the Town of Marana, Arizona, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Marana, Arizona's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Marana, Arizona's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Marana, Arizona, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town of Marana, Arizona's basic financial statements. We issued our report thereon dated December 16, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Henry + Horne, LLP

Tempe, Arizona
December 16, 2019

TOWN OF MARANA, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor / Pass-Through Grantor / Program Title	CFDA Number	Grantor's Number	Expenditures
U.S. Department of Housing and Urban Development			
Passed through Pima County			
Community Development Block Entitlement Grant Cluster			
Community Development Block Grant 2017-2018	14.218	CT.CD.17*210	$ 20,623
Community Development Block Grant 2018-2019	14.218	CT.CD.19*253	54,333
Total Community Development Block Entitlement Grant Cluster			74,956
Total U.S. Department of Housing and Urban Development			74,956
U.S. Department of Justice			
Direct Grant			
Bulletproof Vests	16.607	JAG-06-135	9,746
Drug Enforcement Administration	16.001	Resolution 2018-076 MOU	11,210
Passed through ACJC to City of Tucson -			
Counter Narcotics Alliance	16.738	DC-19-013	117,546
Total U.S. Department of Justice			138,502
Executive Office of the President, Office of National Drug Control Policy			
Passed through Pima County -			
High Intensity Drug Trafficking Program	95.001	HT-17-A007A	17,540
High Intensity Drug Trafficking Program	95.001	HT-18-2807	110,800
Total Executive Office of the President, Office of National Drug Control Policy			128,340
U.S. Department of Transportation			
Federal Aviation Administration			
Direct Grant			
FAA 22 Grant - Construction of Apron and Taxiway B Rehabilitation	20.106	3-04-0058-022-2018	3,253,705 *
Passed through Governor's Office of Highway Safety-			
Highway Safety Cluster			
Selective Traffic Enforcement (Step/Speed)	20.616	2018-PTS-033	2,004
Selective Traffic Enforcement (Step/Speed)	20.616	2019-PTS-025	12,516
DUI/Impaired Driving Enforcement	20.616	2018-II-003	13,896
DUI/Impaired Driving Enforcement	20.616	2019-II-003	30,000
Total Highway Safety Cluster			58,416
Passed through Arizona State Parks and Trails			
Highway Planning and Construction Cluster			
CAP Trails and Trailhead Project	20.219	471617	8,840
Total Highway Planning and Construction Cluster			8,840
Total U.S. Department of Transportation			67,256
U.S. Department of Homeland Security			
Passed through Arizona Department of Emergency and Military Affairs -			
Emergency Management Performance Grant	97.042	2018-EP-00012	33,893
Homeland Security Grant Program - Operation Stonegarden	97.067	170422-01	27,262
Homeland Security Grant Program - Operation Stonegarden	97.067	180422-01	151,055
AZ DEMA - 2018 National Homeland Security Conference	97.067	0424	2,148
AZ DEMA - 2019 National Homeland Security Conference	97.067	0368	2,573
2018 International Association of Emergency Managers (IAEM) Conference	97.067	0391	2,343
Total U.S. Department of Homeland Security			219,274

TOWN OF MARANA, ARIZONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor / Pass-Through Grantor / Program Title	CFDA Number	Grantor's Number	Expenditures
U.S. Department of Treasury			
Direct Grant			
Secret Service	21.004	MOU	1,346
U.S. Environmental Protection Agency			
Passed through the Water Infrastructure Finance Authority of Arizona			
Clean Water State Revolving Fund Cluster			
Adonis Lift Station - Design and Construction	66.458	910176-19	212,645
Total Clean Water Sate Revolving Fund Cluster			212,645
Total Expenditures of Federal Awards			$ 4,096,024

** Denotes major program*

TOWN OF MARANA, ARIZONA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town of Marana under programs of the federal government for the year ended June 30, 2019. The information in this schedule is presented in accordance with requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town of Marana, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town of Marana.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

B) The Town of Marana has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

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TOWN OF MARANA, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2019

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___yes __X__no
- Significant deficiency(ies) identified that are not considered to be a material weakness(es)? ____ yes __X_none reported

Noncompliance material to financial statements noted? ____ yes __X__no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ____ yes __X_ no
- Significant deficiency(ies) indentified that are not considered to be a material weakness(es)? ____ yes __X_ none reported

Type of auditors' report issued on compliance for each major program listed below Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? ____ yes __X_no

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
20.106	Airport Improvement Grant Program

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

Auditee qualified as low-risk auditee? ___ yes __X__ no

TOWN OF MARANA, ARIZONA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2019

SECTION II – FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

None noted.

SECTION III – FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

None Noted

Fiscal Year 2018-2019 Audit Summary and Final Results

Yiannis Kalaitzidis, CPA
Finance Director

January 14, 2020

MARANA AZ
ESTABLISHED 1977

AUDIT SUMMARY

Auditors' Report on the Financial Statements

- Unmodified Opinion - Financial Statements are fairly presented in accordance with Generally Accepted Accounting Principles (GAAP).
- Compliance on Internal Controls over Financial Reporting

Other issues discussed

- Difficulties Encountered in Performing the Audit
- Corrected and Uncorrected Misstatements
- Disagreements with Management

MARANA AZ
ESTABLISHED 1977

AUDIT SUMMARY

- Annual Expenditure Limitation Report
  - Town's voter-approved alternative expenditure limitation for 2019 was $141.6 million. Actual expenditures under the limitation were $49.5 million.

- No Single Audit
  - Audit report required when federal expenditures exceed $750,000
  - F/Y 2019 federal expenditures were $4,096,024

FINAL RESULTS – GENERAL FUND

	Budgeted Amounts			
	Original	Final	Actual	Percent of Budget
Revenues	$44,806,009	$44,806,009	$50,147,453	111.9%
Expenditures	49,816,341	49,816,341	39,674,172	79.6%
Excess (deficiency) of revenues over expenditures	(5,010,332)	(5,010,332)	10,473,281	-209.0%
Other financing sources (uses)	(3,531,371)	(3,531,371)	(3,505,348)	
Changes in fund balances	(8,541,703)	(8,541,703)	6,967,933	
Fund balances, beginning of year	29,587,923	29,587,923	29,587,923	
Fund balances, end of year	$21,046,220	$21,046,220	$36,555,856	

FINAL RESULTS – HIGHWAY USER REVENUE FUND

	Budgeted Amounts			
	Original	Final	Actual	Percent of Budget
Revenues	$3,276,078	$3,276,078	$3,647,574	111.3%
Expenditures	3,901,049	3,901,049	2,486,699	63.7%
Excess (deficiency) of revenues over expenditures	(624,971)	(624,971)	1,160,875	-185.7%
Changes in fund balances	(624,971)	(624,971)	1,160,875	
Fund balances, beginning of year	1,856,009	1,856,009	1,856,009	
Fund balances, end of year	$1,231,038	$1,231,038	$3,016,884	

FINAL RESULTS – BED TAX FUND

	Budgeted Amounts			
	Original	Final	Actual	Percent of Budget
Revenues	$1,088,016	$1,088,016	$1,327,289	131.7%
Expenditures	1,088,016	1,088,016	831,818	90.4%
Excess (deficiency) of revenues over expenditures	-	-	495,471	
Changes in fund balances	-	-	495,471	
Fund balances, beginning of year	1,420,128	1,420,128	924,657	
Fund balances, end of year	$1,420,128	$1,420,128	$1,420,128	

FINAL RESULTS – ½ CENT TAX FUND

	Budgeted Amounts			
	Original	Final	Actual	Percent of Budget
Revenues	$2,952,570	$2,952,570	$2,966,923	100.5%
Expenditures	6,506,234	6,506,234	6,027,015	92.6%
Excess (deficiency) of revenues over expenditures	(3,553,664)	(3,553,664)	(3,060,092)	86.1%
Changes in fund balances	(3,553,664)	(3,553,664)	(3,060,092)	
Fund balances, beginning of year	3,060,092	3,060,092	3,060,092	
Fund balances, end of year	($493,572)	($493,572)	$ -	

FINAL RESULTS – TRANSPORTATION FUND

	Budgeted Amounts			
	Original	Final	Actual	Percent of Budget
Revenues	$5,906,742	$5,906,742	$7,496,222	143.8%
Expenditures	21,476,467	21,476,467	11,374,090	53.0%
Excess (deficiency) of revenues over expenditures	(15,569,725)	(15,569,725)	(2,877,868)	18.5%
Other financing sources (uses)	(577,580)	(577,580)	(762,783)	
Changes in fund balances	(16,147,305)	(16,147,305)	(3,640,651)	
Fund balances, beginning of year	17,024,540	17,024,540	17,024,540	
Fund balances, end of year	$877,235	$877,235	$13,383,889	

FINAL RESULTS – ENTERPRISE FUNDS

	Water	Wastewater	Airport	Total
Operating revenues	$5,749,523	$1,626,394	$350,248	$7,726,165
Operating expenses	5,994,701	2,580,186	1,395,167	9,970,054
Operating loss	(245,178)	(953,792)	(1,044,919)	(2,243,889)
Nonoperating revenue (expense)	(125,984)	(2,675,831)	-	(2,801,815)
Contributions and transfers	2,721,060	3,019,392	3,924,549	9,665,001
Changes in net position	2,349,898	(610,231)	2,879,630	4,619,297
Net position, beginning of year	35,867,726	41,931,416	14,058,288	91,857,430
Net position, end of year	$38,217,624	$41,321,185	$16,937,918	$96,476,727

Questions?

Council-Study Session **D2**

Meeting Date: 01/14/2020

To: Mayor and Council

From: Yiannis Kalaitzidis, Finance Director

Date: January 14, 2020

Strategic Plan Focus Area:
Commerce, Community, Heritage, Recreation, Progress & Innovation

Strategic Plan Focus Area Additional Info:
Financial sustainability, quality public service, strategic partnerships and local resource investment are overriding principles of the Strategic Plan.

Subject: Relating to Budget; presentation, discussion and direction regarding the framework for development of the fiscal year 2020-2021 budget and its role in the implementation of the Strategic Plan (Jamsheed Mehta and Yiannis Kalaitzidis)

Discussion:

This item brings forward the framework for development of the fiscal year 2020-2021 budget as a tool for implementation of the Town's Strategic Plan. The Marana Strategic Plan is the Council's policy document for the future vision of the community. The initiatives and goals included within the Strategic Plan drive services and programs in future years which will be included in the annual budget documents.

Current economic assessments show the economy increasing overall, although at a lower rate than prior periods. Staff will continue to monitor the markets and follow developments at both state and federal levels to assess the true potential impact to our economy. We will continue to maintain a thoughtful investment strategy that continues to place resources in areas that maintain or enhance core services.

In addition, tonight's presentation will provide a status overview of certain elements of the Strategic Plan and a preliminary outlook into major revenue sources. We will discuss key issues going into the fiscal year 2020-2021 budget, as well as any additional issues the Council wishes to discuss. Supplemental materials will be provided at the meeting.

Staff Recommendation:
Presentation only.

Suggested Motion:
Council's pleasure.

Attachments

No file(s) attached.

Council-Study Session **D3**

Meeting Date: 01/14/2020

To: Mayor and Council

From: Jane Fairall, Deputy Town Attorney

Date: January 14, 2020

Strategic Plan Focus Area:
Not Applicable

Subject: Relating to Public Works; discussion, consideration, and feedback regarding key policy considerations for use of Town-owned fiber conduit and ducts by third parties (Jane Fairall)

Discussion:

The Town of Marana owns buried ducts in various rights-of-way located throughout the Town. A map is included in the agenda materials depicting the locations. A typical duct includes 3 inner ducts - 1 in use by the Town and 2 spares. The Town has received requests from cable, telecommunications, and internet providers to use spare Town-owned inner ducts.

This item is for discussion and direction regarding a possible Town policy for the use of the Town's ducts. Key policy consideration include:

- Should the Town allow others to use Town ducts?
- What should be the financial basis for the charge for use of the duct?
- What should be the term of years (duration) for use of the duct?
- Should the Town require facilities to be removed from the duct upon termination?
- Should the Town have a standard form of contract for use of a Town duct?

Financial Impact:

Allowing the use of Town ducts by third parties and charging a rental amount for that use could provide a new ongoing revenue source for the Town.

Staff Recommendation:

Council's pleasure.

Suggested Motion:
Council's pleasure.

Attachments

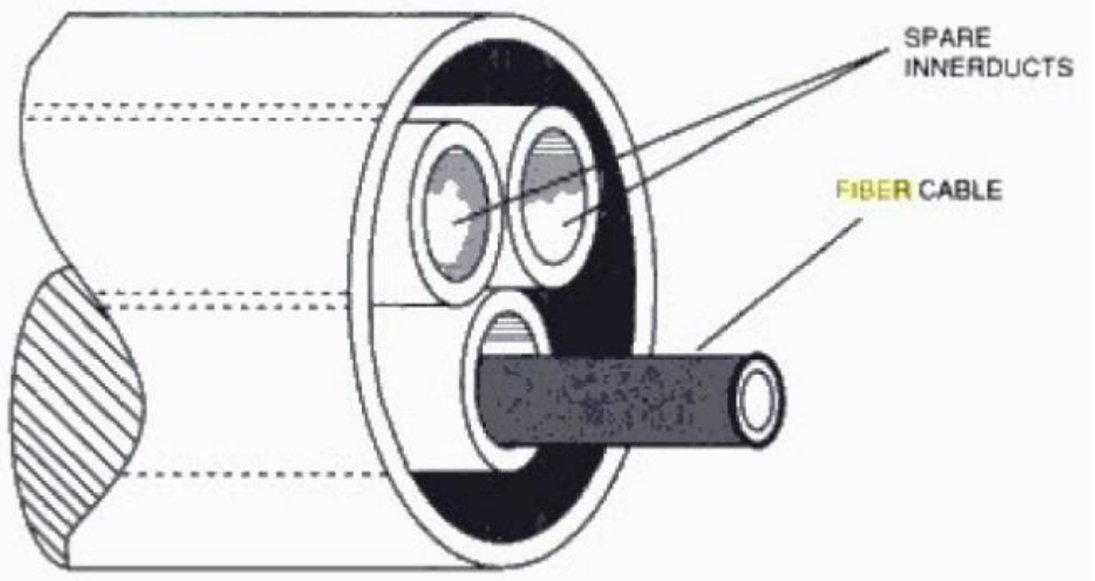
PowerPoint Presentation
Map of Fiber Conduit Locations

Use of Town-Owned Fiber Conduit/Ducts

Jane Fairall, Deputy Town Attorney

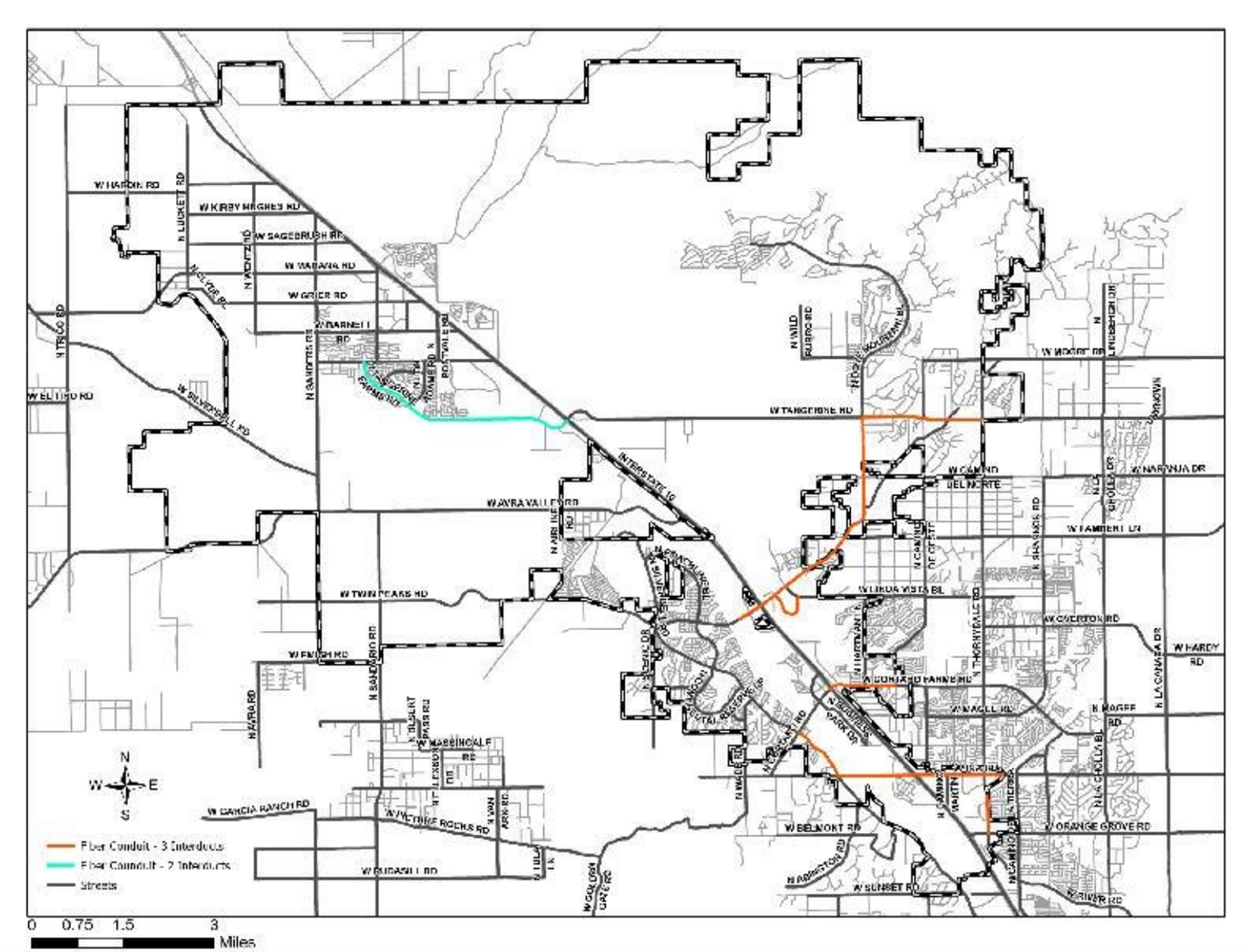
Background

- Town owns buried ducts in various rights-of-way in town
- Typical duct includes 3 inner ducts, 1 in use by the Town and 2 spares
- Town has received requests from cable, telecom & internet providers to use spare inner ducts



Proper duct utilization.

Location of Ducts



Key Policy Questions

- Should the Town allow others to use Town ducts?
- What should be the financial basis for the charge for use of the duct?
- What should be the term of years (duration) for use of the duct?
- Should the Town require facilities to be removed from the duct upon termination?
- Should the Town have a standard form of contract for use of a Town duct?

Use by Others

- Should we allow others to use Town ducts?
- Pros
  - Helps Town recoup some of its cost of installing facilities
  - Reduces utility conflicts by minimizing new cuts
  - Less disruptive to traveling public
- Cons
  - May give third party conduit user the expectation of permanence
  - May shift some risk of conduit or facility failure to the Town
  - The proximity of the inner ducts could result in conduit user's facility failures interfering with Town facilities and other conduit users' facilities

Financial Basis

- What should be the financial basis for the charge for use of the duct?
  - Town's actual cost of installing the duct
  - User's estimated cost of installing a line if they were not able to use the Town's duct
  - "In-kind" or revenue sharing agreements
  - Annual per linear foot charge
    - e.g. Pima County: 35 cents per foot/per year (agreement entered into in 2011)
    - Could be adopted via comprehensive fee schedule

Duration

- What should be the term of years (duration) for use of the duct?
  - Renewed every 5 or 10 years
  - Permanent

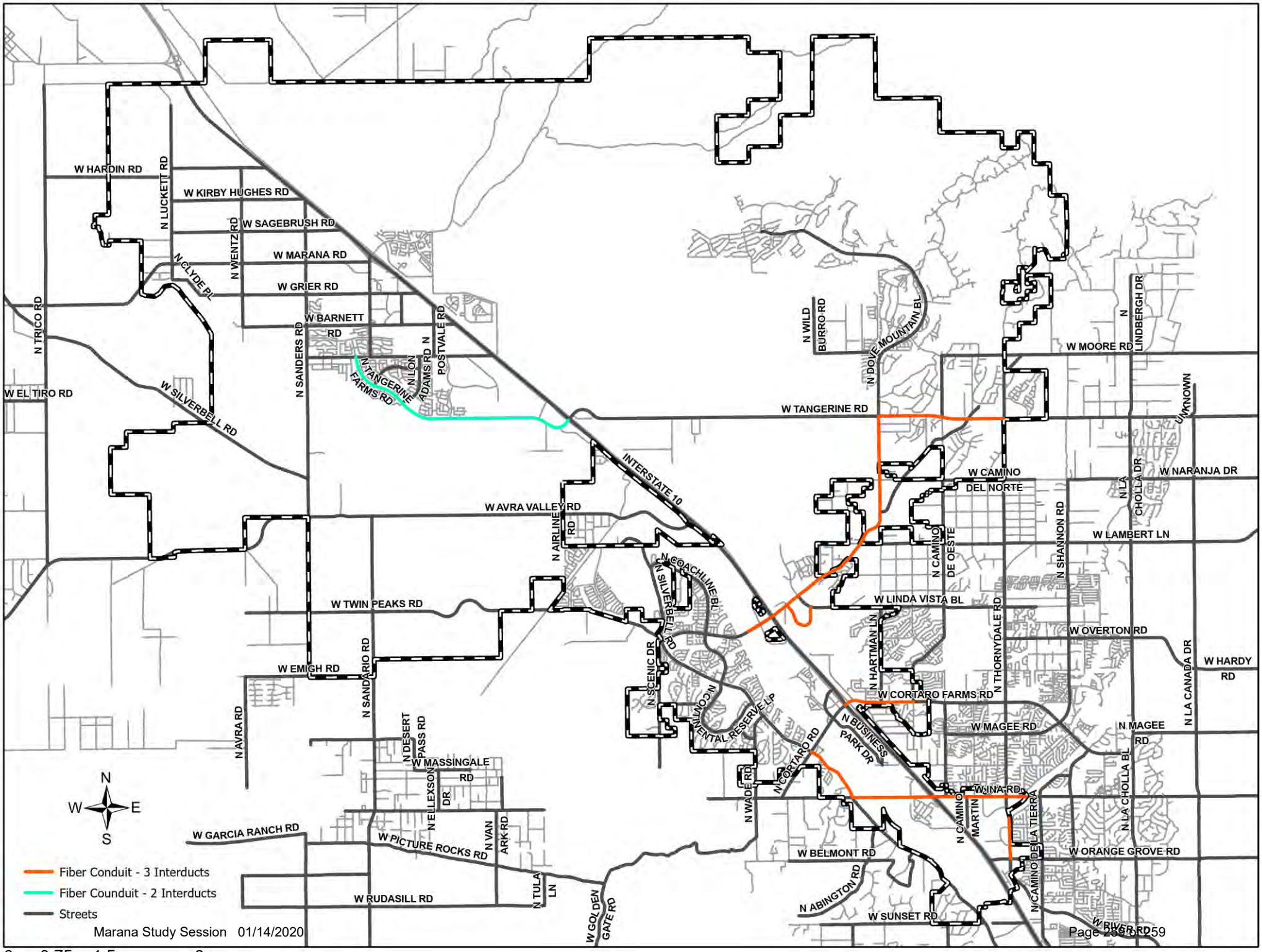
Removal of Facilities

- Should the Town require facilities to be removed from the duct upon termination?
  - Could reduce the value of the duct to the user
  - Should require the user to put up security for the removal
  - Removal will make the duct available to other users and will avoid doubts about live vs. dead facilities

Form of Contract

- Should the Town have a standard form of contract for use of a Town duct?
  - Master agreement to use our system from time-to-time, as the need arises, at various locations, subject to individually executed Conduit Orders
  - Individual, ad-hoc agreements for each use
  - Use provider's form of agreement

Feedback and Questions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N THORNYDALE RD
N SHANNON RD
W LINDA VISTA BL
W CORTARO FARMS RD
W MAGEE RD
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N ABINGTON RD
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